

January 7, 2025

The Honorable Gina Raimondo
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, D.C. 20230

Secretary Raimondo:

I write on behalf of ITI member companies to express concern that the Administration intends to issue an interim final rule related to export controls and “Artificial Intelligence (AI) diffusion,” as early as this Friday, January 10, 2025. **ITI reiterates our request that the U.S. government issue any such contemplated rule as a Notice of Proposed Rulemaking (NPRM), rather than an interim final or final rule, given the significant potential geopolitical and economic implications of the proposed approach.**

As I expressed in my December 9, 2024 letter to NSC and NEC Directors Jake Sullivan and Lael Brainard, industry remains troubled by the Administration’s insistence on publishing a complex and consequential rule of this nature – without any prior consultation with industry or other stakeholders – in the final days of President Biden’s term. While ITI appreciates the U.S. government’s commitment to national and economic security, the proposed approach’s potential risks to U.S. global leadership in AI are real and should be taken seriously.

As we understand it, the rule would place global restrictions on countries’ access to integrated circuits, regardless of cluster size or use case. A rule of this nature would cede the global market to U.S. competitors who will be eager to fill the untapped demand created by placing arbitrary constraints on U.S. companies’ ability to sell basic computing systems overseas. Should the U.S. lose its advantage in the global AI ecosystem, it will be difficult, if not impossible, to regain in the future.

ITI has not only raised our concerns with the National Security Council and National Economic Council, but we have also met with staff in the Office of Management and Budget/Office of Information and Regulatory Affairs (OMB/OIRA) and Department of Commerce/Bureau of Industry and Security (BIS) to demonstrate why the rule should be considered “economically significant,” as defined by [Executive Order 12866](#). This EO requires that rules deemed economically significant undergo a robust public review and consultation process, to which the draft rule has not yet been subject even though the proposed approach would clearly exceed the “economically significant” threshold of \$200 million or more in annual economic impact.

If implemented hastily, a rule of this nature would fragment global supply chains, potentially encouraging multinational companies and customers to limit their reliance on U.S. technology. Rushing a consequential and complex rule to completion could have significant adverse consequences that the Biden Administration will soon no longer be able to manage and address. We urge the Biden Administration to follow the appropriate regulatory review process and not destabilize global export controls at a time when stability will be especially important.

Sincerely,



Jason Oxman
President & CEO
Information Technology Industry Council (ITI)

CC:
NSC Director Sullivan
NEC Director Brainard
Under Secretary of BIS Estevez
OMB Director Young
Deputy Secretary of State Campbell