U.S. Chamber of Commerce

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Hearing Before the House Committee on Small Business Entitled: AI on Main Street: How AI is Shaping the Future of Small Business

Chairman Williams, Ranking Member Velázquez, and distinguished Members of the Committee:

Thank you for the opportunity to testify before the House Committee on Small Business on the critical topic of artificial intelligence and its impact on America's small business community. My name is Jordan Crenshaw, and I serve as Senior Vice President at the U.S. Chamber of Commerce, where I lead the Chamber's technology policy work, including our efforts on artificial intelligence, data privacy, and emerging technologies.

The U.S. Chamber of Commerce is the world's largest business federation, representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers of commerce and industry associations. Small businesses are the backbone of the American economy, and the Chamber is deeply committed to ensuring that they have every opportunity to thrive in an increasingly technology-driven marketplace.

Today's hearing comes at a pivotal moment. Artificial intelligence is facilitating an Entrepreneurship Revolution and is no longer a technology of the future—it is a technology of the present, and small businesses across America are already using it to compete, grow, and serve their customers. The Chamber's 2025 *Empowering Small Business*[1] report, conducted in partnership with Teneo, documents this transformation in compelling detail. At the same time, our Commission on Artificial Intelligence Competitiveness, Inclusion, and Innovation laid out a comprehensive framework for how policymakers can support responsible AI adoption while preserving America's global leadership in this critical technology.[2]

My testimony today will address five areas: (1) the general benefits of AI for small businesses; (2) use cases and adoption rates; (3) workforce needs and opportunities; (4) impediments to adoption; and (5) the policy positions the Chamber supports to accelerate responsible AI adoption by small businesses.

I. GENERAL BENEFITS OF ARTIFICIAL INTELLIGENCE FOR SMALL BUSINESSES

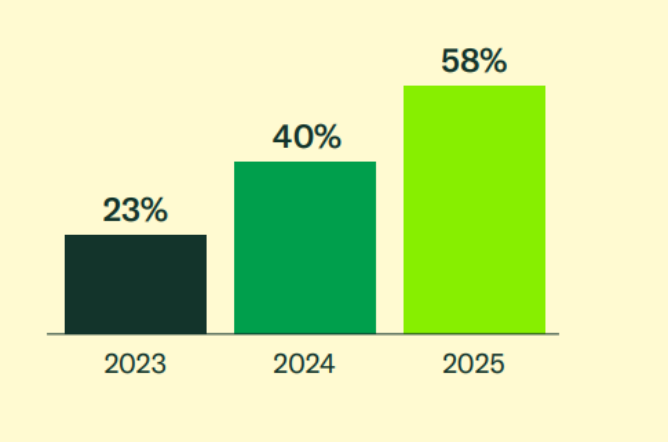
Artificial intelligence represents one of the most significant economic opportunities for small businesses in a generation. For decades, many of the most powerful business tools—sophisticated data analytics, personalized marketing, automated customer service, advanced

[1] https://www.uschamber.com/assets/documents/Empowering-Small-Business-Report-2025.pdf
[2] https://www.uschamber.com/assets/documents/CTEC_AICommission2023_Report_v5.pdf

inventory management—were available only to large enterprises with the capital and technical staff to deploy them. AI is rapidly democratizing access to these capabilities, placing enterprise-grade tools within reach of the small business owner on Main Street.

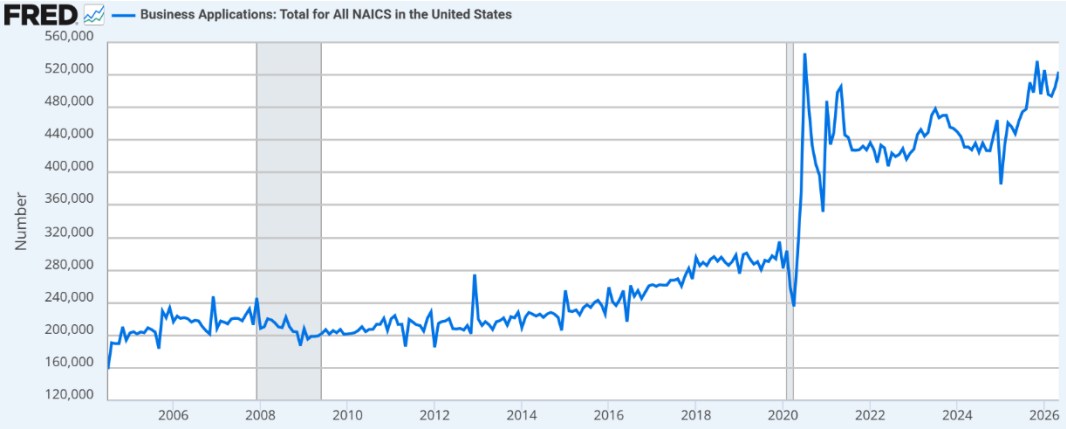
The Chamber's 2025 *Empowering Small Business* report makes this point with striking clarity. Small businesses that have adopted AI are reporting tangible, measurable benefits across virtually every dimension of their operations. They are saving time, reducing costs, improving customer experiences, and making better-informed decisions. In a competitive environment where small businesses must do more with less, AI is proving to be a genuine force multiplier.

58% of U.S. small businesses reported using generative AI in 2025 — up from 40% in 2024 and just 23% in 2023. This rapid acceleration demonstrates that AI adoption among small businesses is not a niche phenomenon but a mainstream business reality.



Small businesses have always been early technology adopters because the use of technology enables a one-person firm to compete with global multi-national companies. It is not a coincidence that new business application rates have skyrocketed with the advent of AI. 60% of small business leaders across global markets say starting and running a business is easier today because of AI.[3]

[3] LinkedIn Work Change Special Report, "How Small Businesses Can Win in 2026," view summary at: https://www.uschamber.com/co/run/technology/ai-powered-growth-engines.



The benefits extend across sectors. In retail, AI helps small business owners predict demand, manage inventory, and personalize the shopping experience. In professional services, AI accelerates research, drafting, and client communications. In manufacturing and food production, AI optimizes processes and reduces waste. In healthcare and wellness, AI supports scheduling, billing, and patient engagement. The common thread is efficiency—AI helps small businesses accomplish more with the same or fewer resources.

Beyond operational efficiency, AI is helping small businesses compete against larger rivals. A small marketing agency can now deploy AI-powered tools to analyze campaign performance and optimize ad spending in ways that previously required a dedicated data science team. A small e-commerce retailer can use AI to personalize product recommendations with the same sophistication as a major platform. A local accounting firm can use AI to automate routine tasks and focus its human talent on higher-value advisory work.

The Chamber's AI Commission report underscores that AI's potential to drive economic growth and improve quality of life is immense. For small businesses specifically, AI offers the prospect of closing the competitive gap with larger enterprises, expanding into new markets, and building more resilient operations. This is not merely a business story—it is an American competitiveness story. Ensuring that small businesses can access and benefit from AI is essential to maintaining the dynamism and innovation that define the U.S. economy.

Furthermore, the data show that AI adoption is correlated with job creation among small businesses. As detailed further, 82% of small businesses using AI actually increased their workforce over the past year. This finding coincides with recent research indicating that firms of all sizes that are high adopters of AI grew their workforces.[4]

II. USE CASES AND ADOPTION RATES OF AI BY SMALL BUSINESSES

[4] https://ramp.com/data/ai-jobs-impact/paper.

The pace of AI adoption among small businesses has been remarkable. As noted above, the share of small businesses using generative AI has more than doubled in just two years — from 23% in 2023 to 58% in 2025. This trajectory reflects both the rapid improvement in AI tools and the growing recognition among small business owners that AI delivers real value.

Adoption by Sector

AI adoption is not uniform across industries. The Chamber's survey data show that technology companies lead adoption at 77%, followed by financial services at 74% and entertainment and media at 65%. However, adoption is growing across all sectors, including traditionally less technology-intensive industries such as retail (54%), food service (57%), and construction (47%). This broad-based growth reflects the increasing accessibility and affordability of AI tools designed for non-technical users.

Primary Use Cases

Small businesses are deploying AI across a wide range of functions. The most common use cases identified in the Chamber's survey include:

- **Customer Engagement and Marketing**: AI is being used to understand customer behavior, personalize communications, optimize advertising spending, and improve customer service through chatbots and automated response systems. Small businesses report that AI-powered marketing tools allow them to compete more effectively for customer attention in crowded digital marketplaces.

- **Inventory and Supply Chain Management**: AI helps small businesses predict demand, optimize stock levels, and navigate supply chain disruptions.

- **Administrative and Back-Office Automation**: Small businesses are using AI to automate routine tasks such as scheduling, invoicing, data entry, and compliance reporting. These applications free up owner and employee time for higher-value activities.

- **Financial Management**: AI tools are helping small businesses with bookkeeping, cash flow forecasting, fraud detection, and financial planning—capabilities that were previously accessible only to businesses with dedicated finance staff.

- **Human Resources and Hiring**: AI is being used to screen resumes, schedule interviews, and identify skills gaps within the workforce, helping small businesses compete for talent more effectively.

- **Operational Resilience**: During periods of inflation and supply chain disruption, small businesses have used AI to identify cost-saving opportunities, find alternative suppliers, and adjust pricing strategies in real time.

Key Finding: 96% of small business owners plan to adopt emerging technologies, including AI, in the near future —signaling that the current adoption wave is far from its peak and that the policy environment established today will shape the trajectory of small business AI adoption for years to come.

A powerful example of how AI is being used is Hrag Kalebjian, a continuous innovator and the owner of Henry's House of Coffee, a multi-generational family roaster based in San Francisco. I first met Hrag 4 years ago and he continues to amaze me with his thirst for innovation. Hrag Kalebjian leverages AI tools to craft SEO-optimized product descriptions that boost online visibility, and he relies on AI-driven analytics to understand the lifetime value of his buyers—enabling him to tailor marketing strategies and offer specific discounts to distinct customer segments. He also harnesses AI to tackle highly specific operational and creative challenges. When faced with the maddening production issue of static electricity causing ground coffee to cling to everything during bagging, he used ChatGPT to design and code a custom, sensor-driven "spritzer" system that sprays water at the precise moment to neutralize the static, vastly improving production speed. On the creative side, he had always wanted to design a coffee "advent calendar" for the holidays but was constrained by limits on his time and resources; using Google's Gemini, he was able to develop the full concept and turn his imagination into a finished product design in just 30 minutes. Hrag Kalebjian's story illustrates exactly how accessible AI tools can empower Main Street entrepreneurs to enhance customer retention, solve physical production bottlenecks, and expand their offerings in a digital economy.

The Generative AI Revolution

The emergence of generative AI tools—large language models capable of generating text, images, code, and other content—has been particularly transformative for small businesses. These tools require no specialized technical knowledge to use, making them accessible to business owners without dedicated IT staff. Small businesses are using generative AI for content creation, customer communications, proposal writing, social media management, and a host of other applications that previously required significant time or outside expertise.

The rapid adoption of generative AI reflects a broader truth: the most impactful AI tools for small businesses are those that are easy to use, affordable, and deliver immediate, tangible value. Policymakers should keep this in mind when considering regulations that could raise the cost or complexity of AI tools—even well-intentioned requirements can have outsized negative effects on small business users who lack the resources to navigate complex compliance regimes.

III. WORKFORCE NEEDS AND OPPORTUNITIES

One of the most persistent concerns about AI is its potential impact on employment. The Chamber's data tell a more nuanced and ultimately more optimistic story. Rather than displacing workers, AI adoption among small businesses is correlated with workforce growth

and investment in employee skills. 82% of small businesses using AI increased their workforce over the past year. This finding directly contradicts the narrative that AI leads to job losses and underscores the job-creating potential of responsible AI adoption.

When small businesses use AI to automate routine tasks, they free up their employees to focus on higher-value work that requires human judgment, creativity, and relationship-building. The result is not fewer jobs but better jobs — and more of them.

Upskilling and Workforce Development

The Chamber's survey data show that small businesses are actively investing in their workforces to prepare for an AI-enabled future. Among AI-using small businesses:

- 98% are working to upskill their employees in AI-related competencies.
- 41% are providing AI tools for employee self-learning.
- 39% are offering on-the-job training programs.
- 36% are looking for AI skills in hiring.

These figures demonstrate that small businesses are not passive recipients of AI technology—they are active participants in building the AI-ready workforce that America needs. However, small businesses face real constraints in their workforce development efforts. They typically lack the dedicated HR and training infrastructure of large enterprises, and they operate in a labor market where AI talent is scarce and expensive.

The Skills Gap Challenge

As of June 2026, the U.S. has more open jobs than available workers to fill these jobs. This worker shortage is more pronounced in certain states and is greatly exacerbated when coupled with the widening skills gap throughout our nation. The Chamber's AI Commission report identifies the AI skills gap as one of the most significant challenges facing American businesses of all sizes. For small businesses, this challenge is particularly acute. Many small business owners report that they struggle to find employees with the AI literacy needed to effectively deploy and manage AI tools. This skills gap is not merely a business problem—it is a national competitiveness problem.

Addressing the AI skills gap requires action at multiple levels. The Chamber's AI Commission recommends reforming K-12 and university curricula to emphasize STEM education, problem-solving, and AI literacy. At the workforce level, the Commission recommends investing in reskilling and upskilling programs, with particular attention to community colleges and vocational training institutions that serve working adults. The Commission also recommends targeted refinements to the H-1B visa process to expand the domestic AI talent pool.

To close the gap and support a fully productive workforce, the Chamber champions legislation that supports employers' efforts to establish registered apprenticeships, strengthen training programs for in-demand jobs, and create new funding mechanisms for skills development. For small businesses specifically, the Chamber supports federal programs that provide accessible, affordable AI training resources. This is why the Chamber strongly supports H.R. 5784, the AI-WISE Act, and H.R. 5764, the AI for Main Street Act, as discussed further.

The Chamber and the U.S. Chamber Foundation also recognize the importance of collaboration with local associations like state and local chambers of commerce and for this reason have launched the Small Business B(AI)sics Program to train over 40,000 small businesses on AI.[5]

AI as a Workforce Equalizer

It is worth emphasizing that AI has the potential to be a powerful equalizer in the labor market. AI tools can help workers with limited formal education perform tasks that previously required specialized training. They can help workers with disabilities participate more fully in the workforce. They can help workers in rural areas access opportunities that were previously available only in major metropolitan centers. Ensuring that small businesses—which are disproportionately located in rural and underserved communities—can access and benefit from AI is therefore not just an economic imperative but a social one.

IV. IMPEDIMENTS TO AI ADOPTION BY SMALL BUSINESSES

Despite the remarkable growth in small business AI adoption, significant barriers remain. The Chamber's survey data identify a range of impediments — from cost and technical complexity to regulatory uncertainty and privacy concerns — that are preventing many small businesses from realizing the full benefits of AI. Understanding these barriers is essential to designing effective policy responses.

A. Cost and Technical Complexity

For many small businesses, the upfront cost of AI tools and the technical expertise required to implement them remain significant obstacles. The Chamber's survey found that 30% of non-AI-using small businesses cite implementation costs as a primary barrier, and 33% cite concerns about the quality of available tools. Small businesses typically lack the IT staff and capital budgets of large enterprises, making it difficult to evaluate, procure, and deploy AI solutions.

B. Legal and Compliance Uncertainty

Twenty-eight percent of non-AI-using small businesses cite potential legal or compliance issues as a barrier to adoption. This finding reflects a broader concern that the rapidly evolving regulatory landscape for AI is creating uncertainty that discourages investment.

[5] https://www.uschamber.com/small-business/how-ai-can-help-small-businesses-compete-and-grow

When small business owners are unsure whether a particular AI application might expose them to legal liability or regulatory penalties, the rational response is often to avoid the technology altogether. C. The Patchwork Problem: State-Level Privacy and AI Regulation

Perhaps the most significant and growing impediment to small business AI adoption is the proliferation of inconsistent state-level privacy and AI regulations. The Chamber's 2025 survey found that 65% of small business owners are worried about a patchwork of state laws creating high litigation and compliance costs a 14-percentage point increase from the prior year. This dramatic increase reflects the accelerating pace of state-level AI and privacy legislation and the growing recognition among small business owners that navigating a 50-state patchwork of conflicting requirements is simply beyond their capacity.

The patchwork problem is not merely a compliance burden—it is a fundamental threat to the ability of small businesses to use data effectively. Small businesses rely on data to understand their customers, personalize their offerings, and compete in digital marketplaces. The Chamber's survey found that 75% of small businesses report that limited access to data would harm their operations, and 73% report that losing targeted advertising capabilities would harm their business. A fragmented regulatory landscape that imposes inconsistent data use restrictions across states directly undermines these capabilities.

Consider the practical reality facing a small business that operates in multiple states or sells online to customers across the country. That business must navigate not only federal requirements but also the privacy laws of California, Virginia, Colorado, Connecticut, Texas, and a growing number of other states—each with different definitions, requirements, and enforcement mechanisms. For a large corporation with a dedicated legal and compliance team, this is a significant but manageable burden. For a small business owner who is also the CEO, CFO, and head of HR, it is simply impossible.

Ashli Watts, President and CEO of the Kentucky Chamber of Commerce, recently presented testimony in support of a nationwide framework before the Committee on Energy and Commerce, Subcommittee on Commerce, Manufacturing and Trade. Ashli explained that if a small retail shop in Bowling Green KY wanted to expand its e-commerce business to California residents, the owner may have to pay over $16,000 annually just to comply with one California regulation.[6]

D. Burdensome AI-Specific Regulations

Beyond privacy, small businesses are increasingly concerned about the prospect of AI-specific regulations that would impose mandatory risk assessments, disclosure requirements, and human oversight obligations. The Chamber's survey found that 95% of small business owners report they would face challenges complying with such regulations. If enacted, 33%

[6] Written testimony of Ashli Watts, President and Chief Executive Officer, Kentucky Chamber of Commerce, before the Subcommittee on Commerce, Manufacturing and Trade, Committee on Energy and Commerce, U.S. House of Representatives, "Examining Legislation to Establish a Federal Comprehensive Privacy and Data Security Law" (June 3, 2026).

believe AI would become more expensive and 21% say they would be less likely to use AI at all. Take for example, California's CalPrivacy agency which turned a sentence of the California Consumer Privacy Act into ten pages of complex automated decision regulations that will cost over half a billion dollars.[7] Those rules, part of a larger set of data requirements was estimated by the state of California to cost small businesses $16,000 annually in compliance costs alone.[8]

The Chamber's AI Commission report warns against one-size-fits-all regulatory approaches that fail to account for the diversity of AI applications and the varying capacity of different types of businesses to comply. A regulation designed with large technology companies in mind may be entirely unworkable for a small business with limited technical and legal resources. Policymakers must be attentive to these asymmetric impacts and design regulatory frameworks that protect consumers and promote responsible AI development and deployment across the entire AI value chain.

E. Data Access and Targeted Advertising

Small businesses are particularly dependent on automated digital advertising platforms to reach customers, and AI-powered targeted advertising has been transformative for many of them. Restrictions on data use that limit the effectiveness of targeted advertising disproportionately harm small businesses, which lack the brand recognition and marketing budgets of large enterprises. The Chamber strongly opposes regulatory approaches that would effectively eliminate small businesses' ability to reach their customers through digital channels.

F. Infrastructure Gaps

In rural and underserved communities, inadequate broadband infrastructure remains a significant barrier to AI adoption. AI tools require reliable, high-speed internet connectivity, and many small businesses in rural areas lack access to the infrastructure needed to use them effectively. Addressing this infrastructure gap is a prerequisite for ensuring that the benefits of AI are broadly shared across the American economy.

V. RECOMMENDATIONS TO INCREASE AI ADOPTION BY SMALL BUSINESSES

The Chamber of Commerce has developed a comprehensive set of policy positions designed to accelerate responsible AI adoption by small businesses while protecting consumers and maintaining America's global leadership in AI. These positions are grounded in the principles articulated in the Chamber's AI Commission report: efficiency, collegiality, neutrality, flexibility, and proportionality.

A. National Data Privacy Legislation: The SECURE Data Act

Data is foundational to AI models that small businesses reply upon, and for this reason Congress as a first building block must pass a national data privacy law as it considers an AI

[7] https://www.uschamber.com/technology/the-hidden-cost-of-50-state-ai-laws-a-data-driven-breakdown
[8] *Id*.

framework. The Chamber strongly supports the enactment of comprehensive federal data privacy legislation, and we specifically support the H.R. 8413, the "SECURE Data: Act" as a critical step toward establishing a clear, consistent national framework for data privacy. Similarly, we support the financial services legislation, H.R. 8398, the "GUARD Financial Data Act."

The SECURE Data Act addresses the single most urgent concern of small businesses regarding data, technology, and AI: the patchwork of inconsistent state privacy laws that is creating an unmanageable compliance burden. By establishing a strong federal standard with meaningful preemption of conflicting state laws, the SECURE Data Act would provide small businesses with the clarity and certainty they need to invest confidently in AI and data-driven technologies.

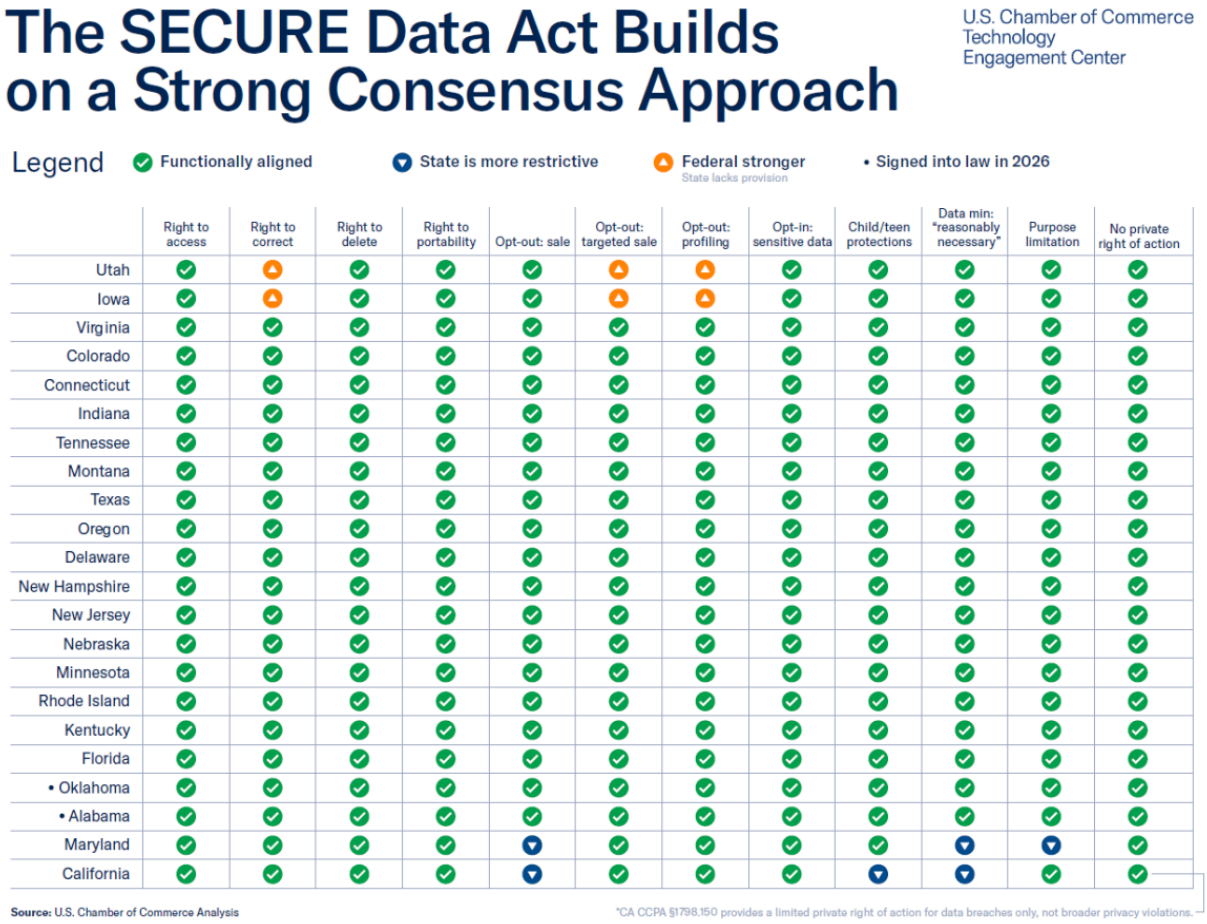
The Chamber's support for the SECURE Data Act is rooted in several key principles:

- Strong Federal Preemption: The SECURE Data Act's preemption provisions are essential to its effectiveness. Without strong preemption, a federal privacy law would simply add another layer of compliance on top of the existing state patchwork, making the situation worse rather than better. Small businesses need a single, clear set of rules—not 51 overlapping and potentially conflicting frameworks.

- Workable Compliance Requirements: The SECURE Data Act establishes privacy requirements that are meaningful and protective of consumers while being workable for businesses of all sizes. The Chamber has consistently advocated for privacy legislation that scales its requirements to the size and risk profile of the covered entity, ensuring that small businesses are not subjected to the same compliance burdens as large data brokers or technology platforms.

- Protection for Small Business Data Practices: The SECURE Data Act explicitly provides relief for small businesses from requirements impose on larger companies, establishes voluntary programs, and recognizes the legitimate data needs of small businesses, including their reliance on targeted advertising and data analytics to compete in digital marketplaces.

- Consumer Rights and Trust: The Chamber supports robust consumer rights provisions in the SECURE Data Act, including rights of access, correction, and deletion. Building consumer trust in data practices is essential to the long-term health of the digital economy, and small businesses benefit when consumers trust the businesses they interact with online. The SECURE Data Act is based upon the Consensus Privacy Approach adopted in over 20 states.



- Balanced Enforcement: The SECURE Data Act's enforcement framework strikes an appropriate balance between accountability and workability. The Chamber supports enforcement mechanisms that focus on actual harm and bad actors, rather than creating a litigation lottery that exposes well-intentioned small businesses to ruinous class action liability for technical violations.

The Chamber urges Congress to prioritize passage of the SECURE Data Act. Every year that passes without a federal privacy law is another year in which the state patchwork grows more complex, the compliance burden on small businesses grows heavier, and the competitive disadvantage of American small businesses relative to their foreign counterparts grows wider. The time for action is now.

B. A Risk-Based, Pro-Innovation Regulatory Framework for AI

Beyond specific legislation, the Chamber urges Congress and federal agencies to adopt a risk-based, pro-innovation approach to AI regulation that is grounded in the principles articulated in the Chamber's AI Commission report.

The Chamber's AI Commission recommends five core principles for AI regulatory policy:

- Efficiency: Evaluate the applicability of existing laws before creating new regulatory frameworks. Many AI applications are already governed by existing consumer protection, civil rights, and sector-specific laws. Regulators should fill genuine gaps rather than layering new requirements on top of existing ones.

- Collegiality: Utilize federal interagency collaboration to ensure a strategic, coordinated regulatory approach. Fragmented, agency-by-agency regulation of AI creates inconsistency and uncertainty that is particularly harmful to small businesses.

- Neutrality: Laws should be technology-neutral, focusing on applications and outcomes rather than specific technologies. Regulations that single out AI as a technology—rather than regulating the harms that AI might cause—risk creating perverse incentives and stifling innovation.

- Flexibility: Encourage private sector approaches, industry standards, and best practices rather than rigid, prescriptive regulations that quickly become outdated as technology evolves. Regulatory sandboxes can help test innovative approaches in high-priority areas.

- Proportionality: Use a risk-based approach to ensure regulations are balanced and proportionate to the risks involved. High-risk AI applications in areas such as healthcare, criminal justice, and financial services may warrant more stringent oversight, while low-risk applications should be subject to minimal regulatory burden.

The Chamber strongly opposes broad categorical bans on AI applications, mandatory pre-deployment approval requirements, and one-size-fits-all regulations that fail to account for the diversity of AI use cases and the varying capacity of different businesses to comply. Such approaches would disproportionately harm small businesses, which lack the legal and compliance resources of large enterprises, and would cede America's AI leadership to foreign competitors who face no such constraints.

C. Federal Preemption of State AI Laws

Just as the Chamber supports federal preemption in the context of data privacy, we also support a federal framework for AI regulation that preempts the growing patchwork of state AI laws. The proliferation of state-level AI regulations—each with different definitions, requirements, and enforcement mechanisms—creates exactly the kind of compliance nightmare that is driving small business owners away from AI adoption.

A coherent federal AI framework would provide small businesses with the certainty they need to invest in AI, while ensuring that consumer protections are consistent and enforceable across the country. The Chamber urges Congress to establish this framework before the state patchwork becomes even more entrenched.

D. Support for H.R. 5764, the AI for Main Street Act

The Chamber strongly supports H.R. 5764, the AI for Main Street Act, introduced by Representative Alford of Missouri, which has already passed the House. This legislation takes a targeted, practical approach to helping small businesses adopt AI by leveraging the existing Small Business Development Center (SBDC) network.

The AI for Main Street Act requires SBA-funded Small Business Development Centers to help small businesses adopt AI into their business operations through counseling and training for entrepreneurs. This approach is well-designed for several reasons:

The Chamber urges the Senate to pass the AI for Main Street Act.

E. Support for H.R. 5784, the AI-WISE Act

The Chamber also strongly supports H.R. 5784, the Artificial Intelligence Wisdom for Innovative Small Enterprises (AI-WISE) Act, introduced by Representative Scholten of Michigan. This legislation complements the AI for Main Street Act by requiring the Small Business Administration to provide educational AI resources that small businesses can easily access.

F. Infrastructure Investment

The Chamber supports targeted federal investment in broadband infrastructure to ensure that small businesses in rural and underserved communities have access to the high-speed internet connectivity required to use AI tools effectively. AI adoption cannot be truly democratized as long as significant portions of the small business community lack the basic infrastructure to access AI-powered services.

The Chamber also supports investment in the energy and water infrastructure needed to power the data centers that underpin AI services, including the passage of meaningful and comprehensive permitting reform that ensures that this critical infrastructure can be built in a timely fashion. As AI demand grows, ensuring ample and reliable power generation is essential to maintaining the availability and affordability of AI tools for small businesses.

G. Finalize Basel Regulatory Framework

The Chamber supports enhancements made to the unworkable 2023 Basel III Endgame by prudential regulators and encourages swift finalization of the updated regulatory framework. Bank capital requirements are not only a prudential regulatory issue, but they are economic and access to credit concerns for small businesses who receive a substantial majority of their funding from banks. In fact, banks provided 9.1 million small business loans last year. Unfortunately, overregulation has caused a severe decline in the amount of banks in the United States, falling by roughly 50% from the 1990s to 4200 institutions today. Many rural counties are without bank branches. Finalizing the enhancements to the Basel III framework will ensure we have appropriate banks and financing options for small businesses to invest in their futures.

H. Government Modernization

The Chamber supports federal investment in IT modernization to streamline government-to-business processes such as permitting, licensing, and regulatory compliance. AI-powered government services can reduce the administrative burden on small businesses, freeing up time and resources for productive activity. The federal government should lead by example in demonstrating the benefits of responsible AI adoption.

VI. CONCLUSION

The story of AI and small business in America is, at its core, a story of opportunity. The data is clear—small businesses that adopt AI are growing faster, hiring more workers, and competing more effectively. The question before this Committee is not whether AI will transform the small business landscape, but whether the policy environment will enable small businesses to be the beneficiaries of that transformation or its casualties.

The Chamber of Commerce is committed to working with Congress to get this right. We need a federal data privacy law that ends the state patchwork and gives small businesses the certainty they need to invest in data-driven technologies. We need an AI regulatory framework that is risk-based, proportionate, and nationally consistent. We need federal programs—like the AI for Main Street Act and the AI-WISE Act—that put practical AI resources within reach of every small business owner in America. And we need investments in the workforce, infrastructure, and government modernization that will allow small businesses to fully participate in the AI economy.

The United States has an extraordinary opportunity to lead the world in AI—not just in the development of the technology, but in its broad-based adoption across the full breadth of the American economy, including the small businesses that are its foundation. The Chamber stands ready to be a partner in that effort, and we look forward to working with this Committee to advance policies that empower small businesses to thrive in the age of AI.

Thank you for the opportunity to testify. I look forward to your questions.

Sincerely,

Jordan Crenshaw
Senior Vice President
Chamber Technology Engagement Center
U.S. Chamber of Commerce