



Podcast Transcript

The Cloakroom with Peter Roskam – Congressman Ted Lieu, D-CA

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Rubenking: Welcome to The Cloakroom with Peter Roskam. Former Congressman Peter Roskam leads BakerHostetler's Federal Policy team. Through interviews with leading members of Congress, Peter provides an insightful, firsthand view into the latest policy and political debates on Capitol Hill.

In today's episode, Peter is joined at the 36th Annual Legislative Seminar in Washington, D.C., by his BakerHostetler colleague, former Congressman Heath Shuler, and Congressman Ted Lieu, a Democrat from California. Congressman Lieu is the vice chairman of the Democratic Caucus, the fourth-highest ranking House Democrat – also making him the highest-ranking Asian American to ever serve in House leadership. First elected in 2014, Lieu is a leading policy voice on artificial intelligence, climate change and civil liberties.

Peter, Heath and Congressman Lieu discussed artificial intelligence and Congress' role in creating guardrails while also promoting AI innovation.

Let's listen in to The Cloakroom with Peter Roskam.

Roskam: Ted, great to see you. Welcome back. Thank you so much. Well, Congressman Lieu, I'll talk while you chew. The, you're here in part, representing your district, and in part, representing thought leadership on AI, and in part representing Democratic leadership in the House. So, you've seen a lot of things, and you've seen different landscapes. What is the footing for Democrats right now? And as they're thinking about approaching 2026, the one big, beautiful dynamic, the Trump executive orders the Doge efforts, all those sorts of things. Where are Democrats right now at a rank and file level? What are you hearing from home and what are you hearing from activists who were, we're all reading the same things. I mean, you've got a political base that is running above vital and concerned and has an expectation that you're able to do certain things. There are limitations that you have just in terms of votes, etcetera. What is it like right now? What is the landscape?

Lieu: Everything is fine. So, there is a lot of energy among a number of Americans who are concerned about what the Trump administration has been doing. You've seen this play out in a number of special elections this year. So, just yesterday there was a New York State Senate special election. The Democratic candidate won in a district that Donald Trump had won by 55 points last year. Earlier this month, Democrats flipped the sixth largest city held by a Republican Omaha, Nebraska, in an upset. There was really no reason for that other than that the Republican mayor should align herself very closely with Donald Trump. And so, you see this reaction of the American people that are unhappy with, I think the economy, right? We went from growth last year to now, negative GDP. Prices have not come down. Sometimes it has gone up. And so, Democrats are very focused on trying to lower rent, lower groceries, lower consumer goods prices.

Shuler: So, when you look at that, I mean, so, what is the message for Democrats? I mean, we saw in the last election, got off base off into this some other far left type issues that didn't resonate with the American people. Certainly didn't resonate at all with rural America losing all the swing states. So, obviously, sometimes in elections you're always voting against a party or against a candidate and not for a particular candidate. But so, how does, what is the message for Democrats as opposed to just, what are the Democrats going to do in this midterm election? What is their voice? What is their message going forward that doesn't, it can't be the same message that was last election.

Lieu: So, thank you for that question. I think it will be a number of maybe even years before folks are sort out. Why did the top of the ticket not do well? That is different than House Democrats, right? If you, Sir, a thought the Democrat Brown was in the trash. How is it the house Democrats gained seats last term? How did that happen? Right? Or if you think the Democratic _____ was bad, how did Ruben Gallego win Arizona? On how did Elissa Slotkin win Michigan? How did Jacky Rosen and win Nevada? States that Kamala Harris all lost? So, there's

some interesting things that happened last term. So, I think people are still sorting through that.

Now I'm just going to tell you the way it works is no Democrat official still goes up and says, I am running to make sure we do transgender healthcare for prisoners. Right? That is just not a plank of any Democratic official. But the Republicans are amazingly good at running ads that have Kamala Harris saying what she said. Right? And so, I think there is a failure to respond to those ads. So, that clearly happened. If you look at the democratic plank, that is just not one of the things that Democrats are focused on. Right? We're really focused on kitchen table issues.

Roskam: Do you, as you're thinking about AI, and we've talked about this with you in the past because you're right in the middle of it. What's happened in the last year since basically our last conversation, not legislatively, but mainstreaming and having a sense of this is becoming more and more present in the minds of just all of us. How is it presenting itself now and how is your own constituency reflecting that to you?

Lieu: So, I'm recovering computer science major, and I just want to explain how quickly AI has jumped in just the last few years. So, Open AI released ChatGPT less than three years ago and that shocked the world. And that was a text to text platform. So, you would ask it a question like, why was the Battle of Midway so important in World War 2? Give you this beautiful answer and then you submit it to your history professor. In that time, now there is text to video. So, there are applications where you can say, hey, do a video for me of a 2010 Ferrari driving down a street in Germany in the Fall at dusk. Do that.

There is video to text, so there's applications that will scan a 12-hour markup and tell you who voted for what, who said what. The highlights of what happened in that markup. You now have text to basic programming. So, you can have basic programs written for you from your phone, and now we're moving to what people would call agentic AI. So, AI that acts agents for you. So, I'm just going to read to you what Google has recently released. It is a browser that does basically agentic AI and they call it Project Mariner.

So, you get this browser and you can type in, for example, reserve two tickets for me at the next concert at this sphere in Las Vegas. What does it do? It figures out what you're asking. It goes to the StubHub plug in. It gets the preferred seats and makes a payment, and you get the tickets.

You can ask this question, which seems to be a little more alarming, schedule a locksmith to rekey my locks this weekend. What did it do? Figured out what you wanted, went to Google, navigated to Thumbtack, asked for a ZIP code and then in seven minutes it figured out how to submit that request. So, we're at the beginning of this, right? And they can already do these things that maybe an assistant could do for you. So, what does that look like a year from now or two years? And what happens when these agents talk to other agents? And you have a billion people walking around with software programs working for them, talking

to other software programs, working for other people. That, to me is amazing and alarming all at the same time. And so, I can't really predict that world looks like but be interesting two years from now to ask the same question.

Roskam: Couple of years ago or a few years ago, my wife Elizabeth and I were flying to Korea and I think we are flying out of Detroit for some reason and walked up to the gate and it was the first time I had encountered facial recognition software. I didn't really, I didn't know about it. If you would have asked me objectively, hey, we're going to do a scan of your face. I would been like, oh, it is kind of creepy. But you got your stuff. You're schlepping everything is like, okay, and this is getting me on faster. Okay. And now they've completely worn me down. You know what I mean? I'm like, they own me. They got me. I'm, anytime I can do touchless anything anywhere, I'm in.

Where, how does that, I find that I'm not really proud of that. You know what I mean? That is a little bit unsettling that I'm willing to give up so much for convenience because I don't like waiting for things. And it, is that, does this turn the corner on us? I mean, are we at the beginning of a dystopian novel where we really need to be thinking through limitations and parameters and how, from a policy point of view, to ought we be contemplating these things. I mean in the past you said we care about AI that can kill people, we care about AI that moves things, we care about AI in wartime situations. So, I'm listening when you're talking. But how else are we, are there other civil liberties? And you also said look if it is a limitation, if within AI, if there's racial bias or other types of bias that we reject as a society, are there other things in addition to that we should be mindful of now that these things are just becoming more and more present.

Lieu: So, thanks for that question. I'm glad you brought up the AI that can kill you. So, I am pleased that last term I passed through the Republican Congress and Senate, a now law that says essentially, no matter how amazing AI is, we're never going to let it launch a nuclear weapon by itself. There's got to be a human in the loop. So, what you said is interesting. All Silicon Valley, right, essentially service started based on people wanting to do things for free and then giving up their data essentially. Now you could try to change that, but it is hard to, I think, put in regulations or laws that most people don't want, right? And so, we could put in things and say, well, don't do that or don't do facial recognition. Then it makes it more inconvenient.

And so, it is pretty clear to me that society has chosen convenience over a lot of other things. And that is how most of you are going to experience AI. You're going to get a product. And you're either going to like that product, in which case you'll use it, or you won't like it, in which case you won't use it. You don't have to know anything about AI. You don't have to know how it works. That is how most of us are going to experience it. And it just turns out that we have a high preference for convenience.

Shuler: Yeah. So, how do we protect ourselves? I mean, you look at the AI from voice, it sounds exactly like whoever they're trying to emulate. And they end up calling the bank and say, hey, you call your banker up and hey, you mind wiring X

amount of money? Yeah. Great. I'll wire the money. You need to fill out this form. They've already hacked into your e-mail account. Somebody signs it, sends it in, and next thing you know, you look around and you check your ATM and you're broke. How do we protect against utilizing AI for our advantage but yet protect from the bad actors in the room?

Lieu: So, I think there's a few ways. One is, there is actually AI that can, so, there is a good AI that can counter bad AI. So, they're, specific to voice recognition, it turns out that it is really hard for AI to actually mimic a person's voice exactly because like every second you have, I don't know all these variables are happening in that second in the way you say something. And so, there is this AI technology called PIN drop technology that does one thing. It just tells you is a voice you're hearing, human or not human. And some banks are now using it. We're encouraging either companies that make phones or telecommunications companies to just incorporate this into what they're providing.

So, right, we use that caller ID. What this would be something similar where someone calls in, there will be some prompt that tells you is this voice human or not human? So, there is potentially some good AI that can counter bad AI. The other is, I think over time people learn. So, I suspect that the Nigerian e-mail scam probably got a lot more people when it first came out and over time, people like, oh, I got it. I read articles about this. This is a scam. And so, I think people just have to learn and be more wary of all sorts of different things they might get on their phone and if it looks a little bit suspicious to do a double check.

Roskam: It is interesting. I was on a CODEL to a congressional delegation to Estonia, of all places, several years ago. And were interacting with the Prime Minister. And, as you know Estonia has completely jumped in terms of e-commerce and so forth. There's no paychecks in Estonia. It is just pretty remarkable all the way around. And one of our colleagues raised the hand and said for old people, how did they get their money in Estonia? And the Prime Minister was really funny and very deferential and you could just tell he thought the question was ridiculous. And what he said was, it is their money. They're going to figure out how to get it. You know what I mean? It is like, people will, yeah, they got grandkids. This is what grandchildren are for. So, help it out.

What, are there things that this group should be mindful of as next things where opportunistically that you're seeing in terms of marketplace for people to be saying, hey, this is where the action is in terms of trends in AI or things to be mindful where you think guardrails are going to be coming up in the future and I'm not asking to move markets here, but I'm interested in just the general prospect of what is this near term future look like for AI?

Lieu: So, I was a coach here of the House bipartisan task force on AI. Jay Obernolte was my counterpart and was 12 Democrats, 12 Republicans. And we released this report in December. It is over 250 pages. You have to read all of it. But at the beginning, there is a summary. So, I encourage you to look at that. We have a whole bunch of different recommendations and ideas.

The reason I brought up this locksmith example at the beginning, I went to South by Southwest and one of their AI professors showed me how he had tricked the large language model into basically thinking that the human was bad and evil and that the large language model had to escape and had to get away from this human. Which is not a big deal if it's ChatGPT just providing you text sentences with this and that. But it would, he was able to trick the large language model to actually believe that the human was bad. And so, it would say something to a human and then it would say something differently to itself and it becomes much more scary if now that a large language model is an agent and has access to your bank account and can change the locks on your house, right? So, what if it just went rogue and all of a sudden one day you realize I can't get into my house anymore? And so, there was just some things I think people might want to think about. If you're having AI agents that do stuff for you, how do you make sure it doesn't go rogue?

Roskam: If...

Shuler: No, no, that is good.

Roskam: If the last several, just shifting gears on the political side, the last several years from George W Bush through, he was an exception, but the subsequent President's party in power gets two years of open field running and then the voters come back and they adjust the dials back. So, we've seen it over and over again, which means what is more likely true than not true in my opinion is that you're going to be in the majority in January of 2027. What does a majority, what does a House majority posture look like the second-half of the Trump administration, which it went and with probably a Republican Senate, because that math, I think is pretty solid. So, just assume that. Assume you've got the gavel. Assume John Thune is the leader, and Donald Trump is in the White House. A lot of jockeying on the GOP side, who is going to succeed him, which I'm not convinced. I can ever contemplate a moment in time where Donald Trump says here, I yield the stage to you. I just am not seeing that, but that is, but I digress. What is the posture of the House Democrats in that scenario?

Lieu: So, House Democrats are very focused again on what, because we learned from last term what the people continually said was the number one issue, which is essentially the economy, which when you drill down was basically inflation. People were just really pissed off about price shock. People don't like prices that grows cumulatively over 20% right, during the Biden Administration. And unfortunately, those prices just really haven't come down and I suspect the tariffs are going to not have them come down or maybe increase them. And so, we're just going to be focused on again trying to bring prices down or alternatively helping people deal with higher prices, right?

So, there's different ways you can try to do that and then they want to do oversight. So, I think many of us are concerned about due process. If you don't have due process for one American, then you don't have it for any American. And basically, what due process is, before the entire weight of the federal government is put upon you, might we ask you, do you have something to say

about that? Might we want to ask you, hey, are we sure we got the right person here? That is what due process is. And so, I think we're concerned that you're having these cases for people or just being snatched in violation of due process.

Roskam: I think that is a pretty light touch. I mean, it sounds sophisticated. To me, it sounds like you've given this some thought in terms of how generally to approach because there is an inherent limitation in a House majority when two other stools are of the other party and also managing the expectation of a base that says hey, we gave you the majority now go do this and we're like well, you're, yes, you've got the ability to convene. Yes, you've got the ability to draw attention to things. But no, you, it is not open field running. Then there are real limitations in terms of getting things done.

Do you, it seems to me like, so, Raja was here earlier, and it feels like I'm selling this guy because I really do think he is going to be the next senator, but he, we talked a little bit about and this is my interpretation and characterization so I'm not putting words into his mouth. But there is tension within the Democratic Party right now in terms of a growth agenda and there are critics of people being too successful. There's people that just say, hey, that is too much. You're too successful. I'm too tired of it. It is not fair or whatever, and yet there is an underlying assumption in America that you come here and you can go as far as your talent and opportunity can take you. Can you help us understand those tensions within the Democratic Party? Does that get sorted out and is there a little bit more of a lane to celebrate success in that way? And I'm, and again, I'm not trying to over, be too prescriptive here, but there's been tension. How does that manifest itself?

Lieu: So, I came here, and my parents were poor. I happen to be an immigrant. I was born in Taiwan, and we live in the basement of a person's house at beginning and my parents would do flea markets and sew gifts to make ends meet. They essentially _____ gifts to a shopping mall. They worked hard. And my brother and I would have watched that store because they didn't have to pay us, but eventually they expanded multiple stores and in my mind, they achieved the American dream. My brother is a doctor. He still reminds me of that. My parents remind me of that.

So, but my story. It isn't that particularly unique. It happens across generations, millions of people and very few countries allow us through this kind of opportunity and I think this is embedded in narrative of America that most Americans believe and that most Democrats believe.

Now, what you're seeing, right, is the way certain media works. If I had this amazing press release about, hey, I visited a small business and had the, this bridge that got some construction on it or a Senator goes up and says I think billionaires shouldn't exist. Okay? So, who gets on TV and gets heard? So, I think there is a very small handful. People have a view that billionaires shouldn't exist. I think what most Democrats would say is they're fine with billionaires. We just want them to pay their fair share. I think that is where Democrats are coming from.

Roskam: Then, just getting back to the, some of the pressures and the tension within the AI debate. AI is a huge consumer of electricity, just breathtaking. And this has been brought to my attention within the past few months. I really hadn't focused on it. And it is orders of magnitude as more demanding. How do we deal with that? How are we to understand the sources of this energy and the natural tensions of a green program, etcetera? How can we make sure that there is, that energy is abundant and that we're playing a long smart game here?

Lieu: So, I'm fine with trying to increase energy supply because if you don't need it, you just have people pay less for energy, which is not a bad thing. So, it may be possible, right, that five years from now, we're going to need increasingly amounts of huge energy to run massive data centers, or maybe not. So, just some things to think about. Interesting article about China showing they have an excess capacity of data centers now and people aren't using it.

I had opted to visit Argonne National Labs in your home state with Congressman Bill Foster, who is the smartest representative in Congress. And we saw Aurora, the world's third fastest supercomputer, the world's fastest AI supercomputer. They've got 60,000 nodes. That's how it is constructed. And each node might be a little bigger than the size of this table. And then they showed us this other chip. It was maybe one tenth the size of that node, and the person said, yeah, we're starting to install these now and they are five times more energy efficient. It can't do everything, but it can do enough to power large language models.

So, what if that takes off? What happens if you've got hardware advancements and all of a sudden make it so you need less energy? Well, what if you have a software advancement that says, we don't have to do this huge amount of calculations all the time for every question and maybe we can lower the energy usage there? Or what if you have distributed energy? So, Qualcomm, for example, is basically putting large language models on phones that are very powerful that you don't have to connect to Internet. So, people can start using very powerful AI on their phones, then you're basically distributing energy across a whole bunch of phones, and so you don't need the inference huge data centers anymore.

So, I don't know. We don't know what kind of energy we are going to need in the future. I think all the companies are buying up lots of energy and data centers because right now it appears that is where we're headed. But if you talk to a number of AI experts, some will say if you just throw more compute power, more energy, eventually, you're going to hit what everyone is trying to strive for, which is artificial general intelligence and numerics would say they don't think they can get there with these models. That there needs to be some other technological leap, other model. Well, who knows what that is? What if it turns out it is a whole model that doesn't use a lot of energy? So, I get why people think we need a lot of energy for AI. Maybe we do. I'm just saying we don't really know until we see what happens next few years.

Roskam: I'm just saying, right? I didn't know that. So, I appreciate that. Can I just ask get a insight into Democrat leadership's perspective. The seniority system within the

Democratic Party it is like it strikes me as antiquated and it strikes me as leaving a lot of talent on the table. As a younger part of the leadership and with leader Jefferies now come coming in and so forth, there's some transition. How is that working out? How is, it strikes me that there is a restlessness underneath within some of these committees where they're like, okay, time to step off the stage. What, how do you sort that out?

Lieu: So, it is a complicated answer. So, first of all I served in the four years active duty U.S. military and an additional 21 years in the reserves. It is completely seniority based, right? You can be the most awesome first Lieutenant. Doesn't really matter if someone is a major, enlistment order is a major. So, in the House Democratic caucus, seniority is pretty powerful, but it is only a factor. And you saw, for example, on the House Judiciary Committee, the most senior person did not become ranking member. Jamie Raskin became ranking member. And you routinely have elections for these leadership positions and chairmanship positions from people in all different classes in House Democratic caucus. A lot of it is also relational, but it does turn out seniority is a factor members consider, but I do think we do see over the years I've been in, that it becomes somewhat less of a factor.

Shuler: Alright, we're coming up on a big vote this week, right? 1:00 A.M. I think it is the time frame that they're thinking about voting, Thursday, 1:00 AM. That is the time.

Roskam: Charming. Just delightful.

Shuler: Yeah. Does it pass? Do they have enough votes?

Lieu: So, there is a Rules Committee Meeting that started at 1:00 AM earlier today.

Shuler: Yeah.

Lieu: Believe it is still ongoing. So, here is my analysis on whether the bill passes. Yes. No. Maybe. That is where we are.

Shuler: A real politician. A real politician.

Lieu: So, I'll tell you some of the points of the bill. It is the largest cut to healthcare in U.S. history out of trillion dollars. It will be the largest tax break to billionaires in U.S. history and it's got a whole bunch of random provisions in there, for example, like a 10 year moratorium on AI on states. I'm not opposed to preemption. I am opposed to preempting with nothing, right? Literally. There is nothing we're putting in its place and 10 years is an awfully long time. If someone said, hey, look, give us a year for Congress to figure this out. That is something I could consider. But I think a 10 year moratorium is pretty extreme. I also don't understand how it is going to get through the Senate process. It is got to be related to the budget.

There is a dispute over the SALT Cap, the state and local income tax deduction issue. And what is interesting to me about this is not only do you have different

factions within the Republican conference that are, have very different views on this, but literally no Republican U.S. Senator cares about this issue. And so, whatever is they lob over the Senate, I suspect it is going to be changed. And I think, to me, actually, I think the hardest battle will be if the Senate lobs something back to House Republicans. _____ But I think that is actually, be a more monumental challenge.

Roskam: That will be the hard one. Ted Lieu, thank you for your time. Thank you for your insight. We really, really appreciate. It. Thank you. Yeah, I'll see you soon.

Rubenking: Thank you, Peter, Heath and Congressman Lieu. If you have any questions for Peter, his full contact information is in the show notes. As always, thanks for listening to BakerHosts and "The Cloakroom with Peter Roskam."

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