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September 15, 2026

The Honorable Scott Bessent, Chair
Financial Stability Oversight Council
U.S. Department of the Treasury
1500 Pennsylvania Ave. N.W.
Washington, DC 20220

Dear Chair Bessent:

I am writing on behalf of 1.875 million AFT members, who are educators, healthcare workers and public service workers whose deferred wages are invested through pension and retirement funds, exceeding $4 trillion in combined assets. Recently, I met with members of the AFT who serve as trustees overseeing many of those pension funds and discussed the potential threat to financial stability posed by the relationship between the artificial intelligence industry and the financial markets, particularly given the dire impact that past financial crises have had on our pension funds and members. We are gravely concerned and call on you, in your capacity as chair, to urge the Financial Stability Oversight Council to swiftly examine and direct its member agencies to monitor and report on a cluster of interrelated risks associated with the current buildout of AI infrastructure and the financial arrangements that support it.

Within the past week alone, top AI researchers and key leaders in the tech industry have been sounding alarms and calling for an immediate slowdown in the pace of AI development. It could not be more evident that policymakers and public officials have a duty to act to protect working people and our economy. With many Americans living paycheck to paycheck and struggling to make ends meet, the anxieties around the future of AI extend well beyond job displacement. The very real risks to our economy are becoming clearer by the day. Yet just yesterday, President Donald Trump said that he will not listen to anyone raising concerns about AI, not even from the frontier tech company leaders developing the latest AI models. We hope FSOC will choose a different approach and begin to disclose and act on the many risks detailed below.

Individually, each of the developments described below has drawn attention from market participants, central banks and international financial institutions. Together, they describe a pattern of rising leverage, concentration and interconnection across the financial system that falls squarely within the Council's statutory mandate under Title I of the Dodd-Frank Act to identify risks to the financial stability of the United States, promote market discipline, and respond to emerging threats before they materialize into crises that could jeopardize millions of working Americans' retirement security. Many of these concerns were raised with you in a Jan. 22, 2026, letter from Sens. Elizabeth Warren, Richard Blumenthal, Chris Van Hollen and Tina Smith;[1] since then, new developments and additional data have only added to the urgency that FSOC act now.

Equity Market Concentration and Valuation Risk. AI-related stocks have accounted for 65 to 75 percent of S&P 500 returns, profit and capital spending since ChatGPT launched in November 2022.[2] Currently, even after recent price declines, seven companies dependent on investments in AI comprise roughly 34 to 35 percent of the total capitalization of the S&P 500, up from about 12 percent in 2015,[3] with combined market capitalization exceeding $23 trillion,[4] which is larger than the GDP of most countries. Movement of any of these companies significantly moves the entire index. The dramatic increases in the stock prices of these companies have pushed the S&P 500's cyclically adjusted price-to-earnings ratio to 42 as of August 2026, a level only previously reached at the peak of the dot-com bubble.[5] Other valuation metrics, such as the price-to-sales and price-to-book ratios, are even higher than their dot-com era peaks.[6] The planned mega-IPOs of AI companies expected in the coming months[7] and proposals by the Securities and Exchange Commission to deregulate public equity markets will only exacerbate these issues.[8]

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1 https://www.banking.senate.gov/imo/media/doc/20260122_final_letter_to_secretary_bessent_re_ai_debtpdf.pdf
2 https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/insights/eye-on-the-market/smothering-heights-amv.pdf
3 https://www.fool.com/research/magnificent-seven-sp-500/
4 https://finance.yahoo.com/markets/stocks/articles/magnificent-seven-combined-market-cap-195000390.html
5 https://www.fool.com/investing/2026/08/12/the-stock-market-is-flashing-the-same-warning-sign/
6 https://www.cmegroup.com/insights/economic-research/2026/equities-how-to-spot-a-market-about-to-peak-or-rally-through-2029.html
7 https://finance.yahoo.com/markets/stocks/articles/anthropic-reportedly-aiming-valuation-2-143819235.html; https://finance.yahoo.com/technology/ai/articles/openai-staff-cashing-millions-ipo-180000874.html
8 https://docs.house.gov/meetings/BA/BA16/20260625/119401/HHRG-119-BA16-Wstate-RentaN-20260625.pdf

Global regulators and oversight bodies are also sounding alarms. The Bank of England's July 2026 "Financial Stability Report" found that equity valuations "have become further stretched by historical standards," warning of increased risk of a sharp market correction due to increased leverage in equity markets.[9] The International Monetary Fund's managing director has separately warned that financial conditions "can turn abruptly" and that current valuations are heading toward levels last seen in the run-up to the dot-com crash.[10] Even the Federal Open Market Committee's October 2025 notes indicate that "several participants" raised "the possibility of a disorderly fall in equity prices" given "stretched asset valuations."[11]

Capital Expenditure and Revenue Disconnect. The scale of current AI-related capital investment appears vastly outsized relative to project revenues. Goldman Sachs Research projects $1 trillion of AI-related investment globally in 2026, with $581 billion of that in the U.S.[12] Gartner projects global AI capital investment may reach $3.3 trillion in 2027.[13] Yet GMO's Jeremy Grantham estimates that total AI revenue is only $64 billion against well over a trillion dollars of cumulative investment.[14] OpenAI alone is reportedly spending roughly $60 billion a year on compute against a $40 billion revenue projection,[15] with 2026 losses projected near $14 billion and a growing debt load.[16] A March 2026 analysis found that 2026 hyperscaler capex, measured as a share of U.S. GDP, is on pace to exceed peak spending on the Manhattan Project, the Apollo program and the interstate highway system.[17] Indeed, *The Economist* recently found that covering AI capex spending would require AI-specific revenues of $2.5 trillion per year.[18]

The revenue projections used to justify this spending assume that data centers can be built, powered and operated, and that sustainable revenue will appear to support those

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[9] https://www.bankofengland.co.uk/financial-stability-report/2026/july-2026; https://www.lbc.co.uk/article/2087089e10dc4ac9a72f32f12c72f90e-5HjdcbM_2/; https://seekingalpha.com/pr/20259584-is-there-an-ai-bubble-financial-institutions-sound-a-warning; https://www.reuters.com/sustainability/boards-policy-

[10] https://www.imf.org/en/news/articles/2025/10/08/sp100825-annual-meetings-2025-curtain-raiser

[11] https://www.fool.com/investing/2025/12/27/stock-market-earning-fed-chair-jerome-powell-2026/

[12] https://www.goldmansachs.com/insights/articles/global-investment-is-forecast-to-exceed-1-trillion-in-2026

[13] https://www.gartner.com/en/newsroom/press-releases/2026-05-19-gartner-forecasts-worldwide-ai-spending-to-grow-47-percent-in-2026

[14] https://www.gartner.com/en/newsroom/press-releases/2026-07-20-gartner-forecasts-worldwide-ai-platforms-and-models-market-to-grow-63-percent-in-2026

[15] https://www.ft.com/content/53082739-7714-4aae-9816-e55ab423cbee?syn-25a6b1a6=1

[16] https://trends.thicket.sh/ai-circular-financing-round-tripping-july-2026

[17] https://cdn.vanderbilt.edu/vu-URL/wp-content/uploads/sites/412/2026/03/23144242/After-the-AI-Crash.pdf

[18] https://dealroom.co/news/econ-1ze9u2-ai-revenues-are-growing-fast-but-not-fast-enough/

data centers, often on an aggressive timeline. Yet a Gallup survey found 71 percent of Americans oppose AI data center construction in their local area,[19] and Pew Research reports that 52 percent of Americans are more concerned than excited about the increased use of AI,[20] which does not bode well for revenue. Moratoriums, prohibitive legislation, and widespread backlash against data center power and water consumption, noise and air pollution, and tax subsidies, may cause further delays. Already, nearly 40 percent of data centers due to come online this year are at risk of falling behind schedule, and only half of AI computing capacity scheduled to come online over the next two years is expected to do so by its target date.[21] Over 250 municipalities and one state have enacted bans or moratoriums on data center constructions.[22] The AI revenue outlook is further complicated by Chinese competition, as rising usage fees from U.S. developers make Chinese models more attractive.[23]

Growing Debt Exposure to AI. Both neocloud companies and hyperscalers are using debt financing to fund data center builds. Oracle's growing debt load pushed its debt rating to just above junk status.[24] Hyperscaler bond issuances are projected to have grown more than 16-fold in just two years, from $17 billion in 2024 to $279 billion in 2026. JP Morgan estimates approximately $2 trillion of the roughly $5 trillion AI buildout through 2030 will be financed through investment-grade credit markets.[25] However, reported debt figures are likely understated. Moody's found that the five largest hyperscalers had accumulated $969 billion in undiscounted future lease commitments, with more than two-thirds related to facilities not even built yet. These lease obligations not yet on the balance sheet amount to 113 percent of hyperscalers' adjusted debt, larger in aggregate than all their currently reported debt combined.[26] Special purpose vehicles push still more spending off their books. Meta's $27 billion Hyperion data center financing was structured through an SPV borrowing through the private credit market, such that the project debt never appears on Meta's balance sheet.[27] In August, the *Wall Street Journal* estimated that nine large tech companies—

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[19] https://news.gallup.com/poll/709772/americans-oppose-data-centers-area.aspx
[20] https://www.pewresearch.org/short-reads/2026/08/18/young-adults-in-the-us-are-increasingly-wary-of-ai-concerned-it-will-take-jobs/
[21] https://www.ft.com/content/f2bae708-f5c3-49b0-99c0-e4a11552427b?syn-25a6b1a6=1; https://www.goldmansachs.com/insights/articles/us-data-center-power-demand-projected-to-double-by-2027
[22] https://www.interconnectedcapital.com/research/data-center-moratoriums
[23] https://www.ft.com/content/21c10336-61bc-4743-82e3-acabfc7d540d?syn-25a6b1a6=1
[24] https://www.nytimes.com/2026/07/17/business/ai-spending-oracle-stocks-bonds.html
[25] https://am.jpmorgan.com/us/en/asset-management/adv/insights/market-insights/market-updates/on-the-minds-of-investors/can-credit-markets-absorb-the-ai-buildout/
[26] Moody's Rating, Hyperscalers' reported AI-related lease commitments may understate economic risk, February 2026.
[27] https://www.ft.com/content/d0344253-b0a2-4c6d-8b97-520243678afd

including Alphabet, Meta, Oracle, Nvidia, Microsoft and Amazon—hold $3 trillion in AI-related off-balance-sheet debt. When combined with the over $1.35 trillion in debt on top firms' balance sheets,[28] this means that just a few companies now have nearly $5 trillion in debt outstanding.[29] Massive capital outlays running far ahead of revenue were a key feature of past financial crises, including in 1873, 1929 and 2000.

Circular Financing. Financial relationships between actors within the AI supply chain have become increasingly interwoven and may be inflating perceived demand for AI services, making AI companies' earnings appear healthier than they are and masking potential risks. The circularity appeared prominently when chip manufacturer Nvidia announced that it would invest up to $100 billion in OpenAI, which in turn committed to purchase chips from Nvidia,[30] followed by Nvidia's consideration of financing guarantees of tens of billions of dollars for OpenAI data centers.[31] The scope and prevalence of these interlocking commitments prompted a Federal Trade Commission investigation into OpenAI, Anthropic, Microsoft, Alphabet and Amazon in 2024,[32] and analysts now estimate that their scale may exceed $800 billion as of mid-2026.[33]

While proponents describe this as an efficient means to generate compute capacity amid real demand,[34] critics warn that circular financing may inflate demand signals, mask the creditworthiness of actors whose revenue is substantially derived from their own investors, and concentrate risk among a small number of firms whose interdependent equity, debt and vendor relationships have become difficult to disentangle.[35]

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[28] https://asia.nikkei.com/business/technology/five-us-tech-giants-hidden-debts-soar-to-1.65tn-on-opaque-ai-funding

[29] https://asia.nikkei.com/business/technology/five-us-tech-giants-hidden-debts-soar-to-1.65tn-on-opaque-ai-funding

[30] https://www.business-standard.com/amp/companies/news/nvidia-openai-deal-sparks-concerns-over-circular-financing-in-ai-boom-125092401589_1.html

[31] https://www.axios.com/2026/07/27/nvidia-openai-financing-ai-jensen-huang-ssi

[32] https://www.ftc.gov/news-events/news/press-releases/2024/01/ftc-launches-inquiry-generative-ai-investments-partnerships

[33] https://alatirok.com/ai-circular-financing-explained/; https://trends.thicket.sh/ai-circular-financing-round-tripping-july-2026

[34] https://www.bloomberg.com/graphics/2026-ai-circular-deals/

[35] https://www.business-standard.com/amp/companies/news/nvidia-openai-deal-sparks-concerns-over-circular-financing-in-ai-boom-125092401589_1.html; https://www.noahpinion.blog/p/should-we-worry-about-ais-circular

Interconnections Between Private Credit, Banks, Insurers and Private Equity. Private credit has become a dominant financing channel for the AI buildout,[36] including data center construction, GPU/chip purchases, and related capex, often through project-finance or asset-backed structures to the tune of trillions of dollars with very limited transparency about the structures involved. One industry source called the scale "astronomical" and warned this opacity could create litigation risk for pension funds who later discover they lacked full awareness of the concentration risk in the private credit funds they invested in.[37] The Securities and Exchange Commission's release of an interpretive letter stating that data center securitizations are not asset-backed securities effectively shields them from a higher level of transparency and disclosure that investors could use to evaluate their risks.[38]

The wave of redemption requests this year further highlights the precarity.[39] The September 2025 bankruptcies of First Brands and Tricolor prompted multiple banks to disclose material private-credit-related exposures,[40] and prompted JPMorgan Chase CEO Jamie Dimon to warn publicly that private credit losses would likely run "higher than expected."[41] In the first half of 2026, several large asset managers, including Blue Owl, Apollo, Partners Group and Starwood, froze, gated or sharply limited redemptions on private credit and real estate funds after investor withdrawal requests exceeded contractual limits.[42]

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[36] https://www.bis.org/publ/bisbull120.pdf

[37] https://www.quinnemanuel.com/media/4dzkfccz/client-alert-ai-data-center-financing-and-litigation-risks.pdf; https://www.cnbc.com/2026/04/06/ai-data-centers-financing-insurance-deals-gpu-debt.html

[38] https://www.sec.gov/rules-regulations/no-action-interpretive-exemptive-letters/division-corporation-finance-no-action/certain-data-center-securitizations-072926

[39] https://lynkcm.com/private-credit-redemption-gates-liquidity;https://www.wealthmanagement.com/alternative-investments/private-credit-confronts-the-limitations-of-the-semi-liquid-label;https://www.cnbc.com/2026/06/23/apollo-private-credit-fund-withdrawals-redemptions.html;https://www.bloomberg.com/news/articles/2026-06-03/partners-group-gates-evergreen-fund-as-redemption-requests-rise;https://www.cnbc.com/2026/06/23/apollo-private-credit-fund-withdrawals-redemptions.html

[40] https://www.forbes.com/sites/mayrarodriguezvalladares/2026/05/24/rising-private-credit-defaults-are-testing-banks-and-insurers/

[41] https://www.harbourvest.com/insights-news/insights/private-credit-risk-redemptions-and-a-reality-check/ ; https://www.forbes.com/sites/mayrarodriguezvalladares/2026/05/24/rising-private-credit-defaults-are-testing-banks-and-insurers/

[42] https://lynkcm.com/private-credit-redemption-gates-liquidity; https://www.wealthmanagement.com/alternative-investments/private-credit-confronts-the-limitations-of-the-semi-liquid-label; https://www.cnbc.com/2026/06/23/apollo-private-credit-fund-withdrawals-redemptions.html; https://www.bloomberg.com/news/articles/2026-06-03/partners-group-gates-evergreen-fund-as-redemption-requests-rise

Separately, U.S. life insurers now hold an estimated $807 billion in private credit and illiquid investments, equal to roughly 20 percent of fixed-income assets industrywide, which several analysts estimate is considerably higher at insurers now affiliated with, or acquired by, private equity sponsors that use policyholder capital to fund their own credit strategies.[43] These developments suggest the very real possibility that private credit's interconnections with banks, insurers and the AI capital stack could transmit stress well beyond private credit funds themselves, much as problems in the subprime mortgage market in 2008 ultimately led to the collapse of AIG, the world's largest insurance company at the time.[44]

As a case in point, Nvidia recently announced partnering with several large asset management firms (Apollo, Blackstone, BlackRock, Brookfield Asset Management, Goldman Sachs and KKR) to create a $500 billion fund to finance data centers and acquire Nvidia's hardware, tapping institutional and insurance capital.[45] Despite the projected short lifespan and rapid depreciation of current AI chips, Nvidia and its partner asset managers are marketing the underlying assets as "long-lived," long-term bankable infrastructure. CNBC reports that BlackRock's Larry Fink called this funding project, apparently without irony, "the start of the 'next future for financial engineering,' akin to the creation of mortgage-backed securities in the 1970s,"[46] which is particularly notable given Fink's role[47] creating the mortgage-backed securities market that triggered the 2008 financial collapse, as commenters have noted.[48]

This deepening interdependence is emerging at precisely the moment that federal banking regulators are reducing the capital, leverage and oversight buffers designed to absorb shocks. The Financial Stability Board's May 2026 report warned that the private credit market's complexity, leverage, and interconnectedness with banks, insurers and private equity firms "could amplify stress in adverse scenarios," posing broader risks to

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[43] https://angelinvestorsnetwork.com/alternative-investments/private-credit-insurance-systemic-risk-2026; https://www.abfjournal.com/the-rise-of-insurance-linked-capital-in-private-credit/
[44] https://www.lseg.com/en/insights/data-analytics/would-you-credit-it-is-private-credit-another-sub-prime-mbs; https://www.cambridgeassociates.com/insight/do-the-recent-bankruptcies-of-first-brands-and-tricolor-suggest-trouble-ahead-in-private-credit/
[45] https://www.cnbc.com/2026/08/10/nvidia-wall-street-asset-managers-500-billion-ai-push.html
[46] https://www.cnbc.com/2026/08/10/nvidia-wall-street-asset-managers-500-billion-ai-push.html
[47] https://www.euromoney.com/article/27bjsstsqxhkmh1qi81a0/capital-markets/larry-fink-the-pioneer-who-fought-his-way-to-the-top/
[48] https://www.barchart.com/story/news/3781740/nvidia-ai-chips-are-now-an-asset-class-blackrock-ceo-larry-fink-just-compared-them-to-mortgage-backed-securities; https://www.tftc.io/nvidia-wall-street-500-billion-ai-chip-financing-fink-mbs

financial stability, which "at its current size and scope has not been tested during a severe economic downturn."[49] Yet in March 2026, the Federal Reserve, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corp. jointly proposed rescinding the 2023 Basel III Endgame framework in favor of a package that would significantly reduce capital requirements at banks of all sizes.[50] A separate rule took effect in April 2026 permitting the largest global banks to increase their leverage, and the Federal Reserve has indicated that it will not increase until at least 2027 stress test-based capital requirements while it revises its methodology.[51] The Federal Reserve also announced plans to cut its own staff by approximately 30 percent by the end of 2026,[52] effectively hampering oversight. Moreover, the Public Company Accounting Oversight Board is shuttering its Office of the Investor Advocate, further limiting investors' voices in setting robust audit standards and inspection priorities for the companies they invest in.[53]

In a June 2026 speech titled "Deregulating in a Financial Boom: What Could Go Wrong?" Federal Reserve Gov. Michael Barr warned that the cumulative effect of these changes will "considerably weaken bank regulation and supervision" and that resulting vulnerabilities "may not be apparent today, but they will result in problems that will build over the coming years."[54] Several other Fed officials, regulators and outside analysts have cautioned that rolling back safeguards increases systemic vulnerability

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[49] https://www.fsb.org/2026/05/fsb-warns-on-private-credit-vulnerabilities/ ; https://www.cnbc.com/2026/05/06/private-credit-stress-risks-financial-stability-markets.html ; https://lynkcm.com/private-credit-redemption-gates-liquidity

[50] https://www.duanemorris.com/alerts/loosening_reins_closer_look_federal_reserves_proposed-capital_rule_change_0326.html; https://www.arnoldporter.com/en/perspectives/advisories/2026/03/agencies-capital-proposals-seek-to-reduce-regulatory-burden

[51] https://www.dwt.com/blogs/financial-services-law-advisor/2025/12/banking-eslr-rule-finalized-for-gsib-companies; https://www.cnbc.com/2026/06/24/federal-reserve-stress-test-us-banks.html; https://bpi.com/the-2026-federal-reserve-stress-test-results-a-framework-in-transition/

[52] https://www.federalreserve.gov/newsevents/speech/barr20251118a.htm; https://www.findknowdo.com/news/06/10/2026/frb-governor-decries-bank-deregulation-and-weakened-supervision

[53] https://www.ft.com/content/8f387dc3-44a3-423d-8b69-c0864513a493?syn-25a6b1a6=1

[54] https://www.americanbanker.com/news/feds-barr-strong-bank-regulation-curbs-nonbank-risks; https://www.bloomberg.com/news/articles/2026-06-06/fed-s-barr-warns-of-risks-tied-to-looser-wall-street-bank-rules; https://www.forbes.com/sites/mayrarodriguezvalladares/2026/06/06/deregulating-in-a-financial-boom-why-governor-barr-is-right/

precisely as asset valuations, AI-related lending and nonbank credit exposure are all rising in tandem.[55]

In light of the foregoing, and consistent with the Council's statutory purposes under Section 112 of the Dodd-Frank Act to identify risks to financial stability, promote market discipline and respond to emerging threats,[56] we request that the Council:

- Compel data production to enable the Council to evaluate systemic financial risks stemming from direct and indirect exposure to AI-linked equities, debt and circular financing arrangements among the largest banks, insurers, private credit funds and private equity firms, utilizing its member agencies (including the Federal Reserve, the OCC, the FDIC, the SEC and, through the state insurance commissioner representative, relevant state insurance regulators);
- Report fully on these systemic financial risks in the Council's December Annual Report, if not sooner, consistent with its statutory mandate to identify emerging threats to financial stability.[57] This report should include a dedicated assessment of AI-related concentration, capital expenditure/revenue mismatch, and circular financing's potential to overstate the underlying economics of AI-sector revenue and creditworthiness as well as any other research findings and recommendations of the interagency AI working group monitoring potential risks to financial stability;
- Require accelerated disclosure from public companies and private fund sponsors, providing transparency into related-party revenue, backlog and financing arrangements among major AI participants to enable asset owners to appropriately assess risk exposure across asset classes and price risk into current and future allocations;
- Develop and ensure implementation of enhanced capital, leverage and stress-testing rule changes that are sufficiently robust to protect our economy from a correlated-shock scenario where a sharp AI-linked equity correction is accompanied by private credit and insurer stress; and
- Take any other actions within its authority to protect our financial system and broader economy from these risks.

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[55] https://bettermarkets.org/wp-content/uploads/2025/04/BetterMarkets_Trump_Deregulation_APR2025.pdf; https://www.forbes.com/sites/mayrarodriguezvalladares/2026/06/06/deregulating-in-a-financial-boom-why-governor-barr-is-right/

[56] FSOC statutory purposes: 12 U.S.C. § 5322(a)(1) (Dodd-Frank Act § 112(a)(1)).

[57] FSOC statutory mandate and Annual Report function: 12 U.S.C. § 5322 (Dodd-Frank Act § 112).

The risk landscape is changing rapidly, making the Council's monitoring and coordination role, as assigned by Congress, more urgently needed now than at any point since the 2008 financial crisis. Market participants—including our members' pension funds whose pooled assets provide critical capital investments in our economy—and the public deserve to know the extent and nature of risks building up in our financial system. Working people expect the government to work for them, and that includes this Council, which was founded in direct response to the 2008 financial crisis to prevent a lack of coordination among agencies from allowing unchecked risks to build up in the financial system again. The Council holds the health of our financial system in its hands, protecting our long-term interests in a strong, vibrant economy that provides jobs and opportunities.

In May, when we released the AFT's 10-point plan to address AI in the classroom, we made it clear that the tech industry itself—not our government—should pay for the development and implementation of AI technology and for any adverse impacts it has on American workers and families.[58] At our national convention in July, AFT members adopted a comprehensive policy statement on AI.[59] We would find it completely unacceptable and frankly illegal if a combination of irresponsible behavior by private actors and regulatory failure by the FSOC and its constituent bodies led to demands for a public bailout from AI companies, their executives and their financial partners. **Publicly funded bailouts of tech companies and executives, including but not limited to support from the Federal Reserve System, would not be legal under the Dodd-Frank Act, nor would they be an acceptable response to either business or regulatory failure.**

Given President Trump's continued refusal to act to address the public's growing concerns about AI, including both human impacts and AI-related systemic financial risk, we call on you as chair to act immediately. The American public deserves a clear, honest and transparent accounting of the risks to the economy that the current AI buildout poses, not just its potential, which you have promoted.[60] Let us be clear: Refusals to act or regulate, despite the clear and mounting risk, is a choice that working people will long remember.

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[58] https://www.aft.org/press/speeches/vision-public-education

[59] https://www.aft.org/resolution/preparing-age-artificial-intelligence-protecting-democracy-workers-students-and-planet

[60] https://finance.yahoo.com/economy/policy/article/bessent-inflation-will-come-down-as-ai-stands-to-double-productivity-113458600.html

This context and the recent statements by President Trump make the urgency of the actions we recommend the FSOC take all the greater, and we call on you in your role as chair to act quickly.

Very truly yours,

Randi Weingarten
AFT President

RW : dlk opeiu#2 afl-ci0

cc: U.S. Department of the Treasury
Federal Reserve Board of Governors
Comptroller of the Currency
Consumer Financial Protection Bureau
Securities and Exchange Commission
Federal Deposit Insurance Corporation
Commodity Futures Trading Commission
Federal Housing Finance Agency
National Credit Union Administration
House Financial Services Committee
Senate Finance Committee