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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. RES. _____

Expressing the sense of the House of Representatives that Congress must refuse to provide any additional funds or exceptional regulatory support to companies or financial institutions facing insolvency or financial collapse due to exposures to acute stress within the artificial intelligence market and must provide support to all harmed Americans instead.

IN THE HOUSE OF REPRESENTATIVES

Mr. CASAR submitted the following resolution; which was referred to the Committee on _____

RESOLUTION

Expressing the sense of the House of Representatives that Congress must refuse to provide any additional funds or exceptional regulatory support to companies or financial institutions facing insolvency or financial collapse due to exposures to acute stress within the artificial intelligence market and must provide support to all harmed Americans instead.

Whereas excessive, profit-driven financial risk-taking, fueled by Wall Street's speculative fervor and unleashed by years of zealous deregulation, led to the 2008 global financial crisis;

Whereas the economic harm of a multi-trillion-dollar housing bubble caused by predatory lending, reckless financialization and securitization, and off-balance-sheet lending led to a massive surge in layoffs, with the unemployment rate hitting almost 10 percent at the trough of the Great Recession in 2009;

Whereas the weak labor market persisted for nearly a decade, leading to almost no real wage growth for most workers, the erasure of tens of trillions of dollars in United States total wealth, with some estimates placing the cost as high as \$30,200,000,000,000, or \$149,000 of reduced wealth per working-age adult, and reduced the economic well-being of families and communities across the Nation;

Whereas State and local government employment took more than 10 years to recover to its pre-Great Recession levels, resulting in a decade of fewer public sector jobs and degraded essential public services;

Whereas predatory subprime mortgages led to the collapse of the housing market in the years 2007 through 2010, resulting in over 10,000,000 homeowners losing their houses due to foreclosure;

Whereas this crisis followed a tech bubble that began to burst in 2000, ending strong real wage growth during the late 1990s and spurring job losses that were not recovered until January 2005, representing the longest period without net job growth at the time since the Great Depression;

Whereas, today, artificial intelligence-related firms hold trillions of dollars in debt, much of which is raised in opaque and unregulated private credit markets;

Whereas the financing terms of many artificial intelligence-related data centers as well as the costs and revenues of major artificial intelligence firms are not publicly available and artificial intelligence-related corporate borrowing to fund data center investments are multiples higher than projected revenues;

Whereas, since October 2022, artificial intelligence-related stocks were responsible for as much as 75 percent of the returns of the Standard and Poor's 500, which has been derived from companies linked to generative artificial intelligence, and the price-to-earnings ratio of the stock market is currently almost as high as it was at the peak of the 1990s tech bubble;

Whereas stock prices of artificial intelligence-related companies have inflated even more than the tech giants of the 1990s, with one artificial intelligence firm alone carrying a market capitalization equal to roughly 16 percent of the gross domestic product, compared to the 1990s, when the peak for the leading tech firm's market capitalization was less than 6 percent of the gross domestic product;

Whereas a collapse of an artificial intelligence bubble could have serious consequences for the economy, similar if not more significant than the end of the 1990s tech bubble or the 2008 global financial crisis;

Whereas an artificial intelligence bubble pulls an increasing volume of resources from other sectors of the economy, diverting investment from other productive uses;

Whereas an economy disproportionately dependent on 10 or fewer giant artificial intelligence-related firms posting record profits and collectively valued at more than \$27,000,000,000,000, more than 80 percent of the gross

domestic product, creates economic fragility while discouraging competition and efficiency;

Whereas investment in factory construction in mid-2026 was already down by more than 25 percent from its peak in 2024;

Whereas Federal regulators have avoided applying robust scrutiny and oversight regarding enormously complicated debt and equity schemes used by artificial intelligence firms or the circular financing mechanisms involved in the artificial intelligence-related data-center build-out;

Whereas the White House's artificial intelligence and cryptocurrency czar was personally invested in at least 449 companies with ties to artificial intelligence while pushing to eliminate government obstacles facing artificial intelligence companies, reflecting the administration's broad deregulatory focus and conflicts of interest related to artificial intelligence;

Whereas, in 2008, Congress appropriated hundreds of billions of dollars in public funds through the Emergency Economic Stabilization Act of 2008 to benefit the financial institutions that had propelled the housing bubble and which subsequently found themselves facing bankruptcy, and the Federal Government marshalled trillions of dollars in additional support through other facilities, including the Department of the Treasury's guarantee of money market mutual funds through the Exchange Stabilization Fund, the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program for the debt of banks and bank holding companies, the placement of Fannie Mae and Freddie Mac into conservatorship backed by the Department of the Treasury capital com-

mitments, and the Federal Reserve's purchase of more than \$1,000,000,000,000 in mortgage-backed securities;

Whereas the Federal Reserve opened special lending facilities for large financial institutions that engaged in reckless behavior that contributed to the 2008 global financial crisis, and subsequently found themselves facing insolvency or illiquidity, which were able to survive unlike other companies that were allowed to fail;

Whereas almost none of the individuals involved in issuing and circulating fraudulent securities faced any legal consequences for their actions;

Whereas many of the most culpable individuals were effectively allowed to pocket their profits from promoting the housing bubble while too-big-to-fail banks were protected, maintaining a reckless financial system and contributing to economic inequality;

Whereas Federal action to prop up the financial and other economic sectors with trillions of dollars in liquidity without imposing serious accountability for lawbreaking or sweeping reforms to corporate governance and reckless business practices creates incentives for excessive risk-taking;

Whereas government efforts during the Great Recession to protect homeowners and support ordinary workers were wholly insufficient, leading to prolonged high unemployment that peaked at almost 10 percent and an economy that did not return to its prerecession baseline for another 8 years; and

Whereas artificial intelligence data center energy demand continues to grow, leading to consumers paying higher

electricity bills and subsidizing the rising costs of the artificial intelligence build-out: Now, therefore, be it

1 *Resolved*, That the House of Representatives—

2 (1) opposes—

3 (A) any measure to rescue insolvent artificial
4 intelligence-related firms, or to shield the
5 senior executives of such firms from accountability
6 for reckless conduct that contributed to
7 the failure of such firms;

8 (B) any Federal agency, including the Federal
9 Reserve, the Department of the Treasury,
10 and the Federal Deposit Insurance Corporation,
11 providing special assistance, whether through
12 emergency lending under section 13(3) of the
13 Federal Reserve Act, the Exchange Stabilization
14 Fund, direct capital infusions, a debt guarantee
15 program, or otherwise, to rescue insolvent
16 artificial intelligence-related firms or financial
17 firms with exposure to the artificial intelligence
18 sector for the purpose of supporting the deployment
19 or sustainment of their businesses operations
20 or preventing their orderly resolutions;
21 and

22 (C) any funds otherwise marshalled by the
23 Federal Government to bail out insolvent artificial
24 intelligence-related firms for the purpose of

1 preventing their orderly resolution or bank-
2 ruptcy;

3 (2) affirms that—

4 (A) insolvent artificial intelligence-related
5 firms should wind down or reorganize through
6 ordinary bankruptcy processes and that insol-
7 vent financial firms should be resolved through
8 orderly resolution processes, as laid out in stat-
9 ute;

10 (B) artificial intelligence bubble-induced
11 bankruptcy and resolution processes should be
12 administered in a manner that promotes com-
13 petition, supports workers and consumers,
14 prioritizes pension and retirement fund holders,
15 and does not further the concentration of mar-
16 ket power in the technology or financial sectors;
17 and

18 (C) senior executives found to have taken
19 excessive risks, violated fiduciary duties, or
20 acted unlawfully, should be held fully account-
21 able under civil and criminal law and should be
22 required to pay penalties in addition to return-
23 ing their ill-gotten gains together with every-
24 thing those gains purchased, including man-
25 sions and vacation homes, private aircraft,

1 yachts, luxury vehicles, survival bunkers, art
2 and collectibles, memberships in exclusive clubs,
3 board seats, honorary titles, and advisory posts,
4 carried interest and unvested equity awards,
5 golden parachutes and deferred compensation,
6 trusts and foundations used to shelter wealth
7 from creditors and taxation, and every other
8 privilege or status that was financed using the
9 proceeds of their risk taking;

10 (3) supports aggressive Federal action to di-
11 rectly protect workers and consumers from bearing
12 the costs of economic dislocations in the wake of
13 acute financial stress induced by artificial intel-
14 ligence-related failures, including through—

15 (A) Federal fiscal stimulus to directly cre-
16 ate jobs at a level commensurate with a short-
17 fall in consumer demand triggered by a col-
18 lapsing artificial intelligence bubble, and pre-
19 serve vital jobs in and services provided by
20 State and local governments;

21 (B) robust economic assistance for workers
22 and their families who face job losses in the
23 wake of an artificial intelligence bubble collapse,
24 such as unemployment insurance, nutrition sup-
25 port, rental and housing assistance;

1 (C) strong protections for pension and re-
2 tirement fund holders who face devastating
3 losses to their savings in the event of an artifi-
4 cial intelligence bubble collapse;

5 (D) the immediate enactment of laws trig-
6 gering automatic economic stabilizers that sup-
7 port workers and consumers irrespective of spe-
8 cific congressional action to respond to future
9 economic recessions; and

10 (E) targeted Federal assistance to commu-
11 nities and households that face disproportionate
12 economic harm from artificial intelligence-re-
13 lated financial failures, including historically
14 underserved communities, low-income house-
15 holds, current and near retirees, and commu-
16 nities with limited access to financial services,
17 credit, and economic opportunity; and

18 (4) commits to engaging on a far-reaching re-
19 form agenda to prevent future speculative bubbles,
20 to restore transparency and accountability to the
21 markets and institutions that finance such bubbles,
22 and to ensure that the costs of any such bubble are
23 borne by those who inflate and profit from it rather
24 than by workers, consumers, and taxpayers.