

The Case for Exporting American AI

di Aaron Ginn

Generative artificial intelligence isn't a trend; it's the backbone of the next industrial era. Countries are racing to build the full AI stack: data centers, chips, power and platforms. On his recent trip to the Middle East, President Trump signed deals to export AI chips to Persian Gulf states, including Saudi Arabia, the United Arab Emirates and Qatar, in exchange for more than \$1 trillion in investments in the U.S. economy, largely in AI infrastructure.

The deals signify a shift from the Biden administration's AI Diffusion Rule, which sought to regulate the export of American-made AI chips and handed China an opening to dominate the market. By rescinding the rule on May 13, two days before the compliance deadline was scheduled to go into effect, Mr. Trump cleared the path for America to lead. Now, American allies can build AI using U.S. infrastructure, values and standards.

Some critics argue that supporting AI capacity abroad undermines American interests. When the Trump administration's AI czar, David Sacks, negotiated the deals with the Gulf states, he was criticized for supposedly giving China backdoor access to U.S. graphics-processing units. Rep. Ro Khanna (D., Calif.) claimed the agreement to build an AI data center in Dubai would export jobs that should be created "in Pennsylvania or in Ohio." This framing misses the point. Instead of undermining the U.S., the deals strengthen global alignment with the West, expand the reach of U.S. infrastructure, and increase America's strategic leverage.

In today's decentralized yet highly interconnected world, restricting who can sell and build AI infrastructure is like trying to swim up a waterfall. The U.S. has attempted to impose export controls for GPUs on China, but China has exploited loopholes to

obtain billions of dollars' worth of American GPUs, thereby turbocharging its AI initiatives.

Nor will it work to regulate foreign countries' access to AI models or semiconductor manufacturing equipment. Tightening supply chains or imposing U.S. certification requirements won't affect companies that already want to be sovereign. Huawei will soon be self-sufficient, developing "good enough" parity in AI hardware that it won't have to rely on global supply chains. Markets move faster than regulators, and bureaucracy can't outrun the future.

The only remaining option is alignment. If the U.S. can't control the distribution of AI infrastructure, it must influence who owns it and what it's built on. The contest is now one of trust, leverage and market preference.

It's understandable that regulators and politicians are spooked by deals with the Gulf states. America's supply-chain vulnerabilities are real, and reshoring is only beginning. But China has built a nearly closed-loop AI economy, from rare-earth metals to final deployment. At the center of it all is computing power. Data centers aren't only commercial assets; they're national-security infrastructure. The U.S. needs to stop worrying about who's buying [Nvidia](#) and start worrying about who's buying Huawei. The choice for our allies should be straightforward: access to the world's best chips, backed by American innovation and energy, or Huawei, which is subsidized by and tethered to Beijing.

China's playbook is clear. It will flood the market with "good enough" GPUs and offer below-cost deals to win influence. If the U.S. allows data centers in allied countries, especially the billion-dollar AI megacampuses rising across the Gulf, to use Chinese-made chips, it invites surveillance and sabotage.

The U.S. should impose tariffs on Chinese GPU imports, establish a global registry of firms that use Huawei AI infrastructure, and implement a clear data-sovereignty standard. U.S. data must run on U.S. chips. Data centers or AI firms that choose Huawei over Nvidia should be flagged or blacklisted. A trusted AI ecosystem requires enforceable rules that reward those who bet on the U.S. and raise costs for those who don't.

China is already tracking which data centers purchase Nvidia versus Huawei and tying regulatory approvals to those decisions. This isn't a battle between brands; it's a contest between nations. If countries want access to the best AI technology and American data, they must build upon the U.S. stack, adhering to U.S. standards. Being in the American AI fold must mean something; staying in it should be the obvious choice.

Mr. Ginn is CEO and co-founder of Hydra Host, a venture-backed AI data-center services and management company.