



By: James Oliphant

On the campaign trail, data centers are the new American boogeyman



U.S. Senate candidate **Abdul El-Sayed** vanquished rival Haley Stevens in the closely watched Democratic primary in Michigan last week for several reasons – but high on the list was El-Sayed’s call to curb the explosive growth of data centers in his state.

Stevens, a moderate member of the U.S. House of Representatives, found herself on the wrong side of an issue that is gaining velocity in congressional races across the country.

A progressive whose win has alarmed the centrist factions of the party, El-Sayed was able to capitalize on mounting public unrest over the nationwide proliferation of data centers, massive server-packed barn-like structures that soak up **large amounts of electricity** and water in service of AI development. He cast the issue both in terms of environmental impact and corporate greed, infusing his opposition with a populist strain.

The backlash against the centers has formed so rapidly this year that politicians, including many Democrats, have found themselves flat-footed against the rising tide of voter anger.

When **Michigan** Governor Gretchen Whitmer, a Democrat, attended a groundbreaking event for a data center with Open AI CEO Sam Altman in June, she was roundly heckled on social media.

El-Sayed staged a campaign event at the same site two months later, decrying the firms that Whitmer had praised and suggesting they strike corrupt bargains with local officials. He advocated for federal guardrails for construction of the centers.

“Until the federal government stands up to act, we are going to watch dirty data centers get approved because they’re able to truck local politicians using exactly the same way that corporations get their way in our politics all the time: political contributions, lobbying and an army of lawyers,” **El-Sayed** said.

He was flanked by supporters holding signs that read: “Barns Not Bribes.” A few days later, he won the primary narrowly over the better-

funded Stevens, who had largely supported the data center boom while calling for consumer safeguards.

A similar dynamic played out in **Kansas** this month, when state Representative Cindy Holscher parlayed her opposition to data centers to outpace two other Democrats and capture the party’s gubernatorial nomination.

Last year, Holscher voted in favor of a bill promoting data center construction in the state but then flipped on the issue for her campaign, showing that she correctly read shifting public sentiment.

Not rooted in ideology or party identity

The data center pushback may have taken so many politicians off guard because it’s an example of a rare phenomenon in modern American politics: an authentic, up-from-the-bottom grassroots movement, something that isn’t a product of corporate or party-funded astroturf campaigns or the result of cable-news or social media scaremongering.

And it’s an issue not rooted in ideology or party identity. When this writer was driving through conservative rural Ohio earlier this year, he saw yard signs opposing the centers where Trump banners used to dominate.

Along that line, Republicans are also feeling the heat. In **Florida**, U.S. Representative Byron Donalds, a candidate for governor, has been running TV ads vowing to protect families from costs associated with data center construction. This came after the leading Democrat in the race, David Jolly, supported a temporary halt on building.

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In **Texas**, where the Democratic gubernatorial challenger, Gina Hinojosa, has made data centers a top issue, the current governor, Greg Abbott, a Republican, ordered a statewide moratorium on new construction until state regulatory agencies can audit proposed centers seeking connection to the state's electric grid.

Certainly, most Republicans have not taken that tack, arguing that the centers are necessary for the jobs they bring to work-starved communities, the tax revenue they provide, and the need for the U.S. to keep pace with China in the race to develop AI technologies.

After **New York** last month became the first state to order a pause in new center construction, Trump blasted its Democratic governor, Kathy Hochul.

"Governor Kathy Hochul, for political reasons, has terminated all Data Centers being built, or to be built, in New York State," Trump posted on Truth Social. "These Companies are now being sought in Alabama, Florida, Texas, Arizona, and many other States. Both the Taxes and the Jobs amount to LIQUID GOLD!"

Robust regulation vs. all-out bans

Those arguments also may be why Democratic candidates for the most part have come short of calling for all-out bans on the building of new centers but instead are pushing for some combination of robust regulation and policies that ensure tech firms pay for the resources the centers consume.

That's the approach former U.S. Senator Sherrod Brown is taking in Ohio, where he's trying to return to Congress and unseat incumbent Republican Jon Husted. A longtime friend of organized labor, Brown is keenly aware that building trade unions favor the centers for the construction jobs they create.

But some Democrats appear to be riding the

issue in the hope it carpets over some of their electoral liabilities. That may be especially true in **Wisconsin**, where Francesca Hong, a democratic socialist, is favored to win the Democratic primary over other mainstream candidates. Hong's "CONTROL-ALT-DELETE" plan would impose a ban on new center construction.

Establishment Democrats fear Hong, who has been mocked on social media for once suggesting that the U.S. do away with Thanksgiving, will be crushed by the Republican in the race, Tom Tiffany. But for Hong, the issue may be a means by which to leverage her economic populism (she favors universal child-care and wealth taxes) in a way that galvanizes voters.



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Hong is also one of the few candidates, along with El-Sayed, who are openly discussing the prospect of the Wall Street AI bubble collapsing and triggering a financial crisis.

Calling the data center buildout a "gold rush," Hong has urged caution until governments are "sure the demand for AI will meet the overwhelming supply that's being constructed."

At his data center event, El-Sayed warned "the entire economy is hanging on those top seven stocks because if you actually look at the rest of the economy, it's not doing all that hot. And so, if the whole thing is hanging on this bubble of an economic system that is a very, very dangerous thing."

Tech firms, he said, are “racing to try to figure out how to put a data center in while the getting is good because there's money to be had.”

The data center issue may give El-Sayed, who goes into his general election contest against Republican Mike Rogers as an underdog, a potent weapon with which to capture independent voters.

But his warnings about a pending economic downturn are likely a bridge too far for most Democratic candidates, who would rather not rattle voters about their retirement funds and other investments.

The role of tech platforms

Even so, Big Tech is making for a convenient boogeyman on the campaign trail – and likely will continue to be for the rest of the midterm campaign.

The opposition to the centers is only in part driven by NIMBYism. They've also become brick-and-mortar manifestations of people's existential fears about the rapid encroachment of AI into almost every aspect of society.

The role of tech platforms in everyday life is increasingly being questioned

Beyond that, the role of tech platforms in everyday life is increasingly being questioned, as evidenced by a New Mexico judge's order last week directing **Meta** to create a \$567 million mental health fund for teens.

That order came after a state jury earlier this year ordered the company to pay \$375 million for misrepresenting the safety of its platforms for young users.

The shifting environment may have led Meta's CEO, **Mark Zuckerberg**, likely the best-known tech exec of all, to declare on Monday that his company will establish a \$1 billion fund to

support communities where it hosts data centers.

After all, if you can't win hearts and minds through the power of sweet reason, cash usually makes for an effective alternative.