

AI Data Centers

What is AI?
Artificial Intelligence - or AI – is a new technology developed by the computer industry and drawing major capital investment. The economic benefits of AI accrue to the AI companies, which are some of the biggest corporations in the U.S. - Google, Amazon, OpenAI, Meta, Microsoft. Meanwhile, the costs of the massive resource drains, spikes in air and noise pollution, increased health risks, and larger utility bills fall on communities. Democracy is circumvented as these AI companies seek to make deals with local governments behind closed doors, without community input, without cost impact studies, without sufficient regulations, and with tax breaks and other incentives.

What are data centers?
AI requires massive data centers to power the technology. the The buildout of these centers has led to a massive backlash, cutting across lines of region, race, income, and political affiliation and providing an organizing opportunity to build a mass movement taking on a powerful industry and its political backers.

What are the main concerns local communities have about AI?

Environmental, Energy, and Health Impacts of Data Centers

- Data center energy use is driving up fossil fuel use and greenhouse gas emissions, endangering our shared future. Data center emissions are projected to triple by 2035.

- Backup diesel and gas turbine generators at data centers are emitting toxic air pollutants such as particulate matter and nitrogen oxides, leading to a higher incidence of cancer and respiratory and cardiovascular disease in adjacent communities, which are disproportionately Indigenous, Black, brown, and low-income communities.
- Data centers are driving massive increases in electricity consumption, requiring major utility investments to upgrade transmission and distribution systems. Data center electricity consumption rose from 1.9 percent of all U.S. electricity use in 2018 to 4.7 percent in 2024, and is projected to grow to 11.8 percent by 2030. However, data centers are passing most of the costs of these upgrades on to communities, driving up utility bills for everyone.
- Data centers use large amounts of water to cool their servers, and fossil fuel power generation to supply data centers' massive electricity demand also consumes large amounts of water. This increased water usage because of the data center buildout is threatening the water supply in already water-stressed communities.

AI as a Tool of War

- Data centers are the material infrastructure that enables the Department of War's AI-first war strategy. Data centers that power AI weaponry and military intelligence and surveillance are now considered critical national security infrastructure, as President Trump has ramped up an AI acceleration strategy for the Department of War.
- The Pentagon is using AI to decide where to bomb in Iran. It is using a program run by tech billionaire Peter Thiel's company Palantir that uses Anthropic's Claude AI. Palantir uses data centers owned by Microsoft and Amazon.
- The Trump administration is seeking a $1.5 trillion Pentagon budget for FY 2027. This request includes $54.6 billion for the Defense Autonomous Warfare Group (DAWG), which aims to expand the development and use of AI-powered killer robots. Rather than subsidizing Big Tech billionaires and AI weapons contractors who facilitate U.S. war crimes around the globe, Congress should reallocate funding from the Pentagon to human needs.

Data Centers, Democracy, and Transparency

- Data centers are coming into communities under secrecy and non-disclosure agreements. For example, in Virginia, a hub of data centers, 81

percent have come under broad NDAs that protect not just "trade secrets," but also "business plans," which can cover almost anything, including community impacts.
- State and local governments are negotiating massive tax breaks for data centers without public input, leading to at least an estimated one billion dollars in lost tax revenues (potentially more, because many state and local governments don't disclose sufficient data about revenue losses).

Data Centers, AI, and Jobs

- Data center proponents claim that they create jobs and economic development. However, data centers create very few permanent jobs. Most jobs created by data centers are temporary construction jobs, and most of these jobs don't go to local community members.
- Data center employment claims are highly inflated. The data center industry employed an estimated 0.01 percent of U.S. workers in 2024. Meanwhile, AI industry leaders openly talk about how their technology will eliminate jobs in the future.

Data Center Investment Has a Huge Opportunity Cost

- On top of consuming large amounts of electricity and water, creating serious environmental impacts, and raising utility prices for local communities, local and state governments are also handing over hundreds of millions of public, taxpayer dollars to the corporations who build and manage data centers, while underinvesting in community needs.
- The Institute for Policy Studies found that in Indianapolis, a proposed $395 million tax break for data centers could instead fund the following:
    - Hire 250 teachers to work in Indianapolis city schools for the next 15 years to address the teacher shortage and improve child reading and math scores; OR
    - Provide free residential solar panel systems for 12,000 homes in Indianapolis to reduce energy costs and help fight climate change; OR
    - Fund a third of the City's housing initiatives over the lifespan of these tax breaks per the city's FY 2027 budget request. These initiatives include diversion programs, rapid rehousing programs, and services to tenants facing eviction.

What Can Communities Do?
This is a high-level list of key interventions that communities can make. For readers interested in a deeper dive, here's a detailed toolkit of policy interventions to protect communities from data center development.

- Ban data centers when the economic, environmental, and health consequences outweigh any potential benefit.
- If passing a ban proves politically impossible, pass a moratorium to study the impacts of data centers and develop protective regulations governing zoning and siting, water use, and air and noise pollution. The moratorium period must be long enough to perform a rigorous study and pass effective regulations, and the study and regulation process must be transparent and open to public participation.
- Ban the use of nondisclosure agreements for any project with private benefits and public impacts.
- Require that economic development incentives of any kind be tied to high (and verifiable) job creation thresholds, and that the economic development incentive award process be subject to meaningful public input.
- Demand transparency for the public when data centers approach a community
- Demand public input
- Pass a moratorium while the costs and benefits can be assessed

If data centers already exist:

- Intervene in regulatory processes in Public Utility Commissions to ensure data centers pay for their own energy and water consumption and that no cost is passed on to ratepayers.
- Require data centers to replace polluting diesel or gas turbine generators with solar panels and battery storage.
- Compare the potential costs and benefits of data centers with other uses of public resources.
- Demand detailed environmental and health impact studies of data centers and close them if these findings are negative