

Data Center Construction and Related Issues

Industry and Public Impacts

- Since the start of 2024, data center spending has grown by \$20.2 billion, offsetting a dramatic \$64.9 billion decline across all other private nonresidential segments.
- This growth is also benefiting a broad cross-section of the industry, with an average of 1 in 8 ABC member contractors (or 12.6%) under contract to perform work on data centers. This is a sharp contrast to the highly geographically concentrated manufacturing construction boom of 2022-2024.
- Contractors under contract to work on data centers (11.2 months) continue to have significantly longer backlog than those who are not (7.6 months), [according to ABC's February 2026 Construction Backlog Indicator](#).
- Data centers are crucial infrastructure projects approved by local governments, built by American workers.
- A federal moratorium on data center construction, an idea floated by Sen. Bernie Sanders, I-Vt., would override local decisions by states, cities and citizens in favor of a one-size-fits-all mandate.
- These are highly technical projects constructing facilities that underlay every aspect of our economy, our nation's security and Americans' daily lives. They house servers, storage and networks that collect, process and distribute massive amounts of data. Data centers enable everything from streaming videos to online banking.
- The rapid development and implications of artificial intelligence require serious, deliberate conversations among the public and policymakers, but freezing data center construction would be a catastrophic error in a generational moment for technological advancement and our nation's future.
- The stakes here are high. Leadership in artificial intelligence, high-performance computing and advanced manufacturing is a national priority. These ambitions depend on secure, domestic computing capacity—capacity that cannot exist without continued investment in data centers.
- Halting their construction would not slow global AI development; it would simply shift investment, talent and innovation elsewhere.
- America did not become an economic powerhouse by freezing innovation. We debated, built consensus and adapted—while continuing to build. Proceeding thoughtfully is prudent. Halting progress altogether is reckless.
- If the United States wants to lead in AI, we cannot put American innovation on hold.

Addressing Public Concerns

- Recent polling from the U.S. Chamber of Commerce highlights public concerns about the impacts of data centers on local communities, including water and land use, grid capacity and environmental considerations. The polling shows 72% of respondents report that water usage and resiliency are their top concern, and 66% of respondents are concerned with electricity costs and grid capacity. These concerns arise from both consumer costs and resource supply impacts.
- As taxpayers, ratepayers and citizens of the communities in which they build, ABC members and the wider construction industry share these concerns. To that end, ABC supports the [Ratepayer Protection Pledge](#) signed by leading hyperscalers and AI

companies that ensures household energy costs will not rise due to local data center construction.

- Excess costs must be eliminated wherever possible so these valuable dollars can be used to address rising capital requirements for energy consumption and grid capacity.
- Shutting out skilled construction professionals and project engineers based on unnecessary procurement requirements will limit the available expertise and skill needed to tackle these very real issues for local residents and our national infrastructure.
- Increasing construction costs, damaging public trust and casting aside community concerns in order to satisfy the political desires of special interests cannot be part of these critical projects used by all Americans and needed to secure our future.

Fair and Open Competition for Data Center Projects

- To meet demand for speed, skill, safety and expertise, the whole of the construction industry must be at the table.
- Any public policies or private incentives that would limit access to these projects to one segment of the industry for any reason, especially labor affiliation, would cause significant negative impacts on project costs and timelines due to reduced competition. They would also further strain a construction labor market that is currently experiencing a historic shortage.
- Fair and open competition for data center construction projects will ensure the highest-quality contractors deliver the safest and most efficient products.
- Burdening projects with unnecessary constraints on contractor participation will increase the data center construction backlog and impede project delivery while shutting out a vast number of local contractors who have the necessary technical and construction expertise.
- Nonunion firms consistently use multitasking, a method that allows workers to perform a variety of tasks and craft combinations on a given project. Multitasking leads to an average increase of 14% in productive work time and an average reduction of 28% in idle time. Utilizing multitasked crews on a project leads to a reduction in labor demand by 70% on average. These increases in productivity will allow construction labor markets and hyperscalers to sustain the necessary labor capacity and completion speed to meet data center demand.
- The GRID Act, introduced by senators Josh Hawley, R-Mo., and Richard Blumenthal, D-Ct., would require data centers to have their own power sources and mandate project labor agreements—which excludes 9 out of 10 construction workers from building those power sources—limiting competition and shutting out the majority of contractors needed to perform the work.
- Not only do project labor agreements exclude 89% of the workforce from bidding on these projects, but they also increase costs by 12-20% at the expense of the taxpayer.