

VOTE POWER: Nevada Attorney General Aaron Ford speaks to community members about stricter regulation of data centres. Ford has been elected the first African-American Governor of the state

Here's how US midterms will impact AI firms

People's trust in tech is at an all-time low and pushback against server warehouses high, says **Mathures Paul**

Public trust in technology companies has slipped from 32 per cent in 2020 to 20 per cent in 2026, according to Gallup. An Ipsos survey from this year paints a similar picture: 22 per cent of Americans consider technology entrepreneurs trustworthy, 38 per cent think them untrustworthy. Markets like India and China have been far more trusting of tech, according to the *2022 Edelman Trust Barometer Special Report: Trust in Technology*.

Such a lack of confidence makes the situation ripe for political intervention, which can reshuffle the deck of winners and losers. The 1998 anti-trust case against Microsoft, for instance, kept the company's management busy while the world moved from the desktop towards the network, opening the door to new entrants in search, social media and mobile.

Data centre backlash

Data centre regulation was not the top issue among voters, but opposition to server warehouses was hard to miss. In Texas, Clayton Tucker, the first Democrat elected state agriculture commissioner since 1986, said ranchers worried that such centres would deplete water supplies.

Newly elected governors in Ohio, Georgia, Michigan, New Mexico and Texas campaigned on a promise to pause data centre construction. According to market intelligence company Cleanview, 40 per cent of pending data centre capacity in the US is planned for states with newly elected governors.

The industry has taken note. Soon after the results, OpenAI said each future data centre, or "compute campus", it owns and operates will have its own local agreement and an annual public report. "We'll pay the full cost of the electricity we use and the infrastructure needed to serve us," the company said. Chris Lehane, OpenAI's chief global affairs officer, went further in an essay: "We already know the number-one issue of the 2028 presidential election: AI. What we don't know is how it will show up."

Meta Platforms, which wants enough computing power to run personal agents for its 3.6 billion users, is also wary. At the recent WSJ Tech conference, its president Dina Powell McCormick said "many different factors" played into the Democrats' victories, with data centre opposition front and centre in many campaign ads and exit polls. She expects "a lot more review" of new projects, warning that new build-outs "will be very challenging".

Companies may look abroad. "Every hyperscaler is now thinking about 'Do we need to build outside the United States?'" she said. "Because they're enormous investments, hedging those investments is a wise thing."

AI versus SI

Washington, meanwhile, is fighting over vocabulary. US President Donald Trump has waged war on the term "artificial intelligence" because it may make the technology sound fake. He wants everyone to call it "superintelligence".

"The White House considers anyone that uses the term, 'Artificial Intelligence,' as opposed to the highly accepted new and more accurate term, 'Super Intelligence,' THE ENEMY!" Trump said last month on Truth Social.

Not many tech CEOs sound "super" excited. Nvidia chief executive Jensen Huang has used SI for some audiences but AI for others. A few weeks after posting on X about "the future of Super Intelligence", he told a conference in Berlin: "Every company in Europe will become an AI company."

OpenAI CEO Sam Altman is in no hurry to rename his company OpenSI either. "Brands are sticky," he pointed out to media firm Politico.

AI & You

Democrats taking control over the Senate will create some major hurdles for AI and tech legislation over the next two years

CEO hearings

Tech bosses could soon find themselves before Congress. Greg Casar, who chairs the Congressional Progressive Caucus, said: "AI company CEOs should be called to testify under oath."

Robert Garcia, set to chair the House Oversight Committee, has a simple message for Republicans: "Lawyer up." Senate Finance Committee ranking member Ron Wyden put it in one word on X: "Subpoenas."

Senator Bernie Sanders has called for "Pause AI Now." Former X product lead Nikita Bier posted: "This is going to be like the Nuremberg Trials but for AI researchers."

Legislation is back in play too, such as the Kids Online Safety Act (Kosa) passed by the Senate in 2024 and the rules making app stores responsible for age checks and keeping under-16s off social media.

Analysts at Yorkville Ives & Co said in a note: "There is no way to sugarcoat that Democrats taking control especially over the Senate will create major hurdles for AI and tech legislation over the next two years."