Written Testimony of Josh Levi

President, Data Center Coalition

Before the U.S. House of Representatives Natural Resources Committee

September 10, 2025, 10:00 a.m. EST

1324 Longworth House Office Building

Washington, D.C. 20510

Introduction

Chairman Westerman, Ranking Member Huffman, and distinguished members of the Committee, thank you for the opportunity to provide testimony this morning exploring pragmatic, bipartisan permitting reforms such as the Standardizing Permitting and Expediting Economic Development (SPEED) Act. This topic is critical to the future of America's economic competitiveness and national security.

My name is Josh Levi, and I am the President of the Data Center Coalition (DCC). DCC is the membership association for the U.S. data center industry.[1] DCC's member companies provide the digital infrastructure that supports the applications, capabilities, and essential services that enable our modern economy, including cloud computing and artificial intelligence (AI).

DCC member companies are making significant, multi-billion dollar investments in America's digital infrastructure. These investments support millions of quality jobs across the nation and contribute billions of dollars in local, state, and federal tax revenue, providing sustained funding for essential community priorities like public safety, education, and transportation. Between 2017 and 2023, the data center industry's total contribution to U.S. GDP was $3.5 trillion. In 2023, the U.S. data center industry directly employed more than 600,000 workers and supported 4.7 million jobs in total. The sector generated $404 billion in total labor income and contributed $162.7 billion in federal, state, and local taxes in 2023.[2]

The U.S. is the global leader in the digital infrastructure necessary for AI. At the beginning of 2025, the U.S. represented roughly 60% of globally installed data center capacity, with eight of

[1] The Data Center Coalition's website address is: www.datacentercoalition.org. Public testimony and written comments submitted by DCC do not necessarily reflect the views of each individual DCC member.
[2] PwC, "Economic Contributions of Data Centers in the United States," February 2025.

the top ten markets.[3] A recent McKinsey analysis shows that by 2030, companies will invest almost $7 trillion in capital expenditures on data center infrastructure globally and that more than 40 percent of this spending will be invested in the U.S.[4] The Trump Administration is rightly focused on streamlining permitting and upgrading the U.S. power grid to accommodate growing demand—both of which are necessary to maintain our position as the global leader in AI. However, there is growing reporting and evidence that other countries, including China, have developed sufficient power infrastructure to quickly scale their digital infrastructure and AI capabilities.[5]

Put simply: If America cannot build, America cannot compete. Comprehensive permitting reform is necessary to unlock the infrastructure needed to power our economy, protect national security, and strengthen our global leadership.

Data Centers and U.S. Economic Growth

There is unprecedented demand for the digital services that have become central to our daily lives and modern economy—everything from the way we work and learn to how we buy groceries, bank, and even access medical care now occurs online. These digital, cloud-based services on which we all rely take place in physical locations—America's data centers. With an average of 21 connected devices per household in the U.S. and 5.5 billion people currently online globally, the role of data centers is expected to grow as consumers and businesses generate twice as much data in the next five years as they did in the past decade.[6] This growth is driven by the widespread adoption of cloud services, the proliferation of connected devices, and the rapid scaling of advanced technologies like generative AI, which alone could create up to $4.4 trillion in economic value globally by 2030.[7]

Economic Contributions of Data Centers and Investing in America

Data centers are the foundation of the modern economy, powering a vast array of digital services in homes, businesses, and government at a massive scale and low cost per unit of productivity. In addition to being a core enabler for business transformation and efficiency across America, data centers are vital economic engines for local communities across the country. Data centers create

[3] Boston Consulting Group, "Breaking Barriers to Data Center Growth," January 20, 2025; Cushman & Wakefield Research, "2025 Global Data Center Market Comparison," May 2025.
[4] McKinsey, "The data center balance: How US states can navigate the opportunities and challenges," August 8, 2025.
[5] Fortune, "AI experts return from China stunned: The U.S. grid is so weak, the race may already be over," August 14, 2025
[6] Deloitte, "Connected Consumer Study 2023," September 2023; International Telecommunication Union, "Internet use continues to grow, but universality remains elusive, especially in low-income regions," November 27, 2024; JLL, "Data Centers 2024 Global Outlook," January 31, 2024.
[7] McKinsey, "The economic potential of generative AI: The next productivity frontier," June 2023.

employment opportunities and are catalysts for broader economic growth, supporting ecosystems of suppliers, service providers, manufacturers, and construction.

DCC member companies are collectively investing hundreds of billions of dollars in the United States to meet the demand for digital infrastructure.[8] Data centers are creating jobs and driving economic growth in a variety of industries—including construction, manufacturing, and energy—and across the U.S. economy as a whole. Spending on data center construction projects will exceed investment in traditional office buildings for the first time in 2025.[9] These data center projects are promoting steady employment opportunities for electricians, engineers, heavy-equipment operators, and other specialized careers that build data centers and help maintain them for years to come. In addition, Renaissance Macro Research estimates the dollar value contributed to GDP growth by AI data center expenditure has already surpassed the total impact from all U.S. consumer spending this year—the first time this has ever occurred.[10]

Data Centers and Energy

The U.S. requires rapid deployment of more data centers to provide the computing power needed to support critical and emerging technologies that deliver broad public and economic benefits, including AI and continued cloud service demand. A recent Goldman Sachs report estimates the shortfall of data center capacity versus demand in the U.S. this year will grow to 11.4 gigawatts (GW).[11] As demand for data center services continues to rise, timely access to affordable and reliable power is the pacing challenge for the industry. After nearly two decades of relatively flat electricity consumption, the U.S. is experiencing a significant increase in power demand driven by several economic growth trends, including the onshoring of new manufacturing, widespread electrification, hydrogen fuel production, and growth in demand for data center services. In the U.S. market alone, demand—measured by power consumption to reflect the number of servers a data center can house—is expected to reach 80 GW by 2030, up from 25 GW in 2024.[12]

To meet this need, the U.S. requires a diverse set of energy resources and technologies to maintain its edge amidst intensifying global AI competition that has far reaching implications for national security and sustained economic prosperity. Over 60 percent of global power demand for data centers is expected to be met by new energy capacity.[13] And the data center industry is playing its part by accelerating commercialization of new technologies such as advanced nuclear, enhanced geothermal, long duration energy storage, and carbon capture, as well as investing in the expansion of existing generation resources.[14] Supporting this growing electricity demand

[8] Written Testimony of Josh Levi, "America's AI Moonshot: The Economics of AI, Data Centers, and Power Consumption," April 1, 2025.
[9] The New York Times, "The A.I. Spending Frenzy Is Propping Up the Real Economy," August 27, 2025.
[10] Sherwood, "The AI spending boom is eating the US economy," July 30, 2025.
[11] Goldman Sachs, "Powering the AI Era," 2025.
[12] McKinsey, "How data centers and the energy sector can sate AI's hunger for power," September 17, 2024.
[13] Goldman Sachs, "Powering the AI Era," 2025
[14] Data Center Coalition, "Letter to NRC Chairman David Wright and Commissioners," August 28, 2025.

through timely and prudent investments in new infrastructure is essential to the nation's economic growth, competitiveness, and national security.

The Need for Comprehensive Permitting Reform

America's global competitiveness in the 21st-century economy is directly tied to how quickly we can build infrastructure. The biggest challenge to U.S. AI leadership is our ability to scale the U.S. electrical grid. Linear energy infrastructure, including wires and pipelines, provides a long-term foundation for energy system growth. Today's power grid is composed of infrastructure assets that average 40 years old, shaped by generational infrastructure investments from a previous era of load growth.[15] Investments which we continue to reap benefits from today. But more is needed quickly. Now is the time to once again rise to the challenge and build to support today's economy and our nation's future economic growth.

For data center developers, a tension exists between the timelines of data center builds, which have traditionally spanned 18 to 24 months, and those of power infrastructure development and transmission development, which typically can take three to five years and seven to ten years, respectively.[16] The bulk of the time from transmission lines comes not from the actual construction but from permitting timelines.[17] The delta between data center development and energy infrastructure development significantly stalls the pace in which data center investment, jobs, tax revenues, and other benefits can be deployed.

From data centers and advanced manufacturing to electric transmission and pipelines, every sector of our economy relies on new infrastructure. Demand for electricity is surging and meeting this pacing challenge for every sector of the economy—including the data center industry—requires unprecedented levels of investment in new power generation and energy transportation while maintaining important and appropriate safeguards to ensure environmental stewardship and opportunities for public input. However, the current permitting system fails to meet the country's infrastructure needs. The SPEED Act addresses this by maintaining environmental safeguards while making National Environmental Policy Act (NEPA) reviews more efficient, timely, and predictable so that developers can invest in projects with confidence.

Comprehensive permitting reform is an essential first step to unlocking further economic development. The process itself is broken and suffers from lengthy and duplicative reviews often undertaken on the front end and protracted litigation occurring on the back end.

On the front end, McKinsey estimates that the average proposed project subject to NEPA review takes four to five years to move through the permitting process.[18] On the back end, the

[15] Goldman Sachs, "Powering the AI Era," 2025.
[16] McKinsey, "How data centers and the energy sector can sate AI's hunger for power," September 17, 2024.
[17] R Street, "Low Energy Fridays: AI to the Energy Rescue," September 5, 2025.
[18] McKinsey, "Unlocking US federal permitting: A sustainable growth imperative," July 2025.

Breakthrough Institute has found that NEPA related litigation has delayed energy projects 3.9 years on average, despite the fact that agencies ultimately won 71 percent of those challenges.[19] For larger infrastructure projects, timelines can be considerably longer.[20]

McKinsey estimates that reducing the federal permitting timeline by only one year could unlock a minimum of $22 billion in returns on invested capital among projects seeking approvals.[21] Tackling both ends of the permitting process is critical to unlocking the needed infrastructure to enable economic growth.

Key points to consider:

- The average federal environmental review for a major project now takes nearly **four years**, compared to just over **two years** in the 1970s.[22]
- Projects too often fall into a **"litigation doom loop"**—years of lawsuits and injunctions that delay critical energy infrastructure.[23]
- Red tape and regulatory overlap across multiple federal agencies create uncertainty, discourage investment, and ultimately drive up costs for consumers. Construction costs can increase **24 to 30 percent over project** timelines due to permitting delays.[24]
- An estimated **$1.5 trillion in critical energy projects** are currently suspended in the permitting process.[25]

These delays and cost increases are no longer just an inconvenience—they are a direct threat to **U.S. economic competitiveness and national security**. If we cannot build infrastructure at the pace required, America will fall behind competitors like China who are rapidly expanding their grids, manufacturing facilities, and digital infrastructure.[26] In short, where infrastructure investment is planned and approved, investment will follow, delivering enormous downstream economic benefits in the form of jobs, tax revenues, and technological competitiveness. Conversely, where infrastructure approvals are delayed or denied, investment will stall, communities will lose out on economic opportunity, and Americans will be at risk of being left behind.

---

[19] The Breakthrough Institute, "Understanding NEPA Litigation," July 11, 2024.
[20] See SunZia Transmission Project, New York City subway, Mountain Valley Pipeline.
[21] McKinsey, "Unlocking US federal permitting: A sustainable growth imperative," July 2025.
[22] Jennifer, Dill, "What Influences the Length of Time to Complete NEPA Reviews? An Examination of Highway Projects in Oregon and the Potential for Streamlining." November 15, 2005. 85th Annual Meeting of the Transportation Research Board.
[23] Institute For Progress, "We Must End the Litigation Doom Loop," May 2024.
[24] McKinsey, "Unlocking US federal permitting: A sustainable growth imperative."
[25] Ibid.
[26] Fortune, "AI experts return from China stunned: The U.S. grid is so weak, the race may already be over," August 14, 2025; Wood Mackenzie, "Powering China's data centres," July 25, 2025; Forbes, "China Has Bought Its Way To The Top Of The Manufacturing Industry. Where Does That Leave America?" October 30, 2024.

Principles for Comprehensive Permitting Reform

Any package under consideration to modernize the federal permitting process should encapsulate SPEED Act reforms that:

- **Focus environmental reviews on significant, direct impacts** instead of speculative or tangential effects.
- **Set clear timelines and deadlines** for agency decision-making while maintaining thorough environmental analysis and public input.
- **Streamline judicial review** to ensure timely resolution of disputes while maintaining appropriate safeguards for affected stakeholders.
- **Improve efficiency** through greater use of programmatic environmental reviews and categorical exclusions.
- **Clarify that receiving federal grants** or other types of funding does not constitute major federal action that triggers NEPA.

Additionally, comprehensive permitting reform should:

- **Modernize nationwide transmission permitting and planning** so we can build the grid of the future quickly, reliably, and affordably.
- **Establish a framework** for agencies to implement a digital permitting system and unified portal. This should include **the use of digital tools and AI** to speed up the permitting process.

Comprehensive permitting reform—**anchored by bipartisan solutions like the SPEED Act**—would help unleash investment, lower project costs, and deliver affordable, reliable energy when and where it is needed. For data centers, manufacturers, and communities across the country, faster permitting means lower energy prices, more resilient infrastructure, and continued global leadership in innovation, AI, and advanced technology.

Regardless of the environmental impact analysis and permitting path, facilitating data center development means ensuring that the permitting agencies tasked with performing environmental impact reviews and permitting are prepared to expedite workload at a pace that matches the timeline DCC members are capable of delivering.

To reiterate again: **If America cannot build, America cannot compete.**

Closing

Data centers are vital to enabling critical and emerging technologies like AI that are essential to U.S. national security, international competitiveness, and economic prosperity. Building new data centers is mission-critical to maintaining America's competitive edge and leadership in AI—but

the industry's ability to grow is currently hampered by infrastructure delays. Solutions are needed to bridge that gap and ensure the U.S. continues to lead in the development of new digital infrastructure. With proactive and timely action, the federal government can play a pivotal role in supporting this critical sector, fostering economic growth, and maintaining our competitive edge against foreign adversaries. However, holding back economic development and growth to meet current permitting regimes could lead to detrimental outcomes.

DCC thanks the Committee for its leadership in promoting strong, bipartisan solutions to fixing our nation's permitting system. While much work is still needed, we look forward to continued collaboration and dialogue with Congress and the Trump Administration to ensure the U.S. continues its dominance in the digital economy by building out the infrastructure that enables it.