

ONE HUNDRED NINETEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON THE JUDICIARY

2138 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6216

(202) 225-6906
judiciary.house.gov

September 29, 2026

Mr. Clay Magouyrk
Chief Executive Officer
Oracle Corporation
2300 Oracle Way
Austin, TX 78741

Dear Mr. Magouyrk:

Why is Oracle requiring state and local officials to sign non-disclosure agreements (NDAs) preventing them from discussing data center projects with their own constituents?

As the number of hyperscale data centers across the country grows rapidly, the opaque practices surrounding your data center projects have also become increasingly consequential and controversial. It is especially troubling that your company and others are using NDAs with local and state governments to block Americans from learning any details about the massive data center projects in their area and any special carveouts from tax, environmental, zoning, or development rules and laws being offered by local or state officials to companies like yours.

Our country currently hosts roughly 45% of all the data centers in the world.¹ As the demand for generative artificial intelligence (AI) development increases, that number is expected to increase with more than 1,000 new data centers reported to be in various stages of development across more than 40 states.² Many of these data center projects are being funded by tech giants like your company, as well as Amazon, Google, Microsoft,³ and Meta.⁴

Of the \$750 billion that just five companies, including yours, Amazon, Google, Microsoft, and Meta, alone plan to spend on capital expenditures this year, nearly two-thirds of

¹ *Number of Data Centers Worldwide as of June 2026, by Country or Territory*, STATISTA, <https://www.statista.com/statistics/1228433/data-centers-worldwide-by-country/> (last visited Aug. 31, 2026).

² Skyler Seets & Kaitlyn Radde, *Most New Data Centers in the U.S. Are Coming to Rural Areas*, PEW RSCH. CTR. (Apr. 13, 2026), <https://www.pewresearch.org/short-reads/2026/04/13/most-new-data-centers-in-the-us-are-coming-to-rural-areas/>.

³ Joe Schulz, *Microsoft to Stop Using NDAs with Local Governments for Data Center Development*, WPR (Mar. 20, 2026), <https://www.wpr.org/news/microsoft-to-stop-using-ndas-with-local-governments-for-data-center-development/>.

⁴ Jim VandeHei, *The Data Center Era That's Reshaping America*, AXIOS (Aug. 25, 2026), <https://www.axios.com/2026/08/25/data-centers-ai-electricity-water-politics>.

that investment is attributed to AI infrastructure.⁵ This massive data center boom has raised significant concerns about rising demand—and escalating cost—for electricity, water, and land. Communities where data centers have been built have complained about noise and air pollution and raised concerns about their public health consequences.⁶

Yet even as communities around America are aggressively studying the potential effects of these new data centers on their local environments and economies, large tech companies leading this buildout—like Oracle—have worked to keep the local communities in the dark.

You have been employing NDAs that prevent public officials such as city council members, mayors, and state legislators from sharing relevant information about data center development deals, including even the names of the corporations that are behind the projects.⁷

In community after community and state after state, legislators and public officials are effectively being gagged by NDAs. In Louisiana, more than 100 Louisiana state employees, including multiple elected officials, signed such agreements.⁸ The governor himself personally entered into an NDA with a data center subsidiary of Meta, linked to a \$50 billion campus.⁹ In Bessemer, Alabama, threats of a lawsuit revealed that the mayor and other city officials had signed an NDA for a \$14.5 billion data center proposal, which required them to destroy all copies of information that the developer deemed confidential upon demand.¹⁰ In Memphis, Tennessee, Elon Musk’s team met secretly to sign NDAs with local police and federal law enforcement agencies in preparation for “the world’s largest supercomputer” months before residents or even city officials were informed of it being built in their community.¹¹ In Minnesota, officials used code names and shell companies to conceal from the public plans to build a \$650 million data center in a suburb of Duluth.¹²

⁵ *Id.*

⁶ Deborah Kapiloff, Lindsay Rogers & Stacy Tellinghuisen, *Balancing the Trade-Off Between Data Center Development and Its Environmental Impacts*, WESTERN RESOURCE ADVOCATES (July 21, 2025), <https://westernresourceadvocates.org/blog/balancing-the-trade-off-between-data-center-development-and-its-environmental-impacts/>; Karen Feldscher, *Analyzing Air Pollution Health, Economic Risks from AI Data Centers*, HARV. T.H. CHAN SCH. PUB. HEALTH (Apr. 8, 2026), <https://hsph.harvard.edu/news/analyzing-air-pollution-health-economic-risks-from-ai-data-centers/>.

⁷ Pat Garofalo, *How to Rein in Big Tech’s Secret Data Center Deals*, AMERICAN ECONOMIC LIBERTIES PROJECT (Nov. 2025), https://www.economicliberties.us/wp-content/uploads/2025/11/data_center_brief_FINAL.pdf.

⁸ Drew Hawkins, ‘Gag Order’: More Than 100 Louisiana State Employees Signed NDAs with Gov. Landry’s Office, WWNO (July 24, 2026), <https://www.wwno.org/politics/2026-07-24/gag-order-more-than-100-louisiana-state-employees-signed-ndas-with-gov-landrys-office>.

⁹ *Id.*

¹⁰ Press Release, *Bessemer’s Data Center Non-Disclosure Agreement Raises ‘Deeply Concerning’ Public Records Questions*, S. ENV’T L. CTR. (July 13, 2026), <https://www.selc.org/press-release/bessemers-data-center-non-disclosure-agreement-raises-deeply-concerning-public-records-questions/>.

¹¹ Sarah Emerson & Emily Baker-White, *How Elon Musk Muzzled Government Employees from Talking About xAI’s New Supercomputer*, FORBES (updated Dec. 14, 2025), <https://www.forbes.com/sites/sarahemerson/2024/10/11/how-elon-musk-muzzled-government-employees-from-talking-about-xais-new-supercomputer/>.

¹² Walker Orenstein, Jana Hollingsworth & Eva Herscowitz, *NDAs, Code Names and Shell Companies: How Minnesota Officials Support Data Center Secrecy*, MINN. STAR TRIBUNE (Dec. 18, 2025),

Companies that enter into these agreements defend them as a lawful and routine business practice.¹³ But these NDAs bar public officials from sharing broad categories of information about these projects with their constituents, including information about the projects' effects on the community.¹⁴ Even when the language of an NDA expressly allows officials to disclose certain records or information on request, those officials are warned to reveal as little as possible and are required to give the data center company advance notice so your lawyers can take legal action to prevent information from becoming public.¹⁵

Local democracy obviously requires that the public be properly informed, that debate be genuine and based on facts, and that community members have a real chance to participate and shape the decisions that will directly affect their lives.¹⁶ However, NDAs for data center projects effectively deny them information, access, and participation. Residents cannot weigh a project's costs against its benefits, hold their officials accountable, or safeguard their own resources when the basic terms are kept secret. In Boyce, Louisiana, residents learned of a 300-acre, multibillion-dollar data center complex only after fences had gone up and ground clearing had begun.¹⁷ When residents confronted officials at a town hall and pressed for details on how the project would affect their community, they were told that a third-party study had found the environmental impact to be negligible.¹⁸ The frustrated residents were then informed that the study itself could not, however, be released for contractual reasons.¹⁹

The residents of Boyce and Bessemer and other locales across the country are not asking for companies such as yours to reveal trade secrets about data centers or their use to power AI, no matter how much companies like yours want to blur the lines.²⁰ They are simply asking how these huge construction projects will affect them and their communities—the effect these projects will have on local utility bills, the noise pollution these projects will generate, and the amount of land these projects will take up. They also want to know who is responsible for these projects and who will be held accountable if something goes wrong. Yet your company's NDAs prevent American citizens from getting those basic answers from the public officials who serve them.

<https://www.startribune.com/ndas-code-names-and-shell-companies-how-minnesota-officials-support-data-center-secrecy/601499182>.

¹³ Eric Bonds & Viktor Newby, *Data Centers, Non-Disclosure Agreements and Democracy*, VIRGINIA MERCURY (Apr. 30, 2025), <https://virginiamercury.com/2025/04/30/data-centers-non-disclosure-agreements-and-democracy/>.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Eric Bonds & Viktor Newby, *Data Centers, Non-Disclosure Agreements and Democracy*, VIRGINIA MERCURY (Apr. 30, 2025), <https://virginiamercury.com/2025/04/30/data-centers-non-disclosure-agreements-and-democracy/>.

¹⁷ Drew Hawkins, *NDAs Are Hiding Data Center Deals, Drawing Ire from Locals—and Attention from Lawmakers*, NPR (Aug. 27, 2026), <https://www.npr.org/2026/08/27/nx-sl-5879528/data-center-nda-disclosure-louisiana>.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ See, e.g., Google asserting that water usage is a trade secret. *City of Dalles v. Michael Rogoway*, Ore. Cir. Ct. (Oct. 2021), <https://www.documentcloud.org/documents/21096544-dalles-suit/>.

The House Committee on the Judiciary has broad jurisdiction over civil and criminal law, civil rights and civil liberties, and executive branch accountability, which extends to reviewing agreements that may infringe on government transparency and the public's right to know how officials are conducting the public's business. An NDA between a government official and a private tech company falls within the Committee's oversight purview whenever it may compromise those civil liberties and transparency interests, regardless of the confidentiality terms the parties have imposed. Accordingly, I request answers to the following questions no later than 5:00 p.m. on October 13, 2026:

1. Please identify every data center your company owns, operates, funds, or has proposed in the United States, whether directly or through a subsidiary, affiliate, or development partner. For each, provide the location, the current status, the projected capital investment, the projected electricity and water consumption at full operation, and any code names that your company has used or is currently using in connection to the project.
2. Please provide a list of every non-disclosure or confidentiality agreement your company has entered into with a state or local government, public official, public employee, or public utility in connection with a data center, and provide a copy of each. For each such agreement, please state whether your company proposed, required, or requested the agreement as a condition of proceeding.
3. Please provide a detailed description of the specific categories of information designated as confidential in these agreements, along with a justification for withholding each category, with an emphasis on categories such as projected water usage, energy consumption, tax incentives, and environmental or public health impacts.
4. Please confirm whether your company has ever invoked, threatened to invoke, or reserved the right to invoke an NDA to prevent, delay, or narrow a public official's response to a records request or public inquiry. If so, please describe each instance.
5. Microsoft recently stated that it ended its use of non-disclosure agreements with local governments.²¹ In light of this, please explain why your company continues to require confidentiality from the public officials with whom it negotiates on data center projects.

²¹ Joe Schulz, *Microsoft to Stop Using NDAs with Local Governments for Data Center Development*, WPR (Mar. 20, 2026), <https://www.wpr.org/news/microsoft-to-stop-using-ndas-with-local-governments-for-data-center-development/>.

Mr. Clay Magouyrk
Page 5

Thank you for your prompt attention to this important matter.

Very truly yours,



Jamie Raskin
Ranking Member

cc: The Honorable Jim Jordan, Chairman