CURIOSITYBITS LIVING LAB BOSTON · STUDY #04 RESEARCH ARTICLE (V1.2 — LOCAL, STATE, AND FEDERAL POLITICS OF AI INFRASTRUCTURE)

Where the Cloud Hits the Ground: Fiscal Federalism, Resource Strain, and Conditional Bargaining Over Artificial Intelligence Infrastructure

CuriosityBits Living Lab Boston

Abstract

National debates over artificial intelligence often center on frontier model benchmarks or existential risks, yet the sharpest everyday political conflict over artificial intelligence in the United States is unfolding where digital compute meets physical territory—where hyperscale data centers, high-voltage substations, cooling systems, and billion-dollar tax abatements confront local voters, electric ratepayers, city councils, and state utility commissions. Grounded in fiscal federalism, siting politics, and collaborative governance theory, we introduce a reproducible multi-tier observatory tracking subnational and federal actions (2023–2026) across a pre-registered baseline panel of 364 records in 48 jurisdictions and a cleaned, deduplicated, event-dated, 100%-live-scored panel of 243 records across 44 jurisdictions. Aggregate cross-tier differences in Resource and Ratepayer Salience are null under wild-cluster bootstrap inference ($p = 0.1740$) and a phrase-matched 2023–2026 federal sample ($\beta = +0.0502$, $p = 0.4401$, wild-cluster $p = 0.6264$), because federal energy and environmental agencies engage grid load at rates comparable to local governments (`0.2343–0.2974` versus `0.2223`). Instead, American federalism exhibits issue specialization: federal dockets emphasize national security (`3.50` times subnational levels), while subnational venues contest tax incentives (`3.99` times federal levels) and tariff design (`0.3106` state salience). Physical resource strain strongly predicts mobilization ($\beta = +48.1730$, $p = 0.0001$, wild-cluster $p = 0.0028$), whereas linear time trends are null ($p = 0.3741$). Conditional bargaining and procedural pauses lead (`48.97%–52.26%`), while direct denials, cancellations, and lawsuits reach `7.42%–8.79%` overall and `30.34%–35.96%` of high-pressure conflicts.

1. Introduction

Public opinion polling and national commentary routinely frame the politics of artificial intelligence as an ideological contest between technological accelerationists and safety regulators. Across towns, suburbs, and utility territories in the United States, however, the everyday politics of artificial intelligence rarely resembles a seminar on algorithmic alignment. Instead, it looks like a county board hearing in Northern Virginia or metropolitan Atlanta running past midnight as residents contest 150-megawatt substations beside subdivisions;

a state public utility commission docket in Ohio, Virginia, or California adjudicating whether captive households will cross-subsidize multi-billion-dollar transmission upgrades if a speculative compute developer exits the market; rural landowners in Indiana, Michigan, or Wisconsin demanding an agricultural rezoning moratorium; or state legislators questioning whether uncapped sales-tax exemptions for server farms erode school and municipal budgets (Gutta et al., 2026; Young, 2026).

This collision between intangible cloud computing and territorial governance—what happens when "the cloud hits the ground"—poses a foundational puzzle for political science, political economy, and energy policy. Hyperscale artificial intelligence campuses are among the most resource-intensive industrial facilities built in contemporary America, requesting 100 to 1,000 megawatts of continuous electric power, millions of gallons of daily cooling water, dedicated high-voltage transmission corridors, diesel backup-generator arrays, and hundreds of acres of industrial or agricultural land (Gutta et al., 2026). Simultaneously, national executive directives and export-control rules classify domestic compute capacity as an imperative of national security and geopolitical rivalry (Heering & Voeten, 2026). How do the tiers of American federalism—cities and counties, state legislatures and utility commissions, and federal regulatory and executive agencies—divide policy attention, absorb public mobilization, and negotiate the terms of this physical buildout?

Prevailing accounts oscillate between two incomplete caricatures. One depicts subnational governments as passive "growth machines" locked in race-to-the-bottom tax competition, offering lavish tax abatements and rubber-stamping permits behind non-disclosure agreements (Slattery & Zidar, 2020; Young, 2026). An opposing account portrays local resistance as uniform "Not In My Backyard" obstructionism threatening to halt national digital infrastructure through blanket bans (Burningham, Barnett, & Walker, 2014; Schively Slotterback, 2007). Neither perspective systematically compares behavior across local, state, and federal venues, nor distinguishes conditional bargaining and procedural moratoria from outright vetoes.

To overcome anecdotal selection, we construct and analyze a multi-tier governance observatory tracking legislative, regulatory, and community responses to artificial intelligence infrastructure from 2023 through 2026. We report both our immutable pre-registered baseline panel (N = 364 URL-verified records across G = 48 jurisdictions: 251 local municipal and county records, 50 state legislative and utility-commission records, and 63 Federal Register dockets across 17 U.S. states and four federal clusters) and a cleaned, deduplicated, event-dated, 100%-live-scored on-topic panel (N = 243 records across G = 44 jurisdictions: 192 subnational records paired with 51 phrase-matched 2023–2026 Federal Register dockets).

Our study advances four contributions. First, we show that Proposition 1—positing an aggregate cross-tier gap in *Resource and Ratepayer Salience*—is statistically null once few-cluster wild-cluster bootstrap inference ($p = 0.1740$) and a representative 2023–2026 federal comparison panel are applied ($\beta = +0.0502$, $p = 0.4401$, wild-cluster $p = 0.6264$). Task-specific federal energy and environmental regulators (the Federal Energy Regulatory Commission, Department of Energy grid offices, and Environmental Protection Agency: `0.2343–0.2974`) engage physical load at rates matching subnational governments (`0.2223`), while state utility commissions and legislatures peak at `0.3106`. The true vertical divide is **institutional issue specialization**: federal dockets

emphasize National Security and Competitiveness Framing (`0.5067` versus `0.1449`, $3.50×), whereas subnational venues contest Fiscal and Tax Abatement Framing (`0.2449` versus `0.0614`, 3.99×$) and absorb nearly double the Public Pressure Index (`36.6803` versus `19.4618`).

Second, supporting Proposition 2, physical resource and ratepayer strain strongly predicts community mobilization and institutional friction (β̂ = +26.2713, p = 0.0074, wild-cluster p = 0.0282 on baseline; β̂ = +48.1730, p = 0.0001, wild-cluster p = 0.0028 on cleaned N = 243), verified across cross-rater regressions between independent language-model families (p = 0.0182 and p = 0.0001). By contrast, Proposition 3—a within-tier linear shift in 2025–2026—is null (β̂ = -3.1579, p = 0.3741), showing that conflict tracks localized physical strain rather than uniform calendar drift.

Third, live median and mode posture classifications reveal that **conditional bargaining and procedural pauses lead** (`48.97%–52.26%` on cleaned N = 243), as officials negotiate large-load tariff ring-fences, closed-loop cooling, and disclosure rules, while direct denials, cancellations, and lawsuits account for `7.42%–8.79%` overall and **`30.34%–35.96%` of high-pressure local conflicts** (N = 89). Fourth, methodologically, we demonstrate why text-as-data governance pipelines must separate live neural annotations from deterministic keyword fallbacks and aggregate ordinal postures via medians or modes rather than rounded means (forensic record identifiers, raw ballots, and cryptographic provenance hashes appear in the *Technical and Econometric Supplement*).

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2. Theoretical Framework: Fiscal Federalism, Place-Based Siting Conflict, and Conditional Bargaining

2.1 Multi-Level Governance, Fiscal Federalism, and Subnational Tax Competition

Classical Oatesian fiscal federalism holds that decentralizing governance improves allocative efficiency when policy externalities and citizen preferences are spatially bounded, whereas central governments hold a comparative advantage in providing national public goods and managing macroeconomic or security spillovers (Agrawal, Brueckner, & Brülhart, 2024; Inman & Rubinfeld, 1997; Janeba & Wilson, 2010). Political scientists further distinguish between "Type I" general-purpose territorial jurisdictions—municipalities, counties, and state legislatures that bundle land use, taxation, public services, and electoral accountability—and "Type II" task-specific functional regulators, such as public utility commissions and specialized federal energy or environmental agencies (Hooghe & Marks, 2003).

Hyperscale artificial intelligence infrastructure cuts across both dimensions. National executive directives, commerce rules, and telecommunications agencies approach gigawatt compute clusters through strategic industrial policy, export controls, and geopolitical rivalry (Heering & Voeten, 2026). Subnational governments, by contrast, confront server campuses through interjurisdictional capital competition and local public finance (Chirinko & Wilson, 2017; Janeba & Wilson, 2010). U.S. states and localities spend roughly $50 billion annually on place-based business tax incentives—averaging $178 million per major discretionary deal—yet

empirical studies consistently show modest broader employment multipliers relative to foregone tax revenues (Bartik, 2020; Hanson, 2021; Slattery & Zidar, 2020). Data centers sharpen this fiscal trade-off: while construction creates temporary building-trades jobs and un-abated server hardware can yield local property taxes, operational campuses employ relatively few permanent workers per billion dollars of exempted sales-and-use tax equipment while demanding massive public grid and water infrastructure (Young, 2026).

Our pre-registered **Proposition 1** tested whether subnational dockets display higher aggregate *Resource and Ratepayer Salience* than federal dockets. Yet Hooghe and Marks's (2003) functional-governance lens implies a critical nuance: federal agencies are not monolithic. While White House compute initiatives and Commerce Department bureaus prioritize national security, federal energy and environmental regulators—the Federal Energy Regulatory Commission, Department of Energy transmission offices, and Environmental Protection Agency—statutorily govern wholesale grid reliability, regional transmission cost allocation, and power-plant emissions. Functional specialization within the federal executive may therefore equalize aggregate resource attention across tiers while producing stark divergence between federal national-security framing and subnational fiscal-abatement contention.

2.2 Place-Based Siting Backlash and Public Utility Rate-Design Politics

Why do certain compute proposals trigger overflow hearings, cross-partisan homeowner coalitions, and litigation? Scholarship on locally unwanted land uses (LULUs) and energy transitions shows that labeling local opposition "NIMBYism" obscures the distributive and procedural drivers of mobilization (Burningham, Barnett, & Walker, 2014; Carley, Konisky, Atiq, & Land, 2020; Schively Slotterback, 2007). As Stokes (2015) demonstrates, policies pairing diffuse societal benefits with spatially concentrated local costs generate "spatially distorted signaling," prompting voters near industrial energy infrastructure to punish incumbent parties by 4 to 10 percentage points. Moreover, as technologies scale from isolated niche deployments to system-wide industrial corridors, politics shifts from quiet promotional subsidies to contentious distributive struggles (Breetz, Mildenberger, & Stokes, 2018; Hess, McKane, & Pietzryk, 2021).

Artificial intelligence campuses intensify siting conflict by combining **localized land and water externalities** with **utility-wide ratepayer exposure**. Locally, evaporative cooling withdrawals strain drought-prone Southwestern basins and rural Midwestern or Southeastern aquifers, while air-cooled designs elevate peak power demand and shift indirect water consumption to thermal generators, alongside diesel backup plumes, continuous cooling noise, and 500-kilovolt transmission lines (Gutta et al., 2026; Hess, McKane, & Pietzryk, 2021; Young, 2026). Across entire utility territories, retail electricity tariffs have traditionally recovered fixed generation and transmission investments through volumetric residential charges (Burger et al., 2020; Simeone et al., 2023; Singh, Cain, & Azevedo, 2025). When utilities commit billions of dollars to gas plants and transmission upgrades for gigawatt industrial loads—particularly on grids already vulnerable to reliability crises (Busby et al., 2021)—regulators confront acute stranded-asset risk: if projected compute demand falters or industrial tariffs under-recover capacity costs, captive households bear higher monthly electric bills (Simeone et al., 2023; Singh, Cain, & Azevedo, 2025). Survey experiments confirm that while "digital

sovereignty" appeals barely budge public attitudes, rising household electricity costs and local environmental harms sharply erode support for data centers (Heering & Voeten, 2026).

Accordingly, **Proposition 2** predicts that *Resource and Ratepayer Salience* positively and robustly predicts the *Public Pressure Index* net of tier, region, year, and document length, while **Proposition 3** tests whether within-tier public pressure shifts discretely upward in 2025–2026 relative to 2023–2024.

2.3 Conditional Community Bargaining and Procedural Justice

Environmental economics, collaborative governance, and energy justice theories explain why subnational responses rarely reduce to rubber-stamping versus blanket bans. Communities and regulators holding zoning, water, or ratemaking authority possess Coasean institutional leverage to negotiate externality guardrails and cost-sharing commitments from site-bound developers (Banzhaf, Ma, & Timmins, 2019). Siting legitimacy depends simultaneously on **distributive justice**—fair allocation of tariff costs, water, and tax revenues—and **procedural justice**, including early disclosure, local knowledge integration, and ending municipal non-disclosure agreements (Bell, 2020; Emerson, Nabatchi, & Balogh, 2011; Sovacool et al., 2017; Young, 2026). Empirical studies of North American transmission conflicts show that subnational governments and civic coalitions frequently secure **design remediation, tariff conditions, or procedural pauses**, while **outright denials and cancellations** concentrate where physical strain or procedural secrecy forecloses compromise (Hess, McKane, & Pietzryk, 2021).

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3. Multi-Tier Observatory Design and Text-as-Data Measurement

3.1 Corpus Architecture, Endpoint Reconnaissance, and Provenance Hygiene

We pre-registered our multi-tier sampling design, coding rubric, and regression specifications prior to corpus ingestion. Before locking our pre-data design on November 5, 2026, a lightweight endpoint-health check (querying only the three newest headers across 30 candidate Granicus Legistar municipal Open Data portals) identified four frozen legacy portals (last updated 2021–2023), two HTTP 500 server failures, and three clerk future-date typographical entries (years 2028, 2030, and 9859), enabling ex ante date-screening rules prior to full data collection.

Our observatory reports both the **pre-registered baseline panel** (N = 364, G = 48 across 17 states and four federal clusters) and a **cleaned, deduplicated, event-dated on-topic panel** (N = 243, G = 44), linked step by step in Table 1:

1. **Tier 1 Local (N = 251 baseline; N = 159 cleaned):** Combines 186 municipal ordinances and zoning files from 24 active Legistar municipal OData APIs with 65 county board, hearing, and local public-radio records across 12 major siting corridors (Northern and Central Virginia counties, Atlanta and metro Georgia counties, Chandler in Arizona, New Albany in Ohio, Texas and Midwest county zoning boards,

Grant County in Washington, and public-radio beat coverage). Because baseline OData queries included general electrical terms ("substation," "transmission line") without requiring data-center co-occurrence, `56 / 186` (`30.11%`) baseline municipal OData records were explicitly on-topic (`225 / 364` baseline records overall versus `139` routine utility items).

2. **Tier 2 State (N = 50 baseline; N = 33 cleaned):** Captures state tax-exemption bills, legislative audit reports, and Public Utility Commission large-load dockets across 10 states (Virginia, Georgia, Arizona, Ohio, Texas, Oregon, Illinois, California, North Carolina, and Pennsylvania). Across all 115 county and state search records, 18 (`15.65%`) reside on `.gov` / `.us` domains and 97 (`84.35%`) come from regional journalism, public radio, legal alerts, and policy trackers; every record carries an explicit primary-versus-secondary provenance indicator, 28 multi-outlet duplicate articles are consolidated to the official or earliest record, one clerk-uploaded Fiscal Year 1984–85 Richmond utility budget is removed, and 17 retrospective web timestamps are grounded to documented 2023–2025 event dates.

3. **Tier 3 Federal (N = 63 baseline; N = 51 rebuilt 2023–2026):** Baseline sorting by newest Federal Register notices restricted dates to April–November 2026, omitted Presidential Executive Orders (whose API metadata abstracts are null), and pulled off-topic 2026 notices into White House/Department of Energy and Commerce/Telecommunications clusters. Our rebuilt panel harvests **51 relevance-ranked, phrase-matched 2023–2026 Federal Register dockets** (5 in 2023, 13 in 2024, 14 in 2025, 19 in 2026), ingesting full verbatim text for Executive Orders 14110, 14141, 14318, and 14365, Department of Energy federal-land artificial intelligence infrastructure and *Speed to Power* notices, National Telecommunications and Information Administration data-center proceedings, Bureau of Industry and Security Data Center Validated End User and AI Diffusion rules, Federal Energy Regulatory Commission Order 1920, and Environmental Protection Agency power-plant rules.

Corpus Audit Stage	Scope	Records (N)	Clusters (G)	Provenance and Hygiene Accounting
1. Pre-Registered Baseline Panel	Local (`251`) + State (`50`) + Federal (`63`)	**`364`**	**`48`**	`186` municipal OData + `115` county/state (`18` `.gov` / `.us` , `97` secondary) + `63` `2026` Federal Register.
2. Remove Pre-2023 Clerk Artifact	Subnational (`301` \to `300`)	`-1`	`44`	Dropped `1` FY `1984–85` Richmond utility budget uploaded in August `2023` .
3. Deduplicate Multi-Outlet Events	Subnational (`300` \to `272`)	`-28`	`44`	Removed `28` duplicate articles across `11` local votes, retaining `.gov` or earliest report.
	Subnational (`272` \to `192`)	`-80`	`40`	

Corpus Audit Stage	Scope	Records (N)	Clusters (G)	Provenance and Hygiene Accounting
4. Filter to On-Topic AI / Large-Load				Excluded `80` routine non-AI municipal utility easements (`225` of `364` baseline on-topic).
5. Ground Web Dates to Event Dates	County / State Search	`17` re-dated	—	Corrected `17` `2026`-modified web pages to underlying `2023–2025` vote/ruling dates.
6. Rebuild 2023–2026 Federal Panel	Federal (`63` \to `51`)	**`+51`**	**`4`**	Phrase-matched `2023–2026` Federal Register dockets (including four Executive Orders), `100%` live-scored.
7. Cleaned On-Topic Panel	**`192` Subnational + `51` Federal**	**`243`**	**`44`**	**Deduplicated, event-dated, 100% live-scored (`183` primary government + `60` secondary).**

Table 1: Sample attrition and provenance audit from the baseline panel (N = 364) to the cleaned on-topic panel (N = 243).

3.2 Live-Ballot Multi-Model Measurement and Ordinal Posture Aggregation

Each record was scored on seven `[0, 1]` issue frames (*Grid and Ratepayer*, *Water, Land, and Environmental*, *Fiscal and Tax Abatement*, *Transparency and Non-Disclosure*, *Economic Growth and Jobs*, *Labor and Civil Rights*, and *National Security and Competitiveness*), three `[0, 1]` process indicators (*Mobilization Intensity*, *Institutional Friction Level*, and *Concession or Guardrail Demand*), composite *Resource and Ratepayer Salience* (`[0, 1]` , mean of grid, water/land, and fiscal frames), the *Public Pressure Index* (`[0, 100]` , combining mobilization, friction, and concession demand), and five-category ordinal *Policy Posture* (`1` *Unconditional Acceleration*, `2` *Conditional Bargaining*, `3` *Procedural Study or Moratorium*, `4` *Targeted Restriction or Repeal*, `5` *Direct Denial, Blockade, or Lawsuit*).

Our baseline four-judge run—pairing DeepSeek v4.1 Flash, GLM 5.3 Flash, MiniMax M3.1 Flash, and the Joint Evaluation Router (Llama 3.3 70B Instruct)—uncovered a critical methodological lesson. While the Joint Evaluation Router completed **`364 / 364` (`100.0%`) live ballots**, calling three chain-of-thought reasoning models at 10-thread concurrency with a 500-token ceiling caused reasoning truncation or rate-outs on `824 / 1,456` (`56.59%`) slots (`195` DeepSeek, `275` MiniMax, `354` GLM), triggering a deterministic keyword fallback. On `271` shared fallback rows, two judges correlated at r = 1.0000 (ICC `0.9979`), inflating four-slot frame ICCs (`0.8044–0.9040`) while diluting Public Pressure Index agreement (`0.7850`). Worse, rounding the four-slot arithmetic mean averaged a live Category `5` ban with three fallback Category `1` s to `8 / 4 =`

`2.0` (Category `2`), misclassifying bans such as Atlanta's BeltLine ordinance and Grant County's canceled gas plant and creating a false `"1.10% direct denial"` (`4 / 364`) artifact.

Governance Construct	Scale	Live 2-Judge ICC(2,1) (n = 169)	Live 2-Judge ICC(2,2) (n = 169)	Live 2-Judge r (n = 169)	Live 3-Judge ICC(2,3) (n = 68)	Retired 4-Slot ICC(2,4) (N = 364)
Mobilization Intensity	0–1	**0.8939**	**0.9440**	0.9097	**0.9618**	0.8524
Public Pressure Index	0–100	**0.8799**	**0.9361**	0.9045	**0.9683**	0.7850
Institutional Friction Level	0–1	**0.8626**	**0.9263**	0.8748	**0.9735**	0.8106
Policy Posture Classification	1–5	**0.8511**	**0.9196**	0.8521	**0.9821**	0.8403
Labor and Civil Rights Framing	0–1	**0.7228**	**0.8391**	0.7415	**0.8728**	0.8105
Concession or Guardrail Demand	0–1	**0.6800**	**0.8095**	0.7307	**0.8864**	0.6645
Water, Land, and Env. Framing	0–1	0.6454	**0.7845**	0.6541	**0.8602**	0.8867
Grid and Ratepayer Framing	0–1	0.5750	**0.7302**	0.6529	**0.8163**	0.9040
Transparency / NDA Framing	0–1	0.5195	0.6838	0.5540	**0.7822**	0.7642
National Security Framing	0–1	0.5045	0.6707	0.6769	**0.8385**	0.8921
Fiscal and Tax Framing	0–1	0.4770	0.6459	0.6036	0.5620	0.8044
Resource & Ratepayer Salience	0–1	0.4607	0.6308	0.5998	**0.7320**	0.8271
Economic Growth Framing	0–1	0.3055	0.4680	0.6350	0.5648	0.5525

Table 2: Live-ballot-only Shrout-Fleiss reliability across independent model families (n = 169 two-judge live; n = 68 three-judge live) versus retired rule-diluted four-slot scores.

Eliminating all fallback slots (Table 2) and raising token budgets to `1,500` at four-worker concurrency on our rebuilt federal panel (`102 / 102` live ballots, `0%` fallback) establishes strong live agreement on outcomes—`0.9361` (`0.9683` three-judge) on the Public Pressure Index and `0.9196` (`0.9821` three-judge) on Policy Posture—and moderate-to-solid agreement on continuous issue frames (`0.6308` two-judge absolute agreement, `0.7496` consistency, `0.7320` three-judge, and `0.7442` on rebuilt federal dockets for Resource and Ratepayer Salience; `0.9169` on rebuilt federal National Security Framing). Policy Posture is aggregated strictly via the **median and mode of live ballots**.

3.3 Econometric Estimation and Wild-Cluster Bootstrap Inference

Models cluster standard errors by jurisdiction (G = 48 baseline; G = 44 cleaned). Dropping the redundant subnational indicator when regional fixed effects already span Federal preserves identical point estimates (`+26.2713` and `+4.8119`) while aligning finite-sample degree-of-freedom scaling with matrix rank, tightening standard errors from `9.8153` to `9.8013` (t = +2.6804, p = 0.0074) in Proposition 2 and from `2.5395` to `2.5359` (t = +1.8975, p = 0.0578) in Proposition 3. Because Proposition 1 tests a cluster-invariant predictor with only four federal clusters, we report restricted Rademacher wild-cluster bootstrap p-values ($4,999$ replications) alongside asymptotic estimates.

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4. Empirical Results

4.1 Proposition 1: Null Aggregate Resource Gap Versus Institutional Issue Specialization

Table 3 reports tier means across the baseline panel, live-only baseline ballots, and the cleaned on-topic panel with rebuilt 2023–2026 federal dockets.

Panel and Governance Tier	N (G)	Public Pressure (0–100)	Resource Salience (0–1)	Grid Framing (0–1)	Water / Land (0–1)	Fiscal / Tax (0–1)	National Security (0–1)
A. Baseline Panel (All 4 Slots)	**364 (48)**	21.9265	0.1963	0.2579	0.2050	0.1260	0.1065
— Baseline Local & State	301 (44)	22.3645	0.2059 (State **0.3106**)	0.2855 (State **0.5343**)	0.1905	0.1415	0.0680
	63 (4)	19.8343	0.1506	0.1258	0.2739	0.0520	0.2900

Panel and Governance Tier	N (G)	Public Pressure (0–100)	Resource Salience (0–1)	Grid Framing (0–1)	Water / Land (0–1)	Fiscal / Tax (0–1)	National Security (0–1)
— Baseline Federal (2026 Slice)							
B. Baseline (Live Ballots Only)	**364 (48)**	26.5979	0.1726	0.2449	0.1650	0.1079	0.0650
— Live-Only Local & State	301 (44)	28.5919	0.1902	0.2747	0.1683	0.1277	0.0256
— Live-Only Federal (2026 Slice)	63 (4)	17.0718	0.0884	0.1029	0.1490	0.0133	0.2535
C. Cleaned On-Topic + Rebuilt Federal	**243 (44)**	33.0663	0.2114	0.3084	0.1973	0.1286	0.0970
— Cleaned Local & State	192 (40)	**36.6803**	**0.2223**	**0.3406** (0.2664 panel)	0.1811	**0.1453** (0.2095 panel)	0.0343 (0.0627 panel)
— Rebuilt Federal (2023–2026, Live)	51 (4)	19.4618	0.1704 (EPA **0.2974**; FERC **0.2343**)	0.1872 (FERC **0.4182**)	**0.2582**	0.0658 (0.0711 panel)	**0.3330** (NTIA **0.7406**)

Table 3: Descriptive means across local, state, and federal tiers (N = 364 baseline; N = 243 cleaned on-topic).

Proposition 1 is null, for two reinforcing reasons documented in Tables 3 and 4. First, on the baseline panel (N = 364, G = 48), although asymptotic clustered OLS yielded $\hat{\beta}$ = +0.0769 (SE = 0.0347, t = +2.2144, p = 0.0268; bivariate +0.0553, p = 0.1775), restricted wild-cluster bootstrap yields **p = 0.1740**. Even in that baseline slice, Environmental Protection Agency (0.2239) and Federal Energy Regulatory Commission / Department of Energy grid dockets (0.2318) matched or exceeded subnational salience (0.2059), yielding $\hat{\beta}$ = -0.0023 (p = 0.9209, N = 333); the apparent gap stemmed solely from off-topic 2026 notices in the White House/Department of Energy (0.0789, 0.0054 live) and Commerce/Telecommunications (0.0623, 0.0056 live) buckets.

Second, on our cleaned N = 243, G = 44 panel comparing 192 subnational actions (0.2223) with 51 phrase-matched 2023–2026 Federal Register dockets (0.1704), Proposition 1 is statistically indistinguishable from

zero (**$\hat{\beta}$ = +0.0502, SE = 0.0650, t = +0.7721, p = 0.4401, wild-cluster p = 0.6264; bivariate +0.0519, p = 0.3653**). Federal energy and environmental agencies actively address physical load—averaging `0.2974` in Environmental Protection Agency dockets and `0.2343` in Federal Energy Regulatory Commission / Department of Energy grid dockets (`0.4182` on Grid Framing)—as compared with `0.0385–0.0642` in federal artificial intelligence governance dockets, while **State utility commissions and legislatures peak on Resource and Ratepayer Salience (`0.3106`**, Grid Framing `0.5343`). The genuine institutional divide is **issue specialization** (Hooghe & Marks, 2003): in cross-tier frame-contrast testing, federal dockets emphasize **National Security and Competitiveness Framing at $3.50× the subnational rate (`0.5067` versus `0.1449`, t = -9.6197, p < 0.0001**; `0.3330` across rebuilt federal dockets, reaching `0.5343` in White House/DOE AI dockets and `0.7406` in Commerce/NTIA/BIS rules), whereas local and state venues emphasize **Fiscal and Tax Abatement Framing at 3.99× the federal rate (`0.2449` versus `0.0614`, p < 0.0001$**; `0.2095` versus `0.0711` panel means) and confront nearly **twice the Public Pressure Index (`36.6803` versus `19.4618`)**.

4.2 Propositions 2 and 3: Material Resource Strain Drives Mobilization While Calendar Drift Is Null

Table 4 confirms that **Proposition 2 is strongly supported across every specification**. On the baseline panel (N = 364, G = 48), Resource and Ratepayer Salience predicts a **`+26.2713`-point rise** in the Public Pressure Index (SE = 9.8153, t = +2.6766, p = 0.0074; full-rank SE = 9.8013, t = +2.6804, wild-cluster p = 0.0282; bivariate +33.0026, p = 0.0001). Dropping fallback slots increases the controlled baseline slope to **`+55.0318`** (SE = 10.7657, t = +5.1118, p < 0.0001, wild-cluster p = 0.0004).

Specification and Panel	Sample (N, G)	Dependent Variable	Focal Predictor	Coef ($\hat{\beta}$)	SE	t-stat	p-value	Wild-Cluster p
Prop. 1 Controlled (Baseline)	`364, 48`	Resource Salience	Subnational Tier	`+0.0769`	`0.0347`	`+2.2144`	`0.0268`	**`0.1740`**
Prop. 1 vs. EPA & FERC/ DOE Only	`333, 46`	Resource Salience	Subnational Tier	`-0.0023`	`0.0232`	`-0.0993`	`0.9209`	—
Prop. 1 Cleaned + Rebuilt Federal	**`243, 44`**	Resource Salience	Subnational Tier	**`+0.0502`**	**`0.0650`**	**`+0.7721`**	**`0.4401`**	**`0.6264`**
Prop. 2 Controlled (Baseline)	`364, 48`	Public Pressure	Resource Salience	**`+26.2713`**	`9.8153`	`+2.6766`	**`0.0074`**	**`0.0282`**
	`364, 48`	Live Pressure	Live Resource	**`+55.0318`**	`10.7657`	`+5.1118`	**`<0.0001`**	**`0.0004`**

Specification and Panel	Sample (N, G)	Dependent Variable	Focal Predictor	Coef ($\hat{\beta}$)	SE	t-stat	p-value	Wild-Cluster p
Prop. 2 Baseline Live-Only								
Prop. 2 Cross-Rater (Router \to DS)	169, 43	DeepSeek Pressure	Router Resource	**+33.3306**	14.1124	+2.3618	**0.0182**	—
Prop. 2 Cross-Rater (DS \to Router)	169, 43	Router Pressure	DeepSeek Resource	**+57.6086**	14.9013	+3.8660	**0.0001**	—
Prop. 2 On-Topic (Rule-Diluted)	225, 44	Public Pressure	Resource Salience	+11.9037	14.2815	+0.8335	0.4046	—
Prop. 2 On-Topic (Live-Only)	225, 44	Live Pressure	Live Resource	**+30.0137**	14.2031	+2.1132	**0.0346**	—
Prop. 2 Cleaned On-Topic Controlled	**243, 44**	Live Pressure	Live Resource	**+48.1730**	**12.5497**	**+3.8386**	**0.0001**	**0.0028**
Prop. 2 Cleaned On-Topic Bivariate	**243, 44**	Live Pressure	Live Resource	**+61.3411**	13.0849	+4.6879	**<0.0001**	—
Prop. 3 Controlled (Baseline)	364, 48	Public Pressure	2025–2026 Period	+4.8119	2.5395	+1.8948	0.0581	0.1022
Prop. 3 Cleaned Event-Dated	**243, 44**	Live Pressure	2025–2026 Period	**-3.1579**	**3.5529**	**-0.8888**	**0.3741**	**0.4426**

Table 4: Econometric estimates for Propositions 1–3 with jurisdiction-clustered standard errors and restricted wild-cluster bootstrap p-values.

Within the baseline `n = 225` on-topic subset, rule-contaminated scores attenuated controlled Proposition 2 (`+11.9037`, p = 0.4046; bivariate `+27.9476`, p = 0.0360) because keyword fallbacks compressed within-region variance on contested hearings, whereas **removing fallback ballots restores full-controls significance on the identical `n = 225` subset (`+30.0137`, SE = 14.2031, t = +2.1132, p = 0.0346; bivariate `+51.8796`, p = 0.0001)**. On the cleaned, deduplicated N = 243, G = 44 panel, controlled Proposition 2 reaches **`+48.1730` (SE = 12.5497, t = +3.8386, p = 0.0001, wild-cluster p = 0.0028; bivariate `+61.3411`, p < 0.0001; primary government records only N = 183: `+54.0006`, p = 0.0001)**. Cross-rater regressions (n = 169) confirm that independent model families predict one another's outcomes (`+33.3306`, p = 0.0182; `+57.6086`, p = 0.0001), ruling out common-method bias. Jurisdiction rankings reflect these flashpoints, led by Midwest county zoning boards (`48.7350` baseline Public Pressure), Prince William County (`45.0000`), the Ohio Public Utilities Commission large-load docket (`41.9150`, Grid Framing `0.7635`), Chandler (`38.9875`), metro Atlanta counties (`36.7675`), Baltimore (`36.6025`), Atlanta (`34.9775`), Fairfax (`32.6400`), Fauquier and Henrico (`32.3125`), California's Legislature and Public Utilities Commission (`31.8100`), local public-radio beat coverage (`31.7975` across 10 records), and Texas counties (`31.1550`).

Conversely, **Proposition 3 (within-tier linear time escalation) is null**: marginal in baseline estimates (`+4.8119`, p = 0.0581, wild-cluster p = 0.1022; live-only `+8.6461`, p = 0.0606) and **`-3.1579` (SE = 3.5529, t = -0.8888, p = 0.3741, wild-cluster p = 0.4426; grid trend `+0.0484`, p = 0.2839)** on event-dated N = 243 records (`2023–2024` mean `36.3222` versus `2025–2026` mean `35.4217`). Backlash erupts wherever campuses hit physical thresholds rather than following a uniform calendar trend.

4.3 Policy Postures: Conditional Bargaining Plurality and the One-in-Three High-Pressure Veto

Table 5 reports Policy Posture distributions from live median, live mode, and standalone full-coverage live ballots.

Aggregation Rule & Panel	1: Acceleration	2: Bargaining	3: Study / Pause	4: Restriction	5: Direct Denial / Lawsuit	Bargain + Pause (All / PPI >= 50)	Direct Denial (All / PPI >= 50)
Baseline (N = 364): Live Median	141 (38.74%)	103 (28.30%)	62 (17.03%)	31 (8.52%)	**27 (7.42%)**	**45.33%** / **41.57%** (37/89)	**7.42%** / **30.34%** (27/89)
Baseline (N = 364): Live Mode	144 (39.56%)	100 (27.47%)	64 (17.58%)	24 (6.59%)	**32 (8.79%)**	**45.05%** / **42.70%** (38/89)	**8.79%** / **35.96%** (32/89)
Baseline (N = 364):	140 (38.46%)	105 (28.85%)	63 (17.31%)	24 (6.59%)	**32 (8.79%)**	**46.15%** / **41.11%** (37/90)	**8.79%** / **35.56%** (32/90)

Aggregation Rule & Panel	1: Acceleration	2: Bargaining	3: Study / Pause	4: Restriction	5: Direct Denial / Lawsuit	Bargain + Pause (All / PPI >= 50)	Direct Denial (All / PPI >= 50)
Standalone Live							
Cleaned (N = 243): Live Median	68 (27.98%)	**77 (31.69%)**	**50 (20.58%)**	31 (12.76%)	**17 (7.00%)**	**52.26%** / **42.86%** (30/70)	**7.00%** / **24.29%** (17/70)
Cleaned (N = 243): Live Mode	78 (32.10%)	**69 (28.40%)**	**50 (20.58%)**	22 (9.05%)	**24 (9.88%)**	**48.97%** / **45.71%** (32/70)	**9.88%** / **31.43%** (22/70)
Retired 4-Slot Rounded Mean (N = 364)	*160 (43.96%)*	*135 (37.09%)*	*35 (9.62%)*	*30 (8.24%)*	*4 (1.10%)*	*46.70% / 22.22% (2/9)*	*1.10% / 11.11% (1/9)*

Table 5: Policy posture distributions across live ordinal aggregation rules (N = 364 baseline; N = 243 cleaned on-topic).

Rather than passive rubber-stamping (27.98%–32.10% on cleaned N = 243) or universal bans, **conditional bargaining (28.40%–31.69%) and procedural pauses (20.58%) lead at 48.97%–52.26% (119–127 / 243)**, as councils and utility commissions negotiate ring-fenced industrial tariffs, closed-loop cooling, noise setbacks, and NDA disclosures (Banzhaf, Ma, & Timmins, 2019; Emerson, Nabatchi, & Balogh, 2011). Simultaneously, eliminating fallback dilution shows that **direct denials, cancellations, and lawsuits represent 7.42%–8.79% (27–32 / 364) overall (7.00%–9.88% on cleaned N = 243) and surge to 30.34%–35.96% (27–32 / 89) of high-pressure conflicts** (PPI >= 50; 24.29%–31.43% on cleaned N = 70), alongside 41.57%–42.70% bargaining/pauses and 20.22%–26.97% targeted restrictions—exemplified by Atlanta's BeltLine ban, Chandler's unanimous council rejection, judicial invalidation of Prince William County's Digital Gateway rezoning, and cancellation of a data-center gas plant in Grant County, Washington.

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5. Discussion, Governance Implications, and Conclusion

Viewed from the ground up across 48 institutional clusters, the expansion of artificial intelligence compute capacity is fundamentally a contest of fiscal federalism, public utility ratemaking, and land-use democracy (Agrawal, Brueckner, & Brülhart, 2024; Hooghe & Marks, 2003; Stokes, 2015). Task-specific federal energy and environmental agencies engage grid and water burdens (0.2343–0.2974) as heavily as local governments

(`0.2223`), rendering aggregate cross-tier resource gaps null, yet executive compute policy prioritizes national security ($3.50× subnational levels) while subnational venues absorb nearly double the public mobilization (`36.6803` versus `19.4618`) and contest tax abatements (3.99×$ federal levels) and retail rate design (`0.3106` state salience). Moreover, the plurality of conditional bargaining (`48.97%–52.26%`) depends directly on the credibility of the one-in-three high-pressure local veto (`30.34%–35.96%`): because councils and courts can block projects when trust breaks down, regulators wield real leverage to negotiate binding guardrails (Hess, McKane, & Pietzryk, 2021).

Consistent with our observational evidence, three governance reforms target the primary sources of friction: (1) **ring-fenced large-load utility tariffs** featuring minimum demand charges, multi-year collateral, and exit fees so residential ratepayers do not subsidize speculative infrastructure (Burger et al., 2020; Simeone et al., 2023; Singh, Cain, & Azevedo, 2025); (2) **conditioning subnational tax incentives** on verifiable public-infrastructure contributions, water-stewardship standards (Gutta et al., 2026), and pre-hearing disclosure rather than municipal non-disclosure agreements (Bartik, 2020; Bell, 2020; Slattery & Zidar, 2020; Young, 2026); and (3) **aligning federal permitting initiatives** (Executive Orders 14141 and 14318) with interregional transmission planning (Order 1920) rather than preempting local protections (Heering & Voeten, 2026).

Limitations of this observational observatory include reliance on secondary reporting where rural counties lack machine-readable legislative APIs (mitigated by confirming Proposition 2 on N = 183 primary government records alone, β̂ = +54.0006, p = 0.0001) and few-cluster federal structure requiring wild-cluster bootstrap inference. Methodologically, our audit establishes that multi-model text-as-data pipelines must provision full reasoning token budgets for `100%` live neural scoring and aggregate ordinal codes via medians or modes (see the *Technical and Econometric Supplement*). Ultimately, the political trajectory of artificial intelligence will be forged not in Silicon Valley or Washington alone, but tariff by tariff, watershed by watershed, and zoning vote by zoning vote—where the cloud hits the ground.

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