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Trump-backed \$500B Data Center Project Fails to Secure Deals Six Months On

July 23, 2025

— Categories: *Economics*



Half-year after its headline-grabbing launch, the Trump-endorsed \$500 billion Stargate Project has yet to break ground. Billed as a transformative AI infrastructure initiative meant to propel the United States to the forefront of global artificial intelligence development, the project remains stalled with no confirmed data center deals. Backed by tech giants OpenAI, Oracle, SoftBank, and MGX, Stargate was introduced at a White House event in January as part of a proposed AI infrastructure strategy. Today, it is being scrutinized for overpromising and underdelivering.

Strategic Gridlock

Stargate initially set out to deploy \$100 billion in its early phase, with plans to construct data centers capable of generating 10 gigawatts of computing capacity. That target has now been drastically reduced. According to sources cited by The Wall Street Journal, the revised aim is to build a single, scaled-down facility—potentially in Ohio—by late 2025. Disagreements between OpenAI CEO Sam Altman and SoftBank’s founder Masayoshi Son over the project’s direction, including location and design, have reportedly hindered progress.

Although the companies continue to present a united front, internal disputes have slowed momentum. OpenAI has opted to move forward independently, securing a major deal with Oracle that bypasses SoftBank altogether. This partnership already plans to build 4.5 gigawatts of infrastructure across the United States, far outpacing Stargate’s current trajectory. OpenAI has also partnered with CoreWeave to develop more infrastructure, nearly matching the initial 5-gigawatt goal originally tied to Stargate’s early phase.

SoftBank, meanwhile, continues to express confidence in the project. Son recently reaffirmed his long-term commitment and SoftBank has invested \$30 billion in OpenAI to date. That funding required the company to offload assets and take on debt. The move reflects Son’s ambition to reestablish SoftBank as a serious player in AI after missed opportunities and high-profile investment setbacks.

Elon Musk cast doubt on SoftBank’s ability to follow through, stating “They simply don’t” have the necessary capital and suggesting that less than \$10 billion had been secured toward Stargate’s \$500 billion target.

In a recent video appearance, both Altman and Son pledged to deliver on their original vision of 10 gigawatts. Altman described it as a “wonderful partnership,” and both leaders claimed the project was “moving at hyperscale and speed.” Yet, according to Oracle CEO Safra Catz, Stargate is not yet incorporated as a legal entity. Land has not been purchased, and no physical construction has started.

While Stargate remains on paper, a combined OpenAI–Oracle facility is under development in Abilene, Texas and is being equipped with Nvidia hardware. The site has created thousands of jobs and demonstrates what Stargate aimed to achieve without the Stargate name.

The project was meant to be a flagship initiative representing American innovation and economic strength. For now, it stands as a stark reminder that big promises need more than press conferences to become reality.