EU's data centre expansion will fast-track profits and power for US Big Tech and investors

Before publication, *SOMO invited Digital Realty, CyrusOne, Merlin Properties, Equinix, DATA4, and the European Commission to respond to a draft of the findings in this article. Only Equinix and the European Commission responded. Their responses have been incorporated in pop-out notes at various points in the text and are all also included in full below.*

Replies

European Commission
Equinix

European Commission

Dear Ms Silva,

Thank you for your email and for sharing SOMO's research on the proposed Cloud and AI Development Act, in particular the issues raised regarding market concentration, capacity allocation and transparency in the data centre market. We appreciate the opportunity to consider these points. In reviewing them against the proposal and the evidence underpinning the impact assessment, there are a few aspects where some additional clarification may be useful. Please find these below:

- Data centre acceleration zones are not proposed solely to support AI deployment but to address a broader infrastructure challenge: limited, geographically concentrated and insufficiently predictable data centre capacity in the Union. The proposal seeks to create a more predictable framework for sustainable capacity deployment, while avoiding fragmentation across Member States. It is also not accurate to suggest that Europe's capacity challenge results only from US hyperscalers taking existing capacity. The impact assessment identifies both a supply-side capacity constraint and market concentration dynamics.
- Our analysis recognises that new co-location capacity is often leased to large service providers. This is precisely why the proposal includes safeguards against market foreclosure within the zones. Article 11(2) requires fair, reasonable and non-discriminatory allocation and use of resources, and seeks to prevent speculative reservation or practices that could impede effective competition. Article 12(4) also requires the single information point to pay particular attention to SMEs developing data centre projects. Article 14 complements this framework by allowing the Commission to designate strategic data centre projects having a clear public value added. This is also reflected in Article 7 (2)(d), requiring Member State's national strategies to include measures supporting high-value data centres delivering significant economic and societal benefits while meeting high environmental standards.
- On monitoring, the statement that the Commission has not monitored actual data centre capacity is not clear. EU reporting mechanisms already exist for energy and water performance under the Energy Efficiency Directive. Evidence on actual utilisation and occupation rates remains more incomplete, which is why Article 15 provides for future monitoring of compute

capacity, demand and gaps in underserved areas. We remain open to technical input on how this monitoring can be improved.

- The impact assessment does not conclude that acceleration zones will inevitably raise electricity prices. It notes these possible effects were not quantified because they would require assumptions and data points that were not sufficiently verifiable. Proactive grid planning and coordination are key to mitigating potential impacts and Article 10(2) includes specific provisions to support such coordination and mapping of energy needs. We have worked closely with DG ENER on these issues. Given their lead role on energy policy, including elements relevant to this topic, they would be best placed to provide further input on any follow-up questions. Similarly, the Investigate Europe findings concerning Microsoft lobbying relate to the 2024 data centre sustainability reporting / Energy Efficiency framework, where DG ENER has the relevant policy lead. As we did not consult the relevant colleagues in preparing these replies today, we would suggest contacting them for any further questions. Work on this topic is also ongoing.

Finally, consultation figures should be presented with care. They form part of the evidence base but should not be treated as statistically representative of the wider population or used as opinion poll results. The external study prepared by Technopolis Group, Wavestone, Timelex, STL Partners, OpenForum Europe and KAPA Research (2025), “Study: Cloud and AI” formed another part of the evidence and will be made available soon.

We remain available to meet and reply to any further questions you may have.

Kind regards,

Equinix

Hi Misa,

Thank you for being flexible with the timing. Please see a few clarifications in red below.

If you have any further questions, please don't hesitate to let me know. If it would be easier to discuss any of the points, please let me know and will be happy to arrange a call at a time that works for both of us.

Best regards,

(...)

The Centre for Research on Multinational Corporations (known as SOMO) is an Amsterdam-based organisation that investigates the influence and impacts of multinational companies. We work from a public interest perspective, seeking reasonable restrictions on corporate power.

We are writing to you as part of a research we have conducted on the data centre market in the EU in light of the recently proposed Cloud and AI Development Act (CADA) under which the EU Commission is proposing to set an ambitious target of tripling the EU's data centre capacity.

Our research identified Equinix as one of the major developers of new data centre capacity in the European Union. Consequently, both the company and its shareholders could stand to benefit from measures designed to accelerate data centre construction and expansion under the proposed legislation.

As we are now gearing towards publication, we would like to give you the opportunity to comment on our findings.

Our data shows Equinix is one of the world's largest data centre operators, operating 281 data centers worldwide. Equinix has 12 ~~6~~ projects announced or under construction in the EU as of June 2025. Equinix's annual report for 2025 lists 9 projects.
Equinix is a US-~~based~~ incorporated public company, listed on Nasdaq (EQIX) ~~mostly owned by asset management firms based in the US, including Vanguard (13.7%) and BlackRock (11%).~~ with a broad institutional shareholder base, including passive and active US and international asset management firms.

EQIX note (1): percentages are not accurate and should be removed. As with most large publicly listed companies, passive index managers such as Vanguard and BlackRock hold shares on behalf of millions of underlying savers, pensioners and retail investors globally, including across the EU. These holdings reflect broad-based, diversified ownership, not operational control or strategic direction of the company, and we would ask that any reference to institutional ownership reflect this distinction accurately.

EQIX note (2): it may also be useful to clarify Equinix's business model. Equinix is primarily a colocation provider, it builds and operates neutral data centre facilities where a broad customer base of enterprises, network providers and cloud companies can house their own equipment and interconnect with one another. This is structurally distinct from "hyperscalers," who build and operate data centres for their own proprietary use.

Equinix entered the European market in 2007 with the acquisition of IXEurope which immediately granted it control over data centres in Frankfurt, Munich, Paris, Düsseldorf, among others.
In 2017, Equinix bought Itconic to expand into Spain and Portugal. Itconic's clients included Amazon, Microsoft and Google.
***EQIX note/reply**: Equinix serves a highly diversified base of customers across Europe, including organisations in financial services, telecommunications, energy, healthcare and public administration. This diversity is reflected in our global figures: as of December 31, 2025, Equinix served over 10,500 customers worldwide, with no single customer accounting for 10% or more of total revenues.*

In 2019, Equinix and GIC, Singapore's sovereign wealth fund, created a joint venture to develop and operate hyperscale data centres in Europe, targeting directly "the world's largest cloud service providers".
On March 2026, Equinix announced a partnership with the Canadian Pension Plan Investment Board (CPP Investments) to acquire one of Europe's biggest data centres operators atNorth. If the deal gets regulatory approval, it will grant Equinix ~~control~~ access to over eight already operational data centres and, according to our data, ~~five~~ several upcoming projects. AtNorth also has secured significant energy capacity as it has just signed a new agreement with E.ON.
Equinix has acknowledged that it "has [a] deep relationship with the top global hyperscale companies". When the municipality of Amsterdam asked Equinix and other data centre companies seeking new construction permits to reserve a part of their server space for Dutch and European companies and governments, Equinix rejected the idea.
***EQIX note/reply:** We would like to provide fuller context on this exchange, which we believe is mischaracterised by your framing. The municipality's request was raised in a relationship-building conversation after the relevant permits had already been granted. Alderman Scholtes himself acknowledged publicly that data centres are under no obligation to the municipality and remain free to determine their own customer base.*

Equinix explained that adopting a customer-priority policy based on nationality would represent a fundamental change to its neutral, non-discriminatory colocation business model. This is the same principle that ensures equal access for all customers, including European companies, across every market in which we operate.

In addition, generally, we find that data centre market is particularly opaque. Secrecy is not just a by-product of the industry, it has been intentionally built into how the market operates. We would therefore welcome any information you consider relevant to data centre capacity utilisation or the profile of your customer base in the EU.

EQIX note/reply: We would push back on the characterisation of the data centre market as intentionally opaque. As a publicly listed company on Nasdaq, Equinix is subject to extensive disclosure obligations under US securities law, including detailed quarterly and annual reporting (10-Q and 10-K filings), audited financial statements, and ongoing investor disclosures covering capacity, utilisation, capital expenditure and customer activity at a portfolio level. Equinix also publishes an annual Sustainability Report detailing energy, water and emissions performance by region, and engages directly with regulators, industry associations such as EUDCA, and local communities on planning and environmental matters. We would be glad to point you toward the specific public disclosures that are already available, and to discuss what additional information, consistent with these obligations, might be useful for your research.

We kindly ask you to confirm receipt of this email as soon as possible. Please send any comments to [redacted] by Friday, 3rd of July.

If you have any questions, please do not hesitate to contact us.

Thank you in advance for your cooperation.

Yours sincerely,