# The Stargate Project: Trump Touts $500 Billion Bid For AI Dominance

On the second day of his new term in office last week, President Donald Trump made a big splash by announcing Stargate, a new private joint venture that could have a major impact on AI innovation in the U.S. and beyond. Although many details of the venture are unclear at this early stage, Stargate intends to build up to 20 large AI datacenters in the U.S., with an initial investment of $100 billion and plans for up to $500 billion by 2029. Even without knowing all the specifics, this is clearly a monumental initiative aimed at reinforcing the U.S.’s position as the undisputed global leader in artificial intelligence.

Joining Trump for the announcement were Sam Altman, CEO of OpenAI, Larry Ellison, chairman of Oracle, and Masayoshi Son, CEO of SoftBank. Their three companies serve as the principals of the new joint venture. They are joined by a fourth equity investor, the AI-focused Emirati investment fund MGX, which is controlled by the government of Abu Dhabi. Besides OpenAI and Oracle, key technology contributors include Microsoft, Nvidia and Arm.

So what else do we know about Stargate, and what could it mean for the U.S. position in AI?

How Is Stargate Organized?

On its website, OpenAI posted a 300-word announcement about Stargate that mentioned “building new AI infrastructure for OpenAI in the United States,” and said that it “will enable creative people to figure out how to use AI to elevate humanity.” In line with OpenAI’s company mission, the announcement also (briefly) emphasized the development of artificial general intelligence. In the long run, AGI is intended to perform a wide array of tasks with human-like intelligence, potentially revolutionizing fields including materials science, finance, medicine and environmental science.

For the project, SoftBank and OpenAI are categorized as “lead partners . . . with SoftBank having financial responsibility and OpenAI having operational responsibility,” including AI model development and training. SoftBank’s Son will serve as chairman.

The initial buildout of 10 datacenters has already begun. As announced nearly a year ago, an AI supercomputer equipped with tens of thousands of A100 GPUs from Nvidia is being built for OpenAI in Abilene, Texas by Microsoft. Once site evaluations are complete, the project will be expanded to other locations. The initial goal is to build 10 datacenters of 500,000 square feet each, then expand the project to another 10 datacenters across the United States.

From a collaborative perspective, the roster of partners makes sense. Microsoft has been a major backer and partner of OpenAI for years, and OpenAI has collaborated closely with Nvidia since 2016. Microsoft also knows Nvidia very well from using so many of its GPUs in Azure datacenters. The partnership between OpenAI and Oracle is more recent, but AI can’t function without massive amounts of high-quality, accessible data, and Oracle will use its data-handling expertise to feed the Stargate datacenters. Having said all that, we don’t yet know precisely how this computing environment will be configured.

What Will Stargate Actually Do?

Here’s where the lack of detail leaves us with fewer answers and plenty of questions. It’s sensible to think that the Stargate datacenters will be used in the development and operation of multiple AI models — but what exactly will that look like?  
  
From an infrastructure perspective, will Stargate function as an R&D platform? An AI cloud? A GPU cloud? Or something more than that? Ten separate 500,000-square-foot datacenters racked with AI-specific infrastructure sounds an awful lot like a cloud, but maybe it isn’t.  
  
If it is a cloud, what does Stargate mean for the cloud market? Anything? While we’re at it, will Stargate be reserved only for the largest use cases — AGI, for instance — that would typically require an on-premises cluster? Or will its net be spread wider to enable AI incubation for larger and smaller use cases and organizations?

Connecting those questions to a customer perspective, what exactly is the product or service being offered? For that matter, who will have access to Stargate? At the launch event, Ellison spoke in general terms about the potential for personalized vaccines and cancer treatments. That is one of countless use cases that Stargate might support. However, it is fair to say that even a project as ambitious as Stargate can’t support every use case for every type of customer. It would be very good to understand more about what Stargate will and won’t do, and for whom.

From a timeline perspective, the investment of $500 billion over four or five years is incredible. But how soon will the first customer, partner or other user actually get to use it? Regardless of the specific answer, it seems likely that significant ROI on this project will be years further out. Maybe the point is to ramp up to creating 100,000-plus well-paying jobs, secure in the knowledge that a thirsty AI market will find uses for these datacenters in short order.

The Geopolitical And Economic Context Of The Global AI Race

By this point in AI’s development, it’s clear that AI will change the way we live our lives and conduct business, from individual consumers to the largest of organizations. While this observation is not in dispute, a host of questions remain about how AI will be developed, activated and regulated across the private and public sectors.

Although the U.S. has led the world in AI innovation and development so far, the AI scene in other countries is also running hot. China, in particular, has aggressively incubated AI innovation both for domestic use and for export to the rest of the world. While the U.S. government has responded to China’s AI rise with export restrictions and other measures, China has not slowed down its pursuit. For example, Alibaba’s Qwen model now rivals models from the U.S. On top of that, the past week has been dominated by news of the highly efficient open source Chinese model DeepSeek. Its maker claims to be able to train a model equivalent to GPT (an equivalence OpenAI denies) at a small fraction of the cost. Early news about DeepSeek seemed to spook investors in U.S. tech companies over the prospect that the new model could radically change the calculus of AI infrastructure investment.

While there are many other areas of AI competition (and nations wanting to compete) that we could mention, these two examples give a taste of the intensity of the global AI race and its potential long-term impacts.