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## Meta Secures $29B for Louisiana Data Center

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Meta Platforms, the parent company of Facebook, has finalized a $29 billion financing deal to expand its data center infrastructure in rural Louisiana, a move aimed at bolstering its artificial intelligence (AI) capabilities. Pacific Investment Management Co. (PIMCO) and Blue Owl Capital are leading the effort, with PIMCO managing a $26 billion debt portion and Blue Owl contributing $3 billion in equity, according to sources familiar with the deal. The debt is expected to be issued as investment-grade bonds backed by the data center's assets, marking a significant step in Meta's ambitious AI infrastructure strategy.

The financing, facilitated by Morgan Stanley, emerged from a competitive process involving major private credit firms, including Apollo Global Management and KKR & Co., though PIMCO and Blue Owl secured the lead roles. Additional investors may join the project later, sources indicated. Meta, PIMCO, Blue Owl, and Morgan Stanley did not respond to inquiries about the deal.

This investment underscores the growing demand for data centers to support AI development, a sector seeing rapid expansion across the tech industry. Meta's Chief Financial Officer, Susan Li, emphasized during a recent earnings call that the company's AI initiatives are already generating significant revenue. She noted that external financing for large-scale data center projects provides Meta with flexibility to adapt to evolving infrastructure needs. The Louisiana project is part of a broader trend, with tech giants like Microsoft partnering with firms such as BlackRock to raise substantial capital for AI-driven data center expansions.

The choice of rural Louisiana for this development brings potential economic benefits to the region, including job creation and infrastructure improvements. Local communities may see an influx of high-tech jobs, which could stimulate economic growth in an area often overlooked for such investments. However, the project also raises questions about the environmental and social implications of large-scale data centers. AI infrastructure demands significant energy resources, prompting concerns about sustainability and the potential strain on local utilities. Critics have pointed to the broader human rights implications of AI, including data privacy and the ethical use of technology, which Meta will need to address as it expands its footprint.

Meta's investment comes at a time when the company is navigating increased scrutiny over its data practices and societal impact. Past controversies, such as the 2023 $1.3 billion fine from the European Union for violating data privacy rules, highlight the challenges of balancing technological advancement with ethical responsibilities. While the Louisiana project is focused on AI infrastructure, its success will depend on Meta's ability to address these concerns transparently, ensuring that economic benefits do not come at the expense of community well-being or individual rights.

The financing deal also reflects a shift in how tech giants fund their growth. Historically reliant on self-funding, companies like Meta are increasingly turning to external partners to manage the soaring costs of AI infrastructure. For instance, Elon Musk's xAI recently

secured $5 billion in debt and a matching strategic equity investment, signaling a broader industry trend toward collaborative financing models.

As Meta advances its AI ambitions, the Louisiana data center will play a critical role in shaping the company's future. The project's success could set a precedent for how tech companies leverage private capital to meet the computational demands of AI while addressing economic and ethical considerations. For Louisiana, the investment offers a chance to become a hub for cutting-edge technology, provided Meta navigates the complex interplay of innovation, community impact, and global responsibility.

This deal positions Meta at the forefront of the AI race, but it also underscores the need for careful stewardship. As the company expands its data center network, stakeholders will be watching closely to ensure that progress does not compromise ethical standards or local interests. The coming years will reveal whether Meta can balance its technological ambitions with its responsibilities to the communities it serves.