

December 1st, 2016

The Honorable Dallas P. Tonsager
Chairman and Chief Executive Officer
Farm Credit Administration
1501 Farm Credit Drive
McLean, Virginia 22102-5090

Re: Formal complaint against CoBank for its participation in a credit facility for CyrusOne

Dear Chairman Tonsager:

I am writing on behalf of the American Bankers Association (ABA) to express its strong objection to CoBank's participation in a credit facility recently extended to CyrusOne LP, the operating partnership of CyrusOne, Inc., a NASDAQ-listed Real Estate Investment Trust (CyrusOne); its ticker symbol is CONE. [Enclosed](#) is a November 21, 2016, Business Wire article reporting on CoBank's participation in a \$1.55 billion unsecured credit facility for CyrusOne LP in which CoBank is listed as one of approximately 20 banks and other financial institutions which provided this credit facility. The Business Wire article did not state the size of CoBank's participation but the average participation was approximately \$78 million.

The ABA requests that the Farm Credit Administration (FCA) immediately direct CoBank to divest all its participation in the above-referenced credit facility as well as any other loans to or other credit support it has provided to CyrusOne or to any of CyrusOne's operating partnerships, subsidiaries, and/or affiliates. Any other FCS institution which has extended credit in any form to CyrusOne or to its operating partnerships, subsidiaries, and/or affiliates should be directed to divest itself of any credit exposure or other business relationship with CyrusOne. These divestitures should be required for the following reasons:

- CyrusOne is not eligible under any provision of the Farm Credit Act (Act) to borrow from CoBank because it is not engaged in any form of agriculture or agribusiness activities nor is it a cooperatively owned organization. More specifically, a CoBank credit extension to CyrusOne is not permissible under either 12 U.S.C. Sec.2015 or 12 U.S.C. Sec.2128 of the Act.
- As a lessor of buildings used to house computer data centers CyrusOne is not a public utility engaged in providing communication or cable television services, one of CoBank's lending authorities, as specified in FCA regulation 12 CFR Sec.613.3100(a)(3). While telecommunication or cable television service providers may lease space in a CyrusOne facility, CoBank is no more justified in providing credit to CyrusOne than it would be in providing credit to a manufacturer of telecommunications or cable television equipment. Therefore, CoBank cannot cite a

“similar entity” rationale, as authorized under 12 U.S.C. Sec. 2122(11)(B)(ii), in justifying its participation in the CyrusOne credit facility.

- All CyrusOne’s currently operational 35 data centers are located in major metropolitan areas – there is absolutely no rural component to CyrusOne’s business activities. Further, CyrusOne has development projects underway only in other metropolitan areas, specifically Phoenix, Northern Virginia, San Antonio, and Chicago.
- CyrusOne boasts about serving large, investor-owned customers, including, according to the Business Wire article, “nine of the Fortune 20 and 180 of the Fortune 1000 or equivalent-sized companies.” Essentially, investor-owned CyrusOne intends to use its taxpayer-subsidized borrowing from CoBank to provide taxpayer-subsidized funding to other large, investor-owned companies, none of which are entitled to receive taxpayer-subsidized credit.

For the above and other reasons, the FCA should immediately direct CoBank to sell or otherwise divest any and all interests it has or potentially could have in any extension of credit or other banking relationship with CyrusOne or any of its affiliates or subsidiaries. Further, that same sale or divestiture requirement should apply to all other FCS institutions.

Please contact Steve Apodaca, sapodaca@aba.com, if you have any questions regarding this request.

Sincerely,



Steve Apodaca
Senior Vice President

cc: The Honorable Kenneth A. Spearman
The Honorable Jeffrey S. Hall
House Agriculture Committee
Senate Agriculture, Nutrition and Forestry Committee