

Comment Info: =====

General Comment:IN SUPPORT OF PROPOSED RULES

It is proposed to give priority to loan applications serving "eligible rural communities where broadband service is not available." We strongly support this proposed change.

We strongly support reducing the equity position from 20% to 10%. We encourage RUS to consider loan applications now submitted, but not yet approved under the 20% rule, be considered under the new 10% rule change provisions.

IN OPPOSITION TO PROPOSED RULES

The transparency change requiring the posting of Legal Notice for 30 days on the RUS web site might encourage competitors to slow the process of valid Broadband Loan Applications. This may be especially true if the incumbent deployed areas are not clearly defined, such as those by phone and cable companies whose service areas are often cited by zip code or by other vague geographic boundaries. Therefore, this proposed change is opposed.

OTHER COMMENTS

DEFINING "RURAL"

RUS continues to define rural areas as those census recognized cities/towns with a population of 20,000 or less. These rules should be modified to describe rurality as "x persons or less per square mile" or a similar measurement based on census tracts or townships. Prioritizing rural areas without broadband may aim to solve this issue, but a redefinition of "rural" is still appropriate and needed.

ABILITY TO REFERENCE PREVIOUSLY APPROVED APPLICATIONS

Provision should be made such that entities who have successfully applied for the Broadband Loan Program should be able to circumvent much of the paperwork (in the spirit of the Government Paperwork Reduction Act) when reapplying for additional territories. The companies may reference those previous successful Loan Applications and only address areas with changes in the following applications.

MORE SERVICE PROVIDERS DOES NOT EQUAL AN INCREASE IN HOUSEHOLDS SERVED

The new terms allow funding in areas that "contain at least 40% of the households with no access to broadband service or access to only one existing broadband service provider." The 40% provision is too large to cover truly needy, rural areas for which this Program was intended. This number should be reduced from 40% to 15% or 20%.

Under the proposed new rules, funding is prohibited in communities that have "four or more existing broadband service providers." That is too many for this program. It should be limited to areas that have no more than 1 (or at most 2) existing broadband service providers.

REDIRECT LOAN FUNDS TO GRANT FUNDS

It has become clear in the past two years that the RUS is having difficulty financially justifying the business cases for the most rural deployment solutions. Therefore, it would seem appropriate that some portion of the Loan funds be redirected to the GRANT program to allow government subsidization and assistance to provide viable business cases for the most rural areas. With this change, those areas with the most rural population would be given the greatest

priority, and those business cases that could most efficiently serve those consumers would get preferential treatment.