

Rural Telephone Bank
Minutes of the 138th Board Meeting
November 9, 2001

Time and Place of Meeting

The 138th meeting of the Board of Directors (Board) of the Rural Telephone Bank (Bank) was held Friday, November 9, 2001, in Conference Room 104-A, U.S. Department of Agriculture, Washington, D.C., pursuant to notice published in the Federal Register on October 31, 2001.¹ Acting Chairperson (Chair) Curtis Sampson called the meeting to order at 9:00 a.m.

Attendants

Directors present were:	Curtis Sampson	John McAllister
	David Crothers	Larry Sevier
	John Dillard	Robert Lee Stanton
	Michael Jensen	

Among others present were Governor Hilda Gay Legg and staff members Assistant Governor Roberta Purcell, Deputy Assistant Governor Jonathan Claffey, and Assistant Treasurer Ken Ackerman. Also present was Frank Clover from the Office of the General Counsel (OGC). (Directors not present: Six vacancies.)

The Chair introduced and gave a gracious welcome to the newly appointed Governor of the Bank, Ms. Hilda Gay Legg.

Action on the Minutes

On motion duly made and seconded, the minutes of the August 17, 2001, board meeting were adopted as prepared.²

Secretary's Report

Secretary Curtis Sampson reported that 24 loans were approved during the fourth quarter totaling \$150,710,700.³ Mr. Sampson also provided statistics on loans made during the fiscal year.

Treasurer's Report

Treasurer John McAllister reported on the finances of the Bank for fiscal year 2001.⁴ Mr. McAllister reported, among other things, that net revenue for the year totaled \$116 million, compared to \$113

¹ Exhibit 138-1. A Notice was published in the Federal Register on November 9 correcting the time of board meeting from 9 p.m. to 9 a.m.

² Exhibit 138-2

³ Exhibit 138-3

⁴ Exhibit 138-4

million for fiscal year 2000; total class B stock, net of conversions to C stock, amounted to \$666.7 million, compared to \$681.5 million last year, and total class C stock increased from \$344.8 million to \$447.7 million. Advances on loan commitments for the year totaled \$62 million, compared to \$43 million for fiscal year 2000, and unadvanced loan commitments totaled \$1,103 million, up from \$1,021 million one year ago. There being no questions for Mr. McAllister, the Chair moved to the next agenda item.

Privatization Committee Report

Committee Chair Curtis Sampson reported that Director Dillard had authored an article entitled, *The Time Has Come For Rural Telephone Bank Privatization*, that appeared in the October 2001 edition of the OPASTCO Advocate; a monthly newsletter published by the Organization for the Promotion and Advancement of Small Telecommunications Companies. Mr. Dillard solicited comments from other members of the Committee prior to publication in the OPASTCO Advocate. With regard to the Business Advisor contract, Mr. Sampson reported that he and Director Sevier were present during the bidders' oral presentations on this contract. RUS anticipates awarding this contract within a week's time.

Dates and Locations for Year 2002 Board Meetings⁵

<u>February</u>	Anaheim, CA (at the site of the National Telephone Co-op Assn. Conference)
Staff Briefing:	Time and dates for both meetings
Board Meeting:	to be determined
<u>May</u>	Washington, DC
Staff Briefing:	Tuesday, May 7 at 2:00 p.m.
Board Meeting:	Wednesday, May 8 at 9:00 a.m.
<u>August</u>	Washington, DC
Staff Briefing:	Thursday, August 15 at 2:00 p.m.
Board Meeting:	Friday, August 16 at 9:00 a.m.
<u>November</u>	Washington, DC
Staff Briefing:	Thursday, November 14 at 2:00 p.m.
Board Meeting:	Friday, November 15 at 9:00 a.m.

Adjournment

Whereupon motion to adjourn was made and the meeting was adjourned at 9:20 a.m.

Signed Curtis Sampson
Secretary

⁵ Exhibit 138-5