

STAKEHOLDER ANNOUNCEMENT

January 23, 2012

The Department of Agriculture's Rural Utilities Service (RUS) provides funding for telecommunications systems in rural areas through the Broadband Initiatives Program (one-time program under the Recovery Act), the Farm Bill broadband program and the traditional infrastructure program.

RUS is currently accepting applications for both the infrastructure and the Farm Bill programs, which have not been suspended. Nevertheless, due to the Federal Communications Commission's (FCC) recent order reforming the Universal Service Fund (USF), RUS is revising the financial models needed to support a loan request. In an effort to most effectively evaluate the financial feasibility of new projects, we have suggested to applicants that they wait to submit new applications until RUS provides updated financial models. These new guidelines are imminent. We believe these updates are necessary to take into account regulatory changes and we regret any confusion that may have occurred as a result.

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