

FOR IMMEDIATE RELEASE Contact: Derrick Owens (202) 548-0202, derrick@w-t-a.org

Rural Groups Tell USDA Sec. Vilsack National Broadband Plan Jeopardizes Infrastructure Investment and Repayment of RUS Loans Plan Consequences Also Affect Success of Administration's Broadband Initiative Program

Helena, MT (June 14, 2010) - The National Telecommunications Cooperative Association (NTCA), the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) and the Western Telecommunications Alliance (WTA) sent a letter to U.S. Department of Agriculture Secretary Tom Vilsack to express concern about the negative impact the National Broadband Plan (NBP) would have on rural areas and the people living in these areas.

In the letter, the rural groups explain that the staff of the Federal Communications Commission (FCC) has developed a proposal for broadband support and regulation that puts existing rural broadband networks at risk. The proposal creates financial uncertainty for the rural telecommunications industry, jeopardizing investment in rural communications infrastructure, future debt equity loans for carriers, and the repayment of Rural Utilities Service (RUS) loans.

"There is grave concern about the ability of our members to pay back existing communications loans made by RUS. Some rural communications providers that have been approved for Broadband Initiative Program loans under the American Recovery and Reinvestment Act are now reconsidering the viability of repaying these loans in the future if the NBP is implemented in its current form."

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Western Telecommunications Alliance represents over 250 rural telecommunications companies providing quality voice, data and video services in rural areas in the 24 states west of the Mississippi River. On average, WTA member companies serve fewer than 3,000 access lines with fewer than 500 customers in each exchange. WTA's members serve some of the most rural and hard-to-serve communities in the country and are on the forefront of bringing 21st Century telecommunications services to rural America. For more information about WTA visit www.w-t-a.org.