

majority of the Borrowers within the State may develop the Modernization Plan. If a majority of Borrowers develops the Modernization Plan, the following apply:

(i) All Borrowers shall be given reasonable notice of and shall be encouraged to attend and contribute to all meetings and other proceedings relating to the development of the Modernization Plan; and

(ii) Borrowers developing a Modernization Plan are encouraged to solicit the views of other providers of telecommunications services and interested parties in the State.

(2) There is no time limit placed on Borrowers to develop a Modernization Plan. Borrowers should be aware that certain types of loans may be restricted until a Modernization Plan is approved. See § 1751.103.

§ 1751.103 Loan and loan advance requirements.

(a) For information about loan eligibility requirements in relation to the Modernization Plan, see 7 CFR part 1735. In particular, beginning February 13, 1996, RUS will make RUS hardship loans, RUS cost-of-money loans, and RTB loans for facilities and other RE Act purposes in a State only if:

(1) The State has an RUS approved Modernization Plan; and

(2) The Borrower to whom the loan is to be made is participating in the Modernization Plan for the State. A Borrower is considered to be participating if, in RUS's opinion, the purposes of the loan requested by the Borrower are consistent with the Borrower achieving the requirements stated in the Modernization Plan within the timeframe stated in the Modernization Plan unless RUS has determined that achieving the requirements is not technically or economically feasible.

(b) With regard to the three types of loans discussed in paragraph (a), only loans approved after the date the State has an RUS approved Modernization Plan are subject to complying with the Modernization Plan.

(c) For loans subject to complying with the Modernization Plan, advances will not be made if, in RUS's opinion, the advances are not consistent with

achieving the requirements of the Modernization Plan.

§ 1751.104 Obtaining RUS approval of a proposed Modernization Plan.

(a) To obtain RUS approval of a proposed Modernization Plan, the Plan Developer must submit the following to RUS:

(1) A certified copy of the statute or PUC order, if the PUC is the Plan Developer, or a written request for RUS approval of the proposed Modernization Plan signed by an authorized representative of the Plan Developer, if a majority of Borrowers is the Plan Developer; and

(2) Three copies of the proposed Modernization Plan.

(b) Generally, RUS will review the proposed Modernization Plan within (30) days and either:

(1) Approve the Modernization Plan if it conforms to the provisions of this subpart in which case RUS will return a copy of the Modernization Plan with notice of approval to the Plan Developer; or

(2) Not approve the proposed Modernization Plan if it does not conform to the provisions of this subpart. In this event, RUS will return the proposed Modernization Plan to the Plan Developer with specific written comments and suggestions for modifying the proposed Modernization Plan so that it will conform to the provisions of this subpart. If the Plan Developer remains eligible, RUS will invite the Plan Developer to submit a modified proposed Modernization Plan for RUS consideration. This process can continue until the Plan Developer gains approval of a proposed Modernization Plan unless the Plan Developer is a PUC whose eligibility has expired. If a PUC's eligibility has expired, RUS will return the proposed Modernization Plan unapproved. Because RUS does not have authority to extend the term of a PUC's eligibility, RUS recommends that the PUC submit a proposed Modernization Plan at least 90 days in advance of February 13, 1996 to allow time for this process.