

S.2830

Food, Agriculture, Conservation, and Trade Act of 1990 (Enrolled as Agreed to or Passed by Both House and Senate)

Subtitle F--Rural Electrification Provisions

CHAPTER 1--AMENDMENT TO TITLE I OF THE RURAL ELECTRIFICATION ACT OF 1936

SEC. 2353. GENERAL PROHIBITIONS.

Title I (7 U.S.C. 901 et seq.) is amended by adding after the section added by section 2343 of this Act the following new section:

`SEC. 18. GENERAL PROHIBITIONS.

`The Administrator and the Governor of the telephone bank shall not deny or reduce any loan or loan advance under this Act based on a borrower's level of general funds.'

CHAPTER 2--AMENDMENTS RELATING TO TITLE II OF THE RURAL ELECTRIFICATION ACT OF 1936

SEC. 2354. UPDATED DEFINITION OF TELEPHONE SERVICE.

Section 203(a) (7 U.S.C. 924(a)) is amended--

- (1) by inserting `or reception' after `transmission';
- (2) by inserting `data,' after `voice,'; and
- (3) by striking `through the use of electricity between the transmitting and receiving apparatus' and inserting `by wire, fiber, radio, light, or other visual or electromagnetic means'.

SEC. 2355. LOAN FEASIBILITY.

Title II (7 U.S.C. 922 et seq.) is amended by adding at the end the following new section:

`SEC. 204. LOAN FEASIBILITY.

`The Administrator and the Governor of the telephone bank may not, as a condition of making a telephone loan to an applicant therefor, require the applicant to--

- `(1) increase the rates charged to the applicant's customers or subscribers;
- or
- `(2) increase the applicant's ratio of--
 - `(A) net income or margins before interest; to
 - `(B) the interest requirements on all of the applicant's outstanding and proposed loans.'

SEC. 2356. ENCOURAGEMENT OF INVESTMENT BY TELEPHONE BORROWERS IN RURAL DEVELOPMENT PROJECTS.

Title II (7 U.S.C. 922 et seq.) is amended by adding after the section added by section 2355 of this Act the following new section:

`SEC. 205. CERTAIN RURAL DEVELOPMENT INVESTMENTS BY QUALIFIED TELEPHONE BORROWERS NOT TREATED AS DIVIDENDS OR DISTRIBUTIONS.

- `(a) IN GENERAL- The Administrator and the Governor of the telephone bank shall not--
 - `(1) treat any amount invested by any qualified telephone borrower for any purpose described in section 607(c)(2) of the Rural Development Act of 1972 (including any investment in, or extension of credit, guarantee, or advance made to, an affiliated company of the borrower, that is used by such company for such a purpose) as a dividend or distribution of capital to the extent that, immediately after such investment, the aggregate of such investments does not exceed 1/3 of the net worth of the borrower; or
 - `(2) require a qualified telephone borrower to obtain the approval of the Administrator or the Governor of the telephone bank in order to make an investment described in paragraph (1).
- `(b) QUALIFIED TELEPHONE BORROWER DEFINED- As used in subsection (a), the term `qualified telephone borrower' means a person--
 - `(1) to whom a telephone loan has been made or guaranteed under this Act; and
 - `(2) whose net worth is at least 20 percent of the total assets of such person.'