

these regulations implementing the Program.

The comments received in response to both notices are available on the RUS Web site at: http://www.usda.gov/rus/telecom/initiatives/index_initiatives.htm#comment.

Description of Proposed Rule

The LOCAL TV Act is intended to help spread local television into Nonserved Areas and Underserved Areas. The Act defines these terms in relation to the ability to receive the Local Television Broadcast Signals serving a particular Designated Market Area. What comprises these Local Television Broadcast Signals is not defined. This proposed rule would define Local Television Broadcast Signals to create a reasonable, meaningful, and administratively workable distinction between Nonserved Areas and Underserved Areas, so that priority is given to Projects that provide signals to areas without access to local signals.

The Act refers to signals (plural). As such, receiving a single local television signal does not constitute access. The various technologies used to provide a multichannel system (typically a cable television system or a Direct Broadcast Satellite) do not inherently dictate the number of local signals provided. Therefore, Local Television Broadcast Signals must be defined on a different basis.

As of August 15, 2003, the Federal Communications Commission (FCC) recognizes four major national television broadcast networks in its rulings. In addition, the Board determined that it is reasonable to define a practical set of "Local Television Broadcast Signals" as a set most likely to provide the local news, weather, sports and other programming of local interest that are the reason people need access to local signals. As such, the Board proposes a technologically neutral definition of "Local Television Broadcast Signals" so that Nonserved Areas and Underserved Areas are determined by whether that area has access to the local signals of the major national television broadcast networks. Further, the Act defines "Nonserved Area" to mean any area that is outside the grade B contour (as determined using standards employed by the FCC) of the Local Television Broadcast Signals serving a particular Designated Market Area and does not have access to such signals by any commercial, for profit, multichannel video provider. "Underserved Area" is defined in the Act to mean any area that is outside the grade A contour (as

determined using standards employed by the FCC) of the Local Television Broadcast Signals serving a particular Designated Market Area and has access to Local Television Broadcast Signals from not more than one commercial, for-profit multichannel video provider.

The definitions of nonserved area and underserved area contained in this proposed rule are directly from the Act. We interpret these statutory definitions as follows. An area outside of the grade A contour, but within the grade B contour, can never be considered a nonserved area. Areas outside of the grade B contour, which by definition are always not included in the grade A contour, may be considered either a nonserved area or an underserved area. However, any one geographic area outside of the grade B contour can never be both nonserved and underserved. An area outside of the grade B contour would be nonserved if it does not have access to local television broadcast signals from any commercial, for profit, or multichannel video provider. An area outside of the grade B contour would be underserved if it has access to local television broadcast signals from only one commercial, for profit, multichannel video provider.

The LOCAL TV Act requires the Board to develop and utilize underwriting criteria to determine which loans may be eligible for a loan guarantee under the Act. The underwriting criteria have been embodied within these proposed rules. The underwriting criteria will be posted on the LOCAL TV Web site at <http://www.usda.gov/rus/localtvboard>.

In Section 2201.11(g)(2) of the proposed rule, the Board proposes that an Applicant applying for a guarantee for a loan greater than some minimum amount be required to submit a preliminary credit rating opinion letter prepared by a nationally recognized statistical rating organization. The proposed rule provides for a minimum amount of \$5 million. The Board is interested in receiving comment on where this minimum should be set within the range of \$5 million to \$25 million. Comments must include relevant information in support of their positions.

These proposed rules implement the requirements of the Act and provide a procedure to administer the Program.

List of Subjects in 7 CFR Parts 2200 and 2201

Loan programs—Communications, Rural areas, Telecommunications, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, chapter XX of title 7 of the Code of Federal Regulations is proposed to be amended as follows:

PART 2200—ACCESS TO LOCAL TELEVISION SIGNALS GUARANTEED LOAN PROGRAM; GENERAL POLICIES AND PROCEDURES

1. The authority citation for part 2200 continues to read as follows:

Authority: 47 U.S.C. 1101 *et seq.*; Pub. L. 106—553; Pub. L. 107—171.

2. The title of part 2200 is proposed to be revised to read as set out above.

3. Section 2200.1 is proposed to be amended by adding a new paragraph (d) to read as follows:

§ 2200.1 Definitions.

* * * * *

(d) *Person* means any individual, corporation, cooperative, partnership, joint venture, association, joint-stock company, limited liability company or partnership, trust, unincorporated organization, government entity, agency or instrumentality or any subdivision thereof.

4. Part 2200 is proposed to be amended by adding sections 2200.10 through 2200.12 to read as follows:

§ 2200.10 Restrictions on lobbying.

(a) No funds received through a Loan guaranteed under the Program in this chapter may be expended by the recipient of a Federal contract, grant, loan, loan guarantee, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan or loan Guarantee, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, loan Guarantee, or cooperative agreement.

(b) Each person who requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan shall file with that agency a statement, set forth in the application form, whether that person has made or has agreed to make any payment to influence or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in