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FOR IMMEDIATE RELEASE

WASHINGTON, D.C., March 1 --- U.S. Sen. Bob Dole's bill to create a Rural Telephone Bank passed the Senate today and is on its way to the House for consideration. The bill was passed in the same form the legislation passed the Senate in the 91st Congress.

Senate Bill 70 would provide supplemental financing for the rural telephone program and will amend the Rural Electrification Act of 1936. Telephone systems with the lowest subscriber densities will be able to continue to secure two per cent REA loans while those systems able to pay higher rates of interest will obtain their financing by borrowing directly from the Rural Telephone Bank.

Dole, a member of the Agricultural Credit Subcommittee of the Senate Committee on Agriculture and Forestry, explained that the Rural Telephone Bank would be patterned after the Federal Land Bank, which is now totally borrower owned and controlled.