



United States Department of Agriculture  
Rural Development

Rural Business-Cooperative Service • Rural Housing Service • Rural Utilities Service  
Washington, DC 20250

FEB 21 2003

SUBJECT: Rural Telephone Bank  
Privatization Study

TO: Rural Telephone Bank Shareholders

FROM: Hilda Gay Legg  
Governor  
Rural Telephone Bank

At the February 14, 2003, meeting of the Board of Directors of the Rural Telephone Bank (RTB), Science Applications International Corporation, Inc. presented the results of its year-long RTB Privatization Study. The study was commissioned by the Rural Utilities Service to provide the Board of Directors with a roadmap to be used as it continues to explore the ongoing process of privatization. (Under existing legislation, privatization began in 1996 with the first retirement of the RTB's Class A stock.) This study is intended to assist the Board of Directors in determining the best course of action for all involved – shareholders, rural residents, taxpayers, and the Federal Government.

This study, compiled over the past 13 months, is in response to a Request for Proposal for a thorough examination of the Bank's operations and for the development of issues and options that should be pursued during the process of privatization; from asset and liability management to organizational and operational strategies. The study may be viewed or downloaded, in its entirety, from the Bank's webpage at the following address:

**[http://www.usda.gov/rus/telecom/rtb/index\\_rtb.htm](http://www.usda.gov/rus/telecom/rtb/index_rtb.htm)**

The Board has established the following dates for its remaining quarterly meetings for 2003:

**May 8 and 9, 2003**

Quarterly board meeting at 9:00 a.m. on May 9 with the  
Staff briefing on at 2:00 p.m. on May 8

**August 14 and 15, 2003**

Quarterly board meeting at 9:00 a.m. on August 15 with the  
Staff briefing on at 2:00 p.m. on August 14

**November 13 and 14, 2003**

Quarterly board meeting at 9:00 a.m. on November 14 with the  
Staff briefing on at 2:00 p.m. on November 13

As shareholders, we encourage you to review the study and discuss any issues and concerns you may have with your elected board members. The elected board members representing the commercial and cooperative shareholders may be found on the Bank's webpage. You may also register any comments you may have with the RTB staff on our website.

We hope you find this information useful and look forward to your comments.

cc:  
Thomas Dorr  
Chairman of the Board  
Rural Telephone Bank

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