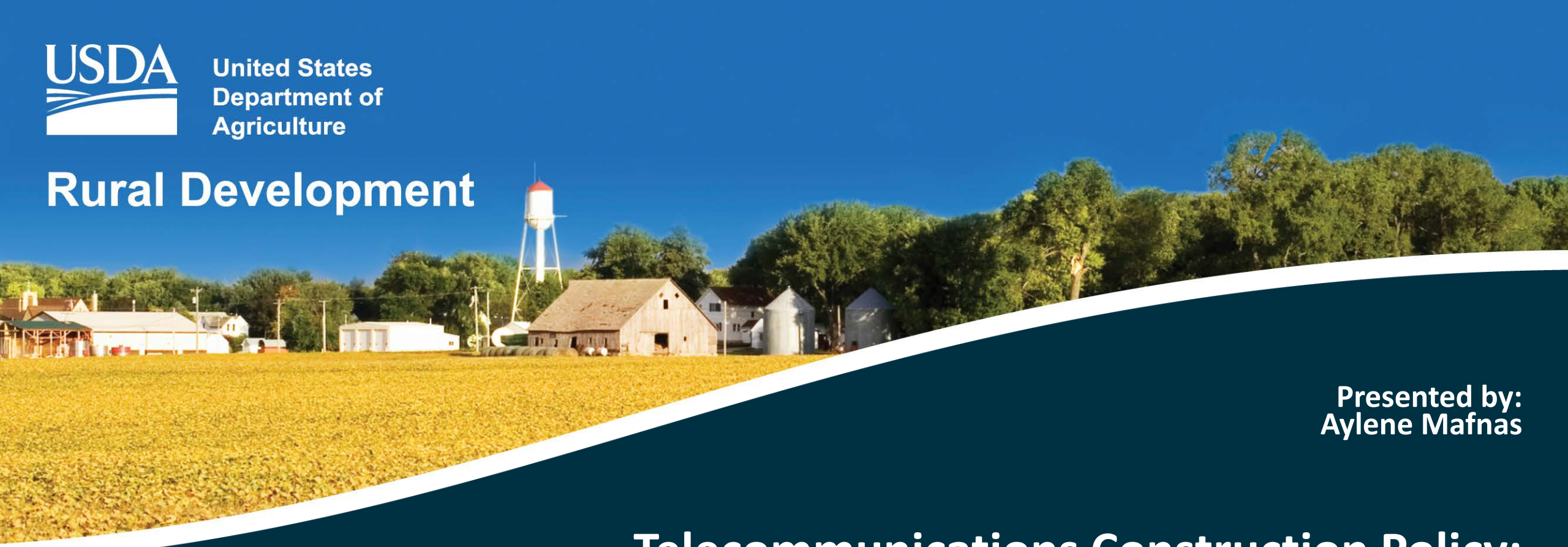
United States Department of Agriculture

Rural Development



Presented by:
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Telecommunications Construction Policy:

Simplify, Unify, and Consolidate

2018 ACE School and RUS Symposium

Atlanta, GA

May 15-17, 2018

Objectives

This training session has the following objective:

- To encourage dialog leading to partnership and innovation on activities updating RUS' loan programs' construction regulations, policies, and procedures.

Agenda

Telecommunications Construction Policy, Procedure, and Regulation

- Simplify, Unify, and Consolidate
  - Introduction
  - Unify – Implementing common practices across different programs
  - Simplify – Simplifying the procedures thereby reducing time to service
  - Consolidate – Reducing the number of regulations and regulatory documentation

INTRODUCTION

Currently there are separate regulations addressing the construction of telecommunications networks under the Infrastructure and Farm Bill Broadband Loan Programs. They could all benefit from being updated.

- 7 CFR 1753 – Infrastructure Program construction policies and procedures
- RUS Bulletin 1738-2 – Farm Bill Broadband Program construction procedures
- 7 CFR 1755 – Telecommunications policies on specifications, acceptable materials, and standard contract forms
  - Shared across multiple programs

UNIFICATION

A common set of policies, processes, and procedures should apply to the construction of networks under both the Infrastructure and F. B. Broadband loan programs

- The networks being constructed under all programs are basically the same.
- Goal is to minimize program-specific policies and procedures
  - Reduce confusion of Engineers, borrowers, and contractors and accelerate "time to service"
    - Use the same definitions and requirements, e.g. "Minor" and "Major" projects
    - Use the same approval requirements across programs
- Facilitate the updating of procedures and processes to keep up with technology and industry trends.

SIMPLIFICATION

Streamline, simplify, and update the policies, processes, and procedures used for the construction of networks under the Infrastructure and F. B. Broadband loan programs

- Revise RUS Approval requirements to simplify and expedite construction. For example:
  - Subcontracting under “Major” and “Minor” projects
  - Bid/negotiation approval
  - Revising field and office approval authorizations
- As was done with the RUS Contract Form 395 for equipment procurement, optimally there should be 1 contract each for Professional Services and Construction
- Increase the cost caps for “Minor” projects
  - $500K, $750K, $1M? Different caps for Equipment, OSP, and Buildings and tower construction
  - Revise constraints on the use of 773 contracts and 771a advancements

CONSOLIDATION

Regulations 7 CFR 1753, 7 CFR 1755, and RUS Bulletin 1738-2 could be consolidated into one common regulation

- Combine the construction policies, processes, and procedures for the Infrastructure and Farm Bill Broadband loan programs into a common regulation,
  - e.g. a revised version of 7 CFR 1753 covering both programs.
  - Eliminating RUS Bulletin 1738-2
    - Funds advancement section would be moved to 7 CFR 1744 subpart C
- Incorporate the list of RUS Standardized Contract Forms into 7 CFR 1753
  - Move from 7 CFR 1755 and then Rescind 7 CFR 1755
    - Specifications 515a-d could be incorporated into the instructions for RUS Contract Form 515

7 CFR 1755

RUS is obligated, but lacks the resources, to maintain and update both published and IBR'd standards and specifications included within the regulation

- This is a similar scenario to the elimination of the List of Approved Materials
  - RUS no longer has the resources or expertise to maintain and update.
- Use of industry accepted practices and 3rd party specifications and standards could replace most of 7 CFR 1755
  - The maturity of the industry avoids the need for specifying and publishing many of the specifications and standards.
    - Vendors, contractors, and engineers generally have a higher level of familiarity with effective construction practices than when 1755 was published

IN SUMMARY

Public-Private partnerships applying innovation to simplify, unify, and consolidate construction processes, policies, procedures, and regulations can reduce the costs and time to service of constructing RUS program telecommunications networks without compromising the integrity of the networks or the security of public loans.

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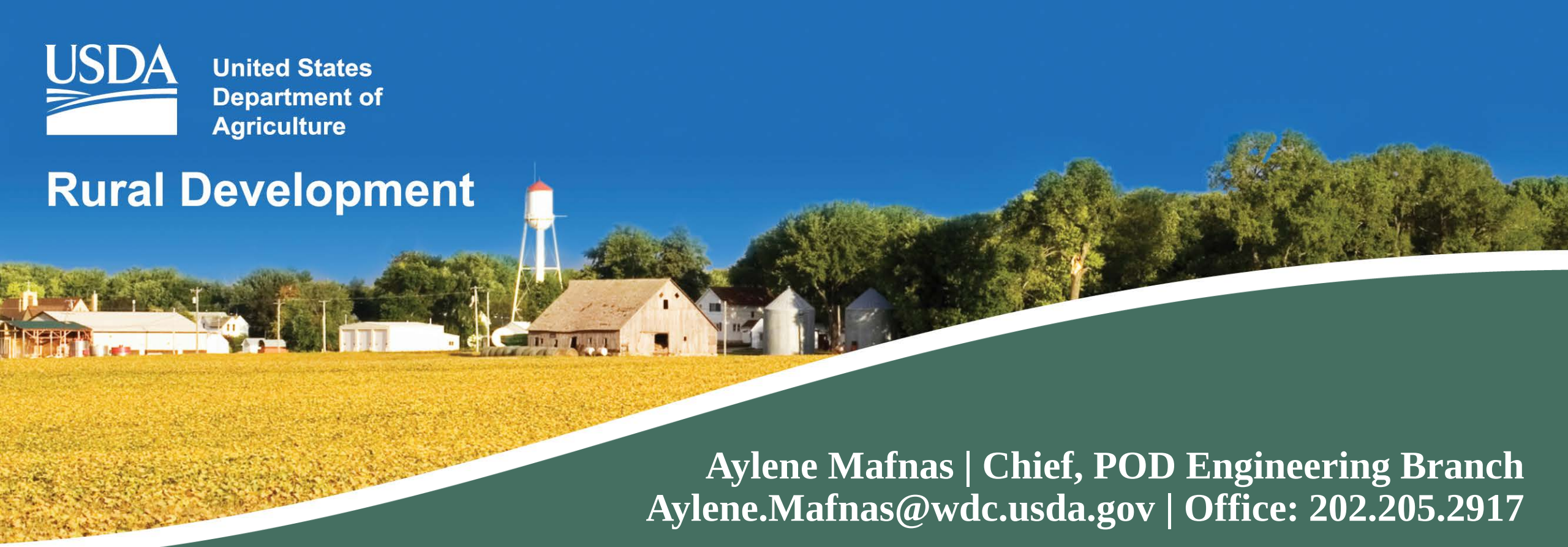

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