



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

October 28, 2008

Mr. Kevin J. Martin, Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Martin:

I am writing to urge the Federal Communications Commission to seek comment on its proposals for universal service fund and intercarrier compensation regime changes in order to allow for meaningful public review and comment. This will afford states and the public the ability to provide input on these important matters.

According to news reports and staff briefings, the anticipated proposal makes sweeping changes to existing regulatory regimes (intercarrier compensation and universal service) which potentially have state tax and revenue implications, may hinder broadband deployment and could increase consumer rates. As described in public reports, this proposal will put additional responsibilities on the state regulatory commissions but preempt or otherwise limit significant aspects of state authority and discretion. We understand that the Commission plans to consider the proposal at the November 4th Agenda Meeting.

As Chair of the National Governors Association, I know that Governors strongly support efforts to bring reform to the constantly changing landscape of telecommunications. Governors continue to work with state public utility commissioners, state legislators, consumers, and industry to ensure a regulatory system that is nimble and responsive to a modern, evolving marketplace. Governors, however, remain concerned by federal initiatives developed without meaningful state input that impose additional obligations on state commissions while unnecessarily preempting state authority. The continued viability of the Commission's partnership with the states is essential to comprehensive reform. Only with a fully developed record on the proposal can the Commission reach a reasoned decision that truly serves the public interest.

With these points in mind, I urge the Commission to respect the role of states and to seek comment on these far-reaching proposals for a period of, at a minimum, two months.

Thank you for your consideration of my views.

Sincerely,

A handwritten signature in black ink that reads "Edward G. Rendell".

Edward G. Rendell
Governor