

TREY GRAYSON SECRETARY OF STATE

COMMONWEALTH OF KENTUCKY

Office of the Secretary of State

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PUBLIC SERVICE COMMISSION

July 1, 2010

Dear Chairman Armstrong:

Dear Commissioner Borders:

Dear Commissioner Gardner:

Dear Executive Director Derouen:

Case No. 2010-00162

I am writing to encourage the Kentucky Public Service Commission to begin addressing the need for access rate reform in our state's telecommunications sector. More than 20 other states have acted on this issue already, and I believe that we risk losing out on much needed technology investment and innovation if we do not keep pace.

Our economy is changing, and without new investment in advanced wired and wireless broadband networks, we will not be able to compete with neighboring states when it comes to attracting new businesses or growing existing ones. We simply cannot allow outdated access rates regulations to make us less competitive.

It is time for the PSC to put Kentucky's future first by creating a regulatory environment that looks less like 1984 and more like today. The idea of hanging on to regulated subsidies on home phones no longer makes sense when consumers and businesses have moved to wireless phones and mobile broadband services in such high numbers.

For example, in our office, more and more of our customers engage our office over the Internet via fast, broadband connections. This has allowed us to offer Kentuckians more services



on a smaller operating budget. Whether you live in downtown Louisville, on a farm in Fulton County or in the mountains of Pike County, you can access millions of documents and dozens of on-line services from the comfort of your home or even from your smartphone, 24 hours a day, 7 days a week.

It is time to update our telecom regulations in this state. I urge the PSC to take the issue of access rate reform up now.

Sincerely,

Honorable Trey Grayson

Secretary of State

Commonwealth of Kentucky

cc: Gov. Beshear, House Speaker Stumbo, Senate President Williams