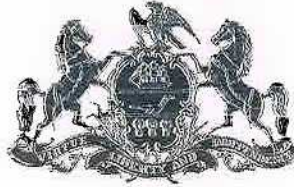


RAYMOND BUNT, JR.
MAJORITY CAUCUS SECRETARY



HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

RULES COMMITTEE

E-MAIL: rbunt@pahousegop.com
WEBSITE: www.raybunt.com

105 MEMORIAL DRIVE AND ROUTE 29
SCHWENKSVILLE, PA 19473
PHONE: (610) 287-4181
FAX: (610) 287-4182

HOUSE BOX 202020
146 MAIN CAPITOL BUILDING
HARRISBURG, PA 17120-2020
PHONE: (717) 787-6937
FAX: (717) 772-6952

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October 31, 2006

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor West
Harrisburg, PA 17105-3265

Dear Secretary McNulty:

I am writing in response to the Pennsylvania Public Utility Commission's final-form regulation on Local Exchange Carrier Filing and Reporting Requirements, (docketed at L-00050076/57-247), which will be addressed by the Independent Regulatory Review Commission (IRRC) in early November. As the former Republican Chairman of the House Consumer Affairs Committee, I remain steadfast in my position that the intent underlying Section 3015(e) & (f) of Act 183 of 2004 was to provide the incumbent local exchange carrier (ILEC) community with the regulatory relief it was promised under the original Chapter 30 statute and which now makes sense in an increasingly competitive telecommunications environment. You may recall that I offered comments on this matter in May 2005, as part of the Commission's Facilitated Discussion proceeding.

When House Bill 30 was introduced, PUC staff informed me that it would voluntarily perform an internal investigation and attempt to reduce and/or eliminate reporting requirements that were deemed excessive or outdated so that the legislature would not be forced to address the issue in HB30. Since the PUC's internal investigation never transpired, the legislature passed House Resolution 786, which called on the Legislative Budget and Finance Committee (LBFC) to conduct a bipartisan study of the filing and reporting requirements imposed by the PUC on ILECs and competitive local exchange carriers (CLEC) operating within the Commonwealth. At no time during HB30 and HR 786 deliberations did the PUC object to the exclusion of Lifeline Tracking Reports or Service Outage Reports from the nine statutorily required reports contained in Section 3015(e). Accordingly, I was shocked and dismayed to learn that the exclusion of these reports has become a point of contention with the PUC, considering it had ample opportunity to participate in the legislative process.

The regulations currently before us are the primary reason that the legislature enacted Section 3015 (f) of Act 183. This section contains a provision that permits the PUC to require additional reports but only if it first finds that the reports are necessary to ensure that ILEC rates comply with the Act and that the benefits of the report substantially outweigh the costs to prepare it. In other words, this provision establishes a two-pronged test that the PUC must undertake prior to its being permitted to require additional reports outside of the

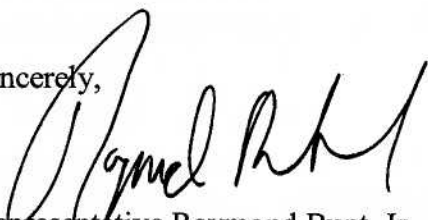
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McNulty
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nine reports statutorily required by current law. Any proposed additional report satisfying only one of the two standards contained in Section 3015(f) cannot be mandated by the Commission. I believe that the language is clearly written and expected the Commission to implement these provisions in accordance with the General Assembly's intent. Instead, the PUC advanced final-form regulations outside the scope of the law and by doing so, has engaged in an activity the General Assembly sought to eliminate...the easy, and baseless addition of ILEC reporting requirements. Moreover, it has provided faulty rationale to defend its actions by maintaining that every additional report has a relationship to rates. While the legislature intent and public policy objective of Act 183 is the limitation of ILEC reporting requirements, these regulations, and the manner in which they were crafted, raises concerns that the Commission has empowered itself to do just the opposite.

The reporting requirements contained in Act 183 of 2004 were crafted thoughtfully, fully deliberated in the House of Representatives and ultimately approved by an overwhelming majority of my colleagues in the House and Senate. As the Former Chairman of the House Consumer Affairs Committee and the current Majority Caucus Secretary for the Republican Caucus of the Pennsylvania House of Representatives, I expect the Commission to implement these provisions as they are written; clearly, unambiguously, and consistent with the policy of significantly reducing the regulatory burdens on Pennsylvania's incumbent local telephone companies.

Sincerely,



Representative Raymond Bunt, Jr.
147th Legislative District
Majority Caucus Secretary

cc: PUC Commissioners
IRRC Commissioners

RB/lh