


July 15, 2009

TO: Active Member Companies

FROM: Steve Samara



RE: TELPAC

With PTA's 107th Annual Convention upon us, it is timely to encourage both convention attendees and all PTA members to seriously consider supporting YOUR political action committee, TELPAC.

For those who plan on visiting Hershey for this year's event, I am hopeful that you will contribute and attend the TELPAC Breakfast to be held on Tuesday morning, July 21st. The minimum cost is \$35.00, per ticket. For individuals who are unable to attend the convention, your support is crucial if we are to continue our advocacy efforts on your behalf with state legislators.

Historically, I have distributed TELPAC solicitation letters which extol the virtues of having a sizable PAC in order that the association may command some level of influence with public policy makers and perpetuate a communications network in Harrisburg which will help to ensure favorable consideration of legislation and regulation which affects the membership. And, quite frankly, the fundamental dynamics of advocacy and lobbying have changed very little over the years and correspondence saying so would be perfectly acceptable.

Recently, however, I attended a meeting of the Pennsylvania Business Council Education Foundation graphically portraying precisely where the PTA stands in relation to our industry competitors in the "influence peddling" business. While not surprising, I felt that this information would give all of the PTA membership a different perspective on the topic. The "PACTrac 2007-2008" report utilizes information submitted to the Department of State for the 2007-08 election cycle, and breaks the expenditures down by a variety of categories.

For example, total spending for the election cycle was over \$126 million, an 18 percent increase from the 2005-06 cycle. Spending from the Telecommunications sector was \$866,233, ranking below Manufacturing (\$1.4 million), Lobbyists (\$1.2 million), and Real Estate (\$900,000).

Within the Telecommunications donors is where we really need to focus and consider how we want to measure up against our colleagues and competitors. Comcast led the sector with \$476,650 given to candidates, followed by AT&T at \$139,622 (the federal AT&T PAC gave an

additional \$133,318 to federal candidates). Verizon Communications funneled more than \$133,000 to state candidates. The Broadband Cable Association PAC donated \$62,650, while the Embarq Employee PAC offered almost \$29,000. **The PTA ranked eighth on the list with slightly more than \$8,000 given to state legislators during the study period.**

I am under no illusions that the TELPAC will ever rival Comcast, AT&T, or Verizon, nor would I ever consider asking you to donate at that level. I am acutely aware of the current state of affairs in the ILEC business and the tremendous economic, regulatory, legislative, and competitive challenges that all of the PTA members are facing on a daily basis. Unfortunately however, the influence game is played by a certain set of rules in our nation's capital and in state capitals across the country and money plays a significant role in this process.

While PAC spending is not the only factor involved in this political process, the bottom line is we need to do more. The issues which the PTA has been addressing on your behalf continue to exist: access charge reform, universal service reform, non-payment of access charges, phantom traffic, uneven regulation etc. and legislators will continue to play a significant role on each of those fronts.

Please make every effort to ensure that the ILEC industry matters here in Pennsylvania and that you are serious about your wishes to continue offering world-class telecommunications service to Pennsylvania citizens, by giving generously to TELPAC with a personal check.

Thank you for your consideration and please feel free to call the PTA office with any questions or concerns on this critical matter.