



PEÑASCO VALLEY TELEPHONE
COOPERATIVE, INC.

October 15, 2012

Providing Quality Telecommunications to Southeast New Mexico

The Honorable Steve Pearce
United States Congressman
2432 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Pearce:

I wanted to thank you for your support and helping us fight the FCC's so called USF "Reform" that will seriously curtail PVT's effort to rollout high speed internet to the rural customers in our almost 4,700 square mile service area in SE New Mexico. The FCC's Order has put PVT's \$70 million plant investment, 2,600 customers, and 100 employees in jeopardy. In New Mexico, 11 telephone companies (that invest tens of millions of dollars annually) and 450,000 rural New Mexicans are also at risk of losing services or being abandoned completely.

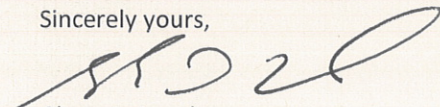
Although the FCC has run into unprecedented and uniform resistance from the rural telephone industry, NARUC (the National Association of Rural Utility Commissioners), the cellular industry, NECA (National Exchange Carriers Association) and virtually anyone other than the FCC itself (although on an internal review, two internal FCC groups found significant issue with the Order), it has shown no relenting. It is doggedly determined to virtually destroy the rural telephone industry and the infrastructure it regulates.

In light of these times, my directors and I were thinking that this may be a good opportunity to send a couple of prime debate points up the line to the Republican Presidential nominee. I know that Governor Romney is probably pretty busy right now, but we would like to offer the following point about jobs:

"The FCC, under the current administration, has forced rural telephone companies around the country to stop virtually all investment and hiring. Hundreds of millions of dollars of investment have been eliminated due to regulatory uncertainty and 85 pages of new unfunded regulations from the FCC. Some companies are cutting their workforces by up to 1/3 in preparation for higher regulatory costs and lower returns going forward. Under a Romney administration, the FCC will be directed to rein in these new and unprecedented regulations and to promote thousands of new jobs around the country by resetting the recent uncertainty around creating high speed internet for all Americans. We will also tell the FCC that \$2 billion per year on 'Obama phones' can go the way of the dodo."

Another point to consider is that the FCC recently awarded \$300 million from the newly created Mobility Fund. This includes money to build out cellular networks using equipment from Chinese manufacturers Huawei and ZTE. The U.S. House of Representatives Permanent Select Committee on Intelligence recently issued a scathing report suggesting that U.S. companies should not buy equipment from these two vendors due to suspicion of industrial espionage and a lack of transparency in the Committee's dealings with representatives of these two firms.

Sincerely yours,



Glenn D. Lovelace

cc: U.S. Senate Candidate Heather Wilson
The Honorable John Shimkus

4011 WEST MAIN • ARTESIA, NM 88210-9566 • 575.748.1241 • 1.800.505.4844
FAX: 575.746.4142 • E-MAIL: pvt@pvt.com • WEBSITE: www.pvt.com