

STEVE FORBES

CHAIRMAN & EDITOR-IN-CHIEF

October 29, 2015

The Hon. Nikki R. Haley
Office of the Governor
1205 Pendleton Street
Columbia, SC 29201

Dear Governor:

I am writing to ask you to stop a behind-the-scenes tax maneuver of the kind that enrages citizens about the American political system today, where the wishes of constituents are honored verbally, but not in reality. Please demand that your Public Service Commission deny the proposed tax hike on wireless telecom services that will be used to subsidize the operations of landline telephone providers.

The proposed tax increase on South Carolina wireless users is an unwarranted assault on the budgets of families and small businesses. It ignores the realities of the modern telecom market and the desires of consumers.

South Carolinians are increasingly rejecting landline services in favor of cell phones and mobile wireless devices. It makes no sense for the state to tax wireless consumers to prop up an outdated technology that they neither use nor want.

The proposed increase is unfair to the citizens of South Carolina and puts the state government in charge of picking winners and losers in the private sector, an affront to the free market system that inevitably harms consumers and businesses alike.

Increasing taxes on technology consumers sends the wrong message to both existing and potential high-tech employers in the state. South Carolina cannot expect to attract high-tech investment by overtaxing consumers to prop up an outdated technology.

No real evidence exists that the USF subsidy is needed today. Other states do not have them, and Georgia found that phone companies were using subsidy funds for expenses completely unrelated to the provision of service. It is entirely possible that scrutinizing South Carolina's subsidies would reveal that the current program can be reduced or eliminated.

In its last session, the South Carolina legislature rejected this flawed tax hike proposal. Please encourage the PSC to do the same.

The people of South Carolina—many of whom face expensive cleanups following the devastating flooding—do not need increases in their wireless bills. The citizens elected you because you would provide them with sound, fiscally conservative leadership. Standing firm against the USF tax increase will prove to them that their confidence was well placed.

Sincerely,

A handwritten signature in green ink, appearing to read "Steve", with a stylized, cursive script.

Steve Forbes