COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

DAVID W. SWEET
COMMISSIONER

June 8, 2017

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: Notice of Oral Ex Parte Communications, WC Docket Nos. 10-90, 14-58, and 14-259

Dear Secretary Dortch:

On June 6, 2017, I spoke by telephone with Claude Aiken, Legal Advisor to Federal Communications Commissioner Mignon Clyburn, to discuss the Petition for Reconsideration, Modification, or Waiver (Petition) jointly filed by the Pennsylvania Public Utility Commission (PA PUC) and the Pennsylvania Department of Community and Economic Development on April 19, 2017, that currently remains pending before the FCC.

We first discussed the PA PUC's oral ex parte communication with Chairman Ajit Pai and his advisor Dr. Jay Schwarz on May 30, 2017, to which I had filed an ex parte notice on June 1, 2017. Mr. Aiken then questioned the current status of the availability of broadband funding in Pennsylvania. I responded that our state's budget deliberations are often slow and deliberate and remain ongoing. I also emphasized that it would be particularly helpful in demonstrating to our General Assembly the value of ensuring for the provision of additional state funding if the Federal Communications Commission (FCC or Commission) approved our Petition because the potential for retaining access to declined Connect America Fund Phase II funding would be more realistic than theoretical.

We also discussed the potential for the FCC to grant relief on a national level to all declined states in order to incentivize those states to make additional funding available. I stated that Pennsylvania had considered that issue in preparing its own request for relief, particularly in light of the National Association of Regulatory Utility Commissioners' resolution cited in our Petition. We endeavored to maintain efficiency in the auction formula, however, and it was our assessment that a single state factor as presented in our proposed modification would not complicate the FCC's formula. While we ultimately determined to speak on behalf of Pennsylvania only, I also referred Mr. Aiken to the statement in our Petition in which we recognized the ability of the FCC to consider grant of similar relief for other declined states. To

that point, I stated my belief that the grant of broader relief would be both fair and consonant with established FCC principles especially as recently enunciated in the *New York Auction Order*, *Connect America Fund*; *ETC Annual Reports and Certifications*, Order FCC 17-2 (released January 26, 2017) and the *Weights Order*, *Connect America Fund et al., Report and Order on Reconsideration,* WC Docket Nos. 10-90 and 14-58 at FCC 17-12 (released March 2, 2017).

Finally we discussed the anticipated timeline for the conduct of the auction and any potential impact on that timeline by grant of reconsideration.

This letter will be electronically filed in accordance with the FCC's rules. Please advise me if there is anything else you may require.

Respectfully,

Regina L. Matz

cc: Claude Aiken, Esq.