

June 8, 2018

The Honorable Ajit Pai  
Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

Dear Chairman Pai:

We are writing to urge the Federal Communications Commission to work cooperatively with FirstEnergy Corp. regarding the consolidation of its 700 MHz licenses<sup>1</sup> as described herein.

FirstEnergy, like other utilities, relies heavily on telecommunications to support the safe, effective, and reliable operation of the electric grid, including smart grid networks. Congress and the Commission both recognize the importance of the deployment of smart-grid facilities. In addition to gains in energy efficiency, upgraded utility networks promote energy security, and thus, national security. In recent years, cyberattacks have significantly impacted grid operators in other parts of the world. Upgrades to the communications systems on which electric utilities rely is an essential step in protecting against such attacks.

As telecommunications carriers decommission analog services because of the IP transition, the utility industry must find replacement technologies to monitor, control, and protect the electric grid. We understand FirstEnergy has been proactive in this regard and, in 2014, began expansion of its fiber optics-based backbone network to mitigate the loss of available copper facilities. According to FirstEnergy, by 2020, it will have added more than 1,500 miles of new fiber to establish a diverse and resilient network required to provide the backhaul communications for substation and line devices. FirstEnergy meets regularly with the carriers to ensure its deployment is in lockstep with the copper wire center decommissioning schedule.

As part of its IP transition efforts, FirstEnergy recently purchased, on the secondary market, certain 700 MHz frequencies licensed by the Commission. These licenses will be used largely for “last-mile” coverage in areas the fiber network will not reach.

FirstEnergy’s 700 MHz licenses are due for renewal on July 13, 2019. By that date, the Commission’s rules require FirstEnergy to demonstrate it provides “substantial service” in each licensed area in order to retain the frequencies.

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<sup>1</sup> Call signs WQZE437, WQZE438, WQZE439, WQZE440, WQZE441, WQZE442, WRAP289, WRAP290, WRAP292, WRAP293, WRAP294, WRAP295. These FCC licenses are held by FELHC, Inc., a subsidiary of FirstEnergy Corp. FirstEnergy has obtained four other 700 MHz licenses that are not impacted by this issue.

Although the entity from whom FirstEnergy purchased the licenses held the spectrum as six licenses, the Commission assigned the spectrum to FirstEnergy as 12 separate licenses because FirstEnergy purchased the spectrum in two batches to dovetail with its deployment objectives. The result is FirstEnergy is required to make twice as many substantial service showings.

More importantly, because substantial service must be demonstrated on a license-by-license basis, FirstEnergy must change its deployment plans solely to satisfy the administrative requirement. FirstEnergy's 700 MHz radio buildout during the next year is focused on New Jersey and eastern Pennsylvania, in alignment with contemplated copper retirement in some of Verizon's legacy copper wire centers in those areas.

Instead of closely tracking the carriers' wire center decommissioning schedule, FirstEnergy will be required to divert resources to areas in which service is not needed until after July 13, 2019. This produces an irrational outcome whereby FirstEnergy is deploying transmitters it does not need in certain areas while other areas suffer from unnecessary service outages.

If the licenses are consolidated to one license per Major Economic Area (six licenses total), as they were prior to FirstEnergy's acquisition, FirstEnergy will be able to meet the Commission's substantial service requirement by the July 13, 2019 deadline while also deploying its network according to the telecommunications carriers' copper-line decommissioning schedule. Not only is this deployment beneficial to FirstEnergy and the public, it furthers the telecommunications carriers' goal of minimizing disruption during the IP-transition.

Consolidating FirstEnergy's 700 MHz licenses to one license per Major Economic Area would return to the status quo of how the licenses were issued prior to FirstEnergy's purchase. This simple change would allow FirstEnergy to continue its upgrade, which promotes the safe provision of services, the IP-transition, and the security of the U.S. electrical grid. We view this as a relatively minor clerical issue as compared to the tens of millions of dollars FirstEnergy is investing in its network. We believe the Commission should be able to effectively work around clerical roadblocks when it is clearly appropriate to do so to promote the public interest.

Thank you for your consideration. We look forward to your response.

Sincerely,



Leonard Lance  
Member of Congress



Ryan Costello  
Member of Congress