



Julie M. Kane
SVP, Chief Compliance and
Ethics Officer, and Deputy
General Counsel

77 Beale Street
San Francisco, CA 94105

415.973.3244
julie.kane@pge-corp.com

June 19, 2020

VIA ULS

Donald Stockdale
Chief, Wireless Telecommunications Bureau
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: ULS Licensing Requests, Pacific Gas and Electric Co.

Dear Mr. Stockdale:

Pacific Gas and Electric Company (“PG&E” or “Company”) appreciates the opportunity to provide a supplemental response to Question 50 of PG&E’s pending license applications. As PG&E previously disclosed to the Wireless Telecommunications Bureau (“Bureau”) of the Federal Communications Commission (“FCC” or “Commission”), PG&E was found guilty in August 2016 on six felony counts, including one count of obstructing a federal agency proceeding and five counts of violations of pipeline integrity management regulations of the Natural Gas Pipeline Safety Act. The regulatory violations related to pre-2010 activities, and PG&E has undergone substantial change since that time.

Separately, in March 2020, PG&E agreed to enter into a Plea Agreement (the “Agreement”) with the People of the State of California (“California”) to resolve a criminal prosecution in connection with the 2018 Butte County Camp Fire (“2018 Camp Fire”). Following a change of plea hearing on June 16, 2020, the Butte County Superior Court accepted PG&E’s guilty plea to each of the counts, specifically 84 counts of involuntary manslaughter and one count of unlawfully causing a fire. Since the 2018 Camp Fire, PG&E has taken a number of steps and invested significant resources to improve its wildfire mitigation efforts and protocols.

PG&E is one of the largest combination natural gas and electric utilities in the United States. Based in San Francisco, the Company has more than 20,000 employees who carry out PG&E’s business of energy generation, transmission, and delivery. The Company provides natural gas and electric service to approximately 16 million people throughout a 70,000-square-mile service area in Northern and Central California. PG&E operates more than 159,000 total

miles of electric lines and over 48,000 total miles of natural gas pipelines. Customers within the areas served by PG&E include major military installations, U.S. Department of Veterans Affairs hospitals, and other Government facilities.

PG&E's FCC licenses are critical to the safe and reliable operation of PG&E's electric and gas utility systems and infrastructure. In particular, PG&E uses its licenses to operate its Supervisory Control and Data Acquisition ("SCADA") and energy management systems, which allow voltage, gas pipeline pressure, and energy flows to be monitored and managed in real time; its Remedial Action Schemes ("RAS") designed to detect predetermined electrical system conditions and to automatically take corrective actions, such as tripping a line or adjusting generation, to maintain the stability of the grid; and gas system equipment such as remotely operated shutoff valves on its gas transmission system. In addition, microwave paths carry critical data to other interconnected electric utilities in the western United States, such as the Western Area Power Administration and the Bonneville Power Administration, and to the California Independent System Operator ("CAISO") to permit safe and reliable operations of the regional grid. FCC licenses also are necessary to operate PG&E's Mobile Radio System, which is critical for the safe operation and coordination of PG&E's field workforce during normal and emergency conditions. Without full operation of its FCC licenses, PG&E's gas and electric systems will be severely impaired, causing significant safety and reliability impacts on PG&E's gas and electric customers, its employees, and the public. These impacts include power outages and blackouts, including potentially for hospitals and customers on life support, and grid instability.

PG&E now takes this opportunity to supplement its response to Question 50 in order to provide additional information regarding its safety and ethics and compliance efforts that have been undertaken since the explosion in San Bruno in September 2010 and the 2018 Camp Fire. Below, PG&E also provides a legal analysis based on the standards articulated in the Commission's 1986 and 1990 Character Policy Statements ("Character Policy Statements"), to demonstrate that PG&E still maintains the requisite character to be an FCC licensee.¹

¹ See 47 U.S.C. § 308(b) ("[a]ll applications for station licenses, or modifications or renewals thereof, shall set forth such facts as the Commission by regulation may prescribe as to the citizenship, character, and financial, technical, and other qualifications of the applicant to operate the station."); see also *Policy Regarding Character Qualifications in Broad. Licensing Amendment of Part 1, the Rules of Practice & Procedure, Relating to Written Responses to Comm'n Inquiries & the Making of Misrepresentations to the Comm'n by Applicants, Permittees, & Licensees, & the Reporting of Info. Regarding Character Qualifications*, Policy Statement and Order, 5 FCC Rcd 3252, 3252 (1990) ("1990 Character Policy Statement"), recon. on other grounds, 6 FCC Rcd 3448 (1991), modified on other grounds, 7 FCC Rcd 6564 (1992); *Regarding Character Qualifications in Broad. Licensing Amendment of Rules of Broad. Practice & Procedure Relating to Written Responses to Comm'n Inquiries & the Making of Misrepresentations to the Comm'n by Permittees & Licensees*, Report, Order, and Policy Statement, 102 F.C.C.2d 1179, 1183 (1986) ("1986 Character Policy Statement"), recon. granted in part and denied in part, 1 FCC Rcd 421 (1986), appeal dismissed sub nom., *Nat'l Ass'n for Better Broad. v. FCC*, No. 86-1179 (D.C. Cir. June 11, 1987).

A. Background

On August 9, 2016, following a trial in United States District Court for the Northern District of California (the “Court”), a jury returned a verdict acquitting PG&E of six counts involving record-keeping, and finding PG&E guilty on five counts of violations of the Natural Gas Pipeline Safety Act regulations and one count of obstructing an agency proceeding. The underlying agency proceeding was the National Transportation Safety Board’s investigation that followed the September 2010 tragic explosion in San Bruno, California. The conduct at issue in the trial took place between 2007 and 2011.²

On January 26, 2017, the Court sentenced PG&E to a five-year probation period, oversight by a third-party Monitor for a maximum period of five years, certain advertising requirements, community service, and a \$3 million fine. PG&E appealed neither the conviction nor the sentence. PG&E paid the fine on February 1, 2017 and has completed the advertising requirements. On November 12, 2019, the Court approved the request of the City of San Bruno to allow PG&E to satisfy its remaining community service requirements by making a \$3 million payment to the City of San Bruno. As a result, on December 10, 2019, the Court paid \$3 million to the City of San Bruno.

Additionally, as a result of the sentencing, Mark Filip, a former federal judge and United States Deputy Attorney General, was appointed as the third-party Monitor for PG&E. The goal of the monitorship is to help ensure that the Company takes reasonable and appropriate steps to maintain the safety of its gas and electric operations, and maintain effective ethics, compliance and safety-related incentive programs on a Company-wide basis.

In connection with its five-year probation, PG&E has cooperated with the Court and the Monitor in responding to inquiries about the 2017 and 2018 California wildfires. PG&E continues to comply with Court orders seeking information about PG&E’s compliance with the terms of its probation, and has responded to each of the Court’s requests for information. On April 3, 2019, the Court imposed additional conditions of probation that, among other things, require PG&E to fully comply with all applicable laws concerning vegetation management and clearance requirements, fully comply with all targets and metrics set forth in PG&E’s Wildfire Mitigation Plan, maintain accurate records of its vegetation management efforts, and ensure sufficient financial and personnel resources are allocated to achieve these outcomes.

On July 26, 2019, the Monitor submitted a letter to the Court providing its preliminary observations and findings regarding PG&E’s compliance with aspects of its Wildfire Mitigation Plan’s Enhanced Vegetation Management program (“EVM Program”). The Monitor’s observations included that, among other things, PG&E had missed trees that should have been identified under the EVM Program and PG&E’s systems for recording, tracking, and assigning EVM Program work were inconsistent and may have contributed to the missed work. PG&E detailed its plans to address the concerns raised by the Monitor in a response filed with the Court

² At trial, there was no allegation that any of the alleged regulatory violations caused the explosion in San Bruno.

on September 3, 2019. The Monitor's concerns and PG&E's response were discussed at a hearing on September 17, 2019.

During the September 17, 2019 hearing, the Court asked PG&E to provide further information about its preparation for high wind season, and PG&E responded on October 1, 2019 by describing its efforts to strengthen its programs and infrastructure to maximize safety and mitigate the potential wildfire risk during high wind season. PG&E also responded to the Court's requests for further information regarding the Public Safety Power Shutoff ("PSPS") events, which temporarily shut off power to certain PG&E customers during high risk weather conditions to reduce the risk of wildfires.

In early 2020, PG&E provided the Court with additional information about its efforts to comply with the conditions of probation, including vegetation management requirements and compliance with the Wildfire Mitigation Plan. At a show cause hearing on February 19, 2020, the Court ordered PG&E to provide a target number of contract tree trimmers to be employed in 2020. PG&E submitted its response to the Court on March 2, 2020. PG&E's response on March 2, 2020 also provided information regarding PG&E's 2019 inspections of certain electrical facilities and equipment. On April 29, 2020, the Court issued an order that would impose a variety of new conditions on PG&E. These conditions range from developing a new inspection program for all transmission systems to requiring contractors who work with the Company to carry sufficient insurance to cover any losses incurred by the public in a wildfire.

PG&E believes the conditions are impractical and could hinder its wildfire safety work. Therefore, on May 13, 2020, PG&E filed motions with the Court asking that it reconsider the order and issue a stay on implementing the new conditions until it has had a chance to rule on its request for reconsideration. To preserve its legal rights, PG&E also filed a notice of appeal with the Ninth Circuit Court of Appeals. On May 14, 2020, the Court issued an order staying the April 29, 2020 order and scheduling a telephonic hearing for May 28, 2020. The Court also directed the government to file a response to PG&E's motion by May 21, 2020, and PG&E to file a reply, if any, by May 25, 2020. The government and PG&E filed briefs on the dates ordered. At the hearing on May 28, 2020, the Court continued the stay, ordered the California Public Utilities Commission ("CPUC") to file a brief by June 11, 2020 and ordered other parties, including PG&E, to file a brief by June 18, 2020, outlining what actions, if any, the Court should take regarding the conditions of PG&E's probation. The Court subsequently extended the deadline for PG&E to respond to June 24, 2020. In addition, on June 17, 2020, the Court directed PG&E to provide a response to the report of the Butte County District Attorney on the 2018 Camp Fire by July 1, 2020. PG&E has consistently and timely responded to the Court's requests for information, and will continue to do so.

As noted above, following a change of plea hearing on June 16, 2020, the Butte County Superior Court accepted PG&E's guilty plea to each of the counts, specifically 84 counts of involuntary manslaughter and one count of unlawfully causing a fire. Pursuant to the Agreement, the Court imposed a sentence requiring PG&E to pay a fine of approximately \$3.5 million, along with a payment of \$500,000 to the Butte County District Attorney Environmental and Consumer Protection Trust Fund to reimburse costs spent on the investigation of the 2018 Camp Fire. The plea agreement does not provide for a term of criminal probation; it does

provide for the parties to make a request to the federal court overseeing the Company's federal probation to permit the Monitor to share its reports with the Butte County District Attorney's Office. The Butte County Superior Court also has set a status hearing regarding restitution for January 21, 2021. With the approval and acceptance of the Agreement by the Butte County Superior Court and the Bankruptcy Court, California has agreed not to prosecute PG&E for any other criminal charges arising out of or related to the 2018 Camp Fire.

Moreover, PG&E is a highly regulated utility with significant monitoring of its compliance and safety programs. The Court's supervision of PG&E's compliance with probation conditions and the work of the third-party Monitor therefore is in addition to the ongoing regulatory oversight conducted by its state regulator, the CPUC. PG&E's programs are evaluated on an ongoing basis as part of the CPUC's safety oversight and rate-setting proceedings, during which CPUC staff, public interest organizations, and other governmental bodies scrutinize the Company's safety plans and initiatives broadly.

Finally, PG&E timely updated its registration as a federal contractor in the System for Award Management to reflect the fact of the conviction and fully disclosed to the FCC information about the conviction. Since August 25, 2015, the Department of Interior ("DOI") has been conducting a suspension and debarment inquiry related to PG&E's compliance and ethics program. PG&E has been cooperating fully in that inquiry, providing voluminous written responses to questions from the agency, as well as a significant number of supporting documents during the course of its review. On December 21, 2016, DOI signed an Interim Administrative Agreement with PG&E determining that suspension or debarment was not necessary to protect the interests of the Government at that time and allowing PG&E to remain eligible for awards. Thus, while DOI's inquiry is ongoing, PG&E continues to do business with the United States based on DOI's interim determination that PG&E is sufficiently trustworthy and responsible.

PG&E remains committed to complying with its current probation conditions, and will continue to update the Commission as significant developments occur. And as PG&E has demonstrated in its ongoing relationship with the FCC, it is committed to remaining forthright with the agency.

B. Legal Analysis

C. FCC Character Evaluation

In order for an applicant to receive an FCC license, the Commission, as a threshold matter, must determine whether a license applicant meets the necessary citizenship, character, financial, and other qualifications to hold the license pursuant to Sections 308(b) and 310(d) of the Communications Act of 1934.³ As a "step in the process of evaluation by which the Commission determines whether the public interest would be served by grant of the application before it,"⁴ the Commission examines an applicant's character qualifications under the standards

³ 47 U.S.C. §§ 308(b), 310(d).

⁴ *1986 Character Policy Statement*, 102 F.C.C.2d at 1180.

articulated in its Character Policy Statements.⁵ In particular, the Commission’s inquiry focuses “on the likelihood that an applicant will deal truthfully with the Commission and comply with the Communications Act and [its] rules and policies.”⁶

As one aspect of that analysis, the Commission considers certain types of non-FCC-related misconduct that may bear on an applicant’s or licensee’s character for truthfulness. Evidence of prior felony convictions for non-FCC-related misconduct therefore is relevant to, but typically not singularly dispositive of, the Commission’s character analysis. The Commission has explained that “not all convictions for serious crimes are equally probative” of a character for truthfulness.⁷ It is only “conviction[s] for felonies involving ‘misconduct so egregious as to shock the conscience and evoke almost universal disapprobation . . . [that] might, of its own nature, constitute *prima facie* evidence that the applicant lacks the traits of reliability and/or truthfulness necessary to be a licensee.’”⁸ Violations such as PG&E’s typically are not sufficient to warrant revocation of a license or denial of renewal.

Thus, absent shocking or egregious circumstances, the Commission considers felony convictions to “raise[],” but not on their own resolve, “questions of whether an applicant or licensee has the requisite propensity to obey the law.”⁹ When such a question is raised, the Commission will go on to consider “mitigating factors” described in the Character Policy Statements to determine whether the circumstances of an applicant’s individual case demonstrate the requisite propensity for truthfulness.¹⁰ These mitigating factors capture aspects of the nature and seriousness of the conduct underlying the felony conviction, the applicant’s compliance with the law since its misconduct, the applicant’s relationship with the Commission and prior use of its licenses, and evidence of rehabilitation by the applicant.¹¹ Rehabilitation, in particular, takes into account “whether the applicant has not been involved in any significant wrongdoing since the misconduct occurred, how much time has elapsed since the misconduct, the applicant’s reputation for good character in the community, and meaningful measures taken by the applicant to prevent the future occurrence of misconduct.”¹²

⁵ See *supra* note 1.

⁶ 1986 Character Policy Statement, 102 F.C.C.2d at 1183.

⁷ 1990 Character Policy Statement, 5 FCC Rcd at 3252.

⁸ Opp’n of the FCC to Pet. for a Writ of Mandamus at 4, *In re Patrick M. Sullivan & Lake Broad., Inc.*, No. 14-1025, 2014 WL 2422124, at *2 (D.C. Cir. May 29, 2014) (citing 1986 Character Policy Statement, 102 F.C.C.2d at 1205 n.60).

⁹ 1990 Character Policy Statement, 5 FCC Rcd at 3252.

¹⁰ 1986 Character Policy Statement, 102 F.C.C.2d at 1210-11.

¹¹ 1990 Character Policy Statement, 5 FCC Rcd at 3252 (indicating that the Commission considers “the willfulness of the misconduct, the frequency of the misconduct, the currentness of the misconduct, the seriousness of the misconduct, the nature of the participation (if any) of managers or owners, efforts made to remedy the wrong, overall record of compliance with FCC rules and policies, and rehabilitation.”).

¹² *Contemporary Media, Inc., et al.*, Initial Decision of A.L.J. Arthur I. Steinberg, 12 FCC Rcd 14254, 14291 (1997).

D. PG&E's Mitigating Factors

Applying the mitigating factors from the Character Policy Statements to PG&E demonstrates the Company's fitness to be an FCC licensee, and should allay any of the Commission's concerns in the consideration of PG&E's character.

E. Frequency and Currency of the Misconduct

The Commission places a strict ten-year limitation on the relevance of non-FCC misconduct.¹³ Even where the conduct falls within this ten-year period, however, the Commission considers as a mitigating factor whether the conduct occurred recently or if substantial time has passed without further misconduct.¹⁴ Thus, mitigating weight should be given to the isolated and increasingly distant nature of the conduct. In this instance, all conduct underlying the 2016 criminal trial took place between 2007 and 2011, over eight years ago. The conduct underlying the indictment arising out of the 2018 Camp Fire took place nearly two years ago. While climate change and other factors continue to create an increased risk of wildfires within PG&E's service territory, PG&E has learned from this event. This factor therefore weighs in favor of granting PG&E's pending license applications.

F. Seriousness of the Misconduct

As explained above, PG&E takes seriously its commitment to following the law and the importance of doing right by those affected by its past conduct. The 2010 explosion in San Bruno was a tragedy that serves as a daily reminder to PG&E about the importance of safety. In fact, PG&E has placed a section of the pipe that exploded in the lobby of its new state-of-the-art safety training center. Likewise, the 2018 Camp Fire was a tragic event, and PG&E has undertaken significant efforts to enhance its wildfire safety, including by making good faith efforts to comply with the conditions of its probation, and by developing a detailed Wildfire Mitigation Plan with specific targets and metrics. Without in any way minimizing PG&E's convictions, when they are considered under the standards set forth in the Character Policy Statements and compared to conduct previously considered by the Commission, PG&E's convictions are not of the type that the Commission has previously found to violate the Commission's character requirements, such as drug trafficking and sexual abuse.¹⁵

¹³ *1986 Character Policy Statement*, 102 F.C.C.2d at 1229.

¹⁴ *See, e.g., Dennis Elam, Chapter Seven Tr. for Bakcor Commc'ns, Inc. & Bakke Commc'ns, Inc. & Ramar Dev., Inc.*, Memorandum Opinion and Order, 8 FCC Rcd 5185, 5187 (1993) ("In this case, the conduct occurred eight years ago, and is therefore remote in time."); *Jack R. Sharples*, Application for New License in the Amateur Radio Service, 22 FCC Rcd 9381, 9382 (2007) (concluding that egregiousness of a sex offense involving children required a hearing on character "[a]lthough Sharples's felony adjudications occurred more than seven years ago.").

¹⁵ *See Williamsburg Cty. Broad. Corp. Augusta Radio Fellowship Inst. d/b/a S.C. Radio Fellowship for a Constr. Permit for a New FM Broad. Station on Channel 231A at Kingtree, S.C.*, Order to Show Cause, 5 FCC Rcd 3034, 3035 (1990) (ordering Applicant to show cause why he was not unfit to be an FCC licensee due to drug trafficking); *Contemporary Media, Inc. et al.*, 13 FCC Rcd 14437, 14441-42 (1998), *recon. denied*, 14 FCC Rcd 8790 (1999), *aff'd*, *Contemporary Media, Inc. v. FCC*, 214 F.3d 187 (D.C. Cir. 2000) (finding an Applicant to not meet the Commission's character requirements due to crimes involving sexual abuse of children).

Indeed, the Commission regularly has approved the renewal of licenses (or denied revocation) when confronted with felony convictions. For example, the Commission found that General Electric's conviction, occurring approximately one year prior to the FCC's order, "[did] not raise a substantial and material question as to GE's ability to comply with [its] rules and policies or to be forthright with the Commission."¹⁶ Noting that GE had taken "[c]orrective measures" and that it had paid "criminal fines and civil penalties totalling [sic] nearly three million dollars," the Commission concluded that the "deterrent effect of these substantial fines and the nature and extent of the remedial measures instituted should serve to forestall future misconduct of this nature."¹⁷

Accordingly, as with General Electric, the Commission's consideration of the corrective actions that PG&E has made and the civil penalties PG&E has incurred following the explosion in San Bruno and the 2018 Camp Fire should weigh in PG&E's favor. Specifically, PG&E has implemented extensive programs and initiatives to address and enhance the safety of its gas pipeline system, including incurring \$2.1 billion in costs at shareholder expense. In addition, PG&E has paid the \$300 million fine imposed by the CPUC, provided a \$400 million refund to its customers at the direction of the CPUC in the June 2016 billing cycle, and accepted \$850 million of additional shareholder-funded safety-related work.

Further, PG&E fully cooperated with California's investigation of the 2018 Camp Fire. As noted above, PG&E was sentenced to pay a penalty of approximately \$3.5 million. PG&E also agreed to pay \$500,000 to the Butte County District Attorney Environmental and Consumer Protection Trust Fund to reimburse costs spent on the investigation of the 2018 Camp Fire. Separately, in its bankruptcy proceeding, PG&E reached an agreement with the lawyers of certain fire victims to establish a Fire Victim Trust, including a payment by PG&E of approximately \$13.5 billion to compensate victims of the 2018 Camp Fire. Among other things, PG&E also agreed to pay approximately \$1 billion to public entities in connection with wildfire claims, and an \$11 billion settlement with insurance companies and other entities that paid claims by individuals and businesses related to the wildfires.

Additionally, PG&E has expanded its compliance and ethics team and increased senior-level oversight of its compliance and ethics programs in an effort to prevent and detect criminal conduct, and promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.

G. Efforts Made to Remedy the Wrong

As explained above, PG&E has accepted responsibility for the accident in San Bruno and been committed to doing right by its residents. PG&E did not appeal the civil fine, and, later, did not appeal its conviction or sentence. PG&E's voluntary efforts to remedy the impact of the September 2010 explosion include disbursing relief funds, assisting at the Red Cross evacuation

¹⁶ *Applications of Stockholders of RCA Corp.*, Memorandum Opinion and Order, 60 Rad. Reg. 2d (P & F) 563, ¶ 16 (F.C.C. June 6, 1986).

¹⁷ *Id.* ¶ 17.

center, providing residents with emergency services and supplies, and establishing programs to help rebuild the neighborhood. PG&E has also reached substantial civil settlements totaling more than \$500 million with those affected by the accident, and is cooperating fully with the third-party Monitor for a period up to five years.

With regard to the 2018 Camp Fire, PG&E has also accepted responsibility and entered into a plea agreement to resolve the criminal prosecution. Among other things, PG&E voluntarily reached substantial civil settlements totaling many billions of dollars, including the establishment of a Fire Victim Trust, to which PG&E plans to contribute approximately \$13.5 billion. PG&E continues to cooperate with the Court and the Monitor to provide information about its compliance with the conditions of its probation. Collectively, PG&E's efforts to remedy the wrongs in these instances should weigh in favor of granting its pending license applications.

H. Overall Record of Compliance with FCC Rules and Policies

The Commission places significant weight on whether a licensee has otherwise complied with FCC rules and policies, and whether this record of compliance indicates a character for dealing honestly with the FCC, notwithstanding the existence of an unrelated felony conviction. Indeed, even when only a small amount of time has passed between the underlying conduct and the application for renewal of a license, the Commission considers its "actual experience with [the applicant] as a licensee," and whether any prior complaints or incidents bear on the likelihood that the applicant will demonstrate the character required to hold a license.¹⁸ When a licensee's "record shows no complaints[,]" it "is entitled to weight as a mitigating factor."¹⁹

PG&E has a long record of being a dutiful FCC licensee and has quickly addressed any concerns the Commission has raised regarding PG&E's compliance with its rules and policies.²⁰ This mitigating factor therefore weighs in favor of granting its pending license applications.

I. Rehabilitation

The United States Court of Appeals for the District of Columbia ("D.C. Circuit") has indicated that the Commission must consider rehabilitation when evaluating the impact of a felony conviction on its assessment of an applicant's character. Indeed, the D.C. Circuit has

¹⁸ *Application of Richard Richards*, 77 Rad. Reg. 2d (P & F) 1282, ¶ 32 (F.C.C. Apr. 11, 1995).

¹⁹ *Id.*

²⁰ For example, in September 2011, PG&E was notified by the Enforcement Bureau that its license, WQFY568, was allegedly using an incorrect frequency, potentially was causing interference and not properly transmitting the necessary station identification information. See *PG&E Licensee of Radio Station WQFY568 San Francisco, CA*, File No. EB-11-SF-0059, NOV No. V201132960012, Notice of Violation (Sept. 29, 2011). PG&E responded to the Enforcement Bureau's notice shortly thereafter detailing the corrective steps it would take to resolve the Enforcement Bureau's concerns. See Letter from James W. Sample, Senior Director and Chief Information Security Officer, PG&E, to Thomas N. Van Stavern, District Director, FCC (File No. EB-11-SF-0059, NOV No. V201132960012, filed Oct. 19, 2011). PG&E also has a practice of cooperatively responding to and successfully resolving any complaints that it receives regarding radio interference from PG&E's power lines.

suggested that a lack of rehabilitation—as demonstrated through, for example, subsequent misrepresentations and lack of candor with the Commission—distinguishes those cases where revocation or denial is appropriate from those cases where the Commission has granted approval to a party with a felony conviction.²¹

PG&E has spent more than \$2.1 billion to improve gas pipeline safety. PG&E also has expanded its compliance and ethics team by adding subject matter experts in key areas including: employee conduct, training, and regulatory compliance support; increased senior-level oversight of its compliance and ethics programs over the last two years; and created and structured the Chief Ethics and Compliance Officer position as a Senior Vice President position reporting directly to PG&E's Boards of Directors and PG&E Corporation's CEO and President, and who centrally coordinates the Compliance and Ethics Program. PG&E has also hired as its Vice President, Regulatory Affairs an experienced professional with a background in public service and law enforcement to take over as primary point of contact with its state regulator.

Also noted above, PG&E has accepted responsibility for its role in the 2018 Camp Fire, and entered a plea agreement to resolve the related prosecution, including by paying financial penalties. PG&E also has agreed to the establishment of a trust to compensate fire victims, and has invested significant resources towards improving its wildfire safety practices and protocols, including by developing a Wildfire Mitigation Plan.

Additionally, PG&E's conduct has been preliminarily reviewed and recognized by another federal government agency since the time of its conviction. On December 21, 2016, DOI signed an Interim Administrative Agreement with PG&E determining that suspension or debarment was not necessary to protect the interests of the government at that time and allowing PG&E to remain eligible for awards, as described above. DOI's investigation is ongoing, but PG&E continues to do business with the United States based on DOI's finding.

Taken together, these factors show substantial rehabilitation such that grant of PG&E's FCC licenses would be appropriate.

J. Public Interest

In addition to the mitigating factors found in the Commission's Character Policy Statements, the Commission should consider that granting PG&E's licenses would broadly serve the public interest. As explained above, PG&E's FCC licenses are critical to the safe and reliable operation of PG&E's electric and gas utility systems and infrastructure. The licenses are essential to PG&E's ability to monitor its energy management systems and maintain stability of the power grid and gas system serving approximately 16 million people throughout a 70,000-square-mile service area in Northern and Central California. The licenses are also necessary to operate PG&E's Mobile Radio System, which is critical for the safe operation and coordination of PG&E's field workforce during normal and emergency conditions. Grant of PG&E's licenses

²¹ *Schoenbohm v. FCC*, 204 F.3d 243, 247 (D.C. Cir. 2000).

Mr. Don Stockdale

June 19, 2020

Page 11

is necessary to prevent severe impairment of its public utility systems, and safeguard the safety and reliability of its delivery of electricity and gas throughout Northern and Central California.

With this additional information, PG&E requests that the Bureau find that PG&E maintains the necessary character qualifications to be an FCC licensee, and therefore approve all of the Company's pending license applications. An analysis of the mitigating factors described in the Character Policy Statements, along with the Commission's decisions involving comparable convictions, demonstrate that PG&E possesses the necessary character to deal truthfully with the Commission and to comply with its rules and policies. PG&E also assures the Bureau that it will continue to be truthful and honest with the Commission in all matters going forward.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Julie M. Kane". The signature is written in a cursive style with a long, sweeping underline.

Julie M. Kane