

ONE HUNDRED FOURTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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WASHINGTON, DC 20515-6115

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Minority (202) 225-3641

April 29, 2015

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Wheeler:

We are writing to seek additional information about the work of a volunteer for the Federal Communications Commission (FCC) whose services are valued in the hundreds of thousands of dollars.

On March 4, 2015, the Subcommittee on Communications and Technology convened a hearing entitled "Reauthorization of the Federal Communications Commission: The FCC's FY 2016 Budget Request" and received testimony from the FCC's Managing Director, Mr. Jon Wilkins. At the hearing, Mr. Wilkins confirmed that a senior member of the investment banking firm Greenhill & Company (Greenhill) had left his position as managing director of the firm and joined the FCC as a volunteer. Mr. Wilkins committed to provide the committee with additional information regarding the matter, but to date, no such information has been provided.

Press reports have identified the individual as Mr. Lawrence S. Chu.¹ We understand that Mr. Chu joined the commission as a volunteer in early February 2015. We further understand, according to a press report, that Mr. Chu will end his volunteer service at the commission in August 2015 and take a position with the investment bank Moelis & Co.² Thus, his volunteer service spans approximately seven months.

According to FCC's most recent Semi-Annual Report on Gifts Accepted Pursuant to Section 4(g)(3) of the Communications Act, 47 U.S.C. §154(g)(3), the market value of Mr.

¹ See "Banker joins U.S. FCC pro bono to help with broadcast auction," by Alina Selyukh, *Reuters*, February 11, 2015 and "FCC Taps Banker to Aid Broadcast Auction," by Thomas Gryta, *The Wall Street Journal*, February 11, 2015.

² See "Greenhill Telecom Banker to Join Moelis After Stint at FCC," by Dana Mattioli, *The Wall Street Journal*, February 27, 2015

Chu's volunteer services were estimated to be \$300,000. (See attached March 12, 2015 report). Based on a review of the available bi-annual gift reports from the past decade, it appears that no person was reported to have provided services of such significant value on a volunteer basis to the FCC as was reported in this case.

We understand that during Mr. Chu's tenure as a managing director of Greenhill, prior to his joining the commission as a volunteer, the FCC awarded Greenhill a contract to produce materials in support of the upcoming broadcast incentive auction. It is also our understanding that Mr. Chu will be providing services to assist in implementing broadcaster outreach in support of this upcoming incentive auction.

In light of the apparently high valuation of Mr. Chu's volunteer service, and the apparent relevance of his work prior to and following his volunteer service, we are writing to seek clarification of the facts and circumstances surrounding this voluntary work and how any such activity comports with existing FCC regulations. Accordingly, and pursuant to Rules X and XI of the U.S. House of Representatives, please respond to the following questions and requests:

1. Please explain in detail the circumstances by which Mr. Chu began providing services to the FCC as a volunteer, including but not limited to:
 - a. The date upon which discussions concerning his services commenced.
 - b. The individual who initiated those discussions and all individuals who were involved in any such discussions.
 - c. Provide copies of all communications between Mr. Chu and the FCC related to Mr. Chu's provision of services as a volunteer to the FCC. Provide all documents relating to all internal FCC meetings related to Mr. Chu and his provision of services as a volunteer to the FCC. Identify all individuals that participated in those meetings.
2. Please explain in detail the scope of Mr. Chu's responsibilities as a volunteer at the commission, including but not limited to:
 - a. A description of how those duties and responsibilities were developed and defined;
 - b. The commission employees to whom he reports or has reported, including indirect reports; and
 - c. The matters upon which he has advised and all internal deliberations in which he has participated or otherwise observed, to date.
3. Describe all interactions between Mr. Chu and FCC's Office of General Counsel concerning his voluntary services, his past employment, and future employment, and related instructions concerning conflicts of interest or the appearance of a conflict of interest.
 - a. Provide all records relating to the compliance of his voluntary services with Part 1 Subpart R of the FCC's regulations, 47 C.F.R §§ 1.3000 – 1.3004.
4. Please provide a copy of the contract with Greenhill to provide services related to the incentive auction, including all attachments and supporting materials.

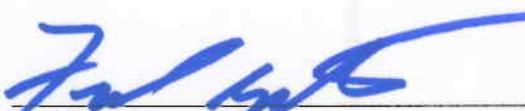
5. Please explain the process for selecting this contractor, and also include the following:
 - a. Was the contract awarded through competitive bidding? If not, explain why.
 - b. Was the contractor selected the lowest-cost bid? If not, explain why.
 - c. Please identify the date on which a Request for Proposal (RFP) was posted and the contract was open for bidding.
 - d. Please identify the date on which bidding closed, and any interim changes to the initial RFP.
 - e. Please identify the date on which the contract was awarded.
 - f. Please identify the date on which service under the contract is to commence.
 - g. Please identify the date by which the work is expected to be completed.
 - h. Identify and explain any changes or amendments made to the RFP after it was initially posted.

6. Identify each of the bureaus and offices that participated in the decision to award the contract. Explain the role of each in selecting the winner.
 - a. Provide all documents related to the contract between the FCC and Greenhill.

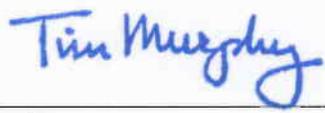
Instructions for responding to the committee's document requests are included as an attachment to this letter. In your written responses, please certify that you have fully complied with this information and document request. We ask for your response no later than May 13, 2015. If you should have any questions, please contact David Redl or Charles Ingebretson of the committee staff at (202) 225-2927.

Thank you again for your cooperation.

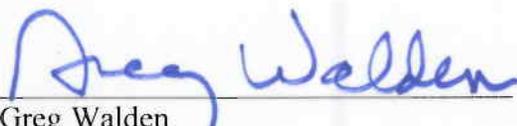
Sincerely,



Fred Upton
Chairman



Tim Murphy
Chairman
Subcommittee on Oversight and Investigations



Greg Walden
Chairman
Subcommittee on Communications and
Technology

Letter to The Honorable Tom Wheeler
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Attachments

cc: The Honorable Frank Pallone, Jr., Ranking Member

The Honorable Diana DeGette, Ranking Member,
Subcommittee on Oversight and Investigations

The Honorable Anna G. Eshoo, Ranking Member,
Subcommittee on Communications and Technology