Testimony of

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on

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Chairman Blackburn, Ranking Member Doyle, and members of the Subcommittee, on behalf of CTIA and the wireless industry, thank you for the opportunity to testify today.

We support the Committee's agenda to facilitate building and investing in broadband, America's 21st century infrastructure. The Committee's objective—to focus on innovation, investment, and eliminating barriers to deployment—will help drive new wireless services and new jobs to every state in the nation. Specifically, today's focus on federal-level impediments is a good starting point to identify opportunities for policymakers to incent greater investment in wireless broadband networks. A broad cross-section of this Subcommittee has introduced legislation to address key infirmities in federal law and federal procedures that inhibit investment today, and we applaud your bipartisan leadership.

The timing of this hearing is fortuitous as U.S. wireless providers are preparing to roll out the next-generation of wireless networks, 5G, and bold federal infrastructure reform can greatly expedite the millions of jobs and billions of investment that national 5G deployment will bring. Nations from Asia to Europe are investing heavily in 5G, but none of those countries can match the dynamism of the U.S. wireless industry. With four nationwide providers, and dozens more regional carriers and resellers, massive private investment will be unleashed in the U.S. if the government modernizes its approach to infrastructure siting. With this Committee's continued leadership, we are confident we can win the global race to 5G—as we did for 4G. We are equally confident that reforms can help the industry expand wireless coverage throughout the country, particularly in rural America.

The Wireless Industry Invests In Jobs and the Economy

Wireless networks and smartphones have become a central part of Americans' daily lives. There are now more wireless connections than there are Americans, and over the past two years alone, U.S. mobile data usage has more than doubled. This rapid growth over the past few years has been made possible by the wireless industry's substantial investment in our nation's infrastructure. To meet consumer demand, wireless capital expenditures totaled $26.4 billion in 2016, and over $200 billion in the past seven years. Overall, the wireless industry supports more than 4.6 million American jobs, and contributes roughly $400 billion annually to the economy.

Modernizing Regulation Promises 5G Investment and Jobs

The wireless industry is poised to play an even more significant role in our economy with the arrival of 5G. 5G networks are expected to be up to 100 times faster than 4G networks, connect 100 times the number of devices, and respond five times as quickly. This increased speed and lower latency will improve Americans' lives, unlocking innovations in healthcare, transportation, and manufacturing. 5G will also help deliver the benefits of the Internet of Things and enable smart communities.

The overall impact on the economy from 5G will be remarkable. Accenture reports 5G will create three million new jobs and add approximately $500 billion to the economy. To deploy tomorrow's next-generation networks, wireless companies will need to complement today's large towers with small cells that can be the size of a pizza box and will often be located discreetly on the side of a building or on a street light. Based on the need to implement this new small-cell architecture, it is estimated that wireless carriers will need to deploy hundreds of thousands of these small antennas

over the next few years. This will require a substantial infrastructure build across the country.

The wireless industry stands ready to invest a projected $275 billion in that new network infrastructure. This is the exact type of investment this Subcommittee seeks to promote. Importantly, the industry does not require federal funding for 5G deployment, but simply needs infrastructure rules to be modernized to reflect this new network architecture. Building out these denser wireless networks faces roadblocks today as siting laws and policies at every level of government have not kept up with changing technologies

Proposed Legislation Will Help Address Federal Siting Challenges

CTIA is encouraged by the range of bills that address federal challenges to next-generation broadband investment. They underscore the myriad federal issues inhibiting deployment today and the opportunity this Subcommittee has to facilitate more infrastructure deployment.

Federal Regulations Add Costs and Delay Deployment. Today, in order to install a new antenna or small cell, federal regulations require a cumbersome and costly review process that generally disregards the size or location of the new facility. For instance, wireless reviews under the National Historic Preservation Act, or "NHPA" and the National Environmental Protection Act or "NEPA" can run into the tens of thousands of dollars *per installation*, meaning a particular project can involve millions of dollars in reviews. NHPA mandates alone recently cost a carrier over $170,000 to install just 23 small cells in a parking lot. And these costs are increasing; one carrier reports that these costs have risen by over 1000 percent since 2010. The direct costs only tell part of the

story: these reviews can take months, which add delays and uncertainty to projects, keeping customers from enjoying the benefits of better service.

Today, the FCC reviews nearly all antenna placements under the NHPA and NEPA. Notably, this regime is on top of separate historic and environmental protections that already attach to land and buildings designated for such protection, as well as additional state or local zoning requirements and fees. The suggestion that the NHPA/NEPA regime can be scaled back without threatening historically or environmentally sensitive sites is reinforced by the fact that NHPA/NEPA currently applies only to traditional wireless carriers, not to cable operators or other users of Wi-Fi/unlicensed spectrum. To be clear, the wireless industry supports appropriate environmental and historic preservation review for sensitive sites and major projects. The current structure, however, fails to reflect the different impact of new small cells or installations in previously approved locations.

The process is creating substantial burdens and delays in the deployment of the infrastructure necessary for creating additional capacity for 4G networks and laying the groundwork for 5G. The FCC has recognized this challenge and acted in bipartisan fashion to streamline these processes for some small cells. While the FCC has succeeded in reducing the number and types of antennas that are subject to the cumbersome review process, the FCC's current exclusions are still too narrow. For example, not all types of small cells are covered, nor are all indoor locations. Congressional action would provide greater clarity and certainty.

That clarity and certainty would be achieved by Congressman Shimkus's legislation – H.R. 4842 – that modernizes the NEPA and NHPA process while preserving the critical role those regimes have in protecting our environment and history.

Specifically, H.R. 4842 is a narrowly tailored solution that preserves key protections for environmentally or historically significant areas. It recognizes the need to modernize the process to allow antennas in public rights-of-way and where new facilities simply replace existing ones or do not significantly expand existing ones. It also recognizes that an antenna classified as a small cell by the FCC should not face the same requirements as a 250-foot tower. These are common sense steps that will reduce the time to market and expedite investment.

Similarly, we support Congressman Olson's efforts to address the critical rebuilding efforts going on in storm- and fire-ravaged communities across the country. We have the opportunity to collaborate and rebuild those communities with the most advanced wireless networks in the nation. H.R. 4845 would take the simple step of bypassing unnecessary NEPA review in disaster areas when new facilities replace damaged or lost facilities.

Deploying on Federal Lands can be Challenging. The federal government owns over 50 percent of the land in the 10 most western states. The federal government also owns and manages key buildings in major cities and towns throughout the country. In many parts of the nation, enhanced siting on federal lands will help wireless carriers more quickly deploy in unserved or underserved communities. The process to deploy wireless networks on federal lands is too often opaque with different applications requirements and timelines. Moreover, there is no clear fee structure in place, and agencies lack the incentives or guidelines to support timely deployment of new communications facilities. Leases to place new sites on lands regulated by the Bureau of Land Management or the National Park Service can take two or three years to negotiate. Even simple lease renewals can take 12-18 months.

While Congress directed the GSA to create common forms for infrastructure easement and right-of-way applications in 2012, federal agencies are not required to use those forms. Further, federal agencies have no obligation to act within a particular timeframe or to provide any rationale for a decision not to permit siting.

CTIA applauds legislation that will make siting easier on federal lands. Bipartisan legislation introduced by Congresswomen Brooks and Matsui would set new timelines around federal siting by requiring action on applications for access to federal lands within 270 days, after which the application would be deemed granted. Congresswoman Walters' bill – H.R. 4795 – would also help streamline that process by setting a deadline for GSA to develop common forms, and would require federal agencies to use those forms, bringing much-needed predictability to the process.

Congressman Kinzinger has also correctly identified this investment challenge and his bill – H.R. 4082 – would bring transparency to the federal process by requiring agencies to track siting applications. Congressmen Collins (H.R. 4798) and Lujan (H.R. 4839) provide yet another key piece of the federal siting puzzle by addressing the challenge of making more accessible information about the location of potential federal assets where siting can occur.

All of these proposals to reform federal siting would help drive more investment in our nation's broadband infrastructure.

Congress's Role to Promote National Wireless Policy

While today's hearing is focused on important steps Congress can take around federal siting and federal requirements, Congress has an equal—if not larger—opportunity to incent greater broadband deployment through clarifying its long-standing guidance to state and local governments.

The wireless industry has been pleased to work in collaboration with many state and local governments to facilitate the buildout of wireless infrastructure. Many are good partners, but too often the wireless industry today is encountering policies—long delays, onerous requirements, and excessive fees—that frustrate efforts to deploy new broadband and expand wireless coverage.

Specifically, some communities have adopted moratoria on any new facilities, others refuse to allow wireless installation on street lights, and still other communities effectively foreclose deployment through excessive application and monthly fees (e.g., charging $30,000 per pole per year, or a $15,000 application fee per pole). In too many instances, an installation that takes one to two hours requires one to two years of processing and application procedures. The U.S. will not win the 5G race if those timelines are not significantly reduced across the country.

Thus, in addition to the important focus on federal issues we are discussing today, this Subcommittee should also examine state and local barriers to infrastructure deployment.

Just as it did in 1996, retaining key state and locality roles with respect to public safety, health and welfare, Congress should make clear that the national policy does not allow localities to frustrate wireless deployment. Specifically, Congress established the rapid deployment of wireless infrastructure as a national priority and set nationwide guidelines for how localities should treat siting requests Under that federal regime and protection, the wireless industry constructed 300,000 wireless facilities and rolled out service nationwide.

The transition to small cells necessitates updating Congress's guidance to localities. There are many approaches Congress can take to modernize its approach.

Congressman Hudson's recent resolution to ensure that a funding preference is given to states that support small cell siting reform provides an incentive for states to modernize their siting rules. Similarly, Congress should encourage the FCC's ongoing review of wired and wireless infrastructure issues to ensure that FCC regulations properly reflect the needs of next-generation networks.

The most meaningful step Congress can take is to once again provide clear direction to—and guardrails around—state and local authorities. There are three general reform areas that would make the greatest difference in promoting broadband investment:

1. **Ensure Cost-Based Fees.** Congress should make clear that localities retain the right to charge for access to government property, provided that such fees are fair and reasonable, competitively and technologically neutral, based on actual costs, and publicly disclosed.

2. **Set Reasonable and Enforceable Timelines.** Congress should establish a "shot clock" on handling siting applications and deeming applications granted if there is no action within that shot clock period. This is the same type of approach that is being proposed for federal lands by Congresswomen Brooks and Matsui. Such legislation could accelerate deployment while still preserving state and local authority over zoning decisions.

3. **Clarify Permitted Conduct.** Congress should clarify that local roadblocks—like moratoria and discriminatory application review guidelines—are forbidden by Congress's long-standing directive to eliminate rules that "prohibit or have the effect of prohibiting" the provision of communications services.

It is these types of reforms that will make the biggest difference in the deployment of new wireless infrastructure.

Expanding Broadband's Reach

We are proud of wireless investment in rural America and look forward to working with Congress to continue expanding the number of Americans with access to wireless broadband. The wireless industry—both national and smaller regional providers—has made substantial strides in the past decade to expand wireless coverage to reach

more Americans. Specifically, today's mobile broadband services (4G/LTE) were introduced in the United States in 2010. In less than eight years, 4G wireless services are available to over 99 percent of Americans. This is a remarkable pace of deployment for a new technology in a very short window. And our nation's wireless footprint continues to grow. In 2016 alone, wireless investment increased coverage by more than 150,000 rural Americans and nearly 50,000 rural road miles.

We share the Committee's desire to further expand broadband to more Americans, and the important role infrastructure reform can play to do so. Private capital has driven the vast majority of the expanded wireless coverage, and there should be a renewed focus on the steps policymakers can take—like those detailed above—to facilitate wireless providers' investments in rural America by altering the investment calculus of some rural deployments from uneconomic to viable.

The government also has the ability to expedite deployment in unserved areas through direct funding. The upcoming FCC Mobility Fund auction will be an important step to reach unserved rural America. We also support Vice Chairman Lance for his resolution to direct broadband infrastructure funding towards areas that are currently unserved, and Ranking Member Pallone's leadership with the LIFT Act to bring more focus on how we as a nation will reach unserved Americans.

Any new federal funding should be competitively and technologically neutral and encourage participation by a wide range of providers, including wireless companies. Greater participation will lead to more effective use of public resources, and deployment of high-speed broadband services to more rural areas. Any new funding should also ensure that reaching areas unserved by wireless is reflected in the program's objectives. In making funding decisions, better data is key, and rural

broadband is no exception. CTIA continues to work with both national and regional wireless providers to enhance the FCC's wireless coverage mapping in response to concerns raised by Chairman Blackburn, Congressmen Loebsack and others to ensure policymakers have the right data to determine where scarce public resources can be best used to reach unserved rural areas.

The Wireless Industry Supports Bold and Expedited Congressional Action.

The wireless industry is eager to work with this Subcommittee in a bipartisan manner to advance U.S. innovation and investment in mobile broadband. CTIA strongly supports this Subcommittee's efforts to help clear the way for 5G and expand wireless coverage. The time for addressing these infrastructure issues is now. America is in a global race to 5G as China, Japan, South Korea, and the EU are hard at work accelerating 5G deployments. With the right policies, the U.S. can win this race, and Americans can continue to benefit from the economic and consumer benefits that flow from leading the world in wireless.

Thank you for the opportunity to testify today.