



March 29, 2017

Honorable Ben Hueso,
Chair, Senate Energy, Utilities and Communications Committee
California State Senate
State Capitol, Room 4035
Sacramento, CA 95814

RE: Support Senate Bill 649 (Hueso) – Small Cell Deployment

Dear Senator Hueso,

On behalf of CTIA, the trade association for the wireless communications industry, I am writing in support of your Senate Bill 649, related to the deployment of small cell wireless facilities. The people of California continue to demand – at skyrocketing levels – access to wireless products and services. This is demonstrated by the fact that, according to the Federal Communications Commission (FCC), there are 1.5 million more wireless devices than there are people in California, representing a wireless penetration rate of 104%.¹ Further, the number of wireless subscribers in California has grown 20% since 2010 amounting to over 40.6 million.² These demands from the wireless industry's customers – your constituents – require that wireless networks be updated today and readied for the next generation of wireless networks. Unfortunately, the local planning process too often imposes unnecessary barriers to the timely and efficient upgrade of wireless networks. SB 649 is a needed mechanism to accommodate consumer demands and help to realize the future.

Small cell wireless facilities are being widely deployed to accommodate this increased demand. Small cells are wireless antennas, typically no more than six cubic feet in volume, and associated equipment generally less than twenty-eight cubic feet, installed on existing structures like utility poles, street lights and traffic signal poles. This global trend is sweeping the country. More than 250,000 small cells are expected to be installed over the next few years in the United States, about the number of traditional “macro” cell sites built over the last 30 years.

Small cells enhance capacity on existing 4G LTE wireless networks by efficiently using scarce spectrum and will be required for higher-frequency 5G networks. The benefits provided by 5G are astounding. 5G networks will provide increased capacity to accommodate growing consumer demands and will connect 100 times more devices.

¹ U.S. Census, Population Estimates, at <http://www.census.gov/data/tables/2016/demo/popest/state-total.html>, last accessed 3/29/2017.

² FCC, Voice Telephone Services Report: Status as of June 2015, August 2016, at <https://www.fcc.gov/wireline-competition/voice-telephone-services-report>, last accessed 3/29/2017.



Imagine a future where nearly everything is connected to ubiquitous wireless networks at speeds up to 100 times faster than today. Imagine communities that are smarter and more connected. Entire sectors, from public safety to transportation, will be transformed.

In fact, Accenture recently published a study noting that 5G wireless networks could create as many as three million jobs and boost the U.S. GDP by nearly \$500 billion over the next seven years.³ More specifically, California communities – from small towns to big cities – that embrace the next-generation of wireless connectivity will realize significant economic benefits. For instance, 5G deployment in a community like Long Beach may create over 4,400 jobs and increase GDP by \$721 million and a community like Los Angeles may see the creation of nearly 37,000 jobs and increase GDP by nearly \$6 billion.⁴

Furthermore, a report recently published by Deloitte illustrates how other industries are leveraging today's wireless platform for innovation and growth – and how increased wireless deployment will spur even more advancements in these key economic sectors⁵:

- **Energy.** Wireless-enabled smart grids could create \$1.8 trillion for the U.S. economy—saving consumers hundreds of dollars per year.
- **Health.** Wireless devices could create \$305 billion in annual health system savings from decreased costs and mortality due to chronic illnesses.
- **Public Safety.** Improvements made by wireless connectivity can save lives and reduce crime. A one-minute improvement in emergency response time translates to a reduction of 8% in mortality.
- **Transportation.** Wireless powered self-driving cars could reduce emissions by 40-90%, travel times by nearly 40% and delays by 20% – and translate to \$447 billion per year in savings, and, more important, 21,700 lives saved.

That's the promise of the next-generation of wireless technology. America needs to lead in its deployment.

SB 649 helps to remove barriers to and streamline deployment of small cell wireless infrastructure. It allows providers the opportunity to responsibly deploy small cells by having reasonable access to existing state and county infrastructure within and outside of the public rights-of-way (ROW). Such access will help to meet customer demands for faster

³ "How 5G Can Help Municipalities Become Vibrant Smart Cities," Accenture Strategy, Jan 12, 2017. These estimates are based on expected benefits for the United States from next generation wireless networks and some smart city technologies. They are based on per capita application of the estimated national benefits to individual cities (e.g., the number of construction jobs are national averages assigned on a per-capita basis), and may vary depending on the individual city.

⁴ *Ibid.*

⁵ Deloitte, "Wireless Connectivity Fuels Industry Growth and Innovation in Energy, Health, Public Safety, and Transportation," http://www.ctia.org/docs/default-source/default-document-library/deloitte_20170119.pdf, last accessed 3/29/2017.



data speeds, stronger in-building signals and an overall improved customer experience. SB 649 makes small cells on existing infrastructure a "permitted use" and not subject to discretionary review like the much larger "macro" towers. Finally, SB 649 seeks to impose reasonable rates, terms and conditions for access to infrastructure in and outside of the ROW. Today, county or state pole attachment rights may come with excessive prices that curb investment in wireless infrastructure.

Finally, it is important to note that SB 649 places no limitations on a locality's ability to deny a permit based on building, safety or electrical codes or standards. There is no removal of localities' jurisdiction in these areas.

Since 2010, wireless providers have invested more than \$177 billion to improve their coverage and capacity to better serve Americans, with \$32 billion invested in 2015 alone.⁶ With more than 250,000 small cells expected to be installed over the next few years in the United States, the regulatory and land use processes must allow for capital to be efficiently spent as investment flows to places that are ready for investment. SB 649 asks for no subsidies, public funds or taxpayer dollars. Instead, SB 649 simply provides a clear path for wireless providers to invest millions of dollars of their own money to accommodate customer demand and ready their networks for the next generation of wireless networks.

We strongly support SB 649.

Sincerely,

Jamie Hastings
Senior Vice President, External & State Affairs
CTIA

cc: Members, Senate Energy, Utilities and Communications Committee
Nidia Bautista, Committee Consultant
Tom Dyer, Office of the Governor
Kerry Yoshida, Senate Republican Policy

⁶ CTIA's Wireless Industry Summary Report, Year-End 2015 Results, 2015, <http://www.ctia.org/industry-data/ctia-annual-wireless-industry-survey>, last accessed 3/29/2017.



Example of a Small Cell

