

KEYNOTE REMARKS OF FCC COMMISSIONER BRENDAN CARR

AT THE CCA ANNUAL CONVENTION

“BUILDING AMERICA’S NEXT GENERATION OF WIRELESS INFRASTRUCTURE”

ORLANDO, FLORIDA

OCTOBER 2, 2018

Thank you for the kind introduction, Steve. And thank you to CCA’s members for the work you do every day to connect your communities and rural America to next-generation broadband. You bring high-speed wireless service and the economic opportunity that it enables to some of the hardest to serve parts of the country.

So it’s great to be back with all of you at CCA. In fact, I gave my first speech as an FCC Commissioner one year ago at your annual convention. In it, I announced that Chairman Pai had asked me to lead the FCC’s efforts on modernizing our approach to wireless infrastructure. It’s been a busy time at the Commission since then, and I am proud of the progress the FCC has made.

We started out by moving forward with a number of long-pending items. Right after CCA’s show last year, we adopted a pole swap out order. It eliminated the need for costly historic preservation review when a provider simply replaces a utility pole for the purpose of adding new antennas. The next month, we set out a definitive solution for so-called “Twilight Towers.” Those are towers built between 2001 and 2005 that did not necessarily undergo a specific historic review process. That decision can help open up potentially thousands of existing towers for the deployment of new wireless facilities.

But in all of this, it was clear that regulatory incrementalism was not going to cut it. With the transition from 4G to 5G underway, the FCC needed to take bold action. Here’s why.

Winning the global race to 5G—seeing this new platform deployed in the U.S. first—is about economic leadership for the next decade. Those are the stakes, and here’s how we know it.

Think back a decade ago when we were on the cusp of our last wireless upgrade, from 3G to 4G. Think about the largest companies at that time. They were largely big banks and big oil. Today, the four largest companies in the world are, in order: Apple, Amazon, Google, and Microsoft. All tech. All American. All riding on mobile broadband.

Or think about your own life. A decade ago, catching a ride across town involved calling a phone number, waiting 20 minutes for a cab to arrive, and paying rates that were inaccessible to many people. Today, we have Lyft, Uber, Via, and other options.

A decade ago, sending money meant going to a brick-and-mortar bank, standing in that rope line, getting frustrated when that pen leashed to the table was out of ink (again!), and

ultimately conducting your transaction with a teller. Now, with Square, Venmo, and other apps, you can send money or deposit checks from anywhere, 24 hours a day.

A decade ago, meeting your future husband or wife required—and I know this is going to sound very 1950s to some of the millennials here, so stay with me—mustering the courage to walk up to them, in person, and, wait for it, engage in a conversation in which you ask him or her out. Today, my staff tell me, a potential loved one can be just a swipe away.

American companies led the way in developing these 4G innovations. But it's not by chance or luck that the United States is the world's tech and innovation hub. We have the strongest wireless economy in the world because we won the race to 4G. No country had faster 4G deployment or more intense investment than we did. Winning the race to 4G added \$100 billion to our GDP. It led to \$125 billion in revenue for U.S. companies that could have gone abroad. It grew wireless jobs in the U.S. by 84 percent. And our world-leading 4G networks now support today's \$950 billion app economy.

You know this because you built it. CCA members serve some of the toughest to reach communities in the country. You work field by field and gravel road by gravel road, providing coverage to your neighbors. You can probably find easier and less stressful lines of work, so I want to acknowledge again the work you do each day to connect Americans with next-generation opportunity. In my view, those of us in government should be working to make your jobs easier, not harder. I hope that we have made progress recently in doing just that.

After all, our communities have gained so much because you made sure America was first to 4G. Winning the race to 5G matters in the same way. It determines whether capital will flow here, whether innovators will start their new businesses here, and whether the economy that benefits is the one here. Or as Deloitte put it: "First-adopter countries . . . could sustain more than a decade of competitive advantage."

We're not the only country that wants to be first to 5G. One of our biggest competitors is China. They view 5G as a chance to flip the script. They want to lead the tech sector for the next decade. And they are moving aggressively to deploy the infrastructure needed for 5G.

Since 2015, China has deployed 350,000 cell sites. We've built fewer than 30,000. Right now, China is deploying 460 cell sites a day. That is twelve times our pace. All told, China has 1.9 million cell sites. We have around 300,000. So we have to be honest about this infrastructure challenge, and we need to show the courage to act.

Our plan at the FCC is straightforward: we are getting the government out of the way, so that you, the leaders in the private sector, can invest and compete.

And we're executing on this plan. In March, I led an order that exempted small cells—the physical building blocks of 5G—from certain federal historic and environmental reviews. That order was based on the commonsense conclusion that small cells have a much more modest impact than 200-foot towers, and so they should be treated differently. That one decision cut

nearly \$1.6 billion of red tape, and one wireless provider reports that it is now clearing small cells for construction at six times the pace as before.

Just last week, the Commission approved an order aimed at reducing unnecessary costs and delays in the local approval process. That decision is estimated to cut another \$2 billion in red tape, stimulate \$2.4 billion in infrastructure investment, and—here's the most important figure—provide two million more families with next-gen services, 97% of whom live in rural and suburban communities

In the lead up to last weeks' order, we heard from a number of community leaders—especially from rural America. I want to read you just one of the letters I received, from the board of commissioners of a more rural county in Michigan. They wrote:

“Smaller communities such as those located in St. Clair County would benefit by having the [FCC] reduce the costly and unnecessary fees that some larger communities place on small cells as a condition of deployment. These fees, wholly disproportionate to any cost, put communities like ours at an unfair disadvantage. By making small cell deployment less expensive, the FCC will send a clear message that all communities, regardless of size, should share in the benefits of this crucial new technology.”

They're right. When I think about success—when I think about winning the race to 5G—the finish line is not the moment we see next-gen deployments in New York or San Francisco. Success only can be achieved when all Americans, no matter where they live, have a fair shot at fast, affordable broadband.

Through last week's order, we adopted the ideas championed by local leaders—and especially the ideas embodied in the 20 state small cell bills that legislatures have enacted over the last few years. The order contains four main ideas borrowed from the state small cell bills.

First, it reaffirms local control over wireless infrastructure decisions where it is most appropriate, while setting a reasonable baseline so that we can promote nationwide 5G deployment. By taking a balanced approach, we show respect for the work of state legislatures and do not disturb nearly any of the provisions in the 20 state small cell bills that have been enacted.

Second, it affirms that local governments may charge wireless providers for the costs associated with reviewing small cell deployment. There will be no subsidizing of broadband deployment by local governments. Providers should bear the costs of building 5G. At the same time, we know that excessive fees slow down next-gen deployments and consume the scarce capital needed to bring broadband to rural and less-affluent communities. So we require that fees amount to a reasonable approximation of local governments' costs.

Third, it tailors the “shot clocks” that have long governed local review of infrastructure deployments to account for the size and scale of small cells. Consistent with many state laws, we determine that local governments should conclude their approval processes within 60 days for small cells being added to existing structures and 90 days when a provider wants to put up a

new small cell pole. But we also built in a mechanism to recognize when large numbers of small cell applications could lead to legitimate overload on the permitting system.

Fourth, it preserves local governments' reasonable aesthetic reviews. We affirm that federal law does not prevent local governments from continuing to apply aesthetic standards so long as they are objective and reasonable, non-discriminatory, and made public in advance.

These are commonsense ideas that come from local leaders. By taking their ideas nationwide, we can ensure that every community has a fair shot at next-generation broadband. Indeed, by lowering the cost of deploying small cells, this decision will flip the business case for building 5G in rural and less affluent communities.

In all of this, I want to assure you that the FCC is committed, not just in words but in action, to winning the race to 5G for the benefit of all Americans.

So thank you, Steve, for your outstanding work and the work of your talented staff in making wireless infrastructure reform a reality this year. Thank you to CCA's members for providing data and real-world examples of the challenges you face when building mobile broadband. We learned from your experiences, and your input made a difference in getting this win for American consumers across the finish line. I am confident that with these reforms in place, with your commitment to building next-gen networks in communities around the country, the U.S. is back on track in the race to 5G.