

**STATEMENT OF
COMMISSIONER BRENDAN CARR**

Re: *Accelerating Wireless Broadband Deployment by Removing Barriers to Infrastructure Investment*, WT Docket No. 17-79

The race to 5G is on. Winning this race will mean more broadband for more Americans. It will mean new opportunities for unserved and underserved communities. And it will mean unleashing the next wave of American innovation.

In the U.S., the private sector is doing its part. Entrepreneurs are hard at work developing cutting-edge technologies that will run on 5G networks—everything from smart city applications to autonomous cars, from connected homes and virtual reality to precision agriculture. And wireless providers are poised to invest the \$275 billion necessary to deploy these 5G networks—investments that can create 3 million new jobs and add a half a trillion dollars to the GDP.

But there's a problem. We will not win this race—consumers in the U.S. will not realize these benefits—if we don't do our part at the FCC. That means moving aggressively to free up new spectrum bands, as we've been doing, and moving with equal dispatch to ensure that providers can deploy the

Our regulatory counterparts around the world are well aware that the United States led the world in 4G. They are eager to leapfrog us to 5G. A central part of their 5G agenda is to update their infrastructure deployment rules. That's why today's vote is so important—it's a chance for the FCC to demonstrate our commitment to seeing the United States and American consumers win the race to 5G.

The focus on infrastructure reform only makes sense. After all, 5G networks will look very different from the networks of today. Those tall, 100-foot towers that we associate with current generations of wireless service will be supplemented by new small cell facilities, many of which will be no larger than a backpack. Going forward, upwards of 80% of new deployments are expected to be small cells. But while technology is advancing, our infrastructure deployment rules have been stuck in the analog era.

Our outdated approach to NEPA and NHPA, for instance, is costing Americans tens of millions of dollars per year and delaying the rollout of new services. One provider spent over \$23 million on NHPA review over the last two years—money that could have been used to deploy 657 new cell sites to expand service or add capacity. In 2017, providers spent \$36 million on NHPA and NEPA reviews.

The problem is getting worse, not better. Without reform, the projected costs for these reviews will spike to \$241 million this year as 5G deployments ramp up.

So what is the public getting for these millions in fees? The record shows that in all but 0.33% of cases, the reviews have not resulted in any changes to planned deployments. And that percentage presumably skews towards those larger towers that will continue to undergo NEPA and NHPA review.

The disproportionate fees are the product of a broken and outdated system. When one provider deployed 23 cells at NRG Stadium in Houston ahead of last year's Super Bowl, Section 106 fees exceeded \$173,000. And remember: that was for placing cells on previously-disturbed ground in a parking lot and on an NFL stadium, neither of which required our historic and environmental reviews when they were constructed.

Unfortunately, this example is not a one-off. Today, out of the total cost of deploying a small cell—the equipment, the labor, the permitting—nearly 30% is consumed by our outdated NEPA and NHPA procedures.

This threatens to hold us back in the race to 5G or limit the business case to densely populated or affluent areas. That's not success. But with today's Order, we can flip the business case for thousands of communities.

Here's how:

First, we will exempt small cells from NEPA and NHPA review, given their much different size and footprint than large towers. This will extend the same regulatory treatment to those deployments that the Commission has always applied to other types of infrastructure, including Wi-Fi routers and consumer signal boosters. Moreover, our decision will not greenlight any particular deployment—they will continue to undergo appropriate state or local review.

Second, the Order will streamline the federal procedures that will continue to apply to those larger deployments, including by putting the FCC itself on a clock.

In all of this, our approach benefited from extensive engagement with Tribal Nations—consultations that spanned three years. Indeed, when the prior Commission took steps to update our infrastructure rules, I am not aware of the FCC engaging in any similar effort. In this case, FCC leadership and staff participated in consultations in at least nine different states, including Oklahoma, South Dakota, California, New Mexico, and Arizona. FCC officials attended Tribal conferences, hosted Tribal representatives at the FCC, and conducted dozens and dozens of meetings and conference calls concerning the subject matter we are voting on today.

These consultations resulted in significant outcomes. For instance, the Order maintains the current approach to small cell and other deployments on Tribal lands, given the feedback we received. It adopts reforms that will give Tribes more information, earlier in the process for those reviews that go through NHPA procedures. It rejects requests to limit the geographic area where Tribes can express interests and participate in the process. It also expressly recognizes the circumstances in which Tribes can be paid fees for their consulting services. And in those cases, the Order rejects calls that we limit or otherwise regulate the fees that Tribes can charge.

In the end, we have been able to reach a better outcome based on the extensive consultation process. And we are maintaining and focusing the federal review on those deployments that are more likely to raise concerns.

By taking these steps today, we will deliver immediate results to communities around the country. In fact, a recent Accenture study determined that excluding small cells from federal reviews will result in at least \$1.56 billion in savings. That capital could be used to deploy in excess of 55,000 new cell sites and create more than 17,000 jobs. That's billions of dollars for more broadband, and not one penny comes from new taxes or fees on consumers.

\$1.6 billion. 57,000 new cells. 17,000 jobs.

Those are big numbers. They're tough to wrap your head around in the abstract. So to get some perspective, I took a road trip through the Shenandoah Valley two weeks ago. At a roundtable, I spoke with residents and small business owners who discussed the lack of high-speed broadband in their rural communities. They talked about sending their kids to school early, or letting them stay late, just so that

they could work off of a good Internet connection. Infrastructure reform can help close this gap. One local provider, Shentel, noted that streamlining the federal review process will free up enough capital for the company to deploy 13 new cell sites in the Shenandoah Valley. That could be the first high-speed broadband for those families or perhaps the first competitive offering.

I've seen the same opportunity in urban areas. Last week, I drove up to Baltimore. I visited a neighborhood in east Baltimore called C.A.R.E., which stands for Caring Active Restoring Efforts. There still are some boarded up rowhouses in C.A.R.E., but if you keep your eyes open, you can see new opportunity on the rise. And if you really know what you're looking for, you can see it in the dozens of small cells that have been deployed throughout the neighborhood. Two providers noticed that the macrocell serving C.A.R.E. was running out of capacity because, for many families in the area, their wireless connection provides their only high-speed Internet access. So to provide broadband capacity, those carriers attached a series of small cells to street lights running down the main avenues.

We can replicate these results in even more communities, we can get more broadband to more Americans, if we reform our infrastructure rules.

So in the weeks since we released our draft decision, it's been heartening to see the diverse coalition that supports this effort—that is serious about seeing the U.S. win the race to 5G: tech advocates like The App Association, INCOMPAS, CCIA, and CTA; smaller broadband providers at CCA and CTIA; voices from underserved communities like the League of United Latin American Citizens, LGBT Tech, and National Grange; job creators like the Small Business & Entrepreneurship Council and the U.S. Chamber, and other organizations including the Progressive Policy Institute, Citizens Against Government Waste, FreedomWorks, and the U.S. Small Business Administration.

These are not groups that find common ground on all telecom issues. But it is a broad coalition that understands the need to get our regulatory structures 5G ready.

Since the Chairman asked me to take the lead on the FCC's wireless infrastructure proceeding five months ago, I have welcomed the chance to work with all stakeholders on developing our approach. This decision is the product of many, many hours of work from Commission staff, especially the talented team in our Wireless Telecommunications Bureau. I want to recognize and thank you all for your work in addition to significant contributions from the Office of General Counsel and the Office of Native Affairs and Policy. I know you all have spent years on these issues, and the Order before us has greatly benefited from your expertise. It has my full support.