

REMARKS OF FCC COMMISSIONER BRENDAN CARR

AT INDIANA'S STATEHOUSE

"GRASSROOTS LEADERSHIP ON 5G"

INDIANAPOLIS, INDIANA

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Thank you Senator Merritt for the kind introduction and for your invitation to be here in the historic Senate Chamber of the Indiana General Assembly. Because of the leadership you and your colleagues showed in this chamber, Indiana is now at the forefront of the mobile broadband revolution.

As we will hear this morning from Senator Todd Young and Congresswoman Susan Brooks, Indiana is going to be one of the first states in the country to see 5G—the next-generation of wireless broadband. In the last month, two of the largest wireless providers in the country announced that they will deploy 5G-capable technology right here by year's end.

Indiana's national leadership in mobile broadband is a direct result of this state's policy decisions. A year ago, community leaders identified the opportunities that come with next-generation broadband and decided to address the challenges that threatened to stand in the way.

We don't need to look far from the steps of this capitol to see how fast, affordable connections can change lives. I saw it firsthand a few months ago in Arcadia. Congresswoman Brooks took me there on a tour of Beck's Hybrids, a family-run ag operation. Beck's uses a broadband connection and cloud computing to make inch-by-inch adjustments to seeding and soil treatment, boosting crop yield. I saw it in Blue River Township, as well. Senator Young, after he literally spliced fiber to help bring broadband to the community, introduced me to Linda Muegge and her family. At her kitchen table, she told us how her broadband connection enabled her kids to move back home, launch online businesses, and start families of their own—rather than relocating to a big city.

Leaders here also saw the challenges slowing down broadband. They knew that the rules and regulations governing broadband deployment were not keeping up with technology. The rules then in existence were written when mobile broadband was just beginning. Back then, providers were mainly building 200-foot towers to beam cell signals over wide areas. Municipalities imposed extensive permitting processes on those macro-towers, and they charged high fees for those lengthy reviews.

Now, we are on the cusp of upgrading to 5G. This next-generation network can create jobs, enable a 21st century education for our kids, and improve access to high-quality, affordable healthcare. 5G will offer mobile data speeds we have never seen before—perhaps 100 times faster than 4G service. That's about the difference between the cars driving by here on North Capitol and those six miles from here at Indy's motor speedway. It will enable autonomous vehicles, the Internet of Things, smart cities, and even smarter ag.

5G networks will look much different than those legacy wireless networks of the past. Upwards of 80% of new deployments will be small cells with antennas no larger than a small backpack. These small cells can be attached to existing light poles or buildings and blend in to their surroundings. Putting these new small cells up will require providers to invest about \$275 billion in communities. That represents a massive investment in America's infrastructure and jobs, without a penny of new taxes.

But to upgrade our networks we need to upgrade our rules. And that's where Senator Merritt and the leadership in this chamber were so forward-looking. They saw that some of the rules that applied to 200-foot towers didn't make sense for backpack-sized small cells. And so they made commonsense reforms to the way wireless infrastructure is built in this state. They cut fees, shortened the timeline for approval, and removed policies that prohibited network upgrades.

A year after enacting Indiana's small cell bill, the results are in—and they are remarkable. Since state leaders reformed the law, wireless providers have built over 1,000 small cells in more than 30 communities across the state. As I mentioned, not one, but two of the country's largest wireless providers have announced Indianapolis as a showcase city for 5G, with deployments happening here by year's end. That makes Indianapolis—not New York, not San Francisco—that makes Indianapolis #1 in the country for most intensive 5G investment. When it comes to wireless, Indiana is the future, and that's because of this state's innovative leadership.

Other leaders around the country are picking up the mantle of reform. Before meeting with Governor Holcomb here in Indy, I spent time with mayors, county officials, and state-wide representatives in their communities. They talked about their own experiences and ideas for promoting broadband. In Texas, Governor Abbott told me about his state's small cell legislation. Since enacting their bill, major 5G investments have been announced for this year in Austin, Dallas, Houston, and Waco. In all, 20 states have enacted small cell reform bills so that their residents can reap the benefits of next-gen networks.

And yet still too many communities, especially in rural America, feel that they may be left behind. Their elected leaders have called on the FCC to act because they are concerned that, without federal action, they may not see 4G, let alone 5G service. They worry that the billions of dollars of investment needed to deploy next-gen networks will be consumed by high fees and long delays in big, "must serve" cities. I want to share part of a letter I received a few days ago from the county commissioners of a more rural area 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 can only be measured when all Americans, no matter where they live, have a fair shot at fast, affordable broadband. So we at the FCC have studied the success of your efforts in this statehouse and the rest of the states that have enacted small cell bills. We learned how removing unnecessary regulatory barriers to deploying small cells can directly impact investment, jobs, education, and families.

Based on your work, I am announcing today the next steps in the FCC's efforts to bring more broadband to more Americans. Later this month, the FCC will vote on a proposal designed to support small cell deployment. It contains four main ideas.

First, it reaffirms local control over wireless infrastructure decisions where it is most appropriate, while ensuring that commonsense guardrails apply to outlier conduct. We do so by providing updated guidance on the types of local reviews that, in regulatory parlance, can materially inhibit or effectively prohibit small cell deployment. But by taking a balanced approach, we show respect for the work of state

legislatures, including Indiana's. We do not disturb nearly any of the provisions in the 20 state small cell bills that have been enacted.

Second, the proposal affirms that local governments may charge wireless providers for the costs associated with reviewing small cell deployment. Providers should bear the costs of building 5G; local governments should not be required to subsidize that infrastructure. 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 propose that fees must amount to a reasonable approximation of local governments' costs. To encourage cooperation between local governments and wireless providers, the FCC in the order provides specific fee amounts, below which we presume the local governments' fees are lawful.

Third, we tailor 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. At the same time, we recognize corner cases where a flood of new applications could legitimately overload the local process. So we put procedures in place to address this. In adopting these reforms, we do not propose a "deemed granted" remedy, which many local governments opposed on the grounds that it would allow deployments without their authorization.

Fourth, we preserve local governments' reasonable aesthetic reviews. This is an issue I have heard a lot about in my many meetings with local officials. Communities have a particular look and feel to them. Significant effort is put into maintaining a community's aesthetics, particularly in special zones such as historic districts. We affirm that federal law does not prevent local governments from continuing to apply aesthetic standards so long as they are reasonable, non-discriminatory, and made public in advance.

These are commonsense ideas drawn from the hard work of leaders right here in Indiana's General Assembly and in 19 other state legislatures. By taking your ideas nationwide, we help ensure that every community in our country is 5G Ready. And that will make a difference to American jobs and families.

In fact, an economic analysis released last week suggests that this FCC decision would cut about \$2 billion in red tape, stimulate \$2.5 billion in additional investment, and create 27,000 jobs. Moreover, by lowering the cost of deploying small cells, this decision will flip the business case for building 5G and next-gen networks in rural and less affluent communities. According to the analysis, two million more homes will be reached by small cells as the result of this decision—and 97% of those will be in rural and suburban communities.

Forward-looking policies can bring next-gen networks to the people that might otherwise miss out on the opportunity broadband enables. You proved that here in Indiana. Using your ideas to reform our approach at the FCC will connect more communities across the country, and it will help America win the global race to 5G.

Thank you Senator Merritt, your colleagues in this statehouse, Governor Holcomb, and Indiana's federal leaders on 5G—Senator Young and Congresswoman Brooks. I'm proud to announce the FCC's next steps to ensure America is 5G Ready with such leaders. Thank you.