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Local Laws Imperil 5G Innovation.

Misapplied zoning rules and huge fees block antennas the size of pizza boxes.

Marty Cooper stepped out of his office and onto a New York street corner, pulled out his phone, and made a call. It happens millions of times a day—but it didn't then. It was April 3, 1973, and Mr. Cooper, now 89, was making the first call ever from a hand-held cellphone.

Forty-five years later, governmental obstacles threaten to block a new wave of wireless innovation, known as fifth generation or "5G." It will multiply download speeds by at least 10 times, allowing wireless carriers to compete with cable companies for high-speed internet access. With superfast speeds and low lag times, 5G will enable advances in everything from driverless cars to the "tactile internet," in which surgeons can perform operations and builders operate construction equipment remotely, and entertainment can include sensations beyond the audiovisual.

A 5G-enabled Internet of Things will connect people, data and new devices, creating a surge of economic growth. IHS Markit estimates that in the U.S. alone 5G will yield \$719 billion in growth and 3.4 million new jobs by 2035. The world-wide figures could be as high as \$3.5 trillion and 22 million jobs.

But to prepare for 5G, wireless carriers need to deploy thousands of "small cell" antennas, the size of pizza boxes. Even though small cells can fit invisibly on rooftops and lampposts, some state and local governments are acting as if they're 100-foot towers.

In some places, outdated local requirements prohibit carriers from placing small cells in local rights-of-way and on government-owned utility poles. Zoning ordinances designed for much larger towers often require local zoning boards to approve small cells. Some localities refuse altogether to negotiate right-of-way access, while others impose prohibitive fees and other unreasonable conditions.

One Georgia municipality is considering an annual fee of \$6,000 to attach a small cell to city-owned structures. Three cities in California demand annual payments between \$2,600 and \$8,000 for each cell attached to a city-owned utility pole. Newport Beach, Calif., is charging \$10,800.

More than a dozen states have approved laws to streamline regulations for small-cell installations. By capping municipal fees at reasonable levels—usually a few hundred dollars a cell—limiting review time, and allowing small cells in most public rights-of-way, these states are saying they want the benefits of the 5G revolution.

Most states, however, have declined to take constructive action, imperiling U.S. 5G leadership. But the Federal Communications Commission is showing a way out. On a party-line 3-2 vote in March, the FCC took its first step by exempting small cells from federal environmental and historic preservation reviews, streamlining small cell reviews on tribal lands, and setting a time-frame for FCC action. But the FCC hasn't yet acted to curb state and local 5G internet "taxes" and needless delays. The commission may take these steps later this year, and it should act fast so the U.S.

ensures its leadership and makes the visionary Marty Cooper proud.

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