

Moore-Love, Karla

From: Barrett, Donna B <donna.barrett@verizonwireless.com>
Sent: Tuesday, March 12, 2019 3:42 PM
To: Moore-Love, Karla
Subject: Verizon Wireless Comment Letter City Council Agenda Item 234 - 3.13.18
Attachments: VZW Comment Agenda Item 234 3.13.18 CC.pdf

Good Afternoon,

Please see Verizon's comment letter regarding Agenda Item 234 attached for the council's consideration. We appreciate the opportunity to provide industry feedback.

Best regards,

Donna B. Barrett

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March 12, 2019

Via email--

Mayor Ted Wheeler
Commissioner Chloe Eudaly
Commissioner Nick Fish
Commissioner Jo Ann Hardesty
Commissioner Amanda Fritz

Re-Agenda Item #234-March 13, 2019, Portland City Council Agenda

Dear Mayor Wheeler and Commissioners:

On behalf of Verizon Wireless, we would like to thank you for providing the opportunity to comment on Portland's proposed changes to its fee schedule for small cell facilities in the ROW - Agenda Item 234. This new technology is vital to address the coverage and capacity needs of Portland's residents, businesses and visitors. More people are using more wireless devices to do more things than ever before. In fact, wireless data usage tripled from 2013 to 2015 and is forecast to multiply seven-fold from 2015 to 2019. Verizon is working to stay ahead of the demand by adding fiber optic capacity and small cells to connect people where they need it most.

Moreover, small cells are the infrastructure that will support 5G technology which has the potential to narrow, if not close, the digital divide, as well as enable a revolution in smart city technologies that will enhance public services, improve traffic flow and pedestrian and bicycle safety, enable autonomous and connected vehicles, enhance disaster preparedness and public safety efforts, and facilitate increased environmental monitoring and carbon-reduction. Providing a reasonable cost structure for wireless providers to place small cell antennas throughout the city will speed the deployment of 5G and bring technologies and tools that can dramatically improve the way Portlanders all across the city work and live.

On September 26, 2018, the Federal Communications Commission ("FCC") voted to adopt a new order to expedite and streamline the deployment of small cells, that requires small cell and ROW fees to be based on the municipality's actual and reasonable costs. Accelerating Wireless Broadband Deployment

by Removing Barriers to Infrastructure Investment, Declaratory Ruling and Third Report and Order (September 26, 2018) ("Order").¹ The Order went into effect on January 14, 2019.

The Order recognized that the recurring and non-recurring fees for small cell facilities were intended to make small cell deployment cost neutral to the cities by allowing recovery of the city's reasonable and actual costs associated with the use of the ROW. Order at Para. 72, 87. The Order set the presumed reasonable fee safe harbor at "\$500 for non-recurring fees, including a single up-front application that includes up to five Small Wireless Facilities, with an additional \$100 for each Small Wireless Facility beyond five, or \$1,000 for non-recurring fees for a new pole (i.e., not a collocation) intended to support one or more Small Wireless Facilities; and (b) \$270 per Small Wireless Facility per year for all recurring fees, including any possible ROW access fee or fee for attachment to municipally-owned structures in the ROW." The FCC also observed that "a locality could prevail in charging fees that are above this level by showing that such fees ... are (1) a reasonable approximation of costs, (2) those costs themselves are reasonable, and (3) are non-discriminatory. Allowing localities to charge fees above these levels upon this showing recognizes local variances in costs." Order at Para. 79, 80.

We note that the small cell fees listed in Agenda Item 234's fee schedule are not accompanied by any explanation of their relationship to the city's actual and reasonable costs. In fact, the fees in the emergency ordinance far exceed the FCC Order's safe harbor presumptively reasonable levels for such fees.² Verizon is not asking for subsidy from the City of Portland or its residents. What we are asking for-- and have been asking for for some time now-- is transparency from PBOT, an accounting for how the fees were calculated, and a recognition of the direct connection between PBOT's wireless infrastructure policies and the important City-wide policy priorities in the areas of digital equity, smart city technology, and economic development.

In view of the foregoing, Verizon would request that Council direct the staff to reexamine the proposed small cell fees in light of the FCC Order's requirement that such fees reflect the city's costs, and to further engage the providers in an explanation and discussion of the city's actual and reasonable costs, with the goal of adopting a fee structure that will not widen the digital divide in Portland or hinder the implementation of Portland's smart city initiative goals. To that end, Verizon will have representation at the council meeting on March 13th and will be available to answer any questions you might have.

Sincerely,



Donna Barrett

¹ <https://www.fcc.gov/document/fcc-facilitates-wireless-infrastructure-deployment-5g>

² It should be noted that, in response to Verizon's request for a draft pole license agreement, staff recently sent a copy of the AT&T License Agreement with an annual rate of \$1250 per pole as the proposed rate. While the recurring fee of \$750 per pole per year is lower than the \$1250 per pole per year contained in the AT&T License Agreement, \$750 is more than triple the FCC safe harbor rate with no explanation of the underlying costs.