

HB 2175 would improve Washington's wireless telecommunications competitiveness

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Introduction

This Legislative Memo provides an overview and analysis of HB 2175. This bill would help improve Washington's wireless telecommunications climate, making it easier and less costly for wireless companies to respond to the ever-increasing consumer demand for wireless telecommunications services.

HB 2175 would, among other things, require local governments to allow one permit for multiple small cell networks, known as microcells, instead of requiring a permit for each individual microcell facility.

Based on WPC's research and analysis, HB 2175 would serve the public interest by removing barriers to expanding microcell opportunities for wireless companies, encouraging greater wireless coverage and increasing the state's competitiveness in the wireless telecommunications industry.

Background

The fastest growing sector of the telecommunications industry is wireless service.

Currently 40 percent of Washington households are wireless only, eschewing traditional wireline devices, such as landline telephones and desktop computers, in favor of wireless devices such as cell phones and tablets. According to a recent report from the Washington State Broadband Office, in early 2013, 56 percent of adults in the state owned

a smart phone and 31 percent owned a tablet.¹

Consumers are using these wireless devices in more and more ways, such as accessing the Internet and sharing videos and photos. According to the U.S. Census Bureau, over 45 percent of state residents over the age of three accessed the Internet outside their home in 2010, a reflection of the increasing use of wireless devices. Only six other states had higher rates than Washington of Internet use outside the home.²

Simply put, wireless service is no longer just for making phone calls, it is increasingly used to access, transfer and share large amounts of data. Wireless service provider AT&T reports the data growth on its networks has increased by 30,000 percent since 2007.³

As the demand for wireless service has increased, so too has the demand for transmission facilities that expand capacity and improve wireless service coverage.

The most efficient means wireless service providers use to expand data capacity and service coverage in a defined local area is the installation of small, low-mounted wireless antennae, known as microcell facilities. While a macrocell

1 "Broadband in Washington: 2013 Annual Report," Washington State Broadband Office, Washington State Department of Commerce, January 14, 2014, at www.commerce.wa.gov/Documents/2013-Broadband-Report.pdf.

2 Ibid.

3 Testimony of Bob Bass, President, AT&T Washington, House Technology and Economic Development Committee, January 17, 2014, at http://tvw.org/index.php?option=com_tvwplayer&eventID=2014011064.

facility, such as a cell tower, provides wireless capacity and coverage over a large distance and has a high power output, microcell facilities expand capacity and increase wireless coverage over a short local distance at much lower power levels.

Microcells efficiently expand data capacity and service coverage in small, localized areas where a full cell tower is not viable. State law very specifically defines microcell antennae by physical size and working range. However, as microcell technology has evolved, the today's microcells look and operate very differently from the microcells that existed when the law was implemented in 1997.

Microcells are often attached to existing power poles, such as those owned by public utility districts (PUD). Currently a wireless service provider must apply for and obtain a permit from each municipality for each individual microcell facility attachment, and must negotiate a rate with the PUD to attach those facilities to a pole. Since wireless service providers must attach many microcells to provide comprehensive wireless coverage within a defined geographic area, the time and cost of filing separate applications for each small cell facility has become a serious regulatory obstacle to improve service for the public.

Policy Analysis

HB 2175, "Removing barriers to economic development in the telecommunications industry," seeks to solve this problem.

HB 2175 would update legal definitions to recognize new wireless technology, replacing the term "microcell" with "wireless service facilities." The definition of microcells has not been changed since 1997. The broader terminology of "wireless service facilities" would prevent the unintended inertia that occurs when technology moves faster than government,

and today's microcell antennae no longer meet the outdated definition of "microcells."

The bill would also require local governments to provide consolidated applications and permitting for "small cell networks," instead of filing separate applications for each individual small cell facility. When installing microcell facilities on existing utility poles, wireless providers would be allowed to apply for up to 26 attachments under a single permit. Allowing this type of batch approach would significantly decrease the cost to wireless providers of increasing wireless coverage and capacity in the state.

HB 2175 would also limit the authority of cities and towns to charge wireless service providers for the use of a right-of-way when installing certain replacement structures. These costs are often passed on to consumers in the form of higher prices.

Currently a municipality can charge a wireless service provider a site-specific fee for replacement structures if the replacement is necessary for the installation or attachment of wireless facilities and the overall height of the replacement structure and the wireless facility is more than 60 feet. The bill would require that the replacement structure be higher than the replaced structure in order for a municipality to charge a fee.

Conclusion

As consumers buy more wireless services, service providers must be able to respond to public demand in a timely and cost effective manner. The current regulatory and fee system places a heavy burden on wireless service providers in terms of both time and cost.

Easing this burden would make it easier for wireless service providers to deploy greater and more comprehensive wireless coverage for people around the state.

Updating definitions to reflect today's technology, reducing permit times and limiting fees charged by local governments are policy changes that would serve the public interest by encouraging more private investment in wireless technology and in wireless service networks in Washington.

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