



Testimony

Submitted on behalf of the  
Pennsylvania Chamber of Business and Industry

---

**Informational Hearing on Broadband Deployment**

Before the:  
**House Consumer Affairs Committee**

Presented by:  
Kevin Sunday  
Director, Government Affairs

Harrisburg, PA  
June 12, 2019

417 Walnut Street  
Harrisburg, PA 17101-1902  
717.720.5443 phone  
<http://www.pachamber.org>

Chairman Roae, Chairman Matzie, members of the committee,

On behalf of the Pennsylvania Chamber of Business and Industry, the largest, broad-based business advocacy organization in the Commonwealth, thank you for the opportunity to express our support for legislation that will encourage the deployment of broadband, small cell and 5G wireless technology. The deployment and use of these technologies is vital to the long-term economic competitiveness of the state.

As the local, state and federal government invest in infrastructure and establish policy that leverages the private sector investment, it is imperative technology be part of the conversation. A well-maintained, adequately funded infrastructure system throughout Pennsylvania is vital to the health and growth of its economy and the surrounding region. The Commonwealth's network of ports, waterways, airports, rails, pipelines and public transportation services are the multimodal components necessary for the movement of goods, people and services throughout Pennsylvania's transportation system.

In addition, the Commonwealth's network of water, wastewater, stormwater, gas, electric, and telecommunications and broadband infrastructure are necessary to protect the public health, power our economy and allow for the safe, reliable flow of information and ideas. Together, these networks provide accessibility to growth and opportunity and can serve as a platform to establish Pennsylvania as a leader in innovation. Specifically as it relates to telecommunications and broadband infrastructure, the PA Chamber supports efforts that will reduce regulatory burdens and the time and resources needed to navigate government, as well as eliminate unnecessary costs that impede the ability of the public and private sectors to work together in improving these essential infrastructure networks. Importantly, these networks are built with capital investment from the private sector.

Specifically, with respect to the deployment of broadband, small cell and 5G technology, it is clear as more and more businesses harness cloud computing, advanced data analytics, automated vehicles, advanced manufacturing capabilities, telemedicine and other innovations that the wireless and broadband networks be modernized to reduced data congestion and ensure reliable data service. Advances in telecommunications and broadband infrastructure capabilities can also be used to improve public safety, with uses such as enhanced gunshot detection and more responsive real-time adjustments to electric, water and natural gas utility system operations. For consumers more broadly, mobile data traffic is expected to increase seven-fold in the next two years, and robust infrastructure is needed to support this demand.

These trends have come to the front of many of our members' minds and was a topic of discussion at our Policy Roundtable earlier this year – the forum in which our members listen to policy leaders and engage in an agenda-setting dialogue to inform our advocacy. It was clear after that discussion that the state should be ensuring a level playing field, as well as certainty and predictability, for wireless and broadband deployment. The PA Chamber has advocated in the past for policy to ensure the state has the infrastructure in place to connect our economy and move people to work and goods to market. In the 21<sup>st</sup> century, that means thoughtful policy to enhance the capability of our data networks.

The next generation of broadband and wireless technology has the potential to enable up to \$12.3 trillion worth of goods and services in 2035 nationwide<sup>1</sup> and it is imperative Pennsylvania compete for this growth. Emerging mobile technology has the potential over the next decade to create \$500 billion in national GDP growth, \$275 billion in private investment and 3 million newly created jobs.<sup>2</sup> For various Pennsylvania cities

---

<sup>1</sup> The 5G Economy: How 5G technology will contribute to the global economy. IHS Economics / IHS Technology, January 2017. <https://www.qualcomm.com/media/documents/files/ihs-5g-economic-impact-study.pdf>

<sup>2</sup> Smart Cities: How 5G can help municipalities become smart cities. Accenture Strategy, 2017. <https://api.ctia.org/docs/default-source/default-document-library/how-5g-can-help-municipalities-become-vibrant-smart-cities-accenture.pdf>

and metro areas, 5G wireless deployment represents a potential increase of more than \$3.5 billion in GDP growth and thousands of new jobs, according to one study.<sup>3</sup> Another report estimates the potential economic benefits for Pennsylvania at nearly \$23 billion in increased GDP and more than 17,000 new jobs.<sup>4</sup>

Last October, the Federal Communications Commission issued a plan to reduce barriers to the deployment of 5G deployment. This next wave of technology will have implications for nearly every industrial sector and the FCC's order established national standards for fees and siting requirements for local governments. While this order addressed many of the potential barriers for deployment for small cells and 5G, there are a number of important issues that are best handled in state legislation. These issues include:

- 1) straightforward fixed fee caps, leaving no question as to what fees are considered to be cost-based and permissible;
- 2) more detailed, concrete requirements for matters such as historic districts, underground districts, decorative poles, traffic signal poles, and ground-based equipment; and
- 3) "shot clocks" for review of applications that also provide that an application is deemed granted if a state or local authority fails to act within the required time.

This "deemed granted" remedy conserves taxpayer resources, avoids litigation expense and uncertainty, and provides appropriate incentives for timely action.

More broadly, any effort designed to streamline the process and improve predictability for the private sector must be inclusive with respect to the array of technologies deployed to support wireless and broadband infrastructure. A level playing field for all technologies and approaches will ensure competition. As we have noted throughout our advocacy on any number of issues, a healthy and vibrant competitive marketplace is the best structure to ensure positive outcomes for consumers and the economy.

With respect to rural broadband, it is important to note three things. First, the development of rural broadband is vital to ensuring the economic health of the entire state and is a worth policy goal; however, the PA Chamber does not support the build-out of this infrastructure by levying punitive taxes on other industries, such as our energy sector. Second, last year the Congress passed H.R. 2, an updated version of the farm bill that includes \$350 million in funding for rural broadband. Given the amount of Pennsylvanians living in rural communities, it is expected our state should successfully compete for a significant share of this funding. Finally, it is important to recognize that with respect to deploying broadband and telecommunications infrastructure, private industry is by far the largest source of capital. The more regulatory red tape and obstacles state and local government erect, the less capital is available to invest in rural broadband projects. Therefore, as a matter of practice, it is good policy for the economy of the state as a whole to streamline deployment of small cell technology across the state.

In closing, thank you for the opportunity to speak on behalf of our membership on this important policy matter and I look forward to answering any questions you may have.

---

<sup>3</sup> 5G Economic Impact: Pennsylvania. Cellular Telecommunications Industry Association, 2018.

<https://www.ctia.org/the-wireless-industry/the-race-to-5g>

<sup>4</sup> The Economic and Consumer Benefits from 5G: If State and Local Governments Streamline Costly Red Tape. The American Consumer Institute Center for Citizen Research, 2017. <http://thelosteconomy.com/wp-content/uploads/2017/07/ACI-5G-Report-11117-2.pdf>