

# MIKE KUGLITSCH

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STATE REPRESENTATIVE • 84<sup>TH</sup> ASSEMBLY DISTRICT

DATE: October 12, 2017  
RE: **Testimony for 2017 Assembly Bill 348 & Senate Bill 425**  
TO: Senate Committee on Elections and Utilities  
FROM: Representative Mike Kuglitsch  
SUBJECT: Regulation of wireless facilities and imposing setback requirements for certain mobile service support structures.

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- Thank you Mr. Chair and Members of the Committee for your consideration of Assembly Bill 348 and Senate Bill 425—which regulates 5G wireless deployment and authorizes setbacks for macro cell towers in single family zones.
- I am here to request your support and ensure Wisconsin leads the way in deployment of the next generation of advanced wireless technology and AB 348 and SB 425 return local control to cell tower siting for Single-Family Zones.
- Rep. Ott’s macro cell tower language is incorporated into this legislation with setbacks equal to the length of the tower’s height, so a 200 foot tower would have a 200 foot setback from the property line in single family neighborhoods. This is a win for local governments and provides an ability for local communities to control the structures affecting local residents.
- Consumers and businesses are using mobile devices more than ever before to connect to everyone and everything around them. From January 2007 through December 2016, wireless provider AT&T experienced a 250,000% increase in data usage.
- Small cells are antennas and connecting hardware that are attached to existing utility poles, traffic lights, and buildings to help densify and provide more capacity for a wireless network. This network is often deployed in specific locations, mainly dense urban areas, to help enhance connectivity and boost capacity for customers.
- These low-powered radio access nodes typically have a coverage ranging from 30 to several hundred feet and are the solution to current network congestion.

- In short, 5G is the next generation of ultra-fast, flexible wireless connectivity. 5G's promise of greater speed and overall network performance brings huge opportunities not only for video, but also in the Internet of Things ... 4K video ... augmented and virtual reality ... smart homes and cities ... autonomous vehicles ... and much more.
- Just one example --- According to a report by Accenture Strategy, "Smart City solutions applied to the management of vehicle traffic and electrical grids could produce \$160 billion in benefits and savings through reductions in energy usage, traffic congestion and fuel costs. These 5G attributes will enable Wisconsin cities to reduce commute times, improve public safety and generate significant smart grid efficiencies."
- AB 348 and SB 425 streamline and standardize the rules that will accelerate the deployment of small cell technology in Wisconsin – helping pave the way for future high-speed wireless connectivity, which promises to be 10 to 100 times faster than current wireless speeds.
- This bill will set in place fair and consistent rules that simplify the process and allow companies to more quickly deploy small cell technology and bring advanced wireless infrastructure to Wisconsin business and customers.
- The Legislature routinely streamlines state and local processes when the citizens of Wisconsin receive the benefits of the proposed changes. A recent example that most of you supported is Rural Broadband—AB 123 included the same streamlining of easements when placing "lines, wires or fiber for telecommunications service" in the most rural parts of Wisconsin.
- When I originally testified in May, seven states across the country had enacted similar small cell legislation – Iowa, Ohio, Indiana, Kansas, Virginia, Colorado, and Arizona. Since then, six more states have enacted small cell legislation—Minnesota, Florida, Delaware, North Carolina, Rhode Island, and Texas. To be competitive with our neighbors, Wisconsin needs AB 348 and SB 425.
- Finally, I believe it is our job as legislators to allow innovation and emerging technologies to prosper and to be welcome in our state and this legislation identifies Wisconsin as a technology leader in the Midwest.
- I ask for your support of this legislation and I am happy to take any questions.



# DEVIN LEMAHIEU

## STATE SENATOR

Senate Committee on Elections and Utilities  
Testimony on Senate Bill 425 and Assembly Bill 348  
October 12, 2017

Vice-Chairman Kapenga and Members,

Thank you for hearing my testimony on Senate Bill 425 and Assembly Bill 348, which provides local units of government additional tools when regulating the siting of mobile service support structures and establishes a framework for the expansion of small cell wireless facilities.

SB 425 and AB 348 provide political subdivisions with the flexibility to require setbacks on certain macro cell towers. Under these two bills, a local unit of government can require a setback, equal to the height of a proposed tower, if it is to be constructed on land that is zoned single-family residential or on adjacent land.

Additionally, this legislation will streamline and standardize rules that will accelerate the deployment of small cell technology in Wisconsin – helping to pave the way for future high-speed connectivity. Small cells are flexible network solutions that wireless providers can deploy to certain areas within our communities. They are used to enhance network coverage, enable faster wireless internet speeds, allow faster downloads and greatly improve call quality.

The next generation of wireless technology, 5G connectivity, is dependent on the deployment of small cell facilities. 5G is the future of wireless broadband that promises to be 10 to 100 times faster than current wireless speeds. With the support of small cells, a 5G network will be able to more effectively support and power Smart City solutions.

SB 425 and AB 348, establishes the regulatory framework for the deployment of 5G advanced wireless technology in Wisconsin. These bills lay out a consistent and efficient application and permit process; allowing wireless providers to make the necessary investment of updating existing infrastructure.

I ask you to support this legislation to ensure that Wisconsin residents and business are able to experience this next generation of wireless technology.

Thank you for your time. I am happy to answer any questions.



22 EAST MIFFLIN STREET, SUITE 900  
MADISON, WI 53703  
TOLL FREE: 1.866.404.2700  
PHONE: 608.663.7188  
FAX: 608.663.7189  
WWW.WICOUNTIES.ORG

## MEMORANDUM

**TO:** Honorable Members of the Senate Committee on Elections and Utilities

**FROM:** Daniel Bahr, Government Affairs Associate

**DATE:** October 12, 2017

**SUBJECT:** Opposition to SB 425

Thank you for the opportunity to testify regarding Senate Bill 425 relating to limiting the authority of the state and political subdivisions to regulate wireless facilities. The Wisconsin Counties Association (WCA) is opposed to Senate Bill 425.

Our concerns begin with Sub. (2)(b) (p. 10, lines 7-10) of the proposal, which provide that a county may not enter an exclusive arrangement with a provider regarding the use of right of way (ROW). From our prospective it is unclear what effect this provision will have on existing agreements that are already established.

WCA also has concerns regarding the mandate that a fee or rate must be "competitively neutral" regarding other users of the ROW. It would be impossible for any county to determine the cost of maintenance and management of an entire stretch of ROW in context to other users.

This proposal also establishes a maximum amount associated with a permit fee. It is unclear as to how the maximum was determined and how the maximum fee calculation bears a rational relationship to the interests of the county and its taxpayers in charging the fee for placement in its ROW. It is faulty to assume that a "one size fits all" approach will meet the costs incurred by the taxpayer due to approval of the placement of facilities in the ROW.

Further, we are uncertain as to why such maximum fee limitations are put in place given that the proposal requires counties to "prove" that its fee structure is related to "direct and actual" costs. If in fact, the proposal is seeking to establish a fee structure that is related to "actual, direct and reasonable" costs, then in fairness to the county, no maximum fee should be established. Rather, the fee should simply

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reflect the "direct and actual" costs incurred by the taxpayers of the county, without limitation.

In addition, WCA has concerns with the many procedural limitations placed on the permit review process. The proposal only gives a county 90 days to approve or deny a permit application. In the circumstance that this 90-day deadline is not met, the result would be automatic approval. Such onerous procedural limitations do not account for an honest mistake being made in the application process and could lead to the approval of non-compliant permit applications with legitimate code violations.

In addition to these comments, we understand that there are several additional concerns raised by other local government officials. WCA has had numerous discussions with these officials and believes that they will present legitimate concerns as well.

Again, WCA opposes SB 425. Thank you for considering our comments.

Please feel free to contact WCA for further information.



Department of Administration  
Intergovernmental Relations Division

Tom Barrett  
Mayor

Sharon Robinson  
Director of Administration

La Keisha W. Butler  
Director of Intergovernmental Relations

**City of Milwaukee Testimony on AB 348/SB 425  
Senate Committee on Elections and Utilities  
October 12, 2017**

The City of Milwaukee began working with Small Cell service providers approximately two years ago and has negotiated contracts with five different companies to allow for such collocation. These contracts have come with a learning curve in understanding the various companies' needs, while preserving public safety through protection of our facilities. We have worked diligently through adjustments in our processes to allow for this collocation because Milwaukee is excited about the technology and the increased service level it can provide to our community.

AB 348/SB 425 imposes restrictions that directly affect the way Milwaukee reviews applications for use of the Right of Way in two ways: (1) the permitting process for providers to locate their own equipment, including poles or support structures, in the Right of Way, and (2) the negotiated contracts for collocation on City of Milwaukee owned facilities.

- AB 348/SB425 sets permit fees lower than currently offered to any other utility or business for services within the Right of Way. It is unnecessary to limit our fee to a specified amount since State law already restricts our fees to be based on our actual and direct costs associated with staff time to review, process, and inspect the proposed work. Additionally, our actual and direct costs are audited annually so we are confident our current fee structure is fair and accurate. Fees specified in the bill simply aren't enough to cover staff time to review plans and ensure that a gas main won't get hit and cause an explosion or an underground electrical disconnection won't knock out power to an entire neighborhood. Defining the fees by statute will mean that in future years as costs undoubtedly increase, so too will our inability to recover costs. Taxpayers will be subsidizing construction of the network for the wireless providers. In bundled applications a decreased cost per pole after the first five implies efficiency in review; however, no efficiency is realized in reviewing multiple poles. Each location requires the same diligence to ensure public safety, and allow for accessibility in compliance with the Americans with Disabilities Act and do not conflict with basic services to the community: water mains, sewer laterals, electrical lines and other necessary utilities. **We need to recover our actual and direct costs for permit review so that our taxpayers are not subsidizing the construction of the small cell wireless network.** All other businesses who use the right of way pay our actual and direct costs for permit review; it is only fair to those businesses and our taxpayers for the wireless providers to do the same.

- AB 348/SB 425 allows wireless service providers to bundle up to 30 locations in one permit application. Initial numbers indicate Milwaukee could see over 300 applications in a short period. We can currently process about 200 total right of way permits in a 30 day period. Even if fees made it possible for us to adequately hire for the anticipated increase in permit applications, we do not expect the number of applications to persist once the initial build is complete. Building permits; water, gas, sewer service lines; electrical service permits will all suffer in the level of service we can provide in reviewing and approving in a timely manner. We do not have the ability to adequately review a larger number of permits within the short timeframe specified. We are concerned that the review time prioritizes the wireless providers over all other business customers who also need permits for use of the right of way including WE Energies and their customers, real estate developers, AT&T, Spectrum, contractors and other small businesses. **The time allowed for the municipality to approve or deny the permit must be extended by 30 days if the wireless service providers collectively submit in excess of 100 locations in a 30 day period in order to balance the needs of all customers.** A similar accommodation was enacted in Iowa and we ask for the same consideration.
- The bill interferes with our contracts by forcing their expiration after 2 years. We have negotiated contracts in good faith with 5 wireless providers and their contractors. The contracts set an initial term of 5 years with four 5-year renewal periods. At least five wireless service providers have agreed that collocation on government poles in the City of Milwaukee is worth well over the \$100 per pole per year this bill specifies. Our rate was negotiated based on market analysis throughout the U.S. Limiting the fee to \$100 per pole cheats local governments that have analyzed the revenue source and plan to pass that revenue to the tax payers by increasing services. **The Legislature should not interfere with local government contracts that were negotiated in good faith.**

As currently proposed the City of Milwaukee opposes AB 348/SB 425 because we are not able to recoup our full costs to provide a full review to protect our facilities and the public, there is no review time extension based on number of applications, and the bill interferes with our contracts. For these reasons, we ask you to oppose AB 348/SB 425 unless modified to address our concerns. We hope to work with you to work out mutually agreed upon changes to effectively assist the wireless service providers in bringing their services to customers without offering the government subsidy this bill currently provides.

Thank you for the consideration of our concerns.

For more information or questions, please contact:

Brenda Wood, Intergovernmental Policy Manager, City of Milwaukee  
[bwood@milwaukee.gov](mailto:bwood@milwaukee.gov), 414-286-2371(W), 414-339-9054 (cell)



Patrick R. Fucik  
National Director,  
State Legislative Affairs  
913-687-5548

6450 Sprint Parkway  
KSOPHN0314-3B221  
Overland Park, KS 66251  
[patrick.r.fucik@sprint.com](mailto:patrick.r.fucik@sprint.com)

**Testimony of Patrick Fucik on behalf of Sprint Corporation  
In Support of SB 425  
Before the Wisconsin Senate Committee on Elections and Utilities  
October 12, 2017**

Good morning Chairman LeMahieu and members of the committee. My name is Patrick Fucik and I am the National Director of State Legislative Affairs for Sprint. Thank you for the opportunity to provide comments on behalf of Sprint and our 223 employees that call Wisconsin home in support of SB 425.

I would first like to thank Senator LeMahieu and Representative Kuglitsch for the outstanding job they have done to help advance this legislation. Without their countless hours of shepherding the wireless industry, the League of Wisconsin Municipalities and the various other stakeholders to reach this point, Wisconsin would not be at the forefront of realizing the benefits that 5G technology will provide.

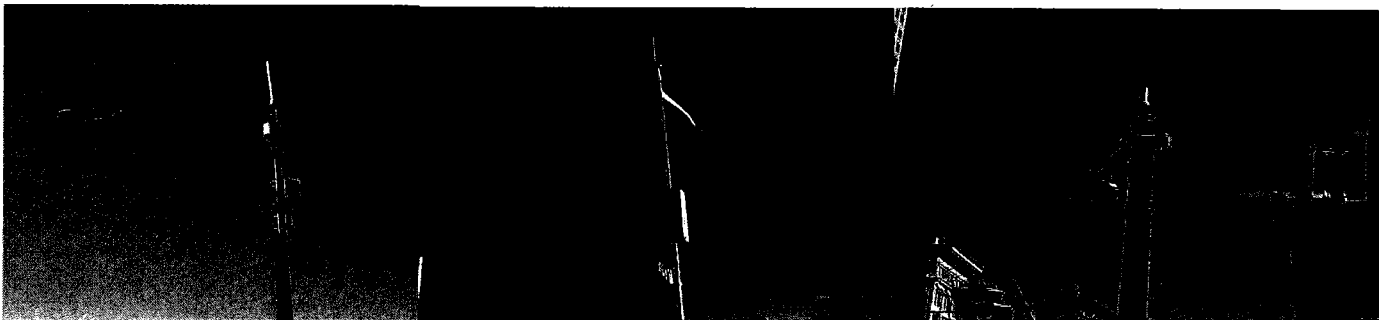
It is clear from the involvement of all the stakeholders that finding common ground on SB 425 was essential to keeping Wisconsin at the leading edge of the latest in wireless infrastructure deployment and the economic development that this deployment will provide. You have heard from the sponsors about what 'small cell' technology is and how it's deployment is the future of 5G technology but I wanted to make sure you have a visual as to what a small cell looks like so I have included several pictures at the bottom of my testimony.

The industry shift to small cell deployment will create a uniform and efficient process for installing small wireless facilities throughout Wisconsin and it is important that the State modernize its current statutes to keep pace with the changes in technology and the way wireless carriers will be deploying 5G technology.

Last year, both Kansas and Ohio passed legislation to enable siting of small cell facilities in their states. So far this year, 11 more states have passed and enacted legislation similar to SB 425. California has also passed a small cell bill that is awaiting the action of Governor Brown (see attached map). In addition to Kansas and Ohio in the Midwest, states that have enacted bills include Minnesota, Iowa, and Indiana and bills are still pending in Michigan and Illinois.

The fact that so many states have passed similar legislation provides further evidence that modernizing state laws to address the latest deployment technologies of wireless providers is paramount to states remaining competitive in the arena of 5G deployment. It is essential that Wisconsin statutes be updated in order to keep pace with the technological advancements that will foster the next generation of wireless network infrastructure using small cells. The passage of SB 425 will ensure that Wisconsin remains competitive in this arena.

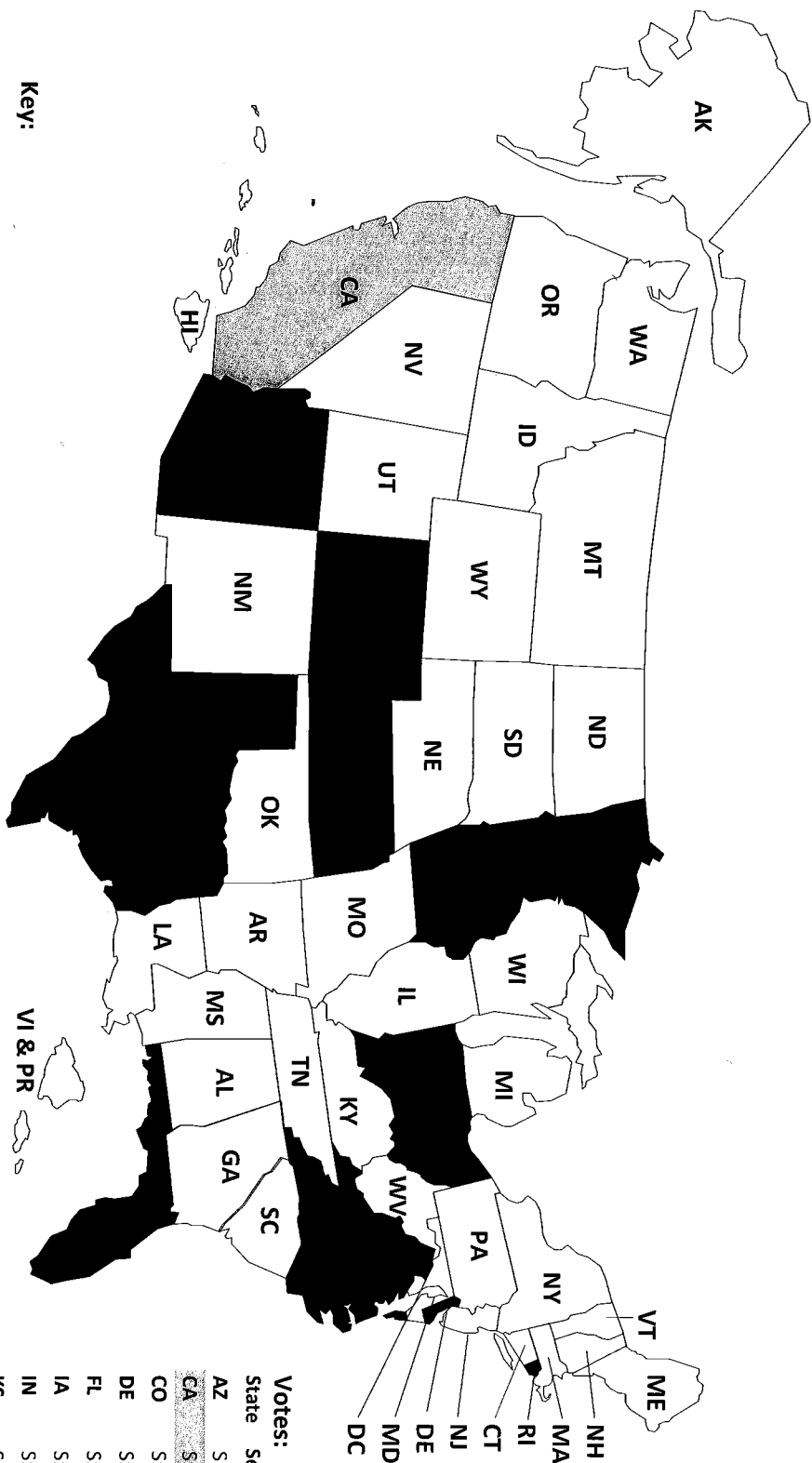
I respectfully urge you to support SB 425 and would be happy to answer any questions. Thank you.





# Sprint

## 5G / Small Cell Legislation



**Key:**

- Enacted (13)
- Pending Gov.'s signature

### Votes:

State	Senate	House
AZ	S: 29-0	H: 60-0
CA	S: 22-10	A: 46-16
CO	S: 34-0	H: 62-2
DE	S: 19-0	H: 36-0
FL	S: 33-1	H: 110-3
IA	S: 50-0	H: 93-0
IN	S: 46-3	H: 93-1
KS	S: 35-4	H: 112-12
MN	S: 46-20	H: 87-43
NC	S: 46-0	H: 107-7
OH	S: 21-10	H: 55-42
RI		
H5224	S: 30-2	H: 68-0
S342	S: 31-1	H: 63-0
TX	S: 29-0	H: 140-6
VA	S: 38-0	H: 97-0

10/11/2017



October 12, 2017

Honorable Devin LeMahieu  
Chair, Senate Committee on Elections and Utilities  
Room 323 South  
State Capitol  
PO Box 7882  
Madison, WI 53707

Honorable Chris Kapenga  
Vice-Chair, Senate Committee on Elections and Utilities  
Room 15 South  
State Capitol  
PO Box 7882  
Madison, WI 53707

RE: Support Assembly Bill 348/Senate Bill 425 – Streamlined Deployment of Small Wireless Facilities

Good morning. My name is Stephanie Cassioppi and I am the Director of State Regulatory and Legislative Affairs for U.S. Cellular. Chairman LeMahieu, Vice Chairman Kapenga and members of the Committee, on behalf of U.S. Cellular and our 1200 employees who call Wisconsin home (about 20% of our workforce), thank you for holding this important hearing and for the opportunity to testify on Assembly Bill 348/Senate Bill 425 – streamlined wireless small cell deployment.

U.S. Cellular is an active corporate partner in Wisconsin communities. We're proud to sponsor State Fair Park, Summerfest, the Brewers, the Wisconsin Timber Rattlers, and a number of other civic organizations.

In the interest of time and to avoid redundancy, my colleagues and I are addressing different aspects of the small cell legislation. My testimony, today, is to address, in general, the small cell technology and why it is needed – now and with the advent of 5G technology.

Why are small cells needed? Three words....The Internet of Things "IoT". The Internet of Things is a reality. A few years ago, the IoT was largely unknown. Now, the IoT is being adopted and embraced by consumers and growing exponentially. There are three components to the IoT...Things, Internet and Connectivity. IoT will not work without connectivity and the mobile nature of wireless offers capabilities unheard of just a few years ago. If you walk into one of our U.S. Cellular stores, you will find a wide array of wireless phones, as you would expect. You will also find "connected home" devices – that, with our wireless network, allow you to see who is at your door, control your thermostat, lights and so many other things...from your phone, virtually wherever you are. This is really just the beginning.

Data usage on our networks has exploded. In Wisconsin, 94% of residents use wireless technology, and not only for voice. Data usage is 35 times more than it was in 2010 and expected to continue its rapid increase. With our current technology, 4G/LTE, small cells are needed to boost capacity and connectivity to keep up with the consumer demand, today, as well as prepare for the next generation of wireless, or 5G technology.

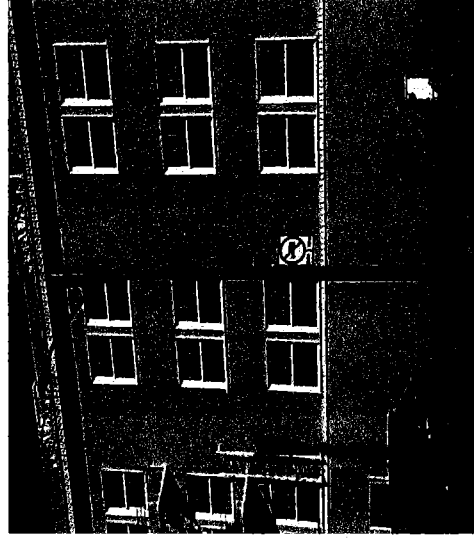
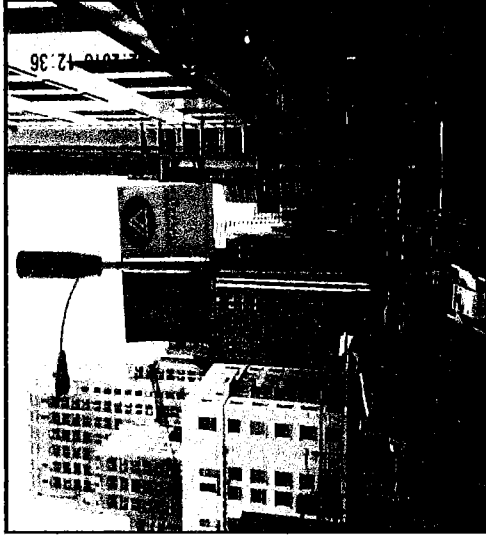
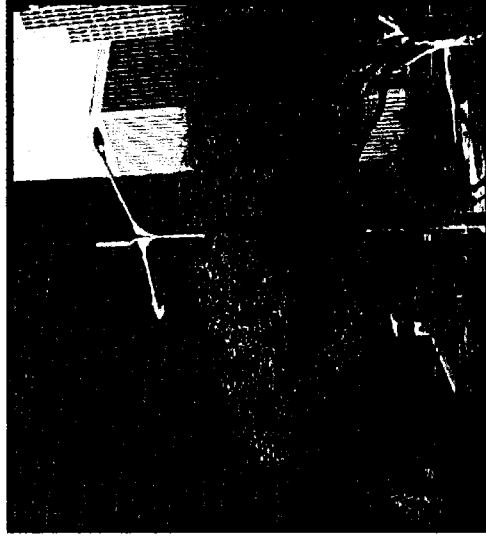
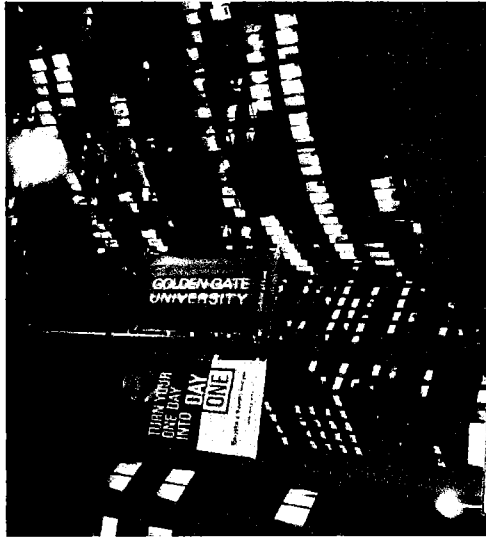
With 5G technology, Wisconsin will stay on the forefront of these exciting IoT capabilities. Small cell technology enables the benefits of 5G, which can boost capacity, and speed by 100 times what we realize today. The ability of 5G to connect 100 times more devices and provide amazing responsiveness is imperative in a world of connected devices, like agricultural monitoring and sensor devices, mobile health diagnostics, smart cities and public safety.

The small cell, which provides these amazing capabilities, is exactly that. A small cell is a wireless antenna that is typically installed on an existing structure such as a street light, traffic signal pole or even rooftop. The small cell antenna is about 6 cubic feet in volume, with equipment needed to provide power and connection at the site, usually less than 28 cubic feet. The range of a small cell facility is smaller; it is complementary to the macro sites.

Assembly Bill 348/Senate Bill 425 will facilitate efficient deployment of small cell wireless infrastructure in Wisconsin and enable all the benefits of increased 4G capacity and 5G implementation. Passage of AB348/SB425 is vital to enhance the economic viability and lives of all those who call Wisconsin home.

Thank you for the opportunity to testify in support of AB348/SB425. On behalf of U.S. Cellular, I strongly urge its approval.

Examples of small cells deployed in communities



## Small Cells: Answering the consumer's call for more

**People everywhere are using connected devices for nearly everything. We use our mobile devices to hail rides, send emails, pay bills, stream shows and work remotely. We depend on apps for critical weather alerts and virtual maps for navigation services. Wearable devices can check our vital signs and monitor our health. And, connected civic solutions are even making entire cities smarter, safer and more efficient.**

Access to these solutions is no longer a luxury. Instead it's essential to our daily lives. To accommodate the surging data that accompanies these solutions without driving prices sky-high for consumers, wireless providers must invest to expand and enhance their network to operate more efficiently. **That's why they've turned to investing in small cells.**

Small cells are small scale, flexible network solutions that can be readily installed in heavily populated locations that are prone to connection issues or that can't be served by traditional macro cells. They deliver increased data capacity, help enable higher connection speeds and bring an overall better wireless experience to consumers today, while also preparing for the technologies of the future – such as **5G, smart cities and the Internet of Things**.

