

Opinion | OP-ED CONTRIBUTOR

Why Does Verizon Care About Telephone Poles?

By SAM LICCARDO OCT. 3, 2017

SAN JOSE, Calif. — Like every other 8-year-old whom I tutored at a local school, Omar didn't know anything — and didn't care much — about high-stakes disputes over net neutrality, free speech and privacy that have consumed much of the news coverage of the telecommunications industry in recent years. Yet the inability of Omar's parents to afford broadband internet access lies at the heart of a battle that will have a far greater impact on his future: the fight over street poles.

Public street poles may not look like much, but to wireless service providers, they're valuable real estate. Companies like Verizon want low-cost access to them to install equipment to handle the rapidly growing demand for mobile data. But poles are owned locally, and cities and counties aren't eager to give away access at below-market rates. Doing so would essentially subsidize an already wealthy industry — nationwide, as much as \$2 billion a year, money that could otherwise go to expanding low-cost broadband access for people like Omar's family.

As a result, the industry is waging a war for those poles, at all levels. Big Telecom and its allies in the White House have quietly carried out a campaign to secure rapid and cheap access to those poles, at taxpayer expense. Here in California, state legislators recently advanced a bill introduced by Senator Ben Hueso that would allow wireless service providers to install their equipment on public street

poles at below-market rates — and to do so nearly wherever and whenever they choose — all in the name of “streamlining” local permit approvals.

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We’ve seen similar efforts in Texas, Florida, and dozens of other states, where telecommunications industry lobbyists spent more than \$24.5 million in campaign contributions last year, according to the National Institute on Money in State Politics. At the federal level, Trump administration appointees to the Federal Communications Commission have publicly cheered these proposals, while releasing their own draft regulations to carry out additional industry-friendly rules nationally.

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What do our taxpayers get in return for this sweetheart deal? Wireless companies insist that these legislative proposals will reduce costs for consumers, and deliver better-quality cellular voice and data service. Yet, in truth, they do nothing to actually ensure that customers will benefit from a single dollar of the cost savings that the corporate telecoms will pocket.

Moreover, service improvements will benefit only those customers able to afford its service. Despite the windfall that wireless providers receive at taxpayer expense, these industry-backed proposals do not require, or even encourage, the companies to expand broadband access to underserved rural and low-income neighborhoods.

There’s no provision in the California legislation, for example, for broader deployment for low-income neighborhoods. In San Jose alone, over 40 percent of low-income residents lack broadband access. While the industry will respond by pointing to its discounted internet service plans, they remain of such poor quality that students like Omar cannot download their teachers’ video-recorded lesson plans, or a Khan Academy instruction on algebra, particularly when multiple family members are sharing the same account.

In essence, these wireless service providers seek all of the privileges of a regulated water or electric utility — taxpayer-subsidized use of public infrastructure, deployment in locations of their choosing, overrides of the local government’s authority — but without the accompanying responsibility: to serve everyone.

It gets worse. The push by industry and the Trump administration to override local authority to set lease rates will undermine many cities’ efforts to expand digital

access. That's because San Jose; Tacoma, Wash.; and many other progressive cities seek to use lease revenues from street poles to finance the expansion of low-cost broadband to poorer neighborhoods. Otherwise, the wealthy will receive better service, and the poor will remain shut out.

These proposed regulations also supplant local communities' authority with industry fiat to determine how to deploy telecommunications equipment over public streets, sidewalks and parks. Homeowners surprised by the sight of refrigerator-size equipment installed on poles outside of their windows will have no ability to seek redress from City Hall to change the location or to mitigate the aesthetic impact of these unsightly fixtures. And because signals from these devices can disrupt the operations of others, they can preclude cities from installing public-serving devices — such as gunshot-spotters or traffic safety sensors — on their own street poles.

These are just a few of the reasons a growing number of local elected leaders have opposed the industry's efforts in state legislatures and at the F.C.C. Here in California, the mayors of six of our largest cities — Los Angeles, San Jose, San Francisco, Oakland, Long Beach and Santa Ana — have joined leaders of 150 other cities in opposing California's version of this industry-backed effort.

There is a better way. If the industry wants the same access to taxpayer-funded infrastructure that public utilities enjoy, it should bear the concomitant responsibility to make its services available to everyone in that jurisdiction. Alternatively, if Big Telecom doesn't want the responsibility of deploying broadband in low-income neighborhoods, then the states and the F.C.C. should continue to allow cities to charge market-rate fees and leases to generate municipal dollars needed to broaden access, as San Jose is doing in several low-income neighborhoods.

We should all embrace the opportunity of greater broadband deployment, at better speeds, with the latest technology. Yet how we deploy this technology — and whether families like Omar's' will benefit — matters. If we're going to provide the telecom industry with unfettered access to public property, then the public's interest must come first.

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