

Neil Krevda State Government Affairs-Midwest

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Good morning Chairman Beagle and members of the Senate Public Utilities Committee. My name is Neil Krevda and I oversee state government affairs in the Midwest for Verizon. Thank you for the opportunity to come before you to support House Bill 478. I appear before you this morning representing Verizon, but also on behalf of my colleagues in the wireless industry to discuss the importance of a statewide policy for the deployment of mobile broadband infrastructure in Ohio.

There has been an explosive growth in consumer use of mobile data. The wireless industry has progressed from carrying voice communication to data that included text messaging, and in just the past few years advancing into full data. Today's wireless devices have as much computing power as a traditional desktop computer. Verizon and other wireless carriers work extremely hard every day to manage our networks to accommodate this massive growth in data needs. Still, in some geographic areas the demand for data is beginning to create congestion on our networks. When our networks become congested, our customers – your constituents – start experiencing difficulty in the form of slower speeds and in extreme instances dropped voice calls. I'm certain some of you on this Committee may have experienced this first hand.

If you have ever attended a major sporting event where lots of people are gathered in a relatively small geographic location and most are using their mobile devices you may find it difficult to pull up your Facebook, access your Twitter feed, or request an Uber driver. This is a perfect example of how networks can get bogged down by a lot of traffic and users in one place.

These experiences are annoying to any consumer, but it becomes a different matter altogether when you consider that law enforcement and first responders also are heavily reliant on mobile networks to communicate during emergency situations.

Think about some of last year's most harrowing moments in San Bernardino, Dallas, and Orlando, or the recent unprecedented storms in Florida, Texas and flooding in Houston and other gulf coast communities. In these instances, lots of people – law enforcement, local and national media, emergency medical professionals, and everyday people who just want to help – quickly converge on one geographic area and begin to use mobile data. Your expectation is – and should continue to be – that when safety, coordination, and communications matter the most, mobile networks will be there to handle these intense demands.

Also be mindful of Ohio's economic development goals, especially in your cities and towns. Access to reliable, technologically-advanced communication and data networks are critical for cities hoping to establish an attractive business environment and a high quality of life for their citizens.

Think about new Smart City innovations like those right here in Ohio's capital city of Columbus. Most governments – in particular local governments – have a vision for leveraging smart innovations as a key part of creating efficiencies that reduce the taxpayer's cost of doing government's work while improving services for citizens. Whether its traffic management, smart lighting, autonomous vehicles, smart parking, or WiFi kiosks, these innovations simply mean more data usage. Simply put our industry must keep ahead of the growing demand for wireless data by both the public and private sectors.

The solution is building the next generation of wireless communications – small cell technology. Our industry has already been hard at work across Ohio the past several years working with local governments to obtain approvals for the placement of small cells on vertical structures in the public right of way. While the wireless industry has placed some small cells in Ohio communities, the permitting process is generally slow and unpredictable, even when we need only to attach a small antenna to the top of an existing municipally-owned pole.

The current process is badly in need of streamlining if Ohio is to meet the challenge of current and future demands for mobile data and wireless communication—demand that, if not met, threatens to hold back this state's economic agenda. Now is the time to create a predictable statewide framework that's designed to streamline the process for small cell deployment inclusive of rates and fees that will amount to an invitation for the massive capital investment this industry stands ready to make.

By way of example, our radio frequency engineers who are responsible for identifying areas of our wireless network that suffer from congestion and need further enhancement have requests pending for roughly 950 small cells across Ohio. We contemplate building out about 200 small cell sites a year over the next three years alone. These are mainly 4G sites that will help us to just keep pace with the demand for our services. Ohio has been a key state for Verizon. We presently employ roughly 4,440 employees who help to serve over 5.2 million accounts across the state.

Already, 13 states have recognized the need for a streamlined process by passing comprehensive small cell deployment bills, including Indiana, North Carolina, Arizona and Florida. A number of other states are presently debating the merits of small legislation right now. Make no mistake: those states that adopt policies aimed at inviting investment in small cell technology will position consumers – including government at all levels, law enforcement, job providers, and individuals – to be among the first in the nation to experience the benefits.

Mr. Chairman, the wireless companies represented in the room today invest staggering amounts of capital every year in communications networks in the State of Ohio. For Verizon, that figure was *more than half a billion dollars* last year alone. Nationally, according to the Progressive Policy Institute's annual report of *Investment Heroes*, Verizon and AT&T invested more capital in America than ExxonMobil, Conoco Philips, and Google/Alphabet.

We are here today, the entire wireless sector, proudly announcing our desire to invest even more in Ohio and be able to do it quickly in order to say ahead of the wave of consumer demand for wireless data and voice services.

While much of the work and investment our industry makes now to keep ahead of the demand for mobile data is focused on maintaining and augmenting to our current 4G networks, this will simultaneously pave the way for the next generation in mobile networks – 5G. And if recent history is any predictor, we know the deployment of 5G mobile networks will usher in the next wave of innovation and economic advancement. I urge your vote in support of HB 478 to ensure Ohio is ready to reap the benefits of 5G and to compete on a global scale.

I urge your favorable consideration of HB 478. Mr. Chairman, at this time I would like to turn the podium over to my colleague De O'Roark who serves as general counsel for Verizon. Following De's comments we will both be available to field any questions you may have.