5G BUILT WRONG

CORPORATE GIVEAWAYS TO VERIZON LEAVE SAN DIEGANS WORSE OFF

COMMUNICATIONS WORKERS OF AMERICA
JUNE 2020
The public-private partnership that Mayor Kevin Faulconer signed with Verizon was entered into without a public hearing or City Council approval. Lacking stakeholder input and digital equity components, the deal benefits Verizon but fails to hold the Company accountable to the citizens of San Diego.

Executive Summary

On April 3, 2019, Mayor Kevin Faulconer signed a public-private partnership with Verizon, giving the Company deeply discounted leases on public property and unrealistically fast timelines to install 1,500 4G LTE or 5G small cells in the public rights-of-way by December 31, 2021.

The origins of the public-private partnership suggest it was designed to serve Verizon’s agenda -- negotiations were initiated by a Verizon public relations consultant, the deal bypassed City Council, and there were no public hearings or opportunity for the public to provide input during negotiations. The deal also lacks any public notification requirement for the installation of small cells in residential areas or any accountability mechanisms to track construction and community benefits provisions for the duration of agreement.

As part of the deal, Mayor Faulconer gave Verizon significantly reduced fees below federal guidelines for attachment rates: $100 per year per attachment, versus $270 per year per attachment allowed under the current FCC regime.

In exchange, Verizon agreed to provide limited community benefits, largely contingent upon certain benchmarks being met.

The first benchmark of 500 small cells permitted by December 31, 2019 was not met. By December 2019, Verizon had gained permits for only 26 small cells and deployed just two. Consequently, Verizon did not provide San Diego first responders with any smart devices, despite Fire-Rescue Department officials citing the Department’s “immediate critical needs.” In the first four months of 2020, fewer than 100 small cells were permitted.

Mayor Faulconer obligated the City to work towards extremely fast permitting approval windows for Verizon -- requiring the City to work towards timelines half as short as those legally required -- for the entire ten year term of the agreement, and granted Verizon generous provisions that may be disruptive to residents, including allowing multiple constructions crews to work concurrently on the same street. Throughout negotiations, City staff raised concerns about the ability to meet permitting demands.

Though Verizon initially acknowledged the City’s staffing limitations and committed to fund two staff positions to accommodate the quick timelines, this provision was removed from the final agreement without explanation, and the City received no support from Verizon to fund adequate staffing levels.

The fiscal impacts of the deal are unknown because the City has failed to perform a planned cost study. This failure...
to document city costs incurred due to the small cell deployment is particularly troubling because the agreement contains a clause stating that if thresholds aren’t met, Verizon is allowed to credit in-kind contributions against future fees owed,⁵ which could translate into substantial lost revenue.

Another omission in the partnership agreement is any transparency and accountability for the subcontracted construction companies that are doing excavation and deployment work on behalf of Verizon. Extensive information requests and conversations with City staffers indicate that the City does not keep track of contractors or subcontractors working in the public rights-of-way, and does not have a reliable incident-accounting system. In its small cell deployment in Sacramento, Verizon subcontractors caused dozens of utility hits and thousands of dollars of damage to city property.⁶

Finally, the deal does not contain any requirement that Verizon increase the capacity of its network in underserved communities or support digital inclusion initiatives, as the City of San Jose has done in a similar agreement. When asked if the Company would build in underserved areas, a Verizon representative responded, “We build based on demand.” The limited “community benefits” included in the deal do not address the existing digital divide or the Homework Gap, and do not move the City towards being more digitally-inclusive.

Recommendations

Learn from our mistakes: assess the full budgetary impact of the Verizon deal, perform a cost study and hold a public hearing. The City should get a clear picture of the real cost of this deal to taxpayers - from staff time to lost fee revenue - and hold a public hearing to ensure that residents are fully informed and have the opportunity to weigh in.

Consult with community stakeholders and create digital equity demands. The City must work with community stakeholders to clarify digital equity needs. Verizon should be open to revising the deal and including needed community benefits that are commensurate with the financial benefit Verizon is receiving.

Protect public and worker safety: change permitting procedures so we know who is working in our streets and strengthen labor protections. The City should modify its permitting procedure to require Verizon and all providers to state what entity will actually perform permitted work in the right-of-way.
Background

The origins of the City of San Diego’s public-private partnership with Verizon and the process through which it was negotiated raise serious questions about whether San Diegans are paying for a corporate giveaway.

Verizon public relations consultant Kim Miller reached out to the mayor’s office on April 18, 2018 and initiated a nearly year-long process of private negotiations with city officials, without input from City Council or the public. Verizon promised the deal would “[support] the city’s focus on creating a digitally inclusive and connected city that benefits all residents and businesses.” But the community benefits offered and the coverage area of the network fail to address digital inclusion and leave out most San Diegans.

The agreement lays out unrealistic benchmarks that must be met to unlock community benefits:

- **By December 31, 2019**, if the City had permitted at least 500 small cell sites, Verizon was to provide 500 smartphones to the Police Department and 50 iPads to the Fire Department.
- **If by December 31, 2020**, the City has permitted at least 1,000 small cell sites, Verizon will provide Intersection Safety Analytics (ISA) at 5 intersections. The ISA will be free to the City for 2 years.
- **If by December 31, 2021**, the City has permitted at least 1,500 small cell sites, Verizon will provide a Smart Community Traffic Data Service (TDS) to collect and analyze traffic data. The TDS will span 75 directional miles, and be free to the City for 2 years.
- **If by December 31, 2022**, Verizon is able to deploy 1,500 small cell sites, it will negotiate with the City to provide up to $400,000 to purchase up to 200 LED luminaires to be deployed on Verizon owned poles.

An examination of the process through which the deal was negotiated, based on extensive public records requests to the City of San Diego, demonstrates the need for a reckoning with the Verizon partnership and the future of wireless infrastructure in our communities.

Closed-door deal making

Lack of City Council and Stakeholder Input

Mayor Faulconer signed the Verizon deal under his sole discretion, without consulting the City Council. As a City spokesperson stated, “Under [our] Strong Mayor form of government, the mayor has the authority to negotiate a deal of this kind on behalf of the city.”

Despite the year-long period from initial contact to signature, the City failed to engage Council and relevant stakeholders to ensure a fair agreement with Verizon.

Based on information requests, it appears that Verizon may not have communicated with individual Councilmembers to brief them on the deal components until July 2019, three months after the deal was signed.
Putting the Burden on Taxpayers

Increasing Budget Strains

Failure to perform cost study

The deal with Verizon states that the City will perform a cost study to determine the City’s “reasonable costs” related to small cell deployment. However, based on responses to information requests, the City acknowledged that it did not perform the cost study, and, as of April 20, 2020, could not confirm the study has been initiated and does not have an expected completion date, except to say “It will be completed at some point.”

Unrealistic permitting timeframes beyond FCC requirement

In a move that appears to drastically strain public agencies tasked with safely permitting work in the right-of-way, Mayor Faulconer is obligating the City to work towards extremely fast permitting approval windows for Verizon. The federally-set permitting timelines require review within 60 days for attachment on existing infrastructure, and 90 days for attachment to a new pole. The Agreement requires the City to work in good faith to meet the following timelines:

- The City will provide first comments to Master Structural Plan submissions within 10 days, and will provide additional comments within 10 days of resubmission.
- The City will provide first comments to construction permit applications within 10 days, and will provide additional comments within 5 days of resubmission. If issues are addressed, the City will issue the permit within 10 days.
- The City will process an average of 20 wireline permits per week.
- Field inspections shall occur within 3 business days of request, so long as no more than 5 field inspections are requested in a week.

Verizon promises funding for personnel burdens - but funds never materialize

During negotiations with Verizon, the Director and Deputy Director of the impacted City department stated that their department would have problems meeting Verizon’s proposed permitting demands. In response, Verizon repeatedly stated it was willing to pay for additional staffing to address the concerns.

The Director of Development Services noted that proposed permitting timeframes were “½ the time of the Spectrum Act Streamlines WCF processing,” to which Verizon responded, “The partnership is structured so that we pay for additional dedicated and knowledgeable resources.” In response to another permitting proposal, the director stated, “This is a huge lift” and the Deputy Director stated, “…we would not be able to make this commitment without additional staffing.” Verizon responded, “VZ willing to pay for resources to process VZ’s permits.”

The initial proposed agreement required that Verizon provide grants for up to two permitting personnel to process Verizon permits for a term of two years. A revised draft of the agreement stated, in a section titled Contingency funding support for permit applications and issuance, “The City of San Diego has stated it does not have sufficient staff to timely review and issue the large volume of permits required for Verizon’s Infrastructure build.” In another version of the proposed deal, City staff proposed an increase in funding from Verizon, for three permitting personnel and to extend the term for an additional year.

The staffing requirement was removed entirely from the penultimate version of the deal, and the final deal did not include any support.
from Verizon for the City to hire additional staff required to meet Verizon's permitting demands.27

The Development Services Department reported in May 2020 that it has 12 staff working on wireless permit approvals and is in the process of hiring 8 more during a period of severe budget strain, demonstrating the heavy workload demands placed on the City to safely review and approve wireless infrastructure deployment - especially considering the aggressive timelines laid out in the Verizon agreement.

**Reducing City Revenues**

*Reduced fees beyond FCC requirement*

Mayor Faulconer agreed to grant Verizon significantly reduced fees below the federal guidelines for attachment rates: $100 per year per attachment, versus $270 per year per attachment allowed under the current Federal Communications Commission regime.28

*Right to True-Up provision*

The deal contains a provision stating that if certain deal benchmarks aren’t met, Verizon may be able to avoid paying fees in the future. Instead, Verizon could count its in-kind contributions towards fees owed. This “right to true-up” provision could translate into hundreds of thousands in lost revenue for the City.29

This provision was not included in any of the negotiation documents – it was only added in the final agreement. Accordingly, there is nothing to indicate that these provisions were substantially negotiated.

*Replacing revenue with “community benefits” of questionable value*

The reduced fees granted to Verizon by Mayor Faulconer are meant to be supplemented in value by community benefits, called “in-kind contributions”. However, the value of these in-kind contributions is questionable, given Verizon’s ability to monetize the promised services for its own benefit. Further, the in-kind contributions have much shorter time frames than the benefits Verizon was granted, and were not designed with stakeholder input to address current community needs.

**Unrealistic small cell deployment benchmarks**

In the deal initially proposed by Verizon, and throughout the negotiation process, the number of small cells Verizon expected to deploy was not discussed and does not seem to have been subject to negotiation. All iterations of Verizon’s proposed agreement contemplated that Verizon would “install hundreds of fiber miles & many small cell nodes,” without stipulating any number of small cells, until the final iteration.

In the end, the benchmarks for small cell deployment added in that final draft of the agreement left the City without promised community benefits. Though the deal was signed in April 2019 and contained the requirement that Verizon deploy 500 small cells by the end of that year in order for first responders to receive new smart devices promised by Verizon, only 2 small cells were permitted as of November, leaving the City 498 permits behind schedule.30 Ultimately, Verizon refused to provide San Diego’s first responders with smart devices.
An official from Fire-Rescue wrote to a Verizon representative in April 2020, saying, “Reaching out to see if you [Verizon] can work with and engage your internal teams regarding the 50 iPad tablets the City of San Diego Fire Dept. is to receive connected with 5G deployments. They have critical immediate needs.” Verizon responded, “They are iPads tied to the Number of permits issued. The total needed is 500 and last I was informed two weeks ago we were sub 100..and unfortunately, unless the 500 permits that are agreed upon in the PPP are reached, we are not able to procure the iPads for the Fire Department.” The Verizon representative did, however, offer to sell the Fire Department iPads, and sent the City a pricing quote.31

Wireless technology expert Earl Lum has remarked that the benchmarks set by Verizon in San Diego were “unrealistic,” due to the logistical challenges of deployment, and a City staffer who is a lead on the project said that he was unsure of how the 500 small cells per year were determined, and that it was “highly unlikely” the City will meet the benchmarks because the “number [of permits] will be quite a challenge.”32

**Value and delivery of community benefits**

The initial proposals from Verizon included a proposed set of in-kind contributions, but none of the following were included in the final agreement: intelligent traffic management, real time response system for first responders, fleet management hardware, traffic communications equipment with a monthly data provision, professional training services for city staff, personnel/contingency support funding for permit processing, and data analytics support.33

The City attempted to negotiate more community benefits, but the final provisions were drastically reduced; for example, the initial proposals provided for 1,850 smartphones for the police department,34 as well as 200 smartphones and 200 tablets for the fire department,35 but the final agreement only requires Verizon to provide 500 smartphones to the police department and just 50 tablets to the fire department, and only if benchmarks are met.36 Based on Verizon’s refusal to provide the first round of community benefits, the Company may put off providing them at all based on the unrealistic benchmarks it set. Similarly, in Sacramento, Verizon promised to connect 27 city parks with free WiFi service for five years, but nearly three years after signing the agreement, just 5 parks are connected, even as Verizon benefits from low-cost access to city conduit and poles.37

The value of the final in-kind contributions provided by Verizon to the City of San Diego is $2,603,961, according to deal documents, but it is not clear how this value was determined because there is not an itemized accounting of the value of each benefit.38

Raising further questions about the value of community benefits, Verizon may be able to monetize some of its contributions to help its business. For example, Verizon recently won a bid to extend its wireless services contract with the City of San Diego, including public safety departments, for one year, and will seek a longer-term renewal in 2021. Providing smartphones to the police as a “community benefit” may be more beneficial to Verizon than the City if Verizon devices for city staff serve as a tactic to extend its contract.

Another benefit of questionable value is Verizon’s agreement to provide an inventory of City-owned poles. In reality, Verizon would have required such an inventory prior to undertaking such a massive, expedient deployment of small cells on this infrastructure, suggesting that the Company is deriving more value from this provision than San Diego taxpayers.

Another giveaway to Verizon masked as a public benefit is Verizon’s funding to purchase up to 200 LED luminaires for street lights. The luminaires are “to be deployed exclusively on newly installed Verizon-owned poles,” raising concerns that the City will lose control of important public assets.39
Finally, the Agreement gives Verizon 10 years of reduced fees and favorable permitting timelines. In contrast, the community benefits have short timeframes: the Intersection Safety Analytics (ISA) Verizon is providing at 5 intersections and the Smart Community Traffic Data Service (TDS) to collect and analyze traffic data are both free to the City for only 2 years, after which time it is unclear what the cost would be.\(^\text{40}\)

**Failure to incorporate public reporting and accountability mechanisms**

There is no publicly-available tracking system for benchmarks, community benefits, or construction timelines. The Agreement requires Verizon and the City to create “metrics that establish clear milestones to measure the undertakings, and an agreed upon performance measurement approach based on such metrics.”\(^\text{41}\) However, as of April 2019, it appears these metrics were not created.\(^\text{42}\)

In addition, though the deal contains provisions favorable to Verizon that may be disruptive to area residents, such as allowing multiple construction crews to work concurrently on the same street, there is no public notice requirement that Verizon or its affiliates notify neighbors of upcoming small cell installations near their properties or any publicly-available tracking system for residents to be aware of construction timelines.

**Safety in Our Streets**

In order to install wireless network equipment in the public right-of-way, workers must dig under roads and sidewalks to access underground conduit in which to lay fiber. The fiber is then connected to small cells attached to various poles (such as light, traffic, or utility poles). Verizon employs subcontractors to do much of this work.

Putting the City at a further disadvantage, Verizon rejected proposed language on accident reporting and narrowed the requirement, such that Verizon is only required to report accidents where the damage to property is valued over $50,000. An information request to the City regarding accident reports yielded no responsive documents as of January 24, 2020, but because the reporting requirements are so limited, it is impossible to know whether accidents have occurred.\(^\text{43}\)

Despite the risk of accidents that could damage public property and disrupt utility service, the Verizon deal does not require disclosure of subcontractor identities so the City can ensure each firm is licensed and can be held accountable. Neither does the City’s permitting system require subcontractors be listed on permits.

**Verizon’s track record of hiring unscrupulous, out-of-state subcontractors**

Verizon has a history of using irresponsible, out-of-state subcontractors to excavate, lay fiber, and install equipment. These multi-layered contracting arrangements can make it difficult for a city to hold companies accountable and ensure safe conditions for workers and the public. In some cases, subcontractors have caused
serious, even fatal accidents, and have amassed tens of thousands of dollars in costs to repair public utilities.

In Sacramento, Verizon’s first major 5G network build, seven of the ten subcontractors identified were from outside of California, and they caused 41 reported underground utility hits in just a seven month period.

- One subcontractor Verizon employed in Sacramento, Republic Telecom (headquartered in Texas), caused $22,933 in damage related to just two incidents that occurred in less than one month. Inspectors said of the first incident, “It is not possible that the contractor physically verified the water main as required. The contractor is at fault for all the damages the City of Sacramento utility department incurred because of contractor negligence.” Republic had a record of safety issues and was fined nearly $11,000 by OSHA for three “serious” violations in St. Louis, Missouri in May of 2018, around the same time it was working in Sacramento. The violations were in relation to trenching safety, the same work it was performing in Sacramento, and the same work that is likely being done by Verizon subcontractors in San Diego.

- Another subcontractor Verizon employed in Sacramento, Smart Communications (headquartered in Florida), was responsible for an incident that caused over $26,000 in damage and required almost 100 employee hours to remedy. An inspector said of the incident, “The contractor is negligent because they failed to maintain adequate depth and clearance to avoid damaging city water main that was clearly located and marked as requested by Utility Service Alert 811. The contractor worked outside of the legal proposed excavation, as well, which resulted in water main damage.”

In San Francisco, an unlicensed Verizon subcontractor from New Jersey hit a gas line while laying fiber. The hit caused an explosion with 50 foot flames that burned for hours and caused substantial property damage.

In Wisconsin, a Verizon subcontractor hit a gas line causing an explosion that leveled half a city block, killing a volunteer firefighter and critically injuring another. At the time of the blast, the subcontractor was delinquent in its state registration.

Transparency problems – who’s working in the right-of-way?

CWA made several attempts to obtain information to identify contractors and subcontractors who are performing work in the right-of-way for Verizon, laying fiber optic cable and installing small cell wireless equipment.

Based on extensive records requests to relevant City departments, it appears that the City does not collect information on which contractors and subcontractors are actually working in the right-of-way. Without this information, it is unclear how the respective departments would be able to verify basic safety protocols, or ensure that contractors are registered and licensed to perform permitted work. Further, it is unclear how the City would be able to recoup costs to taxpayers when contractors cause damage and the City is forced to make repairs.

Due to this opacity, there is no way to confirm whether local workers and families are benefitting from this major construction project, or if the work is subcontracted by Verizon to irresponsible, out-of-state subcontractors with questionable employment records, as was found to be the case in Verizon’s small cell deployment in Sacramento.
CWA's inability to identify subcontractors working in San Diego's rights-of-way, and utility disruption incident reports

CWA requested a list of all contractors and subcontractors permitted to install wireless small cells and telecommunications fiber in the right-of-way, as well as permits issued to install telecommunications fiber and small cells. However, the City returned only a list of lease agreements that do not require listing of subcontractors that are performing the work, and stated “The City does not maintain a list as you requested.” A review of the City’s right-of-way permitting process suggests that the City simply does not require permittees to provide information about which contractors will be performing work under each permit.

CWA also requested various types of incident reports relating to utility disruptions from departments responsible for managing city-owned conduit and permitting in the right-of-way, with the hope that subcontractors responsible for damage to city property and other incidents would be listed. The City’s responses were rife with information gaps, leaving transparency and accountability questions unanswered. For example, one reported incident list provided only locations, dates, and incident numbers but no other information. Incident reports contained “Person Responsible” and “Responsible Party” fields, but many reports left these fields blank or listed “no responsible party.”

Gaps in permit documentation

After reviewing the information required by the City’s small cell permitting process, CWA identified several areas in which greater transparency is needed to ensure accountability for the work done in our right-of-way:

- The City only requires the name of the permittee, whether that permittee is performing actual construction work or not. The permittees for the vast majority of the permits reviewed seem to be site acquisition or network planning companies, rather than construction companies that would actually be performing the work.
- The wireless carriers for whom the small cells were being installed are not listed on all of the public permits. This makes it difficult for the public to tie accountability back to the carrier ultimately responsible for the network construction.
- Permits have a field for “ Permit Holder,” but this field is not consistently filled in.
- Permits also have a “Scope” field, but this field is not consistently filled in. The purpose of this field is to detail the type and extent of work permitted to be completed, and thus without this information it is unclear what work is allowed under each permit issued.
- The City appears to grant permits without a definitive address indicating where a permit will be executed.
San Diego has a digital divide problem. In 2018, there were more than 77,000 San Diego households without high speed internet at home, and another nearly 36,000 without any internet at home, including a cell phone data plan. Almost 30,000 households had only a smartphone, and no computer, laptop, or tablet. Another 17,000 households didn’t even have a smartphone.

The digital divide doesn’t impact all San Diegans equally. One in five San Diego households earning less than $20,000, and nearly 10% of middle-income households, had no internet at home, including a cell phone data plan. Compared to white families, Black and Latinx families are about twice as likely to have no computer or smart devices, and no internet subscription, including cell phones and cellular data plans.

Internet and device access leaves students unprepared for remote school work

Recent school closures and stay-at-home orders to combat the COVID-19 pandemic have made internet and device access even more of a necessity, especially for households with school-age children. The “Homework Gap,” which refers to the divide between students who have access to internet and internet devices and those who do not, has emerged during the pandemic as such a serious issue that the state Department of Education quickly convened the Closing the Digital Divide Task Force to assess the extent of the homework gap, facilitate donations, and identify solutions.

San Diego has approximately 12,000 households with school-age kids that either lack an internet subscription or an internet device. This is especially troubling considering the San Diego Unified School District, the second largest in the State, has decided to continue requiring graded work after transitioning to fully online classes.

No requirement to build out to underserved areas and “Community Benefits” don’t address community digital needs

Though Verizon touts the partnership with the City as having a “focus on digital inclusion,” nothing in the Agreement demonstrates any commitment to closing the digital divide. There is no requirement that Verizon build the network in an equitable manner to connect underserved, under-connected neighborhoods or to fund initiatives that would help promote digital inclusion. In contrast, Verizon and other carriers signed agreements with the City of San Jose that require contributions to a Digital Inclusion Fund as a component of small cell permitting fees.

During the negotiation process in San Diego, the Executive Director of Corporate Partnerships and Development asked, “Will Verizon consider installation in underserved areas?” Verizon responded by, effectively, telling the City that market demand will determine where the Company will build the network and that the decision will not be based on digital equity considerations: “We will install in all areas. We install based on demand and demand is agnostic to race or income.”
Questions about Verizon’s ability to execute on 5G small cell strategy

Verizon’s 5G strategy relies on high band, millimeter wave (mmWave) spectrum, which has proven to be unstable, unable to penetrate buildings, and reliant on aggressive small cell deployment goals, often requiring a small cell every couple of city blocks because signal range is limited to 300-800 feet. In cities where Verizon has “launched” 5G, technology reviewers have had difficulty finding 5G network signal (even when searching in Verizon’s narrowly-designated launch areas), and have had trouble staying connected to the network when they are able to find it.75 Verizon’s own CEO confirmed that mmWave “is not a coverage spectrum,” but is best served for dense, urban areas with high data usage.76

In Sacramento, Verizon’s first declared fixed wireless 5G Home City, about six months after Verizon launched its network, analysts found that the network reached only 6% of residents in tested areas.77

In Chicago, one reviewer said that though the network was fast, “Coverage remains extremely limited: it varies block by block...mmWave technology isn’t going to be enough: indoor coverage is basically nonexistent...speeds drop quickly as you walk down the block from any 5G node, and then the 5G signal is basically gone once you lost line of sight.”78

Reviewers have consistently found that Verizon’s mmWave-based network couldn’t even cover an entire football stadium79 or basketball arena.80

Though Verizon has declared that San Diego is now a 5G City as of May 28, 2020, the coverage map shows extremely limited areas where “ultra wideband” coverage is available.81
Recommendations

This closed-door deal put the burden on taxpayers to subsidize private deployment, while leaving behind workers and those on the wrong side of the digital divide. But 5G network build-out is in its early stages. Below are initial recommendations to ensure that as providers deploy next generation networks, San Diego will get a fair deal that benefits all residents.

Learn from our mistakes: assess the full budgetary impact of the Verizon deal, perform a cost study and hold a public hearing
The City should get a clear picture of the real cost of this deal to taxpayers - from staff time to lost fee revenue - and hold a public hearing to ensure that residents are fully informed and have the opportunity to weigh in. This deal has the potential to drain San Diego’s budget for the next decade. At a time of economic crisis when the City budget is facing a $250 million revenue shortfall, San Diegans have a right to know how much corporate giveaways are costing their city.

Consult with community stakeholders and create digital equity demands
The City must work with community stakeholders to clarify digital equity needs. The pandemic has laid bare the consequences when we refuse to consider digital equity issues in network deployment. The City should create clear demands for Verizon and other companies who want access to public infrastructure and taxpayer services. In a region where thousands of children are left behind in the “homework gap,” the City should identify underserved areas, and what in-kind contributions would actually benefit students and families, for example, devices, hot-spots, and reduced cost plans.

In this time of crisis for San Diego families and public budgets, Verizon and other providers need to step up. Verizon should be open to revising the deal and including needed community benefits that are commensurate with the financial benefit Verizon is receiving.

Protect public and worker safety: change permitting procedures so we know who is working in our streets and strengthen labor protections
The City should modify its permitting procedure to require Verizon and all providers to state what entity will actually perform permitted work in the right-of-way, whether Verizon, its subcontractors, or an entity contracted by its subcontractors. Public accountability requires basic transparency about who is doing the work in the public right-of-way. New York City has included similar subcontractor transparency terms in its most recent franchise agreements.62

The City should also require that all companies and contractors comply with federal, state, and local labor laws and regulations - including Occupational Safety and Health Administration regulations, the National Labor Relations Act, and the Fair Labor Standards Act - and explore targeted hiring requirements and labor standards in future network construction. Network buildout should support the local workforce and benefit the San Diego economy.
Endnotes

1 Request #19-1527, submitted April 9, 2019; request for correspondence regarding the April 3, 2019 Memorandum of Understanding between the City of San Diego and Verizon returned “no responsive documents” for Districts 3, 4, 5, 6, 7, 8, and only returned constituent emails in Districts 1, 2, and 9. No correspondence was returned between Councilmembers and anyone from the Mayor’s administration or other City agencies.

2 Email between Simon Tse and Sydney Householder, Subject “Information Request referral from DSD re: VZ small cell deployment.” May 9, 2020.

3 Ibid.


5 Verizon-San Diego MOU. Exhibit E. Section 5.


7 Rath Miller San Diego Lobbying Registration Form.

8 Email between Kimberly Miller of Rath Miller Public Affairs and Kris Michell, Subject “Verizon next steps.” April 18, 2018. Received via information request #19-1527; Submitted April 9, 2019, Closed March 22, 2020.


10 Verizon-San Diego MOU. Page 9.

11 Verizon-San Diego MOU. Page 10.

12 Verizon-San Diego MOU. Page 10.


15 Email between Christina Chadwick and Sydney Householder, April 9, 2019; confirming no Council docs due to San Diego having “Strong Mayor form of government.”

16 Email from Kimberly Miller acting on behalf of Verizon requesting meeting with CM Gomez, Sent July 17, 2019, Subject “Meeting with Verizon.” Received via information request #19-5909. Submitted December 11, 2019.

17 Verizon-San Diego MOU. Pages 5-6. Section 5.


19 FCC Orders WT Docket No. 17-79; WC Docket No. 17-84.

20 Verizon-San Diego MOU. Pages 2-5. Section 1.1.


23 Ibid; Document: SD Term Sheet with City’s comments and edits, comments between Gregory Hopkins, Deputy Director, Development Services Department, and Jesus Roman of Verizon Wireless. Received via Request #19-1527. Submitted April 9, 2019. Closed March 22, 2020.


Verizon Wireless was listed on just 2 of the 100 permits reviewed. The other permits did not list any wireless carrier for whom the small cell was being installed. On these 2 particular permits, Verizon Wireless was listed as the Agent, and M Squared Wireless was listed as the point of contact. Project ID 652875 & 652876

49 of the 100 permits reviewed listed addresses that were “[pending],” indicating that a permit was created without a definitive location for where the work would occur and where the small cell would be placed.

Cable, DSL, or Fiber broadband.

American Community Survey 2018 1-Year Estimates Table ID: S2801.
American Community Survey 2018 1-Year Estimates Table ID: S2801.
Earning between $20,000 - $74,999.
American Community Survey 2018 1-Year Estimates Table ID: S2801 and S2802.


American Community Survey 2018 1-Year Estimates Table ID: S2802.


Verizon-San Diego MOU. Page 1.


