



*City of McAllen  
Office of the Mayor*

JAMES E. DARLING  
MAYOR

May 16, 2018

RGV Hispanic Chamber of Commerce  
Attn: Cynthia Sakulenzki, CEO  
801 E. Fern Ave. #163  
McAllen, TX 78501

Dear Ms. Sakulenzki:

After listening to your testimony before the Senate Committee on Business and Commerce regarding S.B. 1004 on Tuesday, May 15, 2018, I feel it is necessary to clarify why the City of McAllen, along with over thirty (30) Texas cities, are opposing the law. Based on your testimony, I would also like to provide some insight into how small cell technology functions.

First, you began your testimony addressing the need to close the digital divide in the Rio Grande Valley. Unfortunately, S.B. 1004 will not assist in accomplishing this goal. Like the RGV Hispanic Chamber, the City of McAllen is committed to closing the digital divide. In fact, before the passage of S.B. 1004, the City was in negotiations with several wireless infrastructure providers to create a Master License Agreement. Under this Agreement, the City was willing to offer substantial monetary discounts to providers who were willing to deploy infrastructure in low-income and underserved areas. Not a single provider was interested in the discount or in deploying in the underserved areas, perhaps due to the nature of small cell technology.

Despite what you might have heard and the misleading testimony given before the Senate Committee, small technology will not increase network capacity in rural areas nor will it close the digital divide. The technology is intended to be used in densely populated urban areas and at special events (Mobilitie deployed small cells at NRG Stadium prior to the Super Bowl) where demand is already high. Your testimony before the Committee implied that small cell technology would allow Border Patrol and other law enforcement agencies to better communicate and enhance border security. This is simply not the case as providers do not intend to deploy small cells in rural areas. While McAllen is committed to the safety and security of our region and the border, allowing private companies subsidized access to public rights-of-way will not achieve this goal.

Lastly, you testified that it is a shame that some cities are not embracing technology and are creating legal roadblocks to the detriment of both the private and public sectors. The City of

McAllen embraces and welcomes technology and innovation, but has a constitutional obligation to receive fair market value for access to public rights-of-way. S.B. 1004 allows private companies to reap the rewards of a public asset for less than one-sixth of the fair market value, in blatant violation of the Texas Constitution. S.B. 1004 is a subsidy to multimillion telecommunications companies at the expense of taxpayers.

The City of McAllen will continue to embrace technology, encourage innovation, and empower local businesses while meeting our legal obligation to protect the public. If you have any questions about small cell technology, our position, or the pending litigation, please feel free contact my office.

Sincerely,

A handwritten signature in blue ink, appearing to read "James E. Darling", with a stylized flourish extending to the right.

James E. Darling  
Mayor