



Department of Public Works
 1685 Main Street, Room 116
 Santa Monica, CA 90401

Memorandum

To: Personal Wireless Service Providers and Interested Parties

From: Susan Cline, Director of Public Works *for JC*

Date: March 20, 2019

Subject: Application Fee for Wireless Facility Permits, 6409(a) Permits, and Wireless Telecommunications Construction Permits

On September 27, 2018, the Federal Communications Commission (FCC) released Declaratory Ruling and Third Report and Order FCC 18-133 (the "Order"), which became effective January 14, 2019. Among other things, the Order limits the ability of local governments to charge fees that are greater than a reasonable approximation of costs to process applications and manage deployments in the rights-of-way. The purpose of this memo is to explain the basis for the City's reasonable approximation of costs in compliance with the Order, as set forth in Table 1, below.

TABLE 1: WIRELESS FEES	
Fee Type	Fee Amount
Wireless Facility Permit or 6409(a) Permit	\$1,250.00/application
Wireless Telecommunications Construction Permit	Construction including 0-100 feet of excavation: \$777.08/application Construction including over 100 feet of excavation: [\$777.08 + \$95.23/100 ft over 100 ft (prorated)]/application
Outside Consultant	When the services of an outside consultant are deemed necessary in processing a Wireless Facility Permit, 6409(a) Permit, or Wireless Telecommunications Construction Permit, the applicant/permittee shall reimburse to the City the actual consultant cost billed to the City for the services provided.

To determine a reasonable approximation of costs to formulate application processing fees for a Wireless Facility Permit or 6409(a) Permit, City staff tracked the staff time spent processing a wide variety of Wireless Facility Permit applications of various degrees of complexity. The applications included applications for installations of small wireless facilities on:

1. Wooden utility poles;
2. Telecommunications lines attached to wooden utility poles;
3. Southern California Edison streetlight poles; and
4. City streetlight poles.

Based on this sampling, the City has determined that staff time spent processing an application for up to four rounds of review (the maximum permitted by the City) and through final City determination is approximately five hours. The City expects that a staff member in the classification of Civil Engineering Associate will process a wireless application. Therefore, the

fee for a Wireless Facility Permit application is calculated by multiplying the hourly rate of a Civil Engineering Associate by five hours. Time spent by other staff members that may be required in processing an application—including Deputy City Attorney, Supervising or Principal Civil Engineer, and Public Works Director—is not included in the calculation and assumed to be absorbed in the approximation of Civil Engineering Associate time spent processing an application.

A compensation study conducted for the 2016-2017 FY determined that the fully burdened rate of a Civil Engineering Associate is \$231.37 per hour. Cost of Living Adjustments of 3.5% and 4.4% were implemented for FY 17-18 and FY 18-19, respectively, bringing the current fully burdened rate of a Civil Engineering Associate to \$250.00 per hour. Therefore, the cost of processing a Wireless Facility Permit application for FY 18-19 is: 5 hours/application × \$250.00/hour = **\$1,250.00/application**.

Given the similarity of the application requirements for a Wireless Facility Permit and a 6409(a) Permit as well as the level of detailed review required to determine eligibility for a 6409(a) Permit, the City expects the staff time spent processing a 6409(a) Permit application to equal the time spent processing a Wireless Facility Permit application. Therefore, the application fee of \$1,250.00 per application applies to both Wireless Facility Permits and 6409(a) Permits.

Next, in establishing the fee for a Wireless Telecommunications Construction Permit (TC Permit), the City sought to establish parity between the fee for a TC Permit and the existing fees for Utility Excavation Permits (UPE Permits) because both permits:

1. Require an application to be filed over-the-counter;
2. Authorize construction activity in the public right-of-way;
3. Mandate pre-construction meetings and inspections with a Public Works Inspector.

The activities involved in UPE Permits and TC Permits are virtually identical and therefore impose the same burden upon City staff time. As such, the fees that apply to UPE Permits shall also apply to TC Permits.

Finally, the City may encounter applications or inspection scenarios that fall outside the expertise of City staff. In such situations, the City, in its sole discretion, may engage the services of an outside consultant to assist City staff, and the applicant/permittee shall reimburse to the City the actual consultant costs billed to the City for the services provided.

The above fees are based on actual City staff time incurred to administer the regulatory activities discussed above or, in the case of outside consultant costs, are based on actual consultant costs billed to the City. As such, these fees are a reasonable approximation of costs. Further, the costs themselves are reasonable as they reflect the actual cost incurred to the City for staff and outside consultants to administer the regulatory activities discussed above.

All fees described herein shall be charged to the fee item “Wireless Facility Permit” as authorized by City Council Exhibit E1 of the Public Works Fee Schedule, which permits billing of wireless fees at “actual cost” until specific fee line items are adopted by the City Council. The fees described herein will be subject to the City’s annual administrative revision and increase and have been proposed to be adopted into the City’s fee schedule during the annual budget cycle in June 2019 in accordance with the procedures established by the City for adopting, adjusting, and implementing cost-based fees.