

Connecting With Future

SoCal's ability to compete in business hinges on region's success in boosting wireless broadband networks.

By JONATHAN ADELSTEIN

If one issue emerged from the recent Silicon Beach conference at USC's Marshall School of Business, it's this: Southern California's future – from the safety of its people to developing next-generation technology to cultivating new prospects for the entertainment industry to strengthening public education – depends in large measure on the region's capacity to build and upgrade its wireless broadband networks.

Why? Because so many of the devices that Southern Californians use in business communications and everyday life rely on instant access to mobile data. And Silicon Beach is where the apps of the future are being created. Over the next few years, those wireless needs will increase exponentially.

The problem is the very source of creation and extensive use of wireless broadband is also the center of resistance to broadband deployment efforts. SoCal remains a hotbed of innovation and use, and a hotbed of resistance to deployment, usually for spurious reasons.

We have only begun to realize the power of wireless. Beyond the steady rise in mobile subscriptions, we are witnessing a shift toward more powerful and versatile mobile devices that demand more bandwidth. Research conducted by USC's Institute for Communication Technology Management shows that more than 60 percent of American households now have smartphones – and nearly half have tablets.

These next-generation devices are transforming our communications landscape. According to San Jose-based Cisco, the typical smartphone in 2013 generated nearly 50 times more mobile data traffic than the typical basic-feature cell-phone, and the average tablet generated more than twice the traffic as a smartphone. At the same time, nearly 40 percent of U.S. homes are now wireless only, making their mobile devices their only communication devices. These trends demonstrate the utility and power of our connected devices, but they also highlight the enormity of increased network demand that will only grow in intensity in the months and years to come.

Entertainment industry executives and app designers, take heart, however: The United States is just now at the cusp of the mobile video revolution. Global mobile video has the potential to get a lot bigger and better – and far more lucrative for providers and carriers.

But that's only if there's the right infrastructure in place to transmit it. At the urging of my association, PCIA – The Wireless Infrastructure Association, the Federal Communications Commission this fall adopted a series of rules to streamline the deployment of wireless infrastructure. Southern California deserves first place in line.

My core message at the Silicon Beach forum was: *The Internet of Things has to operate over an Internet of Reality.* We all enthuse over the potential of wireless broadband to help create jobs, run machines, improve earthquake preparedness and public safety, and reach underserved populations – whether in rural California or the inner city.



Physical infrastructure

None of those things will happen unless there's a physical infrastructure to support it. And that infrastructure won't get built if this area persists in throwing up roadblocks to the deployment of world-class wireless networks. And no place is better at throwing up roadblocks than California.

To attain Silicon Beach's business vision, we need better connectivity. To get better connectivity, we need better facilities. To get approval for such facilities, we need to take on the NIMBYs – those who say "not in my backyard" – and win!

Too often, the NIMBYs declare victory in Southern California siting debates because proponents of wireless broadband either fail to speak up or don't do a good enough job in making the business case for mobile data.

I call the disparity between marketplace appetite and network capacity the "wireless data crunch." There's a wireless

data crunch all over the country – but it's especially acute in the L.A. Basin, where diverse business, demographic, geographic, transportation and health care needs impose a withering demand on current facilities.

And L.A.'s crunch will only grow bigger as Californians demand more bandwidth.

Silicon Beach doesn't need to watch the waves to succeed. It needs to harness them. It needs talent, entrepreneurship, solidarity and a world-class wireless infrastructure. That will take a change of heart that the L.A. business community needs to lead.

Jonathan Adelstein, a former FCC commissioner, is chief executive of PCIA – The Wireless Infrastructure Association. He was a panelist at the Silicon Beach conference at USC's Marshall School of Business in October.

LETTERS

Taking Stock

I've never seen one of Charles Crumpley's columns where I agreed as thoroughly as the one of Dec. 1. ("Wall Street Raiders Lose Stock.")

There are two kinds of investors: stock holders and stock flippers. The first are, to all intents and purposes, minority owners, the others are speculating in the stock, and their stake is transient. When management prioritizes the latter over the former, you have dysfunction.

The worst of the dysfunction is that there is more money to be made, and faster, by short-term stock price manipulation, either by leveraged buyouts (which put the debt burden on the company, which then also pays transaction and management fees to the buyer) or by stock buy-backs (which artificially raise the share price) than there is by actually operating the company in a sustainably profitable manner.

This even impacts the labor force. We often hear complaints about the dearth of young Americans pursuing STEM degrees. It is simply a matter of effort and reward.

Consider the technical labor force at companies like Allergan

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and Amgen: They take academic curricula that are among the most rigorous at their respective campuses, often earn advance degrees in those demanding subjects and then face layoffs at the hands of people with M.B.A. degrees, which are certainly no more challenging but far better rewarded.

Who, in his or her right mind, is going to work for a degree for which you have to work hard for less and less certain reward?

Bill Seckler
Corona

Losing Bids

I read Howard Fine's column in the Dec. 15 issue ("Small Business Seeks Bigger Piece of County's Pie"). The stats are extremely disappointing – the county awards \$15 billion in contracts and purchases each year and small businesses get virtually none of it. This comes as no surprise to my firm. We have been based in Los Angeles County for 35 years. The language of the contracts keeps my delete button busy when I receive emailed invitations to bid.

The county has got to change the indemnification clause. It pretty much boils down to asking me to indemnify everyone who has ever lived or died in L.A. County for the past 100 years. My corporate attorney told me never to sign a contract with these onerous clauses. I am sure many other small businesses have received the same advice.

The second problem with the county is the mandatory bidder's conference where bidders ask questions, especially about budgets. We are answered in government speak, which is no help at all.

Susan Tellem
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