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## 5G: Don't Believe the Hype - Ross Artale, President & COO

I'm of course not referring to the Public Enemy song which poignantly predicts "it's a new thing....they even had it on the news....don't believe the hype", rather, the media hysteria and enormous advertising blitz by some wireless providers regarding the launch of 5G. Michael Powell, former Chairman of the FCC was recently quoted saying that 5G is "25% technology and 75% hype."

We live in a mobile world. While there is no doubt 5G will be a catalyst to enable low latency *mobile* applications (applications that require sub 10ms performance to allow smart cars, smart cities, VR, and many others to function), how does the Channel community monetize 5G in the foreseeable future?

The short answer is, there is a small opportunity to monetize 5G. Let's face it, very few of us play in the IoT market. I'm not talking about selling wireless data, we all do that all day long. IoT is developing software and API's to interface with EOM Manufactures or to create new use cases. The sobering reality is 5G is just another access type for most of us in the near term, no different than cable, fiber, or copper.

Commercially, 5G is deployed using a fixed wireless antenna. Market trials indicate you need to be within 2,000 feet of the small cell site to achieve speeds close to 1 Gbps which is a small density. I fully expect that to improve over time and for the footprint to drastically increase but the elephant in the room is that cable operators already have 1Gbps speeds deployed across 80% of the United States! DOCSIS 3.1 is 10 gigabit at the core which means we will see synchronous 10G over the cable network in a year or two. The largest MSOs are reportedly conducting lab trials already. Customers would much rather have a 1Gbps wired connection with the potential to go synchronous up to 10 Gbps vs. a fixed wireless antenna that needs to be within 2,000 feet of a small cell site to get up to 1 Gbps.

Wireless companies are betting big on 5G. They collectively spent nearly 40B in CAP-EX in 2018 (and predicted to be similar in 2019), largely attributed to building out fiber to meet the exponential 5G demand. By comparison, the MSOs spent roughly 18B in CAP-EX in 2018. They already have the fixed asset in the ground so it is much less costly for them to go from 1 to 10G.

It's going to take time and a tremendous amount of investment for 5G to be as ubiquitous as cable. The cable operators have a huge head start and do not require nearly as much capital to do so. 5G will transform the mobile world and will enable amazing technologies, but for us I see it as a great alternative when fiber or cable construction is too high, and a high-quality internet option for redundancy. We'll all sell tons of 5G and it will be an excellent use case where available, but I don't see why the hype is so big when we have a bigger opportunity with the cable companies already at our fingertips

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