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PELICAN
TECH & INNOVATION
CENTER

June 23, 2020

Records Section

Louisiana Public Service Commission

P.O Box 91154

Baton Rouge, LA 70821-9154

Re: Louisiana Public Service Commission Docket NO. 35568; In re: *Analysis of Viability and Potential Development of Rate Schedules for Inclusion of 5G Cellular Telephone/Broadband Equipment onto Existing Infrastructure of all Electric Distribution Poles*

To the Public Service Commission,

The Pelican Institute for Public Policy is a free-market think tank dedicated to finding and enacting solutions to bring jobs and opportunity to the state of Louisiana. Within the Pelican Institute is the Center for Technology and Innovation Policy (The Center), which works to make Louisiana a leader in innovation. Part of The Center's mission is closing Louisiana's digital divide, an issue which leaves too many people in the state without connections to broadband internet.

With that in mind, The Center would like to offer the following comments in regard to developing suggested rate levels for inclusion of 5G cellular telephone/broadband equipment onto existing infrastructure of all electric distribution poles.

5G

The Center has long advocated for the progress of the 5G, or 5th Generation, network both in Louisiana and throughout the nation. If 5G adoption follows the same path as 4G in the United states, it will contribute 3 million jobs and $635 billion dollars in GDP.[1] 5G can make current wireless activities faster, while also enabling a whole range of new technology. The "internet of things," includes everything from wearable devices to autonomous vehicles. For the internet of things technology to function properly, they will require a constant and speedy connection that currently only 5G can provide.

Cost

5G infrastructure is unique from previous telecommunications technology. Although not all 5G networks rely on the same technology, many require small cells that need to be much physically closer to the devices they are connecting. As a result, small cells must be placed every hundred yards in order for

[1] Eisenach, Jeffery, *Economic Impacts of Mobile Broadband Innovation: Evidence from the Transition from 4G*, May 31, 2020, https://www.aei.org/research-products/working-paper/economic-impacts-of-mobile-broadband-innovation-evidence-from-the-transition-to-4g/

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some companies to provide 5G. Telephone poles are a natural conduit for this technology, as they dot most landscapes.

But installing small cells on these poles can be costly. Many of the poles are not currently designed for quick and easy installation of small cells. To install their equipment on these poles, companies may have to invest significantly in upgrading them.

Of course, pole upgrades are hardly the only cost. Localities often look at the installation of small cells as a source of revenue generation instead of an opportunity to upgrade their infrastructure for residents. As a result, many localities have charged or attempted to charge high fees for the installation of the small cells. This leads to one of two outcomes. Either telecommunication companies pay the high fees, leaving less money to invest in less densely populated areas, or they choose not to build in an area and leave those citizens behind.

This approach unfortunately slowed the deployment of 5G in Louisiana. For this reason, The Center supported the FCC order establishing both a shot clock and a maximum fee that can be charged for the installation of small cells. But the PSC has the opportunity to do more in terms of creating a fair and predictable rate schedule for the installation of small cells. This can not only lower the cost, significantly leading to more Louisianians being connected, but also provide certainty for how much connecting an area will cost.

The PSC should closely examine creating a low and predictable rate structure to allow for quicker deployment of 5G to the people of Louisiana.

Conclusion

5G is the future, not only for Louisiana but for America as well. But the ability of Louisianans to benefit from this technology will be closely related to its installation policies.

For example, Indianapolis created a 5G Zone within the city leading to a host of research and investment around 5G technology.[2] They also set the rate for 5G small cell installation at $50, leading to installation of more than 1,000 such devices.[3] Houston is also considered to have friendly installation policies for 5G. AT&T has invested $1.5 billion[4] in 5G infrastructure and now has 5G[5] from all major wireless providers.

If Louisiana wants to see similar results, policies like the ones being discussed at the PSC will be key. The Center supports the PSC examining this question and urges it to take all haste to promulgate rules that

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[2] Purdue University, *Indiana launches first-of-its kind 5G zone to advance information and related technologies,* August 22, 2019, https://www.purdue.edu/newsroom/releases/2019/Q3/indiana-launches-first-of-its-kind-5g-zone-to-advance-innovation-and-advance-related-technologies.html

[3] Kampis, Johnny, *A Tale of Two 5G Cities: San Jose and Indianapolis*, December 04, 2018, https://www.realclearpolicy.com/articles/2018/12/04/a_tale_of_two_5g_cities_san_jose_and_indianapolis_110943.html

[4] Fox, Melissa, *5G is Booming & Why that Matters*, January 08, 2020, https://www.houston.org/news/5g-booming-why-matters

[5] De Looper, Christian, *Where is 5G available? Our 5G network map has the details*, May 22, 2020, https://www.digitaltrends.com/mobile/5g-availability-map/

create a low and predictable rate structure for small cell installation. This will hasten the availability of 5G for the people of Louisiana.

Sincerely

Eric Peterson

Director of the Pelican Center for Technology and Innovation

815-451-0544

eric@pelicaninstitute.org