

Wireless will Lean Heavily on Utilities for Small Cell Sites – Ganzi

[dc digitalcolony.com/press/wireless-will-lean-heavily-utilities-small-cell-sites---ganzi](http://digitalcolony.com/press/wireless-will-lean-heavily-utilities-small-cell-sites---ganzi)

ATLANTA, GA — May 6, 2015 — AGL Media Group by J. Sharpe Smith — The upcoming small cell build out will depend on siting antennas on electric utility infrastructure, Marc Ganzi, CEO, Digital Bridge Holdings, told an audience at the UTC Telecom & Technology 2015 conference on May 5.

“The vast majority of small cells are going to be on utility infrastructure. If you believe there will be 200,000 small cells built in the next five years — conservatively, let’s say 50 percent will go on utility infrastructure — that means 100,000 lease agreements are going to be signed on your infrastructure,” he said.

Ganzi gave a comprehensive view of the wireless infrastructure industry for an attentive audience in a pre-conference session. He had one piece of advice: be prepared. Utilities should create best practices documents, pole attachment license agreements and pricing, among other things, he said.

“Utilities that are prepared for [small cell deployments] will win the day,” Ganzi said. “When Verizon knocks on your door you can hand them your pre-install kit and what they are going to pay. You will have a lot of success.”

The reason for Ganzi’s optimism lies in utilities, such as Duke Energy and Cinergy, which had successful business models where they had created unregulated subsidiaries.

“The first step to success for the utility industry is planning and creating the right structure where you can operate efficiently with the carriers,” Ganzi said. “Carriers get frustrated if they get bogged down in the regulation side of the business and they get stuck with the transmission and the real estate personnel. That is not an area where they excel.”

The unregulated subsidiaries have created a group of people to translate between the regulated asset base and the carrier, Ganzi said. He encouraged utilities to develop a group like that and to provide value-added services for the carriers.

“You need to have a group with unique skills within the utility that know how to speak the carriers’ language, understand workflow, understand how to turn off the grid, how to safely install the wireless equipment and how maintain the equipment,” he said.

The carriers have not fully appreciated the possibilities represented by the utilities, but that will change as the carriers realize that utilities are a necessary partner for network deployment.

“When we talk about bringing the wireless network out to the edge, the only way we are going to be able to do that is on the utility infrastructure. You are not going to build macrosites in the suburbs; it’s not going to happen,” Ganzi said. “The only way you are going to build 5G networks in the suburbs is by using small cells and the only way to use small cells is on distribution poles. Something’s got to give, right?”

For those utilities with unregulated subsidiaries, Ganzi instructed them to go to the PUC and pre-negotiated the revenue share between the unregulated subsidiary and the regulated side before they create the master agreements. He also said utilities can learn from the tower company business model.

“The key is recreating the small ticket leasing transactions and making them as efficient as possible much like the tower industry that has evolved over the last 20 years,” he said.

As a significant stakeholder in the small cell industry, the utility industry must begin the dialogue with the wireless industry, Ganzi concluded.