

5G: Its scope, possibilities and why it should be keeping you up at night

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SEPTEMBER 16, 2019

As an attorney who represents lenders financing national and international projects, I often seek market perspective through conversations with these lenders. One of my go-to questions is, "What is keeping you up at night?"

In recent conversations with clients in New York City, one subject repeatedly came up: 5G. Every lender wanted to talk about 5G — the opportunities and, especially, the scope.

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In a recent Goldman Sachs interview,¹ Accenture CEO Julie Sweet was asked what three things every CEO should be thinking about right now. One of those things was 5G.

There is good reason to be focused on 5G. Estimates indicate that telecoms will eventually spend between \$500 billion and \$1 trillion on 5G infrastructure. This spending, which is necessary to provide 5G output, is just the nucleus of the 5G comet.

Of even greater importance to lenders and non-telecoms will be the comet's tail. Non-telecoms will likely spend another \$1.5 trillion to \$2 trillion over the next 10 years to update their systems, processes and products to take advantage of 5G.

It is hard to imagine an industry that will not need to make a significant investment to realize the promise of 5G. Let's consider three of the non-telecom industries that are likely to need significant 5G financing and some of the advances they hope to make with this technology.

HEALTH CARE

With 5G, the sophistication of tests that could be run on patients remotely will increase and the delay in getting that information to the doctor will decrease. Devices wearable by patients combined with the bandwidth and speed of 5G will allow doctors to monitor patients from a watch, phone or tablet.

Telemedicine is poised to take a significant leap with the implementation of 5G. Patients will be able to more seamlessly "visit" doctors remotely, and doctors will be able to interact with and examine patients using new, real-time methods.

The use of 5G in the health care area also has the potential to break down barriers to service, bringing quality healthcare to regions previously beyond reach. The best surgeons in the world will be able to operate on patients worldwide using robotics, with no latency between inputs and actions.

AUTOMOTIVE

5G will allow autonomous vehicles to operate and communicate with one another. It will reduce traffic, accidents, injuries and fatalities. In addition, consumers will be able to conduct business while being transported to work.

5G will also allow more robust remote diagnostics. Manufacturers and repair facilities can diagnose problems with vehicles and even repair certain problems by releasing over-the-air software changes.

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This method has been used by manufacturers such as Tesla on a large scale, with updates to entire fleets of a certain model. 5G will also enable a more bespoke diagnosis of problems with individual vehicles and the delivery of individualized patches or repairs to software issues.



BANKING

Banking interactions currently handled through apps will be enhanced due to 5G's bandwidth and lack of latency. In addition, banks may be able to develop even more robust apps that run more smoothly while storing less of the app data on the consumer's phone.²

With 5G, website chat features that often frustrate consumers could be replaced by a video conference option. The consumer would be able to see that there is a person on the other end invested in solving the consumer's problem, and the service representative would be able to understand all of the ways people communicate beyond what they write in a chat box.³

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In addition, 5G may be the last technological piece needed to roll out virtual bank branches. A mobile pop-up branch could travel to underserved neighborhoods while being linked to all of the bank's resources over 5G. Financial transactions and financial literacy efforts could be conducted anywhere.

If you are in commercial finance and 5G is not keeping you up at night, it should be. 5G infrastructure financing and non-telecom 5G implementation financing will have a seismic impact on commercial banking over the next five to 10 years.

Institutions that can provide innovative, scalable and efficient financing products should not only survive but thrive in the 5G world.

NOTES

¹ TALKS AT GS, Julie Sweet: Chief Executive Officer Accenture North America (Mar. 15, 2019), <https://bit.ly/34gPOd0>.

² Penny Crosman, *How 5G could shape the future of banking*, AM. BANKER (April 22, 2019), <https://bit.ly/2GC7nu0>.

³ *Id.*

This article first appeared in the September 16, 2019, edition of Westlaw Journal Bank & Lender Liability

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