

# Google's latest telecom play is to provide last-mile 5G

Article

**The news:** Google has partnered with Ericsson to provide cloud computing services and 5G connectivity for time-sensitive applications like robotics and VR, [per](#) Bloomberg.. Early tests have started in conjunction with Italy's Telecom Italia SpA.

**More on this:** Google will serve as the cloud services provider, while Ericsson will build the 5G wireless equipment.

- The partnership is looking to sell the solution to **carmakers** and transportation providers, but will need the participation of **regional** telecom phone companies.
- This deal reflects an urgency within Silicon Valley companies to take more control over internet networks and not just the data and content that flows through it.

**How we got here:** The partnership with Ericsson is Google's latest attempt to dip its toes in telecom waters. The search giant has long been interested in developing a side business as a quasi-ISP:

- **Google-Fi** is the company's mobile virtual network operator (MVNO) service, which works by **piggybacking** on other carriers' cellular and Wi-Fi networks.
- **Google Fiber** provides high-speed broadband internet and IPTV to **nine US states**, with plans to expand to Utah in 2021.
- **Loon** was an ambitious but **failed** "moonshot" project to bring internet connectivity to **remote** parts of the globe via giant balloons, which shut down in early 2021 for being too costly.
- **Firmina** is Google's **plan** to build massive **fiber optic** cables between the east coast of the and Argentina.

**The bigger picture:** The investments in submarine cables, edge networks, Wi-Fi, and cellular connectivity may seem individually insignificant, but taken as a whole reflect Google's ambitions to provide not just the Internet's infrastructure but access to it as well.

Big Tech companies like Google are already **under fire** for being too powerful and ubiquitous. By making inroads into telecoms as a service provider, Google could raise concerns about potential anticompetitive practices. At the same time, there is a race by tech giants to gain more control of the infrastructure. Amazon's **Sidewalk** mesh service makes it an ISP of sorts with over 58.3 million smart home terminals, and Facebook has been relentless in seeking partnerships with ISPs in countries like **India**, while investing heavily in telecoms in **Africa**.

**What's next?** It's never easy to tell with Google. The company is notorious for starting and **bailing** on projects, which makes it hard to decipher if it plans to be involved with anything for the long haul. That said, Google tends to **thrive** in partnerships where established companies lend their expertise and reputation. **5G** and **telecoms** are areas that involve Google's core businesses and will serve them well, provided they don't run afoul of regulators. The telecoms industry in particular stands to gain from modernization and increased investments, but it's unclear whether companies like Google are the best bet for growth in the sector.

## Leading Reasons US Adults Do Not Have Home Broadband Service, 2015, 2019, & 2021

% of respondents

|   | 2015 | 2019 | 2021 |
|---|------|------|------|
| <b>Smartphone does everything they need</b>                         |      |      |      |
| —A reason   | 27%  | 45%  | 45%  |
| —The most important reason  | 12%  | 23%  | 19%  |
| <b>Monthly cost of home broadband subscription is too expensive</b> |      |      |      |
| —A reason   | 59%  | 50%  | 45%  |
| —The most important reason  | 33%  | 21%  | 20%  |
| <b>Have other options for internet access outside of home</b>       |      |      |      |
| —A reason   | 46%  | 43%  | 46%  |
| —The most important reason  | 10%  | 11%  | 9%   |
| <b>Service is not available or speed is unacceptable</b>            |      |      |      |
| —A reason   | 23%  | 22%  | 25%  |
| —The most important reason  | 5%   | 7%   | 9%   |
| <b>Cost of computer is too expensive</b>                            |      |      |      |
| —A reason   | 45%  | 31%  | 37%  |
| —The most important reason  | 10%  | 6%   | 7%   |
| <b>Some other reason</b>  |      |      |      |
| —A reason   | 25%  | 17%  | 27%  |
| —The most important reason  | 16%  | 13%  | 22%  |

Note: ages 18+ who do not have home broadband service; respondents who did not give an answer not shown

Source: Pew Research Center, "Mobile Technology and Home Broadband 2021," June 3, 2021

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