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EWIA Response to the BEREC Common Position on Mobile Infrastructure Sharing

The Common Position on Mobile Infrastructure Sharing highlights the main objectives of regulation in the European Electronic Communications Code (Directive (EU) 2018/1972, 'EECC'), which include:

- (a) promoting connectivity and access to very high capacity networks, and*
- (b) promoting competition, including infrastructure-based competition.*

*However, while the Common Position considers the benefits and drawbacks of different forms of infrastructure sharing between operators, it does not **consider the beneficial role of 'wholesale-only' infrastructure on competition**, which have been recognised in Article 80 of the EECC. NRAs should consider the merits of the wholesale-only or 'neutral host' business model in providing a pro-competitive solution for infrastructure or network sharing.*

Our model

The European Wireless Infrastructure Association (EWIA) supports the general notion of the Common Position to avoid negative impacts on competition when considering infrastructure sharing. Our business model is, by definition, a pro-competitive way of infrastructure sharing. It avoids the potential risks and downsides associated with sharing between competitors.

Independent infrastructure allows the operators to differentiate by investing in different levels of radio access equipment, spectrum and backhaul capacity. The benefits of the 'wholesale-only' or 'neutral host' model have been recognised in Article 80 of the EECC, and as such, the pro-competitive nature of this model should be highlighted in NRAs' consideration of any proposed infrastructure sharing arrangements.

Independent or 'neutral host' infrastructure provides a valuable source of investment funds to increase mobile broadband coverage and capacity. Independent infrastructure is now a vast global industry worth over EUR 200 billion, which did not exist in any great scale when the operators rolled out their original 3G networks. Independent infrastructure players, including the EWIA members, **have very low cost of capital because they invest in long-term infrastructure**, and do not take retail risk.

Not only does the neutral host business model enable the key benefits of infrastructure sharing (cost reduction, improved efficiency, enhanced consumer choice and public interest through a single infrastructure), it also addresses the key drawbacks identified in the sharing of infrastructure between operators.

Sharing arrangements are a commercial matter and regulatory interventions mandating sharing should be used sparingly. Measures that permit or even impose infrastructure sharing should be limited to those that are strictly necessary and have the least negative impact on competition and an investment friendly environment.

Imposed sharing measures in the medium-to-long term could result in potential reduced incentives to invest (free riding) thus less resilience and, ultimately, reduced infrastructure competition, reduced quality of service, reduced ability to switch to alternative network operators, and higher prices.

EWIA generally views broadband roll-out as the utmost responsibility of the industry and thus privately-financed. However when considering, in particular, permitting or even imposing forms of active sharing, policy makers and regulators should consider whether subsidy should be a less anti-competitive measure than active sharing.

Common Position 1: typology of infrastructure sharing types

EWIA appreciates the approach of establishing consistent definitions of the various forms of sharing.

Common Position 2: main objectives to be considered when assessing mobile network infrastructure sharing agreements

EWIA supports the general notion of the Common Position to avoid negative impacts on competition when considering infrastructure sharing.

When considering, in particular, permitting or even imposing forms of active sharing, policy makers and regulators should consider whether regionally-restricted sharing could be based on the neutral host model. The sharing must not necessarily be restricted to national mobile operators. In order to avoid the risk of increased cooperation and coordination between the mobile operators, as identified in the Common Position, a neutral independent host could be considered.

Neutral hosting by independent infrastructure providers such as EWIA members supports effective competition in the market as they enable infrastructure-based competition. EWIA encourages policy makers and regulators to consider the positive effects of neutral hosts / independent infrastructure providers when considering approving or imposing sharing between mobile operators. Neutral hosting allows for competition at the infrastructure level, thus enabling differentiation in service offerings.

Common Position 3: parameters to consider when assessing network sharing agreements

When considering approving, or even imposing, sharing between mobile operators, in particular but not limited to national roaming, regulators need to take into consideration and avoid the risk of a foreclosure of the market for investments from independent wholesale infrastructure providers. This would result in losing access to multi-billions of private long-term investments into the European Union, which could fund broadband coverage and benefit end users. In the medium-to-long term such measures can have a negative impact on the end user due to the associated drawbacks, which include loss of access to infrastructure, wider connectivity gaps, reduced quality of service, risk of coordination between competitors, and increased costs of service.

The Common Position explains the factors that an NRA should consider when assessing whether to permit infrastructure sharing or – in exceptional circumstances – mandate the sharing of infrastructure or networks.

We concur with the view that active spectrum sharing are likely to have a greater impact on competition than forms of passive sharing. We support the view that forms of active sharing such as roaming are 'likely to be not in line with the objectives of infrastructure-based competition' and that such measures must be considered on a case-by-case basis and take into account the impact on infrastructure-based competition.

About the European Wireless Infrastructure Association (EWIA)

The **European Wireless Infrastructure Association (EWIA)** is the European trade association of wholesale wireless infrastructure providers. Our 9 members, active in 8 European countries, invest in and operate wireless infrastructure essential to the delivery of mobile voice, wireless broadband and other wireless networks.

EWIA advocates policies that encourage the network infrastructure investment and deployment necessary to make advanced wireless broadband available everywhere for consumers, businesses, health care, public safety and the countless other sectors that rely on always-on wireless connections.