

cerre

Centre on Regulation in Europe



# COOPERATION FOR INFRASTRUCTURE DEPLOYMENT

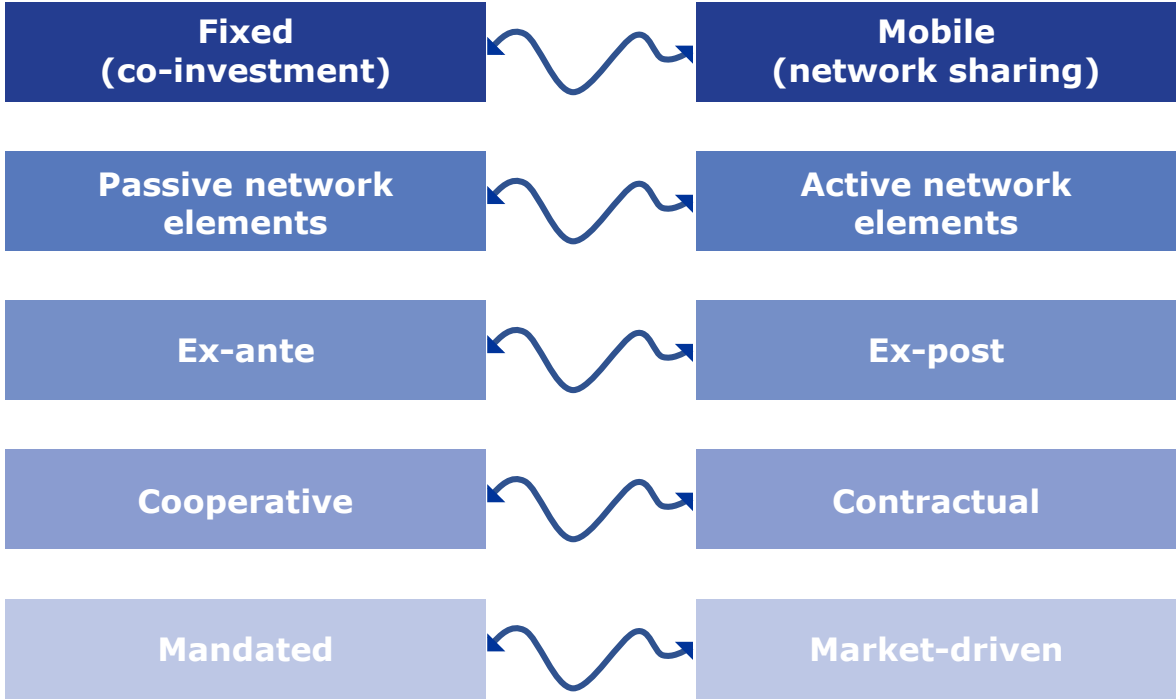
ASK QUESTIONS VIA SLI.DD,  
USING THE HASHTAG [#CERRETELCO](#)

# INTRODUCTION

## Cooperation for infrastructure deployment

- Digital connectivity is key for quick post-COVID recovery and sustainable innovation
- **Investment** in new digital infrastructure challenging for telecommunications operators
- Role of **cooperation** in infrastructure deployment

# INFRASTRUCTURE SHARING



Different degrees

Different operational models

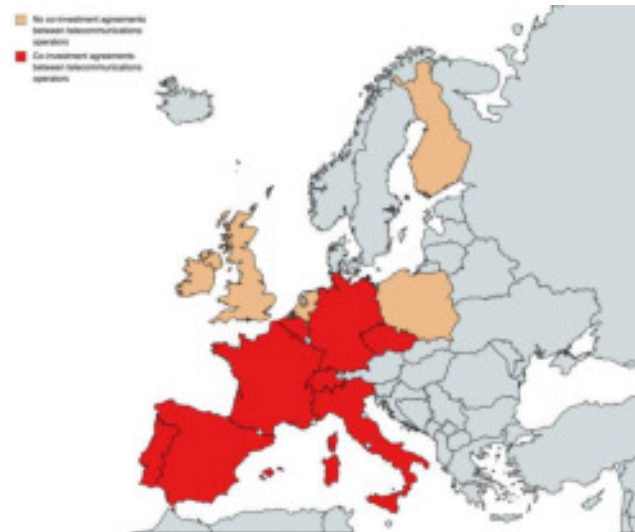
# INFRASTRUCTURE SHARING IN THE EU

## Mobile network sharing



Source: CERRE (2020)

## Fixed co-investment



Source: Cullen (2021)

# PRO-COMPETITIVE EFFECTS

## Depend on the counterfactual

### Cost reductions entailed by infrastructure sharing

Reduced deployment costs (CAPEX)

→ higher investment

Reduced operating costs (OPEX)

→ lower prices

Impact on infrastructure sharing depends on counterfactual

Fixed SMP: access obligations

Fixed non-SMP: no access obligations & monopoly

Mobile: no access & oligopoly

*Possible impact (based on literature review)*

Total coverage ↑

Prices ↓

Total coverage =

Prices ↓

Quality investment ↑

Prices ↓

# PRO-COMPETITIVE EFFECTS

## ... and possible remedies

Unilateral effects	Remedies
Raising internal and/or external access prices to soften competition	Regulatory oversight of access prices
Lack of freedom or incentive for differentiation or unilateral investment	Independence of each partner should be guaranteed
Risks of foreclosure	Wholesale access guaranteed. Exclusivity limited to minimum necessary
Coordinated effects	Remedies
Possibilities to implement explicit or tacit collusion	Independence of partners should be guaranteed; information exchange should be limited to minimum necessary

# THANK YOU!

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[HTTPS://BIT.LY/2ZG28W7](https://bit.ly/2ZG28W7)

FOR MORE INFORMATION

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