CONSUMERS TO BENEFIT FROM INFRASTRUCTURE SHARING

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The Communications Regulatory Authority of Namibia (CRAN) recognises Infrastructure Sharing as set out in the Telecommunications Policy of 2009, the Communications Act (No. 8 of 2009) and Pillar 4 of the Harambee Prosperity Plan (HPP II) which encompasses Infrastructure Development under Goal 4, (Expanding Coverage for ICT) as a catalyst for economic growth, social progression and a contributor to global competitiveness and investment attraction.

Infrastructure Sharing is an economic arrangement that bears a legal obligation on **dominant telecommunications operators** to share spare capacity on their network with **non-dominant operators**.

Section 50 of the Communications Act sets out the legal requirements for infrastructure sharing on dominant operators. Mobile Telecommunications Ltd (MTC) has been declared a dominant operator for the Wireless End-user Access Market as per Section 78 of the Communications Act. "Dominant operators must have spare capacity in order to share infrastructure with other operators. In the case of MTC, an independent assessment was conducted by the Authority (with participation by MTC), which revealed that the supply side capacity on the MTC networks exceeds the levels of traffic demand (both in the current year and in the near future), and hence the directive to MTC to share infrastructure. The said assessment was based on network data provided by MTC for the purpose of the investigation," said Emilia Nghikembua, Chief Executive Officer, CRAN.

a) Nghikembua added "there is no obligation for infrastructure sharing if the dominant operator will utilise the infrastructure for its own purpose and has received such exemption from the Authority. MTC has not received an exemption from the Authority in this regard."
b) "Any aggrieved operator has recourse in terms of the Communications Act to raise its grievances with the Authority for re-consideration" added Nghikembua.

Nghikembua said, "the contention that Licensees that do not co-invest in infrastructure may not share, is not legally nor economically correct. The concept denotes that dominant operators have gained an economic advantage over other operators, and must allow other operators to share in that advantage, for the benefit of consumers. The Lessee of infrastructure must pay a sharing fee to the Lessor, therefore this arrangement is not for free."

The Communications Act makes provision for License categories that allow operators to only provide an electronic communication service without constructing their own network, with the understanding that they will share capacity with other operators. Cell –C (an operator in South Africa) is one such example, with 10 million customers all receiving network services from other Licensees. Infrastructure sharing is therefore, designed to benefit consumers not Licensees.

Benefits of infrastructure sharing to the consumers
From a telecommunications and economics perspective, infrastructure sharing is designed to primarily benefit consumers by:

a) Limiting duplication of infrastructure so that new investments can be geared towards underserved areas and improved customer service.
b) Significantly reducing barriers to market entry, which means that more operators can enter the market and consumers will have more choice in terms of products and services, which in turn will reduce costs, leading to improved quality of service and lower prices.
c) Alleviating pressure of network deployment, sharing allows operators to turn their attention to improved innovation, better customer service and eventually better commercial offerings and healthier competition.

Telecommunications network are built with consumers money and consumers have therefore earned the privilege to receive services from such a network, regardless of the operator.

The cost of data and other telecommunication services in Namibia remains high, due to factors such as the refusal by operators to share infrastructure. The African Affordability ranking indicates that Namibia dropped from 4th cheapest on the continent in Q1 2016, to the 33rd cheapest country in Q1 2021 for 5GB per month. Infrastructure sharing will therefore, allow for the introduction of effective competition, which will lead to price reductions for the benefit of consumers.

"The Authority has observed with concern that dominant operators have demonstrated a low appetite for regulatory compliance with regard to sharing infrastructure. Dominant operators must, however, take consumers into consideration, as an Operator's refusal to share may deprive consumers from enjoying the fruits of competition i.e. reduced prices and better network quality. To this end, CRAN shall enforce the infrastructure sharing framework for the benefit of all Namibian consumers and in order to comply with the objectives of the Government policy as codified in HPP II," said Nghikembua.

The Authority will continue to exercise its regulatory powers with due consideration to all stakeholders circumstances, for the benefit of all consumers of telecommunications services in Namibia.

"Ends"

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