

Tigo and Movistar sign agreement to develop a shared mobile access network in Colombia

- The companies signed a Memorandum of Understanding to explore integrating their mobile access networks.
- The agreement aims to evaluate the establishment of a new mobile access infrastructure company that would enhance the efficiency of current networks and serve as the driver for deploying new mobile technologies such as 5G.
- **The consolidated network would improve the quality of mobile services in over 700 municipalities** in Colombia. Therefore, **approximately 35 million mobile users from both companies in Colombia would benefit**, gaining access to services with higher standards.
- Both companies will continue to operate separately in terms of function and legality. **They will remain competitors** in delivering telecommunications services and maintain their independence and autonomy in business, strategy, and commercial activities.
- The transaction will be effective after being evaluated and authorized by the Superintendence of Industry and Commerce (SIC). Subsequently, the necessary approvals from the Ministry of Information and Communication Technologies (MinTIC) will be obtained.

Bogotá, June 9th, 2023.- Mobile networks in Colombia are evolving like never before. Movistar and Tigo announced today the signing of a Memorandum of Understanding (MoU) to explore the possibility of sharing their mobile access networks under a new jointly owned infrastructure company.

In the event of its realization, this agreement will benefit over 35 million Movistar and Tigo mobile users, enabling both companies to operate their mobile networks and use spectrum more efficiently, generating greater resources to expand coverage and optimize service quality. It will also ensure compliance with all regulatory obligations related to access, usage, and exploitation of said infrastructure.

The advantages for Colombians

Aligned with the goals set by the Colombian Government to achieve internet coverage for 85% of the population, **the agreement will boost connectivity, access to information, and digital services**, which are crucial for improving education, healthcare, financial inclusion, and entrepreneurship for 50 million Colombians. The agreement will also promote productivity, innovation, and competitiveness by ensuring that more people have access to the necessary tools to leverage digital opportunities.



If the operators unify their networks, national coverage would be strengthened in approximately 10% of the territory. According to the companies' estimates, the consolidated network would optimize the quality of mobile services in over 700 municipalities in Colombia. This new infrastructure company would serve as a platform for deploying new mobile technologies such as 5G.

According to the Memorandum of Understanding, both companies will continue to compete in providing retail and wholesale telecommunications services while maintaining their independence and autonomy in business, strategy, and commercial activities.

Fabián Hernández, President of Telefónica Movistar, expressed that "this announcement follows the best practices at an international level and aligns with similar agreements that the Telefónica Group has already implemented in the United Kingdom, Germany, Peru, and Mexico with other operators, aiming to generate operational efficiencies and accelerate the technological evolution of networks. The agreement also responds to Colombia's need to ensure the sustainability of connectivity offerings, but through business models that **promote competition**."

Marcelo Cataldo, President of Tigo, stated: "We aim to set a milestone for the telecommunications sector in Colombia and Latin America. The sustainability of the telecommunications sector is at stake in Colombia. This type of initiative, on the one hand, will improve the network quality for approximately 35 million users; on the other hand, it will enable us to make viable the **deployment of the infrastructure needed by the country to continue closing the digital gap and prepare for the arrival of future technologies**."

The telecommunications industry plays a crucial role in bridging the digital gap and expanding connectivity by investing in infrastructure, improving the quality and speed of connection, offering affordable services, driving innovation, and collaborating with other relevant stakeholders. Its participation is essential in ensuring that more individuals and communities have access to information and communication technologies, also promoting digital inclusion and socio-economic development.

International organizations' perspective

For organizations such as the OECD (Organization for Economic Cooperation and Development), the IDB (Inter-American Development Bank), and the World Bank, network-sharing initiatives, like the one announced by Movistar and Tigo, promote competition and drive investments and deployment. Furthermore, they enhance the quality and coverage of services at affordable and sustainable prices.

The International Telecommunication Union (ITU) has also expressed a similar viewpoint. In its ITU-T Recommendation D.264, it encourages both passive and active network sharing, including spectrum sharing, as a tool to generate efficiencies and cost savings to accommodate increased traffic and facilitate the deployment of new technologies.

The development of this unified network requires prior evaluation and approval from the Superintendence of Industry and Commerce (SIC). If the agreement materializes, it will also require respective approvals from the Ministry of Information and Communication Technologies.

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