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INDEPENDENT TOWER INFRASTRUCTURE: A CATALYST FOR INCLUSIVE CONNECTIVITY

Empirical Evidence and Policy Recommendations to Accelerate Wireless Connectivity and Digital Inclusion

Bridging the Global Digital Infrastructure Gap

According to the ITU's Digital Infrastructure Investment Initiative (DIII) white paper[1], closing the global digital infrastructure gap by 2030 will require an estimated USD 1.6 trillion in additional investment. This figure reflects the cost of expanding fixed and wireless networks, increasing backbone density, and scaling data centre capacity—particularly in low- and lower-middle-income countries, where 70% of the financing gap is concentrated.

Achieving universal and meaningful connectivity, particularly in rural and remote areas, implies the development of strategies that respond to the global realities of the telecommunications sector, which is characterised by low profitability, declining average revenue per user (ARPU), and, as stated, substantial investment needs in 4G and 5G networks.

Among the various business models associated with infrastructure sharing, independent passive infrastructure companies have proven to be cost-effective enablers of affordable and scalable digital connectivity. Rooted in the principles of open access, neutral hosting, and co-location, this model allows multiple operators to share physical assets—such as towers and sites—while maintaining service-level competition. It also drives efficiency across several dimensions, including capital investment, operating costs, competitive dynamics, network deployment speed, and environmental sustainability.

This submission presents policy recommendations that support the role of independent tower infrastructure in accelerating digital inclusion and economic development. It is underpinned by two studies that undertook rigorous econometric modelling and policy analysis that assesses the impact of passive infrastructure sharing via the independent tower companies on wireless industry performance and economic outcomes in Latin America and Africa. The empirical findings demonstrate that independent tower companies are critical to expanding wireless coverage, improving affordability, attracting investment, and driving inclusive digital growth.

The Case for Independent Tower Infrastructure

The submission is supported in two landmark studies conducted by Telecom Advisory Services, LLC, which employ econometric modelling to quantify the causal impact of passive infrastructure sharing, particularly via independent tower companies—on wireless sector performance and GDP growth. The studies:

- *Latin American Telecommunications at the Crossroads of Passive Infrastructure Sharing* (2022, updated 2024)[2]
- *The Independent Tower Industry as a Key Enabler of the Development of African Telecommunications (2024)*[3]

[1] https://www.itu.int/hub/publication/s-dii-diii-whitepaper-2025/

[2] https://www.teleadvs.com/wp-content/uploads/2024/09/Latamtowerstudyreport_whitepaper_final-20082024.pdf

[3] https://www.teleadvs.com/wp-content/uploads/2024/04/2024-africa-white-paper.pdf

Evidence-Based Insights from Latin America and Africa

Empirical findings from studies confirm that independent tower infrastructure providers are policy enablers and catalysts for the advancement of the wireless industry:

Latin America

Countries in Latin America where more than 50% of towers are owned and operated by independent tower companies experience the following improvements:

- Higher 4G coverage (average of 98.5% vs.90.93%)
- 50% faster wireless broadband speeds (average of 76 Mbps vs. 38 Mbps).
- 43% higher capital investment (average of US$35.8 per capita vs. US$20.34 per capita).
- Better affordability - One-third lower mobile broadband prices as a percentage of per capita income
- A higher adoption of mobile broadband (average of 70.53% vs. 60.04%).
- More intense competition in the mobile industry (average Herfindahl-Hirshman Index [HHI] of 3,195 vs 4,088]

Africa

In Kenya, Nigeria, Ghana, Zambia, and South Africa—each with over 40% of towers owned and operated by independent tower companies and more than 150 towers per million people—wireless performance was significantly stronger than in peer countries, including:

- Higher 4G coverage (89.69% vs. 81.59%),
- 35% faster broadband speeds (43.94 Mbps vs. 32.60 Mbps)
- 130% higher capital investment (US$8.82 vs. US$3.83 per capita).
- Better affordability (1.99% of GNI vs. 4.62%),
- 7.42 percentage points higher broadband adoption (34.79% vs. 27.36%)
- 24% more intense competition (30% lower market concentration)

The studies also examined the causal relationship between independent tower companies and wireless industry development. A 10% increase in the number of independent towers was found to significantly improve key performance indicators across both Latin America and Africa, with Africa showing even stronger effects:

Impact area	Latin America	Africa
4G Coverage	0.96% increase	5.95% increase
Broadband Adoption	0.51% increase in unique mobile broadband users	3.29% increase in wireless broadband adoption
Service Quality	2.05% improvement (measured by mobile download speed)	5.07% improvement (measured by mobile download speed)
Market Competition	0.46% increase (HHI)	1.38% increase (HHI)
Mobile Affordability	3.18% improvement (price relative to GDP per capita)	7.82% improvement (price relative to GDP per capita)

South Africa: A Model for Market-Led Infrastructure Growth

Among the African countries studied, South Africa stands out as a leading example of best practice. With over 46% of towers operated by independent companies and a high tower density, it consistently outperforms regional peers in key metrics such as broadband adoption, network speed, affordability, and investment per capita. South Africa's market-led approach—characterised by the absence of licensing requirements for tower companies—has attracted substantial private investment and accelerated the expansion of digital infrastructure.

Policy Recommendations

To replicate the demonstrated outcomes, we urge regulators to adopt the following evidence-based policy measures:

Policy Lever	Regulatory Action	Impact
A concessionary framework is not required; the industry should operate under general authorisation	Passive tower infrastructure providers do not exhibit the characteristics of natural monopolies—they operate in competitive markets, do not require exclusive control over infrastructure, and do not own or manage a public good like spectrum.	No regulatory burden, promotes open market access, and accelerates infrastructure deployment.
Need for fast permit approval driven by consistent and reasonable timeframes	Regulatory harmonisation between central/national government and municipalities. Standardisation and streamlining of permit approvals. Implement regulatory shot clocks or positive administrative silence rules.	Eliminates delays and improves rollout speed.
Efficient Infrastructure Use – Support Infrastructure Sharing	Implement co-location requirements and minimum tenancy thresholds per tower, where technically possible.	Reduces duplication, promotes efficient use, and ensures that infrastructure is used efficiently and remains financially viable, especially in rural and low-density areas.
Reasonable taxes and permitting fees	Fee structures should be proportionate to the services provided and designed to recover administrative costs	Predictable, non-confiscatory charges improve investment confidence and support sustainable infrastructure growth.
Small Cell Deployment via Rights of Way (RoW)	Grant streamlined and non-discriminatory access to public rights of way for the installation of small cells and related infrastructure. Establish clear, standardised permitting processes.	Enables rapid network densification and cost-effective 5G rollout in high-demand areas, while preserving public spaces and attracting private investment
Govern by free market principles	Anchor regulatory frameworks in free-market principles and promote light-touch regulatory regime.	Ensures efficiency, competitive neutrality, minimise intervention, and maximise private sector-led growth.
Long-term regulatory stability	Provide multi-year policy continuity. Ensure Predictable Fiscal and Tax Regimes. Enable Long-Term Access to Public Land.	Encourages long-term capital investment and planning.

Request to ITU – GSR 2025

SBA Communications Corporation respectfully requests that the ITU:

- Integrate these policy recommendations into the ITU 2025 Best Practice Guidelines.
- Recognise independent tower companies as strategic partners in achieving universal service goals.
- Encourage member states to adopt enabling frameworks and market-led approaches that unlock private investment and infrastructure growth.

By adopting these recommendations, governments and regulators can drive measurable improvements in connectivity, affordability, and economic inclusion, while aligning with ITU's global best practices.

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