

Problem 1: Network sharing (2p)

Network sharing is used by mobile operators usually in order to reduce network costs.

Question a)

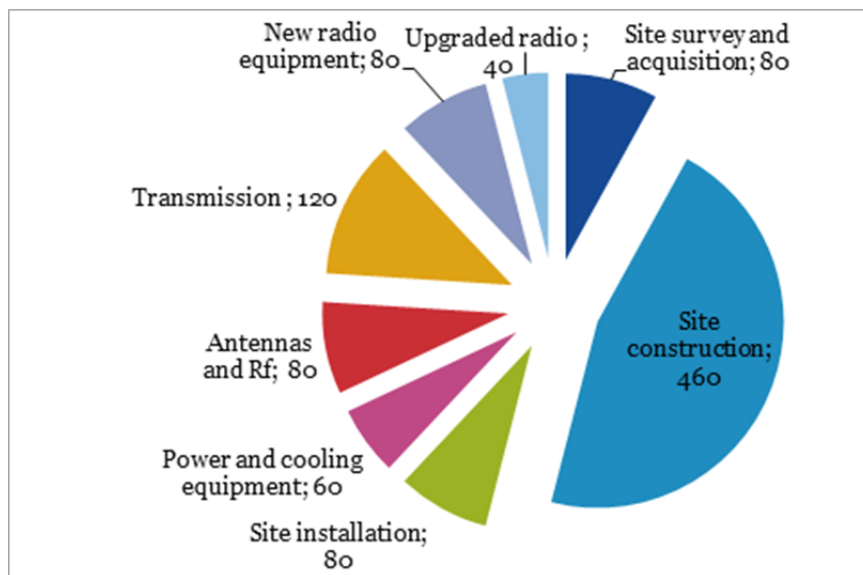
Mention (and motivate) two other reasons besides cost reduction that may motivate a mobile operator to share network with a competitor? (1p)

Question b)

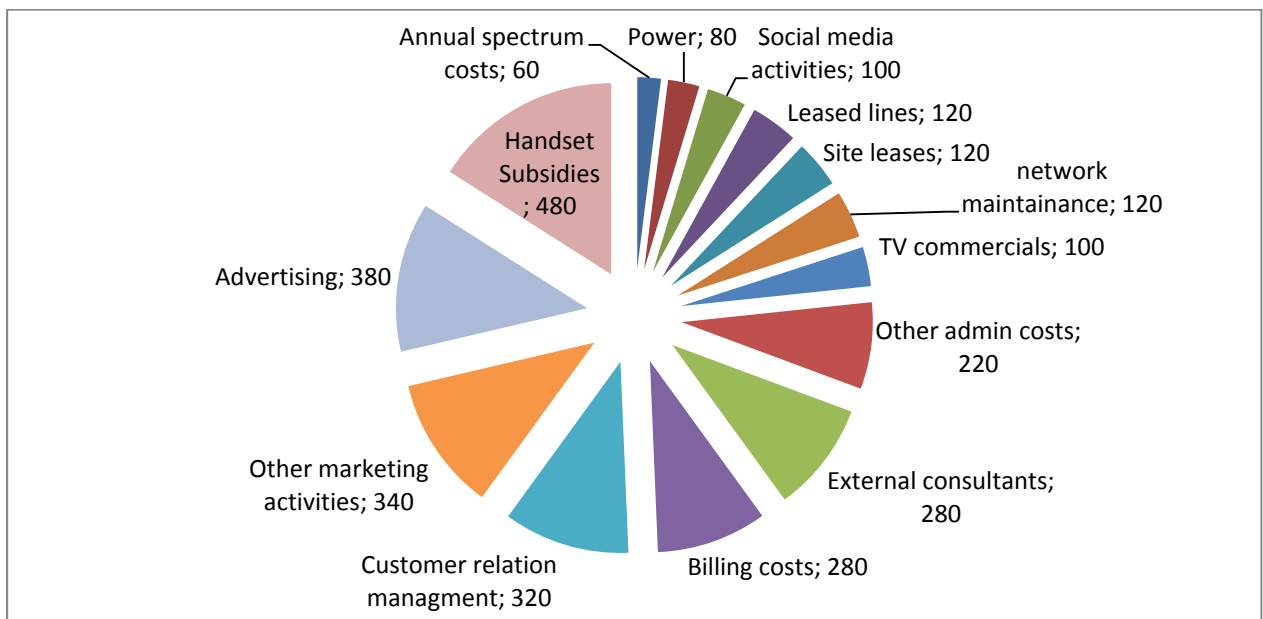
Consider two operators with equal costs and cost structure for a number of years.

What can be shared and how much can each of the operators save by network sharing? (1p)

See cost structure below, assume that all types of network related costs are reduced by 1/3 (33,3%)



Investments for one operator during the period



Running costs for one operator during the period