

The Law and Economics of Co-Investment in FTTB/H Networks

By Emanuel Kollmann

The paper discusses the relationship between

co-investment and **access regulation**

in the context of

- Fiber-to-the-building/home networks.
- Regulatory framework of the European Electronic Communications Code (EECC).

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- **Benefit:** promote competition (static efficiency)
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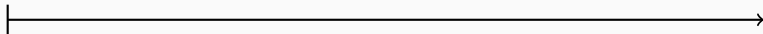
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General Structure

Incumbents

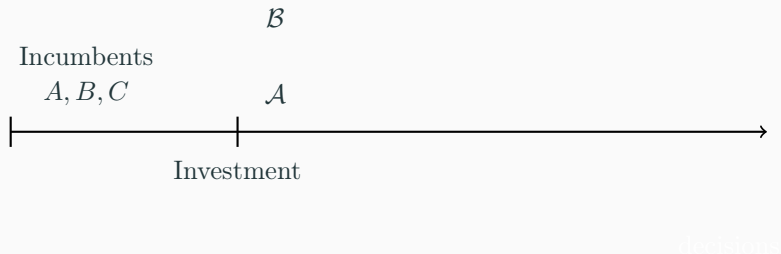
A, B, C



decisions

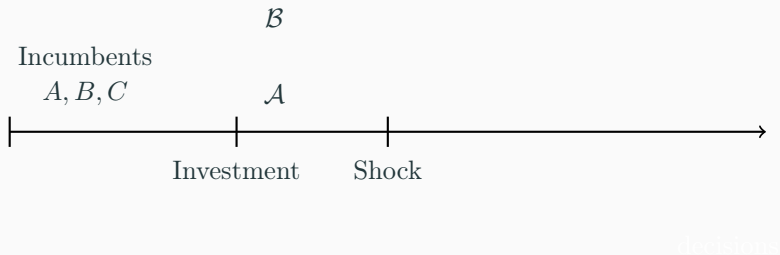
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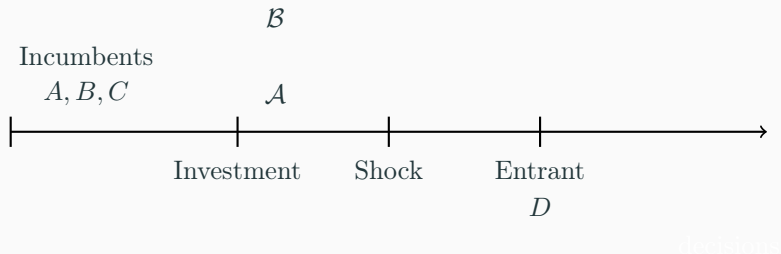
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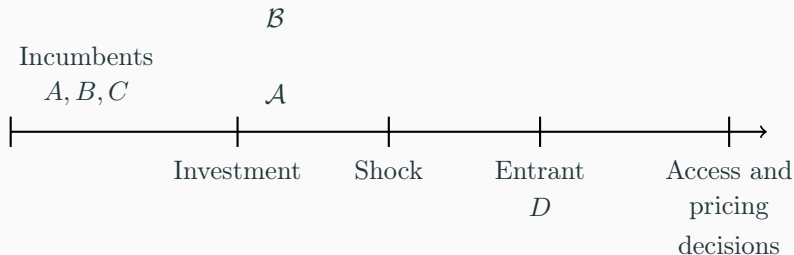
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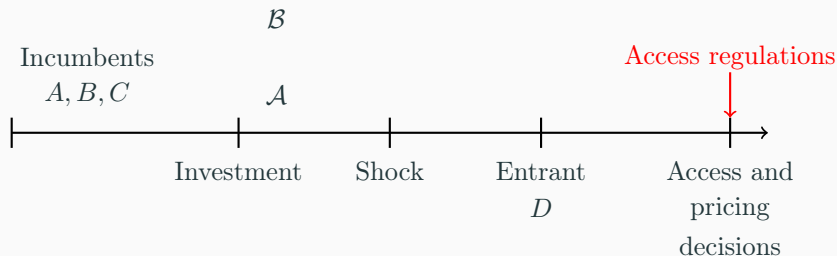
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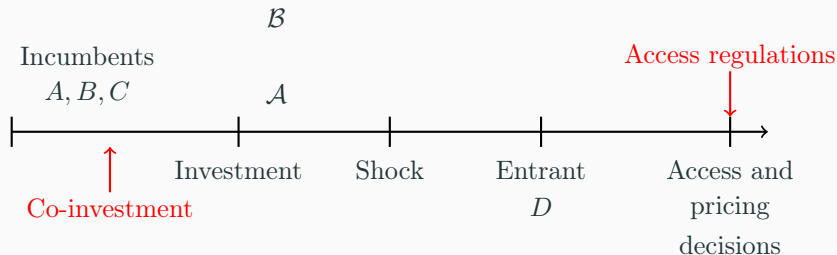
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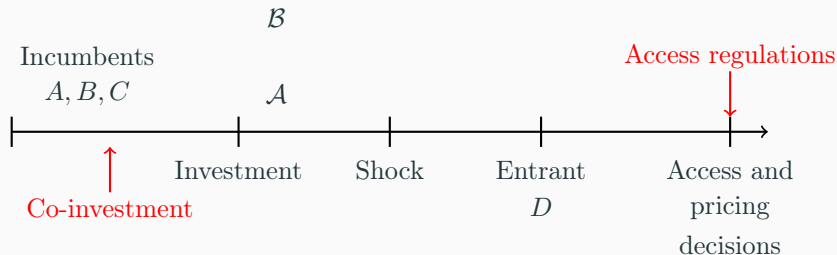
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Regulatory exemptions seem to be a way to make co-investments more attractive.

- Is it necessary for co-investment in the first place?

Literature analyzes separately the impact of co-investment and the effect of access obligations.

- What do co-investment incentives compare with and without access obligations? how about the *conditional* access obligations?
- Role of entrants.

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The paper brings together

- Theoretical insights from economic literature.
- Analysis of the Competition Law and its effects.

These two parts feel a bit disconnected.

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 - When? How is this related to the specific rules of the EECC?

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Clarity: The paper can be enhanced by providing clarity on a few key points.

- E.g., “Conditions have been criticized as being too similar to access regulation.”
 - Who criticized the conditions?
 - In which sense the conditions are “too similar” to access regulation?

Empirical Evidence: it would be interesting to see if the real-world observations align with the conclusions of the analysis.

- For instance, do we observe more co-investment happening in rural areas with strong regulatory approaches?

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What is so special?

Everything indicates that there is something **very** special about FTTB/H Networks.

- The European law breaches the principle of technology neutrality.
- “For the first time, European law contains a blanket rule for a specific business model and does not leave the decision on its impact to the discretion of the NRAs”

What makes this market so special?