

SEMINAR SERIES on ICTs POLICY RESEARCH

Professor Steffen Hoernig

docentes.fe.unl.pt/~shoernig/

Universidade Nova de Lisboa

Assistant Professor, Faculdade de Economia, Universidade Nova de Lisboa

Tariff-Mediated Network Externalities: Is Regulatory Intervention Any Good?

Abstract:

Mobile phone networks' practice of charging higher prices for offnet than for on-net calls has been pinpointed as the source of various competition problems: underprovision of calls and permanent disadvantages for small networks and entrants. We consider these allegations and four different remedies. Lower termination charges, asymmetric termination charges, limits on the on/off-net differential and limits on off-net margins. In all cases a trade-off has to be made between efficiency and networks' profits on the one hand, and consumer surplus on the other. Furthermore, generically price discrimination or uniform pricing (or anything in between) can maximize welfare.

Wednesday, March 12th 2008 5pm

Room 7.21, 7th floor, North Tower, Instituto Superior Técnico

Refreshments provided

Co-organized by:

