Potential Competition

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Economic Issues Across Legal Settings

- Exclusion
- Fostering Competition
Factors Affecting Significance of Potential Competition

- Characteristics of Potential New Products and Services
- Steps Potential Rivals Must Take to Enter
- Incumbent Responses
- New Firm’s Conduct After Entry
- Extent of Actual Rivalry
FCC Institutional Features

- Emphasis on Rulemaking
- Communications Industry Expertise
Analyzing Alleged Anticompetitive Exclusion

- Exclusion: raise rival’s costs or reduce rival’s access to the market?
- Obtain/maintain market power?
- Offsetting efficiency benefits?
Possible Illustrations:

Wireless Service for Data

- Potential competition: will wireless substitute for wireline broadband?
- Exclusion (hypothetical): pricing of special access lines for wireless backhaul
- Foster Competition: allocate more spectrum to wireless or allow more flexibility?