

Monopolization Effects by Competition Law: Evidence from FTTH Local Loop Unbundling in Japan*

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Abstract

This paper studies the effect of local loop unbundling regulation on entry behavior. In the process of the penetration of FTTH (Fiber to the home) in Japan in 2005-2009, we find that the local loop unbundling on FTTH premises prevent the entry of new entrants in FTTH building markets and induce to increase the share of the dominant carrier. Competition law in FTTH usage markets increases the competition in usage markets, but decreases the competition in FTTH building markets. (JEL K21, L43, L96 Keywords: Local Loop Unbundling, FTTH, Entry and Exit, Penetration).

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