

Net Neutrality and Asymmetric Platform Competition

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Abstract : In this paper we analyze the interplay between access to the last-mile network and net neutrality in the market for Internet access. We consider two Internet Service Providers (ISPs), which act as platforms between Internet users and Content Providers (CPs). One of the ISPs is vertically integrated and provides access to its last-mile network to the other (non-integrated) ISP. We show that a lower access price increases the integrated ISP's incentives to charge CPs positive termination fees (i.e., to deviate from net neutrality), and decreases the non-integrated ISP's incentives to charge positive termination fees.

Keywords : net neutrality, access regulation, internet access, two-sided markets

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