

Entry Into Fiber and State Aid for the Deployment of High-Speed Internet: Evidence from France

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Goal: to study efficiency and the impact on fiber coverage of State aid granted to local authorities through the "French Broadband Plan"

- Model of fiber entry
- Entry threshold to estimate the efficiency of state aid
 - Myopic and forward-looking policymaker
- Model of fiber coverage

Results: the plan was efficient in addressing market failures in the majority of municipalities where State aid was granted

Comments: Possible setting of the game

Period 0: Division into private and public

- Endogenous division
- Who decides the division?
- CF: an alternative division

Period 1: Firms decide to enter markets, or local authorities initiate projects and firms apply?

- Do firms compete for projects/State aid?
- Auction
- How are project characteristics determined
- Data on rejected applications?
- Possible reasons for inefficiency here? (e.g., the amount of state aid allocated)

Period 2: Approval of the projects

Here: Firms make entry decisions conditional on approval

Model of entry:

- Focus on spec.1: all municipalities w/o state aid
- Did those municipalities apply for state aid? How different are those municipalities?

Threshold:

- Firm heterogeneity:
 - By firm efficiency (high and low type)
 - By presence in the region (firm infrastructure is present)
- Compare the estimated threshold with the average threshold from the data
- How many markets where size $>$ threshold but no entry?

Fiber Coverage

- Demand: current internet providers, internet speed, price index (municipality dummies)

Firms:

- Market shares of infrastructure operators
 - Dominant players?
 - Presence in different markets
- Current firms' infrastructure (maintenance costs)
- Interesting to see the rollout dynamics by firms and regions