

Some puzzles of Internet economics

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Development of the economy:

- dominated by search for choke points
- minimal real investments
- assisted by confusology (the “post-truth” world)

Development of the economy cont'd:

- telecom just one potential choke point
- regulation extremely tricky
- quality of regulation may become main determinant of how successful an economy is

Telecom and related industries:

- world GPD: approx. \$80,000 B
- world telecom service revenues close to \$2,000 B
- world advertising spending: approx. \$500 B
- Google worldwide 2016 revenues: \$90 B
- Hollywood worldwide video revenues: approx. \$100 B

Some instructive examples:

T-Mobile filing with the FCC, May 27, 2014:

- cost of delivering mobile data: \$0.002/MB
- T-Mobile wholesale prices to international carriers:

	price per MB
median	\$0.09
average	0.20
95th percentila	0.40

- retail rates: up to \$20/MB

Some instructive non-telecom examples:

- Puerto Rico electric grid reconstruction: linemen paid \$63/hour, Whitefish billed \$319/hour
- Financial Times, Dec. 11, 2017: Avondale raises price of 100-tablet bottle of Niacor from \$32.46 to \$295 (basic vitamin available for under \$5)

Some 'ancient' wisdom:

- Robert Stephenson, 1840s: British railways more expensive than foreign ones because Britain richer
- Zahavi theories (somewhat disputed): time-travel and money-travel budgets constant