



NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

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FCC ADOPTS ANNUAL REPORT ON STATE OF COMPETITION IN THE WIRELESS INDUSTRY

Washington, D.C. – Today, the Federal Communications Commission (FCC) adopted its Eleventh Annual Report to Congress on the state of competition in the mobile telephone – or Commercial Mobile Radio Services (CMRS) – industry. This report examines the conditions prevailing in the CMRS marketplace in 2005. The FCC concluded that there is effective competition in the CMRS marketplace based on its analysis of various measures of competition, including: the number of competing carriers providing service in an area, market shares, pricing behavior and trends, technological upgrades and product innovations, subscriber growth, usage patterns, churn, and service quality.

Today's report reviews competitive market conditions by grouping indicators of the status of competition into four categories: (1) market structure, (2) carrier conduct, (3) consumer behavior, and (4) market performance. The report also examines a number of related topics, including urban-rural and international comparisons.

The report shows that competition among wireless carriers continues to afford many significant benefits to consumers. During 2005, the number of mobile telephone subscribers in the United States rose from 184.7 million to 213 million, increasing the nationwide penetration rate to approximately 71 percent. The amount of time mobile subscribers spend talking and texting on their mobile phones has also increased and the volume of text message traffic grew to 48.7 billion messages in the second half of 2005, nearly double the 24.7 billion messages in the same period of 2004. Revenue per minute, which can be used to measure the per-minute price of mobile telephone service, fell 22 percent during 2005 from \$0.09 in 2004 to \$0.07 in 2005. The J.D. Power and Associates 2006 Wireless Call Quality Study found that the quality of mobile telephone service improved in the past year, with reported problems per 100 calls reaching the lowest level since the inaugural study in 2003.

Action by the Commission September 26, 2005 by Eleventh Report (FCC 06-142). Chairman Martin, Commissioners Adelstein, Tate, and McDowell, with Commissioner Copps concurring. Separate statements issued by Chairman Martin, Commissioners Copps, Tate, and McDowell.

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