



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. Circ 1974).

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FCC ADOPTS 14th ANNUAL REPORT ON MOBILE WIRELESS COMPETITION ***Expanded Report Analyzes Entire Mobile Ecosystem; Finds Significant Growth in Wireless Data***

Washington, D.C. -- Pursuant to the Communications Act of 1934, as amended, the Federal Communications Commission today adopted its 14th annual report on the state of competition in the mobile wireless industry. The report -- which reflects the agency's commitment to upgrading all competition reports -- will create a solid foundation for predictable, fact-based wireless policy.

Unlike previous reports, which examined competition in the provision of Commercial Mobile Radio Services (CMRS), this year's report integrates CMRS into the broader mobile ecosystem, including mobile voice, messaging, and broadband services. For the first time, the report also includes data on the many interrelated "upstream" and "downstream" market segments of the mobile ecosystem -- including spectrum, infrastructure, and devices -- each of which has the potential to affect competition.

The report, which reflects market conditions existing in 2008 and much of 2009, identifies the following key trends, among others, in the mobile wireless industry:

- *Innovation in and around devices and applications:* Handset manufacturers have introduced a growing number of new smartphones -- 67 in 2008 and 2009 -- that provide mobile Internet access and other data services, and provide many of the functionalities of personal computers.
- *Transition to a data-centric market:* Data traffic has grown significantly, with the increased adoption of smartphones and data consumption per device.
- *Role of spectrum for mobile broadband:* Especially as mobile wireless broadband usage grows, access to spectrum becomes increasingly important for competition. While many wireless service providers have access to significant amounts of mobile spectrum, most of the spectrum below 1 GHz, in both the cellular band and the 700 MHz band, is not widely held.
- *Maturation of the mobile voice segment:* As of the end of 2008, 90 percent of Americans had a mobile wireless device.
- *Continued industry concentration:* There appears to be increasing concentration in the mobile wireless market. One widely-used measure of industry concentration indicates that concentration has increased 32 percent since 2003 and 6.5 percent in 2008.
- *Robust capital investment but declining relative to industry size:* Providers continue to invest significant capital in networks, despite the recent economic downturn. One source reports capital investment at around \$25 billion in both 2005 and 2008, while another shows that capital investment declined from around \$25 billion to around \$20 billion during the same period. Because industry revenue has continued to grow, both sources show that capital investment has declined as a percentage of industry revenue over the same period (from 20 percent to 14 percent).

Action by the Commission May 20, 2010, by Fourteenth Report (FCC 10-81). Chairman Genachowski and Commissioners Copps and Clyburn issuing separate statements at a later date; Commissioners McDowell and Baker concurring and issuing separate statements at a later date. WT Docket No. 09-66.

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