

**STATEMENT OF**  
**COMMISSIONER ROBERT M. McDOWELL**  
**CONCURRING**

*Re: Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless, including Commercial Mobile Services, WT Docket No. 09-66.*

The record in this proceeding, and the report itself, contain a wealth of facts that demonstrate the important role the mobile industry plays in the lives of everyday Americans, not to mention in the U.S. economy. The wide-ranging and competitive wireless sector has and continues to deliver innovative services at low cost, all the while exhibiting some of the most impressive capital expenditure numbers of any industry in the world. The greatest beneficiaries of these investments are American consumers who have steadily incorporated advanced wireless technologies into their daily lives.

To be clear, I support the Commission's more granular examination of the mobile wireless marketplace. I fully appreciate the transformative importance of mobile wireless broadband, which has resulted in a shift from devices that can place traditional phone calls to pocket-sized computers that access the Internet in one click.

I vote to concur, however, because, even under the "new forms of analysis," set forth in today's report, we have not identified new or particularly revealing information that would prevent us from opining as to "whether or not there is effective competition," as the statute requires. Further, by its terms, the report seeks to identify "areas where it would be fruitful to inquire whether policy levers could produce superior outcomes." This point in particular is outside the scope of our statutory mandate to produce the report, and appears to lay the foundation for more regulation. Furthermore, I cannot support this new theory as it suggests that government policy would manufacture a better result than the everyday choices made by consumers in a competitive marketplace. If nothing else, the report shows that the wireless sector is dynamic, ever-improving and responsive to consumer demand. Thus, we *all* should tread cautiously – especially industry players. Keep in mind that seeking regulation of your competitor today may well harm your company tomorrow.

Given this context, therefore, it is understandable that good news abounds in this report. Here are just a few examples:

- *Competitive choices.* With respect to mobile service providers, the report reveals that 74 percent of American consumers have access to *five or more* mobile wireless service providers. This number is up since we issued our 13<sup>th</sup> Report – by nine percentage points.

With respect to mobile broadband service providers, the percentage of the population served by *three or more* providers increased from 51 percent to 76 percent. Moreover, the percentage of people served by at least two mobile broadband providers increased from 73 percent to nearly 90 percent.

These numbers illustrate that the vast majority of consumers have a meaningful opportunity to change providers if they cannot withstand a "bill shock" or are unhappy with their mobile broadband experience. And, even though this statistic does not account for any market changes since the FCC-approved mergers that occurred in late 2008, there is reason to believe that this statistic will nevertheless rise: For instance, Clearwire is not yet fully deployed, and

neither Skyterra nor the numerous WCS licensees have begun to build out their mobile networks to give consumers even more choices.

It is important to acknowledge that citizens living in rural areas are not served by as many mobile broadband providers as other areas of the country, as is indicated in our report. Even there, however, 62 percent have a choice of two or more providers and almost one-third have a choice of three or more providers. That said, we can and we must do better. Bringing the benefits of mobile broadband to rural America is an important priority. I applaud Verizon Wireless' creative plan to partner with rural providers to accelerate investment in advanced mobile networks. I hope this is the beginning of a positive trend, and I look forward to learning of additional examples of industry-led innovation.

- *Job creation.* As cited in the report, one estimate predicts that the United States wireless industry may create two to three million new jobs between 2005 and 2015. Wireless services also create opportunities for increased productivity in American businesses. The same research study predicts that gains from the deployment and use of wireless broadband services could generate nearly \$860 billion in additional GDP between 2005 and 2016.
- *Investment.* According to the report, one research firm estimates that during the fifteen years between 1992 and 2007, economic contributions from wireless services grew faster than the rest of the U.S. economy, averaging over 16 percent annual growth compared to approximately three percent for the remainder of the economy. Although the report points out that the average annual growth rate for economic contributions decreased to 11.2 percent from the period from 2002 to 2007, an 11.2 percent rate of growth in a maturing industry is nonetheless impressive.
- *Consumer benefits.* Finally, while the report opines that the FCC-approved mergers have had a negative effect on consumers, it is important to note the opposite view that some mergers have also benefited consumers. Much of the recent activity has occurred when a national or large regional carrier purchased a smaller carrier serving a rural or underserved area. As a result, in many cases, the new entity brought consumers in those areas access to the same services and products that are available to customers in the most densely populated areas, including access to next-generation networks, innovative voice and data plans, and advanced devices.

I thank the Wireless Telecommunications Bureau. This is a tremendous body of work and we are grateful for your efforts.