

STATEMENT OF CHAIRMAN KEVIN J. MARTIN

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 Commercial Mobile Services, FCC 06-142

This year's Competition Report demonstrates that the competitive marketplace for wireless services is continuing to bring consumers more choice, better services, and lower prices. The number of minutes of use went up 27 percent in 2005 and the price paid by consumers for each of those minutes went down by 27 percent. Ninety-eight percent of the total U.S. population lives in counties with access to three or more different operators offering mobile telephone service, which is higher than in any previous year. Wireless subscribership has grown with usage. Approximately 28 million additional wireless subscribers signed up in 2005, bringing the total to 213 million subscribers and increasing the nationwide penetration rate to 71 percent.

In addition, new and innovative wireless broadband services are being deployed throughout the country on a competitive basis. Nationwide and regional carriers have deployed EV-DO, a technology that is available to nearly two-thirds of the U.S. population. In response to these EV-DO deployments, a nationwide carrier has launched a rival wireless broadband network using a technology called HSDPA. These developments are only the beginning – I expect deployment of innovative wireless broadband networks will accelerate now that the Commission has completed its auction of spectrum for advanced wireless services.

Competition among mobile telephone carriers has lowered the price consumers pay for mobile telephone service, stimulating rapid subscriber growth and greater usage of mobile phones. Competition has also encouraged mobile telephone carriers to improve service quality and to begin deploying significantly faster broadband technologies on their networks. These results demonstrate how a competitive marketplace – rather than economic regulation – provides the greatest benefits to the American consumer.