

**CONCURRING STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

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, Eleventh Report.

As in previous years, I concur in this year's CMRS Competition Report. I want to begin by repeating my observation that the quality of our reports is improving and by thanking the Bureau staff for their hard work in producing the item we release today. I am pleased the Commission is devoting more resources to fulfilling Congress's mandate that we review and analyze the competitive conditions for commercial mobile services.

I only concur because we still have a long way to go to meet the mandate of Congress to analyze whether there is "effective competition" in the mobile services market. As in years past, we do not provide an adequate definition of the term. The need for a clearly-stated, objectively-measurable definition of "effective competition" gets more compelling every year. Today's report is the first to incorporate data reflecting the move from five to four national carriers (brought about by the Sprint-Nextel merger). Our conclusion that competition remains effective post-merger would be more credible if we had defined that term ahead of time and *then* assessed whether current competition data meets our definition. Instead, we come at the problem backwards—gathering some data throughout the year and, when report time rolls around, letting the data drive us to an undefined conclusion that competition is present. Not only does this *ad hoc* process lack methodological discipline, but it leaves consumers, industry, and Congress with no clear idea of how this Commission will react to further changes in the market.

I also believe that any credible definition of "effective competition" must take account of the effects arising out of the cross-ownership of wireless and wireline companies. In this era of convergence, we often hear that new technologies will bring competition to markets currently dominated by incumbents. But what about when the same company or companies dominate both the new and the old markets? Will a parent company really allow a subsidiary to introduce products that cannibalize existing revenue streams? I expect that this issue will become increasingly important in the wireless industry—especially with the next generation of broadband services—and I hope that future CMRS reports will take account of it.

I am also concerned about our cursory examination of whether wireless customers have access to product information that allows them to make suitable buying decisions. This, too, is part of competition. So many consumers who I meet have complaints about their wireless bills. It is instructive that a number of states have taken steps, or are considering doing so, to address this problem legislatively. Moreover, we continue to receive a significant (albeit declining) number of consumer complaints each quarter, around half of which concern billing and rate issues. All this indicates that further investigation is warranted, and I hope next year's report addresses this particular question in greater depth.

Finally, we really need to develop new methods to measure coverage in rural areas. As today's report acknowledges, one important flaw in our present methodology is the assumption that if one part of a county (such as an interstate highway) receives coverage, then every part of the county receives coverage. Though gathering more granular data may be difficult, I think we need to investigate whether a sampling methodology may be appropriate. The present method distorts reality.

So that's the path I'd like to see us embark on for the next report. Nothing that I have said should detract from the good stories that our mobile industry has to report, including growing subscribership and dramatically increasing minutes of use. We need to monitor and study all these developments accurately and in their many ramifications in order to make sure that consumers can reap maximum benefits from the successes of this dynamic industry.