

COMMISSIONER ROBERT M. McDOWELL

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, WT Docket No. 06-17

First, many thanks to the staff of the Wireless Telecommunications Bureau for this fine effort. This report and analysis is thoughtful and comprehensive, and I appreciate your careful attention and hard work.

With respect to the substance, I am particularly pleased to see so many positive developments in the wireless sector. Over the last 13 years, wireless subscriber growth has grown exponentially and competition among numerous providers has flourished. Ninety-eight percent of the total U.S. population continues to live in counties where three or more different operators compete to offer wireless service, while nearly 94 percent of the U.S. population continues to live in counties with four or more different operators competing to offer service. Consumers have benefited from this competition – new services abound and prices have declined.

The overall wireless penetration rate in our country is now at 71 percent – and our report notes one analyst's view that just about everyone between the ages of 20 and 49 has a wireless phone. Moreover, innovative broadband services using advanced technologies allow customers to use new multimedia phones to watch TV, download songs, receive information and access content, such as sports, news and weather, at broadband speeds. Mobile phones are providing consumers with a personal computer-type broadband experience. Additionally, I applaud the competitive wireless industry for beginning to invest the necessary capital that permits consumers the flexibility to pull the content of their choice at the time and place of their choice.

At the same time, prices are decreasing. Our report estimates that revenue per minute (RPM) declined 22 percent last year alone. RPM currently stands at \$0.07, as compared with \$0.47 in December 1994 – a decline of 86 percent. This is great news for consumers.

I am delighted that the trend is positive, and I will continue to watch with great interest future developments in the wireless industry.