

**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, WT Docket No. 07-71*

The Twelfth Annual Commercial Mobile Radio Service (CMRS) Competition Report demonstrates that the competitive marketplace for wireless services is continuing to bring consumers more choice, better services, and lower prices. Today's report introduces an additional data source that allows for a more granular and accurate analysis of mobile telephone service deployment and competition. This data provides detailed boundaries of the network coverage areas of every operational mobile telephone carrier in the United States based on census block, rather than counties as in previous reports. Because there are 8 million census blocks in the United States – versus only 3,200 counties – this allows for a significantly more accurate and granular assessment than previous reports.

Using this data, the Commission has been able to estimate that approximately 280 million people – or 99.8 percent of the total U.S. population – have one or more different operators offering mobile telephone service in the census blocks in which they live. Lower prices and innovative products have stimulated demand for mobile telephone services. At the end of 2006, there were 242 million mobile telephone subscribers in the United States, up from 213 million at the end of 2005, which translates into a nationwide penetration rate of 80 percent. The additional 29 million subscribers represent the largest absolute increase in the number of subscribers ever. Moreover, during 2006-2007, wireless providers continued to deploy broadband networks that allow typical downstream data transfer speeds of 400-800 kbps. As of May 2007, approximately 82 percent of the U.S. population lived in census blocks with at least one mobile broadband provider. In addition, as of December 31, 2006, 22 million mobile wireless devices capable of accessing the Internet at broadband speeds were in use in the United States, up from 3 million at the end of 2005.

Mobile telephone carriers are also making efforts to improve service quality and introduce new option for customers throughout the country. Since the release of our last report, I have been pleased to hear the announcement by carriers of their plans to introduce a new option that will allow customers to use any device and to use any applications that they choose on the carrier's network. As I noted when we adopted open network rules for the ongoing 700 MHz spectrum auction, wireless customers should be able to use the wireless device of their choice and download whatever software they want onto it. I continue to believe that more openness—at the network, device, and application level—helps foster innovation and enhances consumers' freedom and choice in purchasing wireless service. I am optimistic that these commitments along with the ongoing 700 MHz spectrum auction will ensure an exciting new era in wireless technology for the benefit of all consumers.