

**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 Mobile Wireless, including Commercial Mobile Services, WT Docket No. 10-133.*

I am pleased that this year's mobile competition report builds on the leaps and bounds of progress over previous reports that began with last year's Fourteenth Report. This year's report again recognizes the on-the-ground reality that mobile is about much more than voice. The analysis of voice, data and text services provides Congress with an updated picture of the state of competition in commercial mobile service markets. The report brings further improvements, showing us, for example, how the number of competitors in an area varies by consumer income. Although we deliver the product to Congress, we would be remiss if we at the Commission did not use this report to consider the effects of our policy decisions on the mobile market.

But we should not allow this progress to stop us from continuing to improve the report going forward. I note, for example, that we continue to rely on third parties to furnish us most of the data on pricing and investment. I would prefer to have the Commission gather and verify this data ourselves. Good regulatory decisions depend on good data. Similarly, while I am pleased to see that mobile service covers vast swaths of our land, the report's coverage maps and network performance data are based on what carriers advertise and how each carrier defines coverage. The report acknowledges that this likely overstates actual coverage, and we have asked about actual performance for data services in our Form 477 notice. With the technology increasingly available to validate coverage and performance claims, shouldn't we, the expert agency, be moving toward a model of what consumers are actually experiencing?

Finally, I cannot ignore some of the darkening clouds over the state of mobile competition. The headline for this Report will be that the FCC neither finds nor does not find effective competition. Dig deeper and, sure enough, we find ongoing trends of industry consolidation. The well-accepted metric for market concentration, the Herfindahl-Hirschman Index, remains above the threshold for a "highly concentrated" market. It also appears that consumers are no longer enjoying falling prices, according to the CPI for cellular services. We know there is a looming spectrum crunch and a growing need for backhaul. There is no doubt that the mobile market is an American success story, and there are many ways to measure industry health. But it would be foolish and decidedly not in the public interest to ignore the facts this Report reveals. If we want Americans to continue to enjoy innovation, affordability and improved mobile coverage, we must heed these facts and continue to examine areas where the Commission can act to encourage mobile competition.

Thank you to the Chairman and the Wireless Telecommunications Bureau for bringing us this data-rich, well presented report.