The Wireless Industry Facts: An Independent Review

The U.S. wireless industry leads the world in overall satisfaction, value, competition, innovation and investment. While CTIA regularly conducts surveys on Americans' opinions about their wireless products and services, we recognize that sometimes, third party individuals and organizations can say it better.

SATISFACTION:

- In a FCC consumer survey that was release in June 2010, they found, "92 percent of cell phone users are very or somewhat satisfied with their cell phone service overall."[i]
- The number of complaints for the first three quarters of 2009 on non-Telephone Consumer Protection Act[ii] (TCPA) related issues was down almost 9% from the same period of 2008.[iii]
- When you consider all of the complaints against carrier practices, in the first nine months of 2009 there was an average of 52 complaints per day on a customer base of 277 million Americans – that's one complaint per day for every five million customers.[iv]

VALUE:

- At the end of 2009, the average revenue per minute in the U.S. was $ 0.04. Across Europe's developed countries, the average revenue per minute was $0.16. As a result, the average wireless consumer in Europe used just 160 minutes a month compared to over 824 minutes a month for the U.S.[v]
- The U.S. has the highest MOUs per month per user and the lowest average revenue per minute of service out of the 26 OECD countries tracked by Bank of America Merrill Lynch.[vi]
- The U.S. has the largest mobile data market[vii] and the most mobile Internet users than any other country.[viii]

COMPETITION:

- ~65% Americans have a choice of 5+ facilities-based providers, not including MVNOs.[ix]
- The U.S. has the most facilities-based competitors, the lowest HHI and the lowest percent of each country's market controlled by the top 2 or 3 providers.[x]
- Of the top 26 OECD countries, 12 have 3 facilities-based providers; 12 have 4; and only U.S. and Canada have more than 5 providers.[xi]
- Under proposed revised Horizontal Merger guidelines by DOJ and FTC, U.S. is the *only* wireless market among the 26 OECD countries not classified as highly concentrated.[xii]
- There were an estimated 103 million unique 3G wireless subscribers and more than 122 million total 3G wireless subscriptions at the end of 2009.[xiii] Furthermore, a number of wireless companies have introduced or announced plans to deploy 4G networks.

INNOVATION:

- The first "app" store was launched in July 2008. As of July 2010, there were more than 300,000 apps available from seven different stores on seven different platforms.[xiv]
- There are at least 11 independent operating systems for mobile devices. None of the leading systems are owned by a wireless carrier.[xv]
- In 2010, consumers are projected to spend $6.2 billion in mobile app stores worldwide to download over eight billion apps – eight out of 10 of which will be free.[xvi]
- There are more than 257 million data-capable devices in consumers' hands today. [xvii]
- Consumers can choose from more than 630 different handsets and devices in the U.S. (compared to the UK's 147). [xviii] Consumers can choose from devices that are manufactured by more than 33 companies and from more than 140 wireless operators. [xix]

ECONOMIC IMPACT/INVESTMENT:

- Wireless jobs paid more than 50% higher than the national average of other production workers.[xx]
- Estimates of productivity gains from wireless broadband services more than $860 billion between 2005-2016.[xxi]
- Wireless economic contributions have grown faster (16%) than the rest of the economy (3%).[xxii]
- In 2009, U.S. providers reported making capital investments totaling $20.4 billion.[xxiii] Wireless providers in the 5 largest European countries (France, Germany, Italy, Spain and UK) spent $17.9 billion combined.[xxiv]

[i] *See* Federal Communications Commission, FCC survey finds 4 out of 5 Americans don't know their broadband speeds, available at: http://www.fcc.gov/Daily_Releases/Daily_Business/2010/db0601/DOC-298525A1.pdf (last visited July 28, 2010).

[ii] TCPA-related complaints include those associated with autodialing, live or recorded telemarketing calls and "unsolicited commercial e-mail messages to cell phones, pagers, and other wireless telecommunications devices." CTIA has urged the Commission to exclude those complaints that fall under the TCPA, as they are areas outside carrier control and ultimately are not complaints against carriers; rather they are with other customers.

[iii] Federal Communications Commission, Quarterly Report on Informal Consumer Inquiries and Complaints Released, Second and Third Quarter 2009 (April 2, 2010), available at: http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-297283A1.pdf and http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-297289A1.pdf.

[iv] *Id*.

[v] Glen Campbell et al, Global Wireless Matrix 1Q10: A Modest Recovery, Asia in the Lead, Bank of America Merrill Lynch at 2-3, (Apr. 13, 2010) (Tables 1-2 reporting year-end 2009 data).

[vi] *Id.*

[vii] Posting of Om Malik to GigaOm, State of U.S. Wireless Data Q2 2009, http://gigaom.com/2009/08/08/state-of-the-us-wireless-data-q2-2009/#more-62852 (August 8, 2009).

[viii] Nielsen Mobile, Critical Mass: The Worldwide State of the Mobile Web at 2, 4 (July 2008).

[ix] *See* Comment of CTIA-The Wireless Association, WT Docket No. 09-66 at 6 (Sept. 30, 2009) ("CTIA Competition Comments"); *see also* Reply Comments of CTIA-The Wireless Association, WT Docket No. 09-66 (Oct. 22, 2009) ("CTIA Competition Reply Comments").

[x] *See, e.g.,* Comments of CTIA-The Wireless Association, WT Docket No. 09-66 (Sept. 30, 2009) ("2009 CTIA Innovation and Investment Comments").

[xi] *See, e.g.,* France Telecom, Deutsche Telekom merge in UK, Associated Press (Apr. 1, 2010).

[xii] Federal Trade Commission, Federal Trade Commissions Seeks Views on Proposed Update of the Horizontal Merger Guidelines, *available at:* http://www.ftc.gov/opa/2010/04/hmg.shtm and http://www.ftc.gov/os/2010/04/100420hmg.pdf at p.19 (last visited on May 14, 2010).

[xiii] comScore estimates unique wireless subscribership for the 50 states and the District of Columbia, taking into account multiple simultaneous subscriptions. The Informa Telecoms and Media Group estimates total active wireless subscribership for the U.S., and its territories. Both estimate 3G subscribership or subscriptions.

[xiv] Written Ex Parte Communications of CTIA-The Wireless Association, WT Docket No. 10-133 (July 30, 2010).

[xv] *Id.*

[xvi] Consumers Will Spend $6.2 Billion in Mobile Application Stores in 2010, cellular-news, http://www.cellular-news.com/story/41491.php.

[xvii] Reply Comments of CTIA-The Wireless Association, GN Docket No. 09-157 and Docket No. 09-51 at 4 (November 5, 2009); CTIA's Wireless Industry Indices: Semi-Annual Data Survey Results, A Comprehensive Report from CTIA Analyzing the U.S. Wireless Industry (March 2010) (reporting year-end 2009 data).

[xviii] Written Ex Parte Communications of CTIA-The Wireless Association, WT Docket No. 10-133 (July 30, 2010).

[xix] *Id.*

[xx] Harold Furchtgott-Roth, The Wireless Services Sector: A Key to Economic Growth in America 2008 Report (January 2009).

[xxi] Roger Entner, The Increasingly Important Impact of Wireless Broadband Technology and Services on the U.S. Economy: A Follow up to the 2005 Ovum Report on the Impact of the US Wireless Telecom Industry on the US Economy, A Study for CTIA-The Wireless Association (2008).

[xxii] Harold Furchtgott-Roth, The Wireless Services Sector: A Key to Economic Growth in America 2008 Report (January 2009) (BEA Industry Economic Accounts).

[xxiii] Written Ex Parte Communications of CTIA-The Wireless Association, WT Docket No. 10-133 (July 30, 2010).

[xxiv] *Id.*