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FCC Releases Statistical Report On Wireless Industry

Washington, D.C. – The Federal Communications Commission has recently released its *Seventh Annual Report on the State of Competition in the Wireless (CMRS) Industry*. The FCC's analysis of the market indicates that the CMRS industry continued to experience increased competition, subscribership, and innovation as well as lower prices for consumers, and increased diversity of service offerings. Some of the strongest growth occurred in digital technology which is now dominant in the mobile telephone sector. At the end of 2001, digital customers made up almost 80 percent of the industry total, up from 72 percent at the end of 2000.

According to the Report, 2001 saw a continuing trend toward industry consolidation due to a significant number mergers, acquisitions, license swaps, and joint ventures, as well as continued efforts by providers to build their footprints, deploy networks in an increasing number of markets, expand digital networks, and implement innovative pricing plans. At the same time, due to increased competition, overall prices for mobile services have continued to decline.

The Report focuses on two categories of wireless services: *mobile telephony* and *mobile data*. The Report found that the mobile telephony sector experienced continued strong growth and competitive development, generating over \$65 billion in revenues, and increasing subscribership from 109.5 million to 128.5 million. This translates to a nationwide penetration rate of about 45 percent. In addition, currently 268 million people, or 94 percent of the total U.S. population, live in counties with access to three or more different operators (cellular, broadband PCS, and/or digital SMR providers) offering mobile telephone service, with many areas having even greater choice of provider.

During the past year, the mobile data industry also has continued to grow significantly and become more competitive. Estimates of the number of mobile Internet users at the end of 2001 range from approximately 8 to 10 million, up from 2 to 2.5 million at the end of 2000. As of March 2002, these technologies were available in some portion of U.S. counties covering approximately 181 million people. According to the Report, these developments contributed to the further convergence of mobile voice and mobile data services, which was marked by the emergence of smartphone devices that combine the organizations and data-centric features of PDAs with the voice capabilities of mobile telephones.

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If you would like to obtain this Report, or other FCC reports or studies covering trends in the telecommunications industry, please feel free to contact us.

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