



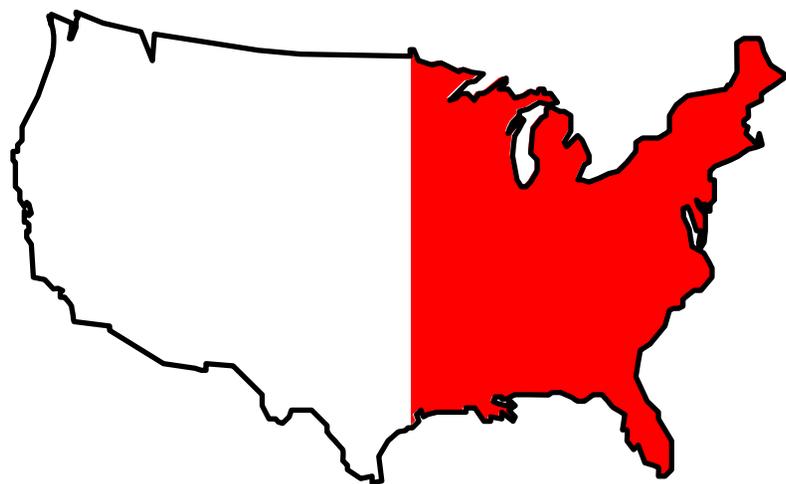
# **Report to Congress**

## **Seventh Annual CMRS Competition Report**

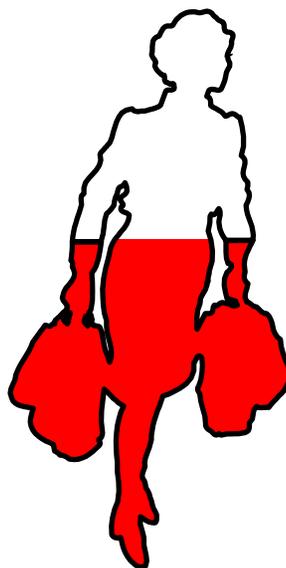
**June 13, 2002**



# National Mobile Telephone Penetration Rates



45% of total  
U.S. population



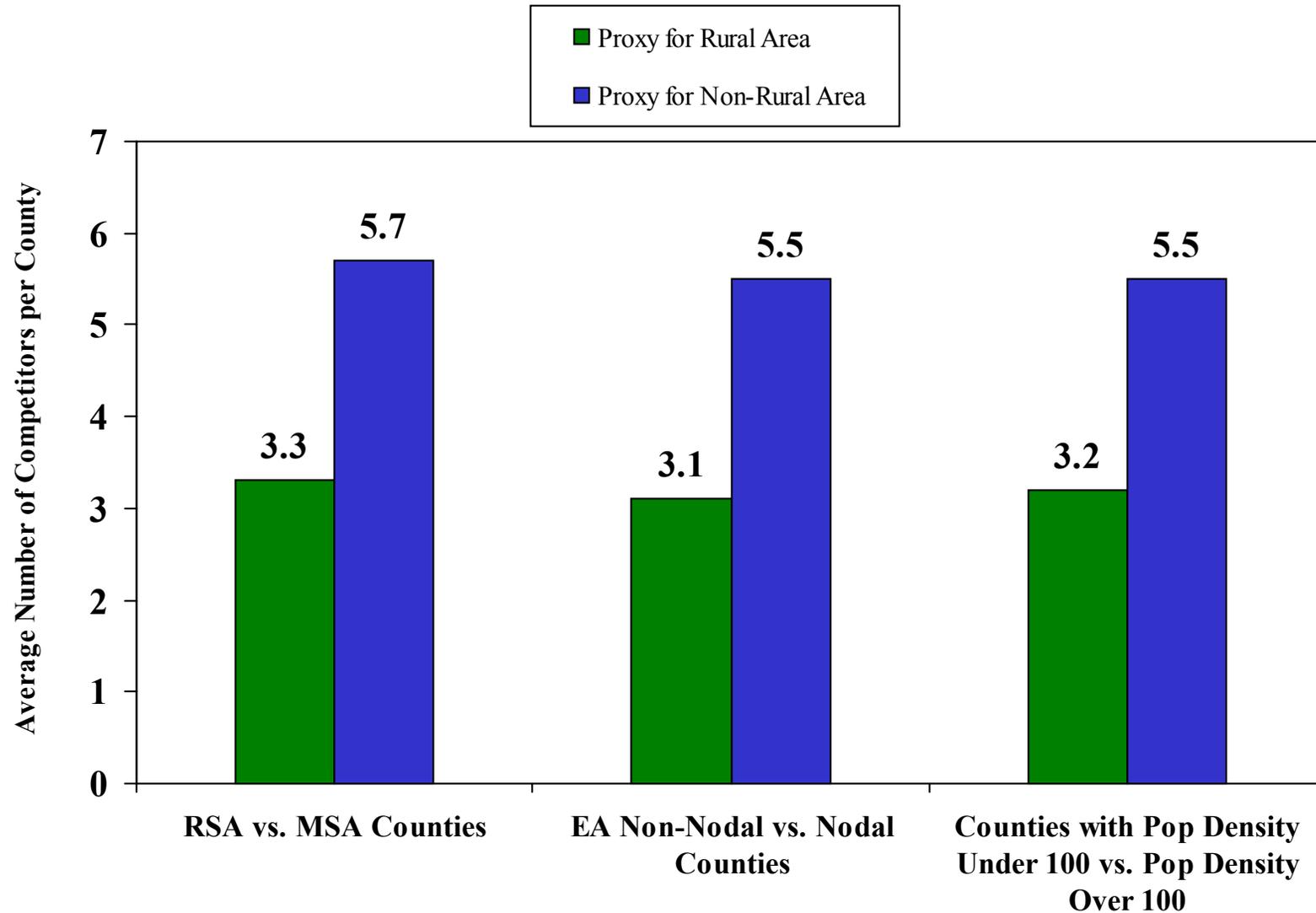
58% of Americans  
12 and older



61% of total U.S.  
households

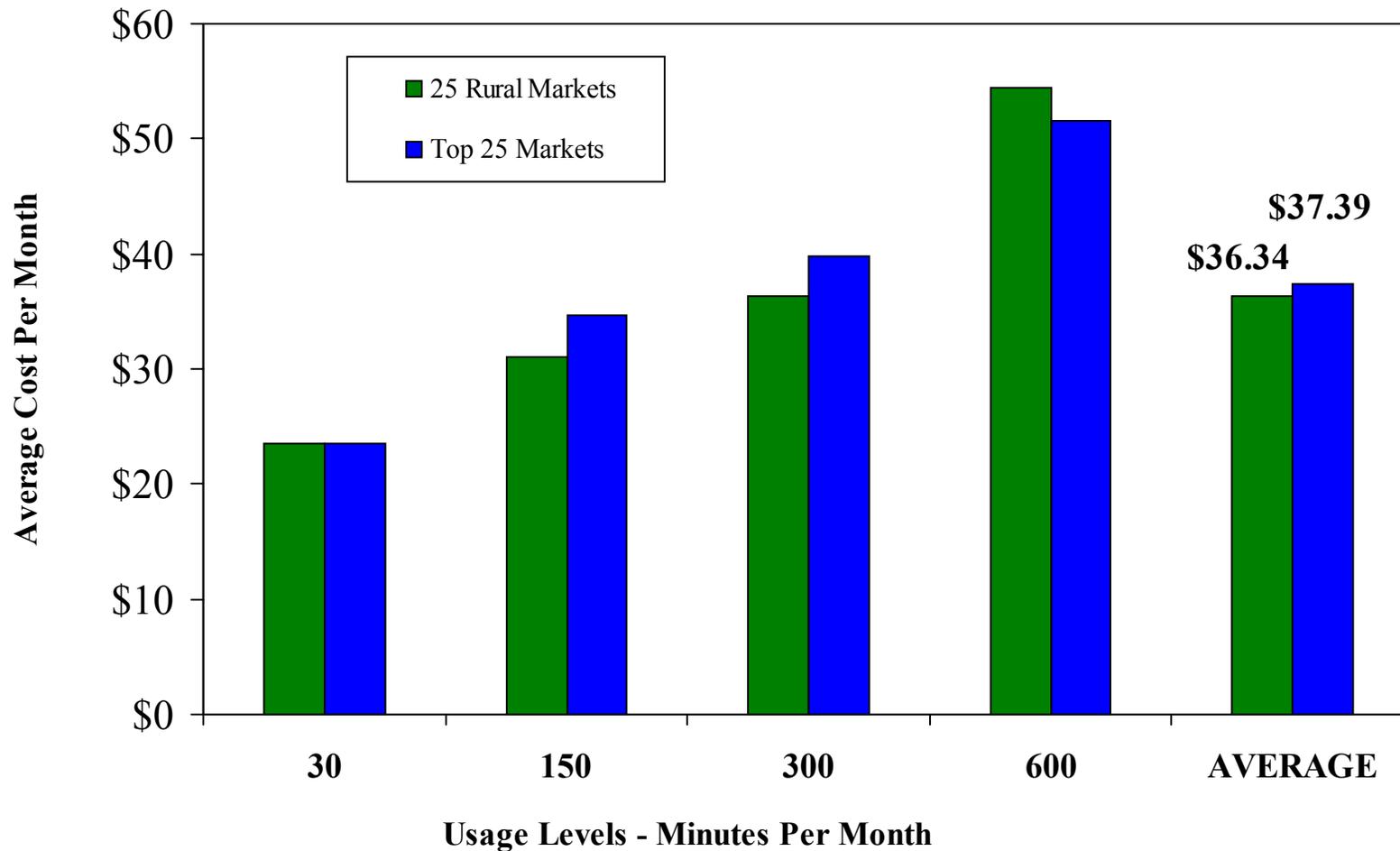


# Urban vs. Rural Comparisons: Rollout





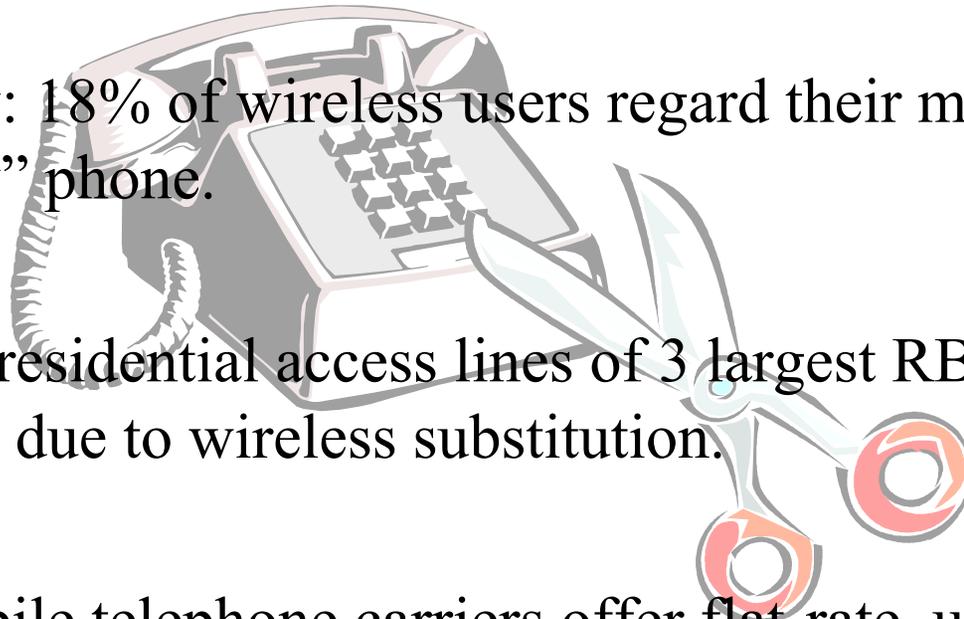
# Urban vs. Rural Comparisons: Pricing





# Wireless – Wireline Competition

- Analysts estimate 3-5% of mobile telephone subscribers rely on their wireless phones as their only phone.
- Recent survey: 18% of wireless users regard their mobile phone as their “primary” phone.
- During 2001, residential access lines of 3 largest RBOCs dropped by 3%, in part due to wireless substitution.
- At least 8 mobile telephone carriers offer flat-rate, unlimited local calling plans in locations across 30 states.
  - Leap estimates 32% of its customers use their wireless phone as their only phone.





# Mobile Data Services



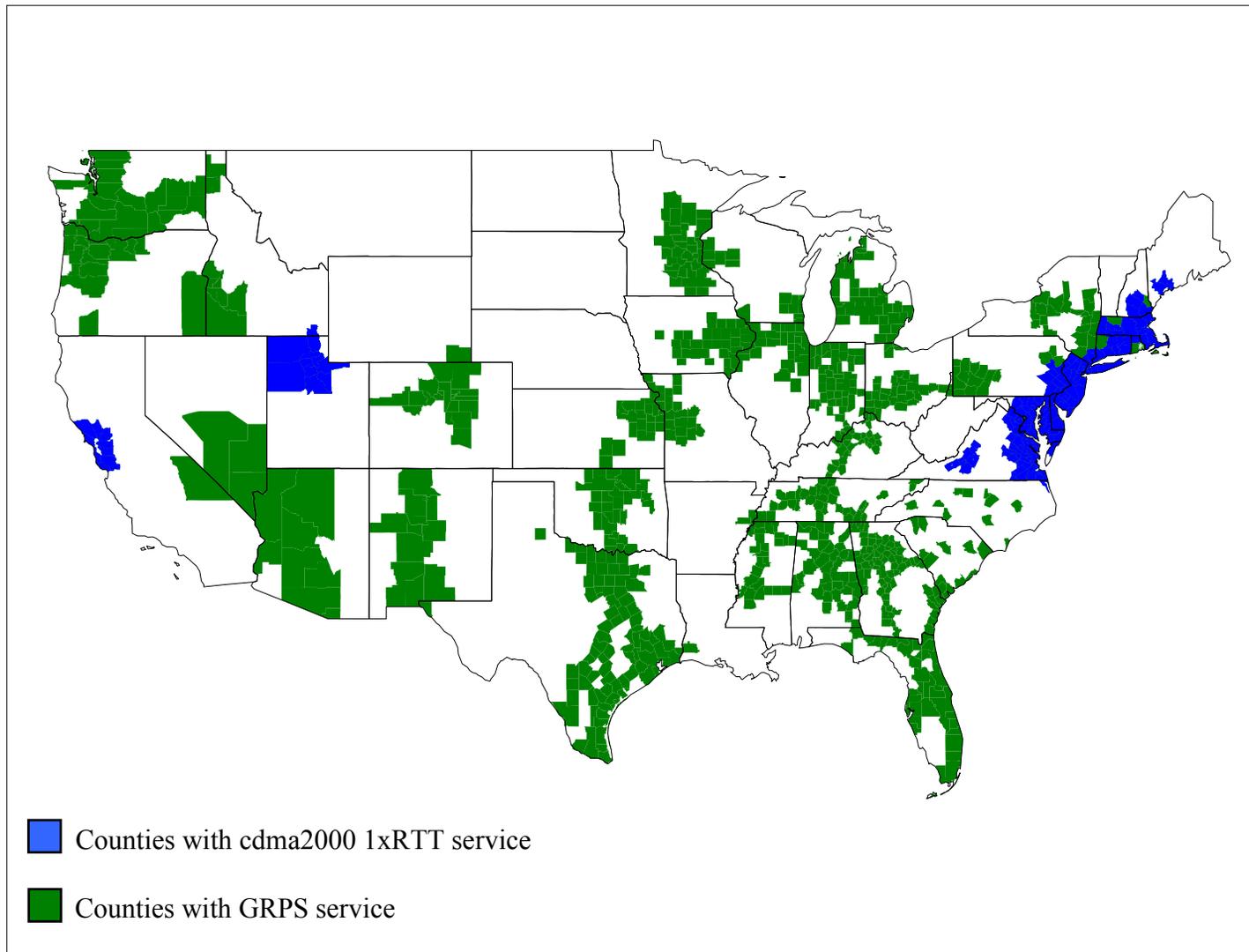
- Mobile data services:
  - Paging
  - SMS and Instant Messaging
  - Web browsing
  - E-mail access
  - Corporate server access



- 8 to 10 million mobile Internet subscribers at the end of 2001, up from 2 to 2.5 million in 2000.
- Mobile telephone carriers began deploying advanced wireless network technologies GPRS and cdma2000 1xRTT during 2001-2002.



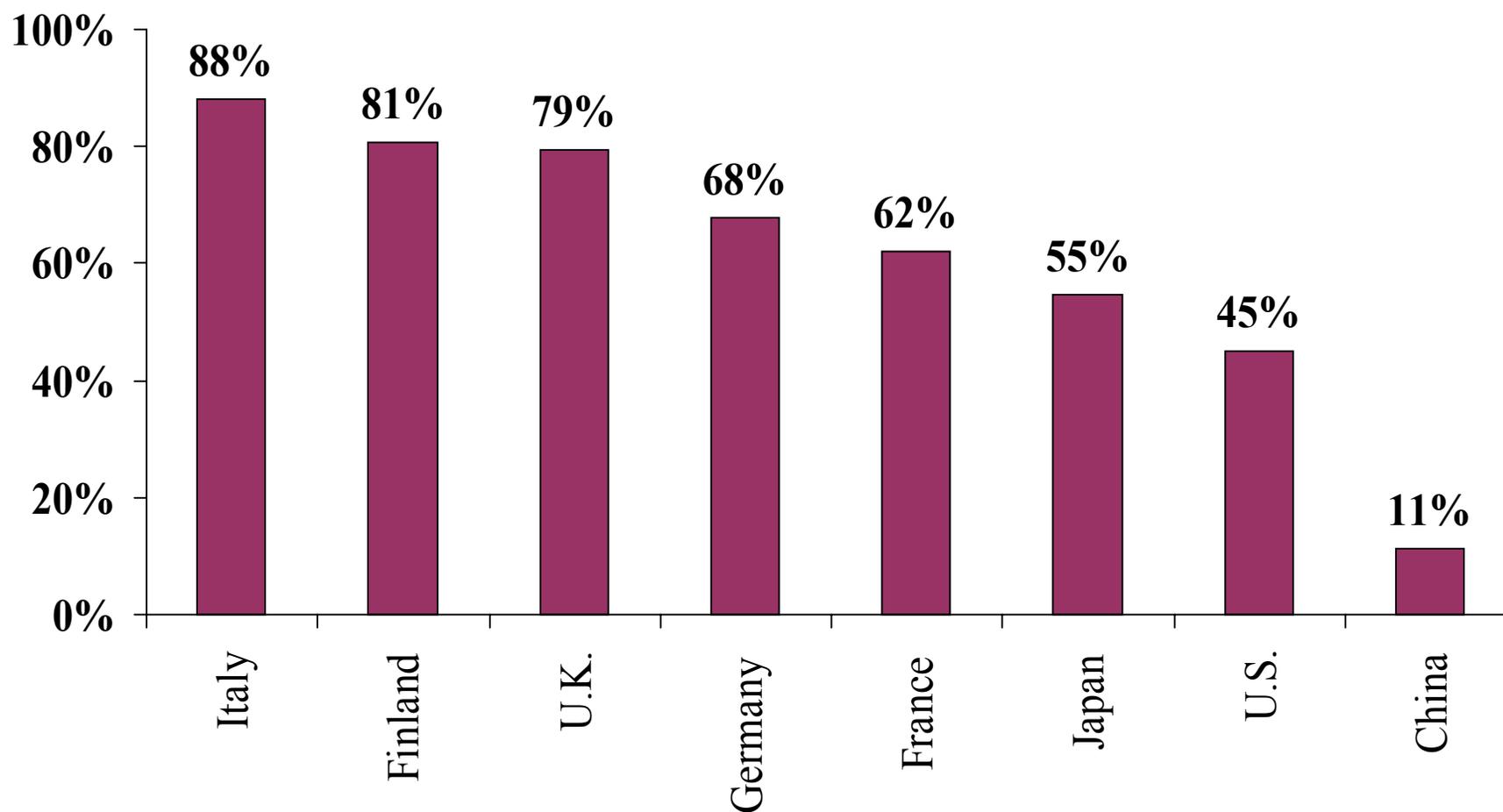
# GPRS and 1xRTT Rollout as of March 2002



Source: FCC



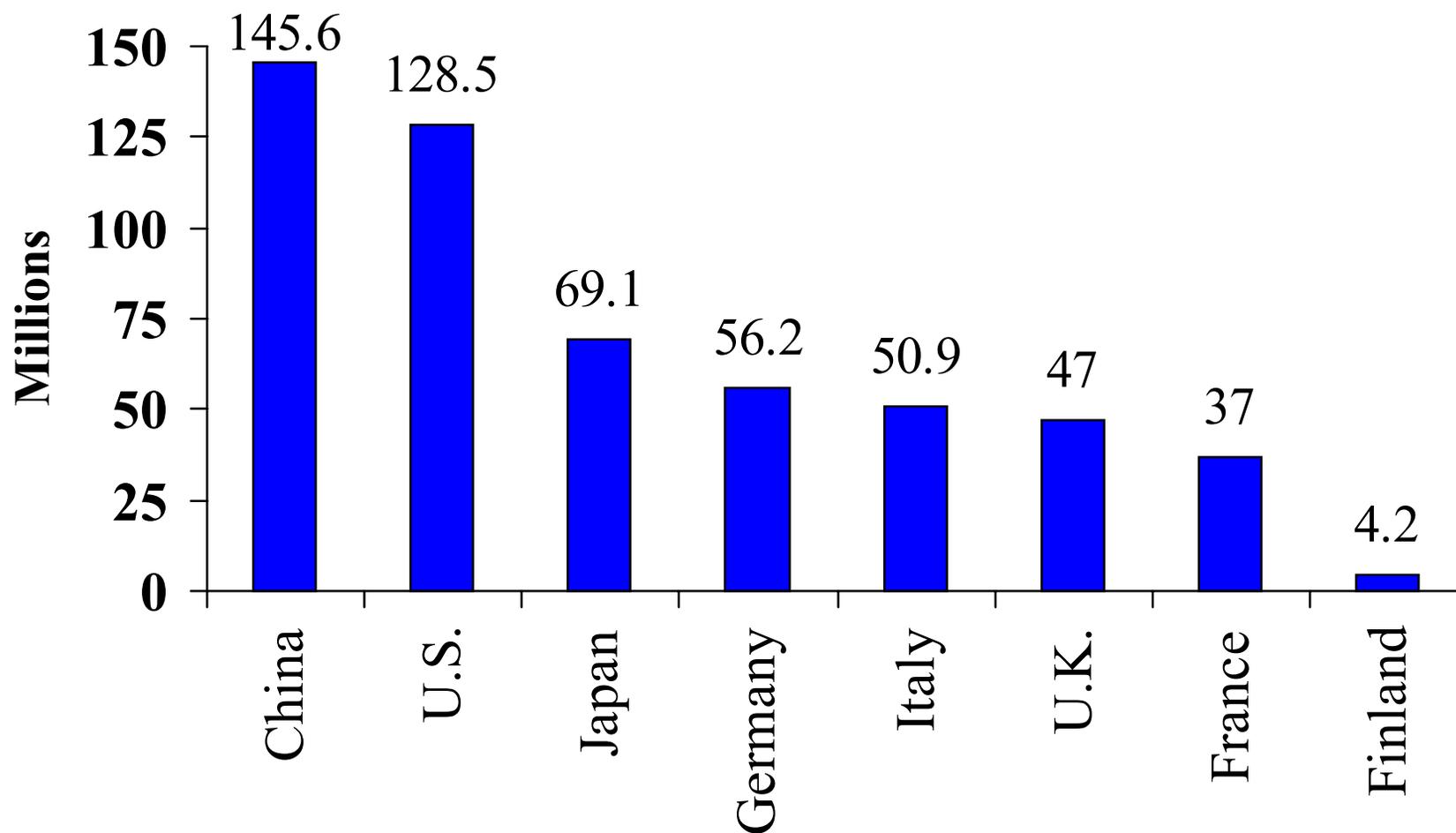
# International Comparisons: Wireless Penetration: Year-End 2001



Sources: FCC (USA); *Wireless 2002 – Focusing on Profitability*, Global Equity Research, Goldman Sachs, May 3, 2002, at 4 (all other countries).



# International Comparisons: Total Subscribers: Year-End 2001



Sources: FCC (USA); *Wireless 2002 – Focusing on Profitability*, Global Equity Research, Goldman Sachs, May 3, 2002, at 4 (all other countries).