

**House Consumer Affairs Committee
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**The Wireless Industry – Competition, Investment
and Innovation**

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A Dynamic & Multi-Faceted Industry

Facilities-Based Providers

Wireless licensees, aka “carriers” – including National, Regional, and Local wireless service providers

Non-Facilities-Based Providers

Mobile Virtual Network Operators (MVNOs) reselling wireless service under their own brand identity

3rd Party Actors

Aggregators, Platform Providers, Enablers

Manufacturers & Suppliers

Handset, Chip and Network Equipment Manufacturers, Tower Companies

Application/Software Developers

Television/Entertainment, Mobile Gaming, Mobile Video, Ringtones, and other Application and Content Developers and Providers

Evolution of the Wireless Ecosystem Nationally from 2007-2010

	YE 2006	YE 2009
Total Subscribers	233,040,781	285,646,191
Total SMS for Year	158,648,546,798	1,563,090,908,850
Total MOU for Year	1,798,361,585,325	2,275,271,269,991
Churn	52,014,499	66,623,516
% Smartphones of Total Handset Market	6%, 4Q06	31%, 4Q09
# of Device Manufacturers	29	33
# of Operating Systems	7	11
# of Apps	< 5,000	> 400,000
Average Bill	\$50.56	\$48.16

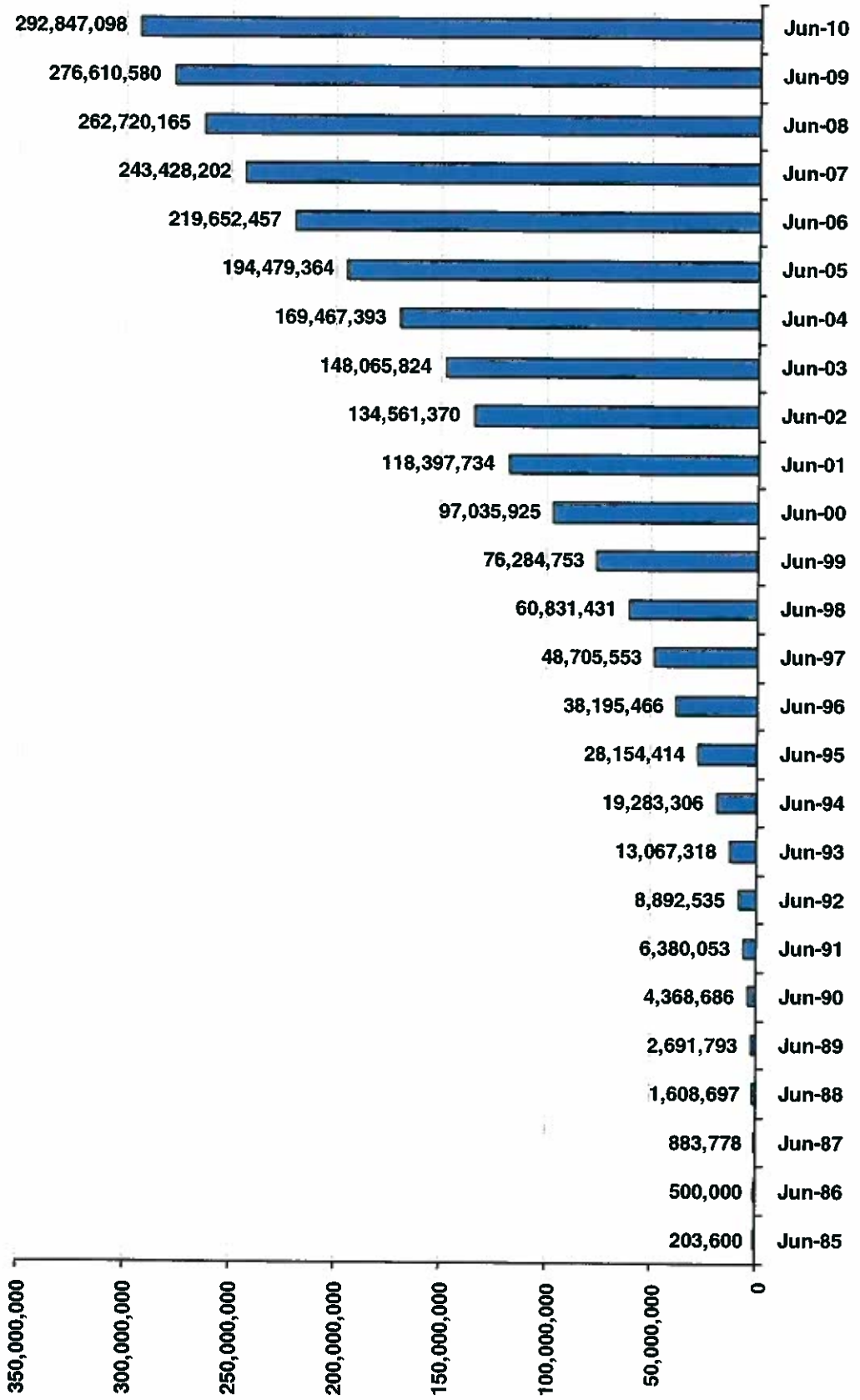
Wireless in Pennsylvania

- Subscribership in Pennsylvania grew 37% since December 2005. There are 10,867,000 wireless subscribers in the commonwealth as of December 31, 2009 (Source: FCC)
- The wireless adoption rate is 86% in Pennsylvania (Source: FCC)
- There are 14 facilities-based providers operating in Pennsylvania (Source: FCC)
- In 2008, the wireless service providers' revenues constituted more than \$9.9 billion of the commonwealth's economy (Source: FCC)
- In 2009, wireless carriers directly employed at least 4,341 people in the Pennsylvania, with total wages of more than \$305 million (Source: BLS)
- Wireless carriers operated in more than 225 business locations throughout the commonwealth (Source: BLS)
- The average annual wireless employee pay was \$70,410 in 2009. By contrast, the per capita income in Pennsylvania in 2009 was \$26,678 and the median household income in 2009 was \$49,737 (Source: BLS)

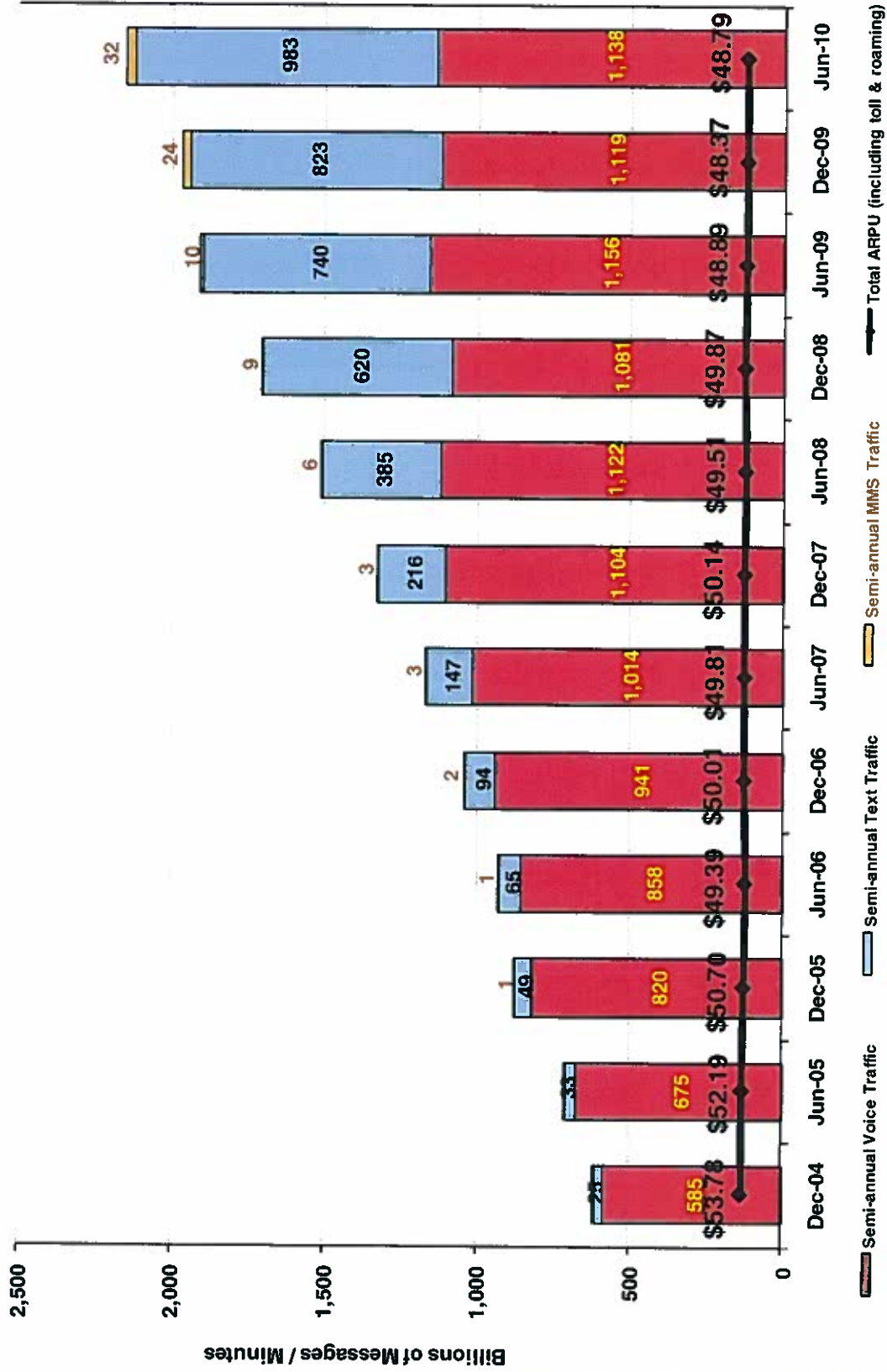
Wireless in the U.S. = Competitive, Innovative, Affordable

- Competition has driven investment and innovation in networks, devices, service plans, and applications
- Competition has driven down the cost of service to consumers
- Competition continues to drive the deployment of faster next generation broadband wireless services

As of June 2010, There Were More Than 292 Million Wireless Subscriber Connections



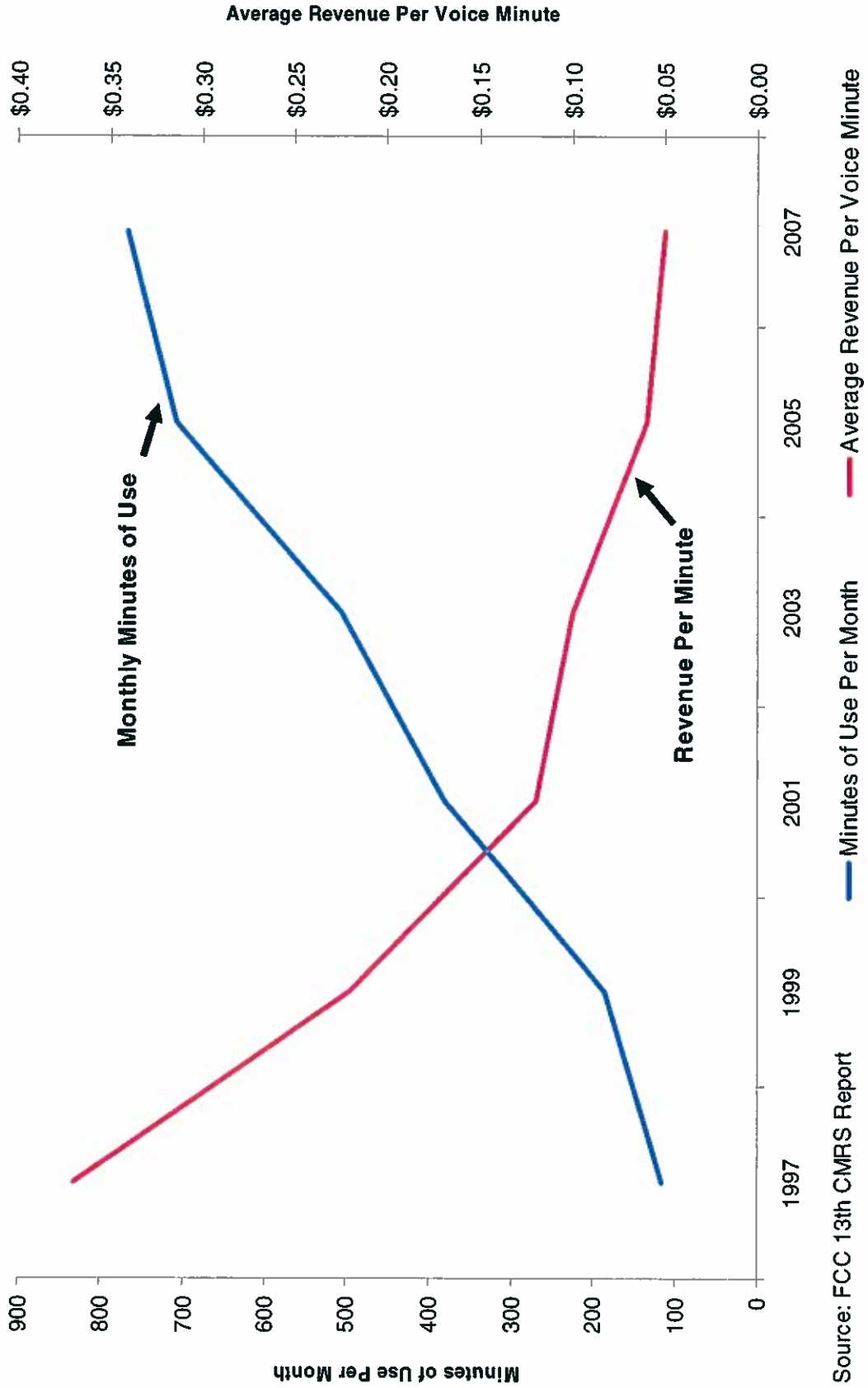
* ARPU has Remained Relatively Stable, While Usage Has Soared



Source: CTIA Semi-Annual Survey

* Average Revenue Per User

Effectively, Wireless Customers are Paying Less for More Minutes - More than 85% Decline since mid 1990's

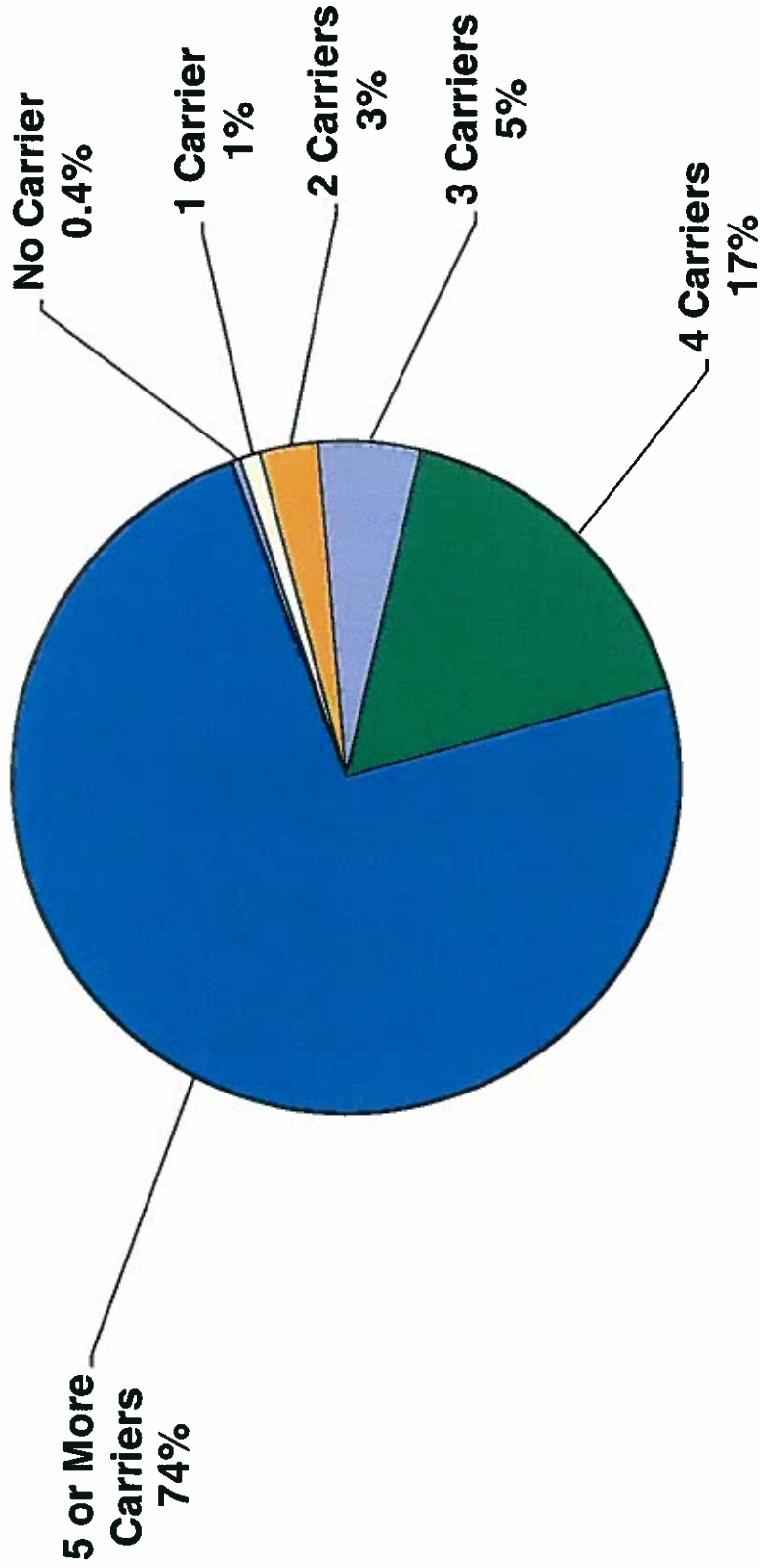


And What Wireless Customers Do Has Dramatically Changed

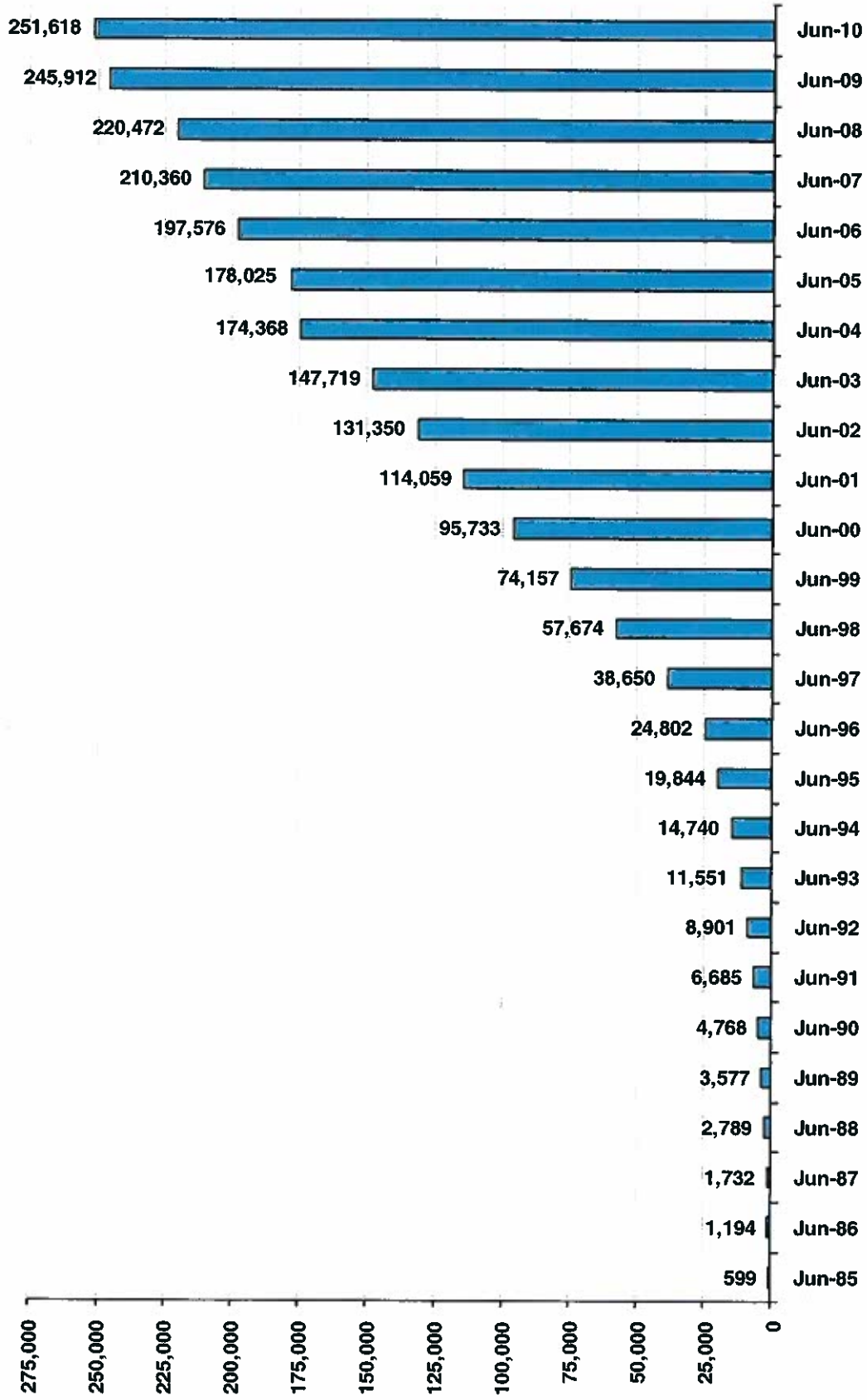
- In just over *two years*, the wireless industry has launched:
 - Seven applications stores
 - Offering more than 500,000 applications
- To date, more than 10 billion applications have been downloaded by consumers.
- Wireless carriers in the U.S. already transmit the equivalent of more than 1.5 times the entire Library of Congress book collection every hour of every day.
- Wireless data use is expected to increase *more than 20 times* from 2010 to 2015, from about 49,000 TB a month to more than 986,000 TB a month.

U.S. Wireless Has Delivered More Choices for More People

Nearly Three-Quarters of Consumers Have a Choice of Five or More Wireless Service Providers

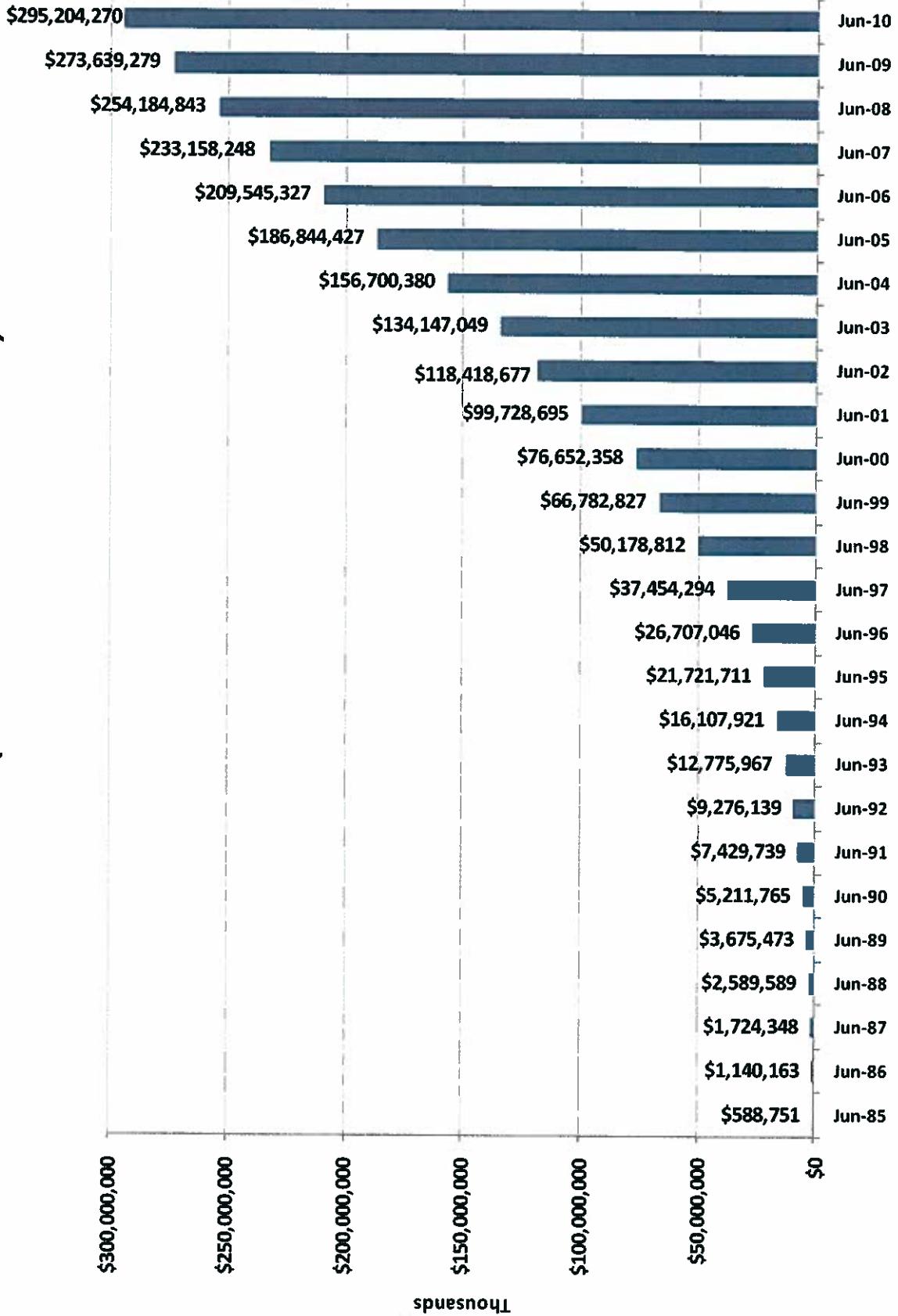


Service and Coverage Depend on Investment: Cell Sites



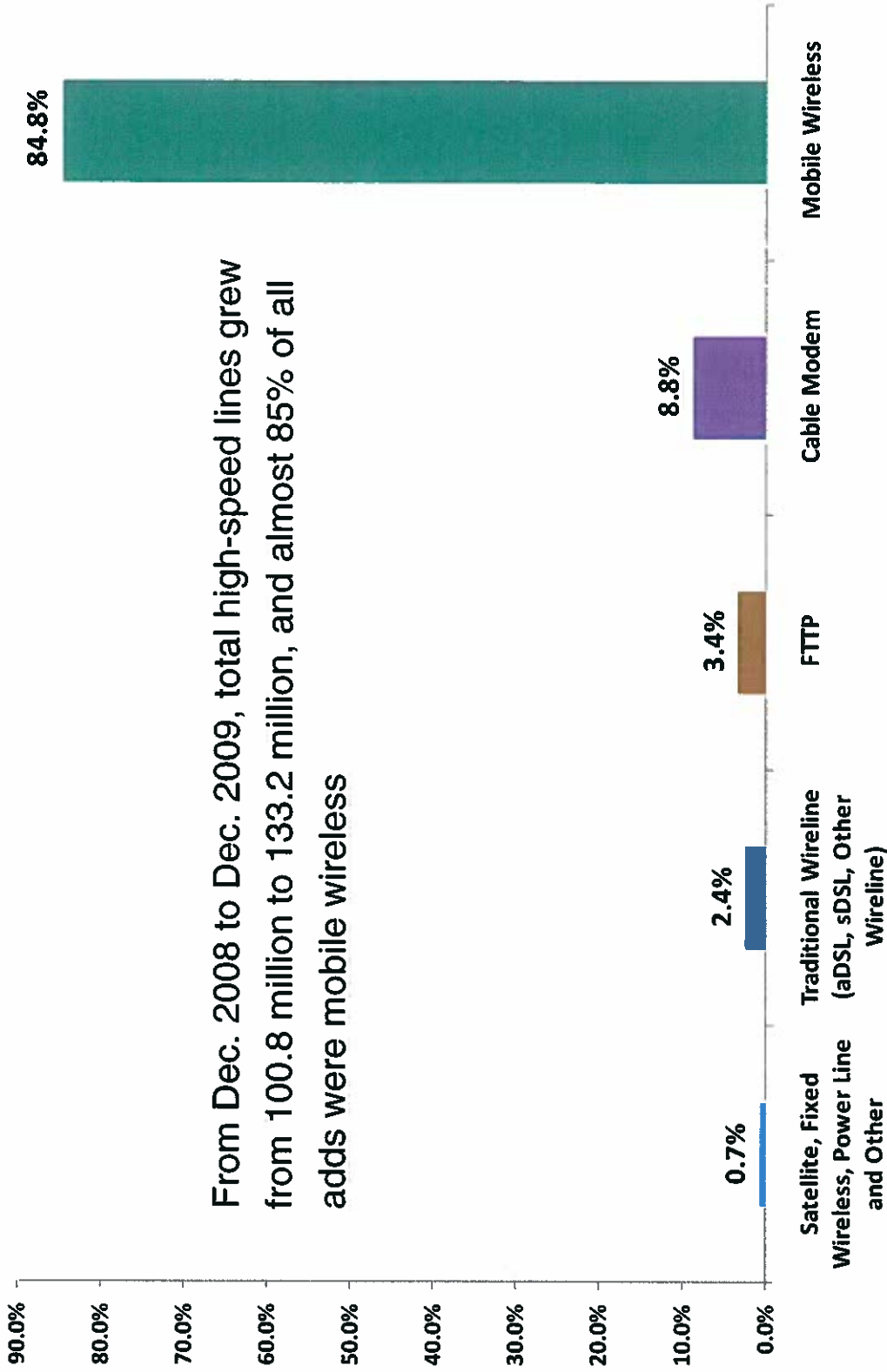
Cell Sites in Service are Up 4,706 Year-over-Year

And Wireless Investment (>\$295 Billion to Date)

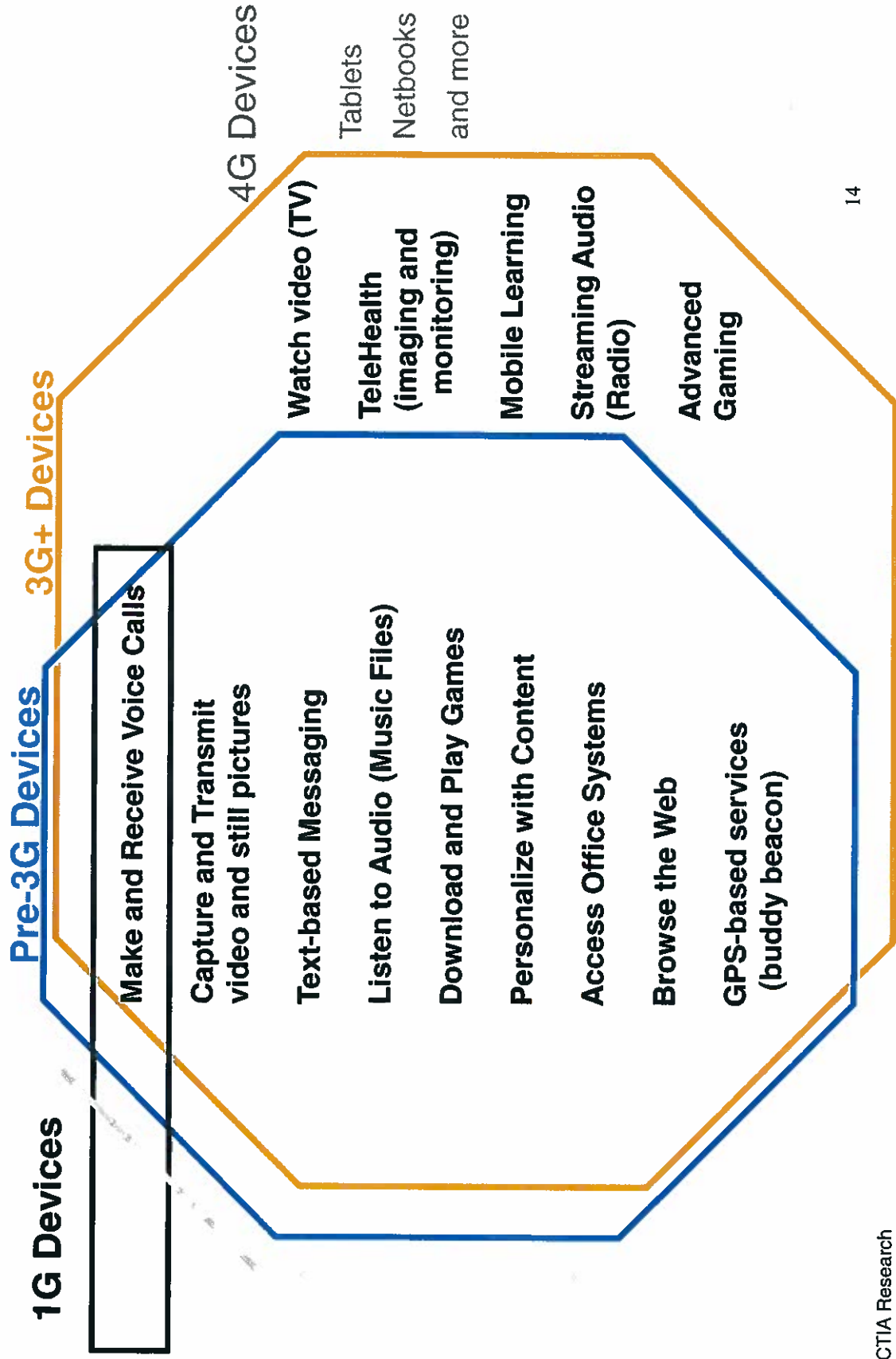


Wireless is a Growing Means of High-Speed Access

High-Speed Adds Dec. 2008 - Dec. 2009, by Technology
(Download Speeds of More than 200 kbps)



Makes Possible New Applications While Preserving Older Capabilities



Innovation Has Made Wireless Devices Multi-Function Tools



Maintaining and Stimulating the Growth of the Wireless Industry in PA

- Advocate policies that stimulate growth, investment and innovation
- Current light touch regulation has led to growth
- Predictability and consistency in regulation at state and local levels
- Implement tax policies that do not unfairly single out the industry



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Thank you.

Questions?