

### Handset Innovation

While there is an ongoing debate about carrier access to innovative wireless devices, this is not intended to impact that discussion. Rather, this information shows that manufacturers develop and market an extraordinarily large number of innovative handsets for the U.S. market. American consumers enjoy a wide variety of wireless devices from which they can choose the device that best fits their wireless needs. From simple, voice-only devices to complex smartphones that more closely resemble a handheld computer than a telephone, the breadth and depth of devices manufactured and sold to American consumers far eclipses that in other developed countries.

- According to our research, there are more handsets available in the United States than in any other country in the world, and likely more than are available in any other *region* in the world.
  - There are more than 630 different wireless handsets and devices available in the U.S.
  - By contrast, in the U.K., there are only 147 different handsets available to consumers.<sup>1</sup>
- These are at least 32 companies manufacturing devices into the U.S. market:

<b>DEVICE MANUFACTURERS PRODUCING/SELLING IN THE UNITED STATES</b>		
Alcatel	HTC	PCD
Apple	Huawei	Research in Motion
ASUS	Jitterbug	Samsung
Axxesstel	Kyocera	Sanyo
BandRich	LG	Sharp
BenQ	Motorola	Siemens
Cal-Comp	Nokia	Sierra Wireless
Casio	Novatel Wireless	Sony Ericsson
Firefly	Option	Uniden
HP	Palm	Waxess USA
	Pantech & Curitel	ZTE

- There are at least eight wireless operating systems competing to meet consumers' needs and run wireless devices:

<b>OPERATING SYSTEMS DESIGNED FOR WIRELESS DEVICES</b>	
Android (Open Handset Alliance)	OS X iPhone (Apple)
Blackberry OS (Research in Motion)	PalmOS (Palm)
BREW (Qualcomm)	WebOS (Palm)
Java (Sun Microsystems)	Windows Mobile (Microsoft)
LiMo (Open Source Linux for Mobile)	

<sup>1</sup> See BT, <http://www.bt.co.uk>; O2, <http://www.o2.co.uk>; 3, <http://www.3.co.uk>; Virgin Mobile, <http://www.virginmobile.com>; Carphone Warehouse, <http://www.carphonewarehouse.co.uk>; Vodafone, <http://www.vodafone.co.uk>. Handsets of the same model with differing color schemes were not counted as unique handsets.

- Part of the mobile wireless broadband experience has been the increased functionality that smartphones and other advanced wireless devices have brought to consumers. Handsets are becoming tools of productivity and gateways to information in ways that are evolving everyday. The smartphone market expanded in a major way in 2008, enabling consumers to get their hands on mobile technology that had previously only seen major penetration in the business marketplace.
  - According to NPD Group, 23 percent of the wireless handsets sold in the U.S. in the fourth quarter of 2008 were smartphones.<sup>2</sup>
  
- Importantly, the innovation in smartphones is being felt in the U.S. first as a result of our robust marketplace. In the last 18 months, some of the most advanced handsets have been launched in the U.S.
  - Apple iPhone 3G<sup>3</sup>
  - Apple iPhone 3GS<sup>4</sup>
  - Google's G1<sup>5</sup>
  - LG Voyager<sup>6</sup>
  - Four Research in Motion Blackberry devices (Blackberry Storm, Blackberry Bold, Blackberry Pearl Flip and Blackberry Curve 8900)<sup>7</sup>
  - Samsung Instinct<sup>8</sup>
  - Palm Pre<sup>9</sup>

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<sup>2</sup> [http://www.npd.com/press/releases/press\\_090303.html](http://www.npd.com/press/releases/press_090303.html)

<sup>3</sup> Press Release, at <http://www.att.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=25146>

<sup>4</sup> <http://www.att.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=26868>

<sup>5</sup> Martyn Williams and James Niccolai, *ComputerWorld*, at

[http://www.computerworld.com/action/article.do?command=viewArticleBasic&taxonomyName=mobile\\_and\\_wireless&articleId=9117740&taxonomyId=15&intsrc=kc\\_top](http://www.computerworld.com/action/article.do?command=viewArticleBasic&taxonomyName=mobile_and_wireless&articleId=9117740&taxonomyId=15&intsrc=kc_top)

<sup>6</sup> Verizon Press Release, at <http://news.vzw.com/news/2007/11/pr2007-11-19.html>

<sup>7</sup> See <http://na.blackberry.com/eng/devices/>.

<sup>8</sup> Sprint Press Release, at [http://newsreleases.sprint.com/phoenix.zhtml?c=127149&p=irol-newsArticle\\_newsroom&ID=1124417](http://newsreleases.sprint.com/phoenix.zhtml?c=127149&p=irol-newsArticle_newsroom&ID=1124417)

<sup>9</sup> <http://now.sprint.com/palmpre/>