

February 12, 2010

Electronic Filing

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
12th Street Lobby, TW-A325
Washington, D.C. 20554

Re: *Written Ex Parte Communication*
WT Docket No. 09-66, GN Docket No. 09-157, GN Docket No. 09-51

Dear Ms. Dortch:

Much has happened over the last five months since CTIA and other industry members provided extensive evidence to the Commission on the status of competition, investment, and innovation in the wireless ecosystem. As an update to those filings and as the Commission works on completion of the 14th annual CMRS Competition Report, CTIA takes this opportunity to highlight numerous changes and upgrades to networks, handsets, applications, and even service offerings that benefit consumers. As detailed in our filings, the “virtuous cycle” of the wireless ecosystem is based on the evolution of each of these areas. Developments over the last six months demonstrate that the virtuous cycle is alive and healthy, driven by the intense competition of the industry.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Christopher Guttman-McCabe

Christopher Guttman-McCabe
Vice President, Regulatory Affairs
CTIA – The Wireless Association®

Wireless Industry Competition Update: Recent Wireless Industry Developments Regarding Innovation and Investment

February 2010

Much has happened over the last five months since CTIA and other industry members provided extensive evidence to the Commission on the status of competition, investment, and innovation in the wireless ecosystem.¹ As an update to those filings and as the Commission works on completion of the 14th annual CMRS Competition Report, CTIA takes this opportunity to highlight numerous changes and upgrades to networks, handsets, applications, and even service offerings that benefit consumers. As detailed in our filings, the “virtuous cycle” of the wireless ecosystem is based on the evolution of each of these areas. Developments in the last six months demonstrate that the virtuous cycle is alive and healthy, driven by the intense competition of the industry.

THIRD AND FOURTH GENERATION NETWORK INVESTMENT

As consumer demand for applications and advance handsets grows, carriers are rising to the challenge through continued investment in the next generation of wireless networks. In the race for the future of wireless networks, carriers are utilizing third- and fourth-generation technologies to bring even more speed and capabilities to American consumers. As CTIA has said in the past, these advances in technology represent more than a “third pipe to the home”, but a wholly new pipe bringing broadband to the person, wherever and whenever they want it.

• Fourth Generation Innovation & Investment

- Sprint, in partnership with Clearwire, has continued its fourth-generation (4G) expansion in the last quarter of 2009 with new WiMax deployments in Chicago, Seattle, Dallas, Charlotte, and Philadelphia, among other cities.²
- In the development and deployment of the Long Term Evolution 4G standard (“LTE”), Verizon Wireless, AT&T, and Cox Communications continue to test their LTE networks.
 - Verizon Wireless announced it would have commercially available 4G service in 30 cities by the end of 2010.
 - AT&T will follow with commercial LTE deployment in 2011.³

¹ CTIA Comments, WT Docket No. 09-66 (filed Sept. 30, 2009), *available at* http://files.ctia.org/pdf/filings/090930_CTIA_Wireless_Competition_NOI_Comments_Combined_FINAL.pdf (“CTIA Competition Comments”); CTIA Reply Comments, WT Docket No. 09-66 (filed Oct. 22, 2009), *available at* http://files.ctia.org/pdf/filings/091022_CTIA_Wireless_Competition_NOI_Reply_Comments_FINAL.pdf (“CTIA Competition Reply Comments”).

² Press Release, Sprint, Sprint 4G Blazes into Chicago (Nov. 2, 2009), *available at* http://newsreleases.sprint.com/phoenix.zhtml?c=127149&p=irol-newsArticle_newsroom&ID=1349315&highlight

- A new entrant into the wireless market, Cox recently announced the successful completion of voice calling and high definition video streaming over wireless networks using LTE technology in Phoenix and San Diego.⁴ With its new LTE services, Cox plans to offer consumers a “quadruple play” – or bundled voice, data, video, and wireless plans.⁵

- **Third Generation Innovation and Investment**

- While competition in the realm of next generation wireless networks heats up, carriers and manufacturers continue to meet consumer demands and provide new services by building-out and upgrading existing third-generation (3G) networks.
 - AT&T and T-Mobile are utilizing High Speed Packet Access (“HSPA”) technology to increase speeds across their current 3G networks to 7.2 Mbps.
 - AT&T will roll out HSPA to twenty-five of the thirty largest markets by the end of 2010, and expand to ninety percent of its network by 2011.⁶
 - In addition to implementing HSPA across its network, T-Mobile has launched a test network for HSPA+, a 3.5G technology that not only can deliver peak download speeds of 21 Mbps, but is backward compatible with 3G devices currently on the market.⁷ T-Mobile plans to launch HSPA+ in major markets throughout 2010.⁸
 - In another effort to bridge the gap between current 3G technology and 4G networks, Qualcomm is now providing wireless device manufacturers with trial versions of its new multimode chips, which enable consumers to utilize new 4G technologies as well as the prevailing 3G technology.⁹

³ Marguerite Reardon, *Verizon Expects 4G Launch Next Year*, CNET, Feb. 18, 2009, http://reviews.cnet.com/8301-13970_7-10166622-78.html; Press Release, AT&T, AT&T to Make Faster 3G Technology Available in Six Major Cities This Year (Sept. 9, 2009), available at <http://www.att.com/gen/press-room?newsarticleid=27068&cdvn=news&pid=4800> (“AT&T 3G Press Release”)

⁴ Press Release, Cox Communications, Cox Successfully Demonstrates the Delivery of Voice Calling, High Definition Video Via 4G Wireless Technology (Jan. 25, 2010), available at <http://cox.mediaroom.com/index.php?s=43&item=469>.

⁵ Doug Mohny, *Cable Technology – Cox Cable Heats Up Wireless*, CABLE.TMCNET.COM, Jan. 29, 2010, <http://cable.tmcnet.com/topics/cable/articles/73944-cox-cable-heats-up-wireless.htm> (last visited Feb. 4, 2010).

⁶ See AT&T 3G Press Release.

⁷ Michelle Maisto, *T-Mobile Debuts WebConnect Jet Modem, Discount Plans*, EWEEK.COM, Nov. 11, 2009, <http://www.eweek.com/c/a/Desktops-and-Notebooks/T-Mobile-Debuts-WebConnect-Jet-Modem-Discount-Plans-439524/>.

⁸ *Id.*

⁹ Michelle Maisto, *Qualcomm Partners Testing HSPA+ and 3G, LTE Chips*, EWEEK.COM, Nov. 12, 2009, <http://www.eweek.com/c/a/Mobile-and-Wireless/Qualcomm-Partners-Testing-HSPA-and-3GLTE-Chips-651674/>.

- Even as 4G becomes a reality, the wireless industry continues to perfect existing communications networks, increasing coverage and efficiently using spectrum to bring content and services to consumers faster than ever before. The following are just a few recent examples of providers' dedication to network buildout:
 - Bluegrass Cellular expanded its 3G coverage in Barren County, Nelson County and Pulaski County, Kentucky and added coverage in Springfield, Kentucky and the Kentucky counties of Wayne and Whitley.¹⁰
 - Union Telephone, a wireless provider in Wyoming, northwestern Colorado and parts of Utah, added thirteen new wireless tower sites in Wyoming and Colorado.¹¹
 - Cellular One of East Central Illinois initiated over \$2 million in investment for new cellular towers in the Hutsonville, Annapolis, Palestine, Dundas and Toledo areas in Illinois.¹²
 - Nex-Tech Wireless, a provider of wireless service in central and western Kansas, deployed new cell towers increasing service coverage in the cities of Osborne and Hays, Kansas.¹³
 - Appalachian Wireless announced the addition of two new towers in Harlan County, KY.¹⁴
 - In the third quarter of 2009, T-Mobile increased its 3G coverage by almost 50% to reach a total of 167 million people.¹⁵

¹⁰ Press Release, Bluegrass Cellular, Bluegrass Cellular Adds 3G Coverage in Barren County (Jan. 12, 2010), available at http://bluegrasscellular.com/about/news/bluegrass_cellular_adds_3g_coverage_in_barren_county1; Press Release, Bluegrass Cellular, Bluegrass Cellular Adds Coverage in Barren County (Jan. 12, 2010), available at http://bluegrasscellular.com/about/news/bluegrass_cellular_announces_a_new_cell_site_in_glasgow_kentucky; Press Release, Bluegrass Cellular, Bluegrass Cellular Adds Coverage in Wayne County (Jan. 12, 2010), available at http://bluegrasscellular.com/about/news/bluegrass_cellular_adds_coverage_in_wayne_county; Press Release, Bluegrass Cellular, Bluegrass Cellular Adds Coverage in Whitley County (Jan. 12, 2010), available at http://bluegrasscellular.com/about/news/bluegrass_cellular_adds_coverage_in_whitley_county; Press Release, Bluegrass Cellular, Bluegrass Cellular Announces a New Cell Site in Springfield, Kentucky (Dec. 11, 2009), available at http://bluegrasscellular.com/about/news/bluegrass_cellular_announces_a_new_cell_site_in_springfield_kentucky; Press Release, Bluegrass Cellular, Bluegrass Cellular Adds 3G Coverage in Nelson County (Dec. 3, 2009), available at http://bluegrasscellular.com/about/news/bluegrass_cellular_adds_3g_coverage_in_nelson_county; Press Release, Bluegrass Cellular, Bluegrass Cellular Adds 3G Coverage in Pulaski County (Dec. 3, 2009), available at http://bluegrasscellular.com/about/news/bluegrass_cellular_adds_3g_coverage_in_pulaski_county1.

¹¹ Union Telephone, Wireless - New Cell Site, <http://www.unionwireless.com/Cellular.aspx?page=Cellular&subpage=New-Cell-Site&SiteID=130> (last visited Feb. 3, 2010).

¹² Press Release, Cellular One of East Central Illinois, Over \$2 Million in Tower Investments To Enhance Area Cellular One Service (Nov. 11, 2009), available at http://www.cellular1.net/downloads/Cell1_new%20towers_11.09.pdf.

¹³ Nex-Tech Wireless, Facebook Note, "Nex-Tech Wireless: Wireless Phone Users in Osborne to Experience Improved Coverage," Dec. 1, 2009, 8:45AM, <http://www.facebook.com/notes/nex-tech-wireless/wireless-phone-users-in-osborne-to-experience-improved-coverage/186236648014>; Nex-Tech Wireless, Press Release, "Nex-Tech Wireless Enhances Coverage in Hays," December 2009, available at <http://www.nex-techwireless.com/news.aspx>.

¹⁴ See AppWireless, Twitter, <http://twitter.com/appwireless> (Nov. 15, 2009).

- Cricket expanded its 3G coverage into Lake Charles, its first service offering in Louisiana.¹⁶
- MetroPCS expanded its coverage in Florida to include Gainesville, Ocala, Starke, Waldo, and Hawthorne.¹⁷
- Verizon Wireless expanded 3G coverage wireless service in Massachusetts, Maine, New York, Connecticut, New Jersey, Pennsylvania, Vermont, Washington, Oregon, Nevada, Ohio, Illinois, Arizona, Michigan, Hawaii, and California.¹⁸

THE ROBUST DEVICE MARKET

The competition and innovation that characterize the wireless ecosystem are readily apparent in the handset market. While there is an ongoing debate about exclusive handset arrangements in the wireless industry and the impact they have on carriers and consumers, there is no doubt that the intense level of competition among device manufacturers has produced a diverse array of devices and features, with an explosion of new devices debuting in the months preceding the holiday shopping season. As CTIA reported its *Wireless Competition NOI* comments, the breadth and depth of the more than 630 devices manufactured for the U.S. wireless market eclipses that in other countries.¹⁹

In the ongoing device competition, smartphones are the frontlines. Capitalizing on the continued buildout of 3G networks, device manufacturers are expanding their devices' capabilities so that smartphones function more like handheld computers than traditional wireless phones.

- In the second quarter of 2009, 28% of all handsets sold were smartphones.

¹⁵ Press Release, T-Mobile USA, T-Mobile USA Reports Third Quarter 2009 Results (Nov 5, 2009), available at <http://s.tmocache.com/Cms/Files/Published/0000BDF20016F5DD010312E2BDE4AE9B/5657114502E70FF30124C645BC1131D6/file/TMUS%20Q3%20Press%20Release%20FINAL.pdf>.

¹⁶ Press Release, Leap Wireless, Leap Brings Cricket Unlimited Wireless to Lake Charles, La. (Nov. 17, 2009), available at http://phx.corporate-ir.net/phoenix.zhtml?c=95536&p=irol-newsArticle_print&ID=1356548&highlight=.

¹⁷ Press Release, MetroPCS Communications, Inc., Unlimited Wireless Carrier MetroPCS Expands Florida Coverage to Gainesville and Ocala (Nov. 2, 2009), available at <http://investor.metropcs.com/phoenix.zhtml?c=177745&p=irol-newsArticle&ID=1349491&highlight=>.

¹⁸ See, e.g., Verizon Wireless, Press Release, Verizon Wireless Expands 3G Wireless Network In Acton, Massachusetts (Oct. 27, 2009), available at <http://news.vzw.com/news/2009/10/pr2009-11-23f.html>; Verizon Wireless, Press Release, Verizon Wireless Expands 3G Wireless Network In Bethany, Connecticut (Nov. 4, 2009), available at <http://news.vzw.com/news/2009/11/pr2009-11-23c.html>; Verizon Wireless, Press Release, Verizon Wireless Expands 3G Wireless Network In Northport, Maine (Nov. 5, 2009), available at <http://news.vzw.com/news/2009/11/pr2009-11-23d.html>; Verizon Wireless, Press Release, Verizon Wireless Expands 3G Network Coverage In Erie County, New York (Nov. 6, 2009), available at <http://news.vzw.com/news/2009/11/pr2009-11-11d.html>

¹⁹ CTIA Comments, WT Docket No. 09-66 (filed Sept. 30, 2009), available at http://files.ctia.org/pdf/filings/090930_CTIA_Wireless_Competition_NOI_Comments_Combined_FINAL.pdf (“CTIA Competition Comments”).

- Google's open source mobile platform, Android, has stormed onto the smartphone scene with new devices by HTC, Motorola, and Samsung.²⁰
 - Android smartphones are now not only available through each of the big wireless providers, but also many of the smaller carriers as well as unlocked models.
 - Android smartphones are available through nTelos, MTA Wireless, Illinois Valley Cellular, Appalachian Wireless and Nex-Tech Wireless.²¹
 - AT&T's announced that it will release five android-based phones during the first half of 2010.
- As demand for smartphones grows so does demand for affordable options. Responding to this, Nokia cut phone prices across its portfolio by up to ten percent.²²
- The past several months have also seen several new manufacturers enter the smartphone market.
 - Google has made a splash with the release of its own smartphone, the Nexus One, which is available through a new online store where consumers can purchase the phone with service from one of Google's operator partners or unlocked for use on any GSM network.²³
 - Dell Inc. has created a communications division to develop smartphones and other mobile devices,²⁴ and recently announced the 2010 release of its Android-based Mini 3 smartphone.²⁵

In an effort to draw consumers to their devices, manufacturers are enabling their devices to use technologies outside of the licensed wireless networks.

- Research in Motion recently released its first Blackberry smartphone with support for both 3G connectivity and voice calls over Wi-Fi.²⁶

²⁰ David Diaz, *Android Avalanche: A Complete List of Android Phones So Far*, TECHCRUNCH, Oct. 19, 2009, <http://www.techcrunch.com/2009/10/19/android-galore-a-complete-list-of-the-android-phones-and-their-specs-droid-best/>.

²¹ Press Release, AT&T, AT&T Launches Major Initiative to Bring 'Apps to All' (Jan. 15, 2010), available at <http://www.att.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=30353>; Press Release, nTelos Inc., NTELOS' new Android™-Powered Smartphone Will Give Consumers Access to Thousands of Applications, The Company's 3G Network, and Worry-Free Wireless Service (Oct. 30, 2009), available at <http://www.ir-site.com/images/library/ntelos/10-30-09.html>; see Matanuska Telephone Association, Android Phones Riding in to MTA, <http://www.mtasolutions.com/wireless/android.php> (last visited Feb. 3, 2010); Illinois Valley Cellular, <http://www.ivcellular.com/> (last visited Feb. 2, 2010); Nex-Tech Wireless, Facebook Wall Photo, Jan. 31, 2010, 3:51PM, <http://www.facebook.com/photo.php?pid=11098146&id=223625290450>;

²² Tarmo Virki, *Nokia Cuts Phone Prices As Market Growth Returns*, REUTERS, Feb. 1, 2010, <http://www.reuters.com/article/idUSTRE6102BS20100201?type=technologyNews>.

²³ Press Release, Google, Google Offers New Model For Consumers to Buy Mobile Phone (Jan. 5, 2010), available at http://www.google.com/intl/en/press/pressrel/20100105_phone.html.

²⁴ Justin Scheck, *Dell Reorganizes, Creating New Mobile Device Division*, WALL STREET JOURNAL, Dec. 5, 2009, http://online.wsj.com/article/SB10001424052748704342404574576201600691622.html?mod=dist_smartbrief.

²⁵ Press Release, Dell Inc, Dell Announces U.S. Smart Phone Deal with AT&T (Jan. 6, 2010), available at <http://content.dell.com/us/en/corp/d/press-releases/2010-01-06-dell-att-smart-phone-deal.aspx>.

- Similarly, Apple lifted restrictions on iPhone and iPod Touch VoIP functionality.²⁷

Though smartphones may be the frontlines of competition among manufacturers, other wireless devices are grabbing the attention of manufacturers and consumers alike.

- As an example of the breadth of this market, AT&T announced it has certified more than 370 wireless specialty consumer and machine-to-machine devices through 2009, including netbooks, eReaders, personal navigation devices, digital picture frames, and smart grid devices.²⁸
- One of the most publicized devices is Apple's forthcoming iPad, an internet-enabled multimedia tablet. The iPad will have access to the Internet and Apple's application store through either Wi-Fi or a 3G wireless connection.²⁹
- Sprint recently unveiled another device that gives consumers new ways to access the Internet through its network. The Overdrive Mobile Hotspot, allows consumers to connect up to five Wi-Fi enabled devices to Sprint's 4G network.³⁰

In addition to a range of new handsets, 3G wireless networks have also enabled a new generation of eReaders.

- Barnes & Noble's Nook was introduced in October 2009 and features free access to AT&T's 3G network.³¹
- Skiff and Sprint jointly announced the Skiff Reader, the first eReader optimized for newspaper and magazine content and featuring connectivity on Sprint's 3G network.³²
- Borders has also announced a partnership with Kobo, an eReading service, to launch a new "device agnostic" eBook store that will offer eBooks for almost any smartphone, eReader, or web-enabled wireless device.³³

²⁶ Press Release, T-Mobile, T-Mobile USA to Offer First 3G BlackBerry Smartphone With Voice Calling Over Wi-Fi (Oct. 21, 2009), available at http://www.t-mobile.com/company/PressReleases_Article.aspx?assetName=Prs_Prs_20091021&title=T-Mobile%20USA%20to%20Offer%20First%203G%20BlackBerry%20Smartphone%20With%20Voice%20Calling%20Over%20Wi-Fi.

²⁷ Press Release, iCall, Inc., Apple Lifts 3G VoIP Restrictions, iCall with 3G Support Available Immediately (Jan. 27, 2010), available at <http://www.prnewswire.com/news-releases/apple-lifts-3g-voip-restrictions-icall-with-3g-support-available-immediately-82842957.html>.

²⁸ Press Release, AT&T, AT&T Supports More Than 370 Wireless Specialty Devices (Jan. 26, 2010), available at <http://www.att.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=30437>.

²⁹ Press Release, Apple Inc., Apple Launches iPad: Magical & Revolutionary Device at an Unbelievable Price (Jan. 27, 2010), available at <http://www.apple.com/pr/library/2010/01/27ipad.html>.

³⁰ Press Release, Sprint, Overdrive™ 3G/4G Mobile Hotspot by Sierra Wireless Can Bring Sprint's 4G Speeds to More Than 400 Million Wi-Fi-Enabled Devices (Jan. 6, 2010), available at http://newsreleases.sprint.com/phoenix.zhtml?c=127149&p=irol-newsArticle_newsroom&ID=1372203&highlight=.

³¹ Press Release, Barnes & Noble, Barnes & Noble Introduces nook™ (Oct. 20, 2009), available at http://www.barnesandnobleinc.com/press_releases/2009_oct_20_nook.html.

³² Press Release, Skiff, Skiff and Sprint to Preview First Skiff Reader at 2010 International Consumer Electronics Show (Jan. 4, 2010), available at http://www.skiff.com/press_1-4-2010.html.

³³ Borders To Launch eBook Service, WIRELESS WEEK, Dec. 16, 2009, <http://www.wirelessweek.com/News/2009/12/devices-eReaders-Borders-to-Launch-eBook-Service/>.

Consumers are embracing a world of wireless devices beyond cell phones. Smartphones, netbooks, eReaders, machine-to-machine devices, and other special function devices are the next wave in personal communications and enterprise devices. As 4G networks continue to grow and improve, so to will device capabilities and in turn consumers' demand, once again illustrating the virtuous cycle of the mobile wireless ecosystem.

DRAMATIC GROWTH OF THE APPLICATIONS MARKET

The diversity and capability of wireless devices on the market has facilitated the development and launch of a multitude of applications. The ever-increasing abilities of smartphones and other advance devices have combined with network upgrades to foster staggering innovation and competition in the application space. The results are applications that not only entertain, but also educate and improve health and public safety. One recent example is Microsoft's voice-enabled search application, which allows consumers to keep both hands on the wheel and both eyes on the road while using their smartphones to access driving directions and traffic information.³⁴ Innovative applications that are easy to download and use continue to revolutionize the wireless industry.

- Since Apple's App Store was launched in July of 2008, more than three billion of its more than 130,000 applications have been downloaded.³⁵
- In December 2009, downloads from the Android Market and Apple's App Store increased more than twenty-two percent and fifty percent, respectively, over November.³⁶
- Now, there are more than 170,000 applications available, almost twenty-eight percent more than were available when CTIA filed its original competition comments.³⁷

Wireless providers, device manufacturers, and application developers are ensuring innovation by working in an open environment.

- Sprint recently outlined its open approach to application development including tenets such as "let consumers determine application winners," and "create a developer's 'garage' where innovation happens."³⁸
- In 2010, consumers are projected to spend \$6.2 billion in mobile application stores worldwide to download over eight billion applications – eight out of ten of which will be free.³⁹

³⁴ Monica Allevan, *Microsoft Rolls out New Bing for Mobile Voice Search*, WIRELESS WEEK, Dec. 3, 2009, <http://www.wirelessweek.com/News/2009/12/devices-Windows-Mobile-Microsoft-Bing-Mobile-Voice-Search-Microsoft/>.

³⁵ *Apple's App Store Downloads Top Three Billion*, FIERCE WIRELESS, Jan. 5, 2010, <http://www.fiercewireless.com/press-releases/apples-app-store-downloads-top-three-billion-0>; Apple iTunes App Store Metrics, <http://148apps.biz/app-store-metrics/?mpage=appcount> (last visited Jan. 26, 2010).

³⁶ Peter Farago, *Flurry Holiday 2009 Report: App Store, iPod Touch Shatter Records*, FLURRY, Dec. 28, 2009, <http://blog.flurry.com/bid/29288/Flurry-Holiday-2009-Report-App-Store-iPod-Touch-Shatter-Records>.

³⁷ CTIA Competition Comments at 27.

³⁸ Press Release, Sprint, Sprint Outlines 'Open' Approach at Ninth Annual Developer Conference (Oct. 27, 2009), available at http://newsreleases.sprint.com/phoenix.zhtml?c=127149&p=irol-newsArticle_newsroom&ID=1347107&highlight.

- By 2013, worldwide downloads from mobile application stores will surpass twenty-one billion.⁴⁰

INNOVATIVE PRICING PLANS ADD CHOICE AND FLEXIBILITY

Finally, in what many have dubbed a “price war,”⁴¹ wireless carriers are aggressively lowering prices on many of their most popular plans. As discussed throughout this letter, handset and service development are moving faster than ever before. As consumers keep pace with the rapid cycle of technological innovation, providers also are innovating in terms of the range of service options available to consumers.

- During the first month of 2010, AT&T, Verizon Wireless, and US Cellular reduced the price of their unlimited nationwide voice plans.⁴² T-Mobile provides similar unlimited plans at \$50 for individuals and \$80 for a family plan.⁴³ Sprint has unlimited talk, text, and data plans for \$100.⁴⁴
- In addition to innovations in pricing, providers have responded to consumer demand for more flexibility within - and without - contracts.
 - Several Tier II and Tier III providers have adopted a business model providing the flexibility of contract-free wireless service with unlimited talk, text and data plans. MetroPCS, Boost Mobile, Pocket and Cricket all offer such plans starting between \$40 and \$50.⁴⁵

³⁹ *Consumers Will Spend \$6.2 Billion in Mobile Application Stores in 2010*, CELLULAR-NEWS, <http://www.cellular-news.com/story/41491.php>.

⁴⁰ *Id.*

⁴¹ See, e.g., Andrew Berg, *U.S. Cellular Joins Price War*, WIRELESS WEEK, Jan. 20, 2010, <http://www.wirelessweek.com/News/2010/01/Carriers-Price-War-US-Cellular/>; Christopher Null: The Working Guy web log, <http://tech.yahoo.com/blogs/null/159184> (posted Jan. 19, 2010).

⁴² Press Release, AT&T, AT&T Announces New Unlimited Plans (Jan. 15, 2010), available at <http://www.att.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=30401&mapcode=>; Press Release, Verizon, Verizon Wireless Offers Simple, Affordable Convenience With New Unlimited Voice Plans, Jan. 15, 2010, <http://www.prnewswire.com/news-releases/verizon-wireless-offers-simple-affordable-convenience-with-new-unlimited-voice-plans-81687552.html>; Press Release, U.S. Cellular, U.S. Cellular Offers New Unlimited National Calling Plans, Jan. 18, 2010, available at <http://www.uscellular.com/uscellular/common/common.jsp?path=/about/press-room/2010/us-cellular-offers-new-unlimited-national-calling-plans.html>.

⁴³ T-Mobile, Even More Plus Plans, http://www.t-mobile.com/shop/plans/Cell-Phone-Plans.aspx?catgroup=EvenMorePlus&WT.z_shop_plansLP=EvenMorePlus (last visited Feb. 4, 2010).

⁴⁴ Sprint, Plans, http://nextelonline.nextel.com/NASApp/onlinestore/en/Action/DisplayPlans?filterString=Individual_Plans_Filter&id12=UHP_PlansTab_Link_IndividualPlans (last visited Feb. 4, 2010).

⁴⁵ Press Release, Boost Mobile, Boost Mobile to Offer Handsets on Nationwide Sprint Network with ‘Monthly Unlimited’ Prepaid Plan (Jan. 7, 2010), available at http://www.boostmobile.com/about/mediacenter/news_releases/010710_handsets_monthlyunlimited.html; Press Release, MetroPCS Communications, Inc., MetroPCS Introduces Wireless for All Nationwide Service Plans with No Hidden Taxes or Regulatory Fees (Jan. 12, 2010), available at <http://investor.metropcs.com/phoenix.zhtml?c=177745&p=irol-newsArticle&ID=1373920&highlight>; <http://www.pocket.com/index.php/plans>; http://www.mycricket.com/cell-phone-plans?utm_source=DEF&utm_medium=1&utm_campaign=hero0048.

- AT&T, Verizon Wireless, and T-Mobile each also have adopted innovative pre-paid offerings.
 - Verizon Wireless recently announced three new pre-paid plans for its wireless broadband services.⁴⁶
 - T-Mobile has become the first U.S. carrier to offer a pre-paid Blackberry as part of its T-Mobile Complete offering, which provides unlimited talk, text, and data without a contract for \$80 a month.⁴⁷
- Yet another provider innovation in wireless plans gives consumers access to emerging smartphone technology while maintaining the handset subsidy that makes new smartphones readily available to anyone.
 - T-Mobile has introduced a tiered program for all its post-paid customers that allows them to upgrade to a new smartphone at any time with a subsidy based on the time remaining on their contract.⁴⁸

THE NECESSITY OF ADDITIONAL SPECTRUM TO THE VIRTUOUS CYCLE

The developments in the mobile wireless industry over that past several months are illustrative of the virtuous cycle of the mobile wireless ecosystem. Network improvements and new technology are bringing the benefits of wireless to more Americans than ever before, who are using innovative devices to access wireless networks and download astonishing amounts of applications and content. But in order for the cycle to continue, more spectrum must be made available. Recent filings by the Department of Justice (“DoJ”) and the Department of Commerce’s National Telecommunications and Information Administration (“NTIA”) affirm both the competitiveness of the wireless ecosystem as well as the need for additional spectrum.

As the DoJ aptly stated: “scarcity of spectrum is a fundamental obstacle the Commission should address.”⁴⁹ To encourage deployment of wireless services and competition – thereby continuing the virtuous cycle – the DoJ advocates for the reallocation of underutilized spectrum.⁵⁰ An increase in the amount of spectrum dedicated to broadband lowers the cost of providing wireless, encourages entry into the market, and allows providers to increase capacity and reliability of their offerings.⁵¹ Furthermore, the DoJ finds that increased capacity will help support new applications.⁵²

⁴⁶ Press Release, Verizon Wireless, Reliability Meets Flexibility With Prepaid Plans For Verizon Wireless’ Mobile Broadband Service (Nov. 5, 2009), available at <http://news.vzw.com/news/2009/11/pr2009-11-05d.html>.

⁴⁷ T-Mobile Complete, http://www.t-mobile.com/templates/generic.aspx?passet=Pro_Pro_TMOCComplete (last visited Feb. 4, 2010).

⁴⁸ Andrew Munchbach, *T-Mobile Launches Early Upgrade Program For Post-Paid Smartphone Customers*, BOY GENIUS REPORT, Jan. 28, 2010, <http://www.boygeniusreport.com/2010/01/28/t-mobile-launches-early-upgrade-program-for-post-paid-smartphone-customers/>.

⁴⁹ DOJ Ex Parte, Economic Issues in Broadband Competition, A National Broadband Plan for Our Future, GN Docket No. 09-51, 21-22 (Jan. 4, 2010).

⁵⁰ *Id.* at 22.

⁵¹ *Id.*

⁵² *Id.*

NTIA, in a letter to the FCC, agrees with the DoJ that there are “substantial advantages” to utilizing spectrum to enable new providers to challenge broadband incumbents.⁵³ That is why NTIA finds that the availability of more spectrum for wireless broadband services is the “primary tool for promoting broadband competition.”⁵⁴ NTIA advocates for the reallocation of spectrum, both government and commercial, to facilitate innovation and competition in the broadband market.

CONCLUSION

The developments of the past several months illustrate that competition in the mobile wireless ecosystem is driving significant benefits and continuing innovation to American consumers and businesses in the form of more choices, lower costs, and better value in mobile wireless services and devices. The innovation and competition embodied in the wireless ecosystem are the result of the Commission’s long-standing, flexible, market-driven policies. CTIA believes that the continuing pressure from competition across each element of the wireless ecosystem, facilitated by the Commission’s consumer-focused approach to regulatory restraint, will maintain the U.S. global leadership in wireless. CTIA urges the Commission to use this data to support the conclusion that the U.S. wireless industry is one of the most competitive wireless markets in the world, delivering unparalleled competition, value and innovation to wireless consumers.

⁵³ Letter from Lawrence E. Strickling, Assistant Secretary for Communications and Information, Regulatory, NTIA, to Julius Genachowski, Chairman, Federal Communications Commission, *et al.*, GN Docket No. 09-51, 5 (filed Jan. 4, 2010).

⁵⁴ *Id.*