

U.S. Wireless Industry Broadband Adoption and Use

FCC Workshop

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The U.S. Wireless Story Today

- By year-end 2008, 87% of all Americans – over 270 million consumers – subscribed to wireless service. That's an increase of 161 million customers from year-end 2000.
- 2.2 trillion minutes of use and over 1 trillion text messages sent in the United States in 2008.
- 20.2% of U.S. households only have a wireless phone – no landline service

Summarizing U.S. Wireless's Growth and Innovation

1993

- Service on local/regional analog networks
- 11 billion Minutes of Use (MOU)
(text messaging not available)
- Data Rates of 4.8 kbps
- Contribution to the economy
 - 31,000 employees
 - \$12.75 billion cumulative capital investment
- Average monthly bill – \$67.31
 - Local, long distance, roaming charges
 - Landline surcharge

2008

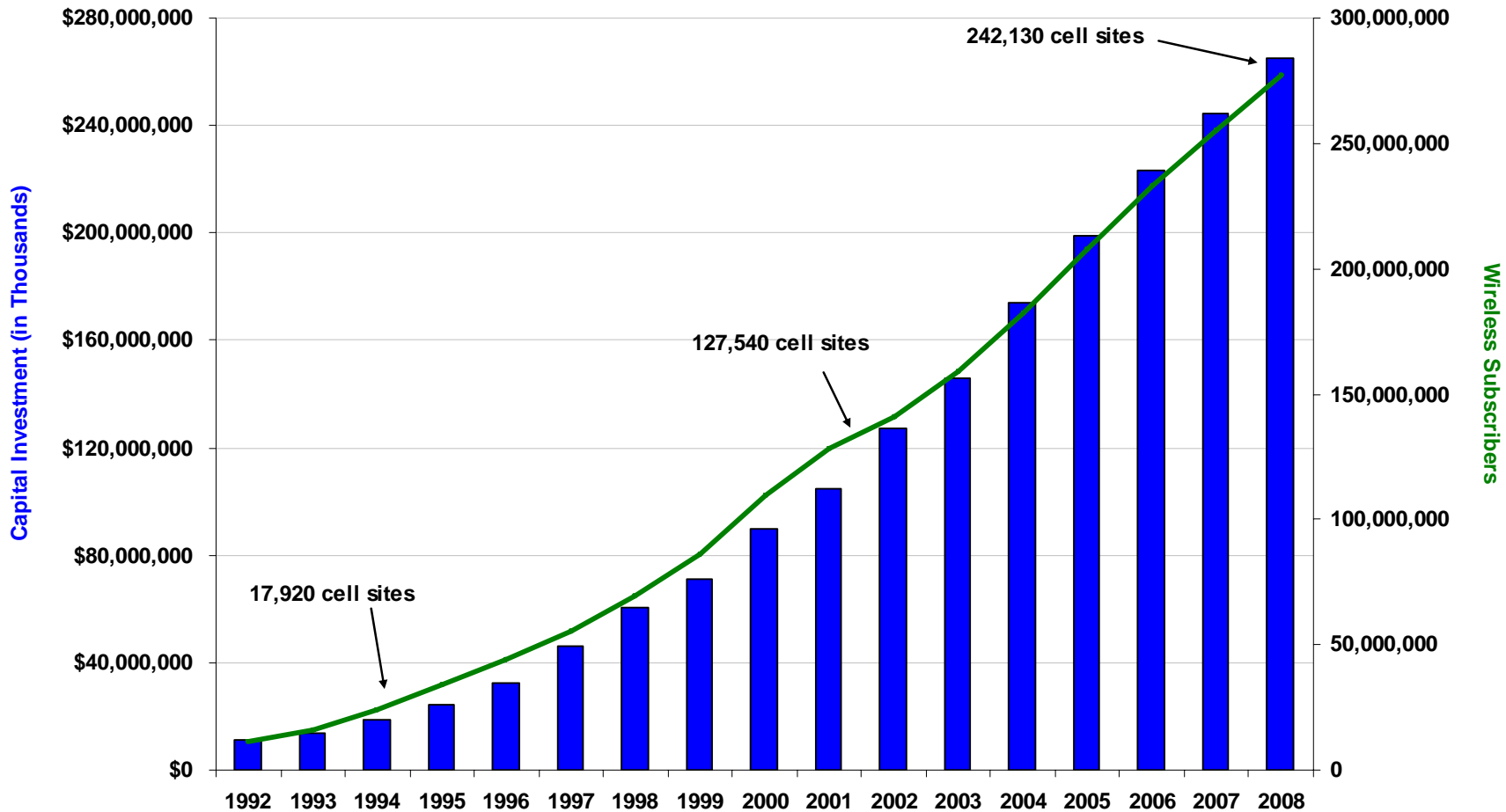
- 98%+ digital nationwide networks
- 2.2 **trillion** MOU and 1 **trillion** text messages sent as of year-end 2008
- Avg. Data Rates up to 800 kbps
- Contribution to the economy
 - 268,500 employees
 - \$264 billion cumulative capital investment
- In 1993 dollars, average monthly bill is \$34.44
 - Nationwide coverage – plans with no roaming charges
 - No long distance charges
 - Subscribers' phone on 24/7

Consumer Access to Enhanced Applications

- More than 84% of all U.S. subscribers had web-capable devices at year-end 2008
- 88% devices were SMS-capable
- More than 89% of all U.S. subscribers were data-capable as of year-end 2008:
 - Accessing e-mail, weather and search sites
 - Downloading ringtones, music, games, and other information
 - Sending and receiving text messages
 - Sending and receiving MMS messages

Industry Investment:

\$264 Billion in Cumulative Capex Invested in Serving 270+ Million Wireless Subscribers

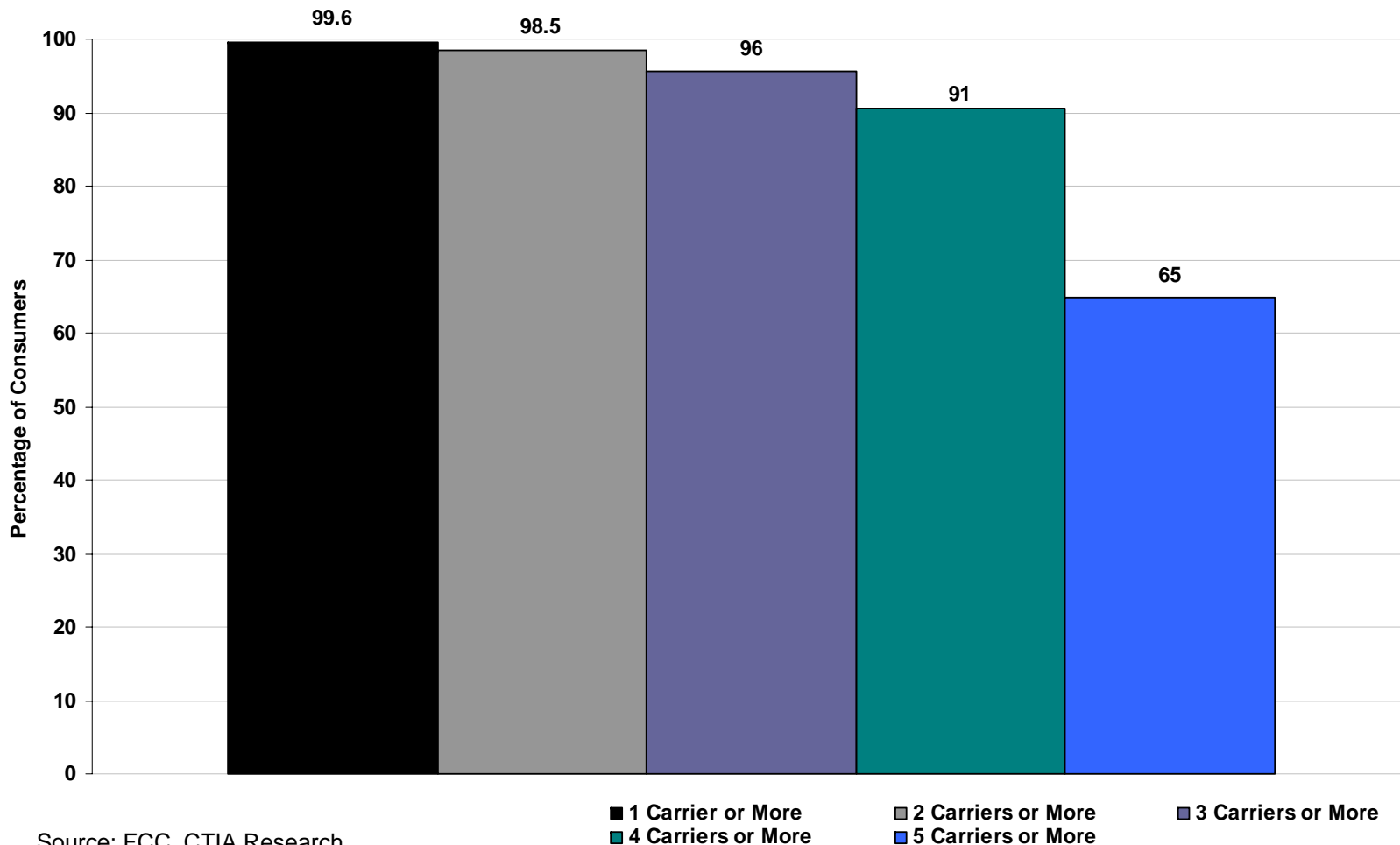


Source: CTIA Semi-Annual Survey

■ Cumulative Capital Investment — Estimated Subscribers

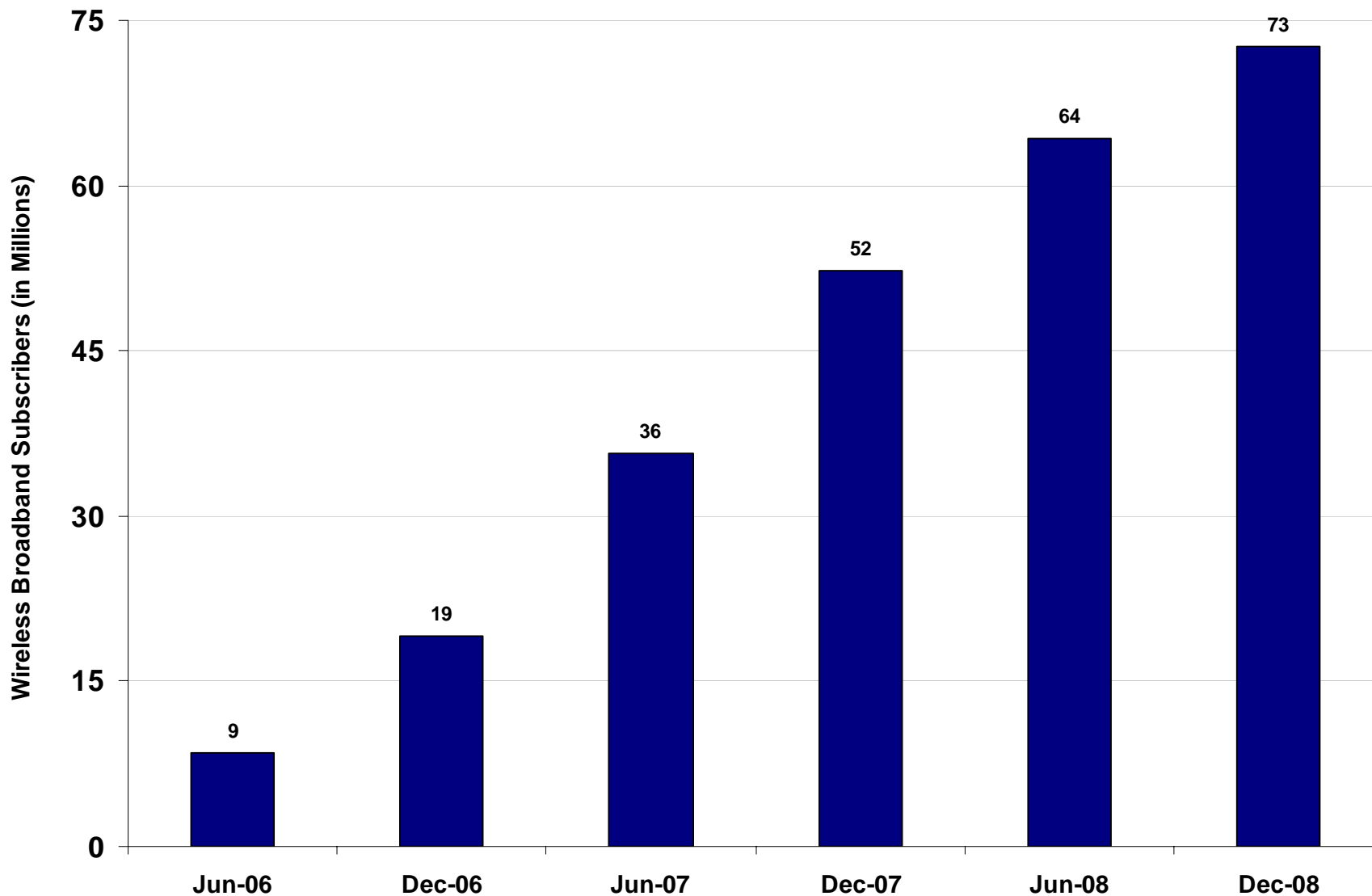
U.S. Wireless Has Delivered More Choices for More People

Nearly Two-Thirds of U.S. Consumers Have Five or More Wireless Providers to Choose From

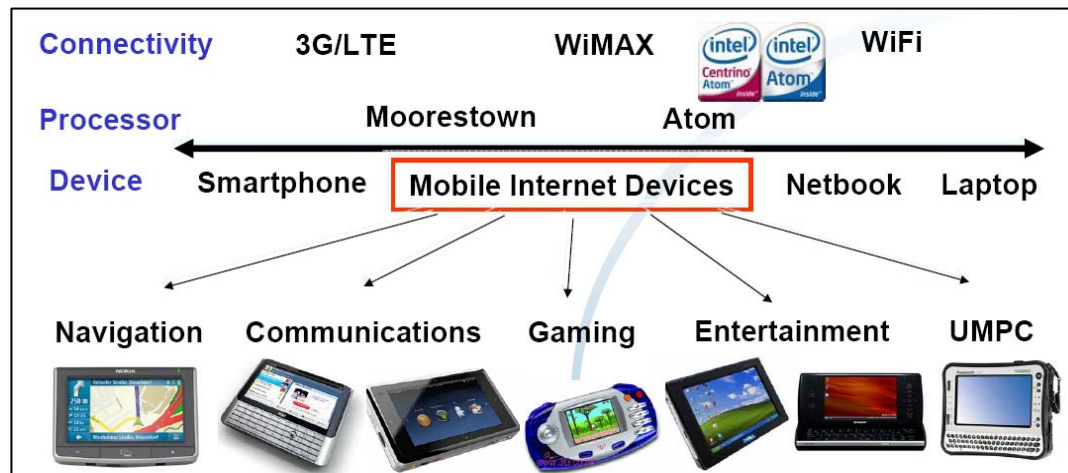
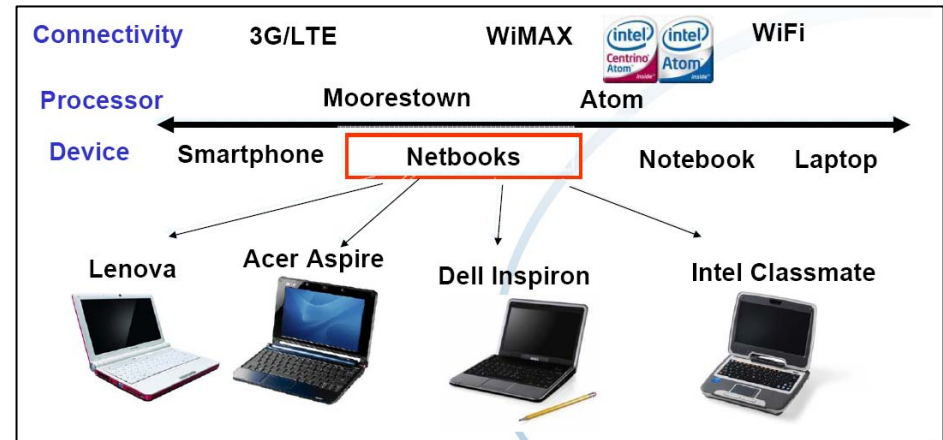


Source: FCC, CTIA Research

Growing Number of 3G Wireless Subscribers



At the end of 2008, carriers reported more than 7 million wireless-enabled laptops, netbooks and aircards on their networks.



Smartphones & Data Applications

- Smartphones comprised 23% of all handsets sold in the U.S. during the fourth quarter of 2008 and the first quarter of 2009
- In just over *one year*, the wireless industry launched:
 - Six applications stores
 - More than 85,000 applications
- To date, more than 1.5 billion applications have been downloaded by consumers
- Wireless data use is expected to double every two years through 2012

What is the state of broadband and Internet today?

- Broadband availability is approximately 90% of U.S. households. [CRS]
- 74% of all U.S. households own home computers. [Connected Nation]
- 57% of adult Americans have broadband Internet connections at home. [Pew]
- “About 30% of households have access to some type of terrestrial (non-satellite) broadband service, but do not choose to subscribe.” [CRS]
- “About one-third of adults without broadband cite price and availability as the reasons why they don’t have broadband in their homes, while two-thirds cite reasons such as usability and relevance.” [Pew, cited by CRS]

What Are Internet Users Overall Doing Wirelessly?

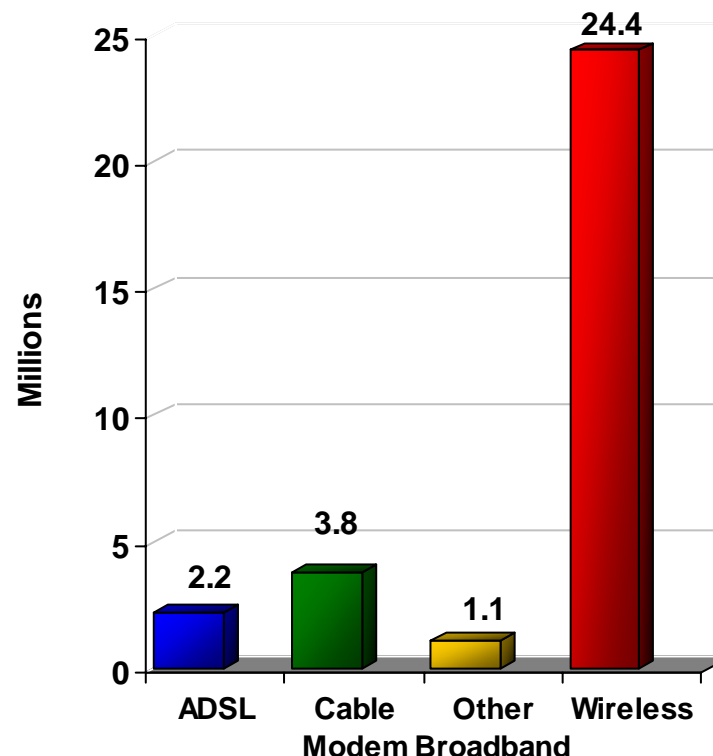
According to the Pew Internet & American Life Project:

- 52% of internet users have used a laptop or handheld to connect to the internet wirelessly away from home or work:
 - 65% of English-speaking Hispanic internet users have done this.
 - 54% of African American Internet users have done this.
 - 49% of white internet users have done this.
- 41% of Americans overall have logged-on wirelessly when away from home (using a laptop, PDA or wireless phone)

Wireless is a Growing Means of High-Speed Access

- **From June 2007 to June 2008**, total high-speed lines grew more than 31%, from 101 million to 132.8 million lines, and **76% of all adds were mobile wireless subscriptions**.
- Mobile wireless' high-speed subscribership rose from 35.3 million to 59.7 million subscribers.
- Mobile wireless' share of total broadband lines rose from 35% to 45% of total broadband lines.
 - Other forms of broadband access also grew, but not by as much as wireless access, and their total share of broadband lines fell.
 - Since then, high-speed wireless access has kept growing.

High Speed Net Adds by Type, June 2007 – June 2008



Source: FCC Report, "High-Speed Services for Internet Access: Status as of June 30, 2008," July 2009.

Questions...

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