

**STATEMENT OF COMMISSIONER**  
**MICHAEL J. COPPS**  
**CONCURRING**

September 8, 2004

*RE: Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993; Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services.*

This year's CMRS Competition Report is a marked improvement over last year's Report. For the first time we begin to use traditional competition analysis tools by calculating HHI scores for each EA in the country. We have also updated our analysis of the prices that consumers face. And I'm also heartened by our more complete analysis of the U.S. competitive position in comparison with the rest of the world. The information that it provides shows that consumers continue to benefit as wireless technologies march forward. The report shows that coverage is increasing, new services and pricing plans are being introduced, and more consumers have phones than ever before.

Nonetheless, the Report still contains arguments and omissions that trouble me. The central question of the legislation that requires this Report is whether the market is characterized by "effective competition." Yet again this year the Report does not provide a useful definition of this term. Without an well-articulated "effective competition" standard, the Report will always have trouble providing an analytically solid foundation for Commission or Congressional action. The Report also claims that consumers do not face difficulties obtaining the information that they need to adequately comparison shop for wireless plans. But just about every consumer I meet complains that wireless bills are bewilderingly confusing; that hidden and expensive line items magically appear on their bills that they weren't told about when comparing prices; and that the service maps that carriers provide don't allow them to determine where they will get service and where they won't. I also hear from small and rural carriers that the state of the roaming market is hardly as competitive as described in the Report, with large carriers allegedly imposing upon them unreasonable prices and also instituting new call blocking technologies that deny consumers the ability to roam in order to avoid compensating other carriers. I think we need to be looking into this, and I urge the Bureau to do so.

So I am going to concur. Again, I am impressed with the improvements in this Report, but I don't want us to rush to judgment. We need to be monitoring and studying these developments vigilantly, especially as consolidation creeps into the industry, if we are going to see improvements continue rather than witness new problems that threaten both consumers and competitors.

Thanks to the staff for their hard work.