

36. Is pricing data available on whether certain types of pricing plans are associated with specific demographic cohorts or types of users? For example, do subscribers with lower personal or household incomes tend to purchase pricing plans with lower monthly fees? Are particular plans associated with teenagers or college students? Are prepaid services used by a group of consumers with similar characteristics? Have the introduction of new types of pricing plans increased mobile telephone penetration among specific demographic groups or in certain geographic areas?

v. Geographic Comparisons: Urban versus Rural

37. Since the release of the *Sixth Report*, the Commission has attempted to obtain a better understanding of the state of competition below the national level, in particular in rural areas. To begin with, we ask commenters to address whether an urban/rural distinction is meaningful in the context of mobile telephone service, given the varying types of geographic areas in which consumers use their mobile phones and carriers offer plans.

38. To the extent that it is meaningful to analyze mobile telephone service availability in rural areas, we seek comment on how best to determine whether competition has developed successfully in rural areas. We invite parties to comment on what data is available to address this issue and whether they believe there is meaningful competition among mobile telephone providers in rural areas.

39. The primary difficulty for the Commission in examining the state of competition in rural areas has been the lack of sub-national data. Prior to the release of the *Seventh Report*, the Commission held a Public Forum to gather more insights into and data about CMRS service availability in rural areas. Much of the information gathered was anecdotal. Therefore, additional data is needed, and we seek comment and information on three topics related to mobile telephone service availability in rural areas: (i) the definition of rural, (ii) service availability and network deployment, and (iii) market performance and key metrics.

40. Do services, pricing plans, and technologies differ between rural areas and urban areas? Do the providers who serve both areas offer the same products and prices in each type of area?

(a) Definition of Rural

41. In order to analyze mobile telephone service availability and competition in rural areas, it is

necessary to first define what geographic area(s) constitutes "rural." The federal government has multiple ways of defining rural, reflecting the multiple purposes for which the definitions are used. The Commission has used Rural Service Areas ("RSAs") to define "rural" in certain instances. In the CMRS spectrum cap proceeding, the Commission designated RSAs as rural areas and stated, "Other market designations used by the Commission for CMRS, such as [EAs], combine urbanized and rural areas, while MSAs and RSAs are defined expressly to distinguish between rural and urban areas." Since passage of the Telecommunications Act of 1996, the Commission generally has used the statutory definition to determine which local exchange carriers can be classified as rural telephone companies. That definition uses a range of standards including the population of a jurisdiction and the number of access lines serving communities of various sizes.

42. In the *Seventh Report*, we used three different proxy definitions of rural for purposes of analyzing the average number of competitors in rural versus non-rural counties. We compared the number of competitors in (i) RSA counties versus MSA counties, (ii) non-nodal EA counties versus nodal EA counties, and (iii) counties with population densities below 100 persons per square mile versus those with population densities above 100 persons per square mile.

43. We request comment on whether and how the Commission should define rural for purposes of the Eighth Report. What elements should the Commission consider when defining "rural"? Should there be a single delineation between rural and non-rural areas, or should rural be defined on a continuum? For example, should the Eighth Report define different degrees of "ruralness" based on population density?

(b) Rural Service Availability

44. As mentioned, the Commission analyzed service availability in rural areas in the *Seventh Report* using three different proxy definitions for rural. The analysis resulted in similar results for each definition. Non-rural counties had an average of 5.5 to 5.7 service providers, while rural counties had an average of 3.1 to 3.3 competitors. We ask whether the existence of fewer facilities-based providers in rural areas necessarily indicates the existence of less meaningful competition in these areas.

45. When examining service availability in rural areas, should the Commission continue to use multiple

definitions of rural for purposes of the Eighth Report? Were the three definitions employed in the *Seventh Report* appropriate proxies to use in assessing competition in rural areas? Are there other geographic definitions that should be employed in the Eighth Report? Is data available that would allow an analysis using other definitions?

46. In addition to addressing rural issues generally, we also take this opportunity to focus on access to telecommunications services by individuals living on tribal lands. In our *Report and Order* implementing auction bidding credits for those who commit to serving federally-recognized tribal lands, we noted that communities on tribal lands have had less access to telecommunications services than any other segment of the U.S. population. According to the 1990 Census, only 53 percent of those living on tribal lands had basic telephone service, as opposed to 94 percent for the United States as a whole. Further, a 1999 study commissioned by the U.S. Department of Commerce's Economic Development Administration found that the average penetration rate for basic telephone service on reservation and trust lands in rural areas was just 39 percent. Therefore, it may be appropriate to examine closely the state of telecommunications access not only in rural areas, but more specifically on tribal lands.

47. We seek comment on whether the Eighth Report should specifically address the state of mobile telephone competition on tribal lands. If so, what issues are present on tribal lands that warrant separate consideration from other rural areas with similar population levels? In examining services available on tribal lands, should we limit our consideration to services available to individuals who live within federally-recognized tribal lands, or should we also include other nearby areas where Native Americans may live? If so, we ask that commenters provide details regarding which areas should be included in our discussion, and provide information or information sources for obtaining sufficiently granular data about services in such areas.

(c) Rural Metrics

48. As discussed, the *CMRS Reports* have looked at key metrics as indicators of the demand for mobile telephone service and competition among mobile telephone providers. These metrics include the number of subscribers, MOUs, ARPU, churn, and pricing data. Historically, all of these metrics have