

been presented on a national basis, although sub-national subscribership and pricing data were included in the *Seventh Report*. Furthermore, we have requested sub-national or regional data for all of these metrics in sections II.A.iii. and II.A.iv., *supra*.

49. At this point, we request data for all of these metrics on a sub-national level and ask what the data show about differences between urban and rural areas in terms of demand and competition. Does information currently exist demonstrating differences in subscribership, MOUs, ARPU, churn, and prices in urban versus rural areas? If so, would commenters be willing to provide such information?

50. Beginning with the *Seventh Report*, we presented subscribership figures on an EA basis using NRUF data. Should the Commission use NRUF data to determine subscribership and penetration rates in rural areas, however they may be defined? Would the NRUF data be able to provide accurate and meaningful statistics on rural subscribership given the limitations of the data discussed? Are there other sources of information that could be used to determine the number of subscribers and penetration rates in rural areas?

51. The Commission knows of few studies that have been done comparing mobile telephone pricing in urban versus rural areas. However, Econ One has completed one study, which it presented at the Public Forum and which we included in the *Seventh Report*, that compared pricing in the 25 largest U.S. cities (with an average population of 4.4 million) with 25 randomly-selected towns or cities (with an average population of 95,611) located in RSAs. For purposes of its analysis, Econ One considered the towns or cities located in an RSA to be rural areas. The company reported very similar pricing in these two groups of cities. However, while the mean prices for monthly service in urban and rural areas were similar, there was a wider range of prices in rural areas than in urban areas. We ask for additional information on whether there are meaningful pricing differences between urban and rural areas. To the extent that such differences exist, what are the reasons for such differences? Should additional analyses on the differences between urban and rural mobile telephone pricing be performed? What additional conclusions can be drawn, and what are the limitations of those conclusions?

52. Finally, to what extent do nationwide carriers affect prices and competition in rural areas, even if such carriers do not offer service in those

areas? Do these carriers create the same competitive pressures in rural areas that they do in urban areas?

vi. Wireless-Wireline Competition

53. Mobile telephone service has been considered both a complement to and a substitute for wireline services. Historically, most consumers used their mobile phones as a mobile complement to their wireline phones by using their mobile handsets only when away from their homes or places of work. However, as noted in the *Seventh Report*, an estimated 3 to 5 percent of consumers have "cut the cord," meaning they do not subscribe to wireline phone service. The *Seventh Report* included information about consumers who consider their mobile phones their primary phone but may still continue to have a wireline phone. Moreover, the *Seventh Report* noted that, due to the fact that several mobile telephone packages have extensive local service areas and/or include free long distance, many consumers now use their mobile phones instead of their wireline phones to make "long distance" calls.

54. In order to track and analyze competition between mobile telephone and wireline services more effectively, we request data on (i) The number of mobile telephone subscribers who do not subscribe to residential wireline service, (ii) the percentage of consumers' total monthly voice communication minutes that are made from mobile phones, (iii) the percentage of consumers' total monthly long distance minutes that are made from mobile phones, (iv) the percentage of mobile telephone subscribers' calls and minutes that occur in their homes using their mobile phones, (v) the percentage of both mobile telephone and wireline calls and minutes that terminate on mobile phones, and (vi) demographic data on which groups of consumers have allocated a substantial portion of their voice communications to mobile telephone service. Should the Commission gather additional data, perform additional analyses, or draw new conclusions on wireless-wireline competition?

55. The *CMRS Reports* have also discussed the effects of mobile telephone service on the operational and financial results of companies that offer wireline services. Such effects include a decrease in the number of residential access lines, a drop in long distance revenues, and a decline in payphone profits. To what extent is the increase in mobile telephone usage a major cause of these developments, and why? Given these developments, we ask for comment on the extent to which

mobile telephone service competes with wireline service. What other effects has mobile telephone service had on the provision of other telecommunications services by other service providers? What new developments in wireless-wireline competition have occurred since the *Seventh Report*? What are the major reasons for these developments?

vii. Satellite Operators

56. Satellite operators offer mobile telephone services which, from a consumer's point of view, have many of the same characteristics as terrestrial-based mobile telephone services. At least four carriers currently provide mobile satellite services ("MSS") in the United States: Globalstar Telecommunications LTD, Iridium Satellite LLC, Inmarsat Limited, and Mobile Satellite Ventures. We request that these carriers submit as part of their comments information detailing the geographic areas of the United States in which they provide coverage as well as those areas in which they offer service to new customers. Taking into account such information on MSS service availability, we seek comment on the extent of competition among MSS providers. To what extent do MSS providers compete with terrestrial-based mobile telephone providers? Are MSS services substitutes for terrestrial-based mobile telephone and data services? Should MSS providers be considered an additional service provider in the analysis of service availability in the Eighth Report, or do they offer services that generally are not substitutes for services provided by terrestrial CMRS carriers, even though they fall under the legal umbrella of CMRS?

viii. Resellers

57. Resellers offer service to consumers by purchasing airtime at wholesale rates from facilities-based providers and reselling it at retail prices. According to information provided to the Commission in its ongoing local competition and broadband data gathering program, the resale sector accounted for approximately 5 percent of all mobile telephone subscribers as of December 2001. To what extent are resellers creating competitive pressures in the mobile telephone sector? In 2002, WorldCom, which claimed to be the largest reseller of post-paid wireless service the United States, announced that was abandoning the resale business. Who are the remaining major resellers? How many subscribers do they have? From a consumer perspective, what are the benefits of buying from a reseller versus a facilities-based provider? Are resellers selling to specific demographic