

# Government report: 4 cos. control wireless market

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(AP) -- Consolidation over the past decade has left just four big carriers in control of 90 percent of the wireless market, making it harder for small and regional companies to compete, according to a government report released Thursday.

The study by the Government Accountability Office, the investigative arm of Congress, could help fuel the Federal Communications Commission's recent efforts to increase oversight of the wireless industry. The [FCC](#) is currently considering rules that would require wireless phone companies to alert consumers before they reach roaming or data usage limits on their wireless plans. It has also been looking into common industry practices such as charging consumers early termination fees to break a service contract before it expires.

The GAO study found that despite the industry consolidation, consumers are benefiting from better wireless coverage and prices that are half what they were in 1999. The report says the number of cell phone subscribers in the U.S. stood at 285 million at the end of 2009, up from 3.5 million in 1989. It also says that nearly 40 percent of U.S. households rely on a cell phone as a primary phone.

Although the GAO reached no firm conclusion on the causes of limited competition in the wireless sector, it does list a number of factors regularly cited by smaller carriers and consumer groups. Those include early termination fees and handset exclusivity deals such as AT&T Inc.'s contract with Apple Inc. to serve as the sole U.S. carrier for the iPhone.

The report also cited complaints about the "special access" regulations that guarantee carriers access to the vital back-haul lines that connect wireless towers to broader telecommunications networks. Smaller carriers argue that they pay excessive prices for this access because much of the critical network infrastructure is owned by landline telephone companies such as AT&T and Verizon Communications Inc., which also have huge wireless arms.

The GAO report, which was requested by members of the Senate and House Commerce Committees, urges the FCC to collect better data on special access rates and other issues.

Rick Kaplan, chief counsel to FCC Chairman Julius Genachowski, said the commission has taken "proactive steps" to improve its data collection and analysis.

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