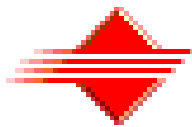


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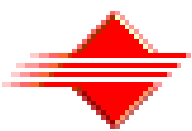
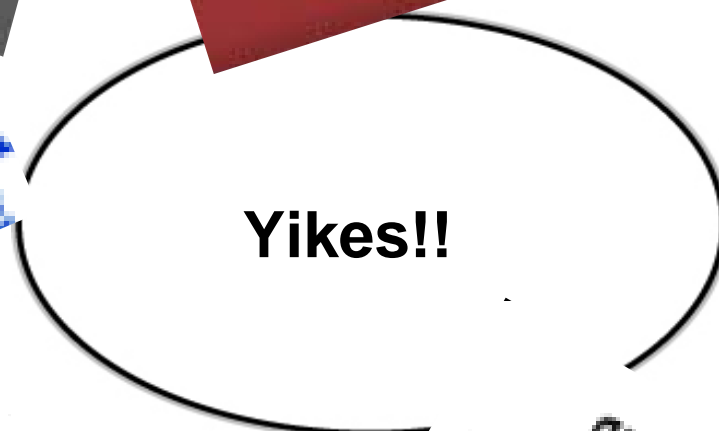
**AT&T Wireless**





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NEA



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AT&T Wireless



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# Wireless Industry by the Numbers

## **In Florida** – (at Dec. 2003)

- 10.86M subscribers – more than doubled since Dec. 1999
- 13,884 employees
- \$572.3M in annual wages

## **In the US** - (at Dec. 2003)

- 157M subscribers
  - 205,629 employees
  - \$145.9B cumulative investment
  - \$49.91 average bill
  - 830B minutes of use
-

# Wireless Game Plan: Then and Now

In the beginning...

- 2 Carriers

Coverage

Customers

**The new world...**

- **Up to 8 Carriers**

**Value for price**

**Performance**

**Customer Service**

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# Challenge of Differentiation

- Rollover
  - A lot of minutes, small price
  - Network reliability
  - Customer service
  - Speed of communication
  - Nationwide coverage
  - Unlimited local calling
-

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# The Driving Force of the Industry

- Competition fostered through limited regulation
    - Markets were allowed to work
    - Innovation rewarded
    - Choice provided to customers
    - Nationwide market place
-

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# The Results

- Prices have dropped \$0.60 to \$0.10 per minute in the last 10 years
  - Phone size from the size of a brief case to fitting in your shirt pocket
  - Rich person's toy to common tool
-

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# Ongoing challenges

- Big revenues have not turned into big profits
    - Some wireless carriers have not yet made a profit
  - Revenues must be reinvested to compete
  - Re-regulation –
  - Ubiquitous coverage expectations
  - Taxes – many states and local jurisdictions tax wireless products at higher rates than other industries.
    - Effective rate for FL – 16.12% - 2<sup>nd</sup> highest in the nation
-