

**STATEMENT OF COMMISSIONER MICHAEL J. COPPS
APPROVING IN PART, DISSENTING IN PART**

RE: Year 2000 Biennial Review – Amendment of Part 22 of the Commission’s Rules to Modify or Eliminate Outdated Rules Affecting the Cellular Radiotelephone Service and Other Commercial Mobile Radio Services, Second Report and Order, WT Docket No. 108

Today’s Order eliminates the rule that cellular licensees must inform potential customers of their service areas. The rule being repealed guarantees that when a consumer walks into a cellular store, he or she will see a network coverage map. I believe that understanding a carrier’s service area is critical information for consumers. I also disagree with the majority’s apparent belief that competition alone can obviate the need for consumer protection laws. I therefore must dissent from that portion of the Order.

Markets depend on information. Consumers with good information about products and services can “comparison shop” and determine what products and service are worth. Informed consumers will choose the best combination of quality and price. These discriminating consumers force sellers to compete with one another. This competition drives down costs and pushes up quality, because the seller with the best product or service will win the informed consumer.

Without information, however, consumers are in the dark. They cannot comparison shop because they don’t know how products and services differ. They cannot determine how much a product or service is worth, because they do not know the quality of what they are considering purchasing. This lack of information means that sellers are not forced to compete as vigorously. Costs can stay higher and quality can stay lower.

For cellular customers, the service area of a given cellular plan is critical information. It allows them to determine where they can use their phone and where they cannot. It allows them to determine the size of their monthly bill. In rural areas, it allows them to determine where 911 calls will go through and where their signal will never be heard. Armed with information on service areas, consumers will seek out carriers with the largest, most complete service areas, while also seeking better technology, and better prices.

Carriers provide service area information now. Cellular carriers were, until today, required to do so. PCS carriers, who came into a market where such provision was required of their competitors, naturally followed suit. But when the cellular rule disappears, we face the risk that carriers with the worst service areas will try to conceal their inferiority by not making service maps available. Unsophisticated consumers may assume to their detriment that since the carrier provides them with no coverage map that coverage exists everywhere. Competition and consumers will suffer.

Some argue that we do not need a requirement because market forces will protect consumers – that we do not need consumer protection rules because the unfettered market will do just as well. I believe that consumer protection is important even where competition exists. This is especially true for rules that put the power of information in the hands of consumers. Consumers cannot possibly determine a carrier’s service area unless the carrier provides it. This information is, practically, under the sole control of the carrier. Where such information access asymmetries exist, rules that make information more widely available can address market failures

that could otherwise undermine a market and lead to inefficiencies. Additionally, many believe that the wireless industry will soon experience significant consolidation. Even if one believes that competition without consumer protection will cause carriers to disclose service areas today, with less competition tomorrow this will be less likely to occur.

To sum up, the majority seems to believe that we can safely assume that competitive forces will result in all carriers continuing to provide customers with coverage maps – and that while these maps are undoubtedly important to consumers, that the rule is not needed to maintain their availability. I believe that this assumption is wrong, and that we are opening the door to a market where such maps are no longer universally available.

I could be wrong. But even if I was wrong and the rule was retained, and maps stayed available through a rule that was not necessary, consumers would remain protected at no additional cost to industry. After all, even if the rule were eliminated, the majority assumes competition would force carriers to provide the very same maps. But if the majority is wrong, and competitive forces do not force carriers to provide accurate coverage area information once the rule is gone, coverage maps will no longer be a ubiquitous consumer protection. Thus, for the mere sake of eliminating a costless rule, the majority is willing to take this substantial risk. I am not.