

**Lowell McAdam  
CTIA Keynote  
April 1, 2008**

**Good morning, and welcome to the high-tech industry's premier event. It's hard to believe this our 25th year.**

**I know most of you -- like me -- have not been in wireless for 25 years. Because 25 years ago, this show -- and virtually the whole industry -- fit into a conference room in Washington, DC. That conference room wouldn't even hold the folks in the first row, here!**

**But I'll bet most of us have been in this business long enough to feel a deep proprietorship about our great industry.**

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**I need to pay tribute here to some of the people who led us, from the early days, in creating this great industry -- people like Jim Dwyer, John Stanton, Denny Strigl, Stan Sigman, and Tom Wheeler.**

**We are now tasked with picking up their torch and making our next 25 years as successful as our first.**

**Leading this charge are people like this year's officer group Robert Dotson of TMobile, Cindy Christy of Alcatel-Lucent, Michael**

**Small of Centennial, and the rest of our 30-member CTIA board.  
And special thanks to Steve Largent and his entire CTIA team.**

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**I hope you feel -- as I do -- privileged to be part of an industry  
so stunningly successful.**

**What we have built, is without exaggeration . . . a great  
American success story.**

- ✚ In 25 short years, we have become a vibrant and  
significant growth engine for the US economy.**
  
- ✚ This business invested \$24 billion last year alone in  
infrastructure; employs 3.5 million \* Americans, and  
produces an unparalleled pace of innovation in the high-  
tech industry.**
  
- ✚ In 25 short years, we have deployed three generations of  
technologies and services --- and are well on the road to  
our 4<sup>th</sup> generation.**
  
- ✚ In 25 short years, we have created a whole new  
mainstream way of living, working and playing for  
Americans.**

✚ And along the way, we have earned nearly 260 million customers by both defining and reacting to those customers' needs.

- Customers wanted to keep their numbers and change their ringtones. And we did it.
- Customers wanted more minutes, free weekends, free hands ... in hot colors, with email, video, navigation and music. And we did it.
- Customers wanted their wireless to add fun, productivity, convenience and safety ...for themselves and for their families. And we did it.
- Only five 5 years ago from this stage and this show, the buzz was wireless going broadband, with multimedia gaming and apps. And we did it.
- Only 3 years ago, the buzz here was over-the-air downloadable music, and mobile TV. And we did it.

That history of making it happen in response to our customers is what we tried to capture in this video:

***[ 30-second "Want Next" spot plays ]***

**That 30-second spot forms the heart of CTIA's new awareness campaign. But it is much, much more than that. It is really the heart and heartbeat of everything we have accomplished in our first 25 years. It is quite a story of innovation and the American competitive spirit at work.**

**What we can be most proud of is the fact that while fiercely competitive, the players in our industry have always come together to put the ultimate power – the ultimate authority – in the customers' hands.**

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**The question remains, however, are we really ready to respond to customer needs – to deliver, as our ad promises, whatever customers want next?**

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- ✚ The show floor below says we are ready – with 1,200-plus vendor displays, covering 400,000 square feet.**
- ✚ Our record as a vibrant growth industry sure says we are ready.**
- ✚ Our history of delivering what customers want says we are ready.**

**✚ But to be truly ready, there is work yet to be done.**

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**Our industry is at a critical crossroads as we enter our next 25 years. We cannot allow ourselves to be made into a 21<sup>st</sup> century version of a regulated telephone company.**

**This is a clear and present danger – IF our public policy leaders interfere with a customer driven marketplace and IF our industry gives them a reason to.**

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**For our part: we have work to do to make sure there's no need for regulation. As we've grown up, our industry has brought along some baggage that we now must discard.**

**✚ At this point in our evolution it's time to get rid of industry practices and policies that no longer make sense for customers.**

**✚ As an industry, we need to listen even more closely to customers and respond more quickly.**

**✚ As an industry, we also need to embrace new entrants who, as we've already seen, will only fuel the innovation engine.**

 **That is how we “un-invite” potential intrusion from regulators.**

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**To those regulators and policy makers who want to interfere with the dynamics of a competitive, customer-driven market, I say: let us continue to compete.**

**To regulate this business is like taking a Polaroid snapshot of an industry moving at full-motion video speed. The picture you get today won't be relevant tomorrow. You can't attempt to codify and freeze a dynamic industry driven by rapidly evolving customer needs.**

**Customers provide the best kind of regulation in their ability to choose.**

**The worst case scenario is that 50 regulatory frameworks – 50 sets of rules -- would emerge from 50 states. Wireless is a national industry. We evolved long ago from a state-by-state industry. To go backwards is dangerous and just plain stupid.**

**Why?**

**First:**

- ✚ Injecting multiple frameworks and regulatory micromanagement means less competition, less choice, higher costs for consumers—and service that is no longer seamless when customers travel across state borders.
- ✚ Just imagine customers trying to use a service that changes depending on which state they are in, let alone trying to run a business in that environment!

**Second: Consider that the wireless industry contributes greatly to the American economy.**

- ✚ To tamper with the formula that built this economic growth engine is very dangerous.
- ✚ Even as the economy has worsened in recent months, the wireless industry has continued as one of the few bright spots -- creating jobs, investing in infrastructure, and launching exciting new products and services.
- ✚ Remember what regulation has done to wireline communications

**Third: A truly open and competitive market attracts new entrants. Isn't that just what we need for innovation and growth?**

**Why would newcomers want to enter an arena trending toward more and more burdensome rules?**

**And finally, rules and regulations create glaring inconsistencies:**

- ✚ On one hand, some policy makers and special interests tell us we need to quickly deliver better wireless service to consumers.**
- ✚ At the same time, those policy makers are piling on rules, state and local taxes, and cumbersome tower siting requirements that only hurt or burden wireless consumers.**

**The real-life examples of these inconsistencies are astonishing to me.**

- ✚ There are well documented cases every year where people face life-threatening situations – or die – because of a lack of coverage caused by protracted construction permitting battles with local municipalities.**
- ✚ Another example: while the wireless industry has dramatically reduced rates for the consumer, many local governments are busy end-running that value by loading on taxes. If you live in Chicago, for example, 20.5% is added to your wireless bill – more than 18% of**

**that is local surcharges. What other national product is subject to such discriminatory local taxing?**

**These inconsistencies just don't make sense. All of the parties represented in this room this morning need to come together to advance, not impair these vital services for customers.**

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**Ladies and gentleman, wireless is proving to be one of the great communications and technology infrastructures of our time.**

- ✚ An infrastructure that combines the power of mobility, broadband speeds and the Internet.**

- ✚ An infrastructure that more than 85% of all Americans rely on — because they can rely on it -- to stay safe, connected and productive.**

**At this critical juncture, our industry now has a clear and present opportunity to avert this clear and present danger . . . and not only preserve this infrastructure, but take it to new heights.**

**And exciting new heights they can be. If you think this is a maturing industry, I ask you to think again. Let's not allow ourselves to think 80 or 90 percent penetration is the ceiling, when we can make it the floor.**

**Imagine the opportunities of 4G:**

- + Some estimates predict 4G will generate upwards of \$50 billion in additional revenues by 2015. And why not?**
- + with more carriers lining up around the same technology customers will have greater interoperability**
- + with open networks . . . new partnerships between carriers, vendors and new entrants, no matter how small are possible**
- + with greater interoperability and connectivity not just across the US, but across the globe, new markets will open for all of us.**

**Now, imagine the opportunity of 4G for consumers, from socializing to social issues:**

- + They'll wear bracelets that will monitor their health . . . and keep a record for their physician.**
- + Consumers will wirelessly control content and move it seamlessly across their desk top, TVs and cell phones as networks converge.**
- + Consumers will routinely manage their home electronic systems wirelessly and remotely.**

**✚ And the definition of a wireless device will no longer be limited to something in your pocket or in your laptop, but perhaps something in your refrigerator that can talk to your home management system, to your PDA or even to other networks.**

**Imagine these and all the wireless opportunities in just the next several years. As you walk the show floor over the next few days, you'll turn your imagination over to reality when you see some of this potential is already moving from the drawing board into customers' hands.**

**I believe that working together – our industry, with the support of our great industry association and with our customers driving the market – we can guarantee that our next 25 years will make our first 25 look like just the on ramp to a 'super technology highway.' There is no more dynamic industry in any part of the globe than Wireless in the United States. Welcome to CTIA.**

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**Now, it is my pleasure to present our very own Hall of Famer who leads the organization that will help take us to that exciting future – CTIA President Steve Largent.**

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