

Wireless Capital's Wireless Update Volume 4, Issue 5: May 2007

Welcome to the May issue of Wireless Capital's *Wireless Update Newsletter*.

Our goal is to help wireless leaseholders become more knowledgeable about the wireless industry by monitoring and summarizing the latest developments in the wireless industry that have the greatest potential landlord impact. Each monthly issue of the *Wireless Update Newsletter* summarizes the top telecom news of the month. And each quarter we publish an expanded issue that includes bonus features such as industry interviews and landlord case studies.

Top Telecom News

Ban against Hand-Held Phone while Driving Gains Momentum

The state of Washington is joining New York, New Jersey, Connecticut, California, and the District of Columbia in the ban against hand-held cell phones while driving. The state of Connecticut has issued more than 9,000 violations since the ban became effective in 2006. Although this figure is not representative of the actual number of offenders, there are reasons as to why more violations aren't issued. State Rep. Thomas Drew said that since police are aware that most violators are not caught, they believe it is unfair to fine the unlucky ones who were given the \$100 ticket. In 2001, New York became the first state to enact a law penalizing the use of hand-held mobile phones while driving.

Wireless Data Market Generated \$5B+ in Q1

The wireless data market in the United States generated more than \$5 billion in revenue during the first quarter of 2007. Analysts estimate that data services may compose as much as 20% of the carriers' service revenues by the end of the year. Of the four major wireless carriers, Verizon leads the pack with an 80% year-over-year increase in data revenues to \$1.6 billion in the first quarter of 2007. Data revenues currently make up 17.4% of its total service revenues.

Cellular Market in the U.S. Approaches 250M Connections

The U.S. cellular market saw an additional 18 million connections during 2006, bringing the total number of domestic wireless connections to 232 million. Connections include both subscribers as well as machine-to-machine applications. Market share of Verizon Wireless is closing in on that of AT&T Mobility, which was 26% at the end of 2006. Sprint Nextel, the country's number 3 carrier, has remained stagnant in its market share since the second quarter of 2006.

Link Between Bird Death and Cell Towers Questioned

Cell phone tower and wireless-related industry trade groups told the Federal Communications Commission that there is insufficient evidence to link migratory bird death to cell phone towers. A coalition formed by the cell phone association CTIA noted that the level of bird deaths resulting from tower collisions appears to be declining even with the increase in tower construction. The U.S. Fish and Wildlife Service claim that as many as 50 million birds die annually from tower crashes. The American Bird Conservancy and other environmental groups state that evidence supporting this link is well documented and have accused the FCC of neglecting the issue.

Environmentalists believe that shorter antenna structures and changing the current lighting from red to medium-intensity white strobe lights will decrease the number of bird deaths. The purpose of the lighting system is for air traffic safety and it is unclear what impact the change in color will have on airline pilots. Environmental groups and the FCC have both agreed to have the Federal Aviation Administration conduct a study on the lighting changes but so far the FAA has not committed to a study.

In the Next Issue

Look for more top telecom news in the June issue, and the expanded July issue will include many bonus features, including **Ask Conrad**. If you have a question about the wireless industry that you would like Conrad to answer, please email it to moreinfo@wirelesscapital.com. The answer to the selected question will be published in our quarterly issue.