

TELECOMMUNICATIONS



Highlights of [GAO-03-501](#), a report to the Honorable Anthony D. Weiner, House of Representatives

Why GAO Did This Study

Over the past decade, Americans have come to rely increasingly on mobile phones to meet their business and personal needs. However, because of the nature of radio transmission and other constraints, consumers are not always able to complete calls or to hear their calls clearly. As reliance on mobile phones has increased, state officials, consumer groups, the media, and others have raised concerns about the extent of call quality problems. With regard to call quality, GAO agreed to describe the regulatory framework; determine the extent to which consumers are experiencing problems; and discuss actions for improving call quality suggested by interested parties.

What GAO Recommends

GAO recommends that FCC include call quality in its mandated annual report analyzing whether there is effective competition in the market for mobile phone services. Including call quality in this analysis would provide an ongoing record to help FCC and the Congress determine whether market competition is sufficient to ensure that carriers are meeting consumers' expectations and desires regarding call quality or whether further regulatory action is needed. In response, FCC stated that to, the extent possible, it plans to include information related to call quality in its future annual reports on competition in mobile phone services.

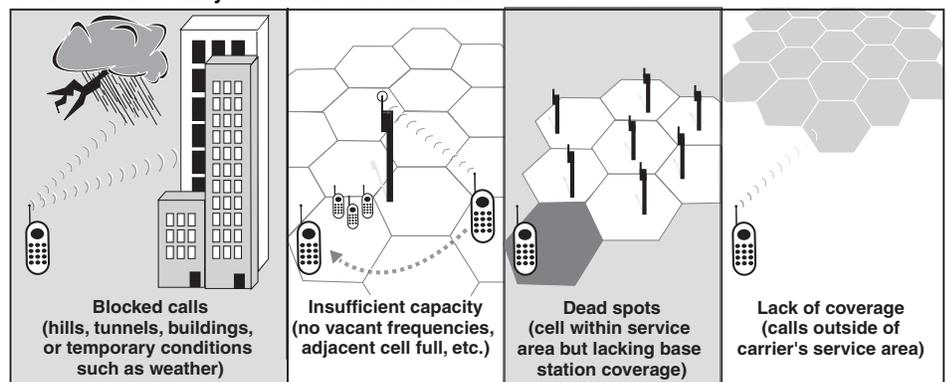
www.gao.gov/cgi-bin/getrpt?GAO-03-501.

To view the full report, including the scope and methodology, click on the link above. For more information, contact William B. Shear at (202) 512-4325 or shearw@gao.gov.

What GAO Found

In establishing a regulatory framework for mobile phone services, the Congress directed the Federal Communications Commission (FCC) to encourage competition among carriers. FCC believes that competition enables consumers to choose carriers that offer a desired level of call quality and that regulatory action establishing a minimum level of call quality would not be beneficial in a competitive environment. The Congress requires FCC to report annually on whether or not there is effective competition in mobile phone services. While call quality has been identified as a factor that affects consumers' choices of a carrier, FCC does not discuss call quality in this report.

Common Call Quality Problems Associated with Mobile Phones



Source: GAO.

To assess the extent to which consumers are experiencing call quality problems—such as blocked or dropped calls, insufficient capacity, dead spots, or lack of coverage—we included questions on a national survey of adult consumers, conducted in November 2002. Our survey indicated that about four-fifths of adult mobile phone users were satisfied with their service, about one-tenth were dissatisfied, and the remainder indifferent. However, we also found that consumers are experiencing some call quality problems. For example, we estimate that about one-fifth of users were unable to successfully complete 10 percent or more of their calls, because their mobile phone network dropped the calls. Only limited information on call quality problems is available to the public or FCC.

Interested parties have proposed actions that could provide consumers with better information to help them choose a carrier that matches their needs or would set industrywide call quality standards for all consumers. However, some of the suggested actions could drive up the price of service, limit the entry of new carriers, or lead to a reduction of service in regions that are technically difficult or costly to serve. The carriers themselves say that they are taking actions to improve call quality and further regulation is not needed.