



World Smart

**NORTH AMERICAN  
GSM ALLIANCE LLC**

# Smart Talk

Second Quarter 1999

Vol. 1, Number 1

## GSM North American Customers Now Total 4.2 Million

More than 660,000 U.S. and Canadian customers signed up for Global System for Mobile Communications (GSM) wireless service in the second quarter of 1999.

This brings the total of GSM customers in North America to 4.2 million, and reflects an increase of more than double the number of customers from a year ago. In the past year, more than 2 million customers have signed up for GSM service. By the end of 1999, it is expected that there will be 6 million GSM customers in North America.

GSM operators in North America now offer commercial service in nearly 4,000 cities and towns in 46 U.S. states and four Canadian provinces.

### 200 Million Customers! GSM Remains World's Fastest Growing Digital Technology

There are now more than 200 million wireless customers around the world who use Global System for Mobile (GSM) communications phones.

"With more than 345,000 customers around the globe signing up each day for service, there is no question which is the world's digital technology of choice," said North American GSM Alliance Executive Director Bob Brown. "In comparison, Code Division Multiple Access (CDMA) customers are being added at a rate of 63,013 per day."

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In the first six months of 1999, GSM Alliance companies in the U.S. and Canada added 1.2 million new customers -- the equivalent of adding 5 new customers a minute.

GSM coverage reaches more than half of the Canadian population and two-thirds of the United States population.

GSM companies built more than 11,000 cell sites in two years (Entire U.S. cellular industry took 10 years to reach that mark) GSM carriers have created more than 14,000 new jobs in U.S. & Canada with an estimated 30,000 new workers involved in service, manufacturing and associated jobs.

### Welcome to Smart Talk

This is the inaugural issue of **Smart Talk**, the quarterly newsletter of the North American GSM Alliance LLC.

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**Smart Talk**

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*In cooperation with:*

**Lucent Technologies • Motorola • Nortel Networks • Siemens**

## GSM Growing Five Times Faster Than CDMA Around the World!

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"Globally, GSM added in one quarter more than CDMA added in a year," Brown explained. "GSM added as many customers in the first six months of 1999 alone, than CDMA has done since its commercial debut in 1995."

According to the GSM Association, GSM customers generated more than \$100 Billion in subscriber revenues last year and represent about two-thirds of the world's digital wireless market. The GSM Association represents the interests of 369 GSM, satellite and 3G network operators, key manufacturers and suppliers to the GSM industry and regulatory and administrative bodies from 137 countries and regions around the globe.

"GSM has established itself as the world's leading digital wireless standard, and we believe that the current growth rates will continue for the foreseeable future," explained GSM Chairman Michael Stocks. "At present levels, we are confident in our predictions that by the year 2005, we will have achieved between 700 million and One Billion GSM customers worldwide."

Stocks believes the future is even more exciting: "The development path for the GSM standard is clearly mapped out and presents an exciting era of applications and services that will stretch the bounds of the imagination. We are moving closer and closer to the delivery of third generation services, which will see multi-media applications, internet access and access to real-time video, via GSM-based networks and handsets. This will ensure that GSM continues to be the standard of choice and heralds continued massive customer growth in the years to come."

According to GSM Alliance Executive Director Brown, "GSM provides global economies of scale, as well as the most affordable wireless solutions for both

operators and consumers, with quality and features second to none!" Brown said.

"GSM operators were the first to provide all digital wireless data services throughout their entire deployed networks. These companies continue to be leaders in enabling customers to transmit and receive data over their wireless phones," said Brown.

"Virtually every make and model of GSM phone on the market today is data capable. If you add in the more than 100 devices and software programs that are GSM-compatible, there's no question of the wide-spread, proven ability of our data services."

Brown said that GSM service providers form the world's largest wireless digital data network. Customers are able to have wireless global data computing capabilities that include sending and receiving E-mail and faxes, secure LAN and intranet access, as well as web browsing, mobile vending and smart message serviced capabilities.

"While other digital technologies are finally introducing data capabilities, GSM companies are enhancing their proven, superior data products and services," added Brown.

**"Globally, GSM added in one quarter more than CDMA added in a year.**

**"In fact, GSM added as many customers in the first six months of 1999 alone, than CDMA has done since its commercial debut in 1995."**

# In Focus:

## CDMA vs. GSM Growth Comparisons

CDMA added about 23 million subscribers from June 1998 to June 1999.

- **GSM added 86 million subscribers from June 1998-99.**
- **GSM added in one quarter more than CDMA added in a year.**

CDMA subscribers now total 35 million, a one-year increase of 171 percent.

- **GSM subscribers total 200 million.**
- **GSM added as many customers in the first six months of 1999 alone than CDMA has done since its debut in 1995.**

In the first 6 months of 1999, 12 million new CDMA customers were added. Growing at a rate of 66,000 new customers daily -- that's 46 per minute.

- **In the first six months of 1999, about 55 million new GSM customers were added. Growing at a rate of 304,000 new customers daily -- that's 211 per minute.**

In the second quarter of 1999, CDMA added 6.5 million new subscribers around the world.

- **GSM added more than 25 million customers in the same period --nearly four times as many customers as CDMA in the second quarter of 1999.**

Asia continues to drive cdmaOne subscriber growth with a 138 percent increase, bringing the region's total to more than 20 million users. (The largest cdmaOne market is South Korea. The Korea Herald reports that wireless customers in S. Korea now total 20 million. The great majority of Korea's customers use cdmaOne.)

- **As of the end of the second quarter 1999, there were more than 50 million GSM customers in the Asia Pacific region.**
- **GSM added 24 million new customers in the Asia Pacific region from June 98-99. That's more than CDMA added worldwide.**
- **China reportedly added 1.5 million customers in August alone, and now has more than 30 million GSM customers**

North America, consisting of the United States and Canada, increased 205 percent by adding seven million subscribers this year.

- **GSM added more customers in 1998 and the first six months of 1999 than either Sprint PCS, AT&T Wireless or Nextel.**
- **GSM service providers in North America now offer commercial service to 4.2 million customers in nearly 4,000 cities in 46 U.S. states, and four Canadian provinces.**
- **in the past six months nearly 1.2 million customers have signed up for service with one of the 17 North American GSM companies providing commercial service.**
- **In the past year, the number of GSM customers in the U.S. and Canada has more than doubled -- increasing by more than 2 million customers.**

Sources: EMC World Cellular Database, GSM Association, GSM Alliance, CDMA Development Group website and news releases.

## VoiceStream President Bob Stapleton Elected Alliance Chairman

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The North American GSM Alliance LLC today announced that Bob Stapleton, President of VoiceStream Wireless has been elected as the group's new chairman.

"Bob's unanimous election by the Alliance's Management Committee speaks volumes about his reputation, expertise and leadership skills," said Don Warkentin, President and CEO of Aerial Communications, who has served as Chairman for the past two years. "We are pleased that Bob will chair the Alliance in the year ahead. The interests and vision of the Alliance's 17 member companies are well-served by Bob's election."

Stapleton served as President of Western Wireless Corp. from 1992 to 1999. He has also been President of VoiceStream Wireless since its formation in 1994. From 1989 to 1992, Stapleton held various executive positions with General Cellular Corporation, including Chief Operating Officer and Vice President of Operations. From 1984 to 1989, Mr. Stapleton was employed by mobile communications subsidiaries of Pacific Telesis, Inc., which now are affiliated with AirTouch Communications.

"The GSM Alliance appreciates the outstanding leadership that Don Warkentin has provided," said Stapleton. "His dedication and commitment not only led to the creation of the Alliance, but to its success in promoting GSM and increasing competitive advantage for our member companies. This foundation will help accelerate the continued expansion of GSM in North America and abroad." He added that, "I look forward to working closely with Executive Director Bob Brown, who will continue to serve as Secretary/ Treasurer."

The GSM Alliance's annual elections also included appointments to the Management Committee's task forces. Stapleton will head the Domestic Roaming task force and Warkentin will be responsible for Public Relations & Branding. Other task force appointments include: International Roaming: André Tremblay, President and CEO of Microcell Telecommunications; Legislative/ Regulatory & 3G: Allen Smith, President &

CEO of Powertel, Inc.; Services: Bob Shaner, President of Pacific Bell Wireless; GSM North America (Standards and Interoperability): Jim Murrell, VP- New Business Development, Powertel, Inc.; and Technical Operations: George Schmitt, President of Omnipoint Communications..

## Jim Healy Elected GSM Assn. Deputy Chairman; Jim Murrell Chairs GSM North America

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Cook Inlet/VoiceStream PCS LLC President James J. Healy, was elected Deputy Chairman of the GSM Association at its 41<sup>st</sup> Plenary Meeting in Helsinki, Finland. As the Deputy Chairman, Healy is Chairman-Elect for the year 2000/2001 of the global organization, which includes members from all continents of the world, including Europe, Middle East & Africa, North America, South America and Asia/Asia Pacific.

Healy was elected the Chairman of GSM North America, the North American Interest Group of the GSM Association, in April 1998. Prior to joining Cook Inlet/VoiceStream PCS, which he has managed since its formation in 1995, Healy served as Vice President - Engineering and Operations of McCaw Cellular Communications' Wireless Data Division.

Powertel's Vice President of Business Development James A. Murrell, III, has been elected chairman of GSM North America, the North American Interest Group of the GSM Association.

Prior to his current position with Powertel, Murrell served as Vice President of Marketing for Powertel from May 1995 to August 1997 and as Vice President of PCS from May 1994 to May 1995.

Before joining Powertel, Murrell was Vice President of Market Operations and a member of the board of directors for Mercury Communication Company, Inc., a cellular management company that he co-founded in 1990.

## GSM Alliance News Briefs .....

**GSM Coverage Grows in FCC's License Re-Auction** PCS carriers operating Global System for Mobile communications networks were the big beneficiaries of the PCS re-auction in April. All of the major market holes in the nationwide GSM system will now have a GSM service provider, **Cook Inlet/Voice Stream** PCS was the highest bidder, making 28 high bids totaling \$192.3 million. A majority of this was the \$117.9 million bid for Chicago and \$62.4 million for Dallas. **Omnipoint Corp.**, another GSM operator, announced its bidding entity won 34 licenses, including Detroit and St. Louis. Companies committed to GSM will have licenses covering 99 percent of the U.S. population and all of the major markets.

**Canada Adds Network Affiliate to Expand Coverage** **Microcell Telecommunications Inc. and Telemetrix Inc.** announced the signing of a letter of intent to conclude a Network Affiliate Agreement between Microcell's network operations subsidiary, Microcell Connexions Inc., and Telemetrix Inc. The proposed agreement—expected to be finalized later this year—will bring Personal Communications Services (PCS) based on the GSM (Global System for Mobile communications) standard to Manitoba and Saskatchewan. **Microcell Connexions Inc.**, has entered into a wholesale agreement with **Navitar Communications Inc.** Navitar is a Toronto-based, emerging telecommunications player. The company, which will initially offer services in the Toronto area, plans to roll out its services nationally. It is expected that this agreement could represent revenues in excess of \$50 million (approximately 60,000 subscribers) over five years for Microcell Connexions

**International Roaming** The North American GSM Alliance has identified international roaming as a top priority in 1999. The largest GSM PCS operators committed to ensure that by the October Plenary, a minimum of 50 international roaming operator agreements will be launched. By year-end, all of the large operators will have a minimum of an additional 25 countries launched. In addition, the Alliance has committed that by the April 2000 Plenary, a minimum total of 125 international roaming agreements.

**Third Generation Wireless** The North American GSM Alliance, LLC aggressively promoted its position supporting a multiple technologies solution for determining radio air-interface specifications for third generation (3G) wireless systems. The proposed family of 3G standards will form the foundation for the next generation of wireless communications systems. These advanced wireless systems will provide high-speed data and Internet access, full-motion video and other sophisticated multi-media services, as well as global roaming. In March, the GSM Alliance and Nortel Networks completed North America's first third generation (3G) wireless telephone call, using a Wideband CDMA (W-CDMA) trial network under live conditions. The trial network is being used to test next generation voice and high-speed wireless data services under a developmental radio license from Industry Canada. Nortel Networks, Microcell and other members of the GSM Alliance announced the trial late last year.

**New GSM Alliance Members** STPCS Joint Venture, LLC, which is marketing personal communications services (PCS) throughout its D and F block licenses in South Texas as **SOL Communications**, has joined the North American GSM Alliance LLC. A joint venture between AmeriCall International LLC and Western PCS Corporation, SOL Communications will cover a combined population of about two million people in the South Texas markets of Victoria, Corpus Christi, Brownsville-Harlingen, McAllen, Laredo, and Eagle Pass-Del Rio. **Lucent Technologies** has become the sixth member of the Alliance's Vendor Partner Program, which began in 1998. As Vendor Partners, these companies participate in numerous Alliance activities and efforts as well as having senior-level access to 17 of North America's leading Personal Communications Services (PCS) companies.

### **U.K. Hosts North American GSM Alliance At Networks-Telecom Bilateral Trade Initiative**

The North American GSM Alliance LLC recently participated as the guest of British Trade International in its Networks-Telecom bilateral trade initiative in Birmingham England. The world-wide trade development program was jointly sponsored by the British Department of Trade and Industry and the U.K. Telecommunications Industry Association.



**NORTH AMERICAN**  
**GSM ALLIANCE LLC**

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## Facts At A Glance

North American customers: 4.2 Million  
 Worldwide customers: 200 Million  
 GSM Alliance Companies with more than 300,000 customers: 7  
 N.A. Companies with active commercial GSM service: 18  
 Countries with active commercial GSM service: 129  
 GSM Association: 369 members, 137 countries  
 N.A. Companies Planning to Use GSM: 30  
 U.S. States, D.C. and Canadian Provinces with commercial service: 46  
 North American Cities with commercial GSM service: More than 3,700  
 Active Cell Sites: 11,152  
 Employees: 14,000  
 Total U.S. POPS: 260 Million  
 Covered POPS in active markets to Date: 180 Million

GSM Association Website: [www.gsmworld.com](http://www.gsmworld.com)

GSM Alliance Website: [www.gsm-pcs.org](http://www.gsm-pcs.org)

## Factoids

- Adding customers at a rate of 5 per minute in North America
- More than 1.2 million customers added in the first six months of 1999.
- GSM companies in U.S. and Canada added 660,000 new customers in the second quarter -- more than either AT&T, Sprint or Nextel.
- By the end of 1999, the total of GSM customers in North America could reach 6 million.
- GSM coverage reaches more than half of the Canadian population and two-thirds of the United States population.
- North America is now the third largest non-European market in the world.
- The United State and Canada are the 12<sup>th</sup> largest GSM market in the world.
- Seven of the top ten PCS carriers in the United States provide GSM service.
- Commercial GSM service in 8 of the top 10 markets, 20 of the top 25 markets.
- GSM active in 46 states.
- In the past year, more than 2 million customers have signed up for GSM service.
- GSM companies built more than 11,000 cell sites in two years (Entire U.S. cellular industry took 10 years to reach that mark)
- GSM carriers have created more than 14,000 new jobs in U.S. & Canada. with an estimated 30,000 new workers involved in service, manufacturing and associated jobs.
- GSM is in more countries than McDonalds: 137 countries.
- Ten million new GSM customers around the world are added every month - That's three new subscribers every second!
- GSM customers now equal about half of the entire world's wireless market and almost two-thirds of the world's total digital wireless market.

*Revised 9-03-99 (NA figures: As of 7/1/99)*