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New *iGR* study forecasts LTE infrastructure CapEx and OpEx spending for Regional and Small Operator (RSO) market

Shrinking RSO market expected to spend small percentage of overall LTE CapEx and OpEx

AUSTIN, Texas, August 8th, 2013 – U.S. mobile operators are adding new LTE markets each week. The Tier One operators - AT&T, Verizon Wireless, Sprint, and T-Mobile USA - have led the way with LTE deployments, but several Regional and Small Operators (RSOs) have also successfully deployed LTE in their smaller markets.

Due to two major acquisitions in 2013, the number of subscribers serviced by RSOs has dropped significantly from approximately 22.2 million in 2012 to 12.5 million today. In addition, AT&T has announced plans to acquire Leap Wireless (Cricket). If this transaction is approved, it will lead to further consolidation.

Because of these decreasing numbers of RSO subscribers, the amount that the RSOs are expected to spend during the forecast period is significantly less than that of the Tier Ones. Between 2012 and 2017, *iGR* forecasts total U.S. LTE infrastructure capital expenditures to be \$37.5 billion, of which the RSOs are expected to spend \$3.2 billion. Operating expenditures for the RSOs are forecasted to be \$2.1 billion, a small percentage of the expected total \$56.5 billion.

iGR's LTE cost model is based on the amount of data the network is able to support and deliver. The CapEx cost model is based on the cost required to add 1 GB of data capacity to the network, while the OpEx cost model is based on the cost per user per month. While *iGR* expects the overall LTE network operating cost per subscriber to increase, the operating expense per cell site will decline due to increased efficiencies in the network.

"Many Regional and Small Operators have successfully implemented LTE in their market, and *iGR* expects more RSOs to do the same during the forecast period," said Iain Gillott, president and founder of *iGR*, a market research consultancy focused on the wireless and mobile industry.

“Although the amount to be spent, relative to Tier Ones, is small, the RSOs will invest significant CapEx in LTE infrastructure and within three years, the RSOs’ LTE OpEx spending levels will overtake their LTE CapEx spending.”

iGR’s new market research report, U.S. Regional and Small Operator LTE Network Infrastructure CapEx and OpEx Forecast, 2012-2017, forecasts the LTE infrastructure CapEx investment and OpEx for U.S. RSOs and provides an update on the LTE rollout of both RSOs and Tier One operators. Additionally, it provides profiles of dozens of companies that provide network products and services to RSOs.

The following key questions are addressed in the new research study:

- What is the current distribution of U.S. wireless subscribers between Tier One operators and RSOs?
- What is the current status of the LTE deployments for Tier One operators and RSOs?
- Which RSOs have deployed LTE through the Verizon Wireless LTE in Rural America program?
- How will the amount of data traffic carried on LTE networks grow in the U.S. in the next five years?
- What is the forecast for the number of LTE subscribers for RSOs in the U.S. in the next five years?
- How much mobile data is each LTE subscriber expected to consume and how does this change in the next five years?
- How much CapEx will the RSOs invest in LTE networks during the forecast period?
- When do the CapEx cost curves begin to trend downward?
- How big is the LTE infrastructure opportunity for U.S. RSOs in the next five years?
- How big is the LTE OpEx for U.S. RSOs in the next five years?
- Who are some of the vendors that provide products and services to RSOs?

The information in this report will be valuable for:

- Mobile network operators, especially Regional and Small Operators
- LTE network infrastructure vendors
- Financial and investment analysts.

The new report can be purchased and downloaded directly from *iGR’s* website at www.iGR-inc.com. Alternatively, contact Iain Gillott at (512) 263-5682 or at Iain@iGR-inc.com for additional details.

About iGR

iGR is a market strategy consultancy focused on the wireless and mobile communications industry. Founded by Iain Gillott, one of the wireless industry's leading analysts, in late 2000 as *iGillottResearch*, *iGR* is now entering its thirteenth year of operation. *iGR* continuously researches emerging and existent technologies, technology industries, and consumer markets. We use our detailed research to offer a range of services to help companies improve their position in the marketplace, clearly define their future direction, and ultimately improve their bottom line.

iGR researches a range of wireless and mobile products and technologies, including: smartphones; tablets; mobile applications; bandwidth demand and use; small cell architectures; DAS; LTE; WiMAX; VoLTE; IMS; NFC; GSM/GPRS/UMTS/HSPA; CDMA 1x/EV-DO; iDEN; SIP; macro-, pico- and femtocells; mobile backhaul; WiFi and WiFi offload; and SIM and UICC.

A more complete profile of the company can be found at www.igr-inc.com.