

## Demand Increases for Cellular Wireless and Wireline Connectivity

April 29, 2020

Providers of cellular wireless and wireline connectivity have seen overall increases in demand – with a larger increase for wireline services than cellular wireless services – due to the COVID-19 pandemic and the numerous governmental orders to work from home and stay at home.

AT&T Chairman and CEO Randall Stephenson recently reported, “connectivity is more essential now than ever and we want to do what we can to help our customers stay connected through this crisis.” John Stankey, AT&T president and COO, said that their core “networks are critical, valuable services at this time as they connect, inform and entertain our customers” due to the COVID-19 pandemic-related issues that have forced much of the standard office-based workforce in the US to work from home. The demand for Verizon’s overall data has increased 19% compared to pre-COVID-19 levels. AT&T added 209,000 new wireline customers in Q1, and AT&T representatives have stated that demand for connectivity services (both wireline and cellular wireless services) is up – with a much larger increase in the demand for wireline services.

AT&T and Verizon are just two examples of the many providers across the country experiencing an overall increase in demand for wireline and cellular wireless services since mid-March.

The difference between demand for wireline services and demand for cellular wireless services becomes clear after a brief explanation about wireline and cellular wireless services.

- Wireline service is provided to most homes and office buildings via fiber optic and similar telecom cables. The data transferred via these cables includes internet, phone and television. Many computers and televisions plug directly into the wired data through the fiber optic and other cables. Wireless routers then convert the wireline services into Wi-Fi. Most users of cell phone and other devices that are cellular data enabled will still connect to their home or office Wi-Fi in order to save from using cellular data when at home or in the office.
- Cellular wireless service is the data that transfers wirelessly using antennas from locations outside of homes and offices – both macro and small cell antennas. Typical use of cellular wireless services happens when users are out of range of Wi-Fi – for example, whenever users are traveling, shopping or at restaurants (unless, of course, the store or restaurant provides free Wi-Fi to its customers, which is becoming commonplace in many areas).

With the stay-at-home orders currently in place, much of the population is spending most of their time in their homes – where they likely have Wi-Fi connectivity – and spending less time traveling, in stores or restaurants. Therefore, providers are seeing a larger increase in wireline services than the increase in demand for cellular wireless services.

The changes in demand for connectivity were extreme and sudden, given the short period of time between the beginning of the pandemic and the stay-at-home/work-from-home orders. The demand has stabilized and remained mostly consistent since the initial jump in demand. Verizon has reported, “while data usage remains at elevated levels, the changes in how people are using the network has stabilized. Peak data usage ... shows small week to week changes, though peak usage numbers remain high compared to typical pre-COVID-19 levels.”

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## Key Contacts

Peter Crain Reston	pcrain@cooley.com +1 703 456 8189
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