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Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

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NEWS MEDIA CONTACT:
Mike Balmoris at (202) 418-0253
Email: mbalmori@fcc.gov

FCC Releases Study on Telephone Trends

Washington, D.C. – Today, the Federal Communications Commission (FCC) released its bi-annual report, *Trends in Telephone Service*. The report provides answers to some of the most frequently asked questions about the telephone industry asked by consumers, members of Congress, other government agencies, telecommunications carriers, and members of the business and academic communities.

Highlights from sections in the report on advanced telecommunications services, international calling, local competition, long distance industry, telephone rates, subscribership, and toll-free numbers are shown below:

Advanced Telecommunications Services

- High-speed lines (over 200 kbps in at least one direction) connecting homes and small businesses to the Internet increased by 57% during the first half of 2000, to a total of 4.3 million lines (or wireless channels) in service from 2.8 million at the end of 1999.
- About 2.8 million high-speed lines provided speeds of over 200 kbps in both directions, and thus met the Commission's definition of advanced services, compared to 2.0 million at the end of 1999.

International Calling

- The number of calls made from the United States to other countries increased from 200 million in 1980 to 5.2 billion in 1999.
- In 1999, Americans spent about \$14.4 billion on international calls. On average, carriers billed \$0.51 per minute for international calls in 1999, a decline of 50% in the per minute price since 1980.

Local Competition

- As of June 2000, Competitive Local Exchange Carriers (CLECs) provided 12.7 million (or 6.7%) of the approximately 192 million nationwide local telephone lines that were in service to end users as opposed to 8.3 million (or 4.4%) of nationwide local telephone lines at the end of 1999. This represents a 53% growth in CLEC market size during the first six months of this year.
- About one-third of CLEC end-user lines are served over "local loop" facilities that the CLECs own.

- Incumbent Local Exchange Carriers (ILECs) reported providing other carriers about 5.7 million lines on a resale basis, at mid-year 2000, compared to over 3 million unbundled network elements (UNE) loops.

Long Distance Industry

- Since divestiture, interstate-switched access minutes have nearly quadrupled to about 600 billion, and long distance carrier toll revenues have more than doubled from \$39 billion to \$99 billion.
- AT&T's share of interstate carrier toll revenues has decreased from 90% in 1984 to 41% in 1999; WorldCom's and Sprint's collective shares accounted for about 33% in 1999 and more than 700 smaller long distance carriers accounted for the remaining 26%.

Telephone Rates

- Local phone rates have remained steady during the last decade. The average monthly local residential charge for service was \$19.87 in October 1999 as compared to \$19.24 in 1990; for a business with a single phone line, the representative charge for service was \$41.00 in October 1999 as compared to \$41.21 in 1990.

Subscribership

- Twenty million households have been added to the nation's telephone system since November 1983. As of July 2000, 99.1 million households had telephone service.

Toll-Free Numbers

- There are currently four toll-free prefixes in use - 800, 888, 877, and 866 - with almost 24 million toll-free numbers assigned as of the end of November 2000. The next new code - 855 - is expected to be placed in service in 2001.

This report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th, S.W. Copies may be purchased by calling International Transcription Services, Inc. (ITS) at (202) 857-3800. The report can be downloaded [file names: TREND200.ZIP, TREND200.PDF] from the **FCC-State Link** Internet site at <<http://www.fcc.gov/ccb/stats>>.

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For further information, contact the Industry Analysis Division, Common Carrier Bureau, at (202) 418-0940, or for users of TTY equipment, call 202-418-0484.