



NEWS

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

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).

FOR IMMEDIATE RELEASE
July 15, 2003

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

FCC Releases *Reference Book*

Washington, D.C. – Today, the Federal Communications Commission (FCC) released its annual report, *Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service*. The report contains information on local and long distance rates paid by residential and business consumers, household expenditures, and price indices. Highlights include the following:

Rates for Local Service

- The average rate paid by residential customers for touch-tone calling rose from \$22.62 in 2001 to \$23.38 in 2002, an increase of 3.4%. Connection charges for residential customers fell from \$42.95 in 2001 to \$42.39 in 2002, a decrease of approximately 1.3%.
- Lifeline subsidizes the monthly phone charges for low-income households, while LinkUp subsidizes charges for the connection of a phone line. Based on a sample of cities, Lifeline conferred an average monthly benefit of \$13.21, and LinkUp conferred an average benefit of \$29.73.
- The average rate paid by business customers for a single phone line rose from \$42.43 in 2001 to \$43.59 in 2002, an increase of roughly 2.7%. Connection charges for single-line business customers rose from \$71.86 in 2001 to \$72.35 in 2002, an increase of approximately 0.7%. Service and connection charges for multi-line businesses increased only slightly between 2001 and 2002.

Toll Service Rates

- The Consumer Price Index for Interstate Toll Service fell by 5.9% during 2002, measured from December 2001 to December 2002, and the Consumer Price Index for Intrastate Toll Service fell by 6.1%, while the overall Consumer Price Index rose by 2.4%.
- The average revenue per minute of long distance, which reflects rates paid by residential and business consumers, has fallen by 47% from \$0.15 in 1992 (when discount and promotional long distance plans were introduced) to \$0.08 in 2001.

Consumer Expenditures for Telephone Service

- According to Bureau of Labor Statistics (BLS) figures, monthly expenditures on telephone service (which includes wireline, wireless, and data services) by households with telephone service rose \$3.09, from \$73.08 in 2000 to \$76.17 in 2001, an increase of 4.2%. Telephone service continues to comprise approximately 2% of household expenditures.
- According to BLS figures, urban households, who spent \$927 on telephone service during the year 2001, continue to spend more on telephone service than do rural households, who spent \$825 on telephone service during the year 2001.
- According to data for the year 2002 provided by TNS Telecoms, households spent \$436 on local service (up from \$426 in 2001), \$149 on long distance service (down from \$176 in 2001), and \$417 on wireless service (up from \$351 dollars in 2001), for a total annual expenditure of \$1,001 on telephone services (up from \$953 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 Qualex International, Portals II, 445 12th Street S.W., Room CY-B402, Washington, DC 20554, (202) 863-2893, or via e-mail qualexint@aol.com. The report can be downloaded from the **FCC-State Link** Internet site at www.fcc.gov/wcb/stats.

-- FCC --

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