



NEWS

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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).

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FEDERAL COMMUNICATIONS COMMISSION RELEASES STUDY ON TELEPHONE TRENDS

Washington, D.C. – Today, the Federal Communications Commission (FCC) released its *Trends in Telephone Service* report, which summarizes in one convenient reference information published in various reports over the course of the past year. 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.

This year's report includes 29 new charts graphically depicting the reference information. Highlights from the report include:

Advanced Telecommunications Services

- Advanced services lines (exceeding 200 kbps in both directions) connecting homes and businesses to the Internet increased by 32% during the first half of 2003, from 12.4 million lines in service as of December 31, 2002 to 16.3 million as of June 30, 2003.
- Among advanced services lines, ADSL lines increased by 16%, from 2.2 million to 2.5 million, during the first six months of 2003, compared to a 43% increase, from 8.3 million to 11.9 million, for cable modem lines.

Local Telephone Competition

- As of June 2003, competitive local exchange carriers (CLECs) provided 26.9 million (or 14.7%) of the approximately 183 million nationwide local telephone lines that were in service to end users as opposed to 24.8 million (or 13.2%) of nationwide local telephone lines as of December 2002.
- About one-fourth 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 2.2 million lines on a resale basis as of June 30, 2003, compared to about 2.7 million lines six months earlier. ILECs provided about 17.2 million unbundled network element (UNE) loops as of June 30, 2003, compared to about 14.5 million loops six months earlier.

International Calling

- The number of calls made from the United States to other countries increased from 200 million in 1980 to 5.9 billion in 2002.
- In 2002, Americans spent about \$9.8 billion on international calls. On average, carriers billed 28 cents per minute for international calls in 2002, a decline of nearly 80% since 1980.

Subscribership / Household Expenditures

- Almost twenty-nine million households have been added to the nation's telephone system since November 1983. As of November 2003, 107.1 million households had telephone service.
- While household expenditures for telecommunications services have grown in absolute dollars over time, these expenditures have remained a constant 2% of all consumer expenditures over the last fifteen years. According to sample data from TNS Telecoms, a marketing information research firm, the average monthly household telecommunications expenditures were \$83 for 2002: \$36 to local exchange carriers, \$12 to long distance carriers, and \$35 to wireless carriers. According to the Cellular Telecommunications & Internet Association (CTIA), the average monthly wireless bill was \$49.91 as of December 2003, compared to \$61.48 as of December 1993.

Universal Service

- In 2003, total high-cost support disbursements amounted to \$3.3 billion, an increase from \$3.0 billion in 2002. This increase reflects a full-year of the new interstate common line support mechanism, which began in July 2002.
- Disbursements of low-income support increased from about \$673 million in 2002 to an estimated \$713 million in 2003.
- Schools and libraries are benefiting significantly from the available support. For funding year 2002 (July 2002 through June 2003), \$2.2 billion has been committed, and \$1.3 billion has been disbursed to date. Disbursements are lower than commitments because of the implementation cycle for installing non-recurring services.
- Rural health care disbursements for funding year 2002 were \$23.3 million, up from \$19.7 for the previous funding year.

The report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, SW, Washington, DC. Copies may be purchased by calling Qualex International at (202) 863-2893. The report can also be downloaded from the **FCC-State Link** Internet site at www.fcc.gov/wcb/stats.

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