



# NEWS

**Federal Communications Commission**  
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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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## **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:

### **Toll Service Rates**

- During 2005, the consumer price index for interstate toll service fell 3.0% and the consumer price index for intrastate toll service fell 0.4%, while the overall consumer price index rose 3.4%.
- The average revenue per minute of long distance calling, which reflects rates paid by residential and business consumers, has fallen from 15 cents in 1992, when discount and promotional long distance plans were introduced, to 6 cents in 2004, a decrease of 60%.

### **Rates for Local Service**

- The Lifeline universal service program subsidizes the monthly phone charges for low-income households, while the Link-Up program subsidizes charges for the connection of a phone line. Based on a sample of cities, Lifeline conferred an average monthly benefit of \$14.10, and Link-Up conferred an average benefit of \$29.01.
- The average rate paid by business customers for a single phone line was \$43.94 in 2005, compared to \$43.49 in 2004, an increase of 1.0%. The average connection charge for single-line business customers fell from \$74.18 in 2004 to \$73.70 in 2005, a decrease of 0.6%.
- The average rate paid by residential customers for unlimited touch-tone calling was \$24.74 in 2005, compared to \$24.52 in 2004, an increase of 0.9%. The average connection charge for residential customers remained unchanged at \$42.71 during the same period.

### **Consumer Expenditures for Telephone Service**

- According to Bureau of Labor Statistics (BLS) surveys, average monthly expenditures for telephone service for all U.S. households rose from \$79.67 in 2003 to \$82.50 in 2004, an increase of 3.6%. Telephone service continues to comprise approximately 2% of household expenditures.
- Also, according to BLS surveys, urban households continue to spend more on telephone service than rural households. During 2004, average annual expenditures for urban households were \$1000, as compared to \$923 for rural households.
- According to data provided by TNS Telecoms, a marketing research firm, households with wireline telephone service spent an average total of \$97 per month on telephone services during the year 2005 (compared to \$92 in 2004); \$36 per month on local service (same as in 2004); \$8 per month on long distance service (compared to \$9 in 2004); and \$53 per month on wireless service (compared to \$47 in 2004).

This report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12<sup>th</sup> Street, S.W., Washington, DC 20554. Copies may be purchased by calling Best Copy and Printing, Inc., Portals II, 445 12th Street S.W., Room CY-B402, Washington, DC 20554, (202) 488-5300, or by e-mail at [fcc@bcpiweb.com](mailto:fcc@bcpiweb.com). The report can be downloaded from the Wireline Competition Bureau Statistical Reports Internet site at [www.fcc.gov/wcb/stats](http://www.fcc.gov/wcb/stats).

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