



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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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

- The average revenue per minute of wireline long distance calling, which reflects rates paid by residential and business consumers, remained at 6 cents in 2005 for the third consecutive year, and represents a decrease of 60% from 1992, when discount and promotional long distance plans were introduced.
- During 2006, the consumer price index (CPI) for wireline interstate toll service rose 5.1% and the CPI for intrastate toll service increased 3.3%, while the overall CPI rose 2.5%.
- Long-term, the CPI for wireline interstate toll service in December 2006 was 33% lower than in December 1997, and for intrastate toll service, 24% lower, while the overall CPI rose by 25% during the same period.
- The December 2006 CPI for wireless service remained unchanged from December 2005. Long-term, the CPI for wireless services was 35% lower in December 2006 than it was in December 1997.

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 \$14.65, and Link Up conferred an average benefit of \$29.94.
- The average rate paid by business customers for a single phone line was \$45.31 in 2006, compared to \$43.75 in 2005, an increase of 3.5%. The average connection charge for

single-line business customers fell from \$74.18 in 2005 to \$72.26 in 2006, a decrease of 2.5%.

- The average rate paid by residential customers for unlimited touch-tone calling was \$25.27 in 2006, compared to \$24.64 in 2005, an increase of 2.6%. The average connection charge for residential customers increased to \$42.92 in 2006 from \$42.80 in 2005.

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 \$82.50 in 2004 to \$87.33 in 2005, an increase of 5.8%. 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 2005, average annual expenditures for urban households were \$1055, as compared to \$966 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 12th 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. The report can be downloaded from the Wireline Competition Bureau Statistical Reports Internet site at www.fcc.gov/wcb/stats.

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