

## 7. Rates and Price Indices

This section contains information on telephone price indices and rate levels.<sup>1</sup> It describes and presents a series of price indices maintained by the Bureau of Labor Statistics (BLS). It also discusses rate levels and changes in average rate levels.

### Telephone Service Price Indices

The BLS collects a variety of information on telephone service as part of three separate programs -- the Consumer Price Index (CPI), the Producer Price Index (PPI), and the Consumer Expenditure Survey. They can be found on the Internet at [www.bls.gov/data](http://www.bls.gov/data). The monthly price indices represent prices sampled in the middle of the month.

A Consumer Price Index for telephone services was first published in 1935.<sup>2</sup> Since that time, telephone prices have tended to increase at a slower pace than most other prices. Table 7.1 shows long-run changes in the Consumer Price Indices for all items, all services, telephone services, each of the seven major categories that currently constitute the overall CPI, and several services that are often characterized as public utilities. The price of telephone service has increased less rapidly than the prices of most of these categories when viewed over a long period of time. Chart 7.1 shows the levels of the overall CPI and the CPI for telephone services over time.

The CPI index of telephone services is based on a "market basket" intended to represent the telephone-related expenditures of a typical urban household. It includes both local and long distance services. The annual rate of change during recent years is shown in Table 7.2 for the overall CPI (which measures the impact of inflation on consumers), and the CPI for telephone services. In addition, Table 7.2 shows the Gross Domestic Product chain-type price index (which reflects inflation throughout the economy) prepared by the Bureau of Economic Analysis. Chart 7.2 shows the changes in the overall CPI and the CPI for telephone services over time.

For 2006 the nation's overall level of prices (measured by the CPI for all items) rose by 2.5%. The CPI for telephone services rose by 1.7% during 2006. The CPI for telephone services is composed of three subindices. During 2006, the local service component (including subscriber line charges) rose by 2.2%; the price index for interstate toll calls rose by 5.1%, and the price index for intrastate toll calls increased by 3.3%. The changes in these subindices over time are shown in Chart 7.3.

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- 1 For more detailed information, see Industry Analysis and Technology Division, Wireline Competition Bureau, Federal Communications Commission, *Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service* (2007). Much, but not all, of the material in this section is based on that report.
  - 2 BLS publishes two sets of Consumer Price Indices. The CPI-U, used herein, is based on expenditures of all urban consumers. The CPI-W series is based on expenditures of urban wage earners and clerical workers.

The Bureau of Labor Statistics publishes a number of price indices related to local telephone service, two of which are important to the monitoring program. The CPI index of local telephone charges is based on a broadly defined "market basket" of local services that includes monthly service charges, message unit charges, leased equipment, installation, service enhancements (such as tone dialing and call waiting), taxes, subscriber line charges, and all other consumer expenditures associated with local telephone services except long distance charges. In contrast, the PPI index of monthly residential rates is much more narrowly defined. It is based only on monthly service charges for residential service, optional tone dialing service, and subscriber line charges. It excludes taxes and all other telephone service charges. The annual rates of change for these two indices are presented in Table 7.3.

CPI data are available for intrastate toll and interstate toll services since December 1977. Table 7.3 also presents the annual changes in these series for recent years.

Price indices are less reliable when industries are changing rapidly. For example, in 1992, long distance carriers began to increase basic long distance rates while at the same time greatly expanding their range of discount offerings aimed at medium and heavy users of long distance service. The fixed market basket of toll calls measured for the CPI did not fully reflect these discounts. In 1998, the CPI for telephone services was altered to include cellular telephone services, making the new index not directly comparable to prior years. In 1995, BLS made major changes to the PPI telephone series, and there are no data after July 1995 comparable with prior data. At that time the BLS introduced revenue-weighted telephone price indices. The new indices categorize the telephone industry into much finer detail, though the new series are not comparable to the old in many categories. Because of these sorts of difficulties, measures of average revenues are sometimes used as alternatives to price indices. Monthly data for the new CPI telephone indices are shown in Table 7.4.

With the release of data for January 2004, the Producer Price Index program changed its basis for industry classification from the 1987 Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS). Developed in cooperation with Canada and Mexico, NAICS represents a profound change for statistical programs focusing on emerging economic activities. The system was developed using a production-oriented conceptual framework, grouping establishments into industries based on the activity in which they are primarily engaged. While many NAICS industries directly compare with SIC industries, a number of SIC industries were split or combined to form a new NAICS industry. The PPI treats the SIC-to-NAICS comparison as continuous if 80 percent or more of the weight of the SIC-based index comprises at least 80 percent of the weight of the NAICS-based index. All index series that have passed this test are published under the NAICS structure using the index base date and price index history established by the SIC-based index. Documentation of the NAICS to SIC concordance for all subsectors, industry groups, and products may be found at <http://www.bls.gov/ppi/ppinaics.htm>.<sup>3</sup> The current

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3 Several telecommunications PPIs published by the BLS under the SIC classification system are no longer published after the conversion to NAICS. These include "Other Local Service" (SIC pcu4813#114), "Other Local Service except Directory Assistance" (SIC pcu4813#11409), "LEC Intrastate Private Line Service" (SIC pcu4813#311), "Directory Advertising" (SIC pcu4813#91), and "Other Telephone Services" (SIC pcu4813#99). In addition, "Directory Assistance" (SIC pcu4813#11401) is now classified as "Other Local

PPI indices are shown in Table 7.5.

### Information on Rate Levels

Local rates are regulated by state regulatory agencies and vary greatly from area to area. Characterization of any rate as "typical" is therefore difficult. Table 7.6 presents average local residential rates in urban areas. The price indices published by the BLS indicate percentage changes in the price of the telephone services. The BLS does not publish the actual level of rates. The averages shown in Table 7.6 are based on an FCC survey using the same sampling areas and weights that were used by the BLS in constructing the 1986 Consumer Price Index.<sup>4</sup> In October 2006 the national average for the representative total residential service charge was \$25.27 monthly. The average charge for connecting new phone service was \$42.92.

Table 7.7 presents average monthly local rates for single-line business customers in urban areas. Like the residential rates presented above, they are based on an FCC survey using the same sampling areas and weights used by the BLS in constructing the 1986 Consumer Price Index. In October 2006, the representative average monthly charge was \$45.31, while the average charge for connecting phone service was \$72.26.

Table 7.8 contains average revenue per minute for interstate calls. These estimates show that billed revenue per minute has declined over time for both international and domestic services.

### Standard Deviation Analysis of Residential Rates

In October 2003, the Federal Communications Commission adopted a recommendation by the Federal-State Joint Board on Universal Service establishing an annual adjusted nationwide urban rate benchmark for purposes of determining universal service support for non-rural carriers. This benchmark is used by the states and the Commission as a tool to assess the reasonable comparability of rates in rural and high-cost areas served by non-rural carriers to

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Service" (NAICS 517110114) and "Telephone Communications except Radiotelephone" is now referred to as "Wired Telecommunications Carriers".

- 4 The form used in conducting the 2003 urban rate survey has been revised from previous years. Specifically, a more detailed breakout of carriers' surcharges and taxes now appear as separate line items on the survey instrument. All carriers are now required to submit all line-item data in terms of dollar amounts (whereas before some line items were reported as percentages). In addition, local rates pertaining to multiline-business customers are no longer requested. These changes to the survey form allow for more accurate estimates of the total monthly recurring costs for basic local residential and single-line business service. Note that all estimates for 2002-2006 reflect usage of the revised survey form, while estimates for years 2001 and prior reflect those obtained from the previous survey instrument.

nationwide urban rates.<sup>5</sup> The urban rate benchmark adopted by the Commission is based upon the most recent average urban residential rate as shown in Table 7.9.

Because of the great variation in urban rates nationwide, the Commission adopted a “standard deviation analysis” which measures the dispersion of urban rates from the average. As such, an urban rate benchmark level of two (weighted) standard deviations above the (weighted) average urban rate is used. Table 7.10 presents the results of such a standard deviation analysis for the residential rates reported in the Urban Rate Survey as of October 15, 2006. The average, plus the two standard deviation benchmark, is \$34.83. Table 7.10 shows the historical trend in the standard deviation analysis for the years 1993-2006. Over this period the average, plus the two standard deviation benchmark, rose by 22.59%.

### Subscriber Line and Access Charges

Long distance companies rely on the loops, switches, and transport facilities of local telephone companies for access to their customers. As a result, local telephone companies recover a portion of their costs from long distance companies accessing their networks. Both the manner in which these access charges have been assessed and the proportion of the costs they have recovered have varied considerably over time.

In the early 1980s, AT&T provided about three-quarters of the nation's local telephone service and almost all interstate long distance service. Because revenue sharing was largely an internal process for AT&T, it was able to charge prices above cost for long distance calls and share the revenues with local telephone companies. These transfers, while reducing the pressures on the local companies to raise monthly local rates, contributed to inefficiently high long distance rates. The high rates were responsible for suppressing demand for long distance calls and inducing large corporations to bypass the public switched network. Moreover, while such revenue sharing arrangements were sustainable in an industry where one firm monopolized both long distance and local service, they were not compatible with a competitive long distance industry.

In mid-1984, the FCC, in cooperation with a Federal-State Joint Board comprised of both federal and state regulators, introduced sweeping changes to the way that local companies charged for their services. The historic method of sharing revenues was replaced with a new system of access charges that provided a uniform method for local telephone companies to charge for the origination and termination of interstate traffic on their local networks. In particular, monthly subscriber line charges (SLCs) were introduced to recover a portion of the fixed costs of the local telephone companies' loops directly from end users on a per-line basis. Since local telephone companies were required to reduce their charges to long distance carriers -- dollar for dollar -- the introduction of SLCs permitted reductions in implicit subsidies from long distance service to local service. The rebalancing of prices between local service and interstate long distance calls during the 1980s had a fundamental impact on the telephone industry as the

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5 See *Federal-State Joint Board on Universal Service*, CC. Docket No. 96-45, Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order, 18 FCC Rcd 22559, 22607-22610, paras. 80-82 (2003), *remanded*, *Qwest Corp. v. FCC*, 398 F. 3d 1222 (10<sup>th</sup> Cir. 2005).

price of long distance service fell and the volume of long distance calling surged.

In mid-1997, as part of its implementation of the 1996 Telecommunications Act, the FCC introduced further interstate access charge reform. Presubscribed interexchange carrier charges (PICCs) were created in order to allow local carriers to recover the remaining portion of their fixed loop costs from long distance carriers on a per-line, instead of a per-minute, basis. A further access charge reform was adopted on May 31, 2000, which eliminated the PICC and consolidated it with the SLC. This took effect on July 1, 2000.<sup>6</sup>

Average monthly SLCs and PICCs are shown in Table 7.11 and average per-minute rates charged to long distance carriers are shown in Table 7.12. Both tables report historical averages for all local exchange carriers (LECs) that file access tariffs subject to price-cap regulation and LECs in the National Exchange Carrier Association (NECA) pool. These LECs control over 98% of the telecommunications industry's access lines regulated under Title II of the Telecommunications Act of 1996.<sup>7</sup> Current per-line charges and per-minute charges are reported for each of the carriers in Tables 7.13 and 7.14, respectively.

The averages in Table 7.12 clearly illustrate the effectiveness of access reform in reducing the prices long distance carriers pay per minute for access to the local telephone companies' networks. The reductions in per-minute access prices over time have been a major contributing factor to reductions in long distance prices.

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6 *Access Charge Reform*, CC Docket No. 96-262, Sixth Report and Order, 15 Rcd. 12962 (*CALLS Order*).

7 Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) (*1996 Act*). The 1996 Act amended the Communications Act of 1934. 47 U.S.C. §§ 151 *et seq.*

**Table 7.1**  
**Long-Term Changes for Various Price Indices**  
**(Annual Rates of Change)**

	1956 - 2006	1996 - 2006
CPI All Items	4.1 %	2.5 %
CPI All Services	5.0	3.2
CPI Telephone Services **	1.7	-0.3
<b>CPI Major Categories:</b>		
- Food & Beverages	*	2.4
- Housing	*	2.9
- Apparel	2.2	-1.0
- Transportation	3.5	2.4
- Medical Care	5.1	4.0
- Recreation	*	1.3
- Other Goods & Services	*	4.1
CPI Public Transportation	4.6	2.2
CPI Utility Natural Gas Service	4.0	7.5
CPI Electricity	3.1	2.5
CPI Sewer & Water Maintenance	4.8	3.8
CPI Postage	4.3	2.3

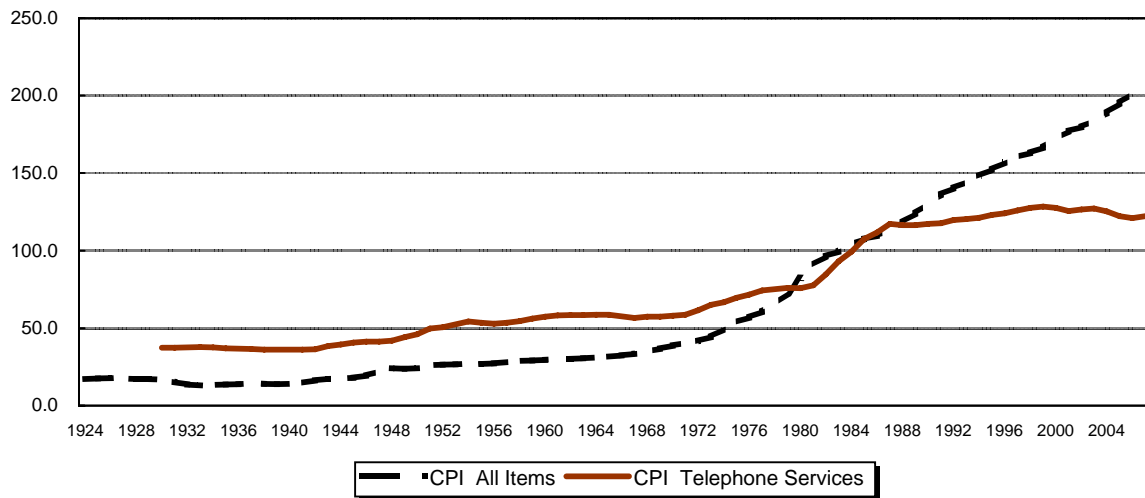
\* Series not established until after 1954.

\*\* The CPI telephone service index was revised in December of 1997.

Source: Bureau of Labor Statistics.

**Chart 7.1**

**CPI All Items and CPI Telephone Services**  
 1982 - 1984 = 100



**Table 7.2**  
**Annual Changes in Major Price Indices**

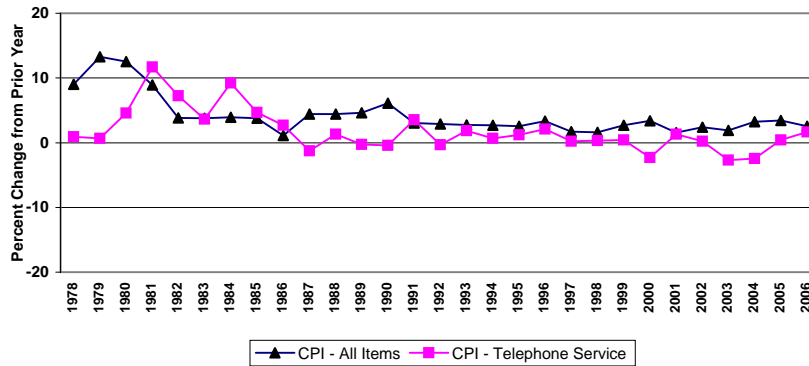
	GDP Chain-type Price Index	CPI - All Items	CPI - Telephone Services
1978	7.3 %	9.0 %	0.9 %
1979	8.7	13.3	0.7
1980	9.7	12.5	4.6
1981	8.3	8.9	11.7
1982	5.2	3.8	7.2
1983	3.4	3.8	3.6
1984	3.6	3.9	9.2
1985	2.8	3.8	4.7
1986	2.3	1.1	2.7
1987	2.9	4.4	-1.3
1988	3.7	4.4	1.3
1989	3.5	4.6	-0.3
1990	4.1	6.1	-0.4
1991	3.1	3.1	3.5
1992	2.1	2.9	-0.3
1993	2.3	2.7	1.8
1994	2.2	2.7	0.7
1995	2.0	2.5	1.2
1996	1.9	3.3	2.1
1997	1.5	1.7	0.2
1998	1.1	1.6	0.3 *
1999	1.5	2.7	0.4
2000	2.3	3.4	-2.3
2001	2.5	1.6	1.3
2002	1.5	2.4	0.2
2003	1.7	1.9	-2.7
2004	2.4	3.3	-2.5
2005	3.6	3.4	0.4
2006	3.2	2.5	1.7

\* The CPI telephone service index was revised in December of 1997.

Note: All values calculated as the percent change from December of the previous year through December of the year shown, except the GDP price index, which is based on changes from 4th quarter to 4th quarter.

Sources: Bureau of Labor Statistics and Bureau of Economic Analysis.

**Chart 7.2**  
**CPI All Items and Telephone Services**



**Table 7.3**  
**Annual Changes in Price Indices for**  
**Local and Long Distance Telephone Services**

	Local Residential Service		Toll Service *			
	CPI	PPI	Interstate		Intrastate	
			CPI	PPI	CPI	PPI
1978	1.4 %	3.1 %	-0.7 %	0.0 %	1.3 %	0.1 %
1979	1.7	1.6	-0.8	-0.9	0.1	-0.7
1980	7.0	7.1	3.4	5.5	-0.6	2.3
1981	12.6	15.6	14.6	15.9	6.2	8.0
1982	10.8	9.0	2.7	3.9	4.2	1.7
1983	3.1	0.2	1.4	0.0	7.4	3.9
1984	17.2	10.4	-4.3	-5.1	3.6	3.8
1985	8.9	12.4	-3.7	-3.0	0.6	2.1
1986	7.1	8.9	-9.4	-10.0	0.3	-3.5
1987	3.3	2.6	-12.4	-11.8	-3.0	-3.0
1988	4.5	4.6	-4.2	-2.1	-4.2	-3.8
1989	0.6	1.9	-1.3	-1.7	-2.6	0.5
1990	1.0	1.5	-3.7	-0.1	-2.2	-2.2
1991	5.1	2.1	1.3	-1.3	-1.5	-2.6
1992	0.5	-0.2	-1.3	1.0	-2.4	1.3
1993	1.0	0.8	6.5	3.8	0.2	-1.1
1994	-0.3	0.7	5.4	6.1	-1.0	-1.4
1995	2.6	**	0.1	**	-3.8	**
1996	0.9	0.2	3.7	0.8	6.1	0.9
1997	1.0	0.1	-4.3	7.8	2.8	-4.3
1998	1.3	0.0	-0.8	-0.4	1.5	-3.7
1999	2.8	0.2	-0.7	2.4	-1.6	-2.8
2000	5.5	1.5	-11.2	-4.3	-6.0	0.2
2001	4.5	2.7	2.0	-9.4	-1.7	1.7
2002	5.3	1.6	-5.9	-18.5	-6.1	-0.3
2003	2.6	1.9	-10.9	-2.4	-9.4	-12.6
2004	1.1	0.7	-8.7	0.7	-6.6	-2.9
2005	3.3	0.9	-3.0	7.4	0.4	0.2
2006	2.2	2.7	5.1	20.6	3.3	1.2

Source: Bureau of Labor Statistics.

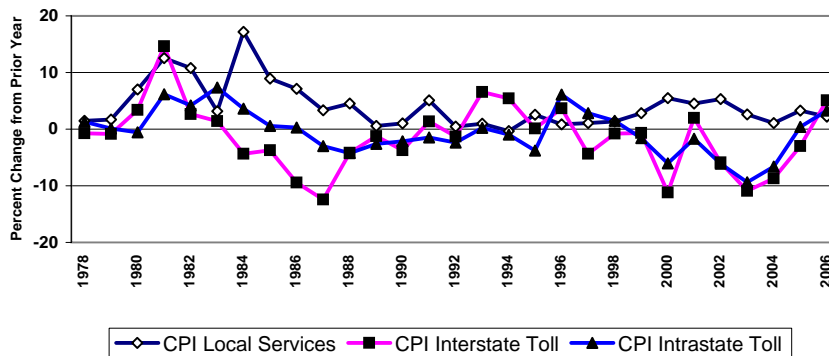
\* CPI toll indices represent rates for households. Through 1994, PPI toll indices represent rate changes for both business and residential consumers. Since 1995, PPI indices reflect rates for residential customers.

\*\* The PPI telephone indices were revised in June of 1995. The series are not comparable.

Note: All values calculated as the percent change from December of the previous year through December of the year shown.

**Chart 7.3**

**CPI Telephone Service Price Indices**





**Table 7.4  
Consumer Price Indices  
(December 1997 = 100)**

	<b>All Goods and Services</b>	<b>Telephone Services</b>	<b>Land-line telephone services, local charges</b>	<b>Land-line telephone services, long distance charges</b>	<b>Land-line interstate toll calls</b>	<b>Land-line intrastate toll calls</b>	<b>Wireless Telephone Services</b>	
<b>BLS Series ID</b>	CUUR0000SA0	CUUR0000SEED	CUUR0000SEED01	CUUR0000SEED02	CUUR0000SS27051	CUUR0000SS27061	CUUR0000SEED03	
2000	January	104.6	100.9	104.8	98.5	98.3	100.1	80.6
	February	105.3	99.4	104.9	95.5	94.0	99.2	79.7
	March	106.1	98.9	105.1	94.4	93.1	98.5	79.2
	April	106.2	98.6	105.2	93.7	92.4	97.8	78.9
	May	106.3	98.5	105.3	93.4	92.0	97.6	78.2
	June	106.9	97.2	105.8	90.6	89.0	95.0	76.8
	July	107.1	98.2	107.3	91.3	89.8	95.7	74.9
	August	107.1	98.9	109.5	90.7	89.2	95.1	73.7
	September	107.7	97.0	108.5	87.9	86.2	92.0	72.8
	October	107.9	98.3	109.8	89.4	87.9	92.9	73.0
	November	107.9	97.5	110.3	87.2	85.0	91.9	72.9
	December	107.9	98.4	110.0	89.5	87.5	93.9	71.1
2001	January	108.6	98.8	110.5	89.9	88.0	94.2	68.9
	February	109.0	98.7	110.7	89.5	87.6	93.7	68.9
	March	109.2	99.4	110.9	90.7	89.0	94.5	68.7
	April	109.7	99.0	111.9	89.1	87.2	93.1	68.8
	May	110.2	98.7	112.1	88.2	86.2	92.6	68.5
	June	110.4	99.0	112.3	88.7	86.7	93.0	68.1
	July	110.0	99.6	113.2	88.9	86.8	93.0	68.6
	August	110.0	99.6	113.9	88.5	86.4	92.7	68.1
	September	110.5	99.2	114.1	87.6	85.5	92.0	67.2
	October	110.2	99.9	114.6	88.5	86.4	92.9	67.1
	November	110.0	99.6	114.8	87.6	85.5	92.2	67.5
	December	109.5	99.7	114.9	87.9	85.8	92.3	67.2
2002	January	109.8	100.3	115.7	88.2	86.2	92.6	67.5
	February	110.2	100.3	116.1	87.9	85.8	92.6	67.5
	March	110.8	99.1	114.1	87.0	85.0	91.5	67.5
	April	111.5	98.2	114.0	85.1	82.7	90.1	67.6
	May	111.5	99.3	116.8	85.2	82.6	90.4	66.7
	June	111.5	99.2	116.9	85.0	82.4	90.1	66.6
	July	111.7	99.5	118.7	84.0	81.3	89.1	67.0
	August	112.0	100.6	120.2	84.7	82.6	89.1	67.8
	September	112.2	100.1	120.4	83.7	81.4	88.2	67.5
	October	112.4	99.9	120.6	83.0	80.7	87.5	67.9
	November	112.4	99.8	120.8	82.7	80.7	87.0	67.5
	December	112.2	99.9	121.0	82.6	80.7	86.7	67.4
2003	January	112.6	100.4	121.3	83.4	81.9	87.0	67.6
	February	113.5	100.5	121.2	83.5	82.2	86.9	67.7
	March	114.2	99.7	121.7	81.5	79.8	85.1	67.6
	April	113.9	98.7	121.9	79.2	77.4	83.1	67.5
	May	113.7	98.1	122.0	77.9	76.0	81.8	67.5
	June	113.8	97.5	122.2	76.7	74.6	80.8	66.3
	July	114.0	98.1	123.1	77.2	75.6	80.8	66.2
	August	114.4	97.8	123.7	76.0	74.0	79.7	66.1
	September	114.8	97.4	123.8	75.2	73.3	78.9	66.1
	October	114.6	97.1	124.0	74.3	72.1	78.7	66.1
	November	114.3	97.2	124.2	74.1	71.8	78.3	66.7
	December	114.2	97.2	124.1	74.3	72.0	78.6	66.5

**Table 7.4  
Consumer Price Indices  
(December 1997 = 100)**

	<b>All Goods and Services</b>	<b>Telephone Services</b>	<b>Land-line telephone services, local charges</b>	<b>Land-line telephone services, long distance charges</b>	<b>Land-line interstate toll calls</b>	<b>Land-line intrastate toll calls</b>	<b>Wireless Telephone Services</b>
<b>BLS Series ID</b>	CUUR0000SA0	CUUR0000SEED	CUUR0000SEED01	CUUR0000SEED02	CUUR0000SS27051	CUUR0000SS27061	CUUR0000SEED03
2004	January 114.8	97.0	124.4	73.9	71.6	78.0	66.3
	February 115.4	97.1	124.2	73.9	71.6	77.8	66.6
	March 116.1	96.7	124.2	73.1	70.6	77.2	66.5
	April 116.5	96.5	123.9	72.8	70.1	77.2	66.4
	May 117.2	95.9	124.2	71.3	68.8	75.5	66.5
	June 117.6	95.8	124.2	71.2	68.4	75.4	66.4
	July 117.4	95.6	124.7	70.1	67.6	74.2	66.5
	August 117.5	95.0	124.7	68.7	66.0	72.9	66.5
	September 117.7	95.3	124.9	69.6	67.0	73.9	66.3
	October 118.4	94.6	125.2	68.3	65.7	72.6	65.5
	November 118.4	94.9	125.1	69.3	66.4	74.0	65.5
	December 118.0	94.8	125.5	68.6	65.7	73.4	65.6
2005	January 118.2	94.8	125.9	68.5	65.7	72.9	65.3
	February 118.9	95.1	126.9	68.5	65.3	73.8	65.4
	March 119.8	95.0	127.4	67.9	64.9	72.5	65.2
	April 120.6	95.3	127.8	68.4	64.9	73.4	65.2
	May 120.5	94.8	127.3	67.5	64.0	72.6	65.2
	June 120.6	94.6	127.5	67.1	63.7	72.1	65.2
	July 121.1	94.4	128.0	66.7	63.3	72.3	64.7
	August 121.8	94.1	128.6	65.5	62.0	71.2	64.7
	September 123.2	95.1	128.6	67.7	64.5	73.4	64.8
	October 123.5	94.6	128.8	66.5	63.2	72.1	64.8
	November 122.5	95.2	129.1	67.8	64.1	74.0	64.6
	December 122.0	95.2	129.5	67.4	63.7	73.7	64.6
2006	January 122.9	95.2	129.1	67.7	64.1	73.8	64.6
	February 123.2	95.2	129.2	67.7	64.2	73.8	64.6
	March 123.9	95.0	129.4	67.2	63.8	72.9	64.6
	April 124.9	95.4	129.5	68.4	64.9	74.4	64.3
	May 125.5	95.2	129.8	67.7	64.1	73.8	64.3
	June 125.8	95.4	130.0	67.9	64.5	73.9	64.4
	July 126.2	95.6	130.7	67.6	64.1	73.5	64.7
	August 126.4	95.9	131.2	68.2	64.8	73.9	64.6
	September 125.8	96.1	131.8	68.3	65.0	74.0	64.7
	October 125.1	96.8	131.9	69.8	67.0	75.5	64.6
	November 124.9	96.5	132.0	69.3	66.8	75.3	64.6
	December 125.1	96.8	132.4	69.6	66.9	76.1	64.6
2007	January 125.5	96.9	132.5	69.8	67.2	75.9	64.6
	February 126.2	97.1	133.3	69.9	67.2	75.9	64.6
	March 127.3	97.5	133.9	70.5	67.2	76.7	64.6
	April 128.1	97.6	134.6	70.3	67.5	76.6	64.6
	May 128.9	98.5	135.0	72.2	68.6	80.6	64.5

Note: Figures for All Goods and Services, Local Telephone Service, Interstate Toll Service, and Intrastate Toll Service after May, 2000 are converted from 1982-1984 base index series reported by the Bureau of Labor Statistics. Historical data on these series based upon the 1982-1984 index for January, 1972 through May, 2000 can be found in the Industry Analysis and Technology Division, Wireline Competition Bureau, *Monitoring Report* (October 2002).

**Table 7.5  
Producer Price Indices  
(December 2003 = 100)**

	Wired Telecommunications Carrier	Local Service, except Private Lines	Residence Local Service	Business Local Service	Coin Local Service	Other Local Service
<b>NAICS Series ID</b>	<b>517110</b>	<b>5171101</b>	<b>517110111</b>	<b>517110112</b>	<b>517110113</b>	<b>517110114</b>
2000 January	112.6	95.6	92.7	99.0	97.9	86.4
February	111.8	95.6	92.7	99.1	97.9	86.4
March	112.7	95.7	92.7	99.3	97.9	86.4
April	111.8	95.7	92.9	99.1	97.7	86.4
May	111.0	95.7	93.0	99.0	98.1	86.4
June	111.8	95.8	93.1	98.9	98.5	86.4
July	111.8	96.3	94.0	99.0	98.9	86.4
August	111.7	96.3	94.0	99.0	99.3	86.4
September	111.5	96.5	94.1	99.0	99.7	86.6
October	111.0	96.4	94.1	98.9	99.7	86.6
November	110.5	96.4	94.1	99.0	99.7	86.6
December	110.4	96.4	94.1	99.0	99.7	86.9
2001 January	109.6	96.4	94.1	98.9	99.7	86.9
February	109.3	96.5	94.2	98.9	99.7	86.9
March	109.4	96.5	94.2	98.9	99.7	86.9
April	109.2	96.8	94.7	99.2	99.6	86.9
May	109.1	96.8	94.8	99.1	99.5	86.9
June	108.7	97.0	95.1	99.1	99.7	86.9
July	108.7	97.7	96.4	99.1	99.8	87.2
August	109.1	97.7	96.5	99.1	99.9	87.2
September	109.3	97.8	96.5	99.2	100.1	87.2
October	107.1	97.9	96.6	99.2	100.3	87.2
November	107.1	97.9	96.6	99.2	100.3	87.2
December	106.0	97.8	96.6	99.2	100.3	87.2
2002 January	105.1	98.2	97.2	99.4	100.3	87.2
February	104.6	98.2	97.2	99.4	100.3	87.2
March	104.4	98.3	97.2	99.4	100.4	87.2
April	103.9	98.3	97.3	99.4	100.4	87.2
May	104.4	98.3	97.3	99.4	100.4	87.2
June	104.2	98.4	97.4	99.5	100.4	87.2
July	103.8	98.8	98.0	99.6	100.4	99.3
August	104.3	98.8	98.0	99.6	100.4	99.3
September	104.2	98.8	98.1	99.5	100.0	99.7
October	101.6	98.8	98.1	99.5	100.0	99.7
November	102.7	98.8	98.1	99.5	100.0	99.7
December	102.2	98.8	98.1	99.5	100.0	99.7
2003 January	101.8	98.8	98.1	99.5	100.0	99.7
February	102.0	98.8	98.1	99.5	100.0	99.7
March	101.9	98.8	98.1	99.5	100.0	99.7
April	101.6	99.3	98.7	99.9	100.0	99.7
May	102.1	99.6	99.2	100.0	100.0	99.7
June	102.1	99.8	99.7	100.0	100.0	99.7
July	102.2	100.0	100.0	100.0	100.0	100.0
August	102.3	100.0	100.0	100.0	100.0	100.0
September	101.9	100.0	100.0	100.0	100.0	100.0
October	101.3	100.0	100.0	100.0	100.0	100.0
November	100.7	100.0	100.0	100.0	100.0	100.0
December	100.0	100.0	100.0	100.0	100.0	100.0

**Table 7.5  
Producer Price Indices  
(December 2003 = 100)**

	Wired Telecommunications Carrier	Local Service, except Private Lines	Residence Local Service	Business Local Service	Coin Local Service	Other Local Service
<b>NAICS Series ID</b>	<b>517110</b>	<b>5171101</b>	<b>517110111</b>	<b>517110112</b>	<b>517110113</b>	<b>517110114</b>
2004 January	100.4	100.2	100.3	100.0	100.0	100.0
February	99.8	100.2	100.3	100.0	100.0	100.0
March	100.0	100.2	100.3	100.0	100.0	100.0
April	99.8	100.2	100.3	100.0	100.0	100.0
May	99.5	100.2	100.3	100.0	100.0	100.0
June	99.6	100.2	100.3	100.0	100.0	100.0
July	99.4	100.2	100.3	100.0	100.0	100.0
August	99.5	100.2	100.3	100.0	100.0	100.0
September	99.2	100.2	100.4	100.1	100.0	100.2
October	99.0	100.3	100.5	100.1	100.0	100.6
November	98.9	100.4	100.6	100.1	100.0	100.6
December	98.6	100.4	100.7	100.1	100.0	100.6
2005 January	98.9	100.8	101.3	100.2	100.0	100.6
February	98.3	100.8	101.3	100.3	99.8	100.6
March	98.5	100.8	101.3	100.3	99.6	100.6
April	98.8	100.8	101.3	100.4	99.4	100.6
May	98.9	100.8	101.3	100.4	99.4	100.6
June	99.1	100.8	101.3	100.4	99.4	100.6
July	99.4	100.9	101.5	100.4	99.4	100.6
August	99.4	100.9	101.5	100.4	99.4	100.6
September	99.1	100.9	101.5	100.4	99.4	100.6
October	99.2	100.9	101.5	100.4	99.4	100.6
November	98.9	100.9	101.5	100.4	99.4	100.6
December	98.9	100.9	101.6	100.4	99.4	100.6
2006 January	98.6	101.1	101.9	100.5	99.4	100.6
February	98.5	101.3	102.3	100.5	99.4	100.6
March	99.0	101.4	102.4	100.5	99.4	100.6
April	98.8	101.4	102.4	100.6	99.4	102.1
May	99.1	101.9	103.3	100.6	99.4	102.1
June	99.5	102.0	103.3	100.8	99.4	102.1
July	99.9	102.0	103.4	100.8	99.4	102.1
August	100.3	102.2	103.7	100.8	99.4	102.1
September	100.7	102.2	103.7	100.8	99.4	102.1
October	101.4	102.2	103.7	100.8	99.4	102.1
November	100.8	102.6	104.2	101.1	99.4	102.1
December	101.6	102.7	104.3	101.3	99.4	102.1
2007 January	101.1	102.8	104.3	101.3	99.4	103.5
February	101.3	102.8	104.4	101.3	99.4	103.5
March	101.9	102.9	104.3	101.8	99.4	103.5
April*	102.1	102.9	104.3	101.8	99.4	102.1
May*	102.1	102.9	104.3	101.8	99.4	103.5
June*	103.1	102.9	104.3	101.8	99.4	103.5

\* Subject to revision.

**Table 7.5  
 Producer Price Indices - Continued  
 (December 2003 = 100)**

	Public Switched Toll Service	Residence Switched Toll Service	Intrastate Residence Switched Toll Service	Interstate Residence Switched Toll Service	International Residence Switched Toll Service	Business Switched Toll Service	Business Switched Access Toll Service
<b>NAICS Series ID</b>	<b>5171102</b>	<b>51711021</b>	<b>517110211</b>	<b>517110212</b>	<b>517110213</b>	<b>51711022</b>	<b>517110221</b>
2000 January	135.3	129.4	113.2	146.0	216.0	144.8	147.6
February	133.4	126.2	115.0	136.2	210.7	144.8	143.8
March	135.4	128.9	113.5	144.1	218.1	145.6	147.4
April	133.3	126.9	112.8	139.8	214.3	143.5	144.5
May	131.3	124.5	111.9	135.1	210.1	142.1	144.3
June	133.3	127.5	112.8	141.6	214.4	142.5	145.5
July	132.4	126.4	112.1	138.8	217.6	142.0	146.4
August	132.4	126.3	112.1	139.0	214.8	142.1	146.3
September	131.7	127.1	112.2	142.4	206.3	139.1	143.3
October	130.7	124.9	111.7	138.4	197.0	140.0	144.1
November	129.1	124.3	112.5	137.7	185.9	136.9	139.7
December	129.0	125.1	112.8	138.8	191.4	135.2	138.7
2001 January	127.0	123.5	111.5	135.3	194.8	132.6	135.5
February	126.4	123.4	112.5	133.5	197.8	131.2	136.0
March	126.6	123.8	113.2	134.0	195.9	131.0	135.4
April	125.8	123.4	112.7	133.5	196.2	129.5	135.0
May	125.4	123.6	112.6	134.5	193.0	128.2	132.8
June	124.3	122.5	113.7	131.8	183.6	127.1	131.0
July	123.6	122.3	114.2	130.6	185.1	125.6	130.4
August	124.5	124.4	114.4	137.7	175.1	124.7	128.7
September	124.8	122.9	114.6	134.4	169.2	127.9	130.5
October	119.5	118.5	113.3	125.4	158.8	121.0	124.5
November	119.4	119.3	114.1	128.8	146.0	119.7	120.1
December	116.8	118.2	114.7	125.7	142.2	114.7	115.4
2002 January	114.3	116.2	114.0	121.2	140.6	111.3	112.4
February	113.1	114.2	114.5	116.1	135.6	111.6	113.5
March	112.6	113.3	114.2	115.3	128.6	111.5	113.8
April	111.4	112.5	113.8	112.7	131.9	109.8	113.6
May	112.4	112.0	113.9	111.7	129.7	113.0	114.1
June	112.0	111.7	113.6	110.5	133.1	112.4	115.0
July	110.5	111.4	113.2	110.1	134.5	109.2	111.5
August	111.7	112.8	115.8	110.8	135.2	110.1	112.0
September	111.4	111.3	115.8	107.2	132.3	111.4	112.6
October	105.1	103.4	115.6	86.5	125.9	107.7	110.0
November	107.8	108.4	115.2	101.8	122.4	106.8	108.1
December	106.7	108.4	114.4	102.5	123.3	104.0	106.9
2003 January	105.7	107.1	114.2	99.2	122.3	103.5	105.9
February	106.1	106.9	104.5	110.4	118.9	105.0	106.7
March	105.9	107.0	104.4	111.0	118.2	104.2	105.1
April	104.7	104.8	103.8	106.3	113.8	104.6	106.3
May	105.4	106.6	104.1	111.7	109.9	103.5	103.9
June	105.1	105.7	104.1	109.7	108.1	104.2	105.7
July	105.3	106.5	103.8	110.6	116.2	103.6	103.7
August	105.5	106.6	103.6	111.8	113.1	103.9	103.9
September	104.5	104.7	102.7	108.5	108.4	104.2	104.7
October	103.1	104.0	102.0	108.1	104.0	101.8	103.0
November	101.7	102.0	101.2	104.0	101.6	101.2	100.5
December	100.0	100.0	100.0	100.0	100.0	100.0	100.0

**Table 7.5  
 Producer Price Indices - Continued  
 (December 2003 = 100)**

	Public Switched Toll Service	Residence Switched Toll Service	Intrastate Residence Switched Toll Service	Interstate Residence Switched Toll Service	International Residence Switched Toll Service	Business Switched Toll Service	Business Switched Access Toll Service
<b>NAICS Series ID</b>	<b>5171102</b>	<b>51711021</b>	<b>517110211</b>	<b>517110212</b>	<b>517110213</b>	<b>51711022</b>	<b>517110221</b>
2004 January	100.7	101.1	99.3	104.1	98.4	100.1	100.1
February	99.5	99.3	98.7	99.4	100.3	99.7	99.5
March	99.7	100.2	98.3	103.9	93.2	99.0	98.8
April	99.2	99.8	98.1	102.3	95.7	98.5	98.1
May	98.7	99.5	98.0	102.4	93.0	97.4	96.7
June	98.8	99.6	98.1	102.9	91.1	97.7	97.4
July	98.3	99.7	98.4	102.2	94.2	96.3	96.5
August	98.6	100.6	98.5	104.4	94.7	95.6	96.0
September	97.9	99.6	97.8	102.9	91.7	95.5	95.7
October	97.3	99.8	98.2	103.2	91.6	93.7	93.5
November	96.9	98.8	97.9	102.1	85.5	93.9	94.6
December	96.2	98.1	97.1	100.7	86.5	93.3	93.2
2005 January	96.5	98.8	97.4	101.7	89.6	93.1	92.8
February	94.9	96.8	96.1	97.7	89.2	92.0	91.7
March	95.5	98.7	96.8	101.8	90.5	90.8	91.3
April	96.1	98.9	97.0	101.6	93.4	91.9	91.8
May	96.3	100.1	97.0	105.6	90.9	90.5	89.8
June	96.8	100.6	97.8	105.8	92.3	91.1	90.7
July	97.4	102.2	98.2	108.5	98.1	90.2	89.9
August	97.3	102.3	98.0	109.1	98.0	89.9	89.7
September	96.8	100.9	97.9	105.3	97.9	90.6	89.7
October	96.8	101.5	98.1	107.4	94.9	89.9	89.3
November	96.2	101.0	97.5	107.2	93.1	88.9	90.3
December	96.1	101.5	97.3	108.2	95.4	87.9	88.8
2006 January	95.2	100.4	97.5	104.5	96.8	87.4	88.3
February	94.5	99.9	96.4	105.4	91.8	86.6	87.6
March	95.6	101.8	96.6	110.6	91.8	86.4	87.2
April	95.2	100.7	97.4	106.2	93.4	86.9	88.0
May	95.2	102.9	94.7	115.8	91.8	83.8	84.0
June	96.1	103.4	97.5	113.3	95.6	85.1	85.8
July	97	105	97.8	116.2	101.8	84.9	85.7
August	97.7	106	98.1	119.3	98.5	85.2	86.7
September	98.8	107.3	98.3	123.0	97.3	86	87
October	100.4	109.9	98.3	129	97.8	86.2	86.2
November	98.6	108.1	98.4	125.2	95.7	84.4	86.2
December	100.4	110.9	98.5	130.5	100.9	84.5	85.9
2007 January	98.3	106.1	97.7	118	113.9	85.4	86.6
February	99	108.6	100.2	119.6	120.5	84.1	85.4
March	100.7	111.3	100.6	124.3	120.6	85	84.7
April*	101.6	113.5	99.9	127.3	125.1	84.4	84.4
May*	101.4	113.9	100.8	128.3	122.9	83.7	83.4
June*	104.7	120	103.6	137.2	126.4	84	84.3

**Table 7.5  
 Producer Price Indices - Continued  
 (December 2003 = 100)**

	Outbound Business Switched Access Toll Service	Intrastate Business Switched Access Toll Service, Outbound	Interstate Business Switched Access Toll Service, Outbound	International Business Switched Access Toll Service, Outbound	Inbound Business Switched Access Toll Service	Intrastate Business Switched Access Toll Service, Inbound	Interstate Business Switched Access Toll Service, Inbound	International Business Switched Access Toll Service, Inbound
<b>NAICS Series ID</b>	<b>5171102211</b>	<b>51711022111</b>	<b>51711022112</b>	<b>51711022113</b>	<b>5171102212</b>	<b>51711022121</b>	<b>51711022122</b>	<b>5.1711E+10</b>
2000 January	171.5	116.0	344.3	252.6	114.1	117.8	124.0	165.1
February	165.6	115.0	328.1	228.2	113.4	116.9	122.6	162.4
March	170.4	116.7	355.8	205.7	115.2	126.8	121.3	173.5
April	168.0	115.5	346.1	209.0	111.5	115.8	120.9	127.7
May	168.8	115.5	346.0	219.6	109.9	114.0	117.8	122.4
June	169.0	115.8	347.8	215.5	112.5	114.6	125.4	112.7
July	170.6	115.7	346.1	239.9	112.3	114.4	125.2	110.4
August	170.7	115.7	346.9	238.1	112.0	113.8	124.1	117.3
September	168.2	115.5	344.4	216.5	108.3	103.2	120.2	112.6
October	166.2	115.3	338.9	206.4	113.2	115.7	126.6	114.7
November	160.3	114.3	321.1	186.9	110.8	112.8	122.5	105.0
December	159.1	113.5	314.5	195.1	110.0	111.2	120.1	116.7
2001 January	154.7	112.6	299.3	186.2	108.5	109.6	117.5	110.7
February	153.2	112.1	299.1	172.0	112.0	114.0	125.2	101.4
March	152.9	112.7	290.4	184.5	111.0	112.6	122.6	111.3
April	152.9	111.4	301.0	169.3	109.8	110.4	120.6	109.8
May	150.1	110.7	291.9	163.6	108.5	110.6	117.1	107.4
June	146.2	111.0	271.3	163.9	109.8	111.2	120.3	106.9
July	146.3	111.5	270.3	164.1	108.1	112.4	115.0	106.9
August	144.9	111.3	268.0	154.1	106.0	108.2	111.9	102.8
September	148.2	110.5	285.1	158.2	105.7	105.8	111.6	112.5
October	137.0	108.0	243.0	145.1	107.1	111.2	113.5	99.5
November	134.7	109.5	221.6	158.6	99.7	103.3	97.6	98.4
December	125.4	105.8	190.1	152.1	101.5	94.1	108.4	87.4
2002 January	122.0	105.7	176.0	145.0	99.0	101.2	98.5	81.0
February	121.5	105.6	172.5	146.2	102.3	104.3	104.9	82.2
March	123.1	105.4	179.6	151.0	100.9	105.2	100.3	86.2
April	122.1	105.1	170.7	160.0	101.7	101.0	105.5	78.8
May	121.6	103.9	155.6	190.4	103.7	105.4	107.2	88.8
June	122.5	104.4	165.5	178.1	104.4	104.2	109.7	88.8
July	118.4	104.1	154.8	158.4	101.9	105.3	102.9	85.3
August	116.5	104.0	152.4	143.4	105.6	107.7	110.5	91.2
September	117.2	104.0	153.3	148.8	106.3	108.1	109.4	119.5
October	114.7	103.5	153.2	127.5	103.4	104.2	103.7	126.5
November	113.8	103.0	150.8	125.2	100.2	101.6	99.6	98.9
December	110.9	102.5	139.1	121.4	101.4	100.2	103.5	98.1
2003 January	109.7	102.1	133.0	123.4	100.6	104.7	97.7	113.0
February	108.2	101.9	128.6	118.1	104.5	105.3	106.7	117.6
March	108.2	102.0	127.0	120.0	100.8	105.5	97.5	114.0
April	108.2	101.3	129.8	119.9	103.6	105.6	104.0	120.0
May	104.7	100.9	117.6	109.2	102.8	105.8	101.4	124.6
June	105.8	101.1	118.2	118.2	105.4	107.6	107.6	118.7
July	103.9	100.7	108.2	119.9	103.4	107.5	100.3	142.0
August	104.1	100.6	107.3	124.2	103.6	107.7	102.0	130.7
September	103.0	100.5	107.8	112.9	107.1	111.9	106.6	149.1
October	102.7	100.5	111.1	104.0	103.3	107.1	101.6	129.5
November	100.9	100.2	103.0	102.0	99.8	103.9	96.9	103.3
December	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

**Table 7.5  
 Producer Price Indices - Continued  
 (December 2003 = 100)**

	Outbound Business Switched Access Toll Service	Intrastate Business Switched Access Toll Service, Outbound	Interstate Business Switched Access Toll Service, Outbound	International Business Switched Access Toll Service, Outbound	Inbound Business Switched Access Toll Service	Intrastate Business Switched Access Toll Service, Inbound	Interstate Business Switched Access Toll Service, Inbound	International Business Switched Access Toll Service, Inbound
<b>NAICS Series ID</b>	<b>5171102211</b>	<b>51711022111</b>	<b>51711022112</b>	<b>51711022113</b>	<b>5171102212</b>	<b>51711022121</b>	<b>51711022122</b>	<b>5.1711E+10</b>
2004 January	99.6	99.9	100.5	94.8	100.8	101.9	101.4	93.4
February	98.0	98.8	95.1	97.1	101.5	100.0	104.7	90.4
March	98.1	99.8	95.4	90.2	99.9	100.8	101.2	77.6
April	97.2	99.1	92.1	91.9	99.3	101.4	98.6	85.8
May	96.0	98.5	89.2	89.7	97.6	100.7	94.6	85.7
June	96.4	98.6	89.8	91.6	98.8	100.3	98.1	84.0
July	95.8	98.5	86.3	93.0	97.5	99.7	94.8	87.5
August	95.9	98.3	87.5	93.3	96.1	101.7	90.1	87.6
September	95.1	98.0	85.1	90.7	96.4	102.1	90.8	86.2
October	91.9	96.3	78.0	82.9	95.7	101.4	89.6	83.3
November	92.7	97.5	79.2	80.6	97.2	101.6	94.0	76.1
December	91.9	96.7	75.8	84.1	95.1	100.2	88.6	84.5
2005 January	90.9	96.5	73.8	79.8	95.3	99.2	90.4	78.7
February	90.9	96.5	74.1	79.2	92.8	97.8	84.9	77.3
March	90.6	96.4	73.8	76.6	92.2	99.1	82.5	79.6
April	90.7	96.5	74.6	76.1	93.2	101.4	83.8	78.3
May	89.1	95.9	69.7	72.3	90.8	101.5	77.8	75.1
June	89.1	96.3	68.6	72.7	92.9	99.8	84.0	75.8
July	88.2	96.0	66.2	69.6	92.3	99.9	82.4	77.1
August	88.3	95.8	67.4	69.1	91.7	99.6	81.6	72.0
September	87.5	95.5	65.6	66.7	92.7	97.5	85.2	73.1
October	87.4	95.4	65.7	65.7	92.0	97.0	84.1	70.1
November	87.7	95.9	65.9	65.4	93.8	98.7	88.0	65.0
December	86.9	95.4	64.2	63.7	91.5	97.4	81.9	77.5
2006 January	86.7	95.0	63.1	67.2	90.5	96.4	80.7	68.8
February	85.1	94.4	58.4	63.0	91.1	96.6	82.5	63.5
March	85.5	94.5	59.0	65.0	89.7	95.8	78.6	72.8
April	85.4	94.6	59.7	63.2	91.6	94.7	85.1	60.3
May	84.5	94.3	57.8	59.1	83.3	93.0	64.9	61.4
June	82.8	94.1	50.7	56.2	89.9	94.0	81.2	63.6
July	84.2	94.4	56.7	57.7	87.8	94.6	75.5	61.5
August	84.8	94.6	54.7	65.8	89.3	94.9	79.0	62.7
September	85.5	95.6	57.0	61.8	89.2	94.8	79.1	59.0
October	84.3	95.1	54.8	58.3	88.7	95.5	78.1	57.1
November	84.8	95.2	57.7	56.5	88.2	95.0	77.5	57.6
December	83.7	94.9	56.7	49.9	89.0	94.6	78.9	59.9
2007 January	84.8	94.9	58.1	51.0	89.0	94.6	79.4	57.5
February	83.4	94.6	57.2	47.2	88.1	94.2	78.0	58.2
March	83.0	94.8	56.1	48.3	86.9	94.5	74.2	64.6
April*	82.9	94.9	57.1	44.7	86.4	94.6	74.5	59.5
May*	82.1	94.9	56.2	42.9	85.0	94.5	73.5	54.2
June*	82.9	95.1	56.9	44.3	86.0	94.5	74.0	59.1



**Table 7.5  
 Producer Price Indices - Continued  
 (December 2003 = 100)**

	Business Special Access Switched Toll Service, except Private Lines	Outbound Business Special Access Switched Toll Service	Intrastate Business Special Access Switched Toll Service, Outbound	Interstate Business Special Access Switched Toll Service, Outbound	International Business Special Access Switched Toll Service, Outbound	Inbound Business Special Access Switched Toll Service	Intrastate Business Special Access Switched Toll Service, Inbound
<b>NAICS Series ID</b>	<b>517110222</b>	<b>5171102221</b>	<b>51711022211</b>	<b>51711022212</b>	<b>51711022213</b>	<b>5171102222</b>	<b>51711022221</b>
2000 January	137.8	137.1	100.3	157.7	169.6	139.3	127.7
February	147.6	150.3	118.0	182.2	178.0	145.0	135.1
March	141.3	142.6	111.7	173.5	162.5	140.5	129.3
April	141.2	144.1	112.3	176.4	164.4	138.2	126.2
May	136.6	140.2	106.8	169.7	160.9	132.9	119.3
June	135.0	136.8	109.4	170.1	145.0	133.4	120.0
July	131.1	132.9	105.5	168.5	133.3	129.5	115.0
August	131.5	132.1	107.4	169.5	127.4	131.6	117.7
September	128.5	126.0	98.8	159.2	122.3	132.5	118.6
October	129.5	132.4	105.0	164.3	137.7	126.5	111.1
November	129.9	131.0	104.6	163.4	133.5	129.3	114.7
December	126.4	119.9	92.5	147.5	117.9	135.4	122.5
2001 January	125.4	118.6	86.9	138.3	129.1	134.8	121.8
February	118.9	116.1	91.9	139.5	114.0	123.1	106.7
March	119.9	113.5	87.8	138.8	106.7	128.9	113.4
April	115.7	111.9	100.2	122.4	117.2	121.1	108.3
May	116.6	112.2	105.6	124.7	111.8	122.9	119.8
June	117.4	110.4	94.7	122.5	113.7	127.0	116.3
July	113.4	111.4	88.6	136.0	101.9	116.5	102.1
August	114.5	106.9	80.0	121.6	109.3	124.9	118.1
September	121.3	118.0	104.7	130.8	127.3	126.2	119.9
October	112.3	110.2	106.1	118.2	112.9	115.6	109.1
November	118.7	113.5	63.0	114.6	156.6	126.1	124.5
December	113.0	108.8	102.1	105.3	128.3	118.9	109.3
2002 January	108.9	99.9	100.7	90.1	115.4	121.7	128.6
February	107.2	106.1	103.0	103.2	119.4	108.9	93.6
March	106.2	105.4	111.3	99.6	117.5	107.3	98.5
April	101.3	99.6	114.7	87.7	109.7	103.7	92.9
May	110.6	106.7	106.6	106.3	115.0	116.1	116.7
June	106.6	105.0	104.5	103.6	113.1	108.9	106.2
July	103.9	103.1	106.0	97.4	114.1	105.1	99.3
August	106.0	103.9	93.2	103.3	115.8	108.9	104.9
September	108.7	108.4	111.3	106.8	118.5	109.2	103.4
October	102.5	99.8	97.7	94.9	109.1	106.2	96.7
November	103.9	102.7	101.9	100.4	110.1	105.6	94.8
December	97.6	96.0	92.0	85.5	111.0	100.0	95.4
2003 January	98.2	94.7	100.9	88.1	95.9	103.2	110.5
February	101.3	97.8	90.6	96.0	102.7	106.2	95.5
March	102.1	101.3	99.9	104.2	98.8	103.1	105.5
April	100.8	98.2	100.5	89.0	110.2	104.6	97.9
May	102.7	101.7	89.1	98.7	116.1	104.1	104.1
June	100.9	97.4	94.2	92.1	105.0	106.0	96.1
July	103.5	106.7	109.1	108.9	109.0	98.9	104.5
August	103.8	105.2	105.8	105.5	109.9	101.8	90.8
September	102.9	104.7	107.7	101.7	112.9	100.3	107.2
October	99.2	99.4	98.5	99.8	98.7	98.9	98.6
November	102.9	104.9	105.1	107.1	106.7	100.0	102.7
December	100.0	100.0	100.0	100.0	100.0	100.0	100.0

**Table 7.5  
 Producer Price Indices - Continued  
 (December 2003 = 100)**

	Business Special Access Switched Toll Service, except Private Lines	Outbound Business Special Access Switched Toll Service	Intrastate Business Special Access Switched Toll Service, Outbound	Interstate Business Special Access Switched Toll Service, Outbound	International Business Special Access Switched Toll Service, Outbound	Inbound Business Special Access Switched Toll Service	Intrastate Business Special Access Switched Toll Service, Inbound
<b>NAICS Series ID</b>	<b>517110222</b>	<b>5171102221</b>	<b>51711022211</b>	<b>51711022212</b>	<b>51711022213</b>	<b>5171102222</b>	<b>51711022221</b>
2004 January	100.3	99.2	101.1	98.7	98.1	101.8	101.1
February	100.1	100.5	91.0	111.5	88.8	99.5	96.0
March	99.5	96.6	90.6	104.1	84.0	103.7	102.5
April	99.3	97.7	98.1	104.4	83.9	101.6	95.7
May	99.0	97.5	93.1	104.3	86.2	101.2	99.0
June	98.4	96.7	93.5	103.0	84.4	100.8	103.3
July	95.7	95.0	91.8	97.3	87.7	96.7	97.8
August	94.7	93.4	94.1	92.7	86.7	96.7	99.1
September	95.2	93.3	96.0	94.1	83.1	97.9	106.0
October	94.1	93.8	93.8	93.2	87.8	94.6	98.3
November	92.5	91.7	87.9	91.8	84.7	93.6	92.3
December	93.6	91.9	90.1	91.8	84.0	96.0	96.6
2005 January	94.0	92.1	87.6	91.7	86.7	96.8	98.9
February	92.6	92.5	81.1	92.9	90.5	92.6	94.2
March	89.7	88.0	91.0	83.2	80.7	92.2	95.3
April	92.2	91.7	91.7	86.8	90.6	92.9	100.8
May	92.1	93.4	99.3	87.7	92.0	90.1	102.9
June	91.9	93.6	99.1	90.3	88.8	89.4	95.1
July	90.7	92.4	96.1	88.0	89.0	88.2	96.1
August	90.2	91.0	93.8	84.5	89.9	89.0	96.2
September	92.8	96.2	92.0	97.5	92.3	87.9	86.3
October	91.1	91.4	87.1	87.8	90.4	90.7	90.2
November	85.9	83.3	69.7	71.6	92.3	89.6	92.0
December	86.0	84.4	69.7	75.9	90.0	88.2	88.2
2006 January	85.3	84.1	74.1	76.5	84.7	87.1	87.7
February	84.2	83.4	68.0	73.3	90.9	85.4	83.2
March	84.5	84.7	73.6	78.3	85.0	84.2	82.4
April	84.5	85.5	68.1	84.1	82.0	83.0	75.6
May	83.4	80.8	69.3	70.9	82.6	87.2	90.3
June	83.6	83.4	64.7	76.9	87.1	83.8	75.8
July	83.1	82.7	68.1	74.1	86.3	83.8	80.8
August	81.9	81.2	66.0	72.6	83.5	82.9	82.1
September	83.6	83.5	67.2	72.5	93.2	83.6	82.6
October	86.3	82.6	68.9	72.0	90.2	91.4	85.6
November	80.3	79.3	69.3	70.3	82.6	81.9	82.8
December	81.4	80.6	65.0	71.7	87.1	82.5	80.9
2007 January	82.5	80.8	65.6	71.7	81.4	86.5	84.1
February	81.1	80.7	62.6	72.6	90.9	81.1	81.2
March	85.5	85.2	71.6	74.6	90.2	85.1	82.7
April*	84.2	83.4	69.0	73.4	89.6	85.2	82.7
May*	84.0	84.6	70.8	74.2	87.4	81.4	79.7
June*	83.4	82.4	68.7	72.4	89.0	85.2	83.6

**Table 7.5  
 Producer Price Indices - Continued  
 (December 2003 = 100)**

	Interstate Business Special Access Switched Toll Service, Inbound	International Business Special Access Switched Toll Service, Inbound	Other Toll Service	Private Line Service	Intrastate Private Line Service	Other Telephone Services
<b>NAICS Series ID</b>	<b>51711022222</b>	<b>51711022223</b>	<b>51711029</b>	<b>5171103</b>	<b>51711031</b>	<b>5171109</b>
2000 January	182.8	173.3	121.6	99.2	97.7	98.8
February	193.4	172.2	122.2	99.2	97.7	99.0
March	185.0	173.8	122.9	99.2	97.7	98.6
April	180.6	169.3	123.3	99.2	97.7	98.7
May	170.6	170.5	122.9	99.2	97.7	98.1
June	171.6	170.4	123.6	99.2	97.7	98.2
July	164.3	163.1	123.3	99.2	97.7	98.8
August	168.2	178.1	123.0	99.2	97.7	98.7
September	169.8	182.7	123.1	99.2	97.7	99.4
October	158.7	178.0	121.7	99.2	97.6	98.1
November	163.9	165.9	122.3	99.2	97.6	99.8
December	175.3	169.9	122.3	99.2	97.6	99.2
2001 January	174.2	161.1	124.8	99.1	97.5	99.6
February	152.4	155.7	126.2	99.1	97.5	99.6
March	163.4	161.8	123.8	99.1	97.5	99.6
April	147.0	173.0	124.5	99.1	97.5	99.6
May	147.3	172.5	124.3	99.0	97.2	99.6
June	158.0	178.3	124.1	99.1	97.4	99.6
July	138.5	177.2	123.0	99.1	97.4	99.5
August	152.6	169.3	122.8	99.1	97.4	99.5
September	154.9	167.8	123.9	99.3	98.0	99.6
October	134.0	164.0	123.3	99.3	98.1	99.6
November	153.2	154.4	123.0	99.3	98.1	99.8
December	141.9	134.7	124.6	99.3	98.1	99.8
2002 January	141.9	150.3	125.5	99.3	98.1	99.8
February	123.2	145.4	123.2	99.4	98.3	99.8
March	117.7	147.7	121.6	99.4	98.3	99.8
April	111.0	144.7	121.7	99.5	98.6	99.7
May	132.6	142.4	122.5	99.6	98.8	99.7
June	118.9	142.7	122.8	99.6	98.9	99.7
July	112.1	142.0	122.0	99.7	99.1	99.7
August	119.3	144.8	122.1	99.7	99.1	99.7
September	120.5	144.0	122.1	99.7	99.1	99.7
October	115.8	140.6	117.5	100.0	100.1	100.0
November	115.0	142.5	118.2	100.0	100.1	99.9
December	101.3	141.5	115.1	100.0	100.1	100.0
2004 January	103.8	141.4	112.3	100.0	100.1	100.1
February	116.1	142.3	113.3	100.0	100.1	100.0
March	105.6	116.6	111.0	100.0	100.1	100.0
April	111.5	117.4	110.8	100.0	100.1	100.0
May	108.3	113.3	106.9	100.0	100.1	100.0
June	115.6	106.1	106.6	100.0	100.1	100.0
July	95.8	108.0	105.0	100.0	100.0	100.0
August	107.4	104.5	106.3	100.0	100.0	99.8
September	98.2	107.6	104.2	100.0	100.0	99.8
October	97.8	112.2	103.1	100.0	100.0	100.0
November	99.1	100.3	101.4	100.0	100.0	99.9
December	100.0	100.0	100.0	100.0	100.0	100.0

**Table 7.5  
 Producer Price Indices - Continued  
 (December 2003 = 100)**

	Interstate Business Special Access Switched Toll Service, Inbound	International Business Special Access Switched Toll Service, Inbound	Other Toll Service	Private Line Service	Intrastate Private Line Service	Other Telephone Services
<b>NAICS Series ID</b>	<b>51711022222</b>	<b>51711022223</b>	<b>51711029</b>	<b>5171103</b>	<b>51711031</b>	<b>5171109</b>
2004 January	103.9	106.5	101.7	100.0	100.0	100.0
February	100.0	104.0	99.0	100.0	100.0	99.9
March	107.9	119.8	96.5	100.0	100.0	99.9
April	105.4	92.8	95.0	100.0	100.0	99.9
May	103.2	89.8	94.3	100.0	100.0	99.9
June	100.8	94.2	92.2	100.0	100.0	99.9
July	92.8	89.2	91.5	100.0	100.0	99.9
August	92.4	86.4	89.9	100.0	100.0	99.9
September	92.9	84.9	90.8	100.0	100.1	99.9
October	87.7	84.5	88.2	100.1	100.3	100.1
November	87.6	71.0	87.3	100.2	100.5	100.1
December	91.7	72.9	88.0	100.2	100.6	100.7
2005 January	92.8	70.4	85.5	100.3	100.9	100.6
February	84.7	44.9	86.3	100.3	101.0	100.7
March	83.2	72.1	83.5	100.4	101.2	100.6
April	83.0	67.7	83.5	100.5	101.3	100.6
May	75.6	67.8	81.2	100.5	101.3	100.6
June	76.4	68.6	82.5	100.5	101.3	100.6
July	73.4	64.3	81.5	100.5	101.3	100.6
August	75.2	66.1	80.3	100.5	101.3	100.6
September	75.9	73.7	80.9	100.5	101.3	101.0
October	81.4	67.1	78.9	100.5	101.3	101.2
November	78.0	76.2	78.5	100.5	101.3	101.8
December	76.1	65.2	78.3	100.5	101.3	101.2
2006 January	73.5	64.6	78.5	100.6	101.9	101.2
February	71.1	66.0	78.2	101.0	102.9	101.1
March	68.3	64.8	76.0	101.3	103.6	101.1
April	68.0	50.7	76.2	101.5	104.3	101.2
May	72.8	63.0	75.3	101.8	105.1	101.1
June	69.7	47.6	75.6	101.9	105.5	101.1
July	68.1	59.0	74.6	101.9	105.5	101.1
August	65.5	55.9	74.0	101.9	105.5	101.1
September	67.1	59.7	75.0	101.9	105.5	101.1
October	74.9	58.2	73.5	101.9	105.5	101.1
November	65.0	56.5	70.9	102.0	105.7	101.1
December	66.4	58.3	71.4	102.1	106.0	101.1
2007 January	69.9	58.8	71.7	102.2	106.3	101.1
February	64.5	60.9	71.5	102.2	106.6	101.5
March	68.8	58.4	70.8	102.2	106.9	103.5
April*	68.9	58.4	70.8	102.2	107.0	101.1
May*	65.4	58.7	70.6	102.2	107.0	101.1
June*	68.4	60.0	70.2	102.2	107.0	101.5

**Table 7.6**  
**Average Residential Rates for Local Service in Urban Areas**  
(As of October 15)

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005*	2006**
Representative Monthly Charge ***	\$12.58	\$12.44	\$12.32	\$12.30	\$12.36	\$13.03	\$13.05	\$13.16	\$13.19	\$13.62	\$13.71	\$13.67	\$13.75	\$13.77	\$13.64	\$14.49	\$14.38	\$14.54	\$14.57	\$14.60	\$15.03
Subscriber Line Charges	2.04	2.66	2.67	3.53	3.55	3.56	3.55	3.55	3.55	3.54	3.54	3.53	3.52	3.58	4.50	5.05	5.74	5.86	5.81	5.82	5.98
Additional Monthly Charge for Touch-Tone Service	1.57	1.52	1.54	1.52	1.33	1.06	0.97	0.94	0.77	0.44	0.30	0.25	0.10	0.09	0.06	0.04	****	****	****	****	****
Taxes, 911, and Other Charges	1.51	1.56	1.58	1.70	2.00	2.12	2.15	2.29	2.31	2.41	2.40	2.42	2.39	2.48	2.57	3.03	3.94	4.12	4.41	4.15	4.26
<b>Total Monthly Charge</b>	<b>17.70</b>	<b>18.18</b>	<b>18.11</b>	<b>19.05</b>	<b>19.24</b>	<b>19.77</b>	<b>19.72</b>	<b>19.95</b>	<b>19.81</b>	<b>20.01</b>	<b>19.95</b>	<b>19.88</b>	<b>19.76</b>	<b>19.93</b>	<b>20.78</b>	<b>22.62</b>	<b>24.07</b>	<b>24.52</b>	<b>24.52</b>	<b>24.57</b>	<b>25.27</b>
Basic Connection Charge	45.63	44.04	42.94	43.06	43.06	42.00	41.50	41.38	41.28	40.91	41.11	41.04	41.24	41.26	41.45	40.02	39.83	39.22	39.26	39.62	39.44
Additional Connection Charge for Touch-Tone Service	1.34	1.31	1.55	1.76	1.77	1.27	1.22	1.23	0.85	0.23	0.23	0.17	0.12	0.12	0.12	0.12	****	****	****	****	****
Taxes, 911, and Other Charges	2.28	2.20	2.11	2.44	2.32	2.30	2.29	2.30	2.33	2.44	2.36	2.46	2.38	2.57	2.53	2.81	1.33	3.32	3.44	3.17	3.48
<b>Total Connection Charge</b>	<b>49.25</b>	<b>47.55</b>	<b>46.60</b>	<b>47.26</b>	<b>47.15</b>	<b>45.57</b>	<b>45.01</b>	<b>44.92</b>	<b>44.46</b>	<b>43.58</b>	<b>43.70</b>	<b>43.67</b>	<b>43.74</b>	<b>43.95</b>	<b>44.10</b>	<b>42.95</b>	<b>41.16</b>	<b>42.54</b>	<b>42.71</b>	<b>42.80</b>	<b>42.92</b>
Additional Charge If Drop Line and Connection Block Needed	n.a.	n.a.	6.04	6.07	6.89	6.89	6.50	7.29	6.74	5.90	5.74	5.65	5.64	5.86	5.84	5.84	5.85	12.13	12.45	12.65	13.91
Lowest-Cost Inside Wiring Maintenance Plan	0.58	0.85	0.89	1.07	1.07	1.20	1.25	1.31	1.45	1.52	1.78	1.68	2.22	2.66	3.03	3.62	3.62	3.64	4.08	4.42	4.86

Note: Details may not add to totals due to rounding.

n.a.: not available

\* Revised estimates.

\*\* Subject to revision.

\*\*\* Rate is based upon flat-rate service where available, and measured/message service with 100 five-minute, same-zone business-day calls elsewhere. Beginning in 2001, all rates reflect flat-rate service.

\*\*\*\* Beginning in 2002, additional monthly charges for touch-tone service are included in the monthly recurring rate.

**Table 7.7**  
**Average Local Rates for Businesses with a Single Line in Urban Areas**  
(As of October 15)

Year	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005*	2006**
Monthly Representative Service Charge***	\$31.06	\$30.97	\$32.29	\$32.45	\$32.70	\$32.25	\$32.48	\$32.58	\$32.76	\$32.44	\$32.41	\$32.18	\$31.88	\$30.86	\$30.65	\$32.11	\$32.21	\$33.54
Subscriber Line Charges	3.55	3.57	3.57	3.56	3.57	3.57	3.57	3.54	3.54	3.54	3.52	4.39	4.91	5.63	5.76	5.71	5.71	5.89
Extra for Touch-Tone****	2.43	2.35	1.84	1.71	1.67	1.21	0.97	0.82	0.38	0.32	0.25	0.19	0.18	****	****	****	a4	a4
Taxes, 911 and Other Charges	4.21	4.32	4.42	4.57	4.63	4.61	4.79	4.87	4.99	4.97	5.03	5.04	5.45	5.47	5.55	5.67	5.83	5.87
<b>Total Monthly Charge</b>	<b>41.25</b>	<b>41.21</b>	<b>42.12</b>	<b>42.29</b>	<b>42.57</b>	<b>41.64</b>	<b>41.80</b>	<b>41.81</b>	<b>41.67</b>	<b>41.27</b>	<b>41.21</b>	<b>41.80</b>	<b>42.43</b>	<b>41.95</b>	<b>41.96</b>	<b>43.49</b>	<b>43.75</b>	<b>45.31</b>
Monthly Charge for Flat-Rate Service	\$33.04	\$33.29	\$34.12	\$34.06	\$34.85	\$34.39	\$34.45	\$34.42	\$34.68	\$34.39	\$33.73	\$33.45	\$32.02	\$32.92	\$33.17	\$34.20	\$34.19	\$34.56
Subscriber Line Charges	3.65	3.69	3.70	3.70	3.70	3.70	3.69	3.61	3.61	3.56	3.50	4.35	4.77	5.77	6.03	6.01	6.03	6.14
Extra for Touch-Tone****	2.12	2.11	1.87	1.84	1.76	1.12	1.00	0.89	0.53	0.49	0.47	0.43	0.39	****	****	****	a4	a4
Taxes, 911 and Other Charges	4.90	4.98	5.22	5.34	5.50	5.36	5.58	5.55	5.58	5.63	5.49	5.68	5.98	8.16	7.91	7.53	7.77	7.67
<b>Total Monthly Charge for Flat-Rate Service</b>	<b>43.71</b>	<b>44.07</b>	<b>44.91</b>	<b>44.94</b>	<b>45.81</b>	<b>44.57</b>	<b>44.71</b>	<b>44.47</b>	<b>44.39</b>	<b>44.07</b>	<b>43.20</b>	<b>43.90</b>	<b>43.15</b>	<b>46.85</b>	<b>47.12</b>	<b>47.74</b>	<b>47.99</b>	<b>48.37</b>
Number of Sample Cities with Flat-Rate Service	59	56	54	54	54	53	53	53	53	54	54	54	54	52	52	56	56	56
Monthly Charge for Measured/Message Service	\$16.18	\$16.17	\$16.76	\$16.55	\$16.60	\$16.74	\$17.06	\$17.26	\$17.28	\$17.16	\$17.06	\$16.92	\$17.16	\$17.56	\$17.21	\$18.49	\$18.30	\$17.30
200 Five-Minute Business-Day Same-Zone Calls	16.11	16.19	16.70	17.23	17.57	17.38	17.15	17.10	17.18	17.15	17.24	17.63	17.56	16.78	17.17	17.86	18.16	16.02
Subscriber Line Charges	3.54	3.55	3.55	3.54	3.55	3.55	3.54	3.51	3.51	3.53	3.52	4.39	4.90	5.56	5.65	5.86	5.80	5.79
Extra for Touch-Tone****	2.48	2.39	1.87	1.73	1.68	1.22	0.98	0.83	0.39	0.33	0.25	0.20	0.19	****	****	****	a4	a4
Taxes, 911 and Other Charges	4.41	4.53	4.56	4.77	4.86	4.83	5.01	5.13	5.22	5.19	5.28	5.32	5.76	4.71	4.78	5.07	5.14	4.99
<b>Total Monthly Charge for Measured/Message Service</b>	<b>42.72</b>	<b>42.83</b>	<b>43.44</b>	<b>43.82</b>	<b>44.26</b>	<b>43.72</b>	<b>43.75</b>	<b>43.84</b>	<b>43.57</b>	<b>43.35</b>	<b>43.35</b>	<b>44.45</b>	<b>45.57</b>	<b>44.61</b>	<b>44.82</b>	<b>47.29</b>	<b>47.40</b>	<b>44.10</b>
Number of Sample Cities with Measured/Message Service	83	83	84	84	84	87	87	86	85	85	85	85	85	86	85	86	85	78
Cost of a Five-Minute Business-Day Same-Zone Call	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.10	\$0.09	\$0.09	\$0.09	\$0.10	\$0.10	\$0.09
Basic Connection Charge	\$71.05	\$71.36	\$72.75	\$72.55	\$71.41	\$69.88	\$67.87	\$68.47	\$68.67	\$65.83	\$67.87	\$67.77	\$67.04	\$67.29	\$67.23	\$67.24	\$67.35	\$65.84
Additional Connection Charge for Touch-Tone Service****	1.70	1.89	1.13	1.19	1.17	0.92	0.27	0.17	0.17	0.12	0.12	0.12	0.12	****	****	****	a4	a4
Taxes	4.06	4.15	4.32	4.33	4.25	4.13	4.17	4.20	4.45	4.13	4.53	4.40	4.69	5.09	6.95	6.42	6.15	6.41
<b>Total Connection Charge</b>	<b>76.81</b>	<b>77.40</b>	<b>78.20</b>	<b>78.07</b>	<b>76.83</b>	<b>74.93</b>	<b>72.31</b>	<b>72.85</b>	<b>73.29</b>	<b>70.09</b>	<b>72.55</b>	<b>72.29</b>	<b>71.86</b>	<b>72.39</b>	<b>74.18</b>	<b>74.18</b>	<b>74.18</b>	<b>72.26</b>
Additional Charge If Drop Line and Connection Block Needed	\$5.92	\$7.87	\$6.90	\$6.83	\$6.64	\$6.49	\$7.28	\$6.98	\$6.54	\$6.54	\$6.65	\$6.62	\$6.62	\$6.52	\$13.43	\$13.76	\$13.96	\$13.70
Lowest-Cost Inside Wiring Maintenance Plan	\$1.78	\$1.91	\$2.05	\$2.03	\$2.08	\$2.26	\$2.39	\$2.63	\$2.84	\$3.04	\$3.53	\$3.92	\$4.86	\$4.73	\$4.65	\$4.94	\$6.27	\$5.12

Note: Details may not add to totals due to rounding.

\* Revised figures.

\*\* Subject to revision.

\*\*\* Rate is based upon flat-rate service where available, and measured/message service with 200 five-minute same-zone business-day calls elsewhere.

\*\*\*\* Starting in 2002, additional monthly charges for touch-tone service are included in the monthly charge.

**Table 7.8**  
**Average Revenue per Minute**

	AT&T	All Carriers		
	All Interstate and International Switched Services	All Interstate and International Switched Services	International Switched Services	All Interstate Switched Services
1984	\$0.32	NA	NA	NA
1985	0.31	NA	NA	NA
1986	0.28	NA	NA	NA
1987	0.25	NA	NA	NA
1988	0.23	NA	NA	NA
1989	0.22	NA	NA	NA
1990	0.20	NA	NA	NA
1991	0.20	NA	NA	NA
1992	0.19	\$0.19	\$1.01	\$0.15
1993	0.19	0.19	1.02	0.15
1994	0.18	0.18	0.93	0.14
1995	NA	0.17	0.91	0.12
1996	NA	0.16	0.76	0.12
1997	NA	0.15	0.69	0.11
1998	NA	0.14	0.58	0.11
1999	NA	0.14	0.54	0.11
2000	NA	0.12	0.52	0.09
2001	NA	0.10	0.35	0.08
2002	NA	0.09	0.28	0.07
2003	NA	0.08	0.20	0.07
2004	NA	0.08	0.14	0.06
2005	NA	0.07	0.13	0.06

NA - Not available.

Note: Data for some prior years have been revised.

Sources: AT&T information provided by AT&T. Other estimates from Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues* (June 2007).

**Table 7.9**  
**Standard Deviation Analysis of Residential Rates in the Sample Cities**  
**(As of October 15, 2006)**

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a.	Maximum Charge	\$ 37.01
b.	Minimum Charge	\$ 17.10
c.	Representative Monthly Charge (Weighted Average)	\$ 25.27
d.	Weighted Standard Deviation (Std Dev)	\$ 4.78
e.	<b>Average + 2*(Std Dev)</b> <b>( = c + 2d)</b>	<b>\$ 34.83</b>
f.	Percent to Average ( = [e/c] * 100)	138%

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**Table 7.10**  
**Historical Standard Deviation Analysis of Residential Rates in the Sample Cities**  
**(As of October 15, 2006)**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005*	2006**
Maximum Rate	\$32.68	\$31.63	\$30.62	\$28.65	\$28.78	\$28.27	\$28.75	\$29.72	\$34.75	\$34.95	\$35.56	\$35.35	\$35.16	\$37.01
Minimum Rate	\$12.18	\$12.18	\$13.04	\$13.04	\$13.05	\$13.05	\$13.05	\$13.21	\$15.31	\$15.93	\$16.30	\$16.03	\$16.39	\$17.10
Representative Monthly Rate (Average)	\$19.95	\$19.81	\$20.01	\$19.95	\$19.88	\$19.76	\$19.93	\$20.78	\$22.62	\$24.07	\$24.52	\$24.52	\$24.57	\$25.27
Weighted Standard Deviation (Std Dev)	\$4.23	\$4.28	\$3.41	\$3.28	\$3.35	\$3.24	\$3.46	\$3.57	\$4.20	\$4.32	\$4.90	\$4.93	\$4.49	\$4.78
<b>Average + 2*(Std Dev)</b>	<b>\$28.41</b>	<b>\$28.38</b>	<b>\$26.84</b>	<b>\$26.51</b>	<b>\$26.58</b>	<b>\$26.24</b>	<b>\$26.85</b>	<b>\$27.92</b>	<b>\$31.01</b>	<b>\$32.71</b>	<b>\$34.32</b>	<b>\$34.38</b>	<b>\$33.55</b>	<b>\$34.83</b>
<b>Percentage to Average</b>	<b>142%</b>	<b>143%</b>	<b>134%</b>	<b>133%</b>	<b>134%</b>	<b>133%</b>	<b>135%</b>	<b>134%</b>	<b>137%</b>	<b>136%</b>	<b>140%</b>	<b>140%</b>	<b>137%</b>	<b>138%</b>
<b>Average + 3*(Std Dev)</b>	<b>\$32.65</b>	<b>\$32.66</b>	<b>\$30.25</b>	<b>\$29.78</b>	<b>\$29.93</b>	<b>\$29.47</b>	<b>\$30.31</b>	<b>\$31.49</b>	<b>\$35.21</b>	<b>\$37.03</b>	<b>\$39.22</b>	<b>\$39.31</b>	<b>\$38.04</b>	<b>\$39.61</b>
<b>Percentage to Average</b>	<b>164%</b>	<b>165%</b>	<b>151%</b>	<b>149%</b>	<b>151%</b>	<b>149%</b>	<b>152%</b>	<b>152%</b>	<b>156%</b>	<b>154%</b>	<b>160%</b>	<b>160%</b>	<b>155%</b>	<b>157%</b>

\* Revised estimates.

\*\* Subject to revision.

**Table 7.11**  
**Interstate Per-Line Access Charges**  
**(National Average per Month per Line) \***

Rates in Effect		Charged to End Users † (Subscriber Line Charges)			Charged to Long Distance Carriers ‡ (Presubscribed Interexchange Carrier Charges)			
From	To	Residential and Single-Line Business	Non-Primary Residential	Multiline Business and Centrex	Residential and Single-Line Business	Non-Primary Residential	Multiline Business	Centrex
05/26/84	05/31/85	\$0.00		\$4.99				
06/01/85	09/30/85	1.00		4.99				
10/01/85	05/31/86	1.00		4.97				
06/01/86	12/31/86	2.00		4.97				
01/01/87	06/30/87	2.00		5.12				
07/01/87	12/31/87	2.60		5.12				
01/01/88	11/30/88	2.60		5.01				
12/01/88	03/31/89	3.20		5.01				
04/01/89	12/31/89	3.50		4.94				
01/01/90	06/30/90	3.48		4.84				
07/01/90	12/31/90	3.48		4.83				
01/01/91	06/30/91	3.48		4.77				
07/01/91	11/27/91	3.49		4.74				
11/28/91	06/30/92	3.49		4.76				
07/01/92	06/30/93	3.49		4.68				
07/01/93	06/30/94	3.50		5.37				
07/01/94	06/30/95	3.50		5.45				
07/01/95	06/30/96	3.50		5.50				
07/01/96	06/30/97	3.50		5.53				
07/01/97	12/31/97	3.50		5.68				
01/01/98	06/30/98	3.50	\$4.98	6.92	\$0.49	\$1.50	\$2.52	\$0.35
07/01/98	12/31/98	3.50	4.99	7.11	0.49	1.38	2.38	0.38
01/01/99	06/30/99	3.50	5.88	7.05	0.49	1.38	2.22	0.32
07/01/99	12/31/99	3.50	5.84	6.94	0.95	1.77	2.78	0.42
01/01/00	06/30/00	3.50	5.81	6.94	0.92	1.70	2.44	0.35
08/11/00	06/30/01	4.28	5.99	6.88	0.00	0.00	2.30	0.37
07/01/01	12/31/01	4.78	5.93	6.66	0.00	0.00	1.35	0.22
01/01/02	06/30/02	4.92	5.93	6.79	0.00	0.00	1.35	0.22
07/01/02	06/30/03	5.62	5.88	6.45	0.00	0.00	0.48	0.08
07/01/03	06/30/04	5.96	5.94	6.37	0.00	0.00	0.20	0.04
07/01/04	06/30/05	5.92	5.85	6.24	0.00	0.00	0.19	0.05
07/01/05	06/30/06	5.92	5.83	6.26	0.00	0.00	0.21	0.04
07/01/06	06/30/07	5.91	5.81	6.27	0.00	0.00	0.23	0.04

\* This table shows average rates (weighted by access lines) for all local exchange carriers (LECs) that file access tariffs subject to price-cap regulation and all LECs in the National Exchange Carrier Association (NECA) pool.

† Prior to 1/01/98 carriers did not charge separate subscriber line charge (SLC) rates for primary and non-primary residential lines. Therefore, the residential and single-line business average SLCs reported prior to 1/01/98 include all residential SLC charges. The average residential and single-line business SLC rate as of 1/01/98 excludes non-primary residential SLC charges. Non-primary SLC charges are now reported separately, except for the LECs in the NECA pool, which continue to charge a single residential SLC. Under price-cap regulation, as of January 1, 2003, the caps on SLCs for primary residential and single-line business, non-primary residential, and multiline business and Centrex lines equal \$6.50, \$7.00, and \$9.20, respectively. For NECA pool companies, the residential SLC cap is \$6.50, while the multiline business and Centrex SLC cap equals \$9.20.

‡ On 1/01/98 price-cap carriers began to charge presubscribed interexchange carrier charges (PICCs). The reported PICCs are averages per line including both price-cap and NECA pool lines. While carriers do not charge different rates for Centrex and multiline business SLCs, they do charge different PICC rates for these lines. Therefore, the average multiline business and Centrex PICC rates are reported separately. However, multiline business line counts, used to compute average PICC rates, include Centrex lines for LECs in the NECA pool, which do not charge PICCs or distinguish in access filings between the two line types. On 7/01/00 price-cap carriers stopped charging residential and single line business PICCs. Therefore, under price-cap regulation, as of July 1, 2000, the caps on PICCs for primary residential and single-line business, non-primary residential, and multiline business lines equal \$0.00, \$0.00, and \$4.31, respectively. Centrex groups of 9 or fewer lines are capped at the multiline business PICC rate of \$4.31 per group. Centrex groups with more than 9 lines are capped \$0.48 per line (1/9th the multiline business rate).

Source: Access tariff filings.

**Table 7.12**  
**Interstate Per-Minute Access Charges**  
**(National Average in Cents per Minute) \***

Rates in Effect		Interstate Charges for Switched Access Service				
From	To	Carrier Common Line per Originating Access Minute*	Carrier Common Line per Terminating Access Minute*	Traffic Sensitive per Switched Minute	Non-Traffic Sensitive per Switched Minute †	Total Charge per Conversation Minute ‡
05/26/84	01/14/85	5.24 ¢	5.24 ¢	3.10 ¢		17.26 ¢
01/15/85	05/31/85	5.43	5.43	3.10		17.66
06/01/85	09/30/85	4.71	4.71	3.10		16.17
10/01/85	05/31/86	4.33	4.33	3.10		15.38
06/01/86	12/31/86	3.04	4.33	3.10		14.00
01/01/87	06/30/87	1.55	4.33	3.10		12.41
07/01/87	12/31/87	0.69	4.33	3.10		11.49
01/01/88	11/30/88	0.00	4.14	3.10		10.56
12/01/88	02/14/89	0.00	3.39	3.00		9.60
02/15/89	03/31/89	0.00	3.25	3.00		9.46
04/01/89	12/31/89	1.00	1.83	3.00		9.11
01/01/90	06/30/90	1.00	1.53	2.50		7.78
07/01/90	12/31/90	1.00	1.23	2.50		7.48
01/01/91	06/30/91	1.00	1.14	2.40		7.18
07/01/91	06/30/92	0.88	1.06	2.40		6.97
07/01/92	06/30/93	0.79	0.95	2.40		6.76
07/01/93	06/30/94	0.88	1.16	2.20		6.66
07/01/94	06/30/95	0.84	1.08	2.10	0.28 ¢	6.89
07/01/95	06/30/96	0.74	0.89	1.96	0.21	6.16
07/01/96	06/30/97	0.72	0.89	1.95	0.17	6.04
07/01/97	12/31/97	0.64	0.84	1.63	0.14	5.18
01/01/98	06/30/98	0.68	0.23	1.29	0.21	4.04
07/01/98	12/31/98	0.91	0.20	0.99	0.30	3.82
01/01/99	06/30/99	0.82	0.16	0.98	0.32	3.71
07/01/99	12/31/99	0.37	0.10	0.86	0.28	2.82
01/01/00	06/30/00	0.32	0.10	0.86	0.31	2.85
08/11/00 #	06/30/01	0.23	0.07	0.52	0.26	1.91
07/01/01	12/31/01	0.15	0.07	0.48	0.24	1.71
01/01/02	06/30/02	0.15	0.07	0.47	0.24	1.69
07/01/02	06/30/03	0.02	0.01	0.48	0.22	1.46
07/01/03	06/30/04	0.00	0.00	0.48	0.22	1.44
07/01/04	06/30/05	0.00	0.00	0.50	0.25	1.53
07/01/05	06/30/06	0.00	0.00	0.52	0.25	1.59
07/01/06	06/30/07	0.01	0.00	0.54	0.25	1.63

\* This table shows average rates (weighted by minutes of use) for all local exchange carriers (LECs) that file access tariffs subject to price-cap regulation and all LECs in the National Exchange Carrier Association (NECA) pool. The average rates reported here do not include the average revenue per minute from subscriber line charges (SLCs) or primary interexchange carrier charges (PICCs), which are reported in Table 7.9.

† Non-traffic sensitive charges include charges assessed on a per-month per-unit basis. Prior to 07/01/94 these charges were included in the average traffic-sensitive rates.

‡ The total charge per conversation minute consists of charges on the originating end of the call, which are adjusted for dialing and call setup time, plus charges on the terminating end. Originating charges per conversation minute equal the carrier common line charge per originating access minute plus the traffic-sensitive charge per switched minute, both multiplied by 1.07 to account for dialing and call setup time, plus the non-traffic-sensitive charge per switched minute. Terminating charges per conversation minute equal carrier common line charges per terminating access minute plus both traffic-sensitive and non-traffic-sensitive charges per switched minute.

# Although the charges took effect on July 1, 2000, some companies made adjustments to the tariffs which did not take effect until August 11, 2000.

Source: Access tariff filings.

**Table 7.13  
Interstate Per-Line Access Charges by Carrier**

Company	Rates Effective From 07/01/06 To 06/30/07 (In Dollars per Month per Line)*							2005 Average Monthly Access Lines † (Thousands)		
	Subscriber Line Charges			Presubscribed Interexchange Carrier Charges						
	Residential and Single-Line Business	Non-Primary Residential	Multiline Business and Centrex	Residential and Single-Line Business	Non-Primary Residential	Multiline Business	Centrex	Residential and Single-Line Business	Non-Primary Residential	Multiline Business and Centrex
ALLTEL (KY & NE)	6.05	6.42	7.85	0.00	0.00	1.72	0.82	513	19	225
BellSouth	6.50	6.76	6.76	0.00	0.00	0.00	0.00	12,105	1,321	4,846
CenturyTel ‡	6.37	6.56	7.51	0.00	0.00	0.83	1.18	448	27	115
Cincinnati Bell	5.24	5.24	5.24	0.00	0.00	0.00	0.00	609	49	258
Citizens	6.13	6.44	9.20	0.00	0.00	4.31	0.75	1,570	105	422
Hawaiian Telecom	6.50	7.00	8.15	0.00	0.00	0.00	0.00	374	53	205
Iowa Telecom	6.14	6.14	8.79	0.00	0.00	0.00	0.00	186	9	42
Qwest	6.01	6.23	6.50	0.00	0.00	0.00	0.00	8,327	1,041	3,030
AT&T	4.96	4.83	4.89	0.00	0.00	0.00	0.00	24,610	3,952	14,236
Sprint	5.74	5.67	7.15	0.00	0.00	0.00	0.00	5,032	520	1,563
Valor	6.50	7.00	9.20	0.00	0.00	2.08	1.51	350	47	82
Verizon	6.30	6.32	6.79	0.00	0.00	0.52	0.07	26,396	3,948	13,077
Price Caps	5.84	5.81	6.11	0.00	0.00	0.24	0.04	80,520	11,092	38,101
NECA	6.50	NA	9.20	0.00	NA	0.00	NA	9,604	NA	2,071
Price Caps and NECA	5.91	5.81	6.27	0.00	0.00	0.23	0.04	90,124	11,092	40,172

\* This table shows average rates (weighted by access lines) for all local exchange carriers (LECs) that file access tariffs subject to price-cap regulation and all LECs in the National Exchange Carrier Association (NECA) pool. Rates are composites of all regions and subsidiaries of each local exchange carrier. No information is available for those carriers that are not in the NECA pool, but are subject to rate-of-return regulation.

† Access line counts measure lines that companies report as qualified to receive subscriber line charges (SLCs). ISDN-BRI lines, which are charged non-primary SLC and PICC rates are included in the non-primary residential line counts. ISDN-PRI lines, which are charged rates equal to five times the multiline business SLC and PICC rates, are multiplied by five and added to multiline business counts.

‡ Data reflect only those company study areas subject to price-cap regulation.

NA: Not Available

Source: Access tariff filings.

**Table 7.14  
Interstate Per-Minute Access Charges by Carrier**

Company	Rates Effective From 7/1/06 To 06/30/07 (In Cents per Minute) *					2005 Minutes of Use		
	Carrier Common Line per Originating Access Minute**	Carrier Common Line per Terminating Access Minute**	Switched Traffic Sensitive per Access Minute	Switched Non-Traffic Sensitive per Access Minute †	Total Charge per Conversation Minute ‡	(Millions)		
						CCL Originating	CCL Terminating	Local Switching
ALLTEL (KY & NE)	0.00 ¢	0.00 ¢	0.55 ¢	0.31 ¢	1.75 ¢	596	938	2,083
BellSouth	0.00	0.00	0.43	0.33	1.54	20,492	66,617	57,115
CenturyTel #	0.16	0.00	0.51	0.31	1.86	409	1,488	1,897
Cincinnati Bell	0.00	0.00	0.58	0.37	1.94	651	2,097	2,750
Citizens	0.15	0.00	0.50	0.45	2.10	1,304	4,744	6,049
Hawaiian Telecom	0.00	0.00	0.82	0.15	1.99	365	1,071	1,525
Iowa Telecom	0.00	0.00	1.55	0.66	4.53	297	349	647
Qwest	0.00	0.00	0.68	0.16	1.72	14,059	26,119	40,322
AT&T	0.00	0.00	0.45	0.21	1.34	50,453	51,797	109,030
Sprint	0.00	0.00	0.73	0.15	1.81	5,197	20,146	22,856
Valor	0.00	0.00	0.78	0.35	2.33	278	902	1,180
Verizon	0.02	0.00	0.49	0.22	1.46	32,581	88,440	121,861
Price Caps	0.01	0.00	0.51	0.23	1.51	126,682	264,709	367,313
NECA	0.00	0.00	1.13	0.72	3.78	*	*	19,340
All Price Caps and NECA	0.01	0.00	0.54	0.25	1.63	*	*	386,654

NA: Not Available.

\* This table shows average rates (weighted by minutes of use) for all local exchange carriers (LECs) that file access tariffs subject to price-cap regulation and all LECs in the National Exchange Carrier Association (NECA) pool. Rates are composites of all regions and subsidiaries of each local exchange carrier. No information is available for those carriers that are not in the NECA pool, but are subject to rate-of-return regulation. The average rates reported here do not include the average revenue per minute from subscriber line charges (SLCs) or primary interexchange carrier charges (PICCs), which are reported in Table 7.11.

\*\* Effective 07/01/03, the carrier common line (CCL) rates for NECA carriers were eliminated.

\*\*\* NECA no longer files information regarding originating and terminating Carrier Common Line (CCL) charges.

† Non-traffic sensitive charges include charges assessed on a per-month per-unit basis. Prior to 07/01/94 these charges were included in the average traffic-sensitive rates.

‡ The total charge per conversation minute consists of charges on the originating end of the call, which are adjusted for dialing and call setup time, plus charges on the terminating end. Originating charges per conversation minute equal the carrier common line charge per originating access minute plus the traffic-sensitive charge per switched minute, both multiplied by 1.07 to account for dialing and call setup time, plus the non-traffic-sensitive charge per switched minute. Terminating charges per conversation minute equal carrier common line charges per terminating access minute plus both traffic-sensitive and non-traffic-sensitive charges per switched minute.

# Data reflect only those company study areas subject to price-cap regulation.

Source: Access tariff filings.