

# *Trends in Telephone Service*



*Industry Analysis and Technology Division  
Wireline Competition Bureau*

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# Introduction

*Trends in Telephone Service* is published by the Industry Analysis and Technology Division of the Federal Communication Commission's Wireline Competition Bureau.<sup>1</sup> This report is designed to provide answers to some of the most frequently asked questions about the telephone industry -- questions asked by consumers, members of Congress, other government agencies, telecommunications carriers, and members of the business and academic communities. To this end, the report contains summary information about the size, growth, and development of the telephone industry, including data on market shares, minutes of calling, number of lines, and telephone subscribership. The report also provides information about access charges, advanced telecommunications, consumer expenditures for service, infrastructure, international telephone traffic, local telephone competition, telephone rates and price changes, toll service providers, and universal service support.

*Trends in Telephone Service* summarizes a variety of information contained in other reports that are published periodically by the Industry Analysis and Technology Division.<sup>2</sup> In most cases, these other reports provide more detailed information than that provided here. These reports can be accessed from the Wireline Competition Bureau Statistical Reports Internet site, at [www.fcc.gov/wcb/stats](http://www.fcc.gov/wcb/stats). In addition, to facilitate further information gathering by consumers and others, we have listed additional sources of information in Appendix B, and we have provided information on contacting the authors of this report in Appendix C.

## 1 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 true economic 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 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

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<sup>1</sup> *Trends in Telephone Service* was last published in February 2007.

<sup>2</sup> See Appendix A for a list of these publications.



long distance industry.

In mid-1984 the FCC, in cooperation with a Federal-State Joint Board composed of both federal and state regulators, introduced sweeping changes in the way that local telephone 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 long distance carriers for the origination and termination of interstate traffic on their local networks. In addition, 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 -- as SLCs were introduced, the pricing changes reduced the implicit subsidy from long distance use 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 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. Prior to the 1997 reform, local carriers continued to recover part of their fixed costs in per-minute charges (from long distance carriers) and part from end users (in SLCs.) 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.

As part of access charge reform in May of 2000, the FCC started to eliminate PICCs and consolidate them with SLCs. All price-cap local exchange carriers implemented lower access charges paid by long distance carriers. In October of 2001, the FCC modified its interstate access charge rules for rate-of-return incumbent local exchange carriers. These changes for the rate-of-return carriers were designed to align the interstate access rate structure more closely with the manner in which costs are incurred by driving per-minute access charges towards lower, more cost-based levels.

Average monthly SLCs and PICCs are shown in Table 1.1, and average per-minute rates charged to long distance carriers are shown in Table 1.2. Both tables report historical averages 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. Current per-line charges and per-minute charges are reported for each of the carriers in Tables 1.3 and 1.4, respectively.

**Table 1.1**  
**Interstate Per-Line Access Charges**  
**(National Average per Month per Line) <sup>1</sup>**

Rates in Effect		Charged to End Users <sup>2</sup> (Subscriber Line Charges)			Charged to Long Distance Carriers <sup>3</sup> (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 <sup>4</sup>	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
07/01/07	06/30/08	5.93	5.81	6.30	0.00	0.00	0.23	0.05

<sup>1</sup> 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.

<sup>2</sup> 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 SLCs. Non-primary SLCs 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 July 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.

<sup>3</sup> 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 did not charge different rates for Centrex and multiline business SLCs, they did 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 multiline business lines equal \$4.31. 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 at \$0.48 per line (1/9th the multiline business rate).

<sup>4</sup> 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 1.2**  
**Interstate Per-Minute Access Charges**  
**(National Average in Cents per Minute) <sup>1</sup>**

Rates in Effect		Interstate Charges for Switched Access Service				
From	To	Carrier Common Line per Originating Access Minute <sup>1</sup>	Carrier Common Line per Terminating Access Minute <sup>1</sup>	Traffic Sensitive per Switched Minute	Non-Traffic Sensitive per Switched Minute <sup>2</sup>	Total Charge per Conversation Minute <sup>3</sup>
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	06/31/00 <sup>4</sup>	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
07/01/07	06/30/08	0.01	0.00	0.56	0.26	1.71

<sup>1</sup> 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), both of which are reported in Table 1.1. Effective 07/01/03, the carrier common line (CCL) rates for NECA carriers were eliminated.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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 1.3**  
**Interstate Per-Line Access Charges by Carrier**  
**(In Dollars per Month per Line) <sup>1</sup>**

Company	Rates Effective from 07/01/07 to 06/30/08							2006 Average Monthly Access Lines <sup>2</sup> (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)	\$6.06	\$6.43	\$7.73	\$0.00	\$0.00	\$1.79	\$1.47	458	14	191
AT&T <sup>4</sup>	5.54	5.38	5.50	0.00	0.00	0.00	0.00	35,832	4,714	19,201
CenturyTel <sup>3</sup>	6.37	6.57	7.51	0.00	0.00	0.80	1.15	428	22	117
Cincinnati Bell	5.25	5.25	5.25	0.00	0.00	0.00	0.00	575	43	258
Citizens <sup>3</sup>	6.11	6.40	9.20	0.00	0.00	4.31	0.74	1,373	79	379
Embarq <sup>5</sup>	5.70	5.59	7.00	0.00	0.00	0.00	0.00	4,690	445	1,536
Hawaiian Telecom	6.50	7.00	8.15	0.00	0.00	0.00	0.00	419	46	114
Iowa Telecom	6.15	6.15	8.66	0.00	0.00	0.00	0.00	176	7	42
Qwest	6.02	6.24	6.52	0.00	0.00	0.00	0.00	7,902	887	2,947
Verizon	6.28	6.30	6.77	0.00	0.00	0.53	0.07	24,890	3,370	12,552
Windstream <sup>6</sup>	6.50	7.00	9.20	0.00	0.00	2.10	1.64	329	34	80
Price Caps	5.87	5.81	6.14	0.00	0.00	0.24	0.05	77,072	9,660	37,417
NECA	6.50	NA	9.20	0.00	NA	0.00	NA	8,683	NA	2,074
Price Caps and NECA	\$5.93	\$5.81	\$6.30	\$0.00	\$0.00	\$0.23	\$0.05	85,755	9,660	39,491

NA - Not Available.

<sup>1</sup> 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. For example, non-primary residential SLCs can be less than primary residential SLCs due to weighting by access lines. Note that at the disaggregated level, non-primary rates are always greater than or equal to non-primary rates. The primary line rate is weighted by the number of primary residential lines and the non-primary residential rate is similarly weighted by the number of non-primary access lines. Because the weight on primary lines versus non-primary lines is not constant, the primary rate is not necessarily lower than the non-primary rate at the holding company level. No information is available for those carriers that are not in the NECA pool, but are subject to rate-of-return regulation.

<sup>2</sup> 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 add to multiline business counts.

<sup>3</sup> Data reflect only those company study areas subject to price-cap regulation.

<sup>4</sup> Following the merger of SBC Communications Inc. (SBC) with AT&T Corporation on November 18, 2005, SBC changed its name to AT&T Inc. Bellsouth became part of AT&T Inc. on December 29, 2006.

<sup>5</sup> Embarq replaced Sprint after their merger which occurred on May 17, 2006.

<sup>6</sup> Windstream replaced Valor after their merger which occurred on July 17, 2006.

Source: Access tariff filings.

**Table 1.4**  
**Interstate Per-Minute Access Charges by Carrier**  
(In Cents per Minute) <sup>1</sup>

Company	Rates Effective from July 1, 2007 to June 30, 2008					Year 2006 Minutes of Use (Millions)		
	Carrier Common Line per Originating Access Minute <sup>2</sup>	Carrier Common Line per Terminating Access Minute <sup>2</sup>	Switched Traffic Sensitive per Access Minute	Switched Non-Traffic Sensitive per Access Minute <sup>3</sup>	Total Charge per Conversation Minute <sup>4</sup>	Carrier Common Line		Local Switching
						Originating	Terminating	
ALLTEL (KY & NE)	0.00 ¢	0.00 ¢	0.55 ¢	0.32 ¢	1.79 ¢	561	854	1,916
AT&T ILEC <sup>5</sup>	0.00	0.00	0.46	0.27	1.48	46,215	108,977	158,451
CenturyTel <sup>6</sup>	0.14	0.00	0.55	0.30	1.88	404	1,381	1,785
Cincinnati Bell	0.00	0.00	0.61	0.40	2.07	655	1,998	2,580
Citizens	0.20	0.00	0.51	0.51	2.28	1,107	3,957	5,063
Embarq <sup>7</sup>	0.00	0.00	0.79	0.17	1.97	4,708	18,683	20,669
Hawaiian Telecom	0.00	0.00	0.63	0.20	1.71	355	1,013	1,839
Iowa Telecom	0.00	0.00	1.59	0.67	4.63	221	331	551
Qwest	0.00	0.00	0.74	0.16	1.84	13,007	24,166	37,296
Verizon	0.03	0.00	0.50	0.22	1.52	30,245	83,119	113,797
Windstream <sup>8</sup>	0.00	0.00	0.77	0.48	2.56	245	832	1,120
Price Caps	0.01	0.00	0.53	0.24	1.59	97,723	245,311	345,069
NECA	0.00	0.00	1.30	0.69	4.07	*	*	17,063
All Price Caps and NECA	0.01	0.00	0.56	0.26	1.71	*	*	362,132

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

<sup>1</sup> 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), both of which are reported in Table 1.1.

<sup>2</sup> Effective 07/01/03, the carrier common line (CCL) rates for NECA carriers were eliminated.

<sup>3</sup> Non-traffic sensitive charges include charges assessed on a per-month, per-unit basis. Prior to July 1, 1994 these charges were included in the average traffic-sensitive rates.

<sup>4</sup> 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.

<sup>5</sup> Following the merger of SBC Communications Inc. (SBC) with AT&T Corporation on November 18, 2005, SBC changed its name to AT&T Inc. BellSouth became part of AT&T Inc. on December 29, 2006.

<sup>6</sup> Data reflect only those company study areas subject to price-cap regulation.

<sup>7</sup> Embarq replaced Sprint after their merger which occurred on May 17, 2006.

<sup>8</sup> Windstream replaced Valor after their merger which occurred on July 17, 2006.

Source: Access tariff filings.

## 2 Advanced Telecommunications

Congress directed the Commission and the states, in section 706 of the Telecommunications Act of 1996, to encourage deployment of advanced telecommunications capability in the United States on a reasonable and timely basis. To assist in its evaluation of such deployment, the Commission instituted a formal data collection program to gather standardized information about subscribership to high-speed services, including advanced services, from wireline telephone companies, cable system operators, terrestrial wireless service providers, satellite service providers, and any other facilities-based providers of advanced telecommunications capability. For reporting purposes, high-speed service “lines” are wired or wireless connections to end users (i.e., to Internet-access service subscribers) that are faster than 200 kilobits per second (kbps) in at least one direction. Advanced services lines are faster than 200 kbps in both directions (and are therefore a subset of high-speed lines).

All facilities-based providers of high-speed lines were required to report to the Commission basic information about their service offerings and types of customers, starting with the June 30, 2005 data. Previously collected data (i.e., as of December 31, 1999 and each succeeding June 30 and December 31 through the end of 2004) were reported by facilities-based providers with at least 250 high-speed lines in service in a particular state, and by a few smaller entities that filed on a voluntary basis.<sup>1</sup> Small providers, many of whom serve rural areas with relatively small populations, were therefore underrepresented in the earlier data. More than twice as many holding companies and unaffiliated entities reported information about high-speed lines in June 2005 as had reported six months earlier.

Starting with the June 30, 2005 data, all facilities-based providers report added detail about line speeds. And two groups of providers – incumbent local exchange carriers (LECs) and cable system operators – report the extent to which their high-speed lines are available to the households to whom they offer local telephone service or cable TV service (i.e., available whether or not the household actually subscribes to a high-speed Internet-access service).

Table 2.1 shows high-speed lines for the following types of technology: asymmetric digital subscriber line (ADSL), symmetric digital subscriber line (SDSL), traditional wireline, cable modem, fiber, satellite, fixed wireless, mobile wireless, and power line and other. Chart 2.1 shows the growth of high-speed lines from December 1999 through June 2007, and Chart 2.2 shows the proportion of high-speed lines by technology as of June 30, 2007.

Table 2.2 shows advanced services lines by the above technologies. Chart 2.3 shows the growth of advanced services lines from December 1999 through June 2007, and Chart 2.4 shows the proportion of advanced services lines by technology as of June 30, 2007.

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<sup>1</sup> High-speed lines reported in earlier voluntary submissions represented less than 0.05% of total reported high-speed lines. As of June 30, 2005, filers with fewer than 250 lines in a state (including entities that previously filed on a voluntary basis) represented about 0.2% of total reported high-speed lines.

Comparable data for residential lines, only, are shown in Table 2.3 and Table 2.4, and in Charts 2.5 through 2.8.

Table 2.5 and Chart 2.9 provide additional detail about speeds (i.e., information transfer rates) of reported high-speed lines, by technology.

Table 2.6 shows high-speed lines, by state and by technology, as of June 30, 2007. Table 2.7 shows total reported high-speed lines by state over time.

Table 2.8 provides nationwide and state-specific estimates of the extent to which digital subscriber line (DSL) high-speed lines provided by incumbent LECs, and cable modem high-speed service provided by cable system operators, are available to the households to whom these companies offer local telephone service or cable TV service.

The U.S. Department of Commerce periodically has asked the U.S. Census Bureau to include questions on whether households have telephones, computers, and Internet access as part of the *Current Population Survey*. Chart 2.10 shows the percent of U.S. households with computers, Internet access, and high-speed access. The chart presents summary statistics from two National Telecommunications and Information Administration (NTIA) reports: *A Nation Online: Entering the Broadband Age*, and *Networked Nation: Broadband in America: 2007*, which are available through NTIA's web site at [www.ntia.doc.gov](http://www.ntia.doc.gov).

Table 2.9 and Chart 2.11 show the percent of U.S. households with Internet Connections for rural and urban areas.

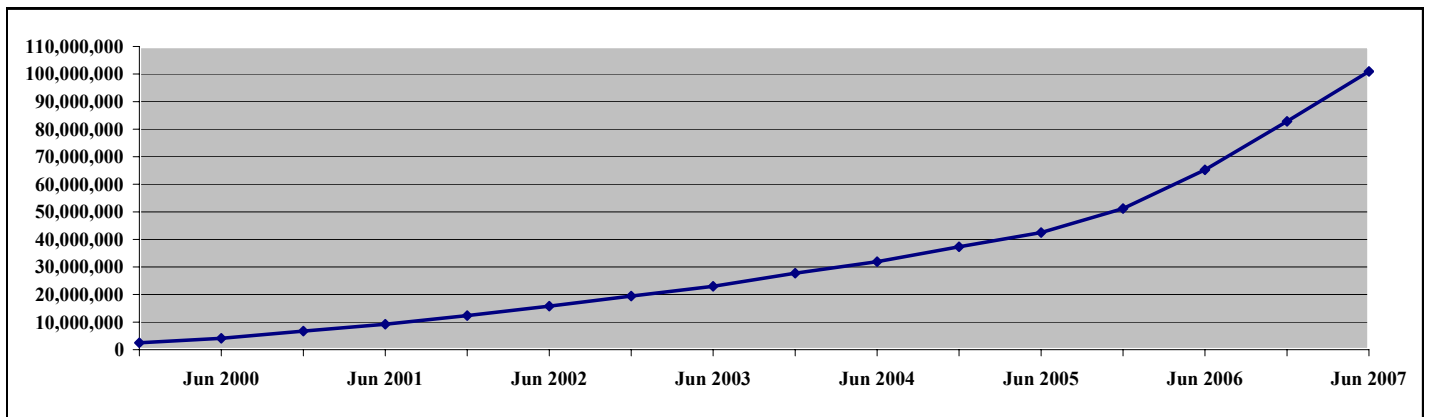
Table 17.5, appearing in section 17 of this report, presents broadband capabilities of small, mostly rural telephone companies based upon a periodic survey conducted by the National Exchange Carrier Association (NECA).

**Table 2.1**  
**High-Speed Lines <sup>1</sup>**  
**(Over 200 kbps in at least one direction)**

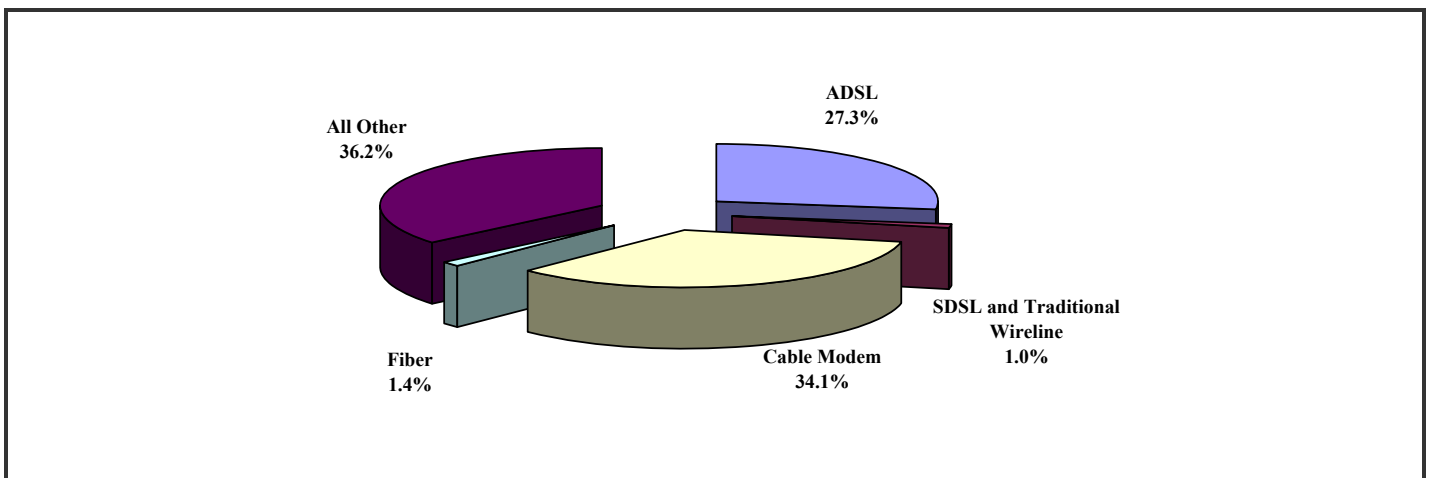
Technology <sup>2</sup>	2000	2001	2002	2003	2004	2005		2006		2007
	Jun	Jun	Jun	Jun	Jun	Jun	Dec	Jun	Dec	Jun
ADSL	951,583	2,693,834	5,101,493	7,675,114	11,398,199	16,316,309	19,515,483	22,584,255	25,412,883	27,516,171
SDSL and Traditional Wireline	758,594	1,088,066	1,186,680	1,215,713	1,407,121	898,468	878,973	948,134	1,030,698	1,028,654
SDSL	-	-	-	-	-	411,731	368,782	337,412	344,759	319,932
Traditional Wireline	-	-	-	-	-	486,737	510,191	610,722	685,939	708,722
Cable Modem	2,284,491	5,184,141	9,172,895	13,684,225	18,592,636	24,017,442	26,558,206	29,174,494	31,981,705	34,408,553
Fiber <sup>3</sup>	46,635	81,248	105,991	111,386	130,928	315,651	448,257	685,823	1,035,677	1,402,652
Satellite and Wireless	65,615	194,707	220,588	309,006	421,690	965,068	3,812,655	11,872,998	23,344,106	36,560,197
Satellite	-	-	-	-	-	376,837	426,928	495,365	571,980	668,803
Fixed Wireless	-	-	-	-	-	208,695	257,431	361,113	484,277	586,141
Mobile Wireless	-	-	-	-	-	379,536	3,128,296	11,016,520	22,287,849	35,305,253
Power Line and Other	-	-	-	-	-	4,872	4,571	5,208	4,776	5,420
<b>Total Lines</b>	<b>4,106,918</b>	<b>9,241,996</b>	<b>15,787,647</b>	<b>22,995,444</b>	<b>31,950,574</b>	<b>42,517,810</b>	<b>51,218,145</b>	<b>65,270,912</b>	<b>82,809,845</b>	<b>100,921,647</b>

For data through December 2004, only those providers with at least 250 lines per state were required to file. See additional notes following Chart 10.

**Chart 2.1**  
**Total High-Speed Lines**



**Chart 2.2**  
**High-Speed Lines by Technology as of June 30, 2007**



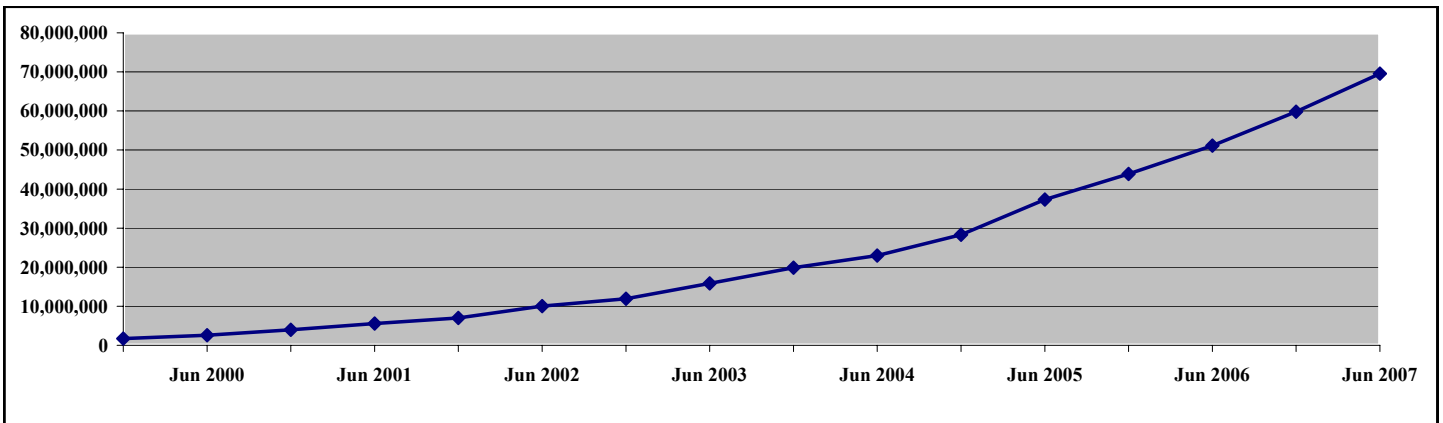


**Table 2.2**  
**Advanced Services Lines<sup>1</sup>**  
**(Over 200 kbps in both directions)**

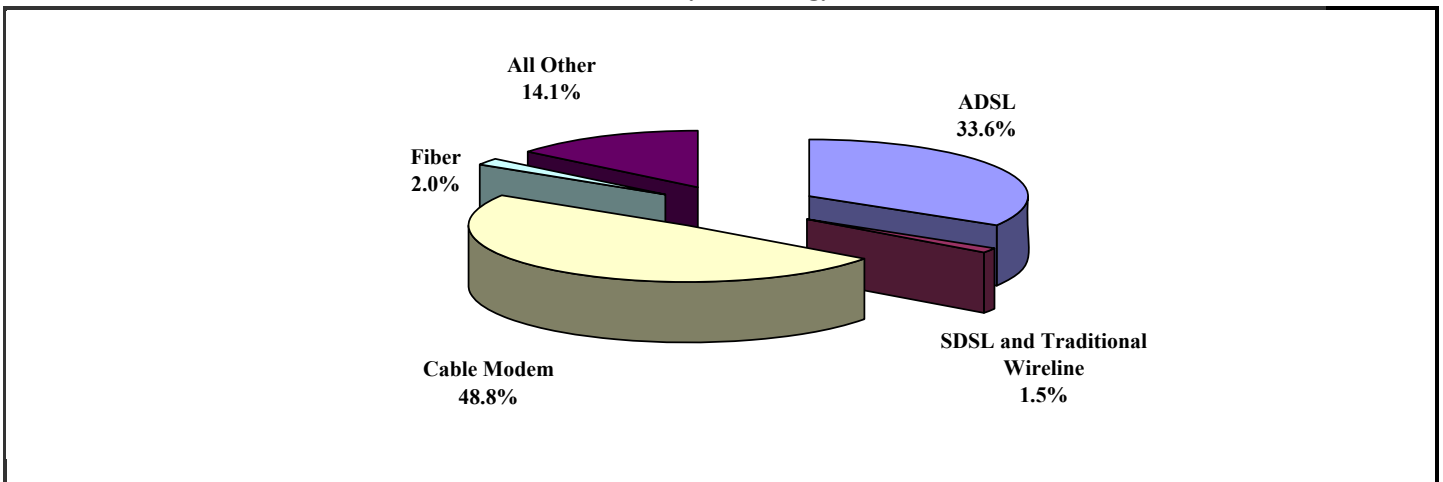
Technology <sup>2</sup>	2000	2001	2002	2003	2004	2005		2006		2007
	Jun	Jun	Jun	Jun	Jun	Jun	Dec	Jun	Dec	Jun
ADSL	326,816	998,883	1,852,879	2,536,368	3,768,019	13,176,095	15,921,336	18,310,957	21,144,159	23,381,289
SDSL and Traditional Wireline	758,594	1,088,066	1,186,680	1,215,713	1,407,121	869,772	874,261	946,874	1,029,782	1,027,937
SDSL	-	-	-	-	-	387,451	368,736	336,586	344,739	319,293
Traditional Wireline	-	-	-	-	-	482,321	505,525	610,288	685,043	708,644
Cable Modem	1,469,130	3,329,976	6,819,395	11,935,866	17,567,468	22,745,012	26,293,596	28,878,587	31,594,111	33,939,919
Fiber <sup>3</sup>	40,627	81,204	104,015	110,829	129,636	314,229	447,235	684,729	1,034,317	1,400,565
Satellite and Wireless	3,649	73,476	66,073	64,393	93,805	223,274	338,635	2,275,154	4,982,675	9,800,951
Satellite	-	-	-	-	-	10,966	36,331	27,489	36,026	57,202
Fixed Wireless	-	-	-	-	-	191,229	220,268	333,209	455,741	553,919
Mobile Wireless	-	-	-	-	-	21,079	82,036	1,914,456	4,490,908	9,189,830
Power Line and Other	-	-	-	-	-	4,174	4,501	5,209	4,776	5,420
<b>Total Lines</b>	<b>2,598,816</b>	<b>5,571,605</b>	<b>10,029,042</b>	<b>15,863,169</b>	<b>22,966,048</b>	<b>37,332,557</b>	<b>43,879,564</b>	<b>51,101,510</b>	<b>59,789,820</b>	<b>69,556,081</b>

For data through December 2004, only those providers with at least 250 lines per state were required to file. See additional notes following Chart 10.

**Chart 2.3**  
**Advanced Services Lines**



**Chart 2.4**  
**Advanced Services Lines by Technology as of June 30, 2007**

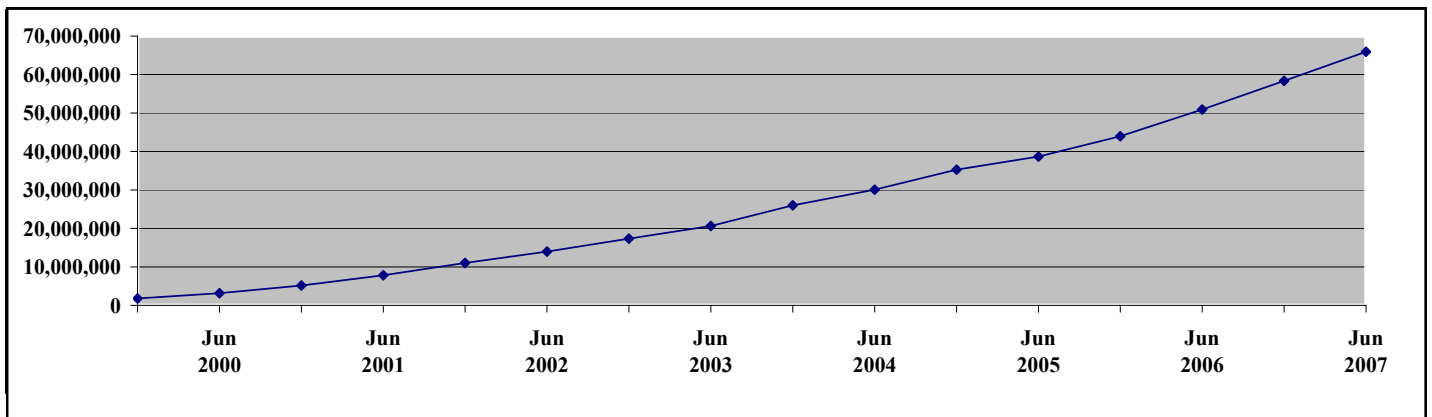


**Table 2.3**  
**Residential High-Speed Lines <sup>1</sup>**  
**(Over 200 kbps in at least one direction)**

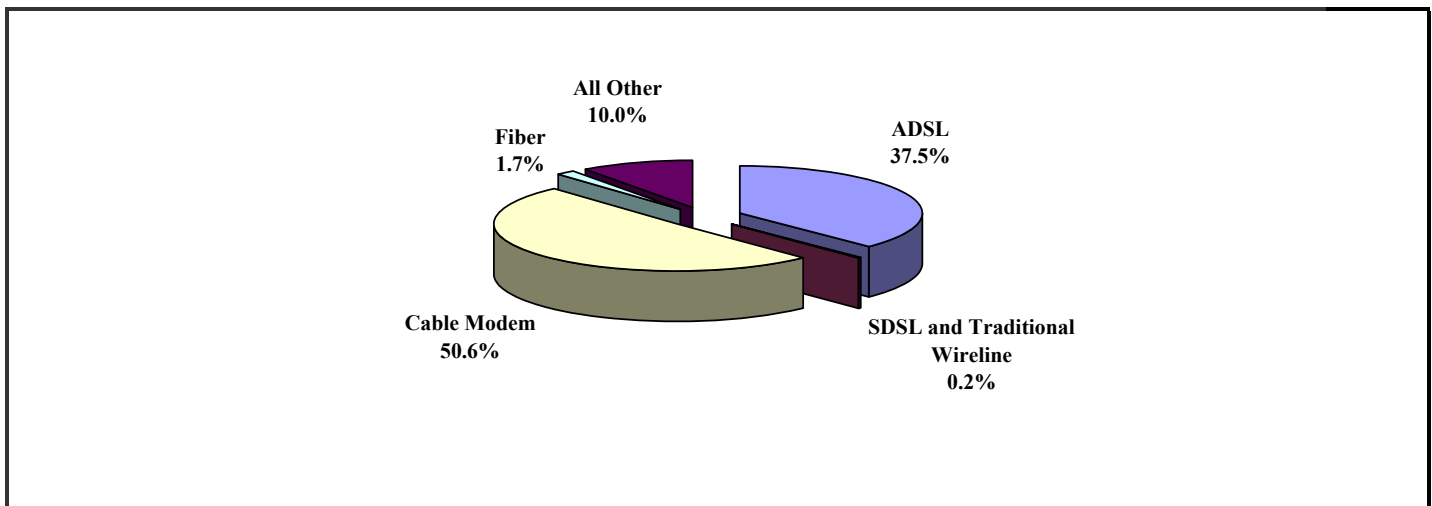
Technology <sup>2</sup>	2000	2001	2002	2003	2004	2005		2006		2007
	Jun	Jun	Jun	Jun	Jun	Jun	Dec	Jun	Dec	Jun
ADSL	772,272	2,490,740	4,395,033	6,429,938	10,759,495	14,442,823	17,370,508	20,152,290	22,768,500	24,690,513
SDSL and Traditional Wireline	111,490	138,307	223,599	250,372	393,049	159,489	129,444	112,017	117,708	117,437
SDSL	-	-	-	-	-	153,978	122,220	102,605	105,012	104,944
Traditional Wireline	-	-	-	-	-	5,511	7,224	9,412	12,696	12,493
Cable Modem	2,215,259	4,998,540	9,157,285	13,660,541	18,525,265	23,578,060	25,714,461	28,365,648	31,118,079	33,340,678
Fiber <sup>3</sup>	325	2,623	6,120	16,132	22,719	83,293	213,479	442,027	763,394	1,152,195
Satellite and Wireless	64,320	182,165	202,251	288,786	387,563	428,367	532,704	1,840,060	3,589,607	6,598,329
Satellite	-	-	-	-	-	265,017	320,142	382,047	455,936	530,357
Fixed Wireless	-	-	-	-	-	160,775	203,179	301,293	424,284	522,752
Mobile Wireless	-	-	-	-	-	2,574	9,384	1,156,720	2,709,387	5,545,220
Power Line and Other	-	-	-	-	-	4,447	4,550	5,093	4,711	5,347
<b>Total Lines</b>	<b>3,163,666</b>	<b>7,812,375</b>	<b>13,984,287</b>	<b>20,645,769</b>	<b>30,088,091</b>	<b>38,696,480</b>	<b>43,965,147</b>	<b>50,917,135</b>	<b>58,361,999</b>	<b>65,904,499</b>

For data through December 2004, only those providers with at least 250 lines per state were required to file. Small business lines were included in totals through December 2004. See additional notes following Chart 10.

**Chart 2.5**  
**Residential High-Speed Lines**



**Chart 2.6**  
**Residential High-Speed Lines by Technology as of June 30, 2007**

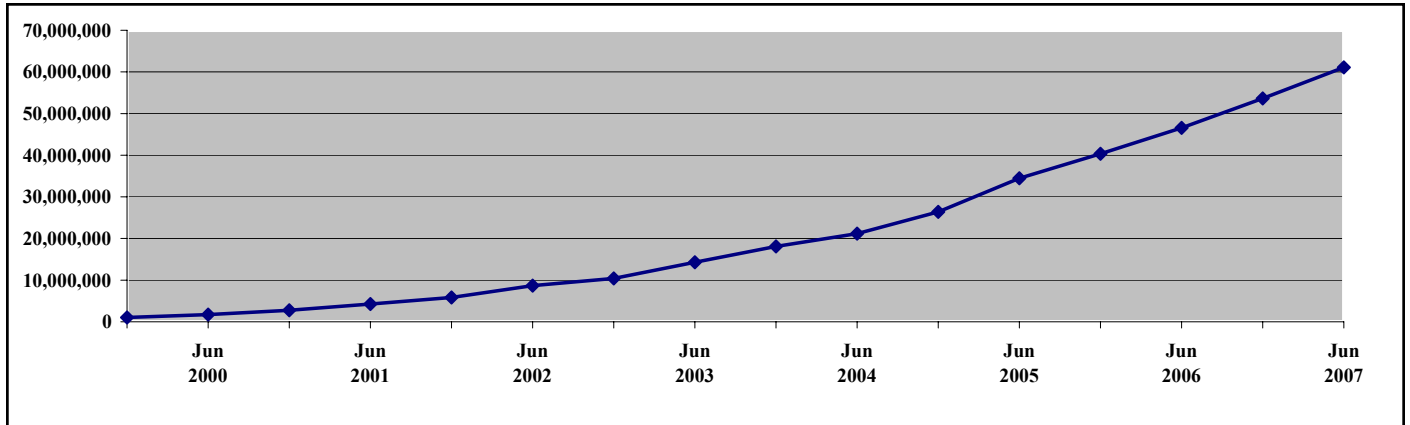


**Table 2.4**  
**Residential Advanced Services Lines <sup>1</sup>**  
**(Over 200 kbps in both directions)**

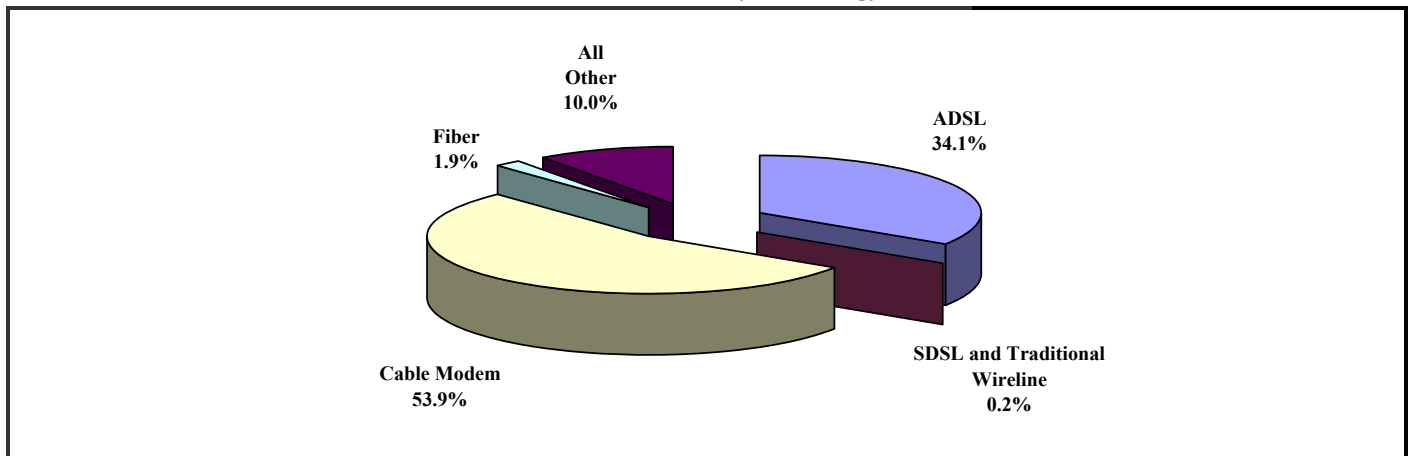
Technology <sup>2</sup>	2000	2001	2002	2003	2004	2005		2006		2007
	Jun	Jun	Jun	Jun	Jun	Jun	Dec	Jun	Dec	Jun
ADSL	195,324	916,364	1,580,575	2,071,779	3,174,022	11,731,303	14,242,291	16,416,522	18,878,873	20,835,274
SDSL and Traditional Wireline	111,490	138,307	223,599	250,372	393,049	151,979	125,116	111,935	117,652	116,881
SDSL	-	-	-	-	-	149,862	122,220	102,580	105,002	104,432
Traditional Wireline	-	-	-	-	-	2,118	2,895	9,355	12,650	12,449
Cable Modem	1,401,434	3,146,953	6,809,170	11,920,207	17,505,907	22,324,471	25,533,423	28,121,912	30,770,517	32,920,397
Fiber <sup>3</sup>	325	2,617	5,118	15,751	21,866	82,831	212,862	441,128	762,083	1,150,246
Satellite and Wireless	2,916	60,988	47,787	46,407	72,485	150,893	204,703	1,449,299	3,114,987	6,074,665
Satellite	-	-	-	-	-	2,244	25,117	15,055	23,334	35,319
Fixed Wireless	-	-	-	-	-	146,074	170,515	277,524	399,732	494,144
Mobile Wireless	-	-	-	-	-	2,574	9,071	1,156,720	2,691,921	5,545,202
Power Line and Other	-	-	-	-	-	3,916	4,481	5,093	4,711	5,347
<b>Total Lines</b>	<b>1,711,488</b>	<b>4,265,229</b>	<b>8,666,249</b>	<b>14,304,515</b>	<b>21,167,329</b>	<b>34,445,394</b>	<b>40,322,876</b>	<b>46,545,889</b>	<b>53,648,823</b>	<b>61,102,810</b>

For data through December 2004, only those providers with at least 250 lines per state were required to file. Small business lines were included in totals through December 2004. See additional notes following Chart 10.

**Chart 2.7**  
**Residential Advanced Services Lines**



**Chart 2.8**  
**Residential Advanced Services Lines by Technology as of June 30, 2007**

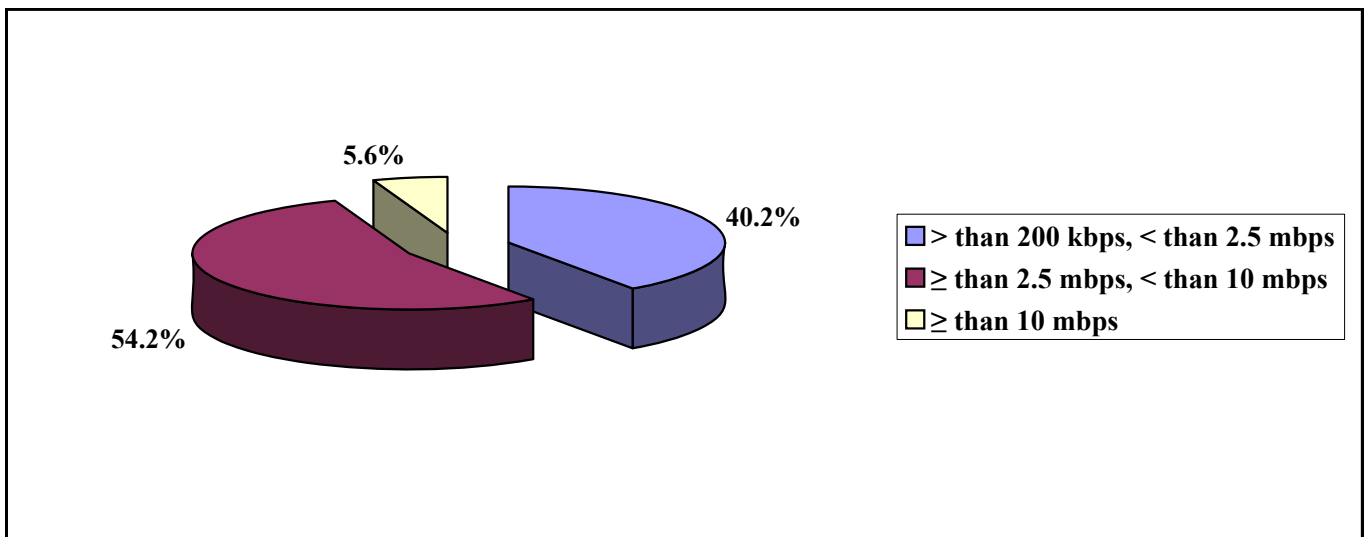


**Table 2.5**  
**High-Speed Lines by Information Transfer Rates <sup>1</sup>**  
**As of June 30, 2007**

Technology <sup>2</sup>	Exceeding 200 kbps in only one direction	Exceeding 200 kbps in both directions, and:				
		Greater than 200 kbps and less than 2.5 mbps in the faster direction	Greater than or equal to 2.5 mbps and less than 10 mbps in the faster direction	Greater than or equal to 10 mbps and less than 25 mbps in the faster direction	Greater than or equal to 25 mbps and less than 100 mbps in the faster direction	Greater than or equal to 100 mbps in the faster direction
ADSL	4,134,882	13,025,758	10,303,122	52,373	*	*
SDSL	639	317,401	1,805	*	*	0
Traditional Wireline	78	671,080	18,740	5,928	6,245	6,651
Cable Modem	468,634	3,941,006	26,682,038	3,246,906	*	*
Fiber	2,087	214,373	646,776	508,829	16,292	14,295
Satellite	611,601	57,202	0	0	0	0
Fixed Wireless	32,222	523,309	30,061	*	*	*
Mobile Wireless	26,115,423	*	*	0	0	0
Power Line and Other	0	*	*	0	*	0
<b>Total Lines</b>	<b>31,365,566</b>	<b>27,944,008</b>	<b>37,683,911</b>	<b>3,814,471</b>	<b>91,983</b>	<b>21,708</b>

\* Data withheld to maintain firm confidentiality.  
See notes following Chart 10.

**Chart 2.9**  
**Lines by Information Transfer Rates in the Faster Directions as of June 30, 2007**  
**(Includes only lines exceeding 200 kbps in both directions)**



### Notes for Tables 2.1 - 2.5 and Charts 2.1 - 2.9.

Advanced services lines, residential high-speed lines, and residential advanced services lines are estimated based on data reported on FCC Form 477. Therefore, figures may not add to totals due to rounding.

<sup>1</sup> High-speed lines are connections to end-user locations that deliver services at speeds exceeding 200 kbps in at least one direction. Advanced services lines, which are a subset of high-speed lines, are connections that deliver services at speeds exceeding 200 kbps in both directions. In Tables 2 and 4, we enumerate those reported high-speed lines that also qualify as advanced services lines. More detailed information about connection speeds is presented in Table 5. Line counts presented in this report are not adjusted for the number of persons at a single end-user location who have access to, or who use, the Internet-access services that are delivered over the high-speed connection to that location.

<sup>2</sup> The mutually exclusive types of technology are, respectively: Asymmetric digital subscriber line (ADSL) technologies, which provide speeds in one direction greater than speeds in the other direction; symmetric digital subscriber line (SDSL) technologies; traditional wireline technologies when used to provide equivalent Internet access functionality, including Ethernet service if delivered to the subscriber's location over copper (as opposed to optical fiber) plant; cable modem, including the typical hybrid fiber-coax (HFC) architecture of upgraded cable TV systems; optical fiber to the subscriber's premises (e.g., Fiber-to-the-Home, or FTTH); satellite and fixed and mobile terrestrial wireless systems, which use radio spectrum to communicate with a radio transmitter; electric power line; and other.

<sup>3</sup> Fiber lines included electric power line through December 2004.

Source: Industry Analysis & Technology Division, Wireline Competition Bureau, *High-Speed Services for Internet Access: Status as of June 30, 2007* (March 2008).

**Table 2.6**  
**High-Speed Lines by Technology as of June 30, 2007**  
**(Over 200 kbps in at least one direction)**

State	ADSL	SDSL	Traditional Wireline	Cable Modem	Fiber	Satellite	Fixed Wireless	Mobile Wireless	Power Line and Other	Total
Alabama	356,732	5,483	10,528	374,029	1,050	*	662	*	*	1,117,951
Alaska	63,708	8,673	483	*	*	*	8,269	*	0	156,187
American Samoa	*	*	0	0	0	0	0	0	0	*
Arizona	405,724	1,491	12,630	850,307	1,996	*	17,122	*	0	2,192,644
Arkansas	226,842	1,406	3,018	205,349	2,254	*	*	*	0	528,653
California	4,582,000	32,731	145,031	3,410,983	194,514	*	60,899	*	0	14,446,700
Colorado	529,504	2,810	16,060	560,557	1,285	*	21,864	*	0	1,827,860
Connecticut	*	3,414	5,964	513,211	2,860	*	0	*	0	1,546,724
Delaware	*	151	1,901	*	*	*	0	*	0	353,763
District of Columbia	*	2,462	2,675	*	704	*	*	*	0	337,897
Florida	1,960,025	8,186	54,413	2,344,445	*	*	*	*	0	6,349,084
Georgia	1,218,885	6,472	33,415	802,047	2,793	*	3,797	*	0	3,091,055
Guam	*	0	*	0	0	0	0	0	0	*
Hawaii	*	*	813	*	329	*	*	*	0	486,337
Idaho	129,188	340	1,507	116,273	635	*	34,905	*	0	483,049
Illinois	1,299,358	11,815	35,976	1,465,869	21,020	*	28,822	*	*	4,305,351
Indiana	566,103	3,855	11,042	410,438	34,449	*	10,834	*	*	1,809,728
Iowa	270,101	4,244	3,151	267,712	5,633	*	14,802	*	0	826,096
Kansas	216,800	4,568	5,555	351,371	3,474	*	13,303	*	0	869,111
Kentucky	340,350	4,352	7,208	383,593	2,513	*	2,100	*	0	959,771
Louisiana	306,283	3,693	9,265	446,485	14,266	*	2,171	*	*	1,087,384
Maine	106,037	3,179	5,083	169,458	2,684	*	*	*	0	349,868
Maryland	512,156	9,180	16,776	829,473	*	*	*	*	0	2,172,295
Massachusetts	*	6,273	16,986	1,088,170	*	*	*	*	0	2,660,501
Michigan	668,725	4,408	22,575	1,197,105	9,033	*	6,655	*	0	2,966,289
Minnesota	449,452	21,562	7,114	570,448	6,961	*	27,403	*	0	1,578,290
Mississippi	180,281	184	4,645	151,539	623	*	*	*	0	399,571
Missouri	618,302	5,653	12,129	473,449	4,731	*	7,512	*	*	1,564,371
Montana	95,790	2,549	876	74,246	286	*	7,653	*	0	346,230
Nebraska	124,126	3,135	1,081	238,019	527	*	10,866	*	0	537,693
Nevada	207,051	1,565	6,422	*	1,810	*	10,997	*	0	1,059,761
New Hampshire	98,113	2,427	4,908	234,466	*	*	*	*	0	544,115
New Jersey	731,487	5,561	17,592	1,473,709	*	*	*	*	0	4,150,053
New Mexico	179,856	401	1,867	117,336	424	*	2,518	*	0	544,706
New York	1,178,637	22,270	26,764	3,164,178	*	*	507	*	0	6,797,126
North Carolina	725,396	24,100	21,531	1,134,075	5,683	*	*	*	0	2,894,042
North Dakota	51,096	3,288	382	76,353	5,508	*	4,873	*	0	144,994
Northern Mariana Isl.	*	0	*	0	*	0	*	0	0	*
Ohio	945,096	4,722	18,124	1,405,899	15,876	*	13,573	*	*	3,956,535
Oklahoma	301,523	3,109	4,637	347,813	4,241	*	3,324	*	0	780,533
Oregon	338,765	7,844	6,121	489,902	23,118	*	21,293	*	0	1,285,947
Pennsylvania	1,125,794	18,768	18,624	1,271,157	*	*	1,214	*	0	4,120,573
Puerto Rico	*	0	3,880	*	*	*	*	*	0	332,671
Rhode Island	*	1,078	1,799	*	*	*	0	*	0	416,053
South Carolina	322,858	92	12,527	459,110	7,684	*	*	*	0	1,308,281
South Dakota	45,772	3,895	252	100,903	2,724	*	4,878	*	0	164,627
Tennessee	446,551	912	24,648	662,520	9,890	*	354	*	0	2,036,625
Texas	2,180,827	13,629	37,066	2,081,963	169,821	*	72,403	*	0	6,855,680
Utah	249,683	5,454	3,947	*	1,907	*	21,252	*	0	818,665
Vermont	68,041	936	2,273	*	*	*	*	*	0	193,151
Virgin Islands	*	*	*	0	0	*	*	*	0	16,014
Virginia	547,941	5,052	18,940	906,252	100,609	*	9,507	*	*	2,689,907
Washington	569,397	7,688	10,799	862,049	19,849	*	45,664	*	*	2,481,537
West Virginia	123,645	*	2,193	155,867	*	*	*	*	0	306,449
Wisconsin	443,296	13,977	15,225	636,675	10,838	*	8,624	*	0	1,459,607
Wyoming	49,933	1,657	190	*	294	*	3,445	*	0	205,711
Nationwide	27,516,171	319,932	708,722	34,408,553	1,402,652	668,803	586,141	35,305,253	5,420	100,921,647

\* Data withheld to maintain firm confidentiality.

Source: Industry Analysis & Technology Division, Wireline Competition Bureau, *High-Speed Services for Internet Access: Status as of June 30, 2007* (March 2008).

**Table 2.7**  
**High-Speed Lines by State**  
**(Over 200 kbps in at least one direction)**

State	2001	2002	2003	2004	2005		2006		2007
	Jun	Jun	Jun	Jun	Jun	Dec	Jun	Dec	Jun
Alabama	86,234	172,365	283,946	350,691	455,300	531,976	615,510	898,850	1,117,951
Alaska	20,906	46,791	61,121	88,076	95,761	109,484	125,005	145,008	156,187
American Samoa	0	0	0	*	*	*	*	*	*
Arizona	154,883	305,304	441,227	618,677	809,819	1,039,445	1,392,711	1,832,564	2,192,644
Arkansas	40,803	84,061	128,100	188,185	258,270	302,881	363,933	431,530	528,653
California	1,639,921	2,527,275	3,378,373	4,608,822	5,954,876	7,337,217	9,395,265	11,894,864	14,446,700
Colorado	142,295	238,702	338,083	515,081	688,189	882,669	1,165,853	1,489,091	1,827,860
Connecticut	146,266	233,277	364,371	516,039	679,891	807,796	1,024,053	1,262,569	1,546,724
Delaware	12,158	35,941	54,272	74,732	108,554	132,399	157,648	273,734	353,763
District of Columbia	28,861	44,266	58,800	83,213	113,086	139,594	200,221	268,008	337,897
Florida	634,703	1,103,236	1,634,552	2,236,963	2,958,350	3,537,720	4,408,427	5,346,321	6,349,084
Georgia	285,637	494,263	748,016	1,039,440	1,328,956	1,610,750	2,054,171	2,547,165	3,091,055
Guam	0	0	0	*	*	*	*	*	*
Hawaii	*	*	*	*	*	*	294,612	417,674	486,337
Idaho	20,233	43,119	64,353	99,845	149,023	167,926	202,521	381,283	483,049
Illinois	325,085	525,817	840,632	1,270,907	1,817,481	2,159,932	2,666,304	3,538,857	4,305,351
Indiana	77,617	156,375	233,679	515,812	742,667	922,569	1,191,752	1,417,112	1,809,728
Iowa	72,583	102,932	162,257	229,811	325,701	394,359	446,187	657,102	826,096
Kansas	101,478	149,415	248,405	322,742	419,384	470,287	595,979	728,569	869,111
Kentucky	39,297	90,284	121,594	300,704	408,184	508,198	629,538	774,736	959,771
Louisiana	121,685	207,257	315,682	420,917	536,934	508,009	730,203	892,835	1,087,384
Maine	37,888	61,069	85,212	123,739	176,396	214,599	248,440	306,006	349,868
Maryland	171,423	306,504	458,128	655,588	899,640	1,120,826	1,492,484	1,813,960	2,172,295
Massachusetts	342,643	566,796	802,423	1,004,229	1,213,640	1,431,925	1,811,845	2,243,742	2,660,501
Michigan	389,441	531,524	729,113	946,819	1,336,312	1,557,918	1,917,892	2,430,869	2,966,289
Minnesota	143,819	269,433	394,982	561,411	716,826	855,752	1,057,576	1,312,900	1,578,290
Mississippi	21,185	57,168	95,628	139,429	191,675	219,552	262,671	332,307	399,571
Missouri	120,863	220,477	362,040	537,343	704,273	811,837	1,016,732	1,275,123	1,564,371
Montana	10,446	17,969	28,023	57,650	90,583	112,662	139,946	264,121	346,230
Nebraska	55,188	92,849	141,172	199,282	253,968	305,120	355,013	470,118	537,693
Nevada	78,076	137,407	209,028	290,518	401,932	474,019	614,151	792,950	1,059,761
New Hampshire	55,241	85,697	118,304	168,000	236,817	268,128	302,957	443,207	544,115
New Jersey	394,198	654,235	924,835	1,194,557	1,605,301	1,989,803	2,654,674	3,392,607	4,150,053
New Mexico	20,099	44,462	71,355	115,147	174,534	204,054	252,361	422,964	544,706
New York	811,386	1,364,556	1,891,457	2,349,956	3,067,983	3,660,500	4,854,803	5,669,523	6,797,126
North Carolina	205,100	461,378	680,828	965,761	1,222,648	1,482,930	1,914,822	2,366,079	2,894,042
North Dakota	6,277	14,164	25,474	39,274	86,274	96,314	108,476	131,348	144,994
Northern Mariana Isl.	0	0	0	0	0	*	*	*	*
Ohio	354,258	575,756	817,020	1,152,300	1,601,981	1,932,269	2,461,379	3,200,543	3,956,535
Oklahoma	90,147	148,006	231,106	331,605	444,777	502,984	569,398	657,940	780,533
Oregon	91,457	197,778	316,300	437,040	558,489	688,487	860,385	1,060,386	1,285,947
Pennsylvania	249,119	501,950	755,947	1,123,876	1,578,981	1,999,118	2,646,898	3,374,313	4,120,573
Puerto Rico	*	*	32,063	43,091	66,484	118,268	169,917	251,163	332,671
Rhode Island	48,258	71,463	104,444	141,981	185,415	221,901	276,141	349,994	416,053
South Carolina	96,839	175,088	262,868	354,877	464,315	549,019	646,344	1,041,762	1,308,281
South Dakota	5,448	12,555	22,016	34,026	112,506	124,243	138,621	154,738	164,627
Tennessee	151,706	293,516	413,476	534,597	682,369	847,025	1,153,432	1,574,022	2,036,625
Texas	614,704	1,015,245	1,571,250	2,203,490	2,943,487	3,467,504	4,357,437	5,554,547	6,855,680
Utah	54,005	92,623	133,467	196,590	259,150	313,854	471,137	638,618	818,665
Vermont	16,230	29,990	39,773	56,033	82,279	95,901	108,622	170,245	193,151
Virgin Islands	*	*	*	*	2,183	2,967	7,226	11,139	16,014
Virginia	202,663	348,716	553,635	817,881	1,117,591	1,367,465	1,792,817	2,197,693	2,689,907
Washington	227,066	422,348	577,378	775,027	1,000,412	1,219,631	1,575,375	2,015,564	2,481,537
West Virginia	16,697	58,209	90,173	127,283	178,323	205,984	245,669	268,746	306,449
Wisconsin	127,172	256,735	401,565	564,670	731,934	859,114	1,034,646	1,253,335	1,459,607
Wyoming	*	10,990	17,507	35,464	55,905	70,574	83,086	156,940	205,711
Nationwide	9,241,996	15,787,647	22,995,444	31,950,574	42,517,810	51,218,145	65,270,912	82,809,845	100,921,647

\* Data withheld to maintain firm confidentiality.

Source: Industry Analysis & Technology Division, Wireline Competition Bureau, *High-Speed Services for Internet Access: Status as of June 30, 2007* (March 2008).

**Table 2.8**

**Percentage of Residential End-User Premises with Access to High-Speed Services as of June 30, 2007**

<b>State</b>	<b>xDSL Availability Where ILECs Offer Local Telephone Service</b>	<b>Cable Modem Availability Where Cable Systems Offer Cable TV Service</b>
Alabama	75%	92%
Alaska	76%	*
American Samoa	*	0%
Arizona	82%	99%
Arkansas	75%	73%
California	89%	98%
Colorado	87%	96%
Connecticut	*	100%
Delaware	*	*
District of Columbia	*	*
Florida	89%	97%
Georgia	91%	90%
Guam	*	0%
Hawaii	*	*
Idaho	76%	99%
Illinois	83%	98%
Indiana	79%	94%
Iowa	85%	89%
Kansas	83%	91%
Kentucky	87%	90%
Louisiana	79%	96%
Maine	68%	93%
Maryland	75%	99%
Massachusetts	*	99%
Michigan	72%	98%
Minnesota	85%	94%
Mississippi	72%	91%
Missouri	79%	97%
Montana	78%	88%
Nebraska	88%	94%
Nevada	90%	*
New Hampshire	61%	99%
New Jersey	87%	100%
New Mexico	78%	77%
New York	77%	99%
North Carolina	85%	96%
North Dakota	88%	83%
Northern Mariana Isl.	*	0%
Ohio	84%	98%
Oklahoma	80%	90%
Oregon	83%	95%
Pennsylvania	83%	94%
Puerto Rico	*	*
Rhode Island	*	*
South Carolina	79%	93%
South Dakota	78%	73%
Tennessee	81%	96%
Texas	79%	96%
Utah	87%	*
Vermont	66%	*
Virgin Islands	*	0%
Virginia	66%	95%
Washington	82%	96%
West Virginia	73%	85%
Wisconsin	81%	96%
Wyoming	80%	*
Nationwide	82%	96%

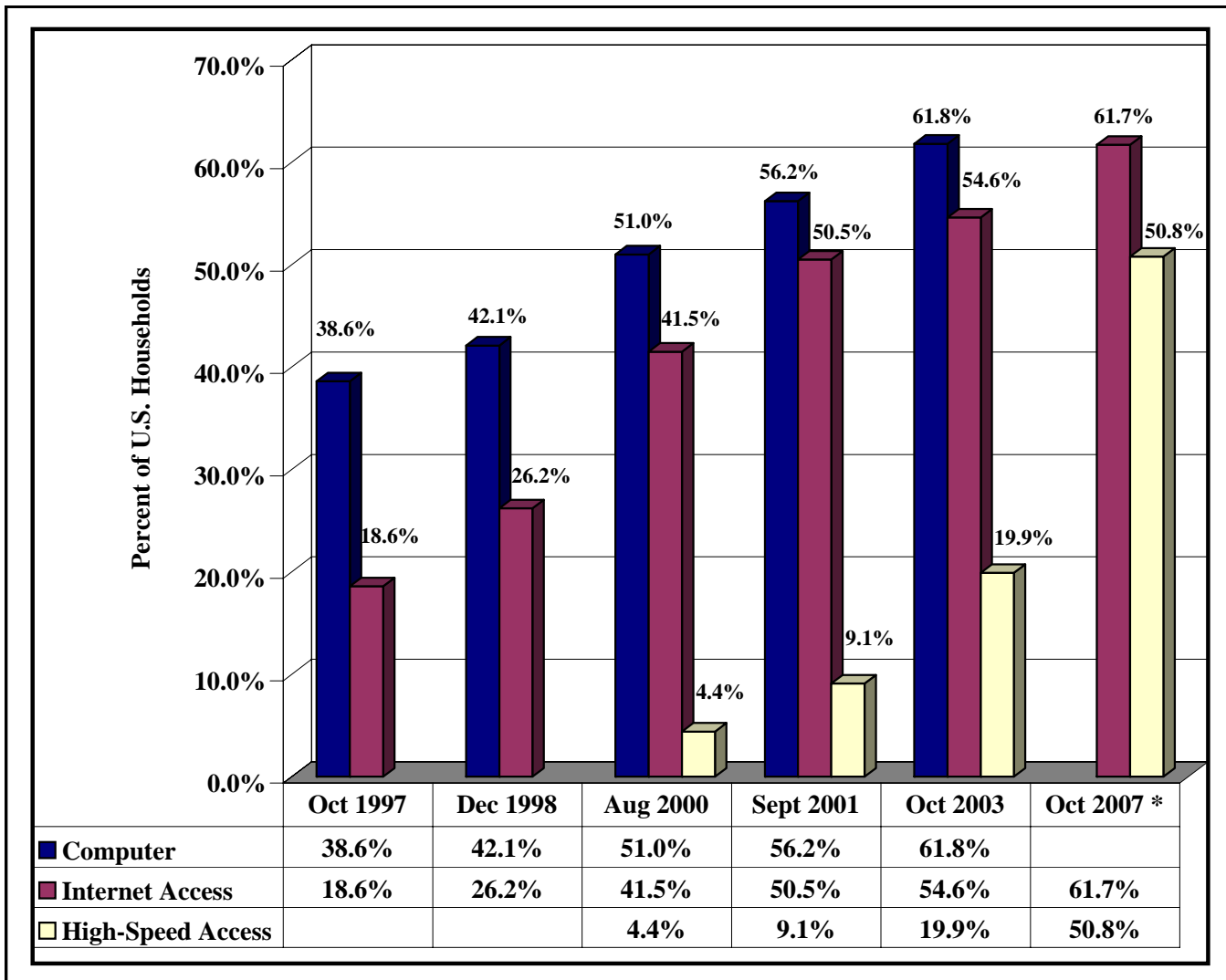
\* Data withheld to maintain firm confidentiality.

xDSL includes both asymmetric and symmetric DSL. Each state-specific estimate is a weighted average of the availability percentages that ILECs or cable system operators report for the areas they serve. Reported xDSL availability is weighted by ILEC end-user switched access lines. Reported cable modem availability is weighted by cable TV subscribers. The weighted averages include ILECs or cable system operators that report no availability.

Source: Industry Analysis & Technology Division, Wireline Competition Bureau, *High-Speed Services for Internet Access: Status as of June 30, 2007* (March 2008).



**Chart 2.10**  
**Percent of U.S. Households**  
**With Computers, Internet Access, and High-Speed Access**  
**Selected Years (1997 - 2007)**



\* Data on computer penetration are not available for 2007.

Sources: Networked Nation: Broadband in America: 2007, January 2008, U.S. Department of Commerce, National Telecommunications and Information Administration (NTIA), and A Nation Online: Entering the Broadband Age, September 2004, U.S. Department of Commerce, Economics and Statistics Administration (ESA), National Telecommunications and Information Administration, and U.S. Census Bureau.

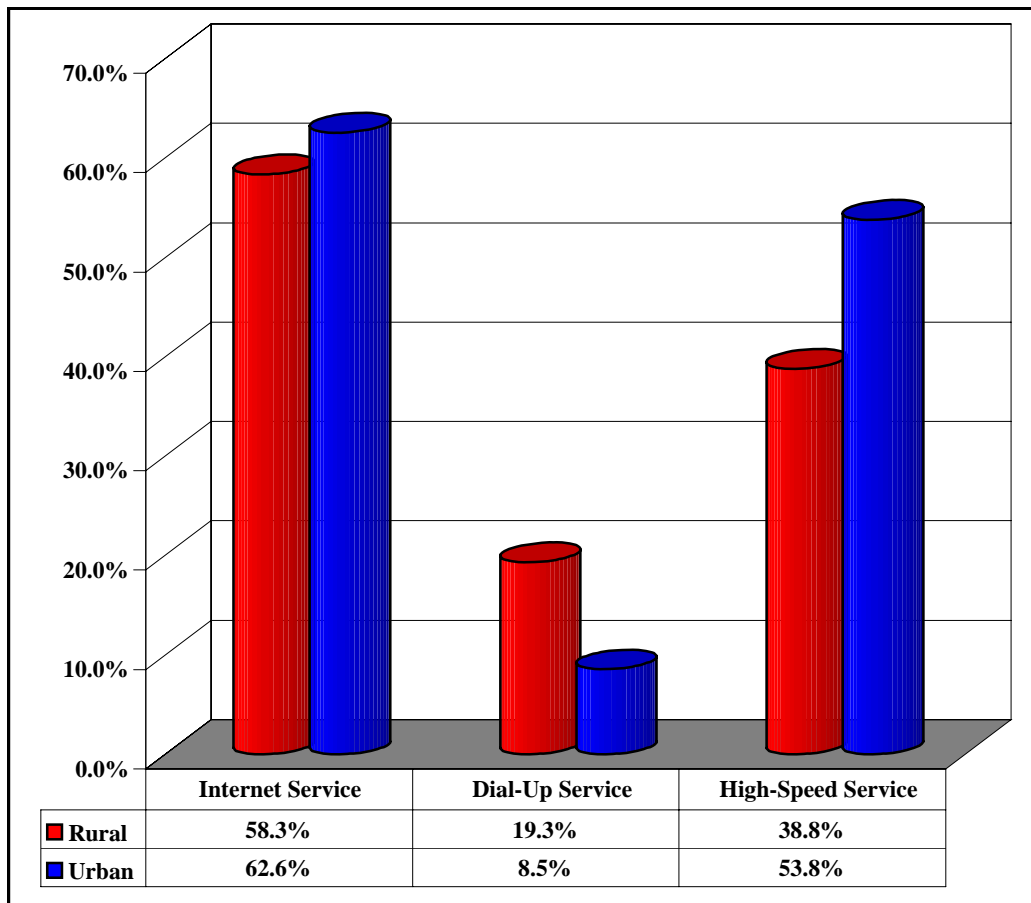
**Table 2.9**  
**Percent of U.S. Households with Internet Connections**  
**Rural versus Urban**  
**(As of October 2007)**

	<b>Rural</b>	<b>Urban</b>	<b>Total</b>
<b>Internet Service</b>	58.3 %	62.6 %	61.7 %
Dial-Up Service	19.3	8.5	10.7
High-Speed Service	38.8	53.8	50.8
Other	0.3	0.3	0.3

Note: Figures may not add up due to rounding.

Sources: Networked Nation: Broadband in America: 2007, January 2008, U.S. Department of Commerce, National Telecommunications and Information Administration (NTIA).

**Chart 2.11**  
**Percent of U.S. Households with Internet Connections**  
**Rural versus Urban**  
**(As of October 2007)**



### 3 Consumer Expenditures

The Bureau of Labor Statistics conducts surveys of consumer expenditures, in part, to develop weights for CPI indices. Table 3.1 shows total annual expenditures for telephone service for all consumer units.

About 2% of all consumer expenditures are devoted to telephone service. This percentage has remained virtually unchanged over the past twenty years, despite major changes in the telephone industry and in telephone usage. Average annual expenditures on telephone service increased from \$360 per household in 1981 to \$1,087 in 2006.

Bill Harvesting® data collected by TNS Telecoms provide information on the telecommunications expenditures of households. (Additional information on TNS Telecoms can be found in Section 14 and Appendix B.)

Expenditures can be classified by the type of service provider. Table 3.2 presents average monthly household bills from wireline and wireless providers for 1995 through 2007.<sup>1</sup> The upper portion of the table shows average monthly expenditures for the entire sample of households while the lower shows average monthly expenditures among those households billed by each type of service provider. The average monthly household expenditures are greater in the latter portion of the table since those households not billed for particular services are removed from the average.

Another measure of consumer expenditures for telephone service is provided by the Bureau of Economic Analysis. The estimates of personal consumption expenditures by wireline and cellular services in Table 3.3 and Charts 3.1 and 3.2 illustrate the increasing importance of the wireless share of household telephone service expenditures.

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<sup>1</sup> In this Trends Report, expenditures by local exchange providers and long distance providers have been combined. The breakout between local exchange and long distance expenditures has become more difficult to identify over time as LECs have increased the amount of bundled services that they provide to consumers.

**Table 3.1**  
**Household Expenditures for Telephone Service**

Year	Annual Expenditures for All Households		Telephone Expenditures as a Percent of All Expenditures
	All Expenditures	Telephone Expenditures	
1981	\$17,558	\$360	2.1 %
1982	18,071	375	2.1
1983	19,692	415	2.1
1984	21,975	435	2.0
1985	23,490	455	1.9
1986	23,866	471	2.0
1987	24,414	499	2.0
1988	25,892	537	2.1
1989	27,810	567	2.0
1990	28,381	592	2.1
1991	29,614	618	2.1
1992	29,846	623	2.1
1993	30,692	658	2.1
1994	31,731	690	2.2
1995	32,264	708	2.2
1996	33,797	772	2.3
1997	34,819	809	2.3
1998	35,535	830	2.3
1999	36,995	849	2.3
2000	38,045	877	2.3
2001	39,518	914	2.3
2002	40,677	957	2.4
2003	40,817	956	2.3
2004	43,395	990	2.3
2005	46,409	1,048	2.3
2006	48,398	1,087	2.2

Source: Bureau of Labor Statistics, *Consumer Expenditure Survey*.

**Table 3.2**  
**Average Monthly Household Telecommunications Expenditures**  
**By Type of Provider**

(Averages for all Households)

Year	Wireline Providers	Wireless Providers	Total
1995	\$51	\$7	\$58
1996	51	9	60
1997	57	11	68
1998	56	14	70
1999	55	17	72
2000	53	23	76
2001	51	29	80
2002	48	35	83
2003	47	41	88
2004	45	47	92
2005	44	53	97
2006	44	58	102
2007	45	68	113

(Averages for only those Households Billed for Service)

Year	Wireline Providers	Wireless Providers	Total
1995	\$54	\$46	\$100
1996	56	45	101
1997	60	40	100
1998	61	41	102
1999	59	42	101
2000	59	46	105
2001	57	51	108
2002	55	56	111
2003	53	62	115
2004	49	67	116
2005	49	74	122
2006	48	78	126
2007	48	85	133

Note: **Average monthly household expenditures are estimates based on sample data.** All households in the sample have wireline telephone service. Households in Alaska and Hawaii are excluded from the analysis. No effort was made to distinguish bundled prices from a la carte prices. For households taking bundled local and long distance from the same provider, the entire bill is generally considered local.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms *ReQuest Market Monitor*<sup>TM</sup>, *Bill Harvesting*<sup>®</sup>.

**Table 3.3**  
**Personal Consumption Expenditures**  
**(Expenditure Amounts Shown in Millions)**

	<b>All Goods and Services 1/</b>	<b>Wireline Telephone Services 2/</b>	<b>Cellular Telephone Services 3/</b>	<b>Total Telephone Services</b>	<b>Telephone Service as a Percentage of All Goods &amp; Services</b>	<b>Wireline as a Percentage of All Telephone Service</b>	<b>Cellular as a Percentage of All Telephone Service</b>
1980	\$1,757,133	\$27,560	\$0	\$27,560	1.6 %	100 %	0 %
1981	1,941,060	30,883	0	30,883	1.6	100	0
1982	2,077,268	35,140	0	35,140	1.7	100	0
1983	2,290,556	38,639	0	38,639	1.7	100	0
1984	2,503,287	41,786	0	41,786	1.7	100	0
1985	2,720,305	45,877	101	45,978	1.7	100	0
1986	2,899,724	49,088	173	49,261	1.7	100	0
1987	3,100,234	51,637	242	51,879	1.7	100	0
1988	3,353,615	53,771	591	54,362	1.6	99	1
1989	3,598,496	56,689	1,352	58,041	1.6	98	2
1990	3,839,937	58,276	2,246	60,522	1.6	96	4
1991	3,986,066	60,660	3,088	63,748	1.6	95	5
1992	4,235,265	65,803	4,866	70,669	1.7	93	7
1993	4,477,887	68,370	6,423	74,793	1.7	91	9
1994	4,743,287	72,634	8,522	81,156	1.7	89	11
1995	4,975,787	73,753	11,274	85,027	1.7	87	13
1996	5,256,832	79,052	13,735	92,787	1.8	85	15
1997	5,547,400	87,942	15,706	103,648	1.9	85	15
1998	5,879,482	91,410	18,902	110,312	1.9	83	17
1999	6,282,474	94,249	24,149	118,397	1.9	80	20
2000	6,739,378	94,881	30,187	125,068	1.9	76	24
2001	7,055,038	91,658	36,713	128,371	1.8	71	29
2002	7,350,722	87,002	41,750	128,752	1.8	68	32
2003 <sup>4/</sup>	7,703,630	83,509	46,212	129,721	1.7	64	36
2004 <sup>4/</sup>	8,195,862	81,360	51,610	132,970	1.6	61	39
2005 <sup>4/</sup>	8,694,113	75,183	57,785	132,968	1.5	57	43
2006 <sup>4/</sup>	9,207,207	70,640	65,110	135,750	1.5	52	48
2007	9,710,168	69,585	72,077	141,662	1.5	49	51

1/ Represents the sum of three series: Durable Goods (Series E1TDG1 A); Non-durable goods (Series E1TND1 A) and Services (Series E1TSS1 A).

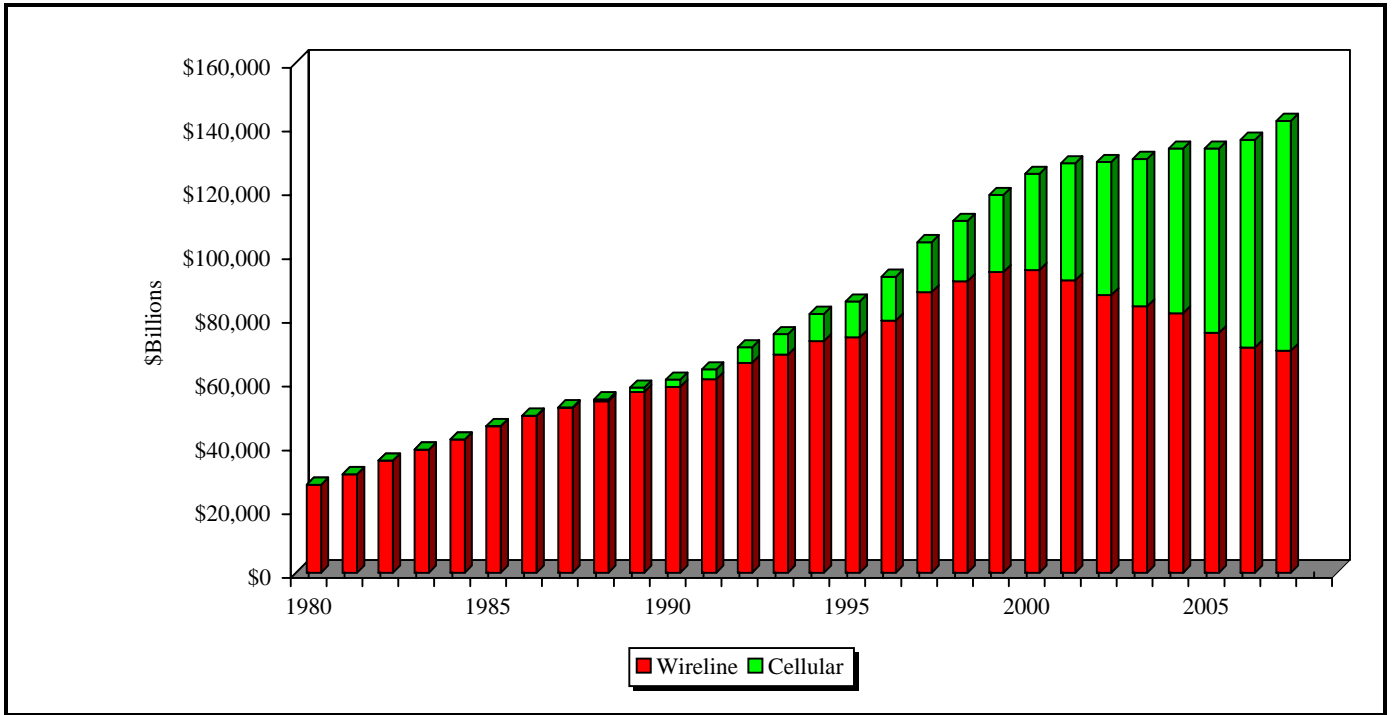
2/ Represents the sum of two series: Local Telephone Service (Series E1OLC1 D) and Long Distance Telephone Services (Series E1LDT1 D).

3/ Cellular Telephone Service (Series E1CEL1 D).

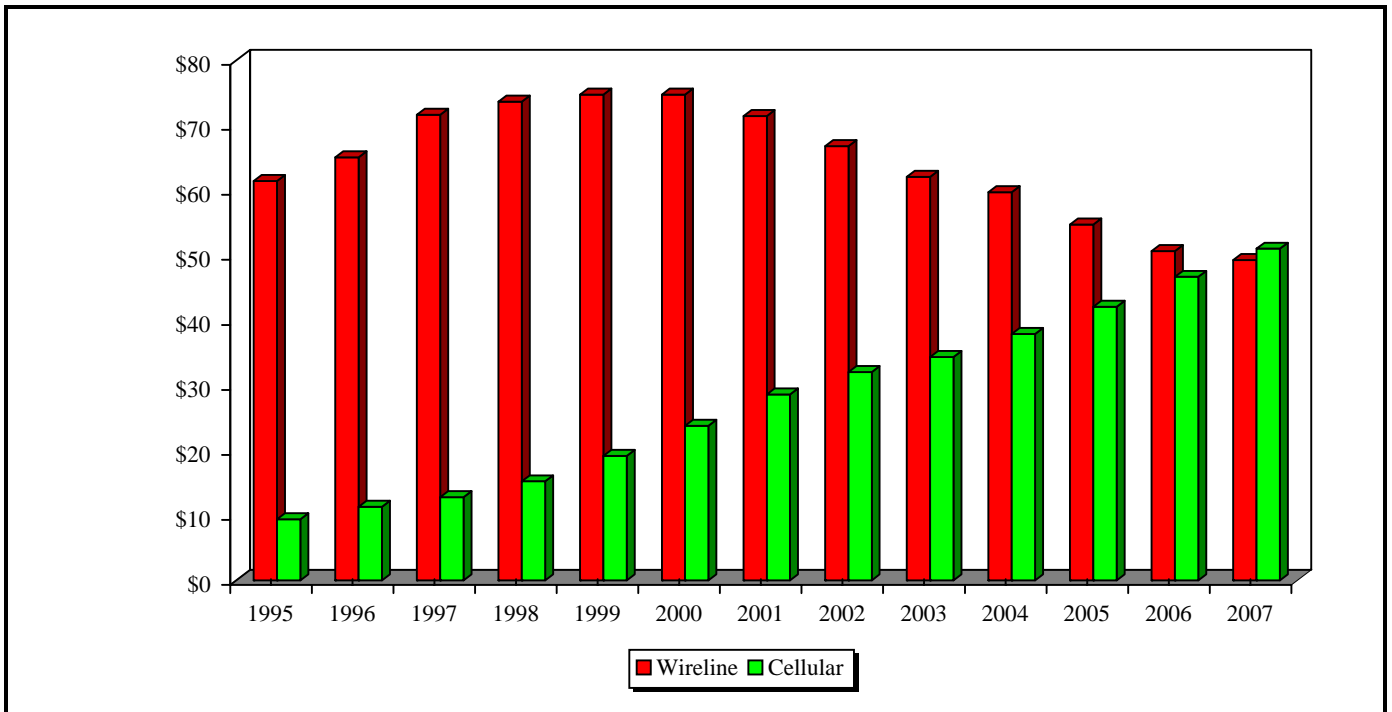
4/ Revised Figures.

Source: Bureau Of Economic Analysis, National Economic Accounts, Table 2.4.5U. Personal Consumption Expenditures by Type of Product. See [http://www.bea.gov/national/nipaweb/nipa\\_underlying/SelectTable.asp](http://www.bea.gov/national/nipaweb/nipa_underlying/SelectTable.asp), last visited August 14, 2008.

**Chart 3.1**  
**Personal Consumption Expenditures for Telephone Service**  
**(\$ Billions)**



**Chart 3.2**  
**Monthly Personal Consumption Expenditures for Telephone Service per Household**



## 4 Earnings

Beginning in the mid-1980s, local exchange carriers that file access tariffs with the Commission were required to file rate-of-return reports (FCC Form 492). The first reports were filed for the monitoring period October 1, 1985 - December 31, 1986. Carriers filed reports for each subsequent two-year monitoring period (1987-88 and 1989-90).

In 1991, carriers that became subject to price-cap incentive regulation began filing reports on a yearly basis. Non-price-cap carriers filed annual reports for each monitoring period. Table 4.1 is a summary of interstate rates of return for 1998-2006 filed by price-cap carriers. Rates of return for 1991-1997 can be found in the August 2001 *Trends* report which can be accessed at [www.fcc.gov/wcb/stats](http://www.fcc.gov/wcb/stats).

The rates of return shown in Table 4.1 were those posted at the time of the carriers' individual FCC Form 492 filings. They do not reflect revisions filed by the carriers at a later date. Thus, they are not necessarily the official versions for regulatory purposes, but they do illustrate general industry trends. Summaries of the filings can be found on the Wireline Competition Bureau Statistical Reports web site at [www.fcc.gov/wcb/stats](http://www.fcc.gov/wcb/stats). Copies of the FCC Form 492A reports are on file in the FCC's Reference Information Center, Courtyard Level, 445 12th Street S.W., Washington, D.C. 20554.



**Table 4.1**  
**Interstate Rate of Return Summary \***  
**Years 1998 through 2006**  
**Price-Cap Companies Reporting FCC Form 492A**  
**(Final Reports for 1998 Through 2005 and Initial Report for 2006) <sup>1</sup>**

Reporting Entity	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>AT&amp;T, Inc.</b>									
1 AT&T Southeast (formerly BellSouth Communications Inc)	15.89 %	25.00 %	22.68 %	21.93 %	19.35 %	21.25 %	22.83 %	20.99 %	20.80 %
2 Ameritech Operating Companies	33.22	27.92	22.51	20.55	20.24	25.72	30.24	28.93	22.59
3 Nevada Bell Telephone Company	33.54	31.29	24.76	20.16	14.86	20.86	21.55	19.26	16.02
4 Pacific Bell Telephone Company	48.35	36.81	28.77	26.23	21.00	23.79	19.20	21.01	16.50
5 Southern New England Telephone Company, The	28.58	27.47	21.82 <sup>6</sup>	23.93	18.47	23.57	18.21	12.12	10.99
6 Southwestern Bell Telephone Company L.P.	26.72	20.27	16.38 <sup>6</sup>	15.60	14.88	18.81	15.17	10.22	9.91
7 Qwest Corporation, Including Malheur and El Paso	41.73	28.60 <sup>10</sup>	25.07	22.74	20.08	19.14	19.93	19.06	16.56
<b>Verizon Telephone Companies</b>									
8 Verizon Telephone Companies (Verizon FCC Tariff No. 1 & No. 11) (Former Bell Atlantic Companies)	16.61	18.37	11.24	8.00	11.95	12.93	13.36	13.66	
Bell Atlantic									13.88
Bell Atlantic (NYNEX)									11.40
New England Telephone and Telegraph Co.									
New York Telephone									
9 Verizon California Inc. (California - GTCA)	32.33	27.89	34.99	29.17	28.50	28.48	25.87	22.01	17.19
11 Verizon California Inc. (Arizona - COAZ)	19.58	26.11	6.17	2.05	6.99	13.25	10.9	15.57	13.80
10 Verizon California Inc. (California - COCA)	54.16	40.93	36.93	30.64	28.22	29.80	28.74	28.28	22.71
12 Verizon California Inc. (Nevada - CONV)	40.44	27.98	28.79	28.51	24.08	26.66	28.82	20.57	24.01
13 Verizon Florida Inc. (Florida - GTFL)	31.76	32.25	28.96	24.46	22.03	29.23	21.90	18.93	14.58
14 Verizon North Inc. (COPA + COQS = COPT)	32.55	38.92	32.88 <sup>6</sup>	40.74	43.61	39.71	41.05	39.58	45.97
15 Verizon North Inc. (Illinois - COIL)	42.83	41.27	41.72	60.34	54.09	53.67	44.51	41.03	14.11
16 Verizon North Inc. (Indiana - COIN)	54.82	51.36	40.36	47.34	46.06	46.55	47.67	41.40	34.61
17 Verizon North Inc. (Ohio - GTOH)	19.83	20.96	18.58	19.39	19.53	20.45	21.88	21.7	21.83
18 Verizon North Inc. (Pennsylvania - GTPA)	9.42	52.26	20.50	13.76	22.50	23.17	21.95	21.41	14.67
19 Verizon North Inc. (Wisconsin - GTWI)	17.19	13.86	11.53 <sup>6</sup>	10.85	9.90	14.16	16.99	17.85	16.08
20 Verizon North/Verizon South (GTIN + GLIN = GAIN)	20.06	22.78	22.34	22.64	24.75	32.82	33.00	32.47	29.06
21 Verizon North/Contel South (GTMI + GLMI = GAMI)	20.06	17.88	14.83 <sup>6</sup>	15.10	16.64	17.49	16.45	15.75	13.17
22 Verizon North/Verizon South (GTIL + GLIL = GAIL)	25.56	23.11	23.29	21.99	21.54	23.67	23.90	22.35	23.07
27 Verizon Northwest Inc. (Idaho - GTID)	47.65	43.93	34.53	28.20	33.01	38.74	34.17	32.24	30.89
23 Verizon Northwest Inc. (Oregon - GTOR)	29.21	32.43	25.44	26.28	26.10	31.69	30.95	31.56	27.03
25 Verizon Northwest Inc. (Washington - COWA)	39.13	33.53	30.44	36.20	31.57	40.06	39.49	39.17	30.41
26 Verizon Northwest Inc. (Washington - GTWA)	40.09	33.22	33.91	29.82	28.97	34.03	33.26	32.91	27.33
24 Verizon Northwest Inc. (West Coast CA - GNCA)	(1.59)	(33.59)	(9.44)	(13.80)	(5.17)	1.91	(8.35)	(9.93)	(6.85)
28 Verizon South Inc. (North Carolina - GTNC)	29.10	(27.32)	17.52	16.74	23.45	30.08	26.44	24.85	27.92
29 Verizon South Inc. (N. Carolina - CONC)	25.24	26.27	10.10	14.77	21.97	22.17	17.75	19.87	12.78
30 Verizon South Inc. (GTSC + COSC = GTST)	34.71	26.00	39.63	28.19	29.82	32.44	31.19	30.70	
Verizon South Inc. (Alabama - GTAL)						24.02	20.24	22.23	17.59
Verizon South Inc. (Kentucky - COKY)						30.95	20.60	9.55	5.97
Verizon South Inc. (Kentucky - GTKY)						27.21	25.07	24.03	22.34
GTE South Inc. (South Carolina - GTSC)									30.62
GTE South Inc. (South Carolina - COSC)									26.14
31 Verizon South Inc. (Virginia - COVA)	50.55	46.88	33.50	39.52	40.41	40.69	40.85	34.74	35.19
32 Verizon South Inc. (Virginia - GTVA)	13.94	19.98	24.17	(22.01)	1.76	9.53	6.62	9.94	20.56
33 GTE Southwest Inc. dba Verizon Southwest (Texas - COTX)	13.34	11.09	11.23	10.05	12.46	11.9	12.17	17.13	14.96
34 GTE Southwest Inc. dba Verizon Southwest (Texas - GTTX)	16.32	18.38	18.21	18.74	20.47	24.35	21.65	21.42	16.43
GTE Midwest Inc. (Missouri - COMO + COCM + COEM = COMT)						20.33	17.06	15.29	12.56
GTE Midwest Inc. (Missouri - GTMO)						23.92	19.15	11.82	16.08
GTE Systems of The South (Alabama - COAL)						15.77	14.93	10.88	7.97

**Table 4.1**  
**Interstate Rate of Return Summary \***  
**Years 1998 through 2006**  
**Price-Cap Companies Reporting FCC Form 492A - Continued**  
**(Final Reports for 1998 Through 2005 and Initial Report for 2006) <sup>1</sup>**

Reporting Entity	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Embarq</b>									
35 Central Telephone Company - Nevada Division	53.49 % <sup>8</sup>	45.80 %	43.37 %	34.16 %	23.80 %	19.61 %	19.29 %	21.15 %	17.79 %
36 Embarq - Florida Incorporated	40.43 <sup>8</sup>	43.03	40.98 <sup>6</sup>	35.54	29.41	25.89	27.38	27.17	26.14
37 Embarq Local Telephone Cos. - Eastern (NJ & PA)	50.74 <sup>8</sup>	56.61	55.14 <sup>6</sup>	45.38	37.78	26.21	25.62	20.87	14.59
38 Embarq Local Telephone Cos. - Midwest (MO, KS, MN, NE, WY, TX)	30.84 <sup>8</sup>	32.36	29.17 <sup>6</sup>	25.24	18.89	16.63	18.88	17.69	19.66
39 Embarq Local Telephone Cos. - North Carolina	46.08 <sup>8</sup>	50.82	51.62 <sup>6</sup>	45.89	36.64	25.56	22.23	15.92	12.55
40 Embarq Local Telephone Cos. - Northwest (OR & WA)	32.06 <sup>8</sup>	33.80	23.90 <sup>6</sup>	33.51	34.62	31.55	32.77	31.86	32.54
41 Embarq Local Telephone Cos. - Southeast (TN, VA & SC)	40.98 <sup>8</sup>	38.35	36.14 <sup>6</sup>	34.34	33.76	25.33	23.32	17.50	15.87
42 United Telephone Co. of Indiana, Inc.	64.24 <sup>8</sup>	71.95	68.80 <sup>6</sup>	46.47	41.75	35.19	38.21	28.98	24.19
43 United Telephone Co. of Ohio	50.39 <sup>8</sup>	46.30	39.01 <sup>6</sup>	31.50	30.89	27.13	20.03	20.16	17.33
<b>All Other Companies</b>									
44 CenturyTel of Belle-Hermann/So Missouri/Sw Missouri (CNMO)	26.29	30.75	22.94	14.53	4.69 <sup>2</sup>				
45 CenturyTel of Central Missouri (CNMC)	40.53	47.21	37.88 <sup>6</sup>	32.54	11.83 <sup>2</sup>				
46 CenturyTel of Northern Alabama (CNAN)	44.51	26.77	11.97	8.23	7.49 <sup>3</sup>				
47 CenturyTel of Southern Alabama (CNAS)	39.47	32.36	23.21	24.13	15.78 <sup>3</sup>				
48 Cincinnati Bell Telephone Company	47.98	53.10	33.71 <sup>6</sup>	32.48	28.64 <sup>4</sup>	30.09	28.95	25.45	17.81
49 Citizens Comms Cos. dba Citizens Comms FCC Tariff 1 (CTC1)	45.66	41.31	34.99 <sup>6</sup>	24.40	19.27	15.73	19.68	16.71	17.87
50 Citizens Comms Cos. dba Citizens Comms FCC Tariff 2 (CTC2)	59.07	48.43	37.75 <sup>6</sup>	16.14	20.67	17.30	24.05	15.74	14.29
51 Citizens Comms Cos. dba Citizens Comms FCC Tariff 3 (CTC3)	23.46	22	12.19 <sup>6</sup>	10.40	8.94	4.52	16.12	15.56	
52 Citizens Comms Cos. dba Citizens Comms FCC Tariff 4 (CTC4)	56.69	57.95	42.79 <sup>6</sup>	35.38	23.31	13.08	30.94		
56 Citizens Telecommunications Cos. (CTCS)				40.37	4.90	0.86	(11.23)		
53 Frontier Telephone of Rochester	18.21	11.32	55.89 <sup>6</sup>	10.67	11.47	12.32	18.91	16.77	18.37
54 Frontier Tier 2 Concurring Companies	51.56	59.64	11.45 <sup>6</sup>	38.49	33.34	38.12	38.95	43.42	45.45
55 Frontier Comms of Minnesota & Frontier Comms of Iowa	34.9	47.18	33.67 <sup>6</sup>	32.16	31.15	25.24	33.16	35.40	29.28
57 Hawaiian Telecom	22.41	21.88 <sup>10</sup>	9.44 <sup>7</sup>	16.96	15.30	16.72	17.87	17.62	15.64
58 Iowa Telecom Service Group	25.51	19.36 <sup>10</sup>	17.30 <sup>6</sup>	17.58 <sup>5</sup>	14.26 <sup>4</sup>	13.07			
59 Iowa Telecom Systems Service Group	15.2	19.14 <sup>10</sup>	20.16	23.97 <sup>5</sup>	20.47 <sup>4</sup>	18.45			
60 Micronesian Telecommunications Corp.	45.48	43.52	43.52 <sup>6</sup>	33.91	32.75	21.83	23.58	29.24	34.45
61 Windstream Nebraska	23.87 <sup>9</sup>	28.40 <sup>10</sup>	14.25 <sup>6</sup>	13.43	12.20	12.57	12.99	19.27	15.02
62 Windstream Kentucky East - Lexington, Inc.	30.15 <sup>9</sup>	38.10 <sup>10</sup>	33.40 <sup>6</sup>	26.75	27.78				
63 Windstream Kentucky East - London, Inc.	14.12 <sup>9</sup>	23.37 <sup>10</sup>	25.50 <sup>6</sup>	26.26	28.76				
64 Valor Telecom of TX d/b/a Windstream Com S/W New Mexico #1164	11.6	28.25 <sup>10</sup>	22.96 <sup>6</sup>	18.45	16.86	11.45	20.67		
65 Valor Telecom of TX d/b/a Windstream Com S/W New Mexico #1193	5.54 <sup>9</sup>	17.77 <sup>10</sup>	21.16 <sup>6</sup>	20.41	15.88	8.39	13.35		
66 Valor Telecom of TX d/b/a Windstream Com S/W Oklahoma	-1.34 <sup>9</sup>	19.38 <sup>10</sup>	15.29 <sup>6</sup>	8.69	9.31	11.65	11.22		
67 Valor Telecom of TX d/b/a Windstream Com S/W Texas	-1.13 <sup>9</sup>	18.08 <sup>10</sup>	13.47 <sup>6</sup>	15.21	10.66	5.70	5.24		
Maximum Rate of Return	64.24 %	71.95 %	68.80 %	59.89 %	54.09 %	53.67 %	47.67 %	43.42 %	48.69 %
Minimum Rate of Return	(1.59)	(33.59)	(9.44)	(17.50)	(5.17)	0.86	(11.23)	(9.93)	(25.83)
Weighted Arithmetic Mean	23.48	20.44	20.44	18.06	17.69	19.62	18.04	18.50	15.60
Standard Deviation	9.13	9.00	9.00	8.63	5.69	5.80	5.17	5.96	3.96

\* The interstate rates of return reported by carriers on the FCC Form 492A may not necessarily agree with the interstate rates of return reported by the carriers on other Commission forms. For example, price-cap carriers also report interstate rates of return on the Commission's Automated Reporting Management Information System's (ARMIS) 43-01 report. The interstate rates of return reported by carriers on the ARMIS 43-01 include revenues and costs for non-price-cap services.

<sup>1</sup> For years 1991 - 1997, see Industry Analysis Division, Common Carrier Bureau, *Trends in Telephone Service* (August 2001).

<sup>2</sup> For the reporting period 9/1/02 - 12/31/02.

<sup>3</sup> For the reporting period 7/1/02 - 12/31/02.

<sup>4</sup> For final 2002, there were no changes to the preliminary.

<sup>5</sup> For final 2003, there were no changes to the preliminary.

<sup>6</sup> For final 2004, there were no changes to the preliminary.

<sup>7</sup> Verizon sold these companies in 2005.

<sup>8</sup> Sprint and Nextel completed the spin-off of its local business to Embarq Corporation on May 17, 2006.

<sup>9</sup> Windstream formed through spinoff of Alltel's landline business and merger with Valor Communications.

<sup>10</sup> For final 2005, there were no changes to the preliminary.

## 5 Employment and Labor Productivity

The Bureau of Labor Statistics (BLS) publishes monthly data regarding the total number of employed workers in the communications industry. Specifically, BLS compiles employment statistics for the entire telephone communications industry.<sup>1</sup> These are classified according to the North American Industry Classification System (NAICS).

NAICS is a collaborative effort between the United States, Canada, and Mexico to provide new comparability in statistics about business activity across North America. The telecommunications industry subsector (517) can be found in the 2007 NAICS *Information Sector – 50*.<sup>2</sup> The industry groups under telecommunications are as follows: wired telecommunications carriers (5171)<sup>3</sup>; wireless telecommunications carriers (5172)<sup>4</sup>; telecommunications resellers (517911)<sup>5</sup>; and other telecommunications (5179). Further information on NAICS can be found on the Bureau of Labor Statistics web site at <http://www.bls.gov/ces/cesnaics07.htm>.

Table 5.1 and the associated graph show the information compiled by BLS for the annual average employment figures for the telecommunications industry – NAICS 517, as well as the industry distributions for wired telecommunications carriers – NAICS 5171, wireless telecommunications carriers – NAICS 5172, telecommunications resellers – NAICS 517911, and other telecommunications – NAICS 5179. Monthly employment data for these categories from 1990 to the present can be found on the BLS web site at [www.bls.gov](http://www.bls.gov).

Table 5.2 and the associated graph show the information compiled by BLS for the labor productivity index for wired telecommunications carriers – NAICS 5171 and wireless telecommunications carriers – NAICS 5172. The BLS index of labor productivity relates output to the employee hours expended in producing that output.

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<sup>1</sup> BLS used to compile data based on the Standard Industrial Classification (SIC) system. With the May 2003 data, the employment series underwent a complete industry reclassification, changing from the 1987 SIC system to the 2002 NAICS. Employment statistics from 1951 to 2002 based on the SIC system can be found in Table 5.1 of the Industry Analysis and Technology Division, Wireline Competition Bureau, *Trends in Telephone Service* (August 2003). The Labor Productivity Index for the telephone communications industry for the years 1951 to 2002 based on the SIC system can also be found in the August 2003 edition of *Trends* in Table 5.2.

<sup>2</sup> On February 1, 2008, the CES National Nonfarm Payroll series was updated to the 2007 NAICS from the 2002 NAICS basis. The conversion to NAICS 2007 resulted in minor definitional changes within manufacturing, telecommunications, financial activities, and professional and technical services. Several industry titles and descriptions were updated. The most significant revisions are in the Information sector, particularly within the telecommunications area.

<sup>3</sup> Wired telecommunications carriers (5171) now includes Cable and Other Program Distribution (5175).

<sup>4</sup> Wireless telecommunications carriers (5172) now includes Cellular and Other Wireless Carriers (517212).

<sup>5</sup> Telecommunications resellers changed their series from (5173) to (517911).

Table 5.3 presents estimates of the number of telecommunications service providers that the Small Business Administration's Office of Size Standards defines as small businesses (i.e., 1,500 or fewer employees, including all affiliates).

**Table 5.1**  
**Annual Average Number of Employees in the Telecommunications Industry**  
**(In Thousands)**

Year	Telecom Carriers <sup>1</sup> 517	Wired Telecom Carriers <sup>2</sup> 5171	Wireless Telecom Carriers <sup>3</sup> 5172	Telecom Resellers 517911	Other Telecom <sup>4</sup> 5179
1990	1,008.5	759.5	35.8	179.5	33.7
1991	999.9	749.9	41.8	178.1	30.2
1992	972.9	725.8	47.8	172.6	26.7
1993	969.5	716.5	56.3	170.5	26.2
1994	989.5	719.2	71.7	171.8	26.8
1995	1,009.3	717.6	90.3	171.2	30.2
1996	1,038.1	722.2	110.1	171.6	34.2
1997	1,108.0	755.7	132.1	181.3	38.9
1998	1,167.4	789.8	144.2	188.7	44.7
1999	1,270.8	853.2	159.9	200.2	57.4
2000	1,396.6	921.8	185.6	213.6	75.7
2001	1,423.9	933.8	201.4	214.1	74.7
2002	1,280.9	837.1	197.3	179.5	67.1
2003	1,166.8	761.8	189.9	154.9	60.2
2004	1,115.1	720.4	189.7	147.3	57.8
2005	1,071.3	689.6	191.3	135.1	55.4
2006	1,047.6	669.2	200.2	125.6	52.5
2007	1,028.5	654.6	209.1	119.4	45.3

Note: The 2007 figures are preliminary.

<sup>1</sup> Figures may not add up due to rounding.

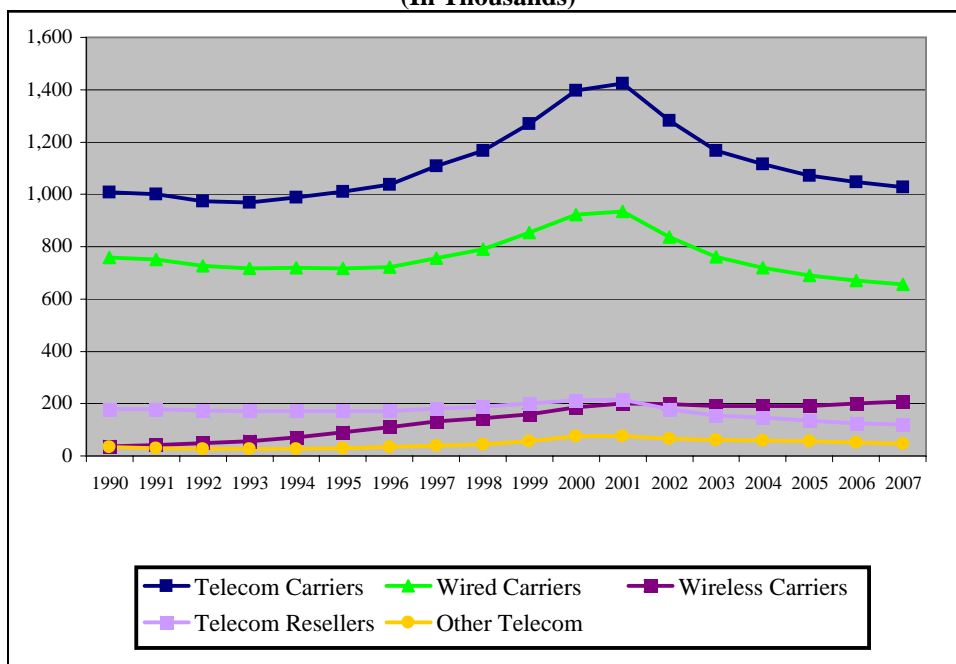
<sup>2</sup> Cable and Other Program Distribution (formerly 5175) is no longer reported separately and is reported in Wired Telecom Carriers (5171).

<sup>3</sup> Cellular and Other Wireless Carriers (formerly 517212) is no longer reported separately and is reported in Wireless Telecom Carriers (5172).

<sup>4</sup> Totals for Other Telecom (5179) exclude data reported for Telecom Resellers (517911).

Source: Bureau of Labor Statistics.

**Chart 5.1**  
**Annual Average Number of Employees in the Telecommunications Industry**  
**(In Thousands)**

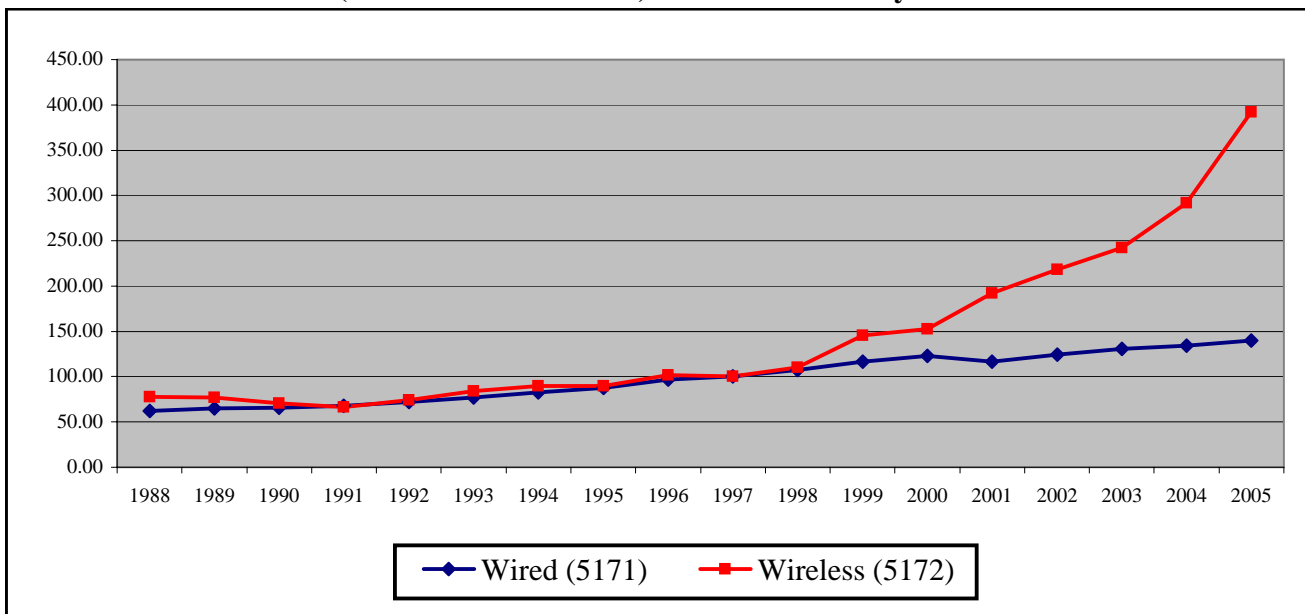


**Table 5.2**  
**Labor Productivity Index for the Wired and Wireless**  
**Telecommunications Industry Measured in Output per Hour (OPH)**  
**(Base Year 1997 = 100)**

<b>Year</b>	<b>Wired Carriers (NAICS 5171)</b>	<b>Wireless Carriers (NAICS 5172)</b>
1988	62.02	77.86
1989	65.26	76.97
1990	66.04	70.38
1991	68.07	66.17
1992	72.13	74.42
1993	76.85	83.81
1994	82.41	89.59
1995	87.59	90.05
1996	96.50	101.66
1997	100.00	100.00
1998	107.73	110.48
1999	116.65	145.21
2000	122.68	152.76
2001	116.74	191.88
2002	124.13	217.94
2003	130.52	242.49
2004	133.91	292.02
2005	140.16	392.38

Source: Bureau of Labor Statistics.

**Chart 5.2**  
**Wired and Wireless Telecommunications Carriers**  
**(NAICS 5171 and 5172) Labor Productivity Index**



**Table 5.3**  
**Number of Telecommunications Service Providers by Size of Business**  
**(As of November 1, 2006)**

Type of Provider	Number of FCC Form 499-A Filers <sup>1</sup>	Filers that in Combination with Affiliates Have	
		1,500 or Fewer Employees <sup>2</sup>	More than 1,500 Employees <sup>2</sup>
Incumbent Local Exchange Carriers (ILECs)	1,311	1,024	287
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)	1,005	918	87
Local Resellers	151	149	2
Shared-Tenant Service Providers	16	16	0
Other Local Service Providers	89	89	0
Total Local Competitors	1,261	1,172	89
Total Fixed Local Service Providers	2,572	2,196	376
Payphone Service Providers	526	524	2
Private Service Providers	18	17	1
Wireless Telephony Including Cellular, Personal Communications Service (PCS) and SMR Telephony Carriers	434	222	212
Paging and Messaging Service Providers	281	279	2
Specialized Mobile Radio (SMR) Dispatch	155	155	0
Wireless Data and Other Mobile Service Providers	69	65	4
Total Wireless Service Providers	939	721	218
Interexchange Carriers (IXCs)	300	268	32
Operator Service Providers (OSPs)	28	27	1
Prepaid Calling Card Providers	88	85	3
Satellite Service Providers	51	47	4
Toll Resellers	815	787	28
Other Toll Carriers	91	88	3
Total Toll Service Providers	1,373	1,302	71
All Filers	5,428	4,760	668

<b>Holding Company Analysis</b>			
Filers without Affiliates:			
Holding Company Level	2,920	2,906	14
Filer Level	2,920	2,906	14
Filers with Affiliates <sup>3</sup> :			
Holding Company Level	671	629	42
Filer Level	2,508	1,854	654
Total, Holding Company Level	3,591	3,535	56
Total, Filer Level	5,428	4,760	668

Note: Estimates are based on gross revenue data filed on the 2006 FCC Form 499-A worksheets, and public employment data from ARMIS and Securities and Exchange Commission filings. Filers were considered affiliated based on information from their FCC Form 499-A filings. These estimates do not reflect affiliates that do not file the FCC Form 499-A, such as firms that are not in the telecommunications business or firms that operate solely outside the United States.

<sup>1</sup> While FCC Form 499-A filings are not publicly available, filer registration information is published by the Industry Analysis and Technology Division (IATD) in the *Telecommunications Provider Locator* (September 2007), which can be accessed at [www.fcc.gov/wcb/stats](http://www.fcc.gov/wcb/stats). This same information is searchable online at [www.fcc.gov/wcb/iatd/locator.html](http://www.fcc.gov/wcb/iatd/locator.html).

<sup>2</sup> Employee counts are estimated at the holding company level, yet presented at the filer level. If our analysis indicates that, at the holding company level, a group of filers together employs more than 1,500 people, then each of the individual filers that comprise the holding company are entered in the column labeled as such. Therefore, our estimates **do not imply** that each or any of the individual filers alone employs more than 1,500 persons.

<sup>3</sup> In some cases, affiliated companies may file a single FCC Form 499A for all operations. Such consolidated filings are included in this category.

Source: FCC Form 499-A filings and IATD staff estimates.

## 6 International Telephone Service

International telecommunications has become an increasingly important segment of the telecommunications market. International telephone calling -- propelled by technological innovation, lower prices and increased international trade and travel -- has skyrocketed. In 1980, customers in the United States were billed for almost 2 billion minutes of calls to international points. This figure increased to 8 billion in 1990, 30 billion in 2000, and 72 billion in 2006. Americans spent \$7.3 billion on international calls in 2006. On average, carriers billed 10 cents per minute for international calls in 2006, a decline of 93% since 1980, and 80% since 2000. International private line revenues increased through 2000 but have declined significantly since then. These trends are shown in Table 6.1. Chart 6.1 shows the trends in billed revenues per minute and per call since 1980.

U.S. and foreign carriers compensate each other when one carries traffic that the other bills. Because Americans place more international calls than they receive, U.S. carriers make substantial net payments to foreign carriers -- \$3.6 billion in 2006. Falling compensation rates have more than offset the growth in traffic in recent years. Trends in settlement payments are shown in Table 6.2.

International traffic data are available on a country-by-country basis. Table 6.3 summarizes traffic by region of the world. Five markets -- Canada, Guatemala, Mexico, the Philippines, and India -- currently account for about 50% of the international billed minutes in the United States. Chart 6.2 shows the percentage breakout for the five markets.

Since 1985, when MCI began to compete with AT&T for international calls, numerous carriers have begun to provide international service. In 2006, seventy-one carriers provided international telecommunications service between the United States and international points by using their own facilities or lines leased from other carriers. These carriers provided \$7.3 billion of international telephone service, \$678 million of international private line service, and \$99 million other miscellaneous international services. Table 6.4 lists these companies and shows international service revenues for those that did not request confidential treatment.

Eight hundred and twenty carriers reported revenues for international message telephone service that they provided on a pure resale basis. These carriers reported \$6.1 billion of pure resale revenues in 2006. Table 6.5 shows pure resale revenues for the carriers with the highest pure resale messages, minutes and revenues.

The data compiled in Tables 6.1 - 6.5 are filed pursuant to section 43.61 of the Commission's rules. Preliminary data are filed July 31st of each year and final data are filed October 31st. Additional information can be found in a number of international reports on the Internet on the Wireline Competition Bureau Statistical Reports web page at [www.fcc.gov/wcb/stats](http://www.fcc.gov/wcb/stats).



**Table 6.1**  
**International Service from the United States**  
 (Minute, Message, and Revenue Amounts Shown in Millions)

	Telephone Service					Other Services			
	Minutes	Messages	Billed Revenues			Billed Revenues			
			Total End-User <sup>1</sup>	Per Minute <sup>2</sup>	Per Call	Telex	Telegraph	Private Line <sup>3</sup>	Misc. Services
1980	1,569	199	\$2,097	\$1.34	\$10.53	\$325	\$63	\$115	
1981	1,857	233	2,239	1.21	9.61	350	62	126	
1982	2,187	274	2,382	1.09	8.70	363	56	138	
1983	2,650	322	2,876	1.09	8.92	379	54	154	
1984	3,037	367	3,197	1.05	8.71	394	46	158	
1985	3,446	411	3,487	1.01	8.49	415	45	172	
1986	4,126	482	4,004	0.97	8.30	390	42	175	
1987	4,819	570	4,751	0.99	8.33	360	35	191	
1988	5,679	687	5,806	1.02	8.45	310	30	194	
1989	6,751	835	6,912	1.02	8.28	243	27	208	
1990	8,030	984	8,059	1.00	8.19	196	24	201	
1991	9,072	1,384	9,263	1.02	6.69	201	15	309	\$23
1992	10,294	1,663	10,382	1.01	6.25	156	16	323	24
1993	11,513	1,945	11,564	1.00	5.95	136	12	366	23
1994	13,616	2,347	12,543	0.92	5.35	123	12	441	25
1995	15,889	2,830	14,335	0.90	5.07	120	6	514	48
1996	19,325	3,520	14,598	0.76	4.15	119	5	661	26
1997	22,753	4,259	15,661	0.69	3.68	110	4	851	28
1998	24,250	4,477	14,726	0.61	3.29	64	2	921	36
1999	28,515	5,305	14,980	0.53	2.82	57	2	1,216	31
2000	30,135	5,742	14,909	0.49	2.60	33	1	1,480	251
2001	33,287	6,265	11,380	0.34	1.82	10	*	1,419	199
2002	35,064	5,926	9,956	0.28	1.64	**	**	988	113
2003	42,664	7,350	8,944	0.21	1.22	**	**	743	156
2004	63,553	10,895	9,178	0.14	0.84	**	**	574	137
2005	70,064	13,134	7,976	0.11	0.61	**	**	628	110
2006	72,440	13,673	7,299	0.10	0.53	**	**	678	99

Note: Data represent traffic and circuits from all U.S. points. Data for some prior years have been revised.

\* Denotes revenues less than \$500,000.

\*\* Data not filed.

<sup>1</sup> Billed revenues in Table 6.1 differ from billed revenues in Table 6.3. The amounts shown here represent charges to end-user customers and equal the amounts billed by underlying carriers plus estimated reseller markups. The amounts shown in Table 6. are the amounts reported by the underlying carriers that carried the traffic to foreign destinations.

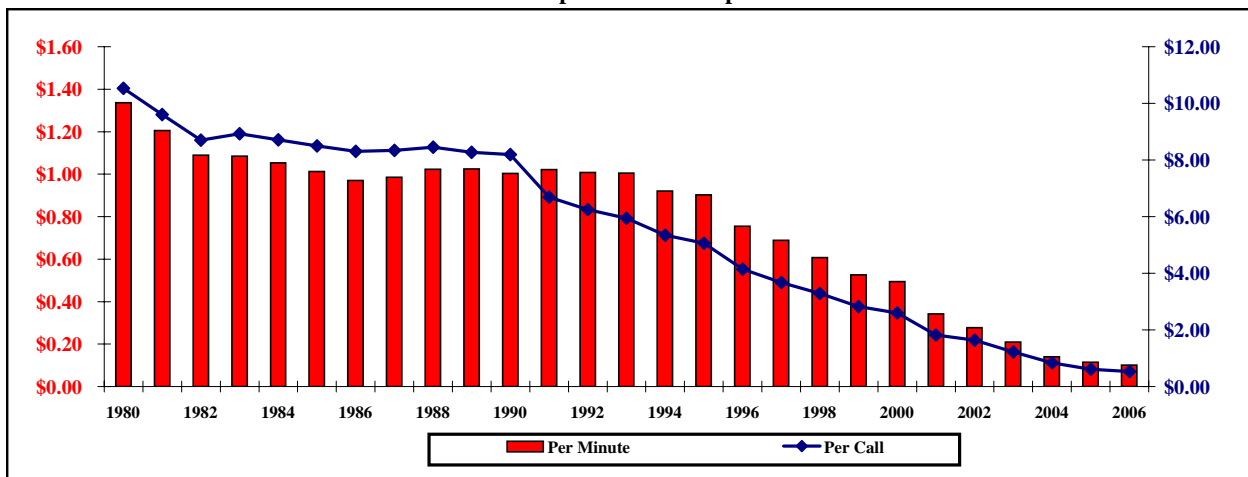
<sup>2</sup> Billed revenue per minute for international service differs in Table 6.1 and Table 13.3. Data in Table 6.1 are calculated using all U.S. billed minutes and revenues. Data for Table 13.3 represent charges for most U.S. billed calls that originate or terminate in the United States. International-to-international revenues and reorigination, country-beyond and country-direct minutes are not include in that table.

<sup>3</sup> Starting in 2003, private line revenue includes a small amount of miscellaneous service revenue for which carriers requested confidential treatment.

Source:

Data through 2004 from International Bureau, *International Telecommunications Data* (March 2006). Data for 2005 and 2006 from International Bureau, International Telecommunications Data.

**Chart 6.1**  
**Billed Revenues per Minute and per Call**



**Table 6.2**  
**International Telephone Service Settlements**  
**(Revenue Amounts Shown in Millions)**

	End-User Billed Revenues 1/	Owed to Foreign Carriers	Retained End-User Revenues 1/	Due from Foreign Carriers 2/	Net Settlements	Net End-User Revenues 1/	Average per Minute		
							Settlement Owed to Foreign Carriers for U.S. Billed Calls	Settlement Due from Foreign Carriers for Foreign Billed Calls	U.S. Carrier Net End-User Revenues All Traffic 3/
1980	\$2,097	\$1,063	\$1,034	\$716	(\$347)	\$1,750	\$0.68	0.62	\$0.64
1981	2,239	1,330	910	799	(531)	1,708	0.72	0.56	0.52
1982	2,382	1,674	708	961	(712)	1,670	0.77	0.60	0.44
1983	2,876	2,036	841	1,086	(950)	1,926	0.77	0.60	0.43
1984	3,197	2,269	928	1,066	(1,203)	1,994	0.75	0.54	0.40
1985	3,487	2,398	1,089	1,243	(1,155)	2,332	0.70	0.55	0.41
1986	4,004	2,865	1,140	1,396	(1,469)	2,536	0.69	0.56	0.38
1987	4,751	3,423	1,328	1,671	(1,752)	2,999	0.71	0.59	0.39
1988	5,806	4,039	1,767	1,906	(2,133)	3,674	0.71	0.59	0.41
1989	6,912	4,735	2,177	2,213	(2,523)	4,390	0.70	0.58	0.42
1990	8,059	5,297	2,762	2,426	(2,871)	5,188	0.66	0.56	0.42
1991	9,263	5,852	3,411	2,536	(3,317)	5,946	0.65	0.51	0.42
1992	10,382	6,008	4,375	2,650	(3,357)	7,025	0.58	0.46	0.44
1993	11,564	6,372	5,192	2,667	(3,705)	7,859	0.55	0.43	0.44
1994	12,543	7,010	5,533	2,719	(4,291)	8,252	0.51	0.39	0.40
1995	14,335	7,569	6,766	2,631	(4,938)	9,397	0.48	0.35	0.40
1996	14,598	8,252	6,345	2,594	(5,658)	8,939	0.43	0.30	0.32
1997	15,661	8,031	7,630	2,602	(5,429)	10,232	0.35	0.27	0.31
1998	14,726	7,022	7,704	2,538	(4,484)	10,242	0.29	0.21	0.28
1999	14,980	6,383	8,597	1,782	(4,601)	10,379	0.22	0.15	0.26
2000	14,909	5,536	9,373	1,609	(3,927)	10,982	0.18	0.11	0.25
2001	11,380	4,526	6,854	1,181	(3,346)	8,034	0.14	0.08	0.17
2002	9,956	3,733	6,223	892	(2,842)	7,114	0.11	0.05	0.14
2003	8,944	3,649	5,295	873	(2,777)	6,167	0.09	0.04	0.10
2004	9,188	4,623	4,530	1,016	(3,642)	5,546	0.07	0.04	0.07
2005	7,975	4,098	3,877	637	(3,461)	4,514	0.06	0.03	0.05
2006	7,907	4,146	3,761	517	(3,630)	4,277	0.06	0.02	0.05

Note: Data represent traffic to and from all U.S. points.

1/ Billed revenues in Table 6.2 differ from billed revenues in Table 6.3. The amounts shown here represent charges to end-user customers and equal the amounts billed by underlying carriers plus estimated markups, where service was provided through resellers. The amounts shown in Table 6.3 are the amounts reported by the underlying carriers. Similar differences exist for retained end-user and net revenues.

2/ Beginning in 1991, includes net settlement receipts for transiting traffic.

3/ Beginning in 1991, includes transiting traffic.

Source: Data through 2004 from International Bureau, *Trends in the International Telecommunications Industry* (September 2005). Data for 2005 and 2006 from International Bureau, *International Telecommunications Data*.

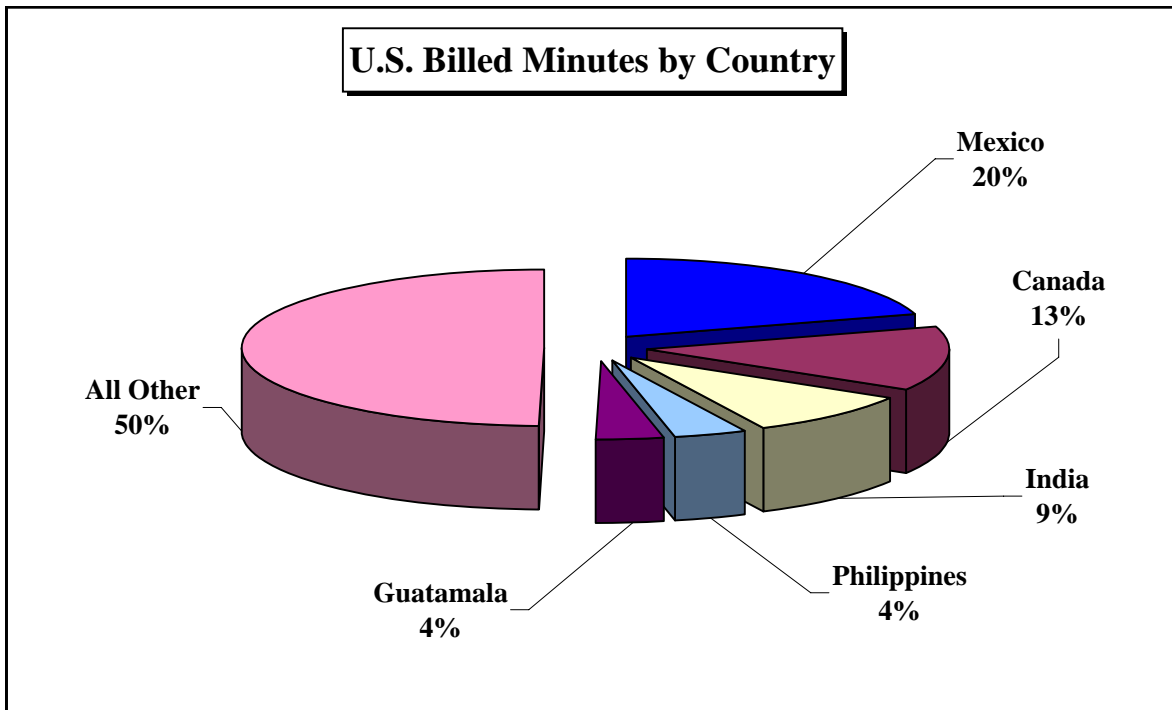
**Table 6.3**  
**International Message Telephone Service for 2006**  
**(Figures Rounded to the Nearest Million)**

Region of the World <sup>1</sup>	Traffic Billed in the United States					Traffic Billed in Foreign Countries				Total U.S. Carrier Retained Revenues
	Number of Messages	Number of Minutes	U.S. Carrier Revenues	Owed to Foreign Carriers	Retained Revenues	Originating or Terminating in the United States		Transiting	Retained Revenues	
						Number of Messages	Number of Minutes			Due from Foreign Carriers
Africa	620	3,246	\$513	\$421	\$91	41	243	\$15	\$6	\$113
Asia	3,091	14,496	1,561	887	674	877	3,884	121	31	826
Caribbean	702	3,884	611	413	198	235	701	15	8	221
Eastern Europe	353	2,295	233	145	88	31	230	8	6	101
Middle East	445	1,923	293	202	91	113	695	17	5	114
North and Central America	4,831	29,833	2,420	1,213	1,207	3,333	11,170	190	73	1,470
Oceania	327	1,091	121	58	63	103	472	9	3	75
Other Regions	2	2	4	2	1	*	*	*	(*)	1
South America	833	6,872	590	339	251	182	993	37	30	317
Western Europe	2,463	8,752	946	461	486	1,332	5,008	103	180	769
Total for Foreign Points	13,637	72,279	7,287	4,141	3,146	6,227	23,286	513	342	4,000
Total for U.S. Points	<u>36</u>	<u>161</u>	<u>12</u>	<u>5</u>	<u>7</u>	<u>23</u>	<u>124</u>	<u>4</u>	<u>*</u>	<u>11</u>
Total for All International Points	13,673	72,440	\$7,299	\$4,146	\$3,153	6,250	23,410	\$517	\$342	\$4,011

\* Denotes values that are less than half a million.

<sup>1</sup> The region totals include all international traffic reported by carriers serving domestic U.S. points including Guam and the U.S. Virgin Islands. Most traffic between Guam, the U.S. Virgin Islands, American Samoa and Northern Mariana Islands and other U.S. points are shown separately as the total for U.S. points, and also are included in the total for all international points. The total for all international points also includes all traffic originating in American Samoa and the Northern Mariana Islands, which is excluded from the region totals.

**Chart 6.2**



Source: International Bureau, *International Telecommunications Data*.

**Table 6.4**  
**U.S. Billed Revenues of Facilities-Based and Facilities-Resale Carriers in 2006 1/**  
**(Revenue Amounts Shown in Millions)**

	International Service			Total International Billed Revenues
	Telephone	Private Line	Miscellaneous	
Americatel, Inc.	\$46			\$46
AT&T Corp.	**	**		**
BCE Nexxia Corporation	**	**		**
Bestel USA Inc.	59			59
Bharti Airtel Limited	36			36
BT Americas Inc.		**		**
Cable & Wireless Americas Operations, Inc.		4		4
Carrier PB Telco, Inc.	1			1
Centennial Puerto Rico Operations Corp.	5			5
China Telecom (USA) Corporation		12		12
China Unicom USA Corp.	**			**
Chungwa Telecom Global, Inc.		1		1
Cinergy Telecommunications, Inc.			4	4
Colt Telecommunications		2		2
Comsat International Holdings, LLC		15		15
Deutsche Telekom AG/T-Systems		**		**
Equant Inc. d/b/a Orange Business Services		**	**	**
France Telecom Long Distance USA, LLC	6		3	9
Global Crossing/Impsat USA, Inc.		30		30
Global Telecom & Technology Americas, Inc.		**		**
GNG Networks America, Inc.		*		*
IDT Corporation	**			**
Intelsat USA License Corp.		2		2
IT&E Overseas, Inc.	8	1		8
IUSATEL USA, Inc.	**			**
KDDI America, Inc.	11	10		21
KPN International Network Services, Inc.	**			**
Level 3 Communications, LLC		6		6
Local Communications International LLC			1	1
New Century InfoComm Tech Co.	**			**
New Edge Networks		*		*
Nexion Media, Inc.		**		**
NTT America, Inc.		7		7
Orbitel S.A. E.S.P.	19	7		26
Pacifica Telecom Inc.	7	*		7
PCCW Global Limited		38	1	39
Philippine Long Distance Telephone Co., Ltd.		1	*	1
Primus Telecommunications, Inc.	**			**
Q-Comm Corp./Norlight Telecommunications		*		*
Qwest Services Corporation		42		42
Reach Services (USA) Inc.	**	**		**
Reliance Communications, Inc.	297	4		301
Saskatchewan Telecommunications	**	**		**
Satellite Communication Systems, Inc.	*	2		2
SAVVIS, Inc.		**		**
Sierra USA Communications, Inc.	5			5
Singapore Telecom USA, Inc.	**	**		**
Smitcoms, Inc.				
Sprint Nextel Corporation	1,911	81	86	2,078
Startec Global Communications Corporation	3			3
Stratos Mobile Networks, Inc.		2		2
Syniverse Technologies, Inc.		69		69
Telecom Argentina USA, Inc.	7			7
Telecom Colombia USA, Inc.	9			9
Telecom Italia Sparkle of North America, Inc	135			135
Telecom New Zealand USA, Ltd.	**			**
Telecomunicaciones Ultramarinas-Puerto Rico		*		*
Telefonica Larga Distancia, Inc. (TLD)	3	*		4
Telekom Malaysia (USA), Inc.		*		*
Telenor Global Services AS	2			2
TeliaSonera AB	**	**		**
Telmex		23		23
Telstra Incorporated	**	**		**
TELUS Corporation	**	**		**
Tricom USA, Inc.	45			45
UniPlex Telecom Technologies, Inc.			*	*
Universal Telecom Services, Inc.		15		15
Verizon Communications Inc.	**	**	**	**
Verizon Commun. Inc./MCI Int'l., Inc./VICSI	1,266	76		1,342
Viatel Holding (Bermuda) Limited		*		*
VSNL America, Inc.	**	**		**
<b>Total All Carriers 2/</b>	<b>\$7,292</b>	<b>\$678</b>	<b>\$99</b>	<b>\$8,069</b>

\* Represents revenues greater than \$0 but less than \$500,000.

\*\* Represents amounts for which the carrier requested confidential treatment. The amounts are included in the totals.

1/ Totals exclude pure resale services. Data do not show settlement receipts for terminating foreign billed traffic.

2/ Includes revenues reported for American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands. Also includes \$12 million of revenues for calls between the domestic United States and these points.

Source: International Bureau, *International Telecommunications Data*.

**Table 6.5**  
**Top Providers of Pure Resale International MTS in 2006**

	Number of Messages (Millions)	Number of Minutes (Millions)	U.S. Carrier Revenues (\$ Millions)	Percent of Total IMTS Resale Revenues
Acceris Management and Acquisition LLC	15	152	\$18	0.30 %
Qwest Communications International, Inc.	2	23	7	0.12
Deutsche Telekom AG	31	394	94	1.54
Sprint Nextel Corporation	139	205	24	0.40
Verizon Communications, Inc.	9	69	12	0.21
Locus Telecommunications, Inc	3	16	8	0.14
Reliance Communications International, Inc	37	155	8	0.14
Global Crossing	8	77	10	0.16
Americatel, Inc.	4	18	8	0.14
Computer Tel, Inc.	3	19	10	0.16
Startec Global Communications Corporation	6	59	14	0.22
Dollar Phone Corp.	58	581	73	1.20
Telecom Italia Sparkle of North America, Inc	9	182	16	0.27
Cox Communications, Inc.	31	305	38	0.63
NobelTel, LLC	235	1,406	414	6.82
Embarq Communications, Inc.	64	872	47	0.78
NECC Telecom, Inc.	12	94	35	0.57
Trilogy International Enterprises LLC	891	4,148	135	2.22
Belgacom International Carriers Services S.A	31	125	21	0.35
Gold Line Telemanagement, Inc	5	48	16	0.26
One Phone, Inc.	84	249	16	0.26
Acceris Management and Acquisition LLC	256	3,517	198	3.26
PaeTec Corporation	11	207	17	0.28
Logical Telecom, LP	6	57	9	0.15
Comtel Telecom Assets LF	20	211	10	0.17
Level 3 Communications, Inc.	25	244	29	0.47
Hawaiian Telcom Services Company, Inc	28	47	6	0.09
WDT World Discount Telecommunications Co.	21	201	6	0.10
Comcast	46	361	35	0.58
Cavalier Telephone Corporation	7	68	9	0.14
Telmex	9	103	20	0.33
Virgin Mobile USA, LLC	38	135	18	0.30
United States Cellular Corporation	1,329	6,337	435	7.16
Maskina Communications	107	1,286	174	2.87
CIMA Telecom, Inc.	24	193	5	0.09
StarVox Communications, Inc.	509	1,834	268	4.42
Citizens Communications Company	35	324	52	0.86
Lunex Telecom, Inc.	234	418	10	0.16
NOS Communications, Inc.	527	5,353	684	11.25
CenturyTel, Inc.	26	272	7	0.11
Chunghwa Telecom Global, Inc.	116	619	42	0.69
Cincinnati Bell, Inc.	15	187	12	0.19
Telscape Communications, Inc.	5	56	8	0.14
Working Assets Funding Services, Inc.	35	168	29	0.47
ACN Communication Services, Inc.	6	24	11	0.19
Windstream Communications, Inc.	463	2,211	246	4.04
Telecom Argentina USA, Inc.	9	48	11	0.19
Next Communication, Inc.	23	213	15	0.25
Net One International, Inc.	4	21	7	0.11
RNK, Inc. d/b/a RNK Telecom	2	19	8	0.13
Total for 30 Companies Requesting Confidential Treatment	3,058	17,860	2,499	41.12
Total for 733 Companies Not Shown Above 1/	676	2,305	172	2.83
Total for all Reporting Carriers	9,347	54,094	\$6,077	100.00 %

1/ Data are consolidated for affiliated carriers. A total of 820 companies made a total of 927 filings.

Source: International Bureau, *International Telecommunications Data*.

## 7 Lines

Within the telephone industry there are several alternative, but closely related, definitions of telephone lines or loops. While these differences often make it difficult to reconcile data from different statistical series, they are not usually large enough to affect comparisons among companies or trends over time. Since 1970, over 90% of households and virtually all businesses have subscribed to telephone service. Until 2000, line growth over time, averaging about 3% per year, has historically reflected growth in the population and the economy. Since then, the number of lines provided by wireline carriers has declined, likely due to some consumers substituting wireless service for wireline service, and some households eliminating second lines when they move from dial-up Internet service to broadband service.

Table 7.1 shows the nation's total number of telephone lines using three alternative measures. The first measure is the number of end-user switched access lines for both incumbent local exchange carriers (LECs) and competitive local exchange carriers (CLECs) as reported to the Commission on the FCC Form 477. These data undercount lines by a small amount because carriers with less than 10,000 lines in a state were not required to file the FCC Form 477 prior to September 2005. The second measure is the number of local loops, which is a way of counting lines that is used to determine the amount of high-cost universal service support provided to eligible telecommunications carriers. The number of local loops includes end-user access lines, lines resold to other carriers and UNE loops with switching (UNE-P). This measure excludes CLEC lines provided over their own facilities. The third measure, access lines, represents estimates for the whole incumbent LEC industry based on data filed with the Commission by large incumbent LECs through the Automated Reporting Management Information System (ARMIS). This measure excludes a substantial number of incumbent LEC lines provided to CLECs as UNE-P lines between 2001 and 2006.

Table 7.2 shows the number of local exchange operating areas (study areas – company's operations in one state) and loops in each state, and shows breakdowns by loops for price-cap and average-schedule companies.<sup>1</sup> Table 7.3 shows the number of loops by holding companies, and Chart 7.1 shows the five largest holding companies' share of loops.

Table 7.4 compares residential local loops with the number of households with telephone service. Before 2001, the difference between these series was an approximate measure of the number of non-primary residential lines. However, beginning in 2001, a significant number of households started replacing wireline service with wireless service, requiring an adjustment be made to account for wireless only households. Table 7.4

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<sup>1</sup> Average schedule companies have been permitted by the Commission to estimate their access settlements and universal service support through the use of average schedules to avoid the difficulties and expenses involved with conducting company-specific cost studies.

shows that the number of non-primary residential lines grew dramatically from 2.3 million in 1988 to 26.3 million in 2001 and then decreased back to 10.5 million in 2006.

Tables 7.5 and 7.6 display payphone line information. Long distance carriers are required to pay payphone owners 49 cents for every completed dial-around call (calls where the consumer chooses the long distance carrier over the payphone's presubscribed long distance carrier).<sup>2</sup> Because of this requirement, several long distance carriers employ the National Payphone Clearinghouse to administer payments on their behalf. On an annual basis, the National Payphone Clearinghouse<sup>3</sup> supplies the FCC with data that allow the number of payphones in each state to be calculated.

Table 7.5 shows the number of payphones owned by LECs and by independent payphone operators in each state. The number of payphones is broken down by whether the payphones are served by an RBOC or by another LEC. Payphones located in RBOC territories but served by a CLEC are accounted for in the RBOC territories columns. Similarly, payphones located in non-RBOC territories (i.e., other incumbent LEC territories) but served by a CLEC are accounted for in the all other LEC territories columns. Data for earlier years can be found in earlier editions of *Trends*.

Table 7.6 shows the number of payphones over time. The National Payphone Clearinghouse began providing detailed data to the Commission starting with data as of March 31, 1999. Where possible, data from the payphone proceedings were used to fill values for 1997 and 1998 (see the footnotes to Table 7.6 for citations).

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<sup>2</sup> See *Report and Order*, CC Docket 03-225, adopted Jul. 27, 2004.

<sup>3</sup> Further information on the National Payphone Clearinghouse can be found at <https://www.npc.cc/home.aspx>.

**Table 7.1**  
**Total U.S. Wireline Telephone Lines**  
**(End of Year Data)**

<b>Year End</b>	<b>CLEC and ILEC Lines <sup>1</sup></b>	<b>Annual Growth (%)</b>	<b>ILEC Local Loops <sup>2</sup></b>	<b>Annual Growth (%)</b>	<b>ILEC Access Lines <sup>3</sup></b>	<b>Annual Growth (%)</b>
1980			102,216,367			
1981			105,559,222	3.3 %		
1982			107,519,214	1.9		
1983			110,612,689	2.9		
1984			112,550,739	1.8	113,832,113	
1985			115,985,813	3.1	117,384,865	3.1 %
1986			118,289,121	2.0	120,730,205	2.8
1987			122,789,249	3.8	124,625,693	3.2
1988			127,086,765	3.5	126,899,632	1.8
1989			131,504,568	3.5	130,860,026	3.1
1990			136,114,201	3.5	134,685,732	2.9
1991			139,412,884	2.4	139,613,309	3.7
1992			143,341,581	2.8	142,367,463	2.0
1993			148,106,159	3.3	147,033,132	3.3
1994			153,447,946	3.6	151,543,061	3.1
1995			159,658,662	4.0	158,152,644	4.4
1996			166,445,580	4.3	165,350,308	4.6
1997			173,866,799	4.5	173,857,193	5.1
1998			179,849,045	3.4	180,516,161	3.8
1999	189,397,096		185,002,911	2.9	186,594,497	3.4
2000	192,432,431	1.6 %	188,499,586	1.9	187,581,092	0.5
2001	191,570,800	-0.4	185,587,160	-1.5	179,811,283	-4.1
2002	189,250,143	-1.2	180,095,333	-3.0	172,245,846	-4.2
2003	182,933,281	-3.3	173,140,710	-3.9	161,374,473	-6.3
2004	177,690,711	-2.9	165,979,938	-4.1	154,039,066	-4.5
2005	175,160,940	-1.4	157,037,503	-5.4	147,993,264	-3.9
2006	167,504,016	-4.4	146,848,926	-6.5	140,029,044	-5.4

<sup>1</sup> Include end-user switched access lines for competitive local exchange carriers (CLECs) and incumbent local exchange carriers (ILECs) as reported in FCC Form 477. Prior to June 2005, only carriers with greater than 10,000 lines in a state were required to report. Now all carriers are required to report.

<sup>2</sup> Include end-user switched access lines, resold lines, and UNE-P lines.

<sup>3</sup> Beginning in 2001, a substantial number of ILEC lines provided to CLECs as UNE-P lines are not included in this total.

Source: CLEC and ILEC access lines: Industry Analysis and Technology Division, Wireline Competition Bureau, *Local Telephone Competition: Status as of December 31, 2006* (December 2007).  
Local loops: National Exchange Carrier Association, Universal Service Fund filings.  
Access Lines: Industry Analysis and Technology Division, Wireline Competition Bureau, *Statistics of Communications Common Carriers*, Table 4.10, after inflating access lines of reporting carriers to represent the total industry. The 1996 adjustment factor was used for the years prior to 1996.



**Table 7.2**  
**Telephone Loops of Incumbent Local Exchange Carriers by State**  
**(As of December 31, 2006)**

	Study Areas	Price Cap		Non-Price Cap		Total Loops
		Bell Company Loops <sup>1</sup>	Other Company Loops	Average Schedule Company Loops <sup>2</sup>	Other Company Loops	
Alabama	28	1,617,991	271,386	28,869	167,660	2,085,906
Alaska	25	0	0	224	369,767	369,991
American Samoa	1	0	0	0	10,746	10,746
Arizona	17	2,053,580	158,343	0	39,693	2,251,616
Arkansas	28	837,953	0	12,609	395,546	1,246,108
California	22	19,282,590	146,722	0	209,436	19,638,748
Colorado	28	2,176,671	0	1,100	123,595	2,301,366
Connecticut	2	1,833,313	0	21,090	0	1,854,403
Delaware	1	491,408	0	0	0	491,408
District of Columbia	1	724,194	0	0	0	724,194
Florida	12	7,207,066	1,827,355	0	180,192	9,214,613
Georgia	36	3,340,992	2,503	57,327	766,173	4,166,995
Guam	1	0	0	0	62,640	62,640
Hawaii	2	0	586,201	0	1,541	587,742
Idaho	20	606,888	21,308	1,512	43,681	673,389
Illinois	57	6,131,721	108,394	34,222	189,442	6,463,779
Indiana	42	2,699,891	222,681	31,252	117,641	3,071,465
Iowa	154	862,668	287,771	165,127	66,384	1,381,950
Kansas	39	963,488	102,642	0	125,659	1,191,789
Kentucky	19	971,468	650,787	67,096	122,321	1,811,672
Louisiana	20	1,736,929	0	1,262	166,246	1,904,437
Maine	20	594,367	0	33,727	101,947	730,041
Maryland	2	3,273,534	0	0	7,132	3,280,666
Massachusetts	3	3,228,285	0	0	3,820	3,232,105
Michigan	39	4,484,198	22,631	24,105	153,162	4,684,096
Minnesota	88	1,658,043	384,698	204,994	177,154	2,424,889
Mississippi	19	1,100,881	0	9,444	80,086	1,190,411
Missouri	44	2,114,009	514,530	9,743	288,929	2,927,211
Montana	18	284,363	7,824	3,539	153,359	449,085
Nebraska	40	312,844	306,857	14,937	84,525	719,163
Nevada	14	384,602	766,065	0	33,479	1,184,146
New Hampshire	10	619,293	0	2,209	51,530	673,032
New Jersey	3	4,856,793	183,259	0	8,176	5,048,228
New Mexico	17	733,152	93,020	0	45,890	872,062
New York	44	8,210,556	733,106	13,943	226,334	9,183,939
North Carolina	26	2,238,738	1,205,756	214,502	461,309	4,120,305
North Dakota	22	157,828	0	54,441	106,198	318,467
Northern Mariana Islands	1	0	20,926	0	0	20,926
Ohio	42	3,883,542	1,156,077	46,956	347,418	5,433,993
Oklahoma	39	1,227,273	82,967	3,845	221,902	1,535,987
Oregon	33	1,510,495	78,065	2,559	141,835	1,732,954
Pennsylvania	36	5,447,602	376,312	546,707	231,762	6,602,383
Puerto Rico	2	0	0	0	1,068,168	1,068,168
Rhode Island	1	380,875	0	0	0	380,875
South Carolina	26	1,370,672	86,363	56,424	452,562	1,966,021
South Dakota	31	165,310	0	67,431	75,066	307,807
Tennessee	25	2,159,372	319,140	102,785	246,654	2,827,951
Texas	58	9,139,311	630,792	10,122	528,617	10,308,842
Utah	14	884,440	22,549	10,126	60,764	977,879
Vermont	10	322,138	0	4,560	58,425	385,123
Virgin Islands	1	0	0	0	68,130	68,130
Virginia	21	3,379,034	369,633	86,895	25,980	3,861,542
Washington	25	2,673,506	73,659	4,434	238,211	2,989,810
West Virginia	10	737,998	149,380	1,451	15,102	903,931
Wisconsin	90	1,896,253	51,578	184,366	548,005	2,680,202
Wyoming	10	203,026	6,343	0	44,230	253,599
<b>Total</b>	<b>1,439</b>	<b>123,171,144</b>	<b>12,027,623</b>	<b>2,135,935</b>	<b>9,514,224</b>	<b>146,848,926</b>

<sup>1</sup> Includes loops owned by Verizon/GTE and SBC/Southern New England Telephone. Excludes Woodbury Telephone of Connecticut, affiliated with AT&T, 21,090 average schedule company loops. Also excludes Puerto Rico Telephone Company, affiliated with Verizon, 1,068,168 rate of return lines.

<sup>2</sup> Average schedule companies have been permitted by the Commission to estimate their access settlements and universal service support through the use of average schedules to avoid the difficulties and expenses involved with conducting company-specific cost studies.

Source: NECA, *Universal Service Fund 2007 Submission of 2006 Study Results* (October 1, 2007).

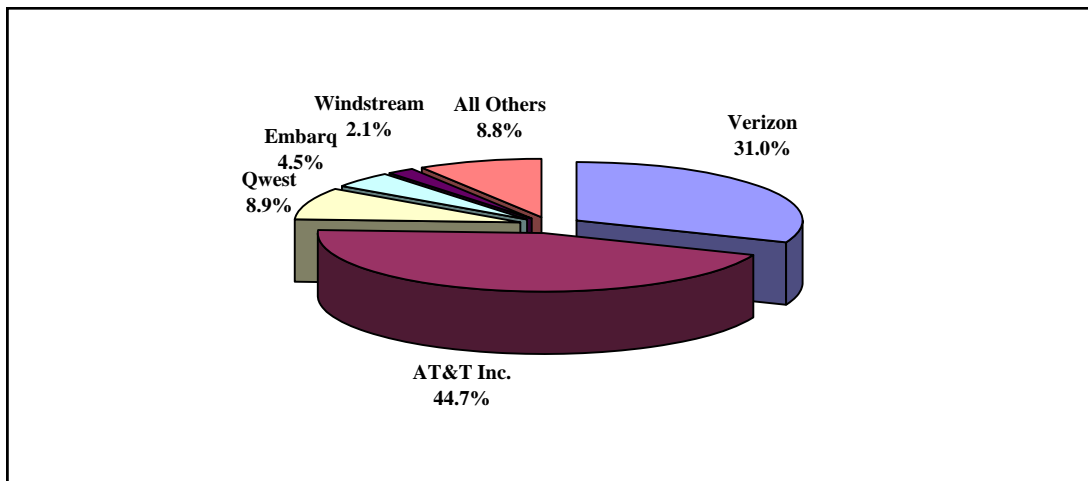
**Table 7.3**  
**Telephone Loops of Incumbent Local Exchange Carriers by Holding Company**<sup>1</sup>  
(As of December 31, 2006)

<b>Holding Companies</b>	<b>Loops</b>	<b>Percent of Loops</b>
AT&T Inc.	65,669,563	44.72 %
Verizon Communications Inc.	45,524,091	31.00
Qwest Communications International, Inc.	13,066,748	8.90
Embarq Corporation	6,603,481	4.50
Windstream Corporation	3,014,037	2.05
CenturyTel, Inc.	2,065,242	1.41
Citizens Communications Company	2,001,652	1.36
Cincinnati Bell	814,120	0.55
TDS Telecommunications Corporation	619,888	0.42
Hawaiian Telecom Communications, Inc.	586,201	0.40
Commonwealth Telephone Enterprises, Inc.	298,947	0.20
Alaska Communications Systems	240,814	0.16
Iowa Network Services, Inc.	240,796	0.16
FairPoint Communications, Inc.	239,994	0.16
Consolidated Communications, Inc.	219,929	0.15
Madison River Telephone Company	164,179	0.11
Comporium Communications	139,126	0.09
D&E Communications, Inc.	129,313	0.09
Surewest Communications	121,615	0.08
CT Communications, Inc.	107,989	0.07
North State Communications Corporation	107,530	0.07
Horry Telephone Cooperative, Inc.	93,706	0.06
Hargray Communications Group, Inc.	75,384	0.05
Virgin Island Telephone Company	68,130	0.05
North Pittsburgh Telephone Company	65,270	0.04
Guam Telephone Authority	62,640	0.04
Matanuska Telephone Association, Inc.	61,203	0.04
Farmers Telephone Cooperative, Inc. (SC)	55,089	0.04
Pioneer Telephone Cooperative (OK)	52,666	0.04
Hickory Tech Corporation	51,788	0.04
Lynch Interactive Corporation	51,715	0.04
Ntelos, Inc.	43,485	0.03
Atlantic Telephone Membership Corporation	42,813	0.03
Golden West Telecommunications Cooperative, Inc.	41,977	0.03
Guadalupe Valley Telephone Cooperative, Inc.	41,961	0.03
Twin Lake Telephone Cooperative Corporation	37,607	0.03
SRT Services Corporation	37,605	0.03
Skyline Telephone Membership Corporation	36,153	0.02
East Ascension Telephone Company, LLC	35,933	0.02
All Other Companies	3,918,546	2.67
<b>Total</b>	<b>146,848,926</b>	<b>100.00 %</b>

<sup>1</sup> Includes incumbent local exchange carriers' loops for holding companies with more than 35,000 loops.

Source: NECA, *Universal Service Fund 2007 Submission of 2007 Study Results* (October 1, 2007).

**Chart 7.1**  
**Five Largest Holding Companies' Share of Loops**



**Table 7.4**  
**Additional Residential Lines**  
**For Households with Telephone Service**  
**(End-of-Year Data in Millions)**

Year	Wireline Loops <sup>1</sup>			Households with Telephone Service <sup>2</sup>	Households with Wireless Only <sup>3</sup>	Primary Residential Wirelines	Non-Primary Residential Wirelines
	Residential	Non-Residential	Total Loops				
1988	87.7	38.5	126.2	85.4		85.4	2.3
1989	90.0	40.6	130.6	87.4		87.4	2.6
1990	92.2	42.9	135.1	88.4		88.4	3.9
1991	95.9	42.5	138.4	89.4		89.4	6.5
1992	99.3	43.0	142.3	91.0		91.0	8.3
1993	101.8	45.2	147.0	93.0		93.0	8.8
1994	105.1	47.2	152.3	93.7		93.7	11.4
1995	108.1	50.4	158.5	94.2		94.2	13.9
1996	111.1	54.3	165.4	95.1		95.1	16.0
1997	114.7	58.2	172.9	96.5		96.5	18.2
1998	117.1	62.6	179.8	98.0		98.0	19.1
1999	122.7	63.5	186.2	99.1		99.1	23.6
2000	126.4	65.8	192.2	100.2		100.2	26.2
2001	127.3	62.8	190.1	102.2	1.2	101.0	26.3
2002	120.5	64.6	185.1	104.0	1.8	102.2	18.4
2003	118.1	60.6	178.8	107.1	5.0	102.1	16.0
2004	113.9	59.2	173.1	106.4	6.3	100.1	13.8
2005	107.8	58.0	165.8	107.0	11.3	95.6	12.1
2006	100.0	56.8	156.8	108.8	19.3	89.5	10.5

<sup>1</sup> Loop counts provided by the National Exchange Carrier Association. American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands totals have been removed. Total loops were divided between residential and non-residential using the ratio of residential to non-residential access lines reported in Industry Analysis and Technology Division, Wireline Competition Bureau, *Statistics of Communications Common Carriers*. Those totals also exclude Puerto Rico, but cover only the carriers that file ARMIS reports (of which there are none for American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands). Loop counts beginning in 1996 have been increased by estimated competitive local exchange carrier lines from the Association for Local Telecommunications Services (now known as Comptel/ALTS) and the report by the Industry Analysis and Technology Division, Wireline Competition Bureau, *Local Telephone Competition: Status as of December 31, 2006* (December 2007). Beginning in 2001 a significant number of households began to have wireless service. The estimate of this amount for 2001 is from the November 2001 *Current Population Survey*. Beginning in 2002, the numbers of primary and non-primary residential lines for households with telephones was estimated using the ratio of primary (Lifeline and Non-Lifeline) to non-primary residential access lines reported in Table 2.4 of *Statistics of Communications Common Carriers*, and the estimate of wireless-only is based on the difference between households with phone service and estimated primary residential lines.

<sup>2</sup> *Current Population Survey* (U.S. Department of Commerce, U.S. Census Bureau).

<sup>3</sup> Because the number of households with wireless only is calculated as a difference between households with telephone service and primary residential lines, this estimate may include some VoIP customers not included in the Local Telephone Competition report.

Source: FCC staff estimates.

**Table 7.5**  
**Number of Payphones Owned by LECs and Independent Operators**  
**(As of March 31, 2007)**

State	RBOC Territories		All Other LEC Territories		Statewide		Grand Total
	LEC-Owned	Independent	LEC-Owned	Independent	LEC-Owned	Independent	
Alabama	0	6,541	1,012	1,451	1,012	7,992	9,004
Alaska	0	0	2,127	1,239	2,127	1,239	3,366
Arizona	58	15,611	14	1,824	72	17,435	17,507
Arkansas	2,422	1,425	1,643	771	4,065	2,196	6,261
California	46,043	70,914	288	1,570	46,331	72,484	118,815
Colorado	0	10,255	206	340	206	10,595	10,801
Connecticut	6,666	760	0	2	6,666	762	7,428
Delaware	1,683	1,217	0	0	1,683	1,217	2,900
District of Columbia	3,956	576	0	0	3,956	576	4,532
Florida	5,426	25,839	5,316	4,457	10,742	30,296	41,038
Georgia	44	13,443	1,840	2,841	1,884	16,284	18,168
Hawaii	0	0	5,235	464	5,235	464	5,699
Idaho	386	2,090	105	254	491	2,344	2,835
Illinois	16,840	15,528	239	1,142	17,079	16,670	33,749
Indiana	7,922	5,770	1,286	663	9,208	6,433	15,641
Iowa	15	4,362	391	884	406	5,246	5,652
Kansas	1,681	2,422	537	421	2,218	2,843	5,061
Kentucky	0	4,813	2,292	2,849	2,292	7,662	9,954
Louisiana	0	6,858	255	484	255	7,342	7,597
Maine	3,074	457	17	263	3,091	720	3,811
Maryland	15,579	6,926	0	8	15,579	6,934	22,513
Massachusetts	17,376	7,745	0	0	17,376	7,745	25,121
Michigan	10,205	11,728	473	459	10,678	12,187	22,865
Minnesota	58	7,325	939	1,177	997	8,502	9,499
Mississippi	111	4,738	91	176	202	4,914	5,116
Missouri	4,040	5,042	2,455	2,224	6,495	7,266	13,761
Montana	45	1,733	341	415	386	2,148	2,534
Nebraska	0	2,307	2,507	589	2,507	2,896	5,403
Nevada	577	1,265	1,866	5,614	2,443	6,879	9,322
New Hampshire	2,895	1,058	98	44	2,993	1,102	4,095
New Jersey	30,515	10,830	926	94	31,441	10,924	42,365
New Mexico	0	4,416	180	702	180	5,118	5,298
New York	68,166	33,317	4,613	3,742	72,779	37,059	109,838
North Carolina	821	8,227	4,944	6,262	5,765	14,489	20,254
North Dakota	0	556	74	131	74	687	761
Ohio	11,395	8,042	5,845	2,325	17,240	10,367	27,607
Oklahoma	3,110	3,365	1,036	531	4,146	3,896	8,042
Oregon	736	8,322	466	810	1,202	9,132	10,334
Pennsylvania	20,351	13,581	2,076	5,086	22,427	18,667	41,094
Rhode Island	2,205	1,606	0	0	2,205	1,606	3,811
South Carolina	608	7,392	1,013	1,230	1,621	8,622	10,243
South Dakota	1	1,345	305	173	306	1,518	1,824
Tennessee	0	9,483	1,271	1,875	1,271	11,358	12,629
Texas	20,735	32,952	1,764	3,130	22,499	36,082	58,581
Utah	1	4,222	127	463	128	4,685	4,813
Vermont	1,562	218	3	68	1,565	286	1,851
Virginia	16,443	7,832	1,576	971	18,019	8,803	26,822
Washington	1,886	12,455	365	1,055	2,251	13,510	15,761
West Virginia	4,380	574	18	880	4,398	1,454	5,852
Wisconsin	4,100	4,109	2,692	1,785	6,792	5,894	12,686
Wyoming	0	1,482	142	118	142	1,600	1,742
Totals	334,117	413,074	61,009	64,056	395,126	477,130	872,256

Source: Raw data provided by National Payphone Clearinghouse. Rollups performed by the Industry Analysis and Technology Division staff, Wireline Competition Bureau.

**Table 7.6**  
**Number of Payphones Over Time**  
**(As of March 31 of Each Year)**

Year	RBOCs' Territories			All Other LECs' Territories					Grand Total
	LEC-Owned	Independent	Total	LEC Owned	Independent	Total	LEC Owned	Independent	
1997	1,399,600 <sup>1</sup>	NA	NA	NA	NA	NA	NA	NA	2,086,540 <sup>2</sup>
1998	1,381,800 <sup>1</sup>	NA	NA	NA	NA	NA	NA	NA	2,100,558 <sup>2</sup>
1999	1,305,463	572,503	1,877,966	80,491	163,069	243,560	1,385,954	735,572	2,121,526
2000	1,244,535	633,022	1,877,557	63,808	122,353	186,161	1,308,343	755,375	2,063,718
2001	1,131,377	571,778	1,703,155	88,399	128,086	216,485	1,219,776	699,864	1,919,640
2002	964,999	531,801	1,496,800	95,639	118,622	214,261	1,060,638	650,423	1,711,061
2003	854,295	464,479	1,318,774	75,885	101,127	177,012	930,180	565,606	1,495,786
2004	737,146	455,506	1,192,652	78,642	73,705	152,347	815,788	529,211	1,344,999
2005	587,373	486,384	1,073,757	78,815	63,603	142,418	666,188	549,987	1,216,175
2006	444,649	453,283	897,932	59,197	49,673	108,870	503,846	502,956	1,006,802
2007	334,117	413,074	747,191	61,009	64,056	125,065	395,126	477,130	872,256

NA - Not Available.

<sup>1</sup> See RBOC/GTE/SNET Payphone Coalition Comments on Remand Issues in CC Docket No. 96-128, Report of Arthur Andersen on Per-Call Compensation, Carl R. Geppert at 10 (July 13, 1998).

<sup>2</sup> See Letter from Denny Reuss, NPC Product Manager, to Craig Stroup, Federal Communications Commission, CC Docket 96-128 at 1 (Filed October 22, 1998. The 1997 data point is as of June 30, 1997.)

Source: Unless otherwise noted, raw data provided by National Payphone Clearinghouse. Rollups performed by the Industry Analysis and Technology Division staff, Wireline Competition Bureau.

## 8 Local Telephone Competition

For most of the past century, households and businesses had no choice in selecting their local telephone company. In the 1980s, competitive access providers (CAPs) began to market access services provided over CAPs' wired networks to business customers. To some extent they also carried local telephone calls among their customers. In the 1990s, some CAPs and other companies, including affiliates of cable television companies and local service divisions of long distance companies, began to offer local telephone services to a broader range of customers. Companies with operations in larger cities added operations in smaller cities, where the typical customer is more likely to be a small or medium-sized business than a large business, and some new companies focused on smaller cities from the beginning. The newer competitors are often called competitive local exchange carriers (CLECs), although the terms CAPs and CLECs are sometimes used interchangeably.

The Telecommunications Act of 1996 (1996 Act) contemplated three vehicles for competitors to enter local telephone service markets. First, CLECs may resell the services of incumbent local exchange carriers (LECs). Second, CLECs may make use of incumbent LEC facilities, for example, by leasing incumbent LEC unbundled network elements (UNEs) loops and transport. Third, CLECs may build the complete set of facilities they need to compete. Individual competitors have used various combinations of these methods at different times.

### 1. CLEC Share of Switched Access Lines

All incumbent LECs and CLECs were required to report to the Commission basic information about their local telephone service, as of June 30, 2005. The FCC previously (i.e., as of December 31, 1999 and each succeeding June 30 and December 31 through the end of 2004) collected data from carriers with at least 10,000 switched access lines in service in a particular state. Small carriers, many of whom serve rural areas with relatively small populations, were therefore underrepresented in the earlier data.<sup>1</sup>

Table 8.1 and the associated chart show the number of incumbent LEC and CLEC end-user switched access lines from December 1999 through June 2007. Table 8.2 and the associated chart show the relative shares of the residential end-user switched access lines provisioned by incumbent LECs and CLECs from December 1999 through June 2007.

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<sup>1</sup> As of December, 2005, filers with fewer than 10,000 switched access lines in a state (including entities that previously filed on a voluntary basis) reported about 4.5 million lines (about 2.0 million incumbent LEC lines and about 2.5 million CLEC lines).

Table 8.3 shows the percentages of CLEC end-user lines that were provisioned over their own facilities and those lines acquired from unaffiliated carriers from December 1999 through June 2007. Chart 8.3 displays that information graphically for June 2007. Data reported by incumbent LECs, presented in Table 8.4, show the lines that incumbent LECs provided to other carriers as UNE loops provided with incumbent LEC switching (including the UNE-platform), UNE loops provided without switching, and resale. Chart 8.4 shows the trend, from December 1999 through June 2007, of incumbent LEC total switched access lines and the percentages provided to other carriers.

Table 8.5 shows incumbent LEC and CLEC end-user switched access lines by state, and the CLEC share by state, at the end of June 2007. Table 8.6 presents historical data on CLEC share by state.

## **2. CLEC Share of Local Telephone Service Revenues**

As discussed in Section 15, the Commission has been collecting revenue data from local exchange carriers since 1993. Table 8.7 shows CLEC and incumbent LEC local telephone service revenues from 1995 through 2006. Chart 8.5 shows the incumbent LEC and CLEC shares of local service revenues from 1998 through 2006.

## **3. Ported Telephone Numbers**

When telecommunications customers switch service providers, they have the option of taking their local telephone number with them. This is called *porting*. All ported numbers reside in one of seven regional databases. These databases contain several elements of information about ported numbers, including identifiers for the old and new carriers, and the date the number was ported. The porting databases are overseen by the local number portability administrator, currently NeuStar, Inc. NeuStar provides the FCC with two sets of information on ported numbers.

The first set of information is a rollup of the quantity of telephone numbers that were ported each month. This information forms the basis for Table 8.8. Unlike Tables 8.9 and 8.10 (see footnote 2 in Table 8.10), these figures include instances where the customer ports the number back to the original carrier.

The second set of information that the FCC receives from NeuStar on a monthly basis is a current list of all ported numbers where the customer changed carriers. For each number, the list includes identifiers for the old and new carriers for that number, and the date the number was ported. In order to protect consumer privacy, the Commission receives the information in a manner that prevents it from determining if any particular telephone number has been ported. This information forms the basis for Tables 8.9 and 8.10.

Table 8.9 shows the quantities of ports in the porting databases at the end of each quarter. The ports are broken out by service type: from landline to landline, landline to mobile, mobile to mobile, or mobile to landline. Table 8.10 examines the ports in the databases as of December 31, 2007. It shows, by service type, when each number in the database was ported.



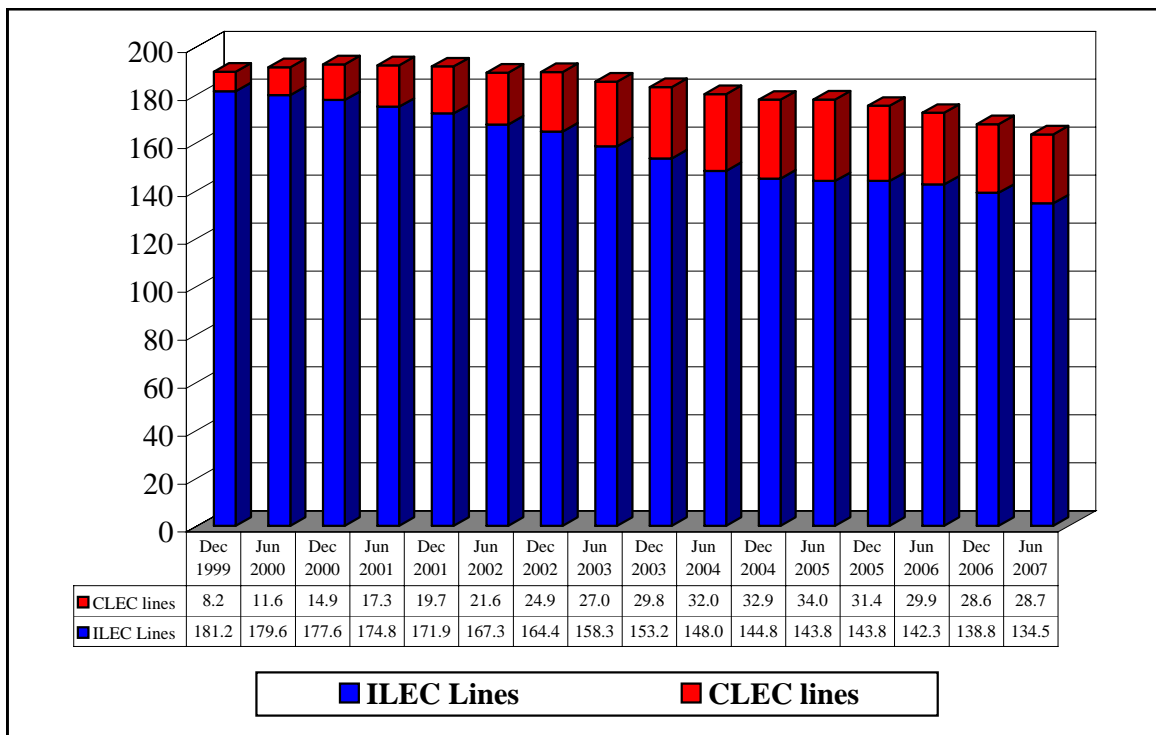
**Table 8.1**  
**End-User Switched Access Lines Reported**

Date	ILEC Lines	CLEC Lines	Total	CLEC Share
Dec 1999	181,202,853	8,194,243	189,397,096	4.3 %
Jun 2000	179,648,725	11,557,381	191,206,106	6.0
Dec 2000	177,561,022	14,871,409	192,432,431	7.7
Jun 2001	174,752,275	17,274,727	192,027,002	9.0
Dec 2001	171,917,359	19,653,441	191,570,800	10.3
Jun 2002	167,330,006	21,644,928	188,974,934	11.5
Dec 2002	164,386,452	24,863,691	189,250,143	13.1
Jun 2003	158,274,538	26,985,345	185,259,883	14.6
Dec 2003	153,157,843	29,775,438	182,933,281	16.3
Jun 2004	147,993,218	32,033,915	180,027,133	17.8
Dec 2004	144,809,899	32,880,812	177,690,711	18.5
Jun 2005	143,757,708	33,975,336	177,733,044	19.1
Dec 2005	143,773,101	31,387,839	175,160,940	17.9
Jun 2006	142,293,047	29,896,109	172,189,156	17.4
Dec 2006	138,833,928	28,625,971	167,459,899	17.1
Jun 2007	134,458,920	28,711,461	163,170,381	17.6

Only LECs with at least 10,000 lines in a state were required to report through December 2004. Beginning with the June 2005 data all LECs are required to report.

Source: Industry Analysis & Technology Division, Wireline Competition Bureau, *Local Telephone Competition: Status as of June 30, 2007* (March 2008).

**Chart 8.1**  
**End-User Switched Access Lines Reported**  
**(Lines in Millions)**



**Table 8.2**  
**End-User Switched Access Lines by Customer Type**

Date	Reporting ILECs			Reporting CLECs		
	Residential <sup>1</sup>	Business <sup>2</sup>	% Residential	Residential <sup>1</sup>	Business <sup>2</sup>	% Residential
Dec 1999	139,694,481	41,508,372	77.1 %	3,368,702	4,825,541	41.1 %
Jun 2000	140,566,144	39,082,581	78.2	4,579,501	6,977,880	39.6
Dec 2000	138,824,111	38,736,911	78.2	6,620,471	8,250,938	44.5
Jun 2001	134,530,884	40,221,391	77.0	7,793,071	9,481,656	45.1
Dec 2001	133,320,119	38,597,240	77.5	9,489,049	10,164,392	48.3
Jun 2002	130,937,328	36,392,678	78.3	11,080,676	10,564,252	51.2
Dec 2002	127,494,698	36,891,754	77.6	14,608,495	10,255,196	58.8
Jun 2003	122,573,530	35,701,008	77.4	16,770,561	10,214,784	62.1
Dec 2003	118,658,867	34,498,976	77.5	18,702,229	11,073,209	62.8
Jun 2004	114,533,368	33,459,850	77.4	20,871,756	11,162,159	65.2
Dec 2004	112,054,420	32,755,479	77.4	19,811,711	13,069,101	60.3
Jun 2005	95,315,689	48,442,019	66.3	16,338,117	17,637,219	48.1
Dec 2005	94,392,526	49,380,575	65.7	13,873,331	17,514,508	44.2
Jun 2006	92,453,320	49,839,727	65.0	12,474,434	17,421,675	41.7
Dec 2006	89,166,539	49,667,389	64.2	12,210,978	16,414,993	42.7
Jun 2007	85,508,200	48,950,720	63.6	12,105,557	16,605,904	42.2

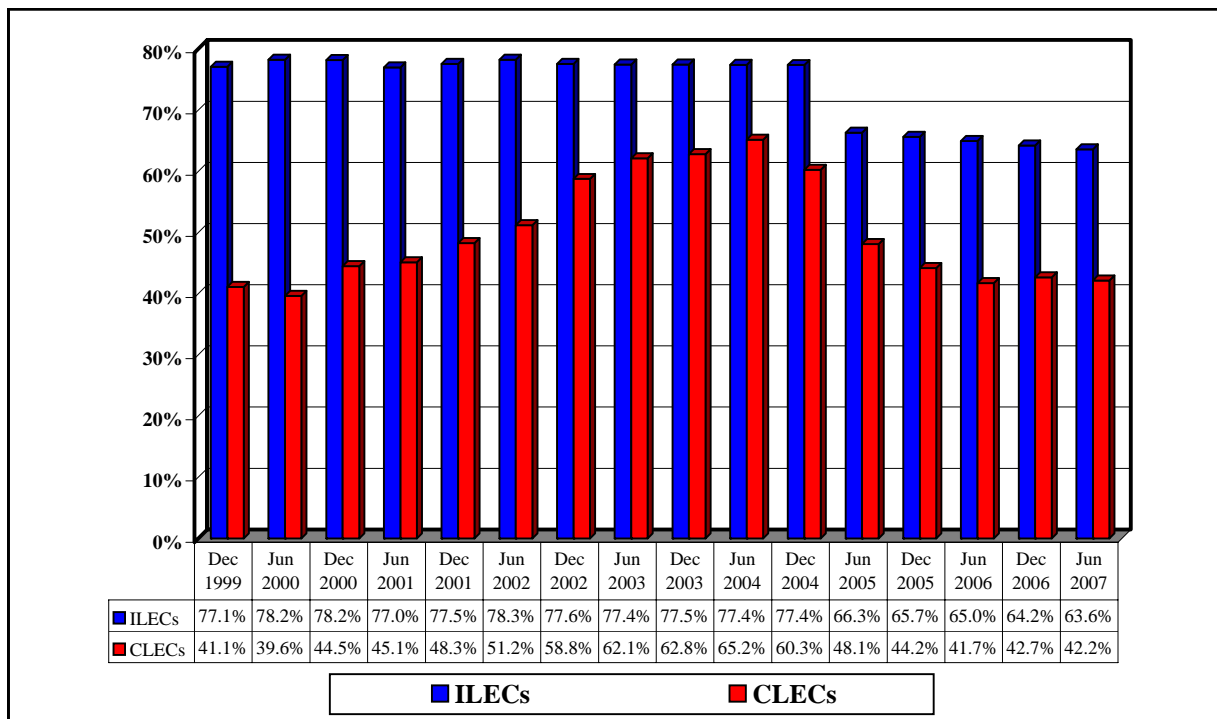
Only LECs with at least 10,000 lines in a state were required to report through December 2004. Beginning with the June 2005 data all LECs are required to report.

<sup>1</sup> Included small business lines through December 2004.

<sup>2</sup> Excluded small business lines through December 2004.

Source: Industry Analysis & Technology Division, Wireline Competition Bureau, *Local Telephone Competition: Status as of June 30, 2007* (March 2008).

**Chart 8.2**  
**Percent of Lines That Serve Residential Customers <sup>1</sup>**



<sup>1</sup> Included small business lines through December 2004.

**Table 8.3**  
**Reporting Competitive Local Exchange Carriers**  
**(End-User Switched Access Lines in Thousands)**

Date	CLECs Reporting	Total End-User Lines	Acquired from Other Carriers		CLEC-Owned Lines <sup>2</sup>	Percent		
			Resold Lines	UNEs <sup>1</sup>		Resold	UNEs	CLEC-Owned
Dec 1999	81	8,194	3,513	1,959	2,723	42.9%	23.9%	33.2%
Jun 2000	78	11,557	4,315	3,201	4,042	37.3	27.7	35.0
Dec 2000	89	14,871	4,114	5,540	5,217	27.7	37.3	35.1
Jun 2001	91	17,275	3,919	7,580	5,776	22.7	43.9	33.4
Dec 2001	94	19,653	4,250	9,332	6,072	21.6	47.5	30.9
Jun 2002	96	21,645	4,478	10,930	6,236	20.7	50.5	28.8
Dec 2002	112	24,864	4,677	13,709	6,479	18.8	55.1	26.1
Jun 2003	125	26,985	4,887	15,728	6,370	18.1	58.3	23.6
Dec 2003	136	29,775	4,842	17,888	7,045	16.3	60.1	23.7
Jun 2004	137	32,034	4,927	19,624	7,483	15.4	61.3	23.4
Dec 2004	149	32,881	5,417	18,961	8,503	16.5	57.7	25.9
Jun 2005	326	33,975	5,826	19,025	9,124	17.1	56.0	26.9
Dec 2005	382	31,388	6,704	14,521	10,163	21.4	46.3	32.4
Jun 2006	400	29,896	6,548	12,547	10,802	21.9	42.0	36.1
Dec 2006	397	28,626	5,819	11,663	11,144	20.3	40.7	38.9
Jun 2007	398	28,711	6,184	11,505	11,023	21.5	40.1	38.4

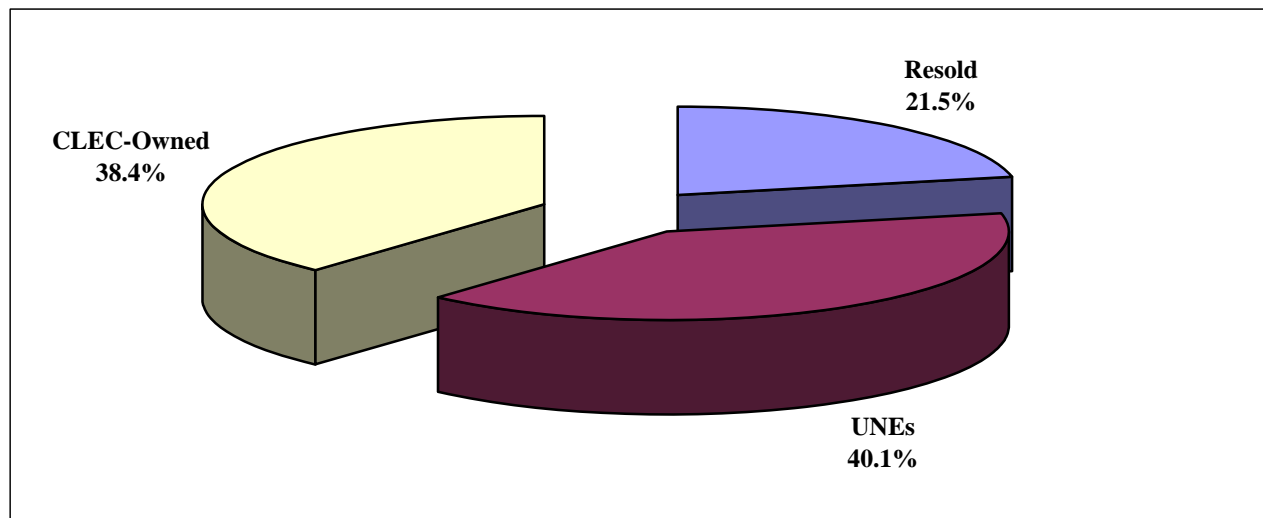
Only LECs with at least 10,000 lines in a state were required to report through December 2004. Beginning with the June 2005 data all LECs are required to report. Figures may not add to totals due to rounding.

<sup>1</sup> Includes unbundled network element (UNE) loops leased from an unaffiliated carrier on a stand-alone basis and also UNE loops leased in combination with UNE switching or any other unbundled network element.

<sup>2</sup> Lines provided over CLEC-owned "last-mile" facilities.

Source: Industry Analysis & Technology Division, Wireline Competition Bureau, *Local Telephone Competition: Status as of June 30, 2007* (March 2008).

**Chart 8.3**  
**Competitive Local Exchange Carriers' End-User Lines**



**Table 8.4**  
**Reporting Incumbent Local Exchange Carriers**  
**(Switched Access Lines in Thousands)**

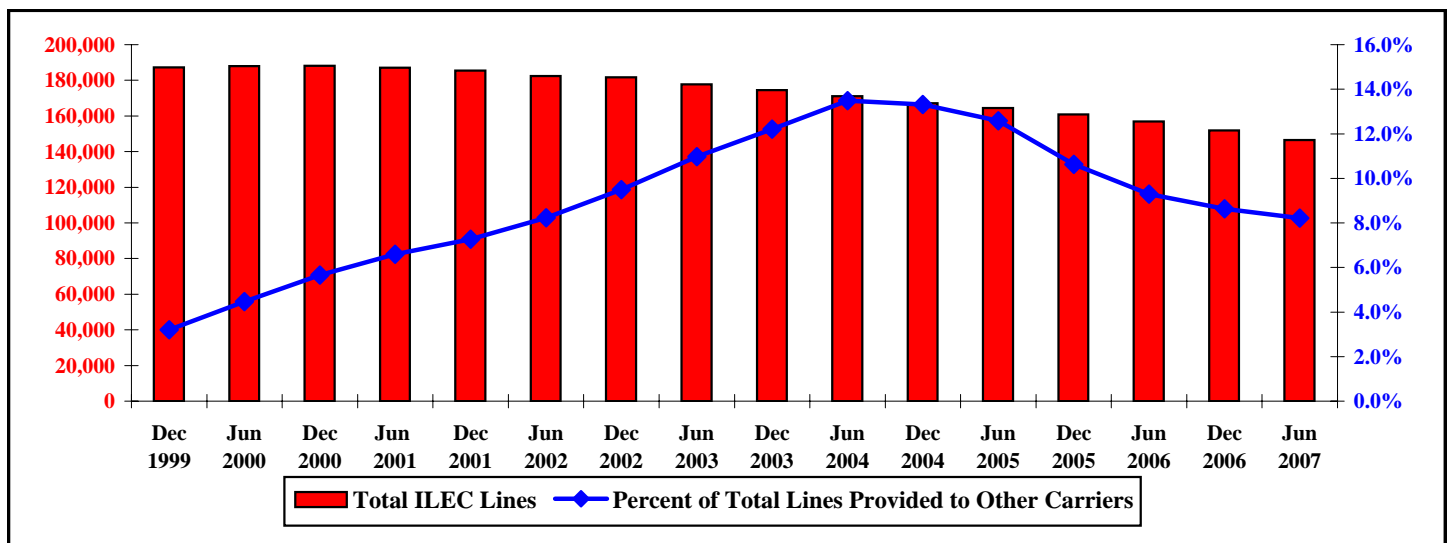
Date <sup>1</sup>	ILECs Reporting	Total Lines	End-User Lines	Provided to Other Carriers					
				Resold Lines	UNEs			Total UNEs & Resold Lines	Percent of Total Lines
					Without Switching	With Switching	Total UNEs		
Dec 1997	9	159,008	157,132	1,743			133	1,876	1.2 %
Jun 1998	8	161,810	159,118	2,448			244	2,692	1.7
Dec 1998	7	164,614	161,191	3,062			361	3,423	2.1
Jun 1999	7	167,177	162,909	3,583			685	4,268	2.6
Dec 1999	168	187,190	181,203	4,494	1,004	489	1,493	5,987	3.2
Jun 2000	159	188,058	179,649	5,098	1,696	1,616	3,312	8,409	4.5
Dec 2000	166	188,223	177,561	5,388	2,436	2,838	5,274	10,662	5.7
Jun 2001	156	187,092	174,752	4,417	3,161	4,761	7,922	12,340	6.6
Dec 2001	164	185,391	171,917	4,014	3,679	5,781	9,460	13,474	7.3
Jun 2002	166	182,345	167,330	3,475	4,061	7,478	11,540	15,015	8.2
Dec 2002	174	181,616	164,386	2,743	4,259	10,227	14,487	17,229	9.5
Jun 2003	181	177,770	158,275	2,232	4,227	13,036	17,263	19,495	11.0
Dec 2003	185	174,453	153,158	1,833	4,287	15,176	19,463	21,296	12.2
Jun 2004	185	171,050	147,993	1,600	4,322	17,136	21,458	23,057	13.5
Dec 2004	190	167,063	144,810	1,490	4,217	16,546	20,763	22,253	13.3
Jun 2005	757	164,449	143,758	1,796	4,300	14,596	18,895	20,691	12.6
Dec 2005	807	160,881	143,773	1,793	4,469	10,846	15,315	17,108	10.6
Jun 2006	805	156,872	142,293	1,723	4,413	8,443	12,856	14,579	9.3
Dec 2006	814	151,958	138,834	1,613	4,408	7,103	11,511	13,124	8.6
Jun 2007	814	146,491	134,459	1,517	4,285	6,230	10,515	12,032	8.2

Figures may not add to totals due to rounding.

<sup>1</sup> Data prior to December 1999 are from Common Carrier Bureau voluntary surveys. Only LECs with at least 10,000 lines in a state were required to report data for December 1999 through December 2004, after which all LECs are required to report.

Source: Industry Analysis & Technology Division, Wireline Competition Bureau, *Local Telephone Competition: Status as of June 30, 2007* (March 2008).

**Chart 8.4**  
**ILEC Lines and the Percent Provided to Other Carriers**



**Table 8.5**  
**End-User Switched Access Lines Served by Reporting Local Exchange Carriers**  
**(As of June 30, 2007)**

<b>State</b>	<b>ILECs</b>	<b>CLECs</b>	<b>Total</b>	<b>CLEC Share</b>
Alabama	1,982,341	292,484	2,274,825	13 %
Alaska	317,632	*	*	*
American Samoa	10,705	0	10,705	0
Arizona	2,109,166	1,042,689	3,151,855	33
Arkansas	1,131,562	178,090	1,309,652	14
California	18,485,441	2,898,469	21,383,910	14
Colorado	2,134,297	424,043	2,558,340	17
Connecticut	1,784,922	260,817	2,045,739	13
Delaware	432,092	99,197	531,289	19
District of Columbia	832,308	137,088	969,396	14
Florida	8,707,976	1,295,973	10,003,949	13
Georgia	3,956,794	729,770	4,686,564	16
Guam	66,984	0	66,984	0
Hawaii	562,078	87,551	649,629	13
Idaho	651,097	78,053	729,150	11
Illinois	5,975,780	949,607	6,925,387	14
Indiana	2,874,513	292,751	3,167,264	9
Iowa	1,244,715	250,859	1,495,574	17
Kansas	1,045,618	349,999	1,395,617	25
Kentucky	1,684,001	327,737	2,011,738	16
Louisiana	1,801,337	363,022	2,164,359	17
Maine	649,459	130,629	780,088	17
Maryland	2,984,383	526,796	3,511,179	15
Massachusetts	2,829,937	865,351	3,695,288	23
Michigan	4,118,050	923,265	5,041,315	18
Minnesota	2,119,898	651,920	2,771,818	24
Mississippi	1,090,688	125,099	1,215,787	10
Missouri	2,722,229	436,388	3,158,617	14
Montana	434,740	82,330	517,070	16
Nebraska	627,976	257,518	885,494	29
Nevada	1,158,231	355,806	1,514,037	24
New Hampshire	575,471	171,449	746,920	23
New Jersey	4,346,654	895,483	5,242,137	17
New Mexico	834,387	76,701	911,088	8
New York	7,404,103	2,866,491	10,270,594	28
North Carolina	3,973,280	846,146	4,819,426	18
North Dakota	261,387	70,727	332,114	21
Northern Mariana Isl.	19,406	0	19,406	0
Ohio	4,973,233	1,068,758	6,041,991	18
Oklahoma	1,375,337	419,998	1,795,335	23
Oregon	1,501,815	325,293	1,827,108	18
Pennsylvania	5,953,091	1,520,708	7,473,799	20
Puerto Rico	916,442	*	*	*
Rhode Island	327,155	291,057	618,212	47
South Carolina	1,865,872	348,666	2,214,538	16
South Dakota	272,296	116,651	388,947	30
Tennessee	2,618,129	483,262	3,101,391	16
Texas	9,608,287	1,858,766	11,467,053	16
Utah	863,672	242,423	1,106,095	22
Vermont	355,423	47,415	402,838	12
Virgin Islands	67,321	0	67,321	0
Virginia	3,642,470	1,048,063	4,690,533	22
Washington	2,762,458	479,502	3,241,960	15
West Virginia	806,214	121,173	927,387	13
Wisconsin	2,375,288	688,513	3,063,801	22
Wyoming	232,779	46,164	278,943	17
Nationwide	134,458,920	28,711,461	163,170,381	18 %

\* Data withheld to maintain firm confidentiality.

Source: Industry Analysis & Technology Division, Wireline Competition Bureau, *Local Telephone Competition: Status as of June 30, 2007* (March 2008).

**Table 8.6**  
**Competitive Local Exchange Carrier Share of End-User Switched Access Lines**

State	2001		2002		2003		2004		2005		2006		2007
	Jun	Dec	Jun	Dec	Jun	Dec	Jun	Dec	Jun	Dec	Jun	Dec	Jun
Alabama	5 %	5 %	5 %	9 %	11 %	13 %	15 %	16 %	16 %	15 %	16 %	13 %	13 %
Alaska	*	*	*	*	*	*	*	*	*	*	26	*	*
American Samoa	NA	NA	NA	NA	NA	NA	NA	NA	0	0	0	0	0
Arizona	7	9	11	12	16	22	25	25	27	30	30	32	33
Arkansas	*	*	*	10	*	11	12	12	13	11	12	13	14
California	7	8	9	11	13	15	16	17	18	13	13	14	14
Colorado	10	13	14	15	16	17	17	16	17	20	19	17	17
Connecticut	7	7	9	9	10	10	11	13	14	11	12	12	13
Delaware	0	0	*	*	9	12	16	16	20	20	18	18	19
District of Columbia	12	13	16	14	16	17	19	19	20	17	14	14	14
Florida	7	7	9	13	13	14	16	16	16	17	15	13	13
Georgia	10	11	13	15	17	18	19	20	21	18	19	14	16
Guam	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	0	0	0
Hawaii	*	*	*	*	*	*	*	*	6	7	9	11	13
Idaho	*	*	*	*	5	6	7	7	10	10	11	10	11
Illinois	13	15	17	19	19	20	21	22	20	15	15	15	14
Indiana	5	5	7	8	9	13	14	13	14	10	10	10	9
Iowa	11	12	12	13	13	13	14	14	14	14	15	16	17
Kansas	8	9	12	17	21	21	22	24	25	21	24	23	25
Kentucky	*	*	*	4	5	8	11	11	14	15	16	15	16
Louisiana	4	4	5	7	9	10	12	14	19	17	18	16	17
Maine	*	*	*	*	8	10	14	18	20	20	16	16	17
Maryland	6	4	6	7	10	14	16	18	18	18	16	15	15
Massachusetts	12	15	16	16	18	21	23	25	25	25	24	24	23
Michigan	9	13	18	21	22	25	26	26	25	19	18	17	18
Minnesota	11	13	14	17	17	19	20	21	21	24	23	22	24
Mississippi	4	3	2	6	7	9	10	10	14	12	13	10	10
Missouri	6	7	8	10	10	11	13	13	14	11	13	13	14
Montana	*	*	*	*	3	4	4	4	8	10	12	14	16
Nebraska	*	12	16	18	20	21	22	25	25	26	27	28	29
Nevada	10	*	*	11	9	10	11	11	13	13	17	15	24
New Hampshire	8	10	13	14	16	17	20	23	25	25	24	23	23
New Jersey	4	5	6	10	15	19	20	22	22	21	17	18	17
New Mexico	*	*	*	*	*	*	8	8	8	7	8	8	8
New York	23	25	25	24	27	28	30	30	30	31	27	27	28
North Carolina	6	6	6	8	9	9	11	13	13	15	16	16	18
North Dakota	*	*	*	*	*	8	8	7	20	19	20	21	21
Northern Mariana Isl.	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	0	0	0
Ohio	4	5	7	9	11	14	15	15	15	15	15	16	18
Oklahoma	6	8	10	11	11	14	13	16	18	18	20	21	23
Oregon	5	7	7	9	8	12	13	16	13	19	16	17	18
Pennsylvania	13	14	15	16	17	19	20	22	23	23	20	19	20
Puerto Rico	*	*	*	*	*	*	*	*	*	*	*	*	*
Rhode Island	10	16	18	21	25	28	32	35	40	42	43	46	47
South Carolina	4	3	5	7	9	9	10	11	13	13	15	14	16
South Dakota	*	*	*	*	14	18	*	*	30	33	33	30	30
Tennessee	8	8	7	9	10	11	14	15	16	17	18	15	16
Texas	14	16	16	17	18	18	19	19	19	16	16	17	16
Utah	11	13	13	15	19	20	23	24	23	22	24	21	22
Vermont	*	*	*	*	*	*	*	*	14	12	12	12	12
Virgin Islands	0	0	0	0	0	0	0	0	*	*	*	0	0
Virginia	9	11	12	12	14	17	20	21	21	22	21	22	22
Washington	6	8	9	10	10	11	13	14	14	14	14	14	15
West Virginia	*	*	*	*	*	*	*	11	12	12	12	13	13
Wisconsin	9	11	12	13	15	18	19	18	19	18	19	20	22
Wyoming	*	*	*	*	*	*	*	*	11	12	14	15	17
Nationwide	9 %	10 %	11 %	13 %	15 %	16 %	18 %	18 %	19 %	18 %	17 %	17 %	18 %

\* Data withheld to maintain firm confidentiality. NA is an abbreviation for not applicable.

Only LECs with at least 10,000 lines in a state were required to report through December 2004. Beginning with the June 2005 data all LECs are required to report.

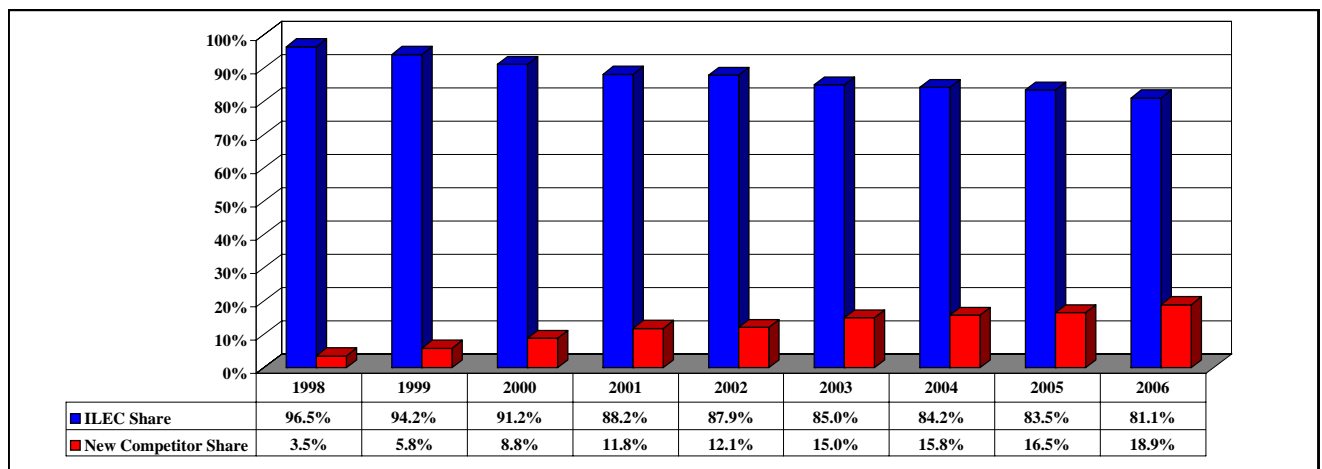
Source: Industry Analysis & Technology Division, Wireline Competition Bureau, *Local Telephone Competition: Status as of June 30, 2007* (March 2008).

**Table 8.7**  
**Nationwide Local Service Revenues and New Competitors' Share<sup>1</sup>**  
**(Dollar Amounts Shown in Millions)**

	TRS Data		TRS & USF Data		FCC Form 499 Data							
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Number of Local Competitors<sup>1</sup></b>												
RBOCs & Other Incumbent LECs	1,347	1,376	1,410	1,348	1,318	1,335	1,335	1,309	1,301	1,304	1,303	1,311
CAPs & CLECs	57	94	129	212	298	479	511	542	601	690	734	985
Local Resellers, Shared Tenant, Private Carriers, & Other Local All Other Carriers Reporting	NA	25	18	64	96	128	158	186	172	228	309	649
<u>Local Exchange Service Revenues</u>	<u>NA</u>	<u>74</u>	<u>109</u>	<u>133</u>	<u>143</u>	<u>229</u>	<u>168</u>	<u>176</u>	<u>179</u>	<u>186</u>	<u>176</u>	<u>203</u>
Total <sup>2</sup>	1,404	1,569	1,666	1,757	1,855	2,171	2,172	2,213	2,253	2,408	2,522	3,148
<b>Local Service Revenues<sup>3</sup></b>												
Incumbent LECs												
Bell Operating Companies <sup>4</sup>	\$65,485	\$70,290	\$68,028	\$69,801	\$76,586	\$93,135	\$93,388	\$91,158	\$85,558	\$82,555	\$81,032	\$77,282
<u>Other Incumbent LECs<sup>4</sup></u>	<u>24,269</u>	<u>24,899</u>	<u>24,960</u>	<u>26,989</u>	<u>26,084</u>	<u>15,166</u>	<u>17,490</u>	<u>17,590</u>	<u>18,141</u>	<u>18,326</u>	<u>18,205</u>	<u>17,862</u>
Total <sup>5</sup>	89,754	95,189	92,988	96,790	102,670	108,301	110,879	108,749	103,699	100,881	99,237	95,144
Local Service Competitors												
CAPs & CLECs	595	949	1,556	2,393	4,505	7,552	10,629	10,001	12,373	12,363	12,363	13,769
Local Resellers, Shared Tenant, Private Carriers, & Other Local All Other Filers (Local Exchange <u>Service Revenues Only</u> ) <sup>5</sup>	NA	NA	224	329	522	914	1,395	1,644	943	1,405	840	1,192
<u>Service Revenues Only</u> <sup>5</sup>	<u>56</u>	<u>59</u>	<u>381</u>	<u>809</u>	<u>1,319</u>	<u>2,028</u>	<u>2,796</u>	<u>3,337</u>	<u>4,979</u>	<u>5,136</u>	<u>6,435</u>	<u>7,157</u>
Total	651	1,008	2,161	3,530	6,347	10,494	14,820	14,982	18,295	18,904	19,637	22,118
Total	\$90,405	\$96,197	\$95,149	\$100,320	\$109,016	\$118,795	\$125,698	\$123,730	\$121,994	\$119,785	\$118,874	\$117,262
<b>Share of Local Service Revenues</b>												
Incumbent LECs												
Bell Operating Companies	72.4%	73.1%	71.5%	69.6%	70.3%	78.4%	74.3%	73.7%	70.1%	68.9%	68.2%	65.9%
<u>Other Incumbent LECs</u>	<u>26.8%</u>	<u>25.9%</u>	<u>26.2%</u>	<u>26.9%</u>	<u>23.9%</u>	<u>12.8%</u>	<u>13.9%</u>	<u>14.2%</u>	<u>14.9%</u>	<u>15.3%</u>	<u>15.3%</u>	<u>15.2%</u>
Total	99.3%	99.0%	97.7%	96.5%	94.2%	91.2%	88.2%	87.9%	85.0%	84.2%	83.5%	81.1%
Local Service Competitors												
CAPs & CLECs	0.7%	1.0%	1.6%	2.4%	4.1%	6.4%	8.5%	8.1%	10.1%	10.3%	10.4%	11.7%
Local Resellers, Shared Tenant, Private Carriers, & Other Local Providers	NA	NA	0.2%	0.3%	0.5%	0.8%	1.1%	1.3%	0.8%	1.2%	0.7%	1.0%
<u>All Other Filers</u>	<u>0.1%</u>	<u>0.1%</u>	<u>0.4%</u>	<u>0.8%</u>	<u>1.2%</u>	<u>1.7%</u>	<u>2.2%</u>	<u>2.7%</u>	<u>4.1%</u>	<u>4.3%</u>	<u>5.4%</u>	<u>6.1%</u>
Total	0.7%	1.0%	2.3%	3.5%	5.8%	8.8%	11.8%	12.1%	15.0%	15.8%	16.5%	18.9%
<b>Total Telecommunications Revenues</b> (Including Payphone, Mobile, & Toll Service)												
Incumbent LECs <sup>4</sup>	\$102,820	\$107,905	\$105,154	\$108,234	\$112,216	\$116,158	\$117,885	\$114,999	\$109,480	\$105,496	\$103,561	\$99,997
Local Competitors	637	1,012	2,481	4,034	6,508	10,945	14,781	15,309	16,857	18,215	18,568	19,473
Ratio of ILEC Total Telecommunications Revenues to Local Competitor Total Telecommunications Revenues	165 : 1	107 : 1	42 : 1	27 : 1	17 : 1	11 : 1	8 : 1	8 : 1	6 : 1	6 : 1	6 : 1	5 : 1

See notes on following page.

**Chart 8.5**  
**ILEC and New Local Competitor Share of Local Service Revenue**



## Notes to Table 8.7.

NA - Not available.

<sup>1</sup> Counts for incumbent LECs, CLECs, CAPs, local resellers, shared tenant service providers, private carriers and other local service providers are based on the numbers of filers actually reporting revenues. The category All Other Filers includes payphone, mobile service, and toll providers that reported local exchange service revenues. Non-incumbent LEC affiliates of incumbent LECs are classified as local service competitors, not as incumbent LECs.

<sup>2</sup> The total number of local service providers shown in Table 8.7 differs from the total fixed local service providers shown in Table 15.3 because the number shown in Table 8.7 represents filers that self identify as mobile or toll providers, and that report some end-user local exchange service revenues.

<sup>3</sup> For most categories of carriers for 1996, local service revenues include revenues from the following TRS reporting categories: local exchange, local private line, other local services, interstate access services, and intrastate access services. The amounts shown do not include pay telephone, mobile, or toll service revenues. See also footnote four. 1998 revenues for carriers that filed TRS worksheets but not universal service worksheets were estimated using 1998 TRS worksheets. These worksheets contain carrier revenue data for calendar year 1997.

<sup>4</sup> Incumbent LEC local service revenues for 1996 and prior years include significant amounts of yellow pages, billing and collection, and other revenues that were reported as other local service revenues. If these revenues were included in 1997, incumbent LECs would show significant revenue growth from 1996 to 1997. Inside wire maintenance was included in local service revenues in 1997 but not thereafter.

<sup>5</sup> Toll carriers typically provide resold special access and private line services as part of toll service operations. Accordingly, the table shows local exchange revenues rather than all local revenues for these carriers.

Sources: Data filed on FCC Forms 431, 457, 499-Q and 499-A worksheets. See also: Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues*.



**Table 8.8**  
**Telephone Number Porting Activity Since Wireless Porting Started<sup>1</sup>**

Month	Landline to Landline (thousands)	Landline to Mobile	Mobile to Mobile <sup>2</sup> (thousands)	Cellular/PCS to Landline	Total (thousands)
2003 November <sup>3</sup>	561	2	61	1	625
December	638	12	756	1	1,407
2004 January	809	24	713	1	1,547
February	711	65	591	2	1,369
March	776	79	632	1	1,488
April	718	49	613	1	1,381
May	756	73	689	1	1,519
June	789	165	873	2	1,829
July	656	143	806	3	1,608
August <sup>4</sup>	786	95	824	*	1,705
September	701	43	787	1	1,532
October	899	97	738	1	1,735
November	736	131	736	2	1,605
December	692	86	910	1	1,689
2005 January	698	53	808	2	1,561
February	936	81	735	1	1,753
March	1,257	74	815	2	2,148
April	959	55	797	1	1,812
May	892	56	862	1	1,811
June	1,064	38	1,153	2	2,257
July	1,006	62	982	2	2,052
August	1,203	42	933	2	2,179
September	1,114	31	835	2	1,982
October	991	37	866	2	1,896
November	1,023	29	826	2	1,880
December	1,079	22	1,031	2	2,135
2006 January	1,242	37	879	4	2,162
February	1,347	22	807	3	2,178
March	1,422	19	876	2	2,319
April	1,095	19	747	2	1,863
May	1,213	46	813	2	2,073
June	1,010	30	862	2	1,904
July	960	55	866	1	1,883
August	1,111	61	953	2	2,127
September	941	36	839	2	1,818
October	1,049	33	823	2	1,908
November	907	40	812	3	1,762
December	977	41	993	2	2,013
2007 January	902	31	1,021	2	1,956
February	864	45	1,049	2	1,960
March	1,035	40	1,155	2	2,232
April	926	33	1,112	2	2,072
May	973	45	1,083	3	2,103
June	1,026	82	1,095	3	2,207
July	1,288	124	1,136	3	2,550
August	1,440	149	1,135	5	2,728
September	1,235	90	1,012	3	2,340
October	1,539	93	1,027	2	2,661
November	1,302	111	1,187	3	2,603
December	2,500	53	1,274	2	3,829
Cumulative Total	50,753	2,980	43,929	97	97,758

\* Indicates a number between 1 and 499.

<sup>1</sup> Monthly figures include numbers that were ported back to the original carrier, or where the subscriber with the ported number terminated service.

<sup>2</sup> Excludes significant porting activity between Cingular and AT&T Wireless following the closing of their merger in October 2004.

<sup>3</sup> Wireless porting started November 24, 2003. These figures include all ports during the month of November, which for ports from or to a wireless carrier, include a small number of test ports that happened prior to November 24.

<sup>4</sup> Due to a data problem, does not include numbers that were ported back to the original carrier, or where the subscriber with the ported number terminated service.

Source: Raw data from Local Number Portability Administrator (NeuStar, Inc.). Rollups performed by the Industry Analysis and Technology Division staff, Wireline Competition Bureau.

**Table 8.9****Telephone Numbers Remaining in the Porting Database at the End of Each Quarter <sup>1</sup>**

Year	Quarter	Landline to	Landline to	Mobile to	Mobile to	Total
		Landline	Mobile	Mobile <sup>2</sup>	Landline	
		(thousands)		(thousands)		(thousands)
1999	Second	1,840	*	*	*	1,840
	Third	2,658	*	*	*	2,658
	Fourth	3,854	*	*	*	3,854
2000	First	5,029	*	*	*	5,029
	Second	5,781	*	*	*	5,781
	Third	7,595	*	*	*	7,595
	Fourth	9,146	*	*	*	9,146
2001	First	10,567	*	*	*	10,567
	Second	12,310	*	*	*	12,310
	Third	14,610	*	*	*	14,610
	Fourth	15,519	*	*	*	15,519
2002	First	16,810	*	*	*	16,810
	Second	18,210	*	*	*	18,210
	Third	19,862	*	*	*	19,862
	Fourth	21,449	*	*	*	21,449
2003	First	22,781	*	*	*	22,781
	Second	23,723	*	*	*	23,723
	Third	24,796	*	*	*	24,796
	Fourth	25,869	16	795	2	26,682
2004	First	28,462	173	2,686	3	31,324
	Second	28,371	406	4,635	4	33,417
	Third	29,396	667	6,874	9	36,945
	Fourth	30,607	832	9,041	11	41,491
2005	First	32,399	1,001	10,860	16	44,276
	Second	34,136	1,092	12,926	19	48,173
	Third	35,959	1,201	14,327	23	51,510
	Fourth	37,607	1,226	16,101	29	54,963
2006	First	40,194	1,272	17,577	34	59,077
	Second	42,130	1,333	19,032	42	62,538
	Third	43,743	1,407	20,509	46	65,705
	Fourth	45,149	1,480	21,920	50	68,600
2007	First	46,761	1,541	23,518	50	71,870
	Second	48,396	1,659	25,399	54	75,508
	Third	50,282	1,952	27,173	56	79,463
	Fourth	53,225	1,909	29,188	63	84,384

\* Wireless portability started November 24, 2003. A small number of test ports were conducted before then.

<sup>1</sup> Numbers ported because customer changed carriers. The database contains the date when the telephone number record was last updated. For most telephone numbers, this was the most recent port. For those telephone numbers affected by area code changes, however, the date refers to when the record was updated to reflect the new area code. See the text for a fuller discussion.

<sup>2</sup> Excludes significant porting activity between Cingular and AT&T Wireless following the closing of their merger. Source: Raw data from Local Number Portability Administrator (NeuStar, Inc.). Rollups performed by the Industry Analysis and Technology Division staff, Wireline Competition Bureau.

**Table 8.10**  
**Numbers in the Porting Database by Quarter in Which They Were Most Recently Ported<sup>1</sup>**  
**December 31, 2007<sup>2</sup>**

Ported During Year	Quarter	Landline to	Landline to	Mobile to	Mobile to
		Landline	Mobile	Mobile	Landline
		(thousands)		(thousands)	
1998	First	0 <sup>3</sup>	*	*	*
	Second	3	*	*	*
	Third	38	*	*	*
	Fourth	119	*	*	*
1999	First	208	*	*	*
	Second	323	*	*	*
	Third	342	*	*	*
	Fourth	429	*	*	*
2000	First	465	*	*	*
	Second	525	*	*	*
	Third	665	*	*	*
	Fourth	767	*	*	*
2001	First	722	*	*	*
	Second	876	*	*	*
	Third	935	*	*	*
	Fourth	1,089	*	*	*
2002	First	924	*	*	*
	Second	1,029	*	*	*
	Third	1,275	*	*	*
	Fourth	1,317	*	*	*
2003	First	976	*	*	*
	Second	1,114	*	*	*
	Third	1,111	*	*	*
	Fourth	1,083	8	400	1
2004	First	1,507	116	915	1
	Second	1,475	107	1,066	3
	Third	1,540	177	1,261	6
	Fourth	1,489	111	1,317	2
2005	First	1,864	87	1,251	2
	Second	1,971	75	1,400	2
	Third	2,184	95	1,599	3
	Fourth	2,063	64	1,712	9
2006	First	2,956	54	1,723	3
	Second	2,410	68	1,805	2
	Third	2,103	121	2,062	3
	Fourth	2,079	99	2,128	5
2007	First	2,327	102	2,256	3
	Second	2,593	135	2,388	3
	Third	3,383	255	2,779	9
	Fourth	4,952	234	3,124	4

\* Wireless portability started November 24, 2003. A small number of test ports were conducted before then. NeuStar supplies information indicating which carriers are wireless and which are wireline. Occasionally, a carrier that had been identified as a wireline carrier is later identified as a wireless carrier, and vice-versa.

<sup>1</sup> Numbers ported because customer changed carriers.

<sup>2</sup> The local number portability database was designed solely for the purpose of routing calls. As such, it retains only the most recent porting activity for any given number. So if a consumer ports a number from Carrier A to Carrier B, and later the consumer then ports the number from Carrier B to Carrier C, the database will not reflect the original port from Carrier A to Carrier B. Also, numbers that revert back to the original carrier (either because the customer ports the number back to the original carrier or because the customer discontinues service with that number) are dropped from the database. Lastly, area code splits can make a number appear to be ported later than it actually was.

<sup>3</sup> Number is between 0 and 499.

Source: Raw data from Local Number Portability Administrator (NeuStar, Inc.). Rollups performed by the Industry Analysis and Technology Division staff, Wireline Competition Bureau.

## 9 Long Distance Telephone Industry

Until the 1970s, AT&T had a virtual monopoly on long distance service in the United States. In the 1970s, competitors such as MCI and Sprint began also to offer long distance service. With the gradual emergence of competition, basic rates dropped, calling surged, and AT&T's dominance declined.

More than 1,600 toll companies now offer wireline long distance service. These carriers remain subject to the Commission's jurisdiction. The Commission, however, has chosen to rely on competition, rather than regulation, as much as possible. Thus, the Commission forbears from regulating most aspects of long distance service.

### 1. Toll Revenues

In 2006, carriers providing toll service generated \$64.4 billion in toll revenues. These include toll revenues from long distance carriers, wireless toll from wireless carriers, and toll revenues from local exchange carriers. These revenues are shown in Table 9.1. Table 9.1 also shows the share of toll revenues by the five largest and the next twenty largest providers. The trend is for smaller firms to have a greater share of industry toll revenues.

Toll calls can be divided into three jurisdictional categories - intrastate calls, domestic interstate calls, and international calls. The revenues, from 1980 through 2006, for each of the three jurisdictional categories are shown in Table 9.2.

Toll revenues also can be divided between residential and nonresidential services, as in Table 9.3. In 2006, residential customers generated a quarter of all end-user toll revenues.

### 2. Number of Companies

The number and types of carriers reporting long distance revenues are shown in Table 9.4. The Telecommunications Reporting Worksheet (FCC Form 499-A) requires each filer to select up to five of 20 categories as best describing its primary line of business. Six of these categories consist of carriers that are primarily engaged in providing long distance service and are collectively described as being toll carriers: interexchange carriers (IXCs), operator service providers (OSPs), other toll service providers, prepaid calling card providers, satellite service providers, and toll resellers.

In 2006, 1,666 filers selected at least one of the above toll service provider categories as their primary line of business and are therefore categorized as being a toll carrier. (They were also asked to rank their choices with *one* being the most important.)

Prior to 1986, carrier identification codes (CICs) provided information on the number of firms seeking to acquire certain types of interconnecting arrangements with local telephone companies. Beginning in 1986, a number of corporations, government

agencies and other organizations began to acquire carrier identification codes for their own use, rather than for the purpose of providing telecommunications services to others. After that time, the use of such codes to estimate the number of long distance carriers became less reliable. The number of codes assigned over time can be found in the long distance section of the May 2004 *Trends* report which can be accessed at [www.fcc.gov/wcb/stats.html](http://www.fcc.gov/wcb/stats.html).

CICs are currently assigned by the North American Numbering Plan Administration (NANPA), which is part of Neustar, Inc. Further information on such codes can be found on the Internet at [www.nanpa.com](http://www.nanpa.com).

### **3. Long Distance Market Shares**

A generation ago, before the breakup of the Bell System, AT&T's local telephone companies provided local service to most of the United States. At the beginning of 1984, however, AT&T's local operating companies were divested in the settlement of an antitrust case.

After the AT&T divestiture, AT&T's former operating companies were restricted to providing service within their own local access and transport areas (LATAs), i.e., they were precluded from offering toll service that crossed LATA boundaries. As a result, two separate and distinct toll markets emerged.

In the first, AT&T competed with small but rapidly growing competitors for calls that crossed LATA boundaries. This market included almost all interstate and international calls and a large number of intrastate toll calls as well. A second and much smaller market consisted of short distance toll calls that did not cross LATA boundaries. This second market was dominated, at least initially, by the local exchange carriers operating within their own service territories.

Over time, the distinctions between the two markets have become blurred as customers acquired the ability to select among competing carriers for their intraLATA calls as well as their interLATA calls. As discussed in greater detail in the following section, the 1996 Telecommunications Act established a procedure for Bell companies to offer in-region, interLATA long distance service after complying with certain preconditions to open their own markets.

Bill Harvesting® data collected by TNS Telecoms (TNS) are used to calculate residential market shares. Further information on TNS and its Bill Harvesting® data can be found in Section 14 and in Appendix B. Table 9.5, which is based on this information, presents nationwide market shares of households, and directly dialed intraLATA and interLATA minutes from 1995 to 2007. Chart 9.2 shows the residential household market shares for the largest carriers for 2007. Table 9.6 presents market shares by region for 2007. Chart 9.3 shows residential market shares for the largest carriers for the northeast and southwest regions for 2007.

#### **4. Section 271 Applications**

Section 271 of the Communications Act required the regional Bell operating companies (RBOCs) to apply to the Commission, on a state-by-state basis, for authorization to provide in-region interLATA services. To obtain such authorization pursuant to section 271, the RBOC had to demonstrate that it satisfied the 14-point competitive checklist, that it complied with the separate affiliate and nondiscrimination requirements of section 272, and that the requested authorization was consistent with the public interest, convenience, and necessity. After a section 271 application was filed with the Commission, the Commission had 90 days to determine whether the RBOC had taken the statutorily required steps to open its local telecommunications markets to competition.

A RBOC applicant had to demonstrate either that: A) one or more unaffiliated competing providers of local telephone service to residential and business subscribers was connected to the RBOC's network, and that such local telephone service was being "offered by such competing providers either exclusively over their own telephone exchange service facilities or predominately over their own telephone exchange service facilities in combination with the resale of the telecommunications services of another carrier" (commonly referred to as "Track A"); or B) if no potential competing provider had requested to connect to a RBOC's network, the RBOC had a statement of generally available terms and conditions in place demonstrating that it is ready to allow potential competitors to connect to its facilities (commonly referred to as "Track B").

On December 22, 1999, the first regional Bell operating company's application (Bell Atlantic, now known as Verizon) was approved by the Commission to provide in-region interLATA service in the state of New York. On December 3, 2003, the final Bell operating company's application (Qwest) was approved to provide in-region interLATA service in the state of Arizona. Table 9.7 shows the states in which the BOCs filed section 271 applications, the Bell operating company's name, and the application's resolution date.

The companies approved must continue to comply with the section 271 requirements. The Commission has a number of enforcement tools at its disposal, including imposing penalties or suspension of approval.

**Table 9.1 -- Toll Service Revenues <sup>1/</sup> by Provider <sup>2/</sup>**  
**(Revenue Amounts Shown in Millions)**

	2000	2001	2002	2003	2004	2005	2006	Preliminary 2007
<b>Totals for the five companies that report the most toll revenue</b>								
Revenue	\$81,546	\$73,486	\$59,864	\$52,172	\$46,511	\$46,599	\$43,892	\$37,587
Percentage of total	74.4%	74.0%	71.5%	67.6%	65.3%	67.3%	68.2%	62.8%
<b>Totals for the next twenty companies that report the most toll revenue</b>								
Revenue	\$17,024	\$15,122	\$13,808	\$13,837	\$13,534	\$10,683	\$8,636	\$9,479
Percentage of total	15.5%	15.2%	16.5%	17.9%	19.0%	15.4%	13.4%	15.8%
<b>Totals for all other companies</b>								
Revenue	\$11,045	\$10,722	\$10,026	\$11,179	\$11,168	\$11,968	\$11,850	\$12,791
Percentage of total	10.1%	10.8%	12.0%	14.5%	15.7%	17.3%	18.4%	21.4%
<b>Totals for all companies</b>								
Total Service Revenue	\$109,615	\$99,053	\$83,697	\$77,188	\$71,214	\$69,250	\$64,379	\$59,857
Companies reporting toll service revenue	1,401	1,715	1,668	1,835	2,173	2,117	2,091	1,938
<b>2000</b>	<b>Five companies reporting the most toll service revenue:</b> AT&T Communications; Qwest Services Corp.; SBC Communications, Inc.; Sprint Corp.; WorldCom, Inc.							
	<b>Next twenty:</b> ALLTEL Corp.; Atlas Telecommunications S.A.; BCE, Inc. (Bell Canada Enterprises); BellSouth Corporation; Broadwing, Inc.; Cable & Wireless Holdings, Inc.; Global Crossing, Ltd.; IDS Telecom, LLC; IDT Corp.; Intermedia Communications, Inc.; McLeod USA Inc.; Pacific Gateway Exchange, Inc.; Primus Telecommunications Group, Inc.; Star Telecommunications; Talk.com Inc.; VarTec Telecom, Inc.; Verizon; Viatel, Inc.; Williams Communications Group, Inc.; World Access, Inc.							
<b>2001</b>	<b>Five companies reporting the most toll service revenue:</b> AT&T Communications; SBC Communications, Inc.; Sprint Corp.; Verizon Communications, Inc.; WorldCom, Inc.							
	<b>Next twenty:</b> ALLTEL Corp.; BellSouth Corp.; Broadwing, Inc.; Cable & Wireless USA, Inc.; Citizens Communication; Empresa Nacional de Telecomunicaciones SSA; Global Crossing; IDT Corp.; ITC^DeltaCom, Inc.; McLeodUSA, Inc.; Network Plus Corp.; Nextel Communications, Inc.; Pacific Gateway Exchange, Inc.; Primus Telecommunications Group, Inc.; Qwest Services Corp.; Star Telecommunications, Inc.; Touch America Holdings, Inc.; VarTec Telecom; WilTel Communications Group, Inc.; World Access, Inc.							
<b>2002</b>	<b>Five companies reporting the most toll service revenue:</b> AT&T Communications; SBC Communications, Inc.; Sprint Corp.; Verizon Communications, Inc.; WorldCom, Inc.							
	<b>Next twenty:</b> ALLTEL Corp.; BellSouth Corp.; Broadwing, Inc.; Cable & Wireless USA, Inc.; CenturyTel, Inc.; Cincinnati Bell, Inc.; Citizens Communications; Comcast Corp.; Empresa Nacional de Telecomunicaciones SSA; Evercom, Inc.; Global Crossing North American Holdings, Inc.; IDT Corp.; ITC^DeltaCom, Inc.; McLeod USA Inc.; Qwest Services Corp.; Telco Group, Inc.; Touch America Holdings, Inc.; VarTec Telecom, Inc.; WilTel Communications Group, Inc.; XO Communications, Inc.							

**Table 9.1 -- Toll Service Revenues <sup>1/</sup> by Provider <sup>2/</sup> -- Continued**

<b>2003</b>	<p><b>Five companies reporting the most toll service revenue:</b> AT&amp;T Communications; MCI, Inc.; SBC Communications, Inc.; Sprint Corp.; Verizon Communications, Inc.</p> <p><b>Next twenty:</b> ALLTEL Corp.; BellSouth Corp.; Broadwing Corp.; CenturyTel, Inc.; Cincinnati Bell, Inc.; Citizens Communications; Evercom, Inc.; Global Crossing North America, Inc.; IDT Corporation; ITC^DeltaCom, Inc.; McLeod USA Inc.; Primus Telecommunications Group, Inc.; Qwest Services Corp.; Telco Group, Inc.; Teleglobe Netherlands Holdings B.V.; Telenor Global Services AS; T-Mobile USA, Inc.; VarTec Telecom, Inc.; WilTel Communications Group, Inc.; XO Communications, Inc.</p>
<b>2004</b>	<p><b>Five companies reporting the most toll service revenue:</b> AT&amp;T Communications; MCI, Inc.; SBC Communications, Inc.; Sprint Corp.; Verizon Communications, Inc.</p> <p><b>Next twenty:</b> ALLTEL Corp.; BellSouth Corp.; Broadwing Communications, LLC; CenturyTel, Inc.; Citizens Communications; Excel, Inc.; General Communication, Inc.; Global Crossing North America, Inc.; IDT Corp.; Level 3 Financing, Inc.; Locus Telecommunications, Inc.; McLeodUSA, Inc.; Primus Telecommunications Group, Inc.; Qwest Services Corp.; Securus Technologies; Telco Group, Inc.; Teleglobe International Holdings Ltd; T-Mobile USA, Inc.; VarTec Telecom, Inc.; WilTel Communications Group, Inc.</p>
<b>2005</b>	<p><b>Five companies reporting the most toll service revenue:</b> AT&amp;T, Inc; BellSouth Corporation; Qwest Services Corp.; Sprint Nextel Corp.; Verizon Communications, Inc.</p> <p><b>Next twenty:</b> ALLTEL Corp.; Broadwing Corporation; BT United States LLC; CenturyTel, Inc.; Epana Networks; Global Crossing North America, Inc.; IDT Corp.; ITC DeltaCom, Inc.; Level 3 Financing, Inc.; Locus Telecommunications, Inc.; Pacific Gateway Exchange, Inc.; Reliance Infocomm Ltd.; Telco Group, Inc.; Time Warner Inc.; T-Mobile USA, Inc.; Touch-Tel USA, LLC; Videsh Sanchar Nigam Limited; WilTel Communications Group, Inc.; World Access, Inc.; XO Communications, Inc.</p>
<b>2006</b>	<p><b>Five companies reporting the most toll service revenue:</b> AT&amp;T, Inc.; IDT Telecom, Inc.; Qwest Services Corp.; Sprint Nextel Corp.; Verizon Communications, Inc.</p> <p><b>Next twenty:</b> ALLTEL Corp.; Broadwing Corporation; CenturyTel, Inc.; Comcast Corporation; Embarq Corporation; Epana Networks; Global Crossing North America, Inc.; Gtel Holdings, Inc.; iBasis, Inc.; Level 3 Financing, Inc.; Locus Telecommunications, Inc.; Reliance Infocomm Ltd.; Telecom Corporation of New Zealand LTD; T-Mobile USA, Inc.; T-NETIX, INC.; Touch-Tel USA, LLC; VarTec Telecom, Inc.; Videsh Sanchar Nigam Limited; WilTel Communications Group, Inc.; XO Communications, Inc.</p>
<b>2007 Preliminary</b>	<p><b>Five companies reporting the most toll service revenue:</b> AT&amp;T, Inc; Level 3 Financing, Inc.; Qwest Services Corp.; Sprint Nextel Corporation; Verizon Communications, Inc.</p> <p><b>Next twenty:</b> ALLTEL Corporation; Broadwing Corporation; CenturyTel, Inc.; Comcast Corporation; Dollar Phone Corp.; Embarq Corporation; Epana Networks; Global Crossing North America, Inc.; Gtel Holdings, Inc.; iBasis, Inc.; IDT Telecom, Inc.; Locus Telecommunications, Inc.; New Cingular Wireless Services, Inc.; Reliance Infocomm Ltd.; STi Prepaid, LLC; T-Mobile USA, Inc.; T-NETIX, INC.; Touch-Tel USA, LLC; Videsh Sanchar Nigam Limited; Windstream Corp.</p>

1/ Toll revenues consist of carrier's carrier revenues reported on the FCC Form 499-A Lines 310 through 314; end user revenues reported on Lines 411 through 417, and a portion of USF pass-through revenue reported on Line 403.

2/ Filings of affiliated companies have been consolidated to create this table. The annual *Telecommunications Provider Locator* reports are one source of information showing which filers are treated as affiliates. For the purpose of this table, revenues for Cingular were divided between Bell South and SBC in proportion to their ownership interest. Revenues for CellCo Partnership were consolidated with Verizon.

Source: Data filed on FCC Form 499A and press reports. See also: Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Provider Locator*.

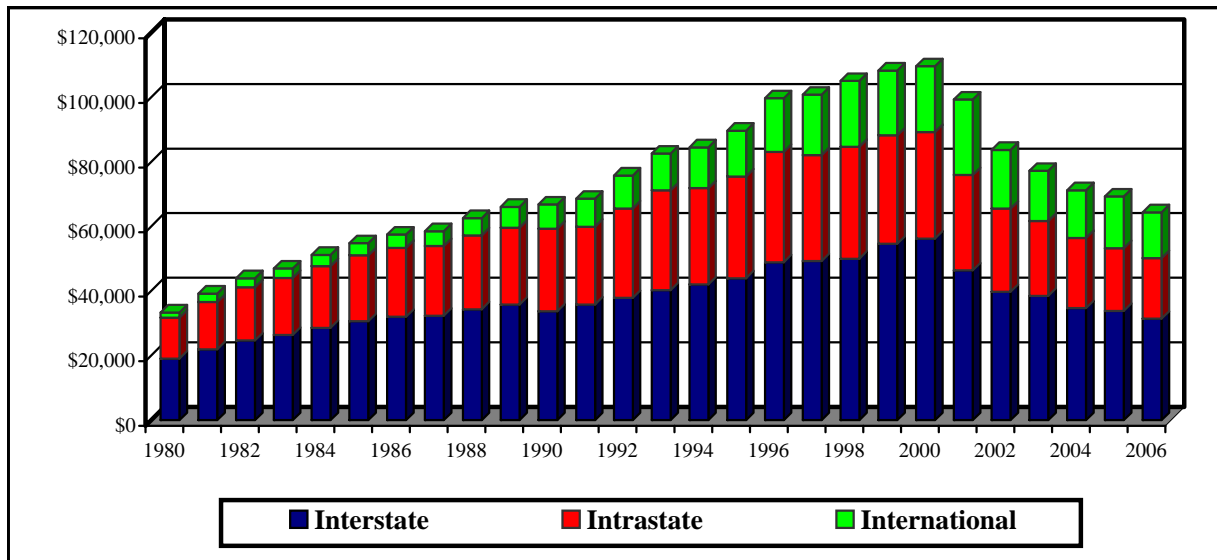


**Table 9.2**  
**Intrastate, Interstate, and International Toll Revenues**  
(Dollar Amounts Shown in Millions)

Year	Toll Revenues				End-User Revenues			
	Intrastate	Interstate	International	Total Toll Revenues	Intrastate	Interstate	International	Total Toll Revenues
1980	\$12,700	\$19,049	\$1,586	\$33,335			\$1,475	
1981	14,632	21,948	2,599	39,180			2,485	
1982	16,457	24,685	2,777	43,919			2,651	
1983	17,612	26,418	2,940	46,970			2,802	
1984	19,077	28,616	3,463	51,156			3,309	
1985	20,408	30,613	3,794	54,815			3,636	
1986	21,340	32,010	4,119	57,468			3,947	
1987	21,563	32,345	4,611	58,519			4,436	
1988	22,900	34,350	5,350	62,600			5,146	
1989	23,850	35,775	6,399	66,024			6,340	
1990	25,622	33,678	7,492	66,792			7,390	
1991	24,090	35,837	8,631	68,558			8,480	
1992	27,667	37,871	10,207	75,744			9,810	
1993	30,950	40,212	11,364	82,525			10,901	
1994	29,815	42,028	12,635	84,478			12,100	
1995	31,519	43,955	14,155	89,629			13,144	
1996	34,181	48,903	16,607	99,691			15,023	
1997	32,859	49,247	18,688	100,793	\$30,144	\$43,640	15,409	\$89,193
1998	34,699	50,000	20,356	105,055	30,800	44,153	16,654	91,607
1999	33,600	54,590	20,056	108,246	29,976	47,598	15,737	93,311
2000	33,030	56,225	20,361	109,615	28,501	42,980	16,286	87,767
2001	29,530	46,389	23,381	99,301	25,891	36,660	16,751	79,302
2002	25,772	39,725	18,200	83,697	22,122	31,707	13,392	67,222
2003	23,160	38,501	15,527	77,188	18,889	28,088	12,006	58,983
2004	21,748	34,664	14,802	71,214	17,762	27,487	10,262	55,511
2005	19,397	33,839	16,014	69,250	15,489	26,811	10,238	52,538
2006	18,791	31,420	14,168	64,379	15,415	25,164	8,699	49,278

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues*, International Bureau, *Trends in the U.S. International Telecommunications Industry* and *International Traffic Data*, 47 CFR § 43.21(c) data through 1991. Through 1996, some breakouts based on staff estimates.

**Chart 9.1**  
**Toll Revenues by Market Segment**  
(Dollar Amounts Shown in Billions)



**Table 9.3**  
**End-User Toll Revenues**  
**(Dollar Amounts Shown in Millions)**

Year	Residential Toll as a Percentage of all End-User Toll Revenues <sup>1/</sup>	End-User Toll Revenues <sup>2/</sup>	End-User Toll Revenues By Customer Type	
			Residential	Other
1995	46 %	\$75,638	\$35,103	\$40,535
1996	45	82,616	37,543	45,074
1997	46	89,193	40,978	48,215
1998	44	91,607	40,284	51,323
1999	42	93,311	39,466	53,845
2000	38	87,767	33,327	54,440
2001	33	79,302	26,075	53,227
2002	34	67,222	23,018	44,204
2003	35	58,983	20,905	38,078
2004	33	55,511	18,225	37,286
2005	29	52,538	15,206	37,332
2006	25	49,278	12,456	36,822

Note: Data for 2004 and 2005 were revised.

1/ Staff estimates are based on market segment data in carrier annual reports to shareholders; average household payments to long distance carriers shown in Table 3.2; and residential toll revenues published by the U.S. Census Bureau in the *Service Annual Survey: 2006*, Table 3.3.7, and previous reports.

2/ Toll services are telecommunications services that enable customers to communicate outside of local exchange calling areas. Toll service revenues include revenues from ordinary long distance, subscriber toll-free, operator service, prepaid calling card, long distance private line, satellite services, and other long distance services. End-user toll revenues consist of toll service revenues from end-user customers, governments, non-profits, *de minimis* resellers, and any other customer that does not contribute directly to universal service.

Source: End-user toll revenues for 1997 through 2006 are taken from Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues* current and previous editions. Figures for 1995 and 1996 are staff estimates.

**Table 9.4  
Number of Toll Service Providers**

	TRS Data		TRS & USF Data		FCC Form 499-A Data							
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Carriers That Provide Toll Service 1/</b>												
Toll Carriers												
Interexchange Carriers (IXCs)	130	149	151	171	178	212	233	229	232	257	262	361
Other Toll Carriers												
Operator Service Providers (OSPs)	25	27	32	24	15	20	19	18	17	19	23	29
Pre-paid Calling Card Providers	8	16	18	20	18	23	27	27	50	67	69	154
Satellite Service Providers	NA	22	13	13	17	25	34	33	40	40	40	43
Toll Resellers	260	345	340	388	406	493	558	574	642	751	721	923
Other Toll Service Providers	<u>30</u>	<u>28</u>	<u>15</u>	<u>31</u>	<u>17</u>	<u>35</u>	<u>69</u>	<u>51</u>	<u>45</u>	<u>70</u>	<u>63</u>	<u>127</u>
Total Toll Service Providers	453	587	569	647	651	808	940	932	1,026	1,204	1,178	1,666
Fixed Local Service, Payphone, and Mobile Service Filers with Toll Service Revenues	NA	NA	1,537	1,740	1,870	1,678	1,884	1,602	1,678	1,680	1,706	1,937
All Toll Service Providers 2/	NA	NA	2,106	2,387	2,521	2,486	2,824	2,534	2,704	2,884	2,884	3,603

NA - Not available.

1/ Counts of toll carriers represent the numbers of filers that reported telecommunications revenues and that identified themselves using a toll carrier category. Filers that identified themselves as Fixed Local Service, Payphone, and Mobile Service providers were counted as toll providers only if they reported toll service revenues.

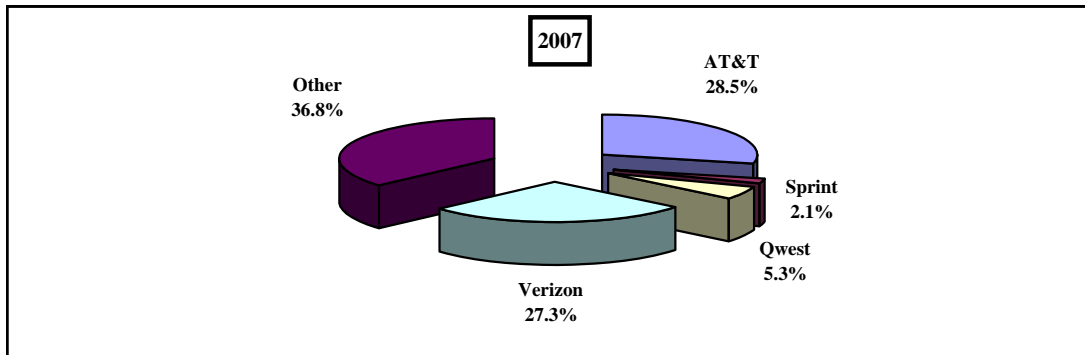
2/ Toll carrier counts in Table 9.4 differ from toll carrier counts in Table 9.1 for two reasons. Counts in this table include firms that identify themselves as toll carriers even if they reported only non-toll telecom revenues. In addition, counts in this table were made by filing entity whereas Table 9.1 consolidates affiliated filers. Toll carrier counts also differ from toll carrier counts in Table 5.3. Table 5.3 includes companies that made an FCC Form 499.A filing for registration purposes but that had not yet reported toll revenues.

Sources: Data filed on FCC Forms 431, 457, and 499-A worksheets. See also: Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues* and *Telecommunications Provider Locator*.

**Table 9.5**  
**Residential Household Market Shares**  
**(1995 - 2007)**

	AT&T <sup>1</sup>	MCI <sup>2</sup>	Sprint <sup>3</sup>	BellSouth <sup>4</sup>	Qwest <sup>5</sup>	SBC <sup>6</sup>	Verizon <sup>7</sup>	Other <sup>8</sup>
<b>Households <sup>9</sup></b>								
1995	74.6 %	13.0 %	4.2 %	(8) %	(8) %	(8) %	(8) %	8.2 %
1996	69.9	14.1	5.0	(8)	(8)	(8)	(8)	11.0
1997	67.2	13.2	5.7	(8)	(8)	(8)	(8)	13.8
1998	62.6	15.1	5.7	(8)	(8)	(8)	(8)	16.6
1999	62.5	16.0	6.2	(8)	(8)	(8)	(8)	15.4
2000	51.1	18.0	6.6	0.1	1.6	1.0	4.6	17.0
2001	42.3	18.5	6.8	0.1	2.9	2.6	6.7	20.0
2002	36.7	15.8	7.6	0.2	2.5	3.8	9.3	24.1
2003	31.7	13.0	7.1	2.2	3.2	7.5	10.8	24.4
2004	23.5	9.9	6.9	4.4	5.7	13.2	12.9	23.5
2005	18.1	7.7	6.2	5.9	5.9	15.9	16.2	24.1
2006	29.3	--	3.8	6.6	6.1	--	25.2	29.0
2007	28.5	--	2.1	--	5.3	--	27.3	36.8
<b>Direct Dial IntraLATA Minutes</b>								
1995	8.9 %	2.4 %	4.6 %	(8) %	(8) %	(8) %	(8) %	84.1 %
1996	9.5	5.4	4.4	(8)	(8)	(8)	(8)	80.6
1997	13.9	6.7	3.7	(8)	(8)	(8)	(8)	75.7
1998	15.6	8.7	3.8	(8)	(8)	(8)	(8)	71.8
1999	16.9	12.0	3.6	(8)	(8)	(8)	(8)	67.5
2000	17.3	12.8	5.0	1.6	5.0	18.6	18.0	21.7
2001	15.4	13.2	4.8	1.4	4.3	17.9	17.6	25.3
2002	14.0	11.8	4.8	1.1	2.9	18.5	16.3	30.7
2003	10.7	11.4	8.1	0.9	2.7	17.7	13.2	35.4
2004	7.5	9.4	5.0	1.0	4.6	30.5	12.2	29.9
2005	5.5	9.2	5.3	1.3	5.3	34.3	12.2	26.7
2006	38.1	--	1.8	1.2	6.9	--	17.8	34.2
2007	33.9	--	0.8	--	5.7	--	20.0	39.7
<b>Direct Dial InterLATA Minutes</b>								
1995	69.5 %	16.1 %	5.8 %	(8) %	(8) %	(8) %	(8) %	8.6 %
1996	62.5	15.9	7.1	(8)	(8)	(8)	(8)	14.5
1997	62.4	14.9	6.5	(8)	(8)	(8)	(8)	16.2
1998	58.4	17.0	6.5	(8)	(8)	(8)	(8)	18.1
1999	53.2	20.9	6.6	(8)	(8)	(8)	(8)	19.3
2000	44.7	22.0	7.3	0.1	1.6	0.5	2.5	21.3
2001	36.3	20.5	7.6	0.1	1.9	1.8	3.6	28.1
2002	31.2	18.1	9.0	0.3	1.6	3.1	5.6	31.0
2003	26.0	16.6	7.9	1.4	1.8	6.6	6.6	32.9
2004	17.0	12.5	8.1	1.9	6.4	20.3	6.7	27.0
2005	10.8	11.3	8.6	2.6	8.5	23.7	8.2	26.3
2006	35.6	--	3.3	2.4	10.3	--	16.4	32.0
2007	32.7	--	1.5	--	10.8	--	12.7	42.4

**Chart 9.2**  
**Residential Household Market Shares**



## Notes for Table 9.5

**Note: Market shares are estimates based on sample data.** Shares for past years have been revised to take into account mergers and acquisitions and changes in methodology. Columns may not sum to 100% due to rounding.

<sup>1</sup> AT&T Long Distance, Lucky Dog Phone Co. and ACC Long Distance. Starting in 2006, AT&T includes the former SBC.

<sup>2</sup> MCI Long Distance, Telecom USA, Touch 1, TTI National, LDDS WorldCom and WorldCom Network Service. Starting in 2006, MCI's figures were included in the totals for Verizon.

<sup>3</sup> Excluding Embarq starting in 2006.

<sup>4</sup> BellSouth Long Distance and BellSouth Public Communications. Starting in 2007, BellSouth's figures were included in the totals for AT&T.

<sup>5</sup> Qwest and U S WEST Long Distance.

<sup>6</sup> Ameritech Communications, Ameritech 800, Pacific Bell, Southwest Long Distance, SBC Long Distance and SNET All Distance. Starting in 2006, SBC's figures were included in the totals for AT&T. Starting in 2007, BellSouth's figures were included in the totals for AT&T.

<sup>7</sup> Bell Atlantic Long Distance, NYNEX/Bell Atlantic North, Verizon Select Services and GTE. Starting in 2006, MCI's figures were included in the totals for Verizon.

<sup>8</sup> Until 2000, the regional Bell operating companies are not broken out of the "Other" category.

<sup>9</sup> Each household is assumed to have a single access line (less than 8% of households in the 2003 sample had more than one access line). These lines are allocated across carriers based on the household's primary long distance carrier which is imputed by the provider of the data, TNS Telecoms. In 1995, 1996 and 1999-2003, TNS defined the household's primary long distance carrier. In 1997, a household's primary long distance carrier was determined based on calls made through long distance carriers, and in 1998, a household's primary long distance carrier was determined based on interLATA calls.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms *ReQuest Market Monitor*™, *Bill Harvesting*®.

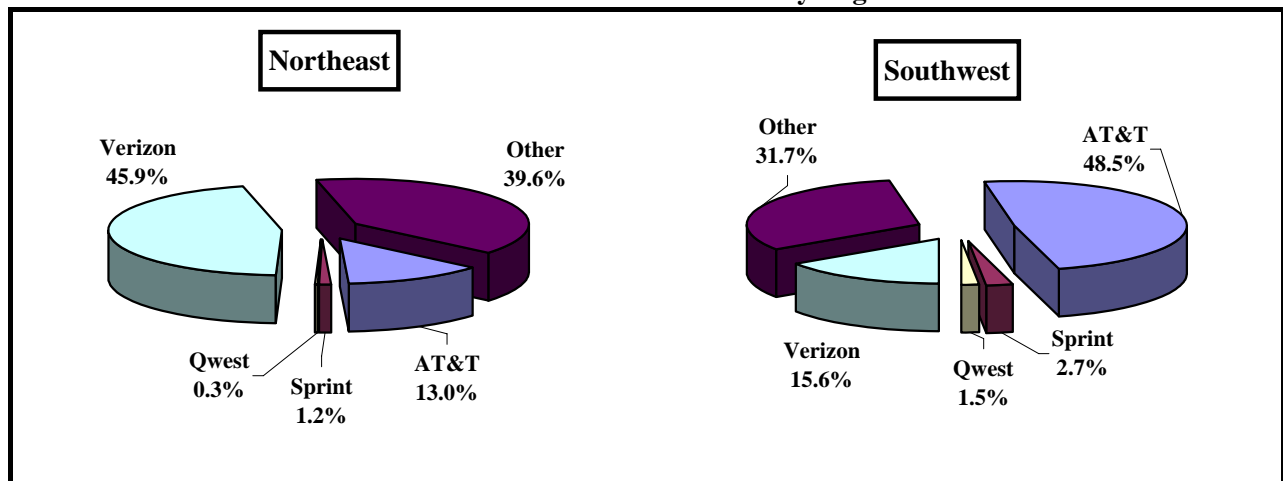
**Table 9.6**  
**Residential Household Market Shares**  
**By Region: 2007**

Region <sup>1</sup>	AT&T <sup>2</sup>	MCI <sup>3</sup>	Sprint <sup>4</sup>	BellSouth <sup>5</sup>	Qwest <sup>6</sup>	SBC <sup>7</sup>	Verizon <sup>8</sup>	Other <sup>9</sup>	Sample Size
<b>Households</b>									
Southeast	42.4 %	-- %	2.4 %	-- %	1.2 %	-- %	13.7 %	40.3 %	4,731
West	7.2	--	2.3	--	32.8	--	12.8	45.0	3,242
West Coast	46.4	--	3.3	--	1.6	--	23.6	25.2	2,561
Mid-Atlantic	11.1	--	1.3	--	0.7	--	54.2	32.6	4,139
Mid-West	37.8	--	2.4	--	2.2	--	19.3	38.4	3,990
Northeast	13.0	--	1.2	--	0.3	--	45.9	39.6	3,891
Southwest	48.5	--	2.7	--	1.5	--	15.6	31.7	2,634
Total	28.5 %	-- %	2.1 %	-- %	5.3 %	-- %	27.3 %	36.8 %	25,188
<b>Direct Dial IntraLATA Minutes</b>									
Southeast	16.1 %	-- %	0.4 %	-- %	0.2 %	-- %	18.6 %	64.6 %	43,041
West	2.2	--	1.1	--	46.9	--	10.2	39.7	48,259
West Coast	61.6	--	1.4	--	0.2	--	19.7	17.2	72,498
Mid-Atlantic	6.0	--	0.7	--	0.8	--	35.3	57.2	57,506
Mid-West	47.7	--	0.7	--	0.7	--	16.2	34.7	96,716
Northeast	19.0	--	1.1	--	0.4	--	17.5	62.0	46,535
Southwest	50.1	--	0.1	--	1.2	--	22.2	26.3	75,608
Total	33.9 %	-- %	0.8 %	-- %	5.7 %	-- %	20.0 %	39.7 %	440,163
<b>Direct Dial InterLATA Minutes</b>									
Southeast	20.4 %	-- %	2.1 %	-- %	0.6 %	-- %	13.0 %	63.9 %	148,819
West	2.1	--	1.3	--	53.8	--	8.2	34.6	156,636
West Coast	55.1	--	2.6	--	0.8	--	9.5	32.0	112,687
Mid-Atlantic	13.1	--	2.0	--	2.5	--	24.7	57.8	91,961
Mid-West	48.6	--	0.8	--	0.8	--	9.8	39.9	140,785
Northeast	33.1	--	1.1	--	0.1	--	23.7	41.9	82,718
Southwest	66.1	--	0.5	--	1.0	--	7.1	25.4	109,009
Total	32.7 %	-- %	1.5 %	-- %	10.8 %	-- %	12.7 %	42.4 %	842,615

Note: Market shares are estimates based on sample data. Columns may not sum to 100% due to rounding. For footnotes, please see the next page.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms *ReQuest Market Monitor*™, Bill Harvesting®.

**Chart 9.3**  
**Residential Household Market Shares by Region: 2007**



## Notes for Table 9.6

<sup>1</sup> Southeast: Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.

West: Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming.

West Coast: California and Nevada.

Mid-Atlantic: Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia and West Virginia

Mid-West: Illinois, Indiana, Michigan, Ohio and Wisconsin.

Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island and Vermont.

Southwest: Arkansas, Kansas, Missouri, Oklahoma and Texas.

<sup>2</sup> AT&T Long Distance, Lucky Dog Phone Co. and ACC Long Distance. Starting in 2006, AT&T includes the former SBC.

<sup>3</sup> MCI Long Distance, Telecom USA, Touch 1, TTI National, LDDS WorldCom and WorldCom Network Service

<sup>4</sup> Not including Embarq.

<sup>5</sup> BellSouth Long Distance and BellSouth Public Communications.

<sup>6</sup> Qwest and U S WEST Long Distance.

<sup>7</sup> Ameritech Communications, Ameritech 800, Pacific Bell, Southwest Long Distance, SBC Long Distance and SNET All Distance. Starting in 2006, SBC's figures were included in the totals for AT&T.

<sup>8</sup> Bell Atlantic Long Distance, NYNEX/Bell Atlantic North, Verizon Select Services and GTE. Starting in 2006, MCI's figures were included in the totals for Verizon.

<sup>9</sup> Households with any other presubscribed carrier. **Note that households for which the presubscribed carrier is unknown or could not be determined have been excluded from the sample.**

**Table 9.7**  
**Regional Bell Operating Companies' Applications**  
**To Provide In-Region InterLATA Service**  
**(Section 271 Applications)**

<b>State</b>	<b>Bell Operating Company</b>	<b>Date Application Resolved</b>
Alabama	BellSouth	09/18/02
Arkansas	SBC	11/16/01
Arizona	Qwest	12/03/03
California	SBC	12/19/02
Colorado	Qwest	12/23/02
Connecticut	Verizon	07/20/01
Delaware	Verizon	09/25/02
District of Columbia	Verizon	03/19/03
Florida	BellSouth	12/19/02
Georgia	BellSouth	05/15/02
Idaho	Qwest	12/23/02
Illinois	SBC	10/15/03
Indiana	SBC	10/15/03
Iowa	Qwest	12/23/02
Kansas	SBC	01/22/01
Kentucky	BellSouth	09/18/02
Louisiana	BellSouth	05/15/02
Maine	Verizon	06/19/02
Maryland	Verizon	03/19/03
Massachusetts	Verizon	04/16/01
Michigan	SBC	09/17/03
Minnesota	Qwest	06/26/03
Mississippi	BellSouth	09/18/02
Missouri	SBC	11/16/01
Montana	Qwest	12/23/02
Nebraska	Qwest	12/23/02
Nevada	SBC	04/14/03
New Hampshire	Verizon	09/25/02
New Jersey	Verizon	06/24/02
New Mexico	Qwest	04/15/03
New York	Verizon	12/22/99
North Carolina	BellSouth	09/18/02
North Dakota	Qwest	12/23/02
Ohio	SBC	10/15/03
Oklahoma	SBC	01/22/01
Oregon	Qwest	04/15/03
Pennsylvania	Verizon	09/19/01
Rhode Island	Verizon	02/22/02
South Carolina	BellSouth	09/18/02
South Dakota	Qwest	04/15/03
Tennessee	BellSouth	12/19/02
Texas	SBC	06/30/00
Utah	Qwest	12/23/02
Vermont	Verizon	04/17/02
Virginia	Verizon	10/30/02
Washington	Qwest	12/23/02
West Virginia	Verizon	03/19/03
Wisconsin	SBC	10/15/03
Wyoming	Qwest	12/23/02



## 10 Minutes

As in the case of telephone lines, there are several alternative measures of calling volumes. Most subscribers purchase service with unlimited local calling. As a result, most local calls are not metered. Periodic studies have been used within the telephone industry to estimate the number of calls and calling minutes for a variety of purposes. For example, periodic studies of dial equipment minutes (DEMs) historically were used to estimate the proportion of calling that is interstate and to allocate costs between interstate and intrastate services. However, DEMs are no longer being used for separations purposes because the separations factors are now frozen. Historical data for DEMs can be found in the August 2003 issue of *Trends in Telephone Service*.

### 1. Interstate Switched Access Minutes

Switched access minutes are those minutes transmitted by long distance carriers that also use the distribution networks of local telephone companies, i.e., calls made on private telecommunications networks and on leased lines are excluded. On ordinary long distance calls, minutes are counted both where the call originates and where the call terminates. Access minutes include only the domestic portion of international calls. WATS and toll-free (800/888/877/866) calls are counted only on one end of the call. WATS calls generate access minutes only at the terminating end of the call and toll-free (800/888/877/866) calls generate access minutes only at the originating end of the call; both types of minutes are counted in the terminating minutes because they are billed at the terminating rate. Originating WATS and terminating toll-free minutes are covered under special access arrangements, and hence are not subject to switched access charges. Finally, switched access minutes include time for incomplete calls and setup time.

Table 10.1 and Chart 10.1 show the total number of interstate switched access minutes handled by all long distance carriers starting with mid-1984, when the data first became available. The number of minutes grew steadily from mid-1984 to 2000 stemming from a combination of overall economic growth and price reductions. Since 2001, interstate switched access minutes have declined, due to a number of reasons including substitution of other services.

### 2. Billed Access Minutes and Calls

Another measure of usage is the number of interLATA billed access minutes and the number of local calls and toll calls. The large incumbent LECs file data on this as part of their Automated Reporting Management Information System (ARMIS) reports. The individual carrier's data can be obtained from the ARMIS Report 43-08 on the ARMIS web page at [www.fcc.gov/wcb/armis](http://www.fcc.gov/wcb/armis).

The number of interLATA access minutes is based on bills sent to interexchange carriers. They include total originating and terminating access minutes of use. Where these data are unavailable, a statistically valid calculation is sometimes used. The number of local calls refers

to the number of originating calls completed or unanswered between points both of which are within the local service area of the calling telephone, or total originating calls minus total originating toll calls. The number of toll calls completed refers to the number of completed calls directed to a point outside the local service area of the calling telephone. IntraLATA toll calls completed (originating) consist of the number of completed toll calls carried by the reporting local operating company within a given local access and transport area (LATA) and interLATA toll calls completed (originating) consist of completed calls directed to and carried by interexchange carriers. IntraLata toll calls carried by interexchange carriers are not included. More detailed definitions can be found on the ARMIS web site. Intralata toll calls carried by Interexchange carriers are not included.

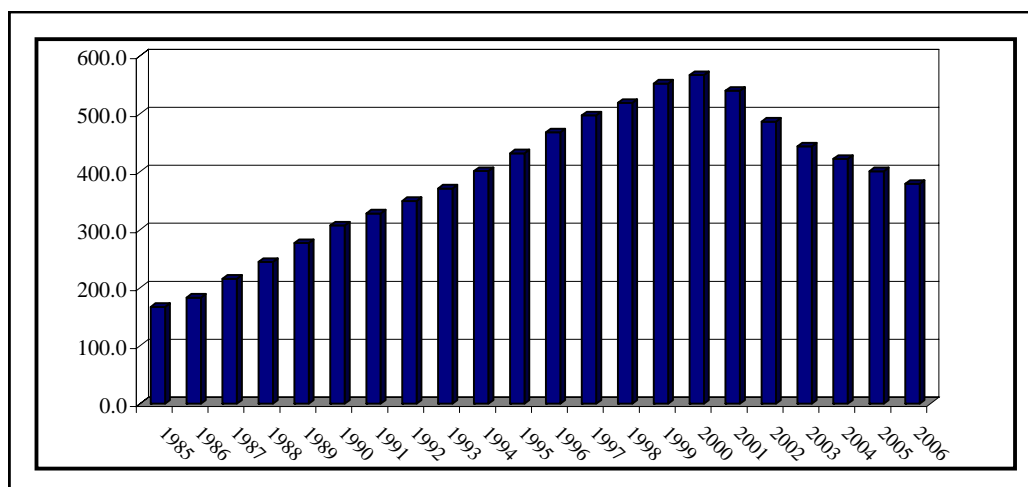
Table 10.2 shows historical data on the number of local and toll calls and the number of interLATA billed access minutes for the large ILECs reporting to the Commission. Toll calls are further categorized by intraLATA, interLATA interstate and interLATA intrastate. Interstate and intrastate billed access minutes are also shown.

**Table 10.1**  
**Interstate Switched Access Minutes for Incumbent Local Exchange Carriers**  
**(In Billions)**

Year	Period	Access Minutes	Year	Period	Access Minutes	Year	Period	Access Minutes
1984	Third Quarter	37.5	1992	First Quarter	85.6	2000	First Quarter	142.8
	Fourth Quarter	39.6		Second Quarter	86.5		Second Quarter	142.9
				Third Quarter	87.9		Third Quarter	141.3
				Fourth Quarter	89.8		Fourth Quarter	139.9
				<b>Total 1992</b>	<b>349.7</b>		<b>Total 2000</b>	<b>566.9</b>
1985	First Quarter	39.6	1993	First Quarter	90.6	2001	First Quarter	138.1
	Second Quarter	41.5		Second Quarter	91.2		Second Quarter	137.1
	Third Quarter	42.8		Third Quarter	93.6		Third Quarter	133.3
	Fourth Quarter	43.3		Fourth Quarter	95.9		Fourth Quarter	131.3
	<b>Total 1985</b>	<b>167.1</b>		<b>Total 1993</b>	<b>371.2</b>		<b>Total 2001</b>	<b>539.8</b>
1986	First Quarter	43.0	1994	First Quarter	98.7	2002	First Quarter	124.7
	Second Quarter	44.8		Second Quarter	97.9		Second Quarter	124.3
	Third Quarter	46.7		Third Quarter	101.9		Third Quarter	119.6
	Fourth Quarter	48.5		Fourth Quarter	102.9		Fourth Quarter	118.0
	<b>Total 1986</b>	<b>183.1</b>		<b>Total 1994</b>	<b>401.4</b>		<b>Total 2002</b>	<b>486.6</b>
1987	First Quarter	51.2	1995	First Quarter	105.6	2003	First Quarter	114.2
	Second Quarter	52.5		Second Quarter	106.8		Second Quarter	112.1
	Third Quarter	55.0		Third Quarter	109.0		Third Quarter	109.9
	Fourth Quarter	57.0		Fourth Quarter	110.6		Fourth Quarter	107.7
	<b>Total 1987</b>	<b>215.7</b>		<b>Total 1995</b>	<b>431.9</b>		<b>Total 2003</b>	<b>443.9</b>
1988	First Quarter	59.0	1996	First Quarter	115.7	2004	First Quarter	109.2
	Second Quarter	59.6		Second Quarter	114.7		Second Quarter	106.0
	Third Quarter	62.1		Third Quarter	117.5		Third Quarter	105.1
	Fourth Quarter	64.0		Fourth Quarter	120.2		Fourth Quarter	102.0
	<b>Total 1988</b>	<b>244.6</b>		<b>Total 1996</b>	<b>468.1</b>		<b>Total 2004</b>	<b>422.3</b>
1989	First Quarter	66.2	1997	First Quarter	122.1	2005	First Quarter	101.2
	Second Quarter	68.5		Second Quarter	124.4		Second Quarter	100.4
	Third Quarter	69.7		Third Quarter	124.9		Third Quarter	100.6
	Fourth Quarter	72.6		Fourth Quarter	125.8		Fourth Quarter	98.8
	<b>Total 1989</b>	<b>277.1</b>		<b>Total 1997</b>	<b>497.3</b>		<b>Total 2005</b>	<b>401.0</b>
1990	First Quarter	74.7	1998	First Quarter	124.0	2006	First Quarter	98.1
	Second Quarter	75.8		Second Quarter	131.3		Second Quarter	95.3
	Third Quarter	77.9		Third Quarter	130.7		Third Quarter	94.0
	Fourth Quarter	79.1		Fourth Quarter	132.8		Fourth Quarter	91.8
	<b>Total 1990</b>	<b>307.4</b>		<b>Total 1998</b>	<b>518.8</b>		<b>Total 2006</b>	<b>379.2</b>
1991	First Quarter	79.2	1999	First Quarter	135.6	2007	First Quarter	90.6
	Second Quarter	81.9		Second Quarter	138.1		Second Quarter	88.5
	Third Quarter	82.6		Third Quarter	138.3		Third Quarter	86.4
	Fourth Quarter	84.4		Fourth Quarter	140.3		Fourth Quarter	
	<b>Total 1991</b>	<b>328.0</b>		<b>Total 1999</b>	<b>552.3</b>		<b>Total 2007</b>	

Source: National Exchange Carrier Association (NECA), MOU/Data/Summary of NECA's Total Pool Results, December 17, 2007. Industry Analysis and Technology Division, Wireline Competition Bureau, *Universal Service Monitoring Report* (December 2007).

**Chart 10.1**  
**Interstate Switched Access Minutes for Incumbent Local Exchange Carriers**  
**(In Billions)**



**Table 10.2**  
**Telephone Calls and Billed Access Minutes of Large ILECs Reporting to the Commission**

Year	Number of Carriers	Number of Telephone Calls (Thousands)						InterLATA Billed Access Minutes Carried by IXCs (Originating and Terminating) (Thousands)		
		Local Calls Carried by the ILECs	Toll Calls Completed <sup>1</sup> (Originating)					Total	Interstate	Intrastate
			Total <sup>1</sup>	IntraLATA carried by ILECs	Total InterLATA Carried by IXCs	InterLATA Interstate Carried by IXCs	InterLATA Intrastate Carried by IXCs			
1984	75	350,391,981	NA	NA	NA	NA	NA	NA	NA	NA
1985	55	365,304,830	NA	NA	NA	NA	NA	NA	NA	NA
1986	57	372,296,473	NA	NA	NA	NA	NA	NA	NA	NA
1987	52	379,864,264	NA	NA	NA	NA	NA	NA	NA	NA
1988	52	379,035,883	67,547,342	18,983,768	48,563,574	36,752,925	11,810,649	NA	NA	NA
1989	51	389,383,322	68,547,451	19,406,222	49,141,229	37,593,867	11,547,362	NA	NA	NA
1990	51	402,492,293	63,359,346	20,263,554	43,095,792	31,888,748	11,207,044	NA	NA	NA
1991	52	416,213,954	67,333,207	23,337,553	43,995,654	32,126,555	11,869,099	405,456,048	305,745,611	99,710,437
1992	54	434,175,743	71,502,090	22,612,572	48,889,518	36,036,032	12,853,486	432,356,515	327,821,281	104,535,234
1993	53	447,473,714	78,077,246	23,757,662	54,319,584	38,746,788	15,572,796	465,270,369	351,022,599	114,247,770
1994	52	465,207,539	83,441,709	23,796,633	59,645,076	43,244,593	16,400,483	500,297,267	374,996,101	125,301,166
1995	53	484,195,345	94,051,667	23,327,801	70,723,866	50,618,771	20,105,095	549,982,263	405,579,546	144,402,717
1996	51	504,131,507	94,905,927	21,376,847	73,529,080	52,677,037	20,852,043	598,563,946	438,772,880	159,791,066
1997	51	522,025,261	98,424,977	21,844,925	76,580,052	54,563,338	22,016,714	647,813,708	469,638,292	178,175,416
1998	52	544,288,934	96,934,938	18,469,316	78,465,622	55,974,210	22,491,412	690,523,467	497,138,901	193,384,566
1999	52	553,853,237	102,245,666	18,116,240	84,129,426	57,806,961	26,322,465	739,042,459	519,272,905	219,769,554
2000	52	536,523,081	105,978,596	16,157,912	89,820,684	59,212,055	30,608,629	792,263,836	535,011,649	257,252,187
2001	52	515,335,676	97,849,444	14,970,794	82,878,650	53,319,645	29,559,005	745,754,124	504,026,109	241,728,015
2002	53	453,603,777	95,709,932	13,324,887	82,385,045	52,905,686	29,479,359	666,477,372	451,602,651	214,874,720
2003	54	418,024,360	87,750,048	11,938,818	75,811,230	48,942,707	26,868,523	611,454,607	414,766,241	196,688,366
2004	56	380,783,208	82,246,587	10,176,082	72,070,505	47,560,862	24,509,643	600,794,362	406,315,068	194,479,294
2005	56	330,018,175	79,410,078	9,320,956	70,089,122	45,362,434	24,726,688	577,264,068	388,640,682	188,623,386
2006	56	280,182,070	73,065,925	8,619,197	64,446,728	41,993,036	22,453,692	543,163,434	372,044,483	171,118,950

<sup>1</sup> Excludes IntraLata toll carried by interexchange carriers.

NA - Not available.

Notes: Between 1987 and 1988, there were significant changes in the definitions of many of the items in this table due to the implementation of a new Uniform System of Accounts (USOA) in 1988. In 1992, some of these definitions were further refined when the reporting mechanism of the carriers was changed for the filing of 1991 data. For these reasons, there may be inconsistencies in the data reported for 1984-1987 compared to what was reported for 1988, and also between 1988 and subsequent years, as the carriers were adapting to the new USOA and automated reporting requirements. ILEC is an abbreviation for incumbent local exchange carrier. IXC is an abbreviation for interexchange carrier.

Source: Industry Analysis and Technology Division, Wireline Competition Division, *Statistics of Communications Common Carriers*, with updates and revisions contained in the ARMIS database for the most recent five years. Totals may be understated because certain data pertaining to the carriers included in this table are not available.

# 11 Mobile Wireless Service

## 1. Industry Statistics

There are several measures of mobile wireless subscribers. While there are some differences in these data series, they all show significant growth in mobile wireless subscribers. The Commission collects data on the number of wireless subscribers by state as part of the local competition and broadband data gathering program (FCC Form 477). This program requires providers of wireless service to file information twice each year. Prior to June 2005, only wireless carriers with at least 10,000 subscribers in a state were required to report.<sup>1</sup> The Commission also collects data on wireless numbers as part of the data collection on Numbering Resources and Utilization/Forecasting (FCC Form 502). Wireless numbers are a good proxy for wireless subscribers since wireless carriers generally assign only one subscriber per number. The CTIA-The Wireless Association™ periodically publishes summary information on the industry. CTIA can be found on the Internet at [www.ctia.org](http://www.ctia.org).

Table 11.1 and Chart 11.1 show three measures of mobile wireless subscribers over time. In 1984 there were 92,000 subscribers, as compared with about 240 million subscribers as of June 30, 2007. Table 11.2 shows the number of wireless subscribers per state as of June 30, 2007 using data from FCC Form 477. Table 11.3 provides information on the industry published by CTIA. These trends include revenues, cell sites, employees, and average monthly bills. The table shows that the industry had more than 257 thousand employees as of June 2007, as compared to about 3,500 employees in 1986; and there was a significant drop in the average monthly bill from \$96.83 at the end of 1987 to \$49.94 as of June 2007.

## 2. Residential Wireless Toll Calling Patterns

The summary of residential wireless usage presented in Tables 11.4 through 11.7 is based on calling data captured from a sample of consumer bills by TNS Telecoms. (For additional information on TNS Telecoms, see Appendix B.) While these tables were constructed in a manner similar to those describing wireline toll calling patterns in Section 14, the two sets of tables should be compared with caution. In most cases, wireless bills contain an itemization of all calls, rather than just toll calls.<sup>2</sup> As a result, these tables characterize wireless local and long-distance calling where the tables in Section 14 only cover wireline long distance. To provide some frame of reference,

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<sup>1</sup> Mobile telephony service providers with fewer than 10,000 subscribers in a state reported about 389,000 subscribers as of June 30, 2005. Such filers reported (on a voluntary basis) about 69,000 subscribers six months earlier.

<sup>2</sup> In fact, since this analysis generally includes all outgoing wireless calls, many of the calls in the data are not traditional voice calls. The data include calls made to access voicemail, move data, access the Internet, send faxes or text messages, etc.

wireline distinctions have been imposed on the wireless calling data. That is, we distinguished wireless interstate from intrastate calls.

Table 11.4 shows the estimated distribution of residential wireless calls and minutes over time. The vast majority of both calls and minutes were intrastate. The number of interstate calls rose from about 9% to 13% of the total from 2000 to 2003, and interstate minutes rose from 16% to 27% of the total over the same period. This was likely an adjustment to the introduction of flat-rate pricing during that time. Since 2003, the jurisdictional distribution of calls and minutes has been relatively stable. We note that these figures are estimates, based on sample data, and the distribution of calls and minutes may vary across carriers.

A snapshot of the duration of wireless calls is presented in Table 11.5. In the 2007 data shown, wireless calls were generally brief. About 72% of intrastate wireless calls (which, again, represent the vast majority of calls) were 2 minutes or less. Like wireline traffic, the data are right-skewed such that a handful of long calls pull the average call duration far above the median duration. As a measure of central tendency, the median is more representative of the duration of a typical call than is the average in this context.

Tables 11.6 and 11.7 show when wireless intrastate and interstate calls, respectively, were made. Over the years shown, patterns in intrastate calls have changed only slightly. Daytime minutes gained share from nighttime minutes (from about 72.1% in 2005 to 73.5% in 2007), and weekend use fell slightly as a share of total use. Traffic was typically heaviest on Friday and lightest on Sunday.

Patterns in interstate calling were different. Unlike intrastate calls, interstate calls were generally most likely on the weekend, particularly on Sunday. Further, though both types of calls were more likely during the day than at night, relative to intrastate calls, interstate calls were allocated more heavily to the nighttime hours. Nonetheless, the same forces acting to change intrastate calling patterns seem to be having similar, yet more dramatic effects on interstate calling. For example, like intrastate calls, the share of interstate minutes made during the day has continued to increase, from about 63% of the total in 2005 to almost 66% in 2007. Weekend use has also continued to fall, from 38.1% in 2005 to 35.5% in 2007.

**Table 11.1**  
**Measures of Mobile Wireless Telephone Subscribers**

	Subscribers (In Thousands)		
	Reported by CTIA	FCC Form 477 <sup>1</sup>	FCC Form 502 <sup>2</sup>
1984 December	92		
1985 June	204		
December	340		
1986 June	500		
December	682		
1987 June	884		
December	1,231		
1988 June	1,609		
December	2,069		
1989 June	2,692		
December	3,509		
1990 June	4,369		
December	5,283		
1991 June	6,390		
December	7,557		
1992 June	8,893		
December	11,033		
1993 June	13,067		
December	16,009		
1994 June	19,284		
December	24,134		
1995 June	28,154		
December	33,786		
1996 June	38,195		
December	44,043		
1997 June	48,706		
December	55,312		
1998 June	60,831		
December	69,209		
1999 June	76,285		
December	86,047	79,696	
2000 June	97,036	90,643	
December	109,478	101,043	99,019
2001 June	118,398	114,029	111,734
December	128,375	123,991	128,493
2002 June	134,561	130,751	136,927
December	140,767	138,878	141,776
2003 June	148,066	147,624	151,861
December	158,722	157,042	160,637
2004 June	169,467	167,313	170,406
December	182,140	181,105	184,819
2005 June	194,479	192,053	198,381
December	207,896	203,667	213,212
2006 June	219,652	217,418	227,135
December	233,041	229,619	241,834
2007 June	243,428	238,230	251,945

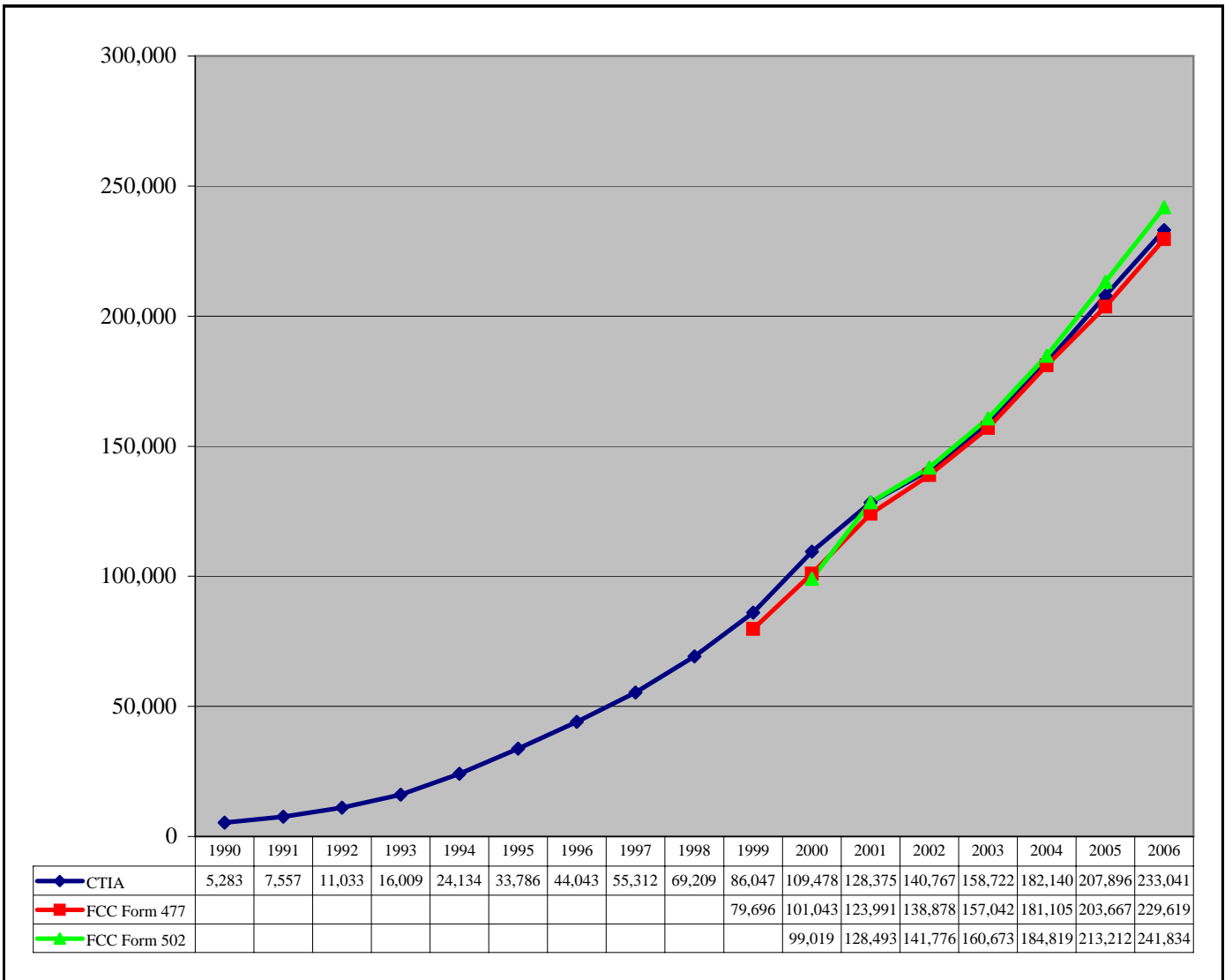
NA indicates not available.

<sup>1</sup> See Industry Analysis and Technology Division, Wireline Competition Bureau, *Local Telephone Competition: Status as of June 30, 2007* (March 2008). Carriers with under 10,000 lines in a state were not required to report until June 2005.

<sup>2</sup> Numbers are adjusted for porting. See current and previous editions of Industry Analysis and Technology Division, Wireline Competition Bureau, *Numbering Resource Utilization in the United States*.

Source: CTIA-The Wireless Association<sup>TM</sup> and FCC Forms 477 and 502. FCC Form 502 contains assigned wireless numbers.

**Chart 11.1**  
**Mobile Wireless Telephone Subscribers**  
**As of December**  
**(Subscribers in Thousands)**





**Table 11.2**  
**Mobile Wireless Telephone Subscribers<sup>1</sup>**

State	Jun 2007		Subscribers								
	Carriers <sup>1</sup>	Percent Resold <sup>2</sup>	2001	2002	2003	2004	2005		2006		2007
			Jun	Jun	Jun	Jun	Jun	Dec	Jun	Dec	Jun
Alabama	12	6 %	1,930,631	2,027,845	2,100,557	2,301,847	2,874,367	3,104,664	3,275,933	3,374,701	3,605,490
Alaska	9	1	218,424	242,133	*	307,323	340,507	376,695	397,429	412,112	431,653
American Samoa	*	*	0	0	0	*	*	*	*	*	*
Arizona	10	9	2,018,410	2,412,998	2,643,952	3,079,657	3,542,844	3,844,357	4,153,491	4,405,032	4,637,471
Arkansas	6	7	891,275	1,130,302	1,351,291	1,376,564	1,680,975	1,780,621	1,924,313	2,044,217	2,149,312
California	12	5	14,184,625	16,007,376	18,892,619	21,575,797	24,572,034	25,537,232	27,496,682	29,717,334	30,203,842
Colorado	10	10	1,983,405	2,247,166	2,426,929	2,727,910	3,040,589	3,246,994	3,428,381	3,608,209	3,756,215
Connecticut	5	6	1,418,367	1,577,873	1,791,944	2,064,204	2,328,966	2,463,249	2,582,367	2,705,023	2,786,594
Delaware	4	8	389,284	433,059	503,353	593,452	585,113	618,165	650,328	682,636	724,342
Dist. of Columbia	4	6	382,457	415,399	520,182	555,958	752,548	825,195	878,846	880,077	965,816
Florida	9	6	7,536,670	8,607,715	10,252,348	11,916,615	12,619,929	12,568,133	14,176,756	14,761,666	15,255,433
Georgia	11	6	4,076,119	4,300,831	4,709,288	5,332,517	6,001,411	6,079,022	6,865,466	7,281,724	7,598,387
Guam	*	*	*	*	*	*	*	*	*	*	*
Hawaii	4	4	543,283	640,247	732,262	819,262	934,405	983,227	1,010,341	1,034,788	1,066,608
Idaho	16	7	398,781	500,693	572,406	653,779	773,893	834,219	901,455	972,825	1,018,617
Illinois	10	7	5,621,044	5,409,370	6,834,217	7,529,966	8,227,185	8,654,888	9,147,657	9,588,517	9,949,126
Indiana	9	10	1,781,247	2,032,290	2,456,509	2,844,568	3,442,612	3,715,504	3,972,560	4,271,412	4,448,186
Iowa	52	8	861,382	1,157,580	1,250,305	1,445,711	1,633,697	1,811,400	1,867,015	2,009,826	2,058,022
Kansas	12	12	901,225	1,061,171	1,195,230	1,345,160	1,659,662	1,794,268	1,905,342	2,046,542	2,133,399
Kentucky	10	10	1,176,756	1,505,982	1,595,290	2,000,459	2,507,816	2,662,278	2,820,938	2,966,195	3,015,370
Louisiana	9	7	1,677,292	2,187,811	2,365,224	2,547,153	2,942,463	3,191,583	3,355,503	3,492,358	3,611,553
Maine	6	14	399,616	457,835	524,246	610,533	710,985	746,141	786,811	844,537	882,039
Maryland	6	6	2,446,818	2,684,441	3,108,086	3,575,747	3,967,969	4,239,259	4,470,542	4,691,026	4,818,275
Massachusetts	5	6	2,753,685	3,289,934	3,506,039	3,919,139	4,487,601	4,727,742	4,916,500	5,128,860	5,289,432
Michigan	12	7	4,071,091	4,758,538	4,889,269	5,430,637	6,229,949	6,603,942	6,862,582	7,093,721	7,333,242
Minnesota	8	10	2,014,317	2,254,895	2,564,783	2,823,079	3,132,453	3,379,832	3,542,865	3,701,515	3,833,826
Mississippi	9	8	993,781	1,106,700	1,232,750	1,411,277	1,631,331	1,821,087	1,923,365	2,029,916	2,069,897
Missouri	12	8	1,937,684	2,246,430	2,515,325	2,859,953	3,595,157	3,853,072	4,067,585	4,322,458	4,480,384
Montana	7	5	291,429	343,160	400,744	466,022	466,022	525,003	575,034	619,620	650,381
Nebraska	10	5	712,685	838,568	900,744	984,355	1,070,550	1,160,062	1,198,714	1,272,067	1,325,131
Nevada	8	8	766,581	895,586	1,077,380	1,319,684	1,604,713	1,777,387	1,883,273	1,990,215	2,092,872
New Hampshire	6	9	445,181	529,795	598,504	686,746	790,639	849,344	896,661	943,330	973,105
New Jersey	4	5	3,896,778	4,531,457	5,392,240	6,326,459	6,233,984	6,616,560	6,953,528	7,207,018	7,419,289
New Mexico	9	9	619,582	735,107	828,869	939,091	1,024,852	1,170,186	1,252,770	1,333,210	1,415,726
New York	10	7	6,749,096	7,915,526	8,829,070	9,939,759	12,995,534	13,804,502	14,573,548	15,261,760	15,901,378
North Carolina	14	7	3,377,331	4,610,120	4,305,521	4,875,916	5,503,202	5,791,947	6,209,483	6,626,582	6,961,656
North Dakota	6	4	*	*	*	*	367,850	431,675	456,806	472,799	492,101
Northern Mariana Isl.	*	*	*	*	*	*	*	*	*	*	*
Ohio	11	8	4,255,934	4,887,376	5,659,459	6,188,081	6,993,803	7,503,673	7,939,126	8,380,138	8,722,523
Oklahoma	15	8	1,200,234	1,366,475	1,574,588	1,724,505	2,001,835	2,188,590	2,317,197	2,479,877	2,571,878
Oregon	11	8	1,268,909	1,473,883	1,682,036	1,894,285	2,055,890	2,339,414	2,484,176	2,655,905	2,781,196
Pennsylvania	11	9	4,378,216	4,987,067	5,681,653	6,420,037	7,397,397	7,942,340	8,348,713	8,831,238	9,200,793
Puerto Rico	6	4	1,374,747	1,136,619	1,401,599	1,698,702	2,002,851	2,110,798	2,170,540	2,301,275	2,322,737
Rhode Island	4	7	401,805	463,636	527,366	615,398	689,209	749,091	765,355	797,603	828,969
South Carolina	13	7	1,502,345	1,830,516	2,041,541	2,337,367	2,606,827	2,783,511	3,000,861	3,208,504	3,339,733
South Dakota	7	4	292,210	344,825	400,744	466,022	433,927	481,404	513,850	547,812	569,513
Tennessee	12	8	2,251,208	2,660,068	2,800,735	3,171,487	4,065,964	4,417,140	4,730,704	5,126,510	4,970,756
Texas	29	6	8,294,338	9,650,715	10,776,234	12,091,134	14,424,253	15,644,066	16,927,880	17,822,230	18,792,225
Utah	11	7	833,492	970,854	1,094,563	1,229,029	1,413,756	1,529,501	1,649,265	1,774,755	1,874,345
Vermont	4	15	*	*	*	*	294,984	314,325	333,551	358,052	374,984
Virgin Islands	*	*	*	*	*	*	*	*	*	*	*
Virginia	8	7	3,059,420	3,429,450	3,879,582	4,392,319	4,851,206	5,072,921	5,325,173	5,607,350	6,148,261
Washington	10	9	2,493,214	2,849,043	3,102,750	3,567,896	4,062,372	4,249,357	4,494,964	4,799,143	5,034,885
West Virginia	9	14	452,036	549,722	579,983	713,657	820,838	858,310	964,649	1,040,224	1,095,038
Wisconsin	11	8	2,008,679	2,523,956	2,533,215	2,831,645	3,200,301	3,366,332	3,517,283	3,509,528	3,641,432
Wyoming	9	7	173,939	168,232	276,344	277,658	315,347	342,008	358,668	387,164	410,464
Nationwide	170	7 %	114,028,928	130,751,459	147,623,734	167,313,001	192,053,067	203,667,474	217,418,404	229,619,397	238,229,953

\* Data withheld to maintain firm confidentiality.

<sup>1</sup> For data through December 2004, only facilities-based wireless carriers with at least 10,000 mobile telephony subscribers per state were required to report data, and they were instructed to use billing addresses to determine subscriber counts by state. Starting with the June 2005 data, all facilities-based wireless carriers are required to report, and to use the area codes of telephone numbers provided to subscribers to determine subscriber counts by state.

<sup>2</sup> Percentage of mobile wireless subscribers receiving their service from a mobile wireless reseller.

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Local Telephone Competition: Status as of June 30, 2007* (March 2008).

**Table 11.3**  
**Mobile Wireless Telephone Service: Industry Survey Results**  
**(As Reported by CTIA-The Wireless Association™)**

	<b>Subscribers</b>	<b>Six-Month Revenues (Thousands)</b>	<b>Roamer Service Revenues (Thousands)</b>	<b>Cell Sites</b>	<b>Employees</b>	<b>Average Monthly Bill *</b>	<b>Average Minutes of Use per Month *</b>
1986 June	500,000	\$360,585		1,194	3,556		
December	681,825	462,467		1,531	4,334		
1987 June	883,778	479,514		1,732	5,656		
December	1,230,855	672,005		2,305	7,147	\$96.83	
1988 June	1,608,697	886,075		2,789	9,154	95.00	
December	2,069,441	1,073,473	\$89,331	3,209	11,400	98.02	
1989 June	2,691,793	1,406,463	121,368	3,577	13,719	85.52	
December	3,508,944	1,934,132	173,199	4,169	15,927	89.30	
1990 June	4,368,686	2,126,362	192,350	4,768	18,973	83.94	
December	5,283,055	2,422,458	263,660	5,616	21,382	80.90	
1991 June	6,380,053	2,653,505	302,329	6,685	25,545	74.56	
December	7,557,148	3,055,017	401,325	7,847	26,327	72.74	
1992 June	8,892,535	3,633,285	436,725	8,901	30,595	68.51	
December	11,032,753	4,189,441	537,146	10,307	34,348	68.68	
1993 June	13,067,318	4,819,259	587,347	11,551	36,501	67.31	
December	16,009,461	6,072,906	774,266	12,824	39,775	61.48	140
1994 June	19,283,306	6,519,030	778,116	14,740	45,606	58.65	
December	24,134,421	7,710,890	1,052,666	17,920	53,902	56.21	119
1995 June	28,154,414	8,740,352	1,120,337	19,833	60,624	52.42	
December	33,785,661	10,331,614	1,422,233	22,663	68,165	51.00	119
1996 June	38,195,466	11,194,247	1,314,943	24,802	73,365	48.84	
December	44,042,992	12,440,724	1,465,992	30,045	84,161	47.70	125
1997 June	48,705,553	13,134,551	1,392,440	38,650	97,039	43.86	
December	55,312,293	14,351,082	1,581,765	51,600	109,387	42.78	117
1998 June	60,831,431	15,286,660	1,584,891	57,674	113,111	39.88	
December	69,209,321	17,846,515	1,915,578	65,887	134,754	39.43	136
1999 June	76,284,753	19,368,304	1,922,416	74,157	141,929	40.24	
December	86,047,003	20,650,185	2,163,001	81,698	155,817	41.24	185
2000 June	97,035,925	24,645,365	1,971,625	95,733	159,645	45.15	
December	109,478,031	27,820,655	1,911,356	104,288	184,449	45.27	255
2001 June	118,397,734	30,905,721	1,727,058	114,059	186,317	45.56	
December	128,374,512	34,410,513	2,209,387	127,540	203,580	47.37	380
2002 June	134,561,370	36,707,086	1,846,267	131,350	186,956	47.42	
December	140,766,842	39,801,101	2,049,245	139,338	192,410	48.40	427
2003 June	148,065,824	41,384,171	1,825,243	147,719	187,169	49.46	
December	158,721,981	46,239,922	1,941,024	162,986	205,629	49.91	507
2004 June	169,467,393	49,275,671	2,015,780	174,368	212,368	49.49	
December	182,140,362	52,845,539	2,194,532	175,725	226,016	50.64	584
2005 June	194,479,364	55,689,208	1,941,960	178,025	225,162	49.52	
December	207,896,198	57,849,013	1,844,371	183,689	233,067	49.98	708
2006 June	219,652,457	60,450,669	1,713,680	197,576	238,236	49.30	
December	233,040,781	65,006,156	1,780,614	195,613	253,793	50.56	714
2007 June	243,428,202	67,887,668	1,830,435	210,360	257,401	49.94	

\* Represents the average per month for the last six months of the year.

Source: CTIA-The Wireless Association™: Estimates for Total Industry.

**Table 11.4**  
**Distribution of Residential Wireless Calls and Minutes <sup>1</sup>**

Year	Calls				Minutes			
	Percentage of Calls			Total Calls in Sample	Percentage of Minutes			Total Minutes in Sample
	Intrastate	Interstate	Others <sup>2</sup>		Intrastate	Interstate	Others <sup>2</sup>	
2000	87	9	4	295,892	82	16	2	760,380
2001	84	11	5	330,444	76	22	2	952,993
2002	82	13	5	502,946	71	26	2	1,614,341
2003	82	13	5	547,767	71	27	3	1,797,559
2004	82	14	4	508,799	70	28	2	1,690,428
2005	81	15	4	506,072	70	28	2	1,717,643
2006	81	14	5	610,693	71	27	3	2,123,705
2007	81	15	4	381,996	71	28	1	1,366,040

**Note:** Individual figures may not add to totals due to rounding. Some previously published figures have been revised.

<sup>1</sup> Outgoing, itemized calls only.

<sup>2</sup> Inter-, intrastate status could not be determined.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms*ReQuest Market Monitor*<sup>TM</sup>, *Bill Harvesting*<sup>®</sup>.

**Table 11.5**  
**Duration of Residential Wireless Calls: 2007 <sup>1</sup>**

<b>Duration of Call (Minutes)</b>	<b>Intrastate</b>	<b>Interstate</b>	<b>All Calls</b>
1	49.0 %	39.0 %	47.5 %
2	22.6	20.0	22.2
3	8.3	7.1	8.2
4	4.7	4.5	4.6
5	2.9	3.3	3.0
6	2.1	2.7	2.2
7	1.5	2.2	1.6
8	1.2	1.9	1.3
9	1.0	1.6	1.1
10	0.8	1.4	0.9
11-15	2.5	5.4	2.9
16-20	1.3	3.3	1.6
21-25	0.7	2.0	0.9
26-30	0.4	1.5	0.6
31-45	0.5	2.3	0.8
46-60	0.2	0.9	0.3
> 60	0.2	1.0	0.3
Average Duration	3.3	6.5	3.8
Median Duration	2.0	2.0	2.0
Sample Size	291,142	52,047	343,189

**Note:** Individual figures may not add to totals due to rounding.

<sup>1</sup> Outgoing, itemized calls only. All seven-digit dialed calls are considered intrastate. 800-type calls and calls for which a cross-state distinction could not be made were excluded from this analysis.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms *ReQuest Market Monitor*<sup>TM</sup>, *Bill Harvesting*<sup>®</sup>.

**Table 11.6**  
**Distribution of Residential Intrastate Wireless Minutes**  
**By Day and Time <sup>1</sup>**

**2007**

<b>Day</b>	<b>7:00 AM - 6:59 PM</b>	<b>7:00 PM - 6:59 AM</b>	<b>Total</b>
Monday	10.3 %	3.7 %	14.0 %
Tuesday	11.1	4.0	15.1
Wednesday	10.9	4.2	15.1
Thursday	11.2	4.2	15.5
Friday	11.9	3.9	15.8
Saturday	10.1	3.2	13.3
Sunday	7.9	3.3	11.2
<b>Total</b>	<b>73.5 %</b>	<b>26.5 %</b>	<b>100.0 %</b>

Calls in sample =291,142.

**2006**

<b>Day</b>	<b>7:00 AM - 6:59 PM</b>	<b>7:00 PM - 6:59 AM</b>	<b>Total</b>
Monday	10.7 %	3.7 %	14.4 %
Tuesday	10.8	4.1	14.9
Wednesday	11.0	4.0	15.1
Thursday	11.1	4.2	15.3
Friday	11.8	3.9	15.7
Saturday	10.2	3.3	13.5
Sunday	7.7	3.4	11.1
<b>Total</b>	<b>73.4 %</b>	<b>26.6 %</b>	<b>100.0 %</b>

Calls in sample = 463,098.

**2005**

<b>Day</b>	<b>7:00 AM - 6:59 PM</b>	<b>7:00 PM - 6:59 AM</b>	<b>Total</b>
Monday	10.2 %	4.0 %	14.2 %
Tuesday	10.7	4.1	14.8
Wednesday	10.9	4.1	15.0
Thursday	11.0	4.4	15.4
Friday	11.6	3.9	15.4
Saturday	9.8	3.7	13.4
Sunday	8.0	3.7	11.7
<b>Total</b>	<b>72.1 %</b>	<b>27.9 %</b>	<b>100.0 %</b>

Calls in sample = 384,751.

**Note:** Individual figures may not add to totals due to rounding.

<sup>1</sup> Outgoing, itemized calls only. All seven-digit dialed calls are considered intrastate. 800-type calls and calls for which a cross-state distinction could not be made were excluded from this analysis.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms *ReQuest Market Monitor*<sup>TM</sup>, *Bill Harvesting*<sup>®</sup>.

**Table 11.7**  
**Distribution of Residential Interstate Wireless Minutes**  
**By Day and Time <sup>1</sup>**

**2007**

<b>Day</b>	<b>7:00 AM - 6:59 PM</b>	<b>7:00 PM - 6:59 AM</b>	<b>Total</b>
Monday	8.7 %	4.6 %	13.3 %
Tuesday	8.2	4.6	12.8
Wednesday	7.7	4.7	12.3
Thursday	8.5	5.0	13.5
Friday	8.5	4.1	12.6
Saturday	12.5	4.1	16.6
Sunday	12.4	6.5	18.9
<b>Total</b>	<b>66.5 %</b>	<b>33.5 %</b>	<b>100.0 %</b>

Calls in sample = 52,047.

**2006**

<b>Day</b>	<b>7:00 AM - 6:59 PM</b>	<b>7:00 PM - 6:59 AM</b>	<b>Total</b>
Monday	7.9 %	4.8 %	12.7 %
Tuesday	8.1	4.7	12.8
Wednesday	7.9	5.0	12.9
Thursday	8.1	5.0	13.1
Friday	8.2	4.2	12.4
Saturday	12.4	4.3	16.7
Sunday	12.7	6.6	19.3
<b>Total</b>	<b>65.3 %</b>	<b>34.7 %</b>	<b>100.0 %</b>

Calls in sample = 81,632.

**2005**

<b>Day</b>	<b>7:00 AM - 6:59 PM</b>	<b>7:00 PM - 6:59 AM</b>	<b>Total</b>
Monday	7.4 %	5.2 %	12.6 %
Tuesday	6.9	5.1	12.0
Wednesday	7.0	5.3	12.3
Thursday	7.2	5.1	12.3
Friday	7.9	4.8	12.7
Saturday	13.2	4.7	17.9
Sunday	13.4	6.9	20.3
<b>Total</b>	<b>62.9 %</b>	<b>37.1 %</b>	<b>100.0 %</b>

Calls in sample = 73,762.

**Note:** Individual figures may not add to totals due to rounding.

<sup>1</sup> Outgoing, itemized calls only. All seven-digit dialed calls are considered intrastate. 800-type calls and calls for which a cross-state distinction could not be made were excluded from this analysis.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms *ReQuest Market Monitor*<sup>TM</sup>, *Bill Harvesting*<sup>®</sup>.

## **12 Price Indices for Telephone Services**

The Bureau of Labor Statistics (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](http://www.bls.gov). The following material illustrates the range of information available from price indices.

### **1. Long-Term Trends in Price Indices**

A price index for telephone service was first published in 1935. Since that time, telephone prices have tended to increase at a slower pace than most other prices. Table 12.1 shows long-term 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 being public utilities. Chart 12.1 shows the CPI telephone services trend as compared to the CPI all items trend from 1956 through 2006.

### **2. Comprehensive Price Indices**

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 local, long distance, and cellular services. Beginning in 1987, the CPI for all items has consistently been higher than the CPI for telephone services as shown in Chart 12.1. The annual rates of change are shown in Table 12.2 and the associated chart for the overall CPI (which measures the impact of inflation on consumers) and the CPI for telephone services. In addition, Table 12.2 shows the gross domestic product chain-type price index (which measures inflation throughout the economy) prepared by the Department of Commerce's Bureau of Economic Analysis. Chart 12.2 shows the annual percentage changes for the overall CPI and CPI for telephone services.

### **3. Price Indices for Local Service**

The CPI index of local telephone charges is based on a broadly defined market basket that includes: monthly service charges, message unit charges, leased equipment, installation, service enhancements (such as tone dialing and call waiting), taxes, and subscriber line 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 touch-tone service, and subscriber line charges. It excludes taxes, charges for special services such as call waiting, and all other expenditures. The annual rates of change for these indices of local costs are presented in Table 12.3 and Chart 12.3.

### **4. Price Indices for Long Distance Service**

Price indices are available for intrastate toll and interstate toll services. These series are also presented in Table 12.3 and Chart 12.3.

## **5. Price-Index Limitations**

Price indices are less reliable when industries are changing rapidly. For example, in 1992, long distance carriers began to increase basic rates while greatly expanding their range of discount offerings. The fixed market basket of toll calls measured for the CPI did not fully reflect these discounts. In 1995, BLS made major changes to the PPI telephone series, and there are no data after July 1995 comparable with prior data. Because of these sorts of difficulties, measures of average revenues are sometimes used as alternatives to price indices.



**Table 12.1**  
**Long-Term Changes for Various Price Indices**  
**(Annual Rates of Change)**

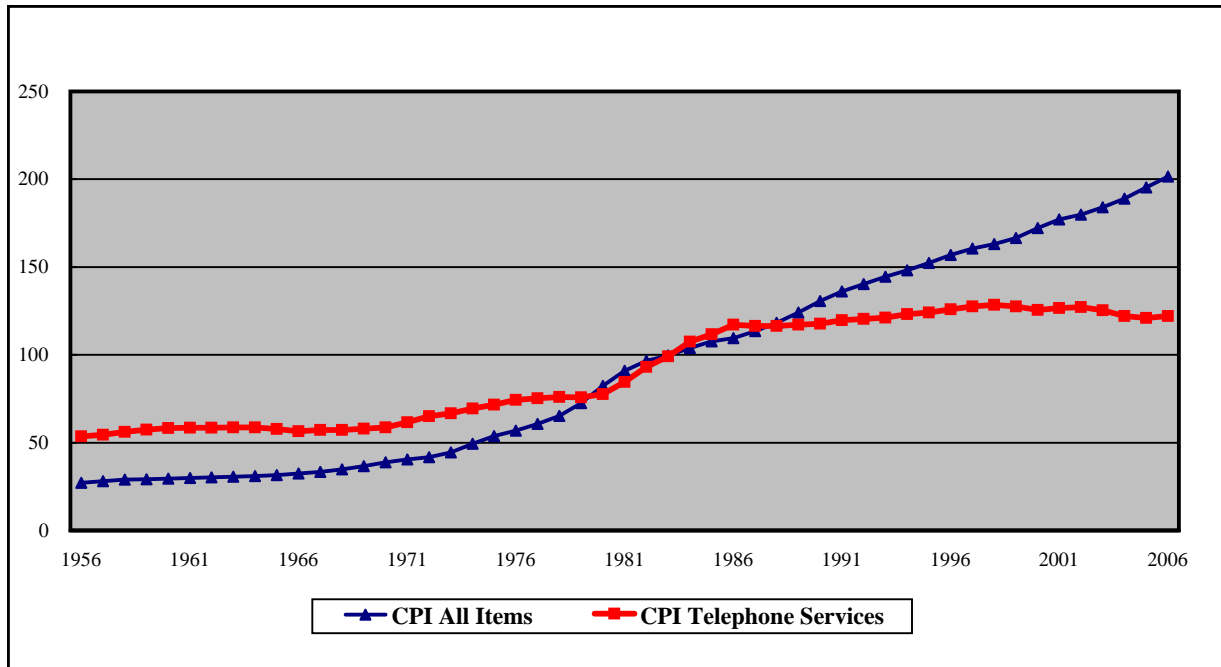
	1956 - 2006	1996 - 2006
CPI All Items	4.1 %	2.5 %
CPI All Services	5.0	3.2
CPI Telephone Services <sup>1</sup>	1.7	-0.3
CPI Major Categories:		
- Food & Beverages	*	2.4
- Housing	*	2.9
- Apparel	2.0	-1.0
- Transportation	3.9	2.4
- Medical Care	5.9	4.0
- Recreation	*	1.3
- Other Goods & Services	*	4.1
CPI Public Transportation	5.1	2.2
CPI Utility (Piped) Gas Service	5.5	7.5
CPI Electricity	3.6	2.5
CPI Water & Sewerage Maintenance	5.6	3.8
CPI Postage	4.8	2.3

\* Series not established until after 1955.

<sup>1</sup> The CPI telephone service index was revised in December of 1997.

Source: Bureau of Labor Statistics.

**Chart 12.1**  
**CPI All Items and CPI Telephone Services**  
**Base Periods: 1982-84 = 100**



**Table 12.2**  
**Annual Changes in Major Price Indices**

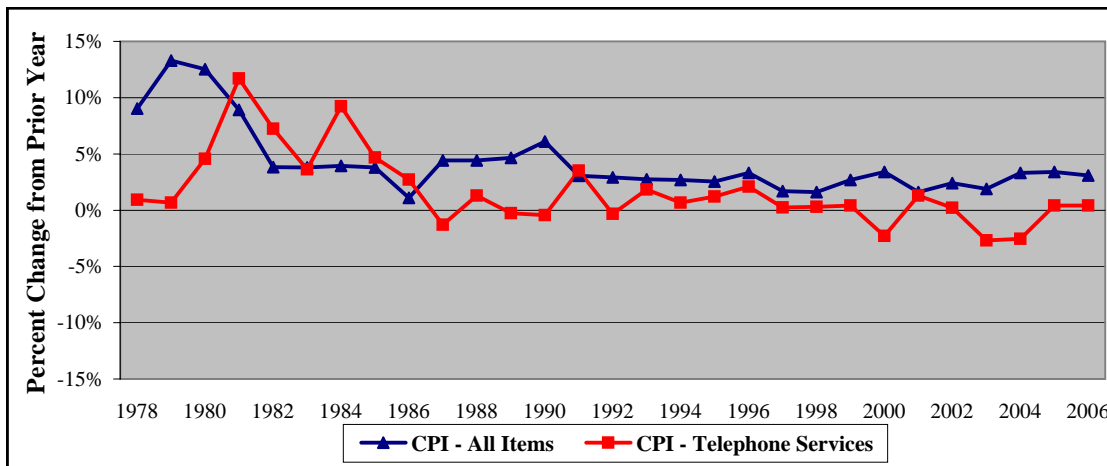
	<b>GDP Chain-Type Price Index</b>	<b>CPI - All Items</b>	<b>CPI - Telephone Services</b>
1978	7.3 %	9.0 %	0.9 %
1979	8.7	13.3	0.7
1980	9.7	12.5	4.6
1981	8.3	8.9	11.7
1982	5.2	3.8	7.2
1983	3.4	3.8	3.6
1984	3.6	3.9	9.2
1985	2.8	3.8	4.7
1986	2.3	1.1	2.7
1987	2.9	4.4	-1.3
1988	3.7	4.4	1.3
1989	3.5	4.6	-0.3
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	1.7	2.4	0.2
2003	2.0	1.9	-2.7
2004	2.9	3.3	-2.5
2005	3.1	3.4	0.4
2006	2.5	3.1	0.4

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 the 4th quarter to 4th quarter.

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

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

**Chart 12.2**  
**Percent Change in CPI All Items and CPI Telephone Services**



**Table 12.3**  
**Annual Changes in Price Indices for Local and Long Distance Telephone Services**

	Local Residential Service		Toll Service <sup>1</sup>			
			Interstate		Intrastate	
	CPI	PPI	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	<sup>2</sup>	0.1	<sup>2</sup>	-3.8	<sup>2</sup>
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	2.0 <sup>3</sup>	5.1	23.1 <sup>3</sup>	3.3	0.9 <sup>3</sup>

Note: Data reflect the percent change from December of the previous year through December of the year shown.

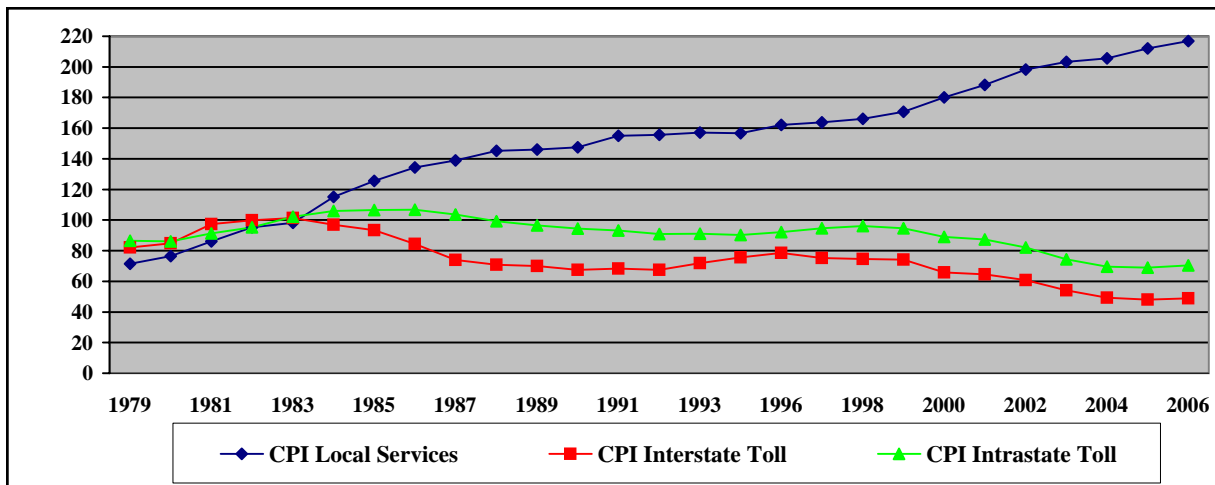
<sup>1</sup> The CPI toll indices represent rates for households. Through 1994, PPI toll indices represent rate changes for both business and residential consumers. Since 1995, PPI indices reflect rates for residential customers.

<sup>2</sup> The PPI telephone indices were revised in June of 1995. The series are not comparable.

<sup>3</sup> Preliminary and subject to revision.

Source: Bureau of Labor Statistics.

**Chart 12.3**  
**CPI Telephone Service Price Indices**  
**Base Periods: 1982-1984 = 100**



## **13 Price Levels**

### **1. Local Rates**

The price indices maintained by the Bureau of Labor Statistics indicate percentage changes in the price of telephone services. BLS does not publish actual rate levels. Calculations of average rates are based on surveys by FCC staff. These surveys use the same sampling areas and weights used by BLS in constructing the Consumer Price Index.

Table 13.1 presents average local rates for residential customers in urban areas. In October 2007, the average monthly charge was \$24.80 while the average charge for connecting phone service was \$40.67.

Table 13.2 presents average local rates for a business with a single phone line in an urban area. In October 2007, the average monthly charge was \$48.14 while the average charge for connecting phone service was \$69.18.

Table 13.3 presents the average local rate for a residential phone line from 1940 to 2007. The table shows, after adjusting for inflation, the price of a local exchange line declined from 1940 through the early 1980s.

### **2. Long Distance Rates**

Table 13.4 contains measures of average revenue per minute (ARPM) for long distance calls. Estimates of ARPM are often used interchangeably with estimates of the average price. From 1984 to 2006 the cost of long distance calling dropped from 32 cents per minute to 7 cents per minute. The average price of 7 cents per minute represents a mix of international calling (10 cents per minute) and domestic interstate calling (6 cents per minute). The decline in prices since 1984 is more than 85% after adjusting for the impact of inflation.

Chart 13.1 shows that on a per minute basis, the cost of access and of contributing to universal service support has declined over time. These declines account for much of the decrease in interstate toll rates.

**Table 13.1**  
**Average Residential Rates for Local Service in Urban Areas, 1986 - 2007**  
**(As of October 15)**

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 <sup>1</sup>	2007 <sup>2</sup>
Representative Monthly Charge <sup>3 4</sup>	\$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	\$14.75	\$14.47	\$15.18
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	5.81	5.80	5.58
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	4	4	4	4	4	4
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	4.14	4.19	4.09	4.04
<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>\$24.75</b>	<b>\$24.52</b>	<b>\$24.74</b>	<b>\$24.36</b>	<b>\$24.80</b>
Basic Connection Charge <sup>4</sup>	\$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	\$39.30	\$37.59	\$37.71
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	4	4	4	4	4	4
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	3.41	2.55	2.96
<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>\$42.71</b>	<b>\$40.13</b>	<b>\$40.67</b>
<b>Additional Charge if Drop Line and Connection Block Needed</b>	NA	NA	\$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	\$12.45	\$11.63	\$10.37
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	\$4.31	\$4.95	\$5.37

NA - Not Available.

<sup>1</sup> Revised.

<sup>2</sup> Subject to revision.

<sup>3</sup> Rates are based on flat-rate service where available, and measured/message service with one hundred five-minute, same-zone, business-day calls elsewhere. As of 2001, all 95 cities in the *Urban Rates Survey* offered flat-rate residential service, which made measuring the cost of such calls unnecessary.

<sup>4</sup> Beginning in 2002, additional monthly charges for touch-tone service are included in the monthly charge.

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service (2006)*.

**Table 13.2**  
**Average Local Rates for Businesses with a Single Line in Urban Areas, 1989 - 2007**  
(As of October 15)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 <sup>1</sup>	2007 <sup>2</sup>
Monthly Representative Service Charge <sup>3</sup>	\$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	\$32.49	\$33.33	\$36.59
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	5.72	5.91	5.74
Extra for Touch-Tone Service <sup>4</sup>	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	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>
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	5.74	5.82	5.81
<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>\$41.97</b>	<b>\$43.49</b>	<b>\$43.94</b>	<b>\$45.06</b>	<b>\$48.14</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	\$34.15	\$34.60	\$35.22
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	6.04	6.15	6.15
Extra for Touch-Tone Service <sup>4</sup>	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	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>
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	7.71	7.69	7.36
<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>\$47.90</b>	<b>\$48.45</b>	<b>\$48.72</b>
Number of Sample Cities with Flat-Rate Service	59	56	54	54	54	53	53	53	53	54	54	54	56	52	52	56	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	18.02	\$16.56	18.75
200 Five-Minute Same-Zone Business-Day 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	17.87	16.67	17.69
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	5.66	5.52	5.61
Extra for Touch-Tone Service <sup>4</sup>	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	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>
Taxes, Including 911 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	4.72	4.69	5.02
<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>\$46.27</b>	<b>\$43.44</b>	<b>\$47.06</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	89	78
Cost of a Five-Minute Same-Zone Business-Day 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	\$0.10
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	\$62.95	\$63.07
Additional Connection Charge for Touch-Tone Service <sup>4</sup>	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	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>
Taxes, Including 911 Charges	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	6.35	6.50	6.11
<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>\$73.70</b>	<b>\$74.18</b>	<b>\$69.18</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	\$13.76	\$9.35	\$11.62
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	\$5.73	\$4.70	\$5.66

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

<sup>1</sup> Revised.

<sup>2</sup> Subject to revision.

<sup>3</sup> Rates are based on flat-rate service where available, and measured/message service with 200 five-minute, same-zone, business-day calls elsewhere.

<sup>4</sup> Beginning in 2002, additional monthly charges for touch-tone service are included in the monthly charge.

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service (2006)*.

**Table 13.3**  
**Average Rate for a Residential Access Line**

	Consumer Price Index All Urban All Goods and Services (1982-1984 = 100)	Average Rate for a Residential Access Line			Consumer Price Index All Urban All Goods and Services (1982-1984 = 100)	Average Rate for a Residential Access Line	
		Survey Rate	Restated in 2006 Dollars			Survey Rate	Restated in 2006 Dollars
1940	14.0	\$3.67	\$54.34	1978	65.2	\$8.31	\$26.42
1941	14.7	3.67	51.75	1979	72.6	8.40	23.99
1942	16.3	3.64	46.29	1980	82.4	8.61	21.66
1943	17.3	3.64	43.62	1981	90.9	9.16	20.89
1944	17.6	3.66	43.11	1982	96.5	10.18	21.87
1945	18.0	3.67	42.27	1983	99.6	13.58	28.26
1946	19.5	3.67	39.01	1984	103.9	15.18	30.29
1947	22.3	3.70	34.40	1985	107.6	16.26	31.33
1948	24.1	3.91	33.63	1986	109.6	17.70	33.48
1949	23.8	4.02	35.01	1987	113.6	18.18	33.18
1950	24.1	4.29	36.90	1988	118.3	18.11	31.73
1951	26.0	4.48	35.72	1989	124.0	19.05	31.85
1952	26.5	4.62	36.14	1990	130.7	19.24	30.52
1953	26.7	4.93	38.28	1991	136.2	19.77	30.09
1954	26.9	5.10	39.30	1992	140.3	19.72	29.14
1955	26.8	5.19	40.15	1993	144.5	19.95	28.62
1956	27.2	5.24	39.94	1994	148.2	19.81	27.71
1957	28.1	5.28	38.95	1995	152.4	20.01	27.22
1958	28.9	5.36	38.45	1996	156.9	19.95	26.36
1959	29.1	5.51	39.25	1997	160.5	19.88	25.68
1960	29.6	5.55	38.87	1998	163.0	19.76	25.13
1961	29.9	5.61	38.89	1999	166.6	19.93	24.80
1962	30.2	5.62	38.58	2000	172.2	20.78	25.02
1963	30.6	5.65	38.28	2001	177.1	22.62	26.48
1964	31.0	5.66	37.85	2002	179.9	24.07	27.74
1965	31.5	5.67	37.31	2003	184.0	24.75	27.88
1966	32.4	5.64	36.09	2004	188.9	24.52	26.91
1967	33.4	5.60	34.76	2005	195.3	24.74	26.26
1968	34.8	5.61	33.42	2006	201.6	25.36	26.08
1969	36.7	5.68	32.08	2007	207.3	24.80	24.80
1970	38.8	5.76	30.77				
1971	40.5	6.04	30.92				
1972	41.8	6.38	31.64				
1973	44.4	6.69	31.24				
1974	49.3	7.08	29.77				
1975	53.8	7.32	28.21				
1976	56.9	7.81	28.45				
1977	60.6	8.07	27.61				

Sources: Averages for 1940 through 1982 are from an AT&T local rate survey and represent January 1 rates. These averages exclude taxes and are for rotary service including the cost of a telephone. See *Reference Book of Rates, Price Indices and Expenditures for Telephone Service*, Wireline Competition Bureau. Starting in 1983, averages are from the *Urban Rates Survey* and represent October 15 rates. These averages include taxes and are for touch tone service but do not include telephone rental charges or any unbundled inside wiring maintenance plan charges. The 2005 and 2006 rates are revised.

**Table 13.4**  
**Average Revenue per Minute**

	Consumer Price Index All Goods and Services (1982-1984 = 100)	Average Revenue Per Minute for Interstate and International Calls		Consumer Price Index All Goods and Services (1982-1984 = 100)	Average Revenue Per Minute for Interstate and International Calls					
			Restated in 2006 Dollars		Interstate and International Calls		International Calls 1/	Interstate Calls		
						Restated in 2006 Dollars			Net of Access and Universal Service Cost	
1930	16.7	\$0.27	\$3.32	1970	38.8	\$0.23	\$1.20	\$2.43	\$0.20	
1931	15.2	0.27	3.57	1971	40.5	0.25	1.22	2.35	0.22	
1932	13.7	0.26	3.86	1972	41.8	0.24	1.18	2.31	0.21	
1933	13.0	0.28	4.27	1973	44.4	0.25	1.15	2.29	0.22	
1934	13.4	0.27	4.09	1974	49.3	0.26	1.05	2.25	0.22	
1935	13.7	0.27	3.91	1975	53.8	0.27	1.03	2.23	0.24	
1936	13.9	0.25	3.64	1976	56.9	0.29	1.01	2.20	0.25	
1937	14.4	0.22	3.03	1977	60.6	0.28	0.95	2.18	0.25	
1938	14.1	0.21	3.06	1978	65.2	0.29	0.89	2.09	0.25	
1939	13.9	0.22	3.13	1979	72.6	0.29	0.81	1.76	0.26	
1940	14.0	0.21	3.03	1980	82.4	0.30	0.74	1.34	0.27	
1941	14.7	0.21	2.85	1981	90.9	0.33	0.72	1.21	0.31	
1942	16.3	0.22	2.67	1982	96.5	0.34	0.71	1.09	0.32	
1943	17.3	0.21	2.45	1983	99.6	0.35	0.70	1.09	0.33	
1944	17.6	0.22	2.47	1984	103.9	0.32	0.63	1.05	0.30	
1945	18.0	0.21	2.38	1985	107.6	0.31	0.58	1.01	0.29	
1946	19.5	0.20	2.04	1986	109.6	0.28	0.52	0.97	0.26	
1947	22.3	0.19	1.73	1987	113.6	0.25	0.43	0.99	0.22	
1948	24.1	0.19	1.56	1988	118.3	0.23	0.40	1.02	0.21	
1949	23.8	0.19	1.60	1989	124.0	0.22	0.35	1.02	0.19	
1950	24.1	0.19	1.62	1990	130.7	0.20	0.31	1.00	0.17	
1951	26.0	0.20	1.56	1991	136.2	0.20	0.29	1.02	0.15	
1952	26.5	0.20	1.54	1992	140.3	0.19	0.28	1.01	0.15	\$0.09
1953	26.7	0.21	1.57	1993	144.5	0.19	0.27	1.02	0.15	0.09
1954	26.9	0.22	1.67	1994	148.2	0.18	0.24	0.93	0.14	0.08
1955	26.8	0.23	1.73	1995	152.4	0.17	0.22	0.91	0.12	0.07
1956	27.2	0.23	1.73	1996	156.9	0.16	0.21	0.76	0.12	0.08
1957	28.1	0.24	1.71	1997	160.5	0.15	0.18	0.69	0.11	0.06
1958	28.9	0.24	1.67	1998	163.0	0.14	0.18	0.58	0.11	0.08
1959	29.1	0.24	1.68	1999	166.6	0.14	0.17	0.54	0.11	0.08
1960	29.6	0.24	1.64	2000	172.2	0.12	0.14	0.52	0.09	0.06
1961	29.9	0.25	1.68	2001	177.1	0.10	0.11	0.35	0.08	0.06
1962	30.2	0.25	1.69	2002	179.9	0.09	0.10	0.28	0.07	0.05
1963	30.6	0.25	1.64	2003	184.0	0.08	0.09	0.21	0.06	0.05
1964	31.0	0.25	1.62	2004	188.9	0.08	0.09	0.14	0.06	0.05
1965	31.5	0.24	1.53	2005	195.3	0.07	0.07	0.10	0.06	0.05
1966	32.4	0.24	1.51	2006	201.6	0.07	0.07	0.10	0.06	0.04
1967	33.4	0.24	1.46							
1968	34.8	0.24	1.37							
1969	36.7	0.24	1.32							

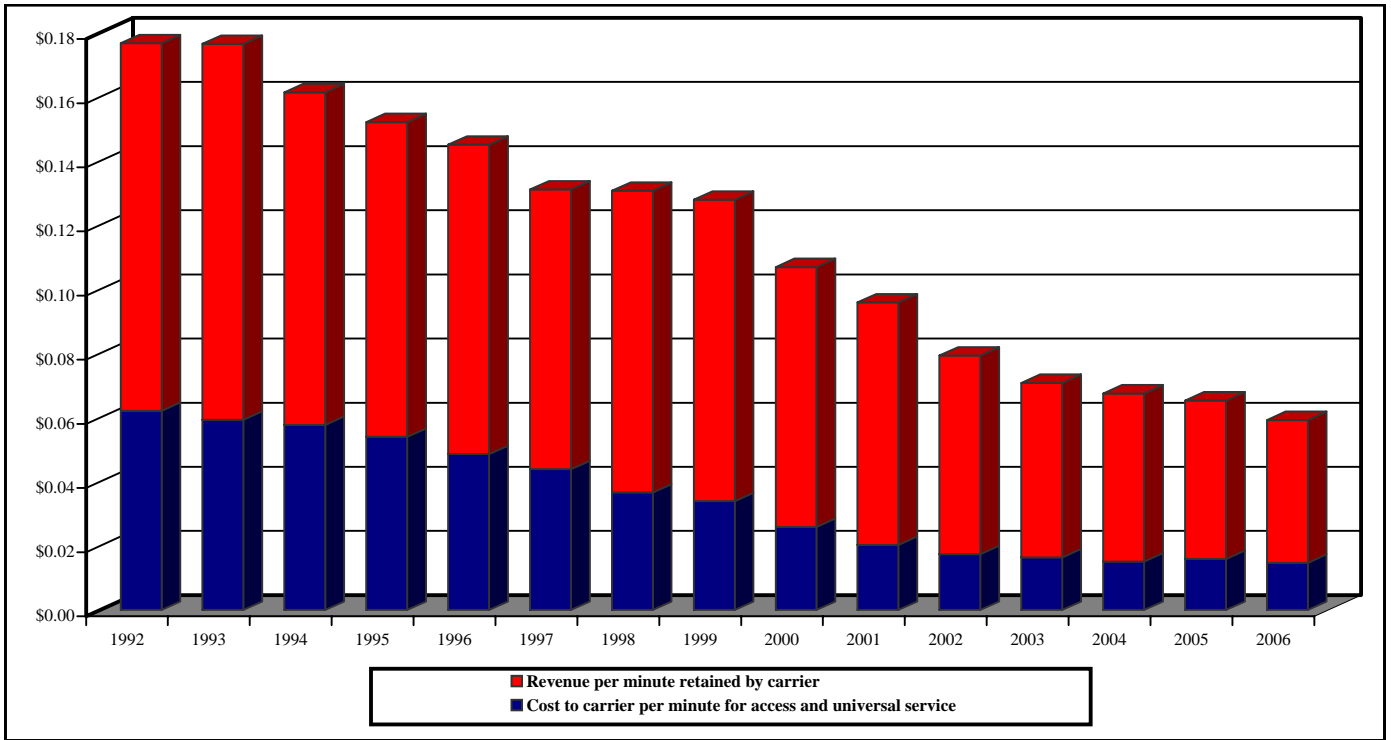
Note: Data for some prior years have been revised.

1/ Starting in 1992, billed revenue per minute for international service differs in Table 6.1 and Table 13.4. Data in Table 6.1 are calculated using all U.S. billed minutes and revenues. Data for Table 13.4 represent charges for most U.S. billed calls that originate or terminate in the United States. International-to-international revenues and reorigination, country-beyond and country-direct minutes are not included in this table.

Sources: Estimates for 1930 through 1981 are based on information in AT&T's Long Lines Statistics, 1930-1963, 1946-1970, and 1960-1981, and appear to represent data for the conterminous U.S. only. Data prior to 1946 may not be comparable. Data for 1982 and 1983 were estimated using BLS price index changes. Data for 1984 through 1991 were supplied by AT&T. Starting with 1992, data are from the Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues*. For 1970 through 1991, interstate revenue per minute was estimated using the combined interstate and international revenue per minute estimates shown in the table, and international revenue and revenue per minute data in Table 1 and Table 2 of *Trends in the International Telecommunications Industry*.



**Chart 13.1**  
**Revenue per Minute for Interstate Calls**



Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenue per minute retained by carrier	\$0.115	\$0.117	\$0.104	\$0.098	\$0.097	\$0.087	\$0.094	\$0.094	\$0.081	\$0.076	\$0.062	\$0.054	\$0.052	\$0.049	\$0.045
Cost to carrier per minute for access and universal service	\$0.062	\$0.059	\$0.058	\$0.054	\$0.049	\$0.044	\$0.037	\$0.034	\$0.026	\$0.020	\$0.017	\$0.016	\$0.015	\$0.016	\$0.015

## 14 Residential Wireline Usage

Bill Harvesting® data collected by TNS Telecoms provides information on actual usage in the residential telecom market as collected from the actual telecommunications bills of households. TNS Telecoms (TNS), a telecommunications market information firm, conducts nationwide surveys and Bill Harvesting® on a quarterly basis from over 120,000 households each year. These surveys, in which households are asked to mail copies of their phone bills for one month to TNS, are called Bill Harvesting studies. The company has donated databases containing information on residential phone usage to the Commission.

The Bill Harvesting data reflect calls itemized on residential telephone bills for wireline service. Thus, 800 and 800-like calls made from the residence are not included, nor are collect calls made from the residence. In contrast, 800 and 800-like calls received, and shown on the household monthly bill, are included, as are collect calls received.

Table 14.1 shows the percentage of residential wireline long distance telephone usage that is intrastate, interstate and international. In 2007, 34% of residential toll phone calls were interstate as opposed to 47% of minutes. Table 14.2 shows the average number of toll minutes on residential phone bills that are intrastate, interstate and international from 1995-2007.

Table 14.3 shows the distribution of residential wireline long distance calls by call duration. The average interstate residential call lasts about nine minutes, although about 41% of interstate toll calls last one minute or less. Tables 14.4 and 14.5 show the duration and the average distance (sometimes called length of haul) of residential wireline intrastate and interstate long distance calls, respectively. The average distance of an interstate toll call in 2007 was 763 miles, as opposed to about 54 miles for an intrastate toll call.

Table 14.6 shows the percentage of residential wireline long distance minutes by day of week and time of day. Over the past three years, these data indicate that interLATA wireline traffic has been slowly moving to weekdays from nights and weekends.

**Table 14.1**  
**Distribution of Residential Wireline Toll Calls and Minutes**

Type	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Calls</b>													
IntraLATA-Intrastate	41 %	40 %	38 %	38 %	39 %	39 %	42 %	44 %	45 %	44 %	44 %	45 %	44 %
InterLATA-Intrastate	19	18	19	19	18	17	18	17	17	17	16	16	16
IntraLATA-Interstate	1	1	1	1	1	1	1	1	1	1	1	1	1
InterLATA-Interstate	37	35	37	36	37	36	36	34	33	34	35	32	33
International	1	1	1	1	1	1	1	1	2	2	2	2	2
Others <sup>1</sup>	2	5	5	4	4	5	2	2	2	2	2	3	3
<b>Total Calls in Sample</b>	<b>197,787</b>	<b>165,465</b>	<b>483,685</b>	<b>578,850</b>	<b>474,408</b>	<b>538,337</b>	<b>456,328</b>	<b>427,781</b>	<b>340,763</b>	<b>312,918</b>	<b>265,194</b>	<b>247,425</b>	<b>208,877</b>
<b>Minutes</b>													
IntraLATA-Intrastate	28 %	29 %	27 %	27 %	28 %	29 %	30 %	32 %	35 %	32 %	32 %	34 %	33 %
InterLATA-Intrastate	18	18	18	18	17	17	18	18	16	17	16	16	16
IntraLATA-Interstate	1	1	1	1	1	1	1	1	1	1	1	1	1
InterLATA-Interstate	50	47	49	49	49	47	48	46	44	46	46	45	46
International	2	1	1	1	2	2	2	2	2	3	3	3	3
Others <sup>1</sup>	1	4	4	3	3	5	1	1	1	1	1	2	2
<b>Total Minutes in Sample</b>	<b>1,493,674</b>	<b>1,210,675</b>	<b>3,673,315</b>	<b>4,330,888</b>	<b>3,544,905</b>	<b>4,030,643</b>	<b>3,319,982</b>	<b>2,992,644</b>	<b>2,308,266</b>	<b>2,088,773</b>	<b>1,766,565</b>	<b>1,614,546</b>	<b>1,376,557</b>

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

<sup>1</sup> Toll-free (800, 888, 877, 866) calls billed to residential customers, 900 calls and calls that cannot be classified.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecom*ReQuest Market Monitor*<sup>TM</sup>, *Bill Harvesting*<sup>®</sup>.

**Table 14.2**  
**Average Residential Wireline Monthly Toll Minutes**

Type	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
IntraLATA-Intrastate	40	41	41	40	36	33	32	28	25	18	17	16	14
InterLATA-Intrastate	26	26	27	26	23	19	19	16	12	10	8	8	7
IntraLATA-Interstate	1	1	1	1	1	1	1	1	1	1	0	1	0
InterLATA-Interstate	71	67	73	71	65	55	51	41	31	26	24	22	19
International	3	1	2	2	2	2	2	2	2	2	2	2	1
Others <sup>1</sup>	1	6	6	5	4	5	1	1	1	1	0	1	1
<b>All Types</b>	<b>143</b>	<b>143</b>	<b>149</b>	<b>144</b>	<b>131</b>	<b>116</b>	<b>105</b>	<b>90</b>	<b>71</b>	<b>56</b>	<b>51</b>	<b>49</b>	<b>42</b>

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

<sup>1</sup> Toll-free (800, 888, 877, 866) minutes billed to residential customers, 900 minutes and minutes for calls that cannot be classified.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecom*ReQuest Market Monitor*<sup>TM</sup>, *Bill Harvesting*<sup>®</sup>.

**Table 14.3**  
**Distribution of Residential Wireline Long Distance Call Durations:**  
**2007 <sup>1</sup>**

<b>Duration of Call (Minutes)</b>	<b>Intrastate</b>	<b>Interstate</b>	<b>All Calls</b>
1	49.2 %	41.2 %	46.2 %
2	14.1	11.3	13.0
3	7.3	5.9	6.8
4	4.7	4.0	4.5
5	3.4	3.3	3.3
6	2.5	2.6	2.6
7	2.1	2.3	2.2
8	1.6	2.0	1.8
9	1.4	1.8	1.5
10	1.3	1.9	1.5
11-15	4.3	6.4	5.1
16-20	2.5	4.3	3.2
21-25	1.6	3.1	2.2
26-30	1.1	2.3	1.5
31-45	1.6	3.9	2.5
46-60	0.7	1.8	1.1
> 60	0.7	1.8	1.1
Average Duration	5.3	9.0	6.7
Median Duration	2.0	2.0	2.0
Sample Size	119,551	71,066	190,617

<sup>1</sup> The sample includes domestic, directly-dialed calls.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms *ReQuest Market Monitor*<sup>TM</sup>, *Bill Harvesting*<sup>®</sup>.

**Table 14.4**  
**Duration and Distance of Intrastate Toll Calls <sup>1</sup>**

	Duration (In Minutes)		Distance (In Miles)	
	Average	Median	Average	Median
1995	6.0	2.0	53.0	26.0
1996	6.0	2.0	55.0	28.0
1997	6.2	2.0	56.0	28.0
1998	6.0	2.0	55.0	29.0
1999	6.0	2.0	54.0	29.0
2000	6.1	2.0	54.0	28.0
2001	5.9	2.0	53.0	29.0
2002	5.6	2.0	52.0	28.0
2003	5.6	2.0	51.0	28.0
2004	5.3	2.0	55.8	29.5
2005	5.4	2.0	54.6	29.2
2006	5.2	2.0	54.6	30.6
2007	5.3	2.0	54.2	30.0

<sup>1</sup> Direct-dial calls carried by long distance carriers and local exchange carriers. Includes only domestic calls.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms *ReQuest Market Monitor*<sup>TM</sup>, *Bill Harvesting*<sup>®</sup>.

**Table 14.5**  
**Duration and Distance of Interstate Toll Calls <sup>1</sup>**

	Duration (In Minutes)		Distance (In Miles)	
	Average	Median	Average	Median
1995	10.6	4.0	689	507
1996	10.0	4.0	670	473
1997	10.3	4.0	695	480
1998	10.3	4.0	691	493
1999	10.0	3.9	693	501
2000	10.0	4.0	706	524
2001	9.7	3.0	686	501
2002	9.4	3.0	692	489
2003	8.9	3.0	684	481
2004	8.9	2.0	721	525
2005	8.8	2.0	759	568
2006	8.9	2.0	751	575
2007	9.0	2.0	763	594

<sup>1</sup> Direct-dial calls carried by long distance carriers and local exchange carriers. Includes only domestic calls.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms *ReQuest Market Monitor*<sup>TM</sup>, *Bill Harvesting*<sup>®</sup>.

**Table 14.6**  
**Distribution of Residential Wireline Long Distance Minutes**  
**By Day and Time**

**2007**

<b>Day</b>	<b>7:00 AM - 6:59 PM</b>	<b>7:00 PM - 6:59 AM</b>	<b>Total</b>
Monday	9.6 %	5.2 %	14.9 %
Tuesday	9.2	5.0	14.2
Wednesday	9.1	4.9	13.9
Thursday	9.1	4.8	13.9
Friday	9.2	4.2	13.3
Saturday	9.3	4.0	13.3
Sunday	11.3	5.2	16.6
<b>Total</b>	<b>66.8 %</b>	<b>33.2 %</b>	<b>100.0 %</b>

Based on a sample of 102,515 directly-dialed, interLATA calls.

**2006**

<b>Day</b>	<b>7:00 AM - 6:59 PM</b>	<b>7:00 PM - 6:59 AM</b>	<b>Total</b>
Monday	9.8 %	5.2 %	15.0 %
Tuesday	8.7	5.0	13.7
Wednesday	8.4	5.1	13.5
Thursday	8.7	5.0	13.7
Friday	8.7	4.5	13.2
Saturday	9.6	3.7	13.4
Sunday	11.9	5.6	17.6
<b>Total</b>	<b>65.9 %</b>	<b>34.1 %</b>	<b>100.0 %</b>

Based on a sample of 118,243 directly-dialed, interLATA calls.

**2005**

<b>Day</b>	<b>7:00 AM - 6:59 PM</b>	<b>7:00 PM - 6:59 AM</b>	<b>Total</b>
Monday	8.9 %	5.6 %	14.6 %
Tuesday	8.5	5.2	13.6
Wednesday	8.4	5.4	13.8
Thursday	8.7	5.4	14.1
Friday	8.6	4.3	13.0
Saturday	9.6	4.1	13.7
Sunday	11.3	6.0	17.2
<b>Total</b>	<b>64.0 %</b>	<b>36.0 %</b>	<b>100.0 %</b>

Based on a sample of 133,257 directly-dialed, interLATA calls.

**Note:** Individual figures may not add to totals due to rounding.

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms ReQuest Market Monitor™, Bill Harvesting®.

## 15 Revenues

In 1993, the Commission required all carriers with interstate revenues to begin filing an annual Telecommunications Relay Service (TRS) Fund Worksheet. Because revenues derived from providing access to the interstate network are considered to be interstate, virtually all carriers were required to file information. Starting in 1997, larger carriers were required to file Universal Service Fund (USF) worksheets, which contain similar information but with breakouts for revenues from service provided for resale and for service provided to end users. End-user revenues include revenues associated with services to end users and do not include resale (carrier's carrier) revenues. Carrier's carrier revenues are sales of telecommunications to universal service contributors for resale in the form of telecommunications. Filers report all other revenues as end-user revenues.<sup>1</sup> On April 1, 2000, carriers first filed an FCC Form 499-A Telecommunications Reporting Worksheet to report prior year revenue data for TRS, USF, North American Numbering Planning Administration, and local number portability contribution purposes. The FCC Form 499-A superseded the older reporting requirements and is now filed to satisfy carrier registration requirements at the Commission as well.

Table 15.1 shows the major components of telecommunications revenues from 1997 to the present: carrier's carrier revenues and end-user revenues for local, wireless, and toll service. Chart 15.1 shows the trend of the end-user revenue percentages for local, wireless and toll services. Table 15.2 shows how revenues by type of service have changed over time. Table 15.3 shows the number of telecommunications service providers by principal type of business. The publication *Telecommunications Provider Locator* (September 2007 edition) lists carriers that filed a FCC Form 499-A worksheet in 2006. It also contains an address and contact telephone number for each carrier. Table 15.4 contains revenues for eleven years through 2006 by type of carrier. Additional revenue detail can be found in the latest *Telecommunications Industry Revenues* report (June 2007 edition).

State-level telephone revenues are estimated using data from various editions of *Telecommunications Industry Revenues*, *Statistics of Communications Common Carriers*, *Local Telephone Competition*, and access filings to the FCC.<sup>2</sup> The carriers also file

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<sup>1</sup> Carrier's carrier revenues and end-user revenues are defined in the FCC Form 499 instructions. Carrier's carrier revenues includes, for example, most access services that local exchange carriers provide to toll carriers. Sales to *de minimis* carriers and to others that are exempt from universal service contribution requirements, however, must be classified as end-user revenues. Filers contribute to the universal service funding mechanism based on types of end-user revenues.

<sup>2</sup> See Industry Analysis and Technology Division, Wireline Competition Bureau, *Monitoring Report* (various issues), Industry Analysis Division, Common Carrier Bureau, *State-by-State Telephone Revenues and Universal Service Data* (various issues). Estimates for 2004 use a similar methodology as those used in 2003.

quarterly data reported on form 499Q.

Table 15.5 provides estimates of telecommunications revenues by state for 1996 to 2005. Table 15.6 provides estimates of end-user and carrier's carrier revenues by state for 2005. Table 15.7 provides estimates of telecommunications revenues for incumbent local exchange carriers, competitive local exchange carriers, and mobile wireless carriers by state; as well as estimates for subscriber line charges, access, and toll services.



**Table 15.1**  
**Telecommunications Industry Revenues**<sup>1</sup>  
(Dollar Amounts Shown in Millions)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Preliminary 5/ 2007
<b>Carrier's Carrier Revenues</b> <sup>2</sup>											
Local Service <sup>3</sup>	\$28,289	\$29,374	\$33,156	\$36,621	\$40,108	\$38,412	\$37,742	\$38,546	\$39,213	\$39,392	\$40,293
Wireless Service	2,752	3,060	4,652	5,144	6,180	5,020	4,465	4,164	6,334	5,187	6,712
Toll Service	11,598	13,448	14,934	21,849	19,999	16,476	18,205	15,703	16,892	15,101	15,089
Intrastate	16,201	18,892	22,293	25,553	27,848	25,770	24,825	25,852	27,486	24,848	25,854
Interstate and International <sup>4</sup>	26,562	27,114	30,449	38,060	38,439	34,138	35,587	32,561	34,953	34,831	36,240
Total	42,639	45,882	52,742	63,613	66,287	59,907	60,412	58,413	62,439	59,679	62,094
<b>End User Revenues</b> <sup>2</sup>											
Local Service <sup>3</sup>	69,137	75,189	78,608	84,526	87,704	88,712	86,474	83,407	82,382	78,215	78,207
Wireless Service	30,199	33,714	43,843	56,857	68,507	76,501	85,254	94,404	100,743	110,096	117,128
Toll Service	89,193	91,607	93,311	87,767	79,302	67,222	58,983	55,511	52,358	49,278	42,758
Intrastate	117,454	123,216	134,919	147,465	155,347	154,815	150,889	153,265	154,310	157,653	158,240
Interstate and International <sup>4</sup>	70,952	77,170	80,844	81,685	80,165	77,619	79,822	80,057	81,173	79,937	79,854
Total	188,406	200,386	215,763	229,149	235,513	232,434	230,711	233,322	235,482	237,589	238,093
<b>Total Revenues</b>											
Local Service <sup>3</sup>	97,426	104,563	111,764	121,147	127,812	127,123	124,216	121,953	121,595	117,607	118,500
Wireless Service	32,951	36,775	48,495	62,000	74,687	81,521	89,718	98,568	107,076	115,283	123,841
Toll Service	100,791	105,055	108,246	109,615	99,301	83,697	77,188	71,214	69,250	64,379	57,847
Intrastate	133,655	142,108	157,212	173,018	183,195	180,585	175,714	179,117	181,796	182,501	184,093
Interstate and International <sup>4</sup>	97,514	104,284	111,293	119,745	118,605	111,756	115,409	112,617	116,125	114,768	116,094
Total	\$231,168	\$246,392	\$268,505	\$292,762	\$301,800	\$292,341	\$291,123	\$291,734	\$297,921	\$297,268	\$300,188

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

<sup>1</sup> Data include revenues for *de minimis* filers as well as for other carriers that are exempt from universal service contribution requirements.

<sup>2</sup> Carrier's carrier revenues are reported on the FCC Form 499-A as sales to other universal service contributors for resale. This includes, for example, access services that local exchange carriers provide to toll carriers. Sales to *de minimis* resellers, end-user customers, governments, non-profits, and any other non-contributors are treated as end-user revenues. Filers contribute to the universal service funding mechanisms based on their end-user revenues.

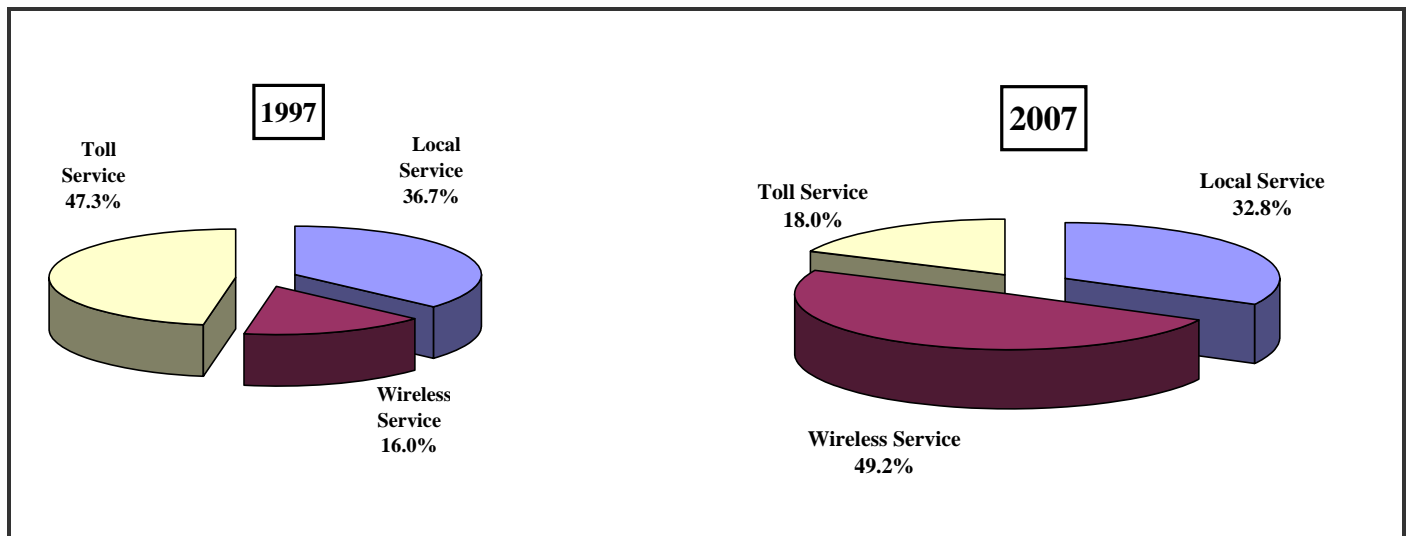
<sup>3</sup> Payphone revenues are included with local service revenues in this table.

<sup>4</sup> Revenues from calls that both originate and terminate in foreign points are reported as end-user revenues, and are included in this table, but are not included in the universal service contribution base.

<sup>5</sup> Preliminary 2007 data are based on FCC Form 499-Q quarterly filings. Companies that do not contribute to universal service are not required to make these filings. The quarterly filings include preliminary data for the just closed quarter and projections for the coming quarter, and therefore are not as accurate as the subsequent annual filings. Also, FCC Form 499-Q filers do not separate revenue by type of service. Therefore, revenue totals by service type for 2007 are based on type of filer rather than on data filed by service.

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues*, except as noted.

**Chart 15.1**  
**End-User Telecommunications Revenues**



**Table 15.2**  
**Telecommunications Revenues Reported by Type of Service**  
**(Dollar Amounts Shown in Millions)**

Telecommunications Revenues	TRS Data	Universal Service & TRS Data		FCC Form 499-A Data							
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Local Exchange	\$48,717	\$53,771	\$59,245	\$64,940	\$69,947	\$72,346	\$71,320	\$70,606	\$68,238	\$66,506	\$63,264
Pay Telephone 1/		2,182	2,536	2,218	1,932	1,585	1,192	1,063	1,002	924	659
Local Private Line 2/	1,616	8,282	10,403	12,914	16,864	21,966	23,070	22,415	23,840	25,673	25,448
Other Local 3/	2,674	2,847	2,179	2,501	3,249	3,391	3,418	3,242	2,944	3,331	3,884
Subscriber Line Charges 2/	7,829	8,327	11,052	10,826	11,563	12,127	12,758	12,136	11,715	11,113	10,827
Access 2/	27,812	21,423	18,449	18,105	17,017	15,096	13,955	12,972	12,352	11,822	11,392
Universal Service Surcharges on Local Service Bills 4/			103	260	575	1,301	1,410	1,783	1,862	2,227	2,133
Additional Revenues from TRS Worksheets		595	595								
Total Local Service Revenues	88,647	97,426	104,563	111,764	121,147	127,812	127,123	124,216	121,953	121,595	117,607
Wireless Service	23,444	32,760	36,240	48,117	61,505	74,006	80,678	88,023	96,450	104,489	112,442
Universal Service Surcharges on Local Service Bills 4/			345	379	495	681	842	1,696	2,118	2,587	2,841
Additional Revenues from TRS Worksheets		189	189								
Total Wireless Service Revenues	23,444	32,950	36,775	48,495	62,000	74,687	81,521	89,718	98,568	107,076	115,283
Operator 1/	10,975	12,002	12,205	10,049	11,406	10,389	7,902	6,567	6,542	6,631	5,577
Non-Operator Switched Toll	73,751	72,059	74,168	78,389	75,183	65,325	54,475	50,178	46,387	44,876	41,570
Long Distance Private Line	10,665	10,504	11,952	13,169	16,189	16,402	15,108	15,316	13,906	13,264	12,739
Other Long Distance	4,299	4,695	3,386	3,656	3,372	3,259	2,445	2,222	1,801	2,021	2,154
Universal Service Surcharges on Local Service Bills 4/			1,810	2,983	3,467	3,927	3,767	2,905	2,577	2,458	2,340
Additional Revenues from TRS Worksheets		1,532	1,532								
Total Toll Service Revenues	99,691	100,793	105,055	108,246	109,615	99,301	83,697	77,188	71,214	69,250	64,379
Total Telecommunications Revenues 3/	211,782	231,168	246,392	268,505	292,762	301,799	292,341	291,122	291,735	297,921	297,269
Non-Telecommunications Revenues 3/	10,474	25,633	27,944	33,144	42,261	48,036	60,406	65,186	71,493	86,764	101,061
Total Reported Revenues	222,256	256,801	272,019	301,648	335,023	349,835	352,747	356,308	363,227	384,685	398,329
Service Reported as:											
Intrastate 3/	127,849	133,654	142,108	157,212	173,018	183,195	180,585	175,714	179,129	181,796	182,501
Interstate and International	94,407	97,514	104,284	111,293	119,745	118,605	111,756	115,409	112,605	116,125	114,768
Total Telecommunications Revenues 3/	\$222,256	\$231,168	\$246,392	\$268,505	\$292,762	\$301,799	\$292,341	\$291,123	\$291,734	\$297,921	\$297,268

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

- 1/ TRS filers generally reported pay telephone revenues as local service revenues, access revenues or operator toll revenues. The Universal Service and FCC Form 499-A Worksheets contain a separate category for payphone coin revenues. Starting in 1997, payphone revenues include payphone compensation received from toll carriers.
- 2/ TRS Worksheet filers generally reported special access revenues as access revenues. Reporting changes implemented with the Universal Service Worksheet explain the increase in local private line revenues and the fall in access revenues shown for 1997. TRS Worksheet filers included subscriber line charges with other access charges. For the years 1994 - 1996, these revenues have been disaggregated by assuming that the end-user access revenues in Table 4.2 of *Statistics of Communications Common Carriers* represents 93% of industry total subscriber line charge revenues. Universal Service Worksheet filers report subscriber line charges in a separate category. The increase from 1997 to 1998 represents PICC charges levied by ILECs as well as \$1.2 billion of PICC pass-through charges levied by toll carriers.
- 3/ Significant amounts of enhanced services, billing and collection, CPE and other non-telecommunications revenues were reported in the TRS mobile and other local service categories through 1996. Universal Service Worksheet filers report these revenues in the non-telecommunications category. For prior years, the amounts of non-telecommunications revenues reported as mobile and other local revenues were estimated as 70% of the amounts that Tier 1 ILECs reported in ARMIS as miscellaneous and nonregulated revenues (then reported as account 5200 and account 5280, respectively) and 10% of amounts reported as mobile service revenues. These amounts have been removed from Other Local and moved to the Non-Telecommunications category.
- 4/ Charges on end-user bills identified as recovering state or federal universal service contributions are reported separately from local, wireless and toll revenues. Reported amounts are apportioned between local, wireless and toll service based on the proportions of local, wireless and toll intrastate and interstate revenues by type of carrier.

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues*.

**Table 15.3**  
**Number of Interstate Telecommunications Providers**  
**By Principal Type of Business**

Service Provider Category 1/ 2/	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Incumbent Local Exchange Carriers (ILECs) 3/	1,376	1,410	1,348	1,318	1,335	1,335	1,310	1,303	1,304	1,303	1,311
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)	94	129	212	298	479	511	451	601	690	734	985
Local Resellers	8	11	54	73	105	132	100	100	136	122	186
Interconnected VoIP Providers											251
Other Local Exchange Carriers	17	7	10	23	23	26	64	72	92	187	212
Total: Competitors of ILECs	119	147	276	394	607	669	615	773	918	1,043	1,634
Total: Fixed Local Service Providers 4/	1,495	1,557	1,624	1,712	1,942	2,004	1,925	2,076	2,222	2,346	2,945
Payphone Providers	533	509	615	704	699	751	606	605	642	576	595
Wireless Telephony Including Cellular, Personal Communications Service (PCS) and SMR Telephony Carriers	853	732	808	784	783	670	422	413	396	402	467
Paging & Messaging Service	200	137	303	391	425	425	346	347	360	300	315
Specialized Mobile Radio (SMR) Dispatch	163	99	119	199	191	182	138	155	172	155	179
Wireless Data Service Providers and Other Mobile Service Providers	1	1	28	45	31	29	21	24	35	48	84
Total: Wireless Service Providers	1,217	969	1,258	1,419	1,430	1,306	927	939	963	905	1,045
Interexchange Carriers (IXCs)	149	151	171	178	212	233	229	232	257	262	361
Operator Service Providers (OSPs)	27	32	24	15	20	19	18	17	19	23	29
Prepaid Calling Card Providers	16	18	20	18	23	27	27	50	67	69	154
Satellite Service Carriers	22	13	13	17	25	34	33	40	40	40	43
Toll Resellers	345	340	388	406	493	558	574	642	751	721	923
Other Toll Carriers	28	15	31	17	35	69	51	45	70	63	127
Total: Toll Service Providers	587	569	647	651	808	940	932	1,026	1,204	1,178	1,637
All Filers	3,832	3,604	4,144	4,486	4,879	5,001	4,390	4,646	5,031	5,005	6,222

1/ Filers are asked to select for themselves a service provider category that best describes their operations. The choices have changed over the years; for example, most satellite service providers identified themselves as other toll carriers in their 1997 TRS worksheets because that worksheet did not contain a separate category for satellite service providers. Starting with the filings that included 2003 revenues, filers were able to identify up to five service provider types. Counts starting 2003 are based on the category selected as best describing the provider's operations.

2/ Counts are based on the numbers of filers actually reporting revenues. Counts dropped in 2002 because many affiliated filers were permitted to make consolidated filings.

3/ Fewer incumbent local exchange carriers filed in 1998 than in 1997 because of consolidation of study areas.

4/ The total number of local service providers shown in Table 8.7 differs from the total fixed local service providers shown in Table 15.3 because the number shown in Table 8.7 includes filers that self identify as mobile or toll providers, but that report some local exchange service revenues. The number of telecommunications providers shown in Table 15.3 also differs from the numbers shown in Table 5.3 because Table 5.3 includes all filers, including new filers that reported no revenues for the year shown. Private telecommunications providers are included with other local competitors in this table.

Source: Data filed on FCC Forms 431, 457, and 499-A worksheets. See also: Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues* and *Telecommunications Provider Locator*, available at <http://www.fcc.gov/wcb/stats>.

**Table 15.4**  
**Gross Revenues Reported by Type of Carrier**  
**(Dollars Shown in Millions)**

Service Provider Category 1/	TRS Data	Universal Service & TRS Data		FCC Form 499 Data							
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Incumbent Local Exchange Carriers 2/	\$100,021	\$105,154	\$108,234	\$112,216	\$116,158	\$117,885	\$114,990	\$109,480	\$105,496	\$103,561	\$99,997
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)	1,011	1,919	3,348	5,652	9,814	12,998	13,043	15,509	15,112	16,930	17,276
Interconnected VoIP											514
Local Resellers		206	410	511	879	1,393	1,538	721	1,215	630	460
Other Local Exchange Carriers		157	36	171	11	329	406	338	245	216	124
Private Carriers		112	147	87	39	15	281	267	532	770	1,080
Shared-Tenant Service Providers		87	93	87	202	46	42	22	22	22	19
Total: Competitors of ILECs	1,011	2,481	4,034	6,508	10,945	14,781	15,309	16,857	17,126	18,568	19,473
Total: Fixed Local Service Providers	101,032	107,634	112,268	118,725	127,103	132,666	130,300	126,337	122,622	122,128	119,470
Total: Payphone Providers	357	933	1,101	1,213	972	836	641	523	445	481	435
Wireless Telephony Including Cellular, Personal Communications Service (PCS) and SMR Telephony Carriers 2/	21,400	29,944	33,139	46,513	59,823	71,887	78,568	88,168	98,329	107,834	116,971
Paging & Messaging Service 2/		2,861	3,161	3,232	3,102	2,197	1,473	1,007	872	579	555
Specialized Mobile Radio (SMR) Dispatch				186	191	214	206	33	46	226	48
Wireless Data Service Providers and Other Mobile Service Providers	1,909	225	731	221	164	110	220	135	218	169	178
Total: Wireless Service Providers	23,310	33,030	37,032	50,152	63,280	74,596	80,467	89,342	99,465	108,809	117,752
Interexchange Carriers (IXCs)	79,057	79,080	83,443	87,570	87,311	81,272	68,146	61,246	51,589	46,856	44,083
Operator Service Providers (OSPs)	461	603	590	337	635	611	554	567	523	548	631
Prepaid Calling Card Providers	238	519	888	866	727	133	460	812	1,635	1,828	1,713
Satellite Service Carriers		1,011	475	280	336	373	406	663	721	714	444
Toll Resellers	6,564	8,010	9,885	9,211	10,641	8,797	9,279	9,294	12,192	13,362	9,943
Other Toll Carriers	577	348	710	150	1,758	2,516	2,089	2,339	2,543	3,195	2,798
Total: Toll Service Providers	86,896	89,570	95,992	98,414	101,407	93,702	80,934	74,920	69,204	66,503	59,611
Adjustments 3/	187	0	0	0	0	0	0	0	0	0	0
Total Telecommunications Revenues	\$211,782	\$231,168	\$246,392	\$268,505	\$292,762	\$301,799	\$292,341	\$291,123	\$291,734	\$297,921	\$295,742

1/ Filers are asked to select for themselves a service provider category that best describes their operations. The choices have changed over the years. For example, most satellite service providers identified themselves as other toll carriers in their 1997 Form 431 TRS worksheets because that worksheet did not contain a separate category for satellite service providers. For 2003 and 2004, some filers identified themselves as all distance carriers. These filers have been reclassified to be consistent with prior classifications.

2/ Significant amounts of enhanced service, billing and collection, CPE and other non-telecommunications revenues were reported on TRS worksheets by incumbent local exchange carriers (ILECs) and wireless carriers through 1996. Universal Service Worksheet filers report these revenues in the non-telecommunications category. For prior years, the amounts of non-telecommunications revenues reported as mobile and other local revenues were estimated as 70% of the amounts that Tier 1 ILECs reported in ARMIS as miscellaneous and nonregulated revenues (then reported as account 5200 and account 5280, respectively) and 10% of amounts reported as mobile service revenues. These amounts have been removed from incumbent local exchange carrier totals.

3/ Adjustments include some amounts withheld to preserve confidentiality and revisions made after the initial publication of the data.

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues*.

**Table 15.5**  
**Total Telecommunications Revenues by State**  
**(Dollar Amounts Shown in Millions)**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Alabama	\$2,946	\$3,205	\$3,394	\$3,712	\$4,008	\$4,314	\$4,052	\$4,196	\$4,318	\$4,587
Alaska	518	561	590	664	717	770	778	816	823	831
American Samoa	NA	NA	NA	NA	NA	13	13	13	15	17
Arizona	3,249	3,667	3,958	4,359	4,972	5,205	5,045	4,898	4,974	5,127
Arkansas	1,719	1,885	2,005	2,303	2,315	2,593	2,486	2,470	2,592	2,709
California	25,100	27,236	28,692	29,384	33,577	35,398	34,838	34,098	34,303	35,042
Colorado	3,526	4,006	4,260	4,826	5,290	5,515	5,308	5,013	4,984	5,013
Connecticut	2,943	3,266	3,173	3,405	3,924	4,020	3,854	3,884	3,821	3,929
Delaware	567	627	685	788	875	883	877	874	946	1,014
District of Columbia	955	1,049	1,085	1,581	1,648	1,383	1,343	1,337	1,296	1,397
Florida	12,972	14,161	15,042	17,223	18,308	18,849	18,223	18,613	20,003	19,918
Georgia	6,004	6,849	7,469	8,479	8,919	9,627	9,371	9,433	9,415	9,657
Guam	85	97	103	99	108	122	119	123	130	143
Hawaii	841	930	969	1,009	1,177	1,207	1,200	1,212	1,196	1,229
Idaho	908	967	1,010	1,092	1,210	1,245	1,244	1,237	1,223	1,300
Illinois	8,920	10,069	10,948	11,983	13,516	12,860	12,110	11,928	11,809	12,113
Indiana	4,192	4,536	4,810	5,099	5,552	5,524	5,385	5,292	5,298	5,389
Iowa	2,039	2,163	2,268	2,441	2,340	2,652	2,549	2,711	2,559	2,630
Kansas	2,017	2,165	2,304	2,588	2,571	2,656	2,479	2,473	2,436	2,488
Kentucky	2,629	2,861	3,060	3,426	3,573	3,665	3,301	3,307	3,634	3,856
Louisiana	2,946	3,192	3,432	3,913	3,964	4,274	4,185	4,232	4,278	4,430
Maine	976	996	1,105	1,195	1,328	1,387	1,365	1,359	1,353	1,425
Maryland	4,234	4,625	4,911	5,176	5,783	6,202	6,033	6,073	6,163	6,441
Massachusetts	5,455	6,010	6,338	6,561	7,428	7,367	7,121	6,983	6,897	6,962
Michigan	7,246	7,983	8,523	9,530	9,937	9,889	9,450	9,352	8,897	9,089
Minnesota	3,461	3,864	4,115	4,617	4,877	4,934	4,772	4,682	4,578	4,629
Mississippi	1,734	1,877	2,017	2,283	2,486	2,633	2,578	2,676	2,768	2,834
Missouri	4,017	4,389	4,613	5,442	5,688	6,067	5,436	5,676	5,522	5,750
Montana	709	756	780	897	937	903	907	911	897	912
Nebraska	1,428	1,540	1,587	1,737	1,760	1,865	1,796	1,799	1,744	1,749
Nevada	1,324	1,489	1,592	1,884	1,954	2,160	2,163	2,267	2,348	2,407
New Hampshire	1,118	1,208	1,246	1,313	1,429	1,419	1,399	1,373	1,362	1,474
New Jersey	7,927	8,707	9,366	9,558	10,670	10,689	10,251	10,054	10,258	10,493
New Mexico	1,262	1,370	1,433	1,518	1,515	1,656	1,631	1,706	1,767	1,775
New York	16,026	17,120	17,935	19,700	20,903	21,771	21,148	20,660	19,593	19,724
North Carolina	6,104	6,613	7,297	8,006	8,619	8,811	8,368	8,321	8,482	8,558
North Dakota	587	596	599	660	731	699	678	641	630	645
Northern Mariana Islands	18	21	30	34	32	43	46	44	44	45
Ohio	8,219	8,823	9,396	9,952	10,902	10,708	10,351	10,419	10,489	10,736
Oklahoma	2,179	2,410	2,552	2,727	2,915	3,116	3,100	3,210	3,169	3,185
Oregon	2,502	2,720	2,905	3,123	3,159	3,480	3,381	3,337	3,356	3,292
Pennsylvania	8,867	9,588	10,309	10,770	12,200	12,578	12,274	12,087	12,063	12,166
Puerto Rico	1,405	1,606	1,467	2,051	1,971	2,598	2,168	2,456	2,354	2,537
Rhode Island	761	839	859	946	1,012	989	978	965	980	963
South Carolina	2,849	3,053	3,393	3,790	4,047	4,147	4,142	4,187	4,124	4,306
South Dakota	584	602	635	716	763	712	690	668	667	712
Tennessee	3,880	4,302	4,553	4,928	5,256	5,574	5,409	5,466	5,442	5,738
Texas	14,563	15,943	17,576	19,032	21,405	21,617	21,549	21,508	21,610	22,162
Utah	1,284	1,443	1,557	1,790	1,998	2,090	2,016	1,986	2,003	2,062
Vermont	547	575	602	684	717	659	640	629	590	663
Virgin Islands	93	101	109	122	129	145	157	172	190	214
Virginia	5,646	6,179	6,576	7,020	8,013	8,506	8,174	8,107	8,074	8,134
Washington	4,438	4,613	5,080	5,703	6,253	6,260	6,215	6,090	6,172	6,005
West Virginia	1,240	1,337	1,383	1,437	1,625	1,735	1,671	1,674	1,707	1,732
Wisconsin	3,621	3,927	4,234	4,719	5,195	5,027	4,976	4,859	4,821	5,000
Wyoming	402	449	462	513	563	587	552	567	567	584
<b>Total</b>	<b>\$211,782</b>	<b>\$231,168</b>	<b>\$246,392</b>	<b>\$268,505</b>	<b>\$292,762</b>	<b>\$301,799</b>	<b>\$292,341</b>	<b>\$291,123</b>	<b>\$291,734</b>	<b>\$297,921</b>

NA - Not Available.

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

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Monitoring Report* (various issues) and Industry Analysis Division, Common Carrier Bureau, *State-by-State Telephone Revenue and Universal Service Data* (various issues).

**Table 15.6**  
**Telecommunications Revenues by State: 2005**  
(Dollar Amounts Shown in Millions)

	End User			Carrier's Carrier			Total: End User + Carrier's Carrier			
	Interstate	Intrastate	Total	Interstate	Intrastate	Total	Interstate	Intrastate	Total	Percent of Total
Alabama	\$1,218	\$2,434	\$3,651	\$521	\$415	\$935	\$1,738	\$2,848	\$4,587	1.54 %
Alaska	266	382	648	115	68	183	380	450	831	0.28
American Samoa	3	11	14	1	2	3	4	13	17	0.01
Arizona	1,542	2,526	4,069	628	430	1,059	2,171	2,957	5,127	1.72
Arkansas	735	1,406	2,142	323	245	568	1,058	1,651	2,709	0.91
California	8,834	18,812	27,645	3,703	3,694	7,397	12,537	22,505	35,042	11.76
Colorado	1,473	2,442	3,915	676	422	1,098	2,149	2,864	5,013	1.68
Connecticut	1,241	1,897	3,138	531	260	791	1,772	2,157	3,929	1.32
Delaware	311	504	815	132	67	198	443	571	1,014	0.34
District of Columbia	395	685	1,080	218	99	317	613	784	1,397	0.47
Florida	5,680	9,952	15,632	2,439	1,847	4,286	8,119	11,799	19,918	6.69
Georgia	2,631	4,974	7,605	1,263	790	2,053	3,894	5,763	9,657	3.24
Guam	48	64	111	20	11	32	68	75	143	0.05
Hawaii	338	652	989	133	107	240	471	759	1,229	0.41
Idaho	408	594	1,002	189	109	297	597	702	1,300	0.44
Illinois	3,328	6,474	9,802	1,309	1,002	2,311	4,637	7,476	12,113	4.07
Indiana	1,525	2,753	4,278	609	501	1,110	2,134	3,254	5,389	1.81
Iowa	749	1,267	2,016	331	282	614	1,080	1,550	2,630	0.88
Kansas	713	1,250	1,963	327	198	525	1,040	1,448	2,488	0.84
Kentucky	1,023	2,043	3,066	430	361	790	1,453	2,404	3,856	1.29
Louisiana	1,144	2,426	3,570	466	394	860	1,610	2,820	4,430	1.49
Maine	380	755	1,134	175	116	291	555	870	1,425	0.48
Maryland	1,842	3,286	5,128	788	524	1,313	2,630	3,811	6,441	2.16
Massachusetts	1,892	3,704	5,595	836	531	1,366	2,728	4,234	6,962	2.34
Michigan	2,338	4,955	7,293	888	908	1,796	3,225	5,864	9,089	3.05
Minnesota	1,294	2,358	3,652	577	401	977	1,871	2,759	4,629	1.55
Mississippi	726	1,539	2,265	318	251	569	1,044	1,789	2,834	0.95
Missouri	1,559	2,858	4,417	689	644	1,333	2,248	3,502	5,750	1.93
Montana	284	411	695	122	95	217	406	506	912	0.31
Nebraska	453	879	1,332	222	195	417	675	1,074	1,749	0.59
Nevada	794	1,128	1,922	326	159	485	1,120	1,287	2,407	0.81
New Hampshire	434	740	1,173	181	120	301	615	859	1,474	0.49
New Jersey	2,994	5,374	8,368	1,276	849	2,125	4,270	6,222	10,493	3.52
New Mexico	541	824	1,365	241	169	410	782	992	1,775	0.60
New York	5,003	10,551	15,554	2,278	1,892	4,170	7,281	12,444	19,724	6.62
North Carolina	2,430	4,341	6,771	1,036	751	1,787	3,466	5,092	8,558	2.87
North Dakota	180	312	492	89	65	153	269	376	645	0.22
N. Mariana Islands	13	22	35	5	4	9	18	26	45	0.01
Ohio	2,786	5,732	8,518	1,150	1,068	2,218	3,936	6,800	10,736	3.60
Oklahoma	894	1,627	2,521	405	259	664	1,299	1,886	3,185	1.07
Oregon	980	1,600	2,580	432	280	712	1,412	1,879	3,292	1.10
Pennsylvania	3,396	6,128	9,524	1,483	1,158	2,641	4,879	7,286	12,166	4.08
Puerto Rico	699	1,396	2,095	255	187	442	954	1,583	2,537	0.85
Rhode Island	264	517	782	104	77	181	369	594	963	0.32
South Carolina	1,175	2,228	3,403	505	399	904	1,680	2,627	4,306	1.45
South Dakota	201	345	546	89	77	166	290	422	712	0.24
Tennessee	1,578	3,050	4,628	653	458	1,110	2,230	3,508	5,738	1.93
Texas	5,385	12,060	17,445	2,376	2,342	4,718	7,760	14,402	22,162	7.44
Utah	608	1,013	1,621	269	172	440	877	1,185	2,062	0.69
Vermont	211	306	517	95	50	146	306	357	663	0.22
Virgin Islands	94	68	161	40	12	52	134	80	214	0.07
Virginia	2,341	3,995	6,336	1,067	731	1,798	3,408	4,726	8,134	2.73
Washington	1,726	2,956	4,682	753	569	1,323	2,480	3,525	6,005	2.02
West Virginia	519	829	1,348	230	154	384	749	983	1,732	0.58
Wisconsin	1,373	2,611	3,984	546	470	1,017	1,919	3,082	5,000	1.68
Wyoming	183	265	448	89	48	136	271	313	584	0.20
Total	\$81,173	\$154,310	\$235,483	\$34,953	\$27,486	\$62,439	\$116,125	\$181,796	\$297,921	100.00 %

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

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Monitoring Report* (December 2007).

**Table 15.7**  
**Telecommunications Revenues by Type of Service: 2005**  
(Dollar Amounts Shown in Millions)

	Mobile						Total
	ILECs <sup>1</sup>	CLECs	Wireless	SLCs <sup>2</sup>	Access	Toll	
Alabama	\$1,268	\$214	\$1,583	\$186	\$367	\$969	\$4,587
Alaska	NA	NA	NA	NA	NA	NA	831
American Samoa	NA	NA	NA	NA	NA	NA	17
Arizona	958	471	1,975	211	467	1,046	5,127
Arkansas	642	99	936	95	257	680	2,709
California	7,015	2,194	13,693	1,153	3,480	7,508	35,042
Colorado	1,215	270	1,700	230	531	1,067	5,013
Connecticut	903	172	1,298	156	325	1,074	3,929
Delaware	204	66	396	42	85	221	1,014
District of Columbia	411	121	416	39	155	255	1,397
Florida	4,534	950	7,002	874	1,983	4,575	19,918
Georgia	2,549	562	3,353	362	956	1,875	9,657
Guam	NA	NA	NA	NA	NA	NA	143
Hawaii	297	21	521	65	113	212	1,229
Idaho	286	42	433	61	155	324	1,300
Illinois	2,566	872	4,774	415	891	2,595	12,113
Indiana	1,314	269	1,824	257	445	1,279	5,389
Iowa	572	118	887	104	309	640	2,630
Kansas	575	197	857	83	228	549	2,488
Kentucky	1,032	165	1,389	160	324	786	3,856
Louisiana	1,141	250	1,669	169	316	885	4,430
Maine	361	92	437	54	116	364	1,425
Maryland	1,411	390	2,326	243	550	1,521	6,441
Massachusetts	1,447	593	2,403	275	556	1,689	6,962
Michigan	1,924	807	3,473	335	720	1,830	9,089
Minnesota	1,014	350	1,739	176	459	891	4,629
Mississippi	884	95	906	102	192	655	2,834
Missouri	1,346	246	1,939	225	664	1,330	5,750
Montana	222	24	260	49	105	251	912
Nebraska	402	124	601	52	224	345	1,749
Nevada	508	101	894	82	184	638	2,407
New Hampshire	271	119	510	58	125	392	1,474
New Jersey	1,840	756	4,047	409	997	2,444	10,493
New Mexico	426	41	571	100	213	424	1,775
New York	4,733	1,946	6,625	696	1,775	3,950	19,724
North Carolina	2,091	341	3,060	373	781	1,911	8,558
North Dakota	145	37	216	24	84	139	645
N. Mariana Islands	NA	NA	NA	NA	NA	NA	45
Ohio	2,679	534	3,928	413	932	2,249	10,736
Oklahoma	776	179	1,114	120	295	702	3,185
Oregon	724	142	1,185	152	346	743	3,292
Pennsylvania	2,425	1,022	4,086	535	1,247	2,850	12,166
Puerto Rico	593	91	1,115	101	160	476	2,537
Rhode Island	169	146	364	31	60	193	963
South Carolina	1,187	158	1,443	177	371	971	4,306
South Dakota	139	70	242	26	83	152	712
Tennessee	1,502	293	2,110	243	414	1,176	5,738
Texas	5,761	1,270	8,018	751	2,123	4,240	22,162
Utah	390	153	788	83	218	431	2,062
Vermont	170	33	165	32	60	203	663
Virgin Islands	NA	NA	NA	NA	NA	NA	214
Virginia	1,651	576	2,728	329	865	1,984	8,134
Washington	1,209	275	2,224	262	673	1,362	6,005
West Virginia	476	64	457	83	156	496	1,732
Wisconsin	1,150	351	1,776	204	409	1,110	5,000
Wyoming	135	17	184	27	72	150	584
<b>Total <sup>3</sup></b>	<b>\$67,893</b>	<b>\$18,568</b>	<b>\$107,056</b>	<b>\$11,544</b>	<b>\$27,747</b>	<b>\$65,108</b>	<b>\$297,921</b>

NA - Not Applicable.

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

<sup>1</sup> Excludes subscriber line charges.

<sup>2</sup> Includes ILECs' USF pass-thru charges.

<sup>3</sup> Totals in the first six columns include revenues for locations not estimated.

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Monitoring Report* (December 2007).

## 16 Subscribership

Under contract with the FCC, the U.S. Census Bureau includes questions on telephones as part of its *Current Population Survey (CPS)*. This survey, which monitors demographic trends between the decennial censuses, has several strengths: it is conducted regularly by an expert agency, the sample is very large, and the questions are consistent. Thus, changes in the results can be compared over time with a great deal of confidence.

Almost twenty-nine million households have been added to the nation's telephone system since these surveys began in November 1983, reflecting both an increase in the total number of households and a small, but statistically significant, increase in the percentage of households that subscribe to telephone service.

Because of smaller sample sizes, state-by-state data, shown in Table 16.3, are subject to greater sampling errors than the national data shown in Table 16.1. These two tables are based on the Census Bureau's Current Population Survey. Additional information can be found in the *Telephone Penetration* and *Telephone Subscribership* reports available on the Internet on the Wireline Competition Bureau Statistical Reports web page at [www.fcc.gov/wcb/stats](http://www.fcc.gov/wcb/stats).

Historical estimates for the United States, using the decennial census population counts, are shown in Table 16.2. Prior to 1980, historical estimates of telephone penetration were based on a comparison of the number of residential main stations to the number of households. These estimates became less reliable at that point because of the emergence of an increasing number of households with multiple phone lines. In the 1980 decennial census, the question "Do you have a telephone?" was added to the long-form questionnaire. The 1980 and 1990 percentages in Table 16.2 are based on those responses. In the 2000 decennial census, the question was changed to "Is there telephone service available in this [housing unit] from which you can both make and receive calls?" The question was changed in 2000 to avoid the possible bias from having a phone but no service. With the telephone companies no longer owning the telephone instruments beginning in 1984, it is possible for someone to have a telephone but not have service. The question also allows for the possibility of the substitution of wireless service for wireline service. Beginning in 2001 the Census Bureau introduced the American Community Survey (ACS), which was designed to replace the long form of the decennial census, and Table 16.2 includes data from that survey as well. Table 16.2 also documents the per capita changes in wireline phone lines and wireless subscribers over time. The decennial census percentages in 1990 and 2000 and the ACS percentages for 2001 to 2006 reported in Table 16.2 are higher than the CPS percentage reported in Table 16.1. We believe that these differences are due to factors such as the slight differences in the questions and the contexts in which they are asked, as well as the fact that the CPS uses households as the basis of measurement, while the census and the ACS use occupied housing units instead.

Further information from the ACS is shown in Tables 16.4 and 16.5. Table 16.4 shows state data and Table 16.5 shows other characteristics including housing unit tenure, age of the householder, and race and ethnicity of the householder.



**Table 16.1**  
**Household Telephone Subscribership in the United States**

	<b>Households (Millions)</b>	<b>Households with Telephones (Millions)</b>	<b>Percentage with Telephones</b>	<b>Households without Telephones (Millions)</b>	<b>Percentage without Telephones</b>
1983 November	85.8	78.4	91.4 %	7.4	8.6 %
1984 March	86.0	78.9	91.8	7.1	8.2
July	86.6	79.3	91.6	7.3	8.4
November	87.4	79.9	91.4	7.5	8.6
1985 March	87.4	80.2	91.8	7.2	8.2
July	88.2	81.0	91.8	7.2	8.2
November	88.8	81.6	91.9	7.2	8.1
1986 March	89.0	82.1	92.2	6.9	7.8
July	89.5	82.5	92.2	7.0	7.8
November	89.9	83.1	92.4	6.8	7.6
1987 March	90.2	83.4	92.5	6.8	7.5
July	90.7	83.7	92.3	7.0	7.7
November	91.3	84.3	92.3	7.0	7.7
1988 March	91.8	85.3	92.9	6.5	7.1
July	92.4	85.7	92.8	6.7	7.2
November	92.6	85.7	92.5	6.9	7.5
1989 March	93.6	87.0	93.0	6.6	7.0
July	93.8	87.5	93.3	6.3	6.7
November	93.9	87.3	93.0	6.6	7.0
1990 March	94.2	87.9	93.3	6.3	6.7
July	94.8	88.4	93.3	6.4	6.7
November	94.7	88.4	93.3	6.3	6.7
1991 March	95.3	89.2	93.6	6.1	6.4
July	95.5	89.1	93.3	6.4	6.7
November	95.7	89.4	93.4	6.3	6.6
1992 March	96.6	90.7	93.9	5.9	6.1
July	96.6	90.6	93.8	6.0	6.2
November	97.0	91.0	93.8	6.0	6.2
1993 March	97.3	91.6	94.2	5.7	5.8
July	97.9	92.2	94.2	5.7	5.8
November	98.8	93.0	94.2	5.8	5.8
1994 March	98.1	92.1	93.9	6.0	6.1
July	98.6	92.4	93.7	6.2	6.3
November	99.8	93.7	93.8	6.2	6.2
1995 March	99.9	93.8	93.9	6.1	6.1
July	100.0	94.0	94.0	6.0	6.0
November	100.4	94.2	93.9	6.2	6.1
1996 March	100.6	94.4	93.8	6.2	6.2
July	101.2	95.0	93.9	6.1	6.1
November	101.3	95.1	93.9	6.2	6.1
1997 March	102.0	95.8	93.9	6.2	6.1
July	102.3	96.1	93.9	6.2	6.1
November	102.8	96.5	93.8	6.3	6.2
1998 March	103.4	97.4	94.1	6.1	5.9
July	103.4	97.3	94.1	6.1	5.9
November	104.1	98.0	94.2	6.1	5.8
1999 March	104.8	98.5	94.0	6.3	6.0
July	105.1	99.2	94.4	5.9	5.6
November	105.4	99.1	94.1	6.3	5.9
2000 March	105.3	99.6	94.6	5.7	5.4
July	105.8	99.8	94.4	5.9	5.6
November	106.5	100.2	94.1	6.3	5.9
2001 March	107.0	101.1	94.6	5.8	5.4
July	106.9	101.7	95.1	5.2	4.9
November	107.7	102.2	94.9	5.5	5.1
2002 March	108.3	103.4	95.5	4.8	4.5
July	108.5	103.2	95.1	5.3	4.9
November	109.0	104.0	95.3	5.1	4.7
2003 March	112.1	107.1	95.5	5.0	4.5
July	112.1	106.8	95.2	5.3	4.8
November	113.1	107.1	94.7	6.0	5.3
2004 March	112.9	106.4	94.2	6.5	5.8
July	113.5	106.5	93.8	7.1	6.2
November	113.8	106.4	93.5	7.4	6.5
2005 March	114.5	105.8	92.4	8.7	7.6
July	114.4	107.5	94.0	6.8	6.0
November	115.2	107.0	92.9	8.2	7.1
2006 March	115.5	107.2	92.8	8.4	7.2
July	116.2	109.9	94.6	6.3	5.4
November	116.4	108.8	93.4	7.6	6.6
2007 March	117.1	110.8	94.6	6.4	5.4
July	117.7	111.7	95.0	5.9	5.0

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Telephone Subscribership in the United States* (February 2008). Based on data from the Census Bureau's Current Population Survey.

**Table 16.2**  
**Historical Telephone Penetration Estimates**

<b>Year</b>	<b>Percentage of Housing Units with Telephones</b>	<b>Telephone Wire Lines per 100 Population</b>	<b>Wireless Subscribers per 100 Population</b>
1920	35.0 %	9.6	
1930	40.9	12.5	
1940	36.9	12.7	
1950	61.8	21.7	
1960	78.3	27.6	
1970	90.5	35.0	
1980	92.9	45.1	
1990	94.8	54.7	1.8
2000	97.6	67.9	34.5
2001	96.9	67.4	41.5
2002	96.6	65.6	46.7
2003	96.2	63.8	51.0
2004	95.7	61.4	57.8
2005	94.8	60.1	65.7
2006	94.1	57.6	73.4

Sources: Percentage data for 1920 to 1970 from the U.S. Census Bureau, *Historical Statistics of the United States, Colonial Times to 1970*, Part 2, page 783. Percentage data for 1980 to 2000 from the decennial censuses. Percentage data for 2001 to 2006 from the Census Bureau's American Community Survey. Telephone line data for 1920 through 1970 are estimated by multiplying the number of telephones by the proportion of main plus equivalent main stations to total telephones for the Bell System. Prior to 1950, the 1950 proportion is used. For 1980 and 1990, ILEC local loops are used (see Table 7.1). For 2000 to 2006, June ILEC and CLEC lines are used from Industry Analysis and Technology Division, Wireline Competition Bureau, *Local Telephone Competition: Status as of December 31, 2006* (December 2007). June wireless subscribers reported by CTIA are from Table 11.1. For 1920 to 2000 the population from the decennial census is used. For 2001 to 2006 Census Bureau population estimates for July 1 are used.

**Table 16.3**  
**Telephone Penetration by State**  
**(Annual Average Percentage of Households with Telephone Service)**

State	1984	2006	Change
Alabama	88.4 %	90.4 %	1.9 % *
Alaska	86.5	95.7	9.1 *
Arizona	86.9	92.5	5.6 *
Arkansas	86.6	90.0	3.4 *
California	92.5	95.6	3.2 *
Colorado	93.2	94.7	1.5 *
Connecticut	95.5	95.2	-0.3
Delaware	94.3	93.5	-0.8
District of Columbia	94.9	91.2	-3.7 #
Florida	88.7	92.7	4.0 *
Georgia	86.2	90.5	4.3 *
Hawaii	93.5	95.5	2.0 *
Idaho	90.7	95.5	4.8 *
Illinois	94.2	90.8	-3.4 #
Indiana	91.6	89.3	-2.3 #
Iowa	96.2	96.1	-0.1
Kansas	94.3	94.3	0.0
Kentucky	88.1	91.3	3.1 *
Louisiana	89.7	93.9	4.2 *
Maine	93.4	96.3	2.9 *
Maryland	95.7	95.4	-0.3
Massachusetts	95.9	95.3	-0.6
Michigan	92.8	94.2	1.3 *
Minnesota	95.8	97.6	1.8 *
Mississippi	82.4	90.5	8.1 *
Missouri	91.5	94.9	3.4 *
Montana	91.0	93.3	2.3 *
Nebraska	95.7	93.5	-2.2 #
Nevada	90.4	93.0	2.6 *
New Hampshire	94.3	96.4	2.1 *
New Jersey	94.8	94.9	0.1
New Mexico	82.0	88.5	6.5 *
New York	91.8	91.6	-0.1
North Carolina	88.3	93.3	5.0 *
North Dakota	94.6	96.5	1.9 *
Ohio	92.4	94.7	2.2 *
Oklahoma	90.3	92.2	2.0
Oregon	90.6	96.7	6.0 *
Pennsylvania	94.9	96.3	1.4 *
Rhode Island	93.6	94.4	0.8
South Carolina	83.7	92.5	8.8 *
South Dakota	93.2	96.4	3.2 *
Tennessee	88.5	92.5	4.0 *
Texas	88.4	91.5	3.1 *
Utah	92.5	96.6	4.0 *
Vermont	92.3	96.0	3.7 *
Virginia	93.1	94.1	1.1
Washington	93.0	96.9	3.9 *
West Virginia	87.7	93.0	5.3 *
Wisconsin	95.2	95.6	0.4
Wyoming	89.9	96.1	6.2 *
Total United States	91.6 %	93.6 %	2.0 % *

Note: Differences may not appear to equal changes due to rounding.

\* Increase is statistically significant at the 95% confidence level.

# Decrease is statistically significant at the 95% confidence level.

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Universal Service Monitoring Report* (December 2007). Based on data from the Census Bureau's Current Population Survey.

**Table 16.4**  
**Telephone Penetration by State**  
**(Percentage of Housing Units with Telephone Service)**

<b>State</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Alabama	95.2 %	95.3 %	95.1 %	94.5 %	93.3 %	92.6 %
Alaska	96.6	97.9	96.7	97.6	96.6	96.3
Arizona	95.8	95.6	95.0	95.2	93.1	93.6
Arkansas	94.7	94.3	92.5	91.0	90.9	90.3
California	98.0	98.3	98.3	97.9	97.0	96.6
Colorado	98.5	97.4	97.0	96.5	95.1	94.6
Connecticut	98.8	98.7	98.2	98.3	97.3	96.5
Delaware	98.2	98.2	97.7	97.9	97.5	97.0
District of Columbia	97.1	97.5	96.9	96.1	95.2	94.5
Florida	97.0	96.6	96.3	95.5	94.0	92.4
Georgia	95.6	95.5	95.0	94.1	92.9	90.9
Hawaii	97.9	97.0	96.3	95.2	95.6	95.7
Idaho	96.2	97.4	96.3	95.7	96.2	94.2
Illinois	95.9	95.7	95.4	94.7	94.4	93.7
Indiana	95.4	94.7	93.7	93.4	94.4	93.4
Iowa	97.6	97.4	96.6	95.6	96.0	94.9
Kansas	96.9	96.3	95.8	95.7	93.6	92.7
Kentucky	96.0	94.8	95.0	93.3	92.0	91.9
Louisiana	95.3	95.4	94.7	92.9	92.9	91.6
Maine	98.8	98.2	98.4	97.7	96.6	95.7
Maryland	97.7	97.5	97.5	97.0	95.8	95.3
Massachusetts	98.5	98.6	98.5	97.9	96.2	95.5
Michigan	96.4	95.5	95.1	94.4	93.4	92.1
Minnesota	98.7	98.2	98.5	97.4	96.7	95.8
Mississippi	93.3	93.4	92.8	91.4	89.6	88.4
Missouri	96.6	96.7	96.3	96.1	95.4	93.6
Montana	97.1	96.9	96.5	95.1	95.0	93.6
Nebraska	97.2	96.4	95.6	94.8	95.5	94.4
Nevada	95.2	95.3	94.4	95.2	95.9	94.6
New Hampshire	98.7	98.5	98.1	98.2	96.9	97.0
New Jersey	98.0	97.7	97.6	96.9	95.8	95.3
New Mexico	92.9	90.7	93.0	94.4	92.5	91.7
New York	97.2	96.9	96.8	96.5	95.5	94.8
North Carolina	96.5	95.6	94.1	94.5	93.8	93.2
North Dakota	97.8	97.3	96.8	95.9	94.7	94.7
Ohio	97.7	96.7	97.1	96.2	95.4	94.2
Oklahoma	95.7	93.9	94.7	93.7	93.1	92.9
Oregon	98.0	97.1	96.9	96.0	95.3	95.2
Pennsylvania	97.8	98.0	97.5	97.2	96.5	95.9
Rhode Island	98.3	97.8	97.7	96.8	96.4	95.6
South Carolina	96.0	94.7	94.7	93.6	92.3	92.0
South Dakota	97.6	96.8	96.1	95.8	95.3	96.0
Tennessee	96.8	96.3	95.1	95.2	92.9	92.8
Texas	95.9	95.4	94.3	93.7	92.9	92.6
Utah	97.4	97.7	97.5	97.4	96.5	96.2
Vermont	98.1	98.1	97.7	97.6	97.9	97.2
Virginia	97.3	97.0	97.0	95.8	95.6	95.2
Washington	97.5	97.8	97.0	96.5	96.5	96.2
West Virginia	95.1	95.9	94.8	94.0	94.5	93.8
Wisconsin	97.9	97.5	96.3	95.5	96.4	95.6
Wyoming	95.1	94.9	94.5	94.4	94.9	93.4
Total United States	96.9 %	96.6 %	96.2 %	95.7 %	94.8 %	94.1 %
Puerto Rico	NA	NA	NA	NA	73.8	73.6 %

NA - Not available

Source: Census Bureau, American Community Survey.

**Table 16.5**  
**Telephone Penetration by Selected Characteristics**  
**(Percentage of Housing Units with Telephone Service)**

<b>Characteristic</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Housing Unit Tenure						
Owner Occupied	98.8 %	98.7 %	98.5 %	98.3 %	97.7 %	97.1 %
Renter Occupied	93.4	92.6	91.6	90.4	89.0	87.9
Age of Householder						
15 - 34	94.5	93.6	92.0	90.2	88.0	86.3
35 - 64	97.3	97.2	97.1	96.7	96.1	95.4
65 +	98.7	98.6	98.7	98.7	98.6	98.5
Race of Householder						
White	97.6	97.3	96.9	96.3	95.6	NA
Black or African American	93.6	93.0	93.0	92.3	91.9	NA
American Indian or Alaska Native	89.1	89.5	87.8	89.6	86.8	NA
Asian	98.4	98.0	97.5	96.9	95.5	NA
Native Hawaiian or Pacific Islander	95.9	95.5	91.4	92.2	93.1	NA
Other	94.6	95.1	93.9	93.3	91.0	NA
Two or More Races	95.1	92.7	95.6	92.8	92.7	NA
Ethnicity of Householder						
Hispanic or Latino	94.2	93.9	93.4	92.6	91.6	NA
Total United States	96.9 %	96.6 %	96.2 %	95.7 %	94.8 %	94.1 %

NA - Not available

Source: Census Bureau, American Community Survey.

## 17 Technology and Infrastructure

Price-cap regulated carriers, including the Bell operating companies (BOCs), file data on technology as part of their Automated Reporting Management Information System (ARMIS) reports. The data contained in Tables 17.1 and 17.3 are from the BOCs' ARMIS 43-07 reports, and the data contained in Table 17.2 are from the ARMIS 43-05 report. The individual carrier's data can be obtained from the ARMIS web page at [www.fcc.gov/wcb/eafs](http://www.fcc.gov/wcb/eafs). Selected holding company statistics from the ARMIS 43-07 can be found in Section 10 of our *Monitoring Report* on the web page [www.fcc.gov/wcb/iatd/monitor](http://www.fcc.gov/wcb/iatd/monitor). Also, information about broadband deployment is contained in Chapter 2, *Advanced Telecommunications*.

### 1. Central Office Technology

Table 17.1 shows the number of BOC switches and tracks the deployment of certain key switching and signaling technologies, described below, in BOC central offices. (Information about broadband deployment is contained in Chapter 2, *Advanced Telecommunications*.) Telephone companies replaced most of their older electromechanical switches with stored program control switches (SPCSs) beginning in 1980. Stored program control makes it possible to change the operational and service features of a switch by changing the program stored in switch memory and executed by switch processors. SPCSs can use either analog or digital switching technology. As shown in Table 17.1 virtually all switches in BOC networks now use digital stored program control technology, and more than 98 percent of BOC access lines terminate on digital switches. As such, the tables in this report no longer separately track electromechanical or analog SPC switches.

In the late 1980s, telephone companies began to convert switching offices from in-band signaling to Signaling System 7 (SS7). SS7 permits calls to be set up more efficiently, and also allows certain new services to be deployed. It may be implemented on both analog and digital stored program control switches. Data in Table 17.1 shows that SS7 has now been deployed almost everywhere in BOC networks.

Telephone companies began introducing integrated services digital network (ISDN) capabilities on their digital switches shortly after introducing Signaling System 7. One of the attractions of ISDN is that ordinary local telephone lines (copper loops) can be used to transport data between computers at speeds higher than possible using a modem. In recent years, however, ISDN has taken a back seat to central office broadband technologies, such as Digital Subscriber Line (DSL) and Fiber to the Home (FTTH), when used for this purpose.

Table 17.2 provides some additional categorization of switches. It shows line counts of switches from 1997 to 2006 for the following categories: fewer than 1,000 lines; 1,000 - 4,999 lines; 5,000 - 9,999 lines; 10,000 - 19,999 lines; and 20,000 lines or more. The table also breaks out switches based on their being in a Metropolitan

Statistical Area (MSA) or not (non-MSA). Note that while Table 17.1 provides switch counts for BOCs only, Table 17.2 provides this information for all price-cap carriers.

## **2. Transmission Technology**

Each telephone company has a network of transmission paths interconnecting switching offices and also connecting customers to their serving local central offices. Today, wireline transmission is typically provided on fiber or copper cable, with other technologies being used only infrequently. As indicated in Table 17.3, from 1991 to 2006, the proportion of fiber cable sheath kilometers<sup>1</sup> in Bell Operating Company networks increased from 5% to over 15% of total cable sheath kilometers.

The number of working channels provides a rough approximation of the number of transmission paths that are in service between customers and the telephone company offices serving those customers. This includes both switched access lines and the local portion of special access and private lines. Table 17.3 shows that the number of working channels provided partly or totally on fiber in BOC networks increased from about 4% of total working channels in 1991 to about 20% in 2006.

## **3. Equal Access**

Equal access refers to a class of service whereby all long distance service providers receive equivalent connections to the local exchange carrier's network. Where a local exchange carrier serves customers using equal-access switches, those customers can utilize their preferred long distance provider by dialing "1" plus the ten-digit telephone number they want to reach.

The conversion of lines by local exchange carriers to equal access started in 1984; by the end of 1996, over 99% of the nation's lines were served by equal access switches. A table tracing this process through time can be found in the equal-access section of the *Trends* report released in July 1998.

Despite the fact that more than 99% of the nation's customers receive equal access, there still are some central offices where equal access is not yet available. Table 17.4 shows the number of central office wire centers in each state that had been converted to equal access as of August 1, 2008. The table is derived from NECA's Tariff 4 database, which is updated by local exchange carriers. In some cases, there is a lag between an office converting to equal access and that change being reflected in the database. Thus, in some cases, the data continue to show some offices not yet converted to equal access even in states where equal access is reported to be available to all customers.

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<sup>1</sup> Cable sheath kilometers is a measure of the length of cable used to provide telecommunications services. A sheath contains individual copper or fiber pairs used to transmit voice or data. Fiber cable sheaths typically contain 40 to 50 fiber strands while copper cable sheaths contain as many as several hundred copper pairs.

#### **4. Rural Network Capabilities**

The National Exchange Carrier Association periodically conducts a survey of over 1,000 small, mostly rural telephone companies.<sup>2</sup> The most recent survey focuses on the small companies' efforts to bring advanced services to their customers. Table 17.5 shows selected network capabilities by state of the 1,114 companies that responded to the 2007 survey and a summary of the results of the 2006 survey. In addition to the number of switches and access lines, the table shows the percentage of companies equipped with DSL, with Ethernet, and with ATM; the number of ADSL and other broadband access lines; and the percentage of central offices equipped for equal access.

#### **5. Telecommunications Patents**

One measure of developing technology is the number of U.S. patents. The U.S. Patent and Trademark Office maintains a file of over six million distinct U.S. patents granted. These patents are categorized by technology. Chart 17.1 shows the number of patents granted for telecommunications from 1992 to 2006. The information presented profiles U.S. patent activity in the general field of telecommunications. It includes all U.S. patent documents, except reissued patents, granted between January 1992 and December 31, 2006 in the following classes:

Class 370, *Multiplex Communications*

Class 375, *Pulse or Digital Communications*

Class 379, *Telephonic Communications*

Class 455, *Telecommunications*

#### **6. Capital Expenditures**

The FCC does not systematically collect information on capital expenditures from most carriers. Table 17.6 provides annual estimates of expenditures for structures and equipment for telecommunications carriers, taken from a U.S. Census Bureau survey.<sup>3</sup> Chart 17.2 combines this expenditure data with FCC collected revenue data. It shows that for each dollar of revenue collected from end users in 2005, wireless carriers invested 27 cents in structures and equipment whereas wireline, resellers, satellite & other carriers invested 20 cents. Overall, capital expenditures were 25 cents for each dollar of end-user revenues.

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<sup>2</sup> National Exchange Carrier Association (NECA), *Trends 2007 - Building Tomorrow's Network*, p.30

<sup>3</sup> U.S. Census Bureau, *Annual Capital Expenditures: 2006*, (Issued January 24, 2008) Table 4a, <http://www.census.gov/csd/ace/xls/2006/Full%20Report.htm> (last visited February 4, 2008.)



**Table 17.1<sup>5</sup>**  
**Central Office Switches and Access Lines by Technology**  
**(Bell Operating Companies)**

Year End	Total Switches	Signaling System 7 Switches		ISDN Switches		Digital Stored Program Controlled Switches	
1987	9,190	29	0.32 %	4	0.04 %	2,538	27.62 %
1988	9,300	435	4.68	82	0.88	3,577	38.46
1989	9,338	931	9.97	179	1.92	4,403	47.15
1990	9,872	2,428	24.59	600	6.08	5,816	58.91
1991	9,951	3,670	36.88	920	9.25	6,636	66.69
1992	10,069	5,392	53.55	1,219	12.11	7,530	74.78
1993	10,089	6,688	66.29	1,874	18.57	8,239	81.66
1994	10,023	8,334	83.15	2,400	23.94	8,795	87.75
1995	10,051	8,977	89.31	2,868	28.53	9,015	89.69
1996	9,966	9,286	93.18	3,329	33.40	9,247	92.79
1997	9,965	9,688	97.22	3,902	39.16	9,417	94.50
1998	9,788	9,643	98.52	4,146	42.36	9,357	95.60
1999 <sup>1</sup>	9,968	9,844	98.76	4,424	44.38	9,648	96.79
2000 <sup>2</sup>	15,092	14,837	98.31	5,413	35.87	14,889	98.65
2001	15,109	14,969	99.07	5,465	36.17	14,970	99.08
2002	14,338 <sup>3</sup>	14,259	99.45	5,712	39.84	14,231 <sup>3</sup>	99.25
2003	14,377	14,345	99.78	5,654	39.33	14,293	99.42
2004	14,399	14,366	99.77	5,787	40.19	14,326	99.49
2005	12,321	12,292	99.76	5,694	46.21	12,256	99.47
2006	12,315	12,286	99.76	5,910	47.99	12,251	99.48

**Access Lines Served by Type of Office (Thousands)**

Year End	All Switches	Signaling System 7 Switches		ISDN Switches		Digital Stored Program Controlled Switches	
1987	96,593	1,035	1.07 %	12	0.01 %	22,946	23.76 %
1988	99,564	10,325	10.37	47	0.05	30,493	30.63
1989	102,684	21,917	21.34	111	0.11	38,192	37.19
1990	105,641	40,026	37.89	13,970	13.22	45,452	43.02
1991	107,388	57,321	53.38	20,567	19.15	52,061	48.48
1992	109,997	76,480	69.53	28,375	25.80	60,324	54.84
1993	113,368	92,493	81.59	39,875	35.17	71,192	62.80
1994	117,345	109,465	93.28	56,546	48.19	84,040	71.62
1995	122,266	116,568	95.34	71,274	58.29	93,172	76.20
1996	125,844	122,343	97.22	85,434	67.89	101,283	80.48
1997	131,722	130,778	99.28	95,956	72.85	110,503	83.89
1998	136,426	136,246	99.87	106,834	78.31	119,738	87.77
1999 <sup>1</sup>	141,763	141,685	99.94	113,999	80.42	129,838	91.59
2000 <sup>2</sup>	160,557	160,303	99.84	132,844	82.74	153,240	95.44
2001	155,543	155,363	99.88	129,075	82.98	150,732	96.91
2002	148,292 <sup>3</sup>	4	4	123,872	83.53	143,632 <sup>3</sup>	96.86
2003	142,698	4	4	118,653	83.15	139,411	97.70
2004	136,057	4	4	115,561	84.94	134,076	98.54
2005	127,026	4	4	107,159	84.36	125,460	98.77
2006	118,316	4	4	100,053	84.56	116,817	98.73

Source: Industry Analysis and Technology Division, Wireline Competition Division, Statistics of Communications Common Carriers, with updates and revisions contained in the ARMIS database (ARMIS 43-07 Report) for the most recent five years. Totals may be understated because certain data pertaining to the carriers included in this table are not available.

Notes: Because of different sources, the data for 1989 and earlier years may not be consistent with the data for 1990 and later years.

<sup>1</sup> Southern New England Telephone Company merged with SBC Communications October 26, 1998. Their data are included in this table starting with 1999.

<sup>2</sup> Large increase in 2000 is due to the merger of Bell Atlantic and GTE.

<sup>3</sup> The decrease in the number of switches and their associated lines from 2001 to 2002 is partially due to the sale of a number of study areas by Verizon.

<sup>4</sup> For 2002, the Commission eliminated the requirement that the Bell operating companies file electromechanical switch data and access line data for Signalling System 7 switches. See *2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2*, et al., CC Docket Nos. 00-199, 99-301, 97-212, 80-286, Report and Order in CC Docket Nos. 00-199, 97-212, and 80-286, Further Notice of Proposed Rulemaking in CC Docket Nos. 00-199, 99-301, and 80-286, 16 FCC Rcd 19911, 19770-72, paras. 161-165 (2001).

<sup>5</sup> Table 17.1 is derived from the ARMIS 43-05, which is filed by incumbent local exchange carriers subject to price-cap regulation. The decline in switches between 2004 and 2005 is primarily due to Verizon GTE reporting substantially fewer switches in 2005 than in 2004. Verizon attributes its 2005 reduction in local switches to Verizon GTE's change in data sources from financial to operations databases, which the company expects will provide more timely information.

**Table 17.2<sup>1</sup>**

**Switches by Metropolitan Statistical Area (MSA) and Non-MSA  
And Switches by Line Counts**

<b>Year</b>	<b>Total Switches MSA</b>	<b>Total Switches Non-MSA</b>	<b>Total Switches MSA and Non-MSA<sup>2</sup></b>	<b>Switches with Under 1,000 Lines</b>	<b>Switches with 1,000 - 4,999 Lines</b>	<b>Switches with 5,000 - 9,999 Lines</b>	<b>Switches with 10,000 - 19,999 Lines</b>	<b>Switches with 20,000 or More Lines</b>
1997	9,138	7,199	16,337	4,476	5,843	1,786	1,518	2,714
1998	9,011	7,492	16,503	4,374	6,027	1,821	1,527	2,754
1999	9,165	7,452	16,617	4,319	5,898	1,915	1,613	2,873
2000	9,058	6,340	15,398	3,472	5,538	1,869	1,632	2,888
2001	8,996	6,418	15,373	3,402	5,481	1,873	1,678	2,938
2002	9,098	6,336	15,517	3,638	5,627	1,852	1,627	2,772
2003	9,170	6,541	15,657	3,747	5,725	1,887	1,685	2,667
2004	9,289	6,737	16,026	4,160	5,833	1,868	1,681	2,485
2005	9,064	5,602	14,666	3,380	5,310	1,886	1,719	2,371
2006	9,079	5,578	14,657	3,502	5,343	1,914	1,748	2,150

Source: Industry Analysis and Technology Division, Wireline Competition Division, Statistics of Communications Common Carriers, with updates and revisions contained in the ARMIS database (ARMIS 43-05 Report) for the most recent five years. Totals may be understated because certain data pertaining to the carriers included in this table are not available.

Notes: <sup>1</sup>The number of switches in Table 17.2 differs from Tables 17.1. Table 17.1 is derived from the ARMIS 43-07, which is filed by the regional Bell operating companies. Table 17.2 is derived from the ARMIS 43-05, which is filed by incumbent local exchange carriers subject to price-cap regulation.

<sup>2</sup>The decline in switches between 2004 and 2005 is primarily due to Verizon GTE reporting substantially fewer switches in 2005 than in 2004. Verizon attributes its 2005 reduction in local switches to Verizon GTE's change in data sources from financial to operations databases, which the company expects will provide more timely information.

**Table 17.3**  
**Local Transmission Technology**  
**(Bell Operating Companies)**  
**Cable Sheath Kilometers**

Year End	Total	Copper		Fiber		Other	
1991	4,163,640	3,955,622	95.0 %	196,791	4.7 %	11,228	0.3 %
1992	4,214,804	3,965,406	94.1	238,406	5.7	10,994	0.3
1993	4,264,569	3,976,100	93.2	280,017	6.6	8,450	0.2
1994	4,256,253	3,934,243	92.4	314,660	7.4	7,350	0.2
1995	4,319,068	3,960,343	91.7	351,907	8.1	6,819	0.2
1996	4,339,067	3,947,238	91.0	386,011	8.9	5,819	0.1
1997	4,396,205	3,974,204	90.4	416,105	9.5	5,896	0.1
1998	4,473,351	4,009,772	89.6	449,554	10.0	14,026	0.3
1999 <sup>1</sup>	4,608,808	4,103,657	89.0	491,478	10.7	13,672	0.3
2000 <sup>2</sup>	5,761,869	5,132,364	89.1	613,646	10.7	15,860	0.3
2001	5,848,516	5,166,537	88.3	665,805	11.4	16,174	0.3
2002	5,791,105	5,086,669	87.8	692,031	11.9	12,406	0.2
2003	5,851,790	5,118,314	87.5	720,877	12.3	12,600	0.2
2004	5,940,199	5,166,481	87.0	763,132	12.8	12,587	0.2
2005	5,988,864	5,166,382	86.3	811,896	13.6	10,585	0.2
2006	6,089,810	5,185,980	85.2	894,319	14.7	10,511	0.2

**Working Telecommunications Channels**  
**(Thousands)**

Year End	Total	Copper		Fiber		Radio	
1991	118,654	114,047	96.1 %	4,605	3.9 %	2.3	0.0 %
1992	120,848	114,609	94.8	6,238	5.2	1.0	0.0
1993	124,191	115,496	93.0	8,694	7.0	1.4	0.0
1994	130,192	118,437	91.0	11,755	9.0	0.3	0.0
1995	136,231	122,975	90.3	13,255	9.7	0.3	0.0
1996	142,824	125,595	87.9	17,228	12.1	1.0	0.0
1997	149,429	128,436	86.0	20,992	14.0	0.3	0.0
1998	172,916	134,629	77.9	38,286	22.1	0.3	0.0
1999 <sup>1</sup>	186,387	138,691	74.4	47,696	25.6	0.0	0.0
2000 <sup>2</sup>	218,928	157,840	72.1	61,086	27.9	1.9	0.0
2001	228,705	152,441	66.7	76,263	33.3	1.5	0.0
2002 <sup>3</sup>	169,157	137,228	81.1	31,927	18.9	1.4	0.0
2003	155,978	127,261	81.6	28,716	18.4	0.5	0.0
2004	148,278	117,672	79.4	30,605	20.6	0.1	0.0
2005	137,254	110,033	80.2	27,221	19.8	0.1	0.0
2006	125,767	100,254	79.7	25,513	20.3	0.1	0.0

Source: Industry Analysis and Technology Division, Wireline Competition Division, Statistics of Communications Common Carriers, with updates and revisions contained in the ARMIS database (ARMIS 43-07 Report) for the most recent five years. Totals may be understated because certain data pertaining to the carriers included in this table are not available.

Notes: Working Channels are reported in 4 kHz bandwidth (single-voice channel) equivalents.

<sup>1</sup> Southern New England Telephone Company merged with SBC Communications October 26, 1998. Their data are included in this table starting with 1999.

<sup>2</sup> Large increase in 2000 is due to the merger of Bell Atlantic and GTE.

<sup>3</sup> The large decrease from 2001 to 2002 is due in part to a number of Verizon companies refiling in order to remove interexchange carrier, point-of-presence, and co-location circuit counts to comply with ARMIS definitions.

**Table 17.4**  
**Central Offices Converted to Equal Access 1/**  
**(As of August 1, 2008)**

	Bell Company Central Offices			Other ILEC Central Offices			CLEC Central Offices			All Central Offices	
	Equal Access	Non-Equal Access	% Equal Access	Equal Access	Non-Equal Access	% Equal Access	Equal Access	Non-Equal Access	% Equal Access	Total Offices	% Equal Access
Alabama	146	0	100.0 %	219	0	100.0 %	43	0	100.0 %	408	100.0 %
Alaska	0	0	NA	102	152	40.2	0	0	NA	254	40.2
American Samoa	0	0	NA	4	0	100.0	0	0	NA	4	100.0
Arizona	145	0	100.0	104	5	95.4	36	1	97.3	291	97.9
Arkansas	138	0	100.0	279	2	99.3	33	2	94.3	454	99.1
California	905	2	99.8	87	1	98.9	174	2	98.9	1,171	99.6
Colorado	165	1	99.4	95	5	95.0	33	0	100.0	299	98.0
Connecticut	128	0	100.0	0	0	NA	18	0	100.0	146	100.0
Delaware	33	0	100.0	0	0	NA	5	0	100.0	38	100.0
District of Columbia	18	0	100.0	0	0	NA	22	0	100.0	40	100.0
Florida	292	0	100.0	177	0	100.0	213	0	100.0	682	100.0
Georgia	182	0	100.0	235	1	99.6	82	0	100.0	500	99.8
Guam	0	0	NA	3	0	100.0	0	0	NA	3	100.0
Hawaii	0	0	NA	92	0	100.0	8	0	100.0	100	100.0
Idaho	97	0	100.0	82	0	100.0	12	0	100.0	191	100.0
Illinois	697	4	99.4	325	7	97.9	67	1	98.5	1,101	98.9
Indiana	386	3	99.2	183	0	100.0	49	1	98.0	622	99.4
Iowa	135	0	100.0	657	0	100.0	55	0	100.0	847	100.0
Kansas	171	2	98.8	251	4	98.4	31	1	96.9	460	98.5
Kentucky	178	0	100.0	403	0	100.0	31	0	100.0	612	100.0
Louisiana	223	0	100.0	89	0	100.0	40	0	100.0	352	100.0
Maine	143	1	99.3	107	8	93.0	3	0	100.0	262	96.6
Maryland	214	0	100.0	1	0	100.0	22	0	100.0	237	100.0
Massachusetts	274	1	99.6	3	0	100.0	35	0	100.0	313	99.7
Michigan	542	7	98.7	168	0	100.0	68	0	100.0	785	99.1
Minnesota	155	0	100.0	564	4	99.3	108	0	100.0	831	99.5
Mississippi	205	0	100.0	70	0	100.0	22	0	100.0	297	100.0
Missouri	215	0	100.0	451	21	95.6	63	0	100.0	750	97.2
Montana	76	0	100.0	194	1	99.5	22	0	100.0	293	99.7
Nebraska	69	0	100.0	387	0	100.0	22	0	100.0	478	100.0
Nevada	55	0	100.0	61	3	95.3	15	0	100.0	134	97.8
New Hampshire	125	1	99.2	31	1	96.9	8	0	100.0	166	98.8
New Jersey	209	0	100.0	28	0	100.0	46	0	100.0	283	100.0
New Mexico	65	0	100.0	90	34	72.6	10	0	100.0	199	82.9
New York	526	2	99.6	301	6	98.0	101	0	100.0	936	99.1
North Carolina	183	0	100.0	563	1	99.8	105	0	100.0	852	99.9
North Dakota	27	0	100.0	286	19	93.8	15	0	100.0	347	94.5
Ohio	489	19	96.3	341	4	98.8	98	1	99.0	952	97.5
Oklahoma	207	1	99.5	305	2	99.3	29	0	100.0	544	99.4
Oregon	135	0	100.0	153	0	100.0	29	0	100.0	317	100.0
Pennsylvania	506	0	100.0	420	31	93.1	71	0	100.0	1,028	97.0
Puerto Rico	0	0	NA	86	0	100.0	3	0	100.0	89	100.0
Rhode Island	30	0	100.0	0	0	NA	7	0	100.0	37	100.0
South Carolina	158	0	100.0	265	0	100.0	51	0	100.0	474	100.0
South Dakota	42	0	100.0	203	6	97.1	10	0	100.0	261	97.7
Tennessee	196	0	100.0	554	0	100.0	53	1	98.1	804	99.9
Texas	797	2	99.7	691	10	98.6	222	5	97.8	1,727	99.0
Utah	63	0	100.0	93	4	95.9	12	0	100.0	172	97.7
Vermont	90	2	97.8	37	0	100.0	4	0	100.0	133	98.5
Virgin Islands	0	0	NA	5	0	100.0	0	0	NA	5	100.0
Virginia	328	1	99.7	270	7	97.5	59	0	100.0	665	98.8
Washington	219	0	100.0	144	2	98.6	39	0	100.0	404	99.5
West Virginia	145	0	100.0	86	6	93.5	4	0	100.0	241	97.5
Wisconsin	225	4	98.3	404	0	100.0	60	0	100.0	693	99.4
Wyoming	26	0	100.0	36	14	72.0	3	0	100.0	79	82.3
Total United States	10,778	53	99.5 %	10,785	361	96.8 %	2,371	15	99.4 %	24,363	98.2 %

NA - Not applicable.

1/ Some companies do not report information on their remote switches in Tariff No. 4. As a result, central office counts may be lower than reported in other sources.

Source: NECA FCC Tariff No. 4 database.

**Table 17.5  
Broadband Capabilities of NECA's 2007 Rural Incumbent LEC Survey Respondents**

Jurisdiction	Companies	Switches	Access Lines	Central Offices Equipped for Equal Access <sup>1</sup>	Companies Providing DSL Service	DSL Access Lines	Companies Providing ATM Service	Companies Providing Ethernet Service	Other Broadband Technologies
Alabama	21	78	112,098	100 %	100 %	18,712	38 %	10 %	62 %
Alaska	24	170	234,459	67	88	78,373	21	12	50
American Samoa	1	41	10,204	100	100	*	*	*	*
Arizona	12	4	37,339	100	100	4,869	25	8	50
Arkansas	26	245	309,879	100	96	26,929	46	0	62
California	14	31	84,508	100	100	23,358	57	7	50
Colorado	25	41	47,922	98	92	7,580	28	0	72
Connecticut	1	14	22,645	100	100	*	*	*	*
Florida	6	24	74,850	100	100	14,019	33	0	67
Georgia	26	61	202,105	97	100	34,606	15	0	73
Guam	1	3	62,138	100	100	*	*	*	*
Hawaii	1	8	1,461	100	100	*	*	*	*
Idaho	14	57	38,929	100	100	9,528	21	14	71
Illinois	34	98	52,811	97	100	11,417	21	0	44
Indiana	35	78	116,967	100	97	29,592	46	6	74
Iowa	136	334	198,181	99	98	47,913	7	0	44
Kansas	34	148	120,644	100	100	32,394	29	3	85
Kentucky	12	288	129,339	100	100	25,879	75	0	58
Louisiana	18	136	130,561	100	100	15,064	56	0	67
Maine	19	115	135,049	100	100	24,735	42	0	32
Maryland	1	1	7,061	100	100	*	*	*	*
Massachusetts	2	2	3,665	100	100	682	0	0	0
Michigan	33	108	100,966	100	91	14,920	30	3	58
Minnesota	80	304	314,332	100	90	44,187	24	2	39
Mississippi	17	51	77,420	94	100	9,984	65	6	35
Missouri	35	171	107,736	98	97	21,850	57	11	46
Montana	14	209	94,806	100	100	21,836	50	0	43
Nebraska	34	137	67,576	100	100	18,361	12	0	71
Nevada	8	27	32,362	88	100	12,555	50	12	25
New Hampshire	9	32	53,643	100	100	12,557	56	0	78
New Jersey	1	2	8,073	100	100	*	*	*	*
New Mexico	13	78	44,423	99	100	6,496	38	0	69
New York	31	85	167,736	99	100	27,858	19	3	65
North Carolina	15	127	311,900	100	100	45,726	33	0	80
North Dakota	20	280	142,108	100	100	32,989	55	10	70
Ohio	22	28	177,804	100	91	33,452	23	0	55
Oklahoma	34	267	170,099	100	97	47,169	23	3	44
Oregon	27	56	74,708	100	100	19,884	11	11	56
Pennsylvania	23	709	544,494	100	100	22,114	22	0	39
South Carolina	12	177	102,945	100	100	22,896	58	0	50
South Dakota	23	160	118,117	100	100	29,211	22	4	61
Tennessee	19	462	256,823	100	100	46,797	68	10	47
Texas	45	352	248,267	98	98	46,756	44	2	64
Utah	11	72	69,973	100	100	17,981	27	27	82
Vermont	9	39	62,557	100	100	21,545	56	0	56
Virginia	15	181	77,495	98	93	17,434	33	0	60
Washington	20	54	79,151	100	90	21,651	35	5	60
West Virginia	6	12	16,202	100	100	3,326	0	0	33
Wisconsin	70	249	364,277	100	94	39,668	47	9	61
Wyoming	5	24	24,750	100	100	6,613	40	0	60
Totals <sup>2</sup>	1,114	6,430	6,043,558	99 %	95 %	1,079,748	32 %	4 %	56 %
2006 Totals	1,120	6,642	6,620,078	98 %	94 %	581,921	29 %	NA	NA

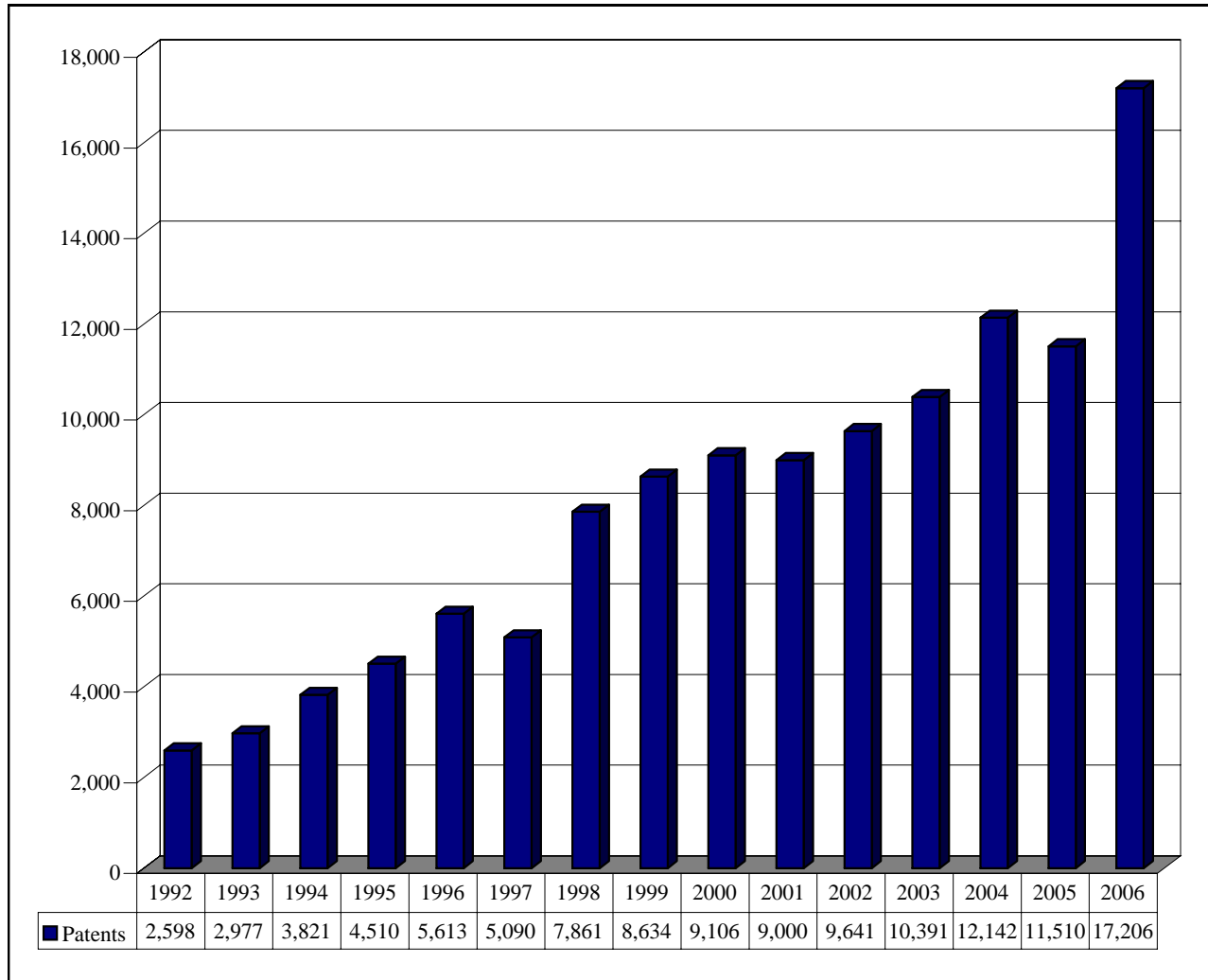
<sup>1</sup> Equal access gives customers a choice of long distance carrier. NECA continues to track progress toward the goal of 100% equal access capability.

<sup>2</sup> Total percentages are weighted averages of individual state percentages.

\* Individual data withheld to maintain company confidentiality. All data included in totals.

Source: National Exchange Carrier Association "Trends 2007 - Building Tomorrow's Network", a survey of small, mostly rural telephone companies.

**Chart 17.1  
Telecommunications Patents**



- Notes: 1. 1996 total reflects one-time change in law affecting patents.  
 2. 2006 increase reflects processing of prior years' applications.

Source: U.S. Patent and Trademark Office, *Patent Counts by Class by Year, January 1977 - December 2006*, Telecommunications Classes 370, 375, 379 and 455 (October 2007), available at <http://www.uspto.gov/go/taf/cbcby.pdf>.

**Table 17.6**  
**Capital Expenditures for Structures and Equipment 1/**  
**(Expenditure Amounts Shown in Millions)**

Industry 2/	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Wireline Telecommunications Carriers</b>											
Expenditures for Structures											
New			\$10,652	3/	\$18,021	\$14,482	\$7,820	\$9,825	3/	\$7,921	\$10,142
Used			<u>12</u>	<u>3/</u>	<u>205</u>	<u>18</u>	<u>1</u>	<u>52</u>	<u>3/</u>	<u>11</u>	<u>18</u>
Total			10,664	17,309	18,226	14,500	7,821	9,877	8,118	7,933	10,160
Expenditures for Equipment											
New			39,828	3/	55,902	57,436	26,986	16,918	3/	19,172	21,924
Used			<u>78</u>	<u>3/</u>	<u>77</u>	<u>38</u>	<u>12</u>	<u>41</u>	<u>3/</u>	<u>31</u>	<u>57</u>
Total			<u>39,905</u>	<u>42,442</u>	<u>55,980</u>	<u>57,474</u>	<u>26,998</u>	<u>16,959</u>	<u>15,922</u>	<u>19,203</u>	<u>21,981</u>
Total Expenditures for Structures and Equipment			\$50,570	\$59,752	\$74,206	\$71,974	\$34,819	\$26,836	\$24,040	\$27,136	\$32,141
<b>Wireless Telecommunications Carriers (Except Satellite)</b>											
Expenditures for Structures											
New			\$2,387	\$5,026	\$7,674	\$11,313	\$8,245	\$11,512	\$11,685	3/	12,604
Used			*	<u>3</u>	<u>58</u>	<u>8</u>	<u>7</u>	<u>2</u>	<u>31</u>	<u>3/</u>	<u>45</u>
Total			2,387	5,030	7,732	11,321	8,252	11,514	11,716	16,456	12,648
Expenditures for Equipment											
New			5,841	9,350	17,589	12,695	12,210	9,459	12,278	3/	15,290
Used			<u>6</u>	<u>43</u>	<u>161</u>	<u>13</u>	<u>29</u>	<u>16</u>	<u>4</u>	<u>3/</u>	<u>31</u>
Total			<u>5,841</u>	<u>9,393</u>	<u>17,750</u>	<u>12,708</u>	<u>12,238</u>	<u>9,475</u>	<u>12,282</u>	<u>10,882</u>	<u>15,321</u>
Total Expenditures for Structures and Equipment			\$8,228	\$14,422	\$25,482	\$24,028	\$20,490	\$20,989	\$23,998	\$27,337	27,969
<b>Resellers, Satellite and Other Telecommunications Carriers</b>											
Expenditures for Structures											
New			\$2,089	\$1,410	\$1,951	\$2,233	\$1,556	\$3,499	\$397	\$449	\$259
Used			*	<u>4</u>	<u>3</u>	<u>5</u>	<u>3</u>	<u>133</u>	<u>6</u>	<u>1</u>	<u>0</u>
Total			2,089	1,414	1,954	2,238	1,560	3,632	403	450	259
Expenditures for Equipment											
New			4,188	8,795	11,495	7,288	4,119	809	3,095	3,180	2,726
Used			<u>4</u>	<u>49</u>	<u>164</u>	<u>78</u>	<u>12</u>	<u>96</u>	<u>22</u>	<u>27</u>	<u>18</u>
Total			<u>4,192</u>	<u>8,845</u>	<u>11,659</u>	<u>7,367</u>	<u>4,131</u>	<u>905</u>	<u>3,117</u>	<u>3,207</u>	<u>2,744</u>
Total Expenditures for Structures and Equipment			\$6,281	\$10,259	\$13,613	\$9,605	\$5,691	\$4,537	\$3,520	\$3,657	\$3,003
<b>Total Telephone and Other Communications Services</b>											
Expenditures for Structures											
New	\$9,193	\$9,672	\$15,128	3/	\$27,646	\$28,028	\$17,621	\$24,836	3/	\$8,370	\$23,005
Used	<u>185</u>	<u>218</u>	<u>12</u>	<u>3/</u>	<u>266</u>	<u>31</u>	<u>11</u>	<u>187</u>	<u>3/</u>	<u>12</u>	<u>63</u>
Total	9,378	9,890	15,140	23,753	27,912	28,059	17,633	25,023	18,237	8,382	23,068
Expenditures for Equipment											
New	37,985	46,667	49,857	3/	84,986	77,419	43,315	27,186	3/	22,352	39,940
Used	<u>299</u>	<u>406</u>	<u>88</u>	<u>3/</u>	<u>402</u>	<u>129</u>	<u>53</u>	<u>153</u>	<u>3/</u>	<u>58</u>	<u>106</u>
Total	<u>38,283</u>	<u>47,074</u>	<u>49,938</u>	<u>60,680</u>	<u>85,389</u>	<u>77,549</u>	<u>43,367</u>	<u>27,339</u>	<u>31,321</u>	<u>22,410</u>	<u>40,046</u>
Total Expenditures for Structures and Equipment	\$47,661	\$56,963	\$65,079	\$84,433	\$113,301	\$105,607	\$61,000	\$52,362	\$51,558	\$58,130	\$63,113

Note: Detail may not add to totals shown due to rounding.

\* Represents amounts greater than \$0 but less than \$500,000.

1/ Capital expenditures include capitalized computer software, capitalized interest during construction and expenditures for land development and improvement. Capital expenditures exclude equipment acquired under operating leases, good will, and expenditures for subsidiaries and branches located outside the United States.

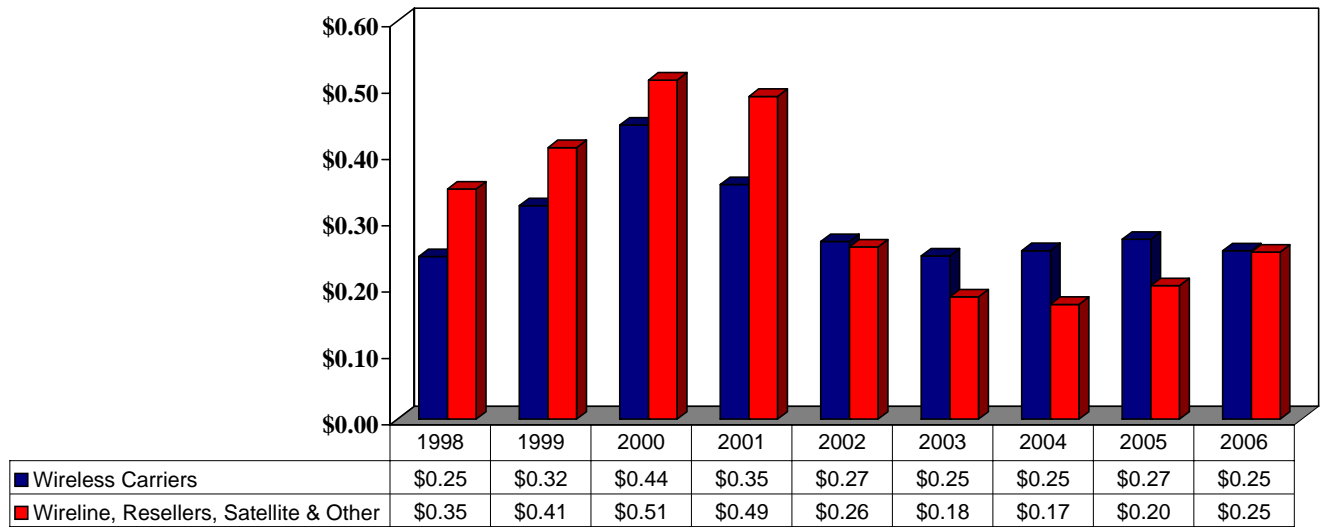
2/ For 1996 - 1997, data represent Standard Industrial Classification (SIC) industries 481, 482, and 489. Starting in 1998, data are based on the North American Industry Classification System (NAICS). NAICS Codes are 51331 for Wireline, 51332 for Wireless and 51333, 51334 and 51339 for others. For 2004 - 2005 they are 5171, 5172, and 5173, 5174, and 5179, respectively.

3/ Data withheld by the Census Bureau to maintain firm confidentiality.

Source: U.S. Census Bureau, *Annual Capital Expenditures*, (Issued January 24, 2008) Table 4a;

See: <http://www.census.gov/csd/ace/xls/2006/Full%20Report.htm> (last visited February 4, 2008.)

**Chart 17.2**  
**Capital Expenditures for Structures and Equipment by Carriers**  
**Per Dollar of End-User Telecommunications Revenues<sup>1</sup>**



<sup>1</sup> Capital expenditures per dollar of end-user telecommunications revenues are derived by dividing expenditures figures in Table 17.6 by end-user revenues data in Table 6 of the Revenue Report. Wireline, Reseller, Satellite & Other end-user revenues are calculated by subtracting wireless end-user revenues from total end-user revenues.

Source: U.S. Census Bureau, *Annual Capital Expenditures*; Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues (June 2007)*.



## 18 Telephone Numbers

In 1994, many area codes were nearing exhaustion as demand for telephone numbers continued to rise. At the time, the middle digit of all area codes was either a 0 or a 1, and the supply of those area codes was dwindling. On January 1, 1995, the restriction on the middle digit was removed, making 640 new area codes available. New area codes were added at a rapid rate during the late 1990s, with forty-four new area codes being opened in 1997 alone. Subsequent years saw fewer added area codes. In 2000, thirteen area codes were added, and in 2007 three area codes were added. The North American Numbering Plan Administration (NANPA) (which is part of NeuStar, Inc.) expects to open one new area code in 2008 and two in 2009. The above counts of area code activation are for the contiguous United States, offshore points, Canada, and the Caribbean. Table 18.1 shows historical area code information by state from 1947 to 2007. The changes in area codes from 1999 to 2007 are shown in Table 18.2.

AT&T introduced toll-free service in 1967. The Commission changed procedures for routing toll-free calls on May 1, 1993 to make toll-free numbers "portable." This change enabled customers to switch service providers yet still retain their toll-free numbers. Between 1993 and 2000, the quantity of assigned toll-free numbers grew rapidly: growing from 3.9 million in 1993 to 24.2 million in 2000. New toll-free calling codes were opened to meet the demand. In March 1996, calling code 888 was placed into service. The third toll-free calling code (877) went into effect April 4, 1998, and the fourth toll-free calling code (866) went into effect July 29, 2000. The growth of toll-free telephone numbers for the four toll-free codes (800, 888, 877, and 866) is shown in Table 18.3 and Chart 18.1. Tables 18.4 through 18.7 show the growth of each individual toll-free code: 800, 888, 877, and 866, respectively. In the event that another toll-free code is needed, the 855 code would be opened. Database Service Management, Inc./Team DSMI, a subsidiary of Telcordia Technologies, Inc., maintains the Toll-Free Service Management System for the United States and Canada.

Dialing patterns differ from state to state. For instance, in some states, callers making local calls within an area code are required to dial only the 7-digit phone number. In other states, callers making local calls must dial the ten-digit phone number (area code plus the phone number). Finally, in some states, local callers must dial a "1" before dialing the area code plus the phone number. Each state's public utilities commission (or public service commission) determines the calling pattern for each area code in their state. The dialing patterns for area codes are listed in area code planning letters, which are available on the North American Numbering Plan Administrator's web site at [www.nanpa.com](http://www.nanpa.com).

For both local and domestic toll calls, there are two basic types of calls: those within an area code and those between area codes. Table 18.8 shows the dialing patterns for all four types of calls. The last column of Table 18.8 indicates whether all toll calls in that state require callers to dial a "1" before the telephone number.

**Table 18.1**  
**Area Codes by State (1947 - 2007)**

Area Code	State/Jurisdiction	Area Code	Area Code	Area Code	Area Code	Area Code	Area Code	Area Code	Area Code	Area Code	Area Code
Code	State/Jurisdiction	Opened	Code	State/ Jurisdiction	Opened	Code	State/ Jurisdiction	Opened	Code	State/ Jurisdiction	Opened
205	Alabama	Jan-47	229	Georgia	Aug-00	320	Minnesota	Mar-96	717	Pennsylvania	Jan-47
334	Alabama	Jan-95	478	Georgia	Aug-00	651	Minnesota	Jul-98	814	Pennsylvania	Jan-47
256	Alabama	Mar-98	762	Georgia	May-06	763	Minnesota	Feb-00	610	Pennsylvania	Jan-94
251	Alabama	Jun-01	671	Guam	Jul-97	952	Minnesota	Feb-00	724	Pennsylvania	Feb-98
907	Alaska	Jan-57	808	Hawaii	Jan-57	601	Mississippi	Jan-47	570	Pennsylvania	Dec-98
684	American Somoa	Oct-04	208	Idaho	Jan-47	228	Mississippi	Sep-97	484	Pennsylvania	Jun-99
602	Arizona	Jan-47	217	Illinois	Jan-47	662	Mississippi	Apr-99	267	Pennsylvania	Jul-99
520	Arizona	Mar-95	312	Illinois	Jan-47	769	Mississippi	Mar-05	878	Pennsylvania	Aug-01
480	Arizona	Mar-99	618	Illinois	Jan-47	314	Missouri	Jan-47	787	Puerto Rico	Mar-96
623	Arizona	Mar-99	815	Illinois	Jan-47	816	Missouri	Jan-47	939	Puerto Rico	Sep-01
928	Arizona	Jun-01	309	Illinois	Jan-57	417	Missouri	Jan-50	401	Rhode Island	Jan-47
501	Arkansas	Jan-47	708	Illinois	Nov-89	573	Missouri	Jan-96	803	South Carolina	Jan-47
870	Arkansas	Apr-97	847	Illinois	Jan-96	660	Missouri	Oct-97	864	South Carolina	Dec-95
479	Arkansas	Jan-02	630	Illinois	Aug-96	636	Missouri	May-99	843	South Carolina	Mar-98
213	California	Jan-47	773	Illinois	Oct-96	406	Montana	Jan-47	605	South Dakota	Jan-47
415	California	Jan-47	224	Illinois	Jan-02	402	Nebraska	Jan-47	901	Tennessee	Jan-47
916	California	Jan-47	779	Illinois	Mar-07	308	Nebraska	Jan-55	615	Tennessee	Jan-54
714	California	Jan-51	331	Illinois	Oct-07	702	Nevada	Jan-47	423	Tennessee	Sep-95
805	California	Jan-57	219	Indiana	Jan-47	775	Nevada	Dec-98	931	Tennessee	Sep-97
209	California	Jan-58	317	Indiana	Jan-47	603	New Hampshire	Jan-47	865	Tennessee	Nov-99
408	California	Jan-59	812	Indiana	Jan-47	201	New Jersey	Jan-47	731	Tennessee	Feb-01
707	California	Jan-59	765	Indiana	Feb-97	609	New Jersey	Jan-57	214	Texas	Jan-47
619	California	Jan-82	260	Indiana	Jan-02	908	New Jersey	Nov-90	512	Texas	Jan-47
818	California	Jan-84	574	Indiana	Jan-02	732	New Jersey	Jun-97	713	Texas	Jan-47
510	California	Sep-91	319	Iowa	Jan-47	973	New Jersey	Jun-97	915	Texas	Jan-47
310	California	Nov-91	515	Iowa	Jan-47	856	New Jersey	Jun-99	817	Texas	Jan-53
909	California	Nov-92	712	Iowa	Jan-47	551	New Jersey	Dec-01	806	Texas	Jan-57
562	California	Jan-97	641	Iowa	Jul-00	848	New Jersey	Dec-01	409	Texas	Nov-82
760	California	Mar-97	563	Iowa	Mar-01	862	New Jersey	Dec-01	903	Texas	Nov-90
626	California	Jun-97	316	Kansas	Jan-47	505	New Mexico	Jan-47	210	Texas	Nov-92
650	California	Aug-97	913	Kansas	Jan-47	575	New Mexico	Oct-07	972	Texas	Sep-96
530	California	Nov-97	785	Kansas	Jul-97	212	New York	Jan-47	281	Texas	Nov-96
925	California	Mar-98	620	Kansas	Feb-01	315	New York	Jan-47	254	Texas	May-97
949	California	Apr-98	502	Kentucky	Jan-47	518	New York	Jan-47	940	Texas	May-97
323	California	Jan-98	606	Kentucky	Jan-55	716	New York	Jan-47	830	Texas	Jul-97
831	California	Jul-98	270	Kentucky	Apr-99	914	New York	Jan-47	956	Texas	Jul-97
559	California	Nov-98	859	Kentucky	Apr-00	516	New York	Jan-51	832	Texas	Jan-99
661	California	Feb-99	364	Kentucky	Jan-09	607	New York	Jan-54	361	Texas	Feb-99
858	California	Jun-99	504	Louisiana	Jan-47	718	New York	Sep-84	469	Texas	Jul-99
951	California	Jul-04	318	Louisiana	Jan-57	917	New York	Jan-92	936	Texas	Feb-00
424	California	Aug-06	225	Louisiana	Aug-98	646	New York	Jul-99	979	Texas	Feb-00
657	California	Sep-08	337	Louisiana	Oct-99	347	New York	Oct-99	682	Texas	Oct-00
303	Colorado	Jan-47	985	Louisiana	Feb-01	631	New York	Nov-99	430	Texas	Feb-03
719	Colorado	Mar-88	207	Maine	Jan-47	845	New York	Jun-00	325	Texas	Apr-03
970	Colorado	Apr-95	301	Maryland	Jan-47	585	New York	Nov-01	432	Texas	Apr-03
720	Colorado	Jan-98	410	Maryland	Oct-91	704	North Carolina	Jan-47	801	Utah	Jan-47
203	Connecticut	Jan-47	240	Maryland	Jun-97	919	North Carolina	Jan-54	435	Utah	Sep-97
860	Connecticut	Aug-95	443	Maryland	Jun-97	910	North Carolina	Nov-93	385	Utah	Mar-09
302	Delaware	Jan-47	413	Massachusetts	Jan-47	336	North Carolina	Dec-97	802	Vermont	Jan-47
202	DC	Jan-47	617	Massachusetts	Jan-47	252	North Carolina	Mar-98	340	Virgin Islands	Jun-97
305	Florida	Jan-47	508	Massachusetts	Jul-88	828	North Carolina	Mar-98	703	Virginia	Jan-47
813	Florida	Jan-53	781	Massachusetts	Sep-97	980	North Carolina	Apr-01	804	Virginia	Jun-73
904	Florida	Jul-65	978	Massachusetts	Sep-97	701	North Dakota	Jan-47	540	Virginia	Jul-95
407	Florida	Apr-88	339	Massachusetts	May-01	670	Northern Marianas Is.	Jul-97	757	Virginia	Jul-96
941	Florida	May-95	351	Massachusetts	May-01	216	Ohio	Jan-47	571	Virginia	Mar-00
954	Florida	Sep-95	774	Massachusetts	May-01	419	Ohio	Jan-47	434	Virginia	Jun-01
352	Florida	Dec-95	857	Massachusetts	May-01	513	Ohio	Jan-47	276	Virginia	Sep-01
561	Florida	May-96	313	Michigan	Jan-47	614	Ohio	Jan-47	206	Washington	Jan-47
850	Florida	Jun-97	517	Michigan	Jan-47	330	Ohio	Mar-96	509	Washington	Jan-57
786	Florida	Mar-98	616	Michigan	Jan-47	937	Ohio	Sep-96	360	Washington	Jan-95
727	Florida	Jul-98	906	Michigan	Jan-61	440	Ohio	Aug-97	253	Washington	Apr-97
863	Florida	Sep-99	810	Michigan	Dec-93	740	Ohio	Dec-97	425	Washington	Apr-97
321	Florida	Nov-99	248	Michigan	May-97	234	Ohio	Oct-00	304	West Virginia	Jan-47
386	Florida	Feb-01	734	Michigan	Dec-97	567	Ohio	Jan-02	414	Wisconsin	Jan-47
754	Florida	Aug-01	231	Michigan	Jun-99	405	Oklahoma	Jan-47	715	Wisconsin	Jan-47
772	Florida	Feb-02	989	Michigan	Apr-01	918	Oklahoma	Jan-53	608	Wisconsin	Jan-55
239	Florida	Mar-02	586	Michigan	Sep-01	580	Oklahoma	Nov-97	920	Wisconsin	Jul-97
404	Georgia	Jan-47	269	Michigan	Jul-02	503	Oregon	Jan-47	262	Wisconsin	Sep-99
912	Georgia	Jan-54	947	Michigan	Sep-02	541	Oregon	Nov-95	307	Wyoming	Jan-47
706	Georgia	May-92	218	Minnesota	Jan-47	971	Oregon	Oct-00			
770	Georgia	Aug-95	612	Minnesota	Jan-47	215	Pennsylvania	Jan-47			
678	Georgia	Jan-98	507	Minnesota	Jan-54	412	Pennsylvania	Jan-47			

Source: North American Numbering Plan Administrator. Note: Implementation dates after 2007 are scheduled dates.

**Table 18.2**  
**Area Code Assignments (1999-2007)**

Location	Implementation Date <sup>1</sup>	Previous Code	Added Code
Texas (Houston)	Jan-99	713	832
California	Feb-99	805	661
Texas	Feb-99	512	361
Arizona	Mar-99	602	480
Arizona	Mar-99	602	623
Kentucky	Apr-99	502	270
Mississippi	Apr-99	601	662
Alberta	May-99	403	780
Missouri	May-99	314	636
Michigan	Jun-99	616	231
Pennsylvania	Jun-99	610	484
California	Jun-99	619	858
New Jersey	Jun-99	609	856
New York (Manhattan)	Jul-99	212	646
Pennsylvania	Jul-99	215	267
Texas (Dallas)	Jul-99	214	469
Florida	Sep-99	941	863
Wisconsin	Sep-99	414	262
New York	Oct-99	718	347
Louisiana	Oct-99	318	337
Florida	Nov-99	407	321
New York	Nov-99	516	631
Tennessee	Nov-99	423	865
Texas	Feb-00	409	936
Texas	Feb-00	409	979
Minnesota	Feb-00	612	763
Minnesota	Feb-00	612	952
Virginia	Mar-00	703	571
Kentucky	Apr-00	606	859
New York	Jun-00	914	845
Iowa	Jul-00	515	641
Georgia	Aug-00	912	229
Georgia	Aug-00	912	478
Oregon	Oct-00	503	971
Texas	Oct-00	817	682
Ohio	Oct-00	330	234
Kansas	Feb-01	316	620
Louisiana	Feb-01	504	985
Tennessee	Feb-01	901	731
Florida	Feb-01	904	386
Ontario	Mar-01	416	647
Iowa	Mar-01	319	563
North Carolina	Apr-01	704	980
Michigan	Apr-01	517	989
Massachusetts	May-01	508	774
Massachusetts	May-01	617	857
Massachusetts	May-01	781	339
Massachusetts	May-01	978	351
Pennsylvania	May-01	484	835 <sup>2</sup>
Pennsylvania	May-01	267	445 <sup>3</sup>

**Table 18.2**  
**Area Code Assignments (1999-2007)**

Virginia	Jun-01	804	434
Ontario	Jun-01	905	289
Alabama	Jun-01	334	251
Arizona	Jun-01	520	928
Florida	Aug-01	954	754
Pennsylvania	Aug-01	412	878
Virginia	Sep-01	540	276
Puerto Rico	Sep-01	787	939
Michigan	Sep-01	810	586
British Columbia	Nov-01	604	778
New York	Nov-01	716	585
New Jersey	Dec-01	201	551
New Jersey	Dec-01	732	848
New Jersey	Dec-01	973	862
Ohio	Jan-02	419	567
Illinois	Jan-02	847	224
Indiana	Jan-02	219	260
Indiana	Jan-02	219	574
Arkansas	Jan-02	501	479
Florida	Feb-02	561	772
Florida	Mar-02	941	239
Michigan	Jul-02	616	269
Michigan	Sep-02	248	947
Texas	Feb-03	903	430
Texas	Apr-03	915	325
Texas	Apr-03	915	432
California	Jul-04	909	951
Mississippi	Mar-05	601	769
Dominican Republic	Aug-05	809	829
Georgia	May-06	706	762
California	Aug-06	310	424
Ontario	Oct-06	519	226
Quebec	Nov-06	514	438
Illinois	Mar-07	815	779
Illinois	Oct-07	630	331
New Mexico	Oct-07	505	575
California	Sep-08	714	657
Kentucky	Jan-09	270	364
Utah	Mar-09	801	385

Note: For years 1984 - 1998, see Industry Analysis Division, Wireline Competition Bureau, *Trends in Telephone Service* (August 2003).

<sup>1</sup> Implementation dates after 2007 are scheduled dates.

<sup>2</sup> The NANPA was able to reclaim area code 835. See Planning Letter 344 at NeuStar.com.

<sup>3</sup> The NANPA was able to reclaim area code 445. See Planning Letter 332 at NeuStar.com.

Source: North American Numbering Plan Administrator (NANPA), which can be accessed at [www.nanpa.com](http://www.nanpa.com).

**Table 18.3**  
**Telephone Numbers Assigned for Toll-Free Service (800, 888, 877, 866)**

Year	Month	Working Numbers	Miscellaneous Numbers <sup>1</sup>	Total Numbers	Spare Numbers Still Available
1993	December	3,155,955	731,438	3,887,393	3,822,607
1994	December	4,948,605	763,235	5,711,840	1,998,160
1995	December	6,700,576	286,487	6,987,063	722,937
1996	December	9,527,982	945,671	10,473,653	5,216,347
1997	December	12,980,714	996,449	13,977,163	1,712,837
1998	December	16,200,883	965,466	17,166,349	6,503,651
1999	December	19,677,001	1,101,964	20,778,965	2,891,035
2000	December	23,022,015	1,178,096	24,200,111	7,449,889
2001	December	23,453,029	1,027,973	24,481,002	7,168,998
2002	December	22,496,215	1,051,232	23,547,447	8,102,553
2003	December	21,108,662	941,520	22,050,182	9,599,818
2004	December	22,159,440	1,145,661	23,305,101	8,344,899
2005	December	22,474,643	957,835	23,432,478	8,217,522
2006	December	22,709,753	756,808	23,466,561	8,183,439
2007	December	23,902,118	585,864	24,487,982	7,322,018

Note: For individual month assignments through June 2003, see Industry Analysis and Technology Division, Wireline Competition Bureau, *Trends in Telephone Service* (August 2003).

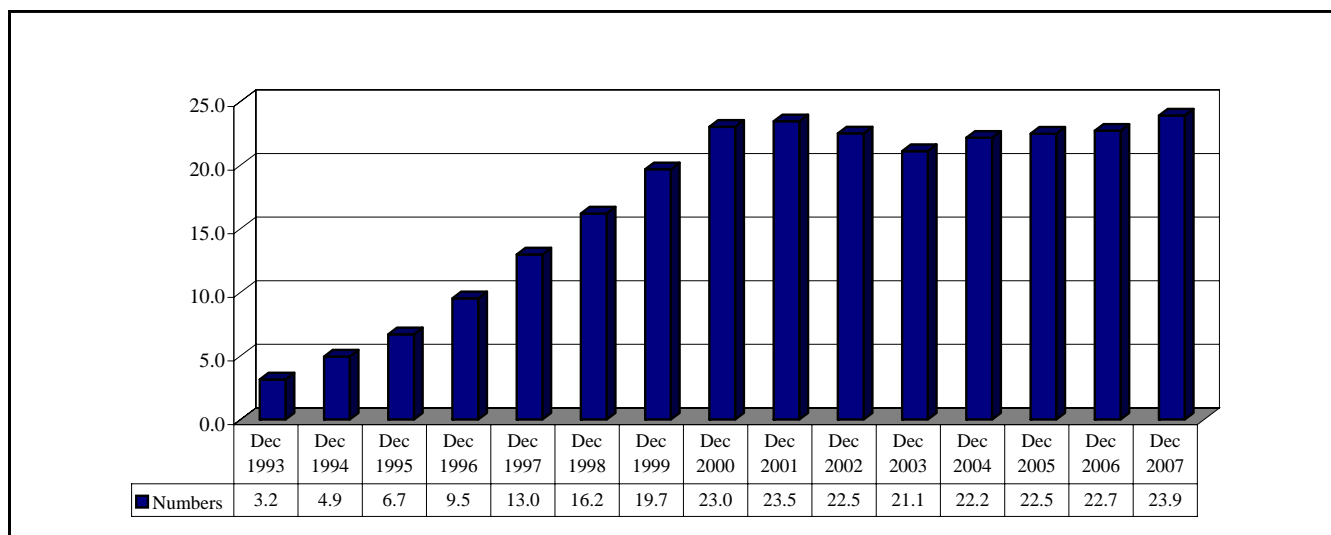
<sup>1</sup> Toll-free (800) service was initially offered by AT&T in 1967. On May 1, 1993, procedures for routing toll-free calls were changed and 800 numbers were made "portable" so customers who switched service providers could retain their numbers. Due to the growth in demand for toll-free numbers, a new toll-free calling code, 888, was added in March 1996, which made it possible to assign about 8 million new toll-free numbers. A third toll-free calling code, 877, was added in April 1998; and a fourth toll-free code, 866, was added in July 2000.

<sup>2</sup> Miscellaneous numbers include those in the 800, 888, 877, and 866 service management systems maintained by Database Service Management, Inc., and categorized as reserved, assigned but not yet activated, recently disconnected, or suspended.

<sup>3</sup> SMS800 freed up all unused numbers contained in certain blocks of numbers that were reserved for the provision of certain mobile radio telecommunications (pager) services within a specified geographic area. These numbers were in NPA 800 and had NXXs in the range of NX2 where 'N' = 2 through 9 and 'X' = 0 for 1 and the numbers ended in a state code.

<http://www.sms800.com/PublicContent.aspx?Text=2008&URL=Shared+Documents%2fPublic%2fNews%2f2008&Site=Public>, visited February 10, 2008.

**Chart 18.1 Working Toll-Free Numbers (Numbers in Millions)**



**Table 18.4**  
**Telephone Numbers Assigned for 800 Toll-Free Service<sup>1</sup>**

<b>Year</b>	<b>Month</b>	<b>Working Toll-Free Numbers</b>	<b>Miscellaneous Toll-Free Numbers<sup>2</sup></b>	<b>Total Toll-Free Numbers Assigned</b>	<b>Spare Toll-Free Numbers Still Available</b>
1996	March	6,907,098	293,244	7,200,342	509,658
	June	6,986,821	324,899	7,311,720	398,280
	September	7,119,167	310,562	7,429,729	280,271
	December	7,272,819	343,905	7,616,724	93,276
1997	March	7,402,769	305,362	7,708,131	1,869
	June	7,415,591	293,802	7,709,393	607
	September	7,427,717	280,668	7,708,385	1,615
	December	7,429,160	267,429	7,696,589	13,411
1998	March	7,455,240	249,964	7,705,204	4,796
	June	7,480,468	227,041	7,707,509	2,491
	September	7,489,271	219,080	7,708,351	1,649
	December	7,487,529	215,267	7,702,796	7,204
1999	March	7,498,527	204,515	7,703,042	6,958
	June	7,502,118	207,061	7,709,179	821
	September	7,523,302	185,363	7,708,665	1,335
	December	7,505,737	202,416	7,708,153	1,847
2000	March	7,516,391	193,246	7,709,637	363
	June	7,570,082	139,444	7,709,526	474
	September	7,572,091	137,705	7,709,796	204
	December	7,566,810	132,887	7,699,697	10,303
2001	March	7,434,621	264,967	7,699,588	10,412
	June	7,357,279	242,106	7,599,385	110,615
	September	7,383,111	164,881	7,547,992	162,008
	December	7,370,055	184,689	7,554,744	155,256
2002	March	7,181,636	400,955	7,582,591	127,409
	June	7,234,847	282,005	7,516,852	193,148
	September	7,200,821	177,723	7,378,544	331,456
	December	7,210,159	203,268	7,413,427	296,573
2003	March	7,182,120	224,536	7,406,656	303,344
	June	7,171,068	234,576	7,405,644	304,356
	September	7,031,806	222,846	7,254,652	455,348
	December	7,089,752	260,807	7,350,559	359,441
2004	March	7,187,381	234,719	7,422,100	287,900
	June	7,181,216	187,107	7,368,323	341,677
	September	7,262,915	197,252	7,460,167	249,833
	December	7,332,085	208,368	7,540,453	169,547
2005	March	7,267,936	234,679	7,502,615	207,385
	June	7,163,402	425,206	7,588,608	121,392
	September	7,160,678	495,326	7,656,004	53,996
	December	7,317,165	277,052	7,594,217	115,783
2006	March	7,416,046	197,083	7,613,129	96,871
	June	7,330,416	317,525	7,647,941	62,059
	September	7,419,137	279,471	7,698,608	11,392
	December	7,445,535	207,672	7,653,207	56,793
2007	March	7,559,307	140,686	7,699,993	10,007
	June	7,546,532	153,063	7,699,595	10,405
	September	7,597,883	102,117	7,700,000	10,000
	December	7,736,774 <sup>3</sup>	123,226	7,860,000	10,000 <sup>3</sup>

<sup>1</sup> For data before 1996, see Table 18.4 of the February 2007 edition of *Trends in Telephone Service*.

<sup>2</sup> See Notes to Table 18.3.

<sup>3</sup> See Notes to Table 18.3.

**Table 18.5**  
**Telephone Numbers Assigned for 888 Toll-Free Service**

<b>Year</b>	<b>Month</b>	<b>Working Numbers</b>	<b>Miscellaneous Numbers <sup>1</sup></b>	<b>Total Numbers</b>	<b>Spare Numbers Still Available</b>
1996	March	267,874	568,574	836,448	7,143,552
	June	922,849	544,079	1,466,928	6,513,072
	September	1,641,519	590,345	2,231,864	5,748,136
	December	2,255,163	601,766	2,856,929	5,123,071
1997	March	2,857,608	661,164	3,518,772	4,461,228
	June	3,660,984	681,981	4,342,965	3,637,035
	September	4,776,688	774,431	5,551,119	2,428,881
	December	5,551,554	729,020	6,280,574	1,699,426
1998	March	6,167,479	728,415	6,895,894	1,084,106
	June	6,591,764	665,496	7,257,260	722,740
	September	6,898,718	612,254	7,510,972	469,028
	December	7,146,159	515,009	7,661,168	318,832
1999	March	7,278,531	495,904	7,774,435	205,565
	June	7,428,424	231,697	7,660,121	319,879
	September	7,601,867	211,318	7,813,185	166,815
	December	7,643,158	324,405	7,967,563	12,437
2000	March	7,685,423	230,035	7,915,458	64,542
	June	7,789,986	140,658	7,930,644	49,356
	September	7,806,252	173,588	7,979,840	160
	December	7,789,188	177,328	7,966,516	13,484
2001	March	7,616,189	355,451	7,971,640	8,360
	June	7,548,761	270,198	7,818,959	161,041
	September	7,508,100	203,518	7,711,618	268,382
	December	7,452,071	190,727	7,642,798	337,202
2002	March	6,964,624	577,910	7,542,534	437,466
	June	6,629,862	354,771	6,984,633	995,367
	September	6,682,043	92,050	6,774,093	1,205,907
	December	6,610,191	154,015	6,764,206	1,215,794
2003	March	6,408,723	324,558	6,733,281	1,246,719
	June	6,228,846	251,701	6,480,547	1,499,453
	September	5,818,266	216,862	6,035,128	1,944,872
	December	5,711,949	250,662	5,962,611	2,017,389
2004	March	5,680,105	133,824	5,813,929	2,166,071
	June	5,640,743	128,141	5,768,884	2,211,116
	September	5,716,957	210,068	5,927,025	2,052,975
	December	5,563,469	384,320	5,947,789	2,032,211
2005	March	5,465,594	159,097	5,624,691	2,355,309
	June	5,306,927	296,729	5,603,656	2,376,344
	September	5,314,969	221,122	5,536,091	2,443,909
	December	5,265,331	196,817	5,462,148	2,517,852
2006	March	5,049,966	321,175	5,371,141	2,608,859
	June	4,930,939	387,726	5,318,665	2,661,335
	September	4,923,018	282,840	5,205,858	2,774,142
	December	4,894,774	154,764	5,049,538	2,930,462
2007	March	4,865,839	172,035	5,037,874	2,942,126
	June	4,892,896	211,491	5,104,387	2,875,613
	September	5,014,039	143,278	5,157,317	2,822,683
	December	5,075,256	134,928	5,210,184	2,769,816

<sup>1</sup> See Table 18.3 notes.

**Table 18.6**  
**Telephone Numbers Assigned for 877 Toll-Free Service**

<b>Year</b>	<b>Month</b>	<b>Working Numbers</b>	<b>Miscellaneous Numbers <sup>1</sup></b>	<b>Total Numbers</b>	<b>Spare Numbers Still Available</b>
1998	June	552,037	209,967	762,004	7,217,996
	September	1,072,046	206,714	1,278,760	6,701,240
	December	1,567,195	235,190	1,802,385	6,177,615
1999	March	2,141,228	329,044	2,470,272	5,509,728
	June	2,899,466	410,026	3,309,492	4,670,508
	September	3,755,361	436,433	4,191,794	3,788,206
	December	4,528,106	575,143	5,103,249	2,876,751
2000	March	5,436,297	598,702	6,034,999	1,945,001
	June	6,317,507	402,858	6,720,365	1,259,635
	September	6,539,180	496,015	7,035,195	944,805
	December	6,391,285	719,333	7,110,618	869,382
2001	March	6,289,079	469,980	6,759,059	1,220,941
	June	6,094,898	715,097	6,809,995	1,170,005
	September	6,163,297	489,084	6,652,381	1,327,619
	December	6,214,863	345,468	6,560,331	1,419,669
2002	March	6,174,529	340,472	6,515,001	1,464,999
	June	6,016,107	267,320	6,283,427	1,696,573
	September	5,656,158	275,722	5,931,880	2,048,120
	December	5,448,276	421,984	5,870,260	2,109,740
2003	March	5,132,413	579,240	5,711,653	2,268,347
	June	4,791,792	376,236	5,168,028	2,811,972
	September	4,617,147	170,787	4,787,934	3,192,066
	December	4,536,366	191,410	4,727,776	3,252,224
2004	March	4,528,716	163,856	4,692,572	3,287,428
	June	4,550,870	146,826	4,697,696	3,282,304
	September	4,537,840	214,197	4,752,037	3,227,963
	December	4,551,486	254,082	4,805,568	3,174,432
2005	March	4,590,227	139,089	4,729,316	3,250,684
	June	4,498,452	232,477	4,730,929	3,249,071
	September	4,476,657	193,315	4,669,972	3,310,028
	December	4,424,365	212,543	4,636,908	3,343,092
2006	March	4,387,383	178,974	4,566,357	3,413,643
	June	4,227,659	203,501	4,431,160	3,548,840
	September	4,216,739	221,090	4,437,829	3,542,171
	December	4,158,082	191,476	4,349,558	3,630,442
2007	March	4,160,134	126,236	4,286,370	3,693,630
	June	4,176,830	168,005	4,344,835	3,635,165
	September	4,186,296	140,506	4,326,802	3,653,198
	December	4,236,995	151,687	4,388,682	3,591,318

<sup>1</sup> See Table 18.3 notes.



**Table 18.7**  
**Telephone Numbers Assigned for 866 Toll-Free Service**

<b>Year</b>	<b>Month</b>	<b>Working Numbers</b>	<b>Miscellaneous Numbers <sup>1</sup></b>	<b>Total Numbers</b>	<b>Spare Numbers Still Available</b>
2000	September	672,250	155,646	827,896	7,152,104
	December	1,274,732	148,548	1,423,280	6,556,720
2001	March	1,652,602	361,888	2,014,490	5,965,510
	June	1,944,520	362,880	2,307,400	5,672,600
	September	2,256,792	308,801	2,565,593	5,414,407
	December	2,416,040	307,089	2,723,129	5,256,871
2002	March	2,640,414	321,530	2,961,944	5,018,056
	June	2,864,605	219,232	3,083,837	4,896,163
	September	2,977,379	244,297	3,221,676	4,758,324
	December	3,227,589	271,965	3,499,554	4,480,446
2003	March	3,461,686	299,700	3,761,386	4,218,614
	June	3,486,674	420,477	3,907,151	4,072,849
	September	3,609,244	265,446	3,874,690	4,105,310
	December	3,770,595	238,641	4,009,236	3,970,764
2004	March	3,966,922	231,683	4,198,605	3,781,395
	June	4,281,378	263,560	4,544,938	3,435,062
	September	4,476,150	281,577	4,757,727	3,222,273
	December	4,712,400	298,891	5,011,291	2,968,709
2005	March	5,015,324	267,412	5,282,736	2,697,264
	June	5,047,314	487,471	5,534,785	2,445,215
	September	5,259,730	352,226	5,611,956	2,368,044
	December	5,467,782	271,423	5,739,205	2,240,795
2006	March	5,613,475	211,021	5,824,496	2,155,504
	June	5,803,923	205,051	6,008,974	1,971,026
	September	6,078,119	160,737	6,238,856	1,741,144
	December	6,201,362	212,896	6,414,258	1,565,742
2007	March	6,355,241	207,073	6,562,314	1,417,686
	June	6,555,756	240,460	6,796,216	1,183,784
	September	6,685,581	219,067	6,904,648	1,075,352
	December	6,853,093	176,023	7,029,116	950,884

<sup>1</sup> See Table 18.3 notes.

**Table 18.8**  
**Number of Digits Necessary to Dial Local and Toll Calls in the U.S. (As of December 2007)**

State	Local Calls		Toll Calls		Toll Calls Require Dialing 1 +
	Within Same Area Code	Between Area Codes	Within Same Area Code	Between Area Codes	
Alabama	7 <sup>1</sup>	10 <sup>2</sup>	1 + 10	1 + 10	Yes
Alaska	7	1 + 10	1 + 10	1 + 10	Yes
Arizona	7	10	1 + 10	1 + 10	Yes
Arkansas	7	10	1 + 10	1 + 10	Yes
California	7 <sup>3</sup>	1 + 10	7 <sup>3</sup>	1 + 10	No
Colorado	7 <sup>4</sup>	10	1 + 10	1 + 10	Yes
Connecticut	7 <sup>5</sup>	10	1 + 10	1 + 10	Yes
Delaware	7	10	1 + 10	1 + 10	Yes
District of Columbia	7	10	NA	1 + 10	Yes
Florida	7 <sup>6</sup>	10	1 + 10	1 + 10	Yes
Georgia	7 <sup>7</sup>	10	1 + 10	1 + 10	Yes
Hawaii	7	NA	1 + 10	1 + 10	Yes
Idaho	7	7	1 + 10	1 + 10	Yes
Illinois	7 <sup>8</sup>	1 + 10	1 + 10	1 + 10	Yes
Indiana	7	10	1 + 10	1 + 10	Yes
Iowa	7	10	1 + 10	1 + 10	Yes
Kansas	7	10	1 + 10	1 + 10	Yes
Kentucky	7	10 <sup>9</sup>	1 + 10	1 + 10	Yes
Louisiana	7	10	1 + 10	1 + 10	Yes
Maine	7	1 + 10	7	1 + 10	No
Maryland	10	10	1 + 10	1 + 10	Yes
Massachusetts	10 <sup>10</sup>	10	1 + 10	1 + 10	Yes
Michigan	7 <sup>11</sup>	10	1 + 10	1 + 10	Yes
Minnesota	7	10 <sup>12</sup>	1 + 10	1 + 10	Yes
Mississippi	7 <sup>13</sup>	10	1 + 10	1 + 10	Yes
Missouri	7 <sup>14</sup>	10	1 + 10	1 + 10	Yes
Montana	7	7	1 + 10	1 + 10	Yes
Nebraska	7	7	1 + 10	1 + 10	Yes
Nevada	7	10	1 + 10	1 + 10	Yes
New Hampshire	7	1 + 10	7	1 + 10	No
New Jersey	10 <sup>15</sup>	1 + 10	10 <sup>15</sup>	1 + 10	No
New Mexico	7	10	1 + 10	1 + 10	Yes
New York	7 <sup>16</sup>	1 + 10	7 <sup>16</sup>	1 + 10	No
North Carolina	7 <sup>17</sup>	10	1 + 10	1 + 10	Yes
North Dakota	7	7	1 + 10	1 + 10	Yes
Ohio	7 <sup>18</sup>	10	1 + 10	1 + 10	Yes
Oklahoma	7	7	1 + 10	1 + 10	Yes
Oregon	10 <sup>19</sup>	10	1 + 10	1 + 10	Yes
Pennsylvania	10 <sup>20</sup>	1 + 10 <sup>21</sup>	10 <sup>20</sup>	1 + 10 <sup>21</sup>	No
Rhode Island	7	1 + 10	7	1 + 10	No
South Carolina	7	10	1 + 10	1 + 10	Yes
South Dakota	7	7	1 + 10	1 + 10	Yes
Tennessee	7	10 <sup>22</sup>	1 + 10	1 + 10	Yes
Texas	7 <sup>23</sup>	10	1 + 10	1 + 10	Yes
Utah	7 <sup>24</sup>	10 <sup>25</sup>	1 + 10	1 + 10	Yes
Vermont	7	1 + 10	1 + 10	1 + 10	Yes
Virginia	7 <sup>26</sup>	10	1 + 10	1 + 10	Yes
Washington	7 <sup>27</sup>	10	1 + 10	1 + 10	Yes
West Virginia	7	7	1 + 10	1 + 10	Yes
Wisconsin	7	1 + 10	1 + 10	1 + 10	Yes
Wyoming	7	7	1 + 10	1 + 10	Yes

NA - Not Applicable.

Source: NPA database. The database is available at [www.nanpa.com/area\\_codes/index.html](http://www.nanpa.com/area_codes/index.html).

## Notes to Table 18.8

- <sup>1</sup> In area code 659, 10-digit dialing is used.
- <sup>2</sup> In area code 659, 1+10-digit dialing is used.
- <sup>3</sup> In area codes 424, 657 and 310, 1+10-digit dialing is used.
- <sup>4</sup> In area codes 303 and 720, 10-digit dialing is used.
- <sup>5</sup> In area codes 475 and 959, 10-digit dialing is used.
- <sup>6</sup> In area codes 305, 321, 407, 689, 754, 786, and 954, 10-digit dialing is used.
- <sup>7</sup> In area codes 404, 470, 678, 762, 706 and 770, 10-digit dialing is used.
- <sup>8</sup> In area codes 224, 331, 872, 464, 447, 815, 779, 630 and 847, 1+ 10-digit dialing is used.
- <sup>9</sup> In area codes 270, 364 and 502, 7-digit dialing is used.
- <sup>10</sup> In area code 413, 7-digit dialing is used.
- <sup>11</sup> In area codes 248, 679 and 947, 10-digit dialing is used.
- <sup>12</sup> In area codes 218, 320, and 507, 7-digit dialing is used.
- <sup>13</sup> In area codes 601 and 769, 10-digit dialing is used.
- <sup>14</sup> In area codes 557 and 975, 10-digit dialing is used.
- <sup>15</sup> In area codes 609, 856, and 908, 7-digit dialing is used.
- <sup>16</sup> In area codes 212, 347, 646, 718, and 917, 1+10 digit dialing is used.
- <sup>17</sup> In area codes 704, 980 and 984, 10-digit dialing is used.
- <sup>18</sup> In area codes 234, 283, 330, 380, 419, and 567, 10-digit dialing is used.
- <sup>19</sup> In area code 541, 7-digit dialing is used.
- <sup>20</sup> In area codes 570, 717, and 814, 7-digit dialing is used.
- <sup>21</sup> In some area codes, local calls to some other area codes may be dialed using 10 digits.
- <sup>22</sup> In area codes 615 and 931, 7-digit dialing is used.
- <sup>23</sup> In area codes 214, 281, 430, 469, 682, 713, 817, 832, 903, and 972, 10-digit dialing is used.
- <sup>24</sup> In area code 385, 10-digit dialing is used.
- <sup>25</sup> In area code 435, 7-digit dialing is used.
- <sup>26</sup> In area codes 571 and 703, 10-digit dialing is used.
- <sup>27</sup> In area code 564, 10-digit dialing is used.

# 19 Universal Service

## 1. Overview

There are four universal service support mechanisms: 1) High Cost, 2) Low Income, including Lifeline and Link-Up, 3) Schools and Libraries, and 4) Rural Health Care.<sup>1</sup> High Cost support enables carriers with above-average costs to recover some of these costs from the support mechanisms, allowing these carriers to lower their end-user rates and/or to receive less money from state universal service support mechanisms.

The Lifeline program promotes increased telephone subscribership by providing low-income households with discounts on the monthly cost of telephone service. The Link-Up America program promotes telephone subscribership by helping low-income households pay the initial costs of commencing telephone service.

Schools and Libraries support enables eligible schools and libraries to obtain eligible services, including telecommunications services, at discounted rates. Rural Health Care support allows rural health care providers to purchase telecommunications services at comparable urban rates.

Table 19.1 shows universal service support disbursements for 2006.<sup>2</sup> Chart 19.1 shows this information graphically for 2006. Table 19.2 and Chart 19.2 show the type of service providers that received universal service support in 2006.

## 2. High Cost

The High Cost support mechanisms include embedded high-cost loop support (HCLS),<sup>3</sup> safety net additive support (SNAS), safety valve support (SVS), local switching support (LSS), forward-looking high-cost model support (HCMS), interstate access support (IAS) for price-cap carriers, and interstate common line support (ICLS) for rate-of-return carriers.<sup>4</sup>

HCLS provides assistance to companies with above average non-traffic-sensitive local loop costs – terminology that refers to the costs of providing loops connecting customers and

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<sup>1</sup> Additional information on universal service mechanisms is available in the *Universal Service Monitoring Report* (December 2007). See <http://www.fcc.gov/wcb/iatd/monitor.html>.

<sup>2</sup> The figures used in this table are for the calendar year and include disbursements that were paid out in 2006.

<sup>3</sup> This was formerly referred to as the Universal Service Fund, and still bears that name in the Commission rules. It is now referred to as high-cost loop support to avoid confusion with the new, more comprehensive universal service support mechanisms that the Commission developed to implement the 1996 Act. See 47 C.F.R. § 36.601.

<sup>4</sup> Prior to July 1, 2004, rate-of-return carriers were eligible to receive long-term support (LTS). Since that date, LTS was merged into ICLS.

their serving telephone company central office. In addition, SNAS provides assistance to companies that have large increases in telecommunications plant in service. SVS provides additional assistance to rural carriers that make substantial investment after acquiring exchanges.

LSS provides assistance to LECs with study areas of 50,000 or fewer access lines to help defray their higher per-line switching costs. HCMS provides assistance for non-rural carriers based on their forward-looking costs of providing supported services as determined by the Commission's cost model. The IAS mechanism provides support to price-cap carriers to replace the implicit support previously collected through interstate access charges. The ICLS mechanism converts support implicit in the access rate structure of rate-of-return carriers to explicit and portable support. ICLS recovers any shortfall between the allowed common line revenues of rate of return carriers and their subscriber line charge revenues. As noted above, LTS was merged into ICLS as of July 1, 2004.

Table 19.3 shows HCLS, LTS, LSS, HCMS, IAS, ICLS, SNAS, and SVS payments from 1986 to 2007. Table 19.4 shows payments by state for 2006.

Table 19.5 shows high-cost support payments to incumbent LECs and competitive eligible telecommunications carriers (CETCs) from 1996 to the present. Chart 19.4 shows the percent of high-cost support received by CETCs. Table 19.6 shows high-cost support payments by state for 2006 to ILECs and CETCs and also to rural and non-rural carriers.

### **3. Low-Income Support: Lifeline and Link-Up**

The Lifeline program promotes increased telephone subscribership by providing low-income households with discounts on the monthly cost of telephone service. The Link-Up America program increases telephone subscribership by helping low-income households pay the initial costs of commencing telephone service.

The Lifeline program was created in 1984, and the Link-Up program was created in 1987. For both of these programs, the rules were later modified to make the distribution of low-income support competitively and technologically neutral by allowing all eligible telecommunications carriers, including wireless carriers, to receive support for providing Lifeline and Link-Up service. In June 2000, the Commission further expanded the Lifeline and Link-Up programs to address the needs of households on tribal lands.<sup>5</sup>

Eligibility requirements for Lifeline and Link-Up vary from state to state. In a state that has its own Lifeline program, the state may create its own eligibility requirements for the federal Lifeline program. Those criteria must be based solely on income or factors directly related to income. In addition, a state commission must ensure that its qualification criteria are reasonably designed to reach eligible residents of tribal lands within the state. In those states that do not have their own Lifeline program, known as federal default states, Lifeline eligibility requirements are set by the FCC. In federal default states, households must certify that they participate in at least one of the following seven federal programs: Medicaid, food stamps, Supplemental Security Income (SSI), federal public housing assistance, the Low-Income Home

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<sup>5</sup> *Federal-State Joint Board on Universal Service; Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas*, Twelfth Report and Order, and Further Notice of Proposed Rulemaking, CC Docket No. 96-45, FCC 00-208, 15 FCC Rcd 12,208 (2000).

Energy Assistance Program (LIHEAP), the National School Lunch Program's free lunch program, or Temporary Assistance to Needy Families. By June 2005, consumers may also be able to qualify if their income is at or below 135% of the federal poverty guidelines.

Eligible consumers living on tribal lands can receive federal Lifeline support if they (a) meet their state's Lifeline eligibility requirements; (b) certify that they are enrolled in one of the seven federal programs listed above; or (c) participate in one of the following federal assistance programs: Bureau of Indian Affairs (BIA) general assistance program, tribally administered Temporary Assistance for Needy Families (TANF), or Head Start (meeting the income-qualifying standard).

Under the Commission's rules, there are four tiers of federal Lifeline support.<sup>6</sup> The first tier represents a monthly waiver of the federal subscriber line charge, which ranges between \$3.50 and \$6.50, varying by state and the carrier providing service. Second-tier support is an additional \$1.75 per-month reduction in the basic local rate. All Lifeline subscribers receive at least the first two tiers of federal support. The third tier of federal support is based on the amount of additional support mandated by the relevant state or otherwise provided by carriers. Federal support is available to match one-half of the tier-three support provided, up to a maximum of \$1.75 in federal support. Eligible subscribers living on tribal lands also qualify to receive a fourth tier of Lifeline support. Tier-four support provides up to an additional \$25 per month although all subscribers on tribal lands must pay at least \$1 per month.

The Commission's Link-Up program provides qualified low-income individuals with a federally financed 50% discount on initial connection charges up to \$30. Link-Up beneficiaries also may choose to schedule deferred payments of up to \$200 over a one-year period, with the customary interest charges paid through federal support. Eligible subscribers living on tribal lands may receive an additional discount of up to \$70 to cover 100% of the charges between \$60 and \$130.

Table 19.7 shows the minimum, maximum and average monthly Lifeline support as of March 31, 2007, by state. The table contains both federal and state support, and indicates the additional contribution from the federal program to reduce local rates where states have authorized statewide or carrier specific intrastate local rate reductions.

Table 19.8 contains historical Lifeline subscriber and Link-Up beneficiary data for 1987 through 2006. Table 19.9 present tribal and non-tribal lifeline subscriber and Link-Up beneficiary data by state for 2006.

Table 19.10 and Chart 19.5 contain annual historical low-income support payments for the years 1988 through 2006. Table 19.11 shows low-income support payments by state or jurisdiction for 2006. Table 19.12 shows low-income support payments to ILECs and CETCs from 1996 through 2006. Chart 19.6 shows the percent of low-income support received by CETCs.

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<sup>6</sup> In addition, the Lifeline program compensates eligible telecommunication carriers for toll limitation service (TLS).

#### **4. Schools and Libraries**

The schools and libraries support mechanism also known as the “E Rate” enables schools and libraries to obtain eligible services at discounted rates. Eligible schools and libraries receive telecommunications services, Internet access, and internal connections at discounts that range from 20 percent to 90 percent. The level of the discount is generally based on the percentage of students eligible for the national school lunch program, or in the case of libraries, the percentage of students eligible for the national school lunch program in the school district where the library is located. In addition, schools and libraries located in rural areas receive an additional discount.

Table 19.13 shows funding commitments and disbursements to schools and libraries by funding year since 1998. The commitments and disbursements are shown by the type of service funded (internal connections, Internet access, and telecommunications). Chart 19.7 graphically shows the total schools’ and libraries’ funds committed and disbursed. Table 19.14 shows, on a state-by-state basis, funding commitments to schools and libraries for the July 1, 2005 through June 30, 2006 Funding Year.

#### **5. Rural Health Care**

The Rural Health Care support mechanism enables health care providers in rural areas to pay no more than their urban counterparts for similar telecommunications services necessary for the provision of health care. Eligible rural health care providers can also receive a 25% discount off the monthly cost of Internet access reasonably related to the health care needs of the facility. Additionally, rural health care providers in *entirely rural* states are eligible to receive a 50% discount off the monthly cost of advanced telecommunications and information services reasonably related to the health care needs of the facility. Further, mobile rural health care providers utilizing satellite service can receive support for the difference between the rate for the satellite service and the rate for an urban wireline service with a similar bandwidth.

Table 19.15 and Chart 19.8 show rural health care fund disbursements by service speed since 1998. Table 19.16 shows rural health care fund disbursements by service speed and on a state-by-state basis for the funding period July 1, 2005 through June 30, 2006.

#### **6. Contributions to the Universal Service Fund**

Carriers contribute to universal service support mechanisms based on interstate and international end-user revenues. Since November 1999, all contributions to the USF are based on interstate end-user revenues. Table 19.17 shows interstate and intrastate contribution rates since the first quarter of 1998. Table 19.18 shows changes in the shares of contributions over time by type of service provider. Shares have changed because of differential pricing, growth trends, mergers, the removal of aDSL from the contribution base and wireless carriers now reporting greater shares of interstate revenue.

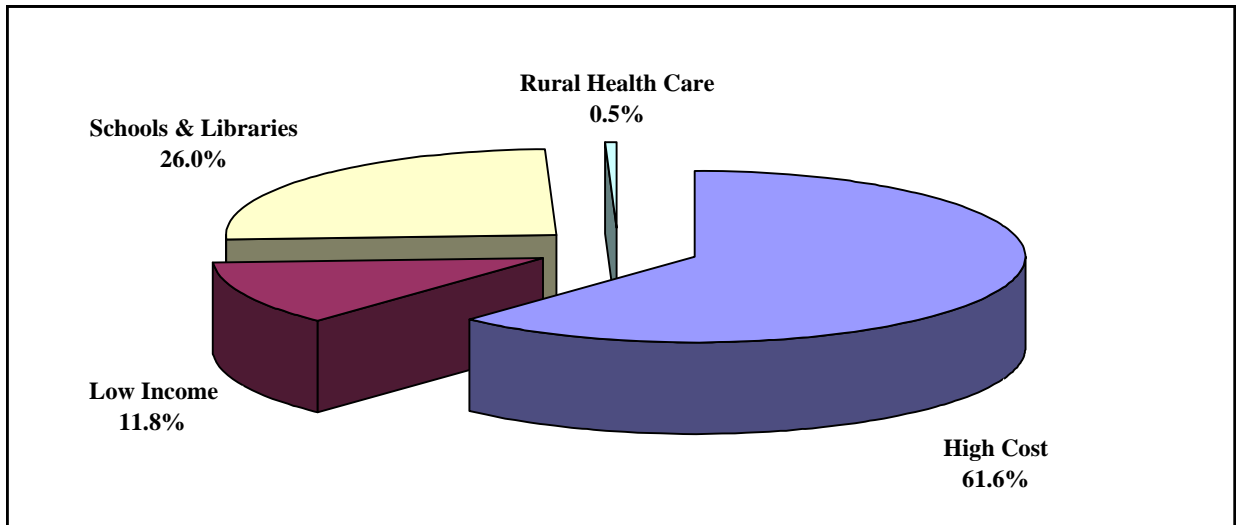
**Table 19.1**  
**Universal Service Support Mechanisms: 2006 & 2007**  
(Dollars in Millions)

Mechanism	2006		2007	
	Disbursements	Percent of Total	Disbursements	Percent of Total
<b>High-Cost Support</b>	<b>\$4,096</b>	<b>61.8 %</b>	<b>\$4,287</b>	<b>61.6 %</b>
High-Cost Loop Support	1,309	19.8	1,402	20.2
Safety Net Additive Support	29	0.4	38	0.6
Safety-Valve	1	0.0	3	0.0
High-Cost Model Support	358	5.4	346	5.0
Long Term Support	4	0.1	0	0.0
Interstate Common Line Support	1,266	19.1	1,392	20.0
Interstate Access Support	681	10.3	645	9.3
Local Switching Support	448	6.8	460	6.6
<b>Low-Income Support</b>	<b>820</b>	<b>12.4</b>	<b>823</b>	<b>11.8</b>
<b>School and Libraries</b>	<b>1,669</b>	<b>25.2</b>	<b>1,808</b>	<b>26.0</b>
<b>Rural Health Care</b>	<b>41</b>	<b>0.6</b>	<b>37</b>	<b>0.5</b>
<b>All Universal Service Support</b>	<b>\$6,626</b>	<b>100.0 %</b>	<b>\$6,955</b>	<b>100.0 %</b>

Notes: Figures may not add due to rounding. The figures used in this table are for the calendar year and include disbursements that were committed over several years but paid out in the respective calendar year (2006 or 2007). In Sections 4 and 5, figures for the Schools and Libraries program and the Rural Health Care program are reported based on fiscal year rather than calendar year.

Source: Universal Service Administration Company (USAC).

**Chart 19.1**  
**Distribution of Universal Service Payments: 2007**





**Table 19.2**  
**Universal Service Support Received by Service Provider Type: 2006**  
(Dollars in Thousands)

	High Cost	Low Income	Rural Health Care	Schools and Libraries	Total	Percent of Total
Incumbent Local Exchange Carriers	\$3,116,405	\$705,596	\$5,192	\$579,532	\$4,406,726	66.5 %
Non-Traditional Providers <sup>1</sup>	0	0	8	444,167	444,175	6.7
Wireless Providers <sup>2</sup>	964,824	61,750	6,629	84,248	1,117,451	16.9
Competitive Local Exchange Carriers <sup>3</sup>	15,092	53,013	4,225	355,038	427,368	6.4
Internet Service Providers	0	0	1,248	89,095	90,343	1.4
Long Distance Providers <sup>4</sup>	0	0	23,230	74,900	98,130	1.5
Other Providers <sup>5</sup>	0	0	65	42,075	42,140	0.6
<b>Total</b>	<b>\$4,096,321</b>	<b>\$820,359</b>	<b>\$40,597</b>	<b>\$1,669,056</b>	<b>\$6,626,333</b>	<b>100.0 %</b>

<sup>1</sup> Non-traditional providers provide eligible software, hardware, and network devices.

<sup>2</sup> Wireless providers include cellular, PCS and other mobile providers.

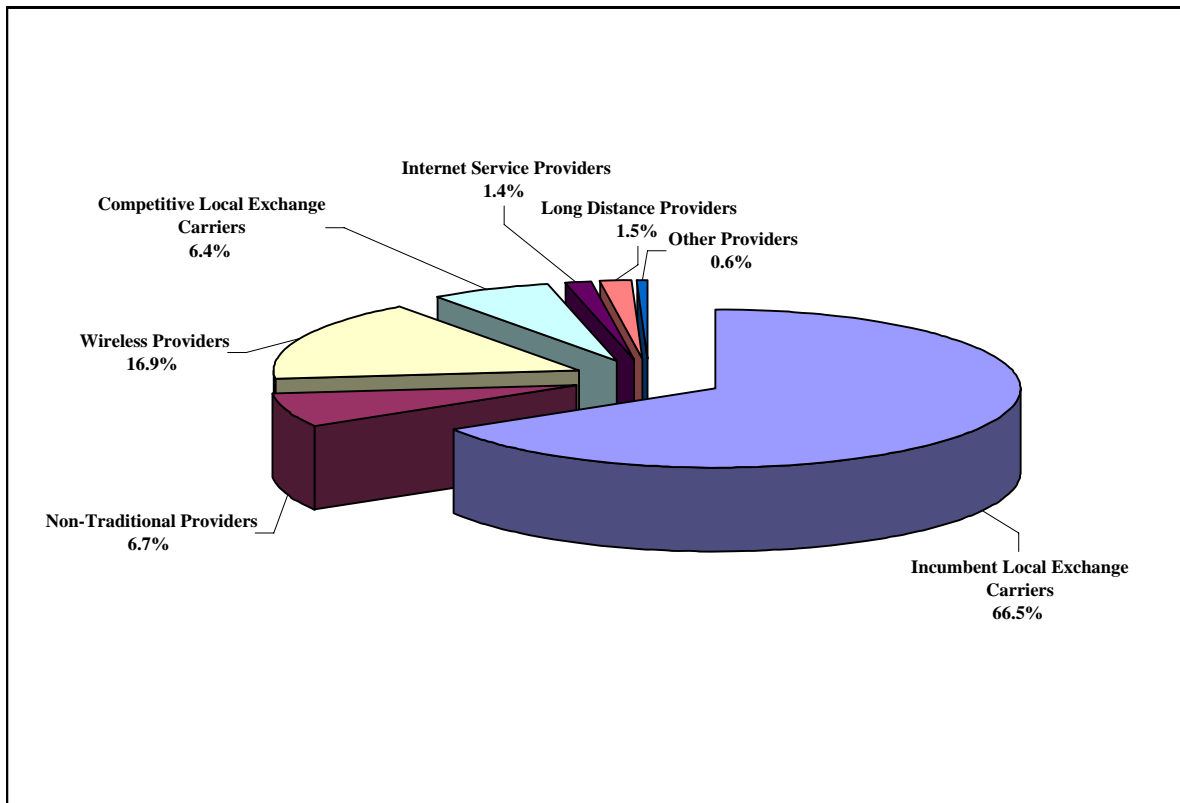
<sup>3</sup> Competitive local exchange carriers include competitive access providers, local resale, other local and shared tenant service providers.

<sup>4</sup> Long distance providers include interexchange, operator service, toll resale, pre-paid card and other toll providers.

<sup>5</sup> Other providers' services include paging and messaging, private service, satellite service, specialized mobile service and wireless data.

Source: Compiled from data provided to the FCC by Universal Service Administrative Company (USAC).

**Chart 19.2**  
**Universal Service Support Received by Service Provider Type: 2006**



**Table 19.2**  
**Universal Service Support Received by Service Provider Type: 2007 -- Continued**  
**(Dollars in Thousands)**

	High Cost	Low Income	Rural Health Care	Schools and Libraries	Total	Percent of Total
Incumbent Local Exchange Carriers	\$3,108,230	\$702,011	\$7,080	\$625,561	\$4,442,882	63.9 %
Non-Traditional Providers <sup>1</sup>	0	0	10	400,980	400,990	5.8
Wireless Providers <sup>2</sup>	1,158,673	61,911	5,559	119,042	1,345,185	19.3
Competitive Local Exchange Carriers <sup>3</sup>	19,830	58,839	2,502	409,149	490,319	7.1
Internet Service Providers	0	0	1,734	109,815	111,549	1.6
Long Distance Providers <sup>4</sup>	0	0	19,112	88,710	107,822	1.6
Other Providers <sup>5</sup>	0	0	1,380	54,703	56,083	0.8
<b>Total</b>	<b>\$4,286,733</b>	<b>\$822,761</b>	<b>\$37,377</b>	<b>\$1,807,961</b>	<b>\$6,954,832</b>	<b>100.0 %</b>

<sup>1</sup> Non-traditional providers provide eligible software, hardware, and network devices.

<sup>2</sup> Wireless providers include cellular, PCS and other mobile providers.

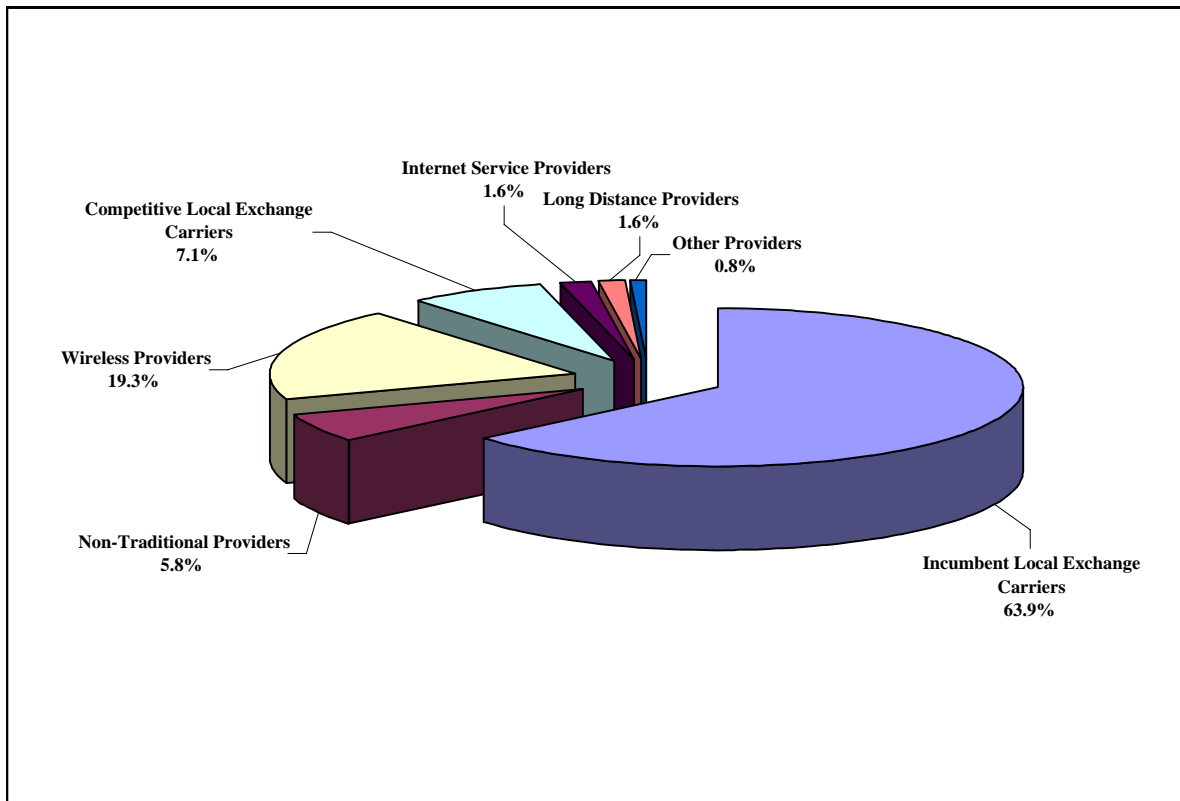
<sup>3</sup> Competitive local exchange carriers include competitive access providers, local resale, other local and shared tenant service providers.

<sup>4</sup> Long distance providers include interexchange, operator service, toll resale, pre-paid card and other toll providers.

<sup>5</sup> Other providers' services include paging and messaging, private service, satellite service, specialized mobile service and wireless data.

Source: Compiled from data provided to the FCC by Universal Service Administrative Company (USAC).

**Chart 19.2**  
**Universal Service Support Received by Service Provider Type: 2007**



**Table 19.3**  
**High-Cost Support Fund Payment History**  
(In Millions of Dollars)

Year	High-Cost Loop Support	Safety Net Additive Support	Safety Valve Support	High-Cost Model Support	Long-Term Support*	Interstate Common Line Support	Interstate Access Support	Local Switching Support	Total Support
1986	\$56	-	-	-	-	-	-	-	\$56
1987	126	-	-	-	-	-	-	-	126
1988	183	-	-	-	-	-	-	-	183
1989	265	-	-	-	\$219	-	-	-	483
1990	339	-	-	-	263	-	-	-	602
1991	485	-	-	-	272	-	-	-	757
1992	609	-	-	-	306	-	-	-	915
1993	705	-	-	-	323	-	-	-	1,028
1994	725	-	-	-	347	-	-	-	1,072
1995	750	-	-	-	382	-	-	-	1,132
1996	763	-	-	-	426	-	-	-	1,188
1997	794	-	-	-	470	-	-	-	1,263
1998	827	-	-	-	473	-	-	\$390	1,690
1999	864	-	-	-	473	-	-	380	1,718
2000	874	-	-	\$219	478	-	\$279	385	2,235
2001	927	-	-	206	492	-	577	390	2,592
2002	1,045	-	-	233	493	\$173	615	376	2,935
2003	1,085	\$9	\$0	234	504	415	622	396	3,265
2004	1,137	12	0	273	275	716	642	414	3,468
2005	1,219	15	4	292	0	1,149	691	426	3,796
2006	1,309	29	1	358	4	1,266	681	448	4,096
2007	1,402	38	3	346	0	1,392	645	460	4,287

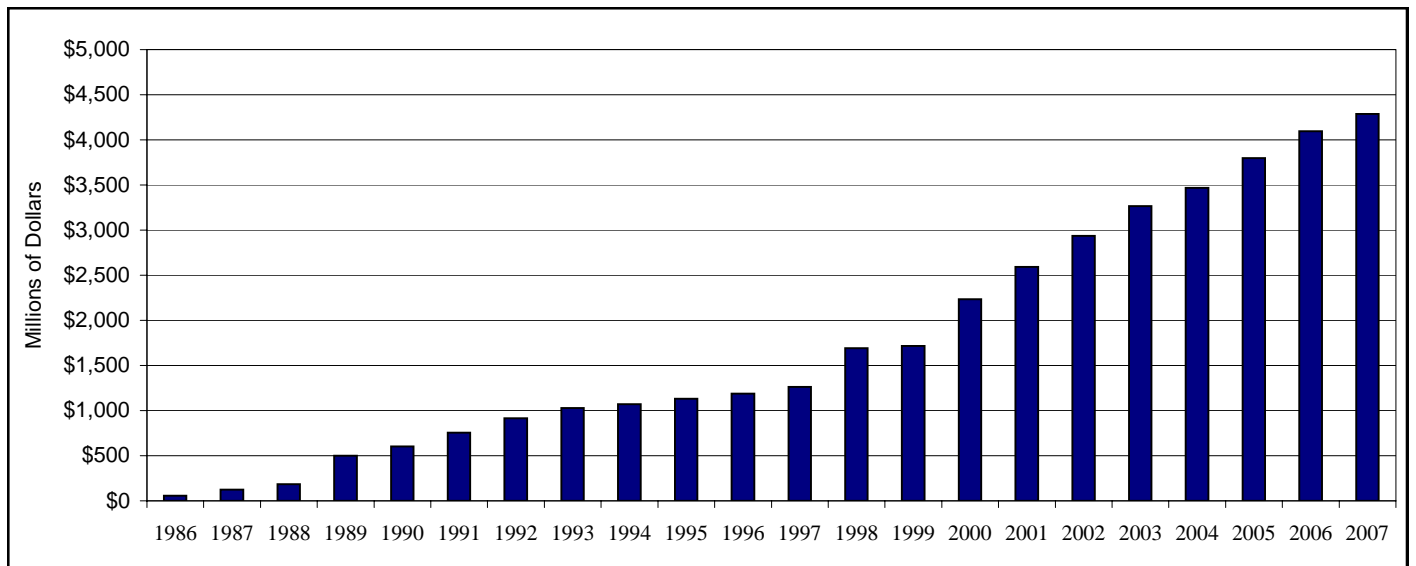
Note: Detail may not appear to add to totals due to rounding.

- Support mechanism did not exist in that year.

\* Long-Term Support was merged into Interstate Common Line Support in July 2004. Values in subsequent years are adjustments to payments made in previous years.

Sources: National Exchange Carrier Association (1986-1997),  
Universal Service Administrative Company (1998-2007).

**Chart 19.3**  
**Total High-Cost Support Fund Payments**



**Table 19.4**  
**High-Cost Support Payments by State: 2006**  
(In Thousands of Dollars)

	High-Cost Loop Support	Safety Net Additive Support	Safety Valve Support	High-Cost Model Support	Long-Term Loop Support	Interstate Common Line Support	Interstate Access Support	Local Switching Support	Total Support
Alabama	\$22,575	\$527	\$0	\$45,684	\$0	\$21,215	\$19,577	\$6,393	\$115,971
Alaska	68,915	641	9	0	0	67,512	0	16,509	153,586
American Samoa	562	0	0	0	0	1,660	0	514	2,736
Arizona	39,727	475	-37	0	0	12,010	20,503	10,337	83,015
Arkansas	67,148	371	0	0	0	49,007	7,760	8,221	132,506
California	41,365	265	0	0	0	20,966	39,800	3,661	106,058
Colorado	33,934	162	0	0	0	20,649	20,363	4,430	79,538
Connecticut	0	0	0	0	0	885	576	687	2,148
Delaware	0	0	0	0	0	0	261	0	261
District of Columbia	0	0	0	0	0	0	0	0	0
Florida	11,987	0	0	0	0	9,216	56,637	3,767	81,607
Georgia	36,912	1,030	0	0	0	32,441	24,684	12,650	107,717
Guam	7,500	0	0	0	0	9,205	0	0	16,705
Hawaii	21,238	13	0	0	0	14,904	2,453	2,189	40,797
Idaho	19,957	611	0	0	0	9,191	15,773	6,597	52,130
Illinois	16,699	963	0	0	0	27,796	11,545	10,766	67,769
Indiana	12,573	603	0	0	0	15,048	24,826	10,407	63,457
Iowa	27,017	3,419	18	0	2	40,422	6,280	28,468	105,625
Kansas	104,909	3,226	0	0	0	56,317	6,555	19,183	190,190
Kentucky	28,594	560	0	17,992	0	26,517	18,854	6,591	99,107
Louisiana	73,616	468	0	0	1	33,475	12,886	6,537	126,983
Maine	9,053	105	0	2,112	0	16,324	150	9,206	36,951
Maryland	283	90	0	0	0	692	2,559	921	4,547
Massachusetts	74	13	0	0	0	258	1,805	677	2,827
Michigan	26,183	126	0	0	4	21,660	648	10,318	58,938
Minnesota	43,695	898	0	0	0	48,746	3,932	22,622	119,894
Mississippi	30,506	370	0	198,420	0	16,375	24,534	5,828	276,033
Missouri	38,571	618	0	0	0	29,722	10,660	6,518	86,089
Montana	25,275	218	0	24,526	0	19,388	879	7,873	78,159
Nebraska	23,208	1,203	0	13,215	0	22,135	6,832	15,178	81,771
Nevada	7,150	279	0	0	0	6,207	10,841	6,777	31,254
New Hampshire	306	32	0	0	0	2,171	1,986	3,582	8,077
New Jersey	0	0	0	0	0	270	288	720	1,279
New Mexico	28,265	166	0	0	0	14,692	11,434	10,971	65,528
New York	7,995	854	0	0	0	10,266	16,940	12,867	48,922
North Carolina	12,213	0	0	0	0	31,218	31,498	6,540	81,469
North Dakota	27,467	330	107	0	0	32,255	986	19,756	80,903
Northern Mariana Islands	0	0	0	0	0	0	337	479	816
Ohio	10,045	494	0	0	0	12,749	13,603	4,691	41,582
Oklahoma	58,359	501	0	0	0	46,465	2,582	15,722	123,629
Oregon	25,159	218	0	0	0	18,440	19,848	8,585	72,250
Pennsylvania	2,402	92	0	0	0	33,960	23,013	6,048	65,514
Puerto Rico	136	0	0	0	4,474	118,711	0	0	123,321
Rhode Island	0	0	0	0	0	0	35	0	35
South Carolina	26,191	1,872	0	0	0	36,204	12,113	5,514	81,895
South Dakota	35,972	1,961	9	3,278	0	30,139	39	18,073	89,471
Tennessee	13,120	931	0	0	0	21,912	9,670	6,180	51,814
Texas	103,040	582	0	0	0	59,783	48,393	18,926	230,723
Utah	7,592	359	87	0	0	9,770	2,531	3,834	24,174
Vermont	7,216	458	0	10,088	0	6,463	2,428	4,185	30,838
Virgin Islands	10,744	0	0	0	0	14,506	0	0	25,250
Virginia	3,136	785	0	0	0	7,762	62,282	5,545	79,510
Washington	25,767	34	0	0	0	26,682	42,196	8,083	102,763
West Virginia	16,323	119	0	27,868	0	2,184	20,117	3,730	70,341
Wisconsin	34,481	2,160	462	0	-4	66,801	264	30,045	134,209
Wyoming	13,862	184	0	14,330	0	12,469	6,490	10,303	57,637
<b>Total</b>	<b>\$1,309,017</b>	<b>\$29,390</b>	<b>\$655</b>	<b>\$357,514</b>	<b>\$4,477</b>	<b>\$1,265,818</b>	<b>\$681,247</b>	<b>\$448,203</b>	<b>\$4,096,321</b>

Note : The reason some values are negative is that support amounts include prior period adjustments.

Source: The data are derived from individual company payments reported on the USAC web site.

**Table 19.4 - Continued**  
**High-Cost Support Payments by State: 2007**  
(In Thousands of Dollars)

	High-Cost Loop Support	Safety Net Additive Support	Safety Valve Support	High-Cost Model Support	Long-Term Loop Support	Interstate Common Line Support	Interstate Access Support	Local Switching Support	Total Support
Alabama	\$19,813	\$444	\$0	\$44,671	\$0	\$20,017	\$20,269	\$6,244	\$111,459
Alaska	69,647	821	0	0	0	73,803	0	17,086	161,356
American Samoa	-2	0	0	0	0	2,203	0	1,169	3,370
Arizona	28,894	366	0	0	0	12,298	19,899	9,463	70,919
Arkansas	67,830	447	0	0	0	50,158	165	7,693	126,294
California	34,513	264	0	0	0	20,996	40,628	4,238	100,638
Colorado	36,580	128	0	0	1	21,672	18,641	5,029	82,051
Connecticut	0	0	0	0	0	183	531	549	1,264
Delaware	0	0	0	0	0	0	245	0	245
District of Columbia	0	0	0	0	0	0	0	0	0
Florida	10,719	0	0	0	0	8,278	59,948	3,362	82,308
Georgia	35,824	895	0	0	0	40,385	23,574	11,958	112,636
Guam	1,440	0	0	0	0	9,351	0	0	10,792
Hawaii	30,201	0	0	0	0	17,718	2,561	1,384	51,864
Idaho	21,210	675	0	0	0	10,825	15,467	5,893	54,069
Illinois	15,429	703	0	0	0	29,017	10,999	11,119	67,267
Indiana	17,983	761	0	0	0	19,993	22,851	10,146	71,734
Iowa	36,210	4,109	15	0	0	46,828	8,077	30,871	126,109
Kansas	126,593	3,338	0	0	0	66,889	6,111	19,546	222,477
Kentucky	29,938	632	0	16,827	0	25,177	17,392	6,965	96,931
Louisiana	97,899	1,200	0	0	0	43,744	13,412	6,876	163,131
Maine	8,287	109	0	2,117	0	16,287	95	9,672	36,567
Maryland	252	91	0	0	0	809	2,492	563	4,207
Massachusetts	-1	13	0	0	0	81	1,660	545	2,299
Michigan	29,077	178	0	0	0	25,652	674	11,661	67,241
Minnesota	49,390	3,346	23	0	0	52,956	3,897	22,832	132,444
Mississippi	34,538	633	0	197,320	0	20,644	24,210	6,058	283,404
Missouri	46,400	1,391	0	0	0	33,092	9,462	7,891	98,235
Montana	26,247	214	0	20,580	0	21,734	864	7,644	77,282
Nebraska	33,029	1,107	0	11,094	0	32,404	9,268	19,276	106,178
Nevada	6,306	277	0	0	0	5,891	10,376	6,783	29,634
New Hampshire	275	32	0	0	0	2,782	1,835	4,440	9,365
New Jersey	0	0	0	0	0	510	270	884	1,664
New Mexico	29,496	184	0	0	0	17,819	10,642	9,247	67,388
New York	6,415	1,104	0	0	0	12,384	18,234	14,405	52,542
North Carolina	12,529	0	0	0	0	29,843	29,047	6,454	77,872
North Dakota	27,579	1,684	95	0	0	35,178	962	19,273	84,771
Northern Mariana Islands	0	0	0	0	0	0	444	1,186	1,630
Ohio	9,664	1,624	0	0	0	17,515	12,450	4,952	46,205
Oklahoma	61,814	1,822	0	0	0	46,235	2,361	16,952	129,185
Oregon	28,239	417	0	0	0	22,437	20,134	9,743	80,970
Pennsylvania	2,004	69	0	0	0	25,914	21,718	5,846	55,552
Puerto Rico	0	0	0	0	0	135,026	0	0	135,026
Rhode Island	0	0	0	0	0	0	31	0	31
South Carolina	23,041	1,751	0	0	0	33,035	11,175	5,184	74,186
South Dakota	40,116	2,430	116	2,445	0	33,215	31	14,746	93,098
Tennessee	12,294	504	0	0	0	23,071	9,793	6,633	52,295
Texas	114,466	805	0	0	0	67,070	44,274	19,120	245,735
Utah	6,298	111	159	0	0	10,656	2,535	4,695	24,454
Vermont	6,950	451	0	9,881	0	8,206	2,400	3,520	31,408
Virgin Islands	11,136	0	0	0	0	14,548	0	0	25,685
Virginia	3,584	324	0	0	0	8,377	61,719	5,545	79,549
Washington	30,202	51	0	0	0	33,365	25,637	8,250	97,505
West Virginia	9,863	121	0	27,594	0	2,410	19,473	3,884	63,345
Wisconsin	36,896	2,519	2,562	0	0	68,891	256	30,730	141,853
Wyoming	15,373	318	0	13,734	0	14,340	5,802	11,448	61,014
<b>Total</b>	<b>\$1,402,482</b>	<b>\$38,462</b>	<b>\$2,968</b>	<b>\$346,264</b>	<b>\$1</b>	<b>\$1,391,912</b>	<b>\$644,991</b>	<b>\$459,654</b>	<b>\$4,286,733</b>

Note: The reason some values are negative is that support amounts include prior period adjustments.

Source: The data are derived from individual company payments reported on the USAC web site.

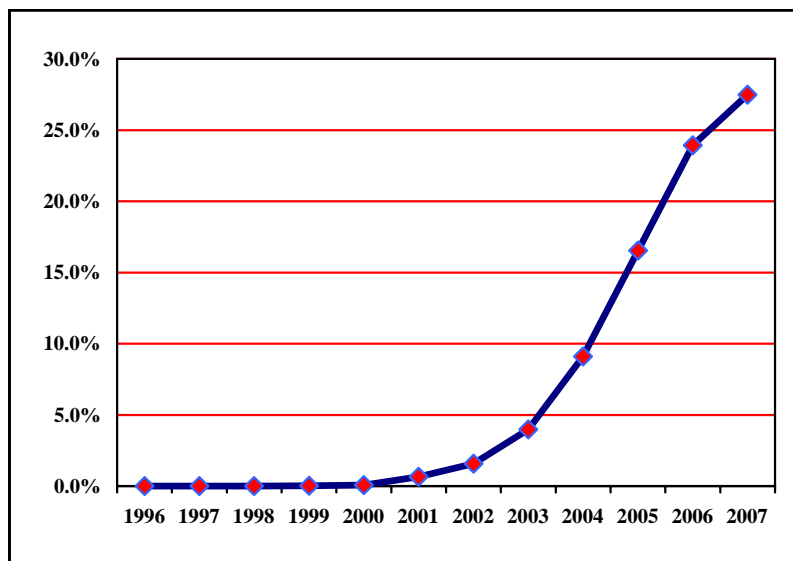
**Table 19.5**  
**High-Cost Support Received by Incumbent LECs and CETCs**  
**(In Millions of Dollars)**

	ILECs	CETCs	Total	Percent CETCs
1996	\$1,188	\$0	\$1,188	0.0 %
1997	1,263	0	1,263	0.0
1998	1,690	0	1,690	0.0
1999	1,717	1	1,718	0.0
2000	2,233	1	2,235	0.1
2001	2,575	17	2,592	0.7
2002	2,889	46	2,935	1.6
2003	3,136	130	3,265	4.0
2004	3,153	316	3,468	9.1
2005	3,169	628	3,796	16.5
2006	3,116	980	4,096	23.9
2007	3,108	1,179	4,287	27.5

Notes: ILECs is an abbreviation for incumbent local exchange carriers. CETCs is an abbreviation for competitive eligible telecommunications carriers. CETCs include both wireless and wireline carriers.

Sources: National Exchange Carrier Association (1996-1997).  
 Universal Service Administrative Company (1998-2007).

**Chart 19.4**  
**Percent of High-Cost Support Received by CETCs**



**Table 19.6**  
**High-Cost Support by Type of Carriers: 2006**  
(In Thousands of Dollars)

	ILECs <sup>1</sup>	CETCs <sup>2</sup>	Percent CETCs <sup>2</sup>	Rural Carriers	Non-Rural Carriers	Percent Non-Rural Carriers	Total
Alabama	\$99,577	\$16,394	14.1 %	\$49,053	\$66,918	57.7 %	\$115,971
Alaska	98,115	55,471	36.1	120,861	32,725	21.3	153,586
American Samoa	1,308	1,428	52.2	1,912	825	30.1	2,736
Arizona	67,143	15,872	19.1	65,310	17,706	21.3	83,015
Arkansas	101,917	30,589	23.1	113,999	18,507	14.0	132,506
California	105,001	1,056	1.0	67,938	38,120	35.9	106,058
Colorado	71,033	8,505	10.7	56,407	23,132	29.1	79,538
Connecticut	2,148	0	0.0	1,572	576	26.8	2,148
Delaware	261	0	0.0	0	261	100.0	261
District of Columbia	0	0	NA	0	0	NA	0
Florida	72,188	9,419	11.5	42,245	39,361	48.2	81,607
Georgia	99,093	8,625	8.0	82,987	24,731	23.0	107,717
Guam	9,360	7,345	44.0	12,848	3,857	23.1	16,705
Hawaii	22,582	18,214	44.6	31,198	9,598	23.5	40,797
Idaho	52,130	0	0.0	52,130	0	0.0	52,130
Illinois	67,768	1	0.0	57,921	9,848	14.5	67,769
Indiana	57,897	5,560	8.8	40,351	23,106	36.4	63,457
Iowa	63,386	42,239	40.0	86,542	19,083	18.1	105,625
Kansas	135,354	54,836	28.8	170,735	19,456	10.2	190,190
Kentucky	73,438	25,669	25.9	55,745	43,362	43.8	99,107
Louisiana	85,110	41,873	33.0	104,034	22,949	18.1	126,983
Maine	23,752	13,199	35.7	28,790	8,160	22.1	36,951
Maryland	4,544	3	0.1	1,988	2,559	56.3	4,547
Massachusetts	2,827	0	0.0	1,022	1,805	63.8	2,827
Michigan	43,794	15,144	25.7	52,530	6,408	10.9	58,938
Minnesota	79,602	40,292	33.6	102,986	16,908	14.1	119,894
Mississippi	136,387	139,647	50.6	47,544	228,490	82.8	276,033
Missouri	85,966	123	0.1	81,295	4,795	5.6	86,089
Montana	66,634	11,525	14.7	52,257	25,902	33.1	78,159
Nebraska	58,280	23,492	28.7	57,471	24,300	29.7	81,771
Nevada	24,927	6,327	20.2	21,949	9,304	29.8	31,254
New Hampshire	7,820	257	3.2	6,081	1,996	24.7	8,077
New Jersey	1,279	0	0.0	1,279	0	0.0	1,279
New Mexico	50,313	15,215	23.2	56,665	8,864	13.5	65,528
New York	45,613	3,309	6.8	38,814	10,108	20.7	48,922
North Carolina	74,033	7,437	9.1	53,994	27,476	33.7	81,469
North Dakota	41,368	39,535	48.9	64,869	16,034	19.8	80,903
Northern Mariana Islands	590	226	27.7	734	81	9.9	816
Ohio	41,582	0	0.0	34,210	7,373	17.7	41,582
Oklahoma	107,000	16,630	13.5	116,333	7,297	5.9	123,629
Oregon	62,298	9,952	13.8	52,302	19,948	27.6	72,250
Pennsylvania	64,023	1,491	2.3	51,701	13,813	21.1	65,514
Puerto Rico	29,461	93,860	76.1	0	123,321	100.0	123,321
Rhode Island	35	0	0.0	0	35	100.0	35
South Carolina	81,895	0	0.0	71,936	9,959	12.2	81,895
South Dakota	60,090	29,381	32.8	75,826	13,645	15.3	89,471
Tennessee	50,320	1,494	2.9	43,998	7,815	15.1	51,814
Texas	206,078	24,646	10.7	190,705	40,018	17.3	230,723
Utah	23,912	262	1.1	22,726	1,448	6.0	24,174
Vermont	24,958	5,880	19.1	17,124	13,714	44.5	30,838
Virgin Islands	25,250	0	0.0	25,250	0	0.0	25,250
Virginia	65,675	13,836	17.4	27,186	52,325	65.8	79,510
Washington	58,928	43,835	42.7	55,049	47,714	46.4	102,763
West Virginia	59,664	10,677	15.2	30,754	39,587	56.3	70,341
Wisconsin	83,013	51,196	38.1	106,808	27,400	20.4	134,209
Wyoming	39,687	17,950	31.1	33,329	24,309	42.2	57,637
<b>Total</b>	<b>\$3,116,405</b>	<b>\$979,916</b>	<b>23.9 %</b>	<b>\$2,839,293</b>	<b>\$1,257,032</b>	<b>30.7 %</b>	<b>\$4,096,321</b>

Figures may not add up due to rounding.

NA - Not Applicable

<sup>1</sup> ILECs is an abbreviation for incumbent local exchange carriers.

<sup>2</sup> CETCs is an abbreviation for competitive eligible telecommunications carriers. CETCs include both wireline and wireless carriers.

Source: Universal Service Administrative Company.

**Table 19.6 - Continued**  
**High-Cost Support by Type of Carriers: 2007**  
(In Thousands of Dollars)

	ILECs <sup>1</sup>	CETCs <sup>2</sup>	Percent CETCs <sup>2</sup>	Rural Carriers	Non-Rural Carriers	Percent Non-Rural Carriers	Total
Alabama	\$93,093	\$18,365	16.5 %	\$44,483	\$66,976	60.1 %	\$111,459
Alaska	95,194	66,161	41.0	120,011	41,345	25.6	161,356
American Samoa	816	2,554	75.8	1,628	1,742	51.7	3,370
Arizona	59,034	11,884	16.8	53,800	17,119	24.1	70,919
Arkansas	98,643	27,651	21.9	114,531	11,763	9.3	126,294
California	99,768	871	0.9	63,910	36,729	36.5	100,638
Colorado	72,782	9,269	11.3	60,300	21,751	26.5	82,051
Connecticut	1,264	0	0.0	732	531	42.0	1,264
Delaware	245	0	0.0	0	245	100.0	245
District of Columbia	0	0	NA	0	0	NA	0
Florida	65,072	17,236	20.9	38,648	43,661	53.0	82,308
Georgia	105,219	7,418	6.6	88,859	23,777	21.1	112,636
Guam	5,242	5,550	51.4	5,953	4,839	44.8	10,792
Hawaii	23,868	27,997	54.0	39,158	12,706	24.5	51,864
Idaho	50,115	3,954	7.3	52,764	1,306	2.4	54,069
Illinois	65,657	1,610	2.4	57,342	9,925	14.8	67,267
Indiana	64,040	7,694	10.7	49,707	22,028	30.7	71,734
Iowa	70,971	55,138	43.7	101,848	24,260	19.2	126,109
Kansas	139,568	82,909	37.3	195,875	26,602	12.0	222,477
Kentucky	71,232	25,699	26.5	56,161	40,770	42.1	96,931
Louisiana	95,552	67,579	41.4	133,782	29,349	18.0	163,131
Maine	23,392	13,174	36.0	28,751	7,816	21.4	36,567
Maryland	4,208	-1	0.0	1,715	2,492	59.2	4,207
Massachusetts	2,299	0	0.0	638	1,660	72.2	2,299
Michigan	45,290	21,951	32.6	58,209	9,032	13.4	67,241
Minnesota	84,231	48,213	36.4	112,254	20,190	15.2	132,444
Mississippi	136,683	146,721	51.8	53,171	230,232	81.2	283,404
Missouri	89,755	8,480	8.6	91,824	6,411	6.5	98,235
Montana	65,544	11,738	15.2	53,746	23,536	30.5	77,282
Nebraska	56,355	49,823	46.9	72,690	33,488	31.5	106,178
Nevada	23,152	6,481	21.9	20,547	9,087	30.7	29,634
New Hampshire	9,170	195	2.1	7,519	1,845	19.7	9,365
New Jersey	1,664	0	0.0	1,664	0	0.0	1,664
New Mexico	53,491	13,897	20.6	57,444	9,944	14.8	67,388
New York	46,766	5,776	11.0	40,362	12,180	23.2	52,542
North Carolina	66,786	11,086	14.2	54,400	23,472	30.1	77,872
North Dakota	45,229	39,542	46.6	67,201	17,570	20.7	84,771
Northern Mariana Islands	610	1,020	62.6	1,333	297	18.2	1,630
Ohio	46,205	0	0.0	39,408	6,798	14.7	46,205
Oklahoma	105,331	23,854	18.5	118,961	10,224	7.9	129,185
Oregon	61,212	19,758	24.4	57,983	22,987	28.4	80,970
Pennsylvania	53,842	1,710	3.1	42,116	13,436	24.2	55,552
Puerto Rico	33,453	101,573	75.2	0	135,026	100.0	135,026
Rhode Island	31	0	0.0	0	31	100.0	31
South Carolina	74,186	0	0.0	65,027	9,159	12.3	74,186
South Dakota	57,400	35,698	38.3	77,466	15,633	16.8	93,098
Tennessee	50,724	1,570	3.0	44,323	7,972	15.2	52,295
Texas	214,894	30,841	12.6	206,409	39,327	16.0	245,735
Utah	24,126	328	1.3	22,994	1,460	6.0	24,454
Vermont	25,402	6,006	19.1	17,599	13,809	44.0	31,408
Virgin Islands	25,685	0	0.0	25,685	0	0.0	25,685
Virginia	62,907	16,642	20.9	27,547	52,002	65.4	79,549
Washington	60,564	36,941	37.9	62,738	34,767	35.7	97,505
West Virginia	52,608	10,737	17.0	24,369	38,976	61.5	63,345
Wisconsin	86,328	55,525	39.1	113,471	28,382	20.0	141,853
Wyoming	41,330	19,685	32.3	37,172	23,842	39.1	61,014
<b>Total</b>	<b>\$3,108,230</b>	<b>\$1,178,503</b>	<b>27.5 %</b>	<b>\$2,986,228</b>	<b>\$1,300,507</b>	<b>30.3</b>	<b>\$4,286,733</b>

Figures may not add up due to rounding.

NA - Not Applicable

<sup>1</sup> ILECs is an abbreviation for incumbent local exchange carriers.

<sup>2</sup> CETCs is an abbreviation for competitive eligible telecommunications carriers. CETCs include both wireline and wireless carriers.

Source: Universal Service Administrative Company.



**Table 19.7**  
**Lifeline Monthly Support by State or Jurisdiction**  
**(As of March 31, 2007)**

	Basic Federal Support <sup>1</sup>			Additional State Support <sup>2</sup>			Federal Match			Total Federal Support			Total Federal and State Support <sup>2</sup>		
	Min.	Max.	Avg.	Min.	Max.	Avg.	Min.	Max.	Avg.	Min.	Max.	Avg.	Min.	Max.	Avg.
Alabama	\$8.25	\$8.25	\$8.25	\$1.50	\$3.50	\$3.48	\$0.75	\$1.75	\$1.74	\$9.00	\$10.00	\$9.99	\$10.50	\$13.50	\$13.47
Alaska	8.25	8.25	8.25	3.50	3.50	3.50	1.75	1.75	1.75	10.00	10.00	10.00	13.50	13.50	13.50
American Samoa	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Arizona	8.06	8.25	8.21	0.00	3.50	2.60	0.00	1.75	1.30	8.06	10.00	9.51	8.06	13.50	12.11
Arkansas	5.25	8.25	7.45	0.00	3.50	1.27	0.00	1.75	0.64	5.25	10.00	8.08	5.25	13.50	9.36
California	3.98	8.25	6.63	0.00	3.50	2.57	0.00	1.75	1.29	3.98	10.00	7.91	3.98	13.50	10.49
Colorado	8.25	8.25	8.25	0.00	3.50	3.47	0.00	1.75	1.73	8.25	10.00	9.98	8.25	13.50	13.45
Connecticut	7.48	8.25	7.48	1.18	1.18	1.18	0.59	0.59	0.59	8.07	8.84	8.07	9.25	10.02	9.25
Delaware	8.18	8.18	8.18	0.00	0.00	0.00	0.00	0.00	0.00	8.18	8.18	8.18	8.18	8.18	8.18
District of Columbia	5.60	5.60	5.60	3.50	3.50	3.50	1.75	1.75	1.75	7.35	7.35	7.35	10.85	10.85	10.85
Florida	8.06	8.25	8.25	3.50	3.50	3.50	1.75	1.75	1.75	9.81	10.00	10.00	13.31	13.50	13.50
Georgia	6.50	8.25	8.25	0.00	3.50	3.33	0.00	1.75	1.67	6.50	10.00	9.92	6.50	13.50	13.25
Guam	8.25	8.25	8.25	3.50	3.50	3.50	1.75	1.75	1.75	10.00	10.00	10.00	13.50	13.50	13.50
Hawaii	8.25	8.25	8.25	0.00	3.50	0.00	0.00	1.75	0.00	8.25	10.00	8.25	8.25	13.50	8.25
Idaho	6.50	8.25	8.15	0.00	3.50	3.45	0.00	1.75	1.73	6.50	10.00	9.87	6.50	13.50	13.32
Illinois	6.24	8.25	6.63	0.00	3.50	0.06	0.00	1.75	0.03	6.24	10.00	6.65	6.24	13.50	6.71
Indiana	7.27	8.25	7.53	0.00	0.00	0.00	0.00	0.00	0.00	7.27	8.25	7.53	7.27	8.25	7.53
Iowa	5.25	8.25	7.09	0.00	3.50	0.45	0.00	1.75	0.22	5.25	10.00	7.32	5.25	13.50	7.77
Kansas	7.00	8.25	7.31	0.00	3.50	3.37	0.00	1.75	1.68	7.00	10.00	9.00	7.00	13.50	12.36
Kentucky	6.99	8.25	8.13	0.00	3.50	2.58	0.00	1.75	1.29	6.99	10.00	9.42	6.99	13.50	12.01
Louisiana	8.25	8.25	8.25	0.00	3.50	0.52	0.00	1.75	0.26	8.25	10.00	8.51	8.25	13.50	9.02
Maine	8.14	8.25	8.16	0.00	3.50	3.48	0.00	1.75	1.74	8.14	10.00	9.90	8.14	13.50	13.38
Maryland	7.42	8.25	7.42	0.84	3.48	3.48	0.42	1.74	1.74	7.84	9.99	9.16	8.68	13.47	12.64
Massachusetts	8.14	8.25	8.14	3.50	3.50	3.50	1.75	1.75	1.75	9.89	10.00	9.89	13.39	13.50	13.39
Michigan	7.10	8.25	7.29	0.76	3.50	2.16	0.38	1.75	1.08	7.48	10.00	8.37	8.24	13.50	10.53
Minnesota	6.67	8.25	7.15	0.00	3.50	1.89	0.00	1.75	0.95	6.67	10.00	8.09	6.67	13.50	9.99
Mississippi	8.25	8.25	8.25	0.00	3.50	3.33	0.00	1.75	1.66	8.25	10.00	9.91	8.25	13.50	13.24
Missouri	6.50	8.25	7.32	0.00	3.50	3.49	0.00	1.75	1.75	6.50	10.00	9.06	6.50	13.50	12.56
Montana	8.25	8.25	8.25	0.00	3.50	3.03	0.00	1.75	1.51	8.25	10.00	9.76	8.25	13.50	12.79
Nebraska	6.06	8.25	7.11	0.00	3.50	3.41	0.00	1.75	1.71	6.06	10.00	8.82	6.06	13.50	12.23
Nevada	5.53	8.25	6.25	0.00	3.50	1.89	0.00	1.75	0.94	5.53	10.00	7.19	5.53	13.50	9.08
New Hampshire	8.14	8.25	8.15	0.00	0.00	0.00	0.00	0.00	0.00	8.14	8.25	8.15	8.14	8.25	8.15
New Jersey	7.07	8.25	8.02	0.00	3.50	3.48	0.00	1.75	1.74	7.07	10.00	9.76	7.07	13.50	13.24
New Mexico	8.25	8.25	8.25	0.00	3.50	3.35	0.00	1.75	1.67	8.25	10.00	9.92	8.25	13.50	13.27
New York	5.93	8.25	8.02	0.00	3.50	3.17	0.00	1.75	1.59	5.93	10.00	9.60	5.93	13.50	12.78
North Carolina	7.43	8.25	7.88	3.50	3.50	3.50	1.75	1.75	1.75	9.18	10.00	9.63	12.68	13.50	13.13
North Dakota	8.25	8.25	8.25	0.00	3.50	1.64	0.00	1.75	0.82	8.25	10.00	9.07	8.25	13.50	10.71
N. Marianna Islands	8.25	8.25	8.25	0.00	0.00	0.00	0.00	0.00	0.00	8.25	8.25	8.25	8.25	8.25	8.25
Ohio	6.99	8.25	7.31	0.00	3.50	3.49	0.00	1.75	1.74	6.99	10.00	9.06	6.99	13.50	12.55
Oklahoma	1.76	8.25	7.35	0.00	3.50	1.11	0.00	1.75	0.56	1.76	10.00	7.90	1.76	13.50	9.01
Oregon	8.09	8.25	8.25	0.00	3.50	3.47	0.00	1.75	1.74	8.09	10.00	9.99	8.09	13.50	13.46
Pennsylvania	6.62	8.25	7.72	0.00	3.50	1.06	0.00	1.75	0.53	6.62	10.00	8.25	6.62	13.50	9.31
Puerto Rico	8.25	8.25	8.25	3.38	3.50	3.39	1.69	1.75	1.70	9.94	10.00	9.95	13.32	13.50	13.34
Rhode Island	8.14	8.14	8.14	3.50	3.50	3.50	1.75	1.75	1.75	9.89	9.89	9.89	13.39	13.39	13.39
South Carolina	7.38	8.25	8.23	3.50	3.50	3.50	1.75	1.75	1.75	9.13	10.00	9.98	12.63	13.50	13.48
South Dakota	8.08	8.25	8.17	0.00	3.50	0.25	0.00	1.75	0.12	8.08	10.00	8.30	8.08	13.50	8.54
Tennessee	6.84	8.25	8.15	0.00	3.50	3.18	0.00	1.75	1.59	6.84	10.00	9.74	6.84	13.50	12.91
Texas	5.09	8.25	7.19	0.00	3.50	3.43	0.00	1.75	1.71	5.09	10.00	8.91	5.09	13.50	12.34
Utah	8.09	8.25	8.12	0.00	3.50	3.50	0.00	1.75	1.75	8.09	10.00	9.87	8.09	13.50	13.36
Vermont	8.14	8.25	8.17	0.00	3.50	3.50	0.00	1.75	1.75	8.14	10.00	9.92	8.14	13.50	13.41
Virgin Islands	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Virginia	6.68	8.25	7.51	0.00	3.50	3.19	0.00	1.75	1.59	6.68	10.00	9.10	6.68	13.50	12.29
Washington	6.75	8.25	7.81	0.00	3.50	1.97	0.00	1.75	0.99	6.75	10.00	8.80	6.75	13.50	10.77
West Virginia	6.50	8.25	8.25	0.00	3.50	2.78	0.00	1.75	1.39	6.50	10.00	9.64	6.50	13.50	12.42
Wisconsin	6.81	8.25	7.30	0.00	3.50	1.23	0.00	1.75	0.62	6.81	10.00	7.92	6.81	13.50	9.15
Wyoming	8.25	8.25	8.25	3.50	3.50	3.50	1.75	1.75	1.75	10.00	10.00	10.00	13.50	13.50	13.50
Nationwide	\$1.76	\$8.25	\$7.24	\$0.00	\$3.50	\$2.66	\$0.00	\$1.75	\$1.33	\$1.76	\$10.00	\$8.57	\$1.76	\$13.50	\$11.23

Notes: This table reflects only non-tribal support. All averages are weighted averages.

<sup>1</sup> Basic federal support includes both Tier 1 and Tier 2 support. See text for definitions.

<sup>2</sup> Includes only state support that is matched by federal support.

Source: Universal Service Administrative Company.

**Table 19.8**  
**Lifeline Subscribers and Link-Up Beneficiaries**

Year	Lifeline			Link-Up		
	Non-Tribal	Tribal	Total	Non-Tribal	Tribal	Total
1987			1,063,443			7,953
1988			1,828,862			105,758
1989			2,115,288			206,656
1990			2,466,513			513,155
1991			2,984,290			639,645
1992			3,440,216			743,285
1993			3,971,937			737,362
1994			4,423,119			837,964
1995			4,914,056			823,679
1996			5,233,425			808,354
1997 <sup>1</sup>			5,110,537			NA
1998			5,380,726			2,195,417
1999			5,640,094			1,834,766
2000	5,871,619	18,692	5,890,311	1,689,867	2,038	1,691,905
2001	6,144,089	56,820	6,200,909	1,670,260	23,355	1,693,615
2002	6,518,367	112,191	6,630,558	1,656,768	29,901	1,686,669
2003	6,490,614	147,203	6,637,817	1,653,301	22,289	1,675,590
2004	6,792,695	176,390	6,969,085	1,669,888	41,034	1,710,922
2005	6,883,048	236,458	7,119,506	1,653,101	86,857	1,739,958
2006 <sup>2</sup>	6,648,267	289,249	6,937,516	1,560,348	99,179	1,659,527

NA - Not Available.

<sup>1</sup> Subscriber data were not collected in 1997. Lifeline subscribership data were estimated by USAC.

<sup>2</sup> The reported subscribers and beneficiaries represent USAC data for the time period January 2006 through December 2006, which include true-ups for Lifeline subscribers and Link-Up beneficiaries through March 2007.

Source: Universal Service Administrative Company.

**Table 19.9**  
**Lifeline Subscribers and Link-Up Beneficiaries by State or Jurisdiction: 2006**

	Lifeline			Link-Up		
	Non-Tribal	Tribal	Total	Non-Tribal	Tribal	Total
Alabama	27,478	10	27,488	4,427	0	4,427
Alaska	2,021	35,328	37,349	19	16,030	16,049
American Samoa	590	0	590	17	0	17
Arizona	30,253	47,966	78,219	3,757	8,469	12,226
Arkansas	26,563	4	26,567	6,956	0	6,956
California	2,969,737	451	2,970,188	820,073	1	820,074
Colorado	27,662	8	27,670	1,044	0	1,044
Connecticut	50,879	0	50,879	3,904	0	3,904
Delaware	2,436	0	2,436	334	0	334
District of Columbia	10,305	0	10,305	572	0	572
Florida	144,585	1	144,586	21,324	0	21,324
Georgia	72,947	1	72,948	9,774	0	9,774
Guam	2,742	0	2,742	1,023	0	1,023
Hawaii	5,880	0	5,880	387	0	387
Idaho	31,815	486	32,301	1,596	7	1,603
Illinois	108,526	0	108,526	44,422	0	44,422
Indiana	59,065	0	59,065	22,047	0	22,047
Iowa	69,525	3	69,528	13,027	0	13,027
Kansas	28,375	37	28,412	3,573	0	3,573
Kentucky	69,547	0	69,547	11,154	0	11,154
Louisiana	21,003	1	21,004	3,713	0	3,713
Maine	68,175	467	68,642	15,470	33	15,503
Maryland	4,661	0	4,661	1,180	0	1,180
Massachusetts	109,576	2	109,578	2,161	0	2,161
Michigan	127,070	295	127,365	69,344	25	69,369
Minnesota	69,135	1,187	70,322	18,918	335	19,253
Mississippi	31,514	12	31,526	6,673	1	6,674
Missouri	59,778	11	59,789	8,965	4	8,969
Montana	10,862	6,445	17,307	735	2,111	2,846
Nebraska	22,104	405	22,509	2,306	30	2,336
Nevada	42,546	185	42,731	4,580	14	4,594
New Hampshire	6,241	0	6,241	131	0	131
New Jersey	124,591	0	124,591	6,556	0	6,556
New Mexico	55,696	17,031	72,727	5,076	5,590	10,666
New York	352,901	18	352,919	46,055	0	46,055
North Carolina	126,000	6	126,006	6,139	0	6,139
North Dakota	16,278	7,025	23,303	3,217	2,310	5,527
Northern Mariana Islands	808	0	808	1,310	0	1,310
Ohio	304,944	0	304,944	46,776	0	46,776
Oklahoma	6,712	142,827	149,539	9,718	54,592	64,310
Oregon	50,052	310	50,362	11,975	16	11,991
Pennsylvania	143,824	0	143,824	49,218	0	49,218
Puerto Rico	112,642	0	112,642	18,527	0	18,527
Rhode Island	34,824	0	34,824	762	0	762
South Carolina	25,230	8	25,238	3,944	0	3,944
South Dakota	14,072	17,070	31,142	4,228	4,960	9,188
Tennessee	53,864	0	53,864	5,648	0	5,648
Texas	611,652	717	612,369	138,377	0	138,377
Utah	28,561	371	28,932	1,649	84	1,733
Vermont	24,621	0	24,621	1,084	0	1,084
Virgin Islands	412	0	412	19	0	19
Virginia	20,447	0	20,447	3,710	0	3,710
Washington	125,848	9,643	135,491	62,443	3,869	66,312
West Virginia	5,922	0	5,922	1,285	0	1,285
Wisconsin	86,739	551	87,290	26,680	591	27,271
Wyoming	8,031	367	8,398	2,346	107	2,453
Industry Totals	6,648,267	289,249	6,937,516	1,560,348	99,179	1,659,527

The reported subscribers and beneficiaries represent USAC data for the time period January 2006 through December 2006, which include true-ups for Lifeline subscribers and Link-Up beneficiaries through March 2007.

Source: Universal Service Administrative Company.

**Table 19.10**  
**Low-Income Support Payments**  
**(In Thousands of Dollars)**

Year	Lifeline					Link Up			Total
	Non-Tribal	Tribal	TLS <sup>1</sup>	PICC <sup>2</sup>	Total	Non-Tribal	Tribal	Total	
1988	\$31,952	\$0	\$0	\$0	\$31,952	\$1,991	\$0	\$1,991	\$33,943
1989	50,878	0	0	0	50,878	4,480	0	4,480	55,358
1990	62,464	0	0	0	62,464	11,351	0	11,351	73,815
1991	79,104	0	0	0	79,104	13,705	0	13,705	92,809
1992	93,766	0	0	0	93,766	15,342	0	15,342	109,108
1993	109,083	0	0	0	109,083	17,019	0	17,019	126,102
1994	123,284	0	0	0	123,284	18,573	0	18,573	141,857
1995	137,277	0	0	0	137,277	18,392	0	18,392	155,670
1996	148,186	0	0	0	148,186	18,247	0	18,247	166,433
1997	147,579	0	0	0	147,579	13,711	0	13,711	161,290
1998 <sup>1</sup>	416,504	0	2,700	2,802	422,006	42,463	0	42,463	464,469
1999	438,576	0	3,136	4,450	446,162	33,991	0	33,991	480,153
2000	482,045	508	2,854	3,168	488,575	30,371	62	30,433	519,007
2001	548,421	6,960	3,195	0	558,576	30,314	475	30,788	589,364
2002	623,352	17,955	3,779	0	645,085	30,323	700	31,022	676,108
2003	657,098	24,167	4,425	0	685,690	30,170	515	30,686	716,376
2004	695,200	30,503	5,111	0	730,813	30,899	1,231	32,129	762,943
2005	716,566	45,847	6,218	0	768,631	31,715	2,802	34,517	803,147
2006	704,486	62,068	9,027	0	775,581	30,042	2,842	32,884	808,466

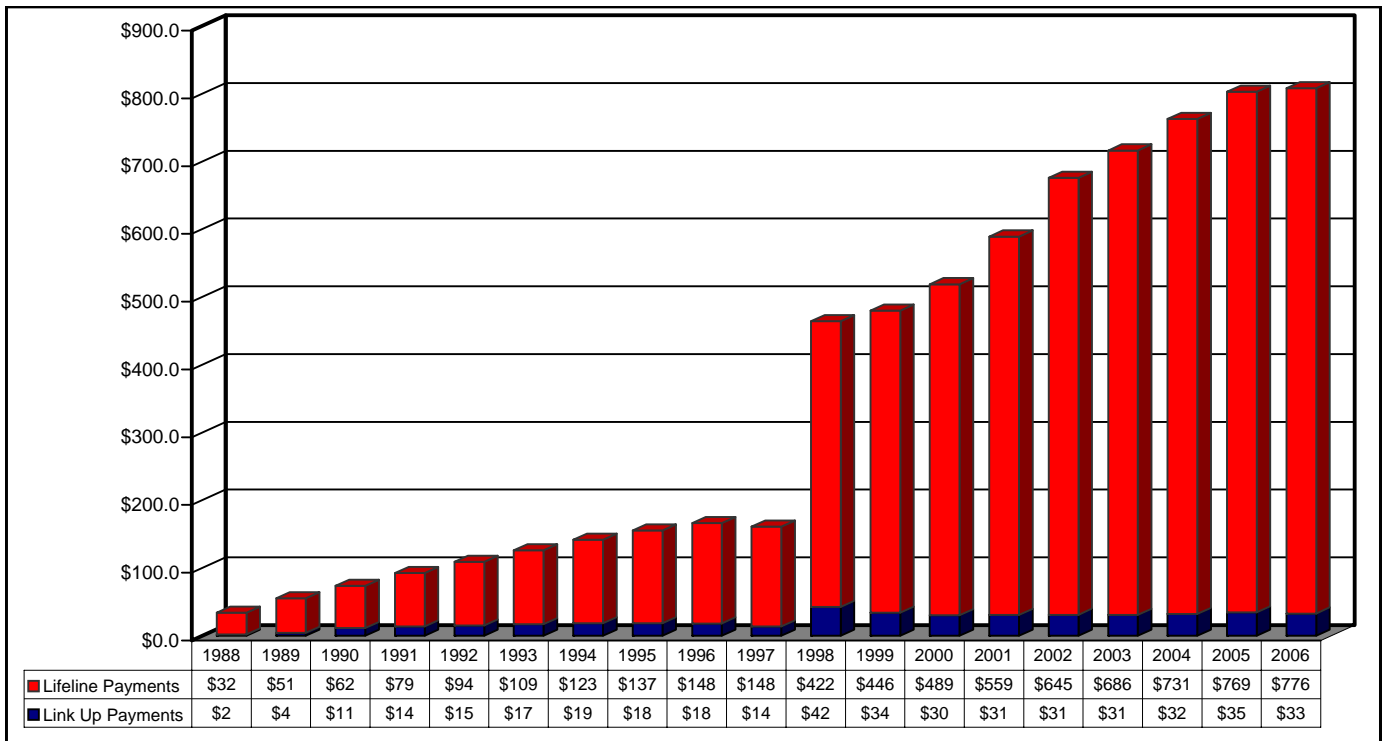
Note: Support payments reported in this table include all low income support disbursed based on commitments for a given year, including all true-ups through March 2007. Support payments reported for 2006 in Table 19.1, 19.2, and 19.12 report disbursements for 2006, regardless of the year of the commitments.

<sup>1</sup> TLS is an abbreviation for toll limitation service.

<sup>2</sup> Carriers no longer charge residential Presubscribed Interexchange Access Charges (PICCs) as of July 1, 2000.

Source: Universal Service Administrative Company (USAC).

**Chart 19.5**  
**Lifeline and Link-Up Support Payments**  
**(Dollar Amounts in Millions)**



**Table 19.11**  
**Low-Income Support Payments by State or Jurisdiction: 2006**  
(In Thousands of Dollars)

	Lifeline				Link-Up			Total
	Non-Tribal	Tribal	TLS	Total	Non-Tribal	Tribal	Total	
Alabama	\$3,286	\$1	\$6	\$3,293	\$88	\$0	\$88	\$3,381
Alaska	4,784	7,295	72	12,151	1	297	298	12,449
American Samoa	58	0	0	58	1	0	1	59
Arizona	8,947	12,627	68	21,642	79	165	245	21,886
Arkansas	2,577	0	6	2,584	151	0	151	2,735
California	275,994	30	3,871	279,894	14,808	0	14,808	294,703
Colorado	3,323	1	8	3,333	18	0	18	3,351
Connecticut	4,929	0	2	4,931	117	0	117	5,048
Delaware	239	0	0	239	6	0	6	245
District of Columbia	909	0	0	909	6	0	6	915
Florida	17,068	0	80	17,149	530	0	530	17,679
Georgia	8,611	0	32	8,643	226	0	226	8,869
Guam	338	0	0	338	18	0	18	356
Hawaii	595	0	0	596	9	0	9	605
Idaho	3,842	103	13	3,957	24	0	24	3,981
Illinois	8,516	0	43	8,559	969	0	969	9,529
Indiana	5,337	0	58	5,395	527	0	527	5,921
Iowa	6,159	1	414	6,574	283	0	283	6,857
Kansas	3,010	3	53	3,066	63	0	63	3,129
Kentucky	7,708	0	109	7,817	223	0	224	8,040
Louisiana	2,034	0	3	2,038	75	0	75	2,113
Maine	8,146	50	14	8,211	336	1	336	8,547
Maryland	513	0	0	513	28	0	28	541
Massachusetts	13,012	0	1	13,013	15	0	15	13,028
Michigan	12,294	53	643	12,989	1,817	0	1,817	14,807
Minnesota	6,810	146	392	7,347	380	7	387	7,733
Mississippi	3,693	4	6	3,702	144	0	144	3,847
Missouri	6,586	0	151	6,737	159	0	159	6,896
Montana	2,104	1,520	14	3,638	11	34	45	3,682
Nebraska	2,402	71	14	2,487	37	0	38	2,525
Nevada	3,623	14	7	3,645	90	0	90	3,734
New Hampshire	611	0	0	611	2	0	2	614
New Jersey	14,135	0	3	14,138	139	0	139	14,277
New Mexico	8,642	4,433	106	13,182	109	109	218	13,400
New York	40,425	2	13	40,440	682	0	682	41,123
North Carolina	14,562	1	29	14,591	131	0	131	14,722
North Dakota	2,545	1,570	43	4,157	60	129	189	4,346
Northern Mariana Islands	80	0	0	80	11	0	11	91
Ohio	33,157	0	276	33,432	813	0	813	34,245
Oklahoma	14,010	26,619	375	41,005	235	1,645	1,880	42,885
Oregon	6,063	52	140	6,255	167	0	168	6,423
Pennsylvania	14,271	0	2	14,274	978	0	978	15,252
Puerto Rico	13,386	0	0	13,386	417	0	417	13,803
Rhode Island	4,134	0	1	4,136	10	0	10	4,146
South Carolina	2,988	1	15	3,004	70	0	71	3,075
South Dakota	3,128	4,458	143	7,729	87	317	404	8,133
Tennessee	6,125	0	16	6,141	105	0	105	6,246
Texas	65,850	27	614	66,491	2,797	0	2,797	69,288
Utah	3,408	45	26	3,478	21	2	24	3,502
Vermont	2,941	0	3	2,945	15	0	16	2,960
Virgin Islands	59	0	0	59	0	0	0	59
Virginia	2,244	0	2	2,246	67	0	67	2,313
Washington	14,376	2,727	873	17,975	1,164	117	1,281	19,256
West Virginia	684	0	1	685	24	0	24	709
Wisconsin	8,209	132	109	8,450	642	7	649	9,100
Wyoming	1,003	84	155	1,242	58	10	68	1,310
Industry Totals	\$704,486	\$62,068	\$9,027	\$775,581	\$30,042	\$2,842	\$32,884	\$808,466

Note: Support payments reported in this table include all low income support disbursed based on commitments for 2006, including all true-ups through March 2007. Support payments reported for 2006 in Table 19.1, 19.2, and 19.12 report disbursements for 2006, regardless of the year of the commitments.

Source: Universal Service Administrative Company.

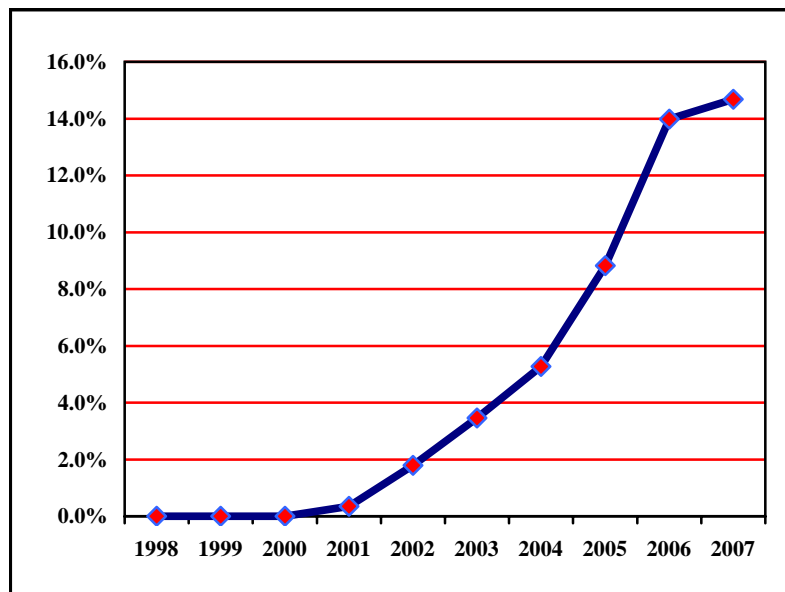
**Table 19.12**  
**Low-Income Support Received by ILECs and CETCs**  
**(In Millions of Dollars)**

	<b>ILECs</b>	<b>CETCs</b>	<b>Total</b>	<b>Percent CETCs</b>
1996	\$166	\$0	\$166	0.0 %
1997	161	0	161	0.0
1998	464	0	464	0.0
1999	480	0	480	0.0
2000	519	0	519	0.0
2001	587	2	589	0.3
2002	664	12	676	1.8
2003	692	25	716	3.5
2004	723	40	763	5.3
2005	737	71	809	8.8
2006	706	115	820	14.0
2007	702	121	823	14.7

Notes: ILECs is an abbreviation for incumbent local exchange carriers. CETCs is an abbreviation for competitive eligible telecommunications carriers. CETCs include both wireless and wireline carriers. In 2006, CETCs include temporary ETCs. Most companies that received Hurricane Katrina support were designated as temporary ETCs specifically for the purpose of serving consumers affected by Hurricane Katrina.

Source: Universal Service Administrative Company.

**Chart 19.6**  
**Percent of Low-Income Support Received by CETCs**



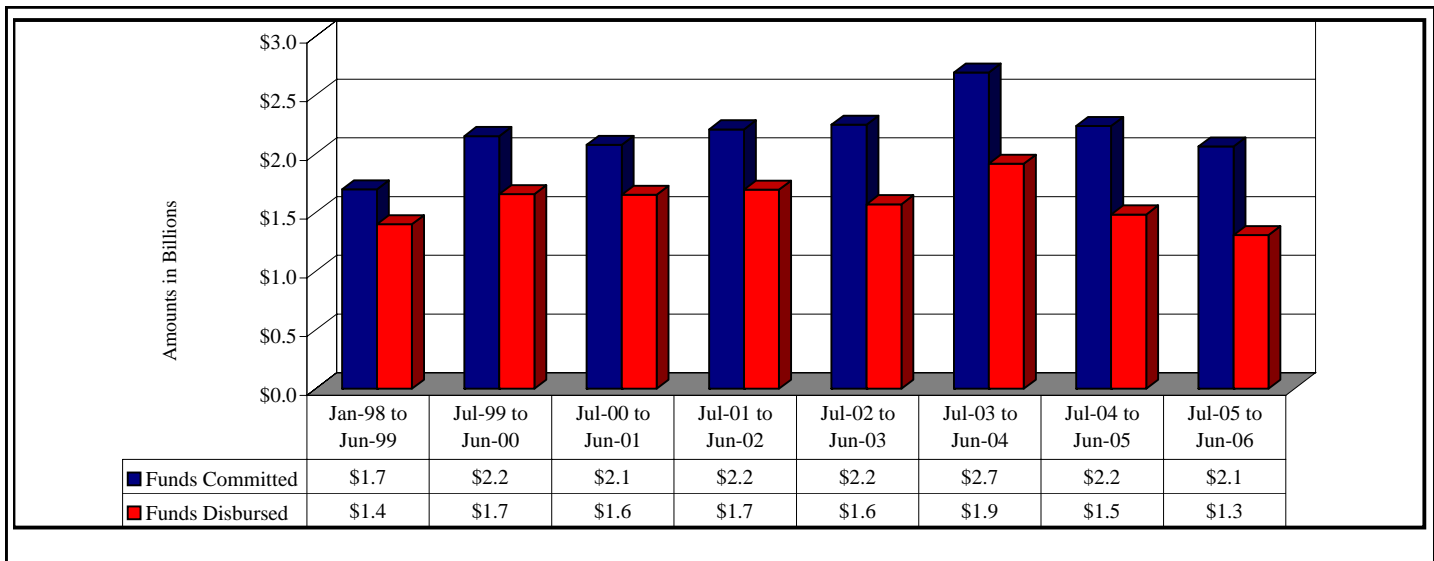
**Table 19.13**  
**Schools and Libraries Funding by Type of Service**  
**Funds Committed and Disbursed Through June 30, 2007<sup>1</sup>**  
**(In Thousands of Dollars)**

Funding Period	Internal Connections		Internet Access		Telecommunications		Totals	
	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed
Jan-98 to Jun-99	\$886,118	\$797,408	\$134,147	\$94,910	\$675,911	\$507,631	\$1,696,176	\$1,399,948
Jul-99 to Jun-00	1,366,115	1,106,210	149,576	95,743	634,326	452,901	2,150,016	1,654,853
Jul-00 to Jun-01	1,135,671	1,033,050	219,233	135,129	719,350	481,043	2,074,253	1,649,222
Jul-01 to Jun-02	1,208,154	1,007,748	224,624	151,838	774,119	534,810	2,206,896	1,694,396
Jul-02 to Jun-03	1,146,883	794,569	249,755	172,585	849,547	602,371	2,246,184	1,569,526
Jul-03 to Jun-04	1,520,223	1,063,910	278,156	202,803	892,997	646,509	2,691,376	1,913,223
Jul-04 to Jun-05	1,047,963	615,988	241,787	189,185	945,879	677,082	2,235,629	1,482,255
Jul-05 to Jun-06	831,564	392,028	266,293	206,163	962,450	708,569	2,060,307	1,306,759
Jul-06 to Jun-07	583,379	165,199	292,029	142,660	1,035,503	326,433	1,910,912	634,292

<sup>1</sup> Because of the appeals process, funding commitments and disbursements can be made after the program years' end.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division staff, Wireline Competition Bureau, FCC.

**Chart 19.7**  
**Total Schools and Libraries Funds Committed and Disbursed**



**Table 19.14**  
**Schools and Libraries Funding by State and by Type of Service**  
**Funding Period: July 1, 2005 Through June 30, 2006**  
**Activity Through June 30, 2007<sup>1</sup>**  
**(In Thousands of Dollars)**

State/Territory	Internal Connections		Internet Access		Telecom. and Dedicated		Totals	
	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed
Alabama	\$7,976	\$6,532	\$14,305	\$8,996	\$12,406	\$10,266	\$34,687	\$25,794
Alaska	664	449	8,440	7,805	9,436	8,270	18,540	16,524
American Samoa	0	0	0	0	0	0	0	0
Arizona	19,664	10,077	8,907	7,532	13,457	7,551	42,029	25,160
Arkansas	3,258	2,144	535	443	14,327	9,661	18,120	12,247
California	162,470	80,975	14,090	9,805	118,481	76,515	295,042	167,295
Colorado	10,468	5,480	1,925	1,397	11,646	8,012	24,039	14,889
Connecticut	3,692	2,226	2,764	2,094	14,751	12,877	21,207	17,198
Delaware	113	35	29	15	754	693	896	744
District of Columbia	892	558	161	112	341	148	1,394	818
Florida	13,336	6,701	13,219	11,009	36,890	30,849	63,445	48,559
Georgia	25,751	11,780	10,186	8,412	31,420	26,680	67,357	46,871
Guam	1,955	989	437	435	1,284	753	3,676	2,176
Hawaii	572	136	658	616	2,794	1,446	4,024	2,199
Idaho	546	285	1,507	1,254	2,376	1,791	4,429	3,330
Illinois	63,961	23,663	3,666	2,355	31,127	23,179	98,753	49,196
Indiana	4,905	919	7,113	5,126	14,302	11,705	26,320	17,750
Iowa	466	144	2,006	1,267	10,505	8,152	12,977	9,562
Kansas	279	59	3,267	2,462	10,832	6,803	14,378	9,324
Kentucky	13,842	5,206	3,220	1,242	14,198	10,510	31,259	16,958
Louisiana	22,919	12,174	5,691	4,545	23,695	18,191	52,305	34,909
Maine	960	177	1,008	916	5,026	4,170	6,994	5,264
Maryland	1,714	224	1,518	857	13,237	7,158	16,469	8,240
Massachusetts	6,471	4,968	5,805	4,178	16,143	10,972	28,419	20,118
Michigan	34,785	3,559	6,298	5,250	28,852	16,679	69,936	25,488
Minnesota	4,035	3,242	5,524	4,316	12,841	11,187	22,401	18,744
Mississippi	18,669	13,076	1,649	925	20,427	16,092	40,745	30,093
Missouri	12,577	6,787	2,976	1,724	18,899	9,516	34,452	18,026
Montana	302	174	957	797	2,482	1,939	3,741	2,910
Nebraska	131	88	992	854	6,786	5,957	7,909	6,899
Nevada	999	327	326	251	4,842	4,329	6,167	4,907
New Hampshire	241	52	652	513	1,101	714	1,994	1,279
New Jersey	15,672	5,008	5,342	3,838	29,455	19,452	50,468	28,298
New Mexico	23,121	10,150	3,524	2,121	9,103	5,809	35,747	18,079
New York	87,994	30,538	10,977	8,036	98,213	71,700	197,184	110,275
North Carolina	26,722	14,742	12,295	10,270	23,997	19,822	63,013	44,834
North Dakota	215	145	163	152	3,169	2,965	3,546	3,262
Northern Mariana Islands	275	275	377	350	502	260	1,154	885
Ohio	13,828	7,679	14,860	13,684	38,196	30,312	66,885	51,675
Oklahoma	27,378	11,626	8,479	6,476	14,788	10,305	50,645	28,408
Oregon	721	642	3,229	2,483	6,551	5,188	10,500	8,313
Pennsylvania	19,449	12,228	10,747	9,161	37,135	30,987	67,331	52,377
Puerto Rico	502	148	1,326	932	501	410	2,329	1,491
Rhode Island	1,522	902	718	657	2,917	2,543	5,157	4,101
South Carolina	18,713	7,187	1,230	801	22,243	19,640	42,186	27,629
South Dakota	1,493	1,065	455	418	3,585	2,979	5,533	4,462
Tennessee	9,103	5,924	29,598	23,925	14,552	12,643	53,252	42,492
Texas	130,326	73,116	18,730	14,036	69,954	53,463	219,009	140,615
Utah	2,577	1,193	722	572	12,300	9,839	15,598	11,605
Vermont	1	0	553	446	1,240	918	1,793	1,364
Virgin Islands	1,083	194	2,353	1,937	625	41	4,062	2,172
Virginia	1,476	648	5,376	4,684	21,429	18,249	28,281	23,581
Washington	4,953	1,896	1,591	1,123	13,835	9,239	20,379	12,259
West Virginia	1,890	309	1,204	946	8,106	6,477	11,199	7,732
Wisconsin	2,658	1,986	2,429	1,440	22,132	10,702	27,219	14,128
Wyoming	1,274	1,223	187	173	2,268	1,857	3,730	3,254
<b>Totals</b>	<b>\$831,564</b>	<b>\$392,028</b>	<b>\$266,293</b>	<b>\$206,163</b>	<b>\$962,451</b>	<b>\$708,569</b>	<b>\$2,060,307</b>	<b>\$1,306,759</b>

<sup>1</sup> Because of the appeals process, funding commitments have been made after the program year ended on June 30, 2006.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division staff, Wireline Competition Bureau, FCC.



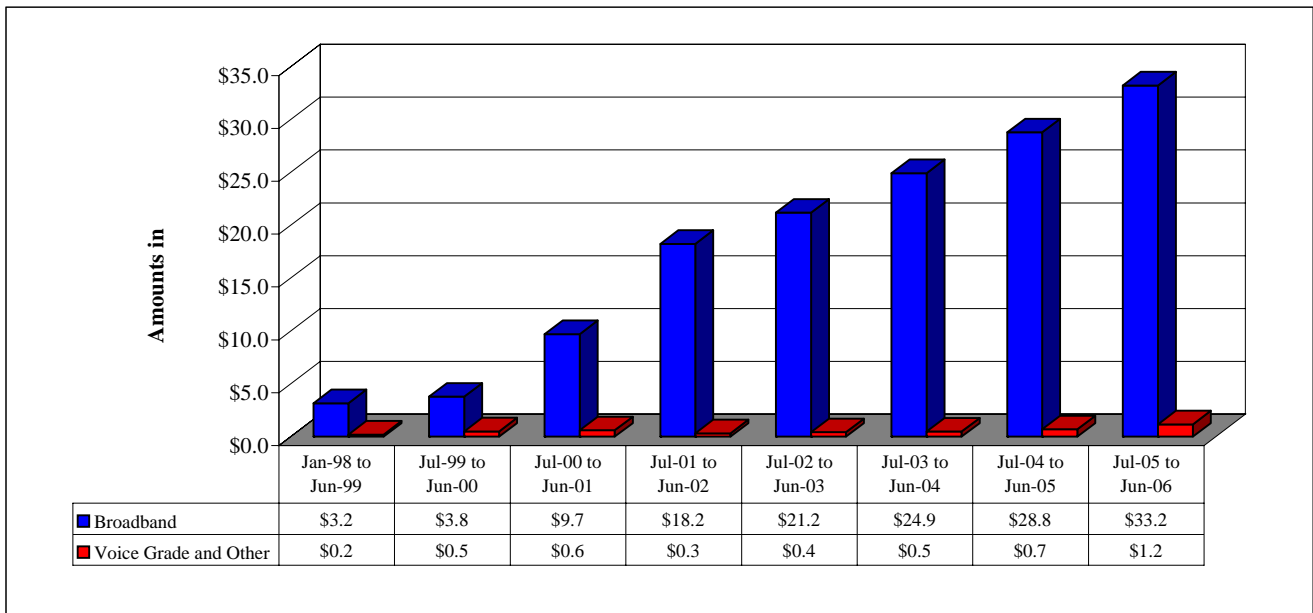
**Table 19.15**  
**Rural Health Care Fund Disbursements by Service Speed**  
**Activity Through June 30, 2007<sup>1</sup>**

Funding Year	Voice Grade	Broadband		Other Service or Speed Unknown	Total
	56K to 199K	200K to 1.49Mb	1.5Mb and faster		
Jan-98 to Jun-99	\$202,778	\$880,375	\$2,292,252	\$0	\$3,375,405
Jul-99 to Jun-00	452,992	1,073,816	2,719,619	58,132	4,304,559
Jul-00 to Jun-01	613,595	3,015,004	6,685,573	0	10,314,172
Jul-01 to Jun-02	319,539	8,110,537	10,125,267	0	18,555,343
Jul-02 to Jun-03	428,506	10,660,185	10,528,679	0	21,617,369
Jul-03 to Jun-04	477,146	11,353,665	13,572,815	7,559	25,411,185
Jul-04 to Jun-05	588,599	11,798,524	16,997,168	117,111	29,501,402
Jul-05 to Jun-06	805,153	15,266,288	17,965,181	362,936	34,399,557
Jul-06 to Jun-07	114,931	4,681,973	5,508,965	54,021	10,359,890

<sup>1</sup> Because of the appeals process, funding commitments and disbursements may be made after the program year ended.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

**Chart 19.8**  
**Rural Health Care Fund Disbursements by Service Speed**



**Table 19.16**  
**Rural Health Care Fund Disbursements by Service Speed and by State**  
**Funding Period: July 1, 2005 Through June 30, 2006**  
**Activity Through June 30, 2007<sup>1</sup>**

State	Voice Grade <sup>2</sup>	Broadband <sup>2</sup>		Other Service or Speed Unknown <sup>2</sup>	Total
	56 kbps to 199 kbps	200 kbps to 1.49 Mbps	1.5 Mbps and Faster		
Alabama	\$9,617	\$272,164	\$17,669	\$0	\$299,451
Alaska	29,522	11,803,472	7,981,818	0	19,814,812
American Samoa	0	0	0	0	0
Arizona	0	55,676	934,938	0	990,613
Arkansas	0	14,621	16,594	0	31,216
California	159,546	19,648	179,714	0	358,908
Colorado	11,261	6,422	89,886	0	107,569
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
District of Columbia	0	0	0	0	0
Florida	0	2,654	102,302	0	104,955
Georgia	7,944	68,970	347,466	14,544	438,924
Guam	0	0	0	0	0
Hawaii	0	3,768	180,236	0	184,004
Idaho	0	24,256	69,483	0	93,739
Illinois	5,099	15,680	367,409	0	388,188
Indiana	0	0	101,297	0	101,297
Iowa	58,045	22,593	140,169	30,627	251,434
Kansas	3,600	19,550	142,544	0	165,695
Kentucky	0	21,156	172,537	0	193,693
Louisiana	0	722,293	15,962	0	738,256
Maine	0	3,265	618	0	3,883
Maryland	0	0	0	0	0
Massachusetts	0	1,497	33,878	0	35,375
Michigan	12,051	58,767	639,958	0	710,776
Minnesota	2,702	101,344	1,079,056	64,610	1,247,711
Mississippi	6,375	135,946	53,298	0	195,618
Missouri	0	13,994	62,896	0	76,890
Montana	0	40,410	399,179	0	439,589
Nebraska	0	58,212	1,075,175	0	1,133,386
Nevada	0	0	0	0	0
New Hampshire	0	4,816	0	0	4,816
New Jersey	0	0	0	0	0
New Mexico	0	109,622	122,434	0	232,056
New York	5,701	2,648	18,713	0	27,062
North Carolina	0	0	145,615	0	145,615
North Dakota	24,405	223,542	425,509	0	673,456
Northern Mariana Islands	0	0	0	0	0
Ohio	0	0	60,527	19,560	80,087
Oklahoma	0	88,503	0	2,595	91,098
Oregon	0	0	0	0	0
Pennsylvania	4,846	12,233	38,778	0	55,857
Puerto Rico	0	0	0	0	0
Rhode Island	0	0	0	0	0
South Carolina	0	23,036	25,418	2,597	51,051
South Dakota	1,687	24,137	806,614	233	832,671
Tennessee	0	6,700	159,860	0	166,560
Texas	0	879,592	16,310	0	895,902
Utah	0	118,935	318,209	0	437,145
Vermont	0	22,120	60,533	0	82,653
Virgin Islands	0	41,465	0	0	41,465
Virginia	0	8,090	254,434	0	262,524
Washington	0	3,574	32,381	0	35,954
West Virginia	3,662	12,720	75,790	0	92,172
Wisconsin	459,091	183,097	1,140,415	228,170	2,010,774
Wyoming	0	15,102	59,554	0	74,656
Totals	\$805,153	\$15,266,288	\$17,965,181	\$362,936	\$34,399,557

<sup>1</sup> Because of the appeals process, funding commitments have been made after the program year ended on June 30, 2006.

<sup>2</sup> USAC data contain a short description of the services the health care providers receive. These service descriptions are rolled up into the categories above. Some inferences were made when service speed was not clearly indicated. For example, frame relay was assumed to be broadband in the range of 200 kbps to 1.5 Mbps, even though some frame relay service speeds may be faster.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division staff, Wireline Competition Bureau, FCC.

**Table 19.17**  
**Universal Service Fund Contribution Factors**

<b>Year</b>	<b>Quarter</b>	<b>Factors for Interstate End-User Revenues</b>	<b>Factors for Intrastate End-User Revenues <sup>1</sup></b>
1998	First Quarter	3.19 %	0.72 %
	Second Quarter	3.14	0.76
	Third Quarter	3.14	0.75
	Fourth Quarter	3.18	0.75
1999	First Quarter	3.18	0.58
	Second Quarter	3.05	0.57
	Third Quarter	2.94	0.99
	Fourth Quarter (Oct.) <sup>2</sup>	2.887	1.10
	Fourth Quarter (Nov. & Dec.) <sup>2</sup>	5.8995	
2000	First Quarter	5.8770	
	Second Quarter	5.7101	
	Third Quarter	5.5360	
	Fourth Quarter	5.6688	
2001	First Quarter	6.6827	
	Second Quarter	6.8823	
	Third Quarter	6.8941	
	Fourth Quarter	6.9187	
2002	First Quarter	6.8086	
	Second Quarter	7.2805	
	Third Quarter <sup>3</sup>	7.2805	
	Fourth Quarter	7.2805	
2003	First Quarter	7.2805	
	Second Quarter <sup>4</sup>	9.1	
	Third Quarter	9.5	
	Fourth Quarter	9.2	
2004	First Quarter	8.7	
	Second Quarter	8.7	
	Third Quarter	8.9	
	Fourth Quarter	8.9	
2005	First Quarter	10.7	
	Second Quarter	11.1	
	Third Quarter	10.2	
	Fourth Quarter	10.2	
2006	First Quarter	10.2	
	Second Quarter	10.9	
	Third Quarter	10.5	
	Fourth Quarter	9.1	
2007	First Quarter	9.7	
	Second Quarter	11.7	
	Third Quarter	11.3	
	Fourth Quarter	11.0	
2008	First Quarter	10.2	
	Second Quarter	11.3	
	Third Quarter	11.4	

<sup>1</sup> Initially, contributions for the schools and libraries and rural health care support mechanisms were based on interstate, international, and intrastate end-user telecommunications revenues, while contributions for high-cost and low-income support mechanisms were based on interstate and international end-user telecommunications revenues. See *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9200-05 (1997). Following a decision by the United States Court of Appeals for the Fifth Circuit, the Commission established a single contribution base for all universal service support mechanisms based on interstate and international revenues. See *Federal-State Joint Board on Universal Service, Access Charge Reform*, Sixteenth Order on Reconsideration and Eighth Report and Order in CC Docket No. 96-45 and Sixth Report and Order in CC Docket No. 96-262, 15 FCC Rcd 1679, 1685-86, para. 15 (1999) (*Eighth Report and Order*).

<sup>2</sup> Consistent with the Eighth Report and Order, the Wireline Competition Bureau (formerly Common Carrier Bureau) issued a single universal service contribution factor for November and December 1999. Effective November 1, 1999, this single contribution factor superseded the fourth quarter 1999 contribution factors previously announced by the Bureau on September 10, 1999. See Proposed Fourth Quarter 1999 Universal Service Contribution Factors, CC Docket No. 96-45, Public Notice, DA 99-2109 (Com. Car. Bur., rel. Oct. 8, 1999); See Proposed Fourth Quarter 1999 Universal Service Contribution Factors, CC Docket No. 96-45, Public Notice, DA 99-1857 (Com. Car. Bur., rel. Sept. 10, 1999).

<sup>3</sup> In the Schools First Report and Order, the Commission concluded that unused funds from the schools and libraries support mechanism would be applied to stabilize the collection requirement for universal service for the third and fourth quarters of 2002, and the first quarter of 2003, as necessary. (See *Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 2-6, First Report and Order, 17 FCC Rcd 11521 (2002)).

<sup>4</sup> Beginning with the second quarter of 2003, carriers contribute based on projected, collected, end-user interstate and international telecommunications revenues. Previously, carriers contributed based on historical, gross-billed revenues. The Commission also released an Order and Second Order on Reconsideration, which, inter alia, directed the Wireline Competition Bureau to announce the universal service contribution factor as a percentage rounded up to the nearest tenth of one percent. (See *Federal Joint Board on Universal Service, 1998 Biennial Regulatory Review - Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability, Truth-in-Billing and Billing Format*, Order and Second Order on Reconsideration, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, FCC 03-58 (rel. March 14, 2003), at para. 22.)

Source: Quarterly Public Notices on universal service contribution factors in CC Docket 96-45.

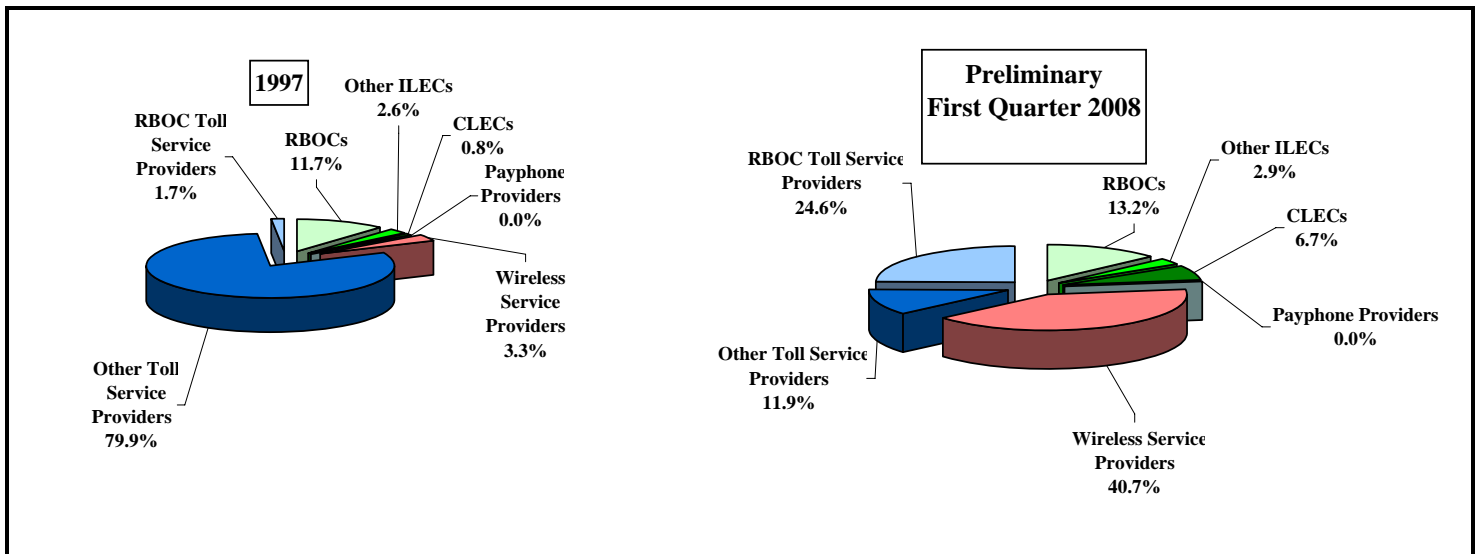
**Table 19.18**  
**Share of Universal Service Contributions**  
**By Principal Type of Contributor Using Traditional Carrier Categories** <sup>1 2</sup>

Service Provider Category	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Preliminary 1/ Q1	
											2007	2008
Regional Bell Operating Companies (RBOCs) Including CLEC Affiliates.	11.7 %	14.4 %	14.3 %	16.2 %	18.3 %	19.9 %	19.9 %	19.8 %	19.8 %	18.3 %	14.1 %	13.2 %
Incumbent Local Exchange Carriers (ILECs) Other Than RBOCs	2.6	1.4	1.5	1.7	2.1	2.8	3.2	3.4	3.4	3.4	3.1	2.9
Competitive Local Exchange Carriers (CLECs) Local Resellers and Other Local Carriers Other Than RBOCs	<u>0.8</u>	<u>1.3</u>	<u>2.6</u>	<u>2.2</u>	<u>2.7</u>	<u>3.3</u>	<u>3.5</u>	<u>3.8</u>	<u>4.4</u>	<u>5.0</u>	<u>6.5</u>	<u>6.7</u>
Total: Fixed Local Service Providers	15.1	17.1	18.5	20.1	23.1	26.0	26.6	27.0	27.6	26.7	23.6	22.8
Payphone Providers	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wireless Service Providers	3.3	5.1	6.6	9.2	12.0	17.2	24.8	27.8	29.2	33.9	38.4	40.7
RBOC Toll Service Providers	1.7	1.7	2.0	2.3	3.0	3.4	5.0	6.8	16.2	28.1	26.1	24.6
Other Toll Service Providers	<u>79.9</u>	<u>76.0</u>	<u>72.9</u>	<u>68.3</u>	<u>61.9</u>	<u>53.3</u>	<u>43.6</u>	<u>38.5</u>	<u>27.1</u>	<u>11.2</u>	<u>11.9</u>	<u>11.9</u>
Total: Toll Service Providers	81.6	77.7	74.9	70.6	64.9	56.7	48.6	45.2	43.2	39.3	38.0	36.4
Total All Filers	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

- <sup>1</sup> For years 1997 through 2002, the percentages are based on shares of reported subject interstate and international end-user billed revenues. The percentages shown for 2003 through 2005 are based on shares of reported subject interstate and international end-user collected revenues. Preliminary percentages shown for 2006 and 2007 are based on projected collected revenues from FCC Form 499-Q filings. Preliminary percentages for the first quarter of 2008 are based on projected collected revenues for that quarter, from the November 1, 2007 FCC Form 499-Q filings. Calculations exclude revenues for calls that both originate and terminate in foreign points. Calculations for years 1999 through 2003 include revenues for all filers. For the purposes of this table, AT&T and MCI filings are classified as RBOC filings as of the first quarter of 2006.
- <sup>2</sup> Prior to 2004, the FCC Form 499-A asked each filer to identify a single category of communications business that best described its operations. The service provider categories listed on FCC Form 499-A correspond to traditional breakdowns of the industry. Starting in 2004, carriers were allowed to specify more than one category and were allowed to identify themselves as an All Distance service provider. Revenues from these filers have been categorized using the traditional industry classification that best described each company.

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues* (June 2007) and FCC 499-Q filings.

**Chart 19.9**  
**Share of Universal Service Contributions by Principal Type of Contributor**



## **20 Appendix A – List of Publications by the Industry Analysis and Technology Division**

Most recent release dates are shown in parentheses:

*High-Speed Services for Internet Access: Status as of June 30, 2007* (March 2008).

*Infrastructure of the Local Operating Companies* (October 2000). Updates can be found in Section 10 of the *Monitoring Report*.

*Local Telephone Competition: Status as of June 30, 2007* (March 2008).

*Universal Service Monitoring Report* (December 2007).

*Numbering Resource Utilization in the United States* (August 2008).

*Quality of Service Report of the Local Operating Companies* (February 2008).

*Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service* (August 2008).

*State-by-State Telephone Revenues and Universal Service Data* (April 2001). Updates can be found in Section 1 of the *Monitoring Report*.

*Statistics of Communications Common Carriers, 2005/2006 Edition* (June 2008).

*Statistics of the Long Distance Telecommunications Industry* (May 2003).

*Telecommunications Industry Revenues: 2006* (August 2008).

*Telecommunications Provider Locator* (September 2007).

*Telephone Penetration by Income by State* (March 2008).

*Telephone Subscribership in the United States* (August 2008).

*Telephone Subscribership on American Indian Reservations and Off-Reservations Trust Lands* (May 2003).

*Trends in Telephone Service* (August 2008).

## 21 Appendix B – Sources of Telecommunications Information

The information in this report and, in many cases, more detailed information can be downloaded from the Wireline Competition Bureau Statistical Reports web page at [www.fcc.gov/wcb/stats](http://www.fcc.gov/wcb/stats).

Printed copies of various statistical reports are available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, S.W., and from the Commission's duplicating contractor, Best Copy and Printing, Inc., 800-378-3160.

Additional information on regulated carriers, including investments, revenues, expenses, and earnings, is contained in the annual *Statistics of Communications Common Carriers*. The 2004/2005 edition can be found on the Wireline Competition Bureau Statistical Reports web page at [www.fcc.gov/wcb/iatd/socc.html](http://www.fcc.gov/wcb/iatd/socc.html).

Filings with the Securities and Exchange Commission, such as the annual reports on Form 10-K, can be downloaded from the U.S. Securities and Exchange Commission web page at [www.sec.gov](http://www.sec.gov).

The names, addresses, and telephone numbers for companies in the telephone industry are published in the Industry Analysis and Technology Division's *Telecommunications Provider Locator*, which can also be downloaded at [www.fcc.gov/wcb/iatd/locator.html](http://www.fcc.gov/wcb/iatd/locator.html). The most recent report was released on September 2007.

In April 2001, the Commission began requiring all new and existing telecommunications carriers providing interstate telecommunications services to register with the FCC using the FCC Form 499-A. Carriers file the form with the Commission's data collection agent, the Universal Service Administrative Company. Copies of the form can be downloaded from the Internet at [www.fcc.gov/formpage.html](http://www.fcc.gov/formpage.html). Information on registered companies can be found on the Internet at <http://gullfoss2.fcc.gov/cib/form499/499a.cfm>.

The information on personal consumption expenditures (Table 3.3) comes from the Bureau of Economic Analysis, National Economic Accounts, Table 2.4.5U. Personal Consumption Expenditures by Type of Product. See [www.bea.gov/bea/dn/nipaweb/nipa\\_underlying/TableView.asp#Mid](http://www.bea.gov/bea/dn/nipaweb/nipa_underlying/TableView.asp#Mid).

The information on consumer expenditures (Table 3.1), employment (Tables 5.1 and 5.2), and price indices (Tables 12.1 - 12.3) comes from the Bureau of Labor Statistics and can be found on the Internet at [www.bls.gov](http://www.bls.gov).

FCC rules require carriers to provide more detailed traffic data about international telephone service than about domestic service. Because of delays in international settlements, such information is typically received by the Commission much later than domestic data and is usually published separately. Tables 6.1 - 6.5 contain summary information on international telephone service. More detailed international data are available from *International*

*Telecommunications Data and Trends in the International Telecommunications Industry*, both of which are published by the International Bureau and are available at [www.fcc.gov/wcb/iatd/intl.html](http://www.fcc.gov/wcb/iatd/intl.html).

Tables 18.1 and 18.2 on area codes come from the North American Numbering Plan Administration (NANPA), which is part of Neustar, Inc. Additional information on NANPA can be found on the Internet at [www.nanpa.com](http://www.nanpa.com).

The information on wireless telephone service shown in Tables 11.1 and 11.3 was prepared from data received from CTIA-The Wireless Association<sup>TM</sup> 1600 16th Street N.W., Washington, D.C. 20036, 202-785-0081. CTIA can be found on the Internet at [www.ctia.org](http://www.ctia.org).

TNS Telecoms (TNS) has donated databases to the Commission containing information on residential phone usage collected from actual consumer telecommunications bills. TNS has granted the Commission permission to use these databases for research purposes and to publish the industry level results. TNS has been monitoring the telecommunications market since 1995 through both the ReQuest® consumer survey and Bill Harvesting® in the residential market and the BusinessWave® business survey in the business market. Tables 9.5, 9.6, and 14.1 - 14.6 are developed from these databases. For additional information, visit [www.tnstelecoms.com](http://www.tnstelecoms.com) or contact them at 1-866-811-TNST or by e-mail at [contact@tnstelecoms.com](mailto:contact@tnstelecoms.com). Their address is 101 Greenwood Avenue, Suite 502, Jenkintown, PA 19046.

On September 9, 2004, the Commission released its Fourth Report to the Congress on the *Availability of Advanced Telecommunications Capability in the United States*. A copy of this can be found on the Commission's web site at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-04-208A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-04-208A1.pdf). A copy may also be obtained through from the Commission's duplicating contractor.

Copies of NTIA's 2007 report entitled, *Networked Nation: Broadband in America* as well as NTIA's 2004 report entitled, *A Nation Online: Entering the Broadband Age* can be obtained through NTIA's web site at [www.ntia.doc.gov](http://www.ntia.doc.gov) or by contacting NTIA's Office of Public Affairs at (202) 482-7002.

Tables 17.1, 17.2, and 17.4 contain information from the ARMIS 43-07 reports for the Bell operating companies. Table 17.3 contains information from the ARMIS 43-05. Individual carrier information can be obtained from the ARMIS web page at [www.fcc.gov/wcb/armis](http://www.fcc.gov/wcb/armis).

Chart 17.1 shows the number of patents granted for telecommunications. Additional information on U.S. patents can be found on the Internet at [www.uspto.gov](http://www.uspto.gov).

The National Exchange Carrier Association (NECA) administers access charge revenue pooling for about 1,150 local telephone companies. Their headquarters is located at 80 South Jefferson Road, Whippany, NJ 07981-1009, and they can be reached at 800-228-8597. NECA's website can be found on the Internet at [www.neca.org](http://www.neca.org).

The United States Telecom Association (USTA) (1401 H Street N.W., Washington, D.C. 20005, 202-326-7300) represents most incumbent local telephone companies. Like many trade associations, it collects information from each of its members. It publishes and sells various reports including an annual publication called *Phone Facts*. USTA's website can be found on the Internet at [www.usta.org](http://www.usta.org).

Comptel/ALTS was formed in March 2005 by the merger of Comptel/ASCENT and the Association for Local Telecommunications Services (ALTS) and is currently located at 900 17<sup>th</sup> Street, N.W., Suite 400, Washington, D.C. 20006, 202-296-6650). They represent facilities-based competitive telecommunications service providers, emerging VOIP providers, integrated communications companies, and their service partners, and can be found on the Internet at <http://www.comptel.org>.



## 22 Appendix C – Contacting the Report Authors

*Trends in Telephone Service* was prepared by the Industry Analysis and Technology Division, Wireline Competition Bureau, Federal Communications Commission. Principal authors of the report can be contacted at their electronic mail addresses or by calling the Industry Analysis and Technology Division at 202-418-0940. Users of TTY equipment should call 202-418-0484.

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Earnings .....	Stephen Steckler
Employment and Labor Productivity.....	Kenneth Lynch
International Telephone Service .....	Jim Lande
Lines and Payphones.....	Alex Belinfante or James Eisner or Craig Stroup
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Price Indices for Telephone Service .....	James Eisner
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Universal Service – Lifeline/Link-Up .....	Suzanne Mendez or James Eisner
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