



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE
August 28, 2008

NEWS MEDIA CONTACT:
Mark Wigfield at (202) 418-0253
E-mail: Mark.Wigfield@fcc.gov

FCC Releases *Reference Book*

Washington, D.C. – Today, the Federal Communications Commission (FCC) released its annual report, *Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service*. The report contains information on local and long distance rates paid by residential and business consumers, household expenditures, and price indices. Highlights include the following:

Toll Service Rates

- During 2007, the consumer price index for interstate toll service rose 2.4% and the consumer price index for intrastate toll service increased 5.9%, while the overall consumer price index rose 4.1%.
- The average revenue per minute of long distance calling, which reflects rates paid by residential and business consumers, has fallen from 15 cents in 1992, when discount and promotional long distance plans were introduced, to 6 cents in 2006, a decrease of 60%.

Rates for Local Service

- The average rate paid by residential customers for unlimited touch-tone calling was \$25.62 in 2007, compared to \$25.26 in 2006, an increase of 1.4%. Connection charges for residential customers rose from \$43.13 to \$43.22 during the same period, an increase of 0.2%.
- The Lifeline universal service program subsidizes the monthly phone charges for low-income households, while the Link-Up program subsidizes charges for the connection of a phone line. Based on a sample of cities, Lifeline conferred an average monthly benefit of \$14.99, and Link-Up conferred an average benefit of \$30.04.
- The average rate paid by business customers for a single phone line was \$48.67 in 2007, compared to \$45.32 in 2006, an increase of 7.4%. Connection charges for single-line business customers fell from \$68.96 in 2006 to \$68.74 in 2007, a decrease of 0.32%.

Consumer Expenditures for Telephone Service

- According to Bureau of Labor Statistics (BLS) surveys, telephone service continues to comprise approximately 2% of household expenditures. Average monthly expenditures for telephone service by households with telephone service rose from \$87.33 in 2006 to \$90.58 in 2007, an increase of 3.7%.
- Also, according to BLS surveys, urban households continue to spend more on telephone service than rural households. During 2007, average annual expenditures for urban households were \$1,091, as compared to \$1,038 for rural households.
- According to data provided by TNS Telecoms, a marketing research firm, households with wireline telephone service spent an average total of \$113 per month on telephone services during the year 2007 (compared to \$102 in 2006). Out of that total, households spent \$45 per month on local and long distance service (compared to \$44 in 2006), and \$68 per month on wireless service (compared to \$58 in 2006).

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

-- FCC --

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