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FOR IMMEDIATE RELEASE
May 22, 2002

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FCC Releases Study on *Telephone Trends*

Washington, D.C. – Today, the Federal Communications Commission (FCC) released its bi-annual report, *Trends in Telephone Service*. The report provides answers to some of the most frequently asked questions about the telephone industry asked by consumers, members of Congress, other government agencies, telecommunications carriers, and members of the business and academic communities.

The report presents in one publication statistics published in several FCC publications over the last six months. Highlights include the following:

Advanced Telecommunications Services

- High-speed lines (over 200 Kbps in at least one direction) connecting homes and businesses to the Internet increased by 36% during the first half of 2001, to a total of 9.6 million lines (or wireless channels) in service from about 7.1 million at the end of December 2000.
- About 5.9 million high-speed lines provided speed of over 200 Kbps in both directions, and thus met the Commission's definition of advanced services, compared to about 4.3 million at the end of December 2000.

International Calling

- The number of calls made from the United States to other countries increased from 200 million in 1980 to 6.6 billion in 2000.
- In 2000, Americans spent about \$14.9 billion on international calls. On average, carriers billed 51 cents per minute for international calls in 2000, a decline of more than 60% since 1980.

Local Telephone Competition

- As of June 30, 2001, competitive local exchange carriers (CLECs) provided 17.3 million (or 9.0%) of the approximately 192 million nationwide local telephone lines that were in service to end users as opposed to 14.9 million (or 7.7%) of nationwide local telephone lines at the end of 2000.
- About one-third of CLEC end-user lines are served over local loop facilities that the CLECs own.

- Incumbent local exchange carriers (ILECs) reported providing other carriers about 4.4 million lines on a resale basis as of June 30, 2001, compared to about 5.4 million lines six months earlier, and they provided about 7.9 million unbundled network element (UNE) loops as of June 30, 2001, compared to about 5.3 million loops six months earlier.

Telephone Rates

- Local phone rates have remained steady. The average monthly local residential charge for service was \$21.84 in October 2001 as compared to \$19.24 in 1990. For a business with a single phone line, the representative charge for service was \$42.18 in October 2001 as compared to \$41.21 in October 1990.

Subscribership

- More than twenty-three million households have been added to the nation's telephone system since November 1983. As of November 2001, 102.2 million households had telephone service.

Toll-Free Numbers

- There are currently four toll-free prefixes in use - 800, 888, 877, and 866 - with over 24.5 million toll-free numbers assigned as of the end of April 2002.

This report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th, S.W. Copies may be purchased by calling Qualex International, Portals II, 445 12th Street S.W., Room CY-B402, Washington, DC 20554, (202) 863-2893, or via e-mail qualexint@aol.com. The report can be downloaded from the **FCC-State Link** Internet site at www.fcc.gov/wcb/stats.

-- FCC --

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

Trends in Telephone Service



*Industry Analysis and Technology Division
Wireline Competition Bureau*

May 2002

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Customer Response

Publication: *Trends in Telephone Service – May 2002*

You can help us provide the best possible information to the public by completing this form and returning it to the Industry Analysis and Technology Division of the FCC's Wireline Competition Bureau.

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- potential telecommunications carrier
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| Text clarity | () | () | () | () | () |
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Introduction

Trends in Telephone Service is published by the Industry Analysis and Technology Division (formerly the Industry Analysis Division) of the Federal Communication Commission's Wireline Competition Bureau (formerly the Common Carrier Bureau).¹ We have designed this report 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, long distance carriers, telephone rates and price changes, 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.² In most cases, these other reports give much more detailed information than that provided here. These reports can be accessed from our Internet site, **FCC-State Link**, at 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.

Highlights from sections in the report on advanced telecommunications services, international calling, local competition, telephone rates, subscribership, and toll-free numbers are shown below.

Advanced Telecommunications Services

- High-speed lines (over 200 Kbps in at least one direction) connecting homes and businesses to the Internet increased by 36% during the first half of 2001, to a total of 9.6 million lines (or wireless channels) in service from about 7.1 million at the end of December 2000.
- About 5.9 million high-speed lines provided speed of over 200 Kbps in both directions, and thus met the Commission's definition of advanced services, compared to about 4.3 million at the end of December 2000.

International Calling

- The number of calls made from the United States to other countries increased from 200 million in 1980 to 6.6 billion in 2000.

¹ *Trends in Telephone Service* was last published in August 2001.

² See Appendix A for a list of these publications.

- In 2000, Americans spent about \$14.9 billion on international calls. On average, carriers billed 51 cents per minute for international calls in 2000, a decline of more than 60% since 1980.

Local Telephone Competition

- As of June 2001, Competitive Local Exchange Carriers (CLECs) provided 17.3 million (or 9.0%) of the approximately 192 million nationwide local telephone lines that were in service to end users as opposed to 14.9 million (or 7.7%) of nationwide local telephone lines at the end of 2000.
- About one-third of CLEC end-user lines are served over local loop facilities that the CLECs own.
- Incumbent local exchange carriers (ILECs) reported providing other carriers about 4.4 million lines on a resale basis as of June 30, 2001, compared to about 5.4 million lines six months earlier. ILECs provided about 7.9 million unbundled network element (UNE) loops as of June 30, 2001, compared to about 5.3 million loops six months earlier.

Telephone Rates

- Local phone rates have remained steady over the last decade. The average monthly local residential charge for service was \$21.84 in October 2001 as compared to \$19.24 in 1990. For a business with a single phone line, the representative charge for service was \$42.18 in October 2001 as compared to \$41.21 in October 1990.

Subscribership

- More than twenty-three million households have been added to the nation's telephone system since November 1983. As of November 2001, 102.2 million households had telephone service.

Toll-Free Numbers

- There are currently four toll-free prefixes in use - 800, 888, 877, and 866 - with almost 24.5 million toll-free numbers assigned as of the end of April 2002.

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 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.¹ 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.

¹ Under the Commission's nomenclature, SLCs are called access charges even though they are collected from customers (end users) rather than long distance carriers.

As part of access charge reform in May of 2000, the FCC eliminated PICCs and consolidated them with SLCs, and 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. These LECs control over 98% of the industry's access lines. Current per-line charges and per-minute charges are reported for each of the carriers in Tables 1.3 and 1.4, respectively.

The data in Table 1.2 clearly illustrate the effectiveness of access reform in reducing the prices long distance carriers pay per minute for access to the local telephone companies' networks. Per-minute access prices have continually decreased over time, a trend that continues with implementation of the 1997 and 2000 reforms.

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

Rates in Effect		Charged to End Users 2/ (Subscriber Line Charges)			Charged to Long Distance Carriers 3/ (Presubscribed Interexchange Carrier Charges)			
From	To	Residential and Single-Line Business	Non-Primary Residential	Multiline Business and Centrex	Residential and Single-Line Business	Non-Primary Residential	Multiline Business	Centrex
05/26/84	05/31/85	\$0.00		\$4.99				
06/01/85	09/30/85	1.00		4.99				
10/01/85	05/31/86	1.00		4.97				
06/01/86	12/31/86	2.00		4.97				
01/01/87	06/30/87	2.00		5.12				
07/01/87	12/31/87	2.60		5.12				
01/01/88	11/30/88	2.60		5.01				
12/01/88	03/31/89	3.20		5.01				
04/01/89	12/31/89	3.50		4.94				
01/01/90	06/30/90	3.48		4.84				
07/01/90	12/31/90	3.48		4.83				
01/01/91	06/30/91	3.48		4.77				
07/01/91	11/27/91	3.49		4.74				
11/28/91	06/30/92	3.49		4.76				
07/01/92	06/30/93	3.49		4.68				
07/01/93	06/30/94	3.50		5.37				
07/01/94	06/30/95	3.50		5.45				
07/01/95	06/30/96	3.50		5.50				
07/01/96	06/30/97	3.50		5.53				
07/01/97	12/31/97	3.50		5.68				
01/01/98	06/30/98	3.50	\$4.98	6.92	\$0.49	\$1.50	\$2.52	\$0.35
07/01/98	12/31/98	3.50	4.99	7.11	0.49	1.38	2.38	0.38
01/01/99	06/30/99	3.50	5.88	7.05	0.49	1.38	2.22	0.32
07/01/99	12/31/99	3.50	5.84	6.94	0.95	1.77	2.78	0.42
01/01/00	06/30/00	3.50	5.81	6.94	0.92	1.70	2.44	0.35
08/11/00	06/30/01 4/	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

1/ 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 I.F.C.s in the National Exchange Carrier Association (NECA) pool.

2/ 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, 2001, the caps on SLCs for primary residential and single-line business, non-primary residential, and multiline business and Centrex lines equal \$5.00, \$7.00, and \$9.20, respectively. For NECA pool companies, the residential SLC cap is \$3.50, while the multiline business and Centrex SLC cap equals \$6.00.

3/ 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 PCCC rates for these lines. Therefore, the average multiline business and Centrex PCCC rates are reported separately. However, multiline business line counts, used to compute average PCCC 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. PICCs for other business lines have remained unchanged since that time. The cap on PICCs for multiline business lines is \$4.31. Centrex groups of 9 or fewer lines are capped at the multiline business PCCC rate of \$4.31 per group, and Centrex groups with more than 9 lines are capped at \$0.48 per line (1/9th the multiline business rate).

4/ 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: Industry Analysis Division, Common Carrier Bureau, *October 2001 Monitoring Report* (November 2001) and access tariff filings.

Table 1.2
Interstate Per-Minute Access Charges
(National Average in Cents per Minute) 1/

Rates in Effect		Interstate Charges for Switched Access Service				
From	To	Carrier Common Line per Originating Access Minute 1/	Carrier Common Line per Terminating Access Minute 1/	Traffic Sensitive per Switched Minute	Non-Traffic Sensitive per Switched Minute 2/	Total Charge per Conversation Minute 3/
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	06/31/01 4/	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

1/ 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.

2/ 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.

3/ 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.

4/ 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: Industry Analysis Division, Common Carrier Bureau, *October 2001 Monitoring Report* (November 2001) and access tariff filings.

**Table 1.3
Interstate Per-Line Access Charges by Carrier
(In Dollars per Month per Line) 1/**

Company	Rates Effective from 01/01/02 to 06/30/02							2000 Average Monthly Access Lines 2/ (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
BellSouth	\$5.00	\$6.95	\$7.84	\$0.00	\$0.00	\$2.94	\$0.32	15,105	2,615	6,675
Cincinnati Bell	5.00	6.07	5.32	0.00	0.00	0.00	0.00	653	86	293
Citizens	4.97	6.80	8.56	0.00	0.00	2.90	0.46	1,379	111	407
Global Crossing	4.71	5.91	8.03	0.00	0.00	1.02	0.28	644	93	264
Iowa Telecom	5.00	7.00	9.20	0.00	0.00	4.31	0.59	99	5	19
Qwest	4.97	6.53	7.87	0.00	0.00	0.69	0.18	10,031	1,864	4,763
SBC	4.75	4.84	5.21	0.00	0.00	0.19	0.04	30,776	6,991	18,550
Sprint	4.91	6.38	7.95	0.00	0.00	2.37	0.44	5,281	828	1,850
Verizon	4.99	6.39	7.37	0.00	0.00	2.19	0.56	33,959	7,059	16,595
Price Caps	4.91	5.93	6.69	0.00	0.00	1.41	0.22	97,927	19,652	49,416
NECA	5.00	NA	9.20	NA	NA	0.00	NA	9,642	NA	2,163
Price Caps and NECA	\$4.92	\$5.93	\$6.79	\$0.00	\$0.00	\$1.35	\$0.22	107,569	19,652	51,579

NA - Not available.

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

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

Source: Access tariff filings.

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

Company	Rates Effective from 01/01/02-06/30/02					Year 2000 Minutes of Use (Millions)		
	Carrier Common Line per Originating Access Minute	Carrier Common Line per Terminating Access Minute	Switched Traffic Sensitive per Access Minute	Switched Non-Traffic Sensitive per Access Minute 2/	Total Charge per Conversation Minute 3/	CCL Originating	CCL Terminating	Local Switching
	BellSouth	0.00 ¢	0.00 ¢	0.36 ¢	0.18 ¢	1.10 ¢	27,845	57,012
Cincinnati Bell	0.00	0.00	0.51	0.21	1.49	1,042	2,162	3,215
Citizens	0.57	0.00	0.87	0.65	3.69	2,747	2,865	5,680
Global Crossing	0.05	0.00	0.61	0.41	2.15	575	1,583	2,160
Iowa Telecom	0.81	0.00	0.84	0.15	2.90	134	185	331
Qwest	0.00	0.00	0.54	0.18	1.47	21,018	39,686	61,107
SBC	0.00	0.00	0.43	0.21	1.30	64,610	92,623	158,985
Sprint	0.03	0.00	0.63	0.17	1.68	10,375	15,681	26,235
Verizon	0.20	0.00	0.44	0.21	1.54	58,300	131,143	190,087
Price Caps	0.07	0.00	0.45	0.21	1.42	186,646	342,940	530,987
NECA	1.00	1.50	1.12	1.43	7.75	16,085	17,824	17,354
All Price Caps and NECA	0.15 ¢	0.07 ¢	0.47 ¢	0.24 ¢	1.69 ¢	202,731	360,764	548,341

1/ 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.

2/ 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.

3/ 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.

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 launched a formal data collection program (FCC Form 477) to gather standardized information about subscribership to high-speed services, including advanced services, from wireline telephone companies, cable TV companies, terrestrial wireless providers, satellite providers, and any other facilities-based providers of advanced telecommunications capability.

A facilities-based provider of high-speed service lines (or wireless channels) in a given state reports to the Commission basic information about its service offerings and customers if the provider has at least 250 such lines in service in that state. While providers not meeting the reporting threshold may provide information on a voluntary basis, as some have done, we have no assurance that all such providers have reported data.

Table 2.1 shows high-speed lines (over 200 Kbps in at least one direction) for the following types of technology: Asymmetric digital subscriber lines (ADSL), wireline other than ADSL, coaxial cable, fiber, and satellite and fixed wireless. ADSL technologies provide speed in one direction greater than speed in the other direction. Wireline technologies other than ADSL include traditional telephone company high-speed services and symmetric DSL services that provide equivalent functionality. Coaxial cable includes the typical hybrid fiber-coax (HFC) architecture of upgraded cable TV systems. Fiber technologies are those optical fiber technologies deployed to the subscriber's premises (fiber-to-the-home, or FTTH). Satellite and fixed terrestrial wireless systems use radio spectrum to communicate with a radio transmitter located at the subscriber's premises.

Table 2.2 shows advanced services lines (over 200 Kbps in both directions) by the above technologies.

Table 2.3 and Table 2.4 show comparable data with respect to residential and small business customers only.

Table 2.5 shows high-speed lines by state for the above technologies.

Table 2.1
High-Speed Lines 1/
(Over 200 Kbps in at Least One Direction)

Types of Technology 2/	December 1999	June 2000	December 2000	June 2001	Percent Change	
					Jun 2000 - Dec 2000	Dec 2000 - Jun 2001
ADSL	369,792	951,583	1,977,101	2,693,834	108 %	36 %
Other Wireline	609,909	758,594	1,021,291	1,088,066	35	7
Coaxial Cable	1,411,977	2,284,491	3,582,874	5,184,141	57	45
Fiber	312,204	307,151	376,203	455,593	22	21
Satellite or Fixed Wireless	50,404	65,615	112,405	194,707	71	73
Total Lines	2,754,286	4,367,434	7,069,874	9,616,341	62 %	36 %

Table 2.2
Advanced Services Lines 1/
(Over 200 Kbps in Both Directions)

Types of Technology 2/	December 1999	June 2000	December 2000	June 2001	Percent Change	
					Jun 2000 - Dec 2000	Dec 2000 - Jun 2001
ADSL	185,950	326,816	675,366	998,883	107 %	48 %
Other Wireline	609,909	758,594	1,021,291	1,088,066	35	7
Coaxial Cable	877,465	1,469,130	2,193,609	3,329,976	49	52
Fiber	307,315	301,143	376,197	455,549	25	21
Satellite or Fixed Wireless	7,816	3,649	26,906	73,476	NM	173
Total Lines	1,988,455	2,859,332	4,293,369	5,945,950	50 %	38 %

NM - Not meaningful due to inconsistencies in reported data (note divergence of some data from trend), which may be due to misinterpretation of reporting instructions by some filers.

1/ Some previously published data have been revised.

2/ 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; wireline technologies other than ADSL, including traditional telephone company high-speed services and symmetric DSL services that provide equivalent functionality; coaxial cable, 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); and satellite and (terrestrial) fixed wireless systems, which use radio spectrum to communicate with a radio transmitter at the subscriber's premises.

Source: Industry Analysis Division, Common Carrier Bureau, *High-Speed Services for Internet Access: Subscribership as of June 30, 2001* (February 2002).

Table 2.3
Residential and Small Business High-Speed Lines 1/
(Over 200 Kbps in at Least One Direction)

Types of Technology 2/	December 1999	June 2000	December 2000	June 2001	Percent Change	
					Jun 2000 - Dec 2000	Dec 2000 - Jun 2001
ADSL	291,757	772,272	1,594,879	2,490,740	107 %	56 %
Other Wireline	46,856	111,490	176,520	138,307	NM	NM
Coaxial Cable	1,402,394	2,215,259	3,294,546	4,998,540	49	52
Fiber	1,023	325	1,994	2,623	NM	NM
Satellite or Fixed Wireless	50,189	64,320	102,432	182,165	59	78
Total Lines	1,792,219	3,163,666	5,170,371	7,812,375	63 %	51 %

Table 2.4
Residential and Small Business Advanced Services Lines
(Over 200 Kbps in Both Directions)

Types of Technology 2/	December 1999	June 2000	December 2000	June 2001	Percent Change	
					Jun 2000 - Dec 2000	Dec 2000 - Jun 2001
ADSL	116,994	195,324	393,246	916,364	101 %	133 %
Other Wireline	46,856	111,490	176,520	138,307	NM	NM
Coaxial Cable	872,024	1,401,434	2,177,328	3,146,953	55	45
Fiber	138	325	1,992	2,617	NM	NM
Satellite or Fixed Wireless	7,682	2,916	17,043	60,988	NM	NM
Total Lines	1,043,694	1,711,488	2,766,130	4,265,229	62 %	54 %

NM - Not meaningful due to inconsistencies in reported data which may be due to misinterpretation of reporting instructions by some filers, or to the small number of lines reported in particular categories.

Note: Residential and small business advanced services lines are estimated based on data from FCC Form 477.

1/ Some previously published have been revised.

2/ 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; wireline technologies other than ADSL, including traditional telephone company high-speed services and symmetric DSL services that provide equivalent functionality; coaxial cable, 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); and satellite and (terrestrial) fixed wireless systems, which use radio spectrum to communicate with a radio transmitter at the subscriber's premises.

Source: Industry Analysis Division, Common Carrier Bureau, *High-Speed Services for Internet Access: Subscribership as of June 30, 2001* (February 2002).

Table 2.5
High-Speed Lines by Technology 1/
(Over 200 Kbps in at Least One Direction)

	Dec 1999	Jun 2000	Dec 2000	Jun 2001				Percentage Change	
	Total	Total	Total	ADSL	Coaxial Cable	Other 2/	Total	Jun 2000 - Dec 2000	Dec 2000 - Jun 2001
Alabama	19,796	32,756	63,334	*	47,325	*	86,234	93 %	36 %
Alaska	*	*	934	*	0	*	20,906	NA	2,138
Arizona	58,825	111,678	153,500	39,828	*	*	158,122	37	3
Arkansas	8,155	15,539	28,968	*	*	5,154	40,803	86	41
California	547,179	910,006	1,386,625	735,677	609,174	360,963	1,705,814	52	23
Colorado	36,726	64,033	104,534	52,617	*	*	147,220	63	41
Connecticut	36,488	63,772	111,792	30,142	106,019	12,896	149,057	75	33
Delaware	1,558	3,660	7,492	*	*	*	12,771	105	70
District of Columbia	13,288	16,926	27,757	16,313	*	*	39,101	64	41
Florida	190,700	244,678	460,795	170,702	372,190	108,275	651,167	88	41
Georgia	75,870	130,292	203,855	106,649	109,922	86,027	302,598	56	48
Hawaii	*	*	*	*	*	*	*	NA	NA
Idaho	*	8,070	15,908	*	*	2,441	20,233	97	27
Illinois	77,672	166,933	242,239	89,080	144,872	116,289	350,241	45	45
Indiana	20,059	49,702	60,494	2,375	56,441	21,548	80,364	22	33
Iowa	19,258	49,159	58,199	9,532	59,253	3,798	72,583	18	25
Kansas	26,179	42,679	68,743	*	74,337	*	101,734	61	48
Kentucky	23,570	24,237	32,731	20,256	*	*	39,297	35	20
Louisiana	28,133	43,294	74,950	37,444	64,219	20,022	121,685	73	62
Maine	19,878	17,864	26,266	6,877	*	*	38,149	47	45
Maryland	52,749	71,005	124,465	51,051	97,466	32,504	181,021	75	45
Massachusetts	114,116	185,365	289,447	82,699	243,670	30,887	357,256	56	23
Michigan	81,223	135,318	198,230	41,428	301,842	52,313	395,583	46	100
Minnesota	38,268	65,272	117,283	51,640	80,259	16,113	148,012	80	26
Mississippi	*	6,514	12,305	*	*	7,551	21,517	89	75
Missouri	23,347	46,903	100,403	53,250	51,733	18,932	123,915	114	23
Montana	*	*	7,378	2,842	*	*	10,446	NA	42
Nebraska	36,748	44,188	54,085	9,293	37,168	8,727	55,188	22	2
Nevada	23,514	40,582	59,879	*	*	16,691	78,535	48	31
New Hampshire	22,807	33,045	42,364	5,651	*	*	55,658	28	31
New Jersey	101,832	144,203	285,311	102,430	*	*	428,514	98	50
New Mexico	*	2,929	28,497	7,578	*	*	20,482	873	-28
New York	186,504	342,743	603,487	197,135	564,423	131,474	893,032	76	48
North Carolina	57,881	81,998	136,703	41,332	115,949	48,335	205,616	67	50
North Dakota	*	2,437	4,227	*	*	*	6,277	73	48
Ohio	160,792	156,980	230,525	87,567	213,606	57,792	358,965	47	56
Oklahoma	96,730	163,703	95,138	31,321	*	*	92,947	NM	NM
Oregon	27,062	44,186	76,839	25,877	*	*	93,242	74	21
Pennsylvania	71,926	79,892	176,670	89,595	131,119	42,522	263,236	121	49
Puerto Rico	*	*	*	0	*	*	*	NA	NA
Rhode Island	*	20,628	30,919	*	*	1,908	49,215	50	59
South Carolina	25,229	32,824	63,914	9,704	68,487	18,648	96,839	95	52
South Dakota	*	3,516	2,839	1,652	*	*	5,448	-19	92
Tennessee	66,307	87,317	122,391	22,902	96,119	33,489	152,510	40	25
Texas	152,518	276,087	522,538	197,668	328,900	120,271	646,839	89	24
Utah	11,635	19,612	35,970	23,476	*	*	55,103	83	53
Vermont	*	1,551	7,773	*	*	*	16,230	401	109
Virgin Islands	0	*	*	*	0	*	*	NA	NA
Virginia	51,305	72,436	139,915	39,114	131,553	42,141	212,808	93	52
Washington	71,930	118,723	195,628	64,812	*	*	227,066	65	16
West Virginia	*	1,835	6,498	*	*	2,062	16,697	254	157
Wisconsin	18,599	34,262	76,257	17,800	*	*	127,755	123	68
Wyoming	*	*	*	*	*	*	*	NA	NA
Nationwide Reported Total	2,754,286	4,367,434	7,069,874	2,693,834	5,184,141	1,738,366	9,616,341	62 %	36 %

NA - Not available.

NM - Not meaningful due to inconsistencies in reported data due to misinterpretation of reporting instructions by some filers.

* Data withheld to maintain firm confidentiality.

1/ Some previously published data have been revised.

2/ Other includes wireline technologies other than asymmetric digital subscriber line (ADSL), optical fiber to the subscriber's premises, satellite, and (terrestrial) fixed wireless systems.

Source: Industry Analysis Division, Common Carrier Bureau, *High-Speed Services for Internet Access: Subscribership as of June 30, 2001* (February 2002).

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 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 fifteen 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 \$877 in 2000.

Bill harvesting data collected by TNS Telecoms provide information on the telecommunications expenditures of households. Expenditures can be classified by the type of carrier providing the service. Table 3.2 presents average monthly household expenditures for local exchange, long distance and wireless carriers for 1995 through 2000. Further information on TNS Telecoms and the bill harvesting data can be found in Section 15.

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

Source: Bureau of Labor Statistics, Consumer Expenditure Survey.

Chart 3.1

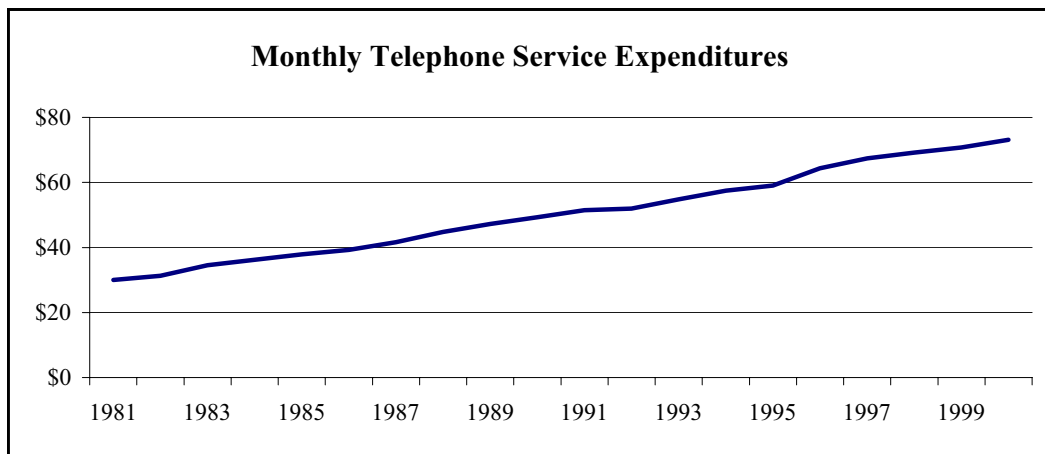


Table 3.2
Average Monthly Household Telecommunications
To Local and Long Distance Providers 1/

	Local Exchange Carriers 2/	Long Distance Carriers
1995	\$30	\$21
1996	30	21
1997	32	25
1998	33	23
1999	34	21
2000	35	18

1/ This sample does not include households from Alaska and Hawaii.

2/ Includes incumbent local exchange carriers and competitive local exchange carriers. Does not include DSL or other high-speed services.

Source: Calculated by IATD staff with data provided by TNS Telecoms (formerly PNR and Associates), *Telecoms Market Monitor*TM.

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 continued to file reports for each two-year monitoring period (1991-1992, 1993-1994, 1995-1996, 1997-1998, and 1999-2000), as well as annual reports for 1991, 1993, 1995, 1997, 1999, 2000, and 2001. Rate-of-return reports were previously required for AT&T but have been discontinued. Table 4.1 is a summary of rates of return for 1997-2001 for price-cap carriers. Rates of return for 1991-1996 can be found in the August 2001 *Trends* report.

The rates of return were 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 **FCC-State Link** web site at www.fcc.gov/wcb/stats. Copies of the FCC Form 492 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 1997 through 2001
Price-Cap Companies Reporting FCC Form 492A
(Final Reports for 1997 Through 2000 and Initial Report for 2001) 1/

Reporting Entity	2001	2000	1999	1998	1997
1 BellSouth Telecommunications, Inc.	21.22 %	22.83 %	20.99 %	20.80 %	17.91 %
2 Qwest Corporation, Including Malheur and El Paso	22.13	19.93	19.06	16.56	15.41
SBC Communications, Inc.					
3 Southwestern Bell Telephone Company	18.47	15.17	10.22	9.91	10.32
4 Ameritech Operating Companies	24.41	30.24	28.93	22.59	18.22
5 Nevada Bell	20.47	21.55	19.26	16.02	19.47
6 Pacific Bell	22.89	19.20	21.01	16.50	11.98
7 Southern New England Telephone Company	22.35	18.21	12.12	10.99	12.70
Verizon Telephone Companies					
8 Verizon Telephone Companies (Verizon FCC Tariff No. 1)	12.96	13.36	13.66		
(Former Bell Atlantic Companies)					
Bell Atlantic				13.88	14.73
Bell Atlantic (NYNEX)				11.40	13.72
New England Telephone and Telegraph Co.					
New York Telephone					
Verizon - West (Former GTE Companies)					
9 GTE California Inc. (California - GTCA)	28.73	25.87	22.01	17.19	17.68
10 GTE California, Inc. (California - COCA)	29.78	28.74	28.28	22.71	19.16
11 GTE California, Inc. (Arizona - COAZ)	13.19	10.90	15.57	13.80	14.17
12 GTE California, Inc. (Nevada - CONV)	26.57	28.82	20.57	24.01	31.44
13 GTE Florida Inc. (Florida - GTFL)	29.50	21.90	18.93	14.58	19.14
14 GTE Hawaiian Telephone Co. Inc. (Hawaii - GTHI)	17.02	17.87	17.62	15.64	10.55
15 GTE Midwest Inc. (Missouri - COMO + COCM + COEM = COMT)	20.79	17.06	15.29	12.56	12.39
16 GTE Midwest Inc. (Missouri - GTMO)	24.14	19.15	11.82	16.08	17.88
17 GTE North Inc. (COPA + COQS = COPT)	40.77	41.05	39.58	45.97	36.83
18 GTE North Inc. (Illinois - COIL)	54.92	44.51	41.03	14.11	41.14
19 GTE North Inc. (Indiana - COIN)	46.65	47.67	41.40	34.61	33.26
20 GTE North Inc. (Ohio - GTOH)	21.39	21.88	21.70	21.83	24.37
21 GTE North Inc. (Pennsylvania - GTPA)	23.20	21.95	21.41	14.67	20.62
22 GTE North Inc. (Wisconsin - GTWI)	13.84	16.99	17.85	16.08	18.75
23 GTE North/Contel Systems of South (GTIN + GLIN = GAIN)	32.88	33.00	32.47	29.06	23.61
24 GTE North/Contel Systems of South (GTMI + GLMI = GAMI)	17.63	16.45	15.75	13.17	15.33
25 GTE North/GTE South (GTIL + GLIL = GAIL)	23.56	23.90	22.35	23.07	21.59
26 GTE Northwest Inc. (Oregon - GTOR)	31.83	30.95	31.56	27.03	28.23
27 GTE Northwest Inc. (West Coast CA - GNCA)	3.22	(8.35)	(9.93)	(6.85)	(25.83)
28 GTE Northwest Inc. (Washington - COWA)	39.37	39.49	39.17	30.41	31.85
29 GTE Northwest Inc. (Washington - GTWA)	34.06	33.26	32.91	27.33	24.41
30 GTE Northwest Inc. (Idaho - GTID)	38.48	34.17	32.24	30.89	30.52
31 GTE South Inc. (Alabama - GTAL)	24.03	20.24	22.23	17.59	23.49
32 GTE South Inc. (Kentucky - COKY)	30.92	20.60	9.55	5.97	6.62
33 GTE South Inc. (Kentucky - GTKY)	27.27	25.07	24.03	22.34	20.57
34 GTE South Inc. (North Carolina - GTNC)	29.96	26.44	24.85	27.92	24.48
35 GTE South Inc. (N. Carolina - CONC)	20.53	17.75	19.87	12.78	16.63
36 GTE South Inc. (GTSC + COSC = GTST)	32.69	31.19	30.70		
GTE South Inc. (South Carolina - GTSC)				30.62	24.06
GTE South Inc. (S. Carolina - COSC)				26.14	25.09
37 GTE South Inc. (Virginia - COVA)	40.66	40.85	34.74	35.19	33.65
38 GTE South Inc. (Virginia - GTVA)	13.37	6.62	9.94	20.56	23.76
39 GTE Southwest Inc. (Texas - COTX)	12.46	12.17	17.13	14.96	18.10
40 GTE Southwest Inc. (Texas - GTTX)	24.70	21.65	21.42	16.43	14.81
41 GTE Systems of The South (Alabama - COAL)	15.95	14.93	10.88	7.97	15.31
42 Micronesia Telecomm. Corp. (N. Mariana Islands - GTMC)	21.83	23.58	29.24	34.45	21.17

Table 4.1
Interstate Rate of Return Summary *
Years 1997 through 2001
Price-Cap Companies Reporting FCC Form 492A - Continued
(Final Reports for 1997 Through 2000 and Initial Report for 2001) 1/

Reporting Entity	2001	2000	1999	1998	1997
Sprint					
43 Central Telephone - Nevada	17.95 %	19.29 %	21.15 %	17.79 %	17.07 %
44 Sprint - Florida	25.89	27.38	27.17	26.14	20.05
45 Sprint Local Telephone Cos. - Eastern (NJ & PA)	26.21	25.62	20.87	14.59	17.36
46 Sprint Local Telephone Cos. - Midwest (MO, KS, MN, NE, WY, TX)	16.63	18.88	17.69	19.66	19.97
47 Sprint Local Telephone Cos. - North Carolina	25.52	22.23	15.92	12.55	16.54
48 Sprint Local Telephone Cos. - Northwest (OR & WA)	31.55	32.77	31.86	32.54	30.59
49 Sprint Local Telephone Cos. - Southeast (TN, VA & SC)	25.33	23.32	17.50	15.87	17.62
50 United Telephone Co. of Indiana, Inc.	35.19	38.21	28.98	24.19	26.13
51 United Telephone Co. of Ohio	27.71	20.03	20.16	17.33	13.91
Central Telephone of Illinois					18.92
All Other Companies					
52 Aliant Communications Inc. (ALLTEL)	12.57	12.99	19.27	15.02	12.27
53 Cincinnati Bell Telephone Company	30.09	28.95	25.45	17.81	20.04
54 Citizens Telecommunications Cos. (Tariff 1)	15.73	19.68	16.71	17.87	9.77
55 Citizens Telecommunications Cos. (Tariff 2)	17.30	24.05	15.74	14.29	13.25
56 Citizens Telecommunications Cos. (Tariff 3)	4.52	16.12	15.56		
57 Citizens Telecommunications Cos. (Tariff 4)	13.08	30.94			
58 Citizens Telecommunications Cos. (Tariff 5)	2.03	(11.23)			
59 Frontier Telephone of Rochester, Inc.	12.32	18.91	16.77	18.37	13.19
60 Frontier Tier 2 Concurring Companies	41.81	38.95	43.42	45.45	31.93
61 Frontier Communications of Minnesota & Iowa	25.24	33.16	35.40	29.28	28.26
62 Iowa Telecom Service Group (SAC 351167)	13.07				
63 Iowa Telecom Systems Service Group (SAC 351170 & 351178)	18.45				
64 Valor New Mexico #1164	8.39	20.67			
65 Valor New Mexico #1193	11.45	13.35			
66 Valor Oklahoma	11.65	11.22			
67 Valor Texas	5.70	5.24			

Maximum Rate of Return	54.92 %	47.67 %	43.42 %	47.21 %	48.69 %
Minimum Rate of Return	2.03	(11.23)	(9.93)	(6.85)	(25.83)
Weighted Arithmetic Mean	19.78	18.04	18.50	16.52	15.60
Standard Deviation	5.70	5.17	5.96	5.13	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. In addition, they exclude adjustments, if any, for the previous year's sharing obligation or low-end adjustment.

1/ For years 1991 - 1996, see Industry Analysis Division, Common Carrier Bureau, *Trends in Telephone Service* (August 2001).

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 using the Standard Industrial Classification (SIC) 481 and for a subset of this industry, telephone communications minus radiotelephone (SIC 4813). The difference between these two figures yields the number of employees in the radiotelephone industry (SIC 4812).

SIC 4813 includes establishments primarily engaged in furnishing telephone voice and data communications, except radiotelephone and telephone answering services. SIC 4812 includes establishments primarily engaged in providing two-way radiotelephone communication services, such as cellular telephone service. It also includes telephone paging and beeper services. Neither of these categories includes employees from establishments primarily engaged in furnishing telephone answering services, manufacturing equipment, or engineering and research services.

Table 5.1 and the associated graph show the annual average employment figures in the telephone communications industry separately for SIC 4812 and SIC 4813 from 1951 to 2001. Since 1990, employment in the telephone communications industry has grown modestly. Most of the growth in employment over this period is the result of substantial increases in the radiotelephone industry, which grew at an annual average growth rate of approximately 20%.

BLS also calculates an annual telecommunications industry labor productivity index. The BLS index of labor productivity relates output to the employee hours expended in producing that output. This index, presented in Table 5.2, rose an average 6.0% per year from 1951 to 1999, with 1999 being the most recent data available. This average labor productivity factor is higher than the average in other industries (typically somewhere around 3 to 4%). This higher than average annual growth rate may be the result of telephone companies utilizing more efficient, advanced technology and increases in human capital. Table 5.2 and the associated graph illustrate the rising trend in telecommunications labor productivity since 1951.

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

Table 5.1
Annual Average Number of Employees
in the Telephone Communications Industry
(In Thousands)

Year	Radiotelephone	All Other Telephone	Year	Radiotelephone	All Other Telephone	Year	Radiotelephone	All Other Telephone
1951	15.2	628.8	1969	20.5	849.5	1987	21.1	880.8
1952	16.0	662.4	1970	22.2	919.9	1988	23.2	877.9
1953	16.6	685.6	1971	22.4	929.2	1989 1/	29.9	856.0
1954	16.5	682.3	1972	22.5	933.6	1990	38.2	874.8
1955	16.6	690.1	1973	23.2	958.0	1991	45.6	863.6
1956	17.7	733.5	1974	23.6	977.2	1992	53.1	832.1
1957	18.1	750.1	1975	22.8	943.8	1993	63.1	815.9
1958	17.2	714.9	1976	22.5	930.7	1994	81.0	812.4
1959	16.7	690.4	1977	22.6	934.7	1995	102.5	797.2
1960	16.6	689.4	1978	23.4	971.4	1996	124.9	786.1
1961	16.3	677.0	1979	24.8	1,023.4	1997	150.7	820.3
1962	16.2	671.3	1980	25.3	1,046.9	1998	164.3	848.5
1963	16.2	669.3	1981	25.3	1,052.0	1999	182.7	892.4
1964	16.6	689.5	1982	25.3	1,046.5	2000	204.4	929.5
1965	17.3	717.9	1983 1/	23.8	986.5	2001	208.1	958.6
1966	18.3	755.1	1984	22.4	931.0			
1967	19.0	787.5	1985	21.6	899.1			
1968	19.2	793.2	1986 1/	20.7	862.7			

1/ Due to Bell operating company employee strikes in 1983, 1986, and 1989, which lasted one month each, the reported annual average of workers for those particular years is an average of the eleven months in which workers did not strike.

Source: Bureau of Labor Statistics.

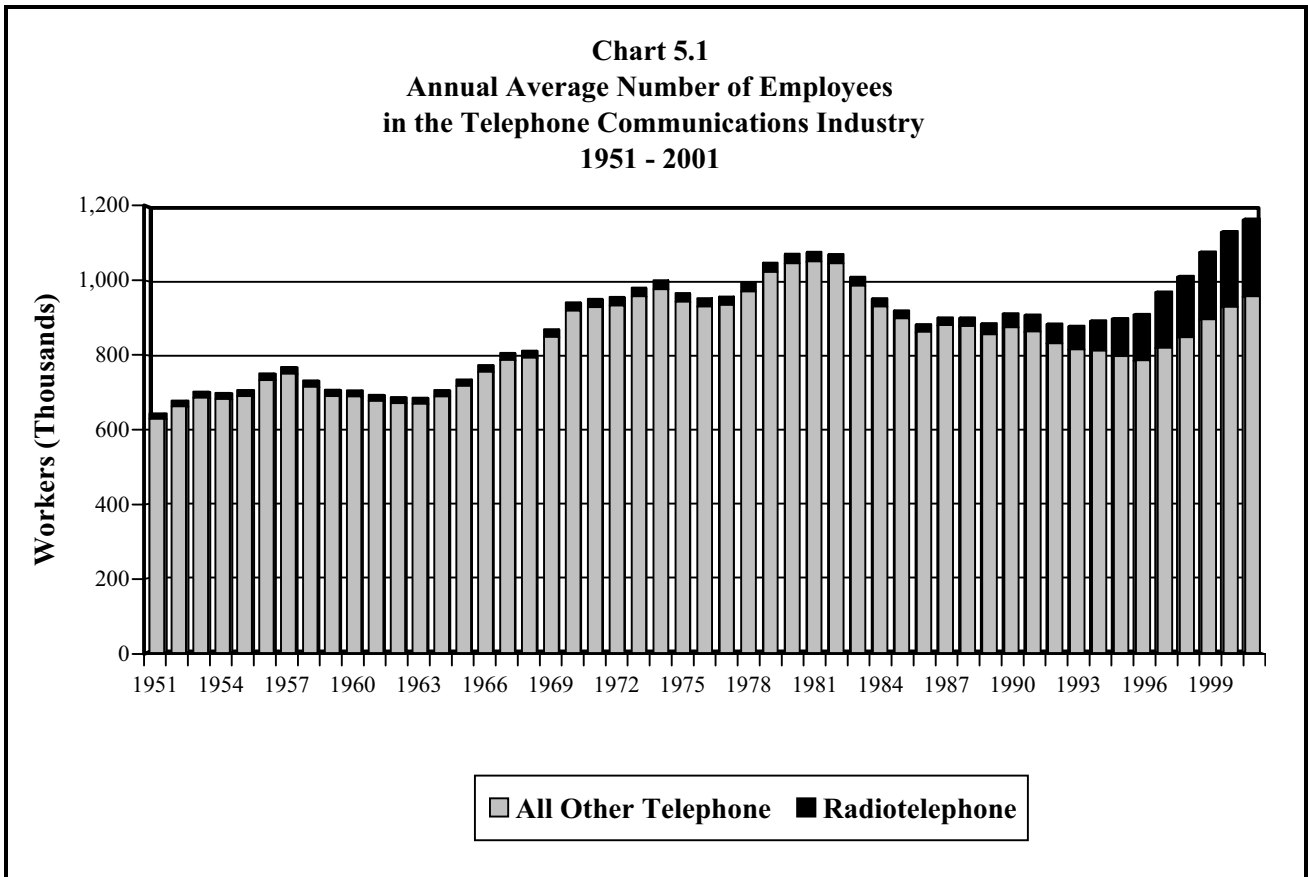


Table 5.2
Labor Productivity Index for the Telephone Communications
Industry Measured in Output per Hour (OPH)
(Base Year 1987=100)

Year	OPH Index	Year	OPH Index	Year	OPH Index
1951	12.0	1968	34.7	1985	88.9
1952	12.4	1969	35.3	1986	95.0
1953	12.6	1970	35.6	1987	100.0
1954	13.2	1971	38.3	1988	105.9
1955	14.3	1972	40.1	1989	110.3
1956	14.6	1973	42.7	1990	111.9
1957	16.1	1974	45.0	1991	117.5
1958	18.2	1975	49.3	1992	126.1
1959	20.3	1976	53.6	1993	134.5
1960	21.4	1977	57.3	1994	141.5
1961	23.3	1978	60.6	1995	148.1
1962	24.8	1979	63.5	1996	162.5
1963	26.6	1980	67.6	1997	162.5
1964	27.8	1981	71.1	1998	174.4
1965	28.9	1982	73.8	1999	187.2
1966	30.3	1983	84.6	2000	200.8
1967	32.6	1984	84.5		

Source: Bureau of Labor Statistics.

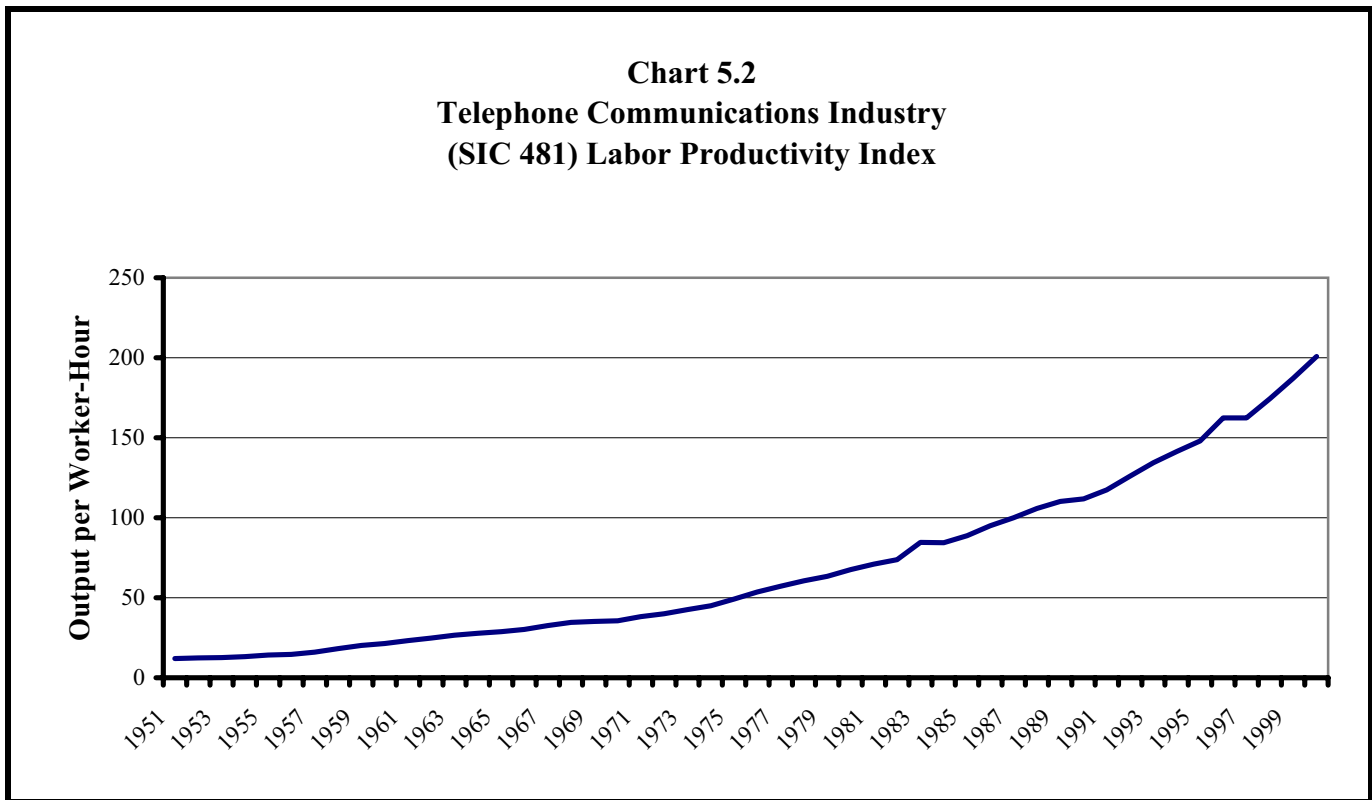


Table 5.3
Number of Telecommunications Service Providers
That Are Small Businesses
(As of December 31, 2000)

Service Provider Category	Number of FCC Form 499-A Filers	Filers That in Combination with Affiliates Have	
		1,500 or Fewer Employees ¹	More Than 1,500 Employees ¹
Incumbent Local Exchange Carriers (ILECs)	1,329	1,024	305
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)	532	411	121
Local Resellers	134	131	3
Other Local Exchange Carriers	55	53	2
All Competitors of ILECs	721	595	126
Total: Fixed Local Service Providers	2,050	1,619	431
Total: Payphone Providers	936	933	3
Wireless Telephony Including Cellular, Personal Communications Service (PCS) and SMR Telephony Carriers	858	291	567
Paging & Messaging Service	576	557	19
Specialized Mobile Radio (SMR) Dispatch	289	289	0
Wireless Data Service Providers	6	6	0
Other Mobile Service Providers	32	32	0
Total: Wireless Service Providers	1,761	1,175	586
Interexchange Carriers (IXCs)	229	181	48
Operator Service Providers (OSPs)	22	20	2
Prepaid Calling Card Providers	32	31	1
Satellite Service Carriers	31	25	6
Toll Resellers	576	538	38
Other Toll Carriers	42	37	5
Total: Toll Service Providers	932	832	100
All Filers	5,679	4,559	1,120

Note: While FCC Form 499-A filings are not publically available, filer registration information is published by the Industry Analysis Division, Common Carrier Bureau, in the *Telecommunications Provider Locator* (November, 2001). This same information is searchable online at <http://gullfoss2.fcc.gov/cib/form499/499a.cfm>.

¹ Estimates are based on gross revenue data filed April 1, 2001 on FCC Form 499-A worksheets, combined with public employment data from FCC ARMIS filings 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 provide telecommunications service or that operate solely outside the United States.

Source: FCC Form 499-A filings and FCC 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, increased international trade and travel, and stable or declining international telephone rates -- has skyrocketed. The number of calls made from the United States to other countries increased from 200 million in 1980 to 6.6 billion in 2000. Americans spent about \$14.9 billion on international calls in 2000. On average, carriers billed 51 cents per minute for international calls in 2000, a decline of more than 60% since 1980. International private line revenues have also increased since 1980, but telex and telegraph services declined substantially over the same period. These trends are shown in Table 6.1.

U.S. and foreign carriers compensate each other when one carries traffic that the other bills. Since 1980, the number of calls billed in the United States increased at a faster pace than calls billed in foreign countries, contributing to rapid increases in net settlement payments to foreign carriers. These net payments from the United States to other countries were \$5.5 billion in 2000. 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, Mexico, the United Kingdom, Germany, and Japan -- currently account for about 47% of the international calls billed in the United States.

Since 1985, when MCI began to compete with AT&T for international calls, numerous carriers have begun to provide international service. Fifty-two carriers provided international telecommunications service in 2000 by using their own facilities or lines leased from other carriers. These carriers provided \$14.2 billion of international telephone service between the U.S. and foreign points and \$1.5 billion of international private line service. Table 6.4 shows the U.S.-billed revenues for each of the 52 carriers. Together, AT&T, WorldCom, and Sprint, accounted for 93% of the international service billed in the United States.

In addition to the 52 carriers that owned or leased facilities, 410 carriers reported the resale of international message telephone service. These carriers reported \$7.6 billion of resale revenues in 2000. The revenues of the fifty largest resellers are shown in Table 6.5.

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 **FCC-State Link** web page.

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 1/	Per Minute 2/	Per Call	Telex	Telegraph	Private Line	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	425	3,487	1.01	8.20	415	45	172	
1986	4,126	515	4,004	0.97	7.77	390	42	175	
1987	4,819	625	4,751	0.99	7.60	360	35	191	
1988	5,679	767	5,806	1.02	7.57	310	30	194	
1989	6,751	941	6,912	1.02	7.35	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	200	15	309	\$23
1992	10,294	1,663	10,382	1.01	6.25	155	16	323	24
1993	11,513	1,945	11,564	1.00	5.95	135	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	119	6	514	48
1996	19,325	3,520	14,598	0.76	4.15	119	5	661	26
1997	22,753	4,259	15,662	0.69	3.68	110	4	851	28
1998	24,250	4,477	14,726	0.61	3.29	50	3	921	36
1999	28,515	5,305	14,980	0.53	2.82	57	2	1,216	31
2000	29,216	6,627	14,901	0.51	2.25	33	1	1,480	251

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

1/ Billed revenue in Table 6.1 differs from billed revenue 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 6.3 are the amounts reported by the underlying carriers.

2/ Billed revenue per minute for international service differs in Table 6.1 and Table 14.3. Data in Table 6.1 are calculated using all U.S. billed minutes and revenues. Data for Table 14.3 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 included in that table.

Source: Industry Analysis Division, Common Carrier Bureau *Trends in the International Telecommunications Industry* (April 2001). Year 2000 data from Industry Analysis Division, Common Carrier Bureau *2000 International Telecommunications Data* (December 2001).

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	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
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	2,298	1,189	1,243	(1,055)	2,432	0.67	0.55	0.43
1986	4,004	2,461	1,544	1,396	(1,065)	2,939	0.60	0.55	0.44
1987	4,751	2,978	1,773	1,671	(1,308)	3,443	0.62	0.57	0.44
1988	5,806	3,594	2,212	1,906	(1,688)	4,118	0.63	0.55	0.45
1989	6,912	4,261	2,651	2,213	(2,049)	4,864	0.63	0.53	0.45
1990	8,059	4,954	3,105	2,426	(2,528)	5,531	0.62	0.56	0.45
1991	9,263	5,792	3,304	2,536 2/	(3,298)	5,965	0.64	0.51	0.42 3/
1992	10,382	5,945	4,437	2,650 2/	(3,547)	6,835	0.58	0.46	0.43 3/
1993	11,564	6,327	5,237	2,667 2/	(3,860)	7,704	0.55	0.43	0.43 3/
1994	12,543	6,947	5,596	2,719 2/	(4,577)	7,966	0.51	0.39	0.39 3/
1995	14,335	7,559	6,777	2,631 2/	(5,281)	9,054	0.48	0.35	0.39 3/
1996	14,598	8,206	6,392	2,594 2/	(6,164)	8,434	0.42	0.30	0.30 3/
1997	15,662	8,016	7,646	2,602 2/	(5,971)	9,691	0.35	0.27	0.30 3/
1998	14,726	6,985	7,742	2,538 2/	(5,045)	9,681	0.29	0.21	0.27 3/
1999	14,980	6,329	8,651	1,782 2/	(5,111)	9,869	0.22	0.15	0.24 3/
2000	14,901	5,529	9,372	1,602 2/	(4,663)	10,237	0.19	0.11	0.24 3/

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

1/ Billed revenue in Table 6.2 differs from billed revenue 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/ Includes net settlement receipts for transiting traffic.

3/ Includes transiting traffic.

Source: Industry Analysis Division, Common Carrier Bureau *Trends in the International Telecommunications Industry* (April 2001). Year 2000 data from Industry Analysis Division, Common Carrier Bureau *2000 International Telecommunications Data* (December 2001).

Table 6.3
International Message Telephone Service for 2000
(Figures Rounded to the Nearest Million)

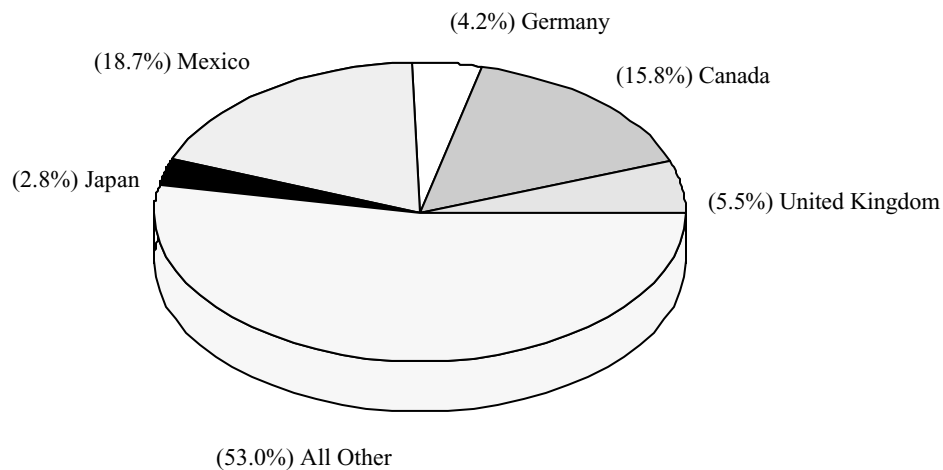
Region of the World 1/	Traffic Billed in the United States					Traffic Billed in Foreign Countries				Total U.S. Carrier Retained Revenues
	Number of Messages	Number of Minutes	U.S. Carrier Revenues	Owed to Foreign Carriers	Retained Revenues	Originating or Terminating in the United States		Transiting	Retained Revenues	
						Number of Messages	Number of Minutes	Due from Foreign Carriers		Retained Revenues
Africa	217	672	\$418	\$261	\$157	34	135	\$49	\$31	\$236
Asia	1,366	5,569	3,196	1,633	1,562	232	1,211	248	37	1,847
Caribbean	364	1,734	797	453	344	87	482	116	5	464
Eastern Europe	250	919	504	180	324	29	124	24	5	353
Middle East	225	753	519	264	256	68	373	69	16	341
North and Central America	2,070	11,056	4,750	1,585	3,165	1,734	6,979	580	19	3,764
Oceania	158	643	369	191	179	50	388	65	16	260
South America	521	2,076	1,033	482	551	117	551	106	10	667
Western Europe	1,451	5,758	2,562	465	2,097	551	2,635	183	22	2,302
Other Regions	*	1	5	10	(5)	*	*	*	(*)	(5)
Total for Foreign Points	6,604	29,084	14,145	5,511	8,634	2,886	12,770	1,426	161	10,221
Total for U.S. Points	23	132	19	18	1	18	118	15	*	17
Total for All International Points	6,627	29,216	\$14,164	\$5,529	\$8,635	2,904	12,888	\$1,441	\$161	\$10,237

* Denotes values that are less than half a million.

1/ 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 6.1

U.S. Billed Minutes by Country



Source: Industry Analysis Division, Common Carrier Bureau, 2000 International Telecommunications Data (December 2001).

Table 6.4
U.S. Billed Revenues of Facilities-Based and Facilities-Resale Carriers in 2000 1/
(Revenue Amounts Shown in Millions)

	International Service			Total International Billed Revenues
	Telephone	Private Line	Telex, Telegraph, and Other Miscellaneous	
ABS-CBN Telecom North America, Inc.	\$9			\$9
AM Telecom, LLC				
American Samoa Telecommunications Authority	2			2
American Tower Corporation		\$172		172
Andrew Telecom, Inc.		1		1
AT&T Corp. & Concert Global Networks. USA LLC	5,444	694	\$31	6,170
BellSouth Corporation	18			18
Bestel (USA)	2			2
Cable & Wireless USA, Inc.	66	18		84
Deutsche Telekom, Inc.		1		1
Energis (Switzerland) AG		2		2
FedEx Internet Technologies Corporation		*		*
GE American Communications, Inc.		9		9
Genuity Telecom Inc.		*		*
Geocomm Corporation		*		*
Global Crossing, Ltd.	4	30		34
Hanaro Telecom America, Inc.		1		1
Harris Corporation/MCS	*			*
IDT Corporation	21			21
IMPSAT USA, Inc.		28		28
International Telnet, Inc.			2	2
Iridium North America			2	2
IT&E Overseas, Inc.	15	3		18
Japan Telecom America, Inc.	2	*		2
KDD America, Inc.	3	3		6
KPN-INS, Inc.	12			12
LC Communications - International Telecom Inc.	4			4
Level 3 Communications, LLC		10		10
Local Communications Network, Inc.		4		4
Lockheed Martin Corporation		44		44
MCI WorldCom, Inc.	6,818	331	12	7,161
Medley International Teleport, Inc.			3	3
Melbourne International Communications, Ltd.	*	3		3
Metronet Communications		*		*
Norlight Telecommunications, Inc.		*		*
NTT America, Inc.		5		5
PanAmSat Carrier Services, Inc.		*		*
Primus Telecommunications, Inc.	204			204
PSO, Inc. d/b/a Canal Uno			*	*
RSL Communications, Ltd.	80			80
Satellite Communication Systems, Inc.	*	5		6
SBC Telecommunications, Inc.	7	7		15
Sprint	1,188	103	227	1,519
Startec Global Communications Corp.	91			91
Telecomunicaciones Ultramarinas-Puerto Rico		1		1
Telefonica Larga Distancia, Inc. (TLD)	13	*		13
Telstra Incorporated	20			20
TRICOM USA, Inc.	53			53
V-SAT Telecom, Inc.	*	*		*
Verizon Communications, Inc.	55	4		58
Williams Communications, Inc.			7	7
World Access, Inc.	33			33
Total All Carriers 2/	\$14,164	\$1,480	\$285	\$16,041 3/

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

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

2/ Includes revenues for American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands. Other tables in this section exclude this traffic. The data shown in this table include \$42 million of revenues billed in these points, as well as \$10 million of revenues for calls between the domestic United States and these points.

3/ Includes \$113 million of telephone, private line, and miscellaneous service revenues for 6 carriers that requested confidential treatment.

Source: Industry Analysis Division, Common Carrier Bureau, *2000 International Telecommunications Data* (December 2001).

**Table 6.5
Top Providers of Pure Resale International MTS in 2000**

	Number of Messages	Number of Minutes	U.S. Carrier Revenues	Percent of Total IMTS Resale Revenues
ALLTEL Corporation	1,559,281	12,252,978	\$5,838,683	0.08 %
AT&T Corp.	353,474,662	2,298,455,743	2,484,132,557	32.69
Bell Canada Enterprises, Inc.	71,427,372	217,973,289	155,935,865	2.05
BellSouth Corporation	25,196,714	70,606,702	13,917,569	0.18
Broadwing, Incorporated	145,719,704	631,357,576	89,788,377	1.18
Business Telecom, Inc. (BTI)	10,594,567	59,362,769	11,108,130	0.15
Cable & Wireless USA, Inc.	114,712,701	531,782,404	158,488,556	2.09
Cingular Wireless	14,520,524	51,714,209	26,625,853	0.35
Claircom Networks, Inc.	9,509,804	40,416,503	13,592,660	0.18
Covista, Inc.	39,098,373	65,163,956	7,819,675	0.10
Cox Communications, Inc.	454,386	3,714,101	7,449,070	0.10
Deutsche Telekom AG	7,758,797	19,383,682	9,574,419	0.13
Elephant Talk, Inc.	5,747,789	86,216,839	16,581,775	0.22
Empire One Telecommunications, Inc.	2,386,653	20,154,715	4,098,729	0.05
Genesis Communications International, Inc.	1,546,829	11,885,932	4,257,934	0.06
Global Crossing Telecommunications, Inc.	133,167,669	545,778,826	433,799,186	5.71
Heritage Communications Corporation	20,987,412	218,269,084	24,690,582	0.32
IDT Corporation	677,226,155	5,434,277,546	890,749,964	11.72
Intellicall Operator Services, Inc. d/b/a ILD	4,796,962	74,915,296	15,378,121	0.20
Intermedia Communications, Inc.	1,360,710	27,214,202	8,504,438	0.11
International Talk.com d/b/a Vonova Corporation	12,294,556	73,767,336	5,719,852	0.08
International Exchange Communications, Inc.	7,635,576	77,730,105	25,033,469	0.33
Lightyear Communications, Inc.	10,918,107	37,884,869	11,279,904	0.15
Long Distance of Michigan, Inc. d/b/a LDMI & FoneTel	383,370	17,565,173	7,532,162	0.10
MCI WorldCom, Inc.	276,526,799	1,393,968,829	428,861,480	5.64
McLeodUSA	40,375,192	304,934,396	64,259,838	0.85
Mpower Communications Corp.	1,190,500	3,571,501	4,464,420	0.06
Natel, LLC	2,969,460	32,328,437	6,210,580	0.08
Network Communications International Corporation	602,192	4,678,608	22,511,210	0.30
Network Plus, Inc.	52,349,790	285,783,529	123,965,138	1.63
NOS Communications, Inc.	212,290,432	1,472,891,113	165,120,818	2.17
PT-1 Long Distance, Inc.	78,541,109	757,991,006	157,698,970	2.07
Qwest Communications International, Inc.	171,136,482	896,913,622	269,322,437	3.54
RSL Communications, Ltd.	76,559,675	494,779,123	87,753,004	1.15
SBC Communications, Inc.	155,892,803	958,935,045	245,482,309	3.23
Sprint	128,787,531	535,675,084	187,301,965	2.46
Startec Global Communications Corporation	182,387,847	1,137,904,906	238,480,277	3.14
Talk America Inc.	34,109,422	269,946,745	78,519,215	1.03
Teligent, Inc.	4,685,446	13,874,197	3,997,173	0.05
Telstar International, Inc.	21,823,718	190,597,808	46,551,474	0.61
Touch America, Inc.	20,351,438	243,045,764	24,813,137	0.33
UniPlex Telecom Technologies, Inc.	4,828,535	30,157,186	10,799,817	0.14
United States Cellular Corporation	9,797,601	20,165,187	9,878,144	0.13
VarTec Telecom, Inc.	18,093,124	187,784,142	53,050,742	0.70
Verizon Communications Inc.	64,946,810	520,319,844	181,046,023	2.38
Williams Communications, Inc.	11,296,351	53,638,988	7,790,919	0.10
Working Assets Funding Services, Inc.	3,141,010	26,757,273	15,153,957	0.20
World Access, Inc. d/b/a WorldxChange Communications	211,484,789	1,438,252,965	212,997,969	2.80
XO Communications Inc.	5,214,205	18,687,993	5,638,085	0.07
Z-Tel Communications, Inc.	1,774,001	35,480,017	11,087,505	0.15
Total for 360 Companies Not Shown Above 1/	512,482,037	1,610,393,535	505,469,722	6.65
Total for all Reporting Carriers	3,976,116,972	23,567,300,678	7,600,123,858	100.00 %

1/ Data are consolidated for affiliated carriers. A total of 410 companies made a total of 471 filings.

Source: Industry Analysis Division, Common Carrier Bureau, 2000 International Telecommunications Data (December 2001).

7 Lifeline and LinkUp Programs

In 1984, the FCC, in conjunction with the states and local telephone companies, established a Lifeline program designed to promote universal service by providing low-income individuals with monthly discounts on the monthly cost of telephone service. In 1987, the FCC adopted LinkUp America, a program designed to help low-income households pay the initial costs of commencing telephone service. In June 2000, the Commission further expanded the Lifeline and LinkUp programs to address the needs of those individuals living on tribal lands.

The LinkUp America program, which supports affordable connection to the network, has added 12.2 million telephone subscribers since 1987. In 2001, an estimated 6.2 million subscribers paid reduced local rates under the Lifeline program.

The Commission's rules are designed to satisfy the 1996 Telecommunications Act which mandates "affordable" rates for "low-income consumers" in all regions of the nation. The rules also make the contribution and distribution of low-income support competitively and technologically neutral by requiring equitable and nondiscriminatory contributions from all providers of interstate telecommunications services, and by allowing all eligible telecommunications carriers to receive support for offering Lifeline and LinkUp service.

1. Lifeline and LinkUp Support

In states that provide state Lifeline support, Lifeline and LinkUp are available to all low-income consumers who meet the eligibility criteria established by the state. These 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. To receive Lifeline and LinkUp in a state that does not mandate state Lifeline support, consumers must certify, under penalty of perjury, that they participate in one of the following five federal programs: Medicaid, food stamps, Supplemental Security Income (SSI), federal public housing assistance, or the Low-Income Home Energy Assistance Program (LIHEAP).

Eligible consumers living on tribal lands qualify to receive federal Lifeline support if (a) they qualify under state criteria in a state that provides Lifeline support; (b) they certify, under penalty of perjury, that they receive benefits from one of the five federal programs listed above; or (c) they 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), National School Lunch Program's free lunch program, or Head Start (meeting the income-qualifying standard).

2. Lifeline Support

Under the Commission's rules, there are four tiers of federal Lifeline support. The first tier represents a monthly waiver of the federal subscriber line charge. The maximum federal subscriber line charge is currently \$5.00 per month. All eligible subscribers receive first-tier support. Second-tier support is a \$1.75 per month reduction in the basic local rate, and it is available if all relevant non-federal regulatory authorities approve such a reduction. (All fifty states have approved.)

The third tier of federal support is based on the amount of additional state support mandated by the relevant state or otherwise provided by carriers. Federal support is available to match one-half of the non-federal support provided, up to a maximum of \$1.75 in federal support, assuming that the carrier has all necessary approvals to pass on the full amount of this support in discounts to subscribers.

Eligible subscribers living on tribal lands also qualify to receive a fourth tier of Lifeline support if they meet the eligibility standards described above. Tier-four support provides up to an additional \$25 per month towards reducing basic local service rates. This enhanced support should bring basic monthly rates down to \$1 for most Lifeline customers on tribal lands.

3. LinkUp Support

The Commission's LinkUp program provides qualified low-income individuals with a federally financed 50% discount (up to a maximum \$30 discount) on initial connection charges. These subscribers 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 residents of tribal lands may receive up to \$100 in discounts on initial connection charges. The \$100 maximum is based on the sum of the federally financed 50% discount (up to the \$30 maximum) available to all qualified low-income individuals, plus a dollar-for-dollar match (up to \$70) for connection charges above \$60.

4. Services

Basic service must include, at a minimum: single-party service, voice-grade access to the public switched telephone network, dual-tone multifrequency signaling or its functional digital equivalent, access to emergency services, access to operator services, access to interexchange service, access to directory assistance, and toll-limitation. The federal program compensates eligible telecommunications carriers for toll-limitation based on the carrier's incremental cost of providing toll-limitation services (TLS).

The FCC monitors subscriber participation and telephone usage to determine program benefits and costs. Historical tables by state can be downloaded from the *Monitoring Report's* section of the **FCC-State Link** web site, www.fcc.gov/wcb/stats.

Table 7.1 reports Lifeline monthly support by state or jurisdiction as of April 2001. The table shows 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 7.1 indicates both the federal and state combined minimum local rate reduction. This table does not reflect changes in support that resulted from the implementation of the *CALLS* order.

Table 7.2 reports annual historical Lifeline subscriber data by state or jurisdiction for years 1990 through 2001. Historical data from the inception of the program in 1985 through 1989 may be found in the *Monitoring Report's* section of the **FCC-State Link** web site, as mentioned above.

Table 7.3 reports annual tribal and non-tribal subscriber data by state or jurisdiction starting in year 2000, when the expanded Lifeline assistance program addressed the needs of Native Americans who live on tribal lands.

Table 7.4 reports annual historical LinkUp subscriber data by state or jurisdiction for years 1990 through 2001. LinkUp program participation was first certified in 1987. Historical data for 1987 through 1989 are available in the *Monitoring Report's* section of the **FCC-State Link** web site, as mentioned above.

Table 7.5 reports annual tribal and non-tribal LinkUp subscriber data by state or jurisdiction starting in year 2000, when the expanded LinkUp assistance program addressed the needs of Native Americans who live on tribal lands.

Table 7.6 reports annual historical Lifeline payments to carriers in each state or jurisdiction and shows total reimbursements to each state or jurisdiction. The report provides Lifeline support totals for payments made to subscribers through local rate discounts. The payments shown in these tables include TLS and PICC data; however, these tables do not include state or local rate contributions.

Table 7.7 reports annual historical data for the LinkUp connection assistance payments to carriers in each state or jurisdiction. The LinkUp program includes connection discounts reflected in the reimbursements to local carriers.

Table 7.8 reports low-income support, by state or jurisdiction, for Lifeline and LinkUp payments between January 1998 and December 2001. Total carrier payments data include local rate reductions for the presubscribed interexchange carrier charges (PICCs), and the carrier's incremental cost of providing toll-limitation services (TLS) in each state or jurisdiction. American Indian and Native American tribal data are also reported in this table showing the 2000 and 2001 data. (Data are not available for previous years.) Data will appear only for states where eligible subscribers living on tribal lands qualify to receive low-income support.

**Table 7.1
Lifeline Monthly Support
By State or Jurisdiction
(As of December 2001)***

State or Jurisdiction	Basic Federal Support	Additional State Support	Federal Match	Total Federal Support	Total Federal and State Support
Alabama	\$6.75	\$3.50	\$1.75	\$8.50	\$12.00
Alaska	6.75	3.50	1.75	8.50	12.00
American Samoa	6.75	0.00	0.00	6.75	6.75
Arizona	6.75	3.50	1.75	8.50	12.00
Arkansas	6.75	0.00	0.00	6.75	6.75
California	6.15/6.75 ¹	3.50	1.75	7.90/8.50	11.40/12.00
Colorado	6.75	3.50	1.75	8.50	12.00
Connecticut	6.75	1.17	0.58	7.33	8.50
Delaware	6.75	0.00	0.00	6.75	6.75
District of Columbia	5.56	3.50	1.75	7.31	10.81
Florida	6.75	3.50	1.75	8.50	12.00
Georgia	6.75	3.50	1.75	8.50	12.00
Guam	6.75	3.50	1.75	8.50	12.00
Hawaii	6.75	0.00	0.00	6.75	6.75
Idaho	6.75	3.50	1.75	8.50	12.00
Illinois	6.75	1.50	0.75	7.50	9.00
Indiana	6.75	0.00	0.00	6.75	6.75
Iowa	6.75	0.00	0.00	6.75	6.75
Kansas	6.75	3.50	1.75	8.50	12.00
Kentucky	6.75	3.50	1.75	8.50	12.00
Louisiana	6.75	0.00	0.00	6.75	6.75
Maine	6.75	3.50	1.75	8.50	12.00
Maryland	6.75	3.50	1.75	8.50	12.00
Massachusetts	6.75	6.00	1.75	8.50	14.50
Michigan	6.75	2.00	1.00	7.75	9.75
Minnesota	6.75	0.00	0.00	6.75	6.75
Mississippi	6.75	3.50	1.75	8.50	12.00
Missouri	6.75	0.00	0.00	6.75	6.75
Montana	6.75	3.50	1.75	8.50	12.00
Nebraska	6.75	3.50	1.75	8.50	12.00
Nevada	5.78/6.75 ¹	3.50	1.75	7.53/8.50	11.03/12.00
New Hampshire	6.75	0.00	0.00	6.75	6.75
New Jersey	6.75	0.00	0.00	6.75	6.75
New Mexico	6.75	3.50	1.75	8.50	12.00
New York	6.75	3.50	1.75	8.50	12.00
North Carolina	6.75	3.50	1.75	8.50	12.00
North Dakota	6.75	3.50	1.75	8.50	12.00
Northern Mariana Islands	6.75	0.00	0.00	6.75	6.75
Ohio	6.75	0.00	0.00	6.75	6.75
Oklahoma	6.75	1.17	0.58	7.33	8.50
Oregon	6.75	3.50	1.75	8.50	12.00
Pennsylvania	6.75	2.50	1.25	8.00	10.50
Puerto Rico	6.75	0.00	0.00	6.75	6.75
Rhode Island	6.75	3.50	1.75	8.50	12.00
South Carolina	6.75	3.50	1.75	8.50	12.00
South Dakota	6.75	0.00	0.00	6.75	6.75
Tennessee	6.75	3.50	1.75	8.50	12.00
Texas	6.75	3.50	1.75	8.50	12.00
Utah	6.75	3.50	1.75	8.50	12.00
Vermont	6.75	3.50	1.75	8.50	12.00
Virginia	6.75	3.50	1.75	8.50	12.00
Virgin Islands	6.75	7.05	1.75	8.50	15.55
Washington	6.75	3.50	1.75	8.50	12.00
West Virginia	6.75	2.00	1.00	7.75	9.75
Wisconsin	6.75	1.17	0.58	7.33	8.50
Wyoming	6.75	3.50	1.75	8.50	12.00

* Basic support changed for some companies on January 1, 2002.

¹ Pacific Bell Telephone Company in California waived \$4.40 and Sprint in Nevada waived \$5.78.

Source: Universal Service Administrative Company (USAC).

Table 7.2
Lifeline Assistance Subscribers
By State or Jurisdiction

State or Jurisdiction	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Alabama	0	0	0	0	0	2,648	11,052	14,346	17,201	18,676	21,493	23,921
Alaska	0	0	0	0	887	1,445	1,684	1,761	2,530	4,321	9,291	15,846
American Samoa	0	0	0	0	0	0	0	0	156	427	657	822
Arizona	6,723	6,214	5,748	7,587	9,146	9,820	10,679	9,438	21,461	22,118	25,283	38,164
Arkansas	6,703	7,295	7,479	7,370	6,859	7,988	9,730	8,926	8,870	8,843	9,228	7,495
California	1,578,458	1,792,884	2,000,234	2,327,740	2,534,160	2,817,982	3,032,960	3,000,571	3,105,855	3,157,706	3,196,657	3,245,315
Colorado	9,897	17,871	20,110	18,814	18,136	16,992	22,195	22,452	21,950	23,995	26,645	26,818
Connecticut	0	0	0	15,294	50,510	62,982	62,610	61,683	59,547	61,437	64,745	60,846
Delaware	0	0	0	0	0	0	0	0	368	606	756	1,178
District of Columbia	2,894	2,866	5,422	12,344	11,572	10,252	9,888	7,580	9,404	10,593	11,236	11,957
Florida	0	0	0	0	61,442	108,431	134,258	129,723	131,749	129,980	134,263	140,288
Georgia	0	31,681	58,497	67,112	72,548	79,545	79,606	75,341	73,660	74,825	73,037	70,272
Guam	0	0	0	0	0	0	0	0	313	905	2,033	2,474
Hawaii	6,081	5,950	5,862	6,005	6,200	6,444	6,731	6,465	9,008	12,590	15,381	14,735
Idaho	8,186	8,411	8,149	8,212	7,090	7,347	7,526	7,408	6,907	14,780	19,696	24,373
Illinois	0	0	0	26	0	0	0	0	29,104	49,347	57,816	69,029
Indiana	0	0	0	0	0	0	0	0	12,439	19,058	21,363	30,728
Iowa	0	0	0	0	0	0	0	0	2,460	6,105	11,862	13,884
Kansas	0	0	0	0	0	0	0	0	4,260	5,591	8,564	12,857
Kentucky	0	0	0	0	0	0	0	0	5,044	25,040	39,560	45,072
Louisiana	0	0	0	0	0	0	0	0	5,838	10,435	15,476	19,051
Maine	44,392	53,020	63,411	70,029	68,482	62,949	61,177	63,553	63,407	67,401	76,367	82,672
Maryland	5,465	5,203	5,395	5,228	5,226	4,663	4,028	3,964	3,784	3,885	3,948	3,977
Massachusetts	87,285	131,635	143,216	160,221	165,723	167,182	162,384	156,294	161,657	167,699	165,519	161,436
Michigan	66,053	96,044	116,398	130,586	138,870	135,599	131,786	129,337	129,208	132,432	141,541	132,788
Minnesota	57,529	57,075	51,151	55,380	59,431	51,089	48,494	47,575	49,073	54,787	56,977	51,108
Mississippi	0	2,153	2,405	4,493	8,438	9,717	9,282	8,321	10,471	13,370	16,694	19,861
Missouri	14,639	16,980	17,295	17,356	15,807	13,897	11,272	10,368	7,885	10,709	18,982	30,893
Montana	5,507	5,405	5,698	6,617	6,744	6,813	8,031	7,613	7,963	9,570	11,125	14,253
Nebraska	0	0	0	0	0	0	0	0	9,650	11,434	14,462	14,657
Nevada	5,702	5,748	6,339	7,528	8,927	9,408	8,472	9,284	3,438	10,551	17,486	24,164
New Hampshire	0	0	0	0	0	0	0	0	2,581	5,205	6,453	6,943
New Jersey	0	0	0	0	0	0	0	0	5,478	6,434	29,095	41,590
New Mexico	12,770	15,190	18,660	28,742	32,244	28,380	30,075	30,314	30,816	32,843	36,863	38,974
New York	327,808	393,684	456,174	522,684	592,705	705,871	756,657	698,267	703,001	657,267	586,579	511,624
North Carolina	14,996	15,812	21,208	23,496	23,446	22,791	23,086	22,595	29,640	44,434	62,507	80,658
North Dakota	10,037	10,610	10,664	10,029	9,411	8,657	7,146	7,369	10,895	11,968	13,440	15,309
Northern Mariana Isls.	0	0	0	0	0	0	0	0	192	494	427	445
Ohio	14,885	15,712	33,450	44,801	47,126	54,706	58,392	60,366	69,358	109,202	167,213	227,465
Oklahoma	0	0	0	0	0	0	532	532	1,521	2,454	17,768	63,872
Oregon	21,551	23,064	25,229	28,305	30,475	35,820	34,804	31,213	27,953	28,934	30,374	31,196
Pennsylvania	0	0	0	0	0	0	4,797	7,114	23,202	40,168	49,146	63,459
Puerto Rico	0	0	0	0	0	0	0	0	10,168	16,895	17,720	17,898
Rhode Island	15,757	23,765	26,906	38,672	39,992	40,835	42,524	43,881	45,066	46,244	47,412	46,539
South Carolina	0	0	0	0	0	10,624	16,498	18,386	22,222	21,091	20,820	21,142
South Dakota	4,764	4,924	5,018	5,076	3,561	3,690	3,718	3,708	10,698	11,532	13,442	17,430
Tennessee	0	0	18,749	20,419	20,721	19,934	19,926	18,819	22,915	30,347	38,884	45,587
Texas	33,698	48,453	96,405	103,232	136,352	165,609	190,095	193,444	210,672	236,934	258,812	296,551
Utah	16,006	21,565	27,717	28,379	28,157	26,930	24,088	22,625	20,096	19,237	19,394	19,762
Vermont	18,044	20,661	21,895	22,973	24,322	25,624	24,791	25,356	26,475	28,464	29,740	30,428
Virgin Islands	0	0	0	316	594	253	296	471	567	402	511	0
Virginia	16,201	17,365	19,143	21,293	22,100	20,744	22,180	23,187	22,040	22,306	21,658	20,611
Washington	49,985	68,235	74,879	85,571	90,148	87,276	84,149	63,965	61,563	61,809	68,143	78,781
West Virginia	4,490	4,262	4,115	4,160	4,704	4,230	4,336	5,164	5,320	5,546	5,294	5,036
Wisconsin	7	54,137	55,829	54,576	59,744	58,071	50,714	50,894	42,514	59,331	62,798	64,617
Wyoming	0	416	1,366	1,271	1,119	818	776	864	1,113	1,337	1,363	1,728
Industry Total	2,466,513	2,984,290	3,440,216	3,971,937	4,423,119	4,914,056	5,233,425	5,110,537	5,380,726	5,640,094	5,893,999	6,158,579

1/ Subscriber data were not actually collected in 1997. USAC used an estimated number of subscribers for all states.

2/ Average number of subscribers reported for 2000 and 2001 for companies requesting reimbursement (includes true-ups through December 2001).

Ninety-nine percent of all eligible companies have reported to USAC for reimbursement at this time.

Source: Universal Service Administrative Company (USAC).

Table 7.3
Lifeline Assistance Subscribers for Tribal and Non-Tribal Areas
By State or Jurisdiction

State or Jurisdiction	2000 Non-Tribal	2000 Tribal	2001 Non-Tribal	2001 Tribal
Alabama	21,493	0	23,921	0
Alaska	6,176	3,115	8,444	7,402
American Samoa	657	0	822	0
Arizona	23,971	1,312	31,190	6,974
Arkansas	9,228	0	7,495	0
California	3,196,638	19	3,245,220	95
Colorado	26,643	2	26,814	4
Connecticut	64,745	0	60,846	0
Delaware	756	0	1,178	0
District of Columbia	11,236	0	11,957	0
Florida	134,262	1	140,288	0
Georgia	73,037	0	70,272	0
Guam	2,033	0	2,474	0
Hawaii	15,381	0	14,735	0
Idaho	19,691	5	24,318	55
Illinois	57,816	0	69,029	0
Indiana	21,363	0	30,728	0
Iowa	11,862	0	13,884	0
Kansas	8,564	0	12,857	0
Kentucky	39,560	0	45,072	0
Louisiana	15,476	0	19,051	0
Maine	76,356	11	82,261	411
Maryland	3,948	0	3,977	0
Massachusetts	165,519	0	161,436	0
Michigan	141,540	1	132,637	151
Minnesota	56,929	48	50,939	169
Mississippi	16,694	0	19,861	0
Missouri	18,982	0	30,891	2
Montana	10,138	987	12,244	2,009
Nebraska	14,361	101	14,500	157
Nevada	17,432	54	24,084	80
New Hampshire	6,453	0	6,943	0
New Jersey	29,095	0	41,590	0
New Mexico	36,546	317	37,921	1,053
New York	586,576	3	511,602	22
North Carolina	62,506	1	80,655	3
North Dakota	12,979	461	14,313	996
Northern Mariana Islands	427	0	445	0
Ohio	167,213	0	227,465	0
Oklahoma	7,138	10,630	36,773	27,099
Oregon	30,368	6	31,155	41
Pennsylvania	49,146	0	63,459	0
Puerto Rico	17,720	0	17,898	0
Rhode Island	47,412	0	46,539	0
South Carolina	20,817	3	21,137	5
South Dakota	12,223	1,219	14,635	2,795
Tennessee	38,884	0	45,586	1
Texas	258,810	2	296,172	379
Utah	19,386	8	19,734	28
Vermont	29,740	0	30,428	0
Virgin Islands	511	0	0	0
Virginia	21,658	0	20,611	0
Washington	67,792	351	77,002	1,779
West Virginia	5,294	0	5,036	0
Wisconsin	62,785	13	64,550	67
Wyoming	1,345	18	1,642	86
Industry Total	5,875,311	18,688	6,106,716	51,863

Note: The average number of subscribers reported for 2000 and 2001 includes true-ups through December 2001. Starting in October 2000, low-income subscribers are listed as either tribal or non-tribal due to implementation of the *Tribal Order*. Ninety-nine percent of all eligible telecommunications carriers (ETCs) have reported to date.

Source: Universal Service Administrative Company (USAC).

Table 7.4
LinkUp Assistance Subscribers
By State or Jurisdiction

State or Jurisdiction	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Alabama	1,927	2,182	1,381	736	308	276	362	NA	2,277	1,590	1,469	1,339
Alaska	0	0	0	0	395	777	732	NA	917	982	774	1,861
American Samoa	0	0	0	0	0	0	0	NA	122	89	53	54
Arizona	416	206	88	257	367	387	906	NA	528	4,805	4,883	13,134
Arkansas	5,240	6,522	7,067	12,082	16,124	8,549	11,577	NA	8,183	5,395	3,270	2,488
California	180	0	0	0	0	0	0	NA	1,542,297	1,325,904	1,216,709	1,074,525
Colorado	585	1,749	1,614	1,257	859	593	2,216	NA	2,537	1,278	1,115	1,081
Connecticut	3,499	6,661	9,164	10,316	17,176	18,410	13,934	NA	8,938	6,829	4,442	3,413
Delaware	0	0	0	0	0	7	406	NA	132	62	48	306
District of Columbia	514	510	1,145	1,863	1,675	1,920	1,784	NA	26	28	3	0
Florida	3,342	3,824	4,690	2,811	2,290	1,639	3,831	NA	9,799	9,266	9,652	9,083
Georgia	0	13,052	28,108	21,446	20,753	20,656	15,368	NA	10,701	8,723	4,349	3,339
Guam	0	0	0	0	0	0	0	NA	201	703	787	976
Hawaii	905	1,326	1,708	2,047	2,746	3,989	3,276	NA	6,408	10,126	10,511	8,290
Idaho	240	362	396	465	658	571	671	NA	793	1,231	2,169	1,356
Illinois	23,213	11,721	0	21,278	24,365	15,794	10,077	NA	12,304	12,934	13,052	25,753
Indiana	1,475	2,747	4,939	4,782	5,010	3,001	4,318	NA	4,605	5,507	5,978	11,754
Iowa	6,228	5,522	5,221	4,784	4,382	3,249	2,575	NA	2,093	1,449	1,159	1,012
Kansas	722	582	635	557	493	435	421	NA	1,385	1,483	3,020	3,492
Kentucky	6,633	8,931	11,660	10,963	11,819	13,902	14,173	NA	7,550	9,815	8,375	7,062
Louisiana	28,356	18,693	12,992	7,053	4,943	3,275	1,571	NA	3,911	1,358	989	709
Maine	10,128	12,132	5,576	14,450	19,363	14,798	20,783	NA	21,640	25,887	26,224	20,402
Maryland	4,985	3,540	3,168	2,772	2,837	2,613	2,091	NA	1,264	908	637	402
Massachusetts	8,569	4,366	4,661	17,390	19,464	18,601	11,727	NA	5,864	10,036	6,795	4,431
Michigan	23,675	36,639	40,339	36,512	34,640	26,198	20,097	NA	18,587	19,501	19,215	21,832
Minnesota	949	787	427	443	1,871	834	832	NA	1,058	521	356	278
Mississippi	1,663	1,369	932	2,371	4,236	4,151	2,974	NA	1,819	1,224	952	815
Missouri	1,105	840	766	735	1,633	742	627	NA	4,777	1,150	6,510	7,669
Montana	1,607	1,157	1,181	1,291	1,253	988	1,909	NA	1,676	1,539	2,014	1,857
Nebraska	526	688	878	650	522	496	331	NA	707	1,181	1,947	2,576
Nevada	324	487	562	866	685	708	640	NA	117	3,284	3,577	3,459
New Hampshire	407	1,009	1,544	1,805	1,570	1,312	1,246	NA	1,315	1,374	827	542
New Jersey	524	580	696	565	567	342	237	NA	1,541	474	1,086	593
New Mexico	3,173	4,178	5,848	9,963	12,600	12,277	9,171	NA	7,894	7,552	3,157	2,553
New York	188,182	241,477	290,856	238,856	290,922	327,123	346,089	NA	199,181	53,961	41,683	23,888
North Carolina	2,100	2,348	2,175	1,762	1,207	841	569	NA	2,408	3,237	3,481	2,920
North Dakota	313	373	337	398	355	355	220	NA	1,446	1,026	1,220	1,627
Northern Mariana Isls.	0	0	0	0	0	0	0	NA	1,475	3,891	225	84
Ohio	11,157	18,239	37,191	46,028	40,071	29,338	23,196	NA	19,058	25,880	47,868	55,425
Oklahoma	728	1,582	1,271	1,281	1,087	1,040	1,260	NA	3,121	1,496	3,899	11,011
Oregon	3,664	3,657	4,588	6,335	7,144	8,043	7,862	NA	5,901	4,863	8,335	7,081
Pennsylvania	79,532	85,695	97,585	94,897	100,651	99,105	92,128	NA	63,713	54,251	28,737	13,619
Puerto Rico	5,523	4,308	3,886	3,138	3,455	4,116	3,640	NA	3,870	1,783	1,210	772
Rhode Island	1,023	960	1,483	2,002	2,808	2,728	2,100	NA	1,766	1,565	1,375	591
South Carolina	1,535	2,265	1,897	2,113	2,053	1,495	1,158	NA	2,270	2,052	1,699	1,336
South Dakota	542	443	439	362	451	369	221	NA	2,330	1,698	2,099	2,303
Tennessee	3,278	5,418	4,126	5,203	5,004	3,561	3,684	NA	4,190	6,023	7,240	5,531
Texas	22,587	30,915	41,381	44,184	66,010	72,210	75,708	NA	121,794	121,925	118,092	80,253
Utah	387	1,781	6,286	4,843	3,758	3,525	5,584	NA	2,880	2,061	1,242	1,138
Vermont	1,349	2,073	2,104	2,217	2,485	2,074	1,396	NA	1,366	1,500	2,386	2,231
Virgin Islands	0	0	0	38	111	35	13	NA	199	106	100	0
Virginia	9,598	14,642	14,523	15,701	15,797	15,847	14,428	NA	10,261	7,702	4,619	2,392
Washington	3,787	30,134	34,413	37,419	43,429	41,462	45,284	NA	27,780	27,456	28,880	33,922
West Virginia	327	363	322	586	577	657	997	NA	488	865	759	442
Wisconsin	36,444	40,515	40,942	37,380	34,903	28,209	21,937	NA	25,933	27,187	20,404	19,183
Wyoming	169	95	94	109	82	56	17	NA	21	50	199	203
Industry Total	513,335	639,645	743,285	737,362	837,964	823,679	808,354	NA 1/	2,195,417	1,834,766	1,691,856 2/	1,504,388 2/

NA - Not available.

1/ Subscriber data were not actually collected in 1997.

2/ Subscribers reported for 2000 and 2001 include true-ups through December 2001 for companies requesting reimbursement. Approximately ninety-nine percent of all eligible companies have reported at this time

Source: Universal Service Administrative Company (USAC).

Table 7.5
LinkUp Assistance Subscribers for Tribal and Non-Tribal Areas
By State or Jurisdiction

State or Jurisdiction	2000 Non-Tribal	2000 Tribal	2001 Non-Tribal	2001 Tribal
Alabama	1,469	0	1,339	0
Alaska	599	175	929	932
American Samoa	53	0	54	0
Arizona	4,432	451	2,210	10,924
Arkansas	3,270	0	2,488	0
California	1,216,706	3	1,074,433	92
Colorado	1,115	0	1,080	1
Connecticut	4,442	0	3,413	0
Delaware	48	0	306	0
District of Columbia	3	0	0	0
Florida	9,652	0	9,083	0
Georgia	4,349	0	3,339	0
Guam	787	0	976	0
Hawaii	10,511	0	8,290	0
Idaho	2,169	0	1,355	1
Illinois	13,052	0	25,752	1
Indiana	5,978	0	11,753	1
Iowa	1,159	0	1,012	0
Kansas	3,020	0	3,492	0
Kentucky	8,375	0	7,062	0
Louisiana	989	0	709	0
Maine	26,206	18	19,735	667
Maryland	637	0	402	0
Massachusetts	6,795	0	4,431	0
Michigan	19,215	0	21,831	1
Minnesota	356	0	262	16
Mississippi	952	0	815	0
Missouri	6,510	0	7,668	1
Montana	1,549	465	894	963
Nebraska	1,940	7	2,541	35
Nevada	3,574	3	3,452	7
New Hampshire	827	0	542	0
New Jersey	1,086	0	593	0
New Mexico	2,953	204	1,769	784
New York	41,680	3	23,860	28
North Carolina	3,481	0	2,920	0
North Dakota	1,129	91	1,255	372
Northern Mariana Islands	225	0	84	0
Ohio	47,868	0	55,425	0
Oklahoma	3,780	119	9,458	1,553
Oregon	8,335	0	7,079	2
Pennsylvania	28,737	0	13,619	0
Puerto Rico	1,210	0	772	0
Rhode Island	1,375	0	591	0
South Carolina	1,699	0	1,336	0
South Dakota	1,977	122	2,129	174
Tennessee	7,240	0	5,531	0
Texas	118,092	0	80,241	12
Utah	1,240	2	1,123	15
Vermont	2,386	0	2,231	0
Virgin Islands	100	0	0	0
Virginia	4,619	0	2,392	0
Washington	28,525	355	32,071	1,851
West Virginia	759	0	442	0
Wisconsin	20,404	0	19,182	1
Wyoming	196	3	179	24
Industry Total	1,689,835	2,021	1,485,930	18,458

Note: Subscribers reported for 2000 and 2001 include true-ups through December 30, 2001. Starting Oct. 2000, low-income subscribers are listed as either tribal or non-tribal due to implementation of *Tribal Order*. About ninety-nine percent of all eligible telecommunications carriers (ETCs) have reported to date.

Source: Universal Service Administrative Company (USAC).

Table 7.6
Lifeline Assistance Annual Payments
By State or Jurisdiction

State or Jurisdiction	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Cumulative Total
Alabama	\$0	\$0	\$0	\$0	\$0	\$56,744	\$372,371	\$602,521	\$1,449,303	\$1,590,349	\$1,910,638	\$2,272,765	\$8,254,691
Alaska	0	0	0	0	24,330	55,101	69,116	73,941	205,701	205,701	591,303	383,225	2,764,540
American Samoa	0	0	0	0	0	0	0	0	0	0	0	0	129,537
Arizona	136,518	127,419	144,290	188,216	307,699	346,595	383,752	396,391	1,606,287	1,720,671	2,044,134	4,069,855	11,471,827
Arkansas	276,742	301,087	316,837	310,979	295,293	301,808	362,497	374,881	583,932	594,392	596,488	564,691	4,881,628
California	32,228,252	36,072,671	40,381,514	47,512,283	52,461,134	57,460,134	62,231,440	63,011,988	244,372,788	249,506,436	264,490,813	286,364,405	1,436,093,905
Colorado	173,248	751,056	843,519	802,077	775,750	727,801	829,354	942,972	1,861,235	2,077,456	2,408,134	2,639,957	14,832,559
Connecticut	0	0	0	57,033	1,493,569	2,586,972	2,660,608	2,590,702	3,660,711	4,344,924	4,896,000	4,869,725	27,160,244
Delaware	0	0	0	0	0	0	0	0	23,198	38,185	51,796	124,149	237,328
District of Columbia	99,980	90,500	128,348	312,684	429,396	313,998	293,322	318,368	876,337	769,414	952,218	1,009,723	5,594,288
Florida	0	0	0	0	1,290,282	4,396,137	5,191,213	5,448,368	10,368,040	10,962,971	11,943,361	13,752,992	63,353,364
Georgia	0	794,088	2,247,925	2,764,461	3,003,777	3,315,787	3,383,638	3,164,320	6,187,332	6,313,688	6,461,236	6,691,400	44,327,652
Guam	0	0	0	0	0	0	0	0	18,061	68,177	170,743	209,280	466,261
Hawaii	198,943	186,490	182,555	190,166	196,554	202,107	273,471	271,524	551,150	551,150	1,074,352	1,171,003	5,303,940
Idaho	347,270	358,515	355,127	349,344	328,583	321,830	320,845	311,156	576,367	1,306,602	1,823,477	2,479,591	8,878,707
Illinois	18	414,457	0	0	0	0	0	0	1,856,606	3,285,371	4,417,414	5,828,195	15,802,061
Indiana	0	0	0	0	0	0	0	0	795,195	1,231,284	1,531,702	2,492,349	6,050,530
Iowa	0	0	0	0	0	0	0	0	161,566	409,513	751,594	2,381,691	6,050,530
Kansas	0	0	0	0	0	0	0	38	340,226	474,877	781,349	1,223,347	2,819,837
Kentucky	0	0	0	0	0	0	0	0	15,271	2,128,575	3,488,178	4,333,481	10,265,505
Louisiana	0	0	0	0	0	0	0	0	379,066	681,067	1,071,618	1,456,293	3,588,044
Maine	1,720,591	2,165,485	2,605,855	2,902,206	2,959,351	2,652,482	2,737,366	2,669,234	5,338,338	5,711,223	6,799,162	7,971,659	46,232,952
Maryland	220,346	216,947	213,303	221,574	218,052	211,819	180,079	166,473	317,814	326,288	352,177	389,962	3,034,834
Massachusetts	2,552,254	5,126,895	5,996,798	6,598,801	7,064,939	7,146,757	6,952,050	6,564,336	13,628,125	14,207,842	14,821,387	15,962,385	106,622,569
Michigan	1,348,992	2,163,526	2,742,396	3,081,708	3,351,923	3,288,234	3,203,533	3,104,779	9,761,204	10,059,023	11,399,598	11,504,738	65,008,324
Minnesota	2,256,567	2,416,108	2,258,780	2,295,299	2,332,178	2,170,211	2,080,597	1,998,168	3,534,194	3,471,610	3,700,533	3,813,717	32,327,962
Mississippi	0	16,962	29,506	109,841	339,633	399,633	401,106	349,468	887,098	1,136,422	1,489,290	1,921,545	7,080,504
Missouri	620,605	648,102	711,138	699,011	653,539	590,212	486,547	465,466	551,102	1,466,051	1,466,051	2,512,230	10,128,504
Montana	234,696	228,885	234,046	266,870	281,441	290,312	328,627	319,745	824,313	677,995	932,470	1,346,336	5,965,736
Nebraska	0	0	0	0	0	0	0	0	619,118	820,980	1,210,149	1,452,340	4,102,587
Nevada	122,289	134,038	147,595	172,658	194,440	206,654	196,662	215,016	214,714	754,020	1,319,500	2,073,091	5,732,677
New Hampshire	0	0	0	0	0	0	0	0	162,362	331,956	443,561	535,222	1,473,101
New Jersey	0	0	0	0	0	0	0	0	343,979	404,857	2,026,134	6,057,341	10,128,504
New Mexico	528,392	615,450	744,810	1,167,110	1,357,828	1,216,787	1,264,979	1,273,169	2,620,225	2,875,410	3,169,823	3,935,389	20,769,372
New York	11,253,994	15,649,754	18,295,637	20,970,135	23,844,744	27,188,016	30,924,772	29,327,216	54,776,809	51,473,090	48,395,880	46,009,957	378,110,004
North Carolina	637,444	647,593	875,130	962,905	1,003,092	922,046	972,046	948,969	2,443,410	3,755,587	5,636,402	8,181,624	26,986,796
North Dakota	299,829	438,302	447,187	421,896	412,255	378,733	333,434	309,496	876,274	960,538	1,013,354	1,358,491	7,249,789
Northern Mariana Islands	0	0	0	0	0	0	0	0	10,659	30,391	29,576	28,316	98,942
Ohio	643,996	650,084	1,304,827	1,963,353	2,293,070	2,409,791	2,366,359	2,535,383	5,390,963	8,113,627	13,117,956	19,235,008	60,024,417
Oklahoma	0	0	0	0	0	0	10	900	106,526	173,816	813,355	6,259,728	7,354,335
Oregon	894,729	944,221	1,044,746	1,175,398	1,262,606	1,499,920	1,479,004	1,310,954	2,381,568	2,484,518	2,750,644	3,101,587	20,329,895
Pennsylvania	0	0	0	0	0	0	87,639	298,771	1,742,564	3,043,969	3,977,672	5,675,179	14,825,794
Puerto Rico	0	0	0	0	0	0	0	0	587,156	1,064,389	1,116,360	1,123,709	3,891,614
Rhode Island	643,660	960,213	1,111,414	1,487,776	1,693,628	1,713,982	1,772,985	1,843,008	3,776,998	3,898,361	4,192,501	4,411,137	27,505,663
South Carolina	0	0	0	0	0	0	264,326	772,226	1,825,532	1,735,670	1,776,712	1,961,913	8,983,675
South Dakota	201,953	207,281	211,499	214,402	160,110	156,115	152,834	155,737	674,584	742,425	882,125	1,542,790	5,301,855
Tennessee	0	0	506,187	844,079	881,488	837,524	841,342	790,409	1,874,811	2,527,805	3,384,240	4,234,161	16,722,046
Texas	1,120,002	1,736,759	3,576,193	4,181,609	5,335,092	6,723,118	7,776,103	8,124,667	17,624,701	20,341,821	23,137,380	29,008,889	128,686,334
Utah	609,049	874,025	1,161,879	1,203,870	1,208,738	1,179,200	1,057,483	950,263	1,699,274	1,665,098	1,771,260	1,930,707	15,310,846
Vermont	755,646	858,766	924,333	979,697	1,041,838	1,094,178	1,039,649	1,064,932	2,214,987	2,403,381	2,646,801	2,931,131	17,955,339
Virgin Islands	0	0	0	5,753	29,075	22,459	14,293	19,179	49,229	40,225	44,910	9,300	235,023
Virginia	669,972	704,087	782,585	907,400	920,012	912,437	911,374	973,851	1,789,384	1,860,517	1,910,157	1,982,736	14,324,512
Washington	1,474,869	2,199,086	2,524,658	2,997,455	2,966,094	2,813,846	2,743,597	2,686,537	4,182,773	4,962,458	6,128,497	8,009,957	43,689,827
West Virginia	192,927	181,082	175,309	188,356	206,594	190,638	176,422	216,891	367,974	383,484	393,823	417,201	3,090,701
Wisconsin	234	217,958	482,544	521,821	676,880	653,204	610,792	610,821	2,768,462	3,882,741	4,704,920	5,370,143	20,506,880
Wyoming	0	5,833	57,652	54,640	49,077	36,101	33,007	36,306	93,464	113,024	122,227	188,484	789,815
Industry Total	\$62,464,007	\$79,103,725	\$93,766,122	\$109,082,866	\$123,283,835	\$137,277,472	\$148,186,383	\$147,579,351	\$422,006,158	\$446,161,998	\$488,574,523	\$553,702,264	\$2,811,188,704

1/ Payments are final and not subject to further adjustment.
2/ Dollars reported are for companies requesting reimbursement. Approximately 99% have reported at this time. Data include true-ups submitted through January 2002. Lifeline dollars, starting in 1998, include toll-limitation services (TLS) €
prescribed interexchange carrier charges (PICCs). PICC charges are valid only through July 2000.
Source: Universal Service Administrative Company (USAC)

**Table 7.7
LinkUp Assistance Annual Payments
By State or Jurisdiction**

State or Jurisdiction	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Cumulative Total
Alabama	\$41,125	\$47,246	\$30,322	\$16,881	\$7,021	\$5,467	\$6,661	\$9,738	\$37,868	\$28,882	\$28,604	\$28,461	\$288,276
Alaska	0	0	0	0	8,541	16,530	14,673	10,485	18,647	24,494	16,311	48,319	158,000
American Samoa	NA	NA	NA	NA	NA	NA	NA	NA	3,660	2,670	1,590	2,093	10,013
Arizona	9,260	4,792	2,054	6,000	8,533	23,340	22,359	23,234	12,473	112,999	106,010	293,740	624,794
Arkansas	102,651	128,727	152,380	304,253	337,111	164,617	232,383	221,128	142,354	101,909	61,903	53,169	2,001,766
California	0	0	0	0	0	0	0	0	28,628,622	24,003,283	20,961,600	20,220,150	93,813,655
Colorado	15,586	47,146	43,867	34,417	15,065	10,498	38,773	48,230	44,545	22,506	19,630	21,101	361,364
Connecticut	66,848	125,749	169,970	205,974	386,459	414,224	313,522	256,225	201,089	153,651	99,945	83,491	2,477,147
Delaware	0	0	0	0	0	126	7,308	8,268	2,376	1,116	864	28,042	166,293
District of Columbia	76,242	82,224	113,225	69,296	22,750	88,707	100,275	87,753	196,450	188,233	202,121	231,207	1,509,477
Florida	0	277,968	604,321	461,379	449,418	444,097	330,076	146,239	204,709	167,716	85,560	69,675	3,241,158
Georgia	0	0	0	0	0	0	0	0	3,521	12,304	13,775	18,707	48,307
Guam	13,660	14,969	19,168	24,428	33,051	46,507	37,856	34,115	145,251	229,187	237,604	208,236	1,044,032
Hawaii	4,136	5,860	6,407	7,418	10,578	9,885	9,861	18,754	11,539	16,029	31,135	22,793	153,495
Illinois	628,664	320,216	0	535,206	617,419	477,288	282,633	232,685	318,391	332,878	330,390	739,198	4,834,968
Indiana	35,646	63,398	119,317	112,484	17,045	58,703	40,189	58,703	103,940	127,536	140,547	304,835	1,295,118
Iowa	115,069	99,478	92,333	81,214	74,162	56,111	40,437	18,771	29,421	21,116	18,187	17,873	664,172
Kansas	14,320	10,914	11,530	10,673	9,573	8,141	35,655	26,737	26,737	28,662	58,505	74,150	297,289
Kentucky	174,698	191,793	245,518	233,258	263,666	274,776	274,776	175,728	143,852	186,399	155,683	146,138	2,454,499
Louisiana	838,721	551,215	386,163	210,409	147,015	76,603	38,121	15,288	74,074	26,208	20,876	16,350	2,401,043
Maine	222,351	271,175	120,532	321,595	430,941	327,363	461,108	522,810	477,470	574,103	581,375	617,295	4,928,118
Maryland	118,647	85,142	81,999	71,223	52,782	63,008	50,178	46,278	30,336	21,760	15,289	12,941	649,583
Massachusetts	140,028	76,355	322,410	344,862	217,417	131,948	108,720	186,067	108,720	186,067	123,288	46,067	2,150,004
Michigan	501,015	761,801	840,265	786,106	720,903	472,243	224,317	477,688	384,073	405,941	399,999	493,680	6,468,031
Minnesota	11,455	12,644	12,660	38,742	35,475	8,435	7,622	14,189	15,793	6,078	4,489	3,482	171,064
Mississippi	29,533	26,277	81,743	45,472	17,743	94,989	67,873	31,033	38,302	24,647	20,981	19,977	497,983
Missouri	19,760	14,615	17,047	23,775	23,702	12,190	10,308	9,880	83,766	18,640	116,109	152,411	506,203
Montana	35,615	25,154	25,074	26,475	19,726	13,413	24,502	24,304	22,356	20,819	29,283	36,044	302,765
Nebraska	7,964	11,267	15,382	11,950	9,001	6,892	5,253	4,591	1,942	17,312	28,909	41,744	169,607
Nevada	3,004	9,338	10,999	15,107	11,838	11,691	13,445	8,605	1,902	55,557	60,681	64,715	266,882
New Hampshire	8,510	21,420	36,328	44,199	42,146	32,147	30,530	31,583	26,155	26,750	16,111	14,279	330,158
New Jersey	10,755	12,054	14,502	11,745	11,814	8,106	4,995	3,844	33,071	10,043	22,951	18,257	162,137
New Mexico	79,198	107,467	152,371	304,961	262,693	131,859	137,238	128,193	116,668	114,304	44,331	39,755	1,619,038
New York	4,483,514	5,962,604	6,611,526	7,243,113	8,120,361	8,972,155	9,586,748	5,604,194	5,480,654	1,470,599	1,130,140	838,816	65,504,426
North Carolina	31,302	33,805	32,761	24,042	19,718	13,958	9,510	8,720	38,545	51,344	55,554	58,058	377,317
North Dakota	5,082	6,182	5,713	6,682	5,534	5,636	3,491	17,922	23,026	16,357	19,062	30,849	145,536
Northern Mariana Islands	0	0	0	0	0	0	0	0	5,887	11,435	8,879	8,403	34,604
Ohio	204,433	311,997	650,806	775,582	690,334	515,674	394,796	374,183	322,012	422,074	806,836	1,098,844	6,567,571
Oklahoma	15,826	35,077	27,986	28,251	23,936	20,142	22,082	33,908	47,878	30,464	81,210	237,748	604,508
Oregon	23,262	22,801	31,834	46,035	54,485	57,728	53,338	51,816	46,222	39,955	76,668	70,835	574,979
Pennsylvania	1,592,565	1,743,115	1,976,702	1,904,903	2,022,887	1,969,372	1,850,064	1,735,564	1,257,631	1,043,649	531,678	372,587	18,000,717
Puerto Rico	91,784	72,561	65,986	54,826	57,950	69,244	76,381	83,138	68,116	31,208	22,598	20,827	714,619
Rhode Island	14,527	13,634	21,059	28,427	38,416	45,309	35,531	25,226	29,878	26,478	23,267	13,549	315,301
South Carolina	38,303	34,894	36,759	40,434	38,405	30,035	21,851	19,639	42,591	39,047	32,120	28,810	402,888
South Dakota	9,368	7,755	6,349	5,641	4,614	2,765	2,257	2,257	29,490	22,426	30,611	36,326	165,287
Tennessee	73,824	62,690	69,673	86,711	85,071	89,617	60,589	22,082	78,322	108,680	105,704	127,414	970,377
Texas	636,839	591,565	811,837	825,340	1,258,838	1,371,343	1,632,153	1,517,075	2,244,255	2,325,072	2,257,497	1,714,394	17,186,208
Utah	6,870	31,614	111,578	85,963	35,478	32,798	74,404	53,213	36,078	25,804	15,404	15,499	524,703
Vermont	22,132	34,041	34,358	36,314	40,478	34,039	24,863	19,126	24,174	26,545	42,256	53,315	391,641
Virgin Islands	0	0	0	1,012	2,584	1,001	317	1,392	2,005	1,004	1,763	364	11,442
Virginia	173,149	267,462	289,381	323,486	248,128	292,190	269,695	267,013	183,002	141,017	86,434	59,228	2,600,185
Washington	59,277	467,920	532,652	661,632	668,199	693,528	676,482	623,757	417,353	424,733	492,988	791,568	6,410,089
West Virginia	7,002	7,878	7,366	11,983	16,145	15,119	14,508	16,102	8,966	12,814	10,024	8,928	136,835
Wisconsin	526,066	581,758	569,079	537,514	490,668	426,278	356,626	370,939	378,836	450,289	543,690	570,611	5,802,354
Wyoming	3,510	1,865	1,934	2,180	1,449	938	342	400	338	893	3,609	4,267	21,725
Industry Total	\$11,351,005 /	\$13,705,470 /	\$15,342,180 /	\$17,019,329 /	\$18,573,322 /	\$18,592,061 /	\$18,246,756 /	\$13,710,810 /	\$42,463,332 /	\$33,991,297 /	\$30,432,674 /	\$30,329,557 /	\$263,557,793

NA - Not available.
 1/ Payments are final and are not subject to further adjustment.
 2/ Dollars reported are for companies requesting reimbursement. Approximately 99% have reported at this time. Data include true-ups through January 2002.
 Source: Universal Service Administrative Company (USAC).

Table 7.8
Low-Income Support Payments
(January 1998 - December 1998)

State or Jurisdiction	Lifeline Non-Tribal	LinkUp Non-Tribal	TLS	PICCs	Total
Alabama	\$1,430,879	\$37,868	\$2,119	\$16,305	\$1,487,171
Alaska	191,057	18,647	14,584	60	224,348
American Samoa	8,167	3,660	0	0	11,827
Arizona	1,591,648	12,473	13,621	1,018	1,618,760
Arkansas	579,956	142,354	2,837	3,140	728,287
California	241,532,455	28,628,622	2,077,337	762,996	273,001,410
Colorado	1,834,312	44,545	18,578	8,345	1,905,780
Connecticut	3,611,946	201,089	27,447	21,318	3,861,800
Delaware	23,198	2,376	0	0	25,574
District of Columbia	769,414	400	0	0	769,814
Florida	10,286,854	196,450	10,707	70,479	10,564,490
Georgia	6,129,384	204,709	8,052	49,896	6,392,041
Guam	18,061	3,521	0	0	21,582
Hawaii	551,000	145,251	0	150	696,401
Idaho	571,493	11,539	3,877	997	587,906
Illinois	1,838,320	318,391	995	17,291	2,174,997
Indiana	783,774	103,940	1,533	9,888	899,135
Iowa	148,518	29,421	11,232	1,816	190,987
Kansas	337,249	26,737	993	1,984	366,963
Kentucky	305,764	143,852	4,200	5,307	459,123
Louisiana	366,776	74,074	1,433	10,857	453,140
Maine	5,299,276	477,470	19,660	19,402	5,815,808
Maryland	317,814	30,336	0	0	348,150
Massachusetts	13,572,243	108,720	0	55,882	13,736,845
Michigan	9,678,929	384,073	8,773	73,502	10,145,277
Minnesota	3,530,029	15,793	3,233	932	3,549,987
Mississippi	876,569	38,302	1,234	9,295	925,400
Missouri	545,925	83,766	2,683	2,494	634,868
Montana	665,529	22,356	10,524	1,942	700,351
Nebraska	603,067	9,542	12,640	3,411	628,660
Nevada	214,291	1,902	410	13	216,616
New Hampshire	161,489	26,155	0	873	188,517
New Jersey	343,628	33,071	351	0	377,050
New Mexico	2,517,906	116,668	70,603	31,716	2,736,893
New York	53,807,308	5,480,654	74	969,427	60,257,463
North Carolina	2,427,820	38,545	2,416	13,365	2,482,146
North Dakota	861,146	23,026	10,603	4,525	899,300
Northern Mariana Islands	10,659	5,887	0	0	16,546
Ohio	5,270,380	322,012	21,328	99,255	5,712,975
Oklahoma	104,566	47,878	883	1,077	154,404
Oregon	2,351,543	46,222	19,739	10,286	2,427,790
Pennsylvania	1,741,674	1,257,631	90	800	3,000,195
Puerto Rico	587,156	68,116	0	0	655,272
Rhode Island	3,753,152	29,878	0	23,846	3,806,876
South Carolina	1,798,292	42,591	6,134	21,106	1,868,123
South Dakota	656,428	29,490	14,889	3,267	704,074
Tennessee	1,863,198	78,322	1,364	10,249	1,953,133
Texas	17,082,669	2,244,255	173,804	368,228	19,868,956
Utah	1,665,232	36,078	24,856	9,186	1,735,352
Vermont	2,211,542	24,174	487	2,958	2,239,161
Virgin Islands	49,229	2,005	0	0	51,234
Virginia	1,788,279	183,002	478	627	1,972,386
Washington	4,059,632	417,353	89,905	33,236	4,600,126
West Virginia	367,951	8,966	0	23	376,940
Wisconsin	2,716,657	378,836	3,037	48,748	3,147,278
Wyoming	92,881	338	456	127	93,802
Industry Total	\$416,504,314	\$42,463,332	\$2,700,199	\$2,801,645	\$464,469,490

Note: These dollars represent submitted claims to USAC for the time period January 1998 through December 1998, including true-ups reported to date. Verizon-NJ and Sprint-NJ were granted eligible telecommunications carrier (ETC) status retroactive to January 1998. Nevada Bell did not receive ETC status until December 1998 and began reporting Lifeline starting in January 1999.

Source: Universal Service Administration Company (USAC).

Table 7.8
Low-Income Support Payments - Continued
(January 1999 - December 1999)

State or Jurisdiction	Lifeline	LinkUp	TLS	PICCs	Total
	Non-Tribal	Non-Tribal			
Alabama	\$1,563,850	\$28,882	\$2,175	\$24,324	\$1,619,231
Alaska	353,682	24,494	29,075	468	407,719
American Samoa	26,893	2,670	0	0	29,563
Arizona	1,618,554	112,999	69,449	32,668	1,833,670
Arkansas	584,481	101,090	2,315	7,596	695,482
California	246,181,577	24,003,283	2,268,441	1,056,418	273,509,719
Colorado	2,015,411	22,506	37,514	24,531	2,099,962
Connecticut	4,298,141	153,651	22,820	23,963	4,498,575
Delaware	38,185	1,116	0	0	39,301
District of Columbia	876,337	430	0	0	876,767
Florida	10,838,023	188,233	16,581	108,367	11,151,204
Georgia	6,213,460	167,716	10,594	89,634	6,481,404
Guam	68,177	12,304	0	0	80,481
Hawaii	797,072	229,187	3,520	5,033	1,034,812
Idaho	1,264,737	16,029	24,355	17,510	1,322,631
Illinois	3,236,547	332,878	2,085	46,739	3,618,249
Indiana	1,204,783	127,536	2,801	23,700	1,358,820
Iowa	384,652	21,116	15,981	8,880	430,629
Kansas	465,671	28,662	2,279	6,927	503,539
Kentucky	2,091,160	186,399	9,103	28,312	2,314,974
Louisiana	656,564	26,208	1,985	22,518	707,275
Maine	5,646,395	574,103	8,086	56,742	6,285,326
Maryland	326,288	21,760	0	0	348,048
Massachusetts	14,086,751	186,067	0	121,091	14,393,909
Michigan	9,933,108	405,941	9,234	116,681	10,464,964
Minnesota	3,454,859	6,078	10,887	5,864	3,477,688
Mississippi	1,114,842	24,647	2,003	19,577	1,161,069
Missouri	740,625	18,640	4,310	9,566	773,141
Montana	800,802	20,819	18,143	5,368	845,132
Nebraska	797,127	17,312	15,183	8,670	838,292
Nevada	747,742	55,557	2,562	3,716	809,577
New Hampshire	327,542	26,750	0	4,414	358,706
New Jersey	404,504	10,043	353	0	414,900
New Mexico	2,727,036	114,304	80,826	67,548	2,989,714
New York	50,318,021	1,470,599	3,613	1,151,456	52,943,689
North Carolina	3,721,083	51,344	5,429	29,075	3,806,931
North Dakota	935,573	16,357	15,270	9,695	976,895
Northern Mariana Islands	30,391	11,435	0	0	41,826
Ohio	7,842,922	422,074	39,250	231,455	8,535,701
Oklahoma	169,874	30,464	1,166	2,776	204,280
Oregon	2,437,301	39,955	20,675	26,542	2,524,473
Pennsylvania	3,042,089	1,043,649	28	1,852	4,087,618
Puerto Rico	1,064,389	31,208	0	0	1,095,597
Rhode Island	3,851,306	26,478	0	47,055	3,924,839
South Carolina	1,696,546	39,047	10,849	28,275	1,774,717
South Dakota	723,332	22,426	9,546	9,547	764,851
Tennessee	2,491,886	108,680	7,171	28,748	2,636,485
Texas	19,380,081	2,325,072	203,308	758,432	22,666,893
Utah	1,615,497	25,804	31,258	18,343	1,690,902
Vermont	2,392,069	26,545	2,779	8,533	2,429,926
Virgin Islands	40,225	1,004	0	0	41,229
Virginia	1,858,516	141,017	751	1,250	2,001,534
Washington	4,782,832	424,733	105,612	74,014	5,387,191
West Virginia	382,514	12,814	871	99	396,298
Wisconsin	3,802,028	450,289	4,985	75,728	4,333,030
Wyoming	111,837	893	794	393	113,917
Industry Total	\$438,575,890	\$33,991,297	\$3,136,015	\$4,450,093	\$480,153,295

Note: These dollars represent submitted claims to USAC for the time period January 1999 through December 1999, including true-ups reported to date.

Source: Universal Service Administration Company (USAC).

Table 7.8
Low-Income Support Payments - Continued
(January 2000 - December 2000)

State or Jurisdiction	Lifeline		LinkUp		TLS	PICCs	Total
	Non-Tribal	Tribal	Non-Tribal	Tribal			
Alabama	\$1,890,530	\$0	\$28,604	\$0	\$2,528	\$17,580	\$1,939,242
Alaska	507,874	63,848	12,188	4,123	18,949	632	607,614
American Samoa	41,388	0	1,590	0	0	0	42,978
Arizona	1,896,627	33,425	100,594	5,416	81,773	32,309	2,150,144
Arkansas	586,944	0	61,903	0	3,213	6,331	658,391
California	261,895,128	307	20,961,528	72	1,843,586	751,792	285,452,413
Colorado	2,359,272	68	19,630	0	27,949	20,845	2,427,764
Connecticut	4,852,944	0	99,945	0	27,660	15,396	4,995,945
Delaware	51,668	0	864	0	128	0	52,660
District of Columbia	952,110	0	46	0	108	0	952,264
Florida	11,844,957	4	202,121	0	21,765	76,635	12,145,482
Georgia	6,391,413	0	85,560	0	10,274	59,549	6,546,796
Guam	170,743	0	13,775	0	0	0	184,518
Hawaii	1,058,126	0	237,604	0	0	16,226	1,311,956
Idaho	1,767,680	126	31,135	0	38,090	17,581	1,854,612
Illinois	4,379,593	0	330,390	0	1,412	36,409	4,747,804
Indiana	1,513,003	0	140,547	0	2,268	16,431	1,672,249
Iowa	722,770	0	18,187	0	20,276	8,548	769,781
Kansas	769,030	0	58,505	0	5,349	6,970	839,854
Kentucky	3,446,167	0	155,683	0	16,605	25,406	3,643,861
Louisiana	1,051,428	0	20,876	0	2,500	17,690	1,092,494
Maine	6,730,343	228	580,972	403	17,403	51,188	7,380,537
Maryland	351,760	0	15,289	0	417	0	367,466
Massachusetts	14,724,979	0	123,288	0	72	96,336	14,944,675
Michigan	11,311,462	24	399,999	0	8,381	79,731	11,799,597
Minnesota	3,680,958	494	4,489	0	13,126	5,955	3,705,022
Mississippi	1,470,386	0	20,981	0	2,972	15,932	1,510,271
Missouri	1,426,495	0	116,109	0	19,758	19,798	1,582,160
Montana	886,521	19,611	21,911	7,372	22,405	3,933	961,753
Nebraska	1,174,734	1,639	28,824	85	26,709	7,067	1,239,058
Nevada	1,305,766	598	60,610	71	9,261	3,875	1,380,181
New Hampshire	439,221	0	16,111	0	157	4,183	459,672
New Jersey	2,025,566	0	22,951	0	568	0	2,049,085
New Mexico	3,027,978	11,411	43,561	770	80,765	49,669	3,214,154
New York	47,771,543	50	1,130,057	83	7,467	616,820	49,526,020
North Carolina	5,602,156	6	55,554	0	11,694	22,546	5,691,956
North Dakota	969,088	16,710	17,643	1,419	18,655	8,901	1,032,416
Northern Mariana Islands	29,576	0	8,879	0	0	0	38,455
Ohio	12,843,158	0	806,836	0	68,374	206,424	13,924,792
Oklahoma	507,634	292,627	80,030	1,180	9,947	3,147	894,565
Oregon	2,707,643	97	76,668	0	20,206	22,698	2,827,312
Pennsylvania	3,975,540	0	531,678	0	32	2,100	4,509,350
Puerto Rico	1,116,360	0	22,598	0	0	0	1,138,958
Rhode Island	4,155,000	0	23,267	0	564	36,937	4,215,768
South Carolina	1,744,499	99	32,120	0	13,455	18,659	1,808,832
South Dakota	809,235	49,980	25,579	5,032	14,455	8,455	912,736
Tennessee	3,343,946	0	105,704	0	17,450	22,844	3,489,944
Texas	22,365,201	38	2,257,497	0	181,143	590,998	25,394,877
Utah	1,724,107	62	15,395	9	32,202	14,889	1,786,664
Vermont	2,631,928	0	42,256	0	6,694	8,179	2,689,057
Virgin Islands	44,910	0	1,763	0	0	0	46,673
Virginia	1,906,937	0	86,434	0	1,992	1,228	1,996,591
Washington	5,933,152	14,823	457,488	35,500	112,892	67,630	6,621,485
West Virginia	390,479	0	10,024	0	3,271	73	403,847
Wisconsin	4,648,566	203	543,690	0	5,431	50,720	5,248,610
Wyoming	118,962	1,305	3,555	54	1,436	524	125,836
Industry Total	\$482,045,184	\$507,783	\$30,371,085	\$61,589	\$2,853,787	\$3,167,769	\$519,007,197

Note: These dollars represent submitted claims to USAC for the time period January 2000 through December 2000, including true-ups reported to date. The District of Columbia has, as of December 2000, been compensated for Lifeline programs, as eligible telecommunications carrier (ETC) status has finally been granted retroactive to January 1998.

Source: Universal Service Administration Company (USAC).

Table 7.8
Low-Income Support Payments - Continued
(January 2001 - December 2001)

State or Jurisdiction	Lifeline		LinkUp		TLS	Total
	Non-Tribal	Tribal	Non-Tribal	Tribal		
Alabama	\$2,270,105	\$0	\$28,461	\$0	\$2,660	\$2,301,226
Alaska	845,266	470,418	25,320	22,999	46,139	1,410,142
American Samoa	53,089	0	2,093	0	0	55,182
Arizona	2,960,886	992,182	82,407	211,333	116,787	4,363,595
Arkansas	560,529	0	53,169	0	4,162	617,860
California	284,294,635	5,168	20,219,219	931	2,064,602	306,584,555
Colorado	2,603,950	705	21,083	18	35,032	2,661,058
Connecticut	4,862,190	0	83,491	0	7,535	4,953,216
Delaware	124,014	0	1,984	0	135	132,133
District of Columbia	1,009,651	0	0	0	72	1,009,723
Florida	13,723,827	0	231,207	0	29,165	13,984,199
Georgia	6,680,552	0	69,675	0	10,848	6,761,075
Guam	209,280	0	18,707	0	0	227,987
Hawaii	1,171,003	0	208,236	0	0	1,379,239
Idaho	2,430,822	7,044	22,778	15	41,725	2,502,384
Illinois	5,824,334	0	739,188	10	3,861	6,567,393
Indiana	2,491,301	0	304,822	13	1,048	2,797,184
Iowa	1,041,483	0	17,873	0	17,535	1,076,891
Kansas	1,217,694	0	74,150	0	5,653	1,297,497
Kentucky	4,307,791	0	146,138	0	25,690	4,479,619
Louisiana	1,453,358	0	16,350	0	2,935	1,472,643
Maine	7,929,164	25,571	602,368	14,927	16,924	8,588,954
Maryland	389,594	0	12,941	0	368	402,903
Massachusetts	15,962,256	0	46,067	0	129	16,008,452
Michigan	11,473,609	25,219	493,669	11	5,910	11,998,418
Minnesota	3,791,806	10,744	3,245	237	11,167	3,817,199
Mississippi	1,918,135	0	19,977	0	3,410	1,941,522
Missouri	2,477,720	72	152,391	20	34,438	2,664,641
Montana	1,146,846	165,842	18,990	17,054	33,648	1,382,380
Nebraska	1,394,222	16,648	40,764	980	41,470	1,494,084
Nevada	2,061,258	3,943	64,533	182	9,890	2,139,806
New Hampshire	535,120	0	14,279	0	102	549,501
New Jersey	3,281,723	0	18,257	0	648	3,300,628
New Mexico	3,704,378	138,945	32,330	7,425	92,066	3,975,144
New York	46,000,790	1,958	838,041	775	7,209	46,848,773
North Carolina	8,161,075	85	58,058	0	20,464	8,239,682
North Dakota	1,235,178	104,002	23,972	6,877	19,311	1,389,340
Northern Mariana Islands	28,316	0	8,403	0	0	36,719
Ohio	19,145,754	0	1,098,844	0	89,254	20,333,852
Oklahoma	3,421,840	2,787,460	218,520	19,228	50,328	6,497,476
Oregon	3,078,857	3,464	70,823	12	19,266	3,172,422
Pennsylvania	5,675,048	0	372,587	0	131	6,047,766
Puerto Rico	1,123,709	0	20,827	0	0	1,144,536
Rhode Island	4,410,786	0	13,549	0	351	4,424,686
South Carolina	1,945,048	469	28,810	0	16,396	1,990,723
South Dakota	1,164,511	346,892	32,734	3,592	31,387	1,579,116
Tennessee	4,208,553	1	127,414	0	25,607	4,361,575
Texas	28,831,935	35,256	1,714,235	159	141,698	30,723,283
Utah	1,894,265	2,378	15,373	126	34,064	1,946,206
Vermont	2,926,391	0	53,315	0	4,740	2,984,446
Virgin Islands	9,300	0	364	0	0	9,664
Virginia	1,980,635	0	59,228	0	2,101	2,041,964
Washington	7,546,548	355,760	608,463	183,105	107,649	8,801,525
West Virginia	412,355	0	8,928	0	4,846	426,129
Wisconsin	5,358,910	6,004	570,590	21	5,229	5,940,754
Wyoming	162,379	22,706	3,763	504	3,399	192,751
Industry Total	\$544,923,874	\$5,528,936	\$29,839,003	\$490,554	\$3,249,454	\$584,031,821

Note: These dollars represent submitted claims to USAC for the time period January 2000 through December 2000, including true-ups reported to date. The District of Columbia has, as of December 2000, been compensated for Lifeline programs, as eligible telecommunications carrier (ETC) status has finally been granted retroactive to January 1998.

Source: Universal Service Administration Company (USAC).

8 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. Line growth over time, averaging about 3% per year, has historically reflected growth in the population and the economy. In recent years, the growth in lines has increased as households have added additional lines.

Table 8.1 shows the nation's total number of telephone lines using three alternative measures. One 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 local exchange carriers. A second measure is the number of presubscribed lines, which were collected before 1997 to determine the amount of payments by the interexchange carriers to support high-cost and Lifeline and LinkUp programs. The third measure, access lines, represents estimates for the whole industry based on data filed with the Commission by large local exchange carriers through the Automated Reporting Management Information System (ARMIS).

Table 8.2 shows the number of local exchange operating areas (study areas) and loops in each state, and shows breakdowns by loops for price-cap and average-schedule companies. Table 8.3 shows the number of loops by holding companies.

Table 8.4 compares the number of residential local loops with the number of households with telephone service. The difference between these series is an approximate measure of the number of additional residential access lines. Table 8.4 shows that the percentage of additional lines for households with telephone service has increased dramatically, from about 3% in 1988 to about 27% in 2000.

Long distance carriers are required to pay payphone owners \$0.24 for every completed dial-around call (calls where the consumer chooses the long distance carrier over the payphone's presubscribed long distance carrier).² 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 supplies the FCC with data that allow the number of payphones in each state to be calculated. Table 8.5 shows the number of payphones owned by LECs and by independent payphone operators in each state at the end of the first quarter of 2001. Data for 1999 and 2000 can be found in the August 2001 edition of *Trends*. The number of payphones is broken down by whether the payphones are served by an RBOC or by another LEC.

² See *Third Report and Order and Order on Reconsideration of the 2nd Report and Order*, CC Docket 96-128, adopted Jan. 28, 1999.

Table 8.1
Total U.S. Telephone Lines

Year End	Presubscribed Lines	Annual Growth (%)	Local Loops	Annual Growth (%)	Access Lines	Annual Growth (%)
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	113,880,538	
1985			115,985,813	3.1	117,434,802	3.1 %
1986			118,289,121	2.0	120,781,565	2.8
1987	121,466,500		122,789,249	3.8	124,678,710	3.2
1988	124,360,829	2.4 %	127,086,765	3.5	126,953,616	1.8
1989	128,482,479	3.3	131,504,568	3.5	130,915,695	3.1
1990	132,408,608	3.1	136,114,201	3.5	134,743,029	2.9
1991	135,286,582	2.2	139,412,884	2.4	139,672,703	3.7
1992	138,725,040	2.5	143,341,581	2.8	142,428,028	2.0
1993	142,809,280	2.9	148,106,159	3.3	147,095,681	3.3
1994	148,479,328	4.0	153,447,946	3.6	151,607,529	3.1
1995	152,601,177	2.8	159,658,662	4.0	158,219,924	4.4
1996	158,672,243	4.0	166,445,580	4.3	165,420,650	4.6
1997	NA	NA	173,866,799	4.5	173,890,908	5.1
1998	NA	NA	179,849,181	3.4	180,471,261	3.8
1999	NA	NA	184,975,663	2.9	186,658,645	3.4
2000	NA	NA	188,497,257	1.9	188,626,589	1.1
2001	NA	NA	NA	NA	179,746,541 1/	-4.7

NA - Not Available.

1/ Data for 2001 are preliminary from annual ARMIS (Automated Reporting Management Information System) filing, April 1, 2002, adjusted using the 2000 adjustment factor.

Source: Presubscribed lines and local loops: National Exchange Carrier Association.
Access Lines: 1984-2000: Industry Analysis Division, Common Carrier Bureau, *Statistics of Communications Common Carriers*, 2000/2001 edition (November 2001), Table 4.10, after inflating access lines of reporting carriers to represent the total industry.

Table 8.2
Telephone Loops of Incumbent Local Exchange Carriers by State
(As of December 31, 2000)

	Study Areas	Price Cap		Non-Price Cap		Total Loops
		Bell Company Loops 1/	Other Company Loops	Average Schedule Company Loops	Other Company Loops	
Alabama	28	2,302,066	27,884	52,358	155,409	2,537,717
Alaska	25	0	0	236	455,775	456,011
American Samoa	1	0	0	0	9,978	9,978
Arizona	16	2,940,610	162,565	0	35,594	3,138,769
Arkansas	29	1,069,214	0	26,534	451,803	1,547,551
California	22	23,420,709	146,650	0	210,630	23,777,989
Colorado	28	2,872,354	0	1,067	131,456	3,004,877
Connecticut	2	2,527,459	0	25,155	0	2,552,614
Delaware	1	598,874	0	0	0	598,874
District of Columbia	1	924,593	0	0	0	924,593
Florida	12	9,139,046	2,154,289	0	192,375	11,485,710
Georgia	36	4,376,539	2,633	67,809	838,469	5,285,450
Guam	1	0	0	0	74,367	74,367
Hawaii	2	722,977	0	0	532	723,509
Idaho	21	699,233	21,751	5,141	43,752	769,877
Illinois	57	7,804,682	132,093	39,992	234,612	8,211,379
Indiana	42	3,278,399	264,276	97,216	70,736	3,710,627
Iowa	153	1,122,068	358,056	207,282	41,692	1,729,098
Kansas	39	1,454,785	146,290	7,773	123,961	1,732,809
Kentucky	19	1,823,334	202,619	97,904	101,692	2,225,549
Louisiana	20	2,418,203	0	7,322	187,119	2,612,644
Maine	20	724,630	0	38,175	111,130	873,935
Maryland	2	3,924,291	0	0	8,073	3,932,364
Massachusetts	3	4,527,199	0	0	4,233	4,531,432
Michigan	39	6,239,860	25,764	32,711	180,026	6,478,361
Minnesota	88	2,354,431	434,380	246,535	167,301	3,202,647
Mississippi	19	1,356,519	0	21,293	75,766	1,453,578
Missouri	44	3,103,505	270,350	20,063	302,249	3,696,167
Montana	18	381,611	9,018	4,355	164,554	559,538
Nebraska	41	510,773	390,527	21,270	92,555	1,015,125
Nevada	14	427,685	875,833	0	33,370	1,336,888
New Hampshire	10	801,344	0	2,252	56,999	860,595
New Jersey	3	6,692,681	223,764	0	10,959	6,927,404
New Mexico	16	860,898	103,234	0	45,071	1,009,203
New York	44	11,869,385	1,069,756	22,316	269,115	13,230,572
North Carolina	26	2,960,862	1,498,706	264,738	488,881	5,213,187
North Dakota	24	215,193	16,945	76,934	88,370	397,442
Northern Mariana Islands	1	20,990	0	0	0	20,990
Ohio	42	5,041,359	1,419,653	67,242	473,634	7,001,888
Oklahoma	39	1,737,875	126,260	5,943	240,315	2,110,393
Oregon	33	1,951,725	92,845	12,490	149,170	2,206,230
Pennsylvania	36	7,076,154	441,133	608,057	260,004	8,385,348
Puerto Rico	2	1,331,851	0	0	0	1,331,851
Rhode Island	1	660,645	0	0	0	660,645
South Carolina	27	1,747,811	104,993	60,017	474,949	2,387,770
South Dakota	31	276,180	0	77,592	74,789	428,561
Tennessee	25	2,754,858	356,105	149,781	212,394	3,473,138
Texas	58	12,096,308	715,095	10,443	602,027	13,423,873
Utah	13	1,152,656	23,711	5,005	31,976	1,213,348
Vermont	10	360,411	0	4,504	60,934	425,849
Virgin Islands	1	0	0	0	68,283	68,283
Virginia	21	4,309,367	413,279	92,898	27,141	4,842,685
Washington	23	3,467,139	87,790	4,320	269,855	3,829,104
West Virginia	10	871,569	152,142	8,565	7,902	1,040,178
Wisconsin	90	2,587,357	58,403	225,518	636,612	3,507,890
Wyoming	10	258,704	7,511	0	44,588	310,803
Total	1,439	164,148,971	12,536,303	2,718,806	9,093,177	188,497,257

1/ Includes loops formerly owned by GTE and Southern New England Telephone. SBC of Connecticut has 25,155 average schedule company loops that are not included in this total.

Source: NECA universal service filings.

Table 8.3
Telephone Loops of Incumbent Local Exchange Carriers
By Holding Company 1/
(As of December 31, 2000)

Holding Companies	Loops	Percent of Loops
Verizon Communications, Inc.	61,483,186	32.62 %
SBC Communications, Inc.	60,044,161	31.85
BellSouth Telecommunications, Inc.	25,094,751	13.31
Qwest Communications International, Inc.	17,552,028	9.31
Sprint Corporation	7,972,288	4.23
ALLTEL Corporation	2,352,418	1.25
CenturyTel, Inc.	1,789,179	0.95
Citizens Communications Company	1,364,907	0.72
Global Crossing Ltd.	1,134,404	0.60
Broadwing, Inc.	984,281	0.52
TDS Telecommunications Corporation	611,355	0.32
Valor Telecommunications, LLC	540,076	0.29
Alaska Communications Systems	325,893	0.17
C-TEC Corporation	317,102	0.17
Iowa Network Services, Inc.	297,240	0.16
FairPoint Communications, Inc.	241,034	0.13
Madison River Telephone Company	192,601	0.10
TXU Communications Telephone Company	167,702	0.09
North State Telephone Company	139,233	0.07
Rock Hill Telephone Company	129,701	0.07
Roseville Telephone Company	124,676	0.07
The Concord Telephone Company	123,843	0.07
Horry Telephone Cooperative, Inc.	96,034	0.05
McLeodUSA Telecommunications Services, Inc	89,651	0.05
Conestoga Enterprises, Inc.	84,641	0.04
North Pittsburgh Telephone Company	82,041	0.04
Guam Telephone Authority	74,367	0.04
Hargray Communications Group, Inc.	73,877	0.04
Virgin Islands Telephone Corporation	68,283	0.04
Denver & Ephrata Telephone Company	62,024	0.03
Farmers Telephone Cooperative, Inc.	59,083	0.03
Hickory Tech Corporation	58,397	0.03
Pioneer	56,636	0.03
Ntelos, Inc.	51,079	0.03
SRT Service Corporation	49,531	0.03
Lynch Interactive Corporation	47,800	0.03
Chorus Communications Group Ltd.	44,843	0.02
Hickory Tech Corporation	43,148	0.02
East Ascension Telephone Company, Inc.	41,063	0.02
Atlantic Telephone Membership Corporation	40,898	0.02
Guadalupe Valley Telephone Cooperative	38,334	0.02
The Chillicothe Telephone Company	37,501	0.02
Ben Lomand Rural Telephone Cooperative, Inc.	37,229	0.02
Golden West Telecommunications	36,845	0.02
Twin Lake Telephone Cooperative	36,121	0.02
Skyline Telephone Membership Corporation	35,781	0.02
Telephone Electronics Corporation	35,679	0.02
Lexington Communications	34,756	0.02
Smithville Telephone Company, Inc.	34,612	0.02
Great Plains Communication, Inc.	33,904	0.02
Eastex Telephone Cooperative, Inc.	32,742	0.02
Yadkin Valley Telephone	32,309	0.02
CEA Capital	32,268	0.02
Wood County Telephone Company	30,955	0.02
All Other Companies	3,902,766	2.07
Total	188,497,257	100.00 %

1/ Includes incumbent local exchange carrier's loops for holding companies with more than 30,000 loops.

Source: NECA universal service filings.

Table 8.4
Additional Residential Lines
for Households with Telephone Service
(End-of-Year Data in Millions)

Year	Loops 1/			Households with Telephone Service 2/	Additional Residential Lines	Percentage of Additional Lines for Households with Telephones
	Residential	Non-Residential	Total Loops			
1988	87.7	38.5	126.2	85.4	2.3	2.7 %
1989	90.0	40.6	130.6	87.4	2.6	3.0
1990	92.2	42.9	135.1	88.4	3.9	4.4
1991	95.9	42.5	138.4	89.4	6.5	7.3
1992	99.3	43.0	142.3	91.0	8.3	9.1
1993	101.8	45.2	147.0	93.0	8.8	9.4
1994	105.1	47.2	152.3	93.7	11.4	12.2
1995	108.1	50.4	158.5	94.2	13.9	14.7
1996	111.1	54.3	165.5	95.1	16.0	16.8
1997	114.7	58.2	173.0	96.5	18.3	18.9
1998	117.3	62.7	180.0	98.0	19.3	19.7
1999	122.8	63.6	186.4	99.1	23.7	23.9
2000	126.7	66.0	192.8	100.2	26.6	26.5

1/ Total loops are from the Universal Service Fund subscriber line counts provided by the National Exchange Carrier Association. Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands totals have been removed. Total loops have been divided between residential and non-residential using the ratio of residential to non-residential access lines reported in *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 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 (ALTS) and the report by Industry Analysis Division, Common Carrier Bureau, *Local Telephone Competition: Status as of June 30, 2001* (February 2002).

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

Source: FCC staff estimates.

Table 8.5
Number of Payphones Owned by LECs and Independent Operators
(As of March 31, 2001)

State	RBOC Territories		All Other LEC Territories		Total LEC Owned	Total Independent	Grand Total
	LEC Owned	Independent	LEC Owned	Independent			
Alabama	13,158	6,937	467	1,332	13,625	8,269	21,894
Alaska	0	0	1,217	3,377	1,217	3,377	4,594
Arizona	18,788	15,031	803	2,704	19,591	17,735	37,326
Arkansas	10,216	1,563	1,675	1,552	11,891	3,115	15,006
California	137,535	103,245	1,885	3,915	139,420	107,160	246,580
Colorado	15,380	9,363	196	924	15,576	10,287	25,863
Connecticut	19,835	4,360	0	2	19,835	4,362	24,197
Delaware	4,473	960	0	0	4,473	960	5,433
District of Columbia	7,362	1,273	0	0	7,362	1,273	8,635
Florida	42,019	45,822	7,714	11,658	49,733	57,480	107,213
Georgia	27,920	20,403	3,532	6,367	31,452	26,770	58,222
Hawaii	7,068	1,128	0	0	7,068	1,128	8,196
Idaho	3,623	2,304	260	248	3,883	2,552	6,435
Illinois	62,280	29,263	1,515	2,087	63,795	31,350	95,145
Indiana	26,901	7,766	2,187	1,260	29,088	9,026	38,114
Iowa	6,307	2,837	705	306	7,012	3,143	10,155
Kansas	11,707	2,272	950	952	12,657	3,224	15,881
Kentucky	9,055	8,021	2,263	1,905	11,318	9,926	21,244
Louisiana	13,370	11,343	156	1,421	13,526	12,764	26,290
Maine	5,937	682	50	311	5,987	993	6,980
Maryland	31,492	6,233	49	9	31,541	6,242	37,783
Massachusetts	39,148	10,581	8	1,239	39,156	11,820	50,976
Michigan	48,830	18,735	709	1,087	49,539	19,822	69,361
Minnesota	11,279	4,528	2,438	2,376	13,717	6,904	20,621
Mississippi	10,115	4,495	186	499	10,301	4,994	15,295
Missouri	23,827	6,842	2,906	2,968	26,733	9,810	36,543
Montana	2,615	1,426	609	1,023	3,224	2,449	5,673
Nebraska	3,187	1,703	637	4,012	3,824	5,715	9,539
Nevada	3,514	1,716	2,016	9,760	5,530	11,476	17,006
New Hampshire	5,963	1,565	103	220	6,066	1,785	7,851
New Jersey	66,213	16,991	1,937	1,392	68,150	18,383	86,533
New Mexico	5,951	3,455	302	670	6,253	4,125	10,378
New York	103,168	52,436	11,284	8,157	114,452	60,593	175,045
North Carolina	13,434	10,176	8,314	11,674	21,748	21,850	43,598
North Dakota	650	763	73	817	723	1,580	2,303
Ohio	41,298	10,924	9,458	7,170	50,756	18,094	68,850
Oklahoma	15,302	4,600	1,343	1,076	16,645	5,676	22,321
Oregon	10,676	7,580	486	2,038	11,162	9,618	20,780
Pennsylvania	52,279	20,595	6,765	4,570	59,044	25,165	84,209
Rhode Island	5,126	2,368	0	793	5,126	3,161	8,287
South Carolina	10,850	9,097	2,159	3,947	13,009	13,044	26,053
South Dakota	2,343	785	410	826	2,753	1,611	4,364
Tennessee	14,458	11,846	2,618	2,671	17,076	14,517	31,593
Texas	75,275	51,552	2,013	6,407	77,288	57,959	135,247
Utah	7,398	3,246	156	578	7,554	3,824	11,378
Vermont	2,865	398	44	286	2,909	684	3,593
Virginia	30,899	13,757	2,523	2,199	33,422	15,956	49,378
Washington	20,521	10,566	792	2,395	21,313	12,961	34,274
West Virginia	7,901	1,751	665	700	8,566	2,451	11,017
Wisconsin	19,454	5,578	1,552	6,039	21,006	11,617	32,623
Wyoming	2,412	917	269	167	2,681	1,084	3,765
Totals	1,131,377	571,778	88,399	128,086	1,219,776	699,864	1,919,640

Source: Raw data provided by National Payphone Clearinghouse. Rollups performed by the Industry Analysis and Technology Division of the FCC.

9 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 to business customers access services provided over CAPs' wired networks. 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 calling 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 (ILECs). Second, CLECs may make use of ILEC facilities, for example, by leasing ILEC unbundled network element (UNE) loops to use in combination with the CLECs' own switching capabilities, or by leasing the UNE-platform that combines the ILEC loop with ILEC switching services. 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

Table 9.1 shows that CLECs provided 17.3 million (or 9.0%) of the approximately 192 million nationwide switched access lines in service to end-user customers at the end of June 2001, according to information reported on FCC Form 477. This represents a 16% growth of CLEC market size during the first half of 2001. Table 9.2 shows that about 55% of these CLEC lines served medium and large business, institutional, and government customers. By contrast, a reported 23% of ILEC switched access lines served such customers.

Table 9.3 shows that CLECs report providing about one-third of their switched access lines over their own local loop facilities. In the course of the semi-annual data collections, the percentage of these lines provisioned by reselling services has declined steadily (to 23% at the end of June 2001) and the percentage provisioned over acquired UNE loops, both stand-alone and with switching, has grown (to 44%). Data reported by ILECs, presented in Table 9.4, indicate that UNE loops provided with ILEC switching (including the UNE-platform) have increased faster than UNE loops provided without switching. These data also indicate that the observed decline in resold lines between December 2000 and June 2001 is due to CLECs switching their end-user customers to the UNE-platform.

Table 9.5 shows ILEC and CLEC switched access lines by state, and the CLEC share of total switched access lines by state, at the end of June 2001. Table 9.6 presents historical data on CLEC share by state.

2. CLEC Share of Local Telephone Service Revenues

Table 9.7 shows that carriers competing with the ILECs increased their local telephone service revenues by 70% from 1999 to 2000 – from \$6.3 billion to \$10.7 billion. The share of nationwide local telephone service revenues claimed by the competitors increased from 5.8% in 1999 to 8.9% in 2000.

3. Ported Telephone Numbers

Table 9.8 presents information on telephone numbers “ported” (transferred) from one telephone switch to another (usually between carriers). Telephone numbers are transferred between local switches for a variety of reasons. Most ported telephone numbers are ported because the end users changed local telephone carriers and retained their telephone number(s). Such quantities appear in the first set of columns in Table 9.8.

Other telephone numbers are ported from one carrier to another as part of a telephone-number conservation measure known as number pooling, which is where carriers with spare telephone numbers port large blocks of numbers to a carrier in need of numbers. Not all numbers within a block are transferred to the recipient carrier, however. Those numbers that will remain with the “donor” carrier are first ported from that donor carrier to itself as a prepooling measure, which ensures that the “donor” carrier retains those numbers. Carriers may also port numbers among their switches to use numbers more effectively. Numbers that carriers port to themselves appear in the second set of columns of Table 9.8. Quantities of telephone numbers that have been ported to another carrier for pooling reasons are in the third set of columns of Table 9.8.

Over 15.5 million telephone numbers were transferred due to customers changing carriers as of December 31, 2001. Most, but not all of those numbers, were ported from ILECs to CLECs, but some of them were ported from CLECs to ILECs, and others from CLECs to CLECs. In all, as of December 31, 2001, over 21.4 million telephone numbers had been transferred.

This information is developed from the telephone number porting database, managed by the Local Number Portability Administrator (currently NeuStar, Inc.). The database contains all telephone numbers that are ported at that point in time. (In order to protect consumer privacy, the Commission receives the information in such a way that prevents it from determining if a particular telephone number has been ported or not.) If a telephone number is ported a second time, the database contains only the information from the most recent port. Periodic “snapshots” of the database are taken, which allow the Commission to determine the number of telephone numbers that have been ported, the reason those numbers were ported, and the date that the telephone-number record in the database was created.

For most telephone-number records, the date reflects the date that the telephone number was most recently ported. Some records, however, have been affected by area-code changes, so the date reflects not the porting date, but the date the telephone-number record was updated to account for the area code change. Although not perfect, sequential snapshots of the database should help quantify both the number of customer lines served by competitive local telephone carriers over time, and telephone number churn. Table 9.9 shows the same information as of June 30, 2001.

Table 9.10 shows the quantity of telephone numbers in the database at the end of each quarter, from the second quarter of 1999 (when the FCC first began receiving the data) through the fourth quarter of 2001.

Table 9.1
End-User Switched Access Lines Reported 1/

Date	ILEC Lines	CLEC Lines	Total	CLEC Share
December 1999	181,307,695	8,194,243	189,501,938	4.3 %
June 2000	179,761,930	11,557,381	191,319,311	6.0
December 2000	177,683,672	14,871,409	192,555,081	7.7
June 2001	174,485,706	17,274,728	191,760,434	9.0

1/ Some previously published data have been revised.

Source: Industry Analysis Division, Common Carrier Bureau, *Local Telephone Competition: Status as of June 30, 2001* (February 2002).

Table 9.2
End-User Switched Access Lines
By Customer Type 1/

Date	Reporting ILECs			Reporting CLECs		
	Residential & Small Businesses	Other 2/	% Residential & Small Businesses	Residential & Small Businesses	Other 2/	% Residential & Small Businesses
December 1999	139,758,434	41,549,261	77.1 %	3,368,702	4,825,541	41.1 %
June 2000	140,635,199	39,126,731	78.2	4,579,501	6,977,880	39.6
December 2000	138,906,551	38,777,121	78.2	6,620,471	8,250,938	44.5
June 2001	134,317,629	40,168,077	77.0	7,793,071	9,481,656	45.1

1/ Some previously published data have been revised.

2/ Medium and large businesses, institutional and government customers.

Source: Industry Analysis Division, Common Carrier Bureau, *Local Telephone Competition: Status as of June 30, 2001* (February 2002).

Table 9.3
Reporting Competitive Local Exchange Carriers 1/
(End-User Switched Access Lines in Thousands)

Date	CLECs Reporting	Total End-User Lines	Acquired Lines				CLEC-Owned	
			Resold Lines 2/	UNEs 3/	Total Lines Acquired	Percent	Lines 4/	Percent
Dec 1999	81	8,194	3,513	1,959	5,471	66.8 %	2,723	33.2 %
Jun 2000	78	11,557	4,315	3,201	7,516	65.0	4,042	35.0
Dec 2000	89	14,871	4,114	5,540	9,655	64.9	5,217	35.1
Jun 2001	91	17,275	3,919	7,580	11,499	66.6	5,776	33.4

1/ Some previously published data have been revised.

2/ Lines acquired from other carrier under resale arrangements.

3/ Lines acquired from other carriers as UNE loops, either stand-alone or with switching (e.g., using the UNE-platform).

4/ Lines provided over CLEC-owned "last-mile" facilities.

Source: Industry Analysis Division, Common Carrier Bureau, *Local Telephone Competition: Status as of June 30, 2001* (February 2002).

Table 9.4
Reporting Incumbent Local Exchange Carriers 1/
(End-User Switched Access Lines in Thousands)

Date 2/	ILECs Reporting	Total Lines	End-User Lines	Lines Provided to Other Carriers					
				Resold Lines	UNEs without Switching 3/	UNEs with Switching	Total UNEs	Total UNEs and Resold Lines	Percent of Total Lines
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	187,294	181,308	4,494	1,004	489	1,493	5,987	3.2
Jun 2000	159	188,171	179,762	5,098	1,696	1,616	3,312	8,409	4.5
Dec 2000	166	188,346	177,684	5,388	2,436	2,838	5,274	10,662	5.7
Jun 2001	156	186,825	174,486	4,417	3,161	4,761	7,922	12,340	6.6

1/ Some previously published data have been revised.

2/ Data for December 1997 through June 1999 are from Common Carrier Bureau voluntary surveys. Starting with December 1999, data are from FCC Form 477 filings.

3/ UNE loops without switching includes UNE loops used for non-voice services, such as xDSL-provisional data services.

Source: Industry Analysis Division, Common Carrier Bureau, *Local Telephone Competition: Status as of June 30, 2001* (February 2002).

Table 9.5
End-User Switched Access Lines Served
By Reporting Local Exchange Carriers
(As of June 30, 2001)

State	ILECs	CLECs	Total	CLEC Share
Alabama	2,413,440	121,059	2,534,499	5 %
Alaska	474,215	*	*	*
Arizona	3,062,586	231,777	3,294,363	7
Arkansas	1,412,863	*	*	*
California	23,103,077	1,668,232	24,771,309	7
Colorado	2,805,532	325,983	3,131,515	10
Connecticut	2,363,687	164,379	2,528,066	7
Delaware	567,381	0	567,381	0
District of Columbia	887,590	124,630	1,012,220	12
Florida	11,211,674	864,892	12,076,566	7
Georgia	4,905,002	515,730	5,420,732	10
Hawaii	739,979	*	*	*
Idaho	732,814	*	*	*
Illinois	7,558,613	1,113,112	8,671,725	13
Indiana	3,576,710	180,221	3,756,931	5
Iowa	1,379,872	164,637	1,544,509	11
Kansas	1,441,940	121,294	1,563,234	8
Kentucky	2,170,191	*	*	*
Louisiana	2,505,961	108,820	2,614,781	4
Maine	801,649	*	*	*
Maryland	3,599,027	211,499	3,810,526	6
Massachusetts	4,131,520	576,442	4,707,962	12
Michigan	6,027,730	583,653	6,611,383	9
Minnesota	2,861,684	353,246	3,214,930	11
Mississippi	1,356,136	51,496	1,407,632	4
Missouri	3,446,252	224,442	3,670,694	6
Montana	527,989	*	*	*
Nebraska	931,979	*	*	*
Nevada	1,366,124	144,453	1,510,577	10
New Hampshire	775,864	67,315	843,179	8
New Jersey	6,707,243	300,594	7,007,837	4
New Mexico	977,439	*	*	*
New York	10,689,293	3,138,133	13,827,426	23
North Carolina	4,664,775	323,594	4,988,369	6
North Dakota	312,573	*	*	*
Ohio	6,876,434	280,088	7,156,522	4
Oklahoma	1,923,027	125,912	2,048,939	6
Oregon	2,079,221	118,425	2,197,646	5
Pennsylvania	7,818,599	1,122,623	8,941,222	13
Puerto Rico	1,300,665	*	*	*
Rhode Island	604,128	69,237	673,365	10
South Carolina	2,239,383	90,241	2,329,624	4
South Dakota	338,834	*	*	*
Tennessee	3,352,224	272,211	3,624,435	8
Texas	11,496,247	1,891,131	13,387,378	14
Utah	1,149,667	145,603	1,295,270	11
Vermont	399,084	*	*	*
Virgin Islands	70,426	0	70,426	0
Virginia	4,203,412	402,528	4,605,940	9
Washington	3,751,683	229,693	3,981,376	6
West Virginia	980,575	*	*	*
Wisconsin	3,151,854	322,735	3,474,589	9
Wyoming	259,839	*	*	*
Nationwide	174,485,706	17,274,728	191,760,434	9 %

Note: Carriers with under 10,000 lines in a state were not required to report.

* Data withheld to maintain firm confidentiality.

Source: Industry Analysis Division, Common Carrier Bureau, *Local Telephone Competition: Status as of June 30, 2001* (February 2002).

Table 9.6
Competitive Local Exchange Carrier Share
of End-User Switched Access Lines 1/

State	Dec 1999	Jun 2000	Dec 2000	Jun 2001
Alabama	5 %	3 %	4 %	5 %
Alaska	*	*	*	*
Arizona	*	5	5	7
Arkansas	*	*	*	*
California	4	5	6	7
Colorado	5	7	9	10
Connecticut	3	5	6	7
Delaware	*	*	*	0
District of Columbia	7	7	9	12
Florida	6	6	6	7
Georgia	5	6	8	10
Hawaii	*	*	0	*
Idaho	0	0	*	*
Illinois	5	7	9	13
Indiana	3	4	5	5
Iowa	*	9	11	11
Kansas	*	5	7	8
Kentucky	2	*	3	*
Louisiana	3	2	3	4
Maine	*	*	*	*
Maryland	2	3	4	6
Massachusetts	6	8	11	12
Michigan	3	5	6	9
Minnesota	6	7	9	11
Mississippi	4	*	4	4
Missouri	3	5	6	6
Montana	*	*	*	*
Nebraska	*	*	*	*
Nevada	*	*	*	10
New Hampshire	*	*	6	8
New Jersey	*	4	5	4
New Mexico	*	*	*	*
New York	9	16	20	23
North Carolina	3	4	4	6
North Dakota	*	*	*	*
Ohio	4	4	4	4
Oklahoma	*	*	5	6
Oregon	2	3	5	5
Pennsylvania	5	8	10	13
Puerto Rico	0	*	*	*
Rhode Island	*	*	*	10
South Carolina	*	*	4	4
South Dakota	*	*	*	*
Tennessee	4	6	6	8
Texas	4	7	13	14
Utah	3	6	10	11
Vermont	*	*	*	*
Virgin Islands	0	0	0	0
Virginia	2	5	7	9
Washington	4	5	6	6
West Virginia	*	*	*	*
Wisconsin	5	7	8	9
Wyoming	*	*	*	*
Nationwide	4 %	6 %	8 %	9 %

Note: Carriers with under 10,000 lines in a state were not required to report.

* Data withheld to maintain firm confidentiality.

1/ Some previously published data have been revised.

Source: Industry Analysis Division, Common Carrier Bureau, *Local Telephone Competition: Status as of June 30, 2001* (February 2002).

Table 9.7
Nationwide Local Service Revenues and New Competitors' Share 1/
(Dollar Amounts Shown in Millions)

	TRS Data				TRS & USF Data		Form 499 Data		
	1993	1994	1995	1996	1997	1998	1999	2000	Prel. 2001
Number of Local Competitors 1/									
RBOCs & Other Incumbent LECs	1,281	1,347	1,347	1,376	1,410	1,348	1,335	1,327	1,329
CAPs & CLECs	20	30	57	94	129	212	349	485	532
Local Resellers, Shared Tenant, Private Carriers, & Other Local	NA	NA	NA	25	18	64	147	122	193
All Other Carriers Reporting									
<u>Local Exchange Service Revenues</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>74</u>	<u>109</u>	<u>133</u>	<u>143</u>	<u>229</u>	<u>NA</u>
Total	1,301	1,377	1,404	1,569	1,666	1,757	1,974	2,163	NA
Local Service Revenues 2/									
Incumbent LECs									
Bell Operating Companies 3/	\$58,838	\$61,415	\$65,485	\$70,290	\$68,028	\$69,801	\$76,586	\$93,135	\$94,540
<u>Other Incumbent LECs 3/</u>	<u>20,894</u>	<u>22,507</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>19,032</u>
Total 4/	79,732	83,922	89,754	95,189	92,988	96,790	102,670	108,301	113,572
Local Service Competitors									
CAPs & CLECs	174	269	595	949	1,556	2,393	4,505	7,552	9,056
Local Resellers, Shared Tenant, Private Carriers, & Other Local	NA	NA	NA	NA	224	329	522	914	1,096
All Other Carriers (Local Exchange <u>Service Revenues Only) 4/</u>	<u>46</u>	<u>32</u>	<u>56</u>	<u>59</u>	<u>381</u>	<u>809</u>	<u>1,319</u>	<u>2,028</u>	<u>2,193</u>
Total	220	301	651	1,008	2,161	3,530	6,347	10,494	12,344
Total	\$79,952	\$84,224	\$90,405	\$96,197	\$95,149	\$100,320	\$109,016	\$118,795	\$125,916
Share of Local Service Revenues									
Incumbent LECs									
Bell Operating Companies	73.6%	72.9%	72.4%	73.1%	71.5%	69.6%	70.3%	78.4%	75.1%
<u>Other Incumbent LECs</u>	<u>26.1%</u>	<u>26.7%</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>15.1%</u>
Total	99.7%	99.6%	99.3%	99.0%	97.7%	96.5%	94.2%	91.2%	90.2%
Local Service Competitors									
CAPs & CLECs	0.2%	0.3%	0.7%	1.0%	1.6%	2.4%	4.1%	6.4%	7.2%
Local Resellers, Shared Tenant, Private Carriers, & Other Local	NA	NA	NA	NA	0.2%	0.3%	0.5%	0.8%	0.9%
<u>All Other Carriers</u>	<u>0.1%</u>	<u>0.0%</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>1.7%</u>
Total	0.3%	0.4%	0.7%	1.0%	2.3%	3.5%	5.8%	8.8%	9.8%
Total Telecommunications Revenues (Including Payphone, Mobile, & Toll Service)									
Incumbent LECs 3/	\$95,228	\$98,431	\$102,820	\$107,905	\$105,154	\$108,234	\$112,216	\$116,158	\$118,657
Local Competitors	191	274	637	1,012	2,481	4,034	6,508	10,945	12,667
Ratio of ILEC Total Telecommunications Revenues to Local Competitor Total Telecommunications Revenues	498 : 1	351 : 1	165 : 1	107 : 1	42 : 1	27 : 1	17 : 1	11 : 1	9 : 1

NA - Not available.

1/ Counts through 2000 are based on the numbers of carriers actually reporting revenues. Counts for 2001 include all filers who reported revenues for 2000 as well as new carriers that filed through September 2001. The 2001 figures may double count some firms that have been bought, sold or merged during 2001.

2/ For 1993 through 1996, for most categories of carriers, 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 3/. 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. Revenues for 2001 are preliminary estimates based on FCC Form 499-Q filings.

3/ 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.

4/ 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 Division, Common Carrier Bureau, *Telecommunications Industry Revenues* (January 2002).

Table 9.8
Telephone Numbers Still Ported on December 31, 2001
(By Quarter in Which They Were Ported)

Ported During Year	Quarter	Numbers Ported Due to Customers Changing Carriers		Numbers Ported for Pooling Reasons				Total Numbers
		Ported During Quarter	Cumulative	Intra-Carrier ¹		Pooled (Inter-Carrier)		
				Ported During Quarter	Cumulative	Ported During Quarter	Cumulative	
1997	4th	80	80	0	0	0	0	80
1998	1st	239	319	7	7	0	0	326
	2nd	5,963	6,282	49	56	0	0	6,338
	3rd	63,640	69,922	2,619	2,675	2,911	2,911	75,508
	4th	279,418	349,340	33,459	36,134	3,947	6,858	392,332
1999	1st	412,926	762,266	14,007	50,141	54,713	61,571	873,978
	2nd	620,163	1,382,429	37,979	88,120	90,341	151,912	1,622,461
	3rd	763,292	2,145,721	78,504	166,624	48,408	200,320	2,512,665
	4th	965,403	3,111,124	115,232	281,856	42,296	242,616	3,635,596
2000	1st	1,028,074	4,139,198	127,379	409,235	72,548	315,164	4,863,597
	2nd	1,117,138	5,256,336	248,527	657,762	257,914	573,078	6,487,176
	3rd	1,256,701	6,513,037	205,921	863,683	196,641	769,719	8,146,439
	4th	1,540,340	8,053,377	204,563	1,068,246	248,464	1,018,183	10,139,806
2001	1st	1,582,341	9,635,718	286,395	1,354,641	271,531	1,289,714	12,280,073
	2nd	1,848,987	11,484,705	461,059	1,815,700	369,114	1,658,828	14,959,233
	3rd	1,894,020	13,378,725	531,614	2,347,314	681,551	2,340,379	18,066,418
	4th	2,140,686	15,519,411	441,513	2,788,827	766,211	3,106,590	21,414,828

¹ Not all numbers ported are ported to a different carrier, as carriers sometimes port numbers to themselves. This happens for a variety of reasons. For instance, pooling, which uses number porting technology, transfers telephone numbers from a carrier that does not immediately need them to a carrier with a more immediate need. Not all numbers within a block are transferred to the new carrier, however. Those numbers that will remain with the "donor" carrier are first ported from that carrier to itself as a prepooling measure, which ensures that the "donor" carrier retains those numbers. Carriers may also port numbers among switches to use numbers more effectively.

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

Table 9.9
Telephone Numbers Still Ported on June 30, 2001
(By Quarter in Which They Were Ported)

Ported During Year	Ported During Quarter	Numbers Ported Due to Customers Changing Carriers		Numbers Ported for Pooling Reasons				Total Numbers
		Ported During Quarter	Cumulative	Intra-Carrier ¹		Pooled (Inter-Carrier)		
				Ported During Quarter	Cumulative	Ported During Quarter	Cumulative	
1997	4th	80	80	0	0	0	0	80
1998	1st	239	319	12	12	0	0	331
	2nd	6,308	6,627	51	63	0	0	6,690
	3rd	66,621	73,248	2,875	2,938	2,953	2,953	79,139
	4th	301,518	374,766	34,243	37,181	3,947	6,900	418,847
1999	1st	457,597	832,363	15,988	53,169	54,844	61,744	947,276
	2nd	655,478	1,487,841	39,913	93,082	92,453	154,197	1,735,120
	3rd	816,084	2,303,925	82,729	175,811	49,188	203,385	2,683,121
	4th	1,033,832	3,337,757	126,291	302,102	42,837	246,222	3,886,081
2000	1st	1,102,327	4,440,084	138,074	440,176	77,212	323,434	5,203,694
	2nd	1,207,823	5,647,907	259,767	699,943	279,337	602,771	6,950,621
	3rd	1,341,189	6,989,096	220,307	920,250	204,152	806,923	8,716,269
	4th	1,634,721	8,623,817	216,812	1,137,062	292,102	1,099,025	10,859,904
2001	1st	1,705,337	10,329,154	305,279	1,442,341	342,453	1,441,478	13,212,973
	2nd	1,980,645	12,309,799	485,516	1,927,857	498,255	1,939,733	16,177,389

¹ Not all numbers ported are ported to a different carrier, as carriers sometimes port numbers to themselves. This happens for a variety of reasons. For instance, pooling, which uses number porting technology, transfers telephone numbers from a carrier that does not immediately need them to a carrier with a more immediate need. Not all numbers within a block are transferred to the new carrier, however. Those numbers that will remain with the "donor" carrier are first ported from that carrier to itself as a prepooling measure, which ensures that the "donor" carrier retains those numbers. Carriers may also port numbers among switches to use numbers more effectively.

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

Table 9.10
Telephone Numbers in Porting Database
(At the End of the Quarter)

Year	Quarter	Numbers Ported Due to Customers Changing Carriers	Intra-Carrier Ports	Pooled (Inter-Carrier)
		Quantity	Quantity	Quantity
1999	2nd	1,839,633	121,609	206,701
	3rd	2,658,295	217,194	238,113
	4th	3,853,834	365,500	267,493
2000	1st	5,028,858	512,425	364,044
	2nd	5,781,174	659,368	625,677
	3rd	7,595,076	1,006,298	939,168
	4th	9,145,985	1,216,008	1,193,525
2001	1st	10,567,098	1,475,748	1,483,166
	2nd	12,309,799	1,927,857	1,939,733
	3rd	14,609,551	2,587,210	2,764,187
	4th	15,519,411	2,788,827	3,106,590

¹ Not all numbers ported are ported to a different carrier, as carriers sometimes port numbers to themselves. This happens for a variety of reasons. For instance, pooling, which uses number porting technology, transfers telephone numbers from a carrier that does not immediately need them to a carrier with a more immediate need. Not all numbers within a block are transferred to the new carrier, however. Those numbers that will remain with the "donor" carrier are first ported from that carrier to itself as a prepooling measure, which ensures that the "donor" carrier retains those numbers. Carriers may also port numbers among switches to use numbers more

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

10 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 700 companies now offer 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. Nevertheless, the Commission continues to monitor the long distance market, in part because the market for toll services remains more highly concentrated than many industries.

1. Toll Revenues

In 2000, the large long distance carriers (those with over \$117 million in toll revenues) generated about \$92 billion in toll revenues, local telephone companies provided \$9 billion of toll service and all other carriers provided about \$8 billion. When combined, the total long distance market was nearly \$110 billion. (Local telephone companies provide toll service, primarily intrastate calls, and usually within their local service territories.) These revenues are shown in Table 10.1.

Toll calls can be divided into three jurisdictional categories—intrastate calls, domestic interstate calls, and international calls. The revenues for each of the three types are shown in Table 10.2. Of considerable interest is the enormous growth (more than 500%) in international revenues from 1984 to 2000.

Toll revenues can also be divided between residential and nonresidential services, as in Table 10.3. In 2000, residential customers generated about 40% of toll revenues.

2. Number of Companies

The number and types of carriers reporting long distance revenues are shown in Table 10.4. The Telecommunications Reporting Worksheet (Form 499-A) requires each filer to select one of 18 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 2000, 782 filers classified themselves as toll carriers and 1,704 other carriers reported long distance revenues even though the provision of long distance service is not their primary line of business.

Carrier identification codes (CICs) provide information on the number of firms seeking to acquire certain types of interconnecting arrangements with local telephone companies. Any firm that seeks to use trunk-side connections with local telephone companies is provided a carrier identification code so that traffic can be efficiently routed.

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.

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. We believe, however, that the number of firms obtaining these codes provides the best information available on the entry of new firms into the long distance market prior to 1986. The number of codes assigned is shown in Table 10.5.

During the late 1980s and 1990s, alternative sources for developing counts of long distance carriers became available. Starting in 1987, information on the number of telephone lines presubscribed to each long distance carrier was collected by NECA because FCC rules required NECA to recover certain expenses from the larger long distance carriers. Pursuant to the 1996 Act, the FCC changed its rules on universal service, and as a result, NECA stopped collecting this information. Information for December 1996 is the last presubscribed line data collected by NECA. Table 10.6 shows several alternative measures of long distance carrier development.

3. Long Distance Market Shares

A generation ago, when the Bell System was still intact, AT&T's local telephone companies provided most local service. At that time, there were no good means of segregating true economic costs of local and long distance services of AT&T's integrated network. 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). Thus, they were precluded from offering toll service that crossed the boundaries of their service territories. As a result, two separate and distinct toll markets emerged.

At 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. It also included most intrastate toll calls as well. A second and much smaller market consisted of short distance toll calls that did not cross LATA boundaries. This intraLATA 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 blurred as customers can now select among competing carriers for their intraLATA calls. In addition, the restrictions preventing AT&T's former affiliates from providing interLATA service were modified by the Telecommunications Act of 1996.

Long-term trends in toll revenues are shown in Table 10.7. Over time, AT&T and the operating companies that previously monopolized telephone service have lost market share to new entrants. By 2000, carriers not even in existence a generation ago accounted for more than half of all long distance telephone toll revenues.

Table 10.8 shows market-share information based on the revenues of those firms identified as primarily being long distance carriers. AT&T's 1984 toll revenues were about 90% of those reported by all long distance carriers. By 2000, AT&T's revenues had declined to less than 40% of those reported by all long distance carriers and since 1995, AT&T has not been regulated as a "dominant" carrier.

Table 10.9 shows market-share information based on all toll revenues, including the long distance services provided by local exchange carriers. This broader classification increasingly becomes the relevant classification of the market as these carriers increase their participation in a nationwide market. By any measure, the long-term trends have shown increasing competition and decreasing concentration.

4. Residential Toll Revenues

Bill Harvesting® data collected by TNS Telecoms (TNS) provide information allowing the calculation of market shares in the residential market. The Bill Harvesting® data also provide information used to calculate the market shares of long distance carriers by state. Section 15 gives further information on TNS and the bill harvesting data. Table 10.10, which is based on this information, presents nationwide market shares of access lines, residential toll revenue and direct dial minutes from 1995 to 2000; and Table 10.11 presents market shares of residential direct-dial minutes by state for 2000. These tables present long distance market shares for AT&T, MCI WorldCom, and Sprint.

5. Section 271 Applications

Section 271 of the Communications Act requires 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 BOC must demonstrate that it satisfies the 14-point competitive checklist, that it will comply with the separate affiliate and nondiscrimination requirements of section 272, and that the requested authorization is consistent with the public interest, convenience, and necessity. After a BOC files a section 271 application with the Commission, the Commission has 90 days to determine whether a BOC has taken the statutorily required steps to open its local telecommunications

markets to competition.

A BOC applicant must demonstrate either that: A) one or more unaffiliated competing providers of local telephone service to residential and business subscribers is connected to the BOC's network, and that such local telephone service is 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 has requested to connect to a BOC's network, the BOC has 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").

Table 10.12 shows the states in which the BOCs have filed section 271 applications, the date the application was filed, and the application's resolution date and outcome. At this time, nine BOC section 271 applications have been authorized in thirteen states. On December 12, 1999, the first regional Bell operating company's application (Bell Atlantic, which is now known as Verizon) was approved by the Commission to provide in-region interLATA service in the state of New York. The second application approved by the Commission was SBC for Texas, authorized on June 30, 2000. Kansas and Oklahoma became the third and fourth states to be approved, with the Commission authorizing their joint application on January 22, 2001. The approval of Verizon's application for Massachusetts on April 16, 2001 and for Connecticut on July 20, 2001 made them the fifth and sixth states to be approved. Pennsylvania became the seventh state to be approved for long distance when the Commission authorized Verizon's application on September 19, 2001; and Arkansas and Missouri were the eighth and ninth states to be approved, with the Commission authorizing their joint application on November 16, 2001. Rhode Island became the tenth state to be approved by the Commission when Verizon's application was authorized on March 22, 2002 and the authorization of Verizon's application for Vermont on April 17, 2002 made it the eleventh state to be approved. Louisiana and Georgia became the twelfth and thirteen states to be approved when the application for Louisiana/Georgia was approved on May 15, 2002.

As of May 15, 2002, there were two long distance applications pending before the Commission: Verizon's for New Jersey (filed March 26, 2002; pending, due June 24, 2002) and Verizon's for Maine (filed March 21, 2002; pending, due June 19, 2002).

The companies approved must continue to comply with the section 271 checklist requirements as the Commission has a number of enforcement tools at its disposal, including imposing penalties or suspension of approval. Additional information on section 271 applications can be found on the Commission's web site at www.fcc.gov/Bureaus/Common_Carrier/in-region_applications/.

Table 10.1
Total Toll Service Revenues by Carrier *
(Dollar Amounts Shown in Millions)

Company	1984	1985	1986	1987	1988	1989	1990	1991	1992
AT&T Companies 1/ AT&T Communications, Inc.	\$34,935	\$36,770	\$36,514	\$35,219	\$35,407	\$34,549	\$33,880	\$34,384	\$35,495
Alascom, Inc.	255	271	267	262	272	278	259	338	333
Teleport Communications Group, Inc. ACC Long Distance Corp.									
WorldCom Companies 2/ 3/ WorldCom, Inc.									
MCI Telecommunications Corp.	1,761	2,331	3,372	3,938	4,886	6,171	7,392	8,266	9,719
Telecom*USA	105	201	291	396	524	713			
WorldCom, Inc.						110	154	263	801
Advanced Telecommunications Corp. (ATC)	72	86	124	162	178	326	342	356	
Metromedia Communications Corp.						127	381	369	369
ITT Communication Services, Inc.	161	241	282	287	379	404			
Comsystems Network Services Witel, Inc.						300	130 376	131 405	135 494
MFS Intelenet, Inc.									
Sprint Companies 4/ 5/ Sprint Communications Co.			1,141	2,592	3,405	4,320	5,041	5,378	5,658
GTE Sprint US Telecom	1,052	1,122 387	779 212						
Qwest Companies 6/ LCI Int'l Telecom Corp. d/b/a Qwest Comm. Svcs.						197	215	208	243
Qwest Communications Corp. USLD Communications, Inc.									
Concert Global Networks USA, LLC 7/ Global Crossing Companies 8/ Global Crossing Telecommunications Services, Inc		309 127	450	395	394	334	326	347	376
Lexitel Global Crossing Bandwidth, Inc.									
Global Crossing North American Networks, Inc. Frontier Comm. - North Central Region, Inc.						104	142	155	168
International Exchange Networks, Ltd. (IXnet, Inc.) BCE (Bell Canada Enterprise) Companies 9/ Teleglobe USA, Inc.									
Excel Communications, Inc. Excel Telecommunications, Inc.									
Telco Communications Group, Inc. eMeritus Communications, Inc.									
Long Distance Wholesale Club Verizon Companies Bell Atlantic Comm, Inc. d/b/a Verizon Long Dist Verizon Select Services, Inc.									
IDT Corporation VarTec Telecom, Inc.									
World Access, Inc. 10/ WorldxChange Communications FaciliCom International									
Star Companies 11/ Star Telecommunications, Inc.									
PT-1 Communications, Inc. PT-1 Long Distance, Inc.									
Broadwing Companies 12/ Broadwing Communications Services, Inc. Broadwing Telecommunications, Inc.									
Cable & Wireless USA, Inc.		146	171	180	218	275	359	406	495
Viatel Companies 13/ Viatel, Inc.									
Viatel Services, Inc. McLeodUSA Telecommunications, Inc.									
Intermedia Communications, Inc. Talk.com Holding Corp.									
Williams Communications, LLC RSL Companies 14/ RSL Communications, Ltd.									
RSL COM USA, Inc. RSL COM Primecall, Inc.									
Westinghouse Communications Primus Companies 15/ Primus Telecommunications, Inc.									
Telegroup, Inc. Trescom International, Inc.									
Pacific Gateway Exchange, Inc. 16/ Business Telecom, Inc. 17/ ITC/DeltaCom Communications, Inc.									
Global One Communications, LLC NOSVA Limited Partnership Network Plus, Inc.									
Startec Global Operating Company General Communication, Inc.									
Evercom Systems, Inc. SNET America, Inc.									
Americatel Corporation Lightyear Communications, Inc.									
ALLTEL Communications, Inc. New Global Telecom, Inc.									
Electric Lightwave Touch America Services, Inc.									
Covista Communications, Inc. Working Assets Funding Service, Inc.									
Norlight Telecommunications, Inc.									
Others 18/ Total Non-LEC Carriers 18/	414	639	992	1,352	1,823	2,976	3,105	3,437	4,082
Regional Bell Operating Companies Other Incumbent Local Telephone Cos. 18/ CAPs, CLECs, & Other Local Telephone Cos. 18/	9,037 3,364	9,026 3,159	9,599 3,274	10,268 3,468	10,668 4,445	10,549 4,291	10,578 4,112	10,066 4,049	9,718 3,897
Total Local Exchange Carriers	12,401	12,185	12,873	13,736	15,113	14,840	14,690	14,115	13,615
Total Toll Service Revenues	\$51,156	\$54,815	\$57,468	\$58,519	\$62,600	\$66,024	\$66,792	\$68,558	\$71,983

* Includes intrastate, interstate and international toll revenues
See notes following table.

Table 10.1
Total Toll Service Revenues by Carrier - Continued *
(Dollar Amounts Shown in Millions)

Company	1993	1994	1995	1996	1997	1998	1999	2000
AT&T Companies 1/ AT&T Communications, Inc.	\$35,731	\$37,166	\$38,069	\$39,264	\$39,470	\$40,551	\$39,680	\$37,646
Atascos, Inc.	320	329	325					
Teleport Communications Group, Inc.				118	122	123	284	464
ACC Long Distance Corp.								
WorldCom Companies 2/ 3/ WorldCom, Inc.						22,192	23,431	22,554
MCI Telecommunications Corp.	10,947	11,715	14,617	16,372	17,150			
Telecom*USA								
WorldCom, Inc.	1,145	2,221	3,640	4,485	5,897			
Advanced Telecommunications Corp. (ATC)								
Metromedia Communications Corp.	297							
ITT Communication Services, Inc.								
Comsystems Network Services	116							
Witel, Inc.	664	917						
MFS Intelenet, Inc.			118	122				
Sprint Companies 4/ 5/ Sprint Communications Co.	6,139	6,805	7,277	7,944	8,595	7,994	9,708	9,038
GTE Sprint								
US Telecom								
Qwest Companies 6/ LCI Int'l Telecom Corp. d/b/a Qwest Comm. Svcs.	317	453	671	1,103	1,001	1,664	1,394	1,271
Qwest Communications Corp.						320	517	1,773
USLD Communications, Inc.	100	136	155	188	241	279	216	
Concert Global Networks USA, LLC 7/ Global Crossing Companies 8/ Global Crossing Telecommunications Services, Inc.	436	568	827	1,119	775	874	874	801
Lexite								
Global Crossing Bandwidth, Inc.		144	127		324	539	692	1,555
Global Crossing North American Networks, Inc.	213	306	309	323	223			196
Frontier Comm. - North Central Region, Inc.		123	133	121				
International Exchange Networks, Ltd. (IXnet, Inc.)								131
BCE (Bell Canada Enterprise) Companies 9/ Teleglobe USA, Inc.						275	557	282
Excel Communications, Inc.								
Excel Telecommunications, Inc.		156	363	1,091	1,179	1,219	942	703
Telco Communications Group, Inc.								
eMeritus Communications, Inc.			215	429	379	264	260	169
Long Distance Wholesale Club					176	121	131	
Verizon Companies Bell Atlantic Comm, Inc. d/b/a Verizon Long Dist								130
Verizon Select Services, Inc.					340	607	834	1,004
IDT Corporation						376	850	945
VarTec Telecom, Inc.		107	125	470	820	836	819	923
World Access, Inc. 10/ WorldxChange Communications			115	196	345	308	374	914
FaciliCom International						164	202	
Star Companies 11/ Star Telecommunications, Inc.				140	253	401	443	296
PT-1 Communications, Inc.				117	358	494	482	270
PT-1 Long Distance, Inc.								241
Broadwing Companies 12/ Broadwing Communications Services, Inc.					258	724	453	574
Broadwing Telecommunications, Inc.							150	202
Cable & Wireless USA, Inc.	557	654	700	919	1,066	953	913	770
Viatel Companies 13/ Viatel, Inc.							333	247
Viatel Services, Inc.							324	335
McLeodUSA Telecommunications, Inc.							232	448
Intermedia Communications, Inc.						380	516	444
Talk.com Holding Corp.			180	232	305	426	398	428
Williams Communications, LLC					227	126	184	413
RSL Companies 14/ RSL Communications, Ltd.					192			
RSL COM USA, Inc.						171	270	362
RSL COM Primecall, Inc.						130	160	
Westinghouse Communications						127		
Primus Companies 15/ Primus Telecommunications, Inc.							240	338
Telegroup, Inc.			129	213	337	384		
Trescom International, Inc.				140	158			
Pacific Gateway Exchange, Inc. 16/ Business Telecom, Inc. 17/ ITC/DeltaCom Communications, Inc.			115	162	299	466	680	298
Global One Communications, LLC				149	195	212	260	271
NOSVA Limited Partnership						122	172	270
Network Plus, Inc.								265
NOSVA Limited Partnership								191
Startec Global Operating Company						160	261	236
General Communication, Inc.	92	106	120	143	158	175	184	211
Evercom Systems, Inc.							205	206
SNET America, Inc.					142	162	186	189
Americatel Corporation							129	188
Lightyear Communications, Inc.						180	189	176
ALLTEL Communications, Inc.							120	175
New Global Telecom, Inc.							134	151
Electric Lightwave								145
Touch America Services, Inc.								140
Covista Communications, Inc.					123	137	140	134
Working Assets Funding Service, Inc.						131	140	132
Norlight Telecommunications, Inc.								119
Others 18/ Total Non-LEC Carriers 18/	4,459	5,445	5,813	6,553	8,920	9,453	8,781	8,431
Regional Bell Operating Companies	9,849	9,527	8,189	7,950	7,138	6,857	6,182	6,073
Other Incumbent Local Telephone Cos. 18/ CAPs, CLECs, & Other Local Telephone Cos. 18/	3,908	3,848	3,143	3,298	3,077	2,572	1,864	543
Total Local Exchange Carriers	13,757	13,375	11,332	11,248	10,765	10,659	9,458	9,066
Total Toll Service Revenues	\$75,290	\$80,726	\$85,475	\$93,361	\$100,793	\$105,055	\$108,246	\$109,615

* Includes intrastate, interstate and international toll revenues
See notes following table.

Notes for Table 10.1

- 1/ ACC Long Distance Corp. and Teleport Communications Group merged in April of 1998, and the combined company, Teleport Communications Group, merged with AT&T Communications, Inc., in July of that year. AT&T Communications acquired Alascom, Inc., August 7, 1995 and began filing a consolidated revenue statement in 1996.
- 2/ MCI WorldCom's revenues were revised for 1998 to exclude enhanced services and to be consistent with revenues reported for 1999.
- 3/ WorldCom, Inc. completed a merger with MCI Communications Corp. in September of 1998 and filed 1998 revenue figures for the combined company, MCI WorldCom, Inc. MCI Communications Corp. and Telecom*USA merged during 1989 and began reporting consolidated revenues in 1990. Metromedia Communications Corp. and ITT Communications Services, Inc., merged during 1988, but reported 1989 revenue separately. LDDS Communications, Inc., and Advanced Telecommunications Corp. merged in 1992. In 1993, LDDS merged with Metromedia Communications Corp. and Comsystems Network Services. For 1993, only the revenues that were received after the merger are included in LDDS's revenues; those preceding the merger are listed individually. LDDS and Wiltel merged January 5, 1995. In May 1995, LDDS changed its name to WorldCom, Inc. WorldCom acquired MFS Intelenet December 31, 1996.
- 4/ Sprint's revenues were revised for 1998 to exclude enhanced services and to be consistent with revenues reported for 1999.
- 5/ In July 1986, GTE Sprint and US Telecom merged into US Sprint. The information shown for GTE Sprint and US Telecom for 1986 is for January 1 - June 30. The information shown for Sprint Communications Corp. (then US Sprint) for 1986 is for July 1 - December 31. United Telecommunications, Inc., then majority owner of US Sprint, purchased the remaining interest from GTE in July of 1992. Effective February 16, 1992, the company's name became Sprint Communications Co.
- 6/ LCI International Telecom Corp. and USLD Communications, Inc., merged in December of 1997 and filed separate revenue statements for the year. Qwest Communications Corp. merged with LCI and USLD Communications, Inc., in June of 1998, and each of the three affiliated companies filed a separate revenue statement for 1998.
- 7/ Concert Global Networks USA, LLC is a joint venture of AT&T Corp. and British Telecommunications plc.
- 8/ Global Crossing Ltd. acquired Frontier Corporation September 28, 1999. In 1994, RCI Long Distance, Inc., changed its name to Frontier Corporation. Global Crossing, Ltd., a Bermuda company, and certain of its affiliated filed for Chapter 11 bankruptcy protection for the southern district of New York on January 28, 2002.
- 9/ BCE, Inc. (Bell Canada Enterprises) acquired Teleglobe, Inc. on November 1, 2000. eMeritus Communications was formerly known as Teleglobe Business Solutions, Inc. (previously Telco Holdings, Inc.) Teleglobe USA, Inc., merged with Excel Telecommunications, Inc. and its affiliate in November of 1998. Excel Telecommunications acquired Telco Holdings in October of 1997.
- 10/ World Access, Inc. acquired WorldxChange Communications December 19, 2000. FaciliCom merged into World Access, Inc. on December 7, 1999. World Access and five of its subsidiaries, including WorldxChange and FaciliCom, filed for Chapter 11 bankruptcy protection in Illinois on April 24, 2001.
- 11/ Star Telecommunications' s revenues for 1996 - 1998 have been prorated to reflect the decrease in revised revenues reported for 1999. Star filed for Chapter 11 bankruptcy protection in California on March 13, 2001.
- 12/ Cincinnati Bell Inc., merged with IXC Communications, Inc., on November 9, 1999 and soon began doing business as Broadwing, Inc.
- 13/ Viatel, Inc. filed for Chapter 11 bankruptcy protection in Delaware on May 2, 2001 and discontinued offering service in the United States at that time. Revenues for year 2000 are from its Form 499-A, Telecommunications Reporting Worksheets.
- 14/ RSL COM USA bought Westinghouse Communications in August 1998. RSL COM USA filed for Chapter 11 bankruptcy protection in New York on March 16, 2001.
- 15/ Primus Telecommunications, Inc. acquired TresCom International, Inc., in 1998.
- 16/ Pacific Gateway Exchange filed for Chapter 11 bankruptcy protection in California on December 29, 2001. Revenues are for year ended December 31, 2000 and are from its Form 8-K filed May 31, 2001.
- 17/ Data for 1996 taken from the Annual Report to the Colorado Public Utilities Commission from telecommunications carriers regulated pursuant to §40-15-301 C.R.S.
- 18/ Through 1996, toll revenues shown for other non-LEC carriers are staff estimates. Starting in 1997, total toll service revenues are based on FCC Form 431, Form 457, and Form 499-A filings. For those years, the amounts shown as other non-LEC toll revenues are calculated as total toll revenues less the total of the sum of the large long distance carriers and the total toll for local exchange carriers.

Source: Data filed in response to 47 CFR §43.21(c).

Table 10.2
Intrastate, Interstate, and International Toll Revenues
(Dollar Amounts Shown in Millions)

Year	Toll Revenues			Total Toll Revenues	As Percentage of Total Toll Revenues		
	Intrastate	Domestic Interstate	International		Intrastate	Domestic Interstate	International
1984	\$20,872	\$26,490	\$3,794	\$51,156	40.8 %	51.8 %	7.4 %
1985	22,310	28,387	4,119	54,815	40.7	51.8	7.5
1986	23,734	29,123	4,611	57,468	41.3	50.7	8.0
1987	25,339	27,844	5,336	58,519	43.3	47.6	9.1
1988	26,542	29,724	6,334	62,600	42.4	47.5	10.1
1989	28,060	30,585	7,379	66,024	42.5	46.3	11.2
1990	27,652	30,676	8,464	66,792	41.4	45.9	12.7
1991	27,149	31,331	10,078	68,558	39.6	45.7	14.7
1992	27,066	33,719	11,199	71,983	37.6	46.8	15.6
1993	28,158	34,661	12,470	75,290	37.4	46.0	16.6
1994	28,496	38,262	13,968	80,726	35.3	47.4	17.3
1995	29,147	39,903	16,425	85,475	34.1	46.7	19.2
1996	32,023	42,823	18,515	93,361	34.3	45.9	19.8
1997	32,859	47,716	20,218	100,793	32.6	47.3	20.1
1998	34,699	48,100	22,256	105,055	33.0	45.8	21.2
1999	33,600	54,483	20,163	108,246	31.0	50.4	18.6
2000	33,030	53,055	23,530	109,615	30.1	48.4	21.5

Chart 10.1
Toll Revenues by Market Segment
(Dollar Amounts Shown in Billions)

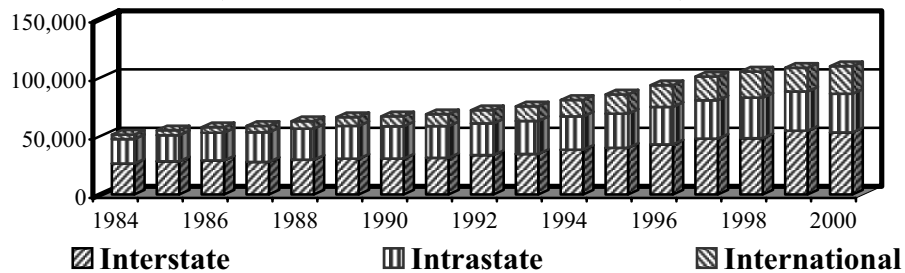


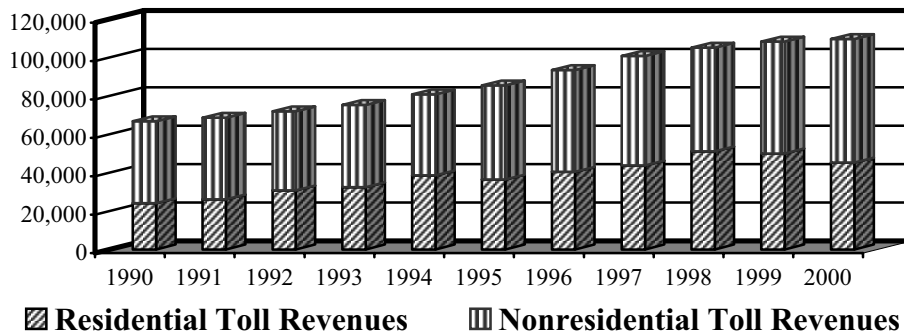
Table 10.3
Residential and Nonresidential Toll Revenues
(Dollar Amounts Shown in Millions)

Year	Toll Revenues		Total Toll Revenues	As Percentage of Total Toll Revenues 1/	
	Residential	Nonresidential		Residential	Nonresidential
1990	\$24,089	\$42,703	\$66,792	36.1 %	63.9 %
1991	26,028	42,530	68,558	38.0	62.0
1992	30,816	41,167	71,983	42.8	57.2
1993	32,408	42,882	75,290	43.0	57.0
1994	38,526	42,200	80,726	47.7	52.3
1995	36,361	49,114	85,475	42.5	57.5
1996	40,461	52,900	93,361	43.3	56.7
1997	43,754	57,039	100,793	43.4	56.6
1998 2/	51,057	53,998	105,055	48.6	51.4
1999	50,010	58,236	108,246	46.2	53.8
2000	45,271	64,344	109,615	41.3	58.7

1/ The percentage of residential and non-residential toll revenues to total toll revenues is based on data published by the U.S. Census Bureau in the *2000 Service Annual Survey, Information Sector Services, Table 3.3.10, Wired Telecommunications Carriers (NAICS 51331)--Estimated Local, Long-Distance, Network Access Revenue by Type of Service, and Destination for Employer Firms: 1998 Through 2000*. We have taken these percentages and applied them to our total revenue amount to obtain the residential and nonresidential revenues.

2/ In 1998, a break in the time series occurred when, for this particular survey, the U.S. Census Bureau converted from the Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS).

Chart 10.2
Residential and Nonresidential Toll Revenues
(Dollar Amounts Shown in Billions)



**Table 10.4
Number of Toll Carriers**

	TRS Data				TRS & USF Data		Form 499-A Data		
	1993	1994	1995	1996	1997	1998	1999	2000	Preliminary 2001
Carriers That Provide Toll Service 1/									
Toll Carriers									
Interexchange Carriers (IXCs)	83	97	130	149	151	171	204	202	229
Other Toll Carriers									
Operator Service Providers (OSPs)	35	29	25	27	32	24	21	21	22
Pre-paid Calling Card Providers	NA	NA	8	16	18	20	21	24	32
Satellite Service Carriers	NA	NA	NA	22	13	13	21	24	31
Toll Resellers	171	206	260	345	340	388	457	482	576
<u>Other Toll Carriers</u>	<u>32</u>	<u>34</u>	<u>30</u>	<u>28</u>	<u>15</u>	<u>31</u>	<u>17</u>	<u>29</u>	<u>38</u>
Total Toll Carriers	321	366	453	587	569	647	741	782	928
Fixed Local Service, Payphone, and Mobile Service Carriers Reporting Toll Service Revenues	NA	NA	NA	NA	1,537	1,740	1,870	1,704	NA
Total	NA	NA	NA	NA	2,106	2,387	2,611	2,486	NA

NA - Not available.

1/ Counts through 2000 are based on the numbers of carriers actually reporting revenues. Counts for 2001 include all filers who reported revenues for 2000 as well as new carriers that filed through September 2001. The 2001 figures may double count some firms that have been bought, sold or merged during 2001.

Sources: Data filed in response to 47 CFR §43.21(c) and data filed on FCC Forms 431, 457, and 499-A worksheets. See also: Industry Analysis Division, Common Carrier Bureau, *Telecommunications Industry Revenues* (January 2002) and Industry Analysis Division, Common Carrier Bureau, *Telecommunications Providers Locator* (November 2001).

Table 10.5
Number of Carrier Identification Codes (CICs)
Assigned by
North American Numbering Plan Administrator

Year	Quarter	Number of CICs Assigned	Year	Quarter	Number of CICs Assigned
1982	First Quarter	11	1988	First Quarter	602
	Second Quarter	13		Second Quarter	621
	Third Quarter	13		Third Quarter	601
	Fourth Quarter	11		Fourth Quarter	639
1983	First Quarter	15	1989	First Quarter	685
	Second Quarter	25		Second Quarter	714
	Third Quarter	33		Third Quarter	730
	Fourth Quarter	42		Fourth Quarter	747
1984	First Quarter	54	1990	First Quarter	774
	Second Quarter	86 1/		Second Quarter	794
	Third Quarter	121		Third Quarter	817
	Fourth Quarter	155		Fourth Quarter	791
1985	First Quarter	182	1991	First Quarter	745
	Second Quarter	212		Second Quarter	766
	Third Quarter	236		Third Quarter	783
	Fourth Quarter	256		Fourth Quarter	807
1986	First Quarter	276	1992	First Quarter	786
	Second Quarter	331		Second Quarter	831
	Third Quarter	361		Third Quarter	840
	Fourth Quarter	413		Fourth Quarter	886
1987	First Quarter	444			
	Second Quarter	495			
	Third Quarter	530			
	Fourth Quarter	573			

Year	Quarter	FGB	FGD
1993	First Quarter	694 2/	709
	Second Quarter	738	746
	Third Quarter	739	760
	Fourth Quarter	753	796
1994	First Quarter	781	815
	Second Quarter	795	845
	Third Quarter	805	899 3/
	Fourth Quarter	819	947
1995	First Quarter	829	1,016
	Second Quarter	832	1,082
	Third Quarter	843	1,146
	Fourth Quarter	852	1,209
1996	First Quarter	865	1,253
	Second Quarter	876	1,300
	Third Quarter	875	1,315
	Fourth Quarter	878	1,337
1997	First Quarter	882	1,395
	Second Quarter	896	1,427
	Third Quarter	908	1,481
	Fourth Quarter	909	1,538
1998	First Quarter	943	1,557
	Second Quarter	937	1,614
	Third Quarter	943	1,671
	Fourth Quarter	952	1,721
1999	First Quarter	949	1,842
	Second Quarter	953	1,909
	Third Quarter	954	1,980
	Fourth Quarter	956	2,032
2000	First Quarter	958	2,093
	Second Quarter	958	2,142
	Third Quarter	937	2,181
	Fourth Quarter	911	2,203
2001	First Quarter	897	2,232
	Second Quarter	885	2,225
	Third Quarter	876	2,259
	Fourth Quarter	853	2,237

1/ Conversion from 2-digit to 3-digit codes.

2/ Conversion from 3-digit to 4-digit codes.

3/ Includes both 3-digit and 4-digit codes.

Source: North American Numbering Plan Administrator.

Table 10.6
Alternative Measures of Long Distance Carrier Development

Year Month	Carriers with Presubscribed Lines 1/	Carriers Purchasing Equal Access 2/	Firms with Carrier Identification Codes	Firms Purchasing Access	Carriers Filing 499-A Worksheets 3/
1986 March	*	169	231	*	*
June	*	183	276	*	*
September	*	190	302	506	*
December	*	210	334	533	*
1987 March	*	211	360	561	*
June	*	213	397	*	*
September	*	224	421	*	*
December	223	239	451	540	*
1988 March	*	238	471	511	*
June	242	248	489	519	*
September	*	256	464	506	*
December	253	266	493	510	*
1989 March	*	274	520	519	*
June	276	287	544	*	*
September	*	304	560	*	*
December	302	318	577	514	*
1990 March	*	289	594	512	*
June	314	288	611	506	*
September	*	304	636	511	*
December	325	304	601	499	*
1991 March	*	306	571	505	*
June	355	327	597	542	*
September	*	337	605	538	*
December	388	351	631	576	*
1992 March	*	361	616	595	*
June	425	370	659	577	*
September	*	379	654	587	*
December	414	394	692	599	*
1993 March	*	*	*	*	*
June	412	401	*	*	*
September	*	401	*	*	*
December	436	420	*	*	321
1994 March	*	433	*	*	*
June	454	444	*	*	*
September	*	458	*	*	*
December	511	465	*	*	366
1995 March	*	*	*	*	*
June	549	*	*	*	*
September	*	*	*	*	*
December	583	*	*	*	453
1996 March	*	*	*	*	*
June	582	*	*	*	*
September	*	*	*	*	*
December	621	*	*	*	587
1997 December 4/	*	*	*	*	569
1998 December	*	*	*	*	647
1999 December	*	*	*	*	738
2000 December	*	*	*	*	782

* Data not available.

1/ The number of carriers with presubscribed lines is no longer available.

2/ Data for the periods prior to March 1990 include a small number of firms purchasing equal access that were not carriers.

3/ The number of companies first published represented those carriers filing Telecommunications Relay Service Worksheets with the Commission. They included interexchange carriers, operator service providers, other toll carriers, prepaid calling card providers, and toll resellers. In 1999, the source became the FCC Form 499-A, Telecommunications Reporting Worksheet.

4/ One company that had filed about fifty separate worksheets in 1996 filed only one consolidated worksheet for 1997.

Table 10.7
Toll Revenues of AT&T, ILECs and Other Toll Service Providers
(Dollar Amounts Shown in Millions)

Year	Long Distance Carriers		Local Exchange Carriers		Total Industry Toll Revenues
	AT&T 1/ 2/ 3/	Other Long Distance Carriers	Incumbent Local Exchange Carriers	Competitive Local Exchange Carriers	
1976	\$19,800	\$67			\$19,867
1977	22,429	146			22,575
1978	25,891	188			26,079
1979	29,262	289			29,551
1980	32,855	480			33,335
1981	38,309	871			39,180
1982	42,332	1,587			43,919
1983	44,298	2,672			46,970
1984	35,190	3,565	\$12,401		51,156
1985	37,041	5,589	12,185		54,815
1986	36,782	7,813	12,873		57,468
1987	35,481	9,302	13,736		58,519
1988	35,679	11,807	15,113		62,600
1989	34,827	16,160	14,840		66,024
1990	34,139	17,748	14,690		66,792
1991	34,722	19,513	14,115		68,558
1992	35,828	22,297	13,615		71,983
1993	36,051	24,660	13,757		75,290
1994	37,495	29,856	13,375		80,726
1995	38,394	35,749	11,332		85,475
1996	39,382	42,769	11,248		93,361
1997	39,592	50,558	10,215	\$550	100,793
1998	40,674	53,722	9,429	1,230	105,055
1999	39,964	58,824	8,046	1,412	108,246
2000	38,110	62,439	6,616	2,450	109,615

- 1/ AT&T's revenues include the long distance revenues of Alascom (acquired in 1995) and Teleport Communications Group (including ACC Long Distance Corporation) which merged with AT&T in July of 1998.
- 2/ Prior to 1984, AT&T and Alascom toll revenues include local exchange carrier toll revenues, which were not reported separately to the FCC.
- 3/ For year 2000, revenues for AT&T do not include their share of Concert Global Networks USA, Inc. (See Table 10.1, footnote 7.)

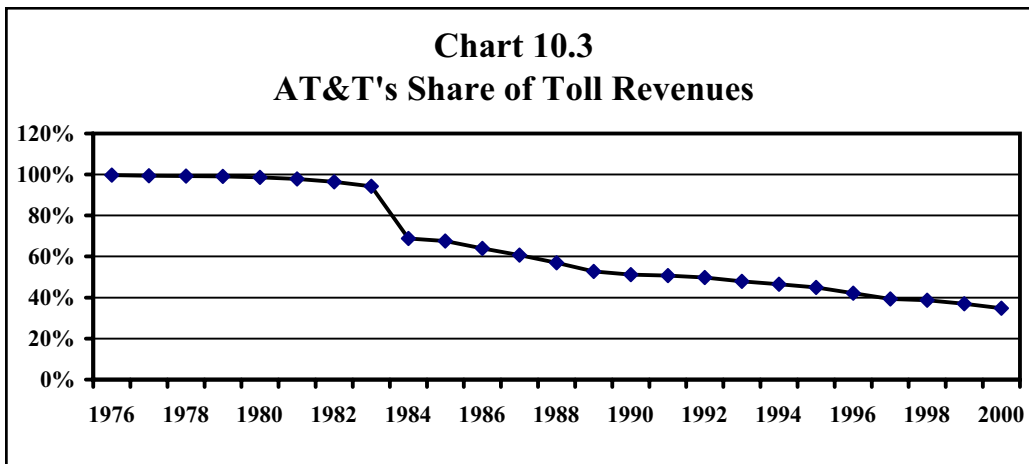


Table 10.8
Share of Total Toll Service Revenues
Long Distance Carriers Only 1/

Year	AT&T	WorldCom	Sprint	All Other Long Distance Carriers
1984	90.1 %	4.5 %	2.7 %	2.6 %
1985	86.3	5.5	2.6	5.6
1986	81.9	7.6	4.3	6.3
1987	78.6	8.8	5.8	6.8
1988	74.6	10.3	7.2	8.0
1989	67.5	12.3	8.4	11.8
1990	65.0	14.5	9.7	10.8
1991	63.2	15.6	9.9	11.3
1992	60.8	18.1	9.7	11.5
1993	58.1	19.7	10.0	12.3
1994	55.2	20.7	10.1	14.0
1995	51.8	24.6	9.8	13.8
1996	47.9	25.4	9.7	17.0
1997	43.8	25.7	9.5	19.8
1998	43.1	23.5	8.5	24.9
1999	40.5	23.7	9.8	26.0
2000	37.9 2/	22.4	9.0	30.7

1/ Excludes independent local exchange carriers and competitive local exchange carriers.

2/ For year 2000, AT&T's market share does not reflect revenues from their share of Concert Global Networks USA, LLC. (See Table 10.1, footnote 7.)

Table 10.9
Share of Total Toll Service Revenues
All Long Distance Toll Providers 1/

Year	AT&T	WorldCom	Sprint	All Other Long Distance Carriers	Regional Bell Operating Companies	Other Local Telephone Companies
1984	68.3 %	3.4 %	2.1 %	2.0 %	17.7 %	6.6 %
1985	67.1	4.3	2.0	4.4	16.5	5.8
1986	63.5	5.9	3.3	4.9	16.7	5.7
1987	60.2	6.7	4.4	5.2	17.5	5.9
1988	56.6	7.8	5.4	6.1	17.0	7.1
1989	52.3	9.5	6.5	9.1	16.0	6.5
1990	50.7	11.3	7.5	8.4	15.8	6.2
1991	50.2	12.5	7.8	9.0	14.7	5.9
1992	49.3	14.6	7.9	9.3	13.5	5.4
1993	47.5	16.0	8.2	10.1	13.1	5.2
1994	46.0	17.3	8.4	11.7	11.8	4.8
1995	44.9	21.4	8.5	12.0	9.6	3.7
1996	42.1	22.4	8.5	15.0	8.5	3.5
1997	39.2	22.9	8.5	18.8	7.1	3.6
1998	38.7	21.1	7.6	22.4	6.5	3.6
1999	36.9	21.7	9.0	23.7	5.7	3.0
2000	34.8 2/	20.6	8.3	28.1	5.5	2.7

1/ Includes independent local exchange carriers and competitive local exchange carriers.

2/ For year 2000, AT&T's market share does not reflect revenues from their share of Concert Global Networks USA, LLC. (See Table 10.1, footnote 7.)

Table 10.10
Residential Market Share
(1995 - 2000)

	AT&T	WorldCom 1/	Sprint	Other
Access Lines 2/				
1995	74.6 %	13.0 %	4.2 %	8.2 %
1996	69.9	14.1	5.0	11.0
1997	67.2	13.2	5.7	13.8
1998	62.6	15.1	5.7	16.6
1999	62.5	16.0	6.2	15.4
2000	53.3	18.1	6.9	21.8
Toll Revenues				
1995	68.5 %	14.6 %	5.6 %	11.3 %
1996	63.3	16.0	6.6	14.1
1997	61.1	16.6	5.6	16.7
1998	58.3	18.4	5.7	17.6
1999	56.1	21.6	6.2	16.1
2000	48.4	22.2	6.8	22.6
Direct-Dial Minutes				
1995	69.5 %	16.1 %	5.8 %	8.6 %
1996	62.5	15.9	7.1	14.5
1997	62.4	14.9	6.5	16.2
1998	58.4	17.0	6.5	18.1
1999	53.2	20.9	6.6	19.3
2000	44.7	21.3	7.3	26.6

Note: Market shares for past years have been revised to take into account mergers and acquisitions and changes in methodology.

1/ In 1995 for MCI only. In 1996, includes MCI and LDDS.

2/ In 1995, 1996, 1999 and 2000, TNS Telcoms 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 IATD staff with data provided by TNS Telecoms (formerly PNR and Associates), *Telecoms Market Monitor*TM.

Table 10.11
Market Shares of Residential Direct Dial-Minutes by State: 2000 1/

	AT&T	WorldCom	Sprint	Other	Minutes 2/
Alabama	55.5 %	22.6 %	3.3 %	18.5 %	37,875
Arizona	45.3	28.3	6.6	19.8	63,686
Arkansas	41.7	18.8	5.6	33.9	26,107
California	42.6	21.4	6.7	29.4	245,219
Colorado	40.5	22.3	3.4	33.8	44,148
Connecticut	29.1	8.5	3.8	58.6	16,536
Delaware	26.1	27.1	8.2	38.6	5,076
District of Columbia	25.5	50.8	13.2	10.6	5,488
Florida	49.4	21.5	9.1	20.0	223,503
Georgia	48.7	29.3	3.3	18.8	62,360
Idaho	35.1	19.9	6.7	38.3	17,348
Illinois	46.3	22.0	6.4	25.3	102,295
Indiana	51.9	17.6	7.2	23.3	54,944
Iowa	40.7	25.0	4.5	29.8	34,979
Kansas	34.1	12.5	19.2	34.1	19,707
Kentucky	49.5	15.5	7.9	27.1	35,217
Louisiana	49.2	16.4	5.1	29.4	34,739
Maine	43.5	22.0	4.2	30.3	5,812
Maryland	39.6	32.3	5.8	22.3	62,912
Massachusetts	57.4	20.3	10.1	12.1	25,218
Michigan	51.8	15.4	9.3	23.6	89,987
Minnesota	46.1	23.7	7.8	22.4	56,207
Mississippi	59.0	25.3	2.7	13.0	22,046
Missouri	46.5	11.2	12.4	29.9	26,396
Montana	44.0	11.3	5.0	39.7	13,359
Nebraska	41.7	24.8	8.9	24.6	18,079
Nevada	37.2	20.4	11.9	30.4	25,971
New Hampshire	47.1	21.1	13.3	18.6	8,065
New Jersey	55.5	21.1	6.6	16.8	70,028
New Mexico	40.7	25.9	5.2	28.2	15,963
New York	38.2	23.8	5.8	32.1	153,660
North Carolina	53.1	16.6	11.3	19.0	74,305
North Dakota	19.7	30.4	6.8	43.1	11,491
Ohio	44.7	17.6	8.9	28.8	111,411
Oklahoma	42.2	17.1	5.2	35.5	26,516
Oregon	48.8	18.0	1.3	31.9	41,791
Pennsylvania	40.6	25.5	6.4	27.5	109,935
Rhode Island	38.8	16.8	21.6	22.9	5,474
South Carolina	39.7	18.5	9.9	32.0	43,129
South Dakota	40.9	17.0	3.0	39.1	6,914
Tennessee	49.1	20.5	7.4	23.0	55,678
Texas	33.7	18.5	10.0	37.7	126,653
Utah	58.3	17.4	4.1	20.2	14,197
Vermont	47.5	21.8	2.6	28.1	5,958
Virginia	41.1	24.1	9.7	25.0	82,380
Washington	43.1	20.9	7.3	28.6	54,701
West Virginia	57.5	23.9	0.4	18.1	16,295
Wisconsin	44.3	20.7	6.2	28.9	85,598
Wyoming	55.4	17.9	5.1	21.6	9,493
Total	44.7 %	21.3 %	7.3 %	26.6 %	2,504,849

1/ Based on interLATA toll calls.

2/ Total minutes of direct-dial toll calling in the Bill Harvesting study. Caution should be used in interpreting market shares for states with few minutes, where sample sizes are generally small.

Source: Calculated by IATD staff with data provided by TNS Telecoms (formerly PNR and Associates), *Telecoms Market Monitor*TM.

Table 10.12
BOC Applications to Provide
In-Region InterLATA Service *
(Section 271 Applications)

State	Resolution	Date Application Filed	Date Application Resolved
Arkansas	Approved	08/20/01	11/16/01
Connecticut	Approved	04/23/01	07/20/01
Georgia	Pending	02/14/02	05/15/02
Georgia	Withdrawn	10/02/01	12/20/01
Kansas	Approved	10/26/00	01/22/01
Louisiana	Pending	02/14/02	05/15/02
Louisiana	Withdrawn	10/02/01	12/20/01
Louisiana	Denied	11/06/97	02/04/98
Louisiana	Denied	07/09/98	10/13/98
<i>Maine</i>	<i>Pending</i>	<i>03/21/02</i>	<i>1/</i>
Massachusetts	Withdrawn	09/22/00	12/18/00
Massachusetts	Approved	01/16/01	04/16/01
Michigan	Withdrawn	01/02/97	02/11/97
Michigan	Denied	05/21/97	08/19/97
Missouri	Approved	08/20/01	11/16/01
Missouri	Withdrawn	04/04/01	06/07/01
<i>New Jersey</i>	<i>Pending</i>	<i>03/26/02</i>	<i>2/</i>
New Jersey	Withdrawn	12/20/01	03/19/02
New York	Approved	09/29/99	12/22/99
Oklahoma	Denied	04/11/97	06/26/97
Oklahoma	Approved	10/26/00	01/22/01
Pennsylvania	Approved	06/21/01	09/19/01
Rhode Island	Approved	11/26/01	03/22/02
South Carolina	Denied	09/30/97	12/24/97
Texas	Withdrawn	01/10/00	04/05/00
Texas	Approved	04/05/00	06/30/00
Vermont	Approved	01/17/02	04/12/02

* As of May 15, 2002.

1/ Statutory deadline for Commission action is June 19, 2002

2/ Statutory deadline for Commission action is June 24, 2002

11 Minutes

1. Dial Equipment 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 calls are not metered and estimates of total calling are subject to wide margins of error. Periodic studies are 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) are used to estimate the proportion of calling that is interstate and to allocate costs between interstate and intrastate services.

DEMs, which are shown in Table 11.1, are measured as calls enter and leave telephone switches; therefore, two DEMs are counted for every conversation minute. (Individual company and state data can be found in our *Monitoring Report* on the **FCC-State Link** web page.) Until recently, the volume of local calling grew slowly. In recent years, however, local usage has begun to surge due to the introduction of facsimile machines, computer modems, and other devices that use telephone lines. The volume of long distance calling surged as prices fell in the mid-1980s. Local minutes fell from 84% of all calls in 1980 to 74% in the 1990s and then climbed back to 78% in 2000. Intrastate toll minutes increased from 8% of all minutes in 1980 to 12% in 1990 and then fell back to 9% in 2000. Interstate calling minutes increased from 8% of the total in 1980 to 15% in the mid-1990s and fell back to 12% in 2000.

As shown in Table 11.2, the average telephone line is used primarily for local calling and is now used over an hour per day for all calls (local, intrastate toll, and interstate toll). Increases in both local and long distance calling have caused the total usage per line to increase from 46 minutes per day in 1980 to 72 minutes per day in 2000.

2. Switched Access Minutes

An alternative measure of interstate calling became available in 1984. Switched access minutes are those minutes transmitted by long distance carriers that also use the distribution networks of local telephone companies. The measure includes minutes associated with ordinary long distance calls and the "open end" of WATS and 800-like calls. It excludes calls made on private telecommunications systems, on leased lines, and minutes on the "closed end" of WATS and 800-like calls. On ordinary long distance calls, minutes are counted both where the call originates and where the call terminates.

Table 11.3 shows the total number of interstate switched access minutes handled by all long distance carriers. The number of minutes grew steadily from mid-1984 to 2001 stemming from a combination of overall economic growth and price reductions.

Telephone industry traffic experts often argue that dial equipment minutes represent the best available information on the proportions of different types of calls, while access minutes are the most accurate available data on the volume of interstate calling. However, it is not clear why reported changes in access minutes are not entirely consistent with reported changes in dial equipment minutes.

**Table 11.1
Dial Equipment Minutes
(Minutes Shown in Billions)**

	Local	Intrastate Toll	Interstate Toll	Total
1980	1,458	141	133	1,733
1981	1,492	151	144	1,787
1982	1,540	158	154	1,853
1983	1,587	166	169	1,923
1984	1,639	198	208	2,045
1985	1,673	222	250	2,145
1986	1,699	237	270	2,207
1987	1,713	253	295	2,261
1988	1,795	269	321	2,384
1989	1,829	286	344	2,459
1990	1,846	298	353	2,497
1991	1,859	302	366	2,527
1992	1,926	311	381	2,618
1993	2,027	316	396	2,739
1994	2,126	327	420	2,873
1995	2,224	346	454	3,025
1996	2,389	370	486	3,245
1997	2,694	407	528	3,629
1998	2,992	423	556	3,971
1999	3,378	452	585	4,414
2000	3,909	472	616	4,998
Increase Over Prior Year				
1981	2 %	7 %	8 %	3 %
1982	3	5	7	4
1983	3	5	10	4
1984	3	19	23	6
1985	2	12	20	5
1986	2	7	8	3
1987	1	7	9	2
1988	5	6	9	5
1989	2	6	7	3
1990	1	4	3	2
1991	1	1	4	1
1992	4	3	4	4
1993	5	2	4	5
1994	5	3	6	5
1995	5	6	8	5
1996	7	7	7	7
1997	13	10	9	12
1998	11	4	5	9
1999	13	7	5	11
2000	16	5	5	13
Percent Distribution				
1980	84 %	8 %	8 %	100 %
1981	83	8	8	100
1982	83	9	8	100
1983	83	9	9	100
1984	80	10	10	100
1985	78	10	12	100
1986	77	11	12	100
1987	76	11	13	100
1988	75	11	13	100
1989	74	12	14	100
1990	74	12	14	100
1991	74	12	14	100
1992	74	12	15	100
1993	74	12	14	100
1994	74	11	15	100
1995	74	11	15	100
1996	74	11	15	100
1997	74	11	15	100
1998	75	11	14	100
1999	77	10	13	100
2000	78	9	12	100

Source: National Exchange Carrier Association.

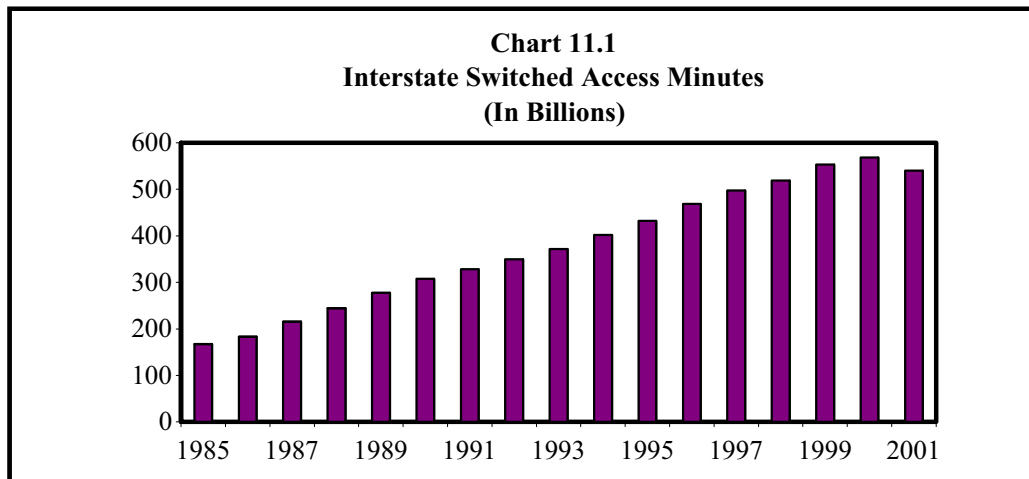
**Table 11.2
Line Usage Per Day
(Dial Equipment Minutes per Local Loop)**

	Local	Intrastate Toll	Interstate Toll	Total
1980	39	4	4	46
1981	39	4	4	46
1982	39	4	4	47
1983	39	4	4	48
1984	40	5	5	50
1985	40	5	6	51
1986	39	5	6	51
1987	38	6	7	50
1988	39	6	7	51
1989	38	6	7	51
1990	37	6	7	50
1991	37	6	7	50
1992	37	6	7	50
1993	37	6	7	51
1994	38	6	8	51
1995	38	6	8	52
1996	39	6	8	53
1997	42	6	8	57
1998	46	6	8	60
1999	50	7	9	65
2000	57	7	9	72
Increase Over Prior Year				
1981	-1 %	4 %	5 %	0 %
1982	1	3	5	2
1983	0	2	7	1
1984	1	17	21	4
1985	-1	9	17	2
1986	0	5	6	1
1987	-3	3	5	-1
1988	1	2	5	2
1989	-1	3	4	0
1990	-2	1	-1	-2
1991	-2	-1	1	-1
1992	0	0	1	0
1993	2	-1	1	2
1994	1	0	3	1
1995	1	2	4	1
1996	3	2	2	3
1997	8	6	4	7
1998	7	0	2	6
1999	10	4	2	8
2000	13	2	3	11

Table 11.3
Interstate Switched Access Minutes
(In Billions)

Year	Period	Access Minutes	Year	Period	Access Minutes	Year	Period	Access Minutes
1984	Third Quarter	37.5	1990	First Quarter	74.7	1996	First Quarter	115.7
	Fourth Quarter	39.6		Second Quarter	75.8		Second Quarter	114.7
				Third Quarter	77.9		Third Quarter	117.5
				Fourth Quarter	79.1		Fourth Quarter	120.2
			Total 1990	307.4		Total 1996	468.1	
1985	First Quarter	39.6	1991	First Quarter	79.2	1997	First Quarter	122.1
	Second Quarter	41.5		Second Quarter	81.9		Second Quarter	124.4
	Third Quarter	42.8		Third Quarter	82.6		Third Quarter	124.9
	Fourth Quarter	43.3		Fourth Quarter	84.4		Fourth Quarter	125.8
	Total 1985	167.1		Total 1991	328.0		Total 1997	497.3
1986	First Quarter	43.0	1992	First Quarter	85.6	1998	First Quarter	124.0
	Second Quarter	44.8		Second Quarter	86.5		Second Quarter	131.3
	Third Quarter	46.7		Third Quarter	87.9		Third Quarter	130.7
	Fourth Quarter	48.5		Fourth Quarter	89.8		Fourth Quarter	132.8
	Total 1986	183.1		Total 1992	349.7		Total 1998	518.8
1987	First Quarter	51.2	1993	First Quarter	90.6	1999	First Quarter	136.0
	Second Quarter	52.5		Second Quarter	91.2		Second Quarter	138.2
	Third Quarter	55.0		Third Quarter	93.6		Third Quarter	138.2
	Fourth Quarter	57.0		Fourth Quarter	95.9		Fourth Quarter	140.2
	Total 1987	215.7		Total 1993	371.2		Total 1999	552.7
1988	First Quarter	59.0	1994	First Quarter	98.7	2000	First Quarter	142.9
	Second Quarter	59.6		Second Quarter	97.9		Second Quarter	142.9
	Third Quarter	62.1		Third Quarter	101.9		Third Quarter	141.3
	Fourth Quarter	64.0		Fourth Quarter	102.9		Fourth Quarter	141.0
	Total 1988	244.6		Total 1994	401.4		Total 2000	568.1
1989	First Quarter	66.2	1995	First Quarter	105.6	2001	First Quarter	138.1
	Second Quarter	68.5		Second Quarter	106.8		Second Quarter	137.1
	Third Quarter	69.7		Third Quarter	109.0		Third Quarter	133.3
	Fourth Quarter	72.6		Fourth Quarter	110.6		Fourth Quarter	131.3
	Total 1989	277.1		Total 1995	431.9		Total 2001	539.8

Source: Industry Analysis Division, Common Carrier Bureau, *October 2001 Monitoring Report* (November 2001) and NECA filings (fourth quarter and year 2001).



12 Mobile Wireless Service

The Commission collects data on the number of wireless subscribers per 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 for each state in which they have at least 10,000 subscribers. Table 12.1 shows the number of wireless subscribers per state as of June 30, 2001.

The Cellular Telecommunications & Internet Association (CTIA) periodically publishes summary information on the industry; a selection of which is shown in Tables 12.2 and 12.3. CTIA can be found on the Internet at www.wow-com.com.

The wireless industry has grown dramatically. Table 12.2 shows that there were 92,000 subscribers in 1984, as compared with over 118 million subscribers as of June 2001. As seen in Table 12.3, the industry's annual revenues rose from less than a half billion in 1984 to almost \$60 billion between mid-2000 and mid-2001. The table also shows that the industry had over 186,000 employees as of June 2001, as compared to about 1,000 employees in 1984; and there was a significant drop in the average monthly bill from \$96.83 at the end of 1987 to \$45.56 as of June 2001.

Table 12.1
Mobile Wireless Telephone Subscribers
(As Reported on FCC Form 477) 1/

State	Jun 2001 Reporting Carriers 1/	Jun 2001 Percent Resold 2/	Subscribers Dec 1999	Subscribers Jun 2000	Subscribers Dec 2000 3/	Subscribers Jun 2001	Percent Change Jun 00 - Jun 01
Alabama	12	1 %	1,080,410	1,253,084	1,386,294	1,930,631	54 %
Alaska	5	10	165,221	169,892	*	218,424	29
Arizona	13	3	1,125,321	1,624,668	1,855,115	2,018,410	24
Arkansas	6	2	719,919	715,467	743,928	891,275	25
California	12	5	8,544,941	12,283,369	12,710,520	14,184,625	15
Colorado	9	3	1,552,718	1,654,989	1,856,075	1,983,405	20
Connecticut	6	9	1,077,089	1,136,618	1,277,123	1,418,367	25
Delaware	5	6	270,848	275,219	371,014	389,284	41
District of Columbia	6	9	910,116	4/	928,962	987,323	NM
Florida	9	7	5,158,079	4,983,478	6,369,985	7,536,670	51
Georgia	14	4	2,538,983	2,687,238	2,754,784	4,076,119	52
Guam	*	*	*	*	0	*	*
Hawaii	6	2	288,425	454,364	524,291	543,283	20
Idaho	7	3	271,436	296,066	344,564	398,781	35
Illinois	10	9	3,922,482	4,309,660	5,143,767	5,621,044	30
Indiana	9	5	1,318,975	1,717,378	1,715,074	1,781,247	4
Iowa	8	7	774,773	975,629	832,106	861,382	(12)
Kansas	10	3	669,472	724,024	801,293	901,225	24
Kentucky	9	1	911,700	999,544	1,026,334	1,176,756	18
Louisiana	12	3	1,227,106	1,294,693	1,306,457	1,677,292	30
Maine	5	3	187,003	283,640	359,786	399,616	41
Maryland	8	4	1,473,494	4/	1,982,477	2,134,125	NM
Massachusetts	6	4	1,892,014	2,228,169	2,649,130	2,753,685	24
Michigan	10	9	3,512,813	3,423,535	3,551,719	4,071,091	19
Minnesota	12	7	1,550,411	1,595,560	1,851,430	2,014,317	26
Mississippi	9	4	673,355	509,038	786,577	993,781	95
Missouri	9	4	1,855,452	1,848,775	1,767,411	1,937,684	5
Montana	*	*	*	*	*	*	*
Nebraska	5	2	576,296	600,885	659,380	712,685	19
Nevada	6	3	750,335	825,163	684,752	766,581	(7)
New Hampshire	7	13	280,508	309,263	387,264	445,181	44
New Jersey	6	1	2,289,181	2,750,024	3,575,130	3,896,778	42
New Mexico	8	8	363,827	395,111	443,343	619,582	57
New York	9	11	4,833,816	5,016,524	5,918,136	6,749,096	35
North Carolina	11	4	2,536,068	2,730,178	3,105,811	3,377,331	24
North Dakota	*	*	*	*	*	*	*
Ohio	12	6	3,237,786	3,278,960	4,150,498	4,255,934	30
Oklahoma	12	3	826,637	979,513	1,124,214	1,200,234	23
Oregon	8	3	914,848	1,082,425	1,201,207	1,268,909	17
Pennsylvania	12	5	2,767,474	3,850,372	4,129,186	4,378,216	14
Puerto Rico	5	21	*	1,090,005	757,613	1,374,747	26
Rhode Island	6	5	279,304	313,550	355,889	401,805	28
South Carolina	8	9	1,137,232	1,236,338	1,392,586	1,502,345	22
South Dakota	*	*	*	*	*	*	*
Tennessee	11	1	1,529,054	1,876,444	1,985,851	2,251,208	20
Texas	16	5	5,792,453	6,705,423	7,548,537	8,294,338	24
Utah	10	3	643,824	692,006	750,244	833,492	20
Vermont	*	*	*	*	*	*	*
Virgin Islands	*	*	*	0	0	*	*
Virginia	11	4	1,860,262	4/	2,450,289	2,767,247	NM
Washington	9	4	1,873,475	2,144,767	2,286,082	2,493,214	16
West Virginia	9	6	241,265	347,916	392,384	452,036	30
Wisconsin	10	7	1,525,818	1,342,908	1,698,520	2,008,679	50
Wyoming	4	3	127,634	*	*	173,939	*
Nationwide	72	5 %	79,696,083	90,643,058	101,043,219	114,028,928	26 %

NM - Not meaningful.

* Data withheld to maintain firm confidentiality.

1/ Carriers with under 10,000 subscribers in a state were not required to report.

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

3/ Data for December 2000 have been revised.

4/ At the end of June 2000, the District of Columbia, Maryland, and Virginia had a total of 4.8 million subscribers. The state-by-state totals for these individual states were inconsistently reported at the end of June 2000 compared to the other filing periods.

Source: Industry Analysis Division, Common Carrier Bureau, *Local Telephone Competition: Status as of June 30, 2001* (February 2002).

Table 12.2
Wireless Telephone Subscribers
(As Reported by Cellular Telecommunications & Internet Assn.)

	Number of Systems	Subscribers
1984 December	32	91,600
1985 June	65	203,600
December	102	340,213
1986 June	129	500,000
December	166	681,825
1987 June	206	883,778
December	312	1,230,855
1988 June	420	1,608,697
December	517	2,069,441
1989 June	559	2,691,793
December	584	3,508,944
1990 June	592	4,368,686
December	751	5,283,055
1991 June	1,029	6,390,053
December	1,252	7,557,148
1992 June	1,483	8,892,535
December	1,506	11,032,753
1993 June	1,523	13,067,318
December	1,529	16,009,461
1994 June	1,550	19,283,506
December	1,581	24,134,421
1995 June	1,581	28,154,415
December	1,627	33,785,661
1996 June	1,629	38,195,466
December	1,740	44,042,992
1997 June	2,005	48,705,553
December	2,228	55,312,293
1998 June	2,300	60,831,431
December	3,073	69,209,321
1999 June	3,447	76,284,753
December	3,518	86,047,003
2000 June	2,306 1/	97,035,925
December	2,440	109,478,031
2001 June	2,540	118,397,734

1/ The drop in the number of systems from December 1999 to June 2000 was due to the reclassification of Nextel's systems from city-by-city to consolidated MSAs and BTAs.

Source: Cellular Telecommunications & Internet Association (CTIA).

Table 12.3
Wireless Telephone Service: Industry Survey Results
(As Reported by Cellular Telecommunications & Internet Assn.)

	Survey Results		Estimates for Total Industry		
	Number of Systems Responding	Percent of Industry Surveyed	Employees	Six-Month Revenues (Thousands)	Average Monthly Bill
1984 December	32	100.0 %	1,404	178,085	
1985 June	65	100.0	1,697	176,231	
December	101	100.0	2,727	306,197	
1986 June	122	96.0	3,556	360,585	
December	160	95.3	4,334	462,467	
1987 June	192	88.0	5,656	479,514	
December	297	97.2	7,147	672,005	\$96.83
1988 June	409	99.9	9,154	886,075	95.00
December	496	99.1	11,400	1,073,473	98.02
1989 June	513	99.1	13,719	1,406,463	85.52
December	546	98.8	15,927	1,934,132	89.30
1990 June	554	98.8	18,973	2,126,362	83.94
December	663	98.2	21,382	2,422,458	80.90
1991 June	905	96.4	25,545	2,653,505	74.56
December	1,005	96.5	26,327	3,055,017	72.74
1992 June	1,129	96.3	30,595	3,633,285	68.51
December	1,189	93.4	34,348	4,189,441	68.68
1993 June	1,110	92.2	36,501	4,819,259	67.31
December	1,287	92.3	39,775	6,072,906	61.48
1994 June	1,242	92.7	45,606	6,519,030	58.65
December	1,371	93.2	53,902	7,710,890	56.21
1995 June	1,330	93.9	60,624	8,740,352	52.42
December	1,392	93.0	68,165	10,331,614	51.00
1996 June	1,346	92.2	73,365	11,194,247	48.84
December	1,422	92.4	84,161	12,440,724	47.70
1997 June	1,785	94.9	97,039	13,134,551	43.86
December	2,017	94.9	109,387	14,351,082	42.78
1998 June	2,026	94.7	113,111	15,286,660	39.88
December	2,869	93.3	134,754	17,846,515	39.43
1999 June	3,175	95.6	141,929	19,368,304	40.24
December	3,216	93.4	155,817	20,650,185	41.24
2000 June	1,949 1/	91.8	159,645	24,645,365	45.15
December	2,111	94.7	184,449	27,820,655	45.27
2001 June	2,132	92.6	186,317	30,905,721	45.56

1/ The drop in the number of systems from December 1999 to June 2000 was due to the reclassification of Nextel's systems from city-by-city to consolidated MSAs and BTAs.

Source: Cellular Telecommunications & Internet Association (CTIA).

13 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. 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 13.1 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.

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. The annual rate of change is shown in Table 13.2 for the overall CPI (which measures the impact of inflation on consumers) and the CPI for telephone services. In addition, Table 13.2 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.

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 13.3.

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 13.3.

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 13.1
Long-Term Changes for Various Price Indices
(Annual Rates of Change)

	1935 - 2001	1989 - 2001
CPI All Items	3.8 %	3.0 %
CPI All Services	4.3	3.7
CPI Telephone Services 1/	1.4	0.6
CPI Major Categories:		
- Food & Beverages	*	2.8
- Housing	*	3.1
- Apparel	2.5	0.8
- Transportation	3.5	2.5
- Medical Care	5.0	5.2
- Recreation 2/	*	1.8
- Other Goods & Services	*	5.6
CPI Public Transportation	4.8	4.1
CPI Utility Natural Gas Service	3.8	4.2
CPI Electricity	1.9	1.5
CPI Sewer & Water Maintenance	*	4.3
CPI Postage	3.9	2.7

* Series not established until after 1935.

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

2/ Series not established until 1993. Figure reflects annual change between 1993 and 2001.

Source: Bureau of Labor Statistics.

Chart 13.1

CPI All Items and CPI Telephone Services

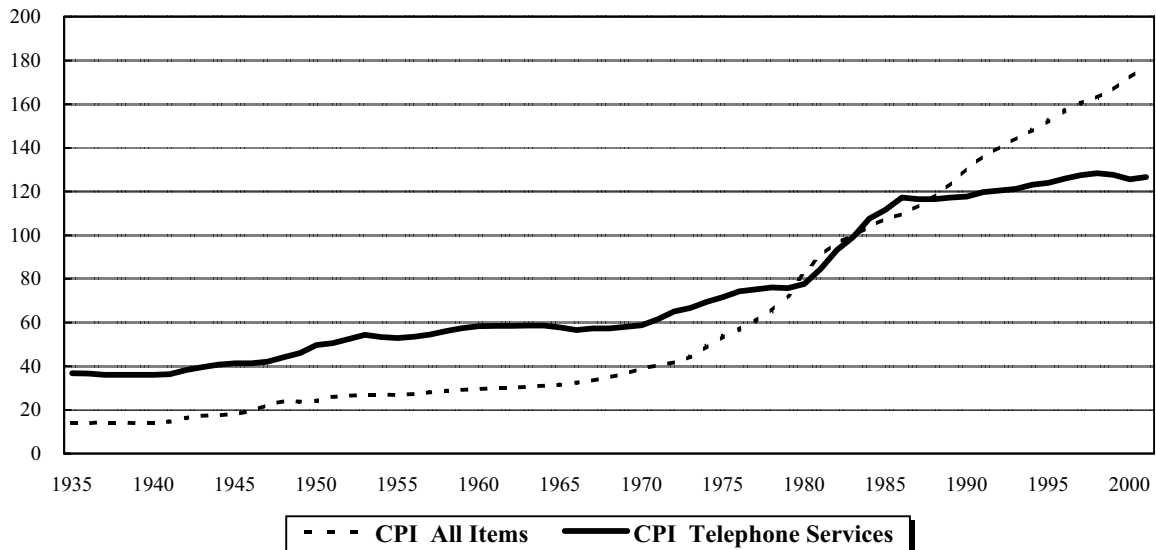


Table 13.2
Annual Changes in Major Price Indices

	GDP Chain-Type Price Index	CPI - All Items	CPI - Telephone Services
1978	7.4 %	9.0 %	0.9 %
1979	8.3	13.3	0.7
1980	9.6	12.5	4.6
1981	8.3	8.9	11.7
1982	5.1	3.8	7.2
1983	3.6	3.8	3.6
1984	3.5	3.9	9.2
1985	3.0	3.8	4.7
1986	2.2	1.1	2.7
1987	3.1	4.4	-1.3
1988	3.7	4.4	1.3
1989	3.6	4.6	-0.3
1990	4.1	6.1	-0.4
1991	2.8	3.1	3.5
1992	2.2	2.9	-0.3
1993	2.7	2.7	1.8
1994	2.0	2.7	0.7
1995	2.1	2.5	1.2
1996	1.7	3.3	2.1
1997	1.6	1.7	0.2
1998	1.3	1.6	0.3 *
1999	1.6	2.7	0.4
2000	2.5	3.4	-2.3
2001	1.8	1.6	1.3

* The CPI telephone service index was revised in December of 1997.
Sources: Bureau of Labor Statistics and Bureau of Economic Analysis.

Chart 13.2

Percentage Change in CPI All Items and CPI Telephone Services

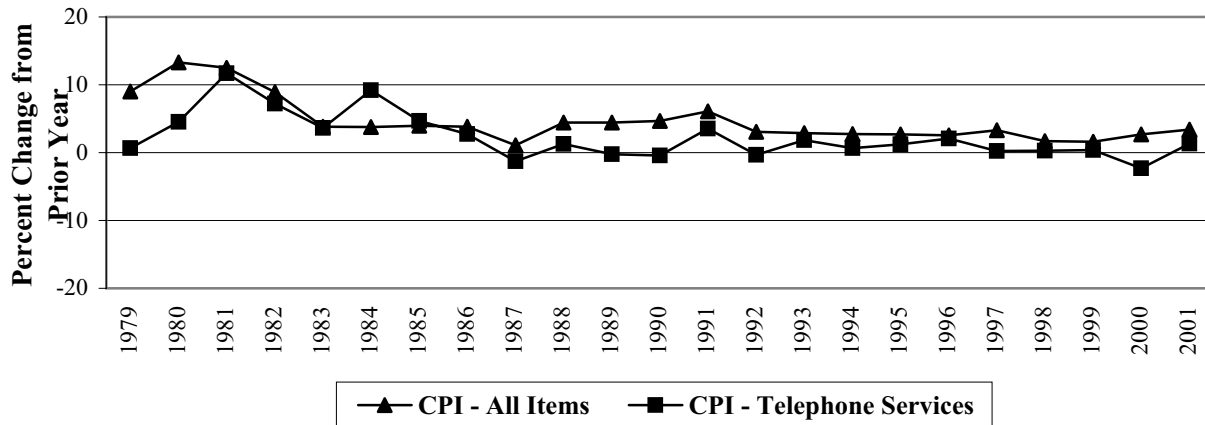


Table 13.3
Annual Changes in Price Indices
for Local and Long Distance Telephone Services

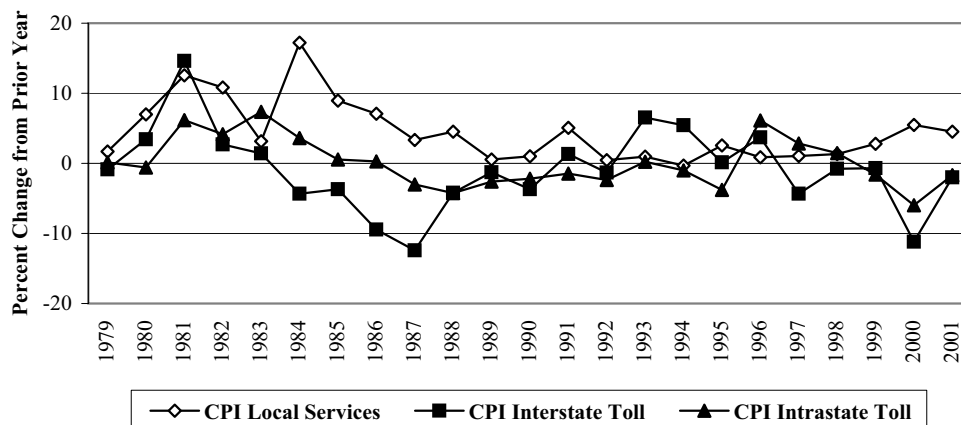
	Local Residential Service		Toll Service 1/			
	CPI	PPI	Interstate		Intrastate	
			CPI	PPI	CPI	PPI
1978	1.4 %	3.1 %	-0.7 %	0.0 %	1.3 %	0.1 %
1979	1.7	1.6	-0.8	-0.9	0.1	-0.7
1980	7.0	7.1	3.4	5.5	-0.6	2.3
1981	12.6	15.6	14.6	15.9	6.2	8.0
1982	10.8	9.0	2.7	3.9	4.2	1.7
1983	3.1	0.2	1.4	0.0	7.4	3.9
1984	17.2	10.4	-4.3	-5.1	3.6	3.8
1985	8.9	12.4	-3.7	-3.0	0.6	2.1
1986	7.1	8.9	-9.4	-10.0	0.3	-3.5
1987	3.3	2.6	-12.4	-11.8	-3.0	-3.0
1988	4.5	4.6	-4.2	-2.1	-4.2	-3.8
1989	0.6	1.9	-1.3	-1.7	-2.6	0.5
1990	1.0	1.5	-3.7	-0.1	-2.2	-2.2
1991	5.1	2.1	1.3	-1.3	-1.5	-2.6
1992	0.5	-0.2	-1.3	1.0	-2.4	1.3
1993	1.0	0.8	6.5	3.8	0.2	-1.1
1994	-0.3	0.7	5.4	6.1	-1.0	-1.4
1995	2.6	2/	0.1	2/	-3.8	2/
1996	0.9	0.2	3.7	0.7	6.1	0.9
1997	1.0	0.2	-4.3	7.8	2.8	-4.3
1998	1.3	-0.1	-0.8	-0.4	1.5	-3.7
1999	2.8	0.2	-0.7	2.3	-1.6	-2.7
2000	5.5	1.6	-11.2	-4.3	-6.0	0.1
2001	4.5	2.5	-2.0	-8.0	-1.7	0.6

1/ 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.

2/ The PPI telephone indices were revised in June of 1995. The series are not comparable. Due to substantial month-to-month variation in the new PPI indices, PPI price levels are determined using a five-month weighted average.

Source: Bureau of Labor Statistics.

Chart 13.3
CPI Telephone Service Price Indices



14 Price Levels

1. Local Rate Levels

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 14.1 presents average local rates for residential customers in urban areas. In October 2001, the monthly charge was \$21.84, while the average charge for connecting phone service was \$42.72.

Table 14.2 presents average local rates for a business with a single phone line in an urban area. In October 2001, the representative monthly charge was \$42.18 while the charge for connecting phone service was \$72.38.

2. Long Distance Rates

In the past, we published a table (Table 14.3) on AT&T's basic schedule prices for residential and business services comparing the rates at the time of divestiture with the rates at the time of publication of each *Trends*. The rates were taken from the tariffs filed by AT&T with the Commission. They were based on calling distance(s) calculated by mileage bands (1-10, 11-22, 23-55, 56-124, 125-292, 293-430, 431-925, 926-1910, 1911-3000, 3001-4250, and 4251-5750). The table showed the rate(s) for call(s) based for each of the mileage bands for a directly dialed five-minute long distance call made during the day, evening, and on night and weekends. As of July 31, 2001, AT&T is no longer required to file long distance tariffs with the Commission so we have discontinued the old Table 14.3.

Tables 14.3 and 14.4 contain measures of average revenue per minute (APRM) for long distance calls. Estimates of APRM are often used interchangeably with estimates of the average price. From 1984 to 2000, the cost of long distance calling dropped from 32 cents per minute to 12 cents per minute. The average price of 12 cents per minute represents a mix of international calling (47 cents per minute) and domestic interstate calling (9 cents per minute). The decline in prices since 1984 is more than 70% after adjusting for the impact of inflation.

Table 14.1
Average Residential Rates for Local Service in Urban Areas, 1986-2001
(As of October 15)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Representative Monthly Charge I/ Subscriber Line Charges	\$12.58 2.04	\$12.44 2.66	\$12.32 2.67	\$12.30 3.53	\$12.36 3.55	\$13.03 3.56	\$13.05 3.55	\$13.16 3.55	\$13.19 3.55	\$13.62 3.54	\$13.71 3.54	\$13.67 3.53	\$13.75 3.52	\$13.77 3.58	\$13.64 4.50	\$14.05 5.03
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	0.06
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	2.70
Total Monthly Charge	\$17.70	\$18.18	\$18.11	\$19.05	\$19.24	\$19.77	\$19.72	\$19.95	\$19.81	\$20.01	\$19.95	\$19.88	\$19.76	\$19.93	\$20.78	\$21.84
Basic Connection Charge	\$45.63	\$44.04	\$42.94	\$43.06	\$43.06	\$42.00	\$41.50	\$41.38	\$41.28	\$40.91	\$41.11	\$41.04	\$41.24	\$41.26	\$41.45	\$40.16
Additional Connection Charge for Touch-Tone Service	1.34	1.31	1.55	1.76	1.77	1.27	1.22	1.23	0.85	0.23	0.23	0.17	0.12	0.12	0.12	0.12
Taxes, 911, and Other Charges	2.28	2.20	2.11	2.44	2.32	2.30	2.29	2.30	2.33	2.44	2.36	2.46	2.38	2.57	2.53	2.44
Total Connection Charge	\$49.25	\$47.55	\$46.60	\$47.26	\$47.15	\$45.57	\$45.01	\$44.92	\$44.46	\$43.58	\$43.70	\$43.67	\$43.74	\$43.95	\$44.10	\$42.72
Additional Charge if Drop Line and Connection Block Needed	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
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	\$3.49

NA - Not available.

I/ Rates are based on flat-rate service where available, and measured/message service with one hundred 5-minute, same-zone, business-day calls elsewhere. As of 2001, all 95 cities in the Urban Rates Survey offer flat-rate residential service, which made measuring the cost of such calls unnecessary

Source: Urban Rates Survey.

Table 14.2
Average Local Rates for Businesses with a Single Line in Urban Areas, 1989 - 2001
 (As of October 15)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	
Monthly Representative Service Charge 1/ Subscriber Line Charges Extra for Touch-Tone Service Taxes, 911, and Other Charges	\$31.06 3.55 2.43 4.21	\$30.97 3.57 2.35 4.32	\$32.29 3.57 1.84 4.42	\$32.45 3.56 1.71 4.57	\$32.70 3.57 1.67 4.63	\$32.25 3.57 1.21 4.61	\$32.48 3.57 0.97 4.79	\$32.58 3.54 0.82 4.87	\$32.76 3.54 0.38 4.99	\$32.44 3.54 0.32 4.97	\$32.44 3.54 0.32 4.97	\$32.41 3.52 0.25 5.03	\$32.18 4.39 0.19 5.04	\$31.97 4.99 0.18 5.04
Total Monthly Charge	\$41.25	\$41.21	\$42.12	\$42.29	\$42.57	\$41.64	\$41.80	\$41.81	\$41.67	\$41.27	\$41.21	\$41.80	\$42.18	
Monthly Charge for Flat-Rate Service Subscriber Line Charges Extra for Touch-Tone Service Taxes, 911, and Other Charges	\$33.04 3.65 2.12 4.90	\$33.29 3.69 2.11 4.98	\$34.12 3.70 1.87 5.22	\$34.06 3.70 1.84 5.34	\$34.85 3.70 1.76 5.50	\$34.39 3.70 1.12 5.36	\$34.45 3.69 1.00 5.58	\$34.42 3.61 0.89 5.55	\$34.68 3.61 0.53 5.58	\$34.68 3.61 0.53 5.58	\$34.39 3.56 0.49 5.63	\$33.73 3.50 0.47 5.49	\$33.45 4.35 0.43 5.68	\$33.43 5.14 0.41 5.82
Total Monthly Charge for Flat-Rate Service	\$43.71	\$44.07	\$44.91	\$44.94	\$45.81	\$44.57	\$44.71	\$44.47	\$44.07	\$44.07	\$43.20	\$43.90	\$44.79	
Number of Sample Cities with Flat-Rate Service	59	56	54	54	54	53	53	53	53	54	54	54	54	
Monthly Charge for Measured/Message Service 200 Five-Minute Same-Zone Business-Day Calls Subscriber Line Charges Extra for Touch-Tone Service Taxes, Including 911 Charges	\$16.18 16.11 3.54 2.48 4.41	\$16.17 16.19 3.55 2.39 4.53	\$16.76 16.70 3.55 1.87 4.56	\$16.55 17.23 3.54 1.73 4.77	\$16.60 17.57 3.55 1.68 4.86	\$16.74 17.38 3.55 1.22 4.83	\$17.06 17.15 3.54 0.98 5.01	\$17.26 17.10 3.51 0.83 5.13	\$17.28 17.18 3.51 0.39 5.22	\$17.16 17.15 3.53 0.33 5.19	\$17.16 17.15 3.53 0.33 5.19	\$17.06 17.24 3.52 0.25 5.28	\$16.92 17.63 4.39 0.20 5.32	\$17.10 17.33 4.98 0.19 5.32
Total Monthly Charge for Measured/Message Service	\$42.72	\$42.83	\$43.44	\$43.82	\$44.26	\$43.72	\$43.75	\$43.84	\$43.57	\$43.35	\$43.35	\$44.45	\$44.93	
Number of Sample Cities with Measured/Message Service Cost of a Five-Minute Same-Zone Business-Day Call	83 \$0.09	83 \$0.09	84 \$0.09	84 \$0.09	84 \$0.09	87 \$0.09	87 \$0.09	86 \$0.09	85 \$0.09	85 \$0.09	85 \$0.09	85 \$0.10	85 \$0.09	
Basic Connection Charge Additional Connection Charge for Touch-Tone Service Taxes, Including 911 Charges	\$71.05 1.70 4.06	\$71.36 1.89 4.15	\$72.75 1.13 4.32	\$72.55 1.19 4.33	\$71.41 1.17 4.25	\$69.88 0.92 4.13	\$67.87 0.27 4.17	\$68.47 0.17 4.20	\$68.67 0.17 4.45	\$68.67 0.17 4.45	\$65.83 0.12 4.13	\$67.87 0.12 4.53	\$67.77 0.12 4.40	\$67.84 0.12 4.42
Total Connection Charge	\$76.81	\$77.40	\$78.20	\$78.07	\$76.83	\$74.93	\$72.31	\$72.85	\$73.29	\$70.09	\$72.55	\$72.29	\$72.38	
Additional Charge if Drop Line and Connection Block Needed Lowest-Cost Inside Wiring Maintenance Plan	\$5.92 \$1.78	\$7.87 \$1.91	\$6.90 \$2.05	\$6.83 \$2.03	\$6.64 \$2.08	\$6.49 \$2.26	\$7.28 \$2.39	\$6.98 \$2.63	\$6.54 \$2.84	\$6.54 \$3.04	\$6.65 \$3.53	\$6.65 \$3.92	\$6.62 \$4.21	

1/ Rates are based on flat-rate service where available, and measured/message service with 200 five-minute, same-zone, business-day calls elsewhere.
 Source: Urban Rates Survey.

Table 14.3
Average Revenue per Minute

	AT&T	All Carriers		
	All Interstate and International Switched Services	All Interstate and International Switched Services	International Switched Services 1/	All Interstate Switched Services
1984	\$0.32			
1985	0.31			
1986	0.28			
1987	0.25			
1988	0.23			
1989	0.22			
1990	0.20			
1991	0.20			
1992	0.19	\$0.19	\$1.01	\$0.15
1993	0.19	0.19	1.02	0.15
1994	0.18	0.18	0.93	0.14
1995	NA	0.17	0.92	0.12
1996	NA	0.16	0.77	0.12
1997	NA	0.15	0.70	0.11
1998	NA	0.14	0.60	0.11
1999	NA	0.14	0.54	0.11
2000	NA	0.12	0.53	0.09

NA - Not available.

Note: Data for some prior years have been revised.

1/ Billed revenue per minute for international service differs in Table 6.1 and Table 14.3. Data in Table 6.1 are calculated using all U.S. billed minutes and revenues. Data for Table 14.3 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 included in this table.

Sources: AT&T information provided by AT&T. Other estimates from Industry Analysis Division, Common Carrier Bureau, *Telecommunications Industry Revenues* (February 2002). 2000 data were revised to reflect revised Section 43.61 international traffic data for some carriers.

Table 14.4
Indicators of Long Distance Prices

	Average Revenue per Minute for Interstate and International Calls 1/	AT&T Charge per Minute for a 10-Minute Day Rate 200-Mile Call (Basic Rates)	Consumer Price Index: All Goods and Services (1982-1984 = 100)	Restated in 2000 Dollars	
				Revenue per Minute	Basic Rate 200-Mile Call Charge per Minute
1930	\$0.27	\$0.35	16.7	\$2.83	\$3.61
1931	0.27	0.35	15.2	3.05	3.97
1932	0.26	0.35	13.7	3.30	4.40
1933	0.28	0.35	13.0	3.64	4.64
1934	0.27	0.35	13.4	3.50	4.50
1935	0.27	0.35	13.7	3.34	4.40
1936	0.25	0.35	13.9	3.11	4.34
1937	0.22	0.35	14.4	2.59	4.19
1938	0.21	0.26	14.1	2.62	3.11
1939	0.22	0.26	13.9	2.67	3.16
1940	0.21	0.26	14.0	2.59	3.14
1941	0.21	0.26	14.7	2.43	2.99
1942	0.22	0.26	16.3	2.28	2.69
1943	0.21	0.22	17.3	2.10	2.19
1944	0.22	0.22	17.6	2.11	2.15
1945	0.21	0.22	18.0	2.03	2.10
1946	0.20	0.22	19.5	1.74	1.94
1947	0.19	0.22	22.3	1.48	1.70
1948	0.19	0.22	24.1	1.33	1.57
1949	0.19	0.22	23.8	1.36	1.59
1950	0.19	0.22	24.1	1.38	1.57
1951	0.20	0.22	26.0	1.33	1.46
1952	0.20	0.22	26.5	1.32	1.43
1953	0.21	0.22	26.7	1.34	1.42
1954	0.22	0.22	26.9	1.43	1.41
1955	0.23	0.22	26.8	1.48	1.41
1956	0.23	0.22	27.2	1.48	1.39
1957	0.24	0.22	28.1	1.46	1.35
1958	0.24	0.22	28.9	1.42	1.31
1959	0.24	0.22	29.1	1.43	1.30
1960	0.24	0.22	29.6	1.40	1.28
1961	0.25	0.22	29.9	1.43	1.27
1962	0.25	0.22	30.2	1.44	1.25
1963	0.25	0.22	30.6	1.40	1.24
1964	0.25	0.22	31.0	1.38	1.22
1965	0.24	0.22	31.5	1.31	1.20
1966	0.24	0.22	32.4	1.29	1.17
1967	0.24	0.22	33.4	1.25	1.13
1968	0.24	0.22	34.8	1.17	1.09
1969	0.24	0.22	36.7	1.13	1.03

1/ Estimates for 1930 through 1981 are based on information in AT&T *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 Industry Analysis Division, Common Carrier Bureau, *Telecommunications Industry Revenues* (January 2002).

Table 14.4
Indicators of Long Distance Prices - Continued

	Average Revenue per Minute for Interstate and International Calls ^{1/}	AT&T Charge per Minute for a 10-Minute Day Rate 200-Mile Call (Basic Rates)	Consumer Price Index: All Goods and Services (1982-1984 = 100)	Restated in 2000 Dollars	
				Revenue per Minute	Basic Rate 200-Mile Call Charge per Minute
1970	\$0.23	\$0.22	38.8	\$1.02	\$0.95
1971	0.25	0.21	40.5	1.04	0.89
1972	0.24	0.23	41.8	1.00	0.96
1973	0.25	0.23	44.4	0.98	0.91
1974	0.26	0.25	49.3	0.90	0.87
1975	0.27	0.25	53.8	0.88	0.79
1976	0.29	0.32	56.9	0.86	0.95
1977	0.28	0.33	60.6	0.81	0.92
1978	0.29	0.33	65.2	0.76	0.88
1979	0.29	0.33	72.6	0.69	0.79
1980	0.30	0.33	82.4	0.63	0.70
1981	0.33	0.35	90.9	0.62	0.67
1982	0.34	0.41	96.5	0.61	0.73
1983	0.35	0.41	99.6	0.60	0.71
1984	0.32	0.41	103.9	0.54	0.68
1985	0.31	0.39	107.6	0.49	0.62
1986	0.28	0.31	109.6	0.44	0.49
1987	0.25	0.27	113.6	0.37	0.40
1988	0.23	0.25	118.3	0.34	0.36
1989	0.22	0.23	124.0	0.30	0.32
1990	0.20	0.22	130.7	0.26	0.28
1991	0.20	0.21	136.2	0.25	0.27
1992	0.19	0.21	140.3	0.24	0.26
1993	0.19	0.22	144.5	0.23	0.26
1994	0.18	0.24	148.2	0.21	0.28
1995	0.17	0.27	152.4	0.19	0.31
1996	0.16	0.28	156.9	0.18	0.31
1997	0.15	0.29	160.5	0.16	0.31
1998	0.14	0.28	163.0	0.15	0.30
1999	0.14	0.26	166.6	0.15	0.27
2000	0.12	0.30	172.2	0.12	0.30

^{1/} Estimates for 1930 through 1981 are based on information in AT&T *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 Industry Analysis Division, Common Carrier Bureau, *Telecommunications Industry Revenues* (January 2002).

15 Residential Telephone 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. 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 15.1 shows the percentage of residential long distance telephone usage that is intrastate, interstate and international. In 2000, 37% of residential toll phone calls were interstate as opposed to 48% of minutes. Table 15.2 shows the average number of minutes on household telephone bills from 1995-2000.

Table 15.3 shows the distribution of residential long distance calls by call duration. The average interstate residential call lasts ten minutes, although about one-third of interstate toll calls last one minute or less. Tables 15.4 and 15.5 show the duration and the average distance (sometimes called length of haul) of residential long distance calls. The average distance of an interstate call is 708 miles, as opposed to 54 miles for an intrastate call.

Table 15.6 shows the percentage of residential long distance minutes by day of week. In the 2000 survey, 34% of residential minutes were on weekdays between 7:00 a.m. and 7:00 p.m., and 36% of residential minutes were on weekends.

Table 15.1
Distribution of Residential Toll Calls and Minutes

Type	1995	1996	1997	1998	1999	2000
Calls						
IntraLATA-Intrastate	41 %	40 %	38 %	38 %	39 %	39 %
InterLATA-Intrastate	19	18	19	19	18	17
IntraLATA-Interstate	1	1	1	1	1	1
InterLATA-Interstate	37	35	37	36	37	36
International	1	1	1	1	1	1
Others 1/	2	5	5	4	4	5
Total Calls in Sample	197,787	165,465	483,685	578,850	474,408	538,337
Minutes						
IntraLATA-Intrastate	28 %	29 %	27 %	27 %	28 %	29 %
InterLATA-Intrastate	18	18	18	18	17	17
IntraLATA-Interstate	1	1	1	1	1	1
InterLATA-Interstate	50	47	49	49	49	47
International	2	1	1	1	2	2
Others 1/	1	4	4	3	3	5
Total Minutes in Sample	1,493,674	1,210,675	3,673,315	4,330,888	3,544,905	4,030,602

Note: Figures may not add to 100% due to rounding.

1/ Toll-free calls billed to residential customers, 900 calls and calls that cannot be classified.

Source: Calculated by IATD staff with data provided by TNS Telecoms (formerly PNR and Associates), *Telecoms Market MonitorTM*.

Table 15.2
Average Residential Monthly Toll Calling

Type	1995	1996	1997	1998	1999	2000
IntraLATA-Intrastate	40	41	41	40	36	33
InterLATA-Intrastate	26	26	27	26	23	19
IntraLATA-Interstate	1	1	1	1	1	1
InterLATA-Interstate	71	67	73	71	65	55
International	3	1	2	2	2	2
Others 1/	1	6	6	5	4	5
All Types	143	143	149	144	131	116

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

1/ Toll-free calls billed to residential customers, 900 calls and calls that cannot be classified.

Source: Calculated by IATD staff with data provided by TNS Telecoms (formerly PNR and Associates), *Telecoms Market MonitorTM*.

Table 15.3
Duration of Residential Long Distance Calls: 2000 1/

Duration of Call (In Minutes)	Intrastate	Interstate	All Calls
1	41.6 %	32.8 %	38.0 %
2	13.8	9.6	12.1
3	8.2	7.1	7.8
4	5.1	4.1	4.7
5	3.8	3.4	3.6
6	3.0	3.0	3.0
7	2.4	2.6	2.5
8	2.1	2.4	2.2
9	1.7	2.1	1.9
10	3.1	4.0	3.5
11-15	5.3	8.2	6.5
16-20	3.2	5.7	4.2
21-25	2.0	4.1	2.8
26-30	1.3	2.9	1.9
31-45	2.0	4.6	3.1
46-60	0.7	1.8	1.2
Greater Than 60	0.6	1.6	1.0
Average Duration	6.1	10.0	7.7
Median Duration	2.0	4.0	2.0

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

Source: Calculated by IATD staff with data provided by TNS Telecoms (formerly PNR and Associates), *Telecoms Market Monitor*TM.

Table 15.4
Duration and Distance of Intrastate Toll Calls 1/

	Duration (In Minutes)		Distance (In Miles)	
	Average	Median	Average	Median
1995	6.0	2.0	53	26
1996	6.0	2.0	55	28
1997	6.2	2.0	56	28
1998	6.0	2.0	55	29
1999	6.0	2.0	54	29
2000	6.1	2.0	54	28

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

Source: Calculated by IATD staff with data provided by TNS Telecoms (formerly PNR and Associates), *Telecoms Market Monitor*™.

Table 15.5
Duration and Distance of Interstate Toll Calls 1/

	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	702	507
2000	10.0	4.0	708	525

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

Source: Calculated by IATD staff with data provided by TNS Telecoms (formerly PNR and Associates), *Telecoms Market Monitor*™.

Table 15.6
Distribution of Residential Long Distance Minutes
By Day of Week in 2000 1/

Day	7:00 AM-6:59 PM	7:00 PM-6:59 AM	Total
Monday	7.2 %	6.2 %	13.4 %
Tuesday	6.8	6.2	13.0
Wednesday	6.5	6.1	12.6
Thursday	6.9	6.2	13.2
Friday	6.9	4.8	11.7
Saturday	10.4	4.5	14.9
Sunday	13.5	7.7	21.2
Total	58.2 %	41.8 %	100.0 %

1/ Direct-dial calls carried by long distance carriers and local exchange carriers. Includes only interLATA calls.

Source: Calculated by IATD staff with data provided by TNS Telecoms (formerly PNR and Associates), *Telecoms Market Monitor*™.

16 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.¹ 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. Beginning in 2001, many telecommunications providers also had to file the quarterly FCC Form 499-Q. Some estimates for 2001 have been made based on data filed on the FCC Form 499-Q filings.

Table 16.1 shows the major components of telecommunications revenues for 2000: carrier's carrier revenues and end-user revenues for local, wireless, and toll service. Table 16.2 shows how local, wireless, and toll revenues have changed over time. The table highlights how some significant changes in the revenue levels from 1996 to 1997 are due to major reporting changes. Table 16.3 shows the number of telecom service providers by principal type of business. Table 16.4 contains revenues for 1992 through the third quarter of 2001 by type of carrier. Additional revenue detail can be found in the latest *Telecommunications Industry Revenues* report (January 2002 edition).

The publication *Telecommunications Provider Locator* (November 2001 edition) lists 5,679 carriers that filed a FCC Form 499-A worksheet in 2001. It also contains an address and contact telephone number for each carrier.

State-level telephone revenues are estimated using data from various editions of *Telecommunications Industry Revenues*, *Statistics of Communications Common Carriers*, *Local Telephone Competition*, access filings to the FCC, and the *Statistical Abstract to the United*

¹ 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. Note that filers contribute to universal service funding mechanism based on certain types of end-user revenues.

States.² Table 16.5 provides estimates of telecommunications revenues by state for 1995 to 2000. Table 16.6 provides estimates of end-user and carrier's carrier revenues by state for 2000. Table 16.7 provides estimates of telecommunications revenues for incumbent local exchange carriers, competitive local exchange carriers, and mobile wireless carriers by state; also for subscriber line charges, access, and toll services. Table 16.8 provides estimates of monthly end-user telecommunications revenues per USF loop for the year 2000.

² See Industry Analysis Division, Common Carrier Bureau, *State-by-State Telephone Revenues and Universal Service Data* (April 2001), and previous editions for discussion of the methodology. Estimates for 2000 use a similar methodology as those used in 1999.

Table 16.1
Telecommunications Industry Revenues: 2000 1/
(Dollar Amounts Shown in Millions)

	Carrier's Carrier Revenues 2/	End-User Revenues 2/	Total Revenues
Local Service 3/	\$36,621	\$84,526	\$121,147
Wireless Service	5,144	56,857	62,000
Toll Service	21,849	87,767	109,615
Total	63,613	229,149	292,762
Service Reported as:			
Intrastate	25,553	147,465	173,018
Interstate and International 4/	38,060	81,685	119,745
Total	\$63,613	\$229,149	\$292,762

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

- 1/ Data include revenues for *de minimis* filers as well as for other carriers that are exempt from universal service contribution requirements.
- 2/ Carrier's carrier revenues are reported on the 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.
- 3/ Payphone revenues are included with local service revenues in this table.
- 4/ Revenues from calls that both originate and terminate in foreign points are reported as end-user revenues, but are not included in the universal service contribution base.

Source: Industry Analysis Division, Common Carrier Bureau, *Telecommunications Industry Revenues* (January 2002).

Table 16.2
Telecommunications Revenues Reported by Type of Service
(Dollar Amounts Shown in Millions)

Telecommunications Revenues	TRS Data					Universal Service & TRS Data		Form 499-A Data	
	1992	1993	1994	1995	1996	1997	1998	1999	2000
Local Exchange	\$39,235	\$40,176	\$42,245	\$45,194	\$48,717	\$53,771	\$59,245	\$62,840	\$67,747
Pay Telephone 1/						2,182	2,536	2,218	1,932
Local Private Line 2/	1,049	1,088	1,138	1,226	1,616	8,282	10,403	12,914	16,864
Other Local 3/	7,687	8,002	8,302	10,428	10,543	2,847	2,179	4,601	5,449
Subscriber Line Charges 2/ Access 2/	29,353	30,832	32,759	33,911	35,641	8,327	11,052	10,826	11,563
Universal Service Surcharges on Local Service Bills 4/							103	260	575
Additional Revenues from TRS Worksheets						595	595		
Total Local Service Revenues	77,324	80,098	84,443	90,759	96,516	97,426	104,563	111,764	121,147
Wireless Service	7,285	10,237	14,293	18,759	26,049	32,760	36,240	48,117	61,505
Universal Service Surcharges on Local Service Bills 4/							345	379	495
Additional Revenues from TRS Worksheets						189	189		
Total Wireless Service Revenues	7,285	10,237	14,293	18,759	26,049	32,950	36,775	48,495	62,000
Operator 1/	9,465	10,772	10,539	11,170	10,975	12,002	12,205	10,049	11,406
Non-Operator Switched Toll	54,448	60,591	61,468	65,217	73,751	72,059	74,168	78,389	75,183
Long Distance Private Line	7,783	8,067	9,043	9,719	10,665	10,504	11,952	13,169	16,189
Other Long Distance	4,048	3,095	3,428	3,523	4,299	4,695	3,386	3,656	3,372
Universal Service Surcharges on Local Service Bills 4/							1,810	2,983	3,467
Additional Revenues from TRS Worksheets						1,532	1,532		
Total Toll Service Revenues	75,744	82,525	84,478	89,629	99,691	100,793	105,055	108,246	109,615
Non-Telecommunications Revenues Formerly Reported as Other									
Local and Wireless Revenues 3/	(6,944)	(7,518)	(8,324)	(9,071)	(10,474)				
Total Telecommunications Revenues 3/	153,409	165,342	174,890	190,076	211,782	231,168	246,392	268,505	292,762
Non-Telecommunications Revenues 3/	6,944	7,518	8,324	9,071	10,474	25,633	27,944	33,144	42,261
Total Reported Revenues	160,353	172,860	183,214	199,147	222,256	256,801	272,019	301,648	335,023
Service Reported as:									
Intrastate 3/	82,379	89,409	94,278	103,852	117,375	133,654	142,108	157,212	173,018
Interstate and International	71,030	75,933	80,611	86,224	94,407	97,514	104,284	111,293	119,745
Total Telecommunications Revenues 3/	\$153,409	\$165,342	\$174,890	\$190,076	\$211,782	\$231,168	\$246,392	\$268,505	\$292,762

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. 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 (currently account 5200 + account 5280) and 10% of amounts reported as mobile service revenue.
- 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 Division, Common Carrier Bureau, *Telecommunications Industry Revenues* (January 2002).

Table 16.3
Number of Interstate Telecommunications Providers
By Principal Type of Business

Service Provider Category 1/	1992	1993	1994	1995	1996	1997	1998	1999	2000 2/	Prel. 2001 2/
Incumbent Local Exchange Carriers (ILECs) 3/		1,281	1,347	1,347	1,376	1,410	1,348	1,335	1,327	1,329
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)		20	30	57	94	129	212	349	485	532
Local Resellers					8	11	54	87	82	134
Other Local Exchange Carriers					17	7	10	60	40	59
Total: Competitors of ILECs		20	30	57	119	147	276	496	607	725
Total: Fixed Local Service Providers		1,301	1,377	1,404	1,495	1,557	1,624	1,831	1,934	2,054
Payphone Providers		163	197	271	533	509	615	758	683	936
Wireless Telephony Including Cellular, Personal Communications Service (PCS) and SMR Telephony Carriers		798	790	792	853	732	808	806	810	858
Paging & Messaging Service Specialized Mobile Radio (SMR) Dispatch		126	117	138	200	137	303	427	418	576
Wireless Data Service Providers					163	99	119	212	195	289
Other Mobile Service Providers					1	1	5	6	6	6
Total: Wireless Service Providers		924	907	930	1,217	969	1,235	1,495	1,451	1,761
Interexchange Carriers (IXCs)		83	97	130	149	151	171	204	202	229
Operator Service Providers (OSPs)		35	29	25	27	32	24	21	21	22
Prepaid Calling Card Providers				8	16	18	20	21	24	32
Satellite Service Carriers					22	13	13	21	24	31
Toll Resellers		171	206	260	345	340	388	454	482	576
Other Toll Carriers		32	34	30	28	15	31	17	29	38
Total: Toll Service Providers		321	366	453	587	569	647	738	782	928
All Filers	2,558	2,709	2,847	3,058	3,832	3,604	4,121	4,822	4,850	5,679

1/ Starting in 1993, filers have been 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 there was no separate category for satellite service providers.

2/ Counts through 2000 are based on the numbers of carriers actually reporting revenues. Counts for 2001 include all filers who reported revenues for 2000 as well as new carriers that filed through September 2001. The 2001 figures may double count some firms that have been bought, sold or merged during 2001.

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

Source: Industry Analysis Division, Common Carrier Bureau, *Telecommunications Provider Locator* (November 2001 and earlier editions) and FCC Form 499-A filings for new carriers.

Table 16.4
Gross Revenues Reported by Type of Carrier
(Dollars Shown in Millions)

Service Provider Category 1/	TRS Worksheet Data					Universal Service & TRS Data		Form 499 Data		
	1992	1993	1994	1995	1996	1997	1998	1999	2000	Preliminary 2001
Incumbent Local Exchange Carriers 2/	\$91,584	\$95,228	\$98,431	\$102,820	\$107,905	\$105,154	\$108,234	\$112,216	\$116,158	\$118,791
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)	69	191	281	623	1,011	1,919	3,348	5,652	9,814	11,123
Local Resellers						206	410	511	879	1,242
Other Local Exchange Carriers						157	36	171	11	291
Private Carriers						112	147	87	39	211
Shared-Tenant Service Providers						87	93	87	202	36
Total: Competitors of ILECs	69	191	281	623	1,011	2,481	4,034	6,508	10,945	12,903
Total: Fixed Local Service Providers	91,835	95,595	99,011	103,792	109,273	107,634	112,268	118,725	127,103	131,694
Total: Payphone Providers	183	175	300	349	357	933	1,101	1,213	972	926
Wireless Telephony Including Cellular, Personal Communications Service (PCS) and SMR Telephony Carriers 2/	6,718	9,215	13,259	17,208	23,778	29,944	33,139	46,513	59,823	72,802
Paging & Messaging Service 2/						2,861	3,161	3,232	3,102	3,254
Specialized Mobile Radio (SMR) Dispatch								186	191	221
Wireless Data Service Providers								63	36	57
Other Mobile Service Providers	670	964	938	1,419	2,121	225	731	159	128	140
Total: Wireless Service Providers	7,387	10,179	14,197	18,627	25,900	33,030	37,032	50,152	63,280	76,474
Interexchange Carriers (IXCs)	57,341	61,118	66,381	70,938	79,057	79,080	83,443	87,570	87,311	79,564
Operator Service Providers (OSPs)	558	695	536	500	461	603	590	337	635	407
Prepaid Calling Card Providers				16	238	519	888	866	727	154
Satellite Service Carriers						1,011	475	280	336	404
Toll Resellers	1,293	1,869	2,840	4,220	6,564	8,010	9,885	9,211	10,641	11,081
Other Toll Carriers	2,186	711	709	773	577	348	710	150	1,758	2,084
Total: Toll Service Providers	61,378	64,393	70,466	76,447	86,896	89,570	95,992	98,414	101,407	93,695
Non-Telecommunications Revenues in Prior-Year Data 2/	(6,944)	(7,518)	(8,324)	(9,071)	(10,474)					
Other Adjustments 3/	(248)	2,693	(461)	280	187	0	0	0	0	0
Total Telecommunications Revenues	\$153,409	\$165,342	\$174,890	\$190,076	\$211,782	\$231,168	\$246,392	\$268,505	\$292,762	\$302,789

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 there were no separate category for satellite service providers.

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 (currently account 5200 + account 5280) and 10% of amounts reported as mobile service revenues.

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

Source: Industry Analysis Division, Common Carrier Bureau, *Telecommunications Industry Revenues* (January 2002). 2001 figures are preliminary and are based on FCC Form 499-Q filings.

Table 16.5
Total Telecommunications Revenues by State
(Dollar Amounts Shown in Millions)

	1995	1996	1997	1998	1999	2000	Percent Change 1995-2000
Alabama	\$2,668	\$2,946	\$3,205	\$3,394	\$3,712	\$4,008	50.2 %
Alaska	464	518	561	590	664	717	54.5
Arizona	2,842	3,249	3,667	3,958	4,359	4,972	74.9
Arkansas	1,534	1,719	1,885	2,005	2,303	2,315	51.0
California	22,379	25,100	27,236	28,692	29,384	33,577	50.0
Colorado	3,128	3,526	4,006	4,260	4,826	5,290	69.1
Connecticut	2,765	2,943	3,266	3,173	3,405	3,924	41.9
Delaware	492	567	627	685	788	875	77.8
District of Columbia	886	955	1,049	1,085	1,581	1,648	85.9
Florida	11,582	12,972	14,161	15,042	17,223	18,308	58.1
Georgia	5,335	6,004	6,849	7,469	8,479	8,919	67.2
Guam	NA	85	97	103	99	108	NA
Hawaii	775	841	930	969	1,009	1,177	51.9
Idaho	791	908	967	1,010	1,092	1,210	52.9
Illinois	7,916	8,920	10,069	10,948	11,983	13,516	70.7
Indiana	3,804	4,192	4,536	4,810	5,099	5,552	45.9
Iowa	1,888	2,039	2,163	2,268	2,441	2,340	23.9
Kansas	1,829	2,017	2,165	2,304	2,588	2,571	40.5
Kentucky	2,353	2,629	2,861	3,060	3,426	3,573	51.9
Louisiana	2,703	2,946	3,192	3,432	3,913	3,964	46.6
Maine	869	976	996	1,105	1,195	1,328	52.9
Maryland	3,767	4,234	4,625	4,911	5,176	5,783	53.5
Massachusetts	4,988	5,455	6,010	6,338	6,561	7,428	48.9
Michigan	6,444	7,246	7,983	8,523	9,530	9,937	54.2
Minnesota	3,064	3,461	3,864	4,115	4,617	4,877	59.1
Mississippi	1,584	1,734	1,877	2,017	2,283	2,486	56.9
Missouri	3,623	4,017	4,389	4,613	5,442	5,688	57.0
Montana	640	709	756	780	897	937	46.3
Nebraska	1,296	1,428	1,540	1,587	1,737	1,760	35.8
Nevada	1,099	1,324	1,489	1,592	1,884	1,954	77.8
New Hampshire	989	1,118	1,208	1,246	1,313	1,429	44.4
New Jersey	7,091	7,927	8,707	9,366	9,558	10,670	50.5
New Mexico	1,121	1,262	1,370	1,433	1,518	1,515	35.2
New York	14,983	16,026	17,120	17,935	19,700	20,903	39.5
North Carolina	5,394	6,104	6,613	7,297	8,006	8,619	59.8
North Dakota	481	587	596	599	660	731	51.8
Northern Mariana IIs.	15	18	21	30	34	32	116.6
Ohio	7,457	8,219	8,823	9,396	9,952	10,902	46.2
Oklahoma	1,996	2,179	2,410	2,552	2,727	2,915	46.0
Oregon	2,238	2,502	2,720	2,905	3,123	3,159	41.1
Pennsylvania	7,961	8,867	9,588	10,309	10,770	12,200	53.3
Puerto Rico	1,244	1,405	1,606	1,467	2,051	1,971	58.4
Rhode Island	686	761	839	859	946	1,012	47.6
South Carolina	2,653	2,849	3,053	3,393	3,790	4,047	52.6
South Dakota	488	584	602	635	716	763	56.3
Tennessee	3,467	3,880	4,302	4,553	4,928	5,256	51.6
Texas	12,871	14,563	15,943	17,576	19,032	21,405	66.3
Utah	1,112	1,284	1,443	1,557	1,790	1,998	79.7
Vermont	424	547	575	602	684	717	69.0
Virgin Islands	74	93	101	109	122	129	75.5
Virginia	5,061	5,646	6,179	6,576	7,020	8,013	58.3
Washington	3,995	4,438	4,613	5,080	5,703	6,253	56.5
West Virginia	1,143	1,240	1,337	1,383	1,437	1,625	42.2
Wisconsin	3,258	3,621	3,927	4,234	4,719	5,195	59.5
Wyoming	366	402	449	462	513	563	53.7
Total	\$190,076	\$211,782	\$231,168	\$246,392	\$268,505	\$292,762	54.0 %

NA - Not available.

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

Source: Industry Analysis Division, Common Carrier Bureau, *State-by-State Telephone Revenues and Universal Service Data* (April 2001 and previous editions). Estimates for 2000 use a methodology that is similar to that used in 1999.

Table 16.6
Telecommunications Revenues by State: 2000
(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	\$1,083	\$2,125	\$3,208	\$510	\$290	\$800	\$1,593	\$2,415	\$4,008	1.37 %
Alaska	203	357	560	95	62	157	298	419	717	0.24
Arizona	1,665	2,231	3,896	699	377	1,075	2,364	2,608	4,972	1.70
Arkansas	648	1,165	1,812	312	191	503	960	1,356	2,315	0.79
California	7,932	18,337	26,269	3,724	3,584	7,308	11,656	21,921	33,577	11.47
Colorado	1,634	2,529	4,163	744	383	1,127	2,378	2,912	5,290	1.81
Connecticut	1,280	1,827	3,107	596	221	818	1,876	2,048	3,924	1.34
Delaware	318	389	708	120	47	167	439	436	875	0.30
District of Columbia	460	847	1,307	250	91	340	710	938	1,648	0.56
Florida	5,450	8,809	14,259	2,384	1,665	4,049	7,834	10,474	18,308	6.25
Georgia	2,650	4,393	7,043	1,269	607	1,876	3,919	5,000	8,919	3.05
Guam	27	58	85	13	10	23	40	68	108	0.04
Hawaii	327	603	930	149	98	247	476	701	1,177	0.40
Idaho	422	498	920	206	84	290	627	582	1,210	0.41
Illinois	3,614	7,223	10,837	1,607	1,071	2,679	5,221	8,294	13,516	4.62
Indiana	1,513	2,806	4,318	704	530	1,233	2,216	3,336	5,552	1.90
Iowa	726	1,094	1,820	321	199	520	1,046	1,293	2,340	0.80
Kansas	771	1,229	2,001	370	200	570	1,142	1,429	2,571	0.88
Kentucky	1,009	1,766	2,775	484	315	798	1,493	2,081	3,573	1.22
Louisiana	1,077	2,118	3,196	467	301	768	1,545	2,419	3,964	1.35
Maine	383	650	1,033	195	99	295	579	749	1,328	0.45
Maryland	1,846	2,763	4,609	764	410	1,173	2,610	3,173	5,783	1.98
Massachusetts	2,240	3,646	5,887	1,035	507	1,542	3,275	4,153	7,428	2.54
Michigan	2,319	5,609	7,928	1,079	930	2,009	3,398	6,539	9,937	3.39
Minnesota	1,432	2,354	3,786	680	412	1,091	2,112	2,765	4,877	1.67
Mississippi	680	1,347	2,028	305	153	458	986	1,500	2,486	0.85
Missouri	1,554	2,758	4,312	773	603	1,376	2,327	3,361	5,688	1.94
Montana	300	418	718	137	82	219	437	500	937	0.32
Nebraska	484	890	1,374	237	149	386	721	1,039	1,760	0.60
Nevada	762	786	1,548	305	102	407	1,066	888	1,954	0.67
New Hampshire	511	596	1,107	236	86	322	747	682	1,429	0.49
New Jersey	3,422	4,965	8,387	1,455	828	2,283	4,877	5,793	10,670	3.64
New Mexico	514	651	1,165	223	126	350	737	778	1,515	0.52
New York	5,618	10,615	16,234	2,870	1,799	4,669	8,489	12,414	20,903	7.14
North Carolina	2,372	4,339	6,712	1,050	858	1,908	3,422	5,197	8,619	2.94
North Dakota	227	321	548	117	65	182	344	387	731	0.25
Northern Mariana Islands	9	16	25	4	3	7	13	19	32	0.01
Ohio	2,776	5,778	8,554	1,319	1,029	2,348	4,095	6,807	10,902	3.72
Oklahoma	859	1,462	2,321	399	195	594	1,259	1,657	2,915	1.00
Oregon	1,060	1,352	2,412	483	264	747	1,543	1,616	3,159	1.08
Pennsylvania	3,411	6,065	9,476	1,499	1,225	2,724	4,909	7,291	12,200	4.17
Puerto Rico	414	1,069	1,483	303	184	488	717	1,254	1,971	0.67
Rhode Island	351	461	811	146	54	200	497	515	1,012	0.35
South Carolina	1,141	2,054	3,195	517	335	852	1,658	2,389	4,047	1.38
South Dakota	239	341	580	115	68	183	354	409	763	0.26
Tennessee	1,521	2,719	4,240	677	339	1,016	2,199	3,058	5,256	1.80
Texas	5,265	11,245	16,510	2,742	2,153	4,895	8,007	13,398	21,405	7.31
Utah	626	939	1,566	288	144	432	914	1,084	1,998	0.68
Vermont	229	330	559	108	50	158	337	379	717	0.24
Virgin Islands	45	53	99	21	9	30	67	63	129	0.04
Virginia	2,468	3,667	6,135	1,118	760	1,878	3,586	4,427	8,013	2.74
Washington	1,813	2,989	4,802	862	589	1,452	2,675	3,578	6,253	2.14
West Virginia	475	767	1,242	244	139	383	718	907	1,625	0.56
Wisconsin	1,321	2,791	4,112	634	449	1,084	1,955	3,240	5,195	1.77
Wyoming	189	246	435	93	34	127	282	280	563	0.19
Total	\$81,684	\$147,463	\$229,147	\$38,062	\$25,555	\$63,616	\$119,745	\$173,018	\$292,762	100.00 %

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

Source: Estimates for 2000 use a methodology that is similar to that used in 1999. See also: Industry Analysis Division, Common Carrier Bureau *State-by-State Telephone Revenues and Universal Service Data* (April 2001).

Table 16.7
Telecommunications Revenues by Type of Service
(Dollar Amounts Shown in Millions)

	Mobile						Total
	ILECs 1/	CLECs	Wireless	SLCs	Access	Toll	
Alabama	\$1,344	\$77	\$848	\$163	\$291	\$1,285	\$4,008
Alaska	NA	NA	NA	NA	NA	NA	717
Arizona	1,221	121	1,134	224	419	1,852	4,972
Arkansas	649	49	455	85	217	861	2,315
California	7,399	1,099	7,772	1,200	3,149	12,958	33,577
Colorado	1,510	210	1,135	228	425	1,781	5,290
Connecticut	956	113	781	151	317	1,606	3,924
Delaware	197	20	227	37	46	349	875
District of Columbia	419	70	568	42	140	409	1,648
Florida	4,585	527	3,895	785	1,659	6,857	18,308
Georgia	2,802	339	1,684	341	684	3,068	8,919
Guam	NA	NA	NA	NA	NA	NA	108
Hawaii	316	28	321	52	103	356	1,177
Idaho	301	25	211	56	136	481	1,210
Illinois	3,630	589	3,145	457	866	4,829	13,516
Indiana	1,437	141	1,049	225	527	2,174	5,552
Iowa	518	120	509	105	205	882	2,340
Kansas	697	78	490	100	238	967	2,571
Kentucky	1,095	41	628	149	352	1,308	3,573
Louisiana	1,385	51	799	174	258	1,297	3,964
Maine	315	27	220	50	138	577	1,328
Maryland	1,560	117	1,212	247	395	2,251	5,783
Massachusetts	1,657	374	1,620	300	567	2,910	7,428
Michigan	2,343	269	2,172	365	818	3,971	9,937
Minnesota	1,236	211	1,132	209	462	1,627	4,877
Mississippi	925	47	481	96	135	803	2,486
Missouri	1,517	149	1,081	216	678	2,047	5,688
Montana	228	17	173	38	99	381	937
Nebraska	511	39	403	63	168	576	1,760
Nevada	444	47	419	85	131	829	1,954
New Hampshire	302	38	237	54	132	666	1,429
New Jersey	1,988	237	2,186	442	910	4,906	10,670
New Mexico	380	33	271	69	151	611	1,515
New York	6,219	2,032	3,619	766	1,634	6,633	20,903
North Carolina	2,295	169	1,899	340	817	3,099	8,619
North Dakota	176	13	131	26	92	294	731
Northern Mariana Islands	NA	NA	NA	NA	NA	NA	32
Ohio	2,813	226	2,538	402	996	3,928	10,902
Oklahoma	793	75	687	117	226	1,017	2,915
Oregon	560	73	735	155	358	1,278	3,159
Pennsylvania	2,712	639	2,525	518	1,104	4,703	12,200
Puerto Rico	562	32	463	63	306	545	1,971
Rhode Island	236	25	218	41	64	428	1,012
South Carolina	1,209	65	852	153	338	1,430	4,047
South Dakota	165	16	162	29	90	301	763
Tennessee	1,654	164	1,214	221	327	1,677	5,256
Texas	5,965	1,294	4,616	735	2,104	6,691	21,405
Utah	492	95	459	89	170	692	1,998
Vermont	186	13	136	26	66	290	717
Virgin Islands	NA	NA	NA	NA	NA	NA	129
Virginia	1,917	247	1,498	315	812	3,224	8,013
Washington	1,407	176	1,398	264	684	2,324	6,253
West Virginia	506	33	240	66	180	601	1,625
Wisconsin	1,403	204	1,039	188	410	1,952	5,195
Wyoming	155	11	101	24	55	216	563
Total	\$75,540	\$10,945	\$61,991	\$11,384	\$25,736	\$107,165	\$292,763

NA - Not applicable.

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

1/ Excludes subscriber line charges.

2/ Totals in the first six columns include revenues for locations not estimated.

Source: Estimates for 2000 use a methodology that is similar to that used in 1999. See also: Industry Analysis Division, Common Carrier Bureau, *State-by-State Telephone Revenues and Universal Service Data* (April 2001).

Table 16.8
Monthly End-User Telecommunications Revenues per USF Loop: 2000

	ILECs	SLCs	Intrastate Toll	Interstate Toll	CLECs	Other Wireline	Total Wireline	Mobile Wireless	All Revenues
Alabama	\$38.27	\$5.35	\$8.26	\$25.31	\$1.62	\$1.01	\$79.82	\$25.53	\$105.35
Alaska	NA	NA	NA	NA	NA	NA	NA	NA	102.37
Arizona	28.10	5.96	5.72	32.95	2.07	1.03	75.83	27.62	103.45
Arkansas	30.29	4.58	11.79	25.71	1.68	1.08	75.12	22.46	97.59
California	22.48	4.21	18.39	18.69	2.47	0.85	67.09	24.98	92.06
Colorado	36.31	6.33	6.24	32.75	3.75	1.22	86.59	28.86	115.45
Connecticut	27.04	4.94	10.68	31.79	2.37	1.22	78.05	23.38	101.43
Delaware	23.71	5.13	4.05	34.10	1.78	0.75	69.51	28.95	98.46
District of Columbia	32.72	3.80	0.03	28.63	4.03	1.67	70.89	46.95	117.84
Florida	28.84	5.70	10.89	28.65	2.46	1.00	77.54	25.92	103.46
Georgia	38.30	5.38	7.52	30.85	3.44	1.21	86.70	24.35	111.05
Guam	NA	NA	NA	NA	NA	NA	NA	NA	95.40
Hawaii	31.58	6.00	7.01	25.47	2.11	1.10	73.26	33.86	107.13
Idaho	28.26	6.03	6.33	34.74	1.76	1.54	78.65	20.91	99.56
Illinois	31.93	4.64	13.34	26.08	3.84	0.88	80.71	29.27	109.98
Indiana	27.97	5.04	14.91	24.44	2.03	0.99	75.38	21.60	96.98
Iowa	21.66	5.05	9.02	24.86	3.73	0.91	65.22	22.49	87.71
Kansas	29.05	4.81	9.67	27.50	2.42	1.14	74.60	21.61	96.21
Kentucky	35.54	5.59	11.21	27.84	1.00	1.17	82.34	21.55	103.89
Louisiana	38.28	5.55	8.31	24.58	1.04	0.79	78.56	23.37	101.93
Maine	26.06	4.81	18.10	27.34	1.65	1.33	79.29	19.24	98.53
Maryland	28.66	5.23	8.34	29.45	1.60	0.84	74.12	23.56	97.68
Massachusetts	26.42	5.51	13.90	29.50	4.42	1.18	80.94	27.32	108.25
Michigan	26.12	4.70	22.25	20.19	2.22	0.89	76.36	25.62	101.98
Minnesota	27.87	5.43	7.50	26.00	3.53	1.15	71.49	27.01	98.50
Mississippi	45.98	5.48	8.19	28.68	1.72	0.91	90.96	25.29	116.25
Missouri	29.66	4.86	11.67	25.34	2.16	1.18	74.88	22.34	97.22
Montana	29.41	5.72	11.19	34.00	1.63	1.29	83.23	23.69	106.92
Nebraska	36.35	5.16	8.95	28.65	2.08	1.28	82.46	30.35	112.81
Nevada	24.01	5.27	2.90	37.51	1.90	0.94	72.55	23.93	96.48
New Hampshire	25.38	5.20	12.47	39.30	2.38	1.43	86.16	21.03	107.19
New Jersey	20.73	5.31	16.77	31.09	1.83	1.03	76.77	24.12	100.89
New Mexico	27.22	5.68	7.56	32.41	1.76	1.07	75.68	20.53	96.20
New York	33.96	4.83	9.24	24.03	8.22	1.07	81.35	20.90	102.25
North Carolina	31.80	5.44	12.19	27.29	1.74	0.98	79.45	27.84	107.28
North Dakota	31.92	5.40	12.41	36.52	1.73	1.78	89.75	25.22	114.97
N. Mariana Islands	NA	NA	NA	NA	NA	NA	NA	NA	99.71
Ohio	29.02	4.78	14.50	23.05	1.73	1.03	74.11	27.70	4.00
Oklahoma	27.15	4.60	7.66	24.47	1.91	0.99	66.78	24.89	91.67
Oregon	18.34	5.86	9.38	29.05	1.77	1.25	65.65	25.44	91.09
Pennsylvania	23.36	5.14	14.16	23.57	4.08	0.85	71.16	23.01	94.17
Puerto Rico	30.46	3.91	12.48	16.23	1.29	1.84	66.22	26.58	92.80
Rhode Island	25.83	5.17	9.01	34.11	2.05	0.99	77.16	25.17	102.33
South Carolina	36.57	5.36	10.47	29.34	1.47	1.06	84.26	27.25	111.51
South Dakota	27.88	5.63	11.99	34.87	1.98	1.54	83.90	28.88	112.78
Tennessee	34.39	5.30	5.94	25.96	2.52	0.91	75.02	26.72	101.74
Texas	32.10	4.56	11.40	21.86	5.16	1.13	76.21	26.28	102.49
Utah	29.30	6.11	7.27	30.55	4.19	1.22	78.65	28.89	107.54
Vermont	31.61	5.01	10.66	34.72	1.67	1.35	85.02	24.33	109.35
Virgin Islands	NA	NA	NA	NA	NA	NA	NA	NA	120.68
Virginia	28.60	5.42	12.12	31.91	2.73	1.16	81.93	23.64	105.58
Washington	26.55	5.75	12.58	27.99	2.47	1.28	76.60	27.90	104.50
West Virginia	35.14	5.31	9.95	28.47	1.67	1.34	81.88	17.63	99.51
Wisconsin	28.88	4.46	15.66	22.00	3.11	0.94	75.05	22.63	97.68
Wyoming	36.05	6.49	7.12	38.67	1.86	1.71	91.90	24.86	116.76
Total	\$28.95	\$5.03	\$12.31	\$25.74	\$3.11	\$1.04	\$76.17	\$25.13	\$101.30

NA - Not applicable.

Note: Figures may not add to totals due to rounding. Average revenues include both residential and business users. USF loops are a measure of access lines for incumbent local exchange carriers. See subcategory 1.3 of 47 CFR 36.154(a).

Source: Estimates for 2000 use a methodology that is similar to that used in 1999. See also: Industry Analysis Division, Common Carrier Bureau, *State-by-State Telephone Revenues and Universal Service Data* (April 2001).

17 Subscribership

Under contract with the FCC, the Bureau of the Census 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.¹

More than twenty-three 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 are subject to greater sampling errors than the national data shown in Table 17.1. Additional information can be found in the *Telephone Penetration* and *Telephone Subscribership* reports available on the **FCC-State Link** web page.

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 17.3 are based on those responses. With the telephone companies no longer owning the telephone instruments, however, it is possible for someone to have a telephone but not have service. This may account for some of the discrepancy between the 1990 percentages in Tables 17.1 and 17.3.

For other countries of the world, telephone development is often measured as the number of access lines per 100 people. This measure includes both residential and business lines. Historical estimates for the United States, using the decennial census population counts, are shown in Table 17.3.

The Bureau of the Census also includes questions on computers and Internet use as part of its Current Population Survey. Using this information, the National Telecommunications and Information Administration (NTIA) has released its fourth report examining which American households have access to telephones, computers, and the Internet, and which do not. Chart 17.1 shows the percent of households with a telephone, computer, and Internet use for 1994, 1997,

¹ As of November 2001, CPS revised its survey to inquire as to whether households subscribing to telephone service received wireline service, wireless service or both types. At this time, we do not publish subscribership data on wireless service. Prior to November 2001, the question was intended to be neutral as to whether the household has wireline or wireless phones.

1998, August 2000 and September 2001. The percent of households may differ from Table 17.1 because a different monthly survey was used. The NTIA report, *A Nation Online: How Americans Are Expanding Their Use of the Internet*, finds that the number of Americans connected to the nation's information infrastructure is soaring. According to the latest report by NTIA, the rapid swing to new technologies is happening with most groups of Americans, "regardless of income, education, race or ethnicity location, age or gender." Their conclusion is that "digital inclusion is a reasonable goal." NTIA's web site can be accessed at www.ntia.doc.gov.

Table 17.1
Household Telephone Subscribership in the United States

	Households (Millions)	Households with Telephones (Millions)	Percentage with Telephones	Households without Telephones (Millions)	Percentage without Telephones
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

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *Telephone Subscribership in the United States* (May 2002).

Table 17.2
Telephone Penetration by State
(Percentage of Households with Telephone Service)

State	November 1983	July 2001	Change
Alabama	87.9 %	93.0 %	5.1 % *
Alaska	83.8	94.7	10.9 *
Arizona	88.8	93.5	4.8 *
Arkansas	88.2	91.4	3.3
California	91.7	97.0	5.3 *
Colorado	94.4	97.4	3.0 *
Connecticut	95.5	96.8	1.3
Delaware	95.0	94.4	-0.6
District of Columbia	94.7	93.8	-0.9
Florida	85.5	93.2	7.7 *
Georgia	88.9	93.2	4.3 *
Hawaii	94.6	96.9	2.3
Idaho	89.5	94.1	4.6 *
Illinois	95.0	93.7	-1.3
Indiana	90.3	95.0	4.7 *
Iowa	95.4	97.2	1.8
Kansas	94.9	95.4	0.5
Kentucky	86.9	93.7	6.8 *
Louisiana	88.9	94.5	5.6 *
Maine	90.7	97.7	7.0 *
Maryland	96.3	95.5	-0.8
Massachusetts	94.3	95.7	1.4
Michigan	93.8	94.7	0.9
Minnesota	96.4	97.7	1.4
Mississippi	82.4	88.1	5.7 *
Missouri	92.1	96.6	4.5 *
Montana	92.8	94.8	2.0
Nebraska	94.0	96.5	2.5 *
Nevada	89.4	95.2	5.8 *
New Hampshire	95.0	97.8	2.8 *
New Jersey	94.1	95.9	1.8
New Mexico	85.3	93.6	8.3 *
New York	90.8	94.9	4.1 *
North Carolina	89.3	93.9	4.6 *
North Dakota	95.1	94.6	-0.5
Ohio	92.2	96.7	4.5 *
Oklahoma	91.5	93.0	1.5
Oregon	91.2	96.2	5.0 *
Pennsylvania	95.1	97.0	1.9 *
Rhode Island	93.3	95.7	2.4
South Carolina	81.8	94.9	13.1 *
South Dakota	92.7	94.9	2.2
Tennessee	87.6	93.2	5.6 *
Texas	89.0	94.3	5.3 *
Utah	90.3	96.5	6.2 *
Vermont	92.7	97.2	4.5 *
Virginia	93.1	95.8	2.7
Washington	92.5	96.9	4.5 *
West Virginia	88.1	94.5	6.4 *
Wisconsin	94.8	95.6	0.8
Wyoming	89.7	93.7	4.0 *
Total United States	91.4 %	95.1 %	3.7 % *

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

* Increase is statistically significant at the 95% confidence level

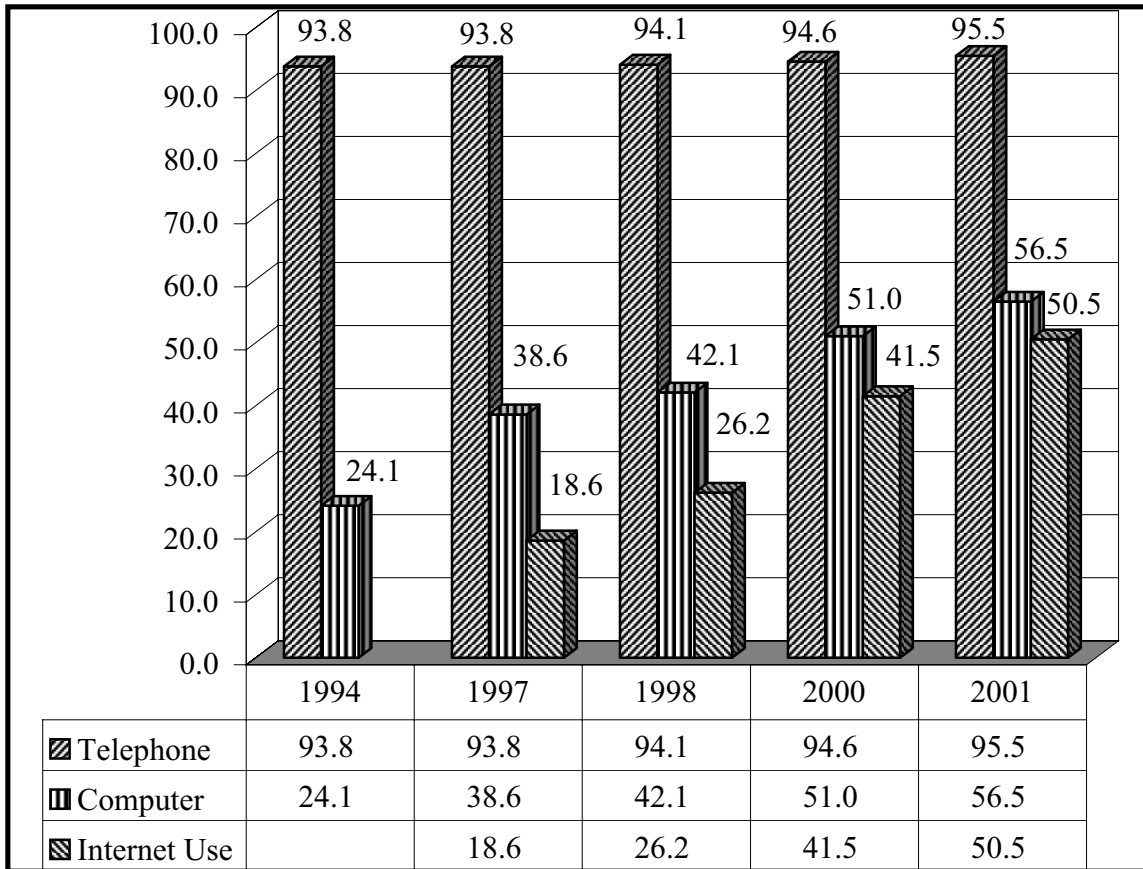
Source: Industry Analysis Division, Common Carrier Bureau, *Telephone Subscribership in the United States* (February 2002).

Table 17.3
Historical Telephone Penetration Estimates

Year	Percentage of Households with Telephones	Access Lines per 100 Population
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	46.2
1990	94.8	54.8

Sources: FCC staff estimates based on data from the Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1970*, Part 2, page 783, for all percentage data except 1980 and 1990, which are from the decennial censuses. Access 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, access lines reported by USTA are used.

Chart 17.1
Percent of U.S. Households
With a Telephone, Computer, and Internet Use



Source: National Telecommunications and Information Administration (NTIA) and U.S. Census Bureau, *Current Population Survey*.

18 Technology Development

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 18.1 - 18.3 are from the BOCs' ARMIS 43-07 reports. The individual carrier's data can be obtained from the ARMIS web page at www.fcc.gov/wcb/armis/db. Selected holding company statistics from the ARMIS 43-07 can be found in our *Infrastructure* report on the **FCC-State Link** web page.

1. Central Office Technology

Telephone companies replaced most of their older electromechanical switches with computerized equipment during the 1980s. In the telephone industry, these computers are referred to as stored program control switches. Switches with the most current technologies are fully digital. Some small rural central offices have their switching function done by computer but the calls still are processed in their analog form. The spread of these technologies throughout the BOCs is shown in Table 18.1

Newer signaling systems have been developed which permit calls to be set up more quickly and efficiently. In the late 1980s, telephone company switching offices began to be converted to the newest signaling system, Signaling System 7. As shown in Table 18.2, Signaling System 7 has been deployed almost everywhere. This was followed by an integrated systems digital network (ISDN). One of the attractions of ISDN was that ordinary local telephone lines (copper loops) could transport high-speed data between computers and handle more than one telephone conversation at a time. The number of BOCs switching offices and the lines served by offices with ISDN are shown in Table 18.2. Information about broadband deployment is contained in Chapter 2, Advanced Telecommunications.

2. Transmission Technology

Each telephone company has a network of transmission paths or carrier links tying together their switching offices. As indicated in Table 18.3, fiber optic cables have rapidly replaced copper to provide these links. From 1990 to 2001, the proportion of fiber has grown from 60% to 97%.

Although fiber technology was first used for interoffice transmission facilities, the technology is now being deployed closer to customers. The number of working channels provides an approximation of the number of transmission paths between customers and the telephone company offices serving those customers. Although the number of fiber channels nearly tripled during the first half of the 1990s, in 2001 copper wire still linked about 80% of customers to the first point of switching.

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.

For equal access to take place, the local exchange carrier had to convert its lines to equal access. 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 had been converted. 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 are now provided with equal access, there still are many central offices where equal access is not yet available. Because the non-equal-access offices tend to be smaller offices, the percentage of converted offices is significantly smaller than the percentage of converted lines. Table 18.4 shows the number of central office wire centers in each state that had been converted to equal access as of May 1, 2001. 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.

4. Telecommunications Patents

Another 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 18.1 shows the number of patents granted for telecommunications from 1990 to 2000. The information presented profiles U.S. patent activity in the general field of telecommunications. It includes all U.S. patent documents, excepting reissued patents, granted between January 1990 and December 31, 2000, which have been classified as follows:

Class 370, *Multiplex Communications*, is the generic class for multiplexing or duplexing systems, methods, or apparatus.

Class 375, *Pulse or Digital Communications*, is the generic class for pulse or digital communication systems using electrical or electromagnetic signals. Such communication includes transmitting an intelligence-bearing signal from one point to another in the form of discrete variations in some parameter of the electrical or electromagnetic signal.

Class 379, *Telephonic Communications*, includes systems, processes and instruments for the two-way electrical transmission of intelligible audio

information having arbitrary content over a link (including an electrical conductor) between spaced apart locations, so as to enable conversation there between, and intended for the private use of a listener or a group of listeners. Also included are switching, signaling or signal transmission systems, processes and instruments peculiar to, or specified as for a telephone or a telephone system.

Class 455, *Telecommunications*, is the generic class for modulated carrier wave communications.

Data for prior years differ from the March 2000 *Trends* report. Revisions to prior-year data reflect annual reclassification of patent categories. For example, if a patent type was reclassified in 1998, the data for prior years have been recalculated based on this reclassification.

Table 18.1
Central Offices and Access Lines by Technology
(Bell Operating Companies)

Year End	Total Offices	Electromechanical Offices		Analog Stored Program Controlled Offices		Digital Stored Program Controlled Offices	
1980	9,195	6,842	74.41 %	2,353	25.59 %	0	0.00 %
1981	9,198	6,647	72.27	2,527	27.47	24	0.26
1982	9,173	6,357	69.30	2,736	29.83	80	0.87
1983	9,156	6,075	66.35	2,910	31.78	171	1.87
1984	9,102	5,714	62.78	3,041	33.41	347	3.81
1985	9,124	5,244	57.47	3,020	33.10	860	9.43
1986	9,167	4,604	50.22	2,943	32.10	1,620	17.67
1987	9,190	3,819	41.56	2,833	30.83	2,538	27.62
1988	9,300	3,031	32.59	2,692	28.95	3,577	38.46
1989	9,338	2,416	25.87	2,519	26.98	4,403	47.15
1990	9,872	1,646	16.67	2,410	24.41	5,816	58.91
1991	9,951	1,148	11.54	2,167	21.78	6,636	66.69
1992	10,069	615	6.11	1,924	19.11	7,530	74.78
1993	10,089	296	2.93	1,554	15.40	8,239	81.66
1994	10,023	95	0.95	1,133	11.30	8,795	87.75
1995	10,051	60	0.60	976	9.71	9,015	89.69
1996	9,966	1	0.01	718	7.20	9,247	92.79
1997	9,965	0	0.00	548	5.50	9,417	94.50
1998	9,788	0	0.00	431	4.40	9,357	95.60
1999 1/	9,968	0	0.00	320	3.21	9,648	96.79
2000 2/	15,092	0	0.00	203	1.35	14,889	98.65
2001 3/	15,109	0	0.00	139	0.92	14,970	99.08
Access Lines Served by Type of Office (Thousands)							
Year End	All Offices	Electromechanical Offices		Analog Stored Program Controlled Offices		Digital Stored Program Controlled Offices	
1980	81,032	44,930	55.45 %	36,092	44.54 %	10	0.01 %
1981	82,581	40,425	48.95	42,099	50.98	57	0.07
1982	83,819	36,813	43.92	46,803	55.84	203	0.24
1983	86,186	32,652	37.89	52,919	61.40	615	0.71
1984	88,630	30,074	33.93	56,404	63.64	2,151	2.43
1985	91,455	24,778	27.09	58,532	64.00	8,145	8.91
1986	93,630	19,491	20.82	59,252	63.28	14,886	15.90
1987	96,593	14,205	14.71	59,442	61.54	22,946	23.76
1988	99,564	8,707	8.74	60,364	60.63	30,493	30.63
1989	102,684	5,646	5.50	58,846	57.31	38,192	37.19
1990	105,641	3,216	3.04	56,973	53.93	45,452	43.02
1991	107,388	1,876	1.75	53,450	49.77	52,061	48.48
1992	109,997	717	0.65	48,952	44.50	60,324	54.84
1993	113,368	264	0.23	41,912	36.97	71,192	62.80
1994	117,345	115	0.10	33,191	28.28	84,040	71.62
1995	122,266	63	0.05	29,031	23.74	93,172	76.20
1996	125,844	1	0.00	24,559	19.52	101,283	80.48
1997	131,722	0	0.00	21,219	16.11	110,503	83.89
1998	136,426	0	0.00	16,688	12.23	119,738	87.77
1999 1/	141,763	0	0.00	11,925	8.41	129,838	91.59
2000 2/	160,557	0	0.00	7,317	4.56	153,240	95.44
2001 3/	155,948	0	0.00	4,810	3.08	151,138	96.92

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

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

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

3/ Data for 2001 are preliminary and are undergoing a review by Commission staff

Sources: 1980-1989 reported in CC Docket 89-624.

1990-2001 reported in ARMIS 43-07.

Table 18.2
Features Available in Central Offices
(Bell Operating Companies)

Year End	Total Offices	Equal Access Offices		Signaling System 7 Offices 1/		ISDN Offices 2/	
1980	9,195	0	0.00 %	0	0.00 %	0	0.0 %
1981	9,198	0	0.00	0	0.00	0	0.0
1982	9,173	0	0.00	0	0.00	0	0.0
1983	9,156	0	0.00	0	0.00	0	0.0
1984	9,102	124	1.36	0	0.00	0	0.0
1985	9,124	1,891	20.73	0	0.00	0	0.0
1986	9,167	3,623	39.52	0	0.00	0	0.0
1987	9,190	4,823	52.48	29	0.32	4	0.0
1988	9,300	6,071	65.28	435	4.68	82	0.9
1989	9,338	6,788	72.69	931	9.97	179	1.9
1990	9,872	7,950	80.53	2,428	24.59	600	6.1
1991	9,951	8,601	86.43	3,670	36.88	920	9.2
1992	10,069	9,281	92.17	5,392	53.55	1,219	12.1
1993	10,089	9,697	96.11	6,688	66.29	1,874	18.6
1994	10,023	9,934	99.11	8,334	83.15	2,400	23.9
1995	10,051	9,978	99.27	8,977	89.31	2,868	28.5
1996	9,966	9,845	98.79	9,286	93.18	3,329	33.4
1997	9,965	9,936	99.71	9,688	97.22	3,902	39.2
1998	9,788	9,765	99.77	9,643	98.52	4,146	42.4
1999 3/	9,968	9,925	99.57	9,844	98.76	4,424	44.4
2000 4/	15,092	15,053	99.74	14,837	98.31	5,413	35.9
2001 5/	15,109	15,106	99.98	14,969	99.07	5,465	36.2
Equipped Access Lines by Type of Office (Thousands)							
Year End	All Offices	Equal Access Offices		Signaling System 7 Offices 1/		ISDN Offices 2/	
1980	81,032	0	0.00 %	0	0.00 %	0	0.00 %
1981	82,581	0	0.00	0	0.00	0	0.00
1982	83,819	0	0.00	0	0.00	0	0.00
1983	86,186	146	0.17	0	0.00	0	0.00
1984	88,630	9,350	10.55	0	0.00	0	0.00
1985	91,455	49,241	53.84	0	0.00	0	0.00
1986	93,630	70,543	75.34	0	0.00	0	0.00
1987	96,593	81,743	84.63	1,035	1.07	12	0.01
1988	99,564	91,809	92.21	10,325	10.37	47	0.05
1989	102,684	97,410	94.86	21,917	21.34	111	0.11
1990	105,641	102,429	96.96	40,026	37.89	13,970	13.22
1991	107,388	105,413	98.16	57,321	53.38	20,567	19.15
1992	109,997	109,006	99.10	76,480	69.53	28,375	25.80
1993	113,368	112,993	99.67	92,493	81.59	39,875	35.17
1994	117,345	117,266	99.93	109,465	93.28	56,546	48.19
1995	122,266	122,210	99.95	116,568	95.34	71,274	58.29
1996	125,844	125,843	100.00	122,343	97.22	85,434	67.89
1997	131,722	131,722	100.00	130,778	99.28	95,956	72.85
1998	136,426	136,426	100.00	136,246	99.87	106,834	78.31
1999 3/	141,763	141,763	100.00	141,685	99.94	113,999	80.42
2000 4/	160,557	160,557	100.00	160,303	99.84	132,844	82.74
2001 5/	155,948	155,948	100.00	155,774	99.89	129,413	82.98

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

1/ Signaling System 7 Switch (SS7-317).

2/ ISDN basic access line capacity reported for 1990-2001. Note that not all lines served by ISDN-compatible switching offices actually receive ISDN service.

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

4/ Large increase in 2000 is due to the merger of Bell Atlantic and GTE.

5/ Data for 2001 are preliminary and are undergoing a review by Commission staff

Sources: 1980-1989 reported in CC Docket 89-624.

1990-2001 reported in ARMIS 43-07.

Table 18.3
Local Transmission Technology
(Bell Operating Companies)

Digital Transmission Links

Year End	Total	Copper		Fiber		Radio	
1990 1/	2,895,117	1,092,041	37.7 %	1,737,984	60.0 %	65,092	2.2 %
1991	3,271,023	1,039,316	31.8	2,154,043	65.9	77,664	2.4
1992	3,564,847	864,931	24.3	2,610,185	73.2	89,731	2.5
1993	4,159,574	805,290	19.4	3,264,106	78.5	90,175	2.2
1994	4,495,728	568,197	12.6	3,846,394	85.6	81,137	1.8
1995	5,828,645	485,909	8.3	5,274,173	90.5	68,563	1.2
1996	7,955,574	433,758	5.5	7,477,395	94.0	44,421	0.6
1997	10,067,498	413,204	4.1	9,610,601	95.5	43,693	0.4
1998	13,558,832	420,488	3.1	13,099,829	96.6	38,515	0.3
1999	17,662,105	518,331	2.9	17,104,970	96.8	38,804	0.2
2000 2/	24,334,009	771,385	3.2	23,523,610	96.7	39,014	0.2
2001 3/	31,174,910	860,180	2.8	30,282,540	97.1	32,190	0.1

1/ 1990 contains some analog links.

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

3/ Data for 2001 are preliminary and are underdoing a review by Commission staff.

Working Telecommunications Channels
(Thousands)

Year End	Total	Copper		Fiber		Radio	
1990	122,564 1/	106,373	86.8 %	3,546	2.9 %	0	0.0 %
1991	118,654	114,047	96.1	4,605	3.9	2	0.0
1992	120,848	114,609	94.8	6,238	5.2	1	0.0
1993	124,191	115,496	93.0	8,694	7.0	1	0.0
1994	130,192	118,437	91.0	11,755	9.0	0	0.0
1995	136,231	122,975	90.3	13,255	9.7	0	0.0
1996	142,824	125,595	87.9	17,228	12.1	1	0.0
1997	149,429	128,436	86.0	20,992	14.0	0	0.0
1998	160,621	131,867	82.1	28,753	17.9	0	0.0
1999 2/	169,555	135,546	79.9	34,009	20.1	0	0.0
2000 3/	196,414	153,624	78.2	42,575	21.7	215	0.1
2001 4/	228,357	154,117	67.5	74,238	32.5	1	0.0

1/ Includes some other channels.

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

3/ Large increase in 2000 is due to the merger of Bell Atlantic and GTE.

4/ Data for 2001 are preliminary and are underdoing a review by Commission staff.

Source: ARMIS 43-07 report.

Table 18.4
Central Offices Converted to Equal Access 1/
(As of May 1, 2002)

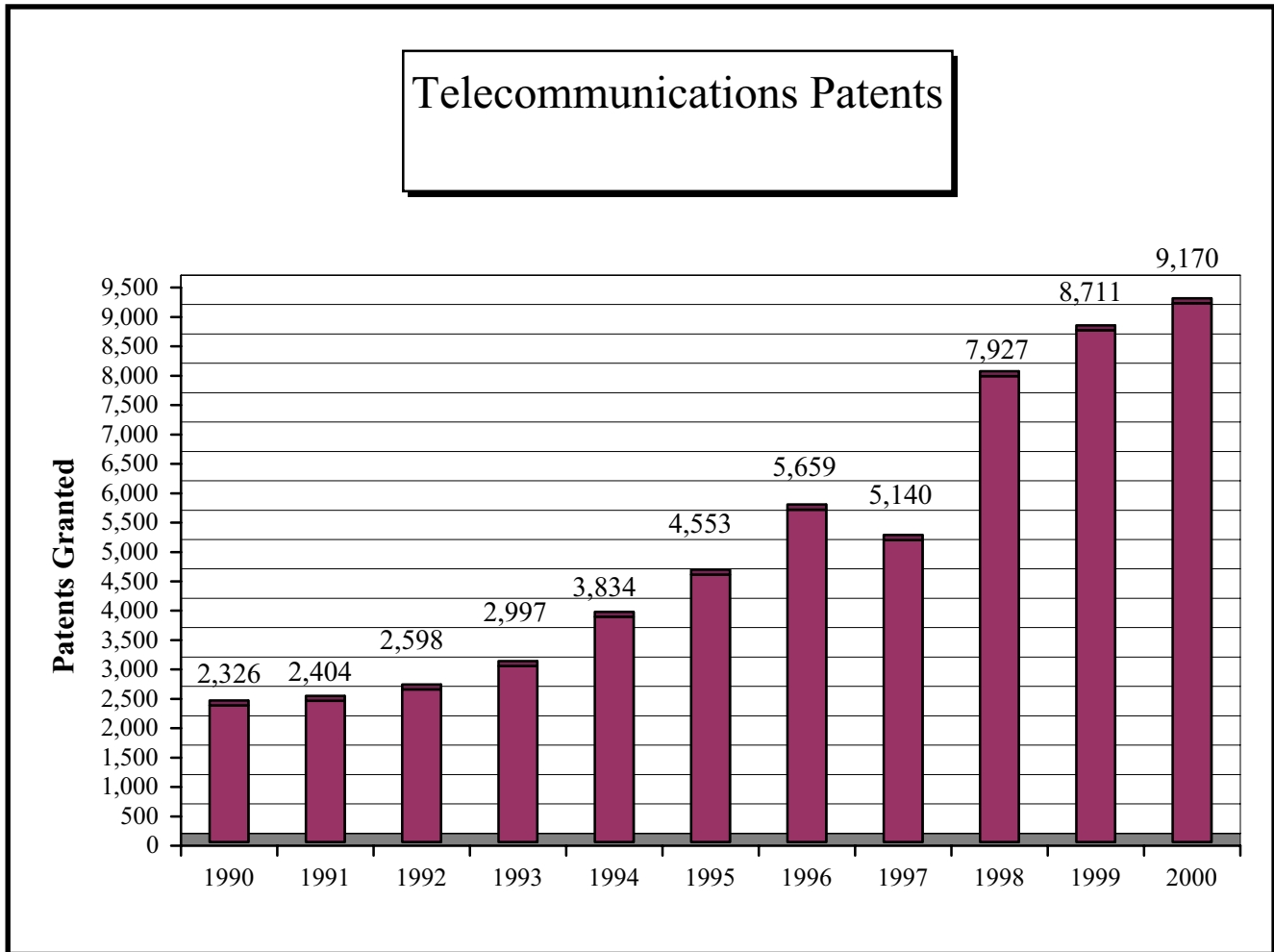
	Bell Company Central Offices			Other ILEC Central Offices			CLEC Central Offices			All Central Offices	
	Equal Access	Non-Equal Access	% Equal Access	Equal Access	Non-Equal Access	% Equal Access	Equal Access	Non-Equal Access	% Equal Access	Total Offices	% Equal Access
Alabama	237	0	100.0 %	123	1	99.2 %	34	6	85.0 %	401	98.3 %
Alaska	0	0	NA	58	197	22.7	0	0	NA	255	22.7
Arizona	145	0	100.0	97	8	92.4	29	1	96.7	280	96.8
Arkansas	135	0	100.0	259	2	99.2	22	2	91.7	420	99.0
California	899	9	99.0	95	6	94.1	383	38	91.0	1,430	96.3
Colorado	166	1	99.4	102	8	92.7	35	1	97.2	313	96.8
Connecticut	127	0	100.0	3	0	100.0	25	3	89.3	158	98.1
Delaware	33	0	100.0	0	0	NA	0	1	0.0	34	97.1
District of Columbia	19	0	100.0	0	0	NA	25	3	89.3	47	93.6
Florida	287	0	100.0	176	2	98.9	287	19	93.8	771	97.3
Georgia	181	0	100.0	241	5	98.0	111	13	89.5	551	96.7
Guam	0	0	NA	18	0	100.0	0	0	NA	18	100.0
Hawaii	86	0	100.0	7	0	100.0	2	1	66.7	96	99.0
Idaho	97	0	100.0	75	14	84.3	8	2	80.0	196	91.8
Illinois	687	15	97.9	322	9	97.3	95	16	85.6	1,144	96.5
Indiana	387	2	99.5	187	0	100.0	40	10	80.0	626	98.1
Iowa	135	0	100.0	673	2	99.7	40	0	100.0	850	99.8
Kansas	171	2	98.8	364	5	98.6	19	6	76.0	567	97.7
Kentucky	279	0	100.0	96	3	97.0	18	9	66.7	405	97.0
Louisiana	228	0	100.0	95	0	100.0	35	4	89.7	362	98.9
Maine	143	1	99.3	105	9	92.1	12	1	92.3	271	95.9
Maryland	212	0	100.0	1	0	100.0	41	5	89.1	259	98.1
Massachusetts	274	2	99.3	3	0	100.0	77	8	90.6	364	97.3
Michigan	540	10	98.2	156	6	96.3	84	7	92.3	803	97.1
Minnesota	158	0	100.0	548	4	99.3	110	1	99.1	821	99.4
Mississippi	206	0	100.0	56	6	90.3	14	4	77.8	286	96.5
Missouri	306	4	98.7	346	44	88.7	58	8	87.9	766	92.7
Montana	76	0	100.0	199	1	99.5	20	2	90.9	298	99.0
Nebraska	69	0	100.0	395	0	100.0	14	0	100.0	478	100.0
Nevada	55	0	100.0	49	15	76.6	28	2	93.3	149	88.6
New Hampshire	125	1	99.2	27	1	96.4	19	1	95.0	174	98.3
New Jersey	206	0	100.0	28	0	100.0	46	8	85.2	288	97.2
New Mexico	65	0	100.0	88	34	72.1	5	0	100.0	192	82.3
New York	526	1	99.8	298	15	95.2	113	18	86.3	971	96.5
North Carolina	182	0	100.0	318	5	98.5	85	15	85.0	605	96.7
North Dakota	27	0	100.0	242	20	92.4	15	0	100.0	304	93.4
Ohio	474	34	93.3	340	5	98.6	125	9	93.3	987	95.1
Oklahoma	208	2	99.0	293	22	93.0	23	2	92.0	550	95.3
Oregon	136	0	100.0	146	5	96.7	33	2	94.3	322	97.8
Pennsylvania	505	0	100.0	301	32	90.4	119	15	88.8	972	95.2
Puerto Rico	0	0	NA	86	0	100.0	1	0	100.0	87	100.0
Rhode Island	30	0	100.0	0	0	NA	6	1	85.7	37	97.3
South Carolina	156	0	100.0	122	0	100.0	29	5	85.3	312	98.4
South Dakota	42	0	100.0	204	8	96.2	7	0	100.0	261	96.9
Tennessee	195	0	100.0	162	3	98.2	48	4	92.3	412	98.3
Texas	793	12	98.5	690	13	98.2	659	28	95.9	2,195	97.6
Utah	63	0	100.0	84	18	82.4	14	1	93.3	180	89.4
Vermont	90	2	97.8	42	0	100.0	3	1	75.0	138	97.8
Virgin Islands	0	0	NA	5	0	100.0	0	0	NA	5	100.0
Virginia	327	0	100.0	134	7	95.0	52	11	82.5	531	96.6
Washington	219	0	100.0	147	2	98.7	62	1	98.4	431	99.3
West Virginia	145	0	100.0	83	6	93.3	7	2	77.8	243	96.7
Wisconsin	225	5	97.8	410	0	100.0	64	6	91.4	710	98.5
Wyoming	26	0	100.0	35	23	60.3	4	1	80.0	89	73.0
Total United States	11,103	103	99.1 %	9,134	566	94.2 %	3,205	304	91.3 %	24,415	96.0 %

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.

Chart 18.1



Note: 1996 total reflects one-time change in law affecting patents.

Source: U.S. Patent and Trademark Office, *Technology Profile Report - Telecommunications, Classes 370, 375, 379 and 455*.

19 Telephone Numbers

In 1994, many area codes were nearing exhaustion as demand for telephone numbers continued to rise. Adding new area codes was difficult because some older telephone equipment was designed to recognize only area codes with a middle digit of 0 or 1, and the supply of those area codes was dwindling. On January 1, 1995, the restriction on the middle digit was removed, and 640 new area codes were made available. During 1995, fourteen new area codes were assigned -- the largest single-year expansion of area codes in decades. Nineteen area codes were added in 1996, forty-three in 1997, twenty in 1998, twenty-four in 1999, thirteen in 2000, twenty-six in 2001, and seven codes have been added in 2002. The above counts of area code activation are for the contiguous United States, offshore points, Canada, and the Caribbean. The changes in area codes from 1984 to 2002 are shown in Table 19.1. Area codes are assigned by the North American Numbering Plan Administration (NANPA), which is part of Neustar, Inc.

Toll-free service was first introduced in 1967 by AT&T. On May 1, 1993, procedures for routing toll-free (800) calls were changed and 800 numbers were made "portable." The new system enables customers to change service providers while still retaining the same 800 number. There has been tremendous growth in the toll-free market. The growth of toll-free telephone numbers is shown in Table 19.2. In March 1996, a second toll-free calling code (888) was placed in 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 next toll-free code scheduled for service is 855, which was scheduled for November 18, 2000, but has been delayed. Database Service Management, Inc., a subsidiary of Telcordia Technologies, Inc., maintains the database on toll-free numbers.

Dialing patterns differ from state to state. For instance, in some states, callers making local calls within an area code are required to only dial 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 pattern 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.

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 19.3 shows the dialing patterns for all four types of calls. The last column of Table 19.3 indicates whether all toll calls in that state require callers to dial a "1" before the telephone number.

Table 19.1
Area Code Assignments
(1984-2002)

Location	Date	Previous Code	Added Code
California	1/84	213	818
New York	9/84	212	718
Colorado	3/88	303	719
Florida	4/88	305	407
Massachusetts	7/88	617	508
Illinois	11/89	312	708
New Jersey	11/90	201	908
Texas	11/90	214	903
California	9/91	415	510
Maryland	10/91	301	410
California	11/91	213	310
New York	1/92	212	917
New York	1/92	718	917
Georgia	5/92	404	706
New York	7/92	212	718
Texas	11/92	512	210
California	11/92	714	909
Ontario	10/93	416	905
North Carolina	11/93	919	910
Michigan	12/93	313	810
Pennsylvania	1/94	215	610
Alabama	1/95	205	334
Washington	1/95	206	360
Arizona	3/95	602	520
Colorado	4/95	303	970
Florida (Tampa)	5/95	813	941
Virginia	7/95	703	540
Georgia (Atlanta)	8/95	404	770
Connecticut	8/95	203	860
Florida (Miami)	9/95	305	954
Tennessee	9/95	615	423
Bermuda	10/95	809	441
Oregon	11/95	503	541
South Carolina	12/95	803	864
Florida (North)	12/95	904	352
Missouri	1/96	314	573
Illinois (Chicago)	1/96	708	847
Puerto Rico	3/96	809	787
Ohio	3/96	216	330
Minnesota	3/96	612	320
Antigua	4/96	809	268
Florida (Southeast)	5/96	407	561
Barbados	7/96	809	246
St. Lucia	7/96	809	758
Virginia	7/96	804	757

Table 19.1
Area Code Assignments -- Continued
(1984-2002)

Location	Date	Previous Code	Added Code
Montserrat	7/96	809	664
Illinois (Chicago)	8/96	708	630
Cayman Islands	9/96	809	345
Texas (Dallas)	9/96	214	972
Ohio	9/96	513	937
Bahamas	10/96	809	242
St. Kitts & Nevis	10/96	809	869
Illinois	10/96	312	773
British Columbia	10/96	604	250
Texas (Houston)	11/96	713	281
California (Southern)	1/97	310	562
Indiana	2/97	317	765
California	3/97	619	760
Anguilla	3/97	809	264
Arkansas	4/97	501	870
Washington State	4/97	206	253
Washington State	4/97	206	425
Jamaica	5/97	809	876
Michigan	5/97	810	248
Texas	5/97	817	254
Texas	5/97	817	940
Turks & Caicos	6/97	809	649
Trinidad/Tobago	6/97	809	868
Maryland	6/97	301	240
Maryland	6/97	410	443
New Jersey	6/97	201	973
New Jersey	6/97	908	732
U.S. Virgin Islands	6/97	809	340
California	6/97	818	626
Florida	6/97	904	850
Guam	7/97	NA	671
Commonwealth of the Northern Mariana Islands	7/97	NA	670
Texas	7/97	210	830
Texas	7/97	210	956
Kansas	7/97	913	785
Wisconsin	7/97	414	920
California	8/97	415	650
Ohio	8/97	216	440
Massachusetts	9/97	617	781
Massachusetts	9/97	508	978
Tennessee	9/97	615	931
Mississippi	9/97	601	228
Utah	9/97	801	435
Dominica	10/97	809	767

Table 19.1
Area Code Assignments -- Continued
(1984-2002)

Location	Date	Previous Code	Added Code
British Virgin Islands	10/97	809	284
Missouri	10/97	816	660
Yukon & Northwest Territories	10/97	403	867
Yukon & Northwest Territories	10/97	819	867
Grenada	10/97	809	473
California	11/97	916	530
Oklahoma	11/97	405	580
Ohio	12/97	614	740
Michigan	12/97	313	734
North Carolina	12/97	910	336
Georgia (Atlanta)	1/98	770	678
Pennsylvania	2/98	412	724
Florida	3/98	305	786
California	3/98	510	925
South Carolina	3/98	803	843
North Carolina	3/98	704	828
North Carolina	3/98	919	252
Alabama	3/98	205	256
California	4/98	714	949
Colorado	2/98	303	720
St. Vincent & the Grenadines	6/98	809	784
California (Los Angeles)	6/98	213	323
Quebec	6/98	514	450
Florida	7/98	813	727
California	7/98	408	831
Minnesota	7/98	612	651
Louisiana	8/98	504	225
California	11/98	209	559
Pennsylvania	12/98	717	570
Nevada	12/98	702	775
Texas (Houston)	1/99	281	832
Texas (Houston)	1/99	713	832
Alberta	1/99	403	780
California	2/99	805	661
Texas	2/99	512	361
Arizona	3/99	602	480
Arizona	3/99	602	623
Kentucky	4/99	502	270
Mississippi	4/99	601	662
Missouri	5/99	314	636
Michigan	6/99	616	231
Pennsylvania	6/99	215	267
Pennsylvania	6/99	610	484
California	6/99	619	858
New Jersey	6/99	609	856

Table 19.1
Area Code Assignments -- Continued
(1984-2002)

Location	Date	Previous Code	Added Code
New York (Manhattan)	7/99	212	646
Texas (Dallas)	7/99	214	469
Texas (Dallas)	7/99	972	469
Florida	9/99	941	863
Wisconsin	9/99	414	262
Louisiana	10/99	318	337
Florida	11/99	407	321
New York	11/99	516	631
Tennessee	11/99	423	865
Texas	2/00	409	936
Texas	2/00	409	979
Minnesota	2/00	612	763
Minnesota	2/00	612	952
Virginia	3/00	703	571
Kentucky	4/00	606	859
New York	6/00	914	845
California	7/00	515	641
Georgia	8/00	912	478
Georgia	8/00	912	229
Oregon	10/00	503	971
Texas	10/00	817	682
Ohio	10/00	234	330
Kansas	2/01	316	620
Tennessee	2/01	901	731
Louisiana	2/01	504	985
Florida	2/01	904	386
Ontario	3/01	416	647
Iowa	3/01	319	563
North Carolina	4/01	704	980
Michigan	4/01	517	989
Massachusetts	5/01	781	339
Massachusetts	5/01	978	351
Massachusetts	5/01	508	774
Massachusetts	5/01	617	857
Virginia	6/01	804	434
Ontario	6/01	905	289
Alabama	6/01	334	251
Arizona	6/01	520	928
Florida	8/01	954	754
Pennsylvania	8/01	412	878
Virginia	9/01	540	276
Puerto Rico	9/01	787	939
Michigan	9/01	810	586
British Columbia	11/01	604	778
New York	11/01	716	585

Table 19.1
Area Code Assignments -- Continued
(1984-2002)

Location	Date	Previous Code	Added Code
New Jersey	12/01	201	551
New Jersey	12/01	732	848
New Jersey	12/01	973	862
Ohio	1/02	419	567
Illinois	1/02	847	224
Indiana	1/02	219	260
Indiana	1/02	219	574
Arkansas	1/02	501	479
Florida	2/02	561	772
Florida	3/02	941	239

NA - Not applicable.

Source: North American Numbering Plan Administration (NANPA).

Table 19.2
Telephone Numbers Assigned for Toll-Free Service *
(Summary December 1993 - 2001 and March 2002)

Year	Month	Working Toll-Free Numbers	Miscellaneous Toll-Free Numbers 1/	Total Toll-Free Numbers Assigned	Spare Toll-Free 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	April	22,585,348	1,841,945	24,427,293	7,222,707

Table 19.2
Telephone Numbers Assigned for Toll-Free Service *
800 Toll-Free Service

Year	Month	Working 800 Numbers	Miscellaneous 800 Numbers 1/	Total 800 Numbers Assigned	Spare 800 Numbers Still Available	
1993	April	2,448,985	642,725	3,091,710	4,618,290	
	May	2,511,933	708,192	3,220,125	4,489,875	
	June	2,589,123	722,006	3,311,129	4,398,871	
	July	2,675,483	705,416	3,380,899	4,329,101	
	August	2,738,259	701,009	3,439,268	4,270,732	
	September	2,818,262	639,547	3,457,809	4,252,191	
	October	2,891,994	660,544	3,552,538	4,157,462	
	November	3,083,250	728,514	3,811,764	3,898,236	
	December	3,155,955	731,438	3,887,393	3,822,607	
	1994	January	3,257,540	580,216	3,837,756	3,872,244
		February	3,381,646	731,005	4,112,651	3,597,349
		March	3,516,620	743,813	4,260,433	3,449,567
April		3,659,129	699,212	4,358,341	3,351,659	
May		3,793,865	738,767	4,532,632	3,177,368	
June		3,933,037	792,698	4,725,735	2,984,265	
July		4,099,174	699,803	4,798,977	2,911,023	
August		4,312,486	807,881	5,120,367	2,589,633	
September		4,506,014	841,381	5,347,395	2,362,605	
October		4,611,014	871,684	5,482,698	2,227,302	
November		4,817,854	875,416	5,693,270	2,016,730	
December		4,948,605	763,235	5,711,840	1,998,160	
1995	January	5,096,646	807,294	5,903,940	1,806,060	
	February	5,278,800	811,221	6,090,021	1,619,979	
	March	5,528,723	793,771	6,322,494	1,387,506	
	April	5,741,780	797,902	6,539,682	1,170,318	
	May	5,980,848	843,093	6,823,941	886,059	
	June	6,340,534	481,633	6,822,167	887,833	
	July	6,402,785	443,717	6,846,502	863,498	
	August	6,428,120	442,270	6,870,390	839,610	
	September	6,503,018	437,215	6,940,233	769,767	
	October	6,583,344	396,605	6,979,949	730,051	
	November	6,647,880	310,043	6,957,923	752,077	
	December	6,700,576	286,487	6,987,063	722,937	
1996	January	6,766,607	297,001	7,063,608	646,392	
	February	6,861,093	335,557	7,196,650	513,350	
	March	6,907,098	293,244	7,200,342	509,658	
	April	6,934,085	280,927	7,215,012	494,988	
	May	6,943,620	333,140	7,276,760	433,240	
	June	6,986,821	324,899	7,311,720	398,280	
	July	7,022,309	339,900	7,362,209	347,791	
	August	7,074,772	311,273	7,386,045	323,955	
	September	7,119,167	310,562	7,429,729	280,271	
	October	7,185,135	325,088	7,510,223	199,777	
	November	7,242,377	337,502	7,579,879	130,121	
	December	7,272,819	343,905	7,616,724	93,276	

Table 19.2
Telephone Numbers Assigned for Toll-Free Service * -- Continued
800 Toll-Free Service

Year	Month	Working Toll-Free Numbers	Miscellaneous Toll-Free Numbers 1/	Total Toll-Free Numbers Assigned	Spare Toll-Free Numbers Still Available
1997	January	7,333,632	323,804	7,657,436	52,564
	February	7,388,696	318,571	7,707,267	2,733
	March	7,402,769	305,362	7,708,131	1,869
	April	7,411,118	296,925	7,708,043	1,957
	May	7,411,291	294,320	7,705,611	4,389
	June	7,415,591	293,802	7,709,393	607
	July	7,421,288	283,794	7,705,082	4,918
	August	7,430,733	276,024	7,706,757	3,243
	September	7,427,717	280,668	7,708,385	1,615
	October	7,433,483	276,490	7,709,973	27
	November	7,423,662	276,576	7,700,238	9,762
	December	7,429,160	267,429	7,696,589	13,411
1998	January	7,431,789	264,143	7,695,932	14,068
	February	7,445,338	257,493	7,702,831	7,169
	March	7,455,240	249,964	7,705,204	4,796
	April	7,464,692	232,462	7,697,154	12,846
	May	7,476,270	228,409	7,704,679	5,321
	June	7,480,468	227,041	7,707,509	2,491
	July	7,485,866	221,078	7,706,944	3,056
	August	7,483,417	224,242	7,707,659	2,341
	September	7,489,271	219,080	7,708,351	1,649
	October	7,479,005	229,889	7,708,894	1,106
	November	7,478,913	228,892	7,707,805	2,195
	December	7,487,529	215,267	7,702,796	7,204
1999	January	7,498,435	194,520	7,692,955	17,045
	February	7,504,256	192,068	7,696,324	13,676
	March	7,498,527	204,515	7,703,042	6,958
	April	7,506,452	202,241	7,708,693	1,307
	May	7,504,523	204,751	7,709,274	726
	June	7,502,118	207,061	7,709,179	821
	July	7,512,928	196,345	7,709,273	727
	August	7,514,686	194,434	7,709,120	880
	September	7,523,302	185,363	7,708,665	1,335
	October	7,493,898	215,756	7,709,654	346
	November	7,499,343	210,266	7,709,609	391
	December	7,505,737	202,416	7,708,153	1,847

Table 19.2
Telephone Numbers Assigned for Toll-Free Service * -- Continued
800 Toll-Free Service

Year	Month	Working 800 Numbers	Miscellaneous 800 Numbers 1/	Total 800 Numbers Assigned	Spare 800 Numbers Still Available
2000	January	7,486,650	223,367	7,710,017	N.A.
	February	7,490,980	198,506	7,689,486	20,514
	March	7,516,391	193,246	7,709,637	363
	April	7,531,395	177,779	7,709,174	826
	May	7,547,157	158,776	7,705,933	4,067
	June	7,570,082	139,444	7,709,526	474
	July	7,576,696	132,065	7,708,761	1,239
	August	7,558,277	151,720	7,709,997	3
	September	7,752,091	-42,295	7,709,796	204
	October	7,578,617	131,366	7,709,983	17
	November	7,563,824	135,636	7,699,460	10,540
	December	7,566,810	132,887	7,699,697	10,303
2001	January	7,483,975	215,316	7,699,291	10,709
	February	7,450,121	248,257	7,698,378	11,622
	March	7,434,621	264,967	7,699,588	10,412
	April	7,407,530	292,123	7,699,653	10,347
	May	7,410,426	261,585	7,672,011	37,989
	June	7,357,279	242,106	7,599,385	110,615
	July	7,336,672	222,085	7,558,757	151,243
	August	7,343,034	178,105	7,521,139	188,861
	September	7,383,111	164,881	7,547,992	162,008
	October	7,348,545	174,507	7,523,052	186,948
	November	7,361,135	186,143	7,547,278	162,722
	December	7,370,055	184,689	7,554,744	155,256
2002	January	7,372,220	208,787	7,581,007	128,993
	February	7,319,840	250,589	7,570,429	139,571
	April	7,217,397	370,919	7,588,316	121,684

Table 19.2
TelephoneNumbers Assigned for Toll-Free Service * -- Continued
888 Toll-Free Service

Year	Month	Working 888 Numbers	Miscellaneous 888 Numbers 1/	Total 888 Numbers Assigned	Spare 888 Numbers Still Available
1996	February	67,399	560,598	627,997	7,352,003
	March	267,874	568,574	836,448	7,143,552
	April	442,005	565,402	1,007,407	6,972,593
	May	707,374	542,428	1,249,802	6,730,198
	June	922,849	544,079	1,466,928	6,513,072
	July	1,157,770	549,845	1,707,615	6,272,385
	August	1,437,660	576,399	2,014,059	5,965,941
	September	1,641,519	590,345	2,231,864	5,748,136
	October	1,886,663	629,365	2,516,028	5,463,972
	November	2,074,600	622,375	2,696,975	5,283,025
	December	2,255,163	601,766	2,856,929	5,123,071
	1997	January	2,457,250	591,533	3,048,783
February		2,654,984	629,997	3,284,981	4,695,019
March		2,857,608	661,164	3,518,772	4,461,228
April		3,097,015	646,709	3,743,724	4,236,276
May		3,399,856	657,615	4,057,471	3,922,529
June		3,660,984	681,981	4,342,965	3,637,035
July		3,990,769	696,331	4,687,100	3,292,900
August		4,345,910	742,755	5,088,665	2,891,335
September		4,776,688	774,431	5,551,119	2,428,881
October		5,139,455	726,515	5,865,970	2,114,030
November		5,353,989	699,223	6,053,212	1,926,788
December		5,551,554	729,020	6,280,574	1,699,426
1998	January	5,760,023	719,289	6,479,312	1,500,688
	February	5,968,391	723,679	6,692,070	1,287,930
	March	6,167,479	728,415	6,895,894	1,084,106
	April	6,373,603	690,041	7,063,644	916,356
	May	6,493,156	672,776	7,165,932	814,068
	June	6,591,764	665,496	7,257,260	722,740
	July	6,705,902	661,085	7,366,987	613,013
	August	6,790,315	669,486	7,459,801	520,199
	September	6,898,718	612,254	7,510,972	469,028
	October	7,012,860	573,695	7,586,555	393,445
	November	7,054,472	572,759	7,627,231	352,769
	December	7,146,159	515,009	7,661,168	318,832

Table 19.2
Telephone Numbers Assigned for Toll-Free Service * -- Continued
888 Toll-Free Service

Year	Month	Working 888 Numbers	Miscellaneous 888 Numbers 1/	Total 888 Numbers Assigned	Spare 888 Numbers Still Available
1999	January	7,196,336	510,057	7,706,393	273,607
	February	7,249,001	493,132	7,742,133	237,867
	March	7,278,531	495,904	7,774,435	205,565
	April	7,324,847	234,588	7,559,435	420,565
	May	7,385,748	216,196	7,601,944	378,056
	June	7,428,424	231,697	7,660,121	319,879
	July	7,487,759	231,884	7,719,643	260,357
	August	7,546,299	233,286	7,779,585	200,415
	September	7,601,867	211,318	7,813,185	166,815
	October	7,542,131	341,720	7,883,851	96,149
	November	7,592,293	342,918	7,935,211	44,789
	December	7,643,158	324,405	7,967,563	12,437
2000	January	7,615,927	363,960	7,979,887	113
	February	7,627,138	247,788	7,874,926	105,074
	March	7,685,423	230,035	7,915,458	64,542
	April	7,717,002	229,345	7,946,347	33,653
	May	7,758,684	157,984	7,916,668	63,332
	June	7,789,986	140,658	7,930,644	49,356
	July	7,820,147	141,713	7,961,860	18,140
	August	7,806,064	167,935	7,973,999	6,001
	September	7,806,252	173,588	7,979,840	160
	October	7,804,668	175,332	7,980,000	0
	November	7,795,241	172,827	7,968,068	11,932
	December	7,789,188	177,328	7,966,516	13,484
2001	January	7,647,783	324,097	7,971,880	8,120
	February	7,628,543	345,775	7,974,318	5,682
	March	7,616,189	355,451	7,971,640	8,360
	April	7,601,821	344,060	7,945,881	34,119
	May	7,573,372	264,492	7,837,864	142,136
	June	7,548,761	270,198	7,818,959	161,041
	July	7,540,276	254,940	7,795,216	184,784
	August	7,529,912	220,202	7,750,114	229,886
	September	7,508,100	203,518	7,711,618	268,382
	October	7,472,910	201,782	7,674,692	305,308
	November	7,464,369	197,092	7,661,461	318,539
	December	7,452,071	190,727	7,642,798	337,202
2002	January	7,415,181	197,673	7,612,854	367,146
	February	7,387,865	190,345	7,578,210	401,790
	April	6,637,447	840,389	7,477,836	502,164

Table 19.2
Telephone Numbers Assigned for Toll-Free Service * -- Continued
877 Toll-Free Service

Year	Month	Working 877 Numbers	Miscellaneous 877 Numbers 1/	Total 877 Numbers Assigned	Spare 877 Numbers Still Available
1998	April	168,300	276,169	444,469	7,535,531
	May	354,303	256,712	611,015	7,368,985
	June	552,037	209,967	762,004	7,217,996
	July	759,971	179,830	939,801	7,040,199
	August	918,956	201,087	1,120,043	6,859,957
	September	1,072,046	206,714	1,278,760	6,701,240
	October	1,259,620	277,038	1,536,658	6,443,342
	November	1,386,726	292,264	1,678,990	6,301,010
	December	1,567,195	235,190	1,802,385	6,177,615
	1999	January	1,712,675	233,863	1,946,538
February		1,920,715	299,430	2,220,145	5,759,855
March		2,141,228	329,044	2,470,272	5,509,728
April		2,410,517	403,711	2,814,228	5,165,772
May		2,678,075	407,450	3,085,525	4,894,475
June		2,899,466	410,026	3,309,492	4,670,508
July		3,140,981	491,644	3,632,625	4,347,375
August		3,472,534	456,372	3,928,906	4,051,094
September		3,755,361	436,433	4,191,794	3,788,206
October		4,008,681	486,968	4,495,649	3,484,351
November		4,304,159	505,179	4,809,338	3,170,662
December		4,528,106	575,143	5,103,249	2,876,751
2000	January	4,882,111	573,482	5,455,593	2,524,407
	February	5,118,387	659,479	5,777,866	2,202,134
	March	5,436,297	598,702	6,034,999	1,945,001
	April	5,764,078	520,951	6,285,029	1,694,971
	May	6,098,025	469,486	6,567,511	1,412,489
	June	6,317,507	402,858	6,720,365	1,259,635
	July	6,608,186	391,545	6,999,731	980,269
	August	6,636,282	385,065	7,021,347	958,653
	September	6,539,180	496,015	7,035,195	944,805
	October	6,475,202	622,384	7,097,586	882,414
	November	6,436,613	657,271	7,093,884	886,116
	December	6,391,285	719,333	7,110,618	869,382
2001	January	6,425,413	612,539	7,037,952	942,048
	February	6,369,360	559,994	6,929,354	1,050,646
	March	6,289,079	469,980	6,759,059	1,220,941
	April	6,249,330	537,570	6,786,900	1,193,100
	May	6,191,049	611,661	6,802,710	1,177,290
	June	6,094,898	715,097	6,809,995	1,170,005
	July	6,147,253	602,984	6,750,237	1,229,763
	August	6,169,624	518,953	6,688,577	1,291,423
	September	6,163,297	489,084	6,652,381	1,327,619
	October	6,170,689	370,974	6,541,663	1,438,337
	November	6,162,433	401,766	6,564,199	1,415,801
	December	6,214,863	345,468	6,560,331	1,419,669
2002	January	6,188,017	327,365	6,515,382	1,464,618
	February	6,191,784	323,701	6,515,485	1,464,515
	April	6,062,715	324,445	6,387,160	1,592,840

Table 19.2
Telephone Numbers Assigned for Toll-Free Service * -- Continued
866 Toll-Free Service

Year	Month	Working 866 Numbers	Miscellaneous 866 Numbers 1/	Total 866 Numbers Assigned	Spare 866 Numbers Still Available
2000	July	8,714	135,238	143,952	7,836,048
	August	384,164	213,442	597,606	7,382,394
	September	672,250	155,646	827,896	7,152,104
	October	931,620	161,091	1,092,711	6,887,289
	November	1,200,025	139,026	1,339,051	6,640,949
	December	1,274,732	148,548	1,423,280	6,556,720
2001	January	1,485,551	190,096	1,675,647	6,304,353
	February	1,597,785	224,368	1,822,153	6,157,847
	March	1,652,602	361,888	2,014,490	5,965,510
	April	1,726,291	356,526	2,082,817	5,897,183
	May	1,868,490	345,639	2,214,129	5,765,871
	June	1,944,520	362,880	2,307,400	5,672,600
	July	2,011,779	342,485	2,354,264	5,625,736
	August	2,171,463	320,800	2,492,263	5,487,737
	September	2,256,792	308,801	2,565,593	5,414,407
	October	2,333,977	289,824	2,623,801	5,356,199
	November	2,406,337	272,400	2,678,737	5,301,263
	December	2,416,040	307,089	2,723,129	5,256,871
2002	January	2,490,156	327,104	2,817,260	5,162,740
	February	2,563,573	323,783	2,887,356	5,092,644
	April	2,667,789	306,192	2,973,981	5,006,019

NA - Not applicable.

* Toll-free (800) service was initially offered by AT&T in 1967. On May 3, 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 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 November 2000.

1/ 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.

20 Universal Service

The high-cost support mechanisms enable areas with very high costs to recover some of these costs from the support mechanisms, leaving a smaller remainder of the costs to be recovered through end-user rates or state universal support mechanisms. In this manner, the high-cost support mechanisms are intended to hold down rates and thereby further one of the most important goals of federal and state regulation -- the preservation and advancement of universal telephone service.

There currently are six high-cost support mechanisms. These include embedded high-cost loop (HCL) support¹, long-term support (LTS), local switching support (LSS), the forward-looking, high-cost model support, the interstate access universal service support, for price-cap carriers, and interstate common line support (ICLS) for rate-of-return carriers.

The Universal Service Fund (USF) high-cost loop support provides assistance to companies with above average non-traffic-sensitive local loop costs -- a term that refers to the costs of providing the loop connection between the customers and the central office. The second high-cost support mechanism, LTS, is also related to non-traffic-sensitive costs. LTS provides support to members of the NECA common line pool, to allow them to charge a below-cost carrier common line rate. The third high-cost support mechanism, LSS, is related to traffic-sensitive local switching costs. LSS provides support to LECs with study areas of 50,000 or fewer access lines to help defray the higher switching cost of small LECs.

In October 1999, the Commission adopted the fourth mechanism, a new high-cost support mechanism for non-rural carriers. The new mechanism is based on the forward-looking costs of providing supported services as determined by the Commission's cost model. For each state, the cost model calculates the wire center average forward-looking cost per line incurred by non-rural carriers to provide supported services. These wire center average costs are then averaged at the statewide level to determine the statewide average forward-looking cost per line. The forward-looking support mechanism provides support to non-rural carriers in those states that have a statewide average forward-looking cost per line greater than the national benchmark, which is set at 135 percent of the national average forward-looking cost per line.²

¹ 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 CFR § 36.601.

² But cf. *Qwest Corp. v. FCC*, 2001 WL 864222 (10th Cir. July 31, 2001) (reversing and remanding the Ninth Order of the FCC “because it does not provide sufficient reasoning or record evidence to support [the] reasonableness [of its decision]”). See *Federal-State Joint Board on Universal Service*, Notice of Proposed Rulemaking, CC Docket No. 96-45, 17 FCC Rcd 2999 (2002) (seeking comment on court’s remand of the Ninth Order).

On May 31, 2000, the Commission established the fifth mechanism, an explicit interstate access universal service support mechanism for price-cap carriers to replace the implicit support previously collected through interstate access charges. Like LTS, the purpose of this new mechanism is to provide explicit support to ensure reasonably affordable interstate rates. This is in contrast to the Commission's other high-cost support mechanisms, which provide support to enable states to ensure reasonably affordable and comparable intrastate rates.

In the *MAG Order* (FCC 01-304), which was released by the Commission on November 8, 2001, the Commission created the ICLS mechanism to convert implicit support in the access rate structure to explicit, portable support. ICLS will recover any shortfall between the allowed common line revenues of rate-of-return carriers and their subscriber line charge revenues and gradually replace the carrier common line charge. Under the *MAG Order*, the ICLS mechanism will be implemented beginning on July 1, 2002.

Table 20.1 shows USF, LTS, LSS, high-cost model support, and interstate access universal service support payments from 1986 to 2000. ICLS payments will begin July 1, 2002, and therefore are not provided in these charts. Table 20.2 shows projected payments by state for 2000. It should be noted that these projections do not include subsequent quarterly true-ups.

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 the library is located in. In addition, schools and libraries located in rural areas receive an additional discount.

The portion of universal service support designated for health care providers is designed to allow rural health care providers to purchase telecommunications services at the same rates that health care providers located in urban areas pay for these services. The Commission's universal service rules permit eligible rural health care providers to receive discounts on telecommunications service so that they pay a rate no greater than the rate available in the nearest large city. The Commission defined "nearest large city" as the closest city in the state with a population of at least 50,000. In addition, any rural health care provider that cannot obtain toll-free Internet access is entitled to receive the lesser of \$180 of toll charges per month, or the toll charges incurred for 30 hours per month, for telecommunications access to an Internet service provider.

Table 20.3 shows, on a state-by-state basis, funding commitments to schools and libraries for the July 1, 2000 - June 30, 2001 funding year. The commitments are broken down by type of service that was funded. Table 20.4 shows, on a state-by-state basis, Rural Health Care funding disbursements by speed of service.

Carriers contribute to universal service based on their end-user revenues. Since November 1999, all contributions to USF are based on interstate end-user revenues. Table 20.5 shows interstate and intrastate contribution rates since the first quarter of 1998.

Table 20.1
Universal Service Fund Payment History
(In Millions of Dollars)

Year	High-Cost Loop Support	Long-Term Support	Switching Support	New High-Cost Model Support	Interstate Access Support	Total Support	Cumulative Payments
1986	\$56	\$0	NA	\$0	\$0	\$56	\$56
1987	126	0	NA	0	0	126	181
1988	183	0	NA	0	0	183	365
1989	265	236	NA	0	0	500	865
1990	339	263	NA	0	0	602	1,467
1991	485	272	NA	0	0	757	2,223
1992	609	306	NA	0	0	915	3,138
1993	705	323	\$311	0	0	1,339	4,477
1994	725	347	304	0	0	1,376	5,853
1995	750	382	325	0	0	1,457	7,310
1996	763	426	348	0	0	1,536	8,846
1997	794	470	351	0	0	1,614	10,460
1998	827	476	387	0	0	1,691	12,151
1999	864	473	383	0	0	1,720	13,871
2000	894	479	390	199	276	2,238	16,109
2001	999	487	399	202	574	2,661	18,770

NA - Not available.

Note: Universal service payments for 2001 are projected.

Sources: Industry Analysis Division, Common Carrier Bureau, *October 2001 Monitoring Report* (November 2001), and USAC filings.

Table 20.2
High-Cost Support Payments by State: 2001
(In Thousands of Dollars)

	High-Cost Loop Support	Long-Term Loop Support	Local Switching Support	New High-Cost Model Support	Interstate Access Support	Total Support
Alabama	\$25,629	\$7,444	\$6,692	\$42,371	\$17,706	\$99,842
Alaska	43,859	17,207	16,714	0	0	77,780
American Samoa	59	258	212	0	0	530
Arizona	24,443	3,172	11,307	0	12,649	51,570
Arkansas	50,196	15,623	8,113	0	6,792	80,725
California	31,668	13,469	6,693	0	32,233	84,062
Colorado	30,243	12,293	4,202	0	16,227	62,964
Connecticut	0	165	598	0	340	1,104
Delaware	0	0	0	0	380	380
District of Columbia	0	0	0	0	0	0
Florida	12,971	5,401	3,742	0	62,276	84,390
Georgia	48,044	18,129	13,011	0	11,899	91,083
Guam	384	1,975	0	0	0	2,359
Hawaii	1,277	0	1,580	0	2,682	5,539
Idaho	18,772	3,511	6,829	0	14,456	43,568
Illinois	8,157	6,305	11,788	0	12,815	39,065
Indiana	4,366	5,211	9,090	0	23,768	42,434
Iowa	5,684	7,359	14,323	0	7,088	34,454
Kansas	48,929	11,622	14,227	0	6,688	81,466
Kentucky	9,052	4,972	4,907	0	16,112	35,044
Louisiana	44,796	16,978	7,302	0	10,765	79,842
Maine	7,748	6,098	7,530	8,873	726	30,977
Maryland	0	93	475	0	3,706	4,274
Massachusetts	50	104	486	0	785	1,424
Michigan	22,805	9,967	7,906	0	145	40,824
Minnesota	17,720	12,335	17,761	0	3,393	51,209
Mississippi	20,274	5,151	3,709	103,997	11,751	144,883
Missouri	54,016	10,877	8,733	0	15,789	89,415
Montana	27,729	10,158	9,495	4,383	569	52,334
Nebraska	10,053	3,919	10,788	0	1,321	26,080
Nevada	6,662	930	6,770	0	8,384	22,746
New Hampshire	1,029	1,535	4,946	0	1,968	9,478
New Jersey	0	0	1,082	0	4,948	6,030
New Mexico	18,232	6,263	10,334	0	7,673	42,501
New York	12,687	6,908	18,375	0	23,740	61,710
North Carolina	11,410	12,233	5,538	0	11,953	41,134
North Dakota	11,076	6,071	9,444	0	868	27,460
Northern Mariana Islands	1,721	0	843	0	247	2,811
Ohio	6,876	5,291	4,692	0	11,546	28,405
Oklahoma	38,404	16,657	14,734	0	6,889	76,684
Oregon	23,809	9,391	7,606	0	19,563	60,369
Pennsylvania	1,065	14,347	6,680	0	13,267	35,360
Puerto Rico	37,473	91,087	0	0	0	128,559
Rhode Island	0	0	0	0	97	97
South Carolina	19,851	11,264	7,444	0	16,761	55,321
South Dakota	8,712	5,115	9,912	0	76	23,814
Tennessee	13,889	10,548	7,755	0	8,570	40,762
Texas	96,390	30,092	17,921	0	38,261	182,664
Utah	4,860	1,510	5,195	0	2,731	14,297
Vermont	3,802	2,424	5,301	10,008	1,193	22,729
Virgin Islands	17,980	7,314	0	0	0	25,294
Virginia	4,106	3,392	4,875	0	51,425	63,798
Washington	30,601	15,577	7,987	0	22,760	76,925
West Virginia	22,015	1,077	3,759	25,875	19,703	72,430
Wisconsin	22,368	13,630	22,988	0	2,616	61,601
Wyoming	15,454	4,568	6,202	6,151	6,090	38,464
Total	\$999,398	\$487,019	\$398,599	\$201,658	\$574,391	\$2,661,065

Note: Universal service payments for 2001 are projected.

Sources: Industry Analysis Division, Common Carrier Bureau, *October 2001 Monitoring Report* (November 2001), and USAC filings.

Table 20.3
Schools and Libraries Funding by State and by Type of Service
(Funding Period: July 1, 2000 Through June 30, 2001
Funds Committed Through February 26, 2002)¹

State/Territory	Internal Connections		Internet Access		Telecom. & Dedicated		Totals	
	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed	Funds Committed	Funds Disbursed
Alabama	\$6,866,772	\$5,488,774	\$4,993,268	\$4,150,321	\$9,347,685	\$6,316,181	\$21,207,725	\$15,955,276
Alaska	1,605,232	1,032,972	6,583,971	5,222,509	4,249,003	2,320,656	12,438,207	8,576,138
American Samoa	554,452	554,452	1,073,639	1,058,519	442,886	430,174	2,070,977	2,043,145
Arizona	34,557,476	28,107,590	2,448,588	1,431,075	10,230,601	5,125,622	47,236,665	34,664,287
Arkansas	7,950,946	7,072,979	4,214,521	2,282,294	4,894,008	2,587,421	17,059,475	11,942,693
California	356,622,445	238,786,358	7,561,873	3,522,494	64,767,615	24,820,977	428,951,933	267,129,828
Colorado	2,117,962	1,637,995	989,949	484,690	11,358,750	6,681,357	14,466,660	8,804,042
Connecticut	15,163,599	14,019,490	2,529,915	1,915,903	6,506,924	5,022,633	24,200,438	20,958,026
Delaware	9,285	0	69,838	51,548	1,544,833	1,089,809	1,623,956	1,141,357
District of Columbia	2,421,006	2,271,897	2,164,955	1,694,519	2,284,297	2,102,415	6,870,258	6,068,830
Florida	13,541,787	6,524,854	8,978,101	4,167,385	35,884,617	24,713,802	58,404,506	35,406,041
Georgia	16,310,332	15,130,606	9,922,580	7,638,271	24,651,413	16,249,652	50,884,326	39,018,529
Guam	112,774	0	396,376	88,465	480,198	812	989,348	89,276
Hawaii	340,168	135,209	325,064	250,515	1,914,249	438,093	2,579,482	823,818
Idaho	137,548	121,509	599,203	423,754	2,169,382	1,458,102	2,906,133	2,003,364
Illinois	87,357,743	72,461,132	3,001,961	1,681,855	24,788,205	16,485,874	115,147,909	90,628,861
Indiana	1,675,182	1,459,894	10,564,246	4,809,473	8,526,844	4,534,121	20,766,272	10,803,488
Iowa	215,970	35,094	1,514,639	1,036,541	3,613,523	2,298,317	5,344,132	3,369,952
Kansas	406,105	301,292	1,987,379	1,214,441	6,493,468	3,778,118	8,886,952	5,293,851
Kentucky	10,305,274	6,899,559	1,459,360	1,000,009	14,774,311	8,887,582	26,538,946	16,787,150
Louisiana	8,751,656	7,728,741	3,961,992	3,307,968	10,647,716	7,660,470	23,361,365	18,697,179
Maine	274,386	274,386	211,056	181,410	2,976,072	1,548,989	3,461,514	2,004,785
Maryland	7,760,539	6,388,343	1,479,036	886,786	9,922,363	8,418,725	19,161,937	15,693,854
Massachusetts	20,788,838	18,693,994	12,464,503	925,440	13,368,779	8,778,707	46,622,121	28,398,141
Michigan	20,499,664	19,810,890	5,419,133	3,477,968	27,617,373	15,449,625	53,536,170	38,738,483
Minnesota	737,942	604,517	2,169,797	1,311,501	14,165,691	9,490,621	17,073,430	11,406,639
Mississippi	10,440,614	8,411,028	2,062,776	1,241,735	17,575,194	10,385,191	30,078,584	20,037,955
Missouri	49,687,073	40,620,342	5,259,337	3,122,095	17,409,623	7,083,339	72,356,033	50,825,775
Montana	437,363	362,856	789,286	529,030	1,943,713	1,533,610	3,170,362	2,425,496
Nebraska	99,744	12,680	842,998	543,159	5,444,911	3,693,701	6,387,653	4,249,540
Nevada	595,860	269,440	27,099	25,592	3,289,524	2,126,340	3,912,483	2,421,372
New Hampshire	28,135	28,022	352,414	138,166	866,902	364,649	1,247,451	530,838
New Jersey	19,779,568	14,040,297	2,938,846	1,555,593	19,722,531	11,767,856	42,440,945	27,363,746
New Mexico	10,958,867	7,897,874	1,646,370	523,454	6,204,817	3,154,227	18,810,054	11,575,555
New York	170,631,613	149,587,289	13,817,134	5,846,161	92,019,021	52,243,995	276,467,768	207,677,445
North Carolina	8,115,425	7,673,540	6,074,211	4,329,339	13,731,994	9,980,755	27,921,630	21,983,634
North Dakota	98,403	86,131	372,936	293,072	1,279,850	923,260	1,751,190	1,302,463
Northern Mariana IIs.	0	0	328,659	76,608	170,213	0	498,872	76,608
Ohio	33,358,994	32,667,867	8,507,353	5,399,043	18,416,413	8,959,900	60,282,759	47,026,810
Oklahoma	8,805,876	7,875,025	4,549,642	2,194,677	11,450,301	5,725,062	24,805,819	15,794,765
Oregon	888,800	795,055	1,422,657	789,512	8,385,550	3,691,797	10,697,007	5,276,364
Pennsylvania	22,992,679	17,293,973	6,940,363	4,524,315	24,187,691	14,832,706	54,120,734	36,650,995
Puerto Rico	48,083,879	35,774,992	28,206,579	12,750,559	465,908	167,577	76,756,365	48,693,129
Rhode Island	882,136	698,945	702,500	464,687	3,104,491	1,947,161	4,689,127	3,110,793
South Carolina	32,682,036	28,817,297	1,302,912	187,226	18,140,186	8,728,843	52,125,134	37,733,366
South Dakota	165,960	39,115	343,644	93,813	1,366,500	992,920	1,876,104	1,125,849
Tennessee	18,152,471	5,196,382	14,154,569	12,799,818	14,120,713	8,662,730	46,427,754	26,658,931
Texas	89,683,773	76,240,630	10,230,580	4,169,869	51,815,051	20,568,341	151,729,403	100,978,840
Utah	342,829	238,787	1,440,918	1,057,682	3,313,245	2,513,883	5,096,993	3,810,352
Vermont	3,889	0	556,489	312,255	1,125,984	675,203	1,686,362	987,458
Virgin Islands	675,658	646,246	87,524	3,600	71,767	20,562	834,949	670,408
Virginia	1,371,510	969,615	2,756,541	1,860,931	15,293,243	11,351,188	19,421,294	14,181,734
Washington	3,763,777	1,657,160	1,038,807	653,116	13,706,429	9,595,006	18,509,014	11,905,282
West Virginia	1,482,354	856,047	378,976	254,909	3,774,881	2,015,198	5,636,211	3,126,154
Wisconsin	7,672,616	6,478,346	3,291,786	2,176,971	14,639,090	7,980,853	25,603,492	16,636,171
Wyoming	564,894	533,125	133,142	33,042	428,320	320,563	1,126,356	886,730
Totals	\$1,159,531,881	\$901,310,636	\$217,641,994	\$122,165,683	\$701,084,864	\$398,695,270	\$2,078,258,739	\$1,422,171,589

¹ Because of the appeals process, funding commitments have been made after the program year ended on June 30, 2001.

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

Table 20.4
Rural Health Care Fund Disbursements by Service Speed and by State
(Funding Period: July 1, 2000 Through June 30, 2001
Activity Through February 26, 2002)

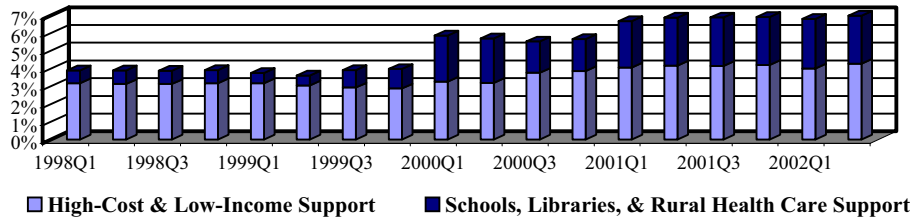
State	Voice Grade	Broadband		Other Service or Speed Unknown	Total
	56K to 199K	200K to 1.49Mb	1.5Mb and faster		
Alabama	\$0	\$0	\$0	\$0	\$0
Alaska	0	35,776	2,957,695	473,204	3,466,675
Arizona	0	0	178,027	0	178,027
Arkansas	0	0	63,112	0	63,112
California	123,716	0	7,891	0	131,607
Colorado	0	0	19,245	0	19,245
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
District of Columbia	0	0	0	0	0
Florida	0	0	0	0	0
Georgia	0	0	0	0	0
Hawaii	0	0	218,920	0	218,920
Idaho	1,632	0	0	0	1,632
Illinois	0	0	56,454	0	56,454
Indiana	0	0	0	0	0
Iowa	0	0	75,359	2,543	77,902
Kansas	19,460	0	32,063	18,694	70,217
Kentucky	0	0	14,488	0	14,488
Louisiana	0	0	8,478	0	8,478
Maine	0	0	0	0	0
Maryland	0	0	0	0	0
Massachusetts	0	0	0	0	0
Michigan	342	0	73,667	930	74,938
Minnesota	0	0	194,233	9,685	203,918
Mississippi	1,514	0	0	7,084	8,598
Missouri	0	0	8,892	0	8,892
Montana	0	0	197,676	3,028	200,704
Nebraska	0	0	236,406	2,585	238,991
Nevada	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	0	0	0	0	0
New Mexico	0	0	14,220	21,757	35,977
New York	0	0	0	0	0
North Carolina	0	0	63,713	865	64,577
North Dakota	9,270	0	169,040	10,066	188,376
Ohio	546	0	1,736	1,753	4,035
Oklahoma	0	0	7,541	787	8,328
Oregon	0	0	28,406	0	28,406
Pennsylvania	0	0	0	0	0
Rhode Island	0	0	0	0	0
South Carolina	0	0	17,909	0	17,909
South Dakota	180	0	115,933	16,574	132,687
Tennessee	0	0	1,148	0	1,148
Texas	0	0	0	0	0
Utah	0	0	0	0	0
Vermont	0	0	0	0	0
Virgin Islands	0	0	45,135	42,538	87,673
Virginia	0	0	0	0	0
Washington	0	0	30,176	0	30,176
West Virginia	856	0	4,587	0	5,443
Wisconsin	0	0	4,149	0	4,149
Wyoming	0	0	0	14,921	14,921
Totals	\$157,517	\$35,776	\$4,846,299	\$627,013	\$5,666,604

Source: USAC data. Rollups performed by the Industry Analysis and Technology Division, Wireline Competition Bureau, FCC.

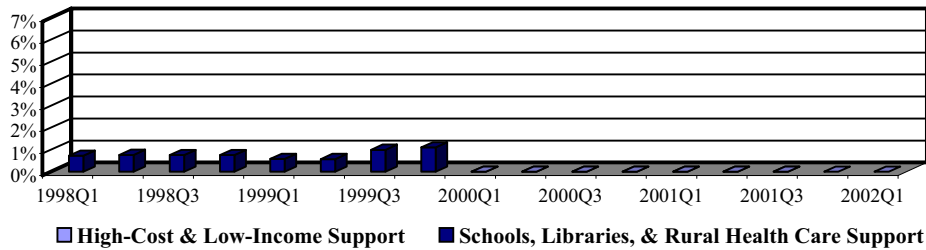
**Table 20.5
Universal Service Fund Factors**

Year Quarter	Factors for					
	Interstate End-User Revenues			Intrastate End-User Revenues		
	High-Cost & Low-Income Support	Schools, Libraries, & Rural Health Care	All Support	High-Cost & Low-Income Support	Schools, Libraries, & Rural Health Care	All Support
1998 First Quarter	3.19 %	0.72 %	3.91 %	0.00 %	0.72 %	0.72 %
1998 Second Quarter	3.14	0.76	3.90	0.00	0.76	0.76
1998 Third Quarter	3.14	0.75	3.89	0.00	0.75	0.75
1998 Fourth Quarter	3.18	0.75	3.93	0.00	0.75	0.75
1999 First Quarter	3.18	0.58	3.76	0.00	0.58	0.58
1999 Second Quarter	3.05	0.57	3.62	0.00	0.57	0.57
1999 Third Quarter	2.94	0.99	3.93	0.00	0.99	0.99
1999 Fourth Quarter	2.89	1.10	3.99	0.00	1.10	1.10
2000 First Quarter	3.27	2.61	5.88	0.00	0.00	0.00
2000 Second Quarter	3.21	2.50	5.71	0.00	0.00	0.00
2000 Third Quarter	3.77	1.77	5.54	0.00	0.00	0.00
2000 Fourth Quarter	3.88	1.79	5.67	0.00	0.00	0.00
2001 First Quarter	4.07	2.61	6.68	0.00	0.00	0.00
2001 Second Quarter	4.18	2.70	6.88	0.00	0.00	0.00
2001 Third Quarter	4.15	2.74	6.89	0.00	0.00	0.00
2001 Fourth Quarter	4.21	2.71	6.92	0.00	0.00	0.00
2002 First Quarter	4.02	2.79	6.81	0.00	0.00	0.00
2002 Second Quarter	4.28	3.00	7.28	0.00	0.00	0.00

**Chart 20.1
Interstate Universal Service Fund Factors**



**Chart 20.2
Intrastate Universal Service Fund Factors**



Source: Quarterly public notices on universal service contribution factors in CC Docket 96-45.

21 Appendix A – List of Publications by Industry Analysis and Technology Division

Most recent release dates are shown in parentheses:

High-Speed Services for Internet Access: Subscribership as of June 30, 2001 (February 2002).

Infrastructure of the Local Operating Operating Companies (October 2000).

2000 International Telecommunications Data (December 2001).

Local Telephone Competition: Status as of June 30, 2001 (February 2002).

Numbering Resource Utilization in the United States (November 2001).

October 2001 Monitoring Report (November 2001).

Quality of Service of Service Report of the Local Operating Companies (December 2001).

State-by-State Telephone Revenues and Universal Service Data (April 2001).

Statistics of Communications Common Carriers 2001/2000 Edition (September 2001).

Statistics of the Long Distance Telecommunications Industry (January 2001).

Telecommunications Industry Revenues (January 2002).

Telecommunications Provider Locator (November 2001).

Telephone Penetration by Income by State (April 2002).

Telephone Subscribership in the United States (February 2002).

Trends in the International Telecommunications Industry (April 2001).

Trends in Telephone Service (August 2001).

22 Appendix B – Sources of Telecommunications Information

The information in this report and, in many cases, more detailed information can be downloaded from the **FCC-State Link** Internet site at 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, Qualex International, 202-863-2893.

Additional information on regulated carriers, including investments, revenues, expenses, and earnings, is contained in the annual *Statistics of Communications Common Carriers*. The 2000/2001 edition can be purchased from the U.S. Government Printing Office (202-512-1800) and can be found on the **FCC-State Link**.

Filings with the Securities and Exchange Commission, such as the annual reports on Form 10-K, can be downloaded from the Edgar Internet site at 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 from the **FCC-State Link**.

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 National Exchange Carrier Association. Copies of the form can be downloaded from the Internet at 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 consumer expenditures (Table 3.1), employment (Tables 5.1 and 5.2), and price indices (Tables 13.1 - 13.3) comes from the Bureau of Labor Statistics and can be found on the Internet at 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 Industry Analysis and Technology Division and can also be found on the **FCC-State Link**.

Table 10.5, on carrier identification codes, and Table 19.1, 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.

The information on wireless telephone service shown in Tables 12.2 and 12.3 was prepared from data received from the Cellular Telecommunications & Internet Association (CTIA), 1133 21st Street N.W., Washington, D.C. 20036, 202-785-0081. CTIA can be found on the Internet at www.wow-com.com.

TNS Telecoms (TNS) has donated databases containing information on residential phone usage collected from actual consumer telecommunications bills to the Commission. TNS Telecoms has granted the Commission permission to use these databases for research purposes and to publish the industry level results. TNS Telecoms 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 10.9, 10.10, and 15.1 - 15.6 come from these databases. For additional information, visit www.tnstelecoms.com or contact them at 1-866-811-TNST or by e-mail at contact@tnstelecoms.com. Their address is 101 Greenwood Avenue, Suite 502, Jenkintown, PA 19046.

Copies of NTIA's report *A Nation Online: How Americans Are Expanding Their Use of the Internet* can be obtained through NTIA's web site at www.ntia.doc.gov or by contacting NTIA's Office of Public Affairs at (202) 482-7002.

Tables 18.1 - 18.3 contain information from the ARMIS 43-07 reports for the BOCs. Individual carrier information can be obtained from the ARMIS web page at www.fcc.gov/web/armis/db.

Chart 18.1 shows the number of patents granted for telecommunications. Additional information on U.S. patents can be found on the Internet at www.uspto.gov.

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. Annually, it publishes and sells statistical publications such as *Statistics of the Local Exchange Carriers*. USTA can be found on the Internet at www.usta.org.

The Association for Local Telecommunications Services (ALTS) (888 17th Street N.W., Suite 900, Washington, D.C. 20006, 202-969-2587) represents many of the competitive local exchange carriers. They can be found on the Internet at www.alts.org. Their annual report, *The State of Local Competition 2001*, is also available on their web site.

23 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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