

Table 1.1
Overview of Telecommunications Industry Revenues¹
(Dollar Amounts Shown in Millions)

		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Preliminary 2012
Wholesale (Carrier's Carrier) Revenues²	Local Service ^{3,4}	\$40,108	\$38,412	\$37,742	\$38,546	\$39,213	\$39,392	\$38,383	\$39,200	\$38,285	\$37,955	\$39,807	\$39,726
	Mobile Service ⁵	6,180	5,020	4,465	4,164	6,334	5,187	5,360	5,630	4,284	5,006	5,512	5,584
	Toll Service ⁶	19,999	16,476	18,205	15,703	16,892	15,101	16,093	13,843	13,003	15,549	11,921	11,480
	Intrastate ⁷	27,848	25,770	24,825	25,852	27,486	24,848	22,566	21,836	20,173	22,484	20,379	18,841
	Interstate and International ^{8,9}	38,439	34,138	35,587	32,561	34,953	34,831	37,270	36,837	35,399	36,026	36,861	37,948
	Total Wholesale Revenues	\$66,287	\$59,907	\$60,412	\$58,413	\$62,439	\$59,679	\$59,836	\$58,672	\$55,571	\$58,510	\$57,240	\$56,789
Retail (End User) Revenues	Local Service ^{3,10}	\$86,403	\$87,302	\$84,691	\$81,545	\$80,155	\$76,082	\$73,095	\$70,598	\$66,591	\$64,892	\$58,506	\$55,635
	Mobile Service ¹¹	67,826	75,659	83,558	92,286	98,156	107,255	112,579	115,304	110,341	106,637	101,881	99,559
	Toll Service ¹²	75,375	63,455	56,078	52,934	49,900	46,938	46,040	44,681	40,637	34,457	34,426	33,447
	Universal Service Surcharges ¹³	5,909	6,019	6,384	6,557	7,272	7,314	7,902	8,110	7,911	8,662	8,986	10,065
	Intrastate ¹⁴	155,347	154,815	150,889	153,265	154,310	157,653	158,380	157,737	149,493	142,356	133,475	128,319
	Interstate and International ^{8,15}	80,165	77,619	79,822	80,057	81,173	79,937	81,235	80,956	75,988	72,292	70,323	70,386
Total Retail Revenues	\$235,513	\$232,434	\$230,711	\$233,322	\$235,482	\$237,589	\$239,615	\$238,693	\$225,481	\$214,648	\$203,798	198,705	
Total Revenues (Wholesale + Retail)	Local Service ³	\$126,511	\$125,713	\$122,433	\$120,091	\$119,368	\$115,474	\$111,478	\$109,798	\$104,876	\$102,847	\$98,313	\$95,360
	Mobile Service	74,006	80,679	88,022	96,450	104,489	112,442	117,939	120,934	114,625	111,643	107,393	105,143
	Toll Service	95,374	79,930	74,283	68,637	66,792	62,039	62,133	58,523	53,640	50,006	46,347	44,926
	Universal Service Surcharges	5,909	6,019	6,384	6,557	7,272	7,314	7,902	8,110	7,911	8,662	8,986	10,065
	Intrastate	183,195	180,585	175,714	179,117	181,796	182,501	180,946	179,573	169,666	164,840	153,854	147,160
	Interstate and International ⁸	118,605	111,756	115,409	112,617	116,125	114,768	118,505	117,793	111,387	108,318	107,184	108,333
Total Telecommunications Revenues	\$301,799	\$292,341	\$291,123	\$291,734	\$297,921	\$297,268	\$299,451	\$297,365	\$281,052	\$273,158	\$261,038	255,494	

Footnotes to Table 1.1

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

²Wholesale revenues are reported on the FCC Form 499-A as sales to other universal service contributors for resale. This includes, for example, access services that local exchange carriers provide to toll carriers. Sales to de minimis resellers, end-user customers, governments, non-profits, and any other non-contributors are treated as end-user revenues. Filers contribute to the universal service funding mechanisms based on their end-user interstate revenues. See Table 1.5 for further details on contribution bases.

³Payphone revenues are included with local service revenues in this table.

⁴Dollar amounts are calculated using the sum of Lines 303a to 308a from Form 499-A.

⁵Dollar amounts are calculated using Line 309a from Form 499-A.

⁶Dollar amounts are calculated using the sum of Lines 310a to 314a from Form 499-A.

⁷Dollar amounts are calculated using the sum of Lines 303a to 314a, minus the sum of Lines 303d to 314d, minus the sum of Lines 303e to 314e from Form 499-A.

⁸Revenues from calls that both originate and terminate in foreign points are reported as end-user revenues and are included in this table through 2010, but are not included in the universal service contribution base. These revenues are not included in preliminary 2012 data.

⁹Dollar amounts are calculated using the sum of Lines 303d to 314d, plus the sum of Lines 303e to 314e from Form 499-A.

¹⁰Dollar amounts are calculated using the sum of Lines 404a to 408a from Form 499-A.

¹¹Dollar amounts are calculated using the sum of Lines 409a and 410a from Form 499-A.

¹²Dollar amounts are calculated using the sum of Lines 411a to 417a from Form 499-A.

¹³Dollar amounts are calculated using Line 403a from Form 499-A.

¹⁴Dollar amounts are calculated using the sum of Lines 403a to 417a, minus the sum of Lines 403d to 417d, minus the sum of Lines 403e to 417e from Form 499-A.

¹⁵Dollar amounts are calculated using the sum of Lines 403d to 417d, plus the sum of Lines 403e to 417e from Form 499-A.

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

Source: FCC Form 499-A. Data for 2011 are based on filings for 2011 as of October 25, 2012. Preliminary 2012 data are based on filings for 2012 as of September 3, 2013.

Table 1.2
Industry Revenues by Service Type: 2001-2011
(Dollar Amounts Shown in Millions)

		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Local Service and Payphone Revenues	Local Exchange ¹	\$72,346	\$71,320	\$70,606	\$68,238	\$66,506	\$63,264	\$62,790	\$60,721	\$56,839	\$56,993	\$52,718
	Pay Telephone ²	1,585	1,192	1,063	1,002	924	659	470	379	268	197	136
	Local Private Line ³	21,966	23,070	22,415	23,840	25,673	25,448	24,307	26,314	27,098	26,809	28,243
	Other Local ⁴	3,391	3,418	3,242	2,944	3,331	3,884	3,227	3,321	3,531	3,032	3,145
	Subscriber Line Charges ⁵	12,127	12,758	12,136	11,715	11,113	10,827	10,141	9,283	8,363	7,481	6,703
	Access ⁶	15,096	13,955	12,972	12,352	11,822	11,392	10,543	9,776	8,778	8,336	7,368
	Total Local Service and Payphone Revenues	126,511	125,713	122,434	120,091	119,368	115,474	111,478	109,795	104,876	102,847	98,313
Mobile Revenues	Total Mobile Service Revenues⁷	74,006	80,678	88,023	96,450	104,489	112,442	117,939	120,934	114,625	111,643	107,393
Toll Service Revenues	Operator ⁸	10,389	7,902	6,567	6,542	6,631	5,577	5,874	5,444	4,340	3,585	3,162
	Non-Operator Switched Toll ⁹	65,325	54,475	50,178	46,387	44,876	41,570	42,518	39,329	34,943	27,132	27,557
	Long Distance Private Line ¹⁰	16,402	15,108	15,316	13,906	13,264	12,739	12,080	11,683	11,649	14,344	11,443
	Other Long Distance ¹¹	3,259	2,445	2,222	1,801	2,021	2,154	1,661	2,071	2,708	4,945	4,186
	Total Toll Service Revenues	95,374	79,930	74,283	68,637	66,792	62,039	62,133	58,527	53,640	50,006	46,347
Total Service Revenues Subtotal		295,891	286,322	284,739	285,177	290,649	289,954	291,549	289,255	273,141	264,496	252,052
	Universal Service Surcharges ^{12,13}	5,908	6,019	6,383	6,557	7,273	7,314	7,902	8,110	7,911	8,662	8,986
Total Telecommunications Revenues Subtotal¹⁴		301,799	292,341	291,122	291,735	297,921	297,269	299,451	297,365	281,052	273,158	261,038
	Total Non-Telecommunications Revenues ¹⁵	48,036	60,406	65,186	71,493	86,764	101,061	131,615	151,494	158,859	173,228	214,538
Total Reported Revenues		\$349,835	\$352,747	\$356,308	\$363,227	\$384,685	\$398,329	\$431,066	\$448,860	\$439,911	\$446,386	\$475,576

Footnotes to Table 1.2

¹Dollar amounts are calculated using the sum of Lines 303a, 308a, and 404a from Form 499-A.

²Dollar amounts are calculated using the sum of Lines 306a and 407a from Form 499-A.

³Dollar amounts are calculated using the sum of Lines 305a and 406a from Form 499-A.

⁴Dollar amounts are calculated using the sum of Lines 307a and 408a from Form 499-A.

⁵Dollar amounts are calculated using Line 405a from Form 499-A.

⁶Dollar amounts are calculated using Line 304a from Form 499-A.

⁷Dollar amounts are calculated using the sum of Lines 309a, 409a, and 410a from Form 499-A.

⁸Dollar amounts are calculated using the sum of Lines 310a, 411a, 412a, and 413a from Form 499-A.

⁹Dollar amounts are calculated using the sum of Lines 311a and 414a from Form 499-A.

¹⁰Dollar amounts are calculated using the sum of Lines 312a and 415a from Form 499-A.

¹¹Dollar amounts are calculated using the sum of Lines 313a, 314a, 416a, and 417a from Form 499-A.

¹²The surcharge figure indicates only surcharges that have been explicitly reported as such in Form 499-A and does not account for implicit surcharge revenues where carriers collect the surcharge through higher prices.

¹³Dollar amounts are calculated using Line 403a from Form 499-A.

¹⁴Subtotal includes surcharge.

¹⁵Dollar amounts are calculated using Line 418a from Form 499-A.

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

Source: FCC Form 499-A. Data for 2011 are based on filings as of October 25, 2012.

Table 1.3
2011 Industry Revenues by Service Type: Top 5 Affiliated Entities vs. Other Companies
(Dollar Amounts Shown in Millions)

		Top 5 Affiliated Entities¹	Other Companies	Total
Local Service and Payphone Revenues	Local Exchange ²	\$29,736	\$17,362	\$47,098
	Pay Telephone ³	39	97	136
	Local Private Line ⁴	20,739	7,503	28,243
	Other Local ⁵	1,981	1,165	3,145
	Federal and State USF Support ⁶	1,900	3,720	5,620
	Subscriber Line Charges ⁷	4,435	2,269	6,703
	Access ⁸	3,939	3,429	7,368
	Total Local Service and Payphone Revenues	62,768	35,545	98,313
Mobile Revenues	Total Mobile Service Revenues⁹	92,642	14,751	107,392
Toll Service Revenues	Operator ¹⁰	610	2,552	3,162
	Non-Operator Switched Toll ¹¹	14,664	12,892	27,557
	Long Distance Private Line ¹²	7,400	4,043	11,443
	Other Long Distance ¹³	639	3,547	4,186
	Total Toll Service Revenues	23,313	23,034	46,347
Total Service Revenues		178,723	73,330	252,052
Universal Service Surcharges ^{14,15}		6,985	2,001	8,986
Total Telecommunications Revenues		185,707	75,331	261,038
Total Non-Telecommunications Revenues ¹⁶		127,910	86,628	214,538
Total Reported Revenues		\$313,618	\$161,959	\$475,576

¹The "Top 5 Affiliated Entities" are those with the greatest revenues as defined by Line 419a, which includes Lines 303a to 314a and Lines 403a to 418a. These companies are (in alphabetical order): AT&T Inc., CenturyLink, Deutsche Telekom AG, Sprint Nextel Corporation, and Verizon Communications.

²Dollar amounts are calculated using the sum of Lines 303a and 404a from Form 499-A.

³Dollar amounts are calculated using the sum of Lines 306a to 407a from Form 499-A.

⁴Dollar amounts are calculated using the sum of Lines 305a to 406a from Form 499-A.

⁵Dollar amounts are calculated using the sum of Lines 307a to 408a from Form 499-A.

⁶Dollar amounts are calculated using Line 308a from Form 499-A.

⁷Dollar amounts are calculated using Line 405a from Form 499-A.

⁸Dollar amounts are calculated using Line 304a from Form 499-A.

⁹Dollar amounts are calculated using the sum of Lines 309a, 409a, and 410a from Form 499-A.

¹⁰Dollar amounts are calculated using the sum of Lines 310a, 411a, 412a, and 413a from Form 499-A.

¹¹Dollar amounts are calculated using the sum of Lines 311a and 414a from Form 499-A.

¹²Dollar amounts are calculated using the sum of Lines 312a and 415a from Form 499-A.

¹³Dollar amounts are calculated using the sum of Lines 313a, 314a, 416a, and 417a from Form 499-A.

¹⁴The surcharge figure indicates only surcharges that have been explicitly reported as such in Form 499-A and does not account for all the surcharge revenues collected for universal service.

¹⁵Dollar amounts are calculated using Line 403a from Form 499-A.

¹⁶Dollar amounts are calculated using Line 418a from Form 499-A.

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

Source: FCC Form 499-A for 2011 as of October 25, 2012.

Table 1.4**Estimated Retail (End-User) Telecommunications and Interconnected VoIP Service Revenues By Region^{1,2}: 2011****(Dollar Amounts Shown in Millions)**

Region	States	Top 5 Affiliated Entities³	Other Companies	Total Retail Revenue⁴	Region as % of Total
Southeast:	Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, and the U.S. Virgin Islands	\$32,550	\$11,820	\$44,370	21.8%
Western:	Alaska, Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming	18,477	7,645	26,122	12.8%
West Coast:	California, Hawaii, Nevada, American Samoa, Guam, Northern Mariana Islands, and Wake Island	21,009	5,792	26,801	13.2%
Mid-Atlantic:	Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia, and West Virginia	20,441	6,210	26,650	13.1%
Mid-West:	Illinois, Indiana, Michigan, Ohio, and Wisconsin	20,099	7,820	27,919	13.7%
Northeast:	Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont	17,101	6,986	24,086	11.8%
Southwest:	Arkansas, Kansas, Missouri, Oklahoma, and Texas	20,787	5,651	26,438	13.0%
	Filers that did not provide revenue information by region ¹	0	1,412	1,412	0.7%
	Total	\$150,463	\$53,335	\$203,798	100.0%

¹Filers that are exempt from contributing to local number portability administration are not required to provide a breakout by region of the country.

²Surcharges (Line 403) and international-to-international revenues (Line 412) are included in the revenue figures.

³The "Top 5 Affiliated Entities" are those with the greatest revenues as defined by Line 419a, which is the sum of Lines 303a to 314a and Lines 403a to 418a. These companies are (in alphabetical order): AT&T Inc., CenturyLink, Deutsche Telekom AG, Sprint Nextel Corporation, and Verizon Communications.

⁴Totals for each region are calculated using the sum of Lines 403a to 417a, multiplied by the percentage of the company's end-user revenues for that region, from Form 499-A.

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

Source: FCC Form 499-A for 2011 as of October 25, 2012.

Table 1.5
Contribution Base Revenues By Program¹: 2011
(Dollar Amounts Shown in Millions)

		2011
Revenues subject to universal service contribution		
	Billed interstate and international end-user revenues (includes Universal Service Surcharge) [Line 403 to Line 417, parts (d) and (e)]	\$70,323
less	revenues for international - to - international services [Line 412(e)]	452
less	international revenues of international-only filers and international revenues that were excluded because of the LIRE Exemption ²	3,079
less	interstate and other international revenues for 1,775 filers who are de minimis or otherwise exempt from universal service support requirements	31
less	uncollectible contribution base revenues [Line 422(d) + Line 422(e)] (Does not include uncollectible amounts associated with revenues excluded above.)	787
equals		\$65,974
Revenues subject to TRS contribution		
	Interstate and international end-user revenues	\$70,323
less	interstate and international revenues for filers who identify themselves as private service providers or as shared-tenant service providers and who therefore are exempt from telecommunications relay service (TRS) contribution requirements if they provide no carrier services	519
less	interstate and international revenues for services provided for resale but reported as end user because it was provided to carriers that do not contribute to universal service support mechanisms [Line 511(b)]	432
equals		\$69,372
Revenues subject to NANPA and LNP contribution		
	Total telecommunications service end-user revenues (including intrastate, interstate and international) [Sum of Line 403(a) to Line 417(a)]	\$203,798
less	Universal Service Surcharge [Line 403(a)]	8,986
less	revenues for international - to - international services [Line 412(e)]	452
less	telecommunications revenues for filers who identify themselves as private service providers, shared-tenant service providers or payphone service providers and who therefore are exempt from North American Numbering Plan Administration (NANPA) and local number portability administration (LNP) contribution requirements if they provide no carrier services	1,171
less	telecommunications revenues for services provided for resale but reported as end user because it was provided to carriers that do not contribute to universal service support mechanisms [Line 511 (a)]	445
equals		\$192,745

¹This table shows how contribution bases differ for different programs and provides relative magnitudes, but does not provide the actual amounts used for determining contributions. Amounts shown represent the amounts contained in the FCC Form 499-A database as of February 29, 2012. The universal service administrator continues to receive additional and corrected filings. Exempt amounts were based on revenues and the filer type (i.e., principal business activity) information contained in the FCC Form 499-A filings. The fund administrators may use carrier type, revenue type, Line 603 exemption certifications, and additional information requested from filers to determine which filers are required to contribute. The universal service fund administrator bills delinquent filers based on estimated revenues and may, in some instances, include estimated revenue amounts in contribution base amounts. The universal service contribution factors are set quarterly based on FCC Form 499-Q filings. FCC Form 499-A data are used for true-up and auditing purposes. Local number portability contribution amounts are determined by region of the country rather than on a nationwide basis. As a result of these factors, actual contribution bases have been based on different amounts than those shown.

²A provider receives the Limited International Revenue Exemption (LIRE) and its international revenues are excluded from the contribution base if the total amount of interstate end-user revenues for the filing entity consolidated with all affiliates is less than 12% of the total of interstate and international end-user revenues for the filing entity consolidated with all affiliates. See 47 C.F.R. § 54.706(c). The threshold was increased from 8% to 12% in 2002. See Federal-State Joint Board on Universal Service, et al., CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-166, 98-170, Further Notice of Proposed Rulemaking and Report and Order, 17 FCC Rcd 3752, 3806, para. 125 (2002). In addition, filers that provide only international services are exempt regardless of services offered by affiliates.

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

Source: FCC Form 499-A for 2011 as of October 25, 2012.

Table 1.6
Billed Interstate and International Retail Revenues¹ by
Top 5 Affiliated Entities vs. Other Companies
(Dollar Amounts Shown in Millions)

	2010	2011	Preliminary ³	
			2012	First Half 2013
Top 5 Affiliated Entities²	\$51,655	\$49,544	\$49,633	\$24,131
Other Companies	20,637	19,504	19,989	9,824
Total	\$72,292	\$69,048	\$69,622	\$33,955

¹Current year revenues are calculated as the sum of Lines 403d to 417d, plus the sum of Lines 403e to 417e, minus Lines 412e, 422d, and 422e.

²The "Top 5 Affiliated Entities" are the five affiliated entities with the greatest revenues as defined by Line 419a, which is the sum of Lines 303a to 314a and Lines 403a to 418a. In 2010, these companies were (in alphabetical order): AT&T Inc., Deutsche Telekom AG, Qwest Services Corp., Sprint Nextel Corporation, and Verizon Communications. In 2011 to 2013, these companies were (in alphabetical order): AT&T Inc., CenturyLink, Deutsche Telekom AG, Sprint Nextel Corporation, and Verizon Communications.

³Preliminary revenues are calculated using Line 116b plus Line 116c for each quarter in FCC Form 499-Q.

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

Source: For 2011, data is based on FCC Form 499-A for 2011 as of October 25, 2012. For 2012 and 2013, data is based on FCC Form 499-Q.

Table 1.7
Carrier Telecommunications Revenue Reported on FCC Form 499-Q: 2011-2013
(Dollar Amounts Shown in Millions)

Data from FCC Form 499-Q			All Filers	LIRE Exemption	Total Less LIRE
Projected Revenues for 2011	Interstate and International	Billed to End Users	\$70,995		
		Collected from End Users	69,739	(3,096)	66,642
		Implied Uncollectible Rate	1.8%		
Historical Revenues Reported for 2011	Intrastate, Interstate, and International	Billed to Resellers	60,730		
		Billed to End Users	205,146		
		Total Revenue	265,876		
	Interstate and International	Billed to End Users	69,963		
Projected Revenues for 2012	Interstate and International	Billed to End Users	70,141		
		Collected from End Users	69,125	(2,892)	66,233
		Implied Uncollectible Rate	1.4%		
Historical Revenues Reported for 2012	Intrastate, Interstate, and International	Billed to Resellers	59,803		
		Billed to End Users	198,260		
		Total Revenue	258,063		
	Interstate and International	Billed to End Users	69,622		
Projected Revenues for 2013	Interstate and International	Billed to End Users ¹	68,884		
		Collected from End Users ^{2,3}	67,975	(2,609)	
		Implied Uncollectible Rate	1.3%		
Historical Revenues Reported for First Half of 2013	Intrastate, Interstate, and International	Billed to Resellers ⁴	26,741		
		Billed to End Users ⁵	95,283		
		Total Revenue	122,024		
	Interstate and International	Billed to End Users ⁶	33,955		

¹Dollar amounts for projected revenues billed to end users are calculated using the sum of Lines 119b and 119c from Form 499-Q.

²Dollar amounts for projected revenues collected from end users including All Filers are calculated using the sum of Lines 120b and 120c from Form 499-Q.

³Dollar amounts for projected LIRE exempt revenues are calculated using the sum of Lines 120b and 120c from those filers who are LIRE-exempt based on Form 499-Q filings.

⁴Dollar amounts for historical revenues billed to resellers is calculated using Line 115a from Form 499-Q.

⁵Dollar amounts for historical revenues billed to end users is calculated using Line 116a from Form 499-Q.

⁶Dollar amounts for interstate and international historical revenues billed to end users is calculated using the sum of Lines 116b and 116c from Form 499-Q.

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

Source: FCC Form 499-Q.

Table 1.9
Universal Service Program Requirements and Contribution Factors for 2013
(in Millions)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
All Support Mechanisms					
Projections of demand and administrative expenses at the time the contribution factors were adopted					
High Cost					
High Cost Loop Support	\$198.14	\$198.38	\$197.79	\$197.44	\$791.75
Interstate Common Line Support	\$199.58	\$198.23	\$217.05	\$217.05	\$831.91
Connect America Fund - Frozen Price Cap Carrier Support ¹	\$258.58	\$260.04	\$260.04	\$259.55	\$1,038.21
Frozen Competitive ETC Support ²	\$200.81	\$200.89	\$154.72	\$154.73	\$711.15
Connect America Fund - Intercarrier Compensation Support	\$107.18	\$104.35	\$104.35	\$109.28	\$425.16
Connect America Fund Reserve Pursuant to FCC 11-1612 ³	\$160.71	\$163.11	\$191.05	\$186.95	\$701.82
Prior Period Adjustment ³	\$6.92	\$15.63	-\$17.42	-\$15.22	-\$10.09
USAC Administrative Costs	\$7.80	\$7.54	\$7.66	-\$0.01	\$22.99
Interest Income ⁴	-\$0.87	-\$0.87	-\$0.79	-\$1.04	-\$3.57
Program Total	\$1,138.85	\$1,147.30	\$1,114.45	\$1,108.73	\$4,509.33
Low Income					
Lifeline Assistance	\$545.68	\$482.62	\$443.39	\$449.68	\$1,921.37
Link-Up	\$0.05	\$0.18	\$0.07	\$0.05	\$0.35
Toll Limitation Service	\$0.99	\$0.49	\$0.29	\$0.29	\$2.06
Broadband Pilot	\$1.50	\$3.00	\$1.50	\$1.00	\$7.00
Prior Period Adjustment	-\$51.03	-\$117.32	-\$117.02	-\$47.44	-\$332.81
USAC Administrative Costs	\$6.00	\$7.29	\$8.71	\$2.86	\$24.86
Interest Income ⁴	-\$0.17	-\$0.14	-\$0.17	-\$0.19	-\$0.67
Program Total	\$503.02	\$376.12	\$336.77	\$406.25	\$1,622.16
Rural Health					
Rural Health Care Support	\$28.97	\$26.43	\$52.92	\$55.81	\$164.13
Prior Period Adjustment	-\$1.35	\$0.04	-\$0.41	-\$0.51	-\$2.23
USAC Administrative Costs	\$2.90	\$3.84	\$4.85	\$3.19	\$14.78
Interest Income ⁴	-\$0.31	-\$0.29	-\$0.24	-\$0.25	-\$1.09
Program Total	\$30.21	\$30.02	\$57.12	\$58.24	\$175.59
Schools & Libraries					
Schools and Libraries Support	\$540.90	\$537.25	\$539.68	\$557.89	\$2,175.72
Inflation adjustment ⁵	\$24.49	\$24.49	\$32.58	\$32.58	\$114.14
Prior Period True-ups	\$3.82	\$3.15	-\$7.95	-\$9.20	-\$10.18
Interest Income ⁴	-\$4.33	-\$3.99	-\$3.32	-\$3.79	-\$15.43
Administrative expenses	\$21.60	\$25.25	\$22.82	\$4.61	\$74.28
Program Total	\$586.48	\$586.15	\$583.81	\$582.09	\$2,338.53
Grand Total	\$2,258.56	\$2,139.59	\$2,092.15	\$2,155.31	\$8,645.61
Applicable interstate and international end-user revenues					
Reported contribution base revenues	\$16,436.87	\$16,151.65	\$16,101.00	\$16,161.84	
Circularity Adjustment					
Amount carriers will contribute to USF in this quarter.	-2,258.56	-2,139.59	-2,092.15	-2,155.31	
Subtotal	\$14,178.31	\$14,012.06	\$14,008.85	\$14,006.53	
Adjustment factor for uncollectibles	1.0%	1.0%	1.0%	1.0%	
Contribution base at the time the factor was calculated	\$14,036.53	\$13,871.94	\$13,868.76	\$13,866.47	
Contribution factor	16.1%	15.5%	15.1%	15.6%	
Contribution factor times contribution base	\$2,259.88	\$2,150.15	\$2,094.18	\$2,163.17	

Source: Support mechanism data are from USAC Appendix M02 from pertinent filings as shown at <http://www.usac.org/about/tools/fcc/filings/default.aspx>. Contribution factor information is available at <https://www.fcc.gov/encyclopedia/contribution-factor-quarterly-filings-universal-service-fund-usf-management-support>.

¹ In the *USF/ICC Transformation Order*, the Commission converted support received by Price Cap carriers and their rate-of-return affiliates, including IAS, HCMS, ICLS, LSS, and HCLS, to Frozen High Cost Carrier Support. *USF/ICC Transformation Order*, paras. 128-57.

² In the *USF/ICC Transformation Order*, the Commission froze support received by competitive ETCs, including IAS, HCMS, ICLS, LSS, and HCLS at 2011 levels, effective January 1, 2012, and began phasing the frozen support down effective July 1, 2012. *USF/ICC Transformation Order*, paras. 498-32.

³ In the *USF/ICC Transformation Order*, the Commission created the Connect America reserve to be used to manage fluctuations in high-cost demand. *Id.*, paras. 547-56.

⁴ Interest income is shown as negative because it is subtracted from expenses to yield the total.

⁵ In the *USF/ICC Transformation Order*, the FCC directed USAC to include the inflation adjustments to the E-rate cap in the Schools and Library Support Mechanism demand projection. *USF/ICC Transformation Order*, para. 567.

Table 1.10
Universal Service Contributions Divided by Number of Households and Lines
Monthly
Inflation Adjusted (2013 Dollars)

Year	Total Contributions					Residential Contributions			
	High-Cost Support	Low-Income Support	Rural Health Care	Schools and Libraries	Total	Per-Household Low Estimate	Per-Household High Estimate	Per-Line Low Estimate	Per-Line High Estimate
2011	\$3.27	\$1.22	\$0.07	\$1.71	\$6.27	\$2.82	\$3.45	\$0.97	\$1.18
2012	\$3.21	\$1.70	\$0.09	\$1.70	\$6.71	\$2.96	\$3.62	\$1.01	\$1.24
2013	\$3.05	\$1.10	\$0.12	\$1.58	\$5.85	\$2.63	\$3.22	\$0.91	\$1.11

Notes: Performance measures reported pursuant to the *USF/ICC Transformation Order* and *Lifeline Reform Order*. Figures do not represent the average amount individual households see on their bills because universal service contribution data do not separate business from residential contributions. The Commission does not currently collect data that would allow the residential amount to be calculated accurately. FCC staff, using data from FCC Form 499 and third party reports, estimates that contributions based on services typically sold to residential users represent roughly one-half of overall contributions; the third party data sources used in creating these estimates are the 2013 Telecommunications Industry Association (TIA) Market Forecast and Review and the U.S. Census. FCC staff believe that the residential portion of the total contribution is between 45% (low estimate) and 55% (high estimate). The per-bill amount is a fraction of the per-household amount because many households have multiple phone lines. FCC staff, using Form 477 and U.S. Census data, estimates that on average U.S. households had 2.9 telephone lines in 2011-2013. Using the 2013 estimate for example, the average 2013 per-line contribution would be at 45% about \$0.91 and at 55% about \$1.11. Figures may not add due to rounding. Rural Health Care support includes both the primary and pilot programs.

Source: Universal service contributions in 2011 from Table 1.10 of the 2011 *Monitoring Report* and for 2012 from Table 1.9 of the 2012 *Monitoring Report* and for 2013 from Table 1.9. Inflation adjusted using CPI values reported for July of each year in Table 4.3. Household data as reported in Table 3.1 were used to calculate per household amount. Form 477 data were used to estimate residential lines.

Table 1.11
Universal Service Fund Contribution Factor ¹

Year	Quarter	Factor
2003	Second Quarter	9.1
	Third Quarter	9.5
	Fourth Quarter	9.2
2004	First Quarter	8.7
	Second Quarter	8.7
	Third Quarter	8.9
	Fourth Quarter	8.9
2005	First Quarter	10.7
	Second Quarter	11.1
	Third Quarter	10.2
	Fourth Quarter	10.2
2006	First Quarter	10.2
	Second Quarter	10.9
	Third Quarter	10.5
	Fourth Quarter	9.1
2007	First Quarter	9.7
	Second Quarter	11.7
	Third Quarter	11.3
	Fourth Quarter	11.0
2008	First Quarter	10.2
	Second Quarter	11.3
	Third Quarter	11.4
	Fourth Quarter	11.4
2009	First Quarter	9.5
	Second Quarter	11.3
	Third Quarter	12.9
	Fourth Quarter	12.3
2010	First Quarter	14.1
	Second Quarter	15.3
	Third Quarter	13.6
	Fourth Quarter	12.9
2011	First Quarter	15.5
	Second Quarter	14.9
	Third Quarter	14.4
	Fourth Quarter	15.3
2012	First Quarter	17.9
	Second Quarter	17.4
	Third Quarter	15.7
	Fourth Quarter	17.4
2013	First Quarter	16.1
	Second Quarter	15.5
	Third Quarter	15.1
	Fourth Quarter	15.6

¹ Beginning with the second quarter of 2003, carriers contribute based on projected, collected, end-user interstate and international telecommunications revenues. Previously, carriers contributed on historical, gross billed revenues.

Source: Quarterly Public Notices on universal service contribution factors are in CC Docket 96-45. See <http://www.fcc.gov/encyclopedia/contribution-factor-quarterly-filings-universal-service-fund-usf-management-support>.

Table 1.12
Universal Service Disbursements 2001-2012
(in Million of Dollars)

Year	High-Cost Support	Low-Income Support	Rural Health Care	Schools and Libraries	Total
2001	\$2,602	\$584	\$8	\$1,464	\$4,659
2002	2,978	673	16	1,683	5,351
2003	3,273	713	3	1,644	5,633
2004	3,488	759	1	1,076	5,324
2005	3,824	809	26	1,862	6,520
2006	4,096	820	41	1,669	6,626
2007	4,287	823	37	1,808	6,955
2008	4,478	819	49	1,760	7,106
2009	4,292	1,025	72	1,878	7,268
2010	4,268	1,316	110	2,282	7,976
2011	4,031	1,751	141	2,233	8,156
2012	4,147	2,189	155	2,218	8,710

Notes: Figures may not add due to rounding. The figures used in this table are for the calendar year and include disbursements that were committed over several years but paid out in the respective calendar year. In Section 2, figures for the Schools and Libraries program and the Rural Health Care program are reported based on fiscal year rather than calendar year. Rural Health Care support includes both the primary and pilot programs.

Source: Universal Service Administration Company (USAC).

Table 1.13
Preliminary Universal Service Support Mechanisms by State: 2012
(Annual Payments and Contributions in Thousands)

	Payments from USF to Service Providers ¹					Total		Estimated Contributions ³		Estimated Net Dollar Flow ⁴
	High-Cost Support	Low-Income Support	Schools & Libraries	Health Care ²	Amount					
Alabama	\$88,849	\$40,537	\$50,919	\$1,481	\$181,786	2.09%	\$139,851	1.59%	\$41,935	
Alaska	204,908	19,577	45,800	51,960	322,245	3.70%	23,139	0.26%	299,106	
American Samoa	3,579	44	1,208	469	5,300	0.06%	703	0.01%	4,597	
Arizona	71,122	31,343	66,256	2,140	170,861	1.96%	171,594	1.95%	-733	
Arkansas	93,163	59,591	22,661	1,775	177,190	2.03%	77,522	0.88%	99,668	
California	92,167	164,402	319,306	6,603	582,478	6.69%	963,027	10.92%	-380,549	
Colorado	79,763	2,268	30,219	3,770	116,020	1.33%	157,461	1.79%	-41,441	
Connecticut	454	13,970	18,127	0	32,551	0.37%	117,416	1.33%	-84,865	
Delaware	222	4,517	3,456	0	8,195	0.09%	31,621	0.36%	-23,426	
Dist. of Columbia	0	4,890	10,345	0	15,235	0.17%	42,968	0.49%	-27,733	
Florida	59,281	118,154	80,450	457	258,342	2.97%	571,148	6.47%	-312,806	
Georgia	119,843	131,882	101,502	3,316	356,543	4.09%	285,359	3.23%	71,184	
Guam	15,476	351	1,150	185	17,162	0.20%	4,832	0.05%	12,330	
Hawaii	37,752	641	2,369	987	41,749	0.48%	50,359	0.57%	-8,610	
Idaho	55,120	2,763	15,500	592	73,975	0.85%	43,604	0.49%	30,371	
Illinois	72,653	98,265	98,436	8,403	277,757	3.19%	356,432	4.04%	-78,675	
Indiana	83,558	18,990	39,031	3,645	145,224	1.67%	168,529	1.91%	-23,305	
Iowa	134,975	10,250	16,270	3,361	164,856	1.89%	80,059	0.91%	84,797	
Kansas	189,641	10,066	18,129	580	218,416	2.51%	75,719	0.86%	142,697	
Kentucky	109,181	27,874	41,883	997	179,935	2.07%	117,166	1.33%	62,769	
Louisiana	112,249	110,927	53,278	194	276,648	3.18%	122,823	1.39%	153,825	
Maine	28,784	12,755	7,779	847	50,165	0.58%	38,747	0.44%	11,418	
Maryland	3,405	80,315	42,971	5	126,696	1.45%	196,397	2.23%	-69,701	
Massachusetts	2,282	38,363	20,172	110	60,927	0.70%	207,403	2.35%	-146,476	
Michigan	46,221	66,729	42,968	5,528	161,446	1.85%	249,502	2.83%	-88,056	
Minnesota	113,208	9,415	24,332	4,693	151,648	1.74%	141,960	1.61%	9,688	
Mississippi	237,373	32,110	25,306	388	295,177	3.39%	77,589	0.88%	217,588	
Missouri	106,286	35,143	34,455	1,200	177,084	2.03%	168,574	1.91%	8,510	
Montana	86,170	2,932	4,327	4,986	98,415	1.13%	29,398	0.33%	69,017	
Nebraska	86,434	1,384	11,149	2,640	101,607	1.17%	50,774	0.58%	50,833	
Nevada	24,887	15,563	7,486	85	48,021	0.55%	76,601	0.87%	-28,580	
New Hampshire	9,705	2,821	2,618	5	15,149	0.17%	40,523	0.46%	-25,374	
New Jersey	1,175	46,718	56,267	0	104,160	1.20%	293,704	3.33%	-189,544	
New Mexico	78,284	14,010	28,912	1,920	123,126	1.41%	55,479	0.63%	67,647	
New York	41,876	141,761	117,203	3,020	303,860	3.49%	589,830	6.69%	-285,970	
North Carolina	82,863	66,783	68,570	2,349	220,565	2.53%	270,460	3.07%	-49,895	
North Dakota	94,858	1,852	3,841	1,307	101,858	1.17%	20,142	0.23%	81,716	
Northern Mariana Is.	1,535	214	638	0	2,387	0.03%	1,259	0.01%	1,128	
Ohio	37,979	110,079	76,673	4,666	229,397	2.63%	304,711	3.45%	-75,314	
Oklahoma	145,846	252,387	65,343	1,656	465,232	5.34%	95,686	1.08%	369,546	
Oregon	79,408	6,060	17,687	5,299	108,454	1.25%	104,192	1.18%	4,262	
Pennsylvania	69,432	58,702	65,312	1,283	194,729	2.24%	368,999	4.18%	-174,270	
Puerto Rico	158,658	40,524	15,200	0	214,382	2.46%	90,308	1.02%	124,074	
Rhode Island	29	9,274	6,895	0	16,198	0.19%	29,514	0.33%	-13,316	
South Carolina	110,480	24,280	42,249	1,921	178,930	2.05%	131,705	1.49%	47,225	
South Dakota	68,717	1,135	6,339	1,575	77,766	0.89%	22,753	0.26%	55,013	
Tennessee	65,877	48,342	44,748	564	159,531	1.83%	181,840	2.06%	-22,309	
Texas	241,725	95,870	208,461	3,109	549,165	6.30%	611,305	6.93%	-62,140	
Utah	24,656	4,720	17,659	3,394	50,429	0.58%	64,739	0.73%	-14,310	
Vermont	22,059	2,107	2,305	42	26,513	0.30%	20,889	0.24%	5,624	
Virgin Islands	11,106	97	7,089	48	18,340	0.21%	6,735	0.08%	11,605	
Virginia	74,538	31,957	30,826	2,098	139,419	1.60%	267,479	3.03%	-128,060	
Washington	89,108	26,253	27,372	300	143,033	1.64%	181,250	2.05%	-38,217	
West Virginia	55,659	19,206	15,481	394	90,740	1.04%	60,240	0.68%	30,500	
Wisconsin	177,293	18,042	28,884	8,188	232,407	2.67%	151,616	1.72%	80,791	
Wyoming	45,244	291	4,374	902	50,811	0.58%	17,373	0.20%	33,438	
Total	\$4,147,117	\$2,189,496	\$2,218,186	\$155,435	\$8,710,235	100.00%	\$8,821,009	100.00%	-\$110,774	

Notes: Figures may not add due to rounding. USF is an abbreviation for the Universal Service Fund.

¹ Data are from USAC.

² Includes both the primary and pilot programs.

³ Contributions are preliminary and include administrative cost of approximately \$111 million, as shown in USAC's Annual Report.

Allocation of contributions among states is an FCC staff estimate.

⁴ Net dollar flow is positive when payments from USF to carriers exceed contributions to USF. Total is negative because of administrative expenses.