

Technical Appendix: Estimating End-User Telecommunication Revenue by State in 2014

The methodology described below is used in estimating contributions in Table 1.9 of the 2016 *Monitoring Report*. Providers do not report end-user telecommunication revenue information on a state-by-state basis. Therefore, it is necessary to estimate revenues per state in order to derive contributions made per state.

The nationwide sum of contributions to support universal service is equal to the payments made from USAC to recipients of funds from the universal service mechanisms plus administration costs. Contributions on a per-state basis are computed by multiplying nationwide contributions by the ratio of interstate end-user revenues in each state to nationwide interstate end-user revenues. Estimates of interstate end-user revenues by state are reported in Table 1. These estimates of end-user interstate revenues are used as a basis for estimating contributions in Table 1.9 of the *Monitoring Report*.¹

The remainder of this appendix provides a detailed description on how we allocate revenues to the states. First we divide end-user telecommunications revenues on a nationwide basis, into the following provider type categories: incumbent local exchange carriers (ILECs), competitive local exchange carriers (CLECs) and interconnected VoIP providers, payphone providers, wireless carriers, and toll carriers. We derive these data from information filed on Form 499-A Telecommunications Reporting Worksheets. On Form 499-A, filers indicate their principal business type, which we use to place filers into provider type categories. Table 2 presents end-user intrastate and interstate/international telecommunication revenues for each of these provider type categories at the nationwide level.

As set forth below, once the revenues are divided into categories, we use data from several sources to estimate each state's end-user telecommunications revenues. Data from FCC Form 477 are used to estimate the following on a state-by-state basis: intrastate ILEC revenues, CLEC and interconnected VoIP revenues, intrastate toll carrier revenues and wireless revenues. Data from tariff access filings with the FCC along with Form 477 data are used to estimate on a state-by-state basis interstate ILEC revenues. Interstate toll carrier revenues are estimated using data from the National Exchange Carrier Association (NECA) minutes of use data.

Table 2 shows intrastate end-user telecommunications revenues by category for ILECs, CLECs and interconnected VoIP providers, payphone providers, wireless carriers, and toll carriers. Similarly, components of interstate end-user telecommunications revenues are presented in Table 3.

Table 5 provides most of the underlying data that we use to allocate nationwide revenues to the individual states. We also report each state's percentage of the nationwide total. The data on ILEC end-user switched access lines, non-ILEC end-user switched access lines and interconnected VoIP subscriptions and mobile wireless subscribers are taken from data reported in FCC Form 477.² Data on the number of payphones

1 Each state's share of interstate end-user revenues and contributions are reported under the heading "estimated contributions percent of total."

2 *Voice Telephone Service: Status as of June 30, 2015*, at <https://www.fcc.gov/wireline-competition/voice-telephone-services-report>.

by state that are independently owned are taken from the National Payphone Clearinghouse³, and data on interstate access minutes are taken from the supplemental material of the report. For each metric, we report each state's percentage of the nationwide total. We then use these percentages to allocate nationwide revenue data in Table 2 to individual states in Tables 3 and 4.

In Table 3 we allocate intrastate ILEC end-user revenues on a state-by-state basis by multiplying nationwide intrastate ILEC revenues (see Table 2) and ILEC end-user switched access lines in a state (see Table 5). Similarly, intrastate CLEC and interconnected VoIP providers' revenues are allocated on a state-by-state basis by multiplying nationwide intrastate CLEC and VoIP provider revenues by the percentage of CLEC end-user switched access lines and interconnected VoIP subscribers in a state. Intrastate payphone provider revenues are allocated on a state-by-state basis by multiplying nationwide intrastate payphone revenues by the percentage of independent payphones in a state. We allocate intrastate wireless revenues on a state-by-state basis by multiplying nationwide intrastate wireless revenues by the percentage of mobile wireless subscriptions in a state. Intrastate toll carriers' revenues are allocated on a state-by-state basis by multiplying nationwide intrastate ILEC revenues and ILEC end-user switched access lines and interconnected VoIP by subscriptions in a state.

In Table 3, we allocate end-user interstate revenues to CLEC and interconnected VoIP providers, payphone provider and wireless carriers analogously to how we allocated their respective intrastate revenues. That is, we allocate interstate CLEC and interconnected VoIP providers' revenues on a state-by-state basis by multiplying nationwide interstate CLEC and VoIP provider revenues by the percentage of CLEC end-user switched access lines and interconnected VoIP subscribers in a state. Interstate payphone provider revenues are allocated on a state-by-state basis by multiplying nationwide interstate payphone revenues by the percentage of independent payphones in a state. We allocate interstate wireless revenues on a state-by-state basis by multiplying nationwide interstate mobile revenues by the percentage of mobile wireless subscriptions in a state.

In contrast, interstate ILEC revenues and toll carrier revenues are allocated differently than intrastate revenues. In Table 4, interstate toll carriers' revenues are allocated on a state-by-state basis by multiplying nationwide interstate toll carrier revenues by the percentage of interstate access minutes in the state. Further, interstate ILEC revenues are allocated to states by multiplying interstate ILEC revenues and the percentage of estimated subscriber line charge (SLC) and access recovery charge (ARC) revenue reported in the last column of Table 6.

3 Rollups performed by Industry Analysis and Technology Division, Wireline Competition Bureau. See http://www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/PayphoneStatisticsThrough2014.xls

We estimate SLC and ARC revenue by state in Table 6.⁴ Our estimate for SLC and ARC revenues by state are calculated by the following formula: $12 * (\text{residential lines subject to the SLC and ARC}) * (\text{primary residential SLC rate per line per month} + \text{residential ARC rate per line per month}) + 12 * (\text{business lines}) * (\text{multiline business SLC rate per line per month} + \text{multiline business ARC rate per month})$.

We use data from Form 477 to estimate residential and business lines. The first and fourth column of Table 6 has data on the number of residential and business ILEC end-user switched access lines by state from FCC Form 477.⁵ Our estimate of residential customers subject to the SLCs and ARCs (Column 3) excludes customers that are in the Lifeline program. Our estimate of ILEC Lifeline customers (Column 2) is based on subscribership data provided to the FCC by USAC.

Residential SLC rates per month for 2014, shown in Column 5, are the rates filed for primary residential lines in the Tariff Review Plan (TRP) for price-cap carriers, National Exchange Carrier Association (NECA) pool rate-of-return carriers and for non-NECA pool rate-of-return carriers from June 2014 filings.⁶ Multiline business SLC rates per line per month in each state, shown in Column 7, are estimated based on the rates in the June 2014 TRP filings for price-cap companies, NECA pool and rate-of-return carriers. ARC rates for 2014 are the average of the current rate and the proposed rate from the June 2014 TRP filings for price caps carriers, NECA pool carriers and the other rate-of-return carriers. Residential ARC rate is reported in Column 6 and multiline business ARC rate is reported in Column 8.⁷

4 ARMIS forbearance reduced the amount of data collected by the FCC. Hence, we simplified our estimation process for SLC revenues, beginning with the 2009 revenue data, and base it on residential lines and business lines. We no longer separate non-primary residential and single-line business from the totals and apply different rates to them.

5 *Voice Telephone Service: Status as of June 30, 2015*, at <https://www.fcc.gov/wireline-competition/voice-telephone-services-report>.

6 Residential and Business lines from Form 477 are used as weights. We assume that the residential SLC for NECA pool and rate-of-return carriers during the relevant time period was \$6.50.

7 Multiline business ARC rate is the weighted average of the centrex ARC rate and non-centrex rate in each state.

Table 1
End-User Telecommunications Revenues by State: 2014
(Dollar Amounts Shown in Millions)

| | Intrastate | Interstate and International | Total | % of Total |
|----------------------|------------------|------------------------------|------------------|----------------|
| Alabama | \$1,506 | \$931 | \$2,437 | 1.39% |
| Alaska | 245 | 169 | 414 | 0.24 |
| American Samoa | 9 | 6 | 14 | 0.01 |
| Arizona | 2,045 | 1,358 | 3,403 | 1.95 |
| Arkansas | 917 | 578 | 1,495 | 0.86 |
| California | 13,114 | 7,216 | 20,329 | 11.63 |
| Colorado | 1,781 | 1,274 | 3,055 | 1.75 |
| Connecticut | 1,334 | 946 | 2,280 | 1.30 |
| Delaware | 345 | 247 | 591 | 0.34 |
| District of Columbia | 545 | 359 | 903 | 0.52 |
| Florida | 6,570 | 4,130 | 10,700 | 6.12 |
| Georgia | 3,319 | 2,098 | 5,417 | 3.10 |
| Guam | 50 | 35 | 85 | 0.05 |
| Hawaii | 466 | 328 | 794 | 0.45 |
| Idaho | 460 | 316 | 775 | 0.44 |
| Illinois | 4,384 | 2,691 | 7,074 | 4.05 |
| Indiana | 2,037 | 1,272 | 3,309 | 1.89 |
| Iowa | 959 | 638 | 1,597 | 0.91 |
| Kansas | 932 | 570 | 1,502 | 0.86 |
| Kentucky | 1,357 | 879 | 2,236 | 1.28 |
| Louisiana | 1,534 | 895 | 2,429 | 1.39 |
| Maine | 454 | 302 | 756 | 0.43 |
| Maryland | 2,229 | 1,458 | 3,687 | 2.11 |
| Massachusetts | 2,600 | 1,601 | 4,201 | 2.40 |
| Michigan | 3,279 | 1,914 | 5,193 | 2.97 |
| Minnesota | 1,910 | 1,221 | 3,131 | 1.79 |
| Mississippi | 848 | 530 | 1,378 | 0.79 |
| Missouri | 1,942 | 1,257 | 3,199 | 1.83 |
| Montana | 328 | 234 | 563 | 0.32 |
| Nebraska | 613 | 464 | 1,077 | 0.62 |
| Nevada | 934 | 582 | 1,516 | 0.87 |
| New Hampshire | 460 | 317 | 776 | 0.44 |
| New Jersey | 3,418 | 2,193 | 5,611 | 3.21 |
| New Mexico | 618 | 424 | 1,042 | 0.60 |
| New York | 7,554 | 4,444 | 11,997 | 6.86 |
| North Carolina | 3,115 | 1,980 | 5,095 | 2.91 |
| North Dakota | 245 | 169 | 414 | 0.24 |
| N. Mariana Islands | 12 | 7 | 19 | 0.01 |
| Ohio | 4,008 | 2,408 | 6,417 | 3.67 |
| Oklahoma | 1,201 | 717 | 1,918 | 1.10 |
| Oregon | 1,232 | 801 | 2,033 | 1.16 |
| Pennsylvania | 4,587 | 2,871 | 7,459 | 4.27 |
| Puerto Rico | 910 | 715 | 1,626 | 0.93 |
| Rhode Island | 364 | 222 | 586 | 0.33 |
| South Carolina | 1,507 | 972 | 2,479 | 1.42 |
| South Dakota | 283 | 189 | 471 | 0.27 |
| Tennessee | 2,125 | 1,289 | 3,413 | 1.95 |
| Texas | 8,284 | 4,797 | 13,082 | 7.48 |
| Utah | 800 | 548 | 1,348 | 0.77 |
| Vermont | 227 | 166 | 393 | 0.22 |
| Virgin Islands | 46 | 52 | 99 | 0.06 |
| Virginia | 2,967 | 1,955 | 4,922 | 2.81 |
| Washington | 2,278 | 1,436 | 3,713 | 2.12 |
| West Virginia | 588 | 452 | 1,041 | 0.60 |
| Wisconsin | 1,846 | 1,187 | 3,033 | 1.73 |
| Wyoming | 190 | 133 | 323 | 0.18 |
| Total | \$107,909 | \$66,942 | \$174,851 | 100.00% |

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

Table 2
End-User Telecommunication Revenue by Providers: 2014
(In Millions)

| | Intrastate | Interstate and International | Total |
|--|------------|---------------------------------|-----------|
| ILECs | \$26,106 | \$10,077 | \$36,182 |
| CLECs and interconnected VoIP Providers | 15,853 | 12,086 | 27,939 |
| Payphone Providers | 313 | 47 | 360 |
| Wireless Carriers | 60,469 | 26,196 | 86,665 |
| Toll Carriers | 5,168 | 18,536 | 23,705 |
| Total | \$107,909 | \$66,942 | \$174,851 |

Source: Form 499 data.

End-User revenue is defined as FCC Form 499-A lines 403 to 417. Total revenues are derived from 403a:417a, interstate and international revenues are derived from 403d:417d + 403e:417e, and intrastate revenues are derived from 403a:417a - 403d:417d - 403e:417e.

Table 3
Intrastate End-User Telecommunications Revenues by Provider: 2014
(Dollar Amounts Shown in Millions)

| | CLECs and | | | | | Toll Carriers | Total | % of Total |
|----------------------|-----------------|-------------------------------|--------------------|-------------------|----------------|------------------|----------------|------------|
| | ILECs | interconnected VoIP Providers | Payphone Providers | Wireless Carriers | | | | |
| Alabama | \$370 | \$178 | \$3 | \$883 | \$73 | \$1,506 | 1.40% | |
| Alaska | 79 | 27 | 1 | 122 | 16 | 245 | 0.23 | |
| American Samoa | 3 | 0 | 0 | 5 | 1 | 9 | 0.01 | |
| Arizona | 408 | 349 | 7 | 1,200 | 81 | 2,045 | 1.89 | |
| Arkansas | 238 | 81 | 1 | 551 | 47 | 917 | 0.85 | |
| California | 3,446 | 1,754 | 58 | 7,172 | 682 | 13,114 | 12.15 | |
| Colorado | 406 | 291 | 5 | 1,000 | 80 | 1,781 | 1.65 | |
| Connecticut | 305 | 285 | 2 | 682 | 60 | 1,334 | 1.24 | |
| Delaware | 90 | 59 | 0 | 176 | 18 | 345 | 0.32 | |
| District of Columbia | 171 | 74 | 1 | 266 | 34 | 545 | 0.50 | |
| Florida | 1,460 | 1,114 | 13 | 3,693 | 289 | 6,570 | 6.09 | |
| Georgia | 776 | 453 | 4 | 1,933 | 154 | 3,319 | 3.08 | |
| Guam | 14 | 4 | 0 | 29 | 3 | 50 | 0.05 | |
| Hawaii | 128 | 36 | 0 | 276 | 25 | 466 | 0.43 | |
| Idaho | 121 | 40 | 1 | 273 | 24 | 460 | 0.43 | |
| Illinois | 1,058 | 617 | 11 | 2,488 | 210 | 4,384 | 4.06 | |
| Indiana | 515 | 253 | 4 | 1,162 | 102 | 2,037 | 1.89 | |
| Iowa | 275 | 95 | 2 | 532 | 55 | 959 | 0.89 | |
| Kansas | 205 | 130 | 1 | 555 | 41 | 932 | 0.86 | |
| Kentucky | 375 | 139 | 2 | 768 | 74 | 1,357 | 1.26 | |
| Louisiana | 360 | 189 | 2 | 913 | 71 | 1,534 | 1.42 | |
| Maine | 121 | 82 | 1 | 226 | 24 | 454 | 0.42 | |
| Maryland | 645 | 322 | 4 | 1,131 | 128 | 2,229 | 2.07 | |
| Massachusetts | 574 | 548 | 7 | 1,356 | 114 | 2,600 | 2.41 | |
| Michigan | 673 | 490 | 4 | 1,979 | 133 | 3,279 | 3.04 | |
| Minnesota | 459 | 326 | 3 | 1,032 | 91 | 1,910 | 1.77 | |
| Mississippi | 218 | 65 | 1 | 521 | 43 | 848 | 0.79 | |
| Missouri | 520 | 194 | 2 | 1,122 | 103 | 1,942 | 1.80 | |
| Montana | 96 | 38 | 1 | 175 | 19 | 328 | 0.30 | |
| Nebraska | 150 | 98 | 1 | 334 | 30 | 613 | 0.57 | |
| Nevada | 209 | 153 | 3 | 528 | 41 | 934 | 0.87 | |
| New Hampshire | 93 | 116 | 1 | 231 | 18 | 460 | 0.43 | |
| New Jersey | 818 | 740 | 10 | 1,688 | 162 | 3,418 | 3.17 | |
| New Mexico | 170 | 54 | 1 | 359 | 34 | 618 | 0.57 | |
| New York | 1,608 | 1,427 | 52 | 4,148 | 318 | 7,554 | 7.00 | |
| North Carolina | 794 | 419 | 6 | 1,740 | 157 | 3,115 | 2.89 | |
| North Dakota | 68 | 27 | 0 | 136 | 14 | 245 | 0.23 | |
| N. Mariana Islands | 5 | 0 | 0 | 6 | 1 | 12 | 0.01 | |
| Ohio | 925 | 504 | 6 | 2,391 | 183 | 4,008 | 3.71 | |
| Oklahoma | 273 | 158 | 1 | 715 | 54 | 1,201 | 1.11 | |
| Oregon | 266 | 209 | 3 | 701 | 53 | 1,232 | 1.14 | |
| Pennsylvania | 1,229 | 725 | 10 | 2,380 | 243 | 4,587 | 4.25 | |
| Puerto Rico | 192 | 76 | 3 | 602 | 38 | 910 | 0.84 | |
| Rhode Island | 82 | 77 | 1 | 187 | 16 | 364 | 0.34 | |
| South Carolina | 378 | 194 | 2 | 858 | 75 | 1,507 | 1.40 | |
| South Dakota | 69 | 48 | 0 | 151 | 14 | 283 | 0.26 | |
| Tennessee | 458 | 296 | 2 | 1,277 | 91 | 2,125 | 1.97 | |
| Texas | 1,940 | 930 | 27 | 5,004 | 384 | 8,284 | 7.68 | |
| Utah | 164 | 114 | 2 | 488 | 32 | 800 | 0.74 | |
| Vermont | 74 | 38 | 0 | 100 | 15 | 227 | 0.21 | |
| Virgin Islands | 16 | 4 | 0 | 24 | 3 | 46 | 0.04 | |
| Virginia | 789 | 474 | 11 | 1,537 | 156 | 2,967 | 2.75 | |
| Washington | 486 | 406 | 17 | 1,273 | 96 | 2,278 | 2.11 | |
| West Virginia | 178 | 82 | 2 | 291 | 35 | 588 | 0.55 | |
| Wisconsin | 511 | 233 | 9 | 992 | 101 | 1,846 | 1.71 | |
| Wyoming | 51 | 20 | 2 | 107 | 10 | 190 | 0.18 | |
| Total | \$26,106 | \$15,853 | \$313 | \$60,469 | \$5,168 | \$107,909 | 100.00% | |

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

Table 4
Interstate and International End-User Telecommunications Revenues by Provider: 2014
(Dollar Amounts Shown in Millions)

| | CLECs and | | | | | Total | % of Total |
|----------------------|-----------------|----------------------------------|-----------------------|----------------------|------------------|-----------------|----------------|
| | ILECs | interconnected VoIP Providers | Payphone Providers | Wireless Carriers | Toll Carriers | | |
| Alabama | \$151 | \$135 | \$0 | \$382 | \$261 | \$931 | 1.39% |
| Alaska | 41 | 21 | 0 | 53 | 55 | 169 | 0.25 |
| American Samoa | 2 | 0 | 0 | 2 | 2 | 6 | 0.01 |
| Arizona | 185 | 266 | 1 | 520 | 387 | 1,358 | 2.03 |
| Arkansas | 95 | 61 | 0 | 239 | 183 | 578 | 0.86 |
| California | 985 | 1,338 | 9 | 3,107 | 1,777 | 7,216 | 10.78 |
| Colorado | 189 | 222 | 1 | 433 | 429 | 1,274 | 1.90 |
| Connecticut | 114 | 218 | 0 | 295 | 319 | 946 | 1.41 |
| Delaware | 38 | 45 | 0 | 76 | 87 | 247 | 0.37 |
| District of Columbia | 44 | 56 | 0 | 115 | 143 | 359 | 0.54 |
| Florida | 618 | 850 | 2 | 1,600 | 1,061 | 4,130 | 6.17 |
| Georgia | 324 | 345 | 1 | 837 | 591 | 2,098 | 3.13 |
| Guam | 7 | 3 | 0 | 13 | 12 | 35 | 0.05 |
| Hawaii | 56 | 28 | 0 | 120 | 125 | 328 | 0.49 |
| Idaho | 54 | 30 | 0 | 118 | 113 | 316 | 0.47 |
| Illinois | 357 | 470 | 2 | 1,078 | 784 | 2,691 | 4.02 |
| Indiana | 213 | 193 | 1 | 504 | 362 | 1,272 | 1.90 |
| Iowa | 115 | 72 | 0 | 231 | 220 | 638 | 0.95 |
| Kansas | 78 | 99 | 0 | 240 | 153 | 570 | 0.85 |
| Kentucky | 158 | 106 | 0 | 333 | 282 | 879 | 1.31 |
| Louisiana | 148 | 144 | 0 | 396 | 207 | 895 | 1.34 |
| Maine | 49 | 63 | 0 | 98 | 92 | 302 | 0.45 |
| Maryland | 242 | 245 | 1 | 490 | 480 | 1,458 | 2.18 |
| Massachusetts | 239 | 418 | 1 | 588 | 356 | 1,601 | 2.39 |
| Michigan | 238 | 374 | 1 | 857 | 444 | 1,914 | 2.86 |
| Minnesota | 197 | 249 | 0 | 447 | 328 | 1,221 | 1.82 |
| Mississippi | 87 | 50 | 0 | 226 | 167 | 530 | 0.79 |
| Missouri | 198 | 148 | 0 | 486 | 424 | 1,257 | 1.88 |
| Montana | 49 | 29 | 0 | 76 | 81 | 234 | 0.35 |
| Nebraska | 62 | 75 | 0 | 145 | 182 | 464 | 0.69 |
| Nevada | 65 | 117 | 0 | 229 | 170 | 582 | 0.87 |
| New Hampshire | 39 | 88 | 0 | 100 | 89 | 317 | 0.47 |
| New Jersey | 335 | 564 | 2 | 731 | 561 | 2,193 | 3.28 |
| New Mexico | 87 | 41 | 0 | 155 | 140 | 424 | 0.63 |
| New York | 643 | 1,088 | 8 | 1,797 | 908 | 4,444 | 6.64 |
| North Carolina | 328 | 319 | 1 | 754 | 579 | 1,980 | 2.96 |
| North Dakota | 34 | 20 | 0 | 59 | 55 | 169 | 0.25 |
| N. Mariana Islands | 2 | 0 | 0 | 3 | 2 | 7 | 0.01 |
| Ohio | 343 | 384 | 1 | 1,036 | 644 | 2,408 | 3.60 |
| Oklahoma | 100 | 120 | 0 | 310 | 187 | 717 | 1.07 |
| Oregon | 124 | 160 | 1 | 304 | 214 | 801 | 1.20 |
| Pennsylvania | 498 | 552 | 2 | 1,031 | 789 | 2,871 | 4.29 |
| Puerto Rico | 80 | 58 | 0 | 261 | 316 | 715 | 1.07 |
| Rhode Island | 34 | 59 | 0 | 81 | 48 | 222 | 0.33 |
| South Carolina | 157 | 148 | 0 | 372 | 295 | 972 | 1.45 |
| South Dakota | 33 | 37 | 0 | 66 | 53 | 189 | 0.28 |
| Tennessee | 187 | 226 | 0 | 553 | 322 | 1,289 | 1.93 |
| Texas | 708 | 709 | 4 | 2,168 | 1,209 | 4,797 | 7.17 |
| Utah | 76 | 87 | 0 | 211 | 174 | 548 | 0.82 |
| Vermont | 29 | 29 | 0 | 43 | 65 | 166 | 0.25 |
| Virgin Islands | 7 | 3 | 0 | 10 | 31 | 52 | 0.08 |
| Virginia | 301 | 362 | 2 | 666 | 625 | 1,955 | 2.92 |
| Washington | 218 | 309 | 3 | 552 | 354 | 1,436 | 2.14 |
| West Virginia | 82 | 62 | 0 | 126 | 182 | 452 | 0.68 |
| Wisconsin | 206 | 177 | 1 | 430 | 372 | 1,187 | 1.77 |
| Wyoming | 27 | 15 | 0 | 46 | 44 | 133 | 0.20 |
| Total | \$10,077 | \$12,086 | \$47 | \$26,196 | \$18,536 | \$66,942 | 100.00% |

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

Table 5
Data Used to Allocate Nationwide Revenue to States
(Lines/Subscribers/Minutes Shown in Thousands)

| | ILEC End-User Switched Access Lines and VoIP | | Non-ILEC End-User Switched Access Lines and VoIP | | Number of Independent Payphones: | | Wireless | | Interstate Access | |
|----------------------|--|------------------|--|------------------|----------------------------------|------------------|--------------------------|------------------|--------------------|------------------|
| | Subscriptions: June 2014 | Percent of Total | Subscriptions: June 2014 1 | Percent of Total | March 2014 2 | Percent of Total | Subscribers: June 2014 3 | Percent of Total | Minutes: 2014 | Percent of Total |
| Alabama | 1,018 | 1.42% | 629 | 1.12% | 1 | 0.75% | 4,592 | 1.46% | 1,996,747 | 1.41% |
| Alaska | 217 | 0.30 | 95 | 0.17 | 0 | 0.21 | 637 | 0.20 | 418,231 | 0.29 |
| American Samoa | 8 | 0.01 | 0 | 0.00 | 0 | 0.01 | 27 | 0.01 | 13,923 | 0.01 |
| Arizona | 1,124 | 1.56 | 1,234 | 2.20 | 3 | 2.18 | 6,240 | 1.98 | 2,960,142 | 2.09 |
| Arkansas | 656 | 0.91 | 285 | 0.51 | 0 | 0.19 | 2,864 | 0.91 | 1,398,509 | 0.99 |
| California | 9,484 | 13.20 | 6,211 | 11.07 | 25 | 18.69 | 37,299 | 11.86 | 13,594,510 | 9.59 |
| Colorado | 1,116 | 1.55 | 1,030 | 1.84 | 2 | 1.46 | 5,199 | 1.65 | 3,283,680 | 2.32 |
| Connecticut | 840 | 1.17 | 1,010 | 1.80 | 1 | 0.52 | 3,545 | 1.13 | 2,438,140 | 1.72 |
| Delaware | 249 | 0.35 | 210 | 0.37 | 0 | 0.15 | 917 | 0.29 | 667,525 | 0.47 |
| District of Columbia | 470 | 0.65 | 261 | 0.47 | 0 | 0.22 | 1,382 | 0.44 | 1,096,366 | 0.77 |
| Florida | 4,017 | 5.59 | 3,945 | 7.03 | 6 | 4.27 | 19,207 | 6.11 | 8,114,780 | 5.72 |
| Georgia | 2,135 | 2.97 | 1,602 | 2.85 | 2 | 1.18 | 10,054 | 3.20 | 4,520,750 | 3.19 |
| Guam | 38 | 0.05 | 14 | 0.03 | 0 | 0.03 | 152 | 0.05 | 91,502 | 0.06 |
| Hawaii | 353 | 0.49 | 128 | 0.23 | 0 | 0.02 | 1,435 | 0.46 | 959,010 | 0.68 |
| Idaho | 334 | 0.46 | 141 | 0.25 | 0 | 0.30 | 1,422 | 0.45 | 860,647 | 0.61 |
| Illinois | 2,912 | 4.05 | 2,183 | 3.89 | 5 | 3.59 | 12,939 | 4.11 | 5,999,056 | 4.23 |
| Indiana | 1,418 | 1.97 | 897 | 1.60 | 2 | 1.18 | 6,045 | 1.92 | 2,768,890 | 1.95 |
| Iowa | 758 | 1.06 | 335 | 0.60 | 1 | 0.59 | 2,768 | 0.88 | 1,684,438 | 1.19 |
| Kansas | 565 | 0.79 | 461 | 0.82 | 1 | 0.38 | 2,885 | 0.92 | 1,167,204 | 0.82 |
| Kentucky | 1,031 | 1.44 | 491 | 0.87 | 1 | 0.73 | 3,992 | 1.27 | 2,160,676 | 1.52 |
| Louisiana | 990 | 1.38 | 668 | 1.19 | 1 | 0.52 | 4,749 | 1.51 | 1,582,070 | 1.12 |
| Maine | 333 | 0.46 | 292 | 0.52 | 0 | 0.24 | 1,173 | 0.37 | 705,451 | 0.50 |
| Maryland | 1,775 | 2.47 | 1,140 | 2.03 | 2 | 1.29 | 5,880 | 1.87 | 3,668,251 | 2.59 |
| Massachusetts | 1,580 | 2.20 | 1,941 | 3.46 | 3 | 2.25 | 7,054 | 2.24 | 2,721,723 | 1.92 |
| Michigan | 1,851 | 2.58 | 1,736 | 3.09 | 2 | 1.21 | 10,292 | 3.27 | 3,399,149 | 2.40 |
| Minnesota | 1,262 | 1.76 | 1,155 | 2.06 | 1 | 0.82 | 5,365 | 1.71 | 2,509,367 | 1.77 |
| Mississippi | 600 | 0.84 | 231 | 0.41 | 0 | 0.22 | 2,708 | 0.86 | 1,281,170 | 0.90 |
| Missouri | 1,432 | 1.99 | 686 | 1.22 | 1 | 0.77 | 5,837 | 1.86 | 3,244,829 | 2.29 |
| Montana | 263 | 0.37 | 133 | 0.24 | 0 | 0.27 | 912 | 0.29 | 620,143 | 0.44 |
| Nebraska | 413 | 0.57 | 347 | 0.62 | 1 | 0.40 | 1,739 | 0.55 | 1,394,872 | 0.98 |
| Nevada | 574 | 0.80 | 541 | 0.96 | 1 | 1.03 | 2,748 | 0.87 | 1,303,332 | 0.92 |
| New Hampshire | 257 | 0.36 | 409 | 0.73 | 0 | 0.26 | 1,203 | 0.38 | 681,136 | 0.48 |
| New Jersey | 2,250 | 3.13 | 2,620 | 4.67 | 4 | 3.32 | 8,780 | 2.79 | 4,290,366 | 3.03 |
| New Mexico | 469 | 0.65 | 191 | 0.34 | 1 | 0.44 | 1,865 | 0.59 | 1,070,183 | 0.75 |
| New York | 4,426 | 6.16 | 5,053 | 9.00 | 22 | 16.56 | 21,571 | 6.86 | 6,945,253 | 4.90 |
| North Carolina | 2,184 | 3.04 | 1,482 | 2.64 | 2 | 1.77 | 9,049 | 2.88 | 4,428,838 | 3.12 |
| North Dakota | 188 | 0.26 | 94 | 0.17 | 0 | 0.14 | 709 | 0.23 | 419,632 | 0.30 |
| N. Mariana Islands | 14 | 0.02 | 0 | 0.00 | 0 | 0.01 | 33 | 0.01 | 16,001 | 0.01 |
| Ohio | 2,545 | 3.54 | 1,785 | 3.18 | 2 | 1.83 | 12,433 | 3.95 | 4,929,726 | 3.48 |
| Oklahoma | 751 | 1.05 | 558 | 0.99 | 1 | 0.43 | 3,720 | 1.18 | 1,426,659 | 1.01 |
| Oregon | 732 | 1.02 | 741 | 1.32 | 1 | 1.08 | 3,644 | 1.16 | 1,633,772 | 1.15 |
| Pennsylvania | 3,383 | 4.71 | 2,565 | 4.57 | 4 | 3.27 | 12,377 | 3.94 | 6,036,101 | 4.26 |
| Puerto Rico | 527 | 0.73 | 268 | 0.48 | 1 | 1.04 | 3,131 | 1.00 | 2,419,118 | 1.71 |
| Rhode Island | 226 | 0.31 | 273 | 0.49 | 0 | 0.26 | 974 | 0.31 | 368,525 | 0.26 |
| South Carolina | 1,040 | 1.45 | 687 | 1.22 | 1 | 0.57 | 4,462 | 1.42 | 2,254,917 | 1.59 |
| South Dakota | 190 | 0.26 | 171 | 0.30 | 0 | 0.11 | 787 | 0.25 | 404,977 | 0.29 |
| Tennessee | 1,260 | 1.75 | 1,049 | 1.87 | 1 | 0.79 | 6,644 | 2.11 | 2,465,872 | 1.74 |
| Texas | 5,338 | 7.43 | 3,293 | 5.87 | 11 | 8.56 | 26,023 | 8.27 | 9,247,926 | 6.52 |
| Utah | 451 | 0.63 | 403 | 0.72 | 1 | 0.59 | 2,537 | 0.81 | 1,332,197 | 0.94 |
| Vermont | 203 | 0.28 | 134 | 0.24 | 0 | 0.14 | 520 | 0.17 | 495,885 | 0.35 |
| Virgin Islands | 43 | 0.06 | 15 | 0.03 | 0 | 0.03 | 122 | 0.04 | 239,945 | 0.17 |
| Virginia | 2,171 | 3.02 | 1,679 | 2.99 | 5 | 3.53 | 7,993 | 2.54 | 4,777,173 | 3.37 |
| Washington | 1,336 | 1.86 | 1,437 | 2.56 | 7 | 5.45 | 6,622 | 2.11 | 2,710,551 | 1.91 |
| West Virginia | 490 | 0.68 | 289 | 0.51 | 1 | 0.63 | 1,516 | 0.48 | 1,389,289 | 0.98 |
| Wisconsin | 1,406 | 1.96 | 824 | 1.47 | 4 | 2.86 | 5,159 | 1.64 | 2,846,002 | 2.01 |
| Wyoming | 141 | 0.20 | 70 | 0.12 | 1 | 0.64 | 557 | 0.18 | 336,287 | 0.24 |
| Total | 71,837 | 100.00% | 56,122 | 100.00% | 134 | 100.00% | 314,489 | 100.00% | 141,791,414 | 100.00% |

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

¹ Lines for Alaska, Guam, and Virgin Islands are estimated based on housing unit data from the 2010 Census

² Payphone customers for the territories are estimated based on housing unit data from the 2010 census. The total includes estimates for the territories. 0 indicates the number of payphones is between 0 and 500.

³ Wireless subscribers for American Samoa, Guam, Northern Mariana Islands and Virgin Islands are estimated based on housing unit data from the 2010 Census.

Table 6
Data Used to Allocate Interstate ILEC Revenue by State
(Lines/Revenues Shown in Thousands)

| | Residential ILEC | | | | Business ILEC End- | | | | Estimated SLC and ARC Revenue | Percent of Total |
|--------------------------|--|-------------------------------------|------------------------|--|--|------------------|----------------------|-------------------|-------------------------------|------------------|
| | End-User Switched | | Estimated Residential | | User Switched | | Multi-line | | | |
| | Access Lines and VoIP Subscriptions: June 2014 | Estimated ILEC Lifeline Subscribers | Lines Subject to a SLC | Estimated Residential Lines Subject to a SLC | Access Lines and VoIP Subscriptions: June 2014 | Primary SLC Rate | Residential ARC Rate | Business SLC Rate | | |
| Alabama | 632 | 16 | 616 | 386 | \$6.46 | \$0.42 | \$6.93 | \$0.85 | \$87 | 1.50% |
| Alaska | 93 | 6 | 87 | 124 | 6.50 | 0.81 | 9.05 | 1.63 | 24 | 0.41 |
| American Samoa | 4 | 0 | 4 | 4 | 6.50 | 1.25 | 9.20 | 2.50 | 1 | 0.02 |
| Arizona | 568 | 16 | 552 | 556 | 6.14 | 1.15 | 6.52 | 2.18 | 106 | 1.84 |
| Arkansas | 392 | 9 | 383 | 264 | 6.06 | 0.67 | 6.47 | 1.01 | 55 | 0.94 |
| California | 4,965 | 850 | 4,115 | 4,519 | 4.91 | 0.13 | 5.31 | 0.55 | 566 | 9.78 |
| Colorado | 609 | 8 | 601 | 507 | 6.44 | 1.15 | 6.62 | 2.21 | 108 | 1.87 |
| Connecticut | 486 | 2 | 484 | 354 | 5.93 | 0.56 | 6.02 | 0.58 | 66 | 1.14 |
| Delaware | 151 | 1 | 150 | 98 | 6.50 | 0.84 | 6.50 | 0.74 | 22 | 0.38 |
| Dist. of Columbia | 97 | 1 | 96 | 373 | 3.91 | 0.05 | 3.91 | 0.70 | 25 | 0.43 |
| Florida | 2,438 | 55 | 2,383 | 1,579 | 6.33 | 0.82 | 7.00 | 0.95 | 355 | 6.13 |
| Georgia | 1,189 | 25 | 1,164 | 946 | 6.47 | 0.54 | 6.90 | 0.89 | 186 | 3.22 |
| Guam | 22 | 2 | 20 | 16 | 6.50 | 1.19 | 9.20 | 2.37 | 4 | 0.07 |
| Hawaii | 180 | 3 | 177 | 173 | 6.50 | 0.30 | 8.18 | 0.35 | 32 | 0.55 |
| Idaho | 183 | 10 | 173 | 151 | 6.46 | 0.34 | 7.16 | 2.23 | 31 | 0.54 |
| Illinois | 1,446 | 18 | 1,428 | 1,466 | 5.13 | 0.63 | 5.31 | 0.74 | 205 | 3.54 |
| Indiana | 815 | 11 | 804 | 603 | 6.06 | 0.77 | 6.82 | 0.99 | 122 | 2.11 |
| Iowa | 455 | 10 | 445 | 303 | 5.51 | 1.03 | 6.26 | 2.29 | 66 | 1.14 |
| Kansas | 322 | 10 | 312 | 243 | 5.90 | 0.63 | 6.10 | 0.83 | 45 | 0.77 |
| Kentucky | 620 | 25 | 595 | 411 | 6.35 | 0.64 | 7.14 | 1.12 | 91 | 1.56 |
| Louisiana | 554 | 7 | 547 | 436 | 6.46 | 0.68 | 6.69 | 0.62 | 85 | 1.47 |
| Maine | 224 | 17 | 207 | 109 | 6.26 | 0.88 | 6.59 | 1.37 | 28 | 0.49 |
| Maryland | 1,031 | 3 | 1,028 | 744 | 5.73 | 0.84 | 5.73 | 0.80 | 139 | 2.40 |
| Massachusetts | 900 | 27 | 873 | 680 | 6.47 | 0.84 | 6.47 | 0.96 | 137 | 2.37 |
| Michigan | 972 | 18 | 954 | 879 | 5.81 | 0.04 | 5.92 | 0.70 | 137 | 2.36 |
| Minnesota | 764 | 23 | 741 | 498 | 5.64 | 1.05 | 6.76 | 2.28 | 113 | 1.96 |
| Mississippi | 351 | 11 | 340 | 249 | 6.46 | 0.52 | 6.62 | 0.58 | 50 | 0.86 |
| Missouri | 868 | 21 | 847 | 564 | 5.82 | 0.62 | 6.14 | 1.02 | 114 | 1.97 |
| Montana | 159 | 6 | 153 | 104 | 6.50 | 0.97 | 9.20 | 2.20 | 28 | 0.48 |
| Nebraska | 217 | 6 | 211 | 196 | 5.24 | 1.14 | 5.88 | 2.35 | 36 | 0.61 |
| Nevada | 329 | 9 | 320 | 245 | 4.13 | 0.97 | 4.51 | 1.62 | 38 | 0.65 |
| New Hampshire | 157 | 2 | 155 | 100 | 6.22 | 0.90 | 6.39 | 1.45 | 23 | 0.39 |
| New Jersey | 1,315 | 37 | 1,278 | 935 | 6.27 | 0.86 | 6.41 | 0.98 | 192 | 3.32 |
| New Mexico | 276 | 19 | 257 | 193 | 6.50 | 1.16 | 9.20 | 2.24 | 50 | 0.87 |
| New York | 2,580 | 123 | 2,457 | 1,846 | 6.32 | 0.31 | 6.75 | 1.10 | 369 | 6.38 |
| North Carolina | 1,334 | 35 | 1,299 | 850 | 6.02 | 0.86 | 6.64 | 1.31 | 188 | 3.25 |
| North Dakota | 108 | 7 | 101 | 80 | 6.50 | 1.10 | 8.62 | 2.41 | 20 | 0.34 |
| Northern Mariana Islands | 8 | 2 | 6 | 6 | 6.50 | 0.00 | 9.20 | 0.00 | 1 | 0.02 |
| Ohio | 1,458 | 59 | 1,399 | 1,087 | 5.73 | 0.67 | 5.94 | 0.91 | 197 | 3.40 |
| Oklahoma | 432 | 24 | 408 | 319 | 5.83 | 0.51 | 6.09 | 0.87 | 58 | 1.00 |
| Oregon | 442 | 26 | 416 | 290 | 6.47 | 1.02 | 7.56 | 2.23 | 71 | 1.23 |
| Pennsylvania | 2,201 | 40 | 2,161 | 1,182 | 5.94 | 0.93 | 6.55 | 1.04 | 286 | 4.94 |
| Puerto Rico | 408 | 29 | 379 | 119 | 6.50 | 0.44 | 9.20 | 0.91 | 46 | 0.79 |
| Rhode Island | 159 | 5 | 154 | 67 | 6.47 | 0.84 | 6.47 | 0.87 | 19 | 0.34 |
| South Carolina | 656 | 19 | 637 | 384 | 6.33 | 0.84 | 6.85 | 0.89 | 91 | 1.56 |
| South Dakota | 111 | 4 | 107 | 79 | 6.49 | 1.14 | 7.65 | 2.32 | 19 | 0.33 |
| Tennessee | 767 | 21 | 746 | 493 | 6.29 | 0.61 | 6.76 | 0.92 | 107 | 1.85 |
| Texas | 2,971 | 165 | 2,806 | 2,367 | 5.81 | 0.44 | 6.10 | 0.81 | 407 | 7.02 |
| Utah | 233 | 9 | 224 | 218 | 6.39 | 1.11 | 6.80 | 2.17 | 44 | 0.75 |
| Vermont | 138 | 14 | 124 | 65 | 6.27 | 0.93 | 6.57 | 1.36 | 17 | 0.29 |
| Virgin Islands | 25 | 1 | 24 | 18 | 6.50 | 0.49 | 9.11 | 1.00 | 4 | 0.07 |
| Virginia | 1,310 | 7 | 1,303 | 861 | 5.77 | 0.56 | 6.07 | 1.10 | 173 | 2.99 |
| Washington | 777 | 46 | 731 | 559 | 6.09 | 1.11 | 7.01 | 2.21 | 125 | 2.16 |
| West Virginia | 310 | 5 | 305 | 180 | 6.50 | 0.03 | 8.50 | 2.26 | 47 | 0.81 |
| Wisconsin | 775 | 19 | 756 | 631 | 6.09 | 0.65 | 6.47 | 1.11 | 119 | 2.05 |
| Wyoming | 61 | 1 | 60 | 80 | 6.50 | 0.09 | 9.20 | 2.21 | 16 | 0.27 |
| Total | 41,048 | 1,942 | 39,102 | 30,789 | \$5.91 | \$0.79 | \$6.30 | \$1.04 | \$5,792 | 100.00% |

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