

7. Rates and Price Indices

This section contains information on telephone price indices and rate levels.¹ It describes and presents a series of price indices maintained by the Bureau of Labor Statistics (BLS). It also discusses rate levels and changes in average rate levels.

Telephone Service Price Indices

The 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/data>. The monthly price indices represent prices sampled in the middle of the month.

A Consumer Price Index for telephone services was first published in 1935.² Since that time, telephone prices have tended to increase at a slower pace than most other prices. Table 7.1 shows long-run 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 public utilities. The price of telephone service has increased less rapidly than the prices of most of these categories when viewed over a long period of time. Chart 7.1 shows the levels of the overall CPI and the CPI for telephone services over time.

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 both local and long distance services. The annual rate of change during recent years is shown in Table 7.2 for the overall CPI (which measures the impact of inflation on consumers), and the CPI for telephone services. In addition, Table 7.2 shows the Gross Domestic Product chain-type price index (which reflects inflation throughout the economy) prepared by the Bureau of Economic Analysis. Chart 7.2 shows the changes in the overall CPI and the CPI for telephone services over time.

For 2003 the nation's overall level of prices (measured by the CPI for all items) rose by 2.3%. The CPI for telephone services fell by 1.4% during 2003. The CPI for telephone services is composed of three subindices. During 2003, the local service component (including subscriber line charges) rose by 4.1%, while the price index for interstate toll calls fell by 8.2%, and the price index for state toll calls fell by 8.8%. The changes in these subindices over time are shown in Chart 7.3.

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- 1 For more detailed information, see Industry Analysis and Technology Division, Wireline Competition Bureau, Federal Communications Commission, *Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service* (2004). Much, but not all, of the material in this section is based on that report.
 - 2 BLS publishes two sets of Consumer Price Indices. The CPI-U, used herein, is based on expenditures of all urban consumers. The CPI-W series is based on expenditures of urban wage earners and clerical workers.

The Bureau of Labor Statistics publishes a number of price indices related to local telephone service, two of which are important to the monitoring program. The CPI index of local telephone charges is based on a broadly defined "market basket" of local services that includes monthly service charges, message unit charges, leased equipment, installation, service enhancements (such as tone dialing and call waiting), taxes, subscriber line charges, and all other consumer expenditures associated with local telephone services except long distance 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 tone dialing service, and subscriber line charges. It excludes taxes and all other telephone service charges. The annual rates of change for these two indices are presented in Table 7.3.

CPI data are available for intrastate toll and interstate toll services since December 1977. Table 7.3 also presents the annual changes in these series for recent years.

Price indices are less reliable when industries are changing rapidly. For example, in 1992, long distance carriers began to increase basic long distance rates while at the same time greatly expanding their range of discount offerings aimed at medium and heavy users of long distance service. The fixed market basket of toll calls measured for the CPI did not fully reflect these discounts. In 1998, the CPI for telephone services was altered to include cellular telephone services, making the new index not directly comparable to prior years. In 1995, BLS made major changes to the PPI telephone series, and there are no data after July 1995 comparable with prior data. At that time the BLS introduced revenue-weighted telephone price indices. The new indices categorize the telephone industry into much finer detail, though the new series are not comparable to the old in many categories. Because of these sorts of difficulties, measures of average revenues are sometimes used as alternatives to price indices. Monthly data for the new CPI telephone indices are shown in Table 7.4.

With the release of data for January 2004, the Producer Price Index program changed its basis for industry classification from the 1987 Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS). Developed in cooperation with Canada and Mexico, NAICS represents a profound change for statistical programs focusing on emerging economic activities. The system was developed using a production-oriented conceptual framework, grouping establishments into industries based on the activity in which they are primarily engaged. While many NAICS industries directly compare with SIC industries, a number of SIC industries were split or combined to form a new NAICS industry. The PPI treats the SIC-to-NAICS comparison as continuous if 80 percent or more of the weight of the SIC-based index comprises at least 80 percent of the weight of the NAICS-based index. All index series that have passed this test are published under the NAICS structure using the index base date and price index history established by the SIC-based index. Documentation of the NAICS to SIC concordance for all subsectors, industry groups, and products may be found at <http://www.bls.gov/ppi/ppinaics.htm>.³ The current

3 Several telecommunications PPIs published by the BLS under the SIC classification system are no longer published after the conversion to NAICS. These include "Other Local Service" (SIC pcu4813#114), "Other Local Service except Directory Assistance" (SIC pcu4813#11409), "LEC Intrastate Private Line Service" (SIC pcu4813#311), "Directory Advertising" (SIC pcu4813#91), and "Other Telephone Services" (SIC pcu4813#99). In addition, "Directory Assistance" (SIC pcu4813#11401) is now classified as "Other Local

PPI indices are shown in Table 7.5.

Information on Rate Levels

Local rates are regulated by state regulatory agencies and vary greatly from area to area. Characterization of any rate as "typical" is therefore difficult. Table 7.6 presents average local residential rates in urban areas. The price indices published by the BLS indicate percentage changes in the price of the telephone services. The BLS does not publish the actual level of rates. The averages shown in Table 7.6 are based on an FCC survey using the same sampling areas and weights that were used by the BLS in constructing the 1986 Consumer Price Index.⁴ In October 2003 the national average for the representative total residential service charge was \$24.75 monthly. The average charge for connecting new phone service was \$40.76.

Table 7.7 presents average monthly local rates for single-line business customers in urban areas. Like the residential rates presented above, they are based on an FCC survey using the same sampling areas and weights used by the BLS in constructing the 1986 Consumer Price Index. In October 2003, the representative average monthly charge was \$42.40, while the average charge for connecting phone service was \$72.62.

Table 7.8 contains average revenue per minute for interstate calls. These estimates show that billed revenue per minute has declined over time for both international and domestic services.

Standard Deviation Analysis of Residential Rates

In October 2003, the Federal Communications Commission adopted a recommendation by the Federal-State Joint Board on Universal Service establishing an annual adjusted nationwide urban rate benchmark for purposes of determining universal service support for non-rural carriers. This benchmark is used by the states and the Commission as a tool to assess the reasonable comparability of rates in rural and high-cost areas served by non-rural carriers to

Service" (NAICS 517110114) and "Telephone Communications except Radiotelephone" is now referred to as "Wired Telecommunications Carriers".

- 4 The form used in conducting the 2003 urban rate survey has been revised from previous years. Specifically, a more detailed breakout of carriers' surcharges and taxes now appear as separate line items on the survey instrument. All carriers are now required to submit all line-item data in terms of dollar amounts (whereas before some line items were reported as percentages). In addition, local rates pertaining to multiline-business customers are no longer requested. These changes to the survey form allow for more accurate estimates of the total monthly recurring costs for basic local residential and single-line business service. Note that all estimates for 2002 and 2003 reflect usage of the revised survey form, while estimates for years 2001 and prior reflect those obtained from the previous survey instrument.

nationwide urban rates.⁵ The urban rate benchmark adopted by the Commission is based upon the most recent average urban residential rate as shown in Table 7.9.

Because of the great variation in urban rates nationwide, the Commission adopted a “standard deviation analysis” which measures the dispersion of urban rates from the average. As such, an urban rate benchmark level of two (weighted) standard deviations above the (weighted) average urban rate is used. Table 7.10 presents the results of such a standard deviation analysis for the residential rates reported in the Urban Rate Survey as of October 15, 2003. The average, plus the two standard deviation benchmark, is \$34.16. Table 7.10 shows the historical trend in the standard deviation analysis for the years 1993-2003. Over this period the average, plus the two standard deviation benchmark, rose by 20%.

Subscriber Line and 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 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 local 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 comprised of both federal and state regulators, introduced sweeping changes to the way that local 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 for the origination and termination of interstate traffic on their local networks. In particular, monthly subscriber line charges (SLCs) were introduced to recover a portion of the fixed costs of the local telephone companies' loops directly from end users on a per-line basis. Since local telephone companies were required to reduce their charges to long distance carriers -- dollar for dollar -- the introduction of SLCs permitted reductions in implicit subsidies from long distance service 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

5 See *Federal-State Joint Board on Universal Service*, CC. Docket No. 96-45, Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order, 18 FCC Rcd 22559, 22607-22610, paras. 80-82 (2003).

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. 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. A further access charge reform was adopted on May 31, 2000, which eliminated the PICC and consolidated it with the SLC. This took effect on July 1, 2000.⁶

Average monthly SLCs and PICCs are shown in Table 7.11 and average per-minute rates charged to long distance carriers are shown in Table 7.12. Both tables report historical averages for all local exchange carriers (LECs) that file access tariffs subject to price-cap regulation and LECs in the National Exchange Carrier Association (NECA) pool. These LECs control over 98% of the industry's regulated access lines. Current per-line charges and per-minute charges are reported for each of the carriers in Tables 7.13 and 7.14, respectively.

The averages in Table 7.12 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. The reductions in per-minute access prices over time have been a major contributing factor to reductions in long distance prices.

6 Although the changes took effect on July 1, some companies made subsequent adjustments to their tariffs, which did not take effect until August 11.

Table 7.1
Long-Term Changes for Various Price Indices
(Annual Rates of Change)

	1953 - 2003	1993 - 2003
CPI All Items	3.9 %	2.4 %
CPI All Services	4.9	3.2
CPI Telephone Services **	1.7	0.3
CPI Major Categories:		
- Food & Beverages	*	2.5
- Housing	*	2.7
- Apparel	2.1	-1.0
- Transportation	3.6	1.9
- Medical Care	5.9	4.0
- Recreation	*	1.7
- Other Goods & Services	*	4.5
CPI Public Transportation	5.2	2.3
CPI Utility Natural Gas Service	5.1	4.6
CPI Electricity	3.3	1.0
CPI Sewer & Water Maintenance	5.6	3.3
CPI Postage	4.8	2.8

* Series not established until after 1953.

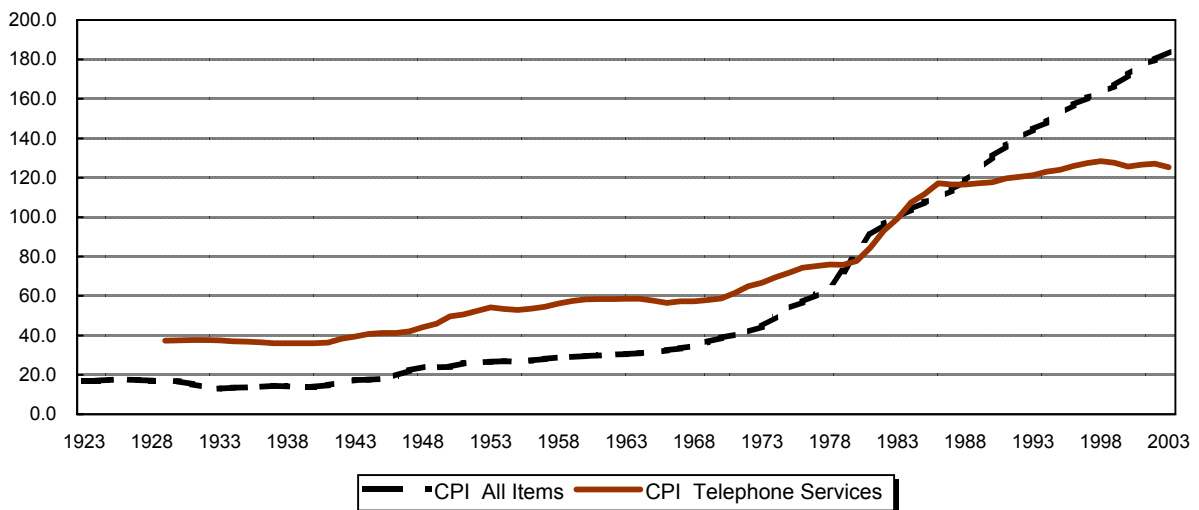
** The CPI telephone service index was revised in December of 1997.

Source: Bureau of Labor Statistics.

Chart 7.1

CPI All Items and CPI Telephone Services

1982 - 1984 = 100



**Table 7.2
Annual Changes in Major Price Indices**

	GDP Chain-type Price Index	CPI - All Items	CPI - Telephone Services
1978	5.6 %	9.0 %	0.9 %
1979	3.2	13.3	0.7
1980	-0.2	12.5	4.6
1981	2.5	8.9	11.7
1982	-1.9	3.8	7.2
1983	4.5	3.8	3.6
1984	7.2	3.9	9.2
1985	4.1	3.8	4.7
1986	3.5	1.1	2.7
1987	3.4	4.4	-1.3
1988	4.1	4.4	1.3
1989	3.5	4.6	-0.3
1990	1.9	6.1	-0.4
1991	-0.2	3.1	3.5
1992	3.3	2.9	-0.3
1993	2.7	2.7	1.8
1994	4.0	2.7	0.7
1995	2.5	2.5	1.2
1996	3.7	3.3	2.1
1997	4.5	1.7	0.2
1998	4.2	1.6	0.3 *
1999	4.5	2.7	0.4
2000	3.7	3.4	-2.3
2001	0.5	1.6	1.3
2002	2.2	2.4	0.2
2003	3.1	1.9	-2.7

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

Note: All values calculated as the percent change from December of the previous year through December of the year shown.

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

Chart 7.2

CPI All Items and Telephone Services

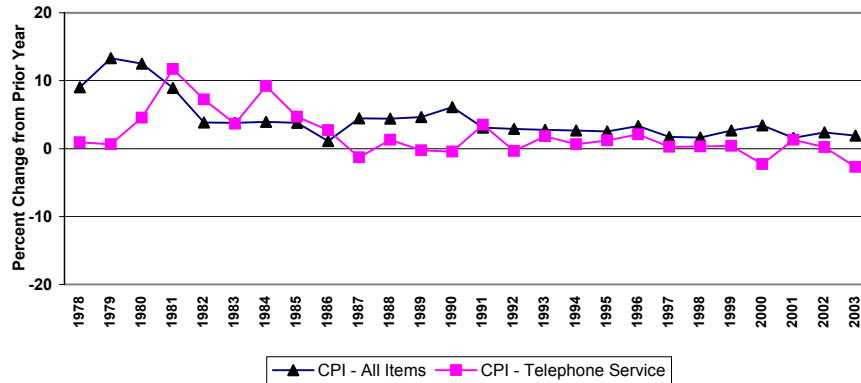


Table 7.3
Annual Changes in Price Indices for
Local and Long Distance Telephone Services

	Local Residential Service		Toll Service *			
	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	**	0.1	**	-3.8	**
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	2.2	2.0	-5.5	-1.7	0.7
2002	5.3	2.2	-5.9	-17.7	-6.1	0.8
2003	2.6	1.7	-10.9	-1.1	-9.4	-9.0

Source: Bureau of Labor Statistics.

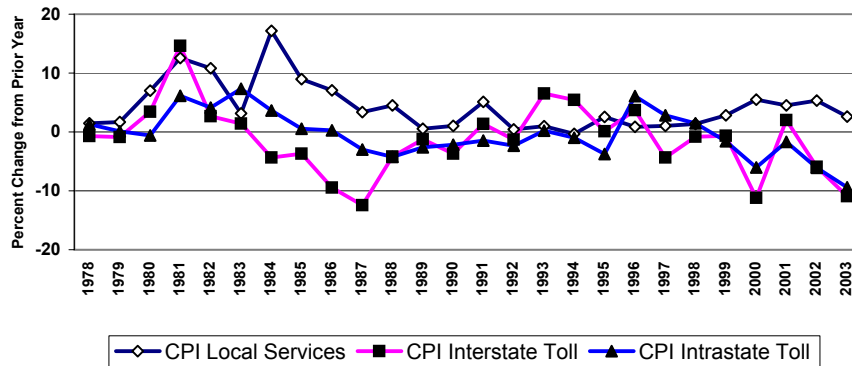
* CPI toll indices represent rates for households. Through 1994, PPI toll indices represent rate changes for both business and residential consumers. Since 1995, PPI indices reflect rates for residential customers.

** 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.

Note: All values calculated as the percent change from December of the previous year through December of the year shown.

Chart 7.3

CPI Telephone Service Price Indices



**Table 7.4
Consumer Price Indices
(December 1997 = 100)**

	All Goods and Services	Telephone Services	Land-line telephone services, local charges	Land-line telephone services, long distance charges	Land-line interstate toll calls	Land-line intrastate toll calls	Wireless Telephone Services
BLS Series ID	CUUR0000SA0	CUUR0000SEED	CUUR0000SEED01	CUUR0000SEED02	CUUR0000SS27051	CUUR0000SS27061	CUUR0000SEED03
1998	January 100.2	99.9	100.0	99.8	100.0	99.6	99.0
	February 100.4	100.0	100.4	99.7	100.1	98.9	98.1
	March 100.6	100.4	101.1	99.9	100.1	99.7	97.4
	April 100.7	100.5	101.1	100.1	100.1	101.0	96.4
	May 100.9	101.1	101.2	101.3	101.5	101.6	96.2
	June 101.1	101.4	101.4	101.7	101.2	102.5	94.4
	July 101.2	101.5	101.5	101.9	102.0	101.3	94.2
	August 101.3	100.4	101.3	99.9	99.1	101.6	93.9
	September 101.4	100.7	101.4	100.4	100.0	101.4	94.1
	October 101.7	100.7	101.5	100.4	100.0	101.6	93.7
	November 101.7	101.1	101.6	101.0	100.8	102.1	92.4
	December 101.6	100.3	101.3	99.9	99.2	101.5	91.7
1999	January 101.9	100.7	102.2	99.9	99.3	101.3	90.9
	February 102.0	100.4	102.0	99.5	99.1	100.7	89.7
	March 102.3	100.2	102.3	98.9	98.4	100.3	89.0
	April 103.0	100.0	100.9	99.8	99.5	100.7	87.8
	May 103.0	99.6	102.7	97.5	96.4	100.2	85.8
	June 103.0	99.7	103.2	97.4	96.3	100.2	84.0
	July 103.3	99.5	103.7	96.7	95.3	100.0	82.9
	August 103.6	99.8	103.8	97.1	95.9	99.8	82.3
	September 104.1	99.6	103.7	96.8	95.9	99.2	82.6
	October 104.3	99.8	103.5	97.4	96.9	98.8	82.0
	November 104.3	100.6	103.9	98.7	99.1	99.2	81.2
	December 104.3	100.7	104.2	98.6	98.5	99.9	81.1
2000	January 104.6	100.9	104.8	98.5	98.3	100.1	80.6
	February 105.3	99.4	104.9	95.5	94.0	99.2	79.7
	March 106.1	98.9	105.1	94.4	93.1	98.5	79.2
	April 106.2	98.6	105.2	93.7	92.4	97.8	78.9
	May 106.3	98.5	105.3	93.4	92.0	97.6	78.2
	June 106.9	97.2	105.8	90.6	89.0	95.0	76.8
	July 107.1	98.2	107.3	91.3	89.8	95.7	74.9
	August 107.1	98.9	109.5	90.7	89.2	95.1	73.7
	September 107.7	97.0	108.5	87.9	86.2	92.0	72.8
	October 107.9	98.3	109.8	89.4	87.9	92.9	73.0
	November 107.9	97.5	110.3	87.2	85.0	91.9	72.9
	December 107.9	98.4	110.0	89.5	87.5	93.9	71.1
2001	January 108.6	98.8	110.5	89.9	88.0	94.2	68.9
	February 109.0	98.7	110.7	89.5	87.6	93.7	68.9
	March 109.2	99.4	110.9	90.7	89.0	94.5	68.7
	April 109.7	99.0	111.9	89.1	87.2	93.1	68.8
	May 110.2	98.7	112.1	88.2	86.2	92.6	68.5
	June 110.4	99.0	112.3	88.7	86.7	93.0	68.1
	July 110.0	99.6	113.2	88.9	86.8	93.0	68.6
	August 110.0	99.6	113.9	88.5	86.4	92.7	68.1
	September 110.5	99.2	114.1	87.6	85.5	92.0	67.2
	October 110.2	99.9	114.6	88.5	86.4	92.9	67.1
	November 110.0	99.6	114.8	87.6	85.5	92.2	67.5
	December 109.5	99.7	114.9	87.9	85.8	92.3	67.2
2002	January 109.8	100.3	115.7	88.2	86.2	92.6	67.5
	February 110.2	100.3	116.1	87.9	85.8	92.6	67.5
	March 110.8	99.1	114.1	87.0	85.0	91.5	67.5
	April 111.5	98.2	114.0	85.1	82.7	90.1	67.6
	May 111.5	99.3	116.8	85.2	82.6	90.4	66.7
	June 111.5	99.2	116.9	85.0	82.4	90.1	66.6
	July 111.7	99.5	118.7	84.0	81.3	89.1	67.0
	August 112.0	100.6	120.2	84.7	82.6	89.1	67.8
	September 112.2	100.1	120.4	83.7	81.4	88.2	67.5
	October 112.4	99.9	120.6	83.0	80.7	87.5	67.9
	November 112.4	99.8	120.8	82.7	80.7	87.0	67.5
	December 112.2	99.9	121.0	82.6	80.7	86.7	67.4
2003	January 112.6	100.4	121.3	83.4	81.9	87.0	67.6
	February 113.5	100.5	121.2	83.5	82.2	86.9	67.7
	March 114.2	99.7	121.7	81.5	79.8	85.1	67.6
	April 113.9	98.7	121.9	79.2	77.4	83.1	67.5
	May 113.7	98.1	122.0	77.9	76.0	81.8	67.5
	June 113.8	97.5	122.2	76.7	74.6	80.8	66.3
	July 114.0	98.1	123.1	77.2	75.6	80.8	66.2
	August 114.4	97.8	123.7	76.0	74.0	79.7	66.1
	September 114.8	97.4	123.8	75.2	73.3	78.9	66.1
	October 114.6	97.1	124.0	74.3	72.1	78.7	66.1
	November 114.3	97.2	124.2	74.1	71.8	78.3	66.7
	December 114.2	97.2	124.1	74.3	72.0	78.6	66.5
2004	January 114.8	97.0	124.4	73.9	71.6	78.0	66.3
	February 115.4	97.1	124.2	73.9	71.6	77.8	66.6
	March 116.1	96.7	124.2	73.1	70.6	77.2	66.5
	April 116.5	96.5	123.9	72.8	70.1	77.2	66.4
	May 117.2	95.9	124.2	71.3	68.8	75.5	66.5

Note: Figures for All Goods and Services, Local Telephone Service, Interstate Toll Service, and Intrastate Toll Service after May, 2000 are converted from 1982-1984 base index series reported by the Bureau of Labor Statistics. Historical data on these series based upon the 1982-1984 index for January, 1972 through May, 2000 can be found in the Industry Analysis and Technology Division, Wireline Competition Bureau, *Monitoring Report* (October 2002).

**Table 7.5
Producer Price Indices
(June 1995 = 100)**

	Wired Telecommunications Carrier	Local Service, except Private Lines	Residence Local Service	Business Local Service	Coin Local Service	Other Local Service
NAICS Series ID	517110	5171101	517110111	517110112	517110113	517110114
1995 June	100.0	100.0	100.0	100.0	100.0	100.0
July	102.8	100.0	100.0	100.0	100.0	100.0
August	100.7	100.0	100.0	100.0	100.0	100.0
September	100.6	100.1	100.0	100.2	100.6	100.0
October	100.4	100.0	99.8	100.2	100.6	100.0
November	99.6	100.0	99.8	100.2	100.6	100.0
December	99.6	100.0	99.8	100.2	100.6	100.0
1996 January	99.3	100.0	99.8	100.1	100.6	100.0
February	99.6	100.0	99.8	100.2	100.6	100.0
March	99.5	100.1	99.8	100.2	101.9	100.0
April	99.7	100.1	99.8	100.2	101.9	100.0
May	99.5	100.1	99.8	100.2	101.9	100.0
June	99.9	100.2	100.0	100.2	101.9	100.0
July	100.3	100.3	100.0	100.4	102.0	100.0
August	100.6	100.4	100.0	100.5	102.0	100.0
September	100.5	100.4	100.0	100.5	102.0	100.0
October	100.4	100.4	100.0	100.5	102.0	100.0
November	100.1	100.4	100.0	100.5	102.0	100.0
December	99.5	100.4	100.0	100.5	102.0	100.0
1997 January	100.5	100.4	100.0	100.5	102.0	100.0
February	99.8	100.4	100.0	100.5	102.0	100.0
March	99.0	100.3	100.0	100.5	102.0	100.0
April	99.2	100.4	100.0	100.6	102.0	100.0
May	99.9	100.5	100.2	100.7	102.1	100.0
June	100.4	100.5	100.2	100.7	102.1	100.0
July	100.1	100.4	100.1	100.5	102.1	100.0
August	100.4	100.4	100.1	100.5	102.1	100.0
September	99.3	100.4	100.1	100.5	102.1	100.0
October	99.0	100.4	100.2	100.5	102.1	100.0
November	99.0	100.5	100.2	100.5	102.1	103.6
December	99.1	100.4	100.2	100.5	101.4	103.6
1998 January	99.2	100.5	100.2	100.6	101.7	103.6
February	99.0	100.5	100.2	100.6	101.7	103.6
March	98.7	100.5	100.2	100.6	101.7	103.6
April	98.6	100.5	100.2	100.6	101.7	103.6
May	98.7	100.4	100.0	100.5	101.7	103.6
June	98.2	100.3	100.0	100.4	101.7	103.6
July	99.0	100.3	100.1	100.3	101.7	103.6
August	98.7	100.3	100.1	100.3	101.7	103.6
September	98.5	100.3	100.1	100.4	101.7	103.6
October	97.9	100.3	100.1	100.3	101.7	103.6
November	97.3	100.3	100.1	100.3	101.7	103.6
December	97.4	100.3	100.1	100.4	101.7	103.6
1999 January	96.9	100.4	100.2	100.4	101.7	103.6
February	96.2	100.4	100.2	100.5	101.7	103.6
March	96.6	100.4	100.2	100.5	101.7	103.6
April	97.3	100.5	100.2	100.5	101.7	103.6
May	97.0	100.5	100.2	100.5	101.7	103.6
June	97.1	100.5	100.2	100.5	101.7	103.6
July	95.5	100.5	100.2	100.5	101.8	104.0
August	95.8	100.5	100.2	100.5	101.8	104.0
September	95.7	100.5	100.4	100.5	101.8	104.0
October	95.2	100.5	100.4	100.5	101.8	104.0
November	94.3	100.5	100.4	100.5	101.8	104.0
December	94.5	100.5	100.3	100.5	101.8	104.0

**Table 7.5
Producer Price Indices
(June 1995 = 100)**

	Wired Telecommunications Carrier	Local Service, except Private Lines	Residence Local Service	Business Local Service	Coin Local Service	Other Local Service
NAICS Series ID	517110	5171101	517110111	517110112	517110113	517110114
2000 January	94.8	100.6	100.3	100.6	101.8	104.0
February	94.1	100.6	100.3	100.6	101.8	104.0
March	94.8	100.7	100.3	100.9	101.8	104.0
April	94.1	100.7	100.5	100.7	101.5	104.0
May	93.4	100.7	100.6	100.6	101.9	104.0
June	94.1	100.8	100.8	100.5	102.3	104.0
July	94.0	101.3	101.7	100.6	102.7	104.0
August	94.0	101.3	101.7	100.6	103.2	104.0
September	93.8	101.5	101.9	100.6	103.6	104.2
October	93.4	101.4	101.9	100.5	103.6	104.2
November	93.0	101.4	101.9	100.5	103.6	104.2
December	93.1	101.4	101.9	100.5	103.6	104.2
2001 January	92.2	101.4	101.9	100.5	103.6	104.5
February	92.0	101.5	101.9	100.5	103.6	104.5
March	92.0	101.5	101.9	100.5	103.6	104.5
April	91.9	101.9	102.5	100.7	103.5	104.5
May	91.8	101.9	102.6	100.7	103.4	104.5
June	91.4	102.0	102.9	100.7	103.6	104.5
July	91.5	102.7	104.4	100.7	103.7	104.8
August	91.8	102.8	104.4	100.7	103.9	104.8
September	92.0	102.9	104.5	100.7	104.1	104.8
October	90.1	102.9	104.5	100.8	104.3	104.8
November	90.1	102.9	104.5	100.8	104.3	104.8
December	89.2	102.9	104.5	100.8	104.3	104.8
2002 January	88.4	103.4	105.2	101.0	104.3	104.8
February	88.0	103.4	105.2	101.0	104.3	104.8
March	87.9	103.4	105.3	101.0	104.3	104.8
April	87.5	103.4	105.4	101.0	104.3	104.8
May	87.8	103.4	105.3	101.0	104.3	104.8
June	87.7	103.5	105.5	101.1	104.3	104.8
July	87.4	104.0	106.1	101.1	104.3	119.5
August	87.8	104.0	106.1	101.2	104.3	119.5
September	87.7	104.0	106.2	101.1	103.9	119.9
October	85.5	104.0	106.2	101.1	103.9	119.9
November	86.4	103.9	106.2	101.1	103.9	119.9
December	86.0	104.0	106.2	101.1	103.9	119.9
2003 January	85.7	103.9	106.2	101.1	103.9	119.9
February	85.8	103.9	106.2	101.1	103.9	119.9
March	85.8	104.0	106.2	101.1	103.9	119.9
April	85.5	104.5	106.8	101.5	103.9	119.9
May	85.9	104.8	107.4	101.6	103.9	119.9
June	85.9	105.0	107.9	101.6	103.9	119.9
July	86.0	105.2	108.2	101.6	103.9	120.3
August	86.1	105.2	108.2	101.6	103.9	120.3
September	85.7	105.2	108.2	101.6	103.9	120.3
October	85.2	105.2	108.3	101.6	103.9	120.3
November	84.7	105.2	108.3	101.6	103.9	120.3
December	84.1	105.2	108.3	101.6	103.9	120.3
2004 January*	84.6	105.3	108.4	101.6	103.9	120.3
February*	84.0	105.3	108.4	101.6	103.9	120.3
March*	83.6	105.3	108.4	101.6	103.9	120.3
April*	83.9	105.4	108.6	101.6	103.9	120.3

* Subject to revision.

Table 7.5
Producer Price Indices - Continued
(June 1995 = 100)

	Public Switched Toll Service	Residence Switched Toll Service	Intrastate Residence Switched Toll Service	Interstate Residence Switched Toll Service	International Residence Switched Toll Service	Business Switched Toll Service	Business Switched Access Toll Service
NAICS Series ID	5171102	51711021	517110211	517110212	517110213	51711022	517110221
1995 June	100.0	100.0	100.0	100.0	100.0	100.0	100.0
July	105.2	102.6	101.2	105.2	99.4	108.2	104.0
August	101.3	101.3	101.1	103.7	95.7	101.4	101.4
September	101.0	101.0	103.2	100.1	97.2	101.0	102.1
October	100.8	102.0	105.8	100.9	96.4	99.5	100.3
November	99.3	99.7	102.9	98.1	94.3	98.8	99.2
December	99.1	100.1	104.2	96.3	97.1	98.0	98.4
1996 January	98.8	99.6	101.6	99.3	95.0	97.8	98.7
February	99.3	100.3	104.7	98.2	95.0	98.0	99.0
March	99.0	101.3	106.3	98.8	92.9	96.3	96.5
April	99.3	100.6	104.2	98.6	93.3	97.8	98.4
May	98.8	100.8	106.0	97.9	93.8	96.5	96.7
June	99.5	101.2	106.0	98.2	94.2	97.5	97.2
July	100.2	102.8	106.4	102.3	92.8	97.1	97.4
August	100.9	103.3	110.4	99.2	90.5	98.0	99.4
September	100.6	102.1	107.8	98.1	89.3	98.9	100.3
October	100.4	101.2	104.0	101.3	85.9	99.4	102.5
November	99.9	100.1	105.7	99.1	79.8	99.7	101.3
December	98.8	99.2	105.1	97.0	77.8	98.2	99.2
1997 January	100.6	102.7	103.5	105.4	82.0	98.0	100.1
February	99.3	101.7	103.1	104.1	79.6	96.4	98.8
March	97.7	99.5	102.2	99.0	80.2	95.7	98.3
April	98.2	100.2	101.0	102.2	80.1	95.8	98.7
May	99.3	101.4	101.8	105.0	80.1	96.9	100.7
June	100.3	101.8	101.4	104.9	84.4	98.5	103.2
July	99.7	102.2	99.9	107.0	85.1	96.7	103.0
August	100.4	103.4	100.9	107.1	85.6	96.9	104.2
September	98.4	100.9	100.5	104.2	85.6	95.5	103.2
October	97.8	99.4	100.7	102.0	84.7	95.8	103.3
November	97.6	98.2	103.9	97.3	80.7	96.9	104.6
December	97.9	99.7	100.6	104.6	83.4	95.8	104.4
1998 January	98.0	100.5	99.0	107.2	82.7	95.0	102.9
February	97.7	100.2	96.7	110.0	76.8	94.6	103.0
March	97.2	100.8	94.0	115.1	78.1	93.0	100.5
April	97.0	99.1	97.8	107.3	78.0	94.4	103.0
May	97.2	99.9	99.2	107.3	79.6	94.0	102.7
June	96.4	98.9	99.3	105.3	77.6	93.5	102.2
July	97.9	100.9	99.0	108.7	76.3	94.3	103.4
August	97.2	99.6	97.8	109.1	76.7	94.3	102.3
September	96.8	98.7	97.2	108.3	74.2	94.6	105.8
October	95.7	98.9	97.5	107.8	76.4	92.0	102.6
November	94.6	96.3	96.9	102.4	73.2	92.5	102.3
December	94.8	96.2	96.9	104.2	68.3	93.1	103.4
1999 January	93.9	97.3	97.2	105.0	72.7	89.9	100.0
February	92.5	95.4	96.4	102.0	69.6	89.1	99.7
March	93.3	96.9	97.0	106.0	68.0	89.0	100.0
April	94.5	97.6	96.6	108.0	69.1	90.8	101.2
May	93.9	97.3	96.8	106.8	69.5	89.9	100.5
June	94.2	97.4	96.7	107.2	69.3	90.5	101.9
July	91.1	98.4	97.2	108.7	71.6	82.4	93.8
August	91.7	99.4	97.5	110.1	73.9	82.5	95.8
September	91.4	99.0	96.6	110.1	73.1	82.4	94.8
October	90.5	97.6	96.9	107.5	69.7	82.1	94.1
November	88.8	95.4	95.2	104.0	67.0	80.9	92.4
December	89.3	95.8	94.3	106.6	65.8	81.5	93.4

Table 7.5
Producer Price Indices - Continued
(June 1995 = 100)

	Public Switched Toll Service	Residence Switched Toll Service	Intrastate Residence Switched Toll Service	Interstate Residence Switched Toll Service	International Residence Switched Toll Service	Business Switched Toll Service	Business Switched Access Toll Service
NAICS Series ID	5171102	51711021	517110211	517110212	517110213	51711022	517110221
2000 January	89.7	96.5	94.8	107.4	67.5	81.6	95.4
February	88.4	94.1	96.2	100.1	65.9	81.6	92.9
March	89.7	96.2	95.0	105.9	68.2	82.1	95.3
April	88.3	94.6	94.4	102.8	67.0	80.8	93.4
May	87.0	92.9	93.6	99.3	65.7	80.0	93.2
June	88.3	95.1	94.4	104.1	67.0	80.3	94.0
July	87.8	94.3	93.8	102.1	68.0	80.0	94.6
August	87.7	94.2	93.8	102.2	67.2	80.0	94.5
September	87.3	94.8	93.9	104.7	64.5	78.4	92.6
October	86.6	93.2	93.5	101.7	61.6	78.8	93.1
November	85.6	92.6	93.5	101.7	58.4	77.3	91.5
December	85.9	93.0	93.7	101.8	60.2	77.5	91.1
2001 January	84.2	92.2	93.3	107.4	60.9	74.7	87.6
February	83.8	92.1	94.1	99.5	61.8	73.9	87.9
March	83.9	92.4	94.7	98.2	61.3	73.8	87.5
April	83.4	92.1	94.3	98.6	61.3	73.0	87.2
May	83.1	92.2	94.3	98.2	60.4	72.2	85.8
June	82.4	91.4	95.2	98.9	57.4	71.6	84.7
July	81.9	91.3	95.6	96.9	57.9	70.7	84.3
August	82.5	92.8	95.8	96.0	54.8	70.2	83.2
September	82.7	91.7	95.9	101.2	52.9	72.0	84.3
October	79.2	88.4	94.9	92.2	49.7	68.2	80.5
November	79.1	89.0	95.5	94.7	45.6	67.4	77.6
December	77.4	88.2	96.0	92.4	44.5	64.6	74.6
2002 January	75.7	86.7	95.4	89.1	43.9	62.7	72.7
February	75.0	85.2	95.8	85.4	42.4	62.8	73.3
March	74.6	84.5	95.6	84.8	40.2	62.8	73.6
April	73.8	83.9	95.3	82.9	41.2	61.9	73.4
May	74.5	83.5	95.3	82.1	40.6	63.7	73.7
June	74.2	83.3	95.1	81.3	41.6	63.3	74.3
July	73.3	83.1	94.7	80.9	42.1	61.5	72.1
August	74.1	84.1	96.9	81.5	42.3	62.0	72.4
September	73.8	83.0	96.9	78.8	41.4	62.8	72.8
October	69.7	77.1	96.8	63.6	39.4	60.7	71.1
November	71.4	80.9	96.4	74.9	38.3	60.2	69.8
December	70.7	80.9	95.7	75.4	38.5	58.6	69.1
2003 January	70.0	79.9	95.6	73.0	38.2	58.3	68.5
February	70.4	79.7	87.4	81.2	37.2	59.2	68.9
March	70.2	79.8	87.4	81.6	37.0	58.7	67.9
April	69.4	78.2	86.9	78.2	35.6	58.9	68.7
May	69.8	79.5	87.1	82.2	34.4	58.3	67.1
June	69.7	78.9	87.1	80.7	33.8	58.7	68.3
July	69.8	79.4	86.9	81.3	36.3	58.4	67.0
August	69.9	79.5	86.7	82.2	35.4	58.5	67.2
September	69.3	78.1	85.9	79.8	33.9	58.7	67.7
October	68.3	77.6	85.4	79.5	32.5	57.4	66.5
November	67.4	76.1	84.7	76.5	31.8	57.0	64.9
December	66.3	74.6	83.7	73.5	31.3	56.3	64.6
2004 January*	67.0	75.9	84.0	77.2	30.7	56.5	64.7
February*	66.0	74.2	83.0	73.1	31.6	56.2	64.3
March*	65.3	74.7	82.7	75.8	29.3	54.1	62.3
April*	65.6	74.1	82.4	74.5	29.3	55.5	63.4

Table 7.5
Producer Price Indices - Continued
(June 1995 = 100)

	Outbound Business Switched Access Toll Service	Intrastate Business Switched Access Toll Service, Outbound	Interstate Business Switched Access Toll Service, Outbound	International Business Switched Access Toll Service, Outbound	Inbound Business Switched Access Toll Service	Intrastate Business Switched Access Toll Service, Inbound	Interstate Business Switched Access Toll Service, Inbound	International Business Switched Access Toll Service, Inbound
NAICS Series ID	5171102211	51711022111	51711022112	51711022113	5171102212	51711022121	51711022122	51711022123
1995 June	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
July	103.8	100.6	102.7	116.4	104.4	100.6	107.5	94.6
August	101.3	100.7	102.7	99.2	101.6	100.7	101.8	103.9
September	103.1	101.0	103.3	109.4	100.3	98.9	101.1	92.4
October	99.4	100.8	98.9	97.0	101.9	98.3	104.1	99.3
November	99.4	100.8	98.5	97.9	98.9	99.5	99.5	95.5
December	99.2	100.3	98.5	98.9	97.1	101.0	93.5	107.1
1996 January	99.1	100.9	95.9	102.7	98.0	96.2	95.6	106.6
February	98.3	101.5	96.5	94.0	100.1	97.4	98.8	101.2
March	96.2	100.7	93.7	88.7	97.0	95.3	90.4	93.4
April	98.0	101.2	94.8	96.3	99.0	95.9	94.9	91.0
May	97.8	101.6	95.1	93.9	94.7	91.2	92.3	88.1
June	97.5	101.1	96.5	87.6	96.5	96.6	90.0	93.9
July	97.2	101.6	95.3	88.8	97.7	95.6	89.6	93.2
August	99.7	102.0	101.6	88.5	98.9	91.4	94.8	100.6
September	101.7	102.2	108.2	84.0	97.7	92.3	94.2	92.9
October	105.0	103.1	114.5	87.4	98.1	91.0	94.4	93.6
November	101.4	101.7	106.0	89.1	101.0	91.6	97.9	86.7
December	97.8	101.8	98.2	82.2	101.5	90.8	91.5	93.2
1997 January	97.6	102.6	96.1	86.6	104.4	87.1	95.6	101.5
February	97.5	102.4	98.8	81.1	101.0	90.5	95.5	91.8
March	97.9	101.0	98.2	89.1	98.9	90.3	93.0	82.8
April	98.7	100.8	100.5	88.7	98.8	90.7	92.2	90.2
May	100.7	101.3	106.5	85.8	100.8	87.8	99.0	86.9
June	103.7	100.4	113.6	90.7	102.4	86.9	100.5	91.7
July	105.9	100.4	121.0	86.0	98.1	82.2	94.0	84.4
August	107.0	100.8	124.0	85.2	99.4	81.7	97.4	79.4
September	107.9	101.9	125.9	83.1	95.2	79.7	88.9	72.5
October	107.6	102.1	124.0	86.7	95.9	80.8	87.4	74.3
November	108.3	101.7	125.9	88.3	98.2	79.5	92.0	79.8
December	108.8	103.0	126.3	87.2	96.6	75.6	90.9	73.9
1998 January	108.7	102.6	126.3	85.3	92.8	76.0	85.4	68.8
February	111.1	102.5	132.1	87.5	88.9	74.2	84.7	74.3
March	108.9	102.3	128.2	83.6	85.9	75.7	80.6	74.8
April	112.6	102.5	137.3	85.8	86.4	72.9	84.2	67.3
May	111.5	101.6	135.6	86.5	87.3	69.5	85.8	62.3
June	111.2	102.8	132.8	87.0	86.5	70.0	85.0	59.8
July	112.0	103.7	134.6	85.3	88.4	75.6	85.6	60.1
August	112.9	104.2	135.4	87.9	84.1	74.2	78.6	62.8
September	115.6	105.6	142.1	85.2	88.7	75.6	86.7	61.1
October	111.2	106.9	130.0	82.3	87.6	74.6	85.4	55.7
November	111.4	106.4	129.1	87.1	86.6	70.5	84.8	60.1
December	112.5	106.3	132.1	87.8	87.5	73.8	84.6	65.6
1999 January	108.1	104.7	122.2	88.1	86.0	75.3	79.6	69.9
February	106.4	104.5	118.4	86.2	88.0	78.0	83.4	65.2
March	107.5	104.9	120.3	88.0	87.0	74.7	82.9	65.4
April	107.9	104.3	122.2	88.1	89.4	76.5	86.8	70.9
May	107.9	104.1	120.6	92.3	87.8	74.4	83.7	75.7
June	110.5	104.7	123.8	100.2	86.9	73.6	82.4	74.5
July	100.0	102.5	104.6	84.2	83.0	70.7	74.5	79.3
August	103.2	102.9	112.9	83.5	83.0	70.0	75.3	74.4
September	101.8	102.5	110.4	82.1	82.5	69.8	74.8	69.0
October	100.0	102.3	109.6	72.6	83.7	70.5	76.1	79.9
November	98.8	101.9	108.1	69.3	81.3	68.3	72.3	74.7
December	99.3	101.9	107.0	75.4	83.1	69.7	75.0	81.2

Table 7.5
Producer Price Indices - Continued
(June 1995 = 100)

	Outbound Business Switched Access Toll Service	Intrastate Business Switched Access Toll Service, Outbound	Interstate Business Switched Access Toll Service, Outbound	International Business Switched Access Toll Service, Outbound	Inbound Business Switched Access Toll Service	Intrastate Business Switched Access Toll Service, Inbound	Interstate Business Switched Access Toll Service, Inbound	International Business Switched Access Toll Service, Inbound
NAICS Series ID	5171102211	51711022111	51711022112	51711022113	5171102212	51711022121	51711022122	51711022123
2000 January	102.1	102.4	109.9	85.2	83.8	70.7	76.6	76.2
February	98.5	101.5	104.8	76.9	83.2	70.2	75.7	75.0
March	101.4	103.0	113.6	69.3	84.6	76.1	74.9	80.1
April	100.0	102.0	110.5	70.5	81.9	69.5	74.6	58.9
May	100.5	102.0	110.5	74.0	80.7	68.4	72.7	56.5
June	100.6	102.2	111.1	72.6	82.6	68.8	77.4	52.0
July	101.6	102.2	110.5	80.9	82.5	68.7	77.3	51.0
August	101.6	102.2	110.8	80.3	82.2	68.3	76.6	54.1
September	100.1	102.0	110.0	73.0	79.5	61.9	74.2	51.9
October	98.9	101.8	108.2	69.6	83.1	69.4	78.2	52.9
November	97.5	101.3	105.6	68.3	81.1	67.5	75.2	46.9
December	96.9	100.8	103.0	72.4	81.1	67.2	74.8	52.5
2001 January	92.1	99.4	95.6	62.8	79.7	65.8	72.5	51.1
February	91.2	99.0	95.5	58.0	82.2	68.5	77.3	46.8
March	91.0	99.5	92.7	62.2	81.5	67.6	75.7	51.4
April	91.0	98.4	96.1	57.1	80.6	66.3	74.5	50.7
May	89.3	97.7	93.2	55.1	79.7	66.4	72.3	49.6
June	87.0	98.0	86.7	55.3	80.6	66.7	74.3	49.3
July	87.1	98.4	86.3	55.3	79.4	67.5	71.0	49.3
August	86.2	98.3	85.6	51.9	77.8	64.9	69.1	47.4
September	88.2	97.6	91.1	53.3	77.6	63.5	68.9	51.9
October	81.5	95.4	77.6	48.9	78.6	66.8	70.1	45.9
November	80.2	96.7	70.8	53.5	73.2	62.0	60.2	45.4
December	74.6	93.4	60.7	51.3	74.5	56.5	66.9	40.4
2002 January	72.6	93.3	56.2	48.9	72.7	60.8	60.8	37.4
February	72.3	93.3	55.1	49.3	75.1	62.6	64.7	37.9
March	73.3	93.1	57.4	50.9	74.1	63.2	61.9	39.8
April	72.7	92.8	54.5	53.9	74.7	60.7	65.2	36.4
May	72.4	91.7	49.7	64.2	76.1	63.3	66.2	41.0
June	72.9	92.1	52.9	61.1	76.7	62.5	67.0	41.0
July	70.5	91.9	49.4	53.4	74.8	63.2	63.5	39.4
August	69.3	91.8	48.7	48.4	77.6	64.7	68.2	42.1
September	69.7	91.8	49.0	50.2	78.0	64.9	67.6	55.1
October	68.3	91.4	48.9	43.0	75.9	62.6	64.0	58.4
November	67.7	91.0	48.2	42.2	73.6	61.0	61.5	45.7
December	66.0	90.5	44.4	40.9	74.4	60.2	63.9	45.3
2003 January	65.3	90.2	42.5	41.6	73.9	62.9	60.3	52.2
February	64.4	89.9	41.1	39.8	76.7	63.2	65.9	54.3
March	64.4	90.0	40.6	40.4	74.0	63.3	60.2	52.6
April	64.4	89.4	41.4	40.4	76.0	63.4	64.2	55.4
May	62.3	89.1	37.6	36.8	75.5	63.5	62.6	57.5
June	63.0	89.2	37.8	39.8	77.4	64.6	66.4	54.8
July	61.8	88.9	34.5	40.4	75.9	64.5	61.9	65.5
August	62.0	88.8	34.3	41.9	76.1	64.6	62.9	60.3
September	61.3	88.8	34.4	38.1	78.6	67.2	65.8	68.8
October	61.1	88.7	35.5	35.1	75.8	64.3	62.7	59.8
November	60.0	88.5	32.9	34.4	73.3	62.4	59.8	47.7
December	59.5	88.3	31.9	33.7	73.4	60.0	61.7	46.1
2004 January*	59.2	88.2	32.1	32.0	74.0	61.2	62.6	43.1
February*	58.3	87.2	30.4	32.7	74.5	60.0	64.6	41.7
March*	58.9	87.9	31.4	31.9	68.1	58.7	52.3	36.8
April*	57.8	87.5	29.4	31.0	72.9	60.9	60.9	39.6

Table 7.5
Producer Price Indices - Continued
(June 1995 = 100)

	Business Special Access Switched Toll Service, except Private Lines	Outbound Business Special Access Switched Toll Service	Intrastate Business Special Access Switched Toll Service, Outbound	Interstate Business Special Access Switched Toll Service, Outbound	International Business Special Access Switched Toll Service, Outbound	Inbound Business Special Access Switched Toll Service	Intrastate Business Special Access Switched Toll Service, Inbound
NAICS Series ID	517110222	517110221	5171102211	5171102212	5171102213	517110222	5171102221
1995 June	100.0	100.0	100.0	100.0	100.0	100.0	100.0
July	115.4	119.9	119.0	98.9	152.8	107.3	101.6
August	101.3	100.3	105.6	98.9	100.4	103.3	107.4
September	99.1	97.7	98.9	95.3	99.7	101.7	104.9
October	98.0	98.3	107.4	92.9	105.7	97.5	93.8
November	98.0	98.5	105.8	94.9	105.1	97.0	93.3
December	97.3	97.8	100.0	95.3	103.8	96.4	94.2
1996 January	96.3	95.8	105.2	92.6	97.8	97.1	93.5
February	96.4	95.1	103.6	91.7	96.6	98.9	96.7
March	95.8	94.3	101.2	89.4	98.7	98.5	92.5
April	96.9	95.3	102.1	92.4	97.1	99.9	108.5
May	96.2	96.6	93.8	92.2	100.6	95.5	98.3
June	98.2	96.2	102.2	86.6	103.2	101.6	102.2
July	96.7	95.1	112.2	82.9	101.7	99.4	101.2
August	95.6	95.9	110.6	89.6	101.2	95.0	101.7
September	96.6	95.1	100.7	91.6	98.7	99.3	100.1
October	94.2	93.3	96.0	91.2	93.2	95.9	103.0
November	96.9	93.6	93.8	94.3	91.5	102.9	113.1
December	96.7	90.7	90.3	87.7	93.7	107.3	103.0
1997 January	94.6	90.5	85.5	86.9	97.4	102.0	106.0
February	92.3	89.6	87.9	88.8	94.4	97.3	109.9
March	91.2	88.5	86.3	85.2	95.3	96.2	106.7
April	91.0	89.0	88.3	87.8	93.1	94.6	101.3
May	90.5	86.7	87.0	85.6	88.8	97.3	102.5
June	90.5	87.3	82.0	83.7	89.3	96.1	99.9
July	86.1	83.3	83.4	77.7	90.5	91.1	98.5
August	84.4	81.0	83.5	74.0	89.0	90.6	96.0
September	82.4	76.9	82.8	68.5	83.2	92.3	86.6
October	83.2	77.9	81.2	72.4	81.7	92.7	88.4
November	83.8	77.8	85.5	72.0	82.1	94.6	80.3
December	81.3	76.8	86.0	69.3	79.3	89.5	79.1
1998 January	81.7	75.9	83.4	69.0	82.3	92.2	71.7
February	80.6	73.2	79.7	65.7	82.6	93.9	73.6
March	80.3	76.7	85.8	69.9	86.0	86.7	68.4
April	79.7	74.7	77.9	70.3	80.9	88.8	65.6
May	79.2	73.0	79.8	69.6	75.2	90.4	71.2
June	78.8	68.7	76.0	63.5	72.3	96.9	76.8
July	79.0	67.4	65.2	64.6	70.2	99.9	79.0
August	80.7	70.5	70.4	65.1	78.1	99.0	74.9
September	75.8	66.1	70.5	62.9	66.4	93.3	80.4
October	74.1	65.4	65.7	62.1	67.7	89.6	74.9
November	76.0	70.1	71.4	68.0	72.4	86.5	77.2
December	75.9	67.2	70.1	63.3	70.3	91.4	79.3
1999 January	72.9	65.4	67.0	61.4	68.5	86.3	77.3
February	71.2	63.5	63.0	58.3	68.0	84.9	84.6
March	70.5	62.3	63.5	58.5	63.8	85.2	80.3
April	73.3	64.7	69.5	63.6	61.5	88.6	79.8
May	72.0	63.1	66.0	63.5	57.7	88.0	79.9
June	71.2	60.0	61.9	60.0	54.2	91.2	83.8
July	63.0	58.3	61.5	56.6	53.6	71.6	64.0
August	60.1	51.5	54.5	53.1	38.7	75.7	67.4
September	61.4	54.2	58.7	55.0	43.4	74.4	65.5
October	61.9	57.6	60.8	57.3	50.6	69.5	59.5
November	61.4	53.9	54.0	51.2	50.1	74.8	65.6
December	61.5	56.0	56.3	53.7	52.5	71.2	61.6

Table 7.5
Producer Price Indices - Continued
(June 1995 = 100)

	Business Special Access Switched Toll Service, except Private Lines	Outbound Business Special Access Switched Toll Service	Intrastate Business Special Access Switched Toll Service, Outbound	Interstate Business Special Access Switched Toll Service, Outbound	International Business Special Access Switched Toll Service, Outbound	Inbound Business Special Access Switched Toll Service	Intrastate Business Special Access Switched Toll Service, Inbound
NAICS Series ID	517110222	517110221	5171102211	5171102212	5171102213	517110222	5171102221
2000 January	58.2	50.6	47.0	44.9	51.3	71.9	62.4
February	62.4	55.5	55.3	51.9	53.8	74.8	66.0
March	59.7	52.6	52.3	49.4	49.1	72.5	63.1
April	59.7	53.2	52.6	50.2	49.7	71.3	61.6
May	57.7	51.7	50.0	48.3	48.6	68.5	58.3
June	57.0	50.5	51.3	48.4	43.8	68.8	58.6
July	55.4	49.0	49.4	48.0	40.3	66.8	56.1
August	55.6	48.7	50.3	48.2	38.5	67.9	57.4
September	54.3	46.5	46.3	45.3	36.9	68.3	57.9
October	54.7	48.9	49.2	46.8	41.6	65.3	54.3
November	53.3	48.2	49.1	47.2	38.7	62.5	50.9
December	54.5	45.7	45.5	44.2	36.4	70.3	60.5
2001 January	53.0	43.8	40.7	39.4	39.0	69.5	59.5
February	50.2	42.8	43.1	39.7	34.4	63.5	52.1
March	50.7	41.9	41.1	39.5	32.2	66.5	55.4
April	48.9	41.3	47.0	34.8	35.4	62.4	52.9
May	49.3	41.4	49.5	35.5	33.8	63.4	58.5
June	49.6	40.7	44.4	34.9	34.4	65.5	56.8
July	47.9	41.1	41.5	38.7	30.8	60.1	49.9
August	48.4	39.5	37.5	34.6	33.0	64.4	57.7
September	51.2	43.5	49.1	37.2	38.5	65.1	58.5
October	47.4	40.7	49.7	33.6	34.1	59.6	53.3
November	50.2	41.9	29.5	32.6	47.3	65.0	60.8
December	47.7	40.2	47.8	30.0	38.8	61.3	53.4
2002 January	46.0	36.9	47.2	25.7	34.9	62.8	62.8
February	45.3	39.1	48.3	29.4	36.1	56.2	45.7
March	44.9	38.9	52.2	28.3	35.5	55.3	48.1
April	42.8	36.8	53.8	25.0	33.1	53.5	45.4
May	46.7	39.4	50.0	30.2	34.8	59.9	57.0
June	45.0	38.7	49.0	29.5	34.2	56.2	51.9
July	43.9	38.1	49.7	27.7	34.5	54.2	48.5
August	44.8	38.4	43.7	29.4	35.0	56.2	51.2
September	45.0	40.0	52.1	30.4	35.8	56.3	50.5
October	45.9	36.8	45.8	27.0	33.0	54.8	47.2
November	43.9	37.9	47.7	28.6	33.3	54.5	46.3
December	41.2	35.4	43.1	24.3	33.5	51.6	46.6
2003 January	41.5	34.9	47.3	25.1	29.0	53.2	54.0
February	42.8	36.1	42.5	27.3	31.0	54.8	46.7
March	43.1	37.4	46.8	29.7	29.9	53.2	51.5
April	42.6	36.3	47.1	25.3	33.3	53.9	47.8
May	43.4	37.5	41.8	28.1	35.1	53.7	50.8
June	42.6	35.9	44.2	26.2	31.7	54.7	46.9
July	43.7	39.4	51.1	31.0	32.9	51.0	51.0
August	43.9	38.8	49.6	30.0	33.2	52.5	44.3
September	43.5	38.6	50.5	29.0	34.1	51.7	52.3
October	41.9	36.7	46.2	28.4	29.8	51.0	48.1
November	43.5	38.7	49.3	30.5	32.2	51.6	50.2
December	42.3	36.9	46.9	28.5	30.2	51.6	48.8
2004 January*	42.5	36.8	47.4	28.1	30.3	52.4	48.8
February*	42.4	37.3	42.6	31.7	27.5	51.3	46.9
March*	40.4	35.3	41.7	27.3	28.6	49.2	44.6
April*	42.0	36.1	46.0	29.7	25.3	52.4	46.7

Table 7.5
Producer Price Indices - Continued
(June 1995 = 100)

	Interstate Business Special Access Switched Toll Service, Inbound	International Business Special Access Switched Toll Service, Inbound	Other Toll Service	Private Line Service	Intrastate Private Line Service	Other Telephone Services
NAICS Series ID	51711022222	51711022223	51711029	5171103	51711031	5171109
1995 June	100.0	100.0	100.0	100.0	100.0	100.0
July	109.0	99.6	100.0	100.0	100.0	100.0
August	102.2	98.5	100.0	100.0	100.0	100.0
September	99.9	97.6	100.0	100.0	100.0	100.0
October	99.7	97.3	100.0	100.0	100.0	100.0
November	98.7	97.2	100.0	100.0	100.0	100.2
December	97.1	97.1	100.0	100.0	100.0	100.2
1996 January	97.7	97.0	100.0	100.0	100.0	100.2
February	101.5	97.3	100.0	100.0	99.9	100.2
March	100.8	97.4	100.0	100.0	99.9	100.2
April	98.8	97.6	100.0	100.4	101.1	100.2
May	96.0	97.5	100.1	100.4	101.1	100.2
June	105.4	97.7	99.8	100.4	101.1	100.2
July	101.1	97.5	100.3	100.4	101.1	100.2
August	91.1	97.2	100.9	100.4	101.1	100.2
September	100.1	97.1	100.2	100.4	101.1	100.2
October	97.8	97.2	100.2	100.3	100.8	100.4
November	107.5	96.9	100.2	100.3	100.8	100.6
December	118.1	96.7	100.2	100.3	100.8	100.6
1997 January	106.4	96.7	100.2	100.3	100.8	100.5
February	96.0	96.5	100.2	100.3	100.8	100.6
March	96.5	96.6	100.2	100.3	100.8	100.5
April	97.4	96.8	100.2	100.3	100.8	100.5
May	101.1	97.2	100.2	100.3	100.9	100.5
June	99.4	97.3	100.2	100.3	100.9	100.5
July	90.0	96.9	100.2	100.3	100.9	100.5
August	91.4	97.1	100.2	100.3	100.9	100.5
September	97.2	97.0	100.2	100.3	100.8	100.5
October	97.2	96.9	100.6	100.3	100.8	100.7
November	99.1	96.7	100.6	100.3	100.8	100.7
December	89.7	96.7	100.7	100.3	100.8	100.7
1998 January	96.3	96.5	100.5	100.3	100.8	100.7
February	104.0	96.5	101.3	100.3	100.8	100.8
March	94.4	96.4	101.0	100.3	100.8	100.7
April	103.5	96.6	101.8	100.3	100.8	100.7
May	101.8	96.4	101.8	100.3	100.8	100.7
June	110.9	96.5	101.8	100.3	100.8	100.7
July	120.4	96.5	102.0	100.3	100.8	100.7
August	121.6	96.4	101.4	100.3	100.8	100.7
September	109.7	96.5	102.3	100.3	100.8	100.6
October	104.3	96.5	102.0	100.3	100.8	100.8
November	98.0	96.2	101.8	100.3	100.8	100.8
December	106.5	96.1	102.0	100.3	100.8	100.8
1999 January	97.6	96.0	101.5	100.2	100.6	100.8
February	93.0	96.1	101.5	100.3	100.8	100.8
March	94.7	96.0	101.5	100.3	100.8	100.8
April	101.2	96.2	101.4	100.3	100.8	100.8
May	100.0	96.2	102.0	100.3	100.8	100.8
June	104.9	96.9	100.1	100.3	100.8	100.8
July	74.2	97.1	101.6	100.3	100.8	100.2
August	80.7	96.5	100.0	100.3	100.8	100.2
September	79.0	96.2	101.9	100.3	100.8	100.8
October	71.6	92.1	100.0	100.3	100.8	100.8
November	79.6	85.0	98.8	100.3	100.8	100.9
December	74.3	84.5	99.1	100.4	101.2	100.4

Table 7.5
Producer Price Indices - Continued
(June 1995 = 100)

	Interstate Business Special Access Switched Toll Service, Inbound	International Business Special Access Switched Toll Service, Inbound	Other Toll Service	Private Line Service	Intrastate Private Line Service	Other Telephone Services
NAICS Series ID	51711022222	51711022223	51711029	5171103	51711031	5171109
2000 January	75.2	90.6	99.1	100.4	101.2	100.7
February	79.5	90.0	99.6	100.4	101.2	100.9
March	76.1	90.8	100.2	100.4	101.2	100.5
April	74.3	88.5	100.6	100.4	101.2	100.6
May	70.2	89.1	100.3	100.4	101.2	100.0
June	70.6	89.1	100.8	100.4	101.2	100.0
July	67.6	85.2	100.6	100.4	101.2	100.7
August	69.2	93.0	100.3	100.4	101.2	100.6
September	69.8	95.5	100.4	100.4	101.2	101.3
October	65.2	93.0	99.3	100.4	101.1	100.0
November	61.2	78.2	99.8	100.4	101.2	101.3
December	72.9	88.8	95.6	100.4	101.2	101.0
2001 January	71.6	84.2	101.7	100.4	101.1	101.5
February	62.7	81.3	102.9	100.4	101.0	101.5
March	67.2	84.5	101.0	100.4	101.0	101.5
April	60.4	90.4	101.6	100.4	101.0	101.5
May	60.6	90.1	101.4	100.3	100.7	101.5
June	65.0	93.2	101.2	100.3	101.0	101.5
July	56.9	92.6	100.3	100.3	101.0	101.4
August	62.8	88.5	100.2	100.3	101.0	101.4
September	63.7	87.7	101.0	100.5	101.5	101.5
October	55.1	85.7	100.6	100.6	101.7	101.5
November	63.0	80.7	100.3	100.6	101.7	101.7
December	58.3	70.4	101.6	100.6	101.7	101.7
2002 January	58.4	78.6	102.4	100.6	101.7	101.7
February	50.6	76.0	100.5	100.6	101.9	101.7
March	48.4	77.2	99.2	100.6	101.9	101.7
April	45.6	75.6	99.2	100.7	102.2	101.7
May	54.5	74.4	99.9	100.8	102.3	101.6
June	48.9	74.6	100.1	100.9	102.5	101.6
July	46.1	74.2	99.5	100.9	102.7	101.6
August	49.1	75.6	99.6	100.9	102.7	101.6
September	49.6	75.2	99.5	100.9	102.7	101.6
October	47.6	73.5	95.9	101.3	103.7	101.9
November	47.3	74.5	96.4	101.3	103.7	101.8
December	41.6	74.0	93.9	101.3	103.7	102.0
2003 January	42.7	73.9	91.5	101.3	103.7	102.0
February	47.7	74.4	92.4	101.3	103.7	101.9
March	43.4	60.9	90.5	101.3	103.7	101.9
April	45.8	61.3	90.4	101.3	103.7	101.9
May	44.5	59.2	87.2	101.3	103.7	101.9
June	47.5	55.4	86.9	101.3	103.7	101.9
July	39.4	56.4	85.6	101.2	103.6	101.9
August	44.2	54.6	86.7	101.2	103.6	101.7
September	40.4	56.2	84.9	101.2	103.6	101.7
October	40.2	58.6	84.1	101.2	103.6	101.9
November	40.8	52.4	82.7	101.2	103.6	101.9
December	41.1	52.3	81.6	101.2	103.6	101.9
2004 January*	42.7	55.6	82.9	101.2	103.6	102.3
February*	41.1	54.3	80.7	101.2	103.6	101.9
March*	37.9	55.7	81.5	101.2	103.6	101.9
April*	43.3	48.5	77.4	101.2	103.6	101.8

Table 7.6
Average Residential Rates for Local Service in Urban Areas
(As of October 15)

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002*	2003**
Representative Monthly Charge ***	\$12.58	\$12.44	\$12.32	\$12.30	\$12.36	\$13.03	\$13.05	\$13.16	\$13.19	\$13.62	\$13.71	\$13.67	\$13.75	\$13.77	\$13.64	\$14.49	\$14.38	\$14.57
Subscriber Line Charges	2.04	2.66	2.67	3.53	3.55	3.56	3.55	3.55	3.55	3.54	3.54	3.53	3.52	3.58	4.50	5.05	5.74	5.91
Additional Monthly Charge for Touch-Tone Service	1.57	1.52	1.54	1.52	1.33	1.06	0.97	0.94	0.77	0.44	0.30	0.25	0.10	0.09	0.06	0.04	****	****
Taxes, 911, and Other Charges	1.51	1.56	1.58	1.70	2.00	2.12	2.15	2.29	2.31	2.41	2.40	2.42	2.39	2.48	2.57	3.03	3.94	4.28
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	22.62	24.07	24.75
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	40.02	39.83	39.35
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	2.81	1.33	1.41
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	42.95	41.16	40.76
Additional Charge If Drop Line and Connection Block Needed	n.a.	n.a.	6.04	6.07	6.89	6.89	6.50	7.29	6.74	5.90	5.74	5.65	5.64	5.86	5.84	5.84	5.85	5.85
Lowest-Cost Inside Wiring Maintenance Plan	0.58	0.85	0.89	1.07	1.07	1.20	1.25	1.31	1.45	1.52	1.78	1.68	2.22	2.66	3.03	3.62	3.62	3.64

n.a.: not available

* Revised estimates.

** Subject to revision.

*** Rate is based upon flat-rate service where available, and measured/message service with 100 five-minute, same-zone business-day calls elsewhere. Beginning in 2001, all rates reflect flat-rate service.

**** Beginning in 2002, additional monthly charges for touch-tone service are included in the monthly recurring rate.

Table 7.7
Average Local Rates for Businesses with a Single Line in Urban Areas
(As of October 15)

Year	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002*	2003**
Monthly Representative Service Charge***	\$31.06	\$30.97	\$32.29	\$32.45	\$32.70	\$32.25	\$32.48	\$32.58	\$32.76	\$32.44	\$32.41	\$32.18	\$31.88	\$30.86	\$30.92
Subscriber Line Charges	3.55	3.57	3.57	3.56	3.57	3.57	3.57	3.54	3.54	3.54	3.52	4.39	4.91	5.63	5.75
Extra for Touch-Tone****	2.43	2.35	1.84	1.71	1.67	1.21	0.97	0.82	0.38	0.32	0.25	0.19	0.18	****	****
Taxes, 911 and Other Charges	4.21	4.32	4.42	4.57	4.63	4.61	4.79	4.87	4.99	4.97	5.03	5.04	5.45	5.47	5.72
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	42.43	41.95	42.40
Monthly Charge for Flat-Rate Service	\$33.04	\$33.29	\$34.12	\$34.06	\$34.85	\$34.39	\$34.45	\$34.42	\$34.68	\$34.39	\$33.73	\$33.45	\$32.02	\$32.92	\$32.36
Subscriber Line Charges	3.65	3.69	3.70	3.70	3.70	3.70	3.69	3.61	3.61	3.56	3.50	4.35	4.77	5.77	5.88
Extra for Touch-Tone****	2.12	2.11	1.87	1.84	1.76	1.12	1.00	0.89	0.53	0.49	0.47	0.43	0.39	****	****
Taxes, 911 and Other Charges	4.90	4.98	5.22	5.34	5.50	5.36	5.58	5.55	5.58	5.63	5.49	5.68	5.98	8.16	8.19
Total Monthly Charge for Flat-Rate Service	43.71	44.07	44.91	44.94	45.81	44.57	44.71	44.47	44.39	44.07	43.20	43.90	43.15	46.85	46.43
Number of Sample Cities with Flat-Rate Service	59	56	54	54	54	53	53	53	53	54	54	54	54	52	53
Monthly Charge for Measured/Message Service	\$16.18	\$16.17	\$16.76	\$16.55	\$16.60	\$16.74	\$17.06	\$17.26	\$17.28	\$17.16	\$17.06	\$16.92	\$17.16	\$17.56	\$17.56
200 Five-Minute Business-Day Same-Zone Calls	16.11	16.19	16.70	17.23	17.57	17.38	17.15	17.10	17.18	17.15	17.24	17.63	17.56	16.78	16.49
Subscriber Line Charges	3.54	3.55	3.55	3.54	3.55	3.55	3.54	3.51	3.51	3.53	3.52	4.39	4.90	5.56	5.68
Extra for Touch-Tone****	2.48	2.39	1.87	1.73	1.68	1.22	0.98	0.83	0.39	0.33	0.25	0.20	0.19	****	****
Taxes, 911 and Other Charges	4.41	4.53	4.56	4.77	4.86	4.83	5.01	5.13	5.22	5.19	5.28	5.32	5.76	4.71	4.87
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	45.57	44.61	44.60
Number of Sample Cities with Measured/Message Service	83	83	84	84	84	87	87	86	85	85	85	85	85	86	85
Cost of a Five-Minute Business-Day Same-Zone Call	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.10	\$0.09	\$0.09	\$0.09
Basic Connection Charge	\$71.05	\$71.36	\$72.75	\$72.55	\$71.41	\$69.88	\$67.87	\$68.47	\$68.67	\$65.83	\$67.87	\$67.77	\$67.04	\$67.29	\$67.26
Additional Connection Charge for Touch-Tone Service****	1.70	1.89	1.13	1.19	1.17	0.92	0.27	0.17	0.17	0.12	0.12	0.12	0.12	****	****
Taxes	4.06	4.15	4.32	4.33	4.25	4.13	4.17	4.20	4.45	4.13	4.53	4.40	4.69	5.09	5.36
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	71.86	72.39	72.62
Additional Charge If Drop Line and Connection Block Needed	\$5.92	\$7.87	\$6.90	\$6.83	\$6.64	\$6.49	\$7.28	\$6.98	\$6.54	\$6.54	\$6.65	\$6.62	\$6.62	\$6.52	\$6.52
Lowest-Cost Inside Wiring Maintenance Plan	\$1.78	\$1.91	\$2.05	\$2.03	\$2.08	\$2.26	\$2.39	\$2.63	\$2.84	\$3.04	\$3.53	\$3.92	\$4.86	\$4.73	\$4.95

* Revised figures.

** Subject to revision.

*** Rate is based upon flat-rate service where available, and measured/message service with 200 five-minute same-zone business-day calls elsewhere.

**** Starting in 2002, additional monthly charges for touch-tone service are included in the monthly charge.

Table 7.8
Average Revenue per Minute

	AT&T	All Carriers		
	All Interstate and International Switched Services	All Interstate and International Switched Services	International Switched Services	All Interstate Switched Services
1984	\$0.32	NA	NA	NA
1985	0.31	NA	NA	NA
1986	0.28	NA	NA	NA
1987	0.25	NA	NA	NA
1988	0.23	NA	NA	NA
1989	0.22	NA	NA	NA
1990	0.20	NA	NA	NA
1991	0.20	NA	NA	NA
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	0.91	0.12
1996	NA	0.16	0.76	0.12
1997	NA	0.15	0.69	0.11
1998	NA	0.14	0.58	0.11
1999	NA	0.14	0.54	0.11
2000	NA	0.12	0.52	0.09
2001	NA	0.10	0.35	0.08
2002	NA	0.09	0.28	0.07

NA - Not available.

Note: Data for some prior years have been revised.

Sources: AT&T information provided by AT&T. Other estimates from Industry Analysis and Technology Division, Wireline Competition Bureau, *Telecommunications Industry Revenues* (March 2004).

Table 7.9
Standard Deviation Analysis of Residential Rates in the Sample Cities
(As of October 15, 2003)

a.	Maximum Charge	\$ 35.56
b.	Minimum Charge	\$ 16.30
c.	Representative Monthly Charge (Weighted Average)	\$ 24.75
d.	Weighted Standard Deviation (Std Dev)	\$ 4.70
e.	Average + 2*(Std Dev) (= c + 2d)	\$ 34.16
f.	Percent to Average (= [e/c] * 100)	138%

Table 7.10
Historical Standard Deviation Analysis of Residential Rates in the Sample Cities
(As of October 15)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Maximum Rate	\$32.68	\$31.63	\$30.62	\$28.65	\$28.78	\$28.27	\$28.75	\$29.72	\$34.75	\$34.95	\$35.56
Minimum Rate	\$12.18	\$12.18	\$13.04	\$13.04	\$13.05	\$13.05	\$13.05	\$13.21	\$15.31	\$15.93	\$16.30
Representative Monthly Rate (Average)	\$19.95	\$19.81	\$20.01	\$19.95	\$19.88	\$19.76	\$19.93	\$20.78	\$22.62	\$24.07	\$24.75
Weighted Standard Deviation (Std Dev)	\$4.23	\$4.28	\$3.41	\$3.28	\$3.35	\$3.24	\$3.46	\$3.57	\$4.20	\$4.32	\$4.70
Average + 2*(Std Dev)	\$28.41	\$28.38	\$26.84	\$26.51	\$26.58	\$26.24	\$26.85	\$27.92	\$31.01	\$32.71	\$34.16
Percentage to Average	142%	143%	134%	133%	134%	133%	135%	134%	137%	136%	138%
Average + 3*(Std Dev)	\$32.65	\$32.66	\$30.25	\$29.78	\$29.93	\$29.47	\$30.31	\$31.49	\$35.21	\$37.03	\$38.85
Percentage to Average	164%	165%	151%	149%	151%	149%	152%	152%	156%	154%	157%

Table 7.11
Interstate Per-Line Access Charges
(National Average per Month per Line) *

Rates in Effect		Charged to End Users † (Subscriber Line Charges)			Charged to Long Distance Carriers ‡ (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	4.28	5.99	6.88	0.00	0.00	2.30	0.37
07/01/01	12/31/01	4.78	5.93	6.66	0.00	0.00	1.35	0.22
01/01/02	06/30/02	4.92	5.93	6.79	0.00	0.00	1.35	0.22
07/01/02	06/30/03	5.62	5.88	6.45	0.00	0.00	0.48	0.08
07/01/03	06/30/04	5.96	5.94	6.37	0.00	0.00	0.20	0.04

* 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.

† 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 SLC charges. Non-primary SLC charges 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 January 1, 2003, the caps on SLCs for primary residential and single-line business, non-primary residential, and multiline business and Centrex lines equal \$6.50, \$7.00, and \$9.20, respectively. For NECA pool companies, the residential SLC cap is \$6.50, while the multiline business and Centrex SLC cap equals \$9.20.

‡ 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 do not charge different rates for Centrex and multiline business SLCs, they do 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. Therefore, under price-cap regulation, as of July 1, 2000, the caps on PICCs for primary residential and single-line business, non-primary residential, and multiline business lines equal \$0.00, \$0.00, and \$4.31, respectively. Centrex groups of 9 or fewer lines are capped at the multiline business PCCC rate of \$4.31 per group. Centrex groups with more than 9 lines are capped \$0.48 per line (1/9th the multiline business rate).

Source: Access tariff filings.

Table 7.12
Interstate Per-Minute Access Charges
(National Average in Cents per Minute) *

Rates in Effect		Interstate Charges for Switched Access Service				
From	To	Carrier Common Line per Originating Access Minute*	Carrier Common Line per Terminating Access Minute*	Traffic Sensitive per Switched Minute	Non-Traffic Sensitive per Switched Minute †	Total Charge per Conversation Minute ‡
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 #	06/30/01	0.23	0.07	0.52	0.26	1.91
07/01/01	12/31/01	0.15	0.07	0.48	0.24	1.71
01/01/02	06/30/02	0.15	0.07	0.47	0.24	1.69
07/01/02	06/30/03	0.02	0.01	0.48	0.22	1.46
07/01/03	06/30/04	0.00	0.00	0.48	0.22	1.44

* 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), which are reported in Table 7.9.

† 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.

‡ 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.

Although the charges took effect on July 1, 2000, some companies made adjustments to the tariffs which did not take effect until August 11, 2000.

Source: Access tariff filings.

**Table 7.13
Interstate Per-Line Access Charges by Carrier**

Company	Rates Effective From 07/01/03 To 06/30/04 (In Dollars per Month per Line)*							2002 Average Monthly Access Lines † (Thousands)		
	Subscriber Line Charges			Presubscribed Interexchange Carrier Charges						
	Residential and Single-Line Business	Non-Primary Residential	Multiline Business and Centrex	Residential and Single-Line Business	Non-Primary Residential	Multiline Business	Centrex	Residential and Single-Line Business	Non-Primary Residential	Multiline Business and Centrex
ALLTEL - Nebraska	4.96	4.96	5.71	0.00	0.00	0.00	0.00	206	13	70
BellSouth	6.50	7.00	7.13	0.00	0.00	0.00	0.00	14,428	2,214	5,594
CenturyTel ‡	6.50	7.00	9.20	0.00	0.00	2.06	1.10	763	40	143
Cincinnati Bell	5.32	5.32	5.32	0.00	0.00	0.00	0.00	649	75	279
Citizens	6.12	6.44	9.20	0.00	0.00	3.81	0.60	1,686	167	485
Iowa Telecom	6.50	7.00	9.20	0.00	0.00	4.31	0.82	207	15	43
Qwest	6.11	6.36	6.76	0.00	0.00	0.04	0.04	9,761	1,762	4,064
SBC	5.00	4.92	4.94	0.00	0.00	0.00	0.00	28,792	6,117	16,064
Sprint	5.89	6.00	7.60	0.00	0.00	0.06	0.01	5,315	778	1,727
Valor	6.46	7.00	8.65	0.00	0.00	2.02	0.95	370	56	97
Verizon	6.35	6.40	6.83	0.00	0.00	0.43	0.07	32,394	6,359	15,077
Price Caps	5.90	5.94	6.22	0.00	0.00	0.21	0.04	94,570	17,597	43,642
NECA	6.50	NA	9.20	0.00	NA	0.00	NA	10,290	NA	2,169
All Price Caps and NECA	5.96	5.94	6.37	0.00	0.00	0.20	0.04	104,860	17,597	45,811

* 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.

† 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.

‡ Data reflect only those company study areas subject to price-cap regulation.

NA: Not Available

Source: Access tariff filings.

**Table 7.14
Interstate Per-Minute Access Charges by Carrier**

Company	Rates Effective From 7/1/03 To 06/30/04 (In Cents per Minute) *					2002 Minutes of Use		
	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 †	Total Charge per Conversation Minute ‡	(Millions)		
						CCL Originating	CCL Terminating	Local Switching
ALLTEL - Nebraska	0.00	0.00	0.79	0.33	2.29	372	369	741
BellSouth	0.00	0.00	0.36	0.24	1.23	23,475	55,742	64,411
CenturyTel #	0.01	0.00	0.43	0.28	1.46	815	2,228	3,061
Cincinnati Bell	0.00	0.00	0.51	0.28	1.61	865	2,141	3,008
Citizens	0.04	0.00	0.61	0.47	2.26	2,245	4,035	6,282
Iowa Telecom	0.00	0.00	1.39	0.62	4.10	390	339	730
Qwest	0.00	0.00	0.57	0.16	1.51	18,088	33,606	51,941
SBC	0.00	0.00	0.41	0.19	1.23	63,965	66,731	132,324
Sprint	0.00	0.00	0.60	0.14	1.51	5,825	19,008	24,880
Valor	0.00	0.00	0.79	0.41	2.45	332	1,016	1,348
Verizon	0.00	0.00	0.42	0.18	1.24	44,067	119,169	163,656
Price Caps	0.00	0.00	0.44	0.20	1.31	160,440	304,385	452,382
NECA	0.00	0.00	1.47	0.75	4.54	NA	NA	19,168
All Price Caps and NECA	0.00	0.00	0.48	0.22	1.44	160,440	304,385	471,550

NA: Not Available.

* 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), which are reported in Table 7.11.

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

† 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.

‡ 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.

Data reflect only those company study areas subject to price-cap regulation.

Source: Access tariff filings.