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See MCI v. FCC. 515 F 2d 385 (D.C. Circ 1974).

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## FCC Releases Reference Book

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

## Toll Service Rates

- During 2003, the consumer price index for interstate toll service fell $10.8 \%$ and the consumer price index for intrastate toll service fell $9.3 \%$, while the overall consumer price index rose $1.8 \%$.
- The average revenue per minute of long distance calling, which reflects rates paid by residential and business consumers, has fallen from 15 cents in 1992, when discount and promotional long distance plans were introduced, to 8 cents in 2002, a decrease of $53 \%$.


## Rates for Local Service

- The average rate paid by residential customers for unlimited touch-tone calling was $\$ 24.75$ in 2003, compared to $\$ 24.07$ in 2002, an increase of $2.8 \%$. Connection charges for residential customers fell from $\$ 41.16$ to $\$ 40.76$ during the same period, a decrease of $1.0 \%$.
- The Lifeline universal service program subsidizes the monthly phone charges for lowincome households, while the Link-Up program subsidizes charges for the connection of a phone line. Based on a sample of cities, Lifeline conferred an average monthly benefit of $\$ 14.33$, and Link-Up conferred an average benefit of $\$ 28.50$.
- The average rate paid by business customers for a single phone line was $\$ 42.40$ in 2003, compared to $\$ 41.95$ in 2002, an increase of $1.1 \%$. Connection charges for single-line business customers increased from $\$ 72.39$ in 2002 to $\$ 72.62$ in 2003, an increase of 0.3\%.


## Consumer Expenditures for Telephone Service

- According to Bureau of Labor Statistics (BLS) surveys, telephone service continues to comprise approximately $2 \%$ of household expenditures. Monthly expenditures for telephone service by households with telephone service rose from $\$ 76.17$ in 2001 to $\$ 79.75$ in 2002, an increase of $4.7 \%$.
- Also, according to BLS surveys, urban households continue to spend more on telephone service than rural households. During 2002, annual expenditures for urban households were $\$ 972$, as compared to $\$ 851$ for rural households.
- According to data for the year 2003 provided by TNS Telecoms, households annually spent $\$ 441$ on local service (compared to $\$ 436$ in 2002), $\$ 122$ on long distance service (compared to $\$ 149$ in 2002), and $\$ 492$ on wireless service (compared to $\$ 417$ in 2002), for a total annual expenditure of $\$ 1,055$ on telephone services (compared to $\$ 1,001$ in 2002).

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

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

# Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service 

Paul R. Zimmerman

Industry Analysis \& Technology Division Wireline Competition Bureau 2004



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

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## Introduction

This 2004 issue of the Reference Book represents a redesign and refocusing of the Industry Analysis and Technology Division's annual Urban Rates Survey. The local rate data compiled for 2002 and 2003 reflect a more detailed inclusion of various taxes and surcharges and, as such, provide a more accurate estimate of the monthly charges residential and single-line business customers pay for local telephone service provided by wireline telephone companies. In addition, local rates pertaining to multiline-business customers were no longer requested. Like the previous edition of the Reference Book (2003), this issue primarily focuses on trends in rates, price indices, and expenditures for telephone service. As before, each chapter has a section following the text which informs the reader about the various additional data sources that contain further information on these topics. This report, and previous reports, are also available on the FCC-State Link at www.fcc.gov/wcb/stats.

This publication focuses on domestic telecommunications. Those interested in international telecommunications are encouraged to refer to Trends in the International Telecommunications Industry, which is also available on the FCC-State Link Internet site.

## Statistical Findings

## Rates for Local Service

- The average rate paid by residential customers for unlimited touch-tone calling rose to $\$ 24.75$ in 2003, an increase of $2.8 \%$ from $\$ 24.07$ in 2002. Connection charges for residential customers fell from $\$ 41.16$ to $\$ 40.76$ during the same period, a decrease of $1.0 \%$.
- Lifeline subsidizes the monthly phone charges for low-income households, while LinkUp subsidizes charges for the connection of a phone line. Based on a sample of cities, Lifeline conferred an average monthly benefit of $\$ 14.33$, and Link-Up conferred an average benefit of $\$ 28.50$.
- The average rate paid by business customers for a single phone line rose from $\$ 41.95$ in 2002 to $\$ 42.40$ in 2003, an increase of $1.1 \%$. Connection charges for single-line business customers increased from $\$ 72.39$ in 2002 to $\$ 72.62$ in 2003, an increase of $0.3 \%$.


## Toll Service Rates

- The increased availability and marketing of discount and promotional long distance plans, as well as the popularity of wireless "bucket-of-minutes" plans, has made basic schedule rates obsolete for many long distance customers, particularly business customers and high volume residential consumers. Today wireline, wireless, and cable comapnies are offering consumers bundled packages of local and long distance service, and buckets of minutes that can be used to call anyone, anywhere, and anytime.
- The average revenue per minute of long distance calling, which reflects rates paid by residential and business consumers, has fallen from 15 cents in 1992, when discount and promotional long distance plans were introduced, to 8 cents in 2002, a decrease of $53 \%$.
- During 2003, the consumer price index for interstate toll service fell $10.8 \%$ and the consumer price index for intrastate toll service fell $9.3 \%$, while the overall consumer price index rose $1.8 \%$.


## Consumer Expenditures for Telephone Service

- According to Bureau of Labor Statistics (BLS) surveys, monthly expenditures for telephone service by households with telephone service rose from $\$ 76.17$ in 2001 to $\$ 79.75$ in 2002 , an increase of $4.7 \%$. Telephone service continues to comprise approximately $2 \%$ of household expenditures.
- Also, according to BLS surveys, urban households continue to spend more on telephone service than rural households. During 2002, annual expenditures for urban households were $\$ 972$, as compared to $\$ 851$ for rural households.
- According to data provided by TNS Telecoms, a marketing research firm, households spent a total of $\$ 1,055$ on telephone services during the year 2003: $\$ 441$ on local service; $\$ 122$ on long distance service; and $\$ 492$ on wireless service.


## I. Rates

This section focuses on rates for local telephone service provided by wireline telephone companies. The billing structure for local telephone service can be broadly classified as either flat-rate or message/measured service. Customers subscribing to flat-rate service do not pay any additional fees for calls within their local calling area, regardless of the number of calls they place. Alternatively, customers subscribing to message or measured service pay an additional charge for calls made within the local calling area. Message service denotes those plans which bill customers by the call, regardless of the length of the call, while measured service plans bill customers based upon the length of the call. Either plan may also base charges on the distance between the calling and called party. Under either message or measured service, some amount of calling may be included in the monthly basic charge and therefore be made without additional cost to the customer.

In addition to monthly charges for basic service and calling charges, customers pay a number of other charges for telephone service. The federal subscriber line charge is a line item that local exchange carriers are authorized to charge to recover a portion of the interstate costs of providing local phone service. Some states, such as Michigan, authorize local carriers to charge a state subscriber line charge. In some areas there are additional surcharges that the state telephone regulatory authority has authorized the carrier to charge customers. These surcharges are generally associated with price-cap plans and other regulatory matters that either limit the carrier's local service revenue to reasonable levels, or ensure that the carrier is fully compensated for the cost of providing service. In some states, most notably California, the surcharges change annually and can either add or subtract to the local rates of customers. Charges to fund local number portability, telecommunications relay services, and 911 services also appear on telephone bills in many parts of the country.

The local rate averages presented in this report include subscriber line charges and local number portability surcharges that are tariffed at the FCC. Revenues from these charges are classified as interstate and therefore are included in incumbent local exchange carrier (ILEC) universal service contribution bases. Prior to July 2000, the ILECs recovered the cost of universal service contributions through per-minute interstate access charges. In July 2000 the ILECs began recovering this cost through pass-through charges levied on local exchange service customers. These pass-through charges also are included in our calculations of the base rate for local service.

State, county, and municipal governments levy a number of charges on telephone service. These charges range from standard sales taxes to the 3 percent federal excise tax on telephone service, the latter of which is levied on all monthly service charges except for connection charges or state and municipal taxes appearing as separate line items on consumers' bills.

For local service, posted rates provide an accurate picture of prices paid by end users. However, the long distance market features a variety of rates for identical or similar services. Residential consumers may choose from a wide variety of distinct discount plans, and many businesses enter into contracts with long distance carriers rather than purchasing service at the posted rates. Consequently, basic rates do not necessarily reflect the prices that residential and business consumers actually pay for long distance services. In fact, the vast majority of customers employ discount long distance calling
plans and do not pay the basic schedule rate. ${ }^{1}$ Numerous ILECs, competitive local exchange carriers (CLECs), and interexchange carriers (IXCs) are now offering bundled packages of local and long-distance voice services, many at discounted rates. In addition, many wireless providers offer packages that include a set number of minutes that may be used for local or long-distance calls.

## A. Local Service Rates

The Industry Analysis and Technology Division of the Wireline Competition Bureau conducts an annual survey of ILEC local telephone service rates in 95 urban areas of the United States. ${ }^{2}$ The cities surveyed are those that were included in the BLS Consumer Price Index (CPI) in 1986. In constructing averages and medians, the sample weights derived by the BLS are used. In addition to collecting information on monthly rates for service, the Urban Rates Survey collects information on charges paid to have a phone connected to the network and the price of optional inside wire maintenance plans offered by many local exchange carriers.

## 1. Residential Rates

Table 1.1 presents the national average rates for residential telephone service as of October 15, 2003. The average rate for flat-rate calling with touch-tone service in the 95 cities in the sample was $\$ 24.75$. Measured or message service was $\$ 16.70$, with an average additional charge of 10 cents for a 5-minute, same-zone, business-day call.

The charge to have a single residential line connected averaged $\$ 40.76$ on October 15,2003 . If telephone service is being installed for the first time at a residence, a drop line from the nearest telephone cable must be run to the building and a connection block (network interface device) must be installed. In twenty-one of the sample cities, an additional charge is levied for this work. The nationwide average connection charge would be $\$ 5.85$ higher if these charges were included.

In some areas of the country, only one type of service is offered, either flat-rate or measured/message service, and consumers do not have a choice. In order to calculate a national average based upon all of the sample cities, we calculate a "representative rate." The representative rate is the flat-rate service charge in those areas where this type of service

[^0]was available. ${ }^{3}$ Table 1.2 presents the national average representative rates from 1986 to 2003. During this eighteen-year period, the average representative rate for residential local service has gone from $\$ 17.70$ to $\$ 24.75$, and average connection charges have dropped from $\$ 49.25$ to $\$ 40.76$.

Table 1.3 provides the rates in each of the 95 cities in the Urban Rates Survey as of October 15, 2003. Tables 1.4 and 1.5 provide historical rates for each of the sample cities.

## 2. Rates for Low-Income Households

Tables 1.1 through 1.5 show the local rates that are available to all customers. Many states, in addition to federal programs, subsidize low-income households' monthly service charges and connection fees. Most of these subsidy programs are part of the FCC's Lifeline and Link-Up programs. The goal of the Lifeline and Link-Up programs is to help achieve universal service by enabling lower-income households to obtain telephone service. Lifeline subsidizes lower-income households' monthly service charges, while Link-Up subsidizes lower-income households' connection charges. In 2003, qualifying households in all of the 95 surveyed cities received Lifeline and LinkUp benefits. Table 1.6 shows the average Lifeline and Link-Up rates in those cities and compares the subsidized rates to the standard rates. In 2003, low-income households on the Lifeline program paid $\$ 10.42$ per month for local service, as compared to $\$ 24.75$ paid by residential subscribers not on the Lifeline program, for an average saving of $\$ 14.33$ per month. Low-income households receiving Link-Up assistance paid $\$ 12.26$ for connection charges, as compared to $\$ 40.76$ paid by residential subscribers not receiving LinkUp assistance, for an average Link-Up benefit of \$28.50.

Table 1.7 presents the Lifeline and Link-Up rates, as well as the standard rates, in the sample cities as of October 15, 2003.

## 3. Business Rates

The Urban Rates Survey also collects information on charges for single-line business service. Beginning with the 2003 Urban Rates Survey, data pertaining to charges for multi-line business services (key systems and private branch exchanges) are no longer collected.

Table 1.8 presents the average monthly rates for flat-rate and measured/message service paid by a business with a single telephone line, as well as the connection charges a business could expect to pay. Table 1.9 calculates the "representative rate," and shows the trend in rates since 1989. Rates for single-line businesses have followed trends similar to those seen with residential rates. Rates have stayed relatively constant, moving with changes in the federal subscriber line charge, which was capped at $\$ 6.50$ at the time of the latest survey. Tables 1.10 through 1.12 present current and historical rates for the sample cities.

[^1]
## B. 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 highcost areas served by non-rural carriers to nationwide urban rates. ${ }^{4}$ The urban rate benchmark adopted by the Commission is based upon the most recent average urban residential rate as shown in Table 1.1.

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 1.13 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 1.14 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 $20 \%$.

## C. Toll Service Rates

Since 1992, long distance carriers have introduced an impressive array of discount and promotional plans, and many long distance residential customers subscribe to these plans. These plans take a variety of formats. Some plans offer a block of calling time for a fixed fee and reduced per minute rates for additional calling while others give volume discounts or discounts for calls to certain phone numbers or area codes. One common trend has been the introduction of flat-rate calling plans, which eliminate the mileage bands associated with traditional basic schedules. In addition, so called "all you can call plans" have become an increasingly popular option for many long-distance customers. For instance, AT\&T's "One Rate USA" plan allows unlimited local and domestic longdistance calling and up to four additional calling features for $\$ 49.95$ per month (not including add-on charges such as those for universal service, 911 emergency, etc.). MCI's "Neighborhood" plan allows unlimited local, long-distance, and local toll calls (in addition to other features including call waiting and caller ID) starting at $\$ 49.99$ per month in most states (not including add-on charges).

[^2]Section 271 of the Telecommunications Act of 1996 allows the Regional Bell Operating Companies (RBOCs) to provide in-region interLATA toll services conditional on the companies satisfying a fourteen-point "checklist" of conditions which demonstrates that their local exchange markets are open to entry by competitive local exchange carriers. All of the RBOCs have attained section 271 approvals for their particular markets, and many are now offering discounted bundled packages of voice and popular calling features. For example, Verizon's "Freedom" plan offers unlimited longdistance and local calling as well as unlimited voice mail, caller ID, call waiting, speed dialing, and three-way calling for as low as $\$ 49.95$ per month (not including add-on charges). In addition, Verizon offers discounts on its high-speed Internet and wireless offerings to those subscribers who sign up for the "Freedom" plan.

In addition, wireless companies and prepaid calling cards offer more options for long-distance consumers. Wireless companies now offer packages which enable customers to purchase a set number of minutes of usage per month at a set rate (some with unlimited nights and weekends) and allow customers to use these minutes for local or long distance calling. Consumers may also purchase prepaid calling cards, which contain an allotted number of minutes, with rates less than four cents per minute.

Using revenue per-minute data for both residential and business interstate toll traffic, Table 1.14 illustrates the downward trend in long distance rates since discount long distance plans were introduced in 1992. The carriers' average revenue per interstate toll minute has fallen by $53 \%$ since 1992 , demonstrating that the advent of discount long distance plans has produced lower rates for both business and residential consumers.

## D. Additional Sources of Information on Local and Toll Rates

## 1. Local Rates

A few states have begun to place exchange service tariffs on the Internet. The National Association of Regulatory Utility Commissioners (NARUC) web site has links to the web sites of all of the state telecommunications regulatory agencies: www.naruc.org.

The Bureau of Labor Statistics (BLS), part of the U.S. Department of Labor, publishes a number of price indices that follow trends in local telephone rates. Part III of this report reviews these indices. The most current figures can be obtained at www.bls.gov.

## 2. Toll Rates

Up until August 2001, all interstate interexchange carriers were required to file tariffs setting forth their rates with the FCC. These filings were available for public inspection at the FCC's Reference Information Center, Washington, DC. As of August 1, 2001, interstate carriers were no longer required to file tariffs setting forth their interstate
long distance rates. Since that date, carriers are required to post their rates on their websites.

The BLS publishes a number of price indices that follow trends in toll rates. Part III of this report reviews these indices. The most current figures can be obtained at stats.bls.gov.

Finally, there are a number of firms that specialize in monitoring major long distance companies and their rates, and many of these firms maintain Internet sites. Some examples are Abtolls.com, a free directory service guide to long distance carriers and their rates; Telecommunications Research and Action Center, which uses a search engine to find the lowest long distance rates for any selected calling pattern; Phone Bill Busters, which lists discount long distance plans and uses a search engine to find the lowest long distance rates for any selected calling pattern; and Discount Long Distance Digest, an Internet newsletter which offers a "free multi-carrier cost comparison service". One can access these services on the Internet at www.abtolls.com, www.trac.org, www.phone-bill-busters.com, and www.thedigest.com.

Table 1.1
Residential Rates for Local Service in Urban Areas
(As of October 15, 2003)

|  | Average Rate | Median Rate ${ }^{2}$ |
| :---: | :---: | :---: |
| Monthly Charge for Flat-Rate Service ${ }^{1}$ | \$14.57 | \$13.59 |
| Federal and State Subscriber Line Charges | 5.91 | 6.10 |
| Taxes, 911 and Other Charges | 4.28 | 3.86 |
| Total Monthly Charge for Flat-Rate Service | \$24.75 | \$23.55 |
| Number of Sample Cities with Flat-Rate Service | 95 | - |
| Monthly Charge for Measured/Message Service ${ }^{1}$ | \$7.53 | \$7.88 |
| Federal and State Subscriber Line Charges | 5.78 | 6.00 |
| Taxes, 911 and Other Charges | 3.39 | 3.06 |
| Total Monthly Charge for Measured/Message Service | \$16.70 | \$16.94 |
| Cost of a 5-Minute Daytime Call | 0.10 | 0.08 |
| Number of Sample Cities with Message/Measured Service | 95 | - |
| Basic Connection Charge ${ }^{1}$ | \$39.35 | \$40.00 |
| Taxes | 1.41 | 2.81 |
| Total Connection Charge | \$40.76 | \$42.81 |
| Additional Charge if Drop Line and Connection Block Needed | 5.85 | 0.00 |
| Lowest-Cost Inside Wiring Maintenance Plan | \$3.64 | \$3.95 |

${ }^{1}$ Rate includes additional monthly charges for touch-tone service.
${ }^{2}$ Where a rate exists for fewer than 95 cities, the median represents the midpoint rate for those cities which have the service offering.

Table 1.2
Average Residential Rates for Local Service in Urban Areas, 1986-2003

|  | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | $2002{ }^{1}$ | $2003{ }^{2}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Representative Monthly Charge ${ }^{\text {3,4 }}$ | \$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 | 4 | 4 |
| 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 ${ }^{4}$ | 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 | 4 | 4 |
| 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 | 1 | 1 | 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 |

1 Not available.
2 Subject to revision.
3 Rates are 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.
4 Beginning in 2002, rate includes additional monthly charges for touch-tone service.

Table 1.3
Residential Telephone Rates in the Sample Cities ${ }^{1}$
(As of October 15, 2003)

| State | City | Telephone Company | Monthly Telephone Rate Including Touch-Tone, Surcharges, and Taxes |  | Cost of a Five-Minute Same-Zone Daytime Call | Connection Charges Including Touch-Tone, Surcharges, and Taxes | Least-Cost Inside Wiring Maintenance Plan |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Flat-Rate Service | Measured/Message Service |  |  |  |
| Alabama | Huntsville | BellSouth | \$26.76 | \$22.36 | \$0.05 | \$40.00 | \$4.75 |
| Alaska | Anchorage | Anchorage | 21.50 |  |  | 43.40 | 2.00 |
| Arizona | Tuscon | Qwest | 23.39 | 17.98 | 0.20 | 27.50 | 4.75 |
| Arkansas | Pine Bluff | SBC | 25.98 | 18.21 | 0.07 | 39.70 | 3.95 |
| Arkansas | West Memphis | SBC | 32.69 | 17.48 | 0.07 | 39.70 | 3.95 |
| California | Anaheim | SBC | 17.91 | 12.94 | 0.08 | 33.01 | 2.99 |
| California | Bakersfield | SBC | 17.91 | 12.38 | 0.08 | 33.01 | 2.99 |
| California | Fresno | SBC | 17.91 | 12.38 | 0.08 | 33.01 | 2.99 |
| California | Long Beach | Verizon | 25.70 | 18.18 | 0.08 | 46.00 | 0.95 |
| California | Los Angeles | SBC | 17.91 | 12.53 | 0.08 | 33.01 | 2.99 |
| California | Oakland | SBC | 17.91 | 12.38 | 0.08 | 33.01 | 2.99 |
| California | Salinas | SBC | 17.91 | 12.38 | 0.08 | 33.01 | 2.99 |
| California | San Diego | SBC | 17.91 | 12.38 | 0.08 | 33.01 | 2.99 |
| California | San Francisco | SBC | 17.91 | 12.38 | 0.08 | 33.01 | 2.99 |
| California | San Jose | SBC | 17.91 | 12.38 | 0.08 | 33.01 | 2.99 |
| Colorado | Boulder | Qwest | 27.58 | 21.00 | 0.11 | 35.00 | 4.75 |
| Colorado | Colorado Springs | Qwest | 25.00 | 19.12 | 0.11 | 35.00 | 4.75 |
| Colorado | Denver | Qwest | 26.23 | 19.96 | 0.11 | 35.00 | 4.75 |
| Connecticut | Ansonia | Verizon | 22.38 | 14.31 | 0.18 | 65.00 | 3.95 |
| Connecticut | Norwalk | Verizon | 21.29 | 15.74 | 0.18 | 65.00 | 3.95 |
| District of Columbia | Washington | Verizon | 21.65 | 13.89 | 0.05 | 21.00 | 3.45 |
| Florida | Miami | BellSouth | 21.02 |  |  | 40.88 | 4.75 |
| Florida | Tampa | Verizon | 22.48 | 16.91 | 0.10 | 55.00 | 3.95 |
| Florida | West Palm Beach | BellSouth | 20.29 |  |  | 40.88 | 4.75 |
| Georgia | Albany | BellSouth | 26.25 | 18.52 | 0.12 | 42.50 | 4.75 |
| Georgia | Atlanta | BellSouth | 29.54 |  |  | 42.50 | 4.75 |
| Hawaii | Honolulu | Verizon | 25.06 |  |  | 45.50 | 3.95 |
| Illinois | Chicago | SBC | 22.38 | 10.56 | 0.05 | 39.60 | 3.95 |
| Illinois | Decatur | SBC | 29.91 | 17.59 | 0.05 | 39.60 | 3.95 |
| Illinois | Rock Island | SBC | 29.15 | 17.42 | 0.05 | 39.60 | 3.95 |
| Indiana | Indianapolis | SBC | 20.21 | 14.72 | 0.22 | 47.00 | 3.95 |
| Indiana | Terre Haute | Verizon | 26.30 |  |  | 57.20 | 3.95 |
| Iowa | Fort Dodge | Frontier | 19.51 |  |  | 12.76 | 3.95 |
| Kentucky | Louisville | BellSouth | 29.06 | 24.36 | 0.06 | 42.00 | 4.75 |
| Louisiana | Baton Rouge | BellSouth | 23.65 | 16.83 | 0.25 | 41.00 | 4.75 |
| Louisiana | New Orleans | BellSouth | 22.49 | 15.99 | 0.06 | 41.00 | 4.75 |
| Maine | Portland | Verizon | 27.45 |  |  | 44.75 | 3.45 |
| Maryland | Baltimore | Verizon | 27.09 | 19.46 | 0.08 | 48.00 | 3.45 |
| Massachusetts | Boston | Verizon | 29.64 | 19.49 | 0.10 | 13.50 | 3.45 |
| Massachusetts | Hyannis | Verizon | 29.64 | 19.49 | 0.10 | 13.50 | 3.45 |
| Massachusetts | Springfield | Verizon | 29.64 | 19.49 | 0.10 | 13.50 | 3.45 |
| Michigan | Detroit | SBC | 27.39 | 23.37 | 0.07 | 42.00 | 3.95 |
| Michigan | Grand Rapids | SBC | 25.07 | 22.26 | 0.07 | 42.00 | 3.95 |
| Michigan | Saginaw | SBC | 27.52 | 24.73 | 0.07 | 42.00 | 3.95 |
| Minnesota | Detroit Lakes | Qwest | 22.42 | 16.69 | 0.09 | 18.35 | 4.75 |
| Minnesota | Minneapolis | Qwest | 23.39 | 17.83 | 0.09 | 18.35 | 4.75 |
| Mississippi | Pascagoula | BellSouth | 28.95 | 20.20 | 0.43 | 46.00 | 4.75 |
| Missouri | Kansas City | SBC | 20.25 | 14.22 | 0.08 | 32.61 | 3.95 |
| Missouri | Mexico | SBC | 18.91 | 13.47 | 0.08 | 36.21 | 3.95 |
| Missouri | St. Louis | SBC | 20.73 | 14.50 | 0.08 | 36.21 | 3.95 |
| Montana | Butte | Qwest | 26.75 | 19.09 | 0.05 | 26.00 | 4.75 |
| Nebraska | Grand Island | Qwest | 29.38 | 21.14 | 0.10 | 33.00 | 4.75 |
| New Jersey | Phillipsburg | Verizon | 16.30 | 12.42 | 0.10 | 42.35 | 3.45 |

Table 1.3

## Residential Telephone Rates in the Sample Cities - Continued ${ }^{1}$ (As of October 15, 2003)

| State | City | Telephone Company | Monthly Telephone Rate Including Touch-Tone, Surcharges, and Taxes |  | Cost of a Five-Minute Same-Zone Daytime Call | Connection Charges Including Touch-Tone, Surcharges, and Taxes | Least-Cost Inside Wiring Maintenance Plan |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Flat-Rate Service | Measured/Message Service |  |  |  |
| New Mexico | Alamogordo | Qwest | 24.22 | 14.42 | 0.15 | 30.00 | 4.75 |
| New York | Binghamton | Verizon | 31.48 | 18.74 | 0.09 | 55.00 | 2.35 |
| New York | Buffalo | Verizon | 34.29 | 19.41 | 0.09 | 55.00 | 2.35 |
| New York | Massena | Verizon | 28.75 | 18.08 | 0.09 | 55.00 | 2.35 |
| New York | New York City | Verizon | 31.40 | 18.97 | 0.09 | 55.00 | 2.35 |
| New York | Ogdensburg | Verizon | 29.54 | 18.57 | 0.09 | 55.00 | 2.35 |
| New York | Rochester | Frontier | 20.42 | 13.21 | 0.08 | 33.32 | 3.95 |
| North Carolina | Raleigh | BellSouth | 23.46 |  |  | 42.75 | 4.75 |
| North Carolina | Rockingham | BellSouth | 21.81 |  |  | 42.75 | 4.75 |
| Ohio | Canton | SBC | 21.18 | 15.68 | 0.08 | 36.50 | 3.95 |
| Ohio | Cincinnati | Cincinnati Bell | 23.98 | 15.58 | 0.15 | 25.70 | 4.50 |
| Ohio | Cleveland | SBC | 21.18 | 15.68 | 0.08 | 36.50 | 3.95 |
| Ohio | Columbus | SBC | 21.18 | 15.68 | 0.08 | 36.50 | 3.95 |
| Ohio | Toledo | SBC | 21.18 | 15.68 | 0.08 | 36.50 | 3.95 |
| Oregon | Corvallis | Qwest | 24.55 | 15.92 | 0.15 | 16.50 | 4.75 |
| Oregon | Portland | Qwest | 25.95 | 16.18 | 0.15 | 16.50 | 4.75 |
| Pennsylvania | Allentown | Verizon | 20.99 | 16.61 | 0.07 | 40.00 | 3.45 |
| Pennsylvania | Ellwood City | Verizon | 21.40 | 17.03 | 0.07 | 40.00 | 3.45 |
| Pennsylvania | Johnstown | Verizon | 21.54 | 14.28 | 0.07 | 52.70 | 3.45 |
| Pennsylvania | New Castle | Verizon | 19.70 | 17.00 | 0.07 | 40.00 | 3.45 |
| Pennsylvania | Philadelphia | Verizon | 22.28 | 15.77 | 0.07 | 40.00 | 3.45 |
| Pennsylvania | Pittsburgh | Verizon | 22.07 | 15.64 | 0.07 | 40.00 | 3.45 |
| Pennsylvania | Scranton | Verizon | 20.99 | 16.61 | 0.07 | 40.00 | 3.45 |
| Rhode Island | Providence | Verizon | 29.29 | 17.07 | 0.39 | 33.83 | 3.45 |
| South Carolina | Beaufort | Sprint | 24.45 | 16.30 | 0.12 | 32.30 | 4.00 |
| Tennessee | Memphis | BellSouth | 22.80 | 14.90 | 0.06 | 41.50 | 4.75 |
| Tennessee | Nashville | BellSouth | 22.42 | 14.96 | 0.06 | 41.50 | 4.75 |
| Texas | Brownsville | SBC | 23.01 | 14.16 | 0.08 | 40.70 | 3.95 |
| Texas | Corpus Christi | SBC | 28.20 | 18.78 | 0.08 | 40.70 | 3.95 |
| Texas | Dallas | SBC | 29.74 | 19.92 | 0.08 | 40.70 | 3.95 |
| Texas | Fort Worth | SBC | 27.74 | 20.51 | 0.08 | 40.70 | 3.95 |
| Texas | Houston | SBC | 22.29 | 15.40 | 0.08 | 40.70 | 3.95 |
| Texas | San Antonio | SBC | 20.01 | 13.91 | 0.08 | 40.70 | 3.95 |
| Utah | Logan | Qwest | 22.63 | 19.96 | 0.10 | 25.00 | 4.75 |
| Virginia | Richmond | Verizon | 28.90 | 22.10 | 0.10 | 38.50 | 1.25 |
| Virginia | Smithfield | Verizon | 33.86 | 20.79 | 0.16 | 40.00 | 2.50 |
| Washington | Everett | Verizon | 24.75 | 18.10 | 0.02 | 43.25 | 3.95 |
| Washington | Seattle | Qwest | 22.01 | 18.12 | 0.07 | 31.00 | 4.75 |
| West Virginia | Huntington | Verizon | 29.69 | 14.69 | 0.16 | 42.00 | 3.45 |
| Wisconsin | Milwaukee | SBC | 35.56 | 14.22 | 0.04 | 51.90 |  |
| Wisconsin | Racine | SBC | 35.54 | 14.20 | 0.04 | 51.90 |  |

[^3]Table 1.4
Monthly Residential Telephone Rates in the Sample Cities ${ }^{1}$ (As of October 15)

| State | City | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | $2002{ }^{2}$ | $2003{ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Alabama | Huntsville | \$24.60 | \$24.60 | \$23.06 | \$22.67 | \$22.67 | \$22.67 | \$22.67 | \$23.61 | \$24.85 | \$25.98 | \$26.76 |
| Alaska | Anchorage | 16.20 | 14.44 | 14.47 | 14.47 | 14.46 | 14.48 | 14.48 | 14.34 | 15.42 | 20.95 | 21.50 |
| Arizona | Tuscon | 18.23 | 18.23 | 19.18 | 19.13 | 19.42 | 19.42 | 19.43 | 20.10 | 20.78 | 22.89 | 23.39 |
| Arkansas | Pine Bluff | 22.60 | 22.22 | 22.06 | 22.14 | 22.22 | 22.22 | 22.26 | 23.22 | 25.09 | 26.08 | 25.98 |
| Arkansas | West Memphis | 29.00 | 29.55 | 28.57 | 28.65 | 28.78 | 20.79 | 28.75 | 29.72 | 31.58 | 32.72 | 32.69 |
| California | Anaheim | 12.18 | 12.18 | 15.59 | 15.69 | 15.57 | 15.57 | 15.42 | 15.34 | 15.71 | 17.48 | 17.91 |
| California | Bakersfield | 12.18 | 12.18 | 15.59 | 15.69 | 15.57 | 15.57 | 15.42 | 15.34 | 15.71 | 17.48 | 17.91 |
| California | Fresno | 12.18 | 12.18 | 15.59 | 15.69 | 16.67 | 17.13 | 15.42 | 15.34 | 15.71 | 17.48 | 17.91 |
| California | Long Beach | 17.35 | 16.78 | 23.56 | 23.51 | 23.51 | 23.51 | 23.51 | 24.48 | 25.05 | 24.69 | 25.70 |
| California | Los Angeles | 13.39 | 13.39 | 17.09 | 17.20 | 15.57 | 16.01 | 16.59 | 16.87 | 17.28 | 17.48 | 17.91 |
| California | Oakland | 13.09 | 13.09 | 16.72 | 16.82 | 15.57 | 16.01 | 16.23 | 16.49 | 16.89 | 17.48 | 17.91 |
| California | Salinas | 12.79 | 12.91 | 16.49 | 16.59 | 15.57 | 16.01 | 16.02 | 16.26 | 16.65 | 17.48 | 17.91 |
| California | San Bernadino | 17.12 | 16.55 | 23.24 | 23.19 | 23.19 | 23.19 | 23.19 | 24.15 | 25.05 | 24.69 | 25.69 |
| California | San Diego | 12.18 | 12.18 | 15.59 | 15.69 | 15.57 | 16.01 | 15.42 | 15.34 | 15.71 | 17.48 | 17.91 |
| California | San Francisco | 12.18 | 12.69 | 15.59 | 15.69 | 16.45 | 16.91 | 15.16 | 15.34 | 15.71 | 17.48 | 17.91 |
| Colorado | Boulder | 20.99 | 21.26 | 21.51 | 21.55 | 21.36 | 21.39 | 22.07 | 23.04 | 23.07 | 27.06 | 27.58 |
| Colorado | Colorado Springs | 20.29 | 20.23 | 19.78 | 20.38 | 20.38 | 20.36 | 20.85 | 21.77 | 22.33 | 24.48 | 25.00 |
| Colorado | Denver | 20.80 | 21.12 | 21.10 | 21.14 | 21.11 | 21.40 | 21.91 | 22.85 | 22.98 | 25.71 | 26.23 |
| Connecticut | Ansonia | 17.22 | 17.60 | 18.70 | 18.70 | 18.70 | 18.64 | 19.41 | 20.67 | 22.02 | 22.41 | 22.38 |
| Connecticut | Norwalk | 16.13 | 16.51 | 17.60 | 17.60 | 17.60 | 17.55 | 18.32 | 19.58 | 20.93 | 21.32 | 21.29 |
| District of Columbia | Washington | 21.70 | 21.67 | 20.13 | 21.05 | 19.23 | 20.10 | 19.94 | 20.12 | 21.03 | 21.01 | 21.65 |
| Florida | Miami | 18.07 | 16.92 | 16.84 | 16.86 | 16.86 | 16.85 | 16.83 | 17.76 | 18.97 | 20.26 | 21.02 |
| Florida | Tampa | 17.45 | 17.45 | 17.65 | 19.09 | 19.19 | 19.23 | 19.23 | 20.27 | 21.04 | 22.29 | 22.48 |
| Florida | West Palm Beach | 16.74 | 15.65 | 15.59 | 15.89 | 15.89 | 15.60 | 15.58 | 16.73 | 18.15 | 19.56 | 20.29 |
| Georgia | Albany | 20.60 | 20.63 | 20.63 | 21.29 | 21.29 | 21.34 | 21.88 | 22.98 | 24.22 | 25.11 | 26.25 |
| Georgia | Atlanta | 24.50 | 24.53 | 24.80 | 24.98 | 24.98 | 24.92 | 24.92 | 26.04 | 27.25 | 28.56 | 29.54 |
| Hawaii | Honolulu | 19.35 | 20.60 | 21.35 | 22.52 | 22.40 | 22.40 | 22.40 | 23.28 | 23.28 | 25.34 | 25.06 |
| Illinois | Chicago | 18.21 | 18.20 | 17.31 | 17.63 | 17.18 | 17.18 | 14.52 | 15.52 | 21.64 | 24.68 | 22.38 |
| Illinois | Decatur | 21.56 | 21.54 | 20.19 | 20.18 | 20.18 | 20.18 | 22.26 | 23.26 | 21.08 | 31.52 | 29.91 |
| Illinois | Rock Island | 22.18 | 22.17 | 20.82 | 20.82 | 20.18 | 20.18 | 21.85 | 22.85 | 20.79 | 31.26 | 29.15 |
| Indiana | Indianapolis | 21.87 | 20.44 | 19.81 | 18.82 | 18.82 | 18.82 | 19.05 | 20.25 | 20.40 | 20.20 | 20.21 |
| Indiana | Terre Haute | 22.93 | 23.02 | 23.02 | 22.98 | 22.98 | 22.98 | 19.86 | 22.57 | 23.63 | 26.21 | 26.30 |
| Iowa | Fort Dodge | 13.79 | 14.06 | 14.06 | 14.06 | 15.96 | 15.90 | 15.57 | 16.49 | 17.62 | 19.04 | 19.51 |
| Kentucky | Louisville | 24.17 | 24.17 | 23.66 | 23.66 | 24.63 | 24.63 | 24.70 | 26.41 | 27.11 | 28.44 | 29.06 |
| Louisiana | Baton Rouge | 22.25 | 20.81 | 20.93 | 20.66 | 19.57 | 19.57 | 19.57 | 20.47 | 23.17 | 23.00 | 23.65 |
| Louisiana | New Orleans | 23.28 | 20.33 | 20.14 | 19.99 | 18.78 | 18.78 | 18.78 | 19.69 | 20.67 | 21.84 | 22.49 |
| Maine | Portland | 18.24 | 18.27 | 17.99 | 18.19 | 19.12 | 19.70 | 22.53 | 23.34 | 24.72 | 26.31 | 27.45 |
| Maryland | Baltimore | 24.98 | 24.98 | 24.98 | 24.98 | 24.98 | 24.67 | 24.67 | 25.73 | 26.47 | 27.14 | 27.09 |
| Massachusetts | Boston | 21.72 | 23.07 | 23.07 | 23.07 | 23.07 | 23.07 | 23.07 | 23.46 | 24.53 | 25.61 | 29.64 |
| Massachusetts | Hyannis | 20.43 | 23.07 | 23.07 | 23.07 | 23.07 | 23.07 | 23.07 | 23.46 | 24.53 | 25.61 | 29.64 |
| Massachusetts | Springfield | 21.72 | 23.07 | 23.07 | 23.07 | 23.07 | 23.07 | 23.07 | 23.46 | 24.53 | 25.61 | 29.64 |
| Michigan | Detroit | 19.25 | 19.55 | 19.50 | 19.42 | 19.42 | 19.76 | 22.50 | 25.99 | 27.12 | 27.77 | 27.39 |
| Michigan | Grand Rapids | 17.19 | 17.53 | 18.06 | 17.95 | 18.01 | 18.25 | 20.08 | 23.28 | 24.54 | 25.47 | 25.07 |
| Michigan | Saginaw | 18.75 | 16.93 | 18.96 | 20.05 | 20.05 | 20.11 | 19.85 | 22.99 | 27.71 | 28.18 | 27.52 |
| Minnesota | Detroit Lakes | 19.86 | 19.84 | 19.91 | 19.91 | 19.63 | 19.63 | 19.63 | 20.57 | 21.50 | 22.41 | 22.42 |
| Minnesota | Minneapolis | 21.64 | 21.66 | 21.73 | 21.73 | 21.45 | 21.46 | 20.61 | 21.54 | 22.48 | 23.38 | 23.39 |
| Mississippi | Pascagoula | 26.03 | 26.42 | 26.42 | 26.03 | 26.03 | 25.26 | 24.81 | 25.80 | 27.05 | 28.30 | 28.95 |
| Missouri | Kansas City | 20.40 | 19.03 | 18.15 | 18.15 | 19.53 | 19.53 | 18.25 | 19.21 | 20.68 | 20.33 | 20.25 |
| Missouri | Mexico | 17.14 | 15.81 | 17.19 | 17.19 | 17.26 | 17.26 | 17.26 | 18.42 | 20.10 | 18.76 | 18.91 |
| Missouri | St. Louis | 20.23 | 19.05 | 18.18 | 18.18 | 18.18 | 18.18 | 18.28 | 19.32 | 20.87 | 20.52 | 20.73 |
| Montana | Butte | 18.22 | 18.22 | 18.22 | 18.22 | 19.26 | 19.69 | 22.70 | 23.16 | 24.23 | 26.25 | 26.75 |
| Nebraska | Grand Island | 21.88 | 21.88 | 21.85 | 21.76 | 23.39 | 23.27 | 26.22 | 27.14 | 26.25 | 29.64 | 29.38 |
| New Jersey | Phillipsburg | 13.04 | 13.04 | 13.04 | 13.04 | 13.05 | 13.05 | 13.05 | 13.21 | 15.31 | 15.93 | 16.30 |

Table 1.4
Monthly Residential Telephone Rates in the Sample Cities - Continued ${ }^{1}$ (As of October 15)
(A)

| State | City | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | $2002{ }^{2}$ | $2003{ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| New Mexico | Alamogordo | 20.21 | 20.46 | 20.65 | 20.82 | 20.99 | 20.99 | 19.03 | 17.50 | 18.14 | 22.47 | 24.22 |
| New York | Binghamton | 25.31 | 24.52 | 26.03 | 23.80 | 23.76 | 23.74 | 23.74 | 23.90 | 25.01 | 29.05 | 31.48 |
| New York | Buffalo | 32.68 | 31.63 | 30.62 | 28.34 | 28.29 | 28.27 | 28.27 | 28.37 | 32.41 | 32.52 | 34.29 |
| New York | Massena | 22.90 | 22.88 | 23.40 | 21.19 | 20.33 | 20.31 | 20.31 | 20.50 | 24.94 | 24.88 | 28.75 |
| New York | New York City | 26.75 | 26.73 | 25.00 | 24.92 | 24.88 | 24.86 | 24.86 | 25.00 | 28.45 | 29.04 | 31.40 |
| New York | Ogdensburg | 23.54 | 23.52 | 24.06 | 21.78 | 20.90 | 20.88 | 20.88 | 21.08 | 25.62 | 25.56 | 29.54 |
| New York | Rochester | 19.75 | 18.96 | 16.83 | 16.83 | 17.91 | 17.86 | 17.86 | 18.64 | 19.55 | 20.38 | 20.42 |
| North Carolina | Raleigh | 18.23 | 18.02 | 17.75 | 17.48 | 17.22 | 17.23 | 17.23 | 18.13 | 19.33 | 21.28 | 23.46 |
| North Carolina | Rockingham | 16.74 | 16.53 | 16.22 | 15.95 | 15.69 | 15.69 | 15.69 | 16.86 | 19.20 | 20.54 | 21.81 |
| Ohio | Canton | 21.29 | 21.29 | 20.00 | 19.59 | 18.87 | 18.72 | 18.56 | 19.28 | 20.31 | 21.06 | 21.18 |
| Ohio | Cincinnati | 20.30 | 21.24 | 21.13 | 21.13 | 21.13 | 21.05 | 21.55 | 22.74 | 23.54 | 23.76 | 23.98 |
| Ohio | Cleveland | 21.29 | 21.29 | 20.00 | 19.44 | 18.87 | 18.72 | 18.56 | 19.28 | 20.31 | 21.06 | 21.18 |
| Ohio | Columbus | 21.29 | 21.29 | 20.00 | 19.85 | 18.87 | 18.72 | 18.56 | 19.28 | 20.31 | 21.06 | 21.18 |
| Ohio | Toledo | 21.29 | 21.29 | 20.00 | 19.85 | 18.87 | 18.72 | 18.56 | 19.28 | 20.31 | 21.06 | 21.18 |
| Oregon | Corvallis | 19.02 | 18.21 | 18.73 | 19.65 | 19.66 | 19.88 | 19.97 | 21.05 | 21.62 | 24.05 | 24.55 |
| Oregon | Portland | 21.42 | 18.36 | 22.07 | 23.02 | 21.22 | 21.19 | 21.19 | 22.07 | 23.64 | 25.44 | 25.95 |
| Pennsylvania | Allentown | 17.70 | 17.70 | 17.59 | 17.63 | 17.47 | 17.94 | 17.48 | 18.35 | 19.59 | 20.87 | 20.99 |
| Pennsylvania | Ellwood City | 15.07 | 15.07 | 16.72 | 16.76 | 16.60 | 16.60 | 16.60 | 18.74 | 20.00 | 21.28 | 21.40 |
| Pennsylvania | Johnstown | 20.11 | 21.95 | 21.78 | 20.31 | 19.48 | 19.48 | 21.94 | 22.86 | 20.97 | 21.54 | 21.54 |
| Pennsylvania | New Castle | 15.07 | 15.58 | 14.97 | 15.01 | 14.90 | 14.90 | 14.90 | 17.04 | 18.30 | 19.58 | 19.70 |
| Pennsylvania | Philadelphia | 20.09 | 20.09 | 19.98 | 18.72 | 18.56 | 18.56 | 18.56 | 19.41 | 20.67 | 22.13 | 22.28 |
| Pennsylvania | Pittsburgh | 18.78 | 18.78 | 18.67 | 18.72 | 17.48 | 17.48 | 18.56 | 19.41 | 20.67 | 21.95 | 22.07 |
| Pennsylvania | Scranton | 16.41 | 16.41 | 17.59 | 17.63 | 18.56 | 18.56 | 17.48 | 18.32 | 19.59 | 20.87 | 20.99 |
| Rhode Island | Providence | 23.09 | 23.50 | 23.50 | 23.50 | 23.50 | 23.50 | 23.49 | 24.43 | 25.52 | 27.68 | 29.29 |
| South Carolina | Beaufort | 20.30 | 20.30 | 19.76 | 19.76 | 19.76 | 19.76 | 20.41 | 21.33 | 22.26 | 24.56 | 24.45 |
| Tennessee | Memphis | 20.25 | 20.25 | 20.25 | 20.33 | 20.33 | 20.33 | 19.95 | 20.33 | 21.76 | 22.15 | 22.80 |
| Tennessee | Nashville | 19.41 | 19.41 | 19.41 | 19.41 | 19.41 | 19.88 | 19.51 | 19.90 | 20.99 | 21.72 | 22.42 |
| Texas | Brownsville | 15.27 | 14.33 | 15.33 | 15.31 | 14.91 | 14.78 | 15.33 | 17.16 | 18.33 | 21.97 | 23.01 |
| Texas | Corpus Christi | 17.00 | 15.93 | 15.89 | 15.90 | 16.22 | 17.15 | 17.17 | 16.23 | 17.32 | 27.39 | 28.20 |
| Texas | Dallas | 18.97 | 17.99 | 18.00 | 17.92 | 17.47 | 18.07 | 17.97 | 19.45 | 20.64 | 28.10 | 29.74 |
| Texas | Fort Worth | 17.77 | 16.70 | 16.73 | 16.62 | 16.17 | 16.75 | 16.89 | 19.17 | 19.66 | 25.82 | 27.74 |
| Texas | Houston | 19.42 | 18.39 | 18.44 | 18.28 | 17.98 | 18.31 | 18.31 | 18.87 | 19.55 | 22.19 | 22.29 |
| Texas | San Antonio | 17.52 | 16.58 | 16.56 | 16.42 | 16.37 | 16.35 | 16.35 | 17.05 | 18.13 | 19.83 | 20.01 |
| Utah | Logan | 15.66 | 15.62 | 15.76 | 15.76 | 15.70 | 17.73 | 17.99 | 19.38 | 19.44 | 22.13 | 22.63 |
| Virginia | Richmond | 24.60 | 24.60 | 23.90 | 23.78 | 23.78 | 23.78 | 23.78 | 28.67 | 29.60 | 30.06 | 28.90 |
| Virginia | Smithfield | 17.01 | 17.01 | 17.01 | 16.90 | 16.90 | 16.90 | 16.90 | 17.87 | 27.82 | 33.29 | 33.86 |
| Washington | Everett | 18.97 | 18.97 | 18.97 | 18.97 | 18.97 | 18.97 | 19.53 | 20.47 | 22.27 | 24.65 | 24.75 |
| Washington | Seattle | 17.00 | 17.00 | 16.22 | 15.93 | 15.97 | 15.61 | 18.16 | 19.03 | 19.23 | 21.91 | 22.01 |
| West Virginia | Huntington | 28.73 | 28.73 | 28.73 | 28.21 | 27.68 | 27.16 | 27.16 | 25.69 | 27.47 | 29.16 | 29.69 |
| Wisconsin | Milwaukee | 16.56 | 15.91 | 15.91 | 15.92 | 15.92 | 15.92 | 16.76 | 17.46 | 34.75 | 34.95 | 35.56 |
| Wisconsin | Racine | 16.61 | 15.96 | 15.87 | 15.88 | 15.88 | 15.88 | 16.40 | 17.09 | 34.61 | 34.93 | 35.54 |

${ }^{1}$ Beginning in 2001, all rates reflect flat-rate service. Rates are for flat-rate service where available and measured/message service with 100 local calls elsewhere. All rates include touch-tone service, surcharges, 911 charges, and taxes
${ }^{2}$ Revised figures.
${ }^{3}$ Preliminary figures - subject to revision.

Table 1.5

## Connection Charges for a Residential Telephone Line in the Sample Cities ${ }^{1}$

 (As of October 15)| State | City | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | $2002{ }^{2}$ | $2003{ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Alabama | Huntsville | \$42.68 | \$42.68 | \$42.68 | \$40.00 | \$40.00 | \$40.00 | \$40.00 | \$40.00 | \$40.00 | \$40.00 | \$40.00 |
| Alaska | Anchorage | 25.50 | 25.50 | 25.50 | 25.50 | 25.50 | 25.50 | 35.00 | 35.00 | 35.00 | 43.40 | 43.40 |
| Arizona | Tuscon | 51.74 | 51.74 | 51.74 | 48.92 | 48.92 | 48.92 | 49.85 | 46.59 | 38.43 | 35.00 | 30.61 |
| Arkansas | Pine Bluff | 52.72 | 44.16 | 43.92 | 44.08 | 44.05 | 44.05 | 44.16 | 39.70 | 44.16 | 39.70 | 39.70 |
| Arkansas | West Memphis | 53.25 | 44.24 | 44.54 | 44.67 | 44.71 | 44.57 | 44.69 | 39.70 | 44.69 | 39.70 | 39.70 |
| California | Anaheim | 34.32 | 34.32 | 35.19 | 35.47 | 35.61 | 35.93 | 34.29 | 32.23 | 32.47 | 33.01 | 35.82 |
| California | Bakersfield | 34.32 | 34.32 | 35.19 | 35.47 | 34.92 | 35.93 | 34.29 | 32.23 | 32.47 | 35.82 | 35.82 |
| California | Fresno | 34.32 | 34.32 | 35.19 | 35.47 | 34.92 | 35.93 | 34.29 | 32.23 | 32.47 | 35.82 | 35.82 |
| California | Long Beach | 55.25 | 52.89 | 45.73 | 45.61 | 45.61 | 45.61 | 45.61 | 45.61 | 45.51 | 46.00 | 46.00 |
| California | Los Angeles | 34.32 | 34.32 | 35.19 | 35.47 | 34.92 | 35.93 | 33.70 | 32.23 | 35.77 | 35.82 | 35.82 |
| California | Oakland | 34.32 | 34.32 | 35.19 | 35.47 | 34.92 | 35.93 | 33.70 | 32.23 | 32.47 | 35.82 | 35.82 |
| California | Salinas | 34.32 | 34.32 | 35.19 | 35.47 | 34.92 | 35.93 | 33.70 | 32.23 | 32.47 | 35.82 | 35.82 |
| California | San Bernadino | 55.25 | 52.89 | 45.73 | 45.61 | 45.61 | 45.61 | 45.61 | 45.61 | 45.51 | 46.00 | 46.00 |
| California | San Diego | 34.32 | 34.32 | 35.19 | 35.47 | 34.92 | 35.93 | 34.29 | 32.23 | 32.47 | 35.82 | 35.82 |
| California | San Francisco | 34.32 | 34.32 | 35.19 | 35.47 | 34.92 | 35.93 | 34.29 | 32.23 | 32.47 | 35.82 | 35.82 |
| California | San Jose | 34.32 | 34.32 | 35.19 | 35.47 | 35.93 | 35.93 | 34.29 | 32.23 | 34.12 | 35.82 | 35.82 |
| Colorado | Colorado Springs | 36.84 | 36.40 | 36.40 | 36.40 | 36.40 | 36.40 | 37.53 | 36.09 | 37.38 | 35.00 | 37.09 |
| Colorado | Denver | 37.56 | 37.56 | 37.56 | 37.56 | 37.56 | 37.56 | 38.72 | 36.09 | 38.54 | 38.27 | 38.27 |
| Connecticut | Ansonia | 47.70 | 47.70 | 47.70 | 47.70 | 47.70 | 47.70 | 47.70 | 55.00 | 58.30 | 65.00 | 65.00 |
| Connecticut | Norwalk | 47.70 | 47.70 | 47.70 | 47.70 | 47.70 | 47.70 | 47.70 | 55.00 | 58.30 | 65.00 | 65.00 |
| District of Columbia | Washington | 30.76 | 30.76 | 30.76 | 30.76 | 30.76 | 30.76 | 30.76 | 30.76 | 21.00 | 23.10 | 23.31 |
| Florida | Miami | 44.50 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 43.32 | 43.92 | 44.17 |
| Florida | Tampa | 62.98 | 62.98 | 62.98 | 59.13 | 59.13 | 59.13 | 59.13 | 55.00 | 59.13 | 55.00 | 55.00 |
| Florida | West Palm Beach | 44.50 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 43.28 | 43.88 | 44.05 |
| Georgia | Albany | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 |
| Georgia | Atlanta | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 | 42.50 |
| Hawaii | Honolulu | 45.50 | 45.50 | 45.50 | 49.30 | 50.74 | 50.74 | 50.74 | 50.61 | 50.72 | 45.50 | 45.50 |
| Illinois | Chicago | 60.56 | 60.56 | 60.56 | 60.56 | 60.56 | 60.56 | 63.03 | 55.00 | 59.76 | 45.40 | 39.60 |
| Illinois | Decatur | 60.64 | 60.64 | 60.64 | 60.64 | 60.64 | 60.64 | 62.56 | 55.00 | 59.31 | 45.40 | 39.60 |
| Illinois | Rock Island | 60.64 | 60.64 | 60.64 | 60.64 | 60.64 | 60.64 | 62.56 | 55.00 | 59.31 | 45.40 | 39.60 |
| Indiana | Indianapolis | 47.00 | 47.00 | 47.00 | 47.00 | 47.00 | 47.00 | 47.00 | 47.00 | 47.00 | 47.00 | 47.00 |
| Indiana | Terre Haute | 60.06 | 60.06 | 60.06 | 60.06 | 60.06 | 60.06 | 60.06 | 60.06 | 60.06 | 57.20 | 57.20 |
| Iowa | Fort Dodge | 9.82 | 9.82 | 9.82 | 9.82 | 14.06 | 13.98 | 13.59 | 12.94 | 13.57 | 12.80 | 12.76 |
| Kentucky | Louisville | 34.50 | 34.50 | 34.50 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 44.52 | 44.52 | 44.52 |
| Louisiana | Baton Rouge | 51.80 | 51.80 | 44.63 | 44.29 | 42.23 | 42.23 | 42.23 | 41.00 | 44.28 | 44.34 | 44.34 |
| Louisiana | New Orleans | 51.50 | 52.00 | 44.29 | 44.29 | 42.23 | 42.23 | 42.23 | 41.00 | 42.23 | 42.23 | 42.23 |
| Maine | Portland | 47.44 | 47.44 | 47.44 | 47.44 | 47.44 | 47.21 | 47.21 | 44.75 | 46.99 | 44.75 | 44.75 |
| Maryland | Baltimore | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 | 48.00 |
| Massachusetts | Boston | 38.92 | 38.92 | 38.92 | 38.92 | 38.92 | 38.92 | 38.92 | 37.07 | 14.18 | 13.50 | 13.50 |
| Massachusetts | Hyannis | 38.92 | 38.92 | 38.92 | 38.92 | 38.92 | 38.92 | 38.92 | 37.07 | 14.18 | 13.50 | 13.50 |
| Massachusetts | Springfield | 38.92 | 38.92 | 38.92 | 38.92 | 38.92 | 38.92 | 38.92 | 37.07 | 14.18 | 13.50 | 13.50 |
| Michigan | Detroit | 43.68 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 46.62 | 42.00 | 46.62 | 46.62 | 46.62 |
| Michigan | Grand Rapids | 43.68 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 42.00 | 44.52 | 44.52 | 44.52 |
| Michigan | Saginaw | 43.68 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 42.00 | 44.52 | 44.52 | 44.52 |
| Minnesota | Detroit Lakes | 18.75 | 18.75 | 18.75 | 19.97 | 19.54 | 19.54 | 19.54 | 18.35 | 19.54 | 19.54 | 19.54 |
| Minnesota | Minneapolis | 18.75 | 18.75 | 18.75 | 20.06 | 19.63 | 19.63 | 19.63 | 18.35 | 19.63 | 19.63 | 19.63 |
| Mississippi | Pascagoula | 49.22 | 49.22 | 49.22 | 49.22 | 49.22 | 49.22 | 49.22 | 46.00 | 49.22 | 49.22 | 49.22 |
| Missouri | Kansas City | 52.95 | 42.47 | 42.47 | 42.47 | 42.47 | 42.47 | 42.70 | 36.50 | 41.69 | 41.51 | 37.45 |
| Missouri | Mexico | 51.98 | 51.98 | 41.70 | 41.70 | 41.88 | 41.88 | 41.88 | 36.50 | 41.49 | 41.18 | 41.55 |
| Missouri | St. Louis | 53.16 | 53.67 | 43.06 | 43.06 | 43.06 | 43.06 | 43.30 | 36.50 | 42.93 | 42.61 | 42.99 |
| Montana | Butte | 35.30 | 35.30 | 25.00 | 25.00 | 25.00 | 25.00 | 26.00 | 26.00 | 26.00 | 26.00 | 26.00 |
| Nebraska | Grand Island | 30.52 | 30.52 | 30.52 | 36.03 | 36.03 | 36.03 | 37.41 | 35.29 | 37.27 | 37.44 | 37.44 |
| New Jersey | Phillipsburg | 44.52 | 44.52 | 44.52 | 44.89 | 44.89 | 44.89 | 44.89 | 42.35 | 44.89 | 44.89 | 44.89 |

Table 1.5

## Connection Charges for a Residential Telephone Line in the Sample Cities - Continued (As of October 15)

| State | City | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | $2002{ }^{2}$ | $2003{ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| New Mexico | Alamogordo | 31.86 | 31.96 | 31.96 | 31.86 | 31.86 | 31.86 | 31.86 | 30.00 | 31.99 | 32.01 | 32.01 |
| New York | Binghamton | 62.48 | 62.42 | 62.71 | 62.59 | 62.47 | 62.41 | 62.41 | 57.13 | 61.53 | 55.00 | 55.00 |
| New York | Buffalo | 64.19 | 64.13 | 63.83 | 63.71 | 63.59 | 63.53 | 63.53 | 58.17 | 62.57 | 55.00 | 55.00 |
| New York | Massena | 62.69 | 62.63 | 62.34 | 62.22 | 62.10 | 62.05 | 62.05 | 57.33 | 61.18 | 55.00 | 55.00 |
| New York | New York | 64.64 | 64.58 | 64.29 | 64.02 | 63.90 | 63.84 | 63.84 | 58.32 | 62.47 | 55.00 | 55.00 |
| New York | Ogdensburg | 64.46 | 64.39 | 64.09 | 63.97 | 63.85 | 63.79 | 63.79 | 57.33 | 62.83 | 55.00 | 55.00 |
| New York | Rochester | 47.01 | 33.32 | 33.32 | 33.32 | 33.32 | 33.32 | 33.32 | 33.32 | 33.32 | 33.32 | 33.32 |
| North Carolina | Raleigh | 44.03 | 44.03 | 44.03 | 44.03 | 44.03 | 44.03 | 44.03 | 42.75 | 44.03 | 45.32 | 45.32 |
| North Carolina | Rockingham | 44.03 | 44.03 | 44.03 | 44.03 | 44.03 | 44.03 | 44.03 | 42.75 | 44.03 | 45.32 | 45.32 |
| Ohio | Canton | 45.80 | 45.80 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 |
| Ohio | Cincinnati | 30.25 | 31.70 | 31.70 | 31.70 | 31.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 | 25.70 |
| Ohio | Cleveland | 45.80 | 45.80 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 |
| Ohio | Columbus | 45.80 | 45.80 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 |
| Ohio | Toledo | 45.80 | 45.80 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 | 36.50 |
| Oregon | Corvallis | 12.00 | 12.00 | 12.00 | 12.36 | 12.36 | 12.36 | 12.36 | 12.36 | 12.72 | 16.50 | 17.90 |
| Oregon | Portland | 12.00 | 12.00 | 12.00 | 12.36 | 12.36 | 12.36 | 12.36 | 12.36 | 12.72 | 16.50 | 17.90 |
| Pennsylvania | Allentown | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 |
| Pennsylvania | Ellwood City | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 |
| Pennsylvania | Johnstown | 55.86 | 55.86 | 55.86 | 55.86 | 55.86 | 55.86 | 55.86 | 52.70 | 55.86 | 52.70 | 52.70 |
| Pennsylvania | New Castle | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 |
| Pennsylvania | Philadelphia | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.40 | 40.40 |
| Pennsylvania | Pittsburgh | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 |
| Pennsylvania | Scranton | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 |
| Rhode Island | Providence | 30.39 | 36.20 | 36.20 | 36.20 | 36.20 | 36.20 | 36.20 | 33.83 | 36.20 | 33.83 | 33.83 |
| South Carolina | Beaufort | 32.30 | 32.30 | 32.30 | 32.30 | 32.30 | 32.30 | 32.30 | 32.30 | 32.30 | 32.30 | 32.30 |
| Tennessee | Memphis | 47.39 | 47.39 | 47.39 | 47.62 | 47.62 | 47.62 | 47.40 | 43.85 | 47.28 | 47.76 | 47.96 |
| Tennessee | Nashville | 45.13 | 45.13 | 45.13 | 45.13 | 45.13 | 45.13 | 44.92 | 41.50 | 44.92 | 45.44 | 45.45 |
| Texas | Brownsville | 46.66 | 44.06 | 47.12 | 47.08 | 47.07 | 46.65 | 47.39 | 38.35 | 47.39 | 44.06 | 44.06 |
| Texas | Corpus Christi | 50.45 | 47.39 | 47.28 | 47.31 | 48.25 | 43.85 | 43.91 | 38.35 | 43.91 | 43.91 | 43.91 |
| Texas | Dallas | 51.15 | 48.38 | 48.38 | 48.18 | 46.95 | 48.58 | 48.31 | 38.35 | 48.31 | 44.06 | 44.06 |
| Texas | Fort Worth | 50.80 | 47.82 | 47.90 | 47.59 | 46.31 | 47.95 | 48.36 | 38.35 | 48.36 | 44.06 | 44.06 |
| Texas | Houston | 51.22 | 48.37 | 48.40 | 47.98 | 47.20 | 44.06 | 44.06 | 38.35 | 44.06 | 44.06 | 44.06 |
| Texas | San Antonio | 49.99 | 47.38 | 47.31 | 46.93 | 47.71 | 43.85 | 43.85 | 38.35 | 43.85 | 43.91 | 43.91 |
| Utah | Logan | 19.92 | 19.90 | 19.90 | 26.53 | 26.50 | 26.50 | 26.83 | 25.17 | 27.41 | 25.00 | 26.68 |
| Virginia | Richmond | 38.50 | 38.50 | 38.50 | 38.50 | 38.50 | 38.50 | 38.50 | 38.50 | 38.50 | 38.50 | 38.50 |
| Virginia | Smithfield | 29.25 | 29.25 | 29.25 | 30.00 | 30.00 | 30.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 |
| Washington | Everett | 42.08 | 42.08 | 42.08 | 46.67 | 46.67 | 46.67 | 46.67 | 43.25 | 46.67 | 43.25 | 43.25 |
| Washington | Seattle | 33.08 | 33.08 | 32.98 | 32.98 | 32.98 | 32.98 | 32.98 | 32.98 | 32.98 | 32.98 | 32.98 |
| West Virginia | Huntington | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 | 42.00 |
| Wisconsin | Milwaukee | 34.87 | 34.87 | 34.87 | 34.90 | 34.90 | 35.52 | 47.52 | 45.00 | 58.08 | 55.00 | 51.90 |
| Wisconsin | Racine | 34.70 | 34.70 | 34.70 | 34.74 | 34.74 | 35.52 | 47.30 | 55.00 | 57.81 | 55.00 | 51.90 |

[^4]Table 1.6

## Comparison of Standard Local Telephone Rates to Lifeline and Link-Up Rates (As of October 15, 2003)

| (a) | Standard Rate <br> in Cities with <br> Subsidy Plan <br> (a) | Subsidy-Plan <br> Rate | Benefit |
| :--- | :---: | :---: | :---: |
| Representative Monthly Charge $^{1}$ | $\$ 14.57$ | $\$ 8.17$ | (b) |

${ }^{1}$ All standard rates reflect flat-rate service. Subsidy plan rates reflect flat-rate subsidized service where available and subsidized measured/message service with 100 calls elsewhere.
${ }^{2}$ Averages are for the 95 cities with subsidized monthly rates and connection assistance plans.

Table 1.7
Lifeline and Link-Up Rates in the Sample Cities
(As of October 15, 2003)

| State | City | Telephone Company | Monthly Telephone Rate Including Surcharges and Taxes |  | Connection Charge Including Surcharges and Taxes |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Standard Rates | Lifeline Rates | Standard Rates | $\begin{aligned} & \text { Link-Up } \\ & \text { Rates } \end{aligned}$ |
| Alabama | Huntsville | BellSouth | \$26.76 | \$11.46 | \$40.00 | \$20.00 |
| Alaska | Anchorage | Anchorage | 21.50 | 1.64 | 43.40 | 0.00 |
| Arizona | Tucson | Qwest | 23.39 | 9.68 | 27.50 | 15.31 |
| Arkansas | Pine Bluff | SBC | 25.98 | 12.52 | 39.70 | 19.85 |
| Arkansas | West Memphis | SBC | 32.69 | 19.04 | 39.70 | 19.85 |
| California | Anaheim | SBC | 17.91 | 6.02 | 33.01 | 10.00 |
| California | Bakersfield | SBC | 17.91 | 6.02 | 33.01 | 10.00 |
| California | Fresno | SBC | 17.91 | 6.02 | 33.01 | 10.00 |
| California | Long Beach | Verizon | 25.70 | 5.85 | 46.00 | 10.00 |
| California | Los Angeles | SBC | 17.91 | 6.02 | 33.01 | 10.00 |
| California | Oakland | SBC | 17.91 | 6.02 | 33.01 | 10.00 |
| California | San Bernadino | Verizon | 25.69 | 5.85 | 46.00 | 10.00 |
| California | San Diego | SBC | 17.91 | 6.02 | 33.01 | 10.00 |
| California | San Francisco | SBC | 17.91 | 6.02 | 33.01 | 10.00 |
| California | San Jose | SBC | 17.91 | 6.02 | 33.01 | 10.00 |
| Colorado | Boulder | Qwest | 27.58 | 6.98 | 35.00 | 20.07 |
| Colorado | Colorado Springs | Qwest | 25.00 | 5.92 | 35.00 | 18.55 |
| Colorado | Denver | Qwest | 26.23 | 6.18 | 35.00 | 19.14 |
| Connecticut | Ansonia | SBC | 22.38 | 11.21 | 65.00 | 35.00 |
| Connecticut | Norwalk | SBC | 21.29 | 10.12 | 65.00 | 35.00 |
| District of Columbia | Washington | Verizon | 21.65 | 5.87 | 21.00 | 11.66 |
| Florida | Miami | BellSouth | 21.02 | 5.46 | 40.88 | 22.08 |
| Florida | Tampa | Verizon | 22.48 | 6.72 | 55.00 | 27.50 |
| Florida | West Palm Beach | BellSouth | 20.29 | 5.75 | 40.88 | 22.02 |
| Georgia | Albany | BellSouth | 26.25 | 11.02 | 42.50 | 21.25 |
| Georgia | Atlanta | BellSouth | 29.54 | 13.96 | 42.50 | 21.25 |
| Hawaii | Honolulu | Verizon | 25.06 | 9.05 | 45.50 | 22.75 |
| Illinois | Chicago | SBC | 22.38 | 12.86 | 39.60 | 9.80 |
| Illinois | Decatur | SBC | 29.91 | 19.96 | 39.60 | 9.80 |
| Illinois | Rock Island | SBC | 29.15 | 19.70 | 39.60 | 9.80 |
| Indiana | Indianapolis | SBC | 20.21 | 12.26 | 47.00 | 0.00 |
| Indiana | Terre Haute | Verizon | 26.30 | 16.47 | 57.20 | 28.60 |
| Iowa | Fort Dodge | Frontier | 19.51 | 9.62 | 12.76 | 6.38 |
| Kentucky | Louisville | BellSouth | 29.06 | 13.76 | 42.00 | 22.26 |
| Louisiana | Baton Rouge | BellSouth | 23.65 | 14.20 | 41.00 | 22.18 |
| Louisiana | New Orleans | BellSouth | 22.49 | 13.15 | 41.00 | 21.12 |
| Maine | Portland | Verizon | 27.45 | 9.94 | 44.75 | 10.00 |
| Maryland | Baltimore | Verizon | 27.09 | 7.62 | 48.00 | 0.00 |
| Massachusetts | Boston | Verizon | 29.64 | 9.07 | 13.50 | 0.00 |
| Massachusetts | Hyannis | Verizon | 29.64 | 9.07 | 13.50 | 0.00 |
| Massachusetts | Springfield | Verizon | 29.64 | 9.07 | 13.50 | 0.00 |
| Michigan | Detroit | SBC | 27.39 | 15.55 | 42.00 | 0.00 |
| Michigan | Grand Rapids | SBC | 25.07 | 13.78 | 42.00 | 0.00 |
| Michigan | Saginaw | SBC | 27.52 | 16.20 | 42.00 | 0.00 |
| Minnesota | Detroit Lakes | Qwest | 22.42 | 11.92 | 18.35 | 9.78 |
| Minnesota | Minneapolis | Qwest | 23.39 | 12.89 | 18.35 | 9.82 |
| Mississippi | Pascagoula | BellSouth | 28.95 | 13.52 | 46.00 | 24.61 |
| Missouri | Kansas City | SBC | 20.25 | 8.79 | 32.61 | 18.10 |
| Missouri | Mexico | SBC | 18.91 | 7.09 | 36.21 | 18.10 |
| Missouri | St. Louis | SBC | 20.73 | 9.02 | 36.21 | 18.10 |
| Montana | Butte | Qwest | 26.75 | 6.93 | 26.00 | 13.00 |
| Nebraska | Grand Island | Qwest | 29.38 | 16.28 | 33.00 | 18.72 |
| New Jersey | Phillipsburg | Verizon | 16.30 | 1.58 | 42.35 | 22.45 |

Table 1.7
Lifeline and Link-Up Rates in the Sample Cities - Continued (As of October 15, 2003)

| State | City | Telephone Company | Monthly Telephone Rate Including Surcharges and Taxes |  | Connection Charge Including Surcharges and Taxes |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Standard Rates | $\begin{gathered} \hline \text { Lifeline } \\ \text { Rates } \\ \hline \end{gathered}$ | Standard Rates | Link-Up Rates |
| New Mexico | Alamogordo | Qwest | 24.22 | 5.25 | 30.00 | 8.00 |
| New York | Binghamton | Verizon | 31.48 | 14.18 | 55.00 | 5.00 |
| New York | Buffalo | Verizon | 34.29 | 17.91 | 55.00 | 5.00 |
| New York | Massena | Verizon | 28.75 | 10.54 | 55.00 | 5.00 |
| New York | New York City | Verizon | 31.40 | 13.85 | 55.00 | 5.00 |
| New York | Ogdensburg | Verizon | 29.54 | 10.83 | 55.00 | 5.00 |
| New York | Rochester | Frontier - Rochester | 20.42 | 8.46 | 33.32 | 10.00 |
| North Carolina | Raleigh | BellSouth | 23.46 | 8.16 | 42.75 | 22.66 |
| North Carolina | Rockingham | BellSouth | 21.81 | 6.50 | 42.75 | 22.66 |
| Ohio | Canton | Ameritech | 21.18 | 8.42 | 36.50 | 0.00 |
| Ohio | Cincinnati | Cincinnati Bell | 23.98 | 10.37 | 25.70 | 0.00 |
| Ohio | Cleveland | SBC | 21.18 | 8.42 | 36.50 | 0.00 |
| Ohio | Columbus | SBC | 21.18 | 8.42 | 36.50 | 0.00 |
| Ohio | Toledo | Ameritech | 21.18 | 8.42 | 36.50 | 0.00 |
| Oregon | Corvallis | Qwest | 24.55 | 8.79 | 16.50 | 8.95 |
| Oregon | Portland | Qwest | 25.95 | 9.92 | 16.50 | 8.95 |
| Pennsylvania | Allentown | Verizon | 20.99 | 8.81 | 40.00 | 20.00 |
| Pennsylvania | Ellwood City | Verizon | 21.40 | 9.22 | 40.00 | 20.00 |
| Pennsylvania | Johnstown | Verizon | 21.54 | 9.32 | 52.70 | 26.35 |
| Pennsylvania | New Castle | Verizon | 19.70 | 7.52 | 40.00 | 20.00 |
| Pennsylvania | Philadelphia | Verizon | 22.28 | 9.98 | 40.00 | 20.00 |
| Pennsylvania | Pittsburgh | Verizon | 22.07 | 9.89 | 40.00 | 20.00 |
| Pennsylvania | Scranton | Verizon | 20.99 | 8.81 | 40.00 | 20.00 |
| Rhode Island | Providence | Verizon | 29.29 | 12.68 | 33.83 | 16.92 |
| South Carolina | Beaufort | Sprint | 24.45 | 7.77 | 32.30 | 16.15 |
| Tennessee | Memphis | BellSouth | 22.80 | 6.72 | 41.50 | 24.00 |
| Tennessee | Nashville | BellSouth | 22.42 | 6.79 | 41.50 | 22.52 |
| Texas | Brownsville | SBC | 23.01 | 4.72 | 40.70 | 19.18 |
| Texas | Corpus Christi | SBC | 28.20 | 3.63 | 40.70 | 19.18 |
| Texas | Dallas | SBC | 29.74 | 10.48 | 40.70 | 19.18 |
| Texas | Fort Worth | SBC | 27.74 | 6.89 | 40.70 | 19.18 |
| Texas | Houston | SBC | 22.29 | 5.72 | 40.70 | 19.18 |
| Texas | San Antonio | SBC | 20.01 | 4.73 | 40.70 | 19.18 |
| Utah | Logan | Qwest | 22.63 | 5.90 | 25.00 | 13.34 |
| Virginia | Richmond | Verizon | 28.90 | 11.34 | 38.50 | 19.25 |
| Virginia | Smithfield | Verizon | 33.86 | 9.78 | 40.00 | 20.00 |
| Washington | Everett | Verizon | 24.75 | 6.06 | 43.25 | 21.63 |
| Washington | Seattle | Qwest | 22.01 | 9.61 | 31.00 | 16.49 |
| West Virginia | Huntington | Verizon | 29.69 | 18.78 | 42.00 | 0.00 |
| Wisconsin | Milwaukee | SBC | 35.56 | 26.54 | 51.90 | 0.00 |
| Wisconsin | Racine | SBC | 35.54 | 26.52 | 51.90 | 0.00 |

${ }^{1}$ Rates are for flat-rate service where available and measured/message service with 100 calls elsewhere. Rates are subject to revision.

Table 1.8
Average Local Rates for Businesses with a Single Line in Urban Areas (As of October 15, 2003)

|  | Average Rate | Median Rate $^{1}$ |
| :--- | :---: | :---: |
|  | $\$ 32.36$ | $\$ 33.42$ |
| Monthly Charge for Flat-Rate Service ${ }^{2}$ | 5.88 | 6.50 |
| Federal and State Subscriber Line Charges | 8.19 | 7.50 |
| Taxes, 911, and Other Charges | $\mathbf{\$ 4 6 . 4 3}$ | $\mathbf{\$ 4 7 . 4 2}$ |
| Total Monthly Charge for Flat-Rate Service | 53 |  |
| Number of Sample Cities with Flat-Rate Service | $\$ 17.56$ | $\$ 18.24$ |
|  | 5.68 | 6.00 |
| Monthly Charge for Measured/Message Service ${ }^{2}$ | 4.87 | 4.52 |
| Federal and State Subscriber Line Charges | $\mathbf{\$ 2 8 . 1 2}$ | $\mathbf{\$ 2 8 . 7 6}$ |
| Taxes, 911, and Other Charges | 0.09 | 0.08 |
| Total Monthly Charge for Measured/Message Service | 85 |  |
| Cost of a 5-Minute Daytime Call |  |  |
| Number of Sample Cities with Message/Measured Service | $\$ 67.26$ | $\$ 64.00$ |
|  | 5.36 | 4.65 |
| Basic Connection Charge ${ }^{2}$ | $\mathbf{\$ 7 2 . 6 2}$ | $\mathbf{\$ 6 8 . 6 5}$ |
| Taxes | 6.52 | 0.00 |
| Total Connection Charge | $\$ 4.95$ | $\$ 5.00$ |
| Additional Charge if Drop Line and Connection Block Needed |  |  |

${ }^{1}$ Where a rate exists for fewer than 95 cities, the median represents the midpoint rate for those cities which have the service offering.
${ }^{2}$ Includes additional monthly charges for touch-tone service.

Table 1.9
Average Local Rates for Businesses with a Single Line in Urban Areas (As of October 15)

|  | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | $2002{ }^{1}$ | $2003{ }^{2}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Monthly Representative Service Charge ${ }^{3}$ | \$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 Service ${ }^{4}$ | 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 | 4 | 4 |
| 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 |
|  | , |  |  | ane |  |  | Perm |  |  | - |  | mam |  |  |  |
| 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 Service ${ }^{4}$ | 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 | 4 | 4 |
| 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 Servic | \$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 Service ${ }^{4}$ | 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 | 4 | 4 |
| Tax, Including 911 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 Servict | 83 | 83 | 84 | 84 | 84 | 87 | 87 | 86 | 85 | 85 | 85 | 85 | 85 | 86 | 85 |
| Cost of a Five-Minute, Business-Day, Same-Zone Cal | \$0.09 | \$0.09 | \$0.09 | \$0.09 | \$0.09 | \$0.09 | \$0.09 | \$0.09 | \$0.09 | \$0.09 | \$0.09 | \$0.09 | \$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 ${ }^{4}$ | 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 |  | 4 |
| Tax, Including 911 Charges | 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 Needec | \$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 |
|  | maxamers | - | ma | maxame | mamam | , mexmex | mememex | , max | mamam | mamamex | mamame | maname | mamame | , maxam | , maxamex |
| 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 |

${ }^{\text {' }}$ Revised figures.
${ }^{2}$ Subject to revision.
${ }^{3}$ Rates are based on flat-rate service where available and measured/message service with 200 five-minute, same-zone, business-day calls elsewhere.
${ }^{4}$ Starting in 2002, additional monthly charges for touch-tone service are included in the monthly charge.

Table 1.10
Telephone Rates in the Sample Cities for a Business with a Single Line (As of October 15, 2003)

| State | City | Telephone <br> Company | Monthly Telephone Rate Including Touch-Tone, Surcharges, and Taxes |  | Cost of a Five-Minute Same-Zone Daytime Call | Connection Charges Including Touch-Tone, Surcharges, and Taxes | Least-Cost Inside Wiring Maintenance Plan |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Flat-Rate Service | Measured/Message Service |  |  |  |
| Alabama | Huntsville | BellSouth | \$49.86 | \$36.85 | \$0.17 | \$69.00 | \$5.00 |
| Alaska | Anchorage | Anchorage | 35.68 |  |  | 65.70 | 2.00 |
| Arizona | Tucson | Qwest | 43.27 |  |  | 47.30 | 6.25 |
| Arkansas | Pine Bluff | SBC | 45.95 | 30.61 | 0.07 | 93.43 | 6.50 |
| Arkansas | West Memphis | SBC | 59.04 | 28.85 | 0.07 | 94.55 | 6.50 |
| California | Anaheim | SBC |  | 17.00 | 0.01 | 72.92 | 3.25 |
| California | Bakersfield | SBC |  | 17.00 | 0.01 | 72.92 | 3.25 |
| California | Fresno | SBC |  | 17.57 | 0.01 | 72.92 | 3.25 |
| California | Long Beach | Verizon |  | 27.75 | 0.08 | 93.30 | 1.95 |
| California | Los Angeles | SBC |  | 16.99 | 0.01 | 72.92 | 3.25 |
| California | Oakland | SBC |  | 17.00 | 0.01 | 72.92 | 3.25 |
| California | Salinas | SBC |  | 17.66 | 0.01 | 72.92 | 3.25 |
| California | San Bernadino | Verizon |  | 27.73 | 0.08 | 92.03 | 1.95 |
| California | San Diego | SBC |  | 17.00 | 0.01 | 72.92 | 3.25 |
| California | San Francisco | SBC |  | 17.00 | 0.01 | 72.92 | 3.25 |
| California | San Jose | SBC |  | 17.00 | 0.01 | 72.92 | 3.25 |
| Colorado | Boulder | Qwest | 51.53 | 31.41 | 0.13 | 61.94 | 5.75 |
| Colorado | Colorado Springs | Qwest | 46.41 | 28.43 | 0.13 | 57.23 | 5.75 |
| Colorado | Denver | Qwest | 49.00 | 29.87 | 0.11 | 59.05 | 5.75 |
| Connecticut | Ansonia | SBC | 47.38 | 29.57 | 0.18 | 79.50 | 4.25 |
| Connecticut | Norwalk | SBC | 44.43 | 29.57 | 0.18 | 79.50 | 4.25 |
| District of Columbia | Washington | Verizon |  | 21.46 | 0.08 | 97.19 | 3.50 |
| Florida | Miami | BellSouth | 44.75 | 40.11 | 0.06 | 64.58 | 5.00 |
| Florida | Tampa | Verizon | 45.46 |  |  | 74.07 | 4.25 |
| Florida | West Palm Beach | BellSouth | 42.57 | 38.80 | 0.06 | 64.42 | 5.00 |
| Georgia | Albany | BellSouth | 46.80 | 39.83 | 0.12 | 58.25 | 5.00 |
| Georgia | Atlanta | BellSouth | 64.84 |  |  | 58.25 | 5.00 |
| Hawaii | Honolulu | Verizon | 49.70 |  |  | 44.61 | 4.25 |
| Illinois | Chicago | SBC |  | 13.44 | 0.10 | 58.42 | 4.95 |
| Illinois | Decatur | SBC |  | 21.04 | 0.10 | 57.98 | 5.95 |
| Illinois | Rock Island | SBC |  | 20.73 | 0.10 | 57.98 | 5.95 |
| Indiana | Indianapolis | SBC | 54.51 | 41.78 | 0.25 | 59.00 | 6.50 |
| Indiana | Terre Haute | Verizon | 42.05 |  |  | 68.78 | 4.25 |
| Iowa | Fort Dodge | Frontier | 29.25 |  |  | 21.51 | 3.95 |
| Kentucky | Louisville | BellSouth | 45.80 | 50.62 | 0.06 | 77.38 | 5.00 |
| Louisiana | Baton Rouge | BellSouth | 46.37 | 42.86 | 0.06 | 91.93 | 5.00 |
| Louisiana | New Orleans | BellSouth | 43.96 | 40.81 | 0.06 | 87.55 | 5.00 |
| Maine | Portland | Verizon | 50.00 |  |  | 58.80 | 4.25 |
| Maryland | Baltimore | Verizon |  | 23.78 | 0.09 | 87.00 | 3.50 |
| Massachusetts | Boston | Verizon |  | 25.00 | 0.10 | 97.67 | 4.25 |
| Massachusetts | Hyannis | Verizon | 51.78 | 25.00 | 0.10 | 97.67 | 4.25 |
| Massachusetts | Springfield | Verizon |  | 25.00 | 0.10 | 97.67 | 4.25 |
| Michigan | Detroit | SBC |  | 24.46 | 0.09 | 46.62 | 4.29 |
| Michigan | Grand Rapids | SBC |  | 23.12 | 0.09 | 44.52 | 4.29 |
| Michigan | Saginaw | SBC |  | 26.61 | 0.09 | 44.52 | 4.29 |
| Minnesota | Detroit Lakes | Qwest | 44.98 | 29.23 | 0.09 | 51.01 | 5.75 |
| Minnesota | Minneapolis | Qwest | 54.72 | 36.15 | 0.09 | 51.25 | 5.75 |
| Mississippi | Pascagoula | BellSouth | 50.85 | 43.47 | 0.09 | 71.69 | 5.00 |
| Missouri | Kansas City | SBC | 48.48 | 28.42 | 0.08 | 60.83 | 6.50 |
| Missouri | Mexico | SBC | 37.46 | 23.68 | 0.08 | 59.49 | 6.00 |
| Missouri | St. Louis | SBC | 49.90 | 28.68 | 0.08 | 62.59 | 6.00 |
| Montana | Butte | Qwest | 45.12 | 30.08 | 0.05 | 61.25 | 5.75 |
| Nebraska | Grand Island | Qwest | 40.65 | 30.40 | 0.09 | 51.05 | 5.75 |
| New Jersey | Phillipsburg | Verizon |  | 22.10 | 0.07 | 85.09 | 1.90 |

Table 1.10
Telephone Rates in the Sample Cities for a Business with a Single Line - Continued (As of October 15, 2003)

| State | City | Telephone <br> Company | Monthly Telephone Rate Including Touch-Tone, Surcharges, and Taxes |  | Cost of a Five-Minute Same-Zone <br> Daytime Call | Connection Charges Including Touch-Tone, Surcharges, and Taxes | Least-Cost Inside Wiring Maintenance Plan |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Flat-Rate Service | Measured/Message Service |  |  |  |
| New Mexico | Alamogordo | Qwest | 48.03 | 26.79 | 0.15 | 57.57 | 5.75 |
| New York | Binghamton | Verizon |  | 29.86 | 0.10 | 117.72 | 5.95 |
| New York | Buffalo | Verizon |  | 29.33 | 0.10 | 117.82 | 5.95 |
| New York | Massena | Verizon |  | 28.81 | 0.10 | 116.76 | 5.95 |
| New York | New York City | Verizon |  | 29.83 | 0.10 | 118.09 | 5.95 |
| New York | Ogdensburg | Verizon |  | 29.59 | 0.10 | 119.94 | 5.95 |
| New York | Rochester | Frontier |  | 20.39 | 0.09 | 54.96 | 3.95 |
| North Carolina | Raleigh | BellSouth | 45.25 |  |  | 68.90 | 5.00 |
| North Carolina | Rockingham | BellSouth | 44.23 |  |  | 68.90 | 5.00 |
| Ohio | Canton | Ameritech |  | 36.37 | 0.08 | 62.85 | 5.95 |
| Ohio | Cincinnati | Cincinnati Bell | 54.16 | 37.68 | 0.15 | 49.75 | 4.50 |
| Ohio | Cleveland | SBC |  | 31.63 | 0.08 | 62.85 | 5.95 |
| Ohio | Columbus | SBC |  | 31.63 | 0.08 | 62.85 | 5.95 |
| Ohio | Toledo | SBC |  | 33.69 | 0.08 | 62.85 | 5.95 |
| Oregon | Corvallis | Qwest | 40.05 | 31.11 | 0.15 | 33.64 | 5.75 |
| Oregon | Portland | Qwest | 42.36 | 33.14 | 0.15 | 33.64 | 5.75 |
| Pennsylvania | Allentown | Verizon |  | 31.37 | 0.07 | 79.50 | 4.25 |
| Pennsylvania | Ellwood City | Verizon |  | 33.95 | 0.07 | 79.50 | 4.25 |
| Pennsylvania | Johnstown | Verizon |  | 32.60 | 0.15 | 78.43 | 4.25 |
| Pennsylvania | New Castle | Verizon |  | 33.95 | 0.07 | 79.50 | 4.25 |
| Pennsylvania | Philadelphia | Verizon |  | 25.97 | 0.07 | 79.50 | 4.25 |
| Pennsylvania | Pittsburgh | Verizon |  | 25.97 | 0.07 | 79.50 | 4.25 |
| Pennsylvania | Scranton | Verizon |  | 31.37 | 0.07 | 79.50 | 4.25 |
| Rhode Island | Providence | Verizon |  | 31.16 | 0.20 | 47.73 | 4.25 |
| South Carolina | Beaufort | Sprint | 42.19 | 28.53 | 0.12 | 35.60 | 4.00 |
| Tennessee | Memphis | BellSouth | 55.77 | 41.28 | 0.12 | 67.64 | 5.00 |
| Tennessee | Nashville | BellSouth | 54.77 | 40.56 | 0.12 | 64.06 | 5.00 |
| Texas | Brownsville | SBC | 37.79 | 28.66 | 0.08 | 62.22 | 4.00 |
| Texas | Corpus Christi | SBC | 53.77 | 37.57 | 0.08 | 62.00 | 4.00 |
| Texas | Dallas | SBC | 50.16 | 38.66 | 0.08 | 62.22 | 4.00 |
| Texas | Fort Worth | SBC | 41.08 | 30.71 | 0.08 | 62.22 | 4.00 |
| Texas | Houston | SBC | 51.01 | 38.42 | 0.08 | 62.22 | 4.00 |
| Texas | San Antonio | SBC | 39.65 | 30.07 | 0.08 | 62.00 | 4.00 |
| Utah | Logan | Qwest | 32.62 | 28.75 | 0.08 | 53.36 | 5.75 |
| Virginia | Richmond | Verizon | 76.01 | 25.54 | 0.09 | 64.00 | 3.50 |
| Virginia | Smithfield | Verizon | 50.34 | 36.66 | 0.16 | 40.00 | 2.75 |
| Washington | Everett | Verizon | 44.08 | 30.19 | 0.02 | 70.67 | 4.25 |
| Washington | Seattle | Qwest | 40.92 | 31.07 | 0.07 | 55.55 | 5.75 |
| West Virginia | Huntington | Verizon | 61.12 | 32.60 | 0.16 | 79.00 | 3.00 |
| Wisconsin | Milwaukee | SBC |  | 22.84 | 0.09 | 68.27 | 4.29 |
| Wisconsin | Racine | SBC |  | 22.82 | 0.09 | 67.95 | 4.29 |

Table 1.11
Monthly Telephone Rates in the Sample Cities for a Business with a Single Line ${ }^{1}$

| State | City | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | $2002{ }^{2}$ | $2003{ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Alabama | Huntsville | \$61.58 | \$60.55 | \$56.15 | \$53.46 | \$50.90 | \$48.40 | \$45.97 | \$46.91 | \$48.00 | \$48.97 | \$49.86 |
| Alaska | Anchorage | 33.33 | 31.04 | 31.05 | 31.05 | 31.08 | 31.12 | 31.11 | 31.11 | 34.95 | 35.57 | 35.68 |
| Arizona | Tucson | 40.72 | 40.72 | 41.73 | 41.71 | 42.00 | 42.00 | 42.01 | 42.68 | 43.65 | 44.17 | 43.27 |
| Arkansas | Pine Bluff | 42.93 | 41.10 | 40.91 | 41.05 | 41.13 | 41.13 | 41.39 | 42.53 | 44.37 | 45.51 | 45.95 |
| Arkansas | West Memphis | 55.52 | 53.30 | 53.70 | 53.85 | 53.03 | 53.80 | 54.14 | 55.06 | 57.10 | 58.66 | 59.04 |
| California | Anaheim | 29.10 | 29.10 | 30.43 | 30.65 | 30.25 | 30.28 | 28.34 | 27.20 | 27.66 | 18.92 | 19.00 |
| California | Bakersfield | 29.15 | 29.15 | 31.06 | 31.29 | 30.64 | 30.92 | 28.23 | 27.20 | 28.24 | 18.92 | 19.00 |
| California | Fresno | 29.97 | 29.97 | 31.06 | 31.29 | 31.10 | 30.92 | 28.11 | 27.78 | 28.24 | 19.49 | 19.57 |
| California | Long Beach | 38.39 | 36.92 | 43.95 | 43.84 | 40.67 | 43.84 | 43.84 | 44.81 | 44.97 | 43.22 | 43.75 |
| California | Los Angeles | 31.38 | 31.38 | 33.36 | 33.60 | 31.75 | 33.16 | 30.24 | 30.55 | 30.42 | 18.92 | 18.99 |
| California | Oakland | 30.67 | 30.67 | 32.63 | 32.86 | NA | 32.45 | 29.58 | 29.24 | 29.73 | 18.92 | 19.00 |
| California | Salinas | 30.71 | 31.00 | 32.97 | 33.21 | 31.10 | 32.79 | 29.94 | 29.54 | 30.03 | 18.82 | 19.66 |
| California | San Bernadino | 37.86 | 36.41 | 43.35 | 43.25 | 43.29 | 43.25 | 43.25 | 44.20 | 44.97 | 43.20 | 43.73 |
| California | San Diego | 28.54 | 28.54 | 30.43 | 30.65 | 30.56 | 30.30 | 27.62 | 27.20 | 27.66 | 18.92 | 19.00 |
| California | San Francisco | 30.67 | 31.18 | 32.63 | 33.38 | 33.29 | 32.45 | 29.58 | 29.24 | 29.73 | 18.92 | 19.00 |
| California | San Jose | 29.96 | 29.96 | 31.90 | 32.13 | 32.02 | 31.33 | 28.93 | 28.56 | 29.04 | 18.92 | 19.00 |
| Colorado | Boulder | 46.94 | 46.88 | 47.16 | 47.15 | 47.03 | 46.94 | 45.52 | 46.25 | 46.42 | 51.01 | 51.53 |
| Colorado | Colorado Springs | 44.64 | 44.27 | 43.82 | 44.42 | 44.42 | 44.40 | 42.87 | 43.51 | 43.40 | 45.89 | 46.41 |
| Colorado | Denver | 46.62 | 46.69 | 46.68 | 46.65 | 46.59 | 46.57 | 45.22 | 45.89 | 46.31 | 48.48 | 49.00 |
| Connecticut | Ansonia | 41.81 | 40.76 | 43.70 | 43.70 | 43.70 | 43.65 | 44.39 | 45.67 | 47.02 | 47.38 | 47.38 |
| Connecticut | Norwalk | 38.70 | 37.91 | 40.86 | 40.86 | 40.86 | 40.70 | 41.46 | 42.72 | 44.07 | 44.47 | 44.43 |
| District of Columbia | Washington | 35.32 | 35.32 | 33.37 | 39.17 | 37.84 | 34.85 | 35.81 | 36.34 | 37.22 | 36.18 | 37.06 |
| Florida | Miami | 41.88 | 40.65 | 40.65 | 40.67 | 40.13 | 37.40 | 40.64 | 41.63 | 42.21 | 43.86 | 44.75 |
| Florida | Tampa | 37.66 | 37.66 | 37.87 | 41.09 | 41.09 | 41.18 | 41.18 | 42.21 | 42.51 | 44.98 | 45.46 |
| Florida | West Palm Beach | 38.60 | 39.47 | 37.39 | 38.13 | 38.67 | 40.66 | 37.38 | 38.60 | 40.00 | 41.76 | 42.57 |
| Georgia | Albany | 39.70 | 39.74 | 39.74 | 41.00 | 41.00 | 41.15 | 41.70 | 42.98 | 44.08 | 45.16 | 46.80 |
| Georgia | Atlanta | 53.61 | 53.64 | 58.82 | 58.87 | 58.87 | 58.81 | 58.81 | 60.25 | 60.46 | 62.60 | 64.84 |
| Hawaii | Honolulu | 41.85 | 42.74 | 44.39 | 46.09 | 47.32 | 47.32 | 47.32 | 48.20 | 51.71 | 49.63 | 49.70 |
| Illinois | Chicago | 34.13 | 34.12 | 32.12 | 31.91 | 31.91 | 33.74 | 35.12 | 36.12 | 36.01 | 33.08 | 33.44 |
| Illinois | Decatur | 38.02 | 38.01 | 35.96 | 35.71 | 35.15 | 40.17 | 42.49 | 43.49 | 43.37 | 40.50 | 41.04 |
| Illinois | Rock Island | 38.65 | 38.64 | 36.58 | 36.58 | 35.77 | 40.79 | 42.02 | 43.08 | 42.74 | 40.24 | 40.73 |
| Indiana | Indianapolis | 60.24 | 57.46 | 56.78 | 55.84 | 55.84 | 55.84 | 56.07 | 57.27 | 58.50 | 59.03 | 54.51 |
| Indiana | Terre Haute | 46.98 | 47.07 | 47.07 | 47.03 | 47.03 | 43.91 | 43.91 | 37.99 | 39.03 | 41.96 | 42.05 |
| Iowa | Fort Dodge | 22.17 | 22.44 | 22.44 | 22.44 | 22.44 | 25.95 | 25.34 | 26.26 | 28.95 | 28.81 | 29.25 |
| Kentucky | Louisville | 60.96 | 60.96 | 61.01 | 55.87 | 56.84 | 45.27 | 45.33 | 48.75 | 47.93 | 45.12 | 45.80 |
| Louisiana | Baton Rouge | 51.65 | 48.55 | 49.50 | 47.76 | 46.12 | 45.40 | 41.53 | 42.43 | 44.47 | 45.72 | 46.37 |
| Louisiana | New Orleans | 55.71 | 50.21 | 50.21 | 46.30 | 46.34 | 45.64 | 41.30 | 42.22 | 43.28 | 43.31 | 43.96 |
| Maine | Portland | 40.52 | 40.54 | 38.63 | 38.82 | 39.75 | 41.33 | 43.06 | 43.78 | 46.78 | 48.37 | 50.00 |
| Maryland | Baltimore | 43.57 | 43.57 | 43.57 | 43.57 | 43.60 | 43.16 | 43.12 | 44.14 | 44.18 | 41.28 | 41.78 |
| Massachusetts | Boston | 49.77 | 43.22 | 42.78 | 42.78 | 42.78 | 42.78 | 42.78 | 42.99 | 40.39 | 42.67 | 45.00 |
| Massachusetts | Hyannis | 46.92 | 46.92 | 46.92 | 46.92 | 48.38 | 48.38 | 48.38 | 47.72 | 48.79 | 42.67 | 51.78 |
| Massachusetts | Springfield | 49.77 | 43.22 | 38.89 | 38.89 | 38.89 | 38.89 | 38.89 | 39.31 | 40.39 | 42.67 | 45.00 |
| Michigan | Detroit | 36.35 | 37.02 | 37.81 | 40.89 | 40.89 | 38.32 | 40.68 | 43.28 | 44.22 | 42.49 | 42.46 |
| Michigan | Grand Rapids | 34.62 | 35.29 | 36.02 | 35.81 | 35.88 | 36.66 | 37.57 | 39.97 | 41.83 | 41.18 | 41.12 |
| Michigan | Saginaw | 34.45 | 35.11 | 36.59 | 37.95 | 39.14 | 37.46 | 38.35 | 40.71 | 45.93 | 44.92 | 44.61 |
| Minnesota | Detroit Lakes | 42.37 | 42.35 | 42.41 | 42.41 | 42.28 | 42.28 | 42.29 | 43.22 | 44.15 | 44.97 | 44.98 |
| Minnesota | Minneapolis | 54.93 | 54.91 | 54.98 | 54.98 | 54.85 | 54.85 | 52.05 | 52.99 | 53.92 | 54.71 | 54.72 |
| Mississippi | Pascagoula | 56.59 | 57.33 | 57.33 | 57.41 | 56.16 | 55.88 | 55.88 | 54.51 | 48.94 | 50.20 | 50.85 |
| Missouri | Kansas City | 50.33 | 46.02 | 45.57 | 45.57 | 45.15 | 45.15 | 45.34 | 46.37 | 47.32 | 49.29 | 48.48 |
| Missouri | Mexico | 36.00 | 32.28 | 36.13 | 36.13 | 36.29 | 36.29 | 36.29 | 37.64 | 38.96 | 37.10 | 37.46 |
| Missouri | St. Louis | 49.39 | 46.02 | 45.15 | 45.15 | 45.10 | 45.10 | 45.40 | 46.64 | 47.76 | 49.81 | 49.90 |
| Montana | Butte | 43.82 | 43.82 | 43.82 | 43.82 | 44.07 | 45.36 | 42.29 | 41.84 | 43.69 | 44.62 | 45.12 |
| Nebraska | Grand Island | 47.87 | 47.87 | 47.84 | 47.79 | 47.79 | 47.57 | 49.51 | 44.78 | 37.59 | 40.91 | 40.65 |
| New Jersey | Phillipsburg | 27.58 | 27.58 | 27.58 | 26.65 | 26.51 | 27.86 | 27.86 | 28.79 | 30.37 | 30.48 | 30.85 |

Table 1.11

## Monthly Telephone Rates in the Sample Cities for a Business with a Single Line - Continued ${ }^{1}$ (As of October 15)

| State | City | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | $2002{ }^{2}$ | $2003{ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| New Mexico | Alamogordo | 55.48 | 55.84 | 56.03 | 56.20 | 56.37 | 56.37 | 50.20 | 44.55 | 44.18 | 47.53 | 48.03 |
| New York | Binghamton | 51.24 | 51.24 | 49.77 | 49.68 | 48.07 | 45.44 | 48.03 | 47.91 | 47.55 | 48.56 | 49.86 |
| New York | Buffalo | 52.56 | 50.80 | 50.58 | 50.49 | 49.12 | 49.08 | 48.82 | 48.69 | 48.43 | 48.06 | 49.33 |
| New York | Massena | 51.39 | 49.67 | 49.46 | 49.37 | 49.09 | 49.05 | 47.74 | 47.61 | 47.29 | 45.57 | 48.81 |
| New York | New York | 52.91 | 51.13 | 50.92 | 50.73 | 50.07 | 48.03 | 49.05 | 48.91 | 48.37 | 48.56 | 49.83 |
| New York | Ogdensburg | 52.84 | 51.07 | 50.85 | 50.76 | 49.78 | 47.74 | 49.08 | 48.95 | 48.58 | 48.31 | 49.59 |
| New York | Rochester | 50.34 | 49.84 | 48.28 | 48.28 | 48.86 | 48.82 | 44.30 | 44.77 | 42.24 | 38.59 | 20.39 |
| North Carolina | Raleigh | 41.98 | 41.76 | 41.53 | 40.74 | 39.94 | 39.96 | 39.96 | 40.86 | 41.92 | 42.59 | 45.25 |
| North Carolina | Rockingham | 36.63 | 36.42 | 36.11 | 35.32 | 34.52 | 34.52 | 34.52 | 36.08 | 38.73 | 41.31 | 44.23 |
| Ohio | Canton | 44.48 | 44.48 | 44.22 | 44.22 | 44.22 | 43.11 | 43.96 | 44.84 | 45.86 | 46.31 | 46.53 |
| Ohio | Cincinnati | 51.75 | 53.19 | 52.99 | 52.99 | 51.88 | 51.37 | 51.73 | 55.48 | 53.71 | 53.94 | 54.16 |
| Ohio | Cleveland | 44.48 | 44.48 | 43.19 | 42.16 | 43.38 | 40.23 | 40.20 | 40.20 | 41.23 | 41.71 | 41.79 |
| Ohio | Columbus | 44.48 | 44.48 | 43.19 | 42.16 | 42.16 | 40.23 | 40.20 | 40.20 | 41.23 | 41.68 | 41.79 |
| Ohio | Toledo | 44.48 | 44.48 | 44.22 | 44.22 | 42.16 | 42.29 | 41.23 | 42.11 | 43.29 | 43.74 | 43.85 |
| Oregon | Corvallis | 39.60 | 39.69 | 36.99 | 39.56 | 39.58 | 39.83 | 39.97 | 38.11 | 37.72 | 39.55 | 40.05 |
| Oregon | Portland | 46.06 | 46.18 | 42.79 | 42.29 | 42.04 | 42.00 | 42.00 | 42.88 | 38.25 | 41.86 | 42.36 |
| Pennsylvania | Allentown | 36.09 | 35.98 | 37.34 | 37.34 | 36.53 | 37.26 | 37.26 | 38.15 | 39.48 | 45.34 | 45.37 |
| Pennsylvania | Ellwood City | 38.81 | 36.52 | 36.52 | 38.81 | 39.99 | 39.99 | 39.99 | 40.88 | 42.21 | 47.92 | 47.95 |
| Pennsylvania | Johnstown | 37.63 | 37.70 | 37.37 | 37.72 | 37.26 | 40.01 | 40.01 | 40.94 | 42.23 | 32.69 | 32.60 |
| Pennsylvania | New Castle | 38.81 | 38.81 | 38.81 | 38.81 | 38.53 | 39.99 | 39.99 | 40.88 | 42.21 | 47.92 | 47.95 |
| Pennsylvania | Philadelphia | 30.63 | 30.63 | 30.63 | 28.55 | 29.99 | 31.53 | 31.53 | 32.42 | 33.75 | 39.94 | 39.97 |
| Pennsylvania | Pittsburgh | 30.63 | 30.63 | 31.72 | 31.72 | 31.72 | 31.53 | 34.26 | 35.15 | 36.48 | 39.94 | 39.97 |
| Pennsylvania | Scranton | 35.76 | 35.98 | 35.98 | 37.34 | 37.26 | 37.26 | 37.26 | 38.15 | 39.48 | 45.34 | 45.37 |
| Rhode Island | Providence | 50.25 | 48.44 | 48.44 | 47.82 | 47.82 | 47.16 | 70.51 | 71.44 | 70.77 | 70.03 | 71.56 |
| South Carolina | Beaufort | 38.69 | 38.69 | 38.04 | 38.04 | 38.04 | 38.69 | 38.69 | 39.60 | 39.93 | 42.30 | 42.19 |
| Tennessee | Memphis | 54.70 | 54.70 | 54.70 | 54.95 | 54.95 | 54.95 | 54.69 | 55.71 | 57.17 | 55.12 | 55.77 |
| Tennessee | Nashville | 52.35 | 52.35 | 52.35 | 52.35 | 52.35 | 53.77 | 53.52 | 54.47 | 55.58 | 53.58 | 54.77 |
| Texas | Brownsville | 29.74 | 29.23 | 31.23 | 31.23 | 33.82 | 35.26 | 31.44 | 33.83 | 35.02 | 36.37 | 37.79 |
| Texas | Corpus Christi | 32.62 | 31.90 | 31.82 | 31.85 | 31.01 | 30.95 | 29.92 | 31.16 | 32.26 | 50.49 | 53.77 |
| Texas | Dallas | 39.14 | 38.66 | 38.65 | 38.49 | 33.35 | 34.54 | 38.59 | 39.11 | 40.33 | 45.70 | 50.16 |
| Texas | Fort Worth | 35.11 | 34.44 | 34.50 | 34.27 | 37.51 | 38.81 | 34.83 | 37.25 | 38.46 | 38.47 | 41.08 |
| Texas | Houston | 41.83 | 41.27 | 41.37 | 40.35 | 39.48 | 42.85 | 42.85 | 39.87 | 40.98 | 49.45 | 51.01 |
| Texas | San Antonio | 34.61 | 34.19 | 34.14 | 33.86 | 30.95 | 30.95 | 31.56 | 33.12 | 34.22 | 39.00 | 39.65 |
| Utah | Logan | 31.84 | 31.88 | 31.93 | 30.22 | 30.14 | 28.46 | 27.82 | 29.56 | 29.79 | 32.12 | 32.62 |
| Virginia | Richmond | 75.06 | 75.06 | 75.06 | 72.53 | 72.53 | NA | 74.56 | 77.97 | 76.98 | 78.63 | 76.01 |
| Virginia | Smithfield | 30.08 | 30.08 | 30.08 | 30.08 | 29.98 | 29.98 | 29.98 | 30.94 | 48.34 | 50.23 | 50.34 |
| Washington | Everett | 39.98 | 39.98 | 39.98 | 39.98 | 39.98 | 39.98 | 41.37 | 42.31 | 40.02 | 43.98 | 44.08 |
| Washington | Seattle | 39.43 | 37.03 | 37.03 | 37.03 | 37.19 | 36.47 | 36.47 | 37.42 | 39.32 | 40.82 | 40.92 |
| West Virginia | Huntington | 73.39 | 73.39 | 73.39 | 75.05 | 73.03 | 72.02 | 72.02 | 67.31 | 61.10 | 60.60 | 61.12 |
| Wisconsin | Milwaukee | 39.27 | 37.48 | 37.48 | 37.51 | 39.69 | 39.69 | 40.80 | 41.15 | 42.18 | 41.04 | 40.84 |
| Wisconsin | Racine | 39.40 | 39.40 | 39.12 | 39.16 | 39.53 | 39.52 | 40.63 | 40.97 | 41.30 | 41.91 | 40.82 |

[^5]Table 1.12

## Connection Charges for a Single Business Line in the Sample Cities ${ }^{1}$ <br> (As of October 15)

| State | City | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | $2002{ }^{2}$ | $2003{ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Alabama | Huntsville | \$73.62 | \$73.62 | \$73.62 | \$69.00 | \$69.00 | \$69.00 | \$69.00 | \$69.00 | \$69.00 | \$69.00 | 69.00 |
| Alaska | Anchorage | 34.25 | 30.75 | 30.75 | 30.75 | 30.75 | 53.00 | 53.00 | 53.00 | 53.00 | 65.70 | 65.70 |
| Arizona | Tucson | 62.31 | 62.31 | 62.47 | 58.91 | 58.91 | 58.91 | 60.03 | 60.03 | 61.48 | 53.80 | 47.30 |
| Arkansas | Pine Bluff | 101.69 | 93.44 | 92.94 | 93.27 | 93.19 | 93.22 | 93.43 | 93.43 | 93.43 | 93.43 | 93.43 |
| Arkansas | West Memphis | 102.71 | 93.60 | 94.24 | 94.51 | 94.61 | 94.30 | 94.55 | 94.55 | 94.55 | 94.55 | 94.55 |
| California | Anaheim | 71.17 | 69.87 | 71.64 | 72.23 | 73.16 | 71.10 | 71.10 | 65.62 | 66.10 | 72.92 | 72.92 |
| California | Bakersfield | 71.17 | 69.87 | 71.64 | 72.23 | 73.16 | 71.10 | 69.80 | 65.62 | 66.10 | 72.92 | 72.92 |
| California | Fresno | 71.17 | 69.87 | 71.64 | 72.23 | 73.16 | 71.10 | 69.80 | 65.62 | 66.10 | 72.92 | 72.92 |
| California | Long Beach | 83.78 | 80.20 | 84.33 | 92.51 | 92.51 | 92.51 | 92.51 | 92.51 | 92.40 | 93.30 | 93.30 |
| California | Los Angeles | 71.17 | 69.87 | 71.64 | 72.23 | 73.16 | 71.10 | 69.80 | 72.18 | 66.10 | 73.93 | 72.92 |
| California | Oakland | 71.17 | 69.87 | 71.64 | 72.23 | 73.16 | 71.10 | 69.80 | 70.54 | 66.10 | 72.92 | 72.92 |
| California | Salinas | 71.17 | 69.87 | 71.64 | 72.23 | 73.16 | 71.10 | 69.80 | 69.55 | 66.10 | 72.92 | 72.92 |
| California | San Bernadino | 83.78 | 80.20 | 84.33 | 91.25 | 91.25 | 91.25 | 91.25 | 91.25 | 91.13 | 92.03 | 92.03 |
| California | San Diego | 71.17 | 69.87 | 71.64 | 72.23 | 73.16 | 71.10 | 69.80 | 65.62 | 66.10 | 72.92 | 72.92 |
| California | San Francisco | 71.17 | 69.87 | 71.64 | 72.23 | 73.16 | 71.10 | 69.80 | 70.54 | 66.10 | 72.92 | 72.92 |
| California | San Jose | 71.17 | 69.87 | 71.64 | 72.23 | 73.16 | 71.10 | 69.80 | 65.62 | 66.10 | 72.92 | 72.92 |
| Colorado | Boulder | 74.66 | 74.84 | 74.91 | 75.08 | 75.08 | 75.08 | 60.94 | 59.83 | 59.54 | 61.94 | 61.94 |
| Colorado | Colorado Springs | 73.68 | 72.80 | 72.80 | 72.80 | 72.80 | 72.80 | 58.97 | 57.90 | 57.67 | 56.11 | 57.23 |
| Colorado | Denver | 75.11 | 75.11 | 75.11 | 75.11 | 75.11 | 75.11 | 60.84 | 59.74 | 59.45 | 59.05 | 59.05 |
| Connecticut | Ansonia | 68.90 | 68.90 | 68.90 | 68.90 | 68.90 | 68.90 | 68.90 | 68.90 | 68.90 | 79.50 | 79.50 |
| Connecticut | Norwalk | 68.90 | 68.90 | 68.90 | 68.90 | 68.90 | 68.90 | 68.90 | 68.90 | 68.90 | 79.50 | 79.50 |
| District of Columbia | Washington | 66.03 | 66.03 | 66.03 | 83.25 | 83.25 | 83.25 | 83.25 | 83.25 | 83.25 | 83.25 | 97.19 |
| Florida | Miami | 58.32 | 59.92 | 60.20 | 60.20 | 60.20 | 59.92 | 60.20 | 60.20 | 64.45 | 64.23 | 64.58 |
| Florida | Tampa | 78.89 | 78.89 | 78.89 | 74.07 | 74.07 | 74.07 | 74.07 | 74.07 | 74.07 | 74.07 | 74.07 |
| Florida | West Palm Beach | 58.32 | 59.92 | 59.92 | 59.92 | 59.92 | 60.20 | 59.92 | 59.92 | 64.39 | 64.18 | 64.42 |
| Georgia | Albany | 52.25 | 52.25 | 52.25 | 52.25 | 58.25 | 58.25 | 58.25 | 58.25 | 58.25 | 58.25 | 58.25 |
| Georgia | Atlanta | 52.25 | 52.25 | 52.25 | 52.25 | 58.25 | 58.25 | 58.25 | 58.25 | 58.25 | 58.25 | 58.25 |
| Hawaii | Honolulu | 47.50 | 47.50 | 47.50 | 51.47 | 52.97 | 52.97 | 54.97 | 49.62 | 49.61 | 44.61 | 44.61 |
| Illinois | Chicago | 93.03 | 93.03 | 57.64 | 57.64 | 57.64 | 57.64 | 59.99 | 59.99 | 58.42 | 58.42 | 58.42 |
| Illinois | Decatur | 93.17 | 93.17 | 57.72 | 57.72 | 57.72 | 57.72 | 59.55 | 59.55 | 57.98 | 57.98 | 57.98 |
| Illinois | Rock Island | 93.17 | 93.17 | 57.72 | 57.72 | 57.72 | 57.72 | 59.55 | 59.55 | 57.98 | 57.98 | 57.98 |
| Indiana | Indianapolis | 59.00 | 59.00 | 59.00 | 59.00 | 59.00 | 59.00 | 59.00 | 59.00 | 59.00 | 59.00 | 59.00 |
| Indiana | Terre Haute | 68.78 | 68.78 | 68.78 | 68.78 | 68.78 | 68.78 | 68.78 | 68.78 | 68.78 | 68.78 | 68.78 |
| Iowa | Fort Dodge | 15.65 | 15.65 | 15.65 | 15.65 | 15.65 | 22.22 | 21.60 | 21.60 | 21.57 | 21.57 | 21.51 |
| Kentucky | Louisville | 47.50 | 47.50 | 47.50 | 73.00 | 73.00 | 73.00 | 73.00 | 73.00 | 77.38 | 77.38 | 77.38 |
| Louisiana | Baton Rouge | 88.06 | 88.06 | 87.55 | 87.55 | 87.55 | 87.55 | 87.55 | 87.55 | 91.80 | 87.55 | 91.93 |
| Louisiana | New Orleans | 88.40 | 87.55 | 87.55 | 87.55 | 87.55 | 87.55 | 87.55 | 87.55 | 87.55 | 87.55 | 87.55 |
| Maine | Portland | 59.36 | 59.36 | 59.36 | 59.36 | 59.36 | 59.08 | 59.08 | 58.80 | 58.80 | 58.80 | 58.80 |
| Maryland | Baltimore | 98.50 | 98.50 | 98.50 | 98.50 | 98.50 | 87.00 | 87.00 | 87.00 | 87.00 | 87.00 | 87.00 |
| Massachusetts | Boston | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 |
| Massachusetts | Hyannis | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 |
| Massachusetts | Springfield | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 | 97.67 |
| Michigan | Detroit | 43.68 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 46.62 | 46.62 | 46.62 | 46.62 | 46.62 |
| Michigan | Grand Rapids | 43.68 | 43.68 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 |
| Michigan | Saginaw | 43.68 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 | 44.52 |
| Minnesota | Detroit Lakes | 49.50 | 49.50 | 49.50 | 47.93 | 51.01 | 51.01 | 51.01 | 51.01 | 51.01 | 51.01 | 51.01 |
| Minnesota | Minneapolis | 49.50 | 49.50 | 49.50 | 48.15 | 51.25 | 51.25 | 51.25 | 51.25 | 51.25 | 51.25 | 51.25 |
| Mississippi | Pascagoula | 71.69 | 71.69 | 71.69 | 71.69 | 71.69 | 71.69 | 71.69 | 71.69 | 71.69 | 71.69 | 71.69 |
| Missouri | Kansas City | 70.55 | 70.78 | 61.44 | 61.44 | 61.50 | 61.63 | 61.13 | 60.87 | 59.69 | 60.37 | 60.83 |
| Missouri | Mexico | 68.55 | 68.55 | 59.70 | 59.70 | 59.96 | 60.80 | 59.96 | 59.96 | 59.41 | 58.96 | 59.49 |
| Missouri | St. Louis | 70.10 | 70.78 | 61.63 | 61.63 | 61.63 | 59.96 | 61.98 | 61.98 | 61.46 | 62.13 | 62.59 |
| Montana | Butte | 61.40 | 61.40 | 61.40 | 61.40 | 61.40 | 61.40 | 61.40 | 61.40 | 61.25 | 61.25 | 61.25 |
| Nebraska | Grand Island | 49.05 | 49.05 | 49.05 | 49.13 | 49.13 | 49.13 | 51.02 | 51.02 | 50.83 | 51.05 | 51.05 |
| New Jersey | Phillipsburg | 79.50 | 79.50 | 79.50 | 80.27 | 80.27 | 80.27 | 80.27 | 80.27 | 85.09 | 85.09 | 85.09 |

Table 1.12

## Connection Charges for a Single Business Line in the Sample Cities - Continued ${ }^{1}$ (As of October 15)

| State | City | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | $2002{ }^{2}$ | $2003{ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| New Mexico | Alamogordo | 64.72 | 57.46 | 57.47 | 57.29 | 57.29 | 57.29 | 57.29 | 57.47 | 57.53 | 57.57 | 57.57 |
| New York | Binghamton | 120.48 | 120.48 | 120.92 | 120.68 | 120.46 | 122.51 | 120.34 | 118.97 | 118.64 | 117.72 | 117.72 |
| New York | Buffalo | 123.77 | 123.65 | 123.08 | 122.85 | 122.62 | 123.00 | 122.51 | 121.13 | 120.64 | 117.82 | 117.82 |
| New York | Massena | 120.88 | 120.77 | 120.20 | 119.98 | 119.75 | 123.10 | 119.64 | 118.27 | 128.76 | 116.76 | 116.76 |
| New York | New York | 124.64 | 124.53 | 123.95 | 123.45 | 123.22 | 120.34 | 123.10 | 121.73 | 120.45 | 118.09 | 118.09 |
| New York | Ogdensburg | 124.28 | 124.17 | 123.58 | 123.35 | 123.12 | 119.64 | 123.00 | 121.60 | 121.15 | 119.94 | 119.94 |
| New York | Rochester | 58.28 | 57.16 | 55.56 | 55.56 | 55.56 | 57.27 | 57.27 | 56.60 | 56.48 | 54.96 | 54.96 |
| North Carolina | Raleigh | 64.38 | 64.38 | 64.38 | 64.38 | 66.95 | 66.95 | 66.95 | 66.95 | 66.95 | 68.90 | 68.90 |
| North Carolina | Rockingham | 64.38 | 64.38 | 64.38 | 64.38 | 66.95 | 66.95 | 66.95 | 66.95 | 66.95 | 68.90 | 68.90 |
| Ohio | Canton | 72.15 | 72.15 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 |
| Ohio | Cincinnati | 54.00 | 55.78 | 55.78 | 55.78 | 55.78 | 49.75 | 49.75 | 49.75 | 49.75 | 49.75 | 49.75 |
| Ohio | Cleveland | 72.15 | 72.15 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 |
| Ohio | Columbus | 72.15 | 72.15 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 |
| Ohio | Toledo | 72.15 | 72.15 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 | 62.85 |
| Oregon | Corvallis | 31.00 | 31.00 | 31.00 | 31.93 | 31.93 | 31.93 | 31.93 | 31.93 | 32.86 | 33.60 | 33.64 |
| Oregon | Portland | 31.00 | 31.00 | 31.00 | 31.00 | 31.93 | 31.93 | 31.93 | 31.93 | 32.86 | 33.64 | 33.64 |
| Pennsylvania | Allentown | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 |
| Pennsylvania | Ellwood City | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 |
| Pennsylvania | Johnstown | 60.53 | 60.44 | 60.44 | 60.44 | 60.44 | 60.44 | 60.44 | 60.44 | 60.44 | 78.43 | 78.43 |
| Pennsylvania | New Castle | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 |
| Pennsylvania | Philadelphia | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 |
| Pennsylvania | Pittsburgh | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 |
| Pennsylvania | Scranton | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 | 79.50 |
| Rhode Island | Providence | 39.03 | 46.50 | 46.50 | 46.50 | 46.50 | 47.73 | 47.73 | 47.73 | 47.73 | 47.73 | 47.73 |
| South Carolina | Beaufort | 35.60 | 35.60 | 35.60 | 35.60 | 35.60 | 35.60 | 35.60 | 35.60 | 35.60 | 35.60 | 35.60 |
| Tennessee | Memphis | 66.80 | 66.80 | 66.80 | 67.12 | 67.12 | 63.62 | 66.82 | 66.91 | 66.65 | 67.33 | 67.64 |
| Tennessee | Nashville | 63.62 | 63.62 | 63.62 | 63.62 | 63.62 | 68.37 | 63.33 | 63.33 | 63.33 | 63.47 | 64.06 |
| Texas | Brownsville | 67.17 | 64.57 | 69.00 | 69.00 | 68.99 | 69.45 | 69.45 | 69.45 | 69.45 | 62.22 | 62.22 |
| Texas | Corpus Christi | 72.64 | 69.45 | 69.29 | 69.34 | 70.72 | 64.27 | 64.35 | 64.35 | 64.35 | 62.00 | 62.00 |
| Texas | Dallas | 73.64 | 70.91 | 70.91 | 70.61 | 68.82 | 64.57 | 70.80 | 70.80 | 70.80 | 62.22 | 62.22 |
| Texas | Fort Worth | 73.14 | 70.09 | 70.21 | 69.75 | 67.87 | 70.28 | 70.87 | 70.87 | 70.87 | 62.22 | 62.22 |
| Texas | Houston | 73.74 | 70.89 | 70.93 | 69.18 | 70.32 | 71.20 | 64.57 | 64.57 | 64.57 | 62.22 | 62.22 |
| Texas | San Antonio | 71.97 | 69.45 | 69.34 | 68.78 | 68.78 | 70.72 | 64.27 | 64.27 | 64.27 | 62.00 | 62.00 |
| Utah | Logan | 53.13 | 53.06 | 53.06 | 53.06 | 53.00 | 53.00 | 53.66 | 53.48 | 53.30 | 53.36 | 53.36 |
| Virginia | Richmond | 64.00 | 64.00 | 64.00 | 64.00 | 64.00 | 64.00 | 64.00 | 64.00 | 64.00 | 64.00 | 64.00 |
| Virginia | Smithfield | 29.25 | 29.25 | 29.25 | 29.25 | 29.25 | 29.25 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 |
| Washington | Everett | 57.19 | 57.19 | 57.19 | 70.67 | 70.67 | 70.67 | 70.67 | 70.67 | 70.67 | 70.67 | 70.67 |
| Washington | Seattle | 55.43 | 55.25 | 55.25 | 55.25 | 55.45 | 55.45 | 55.45 | 55.45 | 55.29 | 55.55 | 55.55 |
| West Virginia | Huntington | 96.90 | 96.90 | 96.90 | 96.90 | 96.90 | 79.00 | 79.00 | 79.00 | 79.00 | 79.00 | 79.00 |
| Wisconsin | Milwaukee | 68.21 | 68.21 | 68.21 | 68.27 | 68.27 | 67.95 | 68.27 | 68.27 | 68.27 | 68.27 | 68.27 |
| Wisconsin | Racine | 68.21 | 68.21 | 67.88 | 67.95 | 67.95 | 72.60 | 67.95 | 67.95 | 67.95 | 67.95 | 67.95 |

${ }^{1}$ Charges include touch-tone charges, surcharges, and taxes.
${ }^{2}$ Revised figures.
${ }^{3}$ Subject to revisision.

Table 1.13
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)
( $=\mathbf{c}+2 d$ )
\$ 34.16
f. Percent to Average
$(=[\mathrm{e} / \mathrm{c}] * 100)$
138\%

## Table 1.14

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

|  | $\mathbf{1 9 9 3}$ | $\mathbf{1 9 9 4}$ | $\mathbf{1 9 9 5}$ | $\mathbf{1 9 9 6}$ | $\mathbf{1 9 9 7}$ | $\mathbf{1 9 9 8}$ | $\mathbf{1 9 9 9}$ | $\mathbf{2 0 0 0}$ | $\mathbf{2 0 0 1}$ | $\mathbf{2 0 0 2}$ | $\mathbf{2 0 0 3}$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 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) | $\mathbf{\$ 2 8 . 4 1}$ | $\mathbf{\$ 2 8 . 3 8}$ | $\mathbf{\$ 2 6 . 8 4}$ | $\mathbf{\$ 2 6 . 5 1}$ | $\mathbf{\$ 2 6 . 5 8}$ | $\mathbf{\$ 2 6 . 2 4}$ | $\mathbf{\$ 2 6 . 8 5}$ | $\mathbf{\$ 2 7 . 9 2}$ | $\mathbf{\$ 3 1 . 0 1}$ | $\mathbf{\$ 3 2 . 7 1}$ | $\mathbf{\$ 3 4 . 1 6}$ |
| Percentage to Average | $\mathbf{1 4 2 \%}$ | $\mathbf{1 4 3 \%}$ | $\mathbf{1 3 4 \%}$ | $\mathbf{1 3 3 \%}$ | $\mathbf{1 3 4 \%}$ | $\mathbf{1 3 3 \%}$ | $\mathbf{1 3 5 \%}$ | $\mathbf{1 3 4 \%}$ | $\mathbf{1 3 7 \%}$ | $\mathbf{1 3 6 \%}$ | $\mathbf{1 3 8 \%}$ |
| Average + 3*(Std Dev) | $\mathbf{\$ 3 2 . 6 5}$ | $\mathbf{\$ 3 2 . 6 6}$ | $\mathbf{\$ 3 0 . 2 5}$ | $\mathbf{\$ 2 9 . 7 8}$ | $\mathbf{\$ 2 9 . 9 3}$ | $\mathbf{\$ 2 9 . 4 7}$ | $\mathbf{\$ 3 0 . 3 1}$ | $\mathbf{\$ 3 1 . 4 9}$ | $\mathbf{\$ 3 5 . 2 1}$ | $\mathbf{\$ 3 7 . 0 3}$ | $\mathbf{\$ 3 8 . 8 5}$ |
| Percentage to Average |  |  |  |  |  |  |  |  |  |  |  |

Table 1.15
Average Revenue per Minute for Interstate Toll Service Calls

| Year | Revenue per Minute |
| :--- | :---: |
|  |  |
| 1992 | $\$ 0.15$ |
| 1993 | 0.15 |
| 1994 | 0.14 |
| 1995 | 0.12 |
| 1996 | 0.12 |
| 1997 | 0.11 |
| 1998 | 0.11 |
| 1999 | 0.11 |
| 2000 | 0.09 |
| 2001 | 0.08 |
| 2002 | 0.07 |

Source: Industry Analysis and Technology Division of the Wireline Competition Bureaı
Telecommunications Industry Revenues (March 2004).

## II. Expenditures on Telephone Service

## A. Residential Expenditures

The Bureau of Labor Statistics (BLS) conducts surveys of consumer expenditures, in part, to develop weights for the consumer price indices. The surveys collect income, expenditure, and demographic information for "consumer units." Consumer units are often referred to as households, but the definition is not identical to households, as defined by the Census Bureau. ${ }^{1}$ For instance, there were approximately 110 million consumer units in 2001, compared with approximately 107.7 million households. BLS uses two types of surveys: diary surveys, where household members record most types of purchases for a few weeks; and interview surveys, where households are interviewed to determine their expenditures for the prior three months. Households selected for the interview survey are interviewed in five successive quarters. Tables 2.1 through 2.5 present the annual average total expenditures and telephone expenditures by various demographic classifications.

Prior to 1984, BLS published separate expenditure estimates based on the diary and the interview surveys. At that time, telephone expenditures were collected only through the interview surveys, and average levels of telephone expenditures were published only in the interview summaries. BLS began publishing integrated estimates in 1984, combining information from both types of surveys.

Expenditure data were not collected for rural households for 1980 through 1983. Nationwide expenditure data are available for 1984 through 2002. According to BLS, more than 85 percent of households are in urban areas, and the estimates of telephone expenditures by urban households are similar to estimates for nationwide average telephone expenditures. Nonetheless, 1980 through 1983 data are not completely comparable with subsequent data.

Several changes in the telephone industry make it difficult to interpret changes in the BLS estimates of household expenditures for telephone service. Prior to 1983, most residential telephones were leased from local exchange carriers. As a consequence of the FCC's Computer Inquiry II proceeding, telephone sets were detariffed on January 1, 1984. Existing tariffed equipment became known as "embedded rate base" and much of this equipment was sold "in place" to consumers. Significant amounts of equipment purchases were included on local telephone bills in 1983 and 1984. Telephone bills have not included significant amounts of equipment sales since that time. The remaining Bell System embedded rate base was transferred to AT\&T in 1984, but the lease payments were included in local telephone bills into 1987.

The BLS has changed the consumer expenditure survey questionnaires to reflect changes in the equipment market. Beginning in 1982, the survey specifically included telephones and accessories in its list of home furnishings and related household items. Amounts appearing on the telephone bills, however, were included as telephone service until 1986. Thus, the 1983 and 1984 estimates include the sale of the embedded base. The current questionnaire separates equipment sales from other items that appear on telephone bills. The questionnaire does not specifically address payments for leasing telephone equipment, commonly known as customer premises equipment (CPE). CPE lease payments may still be reported as telephone service expenditures.

[^6]The consumer expenditure survey continues to classify payments for inside wiring maintenance as part of telephone service. This probably accounts for between $\$ 10$ to $\$ 20$ of average annual household telephone expenditures. Beginning in 1991, consumers have been asked to separately identify cellular telephone payments. The BLS has not yet published a separate estimate for cellular telephone expenditures, but instead continues to include these with other telephone expenditures.

Table 2.6 presents estimates of annual household telecommunications expenditure by the type of service provider. This table is derived from Bill Harvesting ${ }^{\circledR}$ data collected by TNS Telecoms, which provides information on actual usage in the residential telecom market as collected from the actual telecommunications bills of households. TNS Telecoms, a telecommunications market information firm, conducts nationwide surveys and Bill Harvesting ${ }^{\circledR}$ on a quarterly basis from over 120,000 households each year. The company has donated databases to the Commission containing information on residential phone usage.

## B. Business Expenditures

One of the few sources of information on expenditures for telecommunications services by businesses is contained in the input-output (I-O) accounts of the U.S. economy. The accounts are created by the Bureau of Economic Analysis from the economic censuses conducted every five years by the Bureau of the Census. The accounts are generally released about five years after the economic censuses. The accounts show the production of commodities (goods and services) by each industry, the use of commodities by each industry, the commodity composition of gross domestic product, and the industry distribution of value added.

Table 2.7 shows the most recent I-O account of the use of communications by U.S. industry. Table 2.8 presents the most recent account of the commodities used by the U.S. communications industry.

## C. Additional Sources of Information on Expenditures for Telephone Service

Additional information from the Consumer Expenditure Survey is available from the Bureau of Labor Statistics at www.bls.gov/cex/.

TNS Telecoms has donated databases containing information on residential phone usage collected from actual consumer telecommunications bills to the Commission. TNS Telecoms has granted the Commission permission to use these databases for industry research purposes and to publish the industry level results. TNS Telecoms has been monitoring the telecommunications market since 1995 through both the ReQuest ${ }^{\circledR}$ consumer survey and Bill Harvesting ${ }^{\circledR}$ in the residential market and the BusinessWave ${ }^{\circledR}$ business survey in the business market. Table 2.6 comes from these databases. For additional information visit www.tnstelecoms.com or contact them at 1-866-811-TNST or by e- mail at contact@tnstelecoms.com. Their address is 101 Greenwood Ave, Suite 502, Jenkintown, PA 19046.

Additional information on the input-output accounts of the U.S. economy is available from the Bureau of Economic Analysis at www.bea.doc.gov on the Internet.

Concordance between I-O industry codes and 1987 standard industrial classification (SIC) codes can be found in Appendix A of Benchmark Input-Output Accounts for the U.S. Economy, 1997 in Survey of Current Business, November, 1997. The U.S. Census Bureau has since replaced the SIC codes with the North American Industry Classification System (NAICS). Information concerning the conversion from 1987 SIC codes to NAICS can be found at www.census.gov/epcd/naics02/.

The Bureau of the Census publishes the Service Annual Survey that also provides some estimates of household and business expenditures on telephone service. This information can be found at www.census.gov on the Internet.

Table 2.1

## Average Annual Household Expenditures by Household Location

|  | All <br> Households | Urban Households | Rural Households | Census Region |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Northeast | Midwest | South | West |
| Total Household Expenditures |  |  |  |  |  |  |  |
| 1980 | \$16,723 | \$16,723 |  | \$17,222 | \$16,024 | \$16,188 | \$17,962 |
| 1981 | 17,558 | 17,558 |  | 17,053 | 17,324 | 17,086 | 19,275 |
| 1982 | 18,071 | 18,071 |  | 16,980 | 18,143 | 17,820 | 19,710 |
| 1983 | 19,692 | 19,692 |  | 19,077 | 19,580 | 19,074 | 21,538 |
| 1984 | 21,975 | 22,729 | \$18,217 | 21,593 | 21,167 | 21,587 | 24,238 |
| 1985 | 23,490 | 24,129 | 20,257 | 22,808 | 22,664 | 23,180 | 25,961 |
| 1986 | 23,866 | 24,571 | 19,677 | 24,905 | 22,706 | 22,545 | 26,476 |
| 1987 | 24,414 | 25,063 | 20,513 | 25,079 | 23,021 | 23,292 | 27,309 |
| 1988 | 25,892 | 26,617 | 21,380 | 26,348 | 24,753 | 24,671 | 28,830 |
| 1989 | 27,809 | 28,584 | 23,106 | 28,241 | 26,062 | 26,232 | 32,144 |
| 1990 | 28,369 | 28,989 | 24,499 | 28,369 | 25,919 | 27,011 | 32,445 |
| 1991 | 29,614 | 30,382 | 24,785 | 31,026 | 27,675 | 28,062 | 33,131 |
| 1992 | 29,846 | 30,569 | 25,347 | 31,177 | 28,445 | 27,750 | 33,647 |
| 1993 | 30,692 | 31,431 | 26,296 | 31,634 | 28,884 | 29,247 | 34,348 |
| 1994 | 31,731 | 32,233 | 28,668 | 32,549 | 30,331 | 30,072 | 35,318 |
| 1995 | 32,264 | 33,101 | 27,160 | 33,009 | 31,909 | 30,289 | 35,206 |
| 1996 | 33,797 | 34,502 | 28,853 | 34,163 | 33,025 | 32,871 | 35,795 |
| 1997 | 34,819 | 35,614 | 29,353 | 36,070 | 33,791 | 32,226 | 39,037 |
| 1998 | 35,535 | 36,349 | 29,813 | 37,535 | 34,513 | 32,958 | 38,938 |
| 1999 | 37,027 | 37,905 | 30,831 | 38,446 | 36,337 | 33,328 | 42,364 |
| 2000 | 38,045 | 38,942 | 31,831 | 38,902 | 39,213 | 34,707 | 41,328 |
| 2001 | 39,518 | 40,355 | 33,681 | 41,169 | 39,548 | 36,285 | 43,261 |
| 2002 | 40,677 | 41,600 | 34,067 | 42,390 | 40,601 | 37,281 | 44,728 |
| Household Expenditure for Telephone Service |  |  |  |  |  |  |  |
| 1980 | \$325 | \$325 |  | \$335 | \$303 | \$339 | \$320 |
| 1981 | 360 | 360 |  | 358 | 353 | 365 | 366 |
| 1982 | 375 | 375 |  | 351 | 364 | 372 | 426 |
| 1983 | 415 | 415 |  | 410 | 393 | 435 | 419 |
| 1984 | 435 | 450 | 359 | 433 | 407 | 445 | 458 |
| 1985 | 455 | 466 | 402 | 459 | 419 | 457 | 500 |
| 1986 | 471 | 478 | 425 | 470 | 444 | 477 | 494 |
| 1987 | 499 | 503 | 475 | 501 | 464 | 505 | 532 |
| 1988 | 537 | 544 | 493 | 524 | 498 | 545 | 585 |
| 1989 | 567 | 577 | 505 | 570 | 532 | 572 | 601 |
| 1990 | 592 | 599 | 549 | 589 | 547 | 616 | 611 |
| 1991 | 618 | 621 | 601 | 621 | 595 | 616 | 647 |
| 1992 | 623 | 629 | 580 | 636 | 589 | 624 | 646 |
| 1993 | 658 | 666 | 606 | 677 | 616 | 673 | 664 |
| 1994 | 690 | 698 | 642 | 700 | 663 | 690 | 713 |
| 1995 | 708 | 720 | 633 | 717 | 706 | 714 | 691 |
| 1996 | 772 | 779 | 726 | 763 | 753 | 796 | 764 |
| 1997 | 809 | 814 | 773 | 785 | 778 | 839 | 817 |
| 1998 | 830 | 834 | 801 | 814 | 801 | 858 | 828 |
| 1999 | 849 | 854 | 812 | 846 | 858 | 862 | 822 |
| 2000 | 877 | 889 | 790 | 856 | 884 | 891 | 864 |
| 2001 | 914 | 927 | 825 | 897 | 914 | 924 | 914 |
| 2002 | 957 | 972 | 851 | 952 | 934 | 987 | 936 |
| Expenditures on Telephone Service as a Percentage of Total Household Expenditures |  |  |  |  |  |  |  |
| 1980 | 1.94\% | 1.94\% |  | 1.95\% | 1.89\% | 2.09\% | 1.78\% |
| 1981 | 2.05 | 2.05 |  | 2.10 | 2.04 | 2.14 | 1.90 |
| 1982 | 2.08 | 2.08 |  | 2.07 | 2.01 | 2.09 | 2.16 |
| 1983 | 2.11 | 2.11 |  | 2.15 | 2.01 | 2.28 | 1.95 |
| 1984 | 1.98 | 1.98 | 1.97\% | 2.01 | 1.92 | 2.06 | 1.89 |
| 1985 | 1.94 | 1.93 | 1.98 | 2.01 | 1.85 | 1.97 | 1.93 |
| 1986 | 1.97 | 1.95 | 2.16 | 1.89 | 1.96 | 2.12 | 1.87 |
| 1987 | 2.04 | 2.01 | 2.32 | 2.02 | 2.02 | 2.17 | 1.95 |
| 1988 | 2.07 | 2.04 | 2.31 | 1.99 | 2.01 | 2.21 | 2.03 |
| 1989 | 2.04 | 2.02 | 2.19 | 2.02 | 2.04 | 2.18 | 1.87 |
| 1990 | 2.09 | 2.07 | 2.24 | 2.08 | 2.11 | 2.28 | 1.88 |
| 1991 | 2.09 | 2.04 | 2.42 | 2.01 | 2.15 | 2.20 | 1.95 |
| 1992 | 2.09 | 2.06 | 2.29 | 2.04 | 2.07 | 2.25 | 1.92 |
| 1993 | 2.14 | 2.12 | 2.30 | 2.14 | 2.13 | 2.30 | 1.93 |
| 1994 | 2.17 | 2.16 | 2.24 | 2.15 | 2.18 | 2.30 | 2.02 |
| 1995 | 2.19 | 2.18 | 2.33 | 2.17 | 2.21 | 2.36 | 1.96 |
| 1996 | 2.28 | 2.26 | 2.52 | 2.23 | 2.28 | 2.28 | 2.13 |
| 1997 | 2.32 | 2.26 | 2.77 | 2.18 | 2.30 | 2.60 | 2.09 |
| 1998 | 2.34 | 2.29 | 2.69 | 2.17 | 2.32 | 2.60 | 2.13 |
| 1999 | 2.29 | 2.25 | 2.63 | 2.20 | 2.36 | 2.59 | 1.94 |
| 2000 | 2.31 | 2.28 | 2.48 | 2.20 | 2.25 | 2.57 | 2.09 |
| 2001 | 2.31 | 2.30 | 2.45 | 2.18 | 2.31 | 2.55 | 2.11 |
| 2002 | 2.35 | 2.34 | 2.50 | 2.25 | 2.30 | 2.65 | 2.09 |

Table 2.2
Average Annual Household Expenditures
by Race and National Origin

| By Race |  |  | By National Origin |  |
| :---: | :---: | :---: | :---: | :---: |
|  | White \& Other | Black | Hispanic | Non-Hispanic |
| 1980 | \$17,335 | \$12,016 |  |  |
| 1981 | 18,169 | 12,856 |  |  |
| 1982 | 18,693 | 13,229 |  |  |
| 1983 | 20,567 | 12,878 |  |  |
| 1984 | 22,847 | 14,631 |  |  |
| 1985 | 24,399 | 15,979 |  |  |
| 1986 | 24,806 | 16,203 |  |  |
| 1987 | 25,376 | 16,324 |  |  |
| 1988 | 27,004 | 16,670 |  |  |
| 1989 | 28,944 | 18,343 |  |  |
| 1990 | 29,547 | 19,130 |  |  |
| 1991 | 30,794 | 20,091 |  |  |
| 1992 | 31,158 | 19,695 |  |  |
| 1993 | 31,967 | 20,684 |  |  |
| 1994 | 32,614 | 22,413 | \$26,433 | \$32,165 |
| 1995 | 33,737 | 23,739 | 26,744 | 32,729 |
| 1996 | 34,994 | 24,926 | 27,868 | 34,338 |
| 1997 | 36,076 | 25,509 | 29,333 | 35,325 |
| 1998 | 36,848 | 25,796 | 30,013 | 36,044 |
| 1999 | 38,354 | 27,374 | 33,105 | 37,385 |
| 2000 | 39,406 | 28,152 | 32,735 | 38,549 |
| 2001 | 40,968 | 28,903 | 34,361 | 40,009 |
| 2002 | 42,135 | 30,136 | 34,742 | 41,295 |
| Household Expenditure for Telephone Service |  |  |  |  |
| 1980 | \$321 | \$356 |  |  |
| 1981 | 359 | 370 |  |  |
| 1982 | 368 | 432 |  |  |
| 1983 | 411 | 448 |  |  |
| 1984 | 432 | 462 |  |  |
| 1985 | 454 | 463 |  |  |
| 1986 | 470 | 478 |  |  |
| 1987 | 498 | 506 |  |  |
| 1988 | 537 | 536 |  |  |
| 1989 | 563 | 603 |  |  |
| 1990 | 588 | 624 |  |  |
| 1991 | 613 | 657 |  |  |
| 1992 | 619 | 647 |  |  |
| 1993 | 650 | 719 |  |  |
| 1994 | 681 | 756 | \$793 | \$681 |
| 1995 | 698 | 782 | 796 | 700 |
| 1996 | 757 | 887 | 870 | 763 |
| 1997 | 791 | 945 | 833 | 807 |
| 1998 | 818 | 915 | 811 | 831 |
| 1999 | 837 | 934 | 872 | 847 |
| 2000 | 862 | 986 | 889 | 876 |
| 2001 | 899 | 1,024 | 917 | 914 |
| 2002 | 944 | 1,050 | 1,021 | 950 |

Expenditures on Telephone Service as Percentage of Total Household Expenditures

| 1980 | $1.85 \%$ | $2.96 \%$ |  |  |
| :--- | :--- | :--- | :--- | :--- |
| 1981 | 1.98 | 2.88 |  |  |
| 1982 | 1.97 | 3.27 |  |  |
| 1983 | 2.00 | 3.48 |  |  |
| 1984 | 1.89 | 3.16 |  |  |
| 1985 | 1.86 | 2.90 |  |  |
| 1986 | 1.89 | 2.95 |  |  |
| 1987 | 1.96 | 3.10 |  |  |
| 1988 | 1.99 | 3.22 |  |  |
| 1989 | 1.95 | 3.29 |  | $2.12 \%$ |
| 1990 | 1.99 | 3.26 | 3.27 | 2.22 |
| 1991 | 1.99 | 3.29 | 2.98 | 2.28 |
| 1992 | 1.99 | 3.48 | 3.37 | 2.31 |
| 1993 | 2.03 | 3.29 | 2.56 | 2.27 |
| 1994 | 2.07 | 3.70 | 2.55 | 2.70 |
| 1995 | 2.09 | 3.41 | 2.63 | 2.27 |
| 1996 | 2.16 | 3.50 | 2.72 | 2.28 |
| 1997 | 2.19 | 3.54 | 2.67 |  |
| 1998 | 2.22 | 3.48 | 2.94 |  |
| 1999 | 2.18 |  |  | 2.30 |
| 2000 | 2.19 | 2.19 |  |  |
| 2001 | 24 |  |  |  |
| 2002 | 2.24 |  |  |  |

Table 2.3
Average Annual Household Expenditures by Household Income

| Households Grouped by Total Income from Lowest to Highest Quintile |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1 | 2 | 3 | 4 | 5 |
| Total Household Expenditures |  |  |  |  |  |
| 1980 | \$7,746 | \$11,452 | \$15,370 | \$20,143 | \$29,717 |
| 1981 | 7,945 | 11,688 | 16,099 | 21,280 | 31,404 |
| 1982 | 8,080 | 11,788 | 16,200 | 21,444 | 33,311 |
| 1983 | 8,557 | 12,504 | 17,239 | 23,359 | 36,936 |
| 1984 | 10,894 | 14,337 | 19,469 | 26,138 | 41,825 |
| 1985 | 11,417 | 15,092 | 20,374 | 27,760 | 45,156 |
| 1986 | 11,477 | 14,639 | 21,088 | 28,698 | 46,242 |
| 1987 | 10,355 | 15,686 | 21,708 | 29,603 | 46,470 |
| 1988 | 10,893 | 16,880 | 23,290 | 32,084 | 48,718 |
| 1989 | 12,119 | 17,616 | 24,476 | 34,231 | 53,093 |
| 1990 | 12,908 | 17,924 | 24,673 | 34,247 | 55,411 |
| 1991 | 13,464 | 18,986 | 26,144 | 36,151 | 57,597 |
| 1992 | 12,643 | 19,257 | 26,573 | 36,094 | 57,981 |
| 1993 | 13,957 | 19,712 | 26,603 | 37,299 | 59,521 |
| 1994 | 14,356 | 20,891 | 28,513 | 39,033 | 60,803 |
| 1995 | 14,607 | 22,126 | 29,125 | 39,395 | 62,639 |
| 1996 | 15,896 | 22,799 | 30,402 | 41,965 | 66,794 |
| 1997 | 16,008 | 23,558 | 31,447 | 42,846 | 66,800 |
| 1998 | 16,630 | 23,709 | 31,400 | 43,811 | 70,648 |
| 1999 | 16,766 | 24,850 | 33,078 | 46,015 | 75,080 |
| 2000 | 17,940 | 26,550 | 34,716 | 46,794 | 75,102 |
| 2001 | 18,883 | 26,492 | 35,660 | 48,772 | 77,125 |
| 2002 | 19,061 | 27,140 | 36,881 | 50,432 | 79,199 |
| Household Expenditures for Telephone Service |  |  |  |  |  |
| 1980 | \$202 | \$266 | \$335 | \$365 | \$450 |
| 1981 | 235 | 294 | 361 | 415 | 487 |
| 1982 | 257 | 314 | 354 | 423 | 506 |
| 1983 | 268 | 353 | 386 | 472 | 571 |
| 1984 | 295 | 350 | 430 | 476 | 630 |
| 1985 | 311 | 363 | 449 | 503 | 628 |
| 1986 | 337 | 383 | 453 | 526 | 662 |
| 1987 | 335 | 403 | 501 | 547 | 670 |
| 1988 | 352 | 441 | 538 | 585 | 727 |
| 1989 | 370 | 459 | 564 | 644 | 757 |
| 1990 | 402 | 496 | 585 | 647 | 818 |
| 1991 | 415 | 532 | 596 | 665 | 834 |
| 1992 | 424 | 533 | 621 | 677 | 844 |
| 1993 | 457 | 532 | 652 | 731 | 911 |
| 1994 | 455 | 591 | 672 | 761 | 963 |
| 1995 | 491 | 599 | 703 | 785 | 968 |
| 1996 | 513 | 641 | 750 | 892 | 1,100 |
| 1997 | 530 | 671 | 794 | 909 | 1,142 |
| 1998 | 527 | 661 | 801 | 947 | 1,194 |
| 1999 | 559 | 671 | 825 | 975 | 1,227 |
| 2000 | 575 | 705 | 860 | 1,004 | 1,305 |
| 2001 | 558 | 727 | 906 | 1,054 | 1,343 |
| 2002 | 584 | 741 | 928 | 1,150 | 1,433 |
| Expenditures on Telephone Service as a Percentage of Total Household Expenditures |  |  |  |  |  |
| 1980 | 2.61\% | 2.32\% | 2.18\% | 1.81\% | 1.51\% |
| 1981 | 2.96 | 2.52 | 2.24 | 1.95 | 1.55 |
| 1982 | 3.18 | 2.66 | 2.19 | 1.97 | 1.52 |
| 1983 | 3.13 | 2.82 | 2.24 | 2.02 | 1.55 |
| 1984 | 2.71 | 2.44 | 2.21 | 1.82 | 1.51 |
| 1985 | 2.72 | 2.41 | 2.20 | 1.81 | 1.39 |
| 1986 | 2.94 | 2.62 | 2.15 | 1.83 | 1.43 |
| 1987 | 3.24 | 2.57 | 2.31 | 1.85 | 1.44 |
| 1988 | 3.23 | 2.61 | 2.31 | 1.82 | 1.49 |
| 1989 | 3.05 | 2.61 | 2.30 | 1.88 | 1.43 |
| 1990 | 3.11 | 2.77 | 2.37 | 1.89 | 1.48 |
| 1991 | 3.08 | 2.80 | 2.28 | 1.84 | 1.45 |
| 1992 | 3.35 | 2.77 | 2.34 | 1.88 | 1.46 |
| 1993 | 3.27 | 2.70 | 2.45 | 1.96 | 1.53 |
| 1994 | 3.17 | 2.83 | 2.36 | 1.95 | 1.58 |
| 1995 | 3.38 | 2.71 | 2.41 | 1.99 | 1.55 |
| 1996 | 3.20 | 2.94 | 2.46 | 2.05 | 1.57 |
| 1997 | 3.24 | 3.02 | 2.53 | 2.09 | 1.63 |
| 1998 | 3.17 | 2.79 | 2.55 | 2.16 | 1.69 |
| 1999 | 3.33 | 2.70 | 2.49 | 2.12 | 1.63 |
| 2000 | 3.33 | 2.70 | 2.49 | 2.12 | 1.63 |
| 2001 | 3.21 | 2.66 | 2.48 | 2.15 | 1.74 |
| 2002 | 2.96 | 2.74 | 2.54 | 2.16 | 1.74 |

Table 2.4
Average Annual Household Expenditures by Age of the Head of the Household

|  | Under 25 | 25-34 | 35-44 | 45-54 | 55-64 | 65-74 | Over 74 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1980 | \$10,903 | \$17,452 | \$21,235 | \$22,517 | \$17,535 |  |  |
| 1981 | 11,309 | 18,503 | 22,890 | 23,385 | 17,418 |  |  |
| 1982 | 11,368 | 18,814 | 23,309 | 23,539 | 18,449 |  |  |
| 1983 | 11,855 | 19,708 | 25,230 | 25,896 | 20,585 |  |  |
| 1984 | 13,461 | 22,294 | 28,214 | 28,696 | 23,401 | \$15,842 | \$11,122 |
| 1985 | 13,763 | 23,349 | 29,604 | 30,946 | 24,766 | 17,938 | 13,012 |
| 1986 | 14,142 | 23,931 | 31,219 | 32,218 | 24,808 | 17,506 | 12,198 |
| 1987 | 14,368 | 24,177 | 31,473 | 31,708 | 25,707 | 18,888 | 12,230 |
| 1988 | 16,373 | 25,770 | 33,077 | 33,205 | 25,765 | 20,120 | 13,339 |
| 1989 | 16,577 | 26,683 | 35,589 | 36,073 | 26,617 | 21,152 | 15,919 |
| 1990 | 16,518 | 28,107 | 35,579 | 36,996 | 29,244 | 20,895 | 15,448 |
| 1991 | 16,745 | 29,280 | 36,446 | 38,137 | 31,945 | 22,564 | 15,782 |
| 1992 | 17,258 | 29,554 | 37,196 | 37,427 | 31,704 | 22,862 | 17,764 |
| 1993 | 17,468 | 28,594 | 37,429 | 41,020 | 32,973 | 23,706 | 18,530 |
| 1994 | 18,417 | 30,468 | 37,565 | 41,420 | 33,682 | 25,059 | 19,280 |
| 1995 | 18,425 | 31,493 | 38,397 | 42,179 | 32,626 | 25,277 | 18,572 |
| 1996 | 18,384 | 33,020 | 39,944 | 42,722 | 36,132 | 27,739 | 19,603 |
| 1997 | 18,450 | 34,902 | 40,413 | 45,239 | 35,954 | 27,792 | 20,279 |
| 1998 | 19,436 | 34,779 | 42,154 | 45,475 | 37,329 | 27,830 | 20,987 |
| 1999 | 21,725 | 36,181 | 42,836 | 46,538 | 39,427 | 29,911 | 22,900 |
| 2000 | 22,543 | 38,945 | 45,149 | 46,160 | 39,340 | 30,782 | 21,908 |
| 2001 | 23,526 | 39,451 | 46,908 | 47,930 | 41,462 | 32,023 | 23,099 |
| 2002 | 24,229 | 40,318 | 48,330 | 48,748 | 44,330 | 32,243 | 23,759 |
| Household Expenditures for Telephone Service |  |  |  |  |  |  |  |
| 1980 | \$248 | \$343 | \$401 | \$415 | \$319 |  |  |
| 1981 | 275 | 377 | 433 | 458 | 364 |  |  |
| 1982 | 266 | 389 | 436 | 484 | 391 |  |  |
| 1983 | 275 | 439 | 472 | 535 | 421 |  |  |
| 1984 | 292 | 450 | 541 | 558 | 451 | \$341 | \$266 |
| 1985 | 323 | 449 | 535 | 576 | 473 | 377 | 298 |
| 1986 | 342 | 485 | 546 | 580 | 483 | 399 | 316 |
| 1987 | 381 | 504 | 586 | 607 | 521 | 401 | 328 |
| 1988 | 417 | 534 | 617 | 669 | 543 | 458 | 338 |
| 1989 | 396 | 583 | 640 | 719 | 567 | 486 | 360 |
| 1990 | 430 | 604 | 682 | 750 | 590 | 476 | 376 |
| 1991 | 471 | 629 | 684 | 803 | 641 | 487 | 376 |
| 1992 | 469 | 648 | 698 | 753 | 652 | 502 | 421 |
| 1993 | 512 | 687 | 734 | 782 | 707 | 520 | 441 |
| 1994 | 570 | 726 | 766 | 819 | 697 | 551 | 445 |
| 1995 | 541 | 744 | 777 | 859 | 723 | 577 | 443 |
| 1996 | 537 | 838 | 856 | 925 | 814 | 618 | 459 |
| 1997 | 550 | 893 | 921 | 952 | 842 | 627 | 458 |
| 1998 | 560 | 888 | 947 | 993 | 835 | 679 | 494 |
| 1999 | 562 | 924 | 950 | 1008 | 869 | 711 | 506 |
| 2000 | 589 | 950 | 1,018 | 1,007 | 909 | 720 | 511 |
| 2001 | 629 | 1,001 | 1,035 | 1,072 | 926 | 746 | 551 |
| 2002 | 641 | 1,032 | 1,096 | 1,109 | 981 | 794 | 579 |
| Expenditures on Telephone Service as a Percentage of Total Household Expenditures |  |  |  |  |  |  |  |
| 1980 | 2.27\% | 1.97\% | 1.89\% | 1.84\% | 1.82\% |  |  |
| 1981 | 2.43 | 2.04 | 1.89 | 1.96 | 2.09 |  |  |
| 1982 | 2.34 | 2.07 | 1.87 | 2.06 | 2.12 |  |  |
| 1983 | 2.32 | 2.23 | 1.87 | 2.07 | 2.05 |  |  |
| 1984 | 2.17 | 2.02 | 1.92 | 1.94 | 1.93 | 2.15\% | 2.39\% |
| 1985 | 2.35 | 1.92 | 1.81 | 1.86 | 1.91 | 2.10 | 2.29 |
| 1986 | 2.42 | 2.03 | 1.75 | 1.80 | 1.95 | 2.28 | 2.59 |
| 1987 | 2.65 | 2.08 | 1.86 | 1.91 | 2.03 | 2.12 | 2.68 |
| 1988 | 2.55 | 2.07 | 1.87 | 2.01 | 2.11 | 2.28 | 2.53 |
| 1989 | 2.39 | 2.18 | 1.80 | 1.99 | 1.98 | 2.30 | 2.26 |
| 1990 | 2.60 | 2.15 | 1.92 | 2.03 | 2.02 | 2.28 | 2.43 |
| 1991 | 2.81 | 2.15 | 1.88 | 2.11 | 2.01 | 2.16 | 2.38 |
| 1992 | 2.72 | 2.19 | 1.88 | 2.01 | 2.06 | 2.20 | 2.37 |
| 1993 | 2.93 | 2.40 | 1.96 | 1.91 | 2.14 | 2.19 | 2.40 |
| 1994 | 3.09 | 2.38 | 2.04 | 1.98 | 2.07 | 2.20 | 2.31 |
| 1995 | 2.94 | 2.36 | 2.02 | 2.04 | 2.22 | 2.28 | 2.39 |
| 1996 | 2.92 | 2.54 | 2.14 | 2.17 | 2.25 | 2.23 | 2.34 |
| 1997 | 2.98 | 2.56 | 2.28 | 2.10 | 2.34 | 2.26 | 2.26 |
| 1998 | 2.88 | 2.55 | 2.25 | 2.18 | 2.24 | 2.44 | 2.35 |
| 1999 | 2.59 | 2.55 | 2.22 | 2.17 | 2.20 | 2.38 | 2.21 |
| 2000 | 2.61 | 2.44 | 2.25 | 2.18 | 2.31 | 2.34 | 2.33 |
| 2001 | 2.67 | 2.54 | 2.21 | 2.24 | 2.23 | 2.33 | 2.39 |
| 2002 | 2.65 | 2.56 | 2.27 | 2.27 | 2.21 | 2.46 | 2.44 |

Table 2.5
Average Annual Household Expenditures by Size of the Household

| By Size of the Household |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1 | 2 | 3 | 4 | Over 4 |
| Total Household Expenditures |  |  |  |  |  |
| 1980 |  |  |  |  |  |
| 1981 |  |  |  |  |  |
| 1982 |  |  |  |  |  |
| 1983 |  |  |  |  |  |
| 1984 | \$12,994 | \$21,515 | \$26,653 | \$28,403 |  |
| 1985 | 13,954 | 23,442 | 28,317 | 31,408 |  |
| 1986 | 13,733 | 24,675 | 28,050 | 32,232 |  |
| 1987 | 14,693 | 24,761 | 28,549 | 32,753 |  |
| 1988 | 15,671 | 26,350 | 30,446 | 34,455 | \$32,706 |
| 1989 | 16,814 | 28,622 | 32,643 | 35,803 | 35,871 |
| 1990 | 17,128 | 28,851 | 33,688 | 37,493 | 36,279 |
| 1991 | 17,569 | 30,648 | 34,389 | 38,806 | 38,269 |
| 1992 | 17,797 | 30,773 | 34,982 | 40,658 | 38,019 |
| 1993 | 17,999 | 31,603 | 35,416 | 42,397 | 39,981 |
| 1994 | 19,343 | 33,062 | 36,732 | 41,480 | 40,702 |
| 1995 | 19,389 | 33,100 | 37,838 | 42,819 | 41,561 |
| 1996 | 20,082 | 35,559 | 39,531 | 43,670 | 43,217 |
| 1997 | 20,923 | 36,617 | 40,926 | 45,225 | 43,929 |
| 1998 | 21,483 | 36,973 | 41,388 | 47,020 | 45,569 |
| 1999 | 22,404 | 38,895 | 42,885 | 49,119 | 47,581 |
| 2000 | 23,059 | 38,627 | 45,156 | 52,032 | 49,100 |
| 2001 | 23,507 | 40,359 | 45,508 | 54,395 | 53,805 |
| 2002 | 24,190 | 41,797 | 48,098 | 54,033 | 55,501 |
| Household Expenditures for Telephone Service |  |  |  |  |  |
| 1980 |  |  |  |  |  |
| 1981 |  |  |  |  |  |
| 1982 |  |  |  |  |  |
| 1983 |  |  |  |  |  |
| 1984 | \$311 | \$420 | \$494 | \$515 |  |
| 1985 | 330 | 458 | 501 | 548 |  |
| 1986 | 347 | 470 | 539 | 563 |  |
| 1987 | 367 | 489 | 587 | 590 |  |
| 1988 | 409 | 527 | 601 | 626 | \$681 |
| 1989 | 423 | 564 | 633 | 650 | 739 |
| 1990 | 440 | 582 | 681 | 681 | 769 |
| 1991 | 449 | 617 | 693 | 722 | 808 |
| 1992 | 470 | 616 | 700 | 722 | 821 |
| 1993 | 472 | 656 | 740 | 803 | 854 |
| 1994 | 502 | 699 | 774 | 817 | 879 |
| 1995 | 506 | 714 | 815 | 839 | 894 |
| 1996 | 544 | 777 | 921 | 904 | 972 |
| 1997 | 583 | 789 | 954 | 995 | 1,016 |
| 1998 | 581 | 839 | 990 | 991 | 1,022 |
| 1999 | 592 | 847 | 994 | 1,050 | 1,094 |
| 2000 | 607 | 865 | 1,031 | 1,108 | 1,136 |
| 2001 | 620 | 905 | 1,091 | 1,166 | 1,194 |
| 2002 | 624 | 955 | 1,160 | 1,219 | 1,262 |
| Expenditures on Telephone Service as a Percentage of Total Household Expenditures |  |  |  |  |  |
| 1980 |  |  |  |  |  |
| 1981 |  |  |  |  |  |
| 1982 |  |  |  |  |  |
| 1983 |  |  |  |  |  |
| 1984 | 2.39\% | 1.95\% | 1.85\% | 1.81\% |  |
| 1985 | 2.36 | 1.95 | 1.77 | 1.74 |  |
| 1986 | 2.53 | 1.90 | 1.92 | 1.75 |  |
| 1987 | 2.50 | 1.97 | 2.06 | 1.80 |  |
| 1988 | 2.61 | 2.00 | 1.97 | 1.82 | 2.08\% |
| 1989 | 2.52 | 1.97 | 1.94 | 1.82 | 2.06 |
| 1990 | 2.57 | 2.02 | 2.02 | 1.82 | 2.12 |
| 1991 | 2.56 | 2.01 | 2.02 | 1.86 | 2.11 |
| 1992 | 2.64 | 2.00 | 2.00 | 1.78 | 2.16 |
| 1993 | 2.62 | 2.08 | 2.09 | 1.89 | 2.14 |
| 1994 | 2.60 | 2.11 | 2.11 | 1.97 | 2.16 |
| 1995 | 2.61 | 2.16 | 2.15 | 1.96 | 2.15 |
| 1996 | 2.71 | 2.19 | 2.33 | 2.07 | 2.25 |
| 1997 | 2.79 | 2.15 | 2.33 | 2.20 | 2.31 |
| 1998 | 2.70 | 2.27 | 2.39 | 2.11 | 2.24 |
| 1999 | 2.64 | 2.18 | 2.32 | 2.14 | 2.30 |
| 2000 | 2.63 | 2.24 | 2.28 | 2.13 | 2.31 |
| 2001 | 2.64 | 2.24 | 2.40 | 2.14 | 2.22 |
| 2002 | 2.58 | 2.28 | 2.41 | 2.26 | 2.27 |

## Table 2.6

## Average Annual Household Telecommunications Expenditures by Type of Provider*

|  | Local <br> Exchange | Long Distance <br> Carriers | Wireless <br> Carriers | Total <br> Expenditures |
| :---: | :---: | :---: | :---: | :---: |
| 1995 | $\$ 346$ | $\$ 250$ | $\$ 82$ | $\$ 596$ |
| 1996 | 359 | 250 | 108 | 717 |
| 1997 | 379 | 305 | 129 | 813 |
| 1998 | 398 | 270 | 164 | 832 |
| 1999 | 402 | 257 | 205 | 864 |
| 2000 | 416 | 211 | 279 | 906 |
| 2001 | 426 | 176 | 351 | 953 |
| 2002 | 436 | 149 | 417 | 1,001 |
| 2003 | 441 | 122 | 492 | 1,055 |

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms ReQuest Market Monitor ${ }^{\text {TM }}$, Bill Harvesting ${ }^{\circledR}$.

Note: These data are average annual expenditures based on sample data for those households with wireline telephone service. These data do not reflect average annual bills. For example, the average household in the sample spent $\$ 492$ for wireless service in 2003. This average was calculated by simply dividing the total wireless expenditures of households in the sample by the total number of households in the sample. Of course, a number of households in the sample did not take wireless service in 2003 and therefore paid nothing. The average annual bill for wireless service for 2003 - averaged over only those households that received a bill - was therefore much higher, about $\$ 740$. In addition, these data are only representative of telecommunications revenues from servicing residential end-users, and do not reflect any revenues received from servicing business customers or other carriers .

[^7]Table 2.7
1999 Use of Communications Commodities by Industry

| I-O Industry Group | Total Industry <br> Output (Millions) | Purchases of <br> Communications <br>  | Communications <br> Purchases of Percent <br> of Industry <br> Output | Curchases by Industry <br> as a Percent of Total <br> Celevision <br> Communications |
| :---: | :---: | :---: | :---: | :---: |
| (Millions) |  |  |  |  |
| Commodities |  |  |  |  |

Table 2.7
1999 Use of Communications Commodities by Industry - Continued

| I-O Industry Group | $\begin{array}{c}\text { Total Industry } \\ \text { Output (Millions) }\end{array}$ | $\begin{array}{c}\text { Purchases of } \\ \text { Communications } \\ \text { Except Radio \& }\end{array}$ | $\begin{array}{c}\text { Communications } \\ \text { Purchases of Percent } \\ \text { of Industry Output }\end{array}$ | $\begin{array}{c}\text { Communications } \\ \text { Purchases by Industry } \\ \text { as Percent of Total } \\ \text { Celevision } \\ \text { (Millions) }\end{array}$ |
| :---: | :---: | :---: | :---: | :---: |
| Communications |  |  |  |  |$]$

Table 2.8
1999 Use of Commodities by the Communications Industry

|  | I-O Industry Group | Total Commodity Output (Millions) | Sales to Communications Except Radio and Television Industry (Millions) | Percentage of Total Sales to Communications Except Radio \& Television Industry | Sales to <br> Communications <br> Except Radio \& TV <br> as Percent of Communications Industry Output |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | Livestock and livestock products | \$99,657 |  | 0.00\% | 0.00\% |
| 2 | Other Agricutural products | 109,658 | \$2 | 0.00 | 0.00 |
| 3 | Forestry and fishery products | 15,667 |  | 0.00 | 0.00 |
| 4 | Agricutlural, forestry, and fishery services | 52,241 | 131 | 0.25 | 0.03 |
| $5 \& 6$ | Metallic ores mining | 10,157 |  | 0.00 | 0.00 |
| 7 | Coal mining | 21,602 |  | 0.00 | 0.00 |
| 8 | Crude petroleum and natural gas | 102,534 |  | 0.00 | 0.00 |
| 9\&10 | Nonmetallic minerals miniņ | 16,107 |  | 0.00 | 0.00 |
| 11 | New Construction | 745,620 |  | 0.00 | 0.00 |
| 12 | Repair and maintenance construction | 320,753 | 18,025 | 5.62 | 4.62 |
| 13 | Ordinance and accessories | 16,367 |  | 0.00 | 0.00 |
| 14 | Food and kindred products | 494,576 |  | 0.00 | 0.00 |
| 15 | Tobacco manufactures | 51,623 |  | 0.00 | 0.00 |
| 16 | Broad and narrow fabrics, yarn and thread mills | 42,356 |  | 0.00 | 0.00 |
| 17 | Miscellaneous textile goods and fllor coverings | 22,792 | 2 | 0.01 | 0.00 |
| 18 | Apparel | 64,897 | 148 | 0.23 | 0.04 |
| 19 | Miscellaneous fabricated textile products | 29,577 | 8 | 0.03 | 0.00 |
| 20 \& 21 | Lumber and wood products | 128,487 | 56 | 0.04 | 0.01 |
| 22 \& 23 | Furniture and fixtures | 71,860 |  | 0.00 | 0.00 |
| 24 | Paper \& allied products, except containers | 118,003 | 370 | 0.31 | 0.09 |
| 25 | Paperboard containers and boxes | 42,615 | 191 | 0.45 | 0.05 |
| 26A | Newspapers and periodicals | 26,219 | 247 | 0.94 | 0.06 |
| 26B | Other printing \& publishin¢ | 103,135 | 1,362 | 1.32 | 0.35 |
| 27A | Industraial and other chemicals | 135,401 | 22 | 0.02 | 0.01 |
| 27B | Agricultural fertilizers and chemicals | 21,842 |  | 0.00 | 0.00 |
| 28 | Plastics and synthetic materials | 67,270 |  | 0.00 | 0.00 |
| 29A | Drugs | 100,278 | 8 | 0.01 | 0.00 |
| 29B | Cleaning and toilet preparations | 49,832 | 36 | 0.07 | 0.01 |
| 30 | Paints \& allied products | 18,803 | 101 | 0.54 | 0.03 |
| 31 | Petroleum refining and related industries | 170,914 | 356 | 0.21 | 0.09 |
| 32 | Rubber \& miscellaneous plastics products | 169,957 | 901 | 0.53 | 0.23 |
| 33 \& 34 | Footwear, leather, and leather products | 8,341 | 3 | 0.03 | 0.00 |
| 35 | Glass and glass products | 23,402 | 46 | 0.20 | 0.01 |
| 36 | Stone and clay products | 72,779 |  | 0.00 | 0.00 |
| 37 | Primary iron and steel manufacturins | 94,889 |  | 0.00 | 0.00 |
| 38 | Primary nonferrous metals manufacturin§ | 85,226 | 36 | 0.04 | 0.01 |
| 39 | Metal containers | 12,933 |  | 0.00 | 0.00 |
| 40 | Heating, plumbing, \& structural metal parts | 79,497 |  | 0.00 | 0.00 |
| 41 | Screw machine products and stampings | 56,294 | 608 | 1.08 | 0.16 |
| 42 | Other fabricated metal products | 82,339 | 557 | 0.68 | 0.14 |
| 43 | Engines and trubines | 28,605 | 490 | 1.71 | 0.13 |
| 44 \& 45 | Farm,construction and mining machiner! | 51,060 |  | 0.00 | 0.00 |
| 46 | Materials handling machinery and equipmen | 14,887 |  | 0.00 | 0.00 |
| 47 | Metal working machinery and equipmen | 39,832 | 11 | 0.03 | 0.00 |
| 48 | Special industrial machinery and equipmen | 34,257 |  | 0.00 | 0.00 |
| 49 | General industrial machnery and equipmen | 40,186 | 748 | 1.86 | 0.19 |
| 50 | Miscellaneous machinery, except electrica] | 39,073 | 34 | 0.09 | 0.01 |
| 51 | Computer and office equipmenı | 104,654 | 837 | 0.80 | 0.21 |
| 52 | Service industry machinery | 39,049 | 7 | 0.02 | 0.00 |
| 53 | Electrical industrial equipment and apparatus | 41,404 | 836 | 2.02 | 0.21 |
| 54 | Household appliances . | 22,462 |  | 0.00 | 0.00 |
| 55 | Electric lighting and wiring equipmen | 26,750 | 197 | 0.73 | 0.06 |
| 56 | Audio, video, and communications equipment | 99,938 | 5,740 | 5.74 | 1.47 |
| 57 | Electronic components and accessories | 150,787 | 6,843 | 4.54 | 1.75 |

Table 2.8
1999 Use of Commodities by the Communications Industry - Continued

|  | $\begin{array}{c}\text { I-O Industry Group }\end{array}$ | $\begin{array}{c}\text { Total Commodity } \\ \text { Output (Millions) }\end{array}$ | $\begin{array}{c}\text { Sales to } \\ \text { Communications to } \\ \text { Except Radio and } \\ \text { Television Industry } \\ \text { (Millions) }\end{array}$ | $\begin{array}{c}\text { Percentage of Total } \\ \text { Sales to }\end{array}$ |
| :---: | :---: | :---: | :---: | :---: |
| Communications |  |  |  |  |
|  |  |  |  |  |\(\left.\} \begin{array}{c}Communications <br>

Eelevision Industry <br>
as Percent of <br>
Communications\end{array}\right\}\)

## III. Price Indices

The U.S. Department of Labor's Bureau of Labor Statistics (BLS) calculates telephone service price indices as part of two major programs. The Consumer Price Index (CPI) program publishes indices based on the amount of money that residential customers in urban areas pay for telephone service. The Producer Price Index (PPI) program publishes indices based on the amount of money that companies receive for providing telephone service. Unlike the CPI, the PPI indices cover business as well as residential telephone service.

## A. Consumer Price Indices

The Consumer Price Index is the nation's most widely recognized measure of retail price changes. It is published monthly by the BLS, and measures the prices all urban consumers pay for most goods and services. BLS defines urban areas as Metropolitan Statistical Areas (MSAs) and small cities with populations greater than 2500. According to BLS, over 85 percent of the U.S. population lives in urban areas.

The BLS has published an index for telephone services since 1935. In 1978 it began publishing an index for local telephone service, interstate toll service, and intrastate toll service. In 1998 it added an index for cellular telephone services. At that time, the BLS also revised the telephone services index to include information from the cellular index and created an aggregate index by combining the interstate and intrastate toll service indices into an index for long distance services. Telephone service price changes are also included in the CPI index for all goods and services, as well as in other broad indices. According to the BLS, as of the end of December 2003, telephone prices account for roughly $2 \%$ of the CPI for all goods and services. ${ }^{1}$

Table 3.1 shows the annual changes in the CPI indices since 1980. In addition to showing the nominal changes in telephone prices, the table shows the changes in telephone prices after adjusting for the impact of inflation, as measured by the CPI for all goods and services. Chart 1 illustrates the changes in toll rates since the AT\&T divestiture in 1984; since then, rates for both interstate and intrastate toll calls have fallen. Chart 2 adjusts the price indices for interstate and intrastate toll service for the impacts of inflation. Relative to the prices of other goods and services, long distance rates have fallen substantially since the AT\&T divestiture in 1984.

Table 3.2 shows three monthly consumer price indices that were first published in 1998. A long distance service index has been created using the existing information collected for the interstate and intrastate toll indices. An index for cellular telephone service has been created and the previous "telephone services" index has been replaced with a new measure that includes the cellular price index. Since the previous index for telephone services did not include cellular services, the two series are not strictly comparable. Users should exercise caution because current price trends in the cellular market deviate significantly from those in the wireline telephony market.

[^8]
## B. Producer Price Indices

The Producer Price Index (PPI) is a statistical series established by the BLS to measure changes in the prices charged by producers. This index, formerly known as the Wholesale Price Index, was first published in 1902. The BLS began publishing indices for telecommunications products in 1972. These indices were wholly redesigned in mid-1995. Consequently, the current indices are not comparable to indices prior to 1995. In addition to 39 current indices of telecommunications products, the BLS publishes overall indices by stage of processing -- finished goods, intermediate goods, and crude materials for further processing.

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-NAIC 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. ${ }^{2}$

Since the PPI indexes the prices received by producers, it includes the prices paid by businesses as well as consumers. The PPI does not include taxes or other government surcharges. Additionally, it is subject to substantial fluctuations from month to month and each index is revised four months following its release. Consequently, analysts should use caution when using the PPI to measure short-run trends in telecommunications prices. It is suggested that users consider constructing a three to four month moving average of the series to improve the analysis of trends. Table 3.3 presents the monthly PPI indices for the period since their revision in mid-1995. Certain Producer Price Index categories were discontinued in 1995. These PPIs may be found at http://www.bls.gov.

## C. Additional Sources of Information on Price Indices

The BLS maintains current and complete access to all of the price indices at stats.bls.gov on the Internet. Visitors can find documentation on the construction of the indices there as well.

[^9]Table 3.1
Changes in the Consumer Price Indices Since 1980
( Percent change from December of the previous year through December of the year shown )

|  | All Goods and Services | Telephone Services |  | Local Services |  | Interstate Toll Service |  | Intrastate Toll Service |  | Cellular Telephone Service |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Inflation Adiusted |  | Inflation Adiusted |  | Inflation Adiusted |  | Inflation Adiusted |  | Inflation Adiusted |
| 1980 | 12.5\% | 4.6\% | -7.1\% | 7.0\% | -4.9\% | 3.4\% | -8.1\% | -0.6\% | -11.6\% |  |  |
| 1981 | 8.9\% | 11.7\% | 2.5\% | 12.6\% | 3.3\% | 14.6\% | 5.2\% | 6.2\% | -2.5\% |  |  |
| 1982 | 3.8\% | 7.2\% | 3.3\% | 10.8\% | 6.7\% | 2.6\% | -1.2\% | 4.2\% | 0.3\% |  |  |
| 1983 | 3.8\% | 3.6\% | -0.2\% | 3.1\% | -0.6\% | 1.5\% | -2.2\% | 7.4\% | 3.4\% |  |  |
| 1984 | 3.9\% | 9.2\% | 5.1\% | 17.2\% | 12.7\% | -4.3\% | -8.0\% | 3.6\% | -0.3\% |  |  |
| 1985 | 3.8\% | 4.7\% | 0.8\% | 8.9\% | 5.0\% | -3.7\% | -7.2\% | 0.6\% | -3.1\% |  |  |
| 1986 | 1.1\% | 2.7\% | 1.6\% | 7.1\% | 5.9\% | -9.4\% | -10.4\% | 0.3\% | -0.8\% |  |  |
| 1987 | 4.4\% | -1.3\% | -5.5\% | 3.3\% | -1.0\% | -12.4\% | -16.1\% | -3.0\% | -7.1\% |  |  |
| 1988 | 4.4\% | 1.3\% | -3.0\% | 4.5\% | 0.1\% | -4.2\% | -8.2\% | -4.2\% | -8.3\% |  |  |
| 1989 | 4.6\% | -0.3\% | -4.7\% | 0.6\% | -3.9\% | -1.3\% | -5.7\% | -2.6\% | -6.9\% |  |  |
| 1990 | 6.1\% | -0.4\% | -6.2\% | 1.0\% | -4.8\% | -3.7\% | -9.3\% | -2.2\% | -7.8\% |  |  |
| 1991 | 3.1\% | 3.5\% | 0.4\% | 5.1\% | 2.0\% | 1.3\% | -1.7\% | -1.5\% | -4.4\% |  |  |
| 1992 | 2.9\% | -0.3\% | -3.1\% | 0.5\% | -2.4\% | -1.3\% | -4.1\% | -2.4\% | -5.1\% |  |  |
| 1993 | 2.7\% | 1.8\% | -0.9\% | 1.0\% | -1.7\% | 6.5\% | 3.7\% | 0.2\% | -2.5\% |  |  |
| 1994 | 2.7\% | 0.7\% | -2.0\% | -0.3\% | -2.9\% | 5.4\% | 2.7\% | -1.0\% | -3.6\% |  |  |
| 1995 | 2.5\% | 1.2\% | -1.3\% | 2.6\% | 0.0\% | 0.1\% | -2.3\% | -3.8\% | -6.2\% |  |  |
| 1996 | 3.3\% | 2.1\% | -1.2\% | 0.9\% | -2.4\% | 3.7\% | 0.4\% | 6.1\% | 2.7\% |  |  |
| 1997 | 1.7\% | 0.2\% | -1.4\% | 1.0\% | -0.6\% | -4.3\% | -5.9\% | 2.8\% | 1.1\% |  |  |
| 1998 | 1.6\% | 0.3\% | -1.9\% | 1.3\% | -0.3\% | -0.8\% | -2.4\% | 1.5\% | -0.1\% |  |  |
| 1999 | 2.7\% | 0.4\% | -2.2\% | 2.9\% | 0.2\% | -0.7\% | -3.3\% | -1.6\% | -4.1\% | -11.6\% | -13.9\% |
| 2000 | 3.4\% | -2.3\% | -5.5\% | 5.6\% | 2.1\% | -11.2\% | -14.1\% | -6.0\% | -9.1\% | -12.3\% | -15.2\% |
| 2001 | 1.6\% | 1.3\% | -0.2\% | 4.5\% | 2.9\% | -2.0\% | -3.3\% | -1.7\% | -3.2\% | -5.5\% | -6.9\% |
| 2002 | 2.4\% | 0.2\% | -2.1\% | 5.3\% | 2.9\% | -5.9\% | -8.2\% | -6.1\% | -3.2\% | -0.3\% | -2.0\% |
| 2003 | 1.8\% | -2.7\% | -4.4\% | 2.6\% | 0.8\% | -10.8\% | -12.4\% | -9.3\% | -10.9\% | -1.3\% | -3.1\% |

## Chart 1



## Chart 2



Table 3.2
Monthly Consumer Price Indices
(December 1997 = 100)

|  |  | All Goods and Services | Telephone Services | Local Telephone Service | Long Distance Charges | Interstate Toll Service | Intrastate Toll Service | Wireless Telephone Services |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| BLS | eries ID | CUUR0000SA0 | CUUR0000SEED | CUUR0000SEED01 | CUUR0000SEED02 | CUUR0000SS27051 | CUUR0000SS27061 | CUUR0000SEED03 |
| $1999$ | January <br> February <br> March <br> April <br> May <br> June <br> July <br> August <br> September <br> October <br> November <br> December | $\begin{aligned} & 101.9 \\ & 102.0 \\ & 102.3 \\ & 103.0 \\ & 103.0 \\ & 103.0 \\ & 103.3 \\ & 103.6 \\ & 104.1 \\ & 104.3 \\ & 104.3 \\ & 104.3 \end{aligned}$ | $\begin{gathered} 100.7 \\ 100.4 \\ 100.2 \\ 100.0 \\ 99.6 \\ 99.7 \\ 99.5 \\ 99.8 \\ 99.6 \\ 99.8 \\ 100.6 \\ 100.7 \end{gathered}$ | $\begin{aligned} & 102.2 \\ & 102.0 \\ & 102.3 \\ & 100.9 \\ & 102.7 \\ & 103.2 \\ & 103.7 \\ & 103.8 \\ & 103.7 \\ & 103.5 \\ & 103.9 \\ & 104.2 \end{aligned}$ | $\begin{aligned} & 99.9 \\ & 99.5 \\ & 98.9 \\ & 99.8 \\ & 97.5 \\ & 97.4 \\ & 96.7 \\ & 97.1 \\ & 96.8 \\ & 97.4 \\ & 98.7 \\ & 98.6 \end{aligned}$ | $\begin{aligned} & 99.3 \\ & 99.1 \\ & 98.4 \\ & 99.5 \\ & 96.4 \\ & 96.3 \\ & 95.3 \\ & 95.9 \\ & 95.9 \\ & 96.9 \\ & 99.1 \\ & 98.5 \end{aligned}$ | $\begin{gathered} 101.3 \\ 100.7 \\ 100.3 \\ 100.7 \\ 100.2 \\ 100.2 \\ 100.0 \\ 99.8 \\ 99.2 \\ 98.8 \\ 99.2 \\ 99.9 \end{gathered}$ | $\begin{aligned} & 90.9 \\ & 89.7 \\ & 89.0 \\ & 87.8 \\ & 85.8 \\ & 84.0 \\ & 82.9 \\ & 82.3 \\ & 82.6 \\ & 82.0 \\ & 81.2 \\ & 81.1 \end{aligned}$ |
| $2000$ | January <br> February <br> March <br> April <br> May <br> June <br> July <br> August <br> September <br> October <br> November <br> December | $\begin{aligned} & 104.6 \\ & 105.3 \\ & 106.1 \\ & 106.2 \\ & 106.3 \\ & 106.9 \\ & 107.1 \\ & 107.1 \\ & 107.7 \\ & 107.9 \\ & 107.9 \\ & 107.9 \end{aligned}$ | $\begin{gathered} 100.9 \\ 99.4 \\ 98.9 \\ 98.6 \\ 98.5 \\ 97.2 \\ 98.2 \\ 98.9 \\ 97.0 \\ 98.3 \\ 97.5 \\ 98.4 \end{gathered}$ | $\begin{aligned} & 104.8 \\ & 104.9 \\ & 105.1 \\ & 105.2 \\ & 105.3 \\ & 105.8 \\ & 107.3 \\ & 109.5 \\ & 108.5 \\ & 109.8 \\ & 10.3 \\ & 110.0 \end{aligned}$ | $\begin{aligned} & 98.5 \\ & 95.5 \\ & 94.4 \\ & 93.7 \\ & 93.4 \\ & 90.6 \\ & 91.3 \\ & 90.7 \\ & 87.9 \\ & 89.4 \\ & 87.2 \\ & 89.5 \end{aligned}$ | $\begin{aligned} & 98.3 \\ & 94.0 \\ & 93.1 \\ & 92.4 \\ & 92.0 \\ & 89.0 \\ & 89.8 \\ & 89.2 \\ & 86.2 \\ & 87.9 \\ & 85.0 \\ & 87.5 \end{aligned}$ | $\begin{gathered} 100.1 \\ 99.2 \\ 98.5 \\ 97.8 \\ 97.6 \\ 95.0 \\ 95.7 \\ 95.1 \\ 92.0 \\ 92.9 \\ 91.9 \\ 93.9 \end{gathered}$ | $\begin{aligned} & 80.6 \\ & 79.7 \\ & 79.2 \\ & 78.9 \\ & 78.2 \\ & 76.8 \\ & 74.9 \\ & 73.7 \\ & 72.8 \\ & 73.0 \\ & 72.9 \\ & 71.1 \end{aligned}$ |
| $2001$ | January <br> February <br> March <br> April <br> May <br> June <br> July <br> August <br> September <br> October <br> November <br> December | $\begin{aligned} & 108.6 \\ & 109.0 \\ & 109.2 \\ & 109.7 \\ & 110.2 \\ & 110.4 \\ & 110.0 \\ & 110.0 \\ & 110.5 \\ & 110.2 \\ & 110.0 \\ & 109.5 \end{aligned}$ | 98.8 <br> 98.7 <br> 99.4 <br> 99.0 <br> 98.7 <br> 99.0 <br> 99.6 <br> 99.6 <br> 99.2 <br> 99.9 <br> 99.6 <br> 99.7 | $\begin{aligned} & 110.5 \\ & 110.7 \\ & 110.9 \\ & 111.9 \\ & 112.1 \\ & 112.3 \\ & 113.2 \\ & 113.9 \\ & 114.1 \\ & 114.6 \\ & 114.8 \\ & 114.9 \end{aligned}$ | $\begin{aligned} & 89.9 \\ & 89.5 \\ & 90.7 \\ & 89.1 \\ & 88.2 \\ & 88.7 \\ & 88.9 \\ & 88.5 \\ & 87.6 \\ & 88.5 \\ & 87.6 \\ & 87.9 \end{aligned}$ | 88.0 87.6 89.0 87.2 86.2 86.7 86.8 86.4 85.5 86.4 85.5 85.8 | $\begin{aligned} & 94.2 \\ & 93.7 \\ & 94.5 \\ & 93.1 \\ & 92.6 \\ & 93.0 \\ & 93.0 \\ & 92.7 \\ & 92.0 \\ & 92.9 \\ & 92.2 \\ & 92.3 \end{aligned}$ | $\begin{aligned} & 68.9 \\ & 68.9 \\ & 68.7 \\ & 68.8 \\ & 68.5 \\ & 68.1 \\ & 68.6 \\ & 68.1 \\ & 67.2 \\ & 67.1 \\ & 67.5 \\ & 67.2 \end{aligned}$ |
| $2002$ | January <br> February <br> March <br> April <br> May <br> June <br> July <br> August <br> September <br> October <br> November <br> December | $\begin{aligned} & 109.8 \\ & 110.2 \\ & 110.8 \\ & 111.5 \\ & 111.5 \\ & 111.5 \\ & 111.7 \\ & 112.0 \\ & 112.2 \\ & 112.4 \\ & 112.4 \\ & 112.2 \end{aligned}$ | $\begin{gathered} 100.3 \\ 100.3 \\ 99.1 \\ 98.2 \\ 99.3 \\ 99.2 \\ 99.5 \\ 100.6 \\ 100.1 \\ 99.9 \\ 99.8 \\ 99.9 \\ \hline \end{gathered}$ | 115.7 116.1 114.1 114.0 116.8 116.9 118.7 120.2 120.4 120.6 120.8 121.0 | 88.2 <br> 87.9 <br> 87.0 <br> 85.1 <br> 85.2 <br> 85.0 <br> 84.0 <br> 84.7 <br> 83.7 <br> 83.0 <br> 82.7 <br> 82.6 | $\begin{aligned} & 86.2 \\ & 85.8 \\ & 85.0 \\ & 82.7 \\ & 82.6 \\ & 82.4 \\ & 81.3 \\ & 82.6 \\ & 81.4 \\ & 80.7 \\ & 80.7 \\ & 80.7 \end{aligned}$ | $\begin{aligned} & 92.6 \\ & 92.6 \\ & 91.6 \\ & 90.1 \\ & 90.4 \\ & 90.1 \\ & 89.1 \\ & 89.1 \\ & 88.2 \\ & 87.5 \\ & 87.0 \\ & 86.7 \end{aligned}$ | $\begin{aligned} & 67.5 \\ & 67.5 \\ & 67.5 \\ & 67.6 \\ & 66.7 \\ & 66.6 \\ & 67.0 \\ & 67.8 \\ & 67.5 \\ & 67.9 \\ & 67.5 \\ & 67.4 \end{aligned}$ |
| $2003$ | January <br> February <br> March <br> April <br> May <br> June <br> July <br> August <br> September <br> October <br> November <br> December | $\begin{aligned} & 112.6 \\ & 113.5 \\ & 114.2 \\ & 113.9 \\ & 113.7 \\ & 113.8 \\ & 114.0 \\ & 114.4 \\ & 114.8 \\ & 114.6 \\ & 114.3 \\ & 114.2 \\ & \hline \end{aligned}$ | $\begin{gathered} 100.4 \\ 100.5 \\ 99.7 \\ 98.7 \\ 98.1 \\ 97.5 \\ 98.1 \\ 97.8 \\ 97.4 \\ 97.1 \\ 97.2 \\ 97.2 \\ \hline \end{gathered}$ | $\begin{aligned} & 121.3 \\ & 121.2 \\ & 121.7 \\ & 121.9 \\ & 122.0 \\ & 122.2 \\ & 123.1 \\ & 123.7 \\ & 123.8 \\ & 124.0 \\ & 124.2 \\ & 124.1 \\ & \hline \end{aligned}$ | 83.4 83.5 81.5 79.2 77.9 76.7 77.2 76.0 75.2 74.3 74.1 74.3 | $\begin{aligned} & 81.9 \\ & 82.2 \\ & 79.8 \\ & 77.4 \\ & 76.0 \\ & 74.6 \\ & 75.6 \\ & 74.0 \\ & 73.3 \\ & 72.1 \\ & 71.8 \\ & 72.0 \\ & \hline \end{aligned}$ | $\begin{aligned} & 87.0 \\ & 86.9 \\ & 85.1 \\ & 83.1 \\ & 81.8 \\ & 80.8 \\ & 80.8 \\ & 79.7 \\ & 78.9 \\ & 78.7 \\ & 78.3 \\ & 78.6 \\ & \hline \end{aligned}$ | $\begin{aligned} & 67.6 \\ & 67.7 \\ & 67.6 \\ & 67.5 \\ & 67.5 \\ & 66.3 \\ & 66.2 \\ & 66.1 \\ & 66.1 \\ & 66.1 \\ & 66.7 \\ & 66.5 \\ & \hline \end{aligned}$ |

Note: Figures for 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, Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service (July 2002).

Table 3.3
Monthly Producer Price Indices
(June $1995=100$ )

|  | Wired Telecommunications Carriers | 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 |
| 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 |
| 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 | 108.2 | 101.6 | 103.9 | 120.3 |
| November* | 84.9 | 105.2 | 108.2 | 101.6 | 103.9 | 120.3 |
| December* | 84.3 | 105.2 | 108.2 | 101.6 | 103.9 | 120.3 |

Table 3.3
Monthly 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 |
| 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 |
| 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* | 68.2 | 77.3 | 85.6 | 78.7 | 32.2 | 57.4 | 66.5 |
| November* | 67.6 | 76.5 | 85.4 | 77.1 | 31.6 | 57.0 | 64.9 |
| December* | 66.6 | 75.1 | 84.6 | 74.2 | 31.2 | 58.2 | 64.6 |

Table 3.3
Monthly 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 |
| 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 |
| 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 | 35.0 | 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 |

Table 3.3
Monthly Producer Price Indices - Continued
(June 1995 = 100)


Table 3.3
Monthly 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 |
| 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 |
| 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 | 102.3 |

## Appendix

Please update these data for October 15, 2003

| I. Access Rates <br> Monthly Charges per line (Express all figures in DOLLAR amounts) | Generally Available Service |  | Subsidized Services Such as Lifeline |  |
| :---: | :---: | :---: | :---: | :---: |
|  | (\#1) <br> Unlimited or Flat-Rate Service | (\#2 ) <br> Measured or Message Service | (\#3 ) <br> Unlimited or Flat-Rate Service | (\#4 ) <br> Measured or Message Service |
| a. Recurring service charge incl. touch-tone <br> b. Federal subscriber line charge (SLC) <br> c. State subscriber line charge |  |  |  |  |
| d1. Federally tariffed local number portability (LNP) surcharge <br> d2. Federal universal service surcharge on Federal SLC and LNP <br> d3. Other mandatory surcharges (such as gross receipts tax, regulatory fees or passthrough charges on the State SLC) accounted as company revenue |  |  |  |  |
| d4. Tax or surcharge for funding 911 service <br> d5. Federal excise tax <br> d6. Intrastate telecommunications relay service <br> (TRS or relay) tax or surcharge <br> d7. Tot. other taxes (sales, excise, etc.) levied on customers by state, county, local govts. <br> e. Total Surcharges and Taxes (sum d1 to d7) |  |  |  |  |
| f. Total Monthly Recurring Charge $=a+b+c+e$ |  |  |  |  |
| g. Lowest monthly inside wiring plan <br> h. Optional extended area plan |  |  |  |  |
| Charges for calls in local service area <br> i. Number of voice calls or message units included in monthly rate if message service <br> j. Dollar calling allowance for voice calls incl. in monthly rate if measured service <br> k. Charge for a 5-minute, business day, same-zone voice call |  |  |  |  |
| II. Service Connection Charge |  |  | Normal Service | Subsidized Service (e.g., Link-Up) |

a. Total connection charge for residential service if no premises visit is required
b. Minimum additional charge if drop line and terminal block are needed to connect service. Do not include any inside wiring charges.

## III. Other Mandatory Charges for Connection

| Normal Service | Subsidized Service <br> (e.g., Link-Up) |
| :---: | :---: |

a. Mandatory surcharges on connection accounted as company revenue (in dollars)
b. State, county, and local taxes and surcharges on connection (total in dollars)
c. Other mandatory connection charges (in dollars)

## Notes

## Form Completed by:

$\qquad$

## Contact Telephone Number:

Contact E-mail:

## Business Rate Review

## Please update these data for October 15, 2003

| I. Access Rates | Single Line Business |  |
| :---: | :---: | :---: |
|  | Unlimited Service | Measured Service |
| Monthly Charges per line (Express all figures in DOLLAR amounts) |  |  |
| a. Recurring service charge (including tourch-tone) <br> b. Federal subscriber line charge (SLC) <br> c. State subscriber line charge |  |  |
| d1. Federally tariffed local number portability (LNP) surcharge <br> d2. Federal universal service surcharge on the Fed. SLC and LNP <br> d3. Other mandatory surcharges (such as gross receipts tax, regulatory or passthrough charges on the State SLC) accounted as company revenue |  |  |
| d4. Tax or surcharge for funding 911 service <br> d5. Federal excise tax <br> d6. Intrastate telecommunications relay service (TRS or relay) tax <br> d7. Total other taxes (such as sales, excise, etc.) levied on customers by state, county, local governments <br> e. Total Surcharges and Taxes (sum d1 to d7) |  |  |
| f. Total Monthly Recurring Charge =a+b+c+e |  |  |
| g. Lowest monthly inside wiring |  |  |
| Charges for calls in the local service area <br> h. The number of voice calls or message units included in the monthly recurring rate if message service <br> i. The dollar calling allowance for voice calls included in the monthly recurring rate if measured service <br> j. The charge for a 5 -minute, business day, same-zone voice call |  |  |

## II. Service Connection Charges

a. Total connection charge for single-line business service. Assume no premise visit is required.
b. Minimum additional charge if drop line and terminal block are needed to connect service. Do not include any inside wiring charges. Do not include the cost of an NT1 interface or power supply for ISDN lines.

## III. Other Mandatory Charges for Connection

a. Mandatory surcharges on connection accounted as company revenue (in dollars)
b. State, county, and local taxes and surcharges on connection (total in dollars)
c. Other mandatory connection charges (in dollars)

## IV. Payphone Charges

a. Tariff rate for a 5-minute, business day, same-zone call at a company-owned payphone

## Notes

## Customer Response

Publication: Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service, 2004.

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

1. Please check the category that best describes you:
$\qquad$ press
$\qquad$ current telecommunications carrier
potential telecommunications carrier
business customer evaluating vendors/service options
consultant, law firm, lobbyist
other business customer
academic/student
residential customer
FCC employee
other federal government employee
state or local government employee
Other (please specify)
2. Please rate the report:

Data accuracy
Data presentation
Timeliness of data
Completeness of data
Text clarity
Completeness of text

3. Overall, how do you rate this report?

4. How can this report be improved?
5. May we contact you to discuss possible improvements?

Name:
Telephone \#:

| Questions? Contact Paul Zimmerman at 202-418-7285 <br> or email paul.zimmerman@fc.gov |  |  |
| :---: | :---: | :---: |
| Fax this response to | Or | Mail this response to |
| $202-418-0520$ |  | FCC/IATD |
|  |  | Washington, D.C. 20554 |


[^0]:    ${ }^{1}$ Bureau of Labor Statistics (BLS) price indices, presented in Section III, provide an alternative measure of long distance prices.
    ${ }^{2}$ 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. The residential and business survey instruments are included in the attached Appendix. In addition, 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. 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, estimates for years 2001 and prior reflect those obtained from the previous survey instrument.

[^1]:    ${ }^{3}$ If flat-rate service was unavailable, the rate for measured/message service was used, along with the charges associated with placing 100 five-minute, same-zone, business-day calls. As of October 15, 2002, flat-rate local residential service was available in all 95 cities, so that approximating the cost of measured/message service with 100 five-minute, same-zone business day calls was unnecessary.

[^2]:    ${ }^{4}$ 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).

[^3]:    ${ }^{1}$ All figures are preliminary and subject to revision.

[^4]:    ${ }^{1}$ Rates include additonal monthly taxes and surcharges.
    ${ }^{2}$ Revised figures.
    ${ }^{3}$ Subject to revision.

[^5]:    ${ }^{1}$ Rates are based upon flat-rate service where available and measured/message service with 200 five-minute, same-zone, business day calls.
    ${ }^{2}$ Revised figures.
    ${ }^{3}$ Subject to revision.

[^6]:    ${ }^{1}$ We also refer to consumer units as "households."

[^7]:    * Excludes households in Alaska and Hawaii.

[^8]:    ${ }^{1}$ See http://www.bls.gov/cpi/cpiri2003.pdf.

[^9]:    ${ }^{2}$ Several telecommunications PPIs published by the BLS under the SIC classification system are no long 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 Service" (NAICS 517110114) and "Telephone Communications except Radiotelephone" is now referred to as "Wired Telecommunications Carriers".

