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September 22, 1999

FCC RELEASES TELECOMMUNICATIONS INDUSTRY REVENUE REPORT \$246 BILLION IN REVENUE FOR 1998

The FCC has released *Telecommunications Industry Revenue: 1998*. According to the newly released report, the telecommunications industry reported \$246 billion in revenue for 1998. Carriers reported \$105 billion of local service revenue, \$37 billion of wireless revenue and \$105 billion of toll service revenue for 1998. Carriers reported that about \$200 billion of this revenue was for services provided to end users.

The data presented in the report are based on carrier Universal Service Worksheet and TRS Worksheet filings. Data on individual companies are not publicly available because companies have requested proprietary treatment.

The report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, SW, Washington, D.C. 20554. Copies may be purchased by calling International Transcription Services, Inc. (ITS) at (202) 857-3800. The report, including the spreadsheets containing the report's statistical tables and the figures, can be downloaded [file name: TELREV98.PDF or TELREV98.ZIP] from the **FCC-State Link** internet site at (<http://www.fcc.gov/ccb/stats>) on the World Wide Web.

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TELECOMMUNICATIONS INDUSTRY REVENUE: 1998

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Common Carrier Bureau
Federal Communications Commission
September 1999



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Telecommunications Industry Revenues

This report provides a general overview of the revenues of the U.S. telecommunications industry and the contributions to the universal service support mechanisms that are based on these revenues. Most of the information for 1998 comes from worksheets containing 1998 revenue data that carriers filed with the administrator of the universal service support mechanism. By April 23, 1999, the universal service database contained whole-year 1998 data for 2,148 contributing service providers. The 1998 revenue data are estimated for some carriers due to late or inadequate filings. The data contained in the universal service filings cover about 99% of the industry's revenue but less than two-thirds of the carriers. The remaining 1% of revenue was estimated using data filed on Telecommunications Relay Service (TRS) worksheets.

Table 1 shows the major components of telecommunications revenue for 1998. Tables 2 and 3 compare 1998 revenue with revenue for prior years. Revenue data shown for 1992 through 1996 derive from information filed on TRS worksheets.

Universal service requirements include several mechanisms that help ensure that all Americans have access to affordable telecommunications service. In section 254(d) of the Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 *codified* at 47 U.S.C. §§ 151 *et seq.*, Congress mandated that "[e]very telecommunications carrier that provides interstate telecommunications services shall contribute, on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service." The Commission adopted funding mechanisms in a Report and Order, FCC 97-157, CC Docket No. 96-45, 12 FCC Rcd 8776 (rel. May 8, 1997). The Commission subsequently selected the Universal Service Administrative Company (USAC) as the interim administrator. Carriers first filed Universal Service Worksheets on September 1, 1997, for the first half of 1997.

Most large carriers file semi-annual FCC Form 457 Universal Service Worksheets. The 1999 Universal Service Worksheets provide the most detailed information on telecommunications industry revenue available from any source. Summaries of these worksheets form the core of Tables 4 through 8. Over 1,000 carriers, however, were exempted from universal service filing requirements because their potential contributions to the universal service support mechanisms were expected to be "de minimis" -- that is, their contribution for the year was expected to be less than \$10,000. These carriers, however, file some data on FCC Form 431 TRS Fund worksheets. Estimates of local, wireless and toll revenue for *de minimis* carriers were based on a special analysis of 1998 TRS Fund Worksheet data. Some carriers undoubtedly did not file either Universal Service or TRS Worksheets. These carriers represent a small fraction of industry revenue.

Almost all telecommunications carriers are considered to be interstate service providers. Local telephone companies are classified as interstate service providers because they provide interstate access services. Similarly, competitive access providers, pay telephone operators, and cellular telephone companies derive revenue from providing

access to interstate services and accordingly file worksheets. Virtually all pay telephone providers, interexchange carriers (IXCs), operator service providers (OSPs), and toll resellers provide interstate services. Special mobile radio (SMR) and private paging providers offer dispatch, paging, and some telephone services. At one time, SMRs were not regulated as carriers and did not have to contribute to the provision of TRS. SMRs were first required to file TRS worksheets in 1996. Private carriers are subject to universal service support mechanism contribution requirements but not to TRS contribution requirements.

Carriers subject to the universal service support mechanisms contribution requirement were required to file worksheets on March 31, 1999, containing revenue data for the whole year 1998. TRS Worksheets containing 1998 revenue data were due on April 26, 1999. Some carriers filed late or filed subsequent revisions. The data shown in Tables 1 through 10 are based on information in the universal service database as of April 23, 1999, augmented with by some late-filed and corrected data. The totals are slightly different from the totals submitted by USAC to support the development of the third quarter 1999 contribution factors.

Both the universal service and TRS support mechanisms require each legal entity that provides interstate telecommunications service to file a separate worksheet. Several wireless carriers, however, received permission to make consolidated universal service filings in situations where they maintain separate legal entities only because their spectrum licenses have different groups of owners, but where a single entity managed the combined operations and where separate filings would be based on revenue allocations.

In the Universal Service Worksheet, each filer is required to report total and interstate revenues in two broad categories: service provided to other Universal Service Worksheet filers for resale (carrier's carrier); and, service to de minimis carriers and end users (end user). Carriers must provide further breakdowns of local, wireless, and toll services. TRS contributions are based on a carrier's gross interstate revenue (which includes both carrier's carrier and end user revenue). Universal service contributions to the universal service support mechanisms are based on a carrier's end user revenues. One category of end user telecommunications revenue -- toll calls that both originate and terminate outside of the United States, primarily call-back and World Direct type service -- is excluded from universal service contribution bases.

The Universal Service and TRS Worksheets require each filer to categorize itself using one of the following categories:¹

- Competitive Access Provider (CAP) or Competitive Local Exchange Carrier (CLEC)

¹ The detailed definitions of the filer categories are contained in the Form 457 detailed filing instructions, (<http://www.fcc.gov/formpage.html>).

- Cellular, Personal Communications Service (PCS) and Specialized Mobile Radio (SMR) Wireless Telephony Service Provider
- Incumbent Local Exchange Carrier (ILEC)
- Interexchange Carrier (IXC)
- Local Reseller
- Operator Service Provider (OSP)
- Other Local
- Other Mobile Service Carrier
- Other Toll Service Provider
- Paging and Messaging
- Pay Telephone Provider
- Private Service Provider
- Pre paid Calling Card Provider
- Satellite Service Provider
- Shared Tenant Service Provider
- Special Mobile Radio - Dispatch
- Toll Reseller
- Wireless Data Service Provider

Fewer carrier categories were listed on prior-year worksheets. In a few cases, carrier categories were combined for tabulation purposes.

Table 1 summarizes total industry revenue and shows the breakdown by source of the data -- how much of the revenue was reported on Universal Service Worksheets and how much on TRS Worksheets. The Universal Service Worksheets were the source of 99% of reported revenues. The table shows breakdowns for local, wireless, and toll service; it also shows how much of the revenue was reported as intrastate service versus interstate service and how much of the revenue was reported as carrier's carrier revenue versus end user revenue. Carriers reported a total of \$246.4 billion of telecommunications revenue. Carriers are making contributions to the universal support mechanisms on \$197.5 billion of total end user revenue and \$74.9 billion of interstate end user revenue. Carriers are making TRS contributions on \$104.3 billion of gross interstate revenue. In each case, the term "interstate" includes domestic interstate calls as well as international calls.

Carriers were instructed to report the amounts actually billed to customers. This means that carriers should report revenue net of discounts, but without making any adjustments to reflect uncollectible revenue or international settlement payments. Most filers should be able to report revenue in this manner using information contained in their corporate books of account. Some filers, however, have no business or regulatory requirements to record intrastate revenues separately from interstate revenues or to use the detailed revenue categories contained in the worksheets. Therefore, breakdowns are likely to be less accurate than industry totals. Some carriers reported unlikely amounts, such as *intrastate* toll revenue for calls both originated and terminated outside the United

States. Similarly, some carriers report negative billed revenues. The totals reflect some corrections based on supplemental carrier information.

Table 2 provides historic data for several categories of revenue. Because of reporting changes, the 1997 and 1998 totals are not entirely consistent with data for prior years. For example, special access revenues were included with other access revenues prior to 1997 but are included with local private line service since then. Similarly, through 1996, carriers reported as other local and mobile revenue substantial amounts of customer premises, billing and collection and other types of revenue that are excluded from contributions to the universal service support mechanisms. These revenues are now reported as non-telecommunications. Table 2 contains estimates of the amounts of non-telecommunications revenues that had been reported in prior years. The table estimates that 1996 telecommunications revenues reported on TRS Worksheets would have been \$10.5 billion lower if revenue had been reported using Universal Service Worksheet instructions.

Table 2 contains significant revisions to previously published data for non-operator switched toll and other toll data. Many carriers erroneously reported substantial amounts of switched service revenue as other toll revenue. Toll carrier filed data from 1992 to the present were reviewed to identify and reclassify such amounts for prior years. Even so, the other toll category probably continues to contain some switched revenues.

In 1997, carriers were required to include inside wiring maintenance revenue as part of local exchange revenue. In 1998, carriers were instructed to report this revenue as non-telecommunications. The local exchange service revenue data in Table 2 would show a greater increase from 1997 to 1998 if the same reporting instructions had been used for each year.

Table 3 provides historic revenues for several classes of carriers. Changes in reporting are relatively unimportant for toll carriers and for local service competitors. As explained above, however, the 1996 data contains about \$10.5 billion of non-telecommunications revenues, almost all of which were reported by incumbent LECs and wireless carriers. The local exchange service revenue data in Table 3 would show a greater increase from 1997 to 1998 if the same reporting instructions for inside-wiring maintenance revenue had been used for each year.

Table 4 provides an overview of the local, mobile, and toll service revenues for selected groups of carriers.

Table 5 provides a detailed breakout for each of the Universal Service Worksheet categories used to report service provided to other carriers for resale. Table 6 provides a detailed breakout for each of the universal service categories used to report service provided to end users and also non-telecommunications service. Table 7 combines universal service worksheet data with TRS worksheet data to develop total industry revenue data. Table 8 provides universal service and TRS revenue detail by class of filers.

The revenue categories presented in Table 5 and Table 6 and summarized in Table 7 and Table 8 are contained in the Form 457 filing instructions (<http://www.fcc.gov/formpage.html>). The revenue categories in the March 1999 worksheet are slightly different from the revenue categories used in March 1998. Inside-wiring maintenance revenues are now reported as non-telecommunications revenue rather than as local service revenue. A specific line is included for surcharges levied on end users and identified as recovering carrier universal service contributions. Local exchange carriers were instructed to report presubscribed interstate carrier charge (PICC) revenue with their subscriber line charge revenue.

Table 9 estimates that end users were billed 14 cents for each minute of interstate and international toll calling made during 1998. The table also estimates that the average price was 11 cents for each domestic interstate minute. These estimates and year-over-year changes in these estimates should be treated with great caution for a number of reasons. The largest uncertainty in estimating billed revenue per minute stems from the use of terminating access minutes as a measure of billed conversation minutes. Subscriber toll-free calls that terminate on dedicated access lines and some other classes of calls generate access minutes that are billed as terminating minutes only. This is why terminating minutes represents the closest approximation of conversation minutes. Some calls, however, generate originating access minutes only or bypass incumbent LECs on both ends and, as a result, do not generate any access minutes. Some subscriber toll-free calls, on the other hand, do not terminate on dedicated access lines and therefore may generate two terminating access minutes per conversation minute. Also, some Internet Protocol (IP) telephony service providers are able to terminate calls on incumbent LEC networks without paying traditional interstate access charges.

One reason that some conversation minutes do not result in incumbent LEC access minutes is that an increasing share of toll minutes are terminated by competitive local exchange carriers. These carriers do not report access minutes. Table 9 conservatively estimates these minutes based on competing local carrier shares of local service revenue.

End-user switched toll revenue data also are problematic. Through 1996, the figures shown are based on TRS gross revenue data. In order to translate reported gross revenue to end user revenue, 80% of revenue reported by toll resellers was netted from the total. A second problem is that in some years, carriers classified substantial amounts of switched service revenue as (non-switched) "Other Toll". While a substantial effort has been devoted to identifying and reclassifying these amounts, the "Other Toll" category shows a \$1.3 billion drop from 1997 to 1998, which suggests that the 1997 figure may still contain significant amounts of misreported switched service revenue.

Starting in 1998, many toll carriers used fixed monthly charges to recover account maintenance, LEC PICC charges and both federal and state universal service contributions. Some toll carriers reported these surcharges as tariffed PICC charges. An attempt was made to identify these amounts and include them in with switched toll revenue. Some carriers bill customers percentage surcharges identified as recovering universal

service contributions. While carriers must separately identify the universal service surcharges on their universal service worksheets, it is not possible to identify a precise amount that is attributable to interstate toll service. The Table 9 adjustments to reflect both PICC and universal service costs and end-user charges should be taken as approximate.

The international traffic data used in Table 9 have some problems. International settlement minutes are reported based on the billing status of calls rather than where the calls actually originate. Thus, some U.S. billed calls actually originate in foreign points and vice versa. Since most U.S. billed calls generate originating but not terminating access minutes, these minutes are added to the reported totals. Similarly, foreign billed minutes are removed from the total. Also, assumptions must be made to estimate end-user revenue for international calls. Country direct calls, which are calls placed from overseas through a U.S. carrier, are reported as U.S. billed calls but generally originate overseas and terminate in the United States. Carriers began filing separate data for these calls in 1995. Prior year amounts must be estimated. International-to-international calls are included with billed revenue but generally are not associated with U.S. conversation minutes. The amounts of international-to-international revenue are estimated for 1996 and earlier. An increasing amount of international traffic is being carried on resold private lines and via other new arrangements. It seems likely that much of this traffic is not being properly reported in traffic data reports. Finally, the international revenue and minutes data shown for 1998 are based on preliminary data. Carriers will file corrected international traffic data on October 31, 1999.

Table 10 presents information on access and universal service costs as a component of toll pricing. The table uses the same minutes information as Table 9 and therefore has the attendant uncertainties. This year, the analysis has been revised to account for net international settlement payouts. While settlement data are relatively good, the totals include settlements associated with international-to-international traffic. The analysis does not account for special access payments from toll carriers to local exchange carriers. In some cases toll carriers recover the cost of these services through charges that are reported as switched toll revenue and are therefore reflected in the per minute revenue per minute estimates. Overall, the table shows that from 1992 through 1998 interstate toll rates fell about a penny per minute more than did the access and universal services costs per minute. Net of access, universal service and net international settlement payouts, international rates fell by about 30 cents per minute over the same period.

The universal service and TRS rules prohibit the fund administrators from releasing information contained in the worksheets. Worksheet revenue data for individual carriers are not available to the public.

Table 1: Total Telecommunications Industry Revenue: 1998
(Amounts Shown in Millions)

	Universal Service Worksheet Data			TRS Worksheet Data ***	Total
	Carrier's Carrier Revenue *	End-User Revenue Excluding Int'l-to-Int'l *	International - to - International Revenue **		
Local Service	\$29,207	\$74,761	\$0	\$595	\$104,563
Wireless Service	3,045	33,537	4	189	36,775
Toll Service	13,252	89,154	1,116	1,532	105,055
Service Reported as Intrastate	18,788	122,538		783	142,108
Interstate	26,715	74,914	1,121	1,535	104,284
Total	\$45,503	\$197,452	\$1,121	\$2,317	\$246,392

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

- * Carrier's carrier revenue is reported on universal service worksheets as sales to other universal service contributors for resale. This includes, for example, access services that local exchange carriers provide to toll carriers. Sales to *de minimis* carriers, customers, governments, non-profits and any other non-contributors are treated as end-user revenue. Filers contribute to the universal service funding mechanisms based on their end-user revenues.
- ** Revenue from calls that both originate and terminate in foreign points is reported as end-user revenue, but is not included in the universal service contribution bases.
- *** Many carriers were exempted from universal service filing requirements because their potential contributions to the universal service support mechanisms were expected to be *de minimis* - that is, their contribution for the year was expected to be less than \$10,000. 1998 revenues for these carriers was estimated based on 1997 revenue information that they filed in 1998 TRS worksheets.

Table 2: Telecommunications Industry Revenue by Service
(Amounts shown in millions)

	TRS Data					Universal Service & TRS Data	
	1992	1993	1994	1995	1996	1997	1998
Local Exchange Pay Telephone *	\$39,235	\$40,176	\$42,245	\$45,194	\$48,717	\$53,771	\$59,245
Local Private Line **	1,049	1,088	1,138	1,226	1,616	2,182	2,536
Other Local ***	7,687	8,002	8,302	10,428	10,543	8,282	10,403
Subscriber Line Charges **						2,847	2,179
Access **	29,353	30,832	32,759	33,911	35,641	8,327	11,052
Universal Service Surcharges on Local Service Bills ****						21,423	18,449
Additional Revenue From TRS Worksheets							103
						595	595
Total Local Service	77,324	80,098	84,443	90,759	96,516	97,426	104,563
Wireless Service	7,285	10,237	14,293	18,759	26,049	32,760	36,240
Universal Service Surcharges on Local Service Bills ****							345
Additional Revenue from TRS Worksheets						189	189
Total Wireless Service	7,285	10,237	14,293	18,759	26,049	32,950	36,775
Operator *	9,465	10,772	10,539	11,170	10,975	12,002	12,205
Non-Operator Switched Toll	54,448	60,591	61,468	65,217	73,751	72,059	74,168
Long Distance Private Line	7,783	8,067	9,043	9,719	10,665	10,504	11,952
Other Long Distance	4,048	3,095	3,428	3,523	4,299	4,695	3,386
Universal Service Surcharges on Toll Service Bills ****							1,810
Additional Revenue from TRS Worksheets						1,532	1,532
Total Toll Service	75,744	82,525	84,478	89,629	99,691	100,793	105,055
Non-Telecommunications Formerly Reported as Other Local and Wireless ***	(6,944)	(7,518)	(8,324)	(9,071)	(10,474)		
Total Telecommunications ***	153,409	165,342	174,890	190,076	211,782	231,168	246,392
Non-Telecommunications ***						25,633	27,944
Total Reported Revenue	\$160,353	\$172,860	\$183,214	\$199,147	\$222,256	\$256,801	\$272,019
Service Reported as:							
Intrastate	89,323	96,927	102,603	112,923	127,849	133,654	142,108
Interstate	71,030	75,933	80,611	86,224	94,407	97,514	104,284

Note: Some data for prior years have been revised. Detail may not add to totals due to rounding.

* TRS filers generally reported pay telephone revenue as local service revenue, access revenue or operator toll revenue. The Universal Service Worksheet contains a separate category for pay telephone revenue.

**

TRS Worksheet filers generally reported special access revenue as access revenue. Reporting changes implemented with the Universal Service Worksheet explain the increase in local private line revenue and the fall in access revenue shown for 1997. TRS Worksheet filers included subscriber line charges with other access charges. Universal Service Worksheet filers report subscriber line charges in a separate category. The increase from 1997 to 1998 represents PICC charges levied by ILECs as well as \$1.2 billion of PICC pass-through charges levied by toll carriers.

*** Significant amounts of enhanced service, billing and collection, CPE and other non-telecommunications revenues were reported in the TRS mobile and other local service categories through 1996. Universal Service Worksheet filers report these revenues in the non-telecommunications category. For prior years, the amounts of non-telecommunications revenue reported as mobile and other local revenue were estimated as 70% of the amounts that Tier 1 LECs reported in ARMIS as miscellaneous and nonregulated revenues (currently Account 5200 + Account 5280) and 10% of amounts reported as mobile service revenue.

**** Charges on end-user bills identified as recovering state or federal universal service contributions are reported separately from local, wireless and toll revenue. Reported amounts are apportioned between local, wireless and toll service based on the proportions of local, wireless and toll intrastate and interstate revenue by types of carrier.

Table 3: Telecommunications Revenue Reported by Type of Carrier
(Amounts Shown in Millions)

Service Provider Category *	TRS Worksheet Categories					Universal Service & TRS Data	
	1992	1993	1994	1995	1996	1997	1998
Incumbent Local Exchange Carriers **	\$91,584	\$95,228	\$98,431	\$102,820	\$107,905	\$105,154	\$108,234
Pay Telephone Providers	183	175	300	349	357	933	1,101
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)	69	191	281	623	1,011	1,919	3,348
Local Resellers						206	410
Other Local Exchange Carriers						157	36
Private Carriers						112	147
Shared Tenant Service Providers						87	93
Competitors of ILECs	69	191	281	623	1,011	2,481	4,034
Local Service Providers	91,835	95,595	99,011	103,792	109,273	108,568	113,369
Wireless Telephony -- Cellular Service Carriers & Personal Communications Service (PCS) and Specialized Mobile Radio (SMR) Telephone**	6,718	9,215	13,259	17,208	23,778	29,944	33,139
Paging Service Providers **						2,861	3,161
SMR Dispatch and Other Mobile Service Providers	670	964	938	1,419	2,121	225	731
Wireless Service Providers	7,387	10,179	14,197	18,627	25,900	33,030	37,032
Interexchange Carriers (IXCs)	57,341	61,118	66,381	70,938	79,057	79,080	83,443
Operator Service Providers (OSPs)	558	695	536	500	461	603	590
Prepaid Calling Card Providers				16	238	519	888
Satellite Service Carriers						1,011	475
Toll Resellers	1,293	1,869	2,840	4,220	6,564	8,010	9,885
Other Toll Carriers	2,186	711	709	773	577	348	710
Toll Service Providers	61,378	64,393	70,466	76,447	86,896	89,570	95,992
Non-Telecommunications Revenue in Prior Year Data **	(6,944)	(7,518)	(8,324)	(9,071)	(10,474)		
Other Adjustments ***	(248)	2,693	(461)	280	187	0	0
Total Telecommunications Revenue	\$153,409	\$165,342	\$174,890	\$190,076	\$211,782	\$231,168	\$246,392

* Filers are asked to select for themselves a service provider category that best describes their operations. The choices have changed over the years. For example, most satellite service providers identified themselves as other toll carriers in their 1997 TRS worksheets because there was no separate category for satellite service providers.

** Significant amounts of enhanced service, billing and collection, CPE and other non-telecommunications revenues were reported on TRS worksheets by incumbent local exchange carriers (ILECs) and wireless carriers through 1996. Universal Service Worksheet filers report these revenues in the non-telecommunications category. For prior years, the amounts of non-telecommunications revenue reported as mobile and other local revenue were estimated as 70% of the amounts that Tier 1 ILECs reported in ARMIS as miscellaneous and nonregulated revenues (currently Account 5200 + Account 5280) and 10% of amounts reported as mobile service revenue.

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

**Table 4: Local, Mobile and Toll Service Revenue Reported by
Types of Service Provider for 1998***
(Amounts Shown in Millions)

1998	Type of Service			
	Local	Mobile	Toll	All Service
Incumbent Local Exchange Carriers	\$98,376	\$429	\$9,429	\$108,234
Pay Telephone Providers	894	0	207	1,101
All Other Local Service Providers	<u>2,766</u>	<u>38</u>	<u>1,230</u>	<u>4,034</u>
Local Service Providers	102,036	468	10,865	113,369
Wireless Telephone Carriers	78	31,716	1,346	33,139
All Other Wireless Service Providers	<u>3</u>	<u>3,783</u>	<u>106</u>	<u>3,892</u>
Wireless Service Providers	81	35,499	1,452	37,032
Interexchange Carriers	1,991	304	81,148	83,443
Toll Resellers	364	386	9,135	9,885
All Other Toll Service Providers	<u>91</u>	<u>117</u>	<u>2,454</u>	<u>2,663</u>
Toll Service Providers	2,446	808	92,738	95,992
Total Industry	\$104,563	\$36,775	\$105,055	\$246,392

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

* Source: Telecommunications revenue data filed on Universal Service and TRS worksheets.

Telecommunications Service Providers that Filed a Universal Service Worksheet FCC 457 Line #	Table 5 1998 Revenue for Services Provided to Other Carriers for Resale Reported by Carriers that Contribute to Universal Service Support Mechanisms ** (Amounts Shown in Millions)												
	Sales by RBOCS and Other Incumbent LECs			Sales by CLECs and Other Primarily Local Competitors			Sales by Payphone Providers			Sales by Local Service Providers			
	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total	
Fixed local service:													
Monthly service, local calling, connection charges, vertical features, and other local exchange service:													
22 a	Provided as unbundled network elements	\$58.0		\$58.0	\$72.0		\$72.0			\$130.0		\$130.0	
22 b	Provided under tariffs or arrangements other than unbundled network elements	1,099.0	1,316.4	2,415.4	50.4	23.2	73.6			1,149.4	1,339.6	2,489.0	
Per-minute charges for originating or terminating calls													
23 a	Provided as unbundled network elements or other contract arrangement	174.8		174.8	249.6		249.6	*	*	424.4		424.4	
23 b	Provided under state or federal access tariff	8,358.8	9,348.2	17,707.0	70.6	43.6	114.2			8,429.4	9,391.7	17,821.2	
Total per-minute access charges													
		8,533.6	9,348.2	17,881.8	320.2	43.6	363.8	*	*	8,853.9	9,391.7	18,245.6	
24	Local private line & special access	717.4	4,369.8	5,087.2	426.8	288.5	715.3	0.5	0.3	0.8	1,144.8	4,658.6	5,803.3
25	Pay telephone compensation from toll carriers	120.2	154.9	275.0	4.5	5.0	9.5	77.3	60.0	137.2	201.9	219.8	421.8
26	Other local telecommunications service revenues	253.2	48.1	301.3	90.3	22.2	112.5				343.5	70.3	413.8
27	Universal service support receipts	377.6	1,016.7	1,394.3	1.7	3.1	4.7				379.3	1,019.7	1,399.0
Total fixed local service provided for resale		11,159.1	16,254.0	27,413.0	965.9	385.5	1,351.4	77.8	60.3	138.1	12,202.7	16,699.8	28,902.5
Mobile service:													
28	Wireless telephony, paging & messaging, and other mobile service monthly, activation, and message charges except toll	186.2	0.3	186.5	0.9		0.9				187.1	0.3	187.4
Total mobile service provided for resale		186.2	0.3	186.5	0.9		0.9				187.1	0.3	187.4
Toll service:													
29	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.)	9.0	11.1	20.1	0.2	*	0.2	9.2	8.6	17.7	18.4	19.7	38.0
30	Other switched toll service (includes MTS, 800/888 service, etc.)	225.9	9.5	235.5	19.1	84.8	104.0				245.1	94.4	339.5
31	Long distance private line services	25.4	11.2	36.6	27.9	22.3	50.2				53.2	33.6	86.8
32	Satellite services	0.1		0.1		2.2	2.2				0.1	2.2	2.3
33	All other long distance services	55.4	4.6	60.0		23.9	23.9				55.4	28.4	83.9
Total toll service provided for resale		315.8	36.4	352.2	47.2	133.3	180.5	9.2	8.6	17.7	372.2	178.3	550.5
Total service provided for resale (carrier's carrier)		11,661.1	16,290.7	27,951.8	1,014.0	518.8	1,532.8	86.9	68.8	155.8	12,762.1	16,878.4	29,640.4

Note: Figures may not add to totals due to rounding. * Denotes figures greater than \$0 but less than \$50,000.

** Carriers file universal service worksheets if their contribution to universal service support mechanisms, based on the amount of end-user revenue that they provide, would exceed \$10,000. Carriers do not contribute based on revenues from services provided for resale. Many carriers do not have sufficient end-user revenues to meet this threshold and are classified as *de minimis*. Services provided to *de minimis* or other non-reporting carriers, however, must be classified as end-user revenues even if the services will be resold.

Telecommunications Service Providers that Filed a Universal Service Worksheet	Table 5 (Continued)												
	1998 Revenue for Services Provided to Other Carriers for Resale Reported by Carriers that Contribute to Universal Service Support Mechanisms ** (Amounts Shown in Millions)												
	Sales by Cellular, PCS and Other Wireless Telephony Providers			Sales by Other Wireless Service Providers			Sales by Toll Service Providers			Sales by All Reporting Companies			
FCC 457 Line #	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total	
Fixed local service:													
	Monthly service, local calling, connection charges, vertical features, and other local exchange service:												
22 a	Provided as unbundled network elements	\$0.3		\$0.3			\$14.0		\$14.0	\$144.3		\$144.3	
22 b	Provided under tariffs or arrangements other than unbundled network elements	1.2	0.5	1.7			2.7	0.1	2.9	1,153.4	1,340.2	2,493.6	
	Per-minute charges for originating or terminating calls												
23 a	Provided as unbundled network elements or other contract arrangement	18.3		18.3			70.1		70.1	512.8		512.8	
23 b	Provided under state or federal access tariff	7.6	0.1	7.7	0.1	0.1	58.0	49.2	107.2	8,495.1	9,441.1	17,936.2	
	Total per-minute access charges	25.9	0.1	26.0	0.1	0.1	128.1	49.2	177.3	9,007.9	9,441.1	18,449.0	
24	Local private line & special access	2.1	*	2.1			10.9	38.4	49.3	1,157.7	4,697.0	5,854.8	
25	Pay telephone compensation from toll carriers	0.6	0.6	1.2			1.7	1.3	3.0	204.2	221.7	425.9	
26	Other local telecommunications service revenues	3.9		3.9			4.2	10.9	15.2	351.6	81.2	432.8	
27	Universal service support receipts						5.9	1.2	7.1	385.1	1,020.9	1,406.1	
	Total fixed local service provided for resale	33.9	1.2	35.1	0.1	0.1	167.5	101.2	268.7	12,404.2	16,802.2	29,206.5	
Mobile service:													
28	Wireless telephony, paging & messaging, and other mobile service monthly, activation, and message charges except toll	2,177.7	85.8	2,263.5	482.7	81.7	564.4	29.4	*	29.4	2,876.8	167.8	3,044.6
	Total mobile service provided for resale	2,177.7	85.8	2,263.5	482.7	81.7	564.4	29.4	*	29.4	2,876.8	167.8	3,044.6
Toll service:													
29	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.)	27.2	*	27.2	0.1	*	0.2	89.9	215.2	305.1	135.6	234.9	370.5
30	Other switched toll service (includes MTS, 800/888 service, etc.)	111.4	182.2	293.5	17.1	4.2	21.3	2,031.7	6,374.3	8,406.0	2,405.3	6,655.1	9,060.3
31	Long distance private line services	0.8	0.4	1.2			537.6	1,355.9	1,893.5	591.7	1,389.8	1,981.5	
32	Satellite services						10.7	28.9	39.5	10.8	31.1	41.9	
33	All other long distance services	19.2	7.1	26.3			288.6	1,398.7	1,687.3	363.2	1,434.3	1,797.5	
	Total toll service provided for resale	158.6	189.6	348.2	17.2	4.2	21.5	2,958.5	9,373.0	12,331.5	3,506.5	9,745.2	13,251.6
	Total service provided for resale (carrier's carrier)	2,370.2	276.6	2,646.8	500.0	86.0	586.0	3,155.3	9,474.3	12,629.5	18,787.5	26,715.2	45,502.7

Note: Figures may not add to totals due to rounding. * Denotes figures greater than \$0 but less than \$50,000.

** Carriers file universal service worksheets if their contribution to universal service support mechanisms, based on the amount of end-user revenue that they provide, would exceed \$10,000. Carriers do not contribute based on revenues from services provided for resale. Many carriers do not have sufficient end-user revenues to meet this threshold and are classified as *de minimis*. Services provided to *de minimis* or other non-reporting carriers, however, must be classified as end-user revenues even if the services will be resold.

FCC 457 Line #	Table 6 1998 Revenue for Services Provided to end-users Reported by Carriers that Contribute to Universal Service Support Mechanisms ** (Amounts Shown in Millions)												
	Sales by RBOCS and Other Incumbent LECs			Sales by CLECs and Other Primarily Local Competitors			Sales by Payphone Providers			Sales by Local Service Providers			
	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total	
Fixed local service:													
34	Monthly service, local calling, connection charges, vertical features, and other local exchange service charges except for tariffed subscriber line charges	\$53,480.2	\$150.2	\$53,630.5	\$697.3	\$85.7	\$783.1	*	*	*	\$54,177.6	\$236.0	\$54,413.6
35	Tariffed subscriber line charges	253.3	9,525.6	9,779.0	1.7	68.2	69.9				255.0	9,593.8	9,848.8
	Local exchange service (line 34 + line 35)	53,733.6	9,675.8	63,409.4	699.0	153.9	852.9	*	*	*	54,432.6	9,829.7	64,262.4
36	Local private line and special access service	2,393.1	1,715.4	4,108.5	215.4	151.8	367.2				2,608.5	1,867.2	4,475.7
37	Pay telephone coin revenues	1,309.6	1.2	1,310.8	32.7	2.7	35.4	673.1	76.8	749.9	2,015.4	80.7	2,096.1
38	Other local telecommunications service revenues	1,510.3	85.5	1,595.7	79.8	22.5	102.3	1.3	0.1	1.3	1,591.3	108.0	1,699.4
	Total fixed local service	58,946.6	11,477.8	70,424.4	1,026.9	331.0	1,357.9	674.4	76.8	751.2	60,647.9	11,885.6	72,533.5
Mobile service:													
39	Monthly and activation charges	130.6	0.5	131.1	23.9	0.8	24.7				154.5	1.3	155.8
40	Message charges including roaming but excluding toll charges	110.7	0.2	110.9	10.1	2.2	12.4				120.8	2.5	123.3
	Total Mobile Service	241.2	0.8	242.0	34.1	3.0	37.1				275.3	3.8	279.1
Toll service:													
41	Pre paid calling card (including card sales to customers and to retail establishments)	17.0	0.1	17.1	0.1	0.7	0.9	*	*	*	17.2	0.8	18.0
42	International calls that both originate and terminate in foreign points		*	*		0.2	0.2					0.2	0.2
43	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.) other than revenue reported on line 42	335.3	11.0	346.4	5.1	33.8	39.0	124.8	8.2	132.9	465.2	53.0	518.3
44	Other switched toll service (includes MTS, 800/888 service, etc.)	6,921.8	307.5	7,229.3	218.3	665.6	883.9				7,140.1	973.1	8,113.2
45	Long distance private line services	1,341.1	1.7	1,342.8	23.7	44.0	67.7				1,364.8	45.7	1,410.5
46	Satellite services	0.1		0.1		26.4	26.4				0.1	26.4	26.4
47	All other long distance services	102.0	6.4	108.4	16.6	7.7	24.3				118.6	14.1	132.7
	Total toll service (excluding Line 42 calls that both originate and terminate in foreign points)	8,717.3	326.8	9,044.1	263.8	778.2	1,042.1	124.8	8.2	133.0	9,105.9	1,113.2	10,219.1
48	Charges on end-user bills identified as recovering state or federal universal service contributions	50.9	0.3	51.3	5.3	9.0	14.3		0.1	0.1	56.2	9.5	65.7
49	Total end-user revenue (excluding Line 42)	67,956.0	11,805.8	79,761.8	1,330.1	1,121.2	2,451.3	799.2	85.1	884.3	70,085.3	13,012.1	83,097.4
	Total service provided for resale	11,661.1	16,290.7	27,951.8	1,014.0	518.8	1,532.8	86.9	68.8	155.8	12,762.1	16,878.4	29,640.4
	<u>Total end-user revenue (including Line 42)</u>	<u>67,956.0</u>	<u>11,805.8</u>	<u>79,761.8</u>	<u>1,330.1</u>	<u>1,121.5</u>	<u>2,451.6</u>	<u>799.2</u>	<u>85.1</u>	<u>884.3</u>	<u>70,085.3</u>	<u>13,012.3</u>	<u>83,097.6</u>
	Total telecommunications revenue	79,617.1	28,096.5	107,713.6	2,344.1	1,640.3	3,984.4	886.1	154.0	1,040.1	82,847.3	29,890.7	112,738.0
50	Enhanced services, billing and collection, customer premises equipment, inside wiring services, published directory and non-telecommunications service revenue			10,609.4			517.7			51.4			11,178.5
51	Gross billed revenue from all sources			118,322.9			4,502.1			1,091.5			123,916.6

See notes with Table 5.

Telecommunications Service Providers that Filed a Universal Service Worksheet		Table 6 (Continued)											
		1998 Revenue for Services Provided to end-users Reported by Carriers that Contribute to Universal Service Support Mechanisms ** (Amounts Shown in Millions)											
		Sales by Cellular, PCS and Other Wireless Telephony Providers			Sales by Other Wireless Service Providers			Sales by Toll Service Providers			Sales by All Reporting Companies		
FCC 457 Line #	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total	
Fixed local service:													
34	Monthly service, local calling, connection charges, vertical features, and other local exchange service charges except for tariffed subscriber line charges	\$31.3	\$2.0	\$33.3	\$0.1		\$0.1	\$679.3	\$74.9	\$754.2	\$54,888.4	\$312.8	\$55,201.2
35	Tariffed subscriber line charges	0.1	0.2	0.2		*	*	26.6	1,176.6	1,203.2	281.7	10,770.6	11,052.3
	Local exchange service (line 34 + line 35)	31.3	2.2	33.5	0.1	*	0.2	705.9	1,251.5	1,957.4	55,170.0	11,083.5	66,253.5
36	Local private line and special access service	1.6	0.1	1.6	*	*	*	50.6	20.3	70.9	2,660.6	1,887.6	4,548.2
37	Pay telephone coin revenues	*	*	*				8.4	5.4	13.8	2,023.8	86.1	2,109.9
38	Other local telecommunications service revenues	0.6	*	0.6	1.5	0.2	1.7	24.7	20.2	44.8	1,618.1	128.4	1,746.5
	Total fixed local service	33.5	2.2	35.7	1.6	0.2	1.9	789.6	1,297.4	2,087.0	61,472.6	13,185.5	74,658.1
Mobile service:													
39	Monthly and activation charges	12,899.2	1,161.6	14,060.8	2,168.5	286.8	2,455.3	401.0	3.0	404.0	15,623.2	1,452.8	17,076.0
40	Message charges including roaming but excluding toll charges	13,288.8	1,690.1	14,978.9	463.7	197.2	660.9	281.4	74.9	356.3	14,154.7	1,964.7	16,119.4
	Total Mobile Service	26,188.0	2,851.7	29,039.7	2,632.2	484.1	3,116.3	682.4	77.9	760.3	29,777.9	3,417.4	33,195.3
Toll service:													
41	Pre paid calling card (including card sales to customers and to retail establishments)	10.5	0.9	11.5	*	0.1	0.2	282.0	962.9	1,244.9	309.7	964.8	1,274.5
42	International calls that both originate and terminate in foreign points		1.6	1.6		2.5	2.5		1,116.1	1,116.1		1,120.5	1,120.5
43	Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.) other than revenue reported on line 42	6.7	1.7	8.4	0.2	4.9	5.0	2,960.9	5,947.0	8,907.9	3,433.0	6,006.6	9,439.6
44	Other switched toll service (includes MTS, 800/888 service, etc.)	510.3	365.8	876.1	35.2	16.0	51.2	15,334.2	40,733.1	56,067.3	23,019.8	42,088.0	65,107.8
45	Long distance private line services	5.4	7.9	13.3				1,634.8	6,912.3	8,547.0	3,004.9	6,965.9	9,970.9
46	Satellite services					1.3	1.3	9.2	119.7	128.8	9.3	147.4	156.6
47	All other long distance services	42.5	31.9	74.4	0.1	*	0.2	401.9	781.1	1,183.0	563.1	827.2	1,390.3
	Total toll service (excluding Line 42 calls that both originate and terminate in foreign points)	575.5	408.2	983.7	35.5	22.4	57.9	20,623.0	55,456.0	76,079.0	30,339.9	56,999.8	87,339.6
48	Charges on end-user bills identified as recovering state or federal universal service contributions	226.2	65.0	291.3	27.4	19.3	46.7	637.7	1,217.1	1,854.8	947.6	1,311.0	2,258.5
49	Total end-user revenue (excluding Line 42)	27,023.2	3,327.1	30,350.3	2,696.7	526.0	3,222.8	22,732.7	58,048.4	80,781.1	122,538.0	74,913.6	197,451.6
	Total service provided for resale	2,370.2	276.6	2,646.8	500.0	86.0	586.0	3,155.3	9,474.3	12,629.5	18,787.5	26,715.2	45,502.7
	<u>Total end-user revenue (including Line 42)</u>	<u>27,023.2</u>	<u>3,328.8</u>	<u>30,352.0</u>	<u>2,696.7</u>	<u>528.6</u>	<u>3,225.3</u>	<u>22,732.7</u>	<u>59,164.5</u>	<u>81,897.2</u>	<u>122,538.0</u>	<u>76,034.1</u>	<u>198,572.1</u>
	Total telecommunications revenue	29,393.4	3,605.4	32,998.8	3,196.7	614.5	3,811.3	25,888.0	68,638.7	94,526.7	141,325.4	102,749.4	244,074.8
50	Enhanced services, billing and collection, customer premises equipment, inside wiring services, published directory and non-telecommunications service revenue			4,243.7			1,457.1			11,064.7			27,944.0
51	Gross billed revenue from all sources			37,242.5			5,268.4			105,591.4			272,018.8

See notes with Table 5.

FCC 457 Line #	Table 7 1998 Telecommunications Revenues: All Carriers (Amounts Shown in Millions)											
	Sales by RBOCS and Other Incumbent LECs			Sales by CLECs and Other Primarily Local Competitors			Sales by Payphone Providers			Sales by Local Service Providers		
	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total
Universal Service Worksheet Data: *												
Per-minute access	\$8,533.6	\$9,348.2	\$17,881.8	\$320.2	\$43.6	\$363.8	*		*	\$8,853.8	\$9,391.8	\$18,245.6
Other local service revenue	61,616.2	18,384.0	80,000.9	1,676.7	675.6	2,353.5	752.2	137.2	889.4	64,045.1	19,196.8	83,243.8
Local service revenue	70,149.8	27,732.1	97,882.7	1,996.9	719.2	2,717.3	752.2	137.2	889.4	72,898.9	28,588.5	101,489.4
Mobile service revenue	427.6	1.1	428.7	35.1	3.0	38.2				462.7	4.1	466.9
Toll service revenue	9,039.6	363.2	9,402.1	312.1	918.1	1,228.9	133.9	16.7	150.7	9,485.6	1,298.0	10,781.7
Total telecommunications revenue included on universal service worksheets	79,617.1	28,096.5	107,713.6	2,344.1	1,640.3	3,984.4	886.1	154.0	1,040.1	82,847.3	29,890.8	112,738.1
TRS Worksheet Data (estimated): *												
<i>Revenues reported by service providers that filed TRS worksheets but not universal service worksheets:</i>												
Per-minute access			349.8			16.0			0.0			365.8
Other local service revenue			143.5			33.2			4.1			180.8
Local service revenue			493.3			49.2			4.1			546.6
Mobile service revenue			0.5			0.0			0.3			0.8
Toll service revenue			26.6			0.8			56.3			83.7
Total telecommunications revenue not included on universal service worksheets			520.4			50.0			60.6			631.0
Universal Service and TRS Worksheet Data Combined: *												
Per-minute access			18,231.6			379.8			0.0			18,611.4
Other local service revenue			80,144.4			2,386.7			893.5			83,424.6
Local service revenue			98,376.0			2,766.5			893.5			102,036.0
Mobile service revenue			429.2			38.2			0.3			467.7
Toll service revenue			9,428.7			1,229.7			207.0			10,865.4
Total telecommunications revenue			108,234.0			4,034.4			1,100.7			113,369.1
Percentage of revenue by line of business												
Per-minute access			16.8%			9.4%			0.0%			16.4%
Other local service revenue			74.0%			59.2%			81.2%			73.6%
Local service revenue			90.9%			68.6%			81.2%			90.0%
Mobile service revenue			0.4%			0.9%			0.0%			0.4%
Toll service revenue			8.7%			30.5%			18.8%			9.6%

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

* Carriers file universal service worksheets if their contribution to universal service support mechanisms, based on the amount of end-user revenue that they provide, would exceed \$10,000. Thus, about half of all carriers do not file universal service worksheets. These exempt carriers, however, do file TRS worksheets. The combined data best represents the entire industry. The TRS Worksheet data was estimated using 1998 TRS filings containing calendar 1997 revenue data.

FCC 457 Line #	Table 7 (Continued) 1998 Telecommunications Revenues: All Carriers (Amounts Shown in Millions)											
	Sales by Cellular, PCS and Other Wireless Telephony Providers			Sales by Other Wireless Service Providers			Sales by Toll Service Providers			Sales by All Reporting Companies		
	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total
Universal Service Worksheet Data: *												
Per-minute access	\$25.9	\$0.1	\$26.0	\$0.1	0.1	\$0.2	\$128.1	\$49.2	\$177.3	\$9,007.9	\$9,441.2	\$18,449.1
Other local service revenue	41.9	3	45.2	1.7	0.2	1.9	851.8	1,377.2	2,227.4	64,940.5	20,577.6	85,518.3
Local service revenue	67.7	4	71.2	1.8	0.3	2.0	979.8	1,426.4	2,404.7	73,948.2	30,018.7	103,967.3
Mobile service revenue	28,586.7	2,994	31,584.5	3,141.9	584.2	3,726.5	731.5	79.5	807.5	32,922.8	3,662.1	36,585.4
Toll service revenue	738.9	608	1,343.1	53.1	30	82.8	24,176.7	67,132.8	91,314.5	34,454.3	69,068.4	103,522.1
Total telecommunications revenue included on universal service worksheets	29,393.4	3,605	32,998.8	3,196.7	614.5	3,811.3	25,888.0	68,638.7	94,526.7	141,325.4	102,749.4	244,074.9
TRS Worksheet Data (estimated): *												
<i>Revenues reported by service providers that filed TRS worksheets but not universal service worksheets:</i>												
Per-minute access			0.0			0.0			21.1			386.9
Other local service revenue			6.3			0.9			20.5			208.5
Local service revenue			6.3			0.9			41.7			595.4
Mobile service revenue			131.6			57.0			0.0			189.4
Toll service revenue			2.6			23.1			1,423.1			1,532.4
Total telecommunications revenue not included on universal service worksheets			140.4			81.0			1,464.8			2,317.2
Universal Service and TRS Worksheet Data Combined: *												
Per-minute access			26.0			0.2			198.4			18,836.0
Other local service revenue			51.5			2.8			2,247.9			85,726.8
Local service revenue			77.5			2.9			2,446.4			104,562.7
Mobile service revenue			31,716.1			3,783.5			807.5			36,774.8
Toll service revenue			1,345.7			105.9			92,737.6			105,054.5
Total telecommunications revenue			33,139.2			3,892.3			95,991.5			246,392.1
Percentage of revenue by line of business												
Per-minute access			0.1%			0.0%			0.2%			7.6%
Other local service revenue			0.2%			0.1%			2.3%			34.8%
Local service revenue			0.2%			0.1%			2.5%			42.4%
Mobile service revenue			95.7%			97.2%			0.8%			14.9%
Toll service revenue			4.1%			2.7%			96.6%			42.6%

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

* Carriers file universal service worksheets if their contribution to universal service support mechanisms, based on the amount of end-user revenue that they provide, would exceed \$10,000. Thus, about half of all carriers do not file universal service worksheets. These exempt carriers, however, do file TRS worksheets. The combined data best represents the entire industry. The TRS Worksheet data was estimated using 1998 TRS filings containing calendar 1997 revenue data.

Revenue for Telecommunications Service Providers that Filed a Universal Service Worksheet or a TRS Worksheet	Table 8: Revenue by Type of Filer for 1998 (Amounts Shown in Millions)												
	Data Filed on Universal Service Worksheets												
	Carrier's Carrier Revenue				End-user Revenue **						Total Telcom.**	Other Revenue	Gross Revenue
	Local	Mobile	Toll	Total	Local	Mobile	Toll	Intrastate	Interstate	Total			
Service Provider Category	Local	Mobile	Toll	Total	Local	Mobile	Toll	Intrastate	Interstate	Total	Total Telcom.**	Other Revenue	Gross Revenue
Regional Bell Operating Companies	\$17,059.5	\$180.7	\$247.5	\$17,487.7	\$53,867.6	\$122.2	\$6,777.9	\$51,429.5	\$9,338.3	\$60,767.7	\$78,255.5	\$6,708.8	\$84,964.3
Other Incumbent Local Exchange Carriers (ILECs)	10,353.5	5.8	104.7	10,464.1	16,602.2	120.0	2,271.9	16,526.5	2,467.5	18,994.0	29,458.1	3,900.6	33,358.7
All ILECs	27,413.0	186.5	352.2	27,951.8	70,469.8	242.2	9,049.8	67,956.0	11,805.8	79,761.8	107,713.6	10,609.4	118,322.9
Pay Telephone Service Providers	138.1		17.7	155.8	751.3		133.0	799.2	85.1	884.3	1,040.1	51.4	1,091.5
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)	1,339.8		117.4	1,457.3	1,049.1	4.6	787.8	970.8	870.8	1,841.5	3,299.0	302.9	3,602.0
Local Resellers	5.5		40.9	46.4	220.4	20.1	123.0	234.3	129.2	363.5	410.0	42.0	452.0
Private Carriers	1.0		22.1	23.2	46.8	3.4	73.2	62.8	60.6	123.4	146.5	125.5	272.1
Shared Tenant Services Providers	0.2			0.2	42.9		50.2	48.2	44.9	93.1	93.3	42.7	136.0
Other Local Exchange Carriers	4.9	0.9		5.8	6.4	9.3	14.0	14.0	15.7	29.7	35.5	4.5	40.0
Local Service Providers Other Than ILECs and Pay Telephone Providers	1,351.4	0.9	180.5	1,532.8	1,365.6	37.4	1,048.2	1,330.1	1,121.2	2,451.3	3,984.4	517.7	4,502.1
Local Service Providers	28,902.5	187.4	550.5	29,640.4	72,586.7	279.6	10,231.0	70,085.3	13,012.1	83,097.4	112,738.0	11,178.5	123,916.6
Wireless Telephony Including Cellular, Personal Communications Service (PCS) and SMR - Telephony Carriers	35.1	2,263.5	348.2	2,646.8	36.1	29,321.1	993.2	27,023.2	3,327.1	30,350.3	32,998.8	4,243.7	37,242.5
Paging Services Providers	0.2	441.6	0.2	442.0	1.9	2,625.4	20.3	2,317.7	329.8	2,647.6	3,089.6	1,323.2	4,412.8
SMR Dispatch & Other Mobile Services Providers		122.7	21.3	144.0		536.7	38.5	379.0	196.2	575.2	721.7	133.9	855.6
All Wireless Service Providers	35.3	2,827.8	369.7	3,232.8	38.0	32,483.2	1,052.0	29,720.0	3,853.2	33,573.1	36,810.1	5,700.8	42,510.9
Interexchange Carriers (IXCs)	128.4	0.2	10,427.2	10,555.8	1,861.7	303.8	69,714.2	19,542.2	52,337.6	71,879.7	83,254.4	9,342.9	92,597.3
Operator Service Providers (OSPs)	5.6		21.1	26.8	29.6	116.9	387.0	231.8	301.7	533.5	560.3	114.5	674.9
Prepaid Calling Card Providers	0.3		126.7	127.0	0.2	0.3	737.2	158.2	579.5	737.7	866.6	56.6	923.3
Satellite Service Carriers			19.2	19.2	0.1		116.2	7.9	108.4	116.3	138.1	1,245.1	1,383.1
Toll Resellers	118.7	29.0	1,267.4	1,415.2	223.0	357.1	6,757.2	2,746.3	4,590.9	7,337.3	9,018.5	261.0	9,279.5
Other Toll Carriers	15.6	0.1	470.0	485.7	21.7	*	154.8	46.3	130.3	176.5	688.7	44.5	733.3
All Toll Service Providers	268.7	29.4	12,331.5	12,629.5	2,136.3	778.1	77,866.6	22,732.7	58,048.4	80,781.1	94,526.7	11,064.7	105,591.4
All Interstate Service Providers	\$29,206.5	\$3,044.6	\$13,251.6	\$45,502.7	\$74,761.0	\$33,540.9	\$89,149.6	\$122,538.0	\$74,913.6	\$197,451.6	\$244,074.8	\$27,944.0	\$272,018.8

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

* Denotes figures greater than \$0 but less than \$50,000.

** End-user revenue excludes international-to-international revenue (see line 42, Table 6). International-to-international revenue is included in total telecommunications revenue reported by Universal Service Worksheet filers and in revenue amounts shown for all telecommunications service providers.

Revenue for Telecommunications Service Providers that filed a Universal Service Worksheet or a TRS Worksheet	Table 8: Revenue by Type of Filer for 1998 (Continued) (Amounts Shown in Millions)											
	Data Filed on TRS worksheets [based on 1997 data] by Carriers that Did Not Also File USF Worksheets (Gross Revenue)						All Telecommunications Service Providers **					
	Local	Mobile	Toll	Intrastate	Interstate	Total	Local	Mobile	Toll	Intrastate	Interstate	Total
Regional Bell Operating Companies							\$70,927.1	\$302.9	\$7,025.4	\$57,911.3	\$20,344.2	\$78,255.5
Other Incumbent Local Exchange Carriers (ILECs)	\$493.3	\$0.5	\$26.6	\$304.3	\$216.1	\$520.4	27,449.0	126.3	2,403.2	22,010.1	7,968.4	29,978.5
All ILECs	493.3	0.5	26.6	304.3	216.1	520.4	98,376.1	429.2	9,428.6	79,921.4	28,312.6	108,234.0
Pay Telephone Service Providers	4.1	0.3	56.3	50.5	10.1	60.6	893.5	0.3	207.0	936.6	164.0	1,100.7
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)	48.6		0.8	15.4	34.0	49.4	2,437.5	4.6	906.2	1,971.7	1,376.8	3,348.4
Local Resellers							225.9	20.1	163.9	249.7	160.2	409.9
Private Carriers	*			*		*	47.8	3.4	95.3	73.3	73.3	146.6
Shared Tenant Services Providers							43.1	0.0	50.2	48.4	44.9	93.3
Other Local Exchange Carriers	0.6			0.0	0.6	0.6	11.9	10.2	14.0	16.5	19.6	36.1
Local Service Providers Other Than ILECs and Pay Telephone Providers	49.2	0.0	0.8	5.3	44.7	50.0	2,766.2	38.3	1,229.7	2,349.4	1,684.9	4,034.3
Local Service Providers	546.5	0.8	83.7	370.2	260.8	631.0	102,035.8	467.8	10,865.4	83,217.6	30,151.5	113,369.1
Wireless Telephony including Cellular, Personal Communications Service (PCS) and SMR - Telephony Carriers	6.3	131.6	2.6	126.5	13.9	140.4	77.5	31,716.2	1,345.6	29,519.9	3,619.2	33,139.2
Paging Services Providers	0.4	48.7	22.2	45.2	26.1	71.3	2.5	3,115.7	42.7	2,735.3	425.5	3,160.9
SMR Dispatch & Other Mobile Services Providers	0.5	8.3	0.9**	8.4	1.4	9.8	0.5	667.7	63.2	515.0	216.5	731.5
All Wireless Service Providers	7.2	188.6	25.7	180.0	41.4	221.4	80.5	35,499.6	1,451.6	32,770.2	4,261.4	37,031.7
Interexchange Carriers (IXCs)	0.7	*	187.8	44.4	144.1	188.5	1,990.8	304.0	81,148.1	22,305.4	61,137.5	83,442.9
Operator Service Providers (OSPs)	3.4		26.0	13.9	15.5	29.4	38.6	116.9	434.2	249.1	340.6	589.7
Prepaid Calling Card Providers			21.7	6.5	15.2	21.7	0.5	0.3	887.6	169.0	719.4	888.4
Satellite Service Carriers			336.6	24.7	311.9	336.6	0.1	0.0	474.5	32.6	442.0	474.6
Toll Resellers	22.5		844.4	134.1	732.8	866.9	364.2	386.1	9,135.1	3,280.8	6,604.6	9,885.4
Other Toll Carriers	15.1		6.6	8.8	12.9	21.7	52.4	0.1	657.9	83.4	627.1	710.5
All Toll Service Providers	41.7	*	1,423.1	232.4	1,232.4	1,464.8	2,446.7	807.5	92,737.3	26,120.4	69,871.2	95,991.6
All Interstate Service Providers	\$595.4	\$189.4	\$1,532.4	\$782.5	\$1,534.7	\$2,317.2	\$104,562.9	\$36,774.9	\$105,054.1	\$142,108.0	\$104,284.0	\$246,392.0

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

* Denotes figures greater than \$0 but less than \$50,000.

** End-user revenue excludes international-to-international revenue (see line 42, Table 6). International-to-international revenue is included in total telecommunications revenue reported by Universal Service Worksheet filers and in revenue amounts shown for all telecommunications service providers.

Table 9: Estimates of Average Revenue per Conversation Minute
(Revenues and Minutes Shown in Millions)

	1992	1993	1994	1995	1996	1997	1998
Interstate operator service revenue <u>1/</u>	\$7,213	\$7,052	\$6,561	\$6,878	\$6,454	\$7,113	\$6,971
+ Other interstate switched toll revenue <u>2/</u>	\$32,217	\$36,477	\$38,843	\$42,139	\$47,865	\$42,075	\$42,620
+ International-to-International Toll Revenue <u>3/</u>						\$561	\$1,121
+ Charges on bills identified as USF contribution <u>4/</u>							\$878
+ PICC pass-through reported as SLC revenue <u>5/</u>							\$1,208
- 80% of revenue reported by toll resellers	\$665	\$1,001	\$1,251	\$2,582	\$4,211	n.a.	n.a.
= Total end-user switched toll revenue	\$38,765	\$42,528	\$44,153	\$46,435	\$50,107	\$49,325	\$52,797
- International-to-International Toll Revenue <u>3/</u>	\$74	\$111	\$166	\$249	\$374	\$561	\$1,121
= U.S. international and interstate end-user switched toll	\$38,691	\$42,417	\$43,987	\$46,186	\$49,733	\$48,764	\$51,677
- End-user international MTS revenue <u>6/</u>	\$10,459	\$11,652	\$12,711	\$14,599	\$15,144	\$16,296	\$14,531
- International-to-International Toll Revenue <u>3/</u>	\$74	\$111	\$166	\$249	\$374	\$561	\$1,121
International revenue for U.S. end-users	\$10,385	\$11,541	\$12,545	\$14,350	\$14,770	\$15,735	\$13,411
Total end-user switched toll revenue	\$38,765	\$42,528	\$44,153	\$46,435	\$50,107	\$49,325	\$52,797
- End-user international MTS revenue <u>6/</u>	\$10,459	\$11,652	\$12,711	\$14,599	\$15,144	\$16,296	\$14,531
= Interstate domestic switched end-user revenue	\$28,306	\$30,876	\$31,442	\$31,836	\$34,963	\$33,029	\$38,266
ILEC Originating interstate access minutes <u>7/</u>	154,375	157,114	162,043	169,236	173,300	181,900	184,000
+ Estimated CLEC originating minutes <u>8/</u>	309	432	580	1,218	1,816	4,118	6,452
- U.S. billed international minutes excluding country direct and hubbing <u>9/</u>	9,940	11,069	12,907	15,303	18,140	21,213	22,162
Domestic originating access minutes	144,744	146,477	149,715	155,152	156,976	164,806	168,290
ILEC Terminating interstate access minutes <u>7/</u>	195,374	214,126	239,360	262,712	292,800	315,400	334,800
+ Estimated CLEC originating minutes <u>8/</u>	391	589	856	1,891	3,068	7,141	11,739
- country direct international settlement minutes <u>9/</u>	216	324	486	728	1,083	933	788
- Foreign billed international settlement minutes <u>10/</u>	5,248	5,678	6,385	7,121	8,291	9,107	9,055
Domestic terminating access minutes	190,301	208,713	233,346	256,754	286,495	312,501	336,696
Conversation minutes <u>11/</u>							
U.S. interstate and international minutes	200,457	220,106	246,739	272,785	305,717	334,647	359,645
International conversation minutes	10,156	11,393	13,393	16,031	19,223	22,146	22,950
Interstate domestic conversation minutes	190,301	208,713	233,346	256,754	286,495	312,501	336,696
End-user revenue per							
U.S. interstate and international minute	\$0.19	\$0.19	\$0.18	\$0.17	\$0.16	\$0.15	\$0.14
International conversation minute	\$1.02	\$1.01	\$0.94	\$0.90	\$0.77	\$0.71	\$0.58
Interstate domestic conversation minute	\$0.15	\$0.15	\$0.13	\$0.12	\$0.12	\$0.11	\$0.11

Note: Some data for prior years have been revised. Staff estimates used for 1998 international data. See text for other caveats.

- 1/ TRS Worksheet data through 1996. Starting in 1997, the amount shown equals the amounts reported on Universal Service worksheets for end-user revenues for prepaid card and operator services.
- 2/ TRS Worksheet data through 1996. Starting 1997, the amount shown equals the amounts reported on Universal Service worksheets as end-user revenues for MTS, toll-free and other switched toll services, plus the additional end-user toll reported on TRS worksheets (see Table 7).
- 3/ International-to-international revenues were not separately identified on TRS worksheets and therefore prior to 1997 are included in the end-user totals for prior years. Similarly, the estimates of international end-user revenue includes international-to-international revenue. Amounts for 1992 through 1996 were estimated using a 50% growth rate. Very little international-to-international service is provided to U.S. customers and the corresponding services generally do not generate access minutes.
- 4/ In 1998, carriers reported that they placed \$1.311 billion of interstate charges on end-user bills that they identified as recovering universal service obligations. About 67% of overall interstate revenue is for switched toll services. The amount shown as universal service charges on switched toll calls was estimated as .67 times \$1.311 billion.
- 5/ Many IXCs chose to recover PICC costs (LEC PICC charges to carriers with presubscribed lines) directly from end users via fixed monthly pass-through charges. Revenue from these charges should have been reported on Form 457 as other switched toll service revenue. Many IXCs, however, reported this revenue on line 35 -- tariffed subscriber line charges and PICCs levied on end users. These amounts are included with switched toll revenues in this table.
- 6/ *Trends in the U.S. International Telecommunications Industry* contains estimates of international end-user revenue for 1995 through 1997. The same methodology contained therein was used to estimate international end-user revenue for prior years. Preliminary estimate shown for 1998.
- 7/ National Exchange Carrier Association filings.
- 8/ CLEC access minutes estimated based on local service competitors share of local services market. (The 1992 percentage is assumed.)

Local service competitors share of local service revenue, <i>Local Competition: August 1999</i>	0.2%	0.3%	0.4%	0.7%	1.0%	2.3%	3.5%
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- 9/ *Section 43.61 International Telecommunications Data* for all U.S. traffic with foreign points. Starting in 1995, carriers separately reported country direct minutes. Most country direct traffic generates terminating access minutes and generally represents billed revenue from U.S. customers. Country direct minutes for prior years were estimated using a 50% growth rate. Preliminary data shown for 1998.
- 10/ Foreign billed minutes of international traffic generate terminating access minutes. Preliminary data shown for 1998.
- 11/ International conversation minutes are estimated as U.S. billed international traffic minutes including country direct. Domestic conversation minutes are estimated as domestic terminating access minutes. The sum of these represents the total of U.S. international and domestic minutes.

Table 10: Estimates of Access and Universal Service Costs per Conversation Minute
(Revenues and Minutes Shown in Millions)

	1992	1993	1994	1995	1996	1997	1998
Minutes data from Table 9							
ILEC Originating interstate access minutes	154,375	157,114	162,043	169,236	173,300	181,900	184,000
Originating minutes of international traffic	9,940	11,069	12,907	15,303	18,140	21,213	22,162
Domestic originating access minutes	144,744	146,477	149,715	155,152	159,432	165,931	168,600
ILEC Terminating interstate access minutes	195,374	214,126	239,360	262,712	292,800	315,400	334,800
Terminating minutes of international traffic <u>1/</u>	5,464	6,002	6,871	7,849	9,374	10,040	9,843
U.S. Interstate and international conversation minutes	200,457	220,106	246,739	272,785	305,924	335,056	360,680
International conversation minutes	10,156	11,393	13,393	16,031	19,223	22,146	22,950
Interstate domestic conversation minutes	190,301	208,713	233,346	256,754	286,701	312,910	337,731
End-user revenue per minute data from Table 9							
per U.S. interstate and international minute	\$0.19	\$0.19	\$0.18	\$0.17	\$0.16	\$0.15	\$0.14
per international conversation minute	\$1.02	\$1.01	\$0.94	\$0.90	\$0.77	\$0.71	\$0.58
per interstate domestic conversation minute	\$0.15	\$0.15	\$0.13	\$0.12	\$0.12	\$0.11	\$0.11
Cost of interstate access per 2-ended minute <u>1/</u>							
per originating access minute	\$0.069	\$0.067	\$0.068	\$0.065	\$0.061	\$0.056	\$0.039
per terminating access minute	\$0.032	\$0.031	\$0.032	\$0.031	\$0.029	\$0.026	\$0.022
Access cost per conversation minute <u>2/</u>	\$0.034	\$0.034	\$0.034	\$0.033	\$0.030	\$0.028	\$0.016
per U.S. interstate and international minute	\$0.058	\$0.055	\$0.054	\$0.050	\$0.045	\$0.041	\$0.026
per international conversation minute	\$0.050	\$0.048	\$0.048	\$0.045	\$0.042	\$0.038	\$0.028
per interstate domestic conversation minute	\$0.059	\$0.056	\$0.054	\$0.051	\$0.046	\$0.042	\$0.027
Universal service contributions assessed on a per-line basis <u>3/</u>							
	\$728	\$873	\$891	\$907	\$944	\$973	\$0
Universal service contribution per minute <u>4/</u>							
per U.S. interstate and international minute	\$0.004	\$0.004	\$0.004	\$0.003	\$0.003	\$0.003	\$0.006
per international conversation minute	\$0.004	\$0.004	\$0.004	\$0.003	\$0.003	\$0.003	\$0.025
per interstate domestic conversation minute	\$0.004	\$0.004	\$0.004	\$0.003	\$0.003	\$0.003	\$0.005
CLEC per minute access Revenue <u>5/</u>							
CLEC access per conversation minute						\$26	\$93
Net international settlement payouts <u>6/</u>	\$3,344	\$3,704	\$4,289	\$4,919	\$5,601	\$5,207	\$4,679
International-to-international as % of intl. end-user <u>6/</u>							
per U.S. interstate and international minute	0.7%	1.0%	1.3%	1.7%	2.5%	3.4%	7.7%
per international conversation minute	\$0.017	\$0.017	\$0.017	\$0.018	\$0.018	\$0.015	\$0.012
PICC charges billed to IXCs by Tier 1 carriers <u>7/</u>	\$0.327	\$0.322	\$0.316	\$0.302	\$0.284	\$0.227	\$0.188
PICC "cost" per interstate and international minute							\$2,000
							\$0.006
Access and universal service costs <u>8/</u>							
per U.S. interstate and international minute	\$0.08	\$0.08	\$0.07	\$0.07	\$0.07	\$0.06	\$0.05
per international conversation minute	\$0.38	\$0.37	\$0.37	\$0.35	\$0.33	\$0.27	\$0.25
per interstate domestic conversation minute	\$0.06	\$0.06	\$0.06	\$0.05	\$0.05	\$0.04	\$0.04
Revenue per minute net of access and universal service							
all interstate and international calls	\$0.11	\$0.12	\$0.10	\$0.10	\$0.10	\$0.09	\$0.09
all international calls	\$0.64	\$0.64	\$0.57	\$0.55	\$0.44	\$0.44	\$0.34
interstate domestic	\$0.09	\$0.09	\$0.08	\$0.07	\$0.07	\$0.06	\$0.08
Access and universal costs as a percentage of revenue per minute							
all interstate and international calls	40.6%	39.3%	41.8%	42.2%	40.8%	40.3%	34.8%
international calls	37.2%	36.9%	39.2%	39.1%	42.8%	37.7%	42.2%
interstate domestic calls	41.9%	40.2%	43.0%	43.9%	40.5%	42.6%	33.2%

Note: Some data for prior years have been revised. Staff estimates used for 1998 international data. See text for other caveats.

- 1/ Trends in Telephone Service, February 1999, Table 1.2. The charges per originating and per terminating minutes are derived from data in that table weighted by the access minutes for the first half and second half of each year.
- 2/ Including the cost of both originating and terminating access (based on access minutes and costs per minute shown in the table) divided by conversation minutes. For example, for international minutes, originating access equals the U.S. billed international minutes excluding country direct and hubbing minutes and terminating access equals the number of country direct minutes.
- 3/ National Exchange Carrier Association. Toll carriers were assessed based on the number of presubscribed lines.
- 4/ Through 1997, universal service charges per minute were calculated as the assessments based on lines divided by all U.S. conversation minutes. Starting in 1998, the amounts are estimated as the approximate contribution rate for interstate and international calls times the average-per-minute charges.
- 5/ Interstate access minute revenue reported on Universal Service worksheets by carriers other than ILECs.
- 6/ Section 43.61 International Telecommunications Data. Totals exclude settlement payouts for hubbing service. Preliminary data shown for 1998. International-to-international services are assumed to cause a proportionate share of net settlement payouts. The shares for these services are based on data in Table 9 and are used to reduce the net settlement payouts.
- 7/ The PICC charges were formulated to generate \$1.848 billion of revenue to Tier 1 carriers in 1998 based on 1996 and 1997 lines in service. Based on actual charges and line counts submitted with the July 1999 Tariff Review Plans, total PICC revenues were \$2.062 billion. Where consumers did not have a pre-selected long distance carrier, however, the LEC billed the PICC charge to the customer rather than the IXC. We estimate that 97% of PICC revenue was billed to IXCs.
- 8/ Includes tariffed per-minute access charges, net international settlement payouts, universal service contributions and PICC charges but excludes the cost of dedicated access lines.

Customer* Response

Publication: Telecommunications Industry Revenue: 1998, (September 1999)

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

1. Please check the category that best describes you:

- press
- current telecommunications carrier
- potential telecommunications carrier
- business customer evaluating vendors/service options
- consultant, law firm, lobbyist
- other business customer
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2. Please rate the report: Excellent Good Satisfactory Poor No opinion

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

3. Overall, how do you rate this report? Excellent Good Satisfactory Poor No opinion

() () () () ()

4. How can this report be improved?

5. May we contact you to discuss possible improvements?

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