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October 8, 1998

FCC RELEASES TELECOMMUNICATIONS INDUSTRY REVENUE REPORT
\$231.2 BILLION IN REVENUE FOR 1997

The FCC has released its Telecommunications Industry Revenue report for the year ending December 31, 1997.

According to the newly released report, the telecommunications industry reported \$231.2 billion in revenue for 1997. Carriers reported \$97.4 billion of local service revenue, \$33.0 billion of wireless revenue, and \$100.8 billion of toll service revenue for 1997.

This report incorporates revenue data submitted by 2,267 carriers in the universal service database and 1,138 carriers in the TRS database. The report reflects all revenues reported by the administrators of those databases as of September 22, 1998. Data on individual companies are not available to the public because companies have requested proprietary treatment.

The report indicates that as long distance calling continued to increase, the price of a long distance call continued to fall. The report shows that the average revenue per minute for domestic long distance calls was 10.3 cents in 1997.

The Telecommunications Industry Revenue report is prepared by the Common Carrier Bureau's Industry Analysis Division. This report is available for reference in the Common Carrier Bureau's Public Reference Room, 2000 M Street, N.W. Washington DC, Room 575. Copies may be purchased by calling International Transcription Service, Inc. at (202) 857-3800. The report can be downloaded [file names: TRSRV-97.ZIP and TRSRV-97.PDF] from the **FCC-State Link** internet site at <http://www.fcc.gov/ccb/stats> on the World Wide Web. The report can also be downloaded from the **FCC-State Link** computer bulletin board system at (202) 418-0241.

- FCC -

For additional information, contact Jim Lande or Katie Rangos of the Bureau's Industry Analysis Division, (202) 418-0940 or for users of TTY equipment, call (202) 418-0484.

Telecommunications Industry Revenue: 1997

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October 1998

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Common Carrier Bureau
Federal Communications Commission
Washington, DC 20554



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Telecommunications Industry Revenue: 1997

This report provides a general overview of the revenues of the U.S. telecommunications industry. Most of the information comes from worksheets containing 1997 revenue data that carriers filed with the administrator of the universal service support mechanism. By Sept 22, 1998, the universal service database contained whole year 1997 data for 2,267 contributing service providers. Many carriers, however, were exempted from universal service filing requirements because their potential contributions to the universal support mechanisms were expected to be "de minimis" - that is, their contribution for the year was expected to be less than \$10,000. To fill out the industry totals, data was added from a separate source -- worksheets filed in connection with Telecommunications Relay Services (TRS). Data for 1,138 additional carriers were taken from this source.

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 1998 Universal Service Worksheets provide the most detailed information on telecommunications industry revenue available from any source. Summaries of these worksheets form the core of this report. Over 1,000 carriers, however, did not file Universal Service Worksheets because their contributions were de minimis. More limited data were obtained for these carriers from annual FCC Form 431 Telecommunications Relay Service Fund Worksheets.

Telecommunications relay service is a telephone transmission service that allows persons with hearing or speech disabilities to use the telephone. The Americans with Disabilities Act of 1990 requires all providers of interstate telecommunications service to share in the costs of financing the provision of interstate TRS. In order to meet this mandate, the FCC adopted a TRS funding mechanism in the Third Report and Order in CC Docket No. 90-571, 8 FCC Rcd 5300 (rel. July 20, 1993). The FCC established a TRS fund and directed the National Exchange Carrier Association (NECA) to serve as the Administrator. Each carrier that provides interstate service must file an annual TRS

Fund Worksheet with the TRS administrator. The worksheet summarizes a carrier's revenues and is used by the carrier to calculate its required contribution to the TRS fund.

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, 1998, containing revenue data for the whole year 1997. TRS Worksheets for 1997 were due on April 26, 1998. Some carriers filed late or filed subsequent revisions. Universal service summaries of data from the Universal Service Worksheets are based on information in the database as of September 22, 1998. Some carriers undoubtedly did not file either Universal Service or TRS Worksheets. These carriers represent a small fraction of industry revenue.

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 because their spectrum licenses have different groups of owners, but where a single entity managed the combined operations.

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:

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

- 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

Appendix A provides the worksheet instructions on selecting service provider category. Data for SMR - dispatch and wireless data service providers were combined with data for other mobile service providers.

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 \$231.2 billion of telecommunications revenue. Carriers are making contributions to the universal support mechanisms on \$186.0 billion of total end user revenue and \$69.3 billion of interstate end user revenue. Carriers are making TRS contributions on \$97.5 billion of gross interstate revenue. In both cases 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 totals are not entirely consistent with data for prior years. For example, special access revenues were included with other access revenues in 1996 but are included with local private line service in 1997. 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 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.

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

Table 5 presents estimates of billed revenue per interstate toll minute of service. In previous years, gross toll revenue was adjusted to account for sales of underlying carriers to resellers. Those adjustments were subject to large margins of error, and are not needed for 1997 because Universal Service Worksheets provide end user revenue data. Unfortunately, this means that the 1997 estimates are not comparable to estimates for prior years.

Table 5 estimates that end users were billed 14.4 cents for each minute of interstate and international toll calling made during 1997. The table also estimates that the average price was 10.3 cents for each domestic interstate minute. These estimates should be treated with 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 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 generate two terminating access minutes per conversation minute.

The international traffic data used in Table 5 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.

Table 6 provides a detailed breakout for each of the universal service revenue categories and some breakout for data taken from TRS Worksheets.

Table 7 provides universal service and TRS revenue detail by class of filers. Appendix B provides the Universal Service Worksheet instructions for categorizing revenue.

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: 1997
(Amounts shown in millions)

	Universal Service Worksheet Data			TRS Worksheet Data ***	Total
	Carrier's Carrier Revenue *	End User Revenue *	International - to - International Revenue **		
Local Service	\$28,122	\$68,709	\$0	\$595	\$97,426
Wireless Service	2,736	30,024	2	189	32,951
Toll Service	11,401	87,298	559	1,532	100,791
Service reported as Intrastate	16,097	116,757	18	783	133,654
Interstate	26,163	69,274	543	1,535	97,514
Total	\$42,260	\$186,030	\$561	\$2,317	\$231,168

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 are reported as end user revenue, but are not included in the universal service contribution bases.
- *** Totals are shown for carriers that are not included in the database of universal service contributors as of September 22, 1998, but did file a TRS Worksheet in 1998. Virtually all of these carriers met the de minimis test and were not required to contribute to the maintenance of universal service in 1998.

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

	TRS Data					Universal Service & TRS Data
	1992	1993	1994	1995	1996	1997
Local Exchange Pay Telephone *	\$39,235	\$40,176	\$42,245	\$45,194	\$48,717	\$53,771
Local Private Line **	1,049	1,088	1,138	1,226	1,616	2,182
Other Local ***	7,687	8,002	8,302	10,428	10,543	8,282
Subscriber line charges **						2,847
Access **	29,353	30,832	32,759	33,911	35,641	8,327
Additional revenue from TRS Worksheets						21,423
						595
Total Local Service	77,324	80,098	84,443	90,759	96,516	97,426
Total Wireless Service (including additional revenue from TRS Worksheets)	7,285	10,237	14,293	18,759	26,049	32,950
Operator *	9,465	10,772	10,539	11,170	10,975	12,002
Non-Operator Switched Toll	54,300	58,294	60,819	64,431	71,467	69,475
Long Distance Private Line	7,783	8,067	9,043	9,719	10,665	10,504
Other Long Distance	4,196	5,392	4,078	4,309	6,583	7,280
Additional revenue from TRS Worksheets						1,532
Total Toll Service	75,744	82,525	84,478	89,629	99,691	100,793
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
Non-Telecommunications ***						25,633
Total Reported Revenue	\$160,353	\$172,860	\$183,214	\$199,147	\$222,256	\$256,801
Service reported as:						
Intrastate	89,323	96,927	102,603	112,923	127,849	133,654
Interstate	71,030	75,933	80,611	86,224	94,407	97,514

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. Universal Service Worksheet filers are asked to combine special access revenue with local private line revenue. This explains the jump 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.

*** 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.

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
Incumbent Local Exchange Carriers **	\$91,584	\$95,228	\$98,431	\$102,820	\$107,905	\$105,154
Pay Telephone Providers	183	175	300	349	357	933
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)	69	191	281	623	1,011	1,919
Local Resellers						206
Other Local Exchange Carriers						157
Private Carriers						112
Shared Tenant Service Providers						87
Competitors of ILECs	69	191	281	623	1,011	2,481
Local service providers	91,835	95,595	99,011	103,792	109,273	108,568
Cellular Service Carriers & Personal Communications Service (PCS) **	6,718	9,215	13,259	17,208	23,778	29,944
Paging Service Providers **						2,861
SMR dispatch and Other Mobile Service Providers	670	964	938	1,419	2,121	225
Wireless Service Providers	7,387	10,179	14,197	18,627	25,900	33,030
Interexchange Carriers (IXCs)	57,341	61,118	66,381	70,938	79,057	79,080
Operator Service Providers (OSPs)	558	695	536	500	461	603
Prepaid Calling Card Providers				16	238	519
Satellite Service Carriers						1,011
Toll Resellers	1,293	1,869	2,840	4,220	6,564	8,010
Other Toll Carriers	2,186	711	709	773	577	348
Toll Service Providers	61,378	64,393	70,466	76,447	86,896	89,570
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
Total Telecommunications Revenue	\$153,409	\$165,342	\$174,890	\$190,076	\$211,782	\$231,168

* 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
Selected Types of Service Provider for 1997***
(Amounts shown in millions)

1997	Type of Service			
	Local	Mobile	Toll	All Service
Incumbent Local Exchange Carriers	\$94,347	\$591	\$10,215	\$105,154
Pay Telephone Providers	624	0	309	933
All other local service providers	<u>1,804</u>	<u>127</u>	<u>550</u>	<u>2,481</u>
Local service providers	96,776	718	11,074	108,568
Wireless Telephone Carriers	78	28,767	1,100	29,944
All other wireless service providers	<u>5</u>	<u>3,026</u>	<u>55</u>	<u>3,086</u>
Wireless service providers	83	31,792	1,155	33,030
Interexchange Carriers	234	378	78,469	79,080
Toll Resellers	269	59	7,682	8,010
All other toll service providers	<u>64</u>	<u>3</u>	<u>2,414</u>	<u>2,480</u>
Toll service providers	567	439	88,564	89,570
Total Industry	\$97,426	\$32,950	\$100,793	\$231,168

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

* Source: telecommunications revenue data filed on Universal Service and TRS Worksheets.

Table 5
Estimates of Toll Rates and Access Costs per Conversation Minute
(Revenues and minutes shown in millions)

	1992	1993	1994	1995	1996	1997
Interstate Operator Service Revenue <u>1/</u>	\$7,213	\$7,052	\$6,561	\$6,878	\$6,454	\$7,113
+ Other Interstate Switched Toll Revenue <u>2/</u>	\$32,070	\$34,939	\$38,458	\$41,773	\$46,317	\$40,067
- 80% of Revenue Reported by Toll Resellers	\$659	\$872	\$1,103	\$2,353	\$4,050	n.a.
= Total End User Switched Toll Revenue	\$38,624	\$41,119	\$43,916	\$46,298	\$48,720	\$47,181
- Billed International MTS Revenue <u>3/</u>	\$10,179	\$11,353	\$12,255	\$14,599	\$15,144	\$15,586
= Interstate Domestic Switched Revenue	\$28,445	\$29,766	\$31,661	\$31,699	\$33,576	\$31,595
Originating Interstate Access Minutes <u>4/</u>	154,375	157,114	162,043	169,236	175,730	183,000
- U.S. Billed International Minutes Excluding World Direct and Hubbing after 1994 <u>5/</u>	10,156	11,393	13,616	15,303	18,140	21,417
Domestic Originating Access Minutes	144,219	145,721	148,427	153,933	157,590	161,583
U.S. Billed International Minutes Including World Direct and Hubbing after 1994 <u>5/</u>	10,156	11,393	13,616	15,837	19,172	23,087
Terminating Interstate Access Minutes <u>4/</u>	195,374	214,126	239,360	262,712	293,004	315,800
- Foreign Billed International Settlement Minutes <u>5/</u>	5,248	5,678	6,385	7,121	8,291	9,375
Domestic Terminating Access Minutes	190,126	208,448	232,975	255,591	284,714	306,426
Interstate Domestic Conversation Minutes <u>6/</u>	190,126	208,448	232,975	255,591	284,714	306,426
Billed Revenue per Interstate and International Minute	\$0.193	\$0.187	\$0.178	\$0.171	\$0.161	\$0.144
AT&T Revenue per Minute Data <u>7/</u>	\$0.194	\$0.189	\$0.181	"n.a."	"n.a."	"n.a."
Billed Revenue per International Minute	\$1.002	\$0.996	\$0.900	\$0.922	\$0.790	\$0.675
Billed Revenue per Interstate Domestic Minute	\$0.150	\$0.143	\$0.136	\$0.124	\$0.118	\$0.103
Cost of Interstate Access per 2-Ended Minute <u>8/</u>	\$0.069	\$0.067	\$0.068	\$0.065	\$0.061	\$0.056
Per Originating Access Minute	\$0.032	\$0.031	\$0.032	\$0.031	\$0.029	\$0.026
Per Terminating Access Minute	\$0.034	\$0.034	\$0.034	\$0.033	\$0.030	\$0.028
Access Cost per Conversation Minute <u>9/</u>						
All Interstate and International Calls	\$0.058	\$0.055	\$0.054	\$0.051	\$0.046	\$0.042
Interstate Domestic Only	\$0.059	\$0.055	\$0.054	\$0.051	\$0.046	\$0.042
IXC Revenue per Conversation Minute net of Access Costs						
All Interstate and International Calls	\$0.135	\$0.132	\$0.124	\$0.120	\$0.115	\$0.102
Interstate Domestic	\$0.091	\$0.087	\$0.082	\$0.073	\$0.072	\$0.061
Access Cost as a Percentage of Revenue per Minute						
All Interstate and International Calls	30.1%	29.5%	30.2%	29.7%	28.6%	29.0%
Interstate Domestic Only	39.2%	38.8%	39.9%	41.1%	39.2%	40.6%

Note: Some data for prior years have been revised. Estimated revenue per minute for 1997 may not be comparable to estimates for prior years due to methodological changes.

- 1/ TRS Worksheet data through 1996. For 1997, the amount shown equals the Universal Service Worksheet end user revenue for operator service, pay telephone toll, and pre-paid card services.
- 2/ TRS Worksheet data through 1996. For 1997, the amount shown equals the Universal Service Worksheet end user revenues for MTS, toll-free and other switched and for calls that originate and terminate in foreign points.
- 3/ Section 43.61 *International Telecommunications Data and Trends in the U.S. International Telecommunications Industry*. Total revenue are for all U.S. traffic to foreign points. Starting 1995, international revenues shown are estimated end-user revenues. The 1997 number is preliminary.
- 4/ National Exchange Carrier Association.
- 5/ Section 43.61 *International Telecommunications Data* for all U.S. traffic with foreign points. Starting in 1995, U.S. billed settlement minutes are shown with and without world direct and hubbing services. In general, world direct and hubbing traffic do not generate access minutes but do generate billed revenue.
- 6/ Terminating access minutes are used as a surrogate for conversation minutes.
- 7/ Filed by AT&T in the *Nondominance* proceeding. AT&T filed the following revenue-per-minute data for prior years: 1984=\$0.323; 1985=\$0.308; 1986=\$0.280; 1987=\$0.245; 1988=\$0.234; 1989=\$0.218; 1990=\$0.201; 1991=\$0.197. The AT&T data appear to be net of international settlements and uncollectibles.
- 8/ *Trends in Telephone Service*, July 1998, 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.
- 9/ Including the cost of both originating and terminating access (based on access minutes and costs per minute shown in the table) divided by terminating access minutes. Total terminating access minutes equals domestic access minutes plus U.S. billed international minutes excluding world direct and hubbing.

Table 6: Revenue by Service Category for 1997
(Amounts shown in millions)
- continued -

Revenue for Telecommunications Service Providers that filed a Universal Service Worksheet or a TRS Worksheet	Sales by Service Providers											
	Local Service Providers		Wireless Service Providers		Toll Service Providers		Sales by Reporting Companies		Total			
	Intrastate	Interstate	Intrastate	Interstate	Intrastate	Interstate	Intrastate	Interstate	Intrastate	Interstate		
Universal Service Worksheet Data: End User Revenue -- Services provided to end users and to non-contributing carriers												
<i>Fixed local service:</i>												
34 Monthly service, local calling, connection charges, vertical features, inside wiring maintenance, and other local exchange service charges except for tariffed subscriber line charges	\$51,902.0	\$13.3	\$51,915.3	\$36.4	\$2.0	\$38.4	\$217.3	\$7.9	\$225.2	\$52,155.8	\$23.1	\$52,178.9
35 Tariffed subscriber line charges	172.6	8,147.0	8,319.6	0.1	1.0	1.1	5.6	0.6	6.2	178.3	8,148.6	8,326.9
36 Local private line and special access service	2,366.3	1,353.3	3,719.6	0.1	*	0.1	10.0	9.9	19.9	2,376.4	1,363.2	3,739.6
37 Pay telephone coin revenues	1,827.5	40.6	1,868.1	0.2	*	0.2	5.2	5.9	11.1	1,832.9	46.5	1,879.4
38 Other local telecommunications service revenues	2,328.1	62.6	2,390.7	2.7	0.1	2.8	187.0	3.3	190.3	2,517.8	66.0	2,583.7
Total fixed local service	58,596.6	9,616.7	68,213.3	39.4	3.1	42.5	425.2	27.6	452.7	59,061.2	9,647.4	68,708.6
<i>Mobile service (including wireless telephony, paging & messaging, and other mobile services):</i>												
39 Monthly and activation charges	280.0	0.8	280.8	13,805.8	756.5	14,562.3	181.8	3.0	184.8	14,267.7	760.3	15,027.9
40 Message charges including roaming but excluding toll charges	187.6	16.1	203.7	13,365.2	1,174.2	14,539.4	191.0	61.8	252.8	13,743.9	1,252.1	14,995.9
Total Mobile Service	467.6	16.9	484.5	27,171.1	1,930.6	29,101.7	372.9	64.8	437.7	28,011.5	2,012.4	30,023.9
<i>Toll service:</i>												
41 Pre-paid calling card (including card sales to customers and to retail establishments)	8.5	16.5	25.0	0.4	0.5	0.9	168.4	761.1	929.5	177.3	778.1	955.4
42 International calls that both originate and terminate in foreign points		0.1	0.1		1.9	1.9	18.4	540.8	559.2	18.4	542.8	561.2
43 Operator and toll calls with alternative billing arrangements (credit card, collect, international call-back, etc.) other than revenue reported on line 42	449.6	40.2	489.8	12.8	8.4	21.2	2,919.8	6,286.5	9,206.4	3,382.2	6,335.2	9,717.4
44 Other switched toll service (includes MTS, 800/888 service, etc.)	8,125.3	585.7	8,711.0	503.4	322.3	825.7	13,907.1	38,616.3	52,523.4	22,535.7	39,524.4	62,060.1
45 Long distance private line services	931.4	44.2	975.6	5.9	9.6	15.4	1,339.9	6,888.5	8,228.4	2,277.1	6,942.3	9,219.4
46 Satellite services	3.2	15.3	18.5		2.8	2.8	26.9	139.5	166.4	30.1	157.6	187.6
47 All other long distance services	100.3	57.3	157.6	32.8	25.2	58.0	1,148.4	3,793.7	4,942.1	1,281.5	3,876.2	5,157.7
Total toll service (excluding Line 42 calls that both originate and terminate in foreign points)	9,618.3	759.3	10,377.5	555.2	368.8	924.0	19,510.5	56,485.6	75,996.1	29,684.0	57,613.7	87,297.7
48 Revenues used for calculating universal service contributions (Subtotal of lines 34 through 41 and lines 43 through 47)	68,682.5	10,392.9	79,075.4	27,765.7	2,302.6	30,068.2	20,308.5	56,578.0	76,886.5	116,756.7	69,273.5	186,030.1

Revenue for Telecommunications Service Providers that filed a Universal Service Worksheet or a TRS Worksheet		Table 6: Revenue by Service Category for 1997 (Amounts shown in millions) - continued -											
		Sales by Local Service Providers		Wireless Service Providers		Sales by Toll Service Providers		Sales by All Reporting Companies		Total			
FCC 457 Line #		Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total	Intrastate	Interstate	Total
Gross Telecommunications Revenues Reported on Universal Service Worksheets:													
42	Carrier's Carrier Revenue -- service provided to other universal service contributors for resale	11,250.8	17,610.6	28,861.3	2,467.6	271.0	2,738.5	2,378.6	8,281.3	10,659.9	16,096.9	26,162.9	42,259.8
48	International calls that both originate and terminate in foreign points	0.1	0.1	0.1	1.9	1.9	1.9	18.4	540.8	559.2	18.4	542.8	561.2
49	Other end user revenue -- service provided to end users and non-contributing carriers (revenues used for calculating universal service contributions)	68,682.5	10,392.9	79,075.4	27,765.7	2,302.6	30,068.2	20,308.5	56,578.0	76,886.5	116,756.7	69,273.5	186,030.1
50	Gross telecommunications revenue: Carrier's carrier, international-to-international and other end user revenue	79,933.2	28,003.6	107,936.8	30,233.2	2,575.4	32,808.6	22,705.5	65,400.2	88,105.6	132,871.9	95,979.2	228,851.1
	Enhanced services, billing and collection, customer premises equipment, published directory and non-telecommunications service revenue			9,121.3			5,772.1			10,739.7			25,633.2
	Gross billed revenue from all sources			117,058.2			38,580.8			98,845.3			254,484.2
TRS Worksheet Data													
<i>Revenues reported by service providers that filed TRS Worksheets but not Universal Service Worksheets:</i>													
	Sales to contributing carriers and international-to-international revenue **	241.8	174.4	416.2	88.6	9.8	98.5	136.7	819.0	955.7	467.1	1,003.2	1,470.4
	Sales to end users and contributing carriers **	128.3	86.5	214.8	91.4	31.6	123.0	95.7	413.4	509.1	315.4	531.5	846.8
	Total telecommunications revenue not included on Universal Service Worksheets	370.2	260.8	631.0	180.0	41.4	221.4	232.3	1,232.4	1,464.8	782.5	1,534.7	2,317.2
	Total Telecommunications Revenue for all Telecommunications Service Providers Including Data from both Universal Service and TRS Worksheets	\$80,303.4	\$28,264.4	\$108,567.8	\$30,413.2	\$2,616.8	\$33,030.0	\$22,937.8	\$66,632.6	\$89,570.4	\$133,654.4	\$97,513.9	\$231,168.3

Note: Figures may not add due to rounding.
* Denotes figures greater than \$0 but less than \$50,000.
** Breakouts based on staff analysis.

Table 7: Revenue by Type of Filer for 1997
(Amounts shown in millions)

Data filed on Universal Service Worksheets

Service Provider Category	Carrier's Carrier Revenue **										End User Revenue **					Total Telcom.**	Other Revenue	Gross Revenue													
	Local		Mobile		Toll		Total		Local		Mobile		Toll		Total																
	Local	Mobile	Local	Mobile	Local	Mobile	Local	Mobile	Local	Mobile	Local	Mobile	Local	Mobile	Local				Mobile	Local	Mobile	Local	Mobile	Local	Mobile	Local	Mobile	Local	Mobile	Local	Mobile
Regional Bell Operating Companies Other Incumbent Local Exchange Carriers (ILECs)	\$16,986.6	\$221.2	\$242.0	\$17,449.8	\$52,006.2	\$96.1	\$7,305.2	\$51,683.8	\$7,723.8	\$59,407.6	\$15,597.2	2,075.4	17,672.6	\$76,857.4	\$5,226.9	\$82,084.4															
All ILECs	9,950.7	9.1	143.4	10,103.2	14,910.6	264.0	2,498.1	15,597.2	2,075.4	17,672.6			27,775.7	3,266.8	31,042.5																
Pay Telephone Service Providers	26,937.3	230.3	385.4	27,553.0	66,916.8	360.1	9,803.3	67,281.0	9,799.2	77,080.2			104,633.2	8,493.7	113,126.9																
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)	154.2	143.7	297.9		466.1	108.7		525.2	49.7	574.9			872.8	50.5	923.2																
Local Resellers	900.8	48.9	949.7		631.5	2.2	286.2	555.4	364.5	919.9			1,869.7	54.5	1,924.2																
Private Carriers	1.9		1.9		73.3	117.3	13.3	179.0	24.9	203.9			205.8	40.5	246.3																
Shared Tenant Services Providers	0.8	2.0	22.5	25.3	14.7	4.9	67.5	22.4	64.7	87.1			112.3	249.2	361.5																
Other Local Exchange Carriers	0.2				29.9	*	56.9	37.9	48.9	86.8			87.0	114.0	201.0																
Local Service Providers Other Than ILECs and Pay Telephone Providers	21.1	0.1	12.1	33.3	81.0	*	41.7	81.6	41.1	122.7			156.1	119.0	275.0																
	924.8	2.1	83.5	1,010.4	830.4	124.4	465.6	876.3	544.1	1,420.4			2,430.9	577.2	3,008.0																
Local Service Providers	28,016.4	232.4	612.6	28,861.4	68,213.3	484.5	10,377.5	68,682.5	10,392.9	79,075.4			107,936.8	9,121.3	117,058.2																
Wireless Telephony including Cellular, Personal Communications Service (PCS) and SMR - Telephony Carriers	33.4	2,064.2	199.8	2,297.4	38.2	26,570.7	897.4	25,643.7	1,862.6	27,506.3			29,803.7	4,287.2	34,090.8																
Paging Services Providers		426.7	0.1	426.8	4.3	2,352.5	6.5	2,072.3	291.1	2,363.4			2,790.1	1,446.7	4,236.8																
SMR Dispatch & Other Mobile Services Providers		11.3	3.2	14.5		178.4	20.1	49.6	148.9	198.5			214.9	38.2	253.1																
All Wireless Service Providers	33.4	2,502.1	203.0	2,738.5	42.5	29,101.7	924.0	27,765.7	2,302.6	30,068.2			32,808.6	5,772.1	38,580.8																
Interexchange Carriers (IXCs)	47.7	0.7	8,736.1	8,784.5	185.3	377.3	69,311.5	17,887.7	51,986.4	69,874.1			78,891.8	8,349.7	87,241.5																
Operator Service Providers (OSPs)	2.4		35.2	37.6	41.0	1.7	493.1	263.7	272.0	535.7			573.6	95.0	668.5																
Pre-paid Calling Card Providers	0.3		60.9	61.2	0.1	434.7		42.1	392.8	434.9			497.0	23.3	520.3																
Satellite Service Carriers			577.2	577.2	0.6	0.3	96.1	1.8	95.2	97.0			674.3	2,073.5	2,747.8																
Toll Resellers	21.9	0.9	1,015.4	1,038.2	224.6	57.7	5,557.0	2,092.5	3,746.9	5,839.3			7,142.7	153.5	7,296.2																
Other Toll Carriers	0.1		161.1	161.2	1.0	0.6	103.8	20.8	84.7	105.5			326.2	44.8	371.0																
All Toll Service Providers	72.4	1.6	10,585.8	10,659.8	452.7	437.7	75,996.1	20,308.5	56,578.0	76,886.5			88,105.6	10,739.7	98,845.3																
All Interstate Service Providers	\$28,122.2	\$2,736.2	\$11,401.4	\$42,259.8	\$68,708.6	\$30,023.9	\$87,297.7	\$116,756.7	\$69,273.5	\$186,030.1			\$228,851.1	\$25,633.2	\$254,484.2																

Table 7: Revenue by Type of Filer for 1997
(Amounts shown in millions)

- continued -

Service Provider Category	Data filed on TRS worksheets					All Telecommunications Service Providers **						
	by Carriers that did not also file USF worksheets (Gross Revenue)											
	Local	Mobile	Toll	Intrastate	Interstate	Total	Local	Mobile	Toll	Intrastate	Interstate	Total
Regional Bell Operating Companies Other Incumbent Local Exchange Carriers (ILECs)	\$493.3	\$0.5	\$26.6	\$512.7	\$7.7	\$520.4	\$68,992.8	\$317.3	\$7,547.2	\$57,475.1	\$19,382.4	\$76,857.5
All ILECs	493.3	0.5	26.6	512.7	7.7	520.4	25,354.6	273.6	2,668.1	20,601.2	7,695.0	28,296.2
Pay Telephone Service Providers	4.1	0.3	56.3	51.5	9.2	60.6	94,347.4	590.9	10,215.3	78,076.2	27,077.3	105,153.5
Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs)	48.6	0.8	0.8	48.6	0.8	49.4	624.4	0.3	308.7	816.2	117.3	933.5
Local Resellers	*			*	*		1,580.9	2.2	335.9	1,303.0	616.0	1,919.0
Private Carriers							75.2	117.3	13.3	180.9	24.9	205.8
Shared Tenant Services Providers							15.5	6.9	90.0	27.5	84.9	112.4
Other Local Exchange Carriers	0.6			0.6		0.6	30.1	*	56.9	38.1	48.9	87.0
Local Service Providers Other Than ILECs and Pay Telephone Providers	49.2	0.0	0.8	49.2	0.8	50.0	102.7	0.1	53.9	104.7	52.0	156.7
							1,804.4	126.5	550.0	1,654.2	826.7	2,480.9
Local Service Providers	546.5	0.8	83.7	613.4	17.6	631.0	96,776.2	717.7	11,073.9	80,546.7	28,021.2	108,567.9
Wireless Telephony including Cellular, Personal Communications Service (PCS) and SMR - Telephony Carriers	6.3	131.6	2.6	138.9	1.5	140.4	77.9	28,766.5	1,099.8	27,875.0	2,069.0	29,944.0
Paging Services Providers	0.4	48.7	22.2	49.3	22.0	71.3	4.7	2,827.9	28.8	2,491.5	369.9	2,861.4
SMR Dispatch & Other Mobile Services Providers	0.5	8.3	0.9**	9.1	0.6	9.8	0.5	198.0	26.1	63.9	160.7	224.6
All Wireless Service Providers	7.2	188.6	25.7	197.3	24.1	221.4	83.1	31,792.4	1,154.6	30,430.6	2,599.6	33,030.2
Interexchange Carriers (IXCs)	0.7	*	187.8	44.8	143.7	188.5	233.7	378.0	78,468.6	20,030.4	59,049.9	79,080.3
Operator Service Providers (OSPs)	3.4		26.0	17.1	12.3	29.4	46.8	1.7	554.5	282.4	320.5	602.9
Pre-paid Calling Card Providers			21.7	6.5	15.2	21.7	0.4		518.1	50.3	468.3	518.6
Satellite Service Carriers	22.5		336.6	24.7	311.9	336.6	0.6	0.3	1,010.0	26.6	984.2	1,010.8
Toll Resellers	15.1		844.4	150.7	716.1	866.9	269.0	58.6	7,682.0	2,510.8	5,498.8	8,009.6
Other Toll Carriers			6.6	16.5	5.2	21.7	16.2	0.6	331.1	46.9	301.0	347.9
All Toll Service Providers	41.7	*	1,423.1	260.4	1,204.4	1,464.8	566.8	439.3	88,564.2	22,947.5	66,622.9	89,570.4
All Interstate Service Providers	\$595.4	\$189.4	\$1,532.4	\$1,071.1	\$1,246.1	\$2,317.2	\$97,426.2	\$32,949.5	\$100,792.7	\$133,924.7	\$97,243.7	\$231,168.4

APPENDIX A

DEFINITIONS OF CARRIERS

CAP/CLEC	(Competitive Access Provider/Competitive Local Exchange Carrier) -- competes with incumbent LECs to provide local exchange services or telecommunications services that link customers with interexchange facilities, local exchange networks, or other customers.
Cellular/PCS/SMR	(Cellular, Personal Communications Service, and Specialized Mobile Radio service provider) -- primarily provides wireless telecommunications services (wireless telephony). This category includes the provision of wireless telephony by resale. An SMR provider would select this category if it primarily provides wireless telephony rather than dispatch or other mobile services.
Incumbent LEC	-- provides local exchange service. An incumbent local exchange carrier (LEC) generally is a carrier that was at one time franchised as a monopoly service provider.
IXC	(Interexchange Carrier) -- provides long distance telecommunications services substantially through switches or circuits that it owns or leases.
Local reseller	-- provides local exchange or fixed telecommunications services by reselling services of other carriers.
OSP	(Operator Service Provider) -- companies other than incumbent LECs that serve customers needing the assistance of an operator to complete calls, or needing alternate billing arrangements.
Paging and Messaging	-- provides wireless paging or wireless messaging services. This category includes the provision of paging and messaging services by resale.
Payphone Service Provider	-- Provides customers access to telephone networks through pay telephone equipment, special teleconference

rooms, etc. Payphone service providers also are referred to as pay telephone aggregators.

Pre-paid Card	-- provides pre-paid calling card services by selling pre-paid calling cards to the public or to retailers. Pre-paid card providers typically resell the toll service of other carriers and determine the price of the service by setting the price of the card and controlling the number of minutes that the card can be used for.
Private Service Provider	-- offers telecommunications to others for a fee. This would include a company that offers excess capacity on a private system that is used primarily for internal purposes.
Satellite	-- provides satellite space segment or earth stations that are used for telecommunications service.
Shared Tenant Service Provider	-- manages or owns a multi-tenant location that provides telecommunications services or facilities to the tenants for a fee.
SMR (dispatch)	(Specialized Mobile Radio service provider) -- primarily provides dispatch and mobile services other than wireless telephony.
Toll Reseller	-- provides long distance telecommunications services primarily by reselling the long distance telecommunications services of other carriers.
Wireless Data	-- provides mobile or fixed wireless data services using wireless technology. This category includes the provision of wireless data services by resale.
Other Local, Other Mobile, Other Toll	-- If one of these categories is checked, the contributor should further describe the nature of the service it provides. For example, a company that provides network access services on behalf of a group of incumbent LECs would identify itself as "Other Local" and enter "incumbent LEC network access" in the space provided.

APPENDIX B

Carriers use the following instructions to categorize revenue on their Universal Service Worksheet.

The Universal Service Worksheet contains two broad types of service categories: revenue from other contributors and revenue from all other sources (also termed end-user revenues). Contributors must report revenues from other contributors in Lines (22) through (33). Contributors must report all other revenues in Lines (34) through (48). In many cases, the categories are duplicated in the two sections. Carriers required to use the Uniform System of Accounts (USOA) prescribed in Part 32 of the Commission's rules should base their response on their USOA account data and supplemental records, dividing revenues into those received from other universal service contributors and end-user revenues. All contributors should report revenues based on the following descriptions.

Fixed local service -- Lines (22)-(27) and (34)-(38)

Fixed local services connect a specific point to one or more other points. These services can be provided using either wireline or wireless technologies and can be used for either local exchange service, private communications, or access to toll services.

Line (22) and Line (34). Monthly service, local calling, connection charges, vertical features, inside wiring maintenance, and other local exchange service, including (for purposes of Line (22)) Presubscribed Interexchange Carrier charges (PICCs) levied on carriers should include the basic local service revenues except for local private line revenues, access revenues, and revenues from providing mobile or cellular services. For carriers required to use the USOA, these lines should include Account 5001 -- Basic area revenue; Account 5002 -- Optional extended area revenue; Account 5050 -- Customer premises revenue; Account 5060 -- Other local exchange revenue; and Account 5069 -- Other local exchange revenue settlements. Line (22) also should include amounts in Account 5004 -- Other mobile services revenue -- that were derived from connecting with mobile service carriers. Revenues for services provided to carriers should be divided between Line (22a) -- provided as unbundled network elements and Line (22b) -- provided under tariffs or arrangements other than unbundled network elements (for example, resale).

Line (35). Tariffed subscriber line charges and PICCs levied on end users should contain charges to end users (other than for special access services) specified in access tariffs. Line (35) should include revenues in Account 5081 -- End user revenue -- as well as the appropriate portion of revenues in Account 5084 -- State access revenue. Contributors that do not have subscriber line charge tariffs on file with the Commission or with a state utility commission should report \$0 on Line (35).

Line (23). Per-minute charges for originating or terminating calls should include Account 5082 -- Switched access revenue -- and any revenues in Account 5084 -- State access revenue -- that were based on per-minute charges. This line also would include Account 5003 -- Cellular mobile revenue (revenues to the local exchange carrier for messages between a cellular customer and another station within the mobile service area). The line should include gross charges to other carriers for the origination or termination of non-toll traffic. Do not deduct or net payments to carriers for origination or termination of traffic on their networks. Revenues for originating and terminating minutes should be divided between Line (23a) -- provided as unbundled network elements or other contract arrangements and Line (23b) -- provided under state or federal access tariffs.

Line (24) and Line (36). Local private line and special access service should include revenues from providing local services that involve dedicated circuits, private switching arrangements, and/or predefined transmission paths. These lines should include amounts recorded in Account 5040 -- Local private line revenue. These lines also should include Account 5083 -- Special access revenue -- and any intrastate special access revenues in Account 5084 -- State access revenue.

Lines (25) and Line (37). Pay telephone compensation should include Account 5010 -- Pay telephone revenues and revenues from nonregulated payphone services in Account 5280 -- Nonregulated operating revenue. Line (25) should include revenues received from carriers as compensation for originating toll calls. Line (37) should include revenues received from customers paid directly to the payphone service provider. This primarily will consist of revenues from coin sent paid traffic.

Line (26) and Line (38). Other local telecommunications service revenues should include some revenues contained in Account 5200 -- Miscellaneous revenue -- as well as other local telecommunications service revenues that reasonably would not be included with one of the other local service revenue categories. Line (26) should include charges for physical collocation of equipment pursuant to 47 U.S.C. § 251(c)(6). Lines (26) and (38) should exclude: enhanced services; billing and collection; customer premises equipment sale, lease or insurance; published directory revenues; and any non-telecommunications revenues.

Line (27). Universal service support revenues should include all amounts that contributors receive as universal service support from either states or the federal government. Line (27) should include as revenues Lifeline Assistance reimbursement for the waived portion of subscriber line or presubscribed interexchange carrier charges or credits for subsidized services provided to schools, libraries, and rural health care providers. Line (27) should include amounts received as cash as well as amounts received as credit against contribution obligations.

Mobile service -- Lines (28) and (39)-(40)

Mobile services are wireless communications between wireless equipment, such as cellular phones, and other points.

Lines (28) and (39)-(40). Data reported on these lines should contain mobile service revenues other than toll charges to mobile service customers and charges associated with customer premises equipment. A single category -- Line (28) -- is provided for all mobile service provided to resellers. Line (39) should contain monthly charges, activation fees, and service order processing charges, etc. Line (40) should contain message charges, including any roaming charges assessed for calls placed out of customers' home areas. Lines (39) and (40) should include amounts in Account 5004 -- Other mobile service revenue -- that were derived from providing service directly to the public. End-user pre-paid wireless service revenues attributable to activation and daily or monthly access charges should be reported on Line (39). End-user pre-paid wireless service revenues attributable to air time should be reported on Line (40). Toll charges to mobile service customers should be included in Line (44).

Toll carrier service -- Lines (29)-(33) and (41)-(47)

Toll services are telecommunications services, wireline or wireless, that enable customers to communicate outside of local exchange calling areas. Toll service revenues include intrastate, interstate, and international long distance services.

Line (41). Pre-paid calling card should include revenues from pre-paid calling cards provided either to customers or to retail establishments. Gross billed revenues should represent the amounts actually paid by customers for the cards without any reduction or adjustment for discounts provided to retail establishments. All pre-paid card revenues are classified as end-user revenues.

Line (42). International calls that both originate and terminate in foreign points are exempt from universal service contributions regardless of whether the service is provided to resellers or to end users. Nevertheless, revenues derived from such international calls should be included in Line (42). Contributors should not report international settlement revenues from transiting traffic on the Universal Service Worksheet.

Line (29) and Line (43). Operator and toll calls with alternative billing arrangements should include all calling card or credit card calls, person-to-person calls, and calls with alternative billing arrangements such as third number billing, collect calls, and country-direct type calls that either originate or terminate in a U.S. point. These lines should include all charges from toll or long distance directory assistance. Lines (29) and (43) should include revenues from all calls placed from all coin, public and semi-public, accommodation and prison telephones, except that calls that are paid for via pre-paid calling cards should be included in Line (42), and calls paid for by coins deposited in the phone should be included in Line (37).

Line (30) and Line (44). Other switched toll services should include amounts from Account 5100 -- Long distance message revenue -- except for amounts reported on Lines (29), (41), (42), or (43). Line (30) and Line (44) should include ordinary message telephone service, WATS, toll-free, 900, "WATS-like," and similar switched services.

Line (31) and Line (45). Long distance private line service should include revenues from dedicated circuits, private switching arrangements, and/or predefined transmission paths, extending beyond the basic service area. This category should include revenues from the resale of special access services. Line (31) and Line (45) should include Account 5120 -- Long distance private network revenue.

Line (32) and Line (46). Satellite service should contain revenues from providing space segment service and earth station up-link capacity used for providing telecommunications or telecommunications services via satellite. Revenues derived from the lease of bare transponder capacity should not be included in Lines (32) and (46).

Line (33) and Line (47). All other long distance should include all other revenues from providing long distance communications services. These lines should include Account 5160 - - Other long distance revenue.

Subtotal of lines 34 through 41 and lines 43 through 47 -- Line (48)

Enter the subtotal of Lines (34) through (41) and Lines (43) through (47). All revenues reported in Lines (34) through (41) and Lines (43) through (47) are referred to as the universal service contribution base and represent the revenues of the contributor that will be used to calculate universal service contributions.

Other revenues that should not be reported in the contribution base -- Line (49)

Contributors may have revenues on their books that are not derived from telecommunications or telecommunications-related functions that should not be included in the universal service contribution base. For example, information services offering a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications are not included in the universal service contribution base. Information services do not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service. Information services also are called enhanced services because they are offered over common carrier transmission facilities used in interstate communications and employ computer processing applications that act on the format, content, code, protocol, or similar aspects of the subscriber's transmitted information; provide the subscriber additional, different, or restructured information; or involve subscriber interaction with stored information. These services are exempt from contribution requirements.

Line (49) should contain revenues from enhanced services and other services that are exempt from contribution requirements and are not reported elsewhere. Line (49) should include

Account 5230 -- Directory revenues -- and Account 5270 -- Carrier billing and collection revenue. Line (49) should include revenues from the sale, lease, maintenance, or insurance of customer premises equipment (CPE) and all non-telecommunications service revenues on the contributor's books.

Gross billed revenues from all sources -- Line (50)

On Line (50), contributors must report gross revenues from all sources, including nonregulated and non-telecommunications services. Gross billed revenues from all sources should equal the sum of revenues by type of service reported on Lines (22) through (47) and Line (49). Gross revenues include revenues derived from the provision of interstate, international, and intrastate telecommunications and telecommunications services. Gross revenues consist of total revenues billed to customers during the filing period, with no allowances for uncollectibles or out-of-period adjustments. Billed revenues may be distinct from booked revenues. NECA pool companies should report the actual gross billed revenues (CABS Revenues) reported to the NECA pool and not settlement revenues received from the pool. For international services, gross revenues consist of gross revenues billed by U.S. contributors during the filing period, with no allowances for settlement payments. International settlement receipts for foreign billed service should not be included. Gross revenues also should include any surcharges on communications services that are billed to the customer and either retained by the contributor or remitted to a non-government third party under contract. Gross revenues should exclude taxes and any surcharges that are not recorded on the company's books as revenues but which instead are remitted to government bodies.

Customer Response

Publication: Telecommunications Industry Revenue: 1997
October 1998

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
 - academic/student
 - residential customer
 - FCC employee
 - other federal government employee
 - state or local government employee
 - Other (please specify) _____

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?
Name: _____

Telephone #: _____

Questions? Contact Jim Lande (202-418-0948) [jlande@fcc.gov] or Katie Rangos (202-418-0954) [krangos@fcc.gov]		
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202-418-0520		FCC/IAD Mail Stop 1600 F Washington, DC 20554