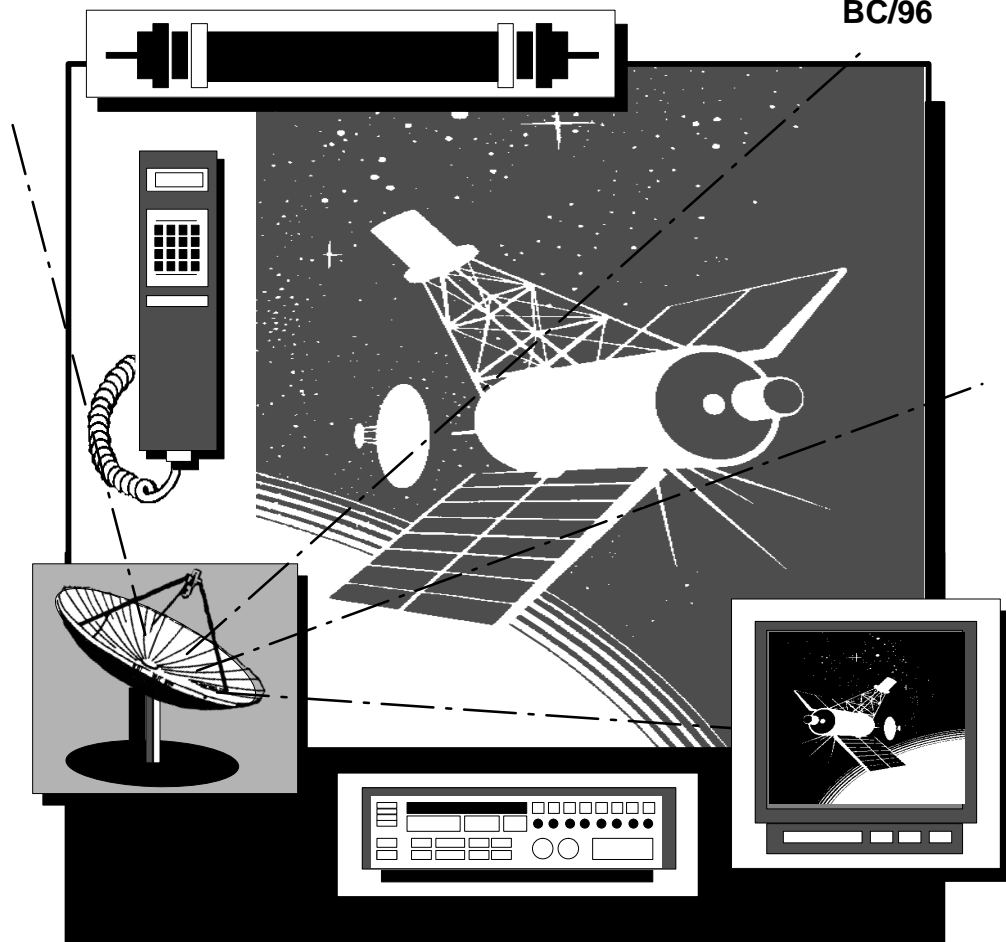


CURRENT BUSINESS REPORTS

# Annual Survey of Communication Services: 1996

BC/96



U.S. Department of Commerce  
Economics and Statistics Administration  
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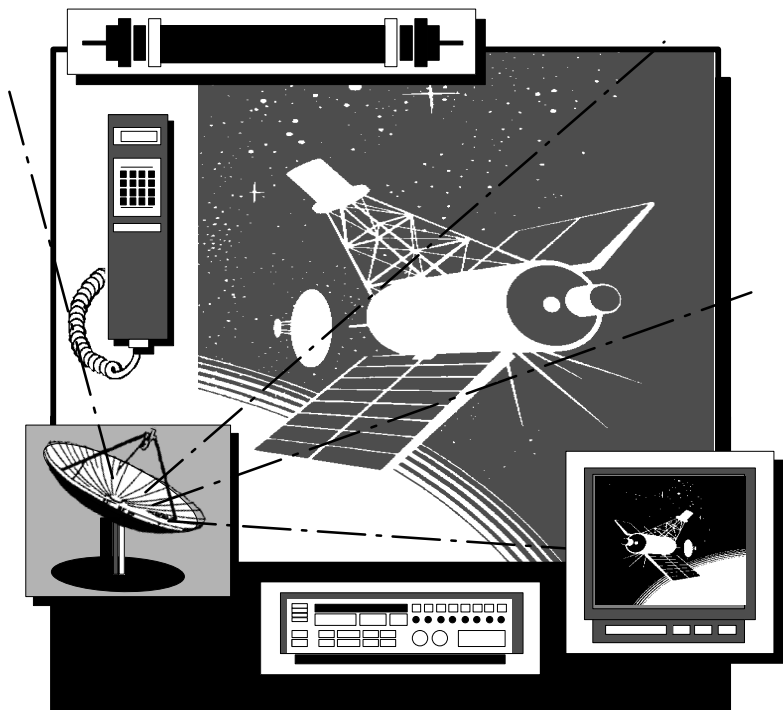
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Please send all inquiries concerning this report to **Ruth Bramblett**, Service Sector Statistics Division, Bureau of the Census, Washington, DC 20233, telephone 301-457-2826 or 457-2766.

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**Annual  
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1996**

BC/96



Issued June 1998



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Director for Economic Programs

**Thomas L. Mesenbourg**, Assistant Director  
for Economic Programs

**SERVICE SECTOR STATISTICS DIVISION**

**Carole A. Ambler**, Chief

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# Introduction

## Coverage

This report presents results from the 1996 Annual Survey of Communication Services. This annual sample survey covers all employer firms with one or more establishments that are primarily engaged in providing point-to-point communication services, whether by wire or radio and whether intended to be received aurally or visually. This covers telephone communications, including cellular and other radiotelephone services; telegraph and other message communications such as electronic mail services, facsimile transmission services, telex services, etc; radio and television broadcasting stations and networks; cable and other pay television services; and other communication services such as radar station operations, satellite earth stations, satellite or missile tracking stations, etc.

Statistics in this report are summarized by kind-of-business classification based on the 1987 edition of the *Standard Industrial Classification Manual* issued by the Office of Management and Budget.

Appendix A provides estimated measures of sampling variability (coefficients of variation) for the dollar volume estimates and estimates of year-to-year ratios presented in the report. An explanation of the survey coverage, sampling, and estimation methodology appears in appendix B. Appendix C provides a description of each kind of business included in this report. Extracts of the 1996 report forms are provided in appendix D.

## Dollar Values

All dollar values presented in this report are expressed in current dollars, that is, the estimates are not adjusted to a constant dollar series. Consequently, when comparing data to prior years, users also should consider price level changes.

## Benchmarking

Because a new sample was introduced for the 1996 ASCS, we asked all firms in the new sample to provide data for two consecutive years — 1995 and 1996. We used this extra year of data to “link” the estimates derived from

the new and old samples. In order to do this, we performed a benchmarking operation. This benchmarking revised the previously published annual estimates of receipts, revenues, and expenses for 1993, 1994, and 1995 in a manner which —

- Constrained the 1992 annual estimates to the previously published figures from the 1992 Census of Transportation, Communications, and Utilities Industries.
- Constrained the 1995 annual estimates to those obtained for 1995 from the 1996 survey.
- Minimized differences between the year-to-year trends of the previously published estimates and the revised estimates.

We benchmarked estimates of receipts, revenues, and expenses at detailed kind-of-business levels (usually defined by 4-digit Standard Industrial Classification codes) and added appropriate estimates to derive summary totals. This process assured additivity.

## Unpublished Estimates

Additional statistics, such as dollar volume estimates for some kinds of business not separately shown in this report, are produced as a byproduct of the regularly published statistics. These additional estimates have not been included in this publication because of high sampling variability, poor response rates, or other factors that result in their failure to meet Census Bureau standards for publication. The Bureau of the Census, upon written request, will release such figures for individual use, though not for publication. It should be noted that some unpublished figures can be derived directly from this report by subtracting published estimates from their respective totals. However, the figures obtained by such subtraction would be subject to the poor response rates or high sampling variability described previously for unpublished kinds of business.

## Census Disclosure Rules

In accordance with Federal law governing census reports, no data are published that would disclose the operations of an individual firm.

Table 1. Communications Services (SIC 48) — Summary Statistics, by Kind of Business: 1989 Through 1996

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Communica- tions services (SIC 48)	Telephone communica- tions (SIC 481) <sup>1</sup>	Radiotele- phone communica- tions (SIC 4812)	Telephone communica- tions, except radiotele- phone (SIC 4813)	Radio and television broadcasting (SIC 483)	Radio broadcasting (SIC 4832)	Television broadcasting (SIC 4833)	Cable and other pay television services (SIC 4841)	Telegraph and other communica- tions services, not elsewhere classified (SIC 4822 and 4899)
<b>Total Revenue</b>									
Millions of dollars									
1996	322,243	238,063	29,999	208,064	39,182	9,631	29,551	38,488	6,510
1995	291,172	216,296	24,149	192,147	35,907	8,795	27,112	33,890	5,079
1994	267,237	199,259	(NA)	(NA)	32,932	8,089	24,843	30,289	4,757
1993	247,221	183,538	(NA)	(NA)	30,278	7,402	22,876	29,639	3,766
1992	232,241	171,578	(NA)	(NA)	29,853	7,019	22,834	27,465	3,345
1991	221,466	164,738	(NA)	(NA)	28,741	6,890	21,851	24,954	3,033
1990	216,294	160,482	(NA)	(NA)	29,707	7,173	22,534	23,192	2,913
1989	206,574	154,474	(NA)	(NA)	29,012	7,125	21,887	(NA)	(NA)
Percent change									
1996/1995	10.7	10.1	24.2	8.3	9.1	9.5	9.0	13.6	28.2
1995/1994	8.9	8.6	(NA)	(NA)	9.0	8.7	9.1	11.9	6.8
1994/1993	8.1	8.6	(NA)	(NA)	8.8	9.3	8.6	2.2	26.3
1993/1992	6.5	7.0	(NA)	(NA)	1.4	5.5	0.2	7.9	12.6
1992/1991	4.9	4.2	(NA)	(NA)	3.9	1.9	4.5	10.1	10.3
1991/1990	2.4	2.7	(NA)	(NA)	-3.3	-3.9	-3.0	7.6	4.1
1990/1989	4.7	3.9	(NA)	(NA)	2.4	0.7	3.0	(NA)	(NA)
<b>Operating Expenses</b>									
Millions of dollars									
1996	260,432	192,349	23,131	169,218	32,216	7,786	24,430	30,471	5,396
1995	240,716	180,538	18,168	162,370	29,511	7,251	22,260	26,428	4,239
1994	219,432	164,936	(NA)	(NA)	27,457	6,853	20,604	23,492	3,547
1993	211,559	160,273	(NA)	(NA)	25,672	6,407	19,265	22,648	2,966
1992	193,031	143,033	(NA)	(NA)	26,009	6,350	19,659	21,232	2,757
1991	186,304	137,593	(NA)	(NA)	25,760	6,364	19,396	20,154	2,797
1990	179,329	131,493	(NA)	(NA)	25,753	6,522	19,231	19,354	2,729
1989	171,823	127,566	(NA)	(NA)	24,579	6,449	18,130	(NA)	(NA)
Percent change									
1996/1995	8.2	6.5	27.3	4.2	9.2	7.4	9.7	15.3	27.3
1995/1994	9.7	9.5	(NA)	(NA)	7.5	5.8	8.0	12.5	19.5
1994/1993	3.7	2.9	(NA)	(NA)	7.0	7.0	7.0	3.7	19.6
1993/1992	9.6	12.1	(NA)	(NA)	-1.3	0.9	-2.0	6.7	7.6
1992/1991	3.6	4.0	(NA)	(NA)	1.0	-0.2	1.4	5.3	-1.4
1991/1990	3.9	4.6	(NA)	(NA)	(Z)	-2.4	0.9	4.1	2.5
1990/1989	4.4	3.1	(NA)	(NA)	4.8	1.1	6.1	(NA)	(NA)
<b>Annual Payroll</b>									
Millions of dollars									
1996	57,130	42,087	4,327	37,760	8,907	3,170	5,737	5,061	1,075
1995	54,499	40,721	3,364	37,357	8,326	2,961	5,365	4,519	933
1994	50,408	38,106	(NA)	(NA)	7,612	2,752	4,860	3,931	759
1993	48,648	37,106	(NA)	(NA)	7,046	2,597	4,449	3,824	672
1992	47,032	35,900	(NA)	(NA)	6,976	2,547	4,429	3,533	623
1991	45,600	35,320	(NA)	(NA)	6,660	2,492	4,168	2,973	647
1990	45,057	34,903	(NA)	(NA)	6,680	2,501	4,179	2,816	658
1989	42,902	33,119	(NA)	(NA)	6,477	2,447	4,030	(NA)	(NA)
Percent change									
1996/1995	4.8	3.4	28.6	1.1	7.0	7.1	6.9	12.0	15.2
1995/1994	8.1	6.9	(NA)	(NA)	9.4	7.6	10.4	15.0	22.9
1994/1993	3.6	2.7	(NA)	(NA)	8.0	6.0	9.2	2.8	12.9
1993/1992	3.4	3.4	(NA)	(NA)	1.0	2.0	0.5	8.2	7.9
1992/1991	3.1	1.6	(NA)	(NA)	4.7	2.2	6.3	18.8	-3.7
1991/1990	1.2	1.2	(NA)	(NA)	-0.3	-0.4	-0.3	5.6	-1.7
1990/1989	5.0	5.4	(NA)	(NA)	3.1	2.2	3.7	(NA)	(NA)



Table 1. **Communications Services (SIC 48) — Summary Statistics, by Kind of Business: 1989 Through 1996**

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Communica- tions services (SIC 48)	Telephone communica- tions (SIC 481) <sup>1</sup>	Radiotele- phone communica- tions (SIC 4812)	Telephone communica- tions, except radiotele- phone (SIC 4813)	Radio and television broadcasting (SIC 483)	Radio broadcasting (SIC 4832)	Television broadcasting (SIC 4833)	Cable and other pay television services (SIC 4841)	Telegraph and other communica- tions services, not elsewhere classified (SIC 4822 and 4899)
<b>Employer Contributions to Social Security and Other Supplemental Benefits</b>									
Millions of dollars									
1996 .....	12,451	9,611	825	8,786	1,480	410	1,070	1,150	210
1995 .....	11,724	9,184	606	8,578	1,383	381	1,002	1,000	157
1994 .....	11,704	9,347	(NA)	(NA)	1,287	349	938	915	155
1993 .....	11,588	9,379	(NA)	(NA)	1,197	357	840	866	146
1992 .....	11,715	9,584	(NA)	(NA)	1,166	359	807	801	164
1991 .....	10,846	8,924	(NA)	(NA)	1,074	341	733	667	181
1990 .....	9,958	8,121	(NA)	(NA)	1,066	340	726	588	183
1989 .....	9,649	7,931	(NA)	(NA)	1,016	331	685	(NA)	(NA)
Percent change									
1996/1995 .....	6.2	4.6	36.1	2.4	7.0	7.6	6.8	15.0	33.8
1995/1994 .....	0.2	-1.7	(NA)	(NA)	7.5	9.2	6.8	9.3	1.3
1994/1993 .....	1.0	-0.3	(NA)	(NA)	7.5	-2.2	11.7	5.7	6.2
1993/1992 .....	-1.1	-2.1	(NA)	(NA)	2.7	-0.6	4.1	8.1	-11.0
1992/1991 .....	8.0	7.4	(NA)	(NA)	8.6	5.3	10.1	20.1	-9.4
1991/1990 .....	8.9	9.9	(NA)	(NA)	0.8	0.3	1.0	13.4	-1.1
1990/1989 .....	3.2	2.4	(NA)	(NA)	4.9	2.7	6.0	(NA)	(NA)

NA Not available. Z Less than .05 percent.

Note: Estimates are obtained from a sample of employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. For SIC's 483, 4832, and 4833, estimates are for taxable and tax-exempt firms and organizations. Appendix A, Table A-1 provides estimated measures of sampling variability (coefficients of variation).

<sup>1</sup>Prior to 1995, revenue for cellular and radiotelephone operations for many of the large wireline carriers were tabulated under their primary industry (standard industrial classification—SIC 4813). Beginning with the 1996 survey, data collected for 1995 and 1996 were reported separately and tabulated in their appropriate SIC. Consequently, the 1995 and 1996 estimates for SICs 4812 and 4813 are not comparable to previously published data.

# Telephone Communications

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## SUMMARY OF DATA

Revenue for U.S. telephone firms totaled \$238.1 billion in 1996, an increase of 10.1 percent compared to 1995.

Long-distance service provided 39.5 percent of all telephone industry revenue in 1996, totaling \$94.0 billion. Local service revenue gained 8.2 percent from 1995 to \$53.4 billion in 1996.

Revenue for cellular and radiotelephone services increased 24.9 percent to \$28.5 billion in 1996. While contributing only 12.0 percent of total industry revenue, cellular and radiotelephone services accounted for 26.1 percent of total revenue growth in 1996.

Non-residential customers were the source of \$108.1 billion in telephone communications, except radiotelephone (SIC 4813) revenue. They accounted for 58.9 percent of all

revenue for long-distance, local and network access services. In 1996, the portions of total long-distance revenue and total network access revenue provided by interstate services were 64.2 percent and 73.5 percent respectively.

Telephone industry expenses reached a total of \$192.3 billion in 1996.

Annual payroll reached \$42.1 billion in 1996 and accounted for approximately 21.9 percent of all industry expenses. Employer contributions to Social Security and other supplemental benefits were \$9.6 billion in 1996.

Purchased communications for the industry rose 9.3 percent to \$2.0 billion, while purchased advertising rose 25.7 percent to \$4.5 billion.

**Table 2. Telephone Communications (SIC 481) — Estimated Operating Revenue and Expenses: 1989 Through 1996**

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Millions of dollars								Percent change						
	1996	1995	1994	1993	1992	1991	1990	1989	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990	1990/ 1989
<b>Operating Revenue</b>															
Total . . . . .	238,063	216,296	199,259	183,538	171,578	164,738	160,482	154,474	10.1	8.6	8.6	7.0	4.2	2.7	3.9
Local service . . . . .	53,403	49,349	46,662	45,178	43,341	41,354	40,180	38,182	8.2	5.8	3.3	4.2	4.8	2.9	5.2
Long-distance service . . . . .	94,039	86,834	81,037	73,923	69,446	69,006	67,698	65,895	8.3	7.2	9.6	6.4	0.6	1.9	2.7
Network access . . . . .	36,101	34,131	32,988	31,658	30,998	29,947	30,044	29,886	5.8	3.5	4.2	2.1	3.5	-0.3	0.5
Cellular and other radiotelephone . . . . .	28,520	22,837	16,848	12,401	9,181	6,870	6,002	4,494	24.9	35.5	35.9	35.1	33.6	14.5	33.6
Directory advertising . . . . .	10,214	9,850	9,439	9,117	8,923	8,680	8,373	7,875	3.7	4.4	3.5	2.2	2.8	3.7	6.3
Other operating revenue . . . . .	15,786	13,295	12,285	11,261	9,689	8,881	8,185	8,142	18.7	8.2	9.1	16.2	9.1	8.5	0.5
<b>Operating Expenses</b>															
Total . . . . .	192,349	180,538	164,936	160,273	143,033	137,593	131,493	127,566	6.5	9.5	2.9	12.1	4.0	4.6	3.1
Annual payroll . . . . .	42,087	40,721	38,106	37,106	35,900	35,320	34,903	33,119	3.4	6.9	2.7	3.4	1.6	1.2	5.4
Employer contributions to Social Security and other supplemental benefits . . . . .	9,611	9,184	9,347	9,379	9,584	8,924	8,121	7,931	4.6	-1.7	-0.3	-2.1	7.4	9.9	2.4
Access charges . . . . .	36,018	33,748	30,047	27,035	24,539	24,039	23,214	23,026	6.7	12.3	11.1	10.2	2.1	3.6	0.8
Depreciation . . . . .	32,937	31,651	28,578	25,546	23,623	23,600	22,927	22,685	4.1	10.8	11.9	8.1	0.1	2.9	1.1
Lease and rental . . . . .	4,492	3,919	4,037	3,608	4,247	3,867	3,543	3,647	14.6	-2.9	11.9	-15.0	9.8	9.1	-2.9
Purchased repairs . . . . .	5,243	4,907	4,413	3,474	2,915	2,954	2,977	2,771	6.8	11.2	27.0	19.2	-1.3	-0.8	7.4
Insurance . . . . .	336	304	261	228	222	218	193	192	10.5	16.5	14.5	2.7	1.8	13.0	0.5
Telephone and other purchased communication services . . . . .	2,030	1,858	1,321	946	707	544	504	422	9.3	40.7	39.6	33.8	30.0	7.9	19.4
Purchased utilities . . . . .	1,961	1,770	1,562	1,315	1,178	1,150	1,106	1,099	10.8	13.3	18.8	11.6	2.4	4.0	0.6
Purchased advertising . . . . .	4,534	3,607	3,835	3,085	2,637	2,546	2,328	1,888	25.7	-5.9	24.3	17.0	3.6	9.4	23.3
Taxes . . . . .	7,978	7,539	6,603	5,861	5,194	5,233	5,086	4,914	5.8	14.2	12.7	12.8	-0.7	2.9	3.5
Other operating expenses . . . . .	45,122	41,330	36,826	42,690	32,287	29,198	26,591	25,872	9.2	12.2	-13.7	32.2	10.6	9.8	2.8

Note: Estimates are obtained from a sample of employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-2 provides estimated measures of sampling variability (coefficients of variation).

**Table 3. Radiotelephone Communications (SIC 4812) — Estimated Operating Revenue and Expenses: 1995 and 1996**

Item	Millions of dollars		Percent change	Percent of total	
	1996	1995	1996/1995	1996	1995
<b>Operating Revenue</b>					
Total <sup>1</sup> .....	29,999	24,149	24.2	100.0	100.0
Cellular and other radiotelephone .....	28,208	22,600	24.8	94.0	93.6
Other operating revenue .....	1,778	1,537	15.7	5.9	6.4
<b>Operating Expenses</b>					
Total .....	23,131	18,168	27.3	100.0	100.0
Annual payroll .....	4,327	3,364	28.6	18.7	18.5
Employer contributions to Social Security and other supplemental benefits .....	825	606	36.1	3.6	3.3
Access charges .....	1,453	1,161	25.2	6.3	6.4
Depreciation .....	3,767	2,953	27.6	16.3	16.3
Lease and rental .....	911	672	35.6	3.9	3.7
Purchased repairs .....	277	213	30.0	1.2	1.2
Insurance .....	76	50	52.0	0.3	0.3
Telephone and other purchased communication services .....	660	495	33.3	2.9	2.7
Purchased utilities .....	154	124	24.2	0.7	0.7
Purchased advertising .....	1,325	944	40.4	5.7	5.2
Taxes .....	385	313	23.0	1.7	1.7
Other operating expenses .....	8,971	7,273	23.3	38.8	40.0

Note: Estimates are obtained from a sample of employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-3 provides estimated measures of sampling variability (coefficients of variation).

Prior to 1995, revenue for cellular and radiotelephone operations for many of the large wireline carriers were tabulated under their primary industry (standard industrial classification—SIC 4813). Beginning with the 1996 survey, data collected for 1995 and 1996 were reported separately and tabulated in their appropriate SIC. Consequently, the 1995 and 1996 estimates for SICs 4812 and 4813 are not comparable to previously published data.

<sup>1</sup>Includes sources of revenue not shown separately.

Table 4. Telephone Communications, Except Radiotelephone (SIC 4813) — Estimated Operating Revenue and Expenses: 1995 and 1996

Item	Millions of dollars		Percent change	Percent of total	
	1996	1995	1996/1995	1996	1995
<b>Operating Revenue</b>					
Total .....	208,064	192,147	8.3	100.0	100.0
Local service .....	53,399	49,346	8.2	25.7	25.7
Long-distance service .....	94,039	86,834	8.3	45.2	45.2
Network access .....	36,092	34,122	5.8	17.3	17.8
Cellular and other radiotelephone .....	(S)	(S)	(S)	(S)	(S)
Directory advertising .....	10,214	9,850	3.7	4.9	5.1
Other operating revenue .....	14,008	11,758	19.1	6.7	6.1
<b>Operating Expenses</b>					
Total .....	169,218	162,370	4.2	100.0	100.0
Annual payroll .....	37,760	37,357	1.1	22.3	23.0
Employer contributions to Social Security and other supplemental benefits .....	8,786	8,578	2.4	5.2	5.3
Access charges .....	34,565	32,587	6.1	20.4	20.1
Depreciation .....	29,170	28,698	1.6	17.2	17.7
Lease and rental .....	3,581	3,247	10.3	2.1	2.0
Purchased repairs .....	4,966	4,694	5.8	2.9	2.9
Insurance .....	260	254	2.4	0.2	0.2
Telephone and other purchased communication services .....	1,370	1,363	0.5	0.8	0.8
Purchased utilities .....	1,807	1,646	9.8	1.1	1.0
Purchased advertising .....	3,209	2,663	20.5	1.9	1.6
Taxes .....	7,593	7,226	5.1	4.5	4.5
Other operating expenses .....	36,151	34,057	6.1	21.4	21.0

S Data do not meet publication standards because of high sampling variability or poor response quality. Some unpublished estimates can be derived from this table by subtracting published data from their respective totals. However, the figures obtained by such subtraction are subject to these same limitations. These unpublished data are for internal use only.

Note: Estimates are obtained from a sample of employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-4 provides estimated measures of sampling variability (coefficients of variation).

Prior to 1995, revenue for cellular and radiotelephone operations for many of the large wireline carriers were tabulated under their primary industry (standard industrial classification—SIC 4813). Beginning with the 1996 survey, data collected for 1995 and 1996 were reported separately and tabulated in their appropriate SIC. Consequently, the 1995 and 1996 estimates for SICs 4812 and 4813 are not comparable to previously published data.

Table 5. Telephone Communications, Except Radiotelephone (SIC 4813) —Estimated Local, Long-Distance, and Network Access Revenue, by Type of Customer and Service: 1995 and 1996

Item	Dollar volume	Type of customer		Type of service	
		Residential	Nonresidential	Intrastate	Interstate
<b>Local Service</b>					
Millions of dollars					
1996 .....	53,399	27,099	26,300	52,767	632
1995 .....	49,346	25,270	24,076	48,816	530
Percent change					
1996/1995 .....	8.2	7.2	9.2	8.1	19.2
<b>Long-Distance Service</b>					
Millions of dollars					
1996 .....	94,039	40,755	53,284	33,707	60,332
1995 .....	86,834	36,939	49,895	31,363	55,471
Percent change					
1996/1995 .....	8.3	10.3	6.8	7.5	8.8
<b>Network Access</b>					
Millions of dollars					
1996 .....	36,092	7,603	28,489	9,547	26,545
1995 .....	34,122	7,138	26,984	9,007	25,115
Percent change					
1996/1995 .....	5.8	6.5	5.6	6.0	5.7

Note: Estimates are obtained from a sample of employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-5 provides estimated measures of sampling variability (coefficients of variation).

Prior to 1995, revenue for cellular and radiotelephone operations for many of the large wireline carriers were tabulated under their primary industry (standard industrial classification—SIC 4813). Beginning with the 1996 survey, data collected for 1995 and 1996 were reported separately and tabulated in their appropriate SIC. Consequently, the 1995 and 1996 estimates for SICs 4812 and 4813 are not comparable to previously published data.

Table 6. Telephone Communications (SIC 481) — Estimated Cellular and Other Radiotelephone Revenue, by Type of Service: 1996

Item	Millions of dollars
Cellular and other radiotelephone revenue <sup>1</sup> .....	28,520
<b>Type of Service</b>	
Air time .....	13,542
Basic service .....	8,316
Long-distance service .....	519
Roaming charges .....	3,262
Other services .....	2,881

<sup>1</sup>Includes cellular and other radiotelephone revenue for firms primarily engaged in providing radiotelephone services (SIC 4812), and telephone communications, except radiotelephone (SIC 4813).

Note: Estimates are obtained from a sample of employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-6 provides estimated measures of sampling variability (coefficients of variation).

# Radio and Television Broadcasting Services

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## SUMMARY OF DATA

### Taxable Firms

Total operating revenue for taxable U.S. television and radio broadcasters combined was \$37.5 billion in 1996, an increase of 9.4 percent from 1995.

Revenue for the television broadcasting industry was about \$28.2 billion in 1996. Sales of television time to networks, advertisers, and sponsors (station time sales), representing 55.4 percent of television revenue, was \$15.7 billion in 1996. National and regional television advertising sales increased 5.1 percent while local advertising, which accounted for 53.5 percent of total station time sales in 1996, increased 7.7 percent from the previous year. Television network times sales increased 14.6 percent from 1995 to \$11.3 billion.

Revenue for the nation's radio broadcasters rose 9.2 percent to \$9.3 billion in 1996. Station time sales accounted for 91.1 percent of their total revenue. Local advertising, accounting for 78.4 percent of radio station time sales in 1996, was up 11.8 percent from the previous year.

Operating expenses for the television broadcasting industry were \$23.2 billion in 1996. Broadcast rights to first-run programs, feature films, syndicated programs, and sporting events accounted for 39.3 percent of total operating expenses for television broadcasters in 1996, an increase in dollar volume of 14.6 percent.

Operating expenses for the radio industry were \$7.5 billion in 1996. Annual payroll, \$3.1 billion in 1996, was the largest component of these expenses.

### Tax-Exempt Firms

Total revenue for tax-exempt radio and television broadcasters combined was \$1.6 billion in 1996, up 3.3 percent from 1995.

Revenue for tax-exempt television broadcasters increased 0.2 percent. Tax-exempt radio broadcasters' revenue increased 17.7 percent in 1996.

Operating expenses for tax-exempt radio and television broadcasters combined were \$1.5 billion in 1996.



**Table 7. Total Broadcasting Services (SIC 483) — Estimated Revenue and Expenses for Taxable and Tax-Exempt Firms: 1989 Through 1996**

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Millions of dollars								Percent change						
	1996	1995	1994	1993	1992	1991	1990	1989	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990	1990/ 1989
<b>Total Revenue</b>															
Total <sup>1</sup> . . . . .	39,182	35,907	32,932	30,278	29,853	28,741	29,707	29,012	9.1	9.0	8.8	1.4	3.9	-3.3	2.4
<b>Operating Expenses</b>															
Total . . . . .	32,216	29,511	27,457	25,672	26,009	25,760	25,753	24,579	9.2	7.5	7.0	-1.3	1.0	(Z)	4.8
Annual payroll . . . . .	8,907	8,326	7,612	7,046	6,976	6,660	6,680	6,477	7.0	9.4	8.0	1.0	4.7	-0.3	3.1
Employer contributions to Social Security and other supplemental benefits . . . . .	1,480	1,383	1,287	1,197	1,166	1,074	1,066	1,016	7.0	7.5	7.5	2.7	8.6	0.8	4.9
Broadcast rights . . . . .	9,697	8,592	8,135	8,005	8,564	8,727	8,329	7,687	12.9	5.6	1.6	-6.5	-1.9	4.8	8.4
Music license fees . . . . .	456	407	345	338	371	363	374	380	12.0	18.0	2.1	-8.9	2.2	-2.9	-1.6
Depreciation . . . . .	1,532	1,395	1,272	1,258	1,331	1,351	1,404	1,409	9.8	9.7	1.1	-5.5	-1.5	-3.8	-0.4
Lease and rental . . . . .	618	577	542	512	490	496	502	495	7.1	6.5	5.9	4.5	-1.2	-1.2	1.4
Purchased repairs . . . . .	351	322	285	258	242	244	247	242	9.0	13.0	10.5	6.6	-0.8	-1.2	2.1
Insurance . . . . .	197	177	174	164	168	157	152	153	11.3	1.7	6.1	-2.4	7.0	3.3	-0.7
Telephone and other purchased communication services . . . . .	336	294	269	255	255	249	259	257	14.3	9.3	5.5	—	2.4	-3.9	0.8
Purchased utilities . . . . .	338	308	298	277	279	275	265	261	9.7	3.4	7.6	-0.7	1.5	3.8	1.5
Purchased advertising . . . . .	1,222	1,141	995	852	827	869	971	982	7.1	14.7	16.8	3.0	-4.8	-10.5	-1.1
Taxes . . . . .	234	222	194	183	191	175	178	183	5.4	14.4	6.0	-4.2	9.1	-1.7	-2.7
Other operating expenses <sup>2</sup> . . . . .	6,848	6,367	6,049	5,327	5,149	5,120	5,326	5,037	7.6	5.3	13.6	3.5	0.6	-3.9	5.7

Z Less than .05 percent.

—Represents zero.

<sup>1</sup>Includes non-operating income from tax-exempt firms.

<sup>2</sup>Includes network compensation fees.

Note: Estimates are obtained from a sample of employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-7 provides estimated measures of sampling variability (coefficients of variation).

**Table 8. Radio Broadcasting Services (SIC 4832) — Estimated Revenue and Expenses for Taxable and Tax-Exempt Firms: 1989 Through 1996**

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Millions of dollars								Percent change						
	1996	1995	1994	1993	1992	1991	1990	1989	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990	1990/ 1989
<b>Total Revenue</b>															
Total <sup>1</sup> . . . . .	9,631	8,795	8,089	7,402	7,019	6,890	7,173	7,125	9.5	8.7	9.3	5.5	1.9	-3.9	0.7
<b>Operating Expenses</b>															
Total . . . . .	7,786	7,251	6,853	6,407	6,350	6,364	6,522	6,449	7.4	5.8	7.0	0.9	-0.2	-2.4	1.1
Annual payroll . . . . .	3,170	2,961	2,752	2,597	2,547	2,492	2,501	2,447	7.1	7.6	6.0	2.0	2.2	-0.4	2.2
Employer contributions to Social Security and other supplemental benefits . . . . .	410	381	349	357	359	341	340	331	7.6	9.2	-2.2	-0.6	5.3	0.3	2.7
Broadcast rights . . . . .	299	315	255	250	218	284	274	270	-5.1	23.5	2.0	14.7	-23.2	3.6	1.5
Music license fees . . . . .	225	205	183	162	150	152	160	158	9.8	12.0	13.0	8.0	-1.3	-5.0	1.3
Depreciation . . . . .	456	416	399	413	460	473	487	497	9.6	4.3	-3.4	-10.2	-2.7	-2.9	-2.0
Lease and rental . . . . .	250	242	236	214	204	200	208	201	3.3	2.5	10.3	4.9	2.0	-3.8	3.5
Purchased repairs . . . . .	87	84	81	83	82	84	84	83	3.6	3.7	-2.4	1.2	-2.4	—	1.2
Insurance . . . . .	81	71	71	67	68	66	66	67	14.1	—	6.0	-1.5	3.0	—	-1.5
Telephone and other purchased communication services . . . . .	141	129	122	118	121	117	120	121	9.3	5.7	3.4	-2.5	3.4	-2.5	-0.8
Purchased utilities . . . . .	116	109	108	100	107	105	103	101	6.4	0.9	8.0	-6.5	1.9	1.9	2.0
Purchased advertising . . . . .	410	412	371	315	318	334	372	399	-0.5	11.1	17.8	-0.9	-4.8	-10.2	-6.8
Taxes . . . . .	74	74	62	64	66	59	61	62	—	19.4	-3.1	-3.0	11.9	-3.3	-1.6
Other operating expenses <sup>2</sup> . . . . .	2,067	1,852	1,864	1,667	1,650	1,657	1,746	1,712	11.6	-0.6	11.8	1.0	-0.4	-5.1	2.0

—Represents zero.

<sup>1</sup>Includes non-operating income from tax-exempt firms.

<sup>2</sup>Includes network compensation fees.

Note: Estimates are obtained from a sample of employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-7 provides estimated measures of sampling variability (coefficients of variation).

**Table 9. Television Broadcasting Services (SIC 4833) — Estimated Revenue and Expenses for Taxable and Tax-Exempt Firms: 1989 Through 1996**

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Millions of dollars								Percent change						
	1996	1995	1994	1993	1992	1991	1990	1989	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990	1990/ 1989
<b>Total Revenue</b>															
Total <sup>1</sup> . . . . .	29,551	27,112	24,843	22,876	22,834	21,851	22,534	21,887	9.0	9.1	8.6	0.2	4.5	-3.0	3.0
<b>Operating Expenses</b>															
Total . . . . .	24,430	22,260	20,604	19,265	19,659	19,396	19,231	18,130	9.7	8.0	7.0	-2.0	1.4	0.9	6.1
Annual payroll . . . . .	5,737	5,365	4,860	4,449	4,429	4,168	4,179	4,030	6.9	10.4	9.2	0.5	6.3	-0.3	3.7
Employer contributions to Social Security and other supplemental benefits . . . . .	1,070	1,002	938	840	807	733	726	685	6.8	6.8	11.7	4.1	10.1	1.0	6.0
Broadcast rights . . . . .	9,398	8,277	7,880	7,755	8,346	8,443	8,055	7,417	13.5	5.0	1.6	-7.1	-1.1	4.8	8.6
Music license fees . . . . .	231	202	162	176	221	211	214	222	14.4	24.7	-8.0	-20.4	4.7	-1.4	-3.6
Depreciation . . . . .	1,076	979	873	845	871	878	917	912	9.9	12.1	3.3	-3.0	-0.8	-4.3	0.5
Lease and rental . . . . .	368	335	306	298	286	296	294	294	9.9	9.5	2.7	4.2	-3.4	0.7	—
Purchased repairs . . . . .	264	238	204	175	160	160	163	159	10.9	16.7	16.6	9.4	—	-1.8	2.5
Insurance . . . . .	116	106	103	97	100	91	86	86	9.4	2.9	6.2	-3.0	9.9	5.8	—
Telephone and other purchased communication services . . . . .	195	165	147	137	134	132	139	136	18.2	12.2	7.3	2.2	1.5	-5.0	2.2
Purchased utilities . . . . .	222	199	190	177	172	170	162	160	11.6	4.7	7.3	2.9	1.2	4.9	1.3
Purchased advertising . . . . .	812	729	624	537	509	535	599	583	11.4	16.8	16.2	5.5	-4.9	-10.7	2.7
Taxes . . . . .	160	148	132	119	125	116	117	121	8.1	12.1	10.9	-4.8	7.8	-0.9	-3.3
Other operating expenses <sup>2</sup> . . . . .	4,781	4,515	4,185	3,660	3,499	3,463	3,580	3,325	5.9	7.9	14.3	4.6	1.0	-3.3	7.7

—Represents zero.

<sup>1</sup>Includes non-operating income from tax-exempt firms.

<sup>2</sup>Includes network compensation fees.

Note: Estimates are obtained from a sample of employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-7 provides estimated measures of sampling variability (coefficients of variation).

**Table 10. Total Broadcasting Services (SIC 483) — Estimated Operating Revenue and Expenses for Taxable Firms: 1990 Through 1996**

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Millions of dollars							Percent change					
	1996	1995	1994	1993	1992	1991	1990	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990
<b>Operating Revenue</b>													
Total .....	37,542	34,319	31,315	28,409	27,859	26,845	28,017	9.4	9.6	10.2	2.0	3.8	-4.2
Station time sales .....	24,130	22,450	20,647	18,882	18,580	18,022	19,019	7.5	8.7	9.3	1.6	3.1	-5.2
Network compensation ..	631	564	451	440	459	510	549	11.9	25.1	2.5	-4.1	-10.0	-7.1
National/regional													
advertising .....	8,476	8,166	7,459	6,758	6,733	6,666	7,226	3.8	9.5	10.4	0.4	1.0	-7.7
Local advertising .....	15,023	13,720	12,737	11,684	11,388	10,846	11,244	9.5	7.7	9.0	2.6	5.0	-3.5
Network time sales .....	11,792	10,319	9,459	8,424	8,221	7,645	7,905	14.3	9.1	12.3	2.5	7.5	-3.3
Other operating revenue ..	1,620	1,550	1,209	1,103	1,058	1,178	1,093	4.5	28.2	9.6	4.3	-10.2	7.8
<b>Operating Expenses</b>													
Total .....	30,721	28,038	25,899	23,891	24,135	23,944	24,145	9.6	8.3	8.4	-1.0	0.8	-0.8
Annual payroll .....	8,497	7,933	7,222	6,664	6,595	6,288	6,333	7.1	9.8	8.4	1.0	4.9	-0.7
Employer contributions to													
Social Security and other													
supplemental benefits ...	1,400	1,303	1,207	1,120	1,090	1,001	998	7.4	8.0	7.8	2.8	8.9	0.3
Broadcast rights .....	9,404	8,260	7,723	7,349	7,737	7,922	7,642	13.8	7.0	5.1	-5.0	-2.3	3.7
Music license fees .....	454	405	344	337	370	361	373	12.1	17.7	2.1	-8.9	2.5	-3.2
Depreciation .....	1,455	1,324	1,193	1,185	1,264	1,286	1,345	9.9	11.0	0.7	-6.3	-1.7	-4.4
Lease and rental .....	590	538	503	476	452	462	469	9.7	7.0	5.7	5.3	-2.2	-1.5
Purchased repairs .....	331	300	268	239	226	228	232	10.3	11.9	12.1	5.8	-0.9	-1.7
Insurance .....	188	168	165	155	158	147	143	11.9	1.8	6.5	-1.9	7.5	2.8
Telephone and other													
purchased													
communication services .	319	278	254	236	236	231	240	14.7	9.4	7.6	—	2.2	-3.8
Purchased utilities .....	310	281	269	252	256	252	246	10.3	4.5	6.7	-1.6	1.6	2.4
Purchased advertising ....	1,195	1,115	969	821	797	842	947	7.2	15.1	18.0	3.0	-5.3	-11.1
Taxes .....	229	217	191	180	187	172	176	5.5	13.6	6.1	-3.7	8.7	-2.3
Other operating expenses <sup>1</sup>	6,349	5,916	5,591	4,877	4,767	4,752	5,001	7.3	5.8	14.6	2.3	0.3	-5.0

—Represents zero.

<sup>1</sup>Includes network compensation fees.

Note: Estimates are obtained from a sample of taxable employer firms only. Estimates for tax-exempt firms and organizations are shown in table 13. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-8 provides estimated measures of sampling variability (coefficients of variation).

**Table 11. Radio Broadcasting Services (SIC 4832) — Components of Estimated Operating Revenue and Expenses for Taxable Firms: 1990 Through 1996**

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Millions of dollars							Percent change						Percent of total							
	1996	1995	1994	1993	1992	1991	1990	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990	1996	1995	1994	1993	1992	1991	1990	
<b>Operating Revenue</b>																					
Total . . . . .	9,305	8,518	7,827	7,159	6,795	6,671	6,954	9.2	8.8	9.3	5.4	1.9	-4.1	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Station time sales . . . . .	8,476	7,779	7,199	6,601	6,275	6,104	6,397	9.0	8.1	9.1	5.2	2.8	-4.6	91.1	91.3	92.0	92.2	92.3	91.5	92.0	
Network compensation . . . . .	81	71	75	75	95	98	105	14.1	-5.3	—	-21.1	-3.1	-6.7	0.9	0.8	1.0	1.0	1.4	1.5	1.5	
National/regional advertising . . . . .	1,750	1,765	1,551	1,390	1,313	1,433	1,522	-0.8	13.8	11.6	5.9	-8.4	-5.8	18.8	20.7	19.8	19.4	19.3	21.5	21.9	
Local advertising . . . . .	6,645	5,943	5,573	5,136	4,867	4,573	4,770	11.8	6.6	8.5	5.5	6.4	-4.1	71.4	69.8	71.2	71.7	71.6	68.6	68.6	
Network time sales . . . . .	498	464	402	314	276	312	305	7.3	15.4	28.0	13.8	-11.5	2.3	5.4	5.4	5.1	4.4	4.1	4.7	4.4	
Other operating revenue . . . . .	331	275	226	244	244	255	252	20.4	21.7	-7.4	0.0	-4.3	1.2	3.6	3.2	2.9	3.4	3.6	3.8	3.6	
<b>Operating Expenses</b>																					
Total . . . . .	7,499	6,997	6,610	6,177	6,137	6,157	6,317	7.2	5.9	7.0	0.7	-0.3	-2.5	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Annual payroll . . . . .	3,065	2,864	2,661	2,512	2,469	2,413	2,428	7.0	7.6	5.9	1.7	2.3	-0.6	40.9	40.9	40.3	40.7	40.2	39.2	38.4	
Employer contributions to Social Security and other supplemental benefits . . . . .	389	361	331	339	343	326	326	7.8	9.1	-2.4	-1.2	5.2	—	5.2	5.2	5.0	5.5	5.6	5.3	5.2	
Broadcast rights . . . . .	287	304	244	239	209	274	264	-5.6	24.6	2.1	14.4	-23.7	3.8	3.8	4.3	3.7	3.9	3.4	4.5	4.2	
Music license fees . . . . .	224	204	183	162	149	151	159	9.8	11.5	13.0	8.7	-1.3	-5.0	3.0	2.9	2.8	2.6	2.4	2.5	2.5	
Depreciation . . . . .	440	403	385	400	449	463	477	9.2	4.7	-3.8	-10.9	-3.0	-2.9	5.9	5.8	5.8	6.5	7.3	7.5	7.6	
Lease and rental . . . . .	239	226	221	203	191	189	197	5.8	2.3	8.9	6.3	1.1	-4.1	3.2	3.2	3.3	3.3	3.1	3.1	3.1	
Purchased repairs . . . . .	78	76	75	76	77	79	79	2.6	1.3	-1.3	-1.3	-2.5	—	1.0	1.1	1.1	1.2	1.3	1.3	1.3	
Insurance . . . . .	79	69	69	65	66	64	64	14.5	—	6.2	-1.5	3.1	—	1.1	1.0	1.0	1.1	1.1	1.0	1.0	
Telephone and other purchased communication services . . . . .	134	123	116	112	116	112	115	8.9	6.0	3.6	-3.4	3.6	-2.6	1.8	1.8	1.8	1.8	1.9	1.8	1.8	
Purchased utilities . . . . .	110	104	102	95	102	100	99	5.8	2.0	7.4	-6.9	2.0	1.0	1.5	1.5	1.5	1.5	1.7	1.6	1.6	
Purchased advertising . . . . .	407	409	368	311	314	330	368	-0.5	11.1	18.3	-1.0	-4.8	-10.3	5.4	5.8	5.6	5.0	5.1	5.4	5.8	
Taxes . . . . .	71	71	60	63	65	58	60	—	18.3	-4.8	-3.1	12.1	-3.3	0.9	1.0	0.9	1.0	1.1	0.9	0.9	
Other operating expenses <sup>1</sup> . . . . .	1,976	1,783	1,795	1,600	1,587	1,598	1,681	10.8	-0.7	12.2	0.8	-0.7	-4.9	26.4	25.5	27.2	25.9	25.9	26.0	26.6	

—Represents zero.

<sup>1</sup>Includes network compensation fees.

Note: Estimates are obtained from a sample of taxable employer firms only. Estimates for tax-exempt firms and organizations are shown in table 14. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-8 provides estimated measures of sampling variability (coefficients of variation).

Table 12. **Television Broadcasting Services (SIC 4833) — Components of Estimated Operating Revenue and Expenses for Taxable Firms: 1990 Through 1996**

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Millions of dollars							Percent change						Percent of total							
	1996	1995	1994	1993	1992	1991	1990	1996/1995	1995/1994	1994/1993	1993/1992	1992/1991	1991/1990	1996	1995	1994	1993	1992	1991	1990	
<b>Operating Revenue</b>																					
Total . . . . .	28,237	25,801	23,488	21,250	21,064	20,174	21,063	9.4	9.8	10.5	0.9	4.4	-4.2	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Station time sales . . . . .	15,654	14,671	13,448	12,281	12,305	11,918	12,622	6.7	9.1	9.5	-0.2	3.2	-5.6	55.4	56.9	57.3	57.8	58.4	59.1	59.9	
Network compensation . . . . .	550	493	376	365	364	412	444	11.6	31.1	3.0	0.3	-11.7	-7.2	1.9	1.9	1.6	1.7	1.7	2.0	2.1	
National/regional advertising . . . . .	6,726	6,401	5,908	5,368	5,420	5,233	5,704	5.1	8.3	10.1	-1.0	3.6	-8.3	23.8	24.8	25.2	25.3	25.7	25.9	27.1	
Local advertising . . . . .	8,378	7,777	7,164	6,548	6,521	6,273	6,474	7.7	8.6	9.4	0.4	4.0	-3.1	29.7	30.1	30.5	30.8	31.0	31.1	30.7	
Network time sales . . . . .	11,294	9,855	9,057	8,110	7,945	7,333	7,600	14.6	8.8	11.7	2.1	8.3	-3.5	40.0	38.2	38.6	38.2	37.7	36.3	36.1	
Other operating revenue . . . . .	1,289	1,275	983	859	814	923	841	1.1	29.7	14.4	5.5	-11.8	9.8	4.6	4.9	4.2	4.0	3.9	4.6	4.0	
<b>Operating Expenses</b>																					
Total . . . . .	23,222	21,041	19,289	17,714	17,998	17,787	17,828	10.4	9.1	8.9	-1.6	1.2	-0.2	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Annual payroll . . . . .	5,432	5,069	4,561	4,152	4,126	3,875	3,905	7.2	11.1	9.9	0.6	6.5	-0.8	23.4	24.1	23.6	23.4	22.9	21.8	21.9	
Employer contributions to Social Security and other supplemental benefits . . . . .	1,011	942	876	781	747	675	672	7.3	7.5	12.2	4.6	10.7	0.4	4.4	4.5	4.5	4.4	4.2	3.8	3.8	
Broadcast rights . . . . .	9,117	7,956	7,479	7,110	7,528	7,648	7,378	14.6	6.4	5.2	-5.6	-1.6	3.7	39.3	37.8	38.8	40.1	41.8	43.0	41.4	
Music license fees . . . . .	230	201	161	175	221	210	214	14.4	24.8	-8.0	-20.8	5.2	-1.9	1.0	1.0	0.8	1.0	1.2	1.2	1.2	
Depreciation . . . . .	1,015	921	808	785	815	823	868	10.2	14.0	2.9	-3.7	-1.0	-5.2	4.4	4.4	4.2	4.4	4.5	4.6	4.9	
Lease and rental . . . . .	351	312	282	273	261	273	272	12.5	10.6	3.3	4.6	-4.4	0.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
Purchased repairs . . . . .	253	224	193	163	149	149	153	12.9	16.1	18.4	9.4	—	-2.6	1.1	1.1	1.0	0.9	0.8	0.8	0.9	
Insurance . . . . .	109	99	96	90	92	83	79	10.1	3.1	6.7	-2.2	10.8	5.1	0.5	0.5	0.5	0.5	0.5	0.5	0.4	
Telephone and other purchased communication services . . . . .	185	155	138	124	120	119	125	19.4	12.3	11.3	3.3	0.8	-4.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	
Purchased utilities . . . . .	200	177	167	157	154	152	147	13.0	6.0	6.4	1.9	1.3	3.4	0.9	0.8	0.9	0.9	0.9	0.9	0.8	
Purchased advertising . . . . .	788	706	601	510	483	512	579	11.6	17.5	17.8	5.6	-5.7	-11.6	3.4	3.4	3.1	2.9	2.7	2.9	3.2	
Taxes . . . . .	158	146	131	117	122	114	116	8.2	11.5	12.0	-4.1	7.0	-1.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	
Other operating expenses <sup>1</sup> . . . . .	4,373	4,133	3,796	3,277	3,180	3,154	3,320	5.8	8.9	15.8	3.1	0.8	-5.0	18.8	19.6	19.7	18.5	17.7	17.7	18.6	

—Represents zero.

<sup>1</sup>Includes network compensation fees.

Note: Estimates are obtained from a sample of taxable employer firms only. Estimates for tax-exempt firms and organizations are shown in table 15. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-8 provides estimated measures of sampling variability (coefficients of variation).

Table 13. **Total Broadcasting Services (SIC 483) — Estimated Revenue and Expenses for Tax-Exempt Firms: 1990 Through 1996**

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Millions of dollars							Percent change					
	1996	1995	1994	1993	1992	1991	1990	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990
<b>Total Revenue</b>													
Total <sup>1</sup> .....	1,640	1,588	1,617	1,869	1,994	1,896	1,690	3.3	-1.8	-13.5	-6.3	5.2	12.2
<b>Operating Expenses</b>													
Total .....	1,495	1,473	1,558	1,781	1,874	1,816	1,608	1.5	-5.5	-12.5	-5.0	3.2	12.9
Annual payroll .....	410	393	390	382	381	372	347	4.3	0.8	2.1	0.3	2.4	7.2
Employer contributions to Social Security and other supplemental benefits ...	80	80	80	77	76	73	68	—	—	3.9	1.3	4.1	7.4
Broadcast rights .....	(S)	(S)	412	656	827	805	687	(S)	(S)	-37.2	-20.7	2.7	17.2
Music license fees .....	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)
Depreciation .....	77	71	79	73	67	65	59	8.5	-10.1	8.2	9.0	3.1	10.2
Lease and rental .....	28	39	39	36	38	34	33	-28.2	—	8.3	-5.3	11.8	3.0
Purchased repairs .....	20	22	17	19	16	16	15	-9.1	29.4	-10.5	18.8	—	6.7
Insurance .....	9	9	9	9	10	10	9	—	—	—	-10.0	—	11.1
Telephone and other purchased communication services .	17	16	15	19	19	18	19	6.3	6.7	-21.1	—	5.6	-5.3
Purchased utilities .....	28	27	29	25	23	23	19	3.7	-6.9	16.0	8.7	—	21.1
Purchased advertising ....	27	26	26	31	30	27	24	3.8	—	-16.1	3.3	11.1	12.5
Taxes .....	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)
Other operating expenses <sup>2</sup>	499	451	458	450	382	368	325	10.6	-1.5	1.8	17.8	3.8	13.2

S Data do not meet publication standards because of high sampling variability or poor response quality. Some unpublished estimates can be derived from this table by subtracting published data from their respective totals. However, the figures obtained by such subtraction are subject to these same limitations. These unpublished data are for internal use only.

—Represents zero.

<sup>1</sup>Includes all government subsidies used to offset operating or capital deficits; private gifts, loans, contributions, and grants; sale of securities, real estate; etc.

<sup>2</sup>Includes network compensation fees.

Note: Estimates are obtained from a sample of employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-9 provides estimated measures of sampling variability (coefficients of variation).

**Table 14. Radio Broadcasting Services (SIC 4832) — Estimated Revenue and Expenses for Tax-Exempt Firms: 1990 Through 1996**

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Millions of dollars							Percent change					
	1996	1995	1994	1993	1992	1991	1990	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990
<b>Total Revenue</b>													
Total <sup>1</sup> .....	326	277	262	243	224	219	219	17.7	5.7	7.8	8.5	2.3	—
<b>Operating Expenses</b>													
Total .....	287	254	243	230	213	207	205	13.0	4.5	5.7	8.0	2.9	1.0
Annual payroll .....	105	97	91	85	78	79	73	8.2	6.6	7.1	9.0	-1.3	8.2
Employer contributions to Social Security and other supplemental benefits ...	21	20	18	18	16	15	14	5.0	11.1	—	12.5	6.7	7.1

—Represents zero.

<sup>1</sup>Includes all government subsidies used to offset operating or capital deficits; private gifts, loans, contributions, and grants; sale of securities, real estate; etc.

Note: Estimates are obtained from a sample of employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-9 provides estimated measures of sampling variability (coefficients of variation).



**Table 15. Television Broadcasting Services (SIC 4833) — Estimated Revenue and Expenses for Tax-Exempt Firms: 1990 Through 1996**

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Millions of dollars							Percent change					
	1996	1995	1994	1993	1992	1991	1990	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990
<b>Total Revenue</b>													
Total <sup>1</sup> .....	1,314	1,311	1,355	1,626	1,770	1,677	1,471	0.2	-3.2	-16.7	-8.1	5.5	14.0
<b>Operating Expenses</b>													
Total .....	1,208	1,219	1,315	1,551	1,661	1,609	1,403	-0.9	-7.3	-15.2	-6.6	3.2	14.7
Annual payroll .....	305	296	299	297	303	293	274	3.0	-1.0	0.7	-2.0	3.4	6.9
Employer contributions to Social Security and other supplemental benefits ...	59	60	62	59	60	58	54	-1.7	-3.2	5.1	-1.7	3.4	7.4

<sup>1</sup>Includes all government subsidies used to offset operating or capital deficits; private gifts, loans, contributions, and grants; sale of securities, real estate; etc.

Note: Estimates are obtained from a sample of employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-9 provides estimated measures of sampling variability (coefficients of variation).

## Cable and Other Pay Television Services

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### SUMMARY OF DATA

Revenue for the nation's cable television industry rose 13.6 percent from 1995 to \$38.5 billion in 1996.

Cable system operators reported basic service revenue, the largest component of industry revenue, of \$18.6 billion. Pay-per-view and other premium service revenue showed a 12.4 percent increase from 1995. Cable television networks reported revenue from programming services of \$5.4 billion in 1996, an increase of 12.3 percent from 1995. Advertising revenue for the

cable industry reached \$5.0 billion in 1996, up 12.1 percent from 1995.

Total operating expenses rose 15.3 percent from 1995 to \$30.5 billion in 1996. Program and production costs, which accounted for 36.9 percent of total operating expenses in 1996, increased 19.0 percent from 1995 to \$11.2 billion. Depreciation expenses were \$5.0 billion in 1996, accounting for 16.4 percent of total operating expenses. In 1996, annual payroll increased 12.0 percent from 1995, while employer contributions to Social Security and other supplemental benefits rose 15.0 percent.

**Table 16. Cable and Other Pay Television Services (SIC 4841) — Components of Estimated Operating Revenue and Expenses for Taxable Firms: 1989 Through 1996**

[Estimates for 1993 through 1995 are revised to reflect the introduction of a new sample. See the Introduction for a description of the revision process]

Item	Millions of dollars								Percent change							Percent of total								
	1996	1995	1994	1993	1992	1991	1990	1989	1996/1995	1995/1994	1994/1993	1993/1992	1992/1991	1991/1990	1990/1989	1996	1995	1994	1993	1992	1991	1990	1989	
<b>Operating Revenue</b>																								
Total <sup>1</sup>	38,488	33,890	30,289	29,639	27,465	24,954	23,192	(NA)	13.6	11.9	2.2	7.9	10.1	7.6	(NA)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
Total Cable and other pay television revenue	37,027	32,541	29,304	28,769	26,653	23,895	22,165	19,111	13.8	11.0	1.9	7.9	11.5	7.8	16.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Advertising	5,007	4,466	3,597	2,981	2,491	2,100	1,882	1,472	12.1	24.2	20.7	19.7	18.6	11.6	27.9	13.5	13.7	12.3	10.4	9.3	8.8	8.5	7.7	
Program revenue	5,438	4,843	4,714	4,440	4,423	4,112	3,816	2,971	12.3	2.7	6.2	0.4	7.6	7.8	28.4	14.7	14.9	16.1	15.4	16.6	17.2	17.2	15.6	
Basic service revenue	18,621	16,310	14,547	14,904	13,532	11,985	10,933	9,559	14.2	12.1	-2.4	10.1	12.9	9.6	14.4	50.3	50.1	49.6	51.8	50.8	50.2	49.3	50.0	
Pay-per-view and other premium service revenue	5,696	5,068	4,662	4,880	4,708	4,465	4,351	4,075	12.4	8.7	-4.5	3.7	5.4	2.6	6.8	15.4	15.6	15.9	17.0	17.7	18.7	19.6	21.3	
Installation fees	508	445	427	417	390	324	302	273	14.2	4.2	2.4	6.9	20.4	7.3	10.6	1.4	1.4	1.5	1.4	1.5	1.4	1.4	1.4	
Other cable revenue	1,757	1,409	1,357	1,147	1,109	909	881	761	24.7	3.8	18.3	3.4	22.0	3.2	15.8	4.7	4.3	4.6	4.0	4.2	3.8	4.0	4.0	
<b>Operating Expenses</b>																								
Total	30,471	26,428	23,492	22,648	21,232	20,154	19,354	(NA)	15.3	12.5	3.7	6.7	5.3	4.1	(NA)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	(NA)
Annual payroll	5,061	4,519	3,931	3,824	3,533	2,973	2,816	(NA)	12.0	15.0	2.8	8.2	18.8	5.6	(NA)	16.6	17.1	16.7	16.9	16.6	14.8	14.5	(NA)	
Employer contributions to Social Security and other supplemental benefits	1,150	1,000	915	866	801	667	588	(NA)	15.0	9.3	5.7	8.1	20.1	13.4	(NA)	3.8	3.8	3.9	3.8	3.8	3.3	3.0	(NA)	
Plans required under Federal and State legislation	413	381	354	341	326	256	239	(NA)	8.4	7.6	3.8	4.6	27.3	7.1	(NA)	1.4	1.4	1.5	1.5	1.5	1.3	1.2	(NA)	
Other fringe benefit plans	737	619	561	525	475	411	349	(NA)	19.1	10.3	6.9	10.5	15.6	17.8	(NA)	2.4	2.3	2.4	2.3	2.2	2.0	1.8	(NA)	
Program and production costs <sup>2</sup>	11,239	9,442	8,333	7,644	6,763	6,317	5,926	(NA)	19.0	13.3	9.0	13.0	7.1	6.6	(NA)	36.9	35.7	35.5	33.8	31.9	31.3	30.6	(NA)	
Depreciation	4,990	4,433	3,934	3,848	3,704	3,634	3,611	(NA)	12.6	12.7	2.2	3.9	1.9	0.6	(NA)	16.4	16.8	16.7	17.0	17.4	18.0	18.7	(NA)	
Buildings, offices, and structures	(S)	(S)	(S)	(S)	(S)	229	232	(NA)	(S)	(S)	(S)	(S)	(S)	-1.3	(NA)	(S)	(S)	(S)	(S)	(S)	1.1	1.2	(NA)	
Transmission systems	3,745	3,230	2,814	2,792	2,678	2,668	2,622	(NA)	15.9	14.8	0.8	4.3	0.4	1.8	(NA)	12.3	12.2	12.0	12.3	12.6	13.2	13.5	(NA)	
Vehicles, machinery and equipment, and other tangible assets	914	765	773	747	769	737	757	(NA)	19.5	-1.0	3.5	-2.9	4.3	-2.6	(NA)	3.0	2.9	3.3	3.3	3.6	3.7	3.9	(NA)	
Lease and rental	764	682	648	631	589	516	513	(NA)	12.0	5.2	2.7	7.1	14.1	0.6	(NA)	2.5	2.6	2.8	2.8	2.8	2.6	2.7	(NA)	
Buildings, offices, and structures	297	258	237	237	237	193	185	(NA)	15.1	8.9	—	—	22.8	4.3	(NA)	1.0	1.0	1.0	1.0	1.1	1.0	1.0	(NA)	
Transmission systems	350	318	310	300	270	240	241	(NA)	10.1	2.6	3.3	11.1	12.5	-0.4	(NA)	1.1	1.2	1.3	1.3	1.3	1.2	1.2	(NA)	
Vehicles, and other machinery and equipment	117	106	101	94	82	83	87	(NA)	10.4	5.0	7.4	14.6	-1.2	-4.6	(NA)	0.4	0.4	0.4	0.4	0.4	0.4	0.4	(NA)	
Purchased repairs	615	555	459	432	373	341	343	(NA)	10.8	20.9	6.3	15.8	9.4	-0.6	(NA)	2.0	2.1	2.0	1.9	1.8	1.7	1.8	(NA)	
Buildings, offices, and structures	62	60	49	45	37	33	33	(NA)	3.3	22.4	8.9	21.6	12.1	0.0	(NA)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	(NA)	
Transmission systems	375	345	277	255	214	198	193	(NA)	8.7	24.5	8.6	19.2	8.1	2.6	(NA)	1.2	1.3	1.2	1.1	1.0	1.0	1.0	(NA)	
Vehicles, and other machinery and equipment	178	150	133	132	122	110	117	(NA)	18.7	12.8	0.8	8.2	10.9	-6.0	(NA)	0.6	0.6	0.6	0.6	0.6	0.5	0.6	(NA)	
Insurance	190	175	162	165	145	115	110	(NA)	8.6	8.0	-1.8	13.8	26.1	4.5	(NA)	0.6	0.7	0.7	0.7	0.7	0.6	0.6	(NA)	
Telephone and other purchased communication services	321	283	225	191	158	139	133	(NA)	13.4	25.8	17.8	20.9	13.7	4.5	(NA)	1.1	1.1	1.0	0.8	0.7	0.7	0.7	(NA)	
Purchased utilities	241	215	210	220	220	201	188	(NA)	12.1	2.4	-4.5	0.0	9.5	6.9	(NA)	0.8	0.8	0.9	1.0	1.0	1.0	1.0	(NA)	
Purchased advertising	1,062	891	708	601	537	472	467	(NA)	19.2	—	17.8	11.9	13.8	1.1	(NA)	3.5	3.4	3.0	2.7	2.5	2.3	2.4	(NA)	
Taxes	436	429	424	423	408	332	310	(NA)	1.6	1.2	0.2	3.7	22.9	7.1	(NA)	1.4	1.6	1.8	1.9	1.9	1.6	1.6	(NA)	
Other operating expenses	4,402	3,804	3,543	3,803	4,001	4,447	4,349	(NA)	15.7	7.4	-6.8	-4.9	-10.0	2.3	(NA)	14.4	14.4	15.1	16.8	18.8	22.1	22.5	(NA)	

NA Not available. X Not applicable. S Data do not meet publication standards because of high sampling variability or poor response quality. Some unpublished estimates can be derived from this table by subtracting published data from their respective totals. However, the figures obtained by such subtraction are subject to these same limitations. These unpublished data are for internal use only.

—Represents zero.

<sup>1</sup>Includes sources of revenue not shown separately.

<sup>2</sup>Includes program and production costs from basic cable services, pay-per-view or premium services, in-house programs, and other program and production costs.

Note: Estimates are obtained from a sample of taxable employer firms only. Estimates are not adjusted for price changes. Detail may not add to total due to rounding. Appendix A, Table A-10 provides estimated measures of sampling variability (coefficients of variability).

## Appendix A. Measures of Sampling Variability

### RELIABILITY OF THE ESTIMATES

An estimate based on a sample survey potentially contains two types of errors - sampling and nonsampling. Sampling error occurs because characteristics differ among sample units and because only a subset of the entire population is measured in a sample survey. Nonsampling errors can be attributed to many sources in the collection and processing of the data. The accuracy of a survey result is affected jointly by these two types of errors.

### Measures of Sampling Variability

Because the estimates are based on a sample, exact agreement with the results that would be obtained from a complete census of firms on the sampling frame using the same enumeration procedures is not expected. However, because each firm on the sampling frame has a known probability of being selected into the sample, it is possible to estimate the sampling variability of the survey estimates.

The standard error of an estimate is a measure of the variability among the estimates from all possible samples of the same size and design. The estimated coefficient of variation of an estimate is the standard error of the estimate divided by the estimate.

The estimated coefficients of variation are expressed as percents. Note that measures of sampling variability, such as the standard error or estimated coefficient of variation, are estimated from the sample and are also subject to sampling variability. Estimated coefficients of variation for dollar volume estimates and estimated ratios are shown in Tables A-1 through A-10.

The estimated coefficients of variation presented in the tables permit certain confidence statements about the sample estimates. The particular sample used in this

survey was one of a large number of samples of the same size that could have been selected using the same design. In about 90 percent of these samples, the estimates would differ from the results of a complete enumeration by less than 1.65 times the standard error of the estimate. In about 95 percent of the samples, the estimates would differ from the result of a complete enumeration by less than twice the standard error of the estimate.

It is important to note that the standard error and estimated coefficient of variation only measure sampling variance. They do not capture any systematic biases in the estimates. (Bias is the difference, averaged over all possible samples of the same size and design, between the estimate and the population value being estimated.)

### Nonsampling Errors

In the Annual Survey of Communication Services, as in other surveys, nonsampling errors can be attributed to many sources: (1) inability to obtain information about all cases in the sample, (2) response errors, (3) definitional difficulties, (4) differences in the interpretation of the questions, (5) mistakes in coding or keying the data obtained, and (6) other errors of collection, response, coverage, and processing. These nonsampling errors also occur in complete censuses. Although no direct measurement of the potential biases due to nonsampling errors has been obtained, precautionary steps were taken in all phases of the collection, processing, and tabulation of the data in an effort to minimize their influence.

A potentially large source of bias in the estimates is due to imputing data for nonrespondents and for data which fail edit. For all kinds of business combined, imputed revenue amounts to about 4 percent of the national revenue estimate.

Table A-1. **Communications Services (SIC 48) — Estimated Coefficients of Variation for Summary Statistics, by Kind of Business: 1995 and 1996**

Item	Communications services (SIC 48)	Telephone communications (SIC 481)	Radiotelephone communications (SIC 4812)	Telephone communications, except radiotelephone (SIC 4813)	Radio and television broadcasting (SIC 483)	Radio broadcasting (SIC 4832)	Television broadcasting (SIC 4833)	Cable and other pay television services (SIC 4841)	Telegraph and other communications services, not elsewhere classified (SIC 4822 and 4899)
<b>Total Revenue</b>									
Dollar volume									
1996 .....	0.9	1.1	1.5	1.2	1.3	3.3	1.3	2.3	3.0
1995 .....	0.5	0.6	1.2	0.7	1.5	2.8	1.8	1.6	2.8
Year-to-year ratio 1996/1995 .....	0.6	0.8	0.8	0.9	0.8	1.1	1.1	1.5	3.1
<b>Operating Expenses</b>									
Dollar volume									
1996 .....	0.9	1.1	1.2	1.3	1.4	3.6	1.5	2.3	3.1
1995 .....	0.6	0.7	1.2	0.8	1.4	3.0	1.6	1.9	2.9
Year-to-year ratio 1996/1995 .....	0.6	0.8	0.7	0.9	0.9	1.2	1.1	1.5	2.7
<b>Annual Payroll</b>									
Dollar volume									
1996 .....	0.6	0.7	1.4	0.8	2.2	4.2	2.5	2.0	5.7
1995 .....	0.6	0.6	2.0	0.6	2.1	3.5	2.6	1.7	3.6
Year-to-year ratio 1996/1995 .....	0.3	0.3	1.1	0.3	0.9	1.5	1.2	1.6	5.0
<b>Employer Contributions to Social Security and Other Supplemental Benefits</b>									
Dollar volume									
1996 .....	0.7	0.8	(S)	0.8	1.9	4.1	2.1	1.8	3.8
1995 .....	0.6	0.6	(S)	0.7	2.0	4.3	2.3	1.8	4.3
Year-to-year ratio 1996/1995 .....	0.4	0.5	(S)	0.5	1.0	1.1	1.4	1.3	3.9

S Data do not meet publication standards because of high sampling variability or poor response quality.

Table A-2. Telephone Communications (SIC 481) — Estimated Coefficients of Variation for Operating Revenue and Expenses: 1995 and 1996

Item	Dollar volume		Year-to-year ratio 1996/1995
	1996	1995	
<b>Operating Revenue</b>			
Total .....	1.1	0.6	0.8
Local service .....	0.6	0.4	0.5
Long-distance service .....	2.4	1.4	1.6
Network access .....	1.5	1.3	0.5
Cellular and other radiotelephone .....	1.4	1.2	0.8
Directory advertising .....	0.6	0.4	0.5
Other operating revenue .....	3.0	3.3	1.0
<b>Operating Expenses</b>			
Total .....	1.1	0.7	0.8
Annual payroll .....	0.7	0.6	0.3
Employer contributions to Social Security and other supplemental benefits .....	0.8	0.6	0.5
Access charges .....	3.5	2.3	2.1
Depreciation .....	0.8	0.7	0.6
Lease and rental .....	7.4	4.8	2.7
Purchased repairs .....	1.3	1.1	0.6
Insurance .....	2.8	3.2	1.1
Telephone and other purchased communication services .....	5.6	6.4	3.2
Purchased utilities .....	0.8	0.6	0.6
Purchased advertising .....	3.6	1.3	3.9
Taxes .....	1.8	1.0	1.6
Other operating expenses .....	1.1	1.1	0.6

Table A-3. Radiotelephone Communications (SIC 4812) — Estimated Coefficients of Variation for Operating Revenue and Expenses: 1995 and 1996

Item	Dollar volume		Year-to-year ratio 1996/1995	Percent of total	
	1996	1995		1996	1995
<b>Operating Revenue</b>					
Total .....	1.5	1.2	0.8	(X)	(X)
Cellular and other radiotelephone .....	1.4	1.2	0.8	0.4	0.4
Other operating revenue .....	7.6	6.7	3.0	7.0	6.4
<b>Operating Expenses</b>					
Total .....	1.2	1.2	0.7	(X)	(X)
Annual payroll .....	1.4	2.0	1.1	1.0	1.4
Employer contributions to Social Security and other supplemental benefits .....	1.0	1.2	0.7	0.6	0.6
Access charges .....	2.0	2.5	2.2	2.4	2.8
Depreciation .....	1.8	1.8	0.9	0.9	0.9
Lease and rental .....	3.0	3.5	0.9	2.4	3.0
Purchased repairs .....	2.3	2.6	1.2	1.4	2.0
Insurance .....	2.6	3.7	1.9	2.6	3.8
Telephone and other purchased communication services .....	4.6	5.1	1.5	4.2	4.6
Purchased utilities .....	1.9	1.8	0.8	1.2	1.4
Purchased advertising .....	1.1	1.3	0.8	0.7	0.7
Taxes .....	1.5	1.4	0.7	0.9	0.7
Other operating expenses .....	1.4	1.2	0.9	0.7	0.7

X Not applicable.

Table A-4. Telephone Communications, Except Radiotelephone (SIC 4813) — Estimated Coefficients of Variation for Operating Revenue and Expenses: 1995 and 1996

Item	Dollar volume		Year-to-year ratio 1996/1995	Percent of total	
	1996	1995		1996	1995
<b>Operating Revenue</b>					
Total .....	1.2	0.7	0.9	(X)	(X)
Local service .....	0.6	0.4	0.5	1.0	0.7
Long-distance service .....	2.4	1.4	1.6	1.4	1.0
Network access .....	1.5	1.3	0.5	1.5	1.1
Cellular and other radiotelephone .....	(S)	(S)	(S)	(S)	(S)
Directory advertising .....	0.6	0.4	0.5	1.0	0.8
Other operating revenue .....	3.3	3.7	1.0	3.4	3.7
<b>Operating Expenses</b>					
Total .....	1.3	0.8	0.9	(X)	(X)
Annual payroll .....	0.8	0.6	0.3	0.8	0.5
Employer contributions to Social Security and other supplemental benefits .....	0.8	0.7	0.5	1.0	0.8
Access charges .....	3.6	2.4	2.2	2.6	1.8
Depreciation .....	0.9	0.7	0.7	1.1	0.8
Lease and rental .....	9.2	5.7	3.6	9.1	5.6
Purchased repairs .....	1.3	1.1	0.6	1.3	1.1
Insurance .....	3.6	3.7	1.2	3.3	3.5
Telephone and other purchased communication services .....	8.0	8.6	4.4	7.8	8.5
Purchased utilities .....	0.9	0.6	0.7	1.2	0.9
Purchased advertising .....	5.0	1.7	5.5	4.2	1.8
Taxes .....	1.9	1.0	1.7	1.4	1.2
Other operating expenses .....	1.4	1.3	0.7	1.2	1.0

X Not applicable. S Data do not meet publication standards because of high sampling variability or poor response quality.



Table A-5. Telephone Communications, Except Radiotelephone (SIC 4813) — Estimated Coefficients of Variation for Local, Long-Distance, and Network Access Revenue, by Type of Customer and Service: 1995 and 1996

Item	Dollar volume	Type of customer		Type of service	
		Residential	Nonresidential	Intrastate	Interstate
<b>Local Service</b>					
Dollar volume					
1996 .....	0.6	0.6	0.8	0.6	7.1
1995 .....	0.4	0.5	0.5	0.4	6.0
Year-to-year ratio 1996/1995 .....	0.5	0.4	0.6	0.5	1.8
<b>Long-Distance Service</b>					
Dollar volume					
1996 .....	2.4	4.0	2.6	2.3	2.5
1995 .....	1.4	1.4	2.2	1.3	1.7
Year-to-year ratio 1996/1995 .....	1.6	3.1	0.6	1.7	1.5
<b>Network Access</b>					
Dollar volume					
1996 .....	1.5	4.9	1.0	2.2	1.3
1995 .....	1.3	4.1	0.8	1.9	1.1
Year-to-year ratio 1996/1995 .....	0.5	0.9	0.5	0.6	0.6

Table A-6. Telephone Communications (SIC 481) — Estimated Coefficients of Variation for Cellular and Other Radiotelephone Revenue, by Type of Service: 1996

Item	1996 (Dollar volume)
Cellular and other radiotelephone revenue .....	1.4
<b>Type of Service</b>	
Air time .....	1.2
Basic service .....	1.6
Long-distance service .....	2.2
Roaming charges .....	2.2
Other services .....	5.4

Table A-7. **Broadcasting Services (SIC 483) — Estimated Coefficients of Variation for Revenue and Expenses for Taxable and Tax-Exempt Firms, by Kind of Business: 1995 and 1996**

Item	Total broadcasting (SIC 483)			Radio (SIC 4832)			Television (SIC 4833)		
	Dollar volume		Year-to- year ratio 1996/1995	Dollar volume		Year-to- year ratio 1996/1995	Dollar volume		Year-to- year ratio 1996/1995
	1996	1995		1996	1995		1996	1995	
<b>Total Revenue</b>									
Total .....	1.3	1.5	0.8	3.3	2.8	1.1	1.3	1.8	1.1
<b>Operating Expenses</b>									
Total .....	1.4	1.4	0.9	3.6	3.0	1.2	1.5	1.6	1.1
Annual payroll .....	2.2	2.1	0.9	4.2	3.5	1.5	2.5	2.6	1.2
Employer contributions to Social Security and other supplemental benefits .....	1.9	2.0	1.0	4.1	4.3	1.1	2.1	2.3	1.4
Broadcast rights .....	2.3	2.0	1.4	5.1	8.6	8.1	2.4	2.0	1.4
Music license fees .....	1.7	1.6	1.3	2.9	2.6	2.0	1.8	1.8	1.6
Depreciation .....	2.6	2.4	1.3	6.7	6.1	2.4	2.4	2.1	1.5
Lease and rental .....	4.4	3.6	2.1	6.8	6.8	2.2	5.8	3.8	3.2
Purchased repairs .....	2.1	2.3	1.4	3.9	4.2	2.4	2.5	2.7	1.7
Insurance .....	2.9	2.2	2.4	6.3	4.1	5.3	2.2	2.5	1.7
Telephone and other purchased communication services .....	2.4	2.5	1.5	5.2	5.1	2.9	1.7	2.0	1.4
Purchased utilities .....	3.7	2.7	3.2	5.1	4.4	1.6	5.0	3.4	4.8
Purchased advertising .....	4.0	3.0	1.5	2.9	2.8	2.3	5.9	4.4	1.9
Taxes .....	2.4	2.5	1.6	4.3	4.5	2.6	2.8	2.9	2.0
Other operating expenses .....	1.4	1.4	1.1	3.5	3.4	1.9	1.3	1.4	1.3

Table A-8. **Broadcasting Services (SIC 483) — Estimated Coefficients of Variation for Operating Revenue and Expenses for Taxable Firms, by Kind of Business: 1995 and 1996**

Item	Total broadcasting (SIC 483)			Radio (SIC 4832)					Television (SIC 4833)				
	Dollar volume		Year- to-year ratio 1996/ 1995	Dollar volume		Year- to-year ratio 1996/ 1995	Percent of total		Dollar volume		Year- to-year ratio 1996/ 1995	Percent of total	
	1996	1995		1996	1995		1996	1995	1996	1995		1996	1995
<b>Operating Revenue</b>													
Total .....	1.3	1.5	0.9	3.5	2.9	1.2	(X)	(X)	1.3	1.8	1.1	(X)	(X)
Station time sales .....	2.0	2.2	1.2	3.4	2.7	1.3	0.5	0.5	2.4	3.1	1.7	1.2	1.3
Network compensation ..	5.1	5.2	2.0	4.2	4.5	3.4	4.6	5.8	5.9	5.9	2.2	5.1	4.8
National/regional advertising .....	2.1	2.7	1.5	5.0	4.5	2.2	2.4	2.7	2.3	3.3	1.9	1.2	1.6
Local advertising .....	2.1	2.1	1.1	3.3	2.7	1.3	0.9	1.1	2.6	3.1	1.7	1.7	1.5
Network time sales .....	1.2	0.6	0.7	5.6	5.5	0.9	3.6	3.7	1.2	0.5	0.7	1.7	2.0
Other operating revenue ..	3.4	3.6	1.7	12.6	13.8	5.9	11.6	12.7	2.8	3.3	1.6	2.3	2.6
<b>Operating Expenses</b>													
Total .....	1.5	1.4	1.0	3.8	3.1	1.3	(X)	(X)	1.5	1.6	1.2	(X)	(X)
Annual payroll .....	2.3	2.1	1.0	4.4	3.7	1.6	1.2	1.3	2.5	2.6	1.3	2.1	1.7
Employer contributions to Social Security and other supplemental benefits ...	1.9	2.1	1.1	4.1	4.2	1.1	2.7	2.9	2.1	2.4	1.4	2.0	1.9
Broadcast rights .....	2.4	2.0	1.5	5.4	9.0	8.3	3.6	8.7	2.5	2.1	1.5	1.4	1.1
Music license fees .....	1.7	1.6	1.3	3.0	2.6	2.1	2.3	2.2	1.8	1.8	1.6	2.0	1.3
Depreciation .....	2.7	2.4	1.4	7.1	6.3	2.7	5.2	4.9	2.4	2.2	1.6	2.9	2.4
Lease and rental .....	4.7	4.0	2.2	7.3	7.4	2.5	4.9	5.5	6.2	4.3	3.2	6.1	3.9
Purchased repairs .....	2.2	2.5	1.5	4.6	4.7	2.7	3.2	3.9	2.5	2.9	1.9	2.3	2.5
Insurance .....	3.1	2.3	2.5	6.6	4.3	5.5	6.2	3.3	2.3	2.6	1.8	2.3	2.2
Telephone and other purchased communication services ..	2.5	2.6	1.5	5.6	5.4	3.0	2.8	3.5	1.6	1.9	1.5	1.3	1.1
Purchased utilities .....	3.9	2.5	3.4	5.8	4.9	1.8	3.8	3.5	5.2	2.7	5.3	5.8	2.5
Purchased advertising .....	4.1	3.1	1.6	2.9	2.8	2.3	2.2	3.1	6.1	4.6	1.9	5.0	4.1
Taxes .....	2.4	2.4	1.7	4.5	4.2	2.8	3.5	4.7	2.8	3.0	2.1	2.4	2.5
Other operating expenses ..	1.5	1.5	1.1	3.8	3.5	1.9	2.0	2.1	1.4	1.6	1.4	1.5	1.3

X Not applicable.

Table A-9. **Broadcasting Services (SIC 483) — Estimated Coefficients of Variation for Revenue and Expenses for Tax-Exempt Firms, by Kind of Business: 1995 and 1996**

Item	Total broadcasting (SIC 483)			Radio (SIC 4832)			Television (SIC 4833)		
	Dollar volume		Year-to- year ratio 1996/1995	Dollar volume		Year-to- year ratio 1996/1995	Dollar volume		Year-to- year ratio 1996/1995
	1996	1995		1996	1995		1996	1995	
<b>Total Revenue</b>									
Total .....	3.5	4.8	2.9	13.4	9.2	7.2	2.9	5.4	2.8
<b>Operating Expenses</b>									
Total .....	3.3	2.8	1.6	12.7	8.4	7.5	2.8	2.9	0.5
Annual payroll .....	3.9	3.9	1.0	9.7	8.1	3.6	4.1	4.4	0.6
Employer contributions to Social Security and other supplemental benefits .....	4.4	4.5	1.6	11.5	12.3	5.7	4.3	4.3	0.8
Broadcast rights .....	(S)	(S)	(S)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Music license fees .....	(S)	(S)	(S)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Depreciation .....	5.5	4.8	3.1	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Lease and rental .....	10.4	8.2	6.1	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Purchased repairs .....	8.0	5.6	4.2	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Insurance .....	4.8	4.0	2.3	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Telephone and other purchased communication services .....	7.8	6.1	4.7	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Purchased utilities .....	13.2	13.4	2.6	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Purchased advertising .....	3.6	4.5	1.9	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Taxes .....	(S)	(S)	(S)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Other operating expenses .....	3.4	2.6	2.1	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)

S Data do not meet publication standards because of high sampling variability or poor response quality. NA Not available.

Table A-10. **Cable and Other Pay Television Services (SIC 4841) — Estimated Coefficients of Variation for Components of Operating Revenue and Expenses for Taxable Firms: 1995 and 1996**

Item	Dollar volume		Year-to-year ratio 1996/1995	Percent of total	
	1996	1995		1996	1995
<b>Operating Revenue</b>					
Total .....	2.3	1.6	1.5	(X)	(X)
Total Cable and other pay television revenue .....	2.4	1.8	1.5	(X)	(X)
Advertising .....	5.1	5.9	1.3	4.0	5.0
Program revenue .....	3.4	2.6	1.7	3.9	3.2
Basic service revenue .....	2.6	2.1	1.5	1.2	1.2
Pay-per-view and other premium service revenue .....	6.1	5.5	2.3	5.2	5.1
Installation fees .....	7.6	3.8	5.7	7.2	3.7
Other cable revenue .....	3.4	2.9	2.1	2.2	2.6
<b>Operating Expenses</b>					
Total .....	2.2	1.9	1.5	(X)	(X)
Annual payroll .....	1.8	1.7	1.6	1.3	1.2
Employer contributions to Social Security and other supplemental benefits	1.7	1.8	1.6	1.5	1.8
Plans required under Federal and State legislation .....	2.0	2.5	2.1	1.9	2.6
Other fringe benefit plans .....	1.7	1.7	1.4	1.4	1.6
Program and production costs .....	2.7	2.5	1.5	1.2	1.3
Depreciation .....	3.8	3.7	2.1	2.3	2.5
Buildings, offices, and structures .....	(S)	(S)	(S)	(S)	(S)
Transmission systems .....	4.3	4.5	2.1	2.8	3.3
Vehicles, machinery and equipment, and other tangible assets .....	6.7	8.0	3.6	7.3	8.3
Lease and rental .....	5.8	7.2	2.7	5.3	6.4
Buildings, offices, and structures .....	3.1	3.3	2.0	2.7	3.0
Transmission systems .....	10.3	11.9	4.1	9.9	11.2
Vehicles, and other machinery and equipment .....	8.8	10.6	3.4	8.6	9.7
Purchased repairs .....	2.6	3.4	1.8	2.2	2.7
Buildings, offices, and structures .....	5.5	3.6	4.1	4.3	3.1
Transmission systems .....	3.1	4.6	2.1	3.0	3.9
Vehicles, and other machinery and equipment .....	3.3	3.5	1.3	3.0	3.3
Insurance .....	2.7	2.9	1.8	2.2	2.3
Telephone and other purchased communication services .....	2.1	1.8	1.7	1.7	1.5
Purchased utilities .....	3.5	3.2	1.7	2.5	3.1
Purchased advertising .....	1.4	1.2	1.5	1.9	2.0
Taxes .....	2.9	2.4	2.7	2.2	2.7
Other operating expenses .....	2.9	3.0	2.0	1.8	2.9

X Not applicable. S Data do not meet publication standards because of high sampling variability or poor response quality.

## Appendix B. Explanatory Material

### DEFINITION OF TERMS

**Firm.** A firm is a business entity consisting of one or more domestic establishments/locations under common ownership or control.

**Federal income tax status.** Firms that indicate all or part of their income are exempt from Federal income tax under provision of Section 501 or 521 of the Internal Revenue Service and are classified as tax-exempt. Firms indicating no such exemption are classified as taxable. For firms that do not respond, the tax status classification is based upon administrative records.

### Revenue

**Operating Revenue.** Billings for services rendered and any sales of merchandise during the survey year, even though payments may be received at a later date. Excludes income from interest, investments, gifts, loans, contributions or grants; the sale of securities, real estate, etc.; sales taxes or other taxes collected from customers and remitted directly by the firm to a local, State, or Federal tax agency; revenue from the sale of merchandise and equipment from retail establishments; and revenue from a domestic parent organization, or from franchise locations owned by others and any franchise or license fees.

**Total Revenue.** For tax-exempt firms, it includes all government subsidies used to offset operating or capital deficits, private gifts, loans, contributions or grants, and all other non-operating receipts such as income from investments, the sale of securities, and real estate. Total revenue also includes any operating revenue incurred by the tax-exempt firm.

### Telephone Services

**Local service revenue.** Revenue from services provided within the basic service area. This includes extended area revenue; local private line revenue; customer premises revenue; revenue from public telephone services provided within the basic service area; and other local exchange revenue, such as directory assistance, touch-tone line services, call forwarding, and call waiting. Excludes cellular and other mobile services revenue.

**Long-distance service revenue.** Revenue for providing message services that terminate beyond the basic service area. This includes message services that utilize the public long-distance switching network and the basic subscriber access line, and operator assistance or special billings directly related to these calls; and revenue received from international calls originating in the U.S., including that portion paid to foreign companies for access to their networks.

**Network access revenue.** Revenue for providing exchange access services to an interexchange carrier or to an end-user of telecommunications services beyond the exchange carrier's network and access revenue for calls originating in foreign countries.

**Cellular and other radiotelephone revenue.** Revenue from cellular and general radio telecommunications, including radio paging, mobile dispatching, and signalling services. Excludes revenue from installation fees and equipment sales.

**Directory advertising revenue.** Revenue from alphabetical and classified sections of directories, including amounts charged for additional and bold face listings, marginal displays, inserts and other advertisements. Excludes other directory revenue (i.e. revenue from sale of directories, charges for unlisted numbers, etc.).

**Other operating revenue.** Includes revenue from the sale or lease of communication equipment (the fair sales value of merchandise marketed under capital, finance, or "full payout" leases); revenue from the rental of telecommunications plant or equipment furnished apart from services rendered; operating and maintenance activities provided for others; special billing arrangements for customers; billing and collection services provided to other telecommunications firms; directory revenue from other than advertising services; installation fees; and services such as general accounting, financial, legal, etc. provided to firms under a license, general contract, or other agreement, as well as the sale of merchandise and equipment. Excludes the sale of merchandise and equipment from retail establishments, sales or other taxes collected from customers and paid directly to a taxing authority, and nonoperating revenue such as the sale of investments, securities, real estate, etc.

## Radio and Television Broadcasting

**Network compensation.** Revenue from the sale of station time to networks. Excludes compensation paid to stations owned by the network.

**National/regional advertising revenue.** Revenue from the sale of station time to national and regional advertisers or sponsors. This includes trade-outs and barter, and political advertising revenue. Commissions paid to agency representatives and brokers are excluded.

**Local advertising revenue.** Revenue from the sale of station time to local advertisers or sponsors. This includes trade-outs and barter, and political advertising revenue. Commissions paid to agency representatives and brokers are excluded.

**Network time sales: Advertising revenue (networks only).** Network revenue from advertising sales. Commissions paid to agency representatives and brokers are excluded.

**Other operating revenue.** Includes revenue from retransmission consent; the use of talent services, and technical facilities; management fees; and revenue from the production and/or distribution of programs, except when the production/distribution is provided by separate establishments of the company. Also includes satellite truck rental revenue. Excludes tower rental revenue.

## Cable Television and Other Services

**Advertising revenue.** Revenue from the sale of time to advertisers or sponsors for national, spot and local advertising; classified channels; and program guides and other printed material. Commissions paid to agency representatives and brokers are excluded.

**Program revenue.** Revenue received from system operators and other customers for programming services.

**Basic revenue.** Subscription fees received from residential and commercial customers for basic services.

**Pay-per-view and other premium service revenue.** Revenue from pay-per-view and other premium services, such as movie channels.

**Installation fees.** Revenue from the installation of basic, pay-per-view, and other premium services. Includes all reconnect fees.

**Other cable and pay TV revenue.** Revenue from all other cable and pay television services, such as service charges, rental or lease of channel capacity, etc. Includes system operator's revenue from shop-at-home programs.

**Telegraph and other message communication revenue.** Revenue from telegraph and other message communications, such as electronic mail, facsimile transmissions, telegram and telex, and paging services.

**Other communication services revenue.** Revenue from all other point-to-point communication services, including satellite communications and radar station operations.

## Operating Expenses

Costs incurred during the survey year even though payment may be made at a later date. Exceptions are annual payroll and employer contributions for employee benefits, which are reported on a cash basis. Excludes interest on loans and sales taxes and other taxes collected from customers and paid directly to a taxing authority.

**Annual payroll.** All salaries, wages, commissions, bonuses, and allowances for vacation, holiday, and sick leave paid to employees during the survey year. For corporations, it includes amounts paid to officers and executives; for unincorporated businesses, it does not include payments to proprietors or partners. Annual payroll is reported on a cash basis before employee deductions for Social Security, withholding taxes, insurance, union dues, etc.

**Employer contributions for employee benefit plans** (reported on a cash basis)

*Plans required under Federal and State legislation.* The employer's cost for all legally required programs, such as Social Security and Medicare (FICA), worker's compensation insurance, unemployment tax, State disability insurance programs, etc.

*Other fringe benefit plans.* The employer's cost for programs not required by law such as pension plans, stock purchase plans, union-negotiated benefits, life insurance benefits, insurance premiums for hospital and medical plans, etc.

**Access charges (telephone firms only).** Payments to local exchange carriers for access to their networks. Includes fees for leased facilities, interconnection fees for cellular phone services, and access charges paid to foreign companies for international calls originating in the United States.

**Broadcast rights (radio and television broadcasting firms only).** The cost of broadcast rights to feature films, syndicated programming, sport events, etc.

**Music license fees (radio and television broadcasting firms only).** The cost of music license fees payable to music licensing organizations.



**Network compensation fees (radio and television networks only).** The cost of programming time purchased from affiliated and independent stations. Excludes the cost of programming time purchased from stations owned by the network.

**Program and production costs (cable television firms only).** The costs for providing basic cable services, pay or premium television services, original programs produced or developed in-house, talent fees, music license fees, the value of bartered programming, and all other costs of programming and production.

**Retransmission consent fees (cable television firms only).** Fees paid by cable companies for the retransmission of broadcast signals. Includes the fair-market value (not the actual costs) of reciprocal non-cash exchanges, such as bartered advertising time, promotions, and carriage of new local and national cable channels.

**Depreciation.** Depreciation charges on assets owned by the company. Includes depreciation on assets rented or leased to others by the company under an operating lease agreement. Also includes depreciation against assets owned by the company within leaseholds and assets obtained through capital lease agreements. Excludes depreciation on intangible assets and assets leased to others by the company under a capital lease agreement. These charges are not adjusted for the value of depreciable assets sold or traded for replacement purposes.

*Buildings, offices, and structures.* Depreciation charges on buildings, offices, and structures owned by the company (except those included as part of communication or transmission systems defined below).

*Communication systems (telephone firms only).* Depreciation charges on communication systems, including optical fiber, digital and/or microwave switching equipment, satellite transmission, radio systems, terminal equipment, poles, cable, etc.

*Transmission systems (except telephone firms).* Depreciation charges on transmission systems, including towers, antennas, cables, wires, transmitters, transmission lines, converters, tap offs, power supplies, microwave equipment, master control equipment, and other transmitting equipment.

*Vehicles, machinery and equipment, and other tangible assets.* Depreciation charges on vehicles, machinery and equipment, and other tangible assets.

**Lease and rental.** Payments made to other companies for the rental and leasing of assets owned by them. Excludes payments to a parent company or organization or any of its subsidiaries, and installment payments for assets obtained through capital lease agreements.

*Buildings, offices, and structures.* Payments made to other companies for the rental or leasing of buildings, offices, and structures (except those included as part of communication or transmission systems defined below).

*Communication systems (telephone firms only).* Payments made to other companies for the rental or leasing of communication systems including optical fiber, switching equipment, satellite transmission, radio systems, terminal equipment, poles, cable, etc.

*Transmission systems (except telephone firms).* Payments made to other companies for the rental or leasing of transmission systems, including towers, antennas, cables, wires, transmitters, transmission lines, converters, tap offs, power supplies, microwave equipment, master control equipment, and other transmitting equipment.

*Vehicles, machinery and equipment.* Payments made to other companies for the rental or leasing of vehicles and other machinery and equipment.

**Purchased repairs.** Payments made to other companies for repairs. Excludes repair costs included as part of a lease or rental agreement, improvements for which depreciation accounts are maintained, and repairs performed by employees of the company or its subsidiaries.

*Buildings, offices, and structures.* Payments made to other companies for repairs (including charges for parts and labor) to buildings, offices, and structures (except those included as part of communication or transmission systems defined below).

*Communication systems (telephone firms only).* Payments made to other companies for the repair of communication systems, including optical fiber, switching equipment, satellite transmission, radio systems, terminal equipment, poles, cables, etc.

*Transmission systems (except telephone firms).* Payments made to other companies for the repair of transmission systems, including towers, antennas, cables, wires, transmitters, transmission lines, converters, tap offs, power supplies, microwave equipment, master control equipment, and other transmitting equipment.

*Vehicles, machinery and equipment.* Payments made to other companies for the repair of vehicles and other machinery and equipment.

**Insurance.** The cost of all commercial insurance used to protect the company against losses or damages to buildings, structures, and machinery and equipment caused by fire, flood, wind, boiler explosion, or any other cause. Also

includes premiums on fidelity bonds of employees, insurance to protect against liability for deaths or injuries of persons, and damages to property of others. Excludes cost of premiums for worker's compensation.

**Telephone and other purchased communication services.** The cost of nonrevenue-generating purchased communication services such as telephone, telex, telegraph, teletype, etc.

**Purchased utilities.** The cost of purchased utilities, including electricity; fuels consumed for heat, power or generating electricity; water; sewer; and refuse removal. Excludes payments for these utility services if included as part of a lease or rental agreement.

**Purchased advertising.** The cost of purchased advertising including payments to other firms for printing, media, and other services and materials used for advertising.

**Taxes and licenses.** The cost of taxes and licenses, including business license fees, real estate and personal property taxes (such as taxes on motor vehicles, machinery, equipment, and inventories), and special assessments. Also includes FCC license fees. Excludes income, sales, payroll, excise taxes, and other taxes collected from customers and paid to local, State, or Federal government agencies.

**Other operating expenses.** All other operating expenses not reported above, including billing services; news gathering services; rating services; travel expenses; dues and subscriptions; accounting and legal fees; office supplies; and data processing expenses, including the cost of computer software purchased under licensing agreements. Excludes interest on loans, income taxes, and local sales and excise taxes.

## Sample Design

### Introduction

The Annual Survey of Communication Services (ASCS) is a probability sample of employer firms engaged in providing point-to-point communication services, as defined by Major Group 48 of the 1987 Standard Industrial Classification (SIC) Manual. By firm, we mean a business organization consisting of one or more establishments under common ownership or control. (An establishment is a single physical location where business is conducted or where services are performed.) The sample covers both taxable firms and firms exempt from Federal income taxes. Firms without employees, or nonemployers, are not included in the estimates.

### Initial Sampling

The sampling frame for the ASCS was constructed from the Census Bureau's Standard Statistical Establishment List (SSEL) as of December 31, 1994. The SSEL is a multi-relational database that contains a record for each known establishment connected with an employer firm. A firm can be classified as either a multiunit or a singleunit firm. A multiunit firm is a firm which owns or operates two or more establishments, whereas a single-unit firm is a firm which owns or operates only one establishment. Establishments that are owned by the same multiunit firm are linked using a unique six-digit identification number, called an alpha number, assigned by the Census Bureau. A link between each establishment and its corresponding Employer Identification Number (EIN) is also maintained. The EIN is a number assigned by the IRS to any legal entity that anticipates hiring employees. Under the Federal Insurance Contributions Act (FICA), each firm with paid employees must have an EIN. The EIN is used by the firm as an identifier to report social security payments for its employees to the IRS.

There is a simple structure that connects an employer firm with its establishments via the EIN. Essentially an employer firm is a cluster of one or more EINs and EINs are clusters of one or more establishments. Each employer firm is associated with at least one EIN and only one firm can use a given EIN. However, an employer firm may use several different EINs for reporting to the IRS. Similarly there is a one-to-many relationship between EINs and establishments. Each EIN is associated with one or more establishments, but each establishment is associated with only one EIN.

The sampling frame for the ASCS contains two types of sampling units — alpha numbers and EINs. Both sampling units represent clusters of one or more establishments. The primary stratification of the frame is by kind-of-business group. We further stratify (substratify) the sampling units within kind-of-business groups by a measure of size related to their annual receipts or revenue as reported in the 1992 Census of Transportation, Communications, and Utilities Industries. To reduce the variance of the estimates, the sampling units with the largest measures of size are selected "with certainty." This means they are sure to be selected and will represent only themselves (i.e., have a selection probability of one and a sampling weight of one). Within each kind of business a substratum boundary (or cutoff) that divides the certainty units from the noncertainty units is determined. These cutoffs are based on a statistical analysis of data from the 1992 Census of Transportation, Communications, and Utilities Industries. Accordingly, the cutoffs are on a 1992 receipts (or revenue) basis. This analysis is also used to allocate the sample among the kind-of-business groups. The allocation results in the minimum sample size required to achieve specified sampling variability constraints for receipts (or revenue) estimates for different kind-of-business groups.

The first step in the sample selection identified certainty firms. If a firm had receipts or revenue (for 1994 adjusted to a 1992 basis) greater than the certainty cutoff for its major kind of business, the firm was selected into the sample with certainty. For multiunit firms selected with certainty, the sampling unit is the alpha number. For singleunit firms selected with certainty, the sampling unit is the EIN. If a firm was selected with certainty and had more than one establishment at the time of sampling, any new establishments that the firm acquires, even if under new or different EINs, are included in the sample with certainty. This is because the firm was selected using its unique six-digit alpha number. However, if a single-unit firm was selected with certainty, only future establishments associated with that firm's EIN are included with certainty; any new EINs that might later be associated with that firm are subjected to sampling through the quarterly birth-selection procedure (described later).

All firms not selected with certainty were subjected to sampling on an EIN basis. If a firm had more than one EIN, each of its EINs was treated as a separate sampling unit. To be eligible for the initial sampling, an EIN had to have nonzero payroll in 1994. The EINs were then stratified according to their major kind of business and their estimated receipts or revenue (on a 1992 basis). Within each noncertainty stratum, a simple random sample of EINs was selected. The sampling rates for the EINs selected from the noncertainty strata varied between 1 in 1.1 and 1 in 150.

### Sampling New Employer Firms (Births)

Periodically, we update the sample to represent new EINs issued since the initial sample selection. These new EINs, called births, are new EINs recently assigned by the IRS, on the latest available IRS mailing list for FICA taxpayers, and assigned a kind-of-business classification (if possible) by the Social Security Administration (SSA). EIN births are sampled on a quarterly basis (in November of the survey year and in February, May, and August of the year following the survey year) using a two-phase selection procedure. In the first phase, births are stratified by kind of business and a measure of size based on expected employment or quarterly payroll. A relatively large sample is drawn and canvassed to obtain a more reliable measure of size, consisting of receipts (or revenue) in two recent months, and a more detailed kind-of-business code, if needed.

Using this more reliable information, the selected births from the first phase are subjected to probability proportional-to-size sampling with overall probabilities equivalent to those used in drawing the initial sample from the 1994 SSEL. Because of the time it takes for a new employer firm to acquire an EIN from the IRS, and because of the time needed to accomplish the two-phase birth-selection procedure, EIN births are added to the sample approximately six to nine months after they begin operation.

The EIN births that are selected in the quarterly birth-selection procedure in November of the survey year are included in the main mailing of the ASCS questionnaires in January of the following year.

To better represent all EIN births in the survey year, and specifically to account for the coverage lag in the birth-selection procedure, we add EIN births that are selected in the year following the survey year. We mail survey forms to these births in June and August to supplement the main survey mailing.

If a selected EIN ceases to be an employer, it becomes inactive. An inactive EIN is not mailed if it becomes inactive prior to the initial mailout of the survey year. An inactive EIN that resumes being an employer becomes a reactivation and is mailed during the initial mailing (if active at the time) or as part of one of the two supplemental mailings.

### Estimation Procedure

To be eligible for the sample canvass and tabulation in a given year, a noncertainty EIN must meet both of the following requirements:

- It must be on the latest available IRS mailing list for FICA taxpayers from the previous quarter.
- It must have been selected from the SSEL in either the initial sampling or during the quarterly birth-selection procedure.

EINs selected into the sample with certainty are not dropped from canvass and tabulation if they are no longer on the IRS mailing list. Rather, the firm that used the EIN is contacted, and if a successor EIN is found, it is added to the survey. For both inactive and reactivated EINs, data are tabulated for only the portion of the survey period that EIN reported payroll to the IRS.

Estimates from the ASCS are based on the summation of weighted data (reported and imputed), where the weight for a given sampling unit is the inverse of its probability of selection.

## Appendix C. Kind-of-Business Classification

The communication industries included in the report are classified in accordance with the 1987 edition of the *Standard Industrial Classification Manual*, issued by the Office of Management and Budget for purposes of providing a standard for the classification and presentation of data by all Federal agencies. Each establishment, firm, and organizations owned and operated by Federal, State, or organization is classified according to the major service (determined by the volume of revenue) it provides. Establishments, firms, and organizations owned and operated by Federal, State, or local governments are excluded. A description of each kind-of-business classification presented in this report follows.

### **COMMUNICATIONS SERVICES (SIC MAJOR GROUP 48)**

Establishments furnishing point-to-point communication services, whether intended to be received aurally or visually; and radio and television broadcasting. Establishments engaged in providing paging and beeper services and those leasing telephone lines or other methods of telephone transmission, such as optical fiber lines and microwave or satellite facilities, and reselling the use of such methods to others. Excludes establishments primarily engaged in furnishing telephone answering services.

#### **Radiotelephone Communications (SIC 4812)**

Establishments primarily engaged in providing two-way radiotelephone communication services, such as cellular telephone services. Also includes telephone paging and beeper service and those engaged in leasing telephone lines or other methods of telephone transmission, such as microwave or satellite facilities and fiber optic lines, and reselling the use of such methods to others. Excludes establishments primarily engaged in furnishing telephone answering services.

#### **Telephone Communications, Except Radiotelephone (SIC 4813)**

Establishments primarily engaged in furnishing telephone voice and data communications, except radiotelephone and telephone answering services. Also includes establishments engaged in leasing telephone lines or other methods of telephone transmission, such as microwave or satellite facilities and fiber optic lines, and reselling the use

of such methods to others. Excludes establishments primarily engaged in furnishing radiotelephone communications and those furnishing telephone answering services.

#### **Telegraph and Other Message Communications (SIC 4822)**

Establishments primarily engaged in furnishing telegraph and other nonvocal message communications services, such as cablegram, electronic mail, and facsimile transmission services.

#### **Radio Broadcasting Stations (SIC 4832)**

Establishments primarily engaged in broadcasting aural programs by radio to the public. Included in this industry are commercial, religious, educational, and other radio stations as well as establishments engaged in radio broadcasting and the production of radio program materials. Excludes separate establishments primarily engaged in producing radio program materials.

#### **Television Broadcasting Stations (SIC 4833)**

Establishments primarily engaged in broadcasting visual programs by television to the public except cable and other pay television services. Included in this industry are commercial, religious, educational, and other television stations as well as establishments engaged in television broadcasting and the production of taped television program materials. Excludes separate establishments primarily engaged in furnishing cable and other pay television services or producing taped television program materials.

#### **Cable and Other Pay Television Services (SIC 4841)**

Establishments primarily engaged in the dissemination of visual and textual television programs on a subscription or fee basis. Included in this industry are establishments which primarily engage in cablecasting and which also produce taped program materials. Excludes separate establishments primarily engaged in producing taped television or motion picture program materials.

#### **Communications Services, Not Elsewhere Classified (SIC 4899)**

Establishments primarily engaged in furnishing communications services, not elsewhere classified. Excludes establishments primarily engaged in providing online information retrieval services on a contract or fee basis.

## Appendix D. Report Forms

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# B-516

OMB No. 0607-0706: Approval Expires 09/30/99

FORM **B-516**  
(10-30-96)  
U.S. DEPARTMENT OF COMMERCE  
BUREAU OF THE CENSUS

## 1996 ANNUAL SURVEY OF COMMUNICATION SERVICES TELEPHONE AND WIRELESS SERVICES

NOTICE – Response to this inquiry **is required by law (title 13, U.S. Code)**. By the same law, your report to the Census Bureau is **confidential**. It may be seen only by sworn Census employees and may be used for statistical purposes. The law also provides that copies retained in your files are **immune from legal process**.

In correspondence pertaining to this report, please refer to the IDENTIFICATION NUMBER shown below.

CENSUS USE	011	012

RETURN TO  
↓  
BUREAU OF THE CENSUS  
1201 East 10th Street  
Jeffersonville, IN 47132-0001

Any questions call 1-800-772-7851

(Please correct any error in name, address, and ZIP Code)

**BEFORE  
COMPLETING  
YOUR REPORT**

**Read ALL instructions carefully, including the survey coverage below. Instructions accompanying each item number are abbreviated. For complete details, see the "COVERAGE AND REPORTING INSTRUCTIONS" SHEET ON THE THIRD PANEL OF THE FORM. If book figures are not available, carefully prepared estimates are acceptable.**

### SURVEY COVERAGE

This report covers regulated and nonregulated **domestic locations** operated by your company and its subsidiaries primarily engaged in providing telephone communication services (including local, long-distance, alternate access, cellular, beeper, and paging services) as listed on the "Coverage and Reporting Instructions" on the third panel of the form.

**If your activities do not appear to be covered by this survey, please describe your kind of business in the "Remarks" section on page 4 of this form.**

Item 1	NUMBER OF LOCATIONS	Key code	1996 Number	Key code	1995 Number
	Enter the total number of telephone communication locations operated by this company as of December 31, 1996 and 1995. A location is defined as an establishment with paid company personnel. _____	601		651	

Item 2	ORGANIZATIONAL STATUS — Mark (X) the ONE box which best describes this company during 1996.
081	<input type="checkbox"/> Corporation <input type="checkbox"/> Governmental — Specify <input checked="" type="checkbox"/> <input type="checkbox"/> Individual proprietorship <input type="checkbox"/> Other — Specify <input checked="" type="checkbox"/> <input type="checkbox"/> Partnership                      _____

**CONTINUE WITH ITEM 3 ON PAGE 2**

<b>Item 3 OPERATING REVENUE</b>		<b>Estimates are acceptable if book figures are not available.</b>				<b>1996</b>				<b>1995</b>				
						<b>Key code</b>	<b>Bil.</b>	<b>Mil.</b>	<b>Thou.</b>	<b>Dol.</b>	<b>Key code</b>	<b>Bil.</b>	<b>Mil.</b>	<b>Thou.</b>
<p><b>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</b></p> <p><b>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</b></p> <p><b>Line a</b> — Report cellular and other mobile services revenue in line d.</p> <p><b>Line d</b> — Report installation fees and the sale of equipment in line f.</p> <p><b>Line e</b> — Report other directory revenue (i.e., revenue from the sale of directories, charges for unlisted telephone numbers, etc.) in line f.</p> <p><b>Line f</b> — Exclude the sale of merchandise and equipment from retail locations. Also exclude sales or other taxes collected from customers and paid directly to a taxing authority, and nonoperating revenue such as income from investments, the sale of securities, real estate, etc. <b>NOTE</b> — If the amount reported on this line is greater than 50 percent of the total operating revenue reported in line g, indicate the source of this revenue in the "Remarks" section on page 4 of this form.</p>		<b>a.</b>	Local service revenue	<b>602</b>					<b>652</b>					
		<b>b.</b>	Long-distance service revenue	<b>603</b>					<b>653</b>					
		<b>c.</b>	Network access revenue	<b>604</b>					<b>654</b>					
		<b>d.</b>	Cellular and other radiotelephone revenue	<b>605</b>					<b>655</b>					
		<b>e.</b>	Directory advertising revenue	<b>606</b>					<b>656</b>					
		<b>f.</b>	Other operating revenue	<b>607</b>					<b>657</b>					
		<b>g.</b>	<b>TOTAL OPERATING REVENUE</b>	<b>608</b>					<b>658</b>					
		<b>Item 4 ANALYSIS OF REVENUE</b>		<b>Percentage of local service revenue</b>				<b>Percentage of long-distance service revenue</b>				<b>Percentage of network access revenue</b>		
<b>4a. What were the percentages of local service, long-distance service, and network access revenue by type of customer?</b>		<b>Key code</b>	<b>1996</b>	<b>Key code</b>	<b>1995</b>	<b>Key code</b>	<b>1996</b>	<b>Key code</b>	<b>1995</b>	<b>Key code</b>	<b>1996</b>	<b>Key code</b>	<b>1995</b>	
<b>(1) Residential customers</b>		<b>609</b>	%	<b>659</b>	%	<b>611</b>	%	<b>661</b>	%	<b>613</b>	%	<b>663</b>	%	
<b>(2) Other customers</b>		<b>610</b>	%	<b>660</b>	%	<b>612</b>	%	<b>662</b>	%	<b>614</b>	%	<b>664</b>	%	
<b>TOTAL</b>		<b>100%</b>		<b>100%</b>		<b>100%</b>		<b>100%</b>		<b>100%</b>		<b>100%</b>		
<b>4b. What were the percentages of local service, long-distance service, and network access revenue by type of service?</b>		<b>Key code</b>	<b>1996</b>	<b>Key code</b>	<b>1995</b>	<b>Key code</b>	<b>1996</b>	<b>Key code</b>	<b>1995</b>	<b>Key code</b>	<b>1996</b>	<b>Key code</b>	<b>1995</b>	
<b>(1) Intrastate service</b>		<b>625</b>	%	<b>675</b>	%	<b>615</b>	%	<b>665</b>	%	<b>617</b>	%	<b>667</b>	%	
<b>(2) Interstate service</b>		<b>626</b>	%	<b>676</b>	%	<b>616</b>	%	<b>666</b>	%	<b>618</b>	%	<b>668</b>	%	
<b>TOTAL</b>		<b>100%</b>		<b>100%</b>		<b>100%</b>		<b>100%</b>		<b>100%</b>		<b>100%</b>		
<p><b>Line c</b> — Firms providing cellular and other radiotelephone services: Report in lines c(1) through c(5) respectively, the percentage of cellular and other radiotelephone revenue (reported in item 3d) from the sale of air time; basic and other services, such as call waiting and voice mail; long-distance services; intercarrier nonhome-subscriber traffic services (roaming charges); and all other sources, such as radio paging, mobile dispatching, and signaling services.</p> <p><b>NOTE</b> — The sum of lines c(1) through c(5) should equal 100 percent.</p>		<b>c. Percentage of cellular and other radiotelephone revenue from:</b>								<b>Key code</b>	<b>1996</b>	<b>Key code</b>	<b>1995</b>	
		<b>(1) Air time</b>								<b>619</b>	%	<b>669</b>	%	
		<b>(2) Basic service</b>								<b>620</b>	%	<b>670</b>	%	
		<b>(3) Long-distance service</b>								<b>621</b>	%	<b>671</b>	%	
		<b>(4) Roaming charges</b>								<b>622</b>	%	<b>672</b>	%	
		<b>(5) Other</b>								<b>623</b>	%	<b>673</b>	%	
<b>TOTAL</b>								<b>100%</b>		<b>100%</b>				

Item 5	PAYROLL AND OTHER OPERATING EXPENSES	Estimates are acceptable if book figures are not available.	Key code	1996				Key code	1995			
				Bil.	Mil.	Thou.	Dol.		Bil.	Mil.	Thou.	Dol.
<p><b>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</b></p> <p><b>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</b></p> <p><b>Line a</b> — Report, on a cash basis, the gross earnings paid to employees prior to deductions. If an unincorporated concern, <b>exclude</b> payments to proprietors or partners.</p> <p><b>Line b</b> — Report, on a cash basis, in line b(1) employer's cost for legally required programs. Report, on a cash basis, in line b(2) employer's cost for programs not required by law. Report in line b(1) and line b(2) the amounts actually contributed.</p> <p><b>Line c</b> — Firms providing <b>cellular phone service</b>, report <b>interconnection fees</b> here.</p> <p><b>Line d</b> — <b>Exclude</b> depreciation on intangible assets and assets leased to others by you under a capital lease agreement. Do not adjust for the value of depreciable assets sold or traded for replacement purposes.</p> <p><b>Line e</b> — <b>Exclude</b> payments by your firm to the parent company or organization, or any of its subsidiaries, for use of assets owned by them; and installment payments for assets obtained by your company through capital lease agreements.</p> <p><b>Line f</b> — <b>Exclude</b> repair costs included as part of a lease or rental agreement, improvements for which depreciation accounts are maintained, and repairs performed by employees of your company and its subsidiaries.</p> <p><b>Line g</b> — <b>Exclude</b> worker's compensation premiums. Report these costs in line b(1).</p> <p><b>Line i</b> — <b>Exclude</b> the cost of utility services if included as part of a lease or rental agreement.</p> <p><b>Line k</b> — <b>Exclude</b> income, payroll, sales, and other taxes collected from customers and paid directly to local, State, or Federal government agencies.</p> <p><b>Lines l and m</b> — See the attached "Coverage and Reporting Instructions" sheet to calculate Other Operating Expenses and Total Operating Expenses as they pertain to this survey.</p> <p><b>NOTE</b> — If the amount reported on line l is greater than 50 percent of the total operating expenses reported in line m, indicate the source of these expenses in the "Remarks" section on page 4 of this form.</p>	a. Annual payroll	627					677					
	b. Employer contributions to employee benefit plans											
	(1) Plans required under Federal and State legislation (including Social Security and Medicare (FICA), worker's compensation insurance, etc.)	628					678					
	(2) Other fringe benefit plans (including medical insurance, life insurance, etc.)	629					679					
	c. Access charges	630					680					
	d. Depreciation and amortization charges											
	(1) Buildings, offices, and structures	631					681					
	(2) Communication systems	632					682					
	(3) Vehicles, machinery and equipment, and other tangible assets	633					683					
	e. Lease and rental costs											
	(1) Buildings, offices, and structures	634					684					
	(2) Communication systems	635					685					
	(3) Vehicles, and other machinery and equipment	636					686					
	f. Cost of purchased repairs											
	(1) Buildings, offices, and structures	637					687					
	(2) Communication systems	638					688					
	(3) Vehicles, and other machinery and equipment	639					689					
g. Cost of insurance	640					690						
h. Cost of telephone and other purchased communication services	641					691						
i. Cost of purchased utilities	642					692						
j. Cost of purchased advertising	643					693						
k. Taxes and licenses	644					694						
l. Other operating expenses	646					696						
<b>m. TOTAL OPERATING EXPENSES</b>	<b>647</b>					<b>697</b>						

Item 6	INTEREST EXPENSE	Key code	1996				Key code	1995			
			Bil.	Mil.	Thou.	Dol.		Bil.	Mil.	Thou.	Dol.
	Report all interest expense, including capitalized interest. Estimates are acceptable if book figures are not available.	645					695				

CONTINUE WITH ITEM 7 ON PAGE 4





**1996 ANNUAL SURVEY OF COMMUNICATION SERVICES  
TELEPHONE AND WIRELESS SERVICES  
COVERAGE AND REPORTING INSTRUCTIONS**

**SPECIFIC SURVEY COVERAGE**

• **Radiotelephone Communications** — Locations, including radio common carriers, satellite common carriers, and wireline companies, primarily engaged in providing two-way radiotelephone communications services, such as cellular telephone services. Also includes locations primarily engaged in providing telephone paging and beeper services and those engaged in leasing telephone lines or other methods of telephone transmission, such as optical fiber lines and microwave or satellite facilities, and reselling the use of such methods to others.

• **Other Telephone Communications** — Locations primarily engaged in furnishing telephone voice and data communications. Transmission can be via wireline, optical fiber, coaxial cable, microwave or satellite. Includes common carriers furnishing

domestic local and long-distance services and international services, specialized long-distance carriers and resellers of these services.

Include data for auxiliary facilities of your company primarily engaged in furnishing supporting services to your communication business activities, such as central administrative offices, garages, warehouses, and locations providing maintenance and repairs of your machinery and equipment.

**Exclude** subsidiaries or operating units which are requested to submit separate 1996 Annual Survey of Communication Services reports to the Bureau of the Census.

**If your activities do not appear to be covered by this survey, please describe your kind of business in the "Remarks" section on page 4 of this form.**

**REPORTING INSTRUCTIONS**

*Please retain a copy of the completed form for your records.*

Please read all instructions and complete all items in this report. This will save on costly and time-consuming follow-up.

- Report only for those locations primarily engaged in the activities defined in the coverage section above.
- For locations sold or acquired during 1996 and 1995, report only for the period that the locations were operated by this company.
- Report data for calendar year 1996 and 1995. If calendar year records are not available, data for the latest fiscal year are acceptable. Indicate the period covered in item 7. Please note, however, that estimates for calendar year 1996 and 1995 are preferable to book figures covering a different time period.
- Regulated common carriers, report data on a financial reporting basis.
- Report dollar values in whole dollars (omit cents).
- If book figures are not available, carefully prepared estimates are acceptable.

**Item 3 — OPERATING REVENUE**

**Enter "0" in items where applicable. Do not combine data for two or more detail lines.**

- Report all charges or billings for services rendered and any sales of merchandise during 1996 and 1995, even though payments may be received at a later date. Do not deduct allowances for uncollectable accounts. **Exclude revenue collected on behalf of another company** and nonoperating revenue such as income from investments, the sale of securities or real estate, etc. **Exclude** revenue from a domestic parent organization (intracompany transfers), or from franchise locations owned by others and any franchise or license fees. **Exclude** sales or other taxes collected from customers and paid directly to a taxing authority.
- Prorate revenue derived from services provided on a contractual basis according to the work accomplished. (Only include the amounts applicable to the report period.)

**Line a** — Report local service revenue, including extended area revenue. Include local private line revenue; customer premises revenue; revenue from public telephone services provided within the basic service area; and other local exchange revenue, such as directory assistance, touch-tone line services, call forwarding, and call waiting. **Report cellular and other mobile services revenue in item 3d.**

**Line b** — Report revenue derived from message services that terminate beyond the basic service area. Include message services that utilize the public long-distance switching network and the basic subscriber access line. Also, include any charges for operator assistance or special billings directly related to these calls. Report all revenue received from international calls originating in the United States, including the portion paid to foreign companies for accessing their network.

**Line c** — Report revenue from providing exchange access services to an interexchange carrier or to an end-user of telecommunications services beyond the exchange carrier's network. Include access revenue for calls originating in foreign countries.

**Line d** — Report revenue from cellular and general radio telecommunications systems, including radio paging, mobile dispatching, and signaling services. **Report installation fees** and the **sale of equipment** in **item 3f**.

**Line e** — Report revenue derived from alphabetical and classified sections of directories, including amounts charged for additional and bold face listings, marginal displays, inserts and other advertisements. Report **other directory revenue** (i.e., revenue from the sale of directories, charges for unlisted telephone numbers, etc.) in **item 3f**.

**Line f** — Report other operating revenue including revenue from the sale or lease of communication equipment (include fair sales value of merchandise marketed in 1996 and 1995 under capital, finance, or "full payout" leases). Also, include revenue from the rental of telecommunications plant or equipment furnished apart from services rendered; operating and maintenance activities for others; special billing arrangements for customers; billing and collection services provided to other telecommunications firms; directory revenue from other than advertising services; installation fees; and services such as general accounting, financial, legal, etc. provided to firms under a license, general contract, or other agreement. Include sales of merchandise and equipment. **Exclude** the sale of merchandise and equipment from retail locations. Also, **exclude** sales or other taxes collected from customers and paid directly to a taxing authority, and nonoperating revenue such as the sale of investments, securities, real estate, etc. **NOTE** — **If the amount reported on this line is greater than 50 percent of the total operating revenue reported in item 3g, indicate the source of this revenue in the "Remarks" section on page 4 of this form.**

**Line g** — Report the sum of items 3a through 3f.

**Item 4 — ANALYSIS OF REVENUE**

**NOTE** — **Round percentage items to the nearest whole percent. Enter "0" in items where applicable. Do not combine data for two or more detail lines.**

**Line a** — Report in lines a(1) and a(2) the percentage of local service, long-distance service, and network access revenue (reported in items 3a, 3b, and 3c respectively) by type of customer.

**NOTE** — **The sum of lines a(1) and a(2) should equal 100 percent.**

**Line b** — Report in lines b(1) and b(2) the percentage of local service, long-distance service, and network access revenue (reported in items 3a, 3b, and 3c respectively) by type of service.

**NOTE** — **The sum of lines b(1) and b(2) should equal 100 percent.**

**Line c** — Firms providing cellular and other radiotelephone services: Report in lines c(1) through c(5) respectively, the percentage of cellular and other radiotelephone revenue (reported in item 3d) from the sale of air time; basic and other services, such as call waiting and voice mail; long-distance services; intercarrier nonhome-subscriber traffic services (roaming charges); and all other sources, such as radio paging, mobile dispatching, and signaling services.

**NOTE** — **The sum of lines c(1) through c(5) should equal 100 percent.**

WHEN COMPLETING THIS REPORT, PLEASE READ THESE INSTRUCTIONS CAREFULLY — Detach this panel before returning your report.

## REPORTING INSTRUCTIONS — Continued

**Item 5 — PAYROLL AND OTHER OPERATING EXPENSES**

**Enter "0" in items where applicable. Do not combine data for two or more detail lines.**

- Report costs incurred during 1996 and 1995 even though payments may be made at a later date. **Exclude** sales taxes or other taxes collected from customers and paid directly to a taxing authority.

**Line a** — Report, on a cash basis, the gross earnings paid to employees prior to such deductions as employees' Social Security contributions, withholding taxes, group insurance premiums, union dues, savings bonds, etc. Include all wages, salaries, commissions to own employees, dismissal pay, paid bonuses, vacation and sick leave pay, and employee contributions to qualified pension plans whether or not subject to income or FICA tax. If a corporation, include salaries of officers; if an unincorporated concern, **exclude** payments to proprietors or partners.

- Definitions for annual payroll are the same as those used on the Employer's Quarterly Federal Tax Return, Treasury Form 941.

**Line b** — Report, on a cash basis, in line b(1) employer's cost for legally required programs, such as Social Security and Medicare (FICA), worker's compensation insurance, unemployment tax, and State disability insurance programs. Report, on a cash basis, in line b(2) employer's cost for programs not required by law, such as pension plans, stock purchase plans, union-negotiated benefits, life insurance benefits and insurance premiums for hospital and medical plans. Report in line b(1) and line b(2) the amounts actually contributed.

**Line c** — Report payments to local exchange carriers for access to their networks. Also, include fees for leased facilities. Firms providing **cellular phone service**, report **interconnection fees** here. Include access charges paid to foreign companies for international calls originating in the United States.

**Line d** — Report in line d(1) the amount of depreciation and amortization charges against buildings, offices, and structures owned by your firm. Report in line d(2) the amount of depreciation on communication systems (optical fiber, digital and/or microwave switching, satellite transmission, etc.). Report in line d(3) the amount of depreciation and amortization charges against other tangible assets owned by your firm. Include depreciation on assets rented or leased to others by you under an operating lease agreement. Include depreciation on assets owned and used by your firm within leaseholds, and assets obtained through capital lease agreements. **Exclude** depreciation on intangible assets and assets leased to others by you under a capital lease agreement. Do not adjust for the value of depreciable assets sold or traded for replacement purposes.

**Line e** — Report in line e(1) the cost of renting or leasing buildings, offices, and structures. Report in line e(2) the cost of renting or leasing communication systems (optical fiber, digital and/or microwave switching, satellite transmissions, etc.). Report in line e(3) the cost of renting or leasing vehicles and other machinery and equipment. **Exclude** payments by your firm to the parent company or organization, or any of its subsidiaries, for use of assets owned by them; and installment payments for assets obtained by your company through capital lease agreements.

**Line f** — Report in line f(1) the cost of purchased repairs (including charges for parts and labor) to buildings, offices, and structures. Report in line f(2) the cost of purchased repairs to communication systems (optical fiber, digital and/or microwave switching, satellite transmissions, and other transmitting equipment). Report in line f(3) purchased repairs to vehicles, and other machinery and equipment. **Exclude** repair costs included as part of a lease or rental agreement, improvements for which depreciation accounts are maintained, and repairs performed by employees of your company and its subsidiaries.

**Line g** — Report the cost of all commercial insurance, including that used to protect the company against losses or damages to buildings, structures, and machinery and equipment caused by fire, flood, wind, boiler explosion, or any other cause. Include premiums on fidelity bonds of employees, and insurance to protect against liability for deaths or injuries of persons and damages to the property of others. **Exclude workers's compensation premiums**. Report these costs in line b(1).

**Line h** — Report the cost of nonrevenue-generating purchased communication services, including telephone, telex, telegraph, teletype, etc.

**Line i** — Report the cost of purchased utilities, including the cost of purchased electricity, and purchased fuels consumed for heat, power or generating electricity. Include water, sewer, and refuse removal. **Exclude** the cost of utility services if included as part of a lease or rental agreement.

**Line j** — Report the cost of purchased advertising, including payments to other firms for printing, media, and other services and materials used for advertising. Also, include the cost of telemarketing services.

**Line k** — Report the cost of taxes and licenses, including business license fees, real and personal property taxes (such as taxes on real estate, motor vehicles, machinery, equipment, and inventories), and special assessments. **Exclude** income, sales, payroll, excise taxes, and other taxes collected from customers and paid to local, State, or Federal government agencies.

**Lines l and m**

- **Total operating expenses** — Will not match to the company's income statement due to the cash and accrual methods requested for this survey. As a guide, compute total operating expenses as follows:

Total operating expenses (from income statement)  
+ Taxes — *If not included in operating expenses, see item 5k on page 3.*  
+ [Annual payroll (cash basis) + Employer contributions (cash basis)]  
– [Annual payroll (accrual basis) + Employer contributions (accrual basis)]  

---

**= TOTAL OPERATING EXPENSES — Place in item 5m**

- **Other operating expenses** — If other operating expenses are unavailable, calculate them as follows —

**TOTAL OPERATING EXPENSES FOR SURVEY**  
(as calculated in item 5m)  
– (Items 5a through 5k on survey report form)  

---

**= OTHER OPERATING EXPENSES — Place in item 5l.**

**NOTE** — If the amount reported on line l is greater than 50 percent of the total operating expenses reported in line m, indicate the source of these expenses in the "Remarks" section on page 4 of this form.

Other operating expenses include billing services, travel expenses, accounting and legal fees, dues and subscriptions, office supplies, data processing expenses, etc. Include the cost of computer software purchased under licensing agreements. **Exclude** income taxes, and local sales and excise taxes.

Public reporting burden for this collection of information is estimated to average 8.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Associate Director for Administration/Comptroller, Attn: Paperwork Reduction Project 0607-0706, Room 3104, FB 3, Bureau of the Census, Washington, DC 20233-0001. PLEASE INCLUDE FORM NAME AND NUMBER IN ALL CORRESPONDENCE. Respondents are not required to respond to any information collection unless it displays a valid approval number from the Office of Management and Budget. This 8-digit number appears in the top right corner on the front of this form.

# B-518

OMB No. 0607-0706: Approval Expires 09/30/99

FORM **B-518**  
(11-5-96)  
U.S. DEPARTMENT OF COMMERCE  
BUREAU OF THE CENSUS  
**1996 ANNUAL SURVEY OF COMMUNICATION SERVICES**  
**RADIO AND TELEVISION BROADCASTING**

**NOTICE** – Response to this inquiry is **required by law (title 13, U.S. Code)**. By the same law, your report to the Census Bureau is **confidential**. It may be seen only by sworn Census employees and may be used for statistical purposes. The law also provides that copies retained in your files are **immune from legal process**.

In correspondence pertaining to this report, please refer to the **IDENTIFICATION NUMBER** shown below.

CENSUS USE	011	012

**RETURN TO**  
↓  
**BUREAU OF THE CENSUS**  
1201 East 10th Street  
Jeffersonville, IN 47132-0001

Any questions call 1-800-772-7851

(Please correct any error in name, address, and ZIP Code)

**BEFORE COMPLETING YOUR REPORT**

**Read ALL instructions carefully, including the survey coverage below. Instructions accompanying each item number are abbreviated. For complete details, see the "COVERAGE AND REPORTING INSTRUCTIONS" ON THE THIRD PANEL OF THE FORM. If book figures are not available, carefully prepared estimates are acceptable.**

**SURVEY COVERAGE**

This report covers all **domestic locations** operated by your company and its subsidiaries primarily engaged in providing radio and television broadcasting services as listed on the "Coverage and Reporting Instructions" on the third panel of the form.

**If your activities do not appear to be covered by this survey, please describe your kind of business in the "Remarks" section on page 4 of this form.**

Item 1	NUMBER OF LOCATIONS	Key code	1996 Number	Key code	1995 Number
Enter the total number of broadcasting locations operated by this company as of December 31, 1996 and 1995. A location is defined as an establishment with paid company personnel. <b>Line a</b> – Report the number of radio stations covered by this survey. <b>Line b</b> – Report the number of television stations covered by this survey. <b>Line c</b> – Report the number of other broadcasting locations covered by this survey. (Include network broadcasting locations.) <b>Line d</b> – Report the total number of broadcasting locations and stations covered by this report. Sum of lines a through c.	Enter the total number of –				
	a. Radio stations	701		751	
	b. Television stations	702		752	
	c. Other broadcasting locations	703		753	
	<b>d. TOTAL NUMBER OF BROADCASTING LOCATIONS/STATIONS – Sum of lines a through c</b>	601		651	

**NOTE** – If you reported both radio and television stations in items 1a and 1b above, continue with item 1e. Otherwise, **SKIP** to item 2.

Line e	What percentage of this firm's total operating revenue was from –	Key code	1996 Percent	Key code	1995 Percent
Report the percentage of this firm's total operating revenue (item 4g, page 2) from all radio stations reported in item 1a and all television stations reported in item 1b. <b>NOTE – The sum of lines e(1) and e(2) should equal 100 percent.</b>	(1) Radio stations?	716	%	766	%
	(2) Television stations?	717	%	767	%
	<b>TOTAL</b>			<b>100%</b>	

**Item 2 ORGANIZATIONAL STATUS** — Mark (X) the ONE box which best describes this company during 1996.

081  Corporation      5  Governmental — Specify  \_\_\_\_\_      9  Other — Specify  \_\_\_\_\_  
 Individual proprietorship  
 Partnership

<b>Item 3 TAX STATUS</b>																
a. Is this firm or organization operated on a not-for-profit basis?					007	1 <input type="checkbox"/> YES		2 <input type="checkbox"/> NO								
<p>▶ <b>NOTE</b> – If you answered "NO" to item 3a, <b>SKIP</b> to item 4, <b>otherwise continue</b> with item 3b. ◀</p>																
b. Was all or part of the income of this firm or organization exempt from Federal income taxes under section 501 of the Internal Revenue Code?					009	1 <input type="checkbox"/> YES		2 <input type="checkbox"/> NO								
<b>Item 4 REVENUE</b>																
<p><i>See the attached "Coverage and Reporting Instructions" sheet before completing this section. Enter "0" in items where applicable. Do not combine data for two or more detail lines.</i></p> <p><b>STATION TIME SALES</b>  <b>Line a</b> – Exclude network compensation paid to stations owned by your company.  <b>Lines b and c</b> – Deduct commissions paid to agency representatives and brokers.</p> <p><b>NETWORK TIME SALES</b>  <b>Line e</b> – (Networks only) Deduct commissions paid to agency representatives and brokers.</p> <p><b>OTHER OPERATING REVENUE</b>  <b>Line f</b> – Include satellite truck rental revenue, but <b>exclude</b> tower rental revenue. <b>NOTE</b> – If the amount reported on this line is greater than 50 percent of total operating revenue reported in line g, indicate the source of this revenue in the "Remarks" section on page 4 of this form.</p>		<b>Estimates are acceptable if book figures are not available.</b>		<b>Key code</b>	<b>1996</b>				<b>Key code</b>	<b>1995</b>						
		<b>STATION TIME SALES</b>														
		a. Network compensation		704						754						
		b. National/regional advertising revenue (net)		705						755						
		c. Local advertising revenue (net)		706						756						
		d. TOTAL STATION TIME SALES (net)		707						757						
		<b>NETWORK TIME SALES (Networks only)</b>														
		e. Advertising revenue (net)		708						758						
		f. OTHER OPERATING REVENUE		607						657						
g. TOTAL OPERATING REVENUE		608						658								
▶ <b>TAXABLE ORGANIZATIONS – SKIP now to item 5.</b> ◀																
<p><b>NONOPERATING INCOME (Tax-exempt organizations only; all others SKIP to item 5.)</b>  <b>Line i</b> – <b>NOTE</b> – If the amount reported on this line is greater than 50 percent of the total revenue reported in line j, indicate the source of this revenue in the "Remarks" section on page 4 of this form.  <b>Line j</b> – Tax-exempt organizations only. Report the sum of items 4g through 4i.</p>		<b>NONOPERATING INCOME</b>		<b>Key code</b>	<b>1996</b>				<b>Key code</b>	<b>1995</b>						
h. Subsidies, gifts, loans, contributions, and grants		709						759								
i. Other nonoperating income		710						760								
j. TOTAL REVENUE		711						761								
<b>Item 5 PAYROLL AND OTHER OPERATING EXPENSES</b>																
<p><i>See the attached "Coverage and Reporting Instructions" sheet before completing this section. Enter "0" in items where applicable. Do not combine data for two or more detail lines.</i></p> <p><b>Line a</b> — Report, on a cash basis, the gross earnings paid to employees prior to deductions. If an unincorporated concern, <b>exclude</b> payments to proprietors or partners.</p> <p><b>Line b</b> — Report, on a cash basis, in line b(1) employer's cost for legally required programs. Report, on a cash basis, in line b(2) employer's cost for programs not required by law. Report in line b(1) and line b(2) the amounts actually contributed.</p>		<b>Estimates are acceptable if book figures are not available.</b>		<b>Key code</b>	<b>1996</b>				<b>Key code</b>	<b>1995</b>						
		a. Annual payroll		627						677						
		b. Employer contributions to employee benefit plans														
		(1) Plans required under Federal and State legislation (including Social Security and Medicare (FICA), worker's compensation insurance, etc.)		628						678						
		(2) Other fringe benefit plans (including medical insurance, life insurance, etc.)		629						679						
c. Broadcast rights		712						762								
d. Music license fees		713						763								
SUBTOTAL — Sums of lines a through d. Please enter these totals here and on next page.																



<b>Item 5</b>	<b>PAYROLL AND OTHER OPERATING EXPENSES — Continued</b>	<b>Estimates are acceptable if book figures are not available.</b>	Key code	1996				Key code	1995				
				Bil.	Mil.	Thou.	Dol.		Bil.	Mil.	Thou.	Dol.	
<b>Line e</b> — (Networks only) <b>Exclude</b> the cost of programming time purchased from stations owned by your company.		<b>BEFORE continuing — Enter subtotals for lines a through d from previous page.</b>											
<b>Line f</b> — <b>Exclude</b> depreciation on intangible assets and assets leased to others by you under a capital lease agreement. Do not adjust for the value of depreciable assets sold or traded for replacement purposes.		<b>e.</b> Network compensation fees	<b>714</b>					<b>764</b>					
<b>Line g</b> — <b>Exclude</b> payments by your firm to the parent company or organization, or any of its subsidiaries, for use of assets owned by them; and installment payments for assets obtained by your company through capital lease agreements.		<b>f.</b> Depreciation and amortization charges											
<b>Line h</b> — <b>Exclude</b> repair costs included as part of a lease or rental agreement, improvements for which depreciation accounts are maintained, and repairs performed by employees of your company and its subsidiaries.		<b>(1)</b> Buildings, offices, and structures	<b>631</b>					<b>681</b>					
<b>Line i</b> — <b>Exclude</b> worker's compensation premiums. Report these costs in line b(1).		<b>(2)</b> Transmission systems	<b>632</b>					<b>682</b>					
<b>Line k</b> — <b>Exclude</b> the cost of utility services if included as part of a lease or rental agreement.		<b>(3)</b> Vehicles, machinery and equipment, and other tangible assets	<b>633</b>					<b>683</b>					
<b>Line m</b> — <b>Exclude</b> income, payroll, sales, and other taxes collected from customers and paid directly to local, State, or Federal government agencies.		<b>g.</b> Lease and rental costs											
<b>Lines n and o</b> — See the attached "Coverage and Reporting Instructions" sheet to calculate Other Operating Expenses and Total Operating Expenses as they pertain to this survey.		<b>(1)</b> Buildings, offices, and structures	<b>634</b>					<b>684</b>					
<b>NOTE</b> — If the amount reported on line n is greater than 50 percent of the total operating expenses reported in line o, indicate the source of these expenses in the "Remarks" section on page 4 of this form.		<b>(2)</b> Transmission systems	<b>635</b>					<b>685</b>					
		<b>(3)</b> Vehicles, and other machinery and equipment	<b>636</b>					<b>686</b>					
		<b>h.</b> Cost of purchased repairs											
		<b>(1)</b> Buildings, offices, and structures	<b>637</b>					<b>687</b>					
		<b>(2)</b> Transmission systems	<b>638</b>					<b>688</b>					
		<b>(3)</b> Vehicles, and other machinery and equipment	<b>639</b>					<b>689</b>					
		<b>i.</b> Cost of insurance	<b>640</b>					<b>690</b>					
		<b>j.</b> Cost of telephone and other purchased communication services	<b>641</b>					<b>691</b>					
		<b>k.</b> Cost of purchased utilities	<b>642</b>					<b>692</b>					
		<b>l.</b> Cost of purchased advertising	<b>643</b>					<b>693</b>					
		<b>m.</b> Taxes and licenses	<b>644</b>					<b>694</b>					
		<b>n.</b> Other operating expenses	<b>646</b>					<b>696</b>					
		<b>o. TOTAL OPERATING EXPENSES</b>	<b>647</b>					<b>697</b>					

<b>Item 6</b>	<b>INTEREST EXPENSE</b>	<b>Estimates are acceptable if book figures are not available.</b>	Key code	1996				Key code	1995				
				Bil.	Mil.	Thou.	Dol.		Bil.	Mil.	Thou.	Dol.	
Report all interest expense, including capitalized interest.													
			<b>645</b>					<b>695</b>					

<b>Item 7</b>	<b>REPORT PERIOD</b>		Key code	1996		
				Month	Day	Year
Mark (X) the one box which best describes the period covered by your report.		1 <input type="checkbox"/> Calendar year — Go to item 8				
If the data reported in items 4 through 6 are for a period other than the "calendar year," please enter the beginning and ending dates.		2 <input type="checkbox"/> Fiscal year				
		3 <input type="checkbox"/> Less than 12 months				
		From	<b>648</b>			
		To	<b>649</b>			

<b>Item 8 OWNERSHIP OR CONTROL</b>	Name of owning or controlling company		
<b>a.</b> Does another company own more than 50 percent of the voting stock or have the power to control the management and policies of this company?  084 1 <input type="checkbox"/> YES _____ → 2 <input type="checkbox"/> NO — <i>Continue with item 8b</i>	085 _____		
	Number and street		
	City, State, and ZIP Code		
	EIN → 086 _____ - _____		
<b>b.</b> Did this company acquire or merge with another company in 1996?  087 1 <input type="checkbox"/> YES _____ → 2 <input type="checkbox"/> NO — <i>Continue with item 9</i>	Name of company acquired or merged with		
	088 _____		
	Number and street		
	City, State, and ZIP Code		
Date of merger or acquisition → 089 _____		Month	Year
		EIN → 090 _____ - _____	

**REMARKS** — To reduce the need for costly telephone follow-up, please explain any significant change from your prior year reported data.

091 \_\_\_\_\_

**CENSUS USE**  
 092 \_\_\_\_\_

<b>Item 9 CERTIFICATION</b> — This report is substantially accurate and was prepared in accordance with instructions.			
Name of person to contact regarding this report	Address (Number and street, city, State, ZIP Code)	095 Telephone	
		Area code	Number
Signature of authorized person	Date	098 FAX	
		Area code	Number
Title			
096 _____			

**1996 ANNUAL SURVEY OF COMMUNICATION SERVICES  
RADIO AND TELEVISION BROADCASTING  
COVERAGE AND REPORTING INSTRUCTIONS**

**SPECIFIC SURVEY COVERAGE**

- **Radio Broadcasting Stations and Networks** — Locations primarily engaged in broadcasting aural programs by radio to the public. Included are commercial, religious, educational and other radio stations, as well as locations primarily engaged in radio broadcasting and which produce radio program materials. Also included are radio networks.
- **Television Broadcasting Stations and Networks** — Locations primarily engaged in broadcasting visual programs by television to the public. Included are commercial, religious, educational and other television stations, as well as locations primarily engaged in television broadcasting and which produce television program materials. Also included are television networks.

Include data for auxiliary facilities of your company primarily engaged in furnishing supporting services to your communication business activities, such as central administrative offices, garages, warehouses, and locations providing maintenance and repairs of your machinery and equipment. Also, include revenue and expense data for offices of your company engaged in soliciting advertising.

**Exclude** subsidiaries or operating units which are requested to submit separate 1996 Annual Survey of Communication Services reports to the Bureau of the Census.

**If your activities do not appear to be covered by this survey, please describe your kind of business in the "Remarks" section on page 4 of this form.**

**REPORTING INSTRUCTIONS**

*Please retain a copy of the completed form for your records.*

Please read all instructions and complete all items in this report. This will save on costly and time-consuming follow-up.

- Report only for those locations primarily engaged in the activities defined in the coverage section above.
- For locations sold or acquired during 1996 and 1995, report only for the period that the locations were operated by this company.
- Report data for calendar year 1996 and 1995. If calendar year records are not available, data for the latest fiscal year are acceptable. Indicate the period covered in item 7. Please note, however, that estimates for calendar year 1996 and 1995 are preferable to book figures covering a different time period.
- Trade-outs and barter — Estimate spots exchanged for program material at a fair value consistent with purchases of other program material of similar quality and quantity. Estimate spots exchanged for merchandise or services as the amount the station would pay for the merchandise or service received.
- Report dollar values in whole dollars (omit cents).
- If book figures are not available, carefully prepared estimates are acceptable.

**Item 4 — REVENUE**

**Enter "0" in items where applicable. Do not combine data for two or more detail lines.**

- Report all charges or billings for services rendered and any sales of merchandise during 1996 and 1995, even though payments may be received at a later date. Do not deduct allowances for uncollectable accounts. **Exclude** revenue from a domestic parent organization (intracompany transfers), or from franchise locations owned by others and any franchise or license fees. **Exclude** sales and other taxes collected from customers and paid directly to a taxing authority.
- Prorate revenue derived from services provided on a contractual basis according to the work accomplished. (Only include the amounts applicable to the report period.)

**STATION TIME SALES**

**Line a** — Report the sale of station time to networks. (Networks — **Exclude** network compensation paid to stations owned by your company.)

**Line b** — Report the sale of station time to national and regional advertisers or sponsors. Include trade-outs and barter, and political advertising revenue. Deduct commissions paid to agency representatives and brokers.

**Line c** — Report the sale of station time to local advertisers or sponsors. Include trade-outs and barter, and political advertising revenue. Deduct commissions paid to agency representatives and brokers.

**Line d** — Report the sum of items 4a through 4c.

**NETWORK TIME SALES**

**Line e** — (Networks only) Report network revenue from advertising sales. Deduct commissions paid to agency representatives and brokers.

**OTHER OPERATING REVENUE**

**Line f** — Report other operating revenue. Include revenue from retransmission consent; the use of talent services, and technical facilities; and management fees. Include revenue from the production and/or distribution of programs, except when the production/distribution is provided by separate locations of this company. Include satellite truck rental revenue, but **exclude** tower rental revenue. **NOTE — If the amount reported on this line is greater than 50 percent of total operating revenue reported in item 4g, indicate the source of this revenue in the "Remarks" section on page 4 of this form.**

**TOTAL OPERATING REVENUE**

**Line g** — Report the sum of items 4d through 4f.

**NONOPERATING INCOME (Tax-exempt organizations only)**

**Line h** — Report all government subsidies used to offset operating or capital deficits, private gifts, loans, contributions, or grants.

**Line i** — Report other nonoperating receipts, such as income from investments, the sale of securities, real estate, etc.

**NOTE — If the amount reported on this line is greater than 50 percent of the total revenue reported in item 4j, indicate the source of this revenue in the "Remarks" section on page 4 of this form.**

**Line j** — **Tax-exempt organizations** — Report the sum of items 4g through 4i.

**Item 5 — PAYROLL AND OTHER OPERATING EXPENSES**

**Enter "0" in items where applicable. Do not combine data for two or more detail lines.**

- Report costs incurred during 1996 and 1995 even though payments may be made at a later date. **Exclude** sales or other taxes collected from customers and paid directly to a taxing authority.

**Line a** — Report, on a cash basis, the gross earnings paid to employees prior to such deductions as employees' Social Security contributions, withholding taxes, group insurance premiums, union dues, savings bonds, etc. Include all wages, salaries, commissions to own employees, dismissal pay, paid bonuses, vacation and sick leave pay, and employee contributions to qualified pension plans whether or not subject to income or FICA tax. If a corporation, include salaries of officers; if an unincorporated concern, **exclude** payments to proprietors or partners.

• Definitions for annual payroll are the same as those used on the Employer's Quarterly Federal Tax Return, Treasury Form 941.

**Line b** — Report, on a cash basis, in line b(1) employer's cost for legally required programs, such as Social Security and Medicare (FICA), worker's compensation insurance, unemployment tax, and State disability insurance programs. Report, on a cash basis, in line b(2) employer's cost for programs not required by law, such as pension plans, stock purchase plans, union-negotiated benefits, life insurance benefits, and insurance premiums for hospital and medical plans. Report in line b(1) and line b(2) the amounts actually contributed.

WHEN COMPLETING THIS REPORT, PLEASE READ THESE INSTRUCTIONS CAREFULLY — Detach this panel before returning your report.



**REPORTING INSTRUCTIONS — Continued**

**Item 5 — PAYROLL AND OTHER OPERATING EXPENSES — Continued**

**Line c** — Report the cost of broadcast rights to feature films, syndicated programming, sports events, etc.

**Line d** — Report the cost of music license fees payable to music licensing organizations.

**Line e** — (Networks only) Report the cost of programming time purchased from affiliated and independent stations. **Exclude the cost of programming time purchased from stations owned by your company.**

**Line f** — Report in line f(1) the amount of depreciation and amortization charges against buildings, offices, and structures owned by your firm. Report in line f(2) the amount of depreciation and amortization charges against transmission systems (towers, antennas, transmitters, transmission lines, microwave equipment, master control equipment, and other transmitting equipment) owned by your firm. Report in line f(3) the amount of depreciation and amortization charges against vehicles, machinery and equipment, and other tangible assets owned by your firm. Include depreciation on assets rented or leased to others by you under an operating lease agreement. Include depreciation on assets owned and used by your firm within leaseholds, and assets obtained through capital lease agreements. **Exclude** depreciation on intangible assets and assets leased to others by you under a capital lease agreement. Do not adjust for the value of depreciable assets sold or traded for replacement purposes.

**Line g** — Report in line g(1) the cost of renting or leasing buildings, offices, and structures. Report in line g(2) the cost of renting or leasing transmission systems (towers, antennas, transmitters, transmission lines, microwave equipment, master control equipment, and other transmitting equipment). Report in line g(3) the cost of renting or leasing vehicles, and other machinery and equipment. **Exclude** payments by your firm to the parent company or organization, or any of its subsidiaries, for use of assets owned by them; and installment payments for assets obtained by your company through capital lease agreements.

**Line h** — Report in line h(1) the cost of purchased repairs (including charges for parts and labor) to buildings, offices, and structures. Report in line h(2) the cost of purchased repairs to transmission systems (towers, antennas, transmitters, transmission lines, microwave equipment, master control equipment, and other transmitting equipment). Report in line h(3) purchased repairs to vehicles, and other machinery and equipment. **Exclude** repair costs included as part of a lease or rental agreement, improvements for which depreciation accounts are maintained, and repairs performed by employees of your company and its subsidiaries.

**Line i** — Report the cost of all commercial insurance, including that used to protect the company against losses or damages to buildings, structures, and machinery and equipment caused by fire, flood, wind, boiler explosion, or any other cause. Include premiums on fidelity bonds of employees and insurance to protect against liability for deaths or injuries of persons and damages to property of others. **Exclude worker's compensation premiums.** Report these costs in line b(1).

**Line j** — Report the cost of nonrevenue-generating purchased communication services, including telephone, telex, telegraph, teletype, etc.

**Line k** — Report the cost of purchased utilities, including the cost of purchased electricity, and purchased fuels consumed for heat, power or generating electricity. Include water, sewer, and refuse removal. **Exclude** the cost of utility services if included as part of a lease or rental agreement.

**Line l** — Report the cost of purchased advertising, including payments to other firms for printing, media, and other services and materials used for advertising.

**Line m** — Report the cost of taxes and licenses including business license fees, real and personal property taxes (such as taxes on real estate, motor vehicles, machinery, equipment, and inventories), and special assessments. Include FCC license fees. **Exclude** income, sales, payroll, excise taxes, and other taxes collected from customers and paid to local, State, or Federal government agencies.

**Lines n and o**

• **Total operating expenses** — Will not match to the company's income statement due to the cash and accrual methods requested for this survey. As a guide, compute total operating expenses as follows:

Total operating expenses (from income statement)  
+ Taxes — *If not included in operating expenses, see item 5m on page 3.*  
+ [Annual payroll (cash basis) + Employer contributions (cash basis)]  
– [Annual payroll (accrual basis) + Employer contributions (accrual basis)]  

---

= **TOTAL OPERATING EXPENSES** — *Place in item 5o*

• **Other operating expenses** — If other operating expenses are unavailable, calculate them as follows —

**TOTAL OPERATING EXPENSES FOR SURVEY**  
(as calculated in item 5o)  
– (Items 5a through 5m on survey report form)  

---

= **OTHER OPERATING EXPENSES** — *Place in item 5n.*

**NOTE** — If the amount reported on line n is greater than 50 percent of the total operating expenses reported in line o, indicate the source of these expenses in the "Remarks" section on page 4 of this form.

Other operating expenses include billing services, travel expenses, accounting and legal fees, dues and subscriptions, office supplies, data processing expenses, etc. Include the cost of computer software purchased under licensing agreements. **Exclude** income taxes, and local sales and excise taxes.

Public reporting burden for this collection of information is estimated to average 5.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Associate Director for Administration/Comptroller, Attn: Paperwork Reduction Project 0607-0706, Room 3104, FB 3, Bureau of the Census, Washington, DC 20233-0001. PLEASE INCLUDE FORM NAME AND NUMBER IN ALL CORRESPONDENCE. Respondents are not required to respond to any information collection unless it displays a valid approval number from the Office of Management and Budget. This 8-digit number appears in the top right corner on the front of this form.

# B-520

OMB No. 0607-0706: Approval Expires 09/30/99

FORM **B-520**  
(2-20-97)  
U.S. DEPARTMENT OF COMMERCE  
BUREAU OF THE CENSUS  
**1996 ANNUAL SURVEY OF COMMUNICATION SERVICES CABLE TV AND OTHER SERVICES**

NOTICE – Response to this inquiry **is required by law (title 13, U.S. Code)**. By the same law, your report to the Census Bureau is **confidential**. It may be seen only by sworn Census employees and may be used for statistical purposes. The law also provides that copies retained in your files are **immune from legal process**.

In correspondence pertaining to this report, please refer to the IDENTIFICATION NUMBER shown below.

CENSUS USE	011	012



**RETURN TO**  
↓  
**BUREAU OF THE CENSUS**  
1201 East 10th Street  
Jeffersonville, IN 47132-0001

Any questions call 1-800-772-7851

(Please correct any error in name, address, and ZIP Code)

**BEFORE COMPLETING YOUR REPORT**

**Read ALL instructions carefully, including the survey coverage below. Instructions accompanying each item number are abbreviated. For complete details, see the "COVERAGE AND REPORTING INSTRUCTIONS" ON THE THIRD PANEL OF THE FORM. If book figures are not available, carefully prepared estimates are acceptable.**

### SURVEY COVERAGE

This report covers all **domestic locations** operated by your company and its subsidiaries primarily engaged in providing cable and other pay television services and other communication services (including telegraph, cablegram, electronic mail, and telex services; and radar satellite, and missile tracking stations) as listed on the "Coverage and Reporting Instructions" on the third panel of this form.  
**If your activities do not appear to be covered by this survey, please describe your kind of business in the "Remarks" section on page 4 of this form.**

Item 1	NUMBER OF LOCATIONS	Key code	1996 Number	Key code	1995 Number
	Enter the total number of cable television and other communication services locations operated by this company as of December 31, 1996 and 1995. A location is defined as an establishment with paid company personnel. _____	601		651	

**Item 2 ORGANIZATIONAL STATUS** — Mark (X) the ONE box which best describes this company during 1996.

081  Corporation      5  Governmental — Specify  \_\_\_\_\_  
 Individual proprietorship      9  Other — Specify  \_\_\_\_\_  
 Partnership

**Item 3 TAX STATUS**

a. Is this firm or organization operated on a not-for-profit basis? 007 1  YES 2  NO

**▶ NOTE** — If you answered "NO" to item 3a, **SKIP** to item 4, **otherwise continue** with item 3b. **◀**

b. Was all or part of the income of this firm or organization exempt from Federal income taxes under section 501 of the Internal Revenue Code? 009 1  YES 2  NO

**CONTINUE WITH ITEM 4 ON PAGE 2**

Item 4	REVENUE	Estimates are acceptable if book figures are not available.	Key code	1996				Key code	1995				
				Bil.	Mil.	Thou.	Dol.		Bil.	Mil.	Thou.	Dol.	
<b>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</b>		<b>CABLE AND OTHER PAY TELEVISION REVENUE</b>											
<b>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</b>		a. Advertising revenue (net)	801					851					
<b>CABLE AND OTHER PAY TELEVISION REVENUE</b>		b. Program revenue	802					852					
<b>Line a — System operators and program providers report here. —</b> Deduct commissions paid to agency representatives.		c. Basic service revenue	803					853					
<b>Line b — Program providers</b> report revenue from system operators and other customers for programming services. <b>System operators</b> report revenue from customers for programming services.		d. Pay-per-view and other premium service revenue	804					854					
<b>Line c — System operators report here</b> — Include subscription fees received for basic and non-premium service tiers from residential and commercial customers.		e. Installation fees	805					855					
<b>Line d — System operators report here.</b>		f. Other cable and pay TV revenue	806					856					
<b>Line e — System operators report here. —</b> Include all reconnect fees.		<b>9- TOTAL CABLE AND OTHER PAY TELEVISION REVENUE</b>	807					857					
<b>Line f — System operators and program providers report here. —</b> Include revenue from shop-at-home programs.		<b>OTHER COMMUNICATION SERVICES REVENUE</b>											
<b>OTHER OPERATING REVENUE</b>		h. Telegraph and other message communication revenue	808					858					
<b>Line j — Exclude</b> nonoperating revenue such as income from investments, the sale of securities, or real estate, etc.		i. Other communication services revenue	809					859					
<b>NOTE — If the amount reported on this line is greater than 50 percent of the total operating revenue reported in line k, indicate the source of this revenue in the "Remarks" section on page 4 of this form.</b>		<b>j. OTHER OPERATING REVENUE</b>	607					657					
		<b>k. TOTAL OPERATING REVENUE</b>	608					658					

▶ **TAXABLE ORGANIZATIONS — SKIP now to item 5.** ◀

NONOPERATING INCOME (Tax-exempt organizations only; all others SKIP to item 5)	NONOPERATING INCOME	Key code	1996				Key code	1995					
			Bil.	Mil.	Thou.	Dol.		Bil.	Mil.	Thou.	Dol.		
<b>Line m — NOTE — If the amount reported on this line is greater than 50 percent of the total revenue reported in line n, indicate the source of this revenue in the "Remarks" section on page 4 of this form.</b>	i. Subsidies, gifts, loans, contributions, and grants	709					759						
<b>Line n — Tax-exempt organizations only.</b> Report the sum of items 4k through 4m.	m. Other nonoperating income	710					760						
	<b>n. TOTAL REVENUE</b>	711					761						

**CONTINUE WITH ITEM 5 ON PAGE 3**

Item 5	PAYROLL AND OTHER OPERATING EXPENSES	Estimates are acceptable if book figures are not available.	1996				Key code	1995					
			Bil.	Mil.	Thou.	Dol.		Bil.	Mil.	Thou.	Dol.		
	<b>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</b>												
	<b>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</b>												
	<b>Line a</b> — Report, on a cash basis, the gross earnings paid to employees prior to deductions. If an unincorporated concern, <b>exclude</b> payments to proprietors or partners.												
	<b>Line b</b> — Report, on a cash basis, in line b(1) employer's cost for legally required programs. Report, on a cash basis, in line b(2) employer's cost for programs not required by law. Report in line b(1) and line b(2) the amounts actually contributed.												
	<b>Line c</b> — <b>Program and production costs</b> <b>Include</b> talent and music license fees, the value of bartered programming, and all other costs of programming and production. <b>Exclude</b> payroll and employer contributions to employee benefit programs.												
	<b>System operators</b> include cost of all local origination programming. Include public access costs and fees.												
	<b>Program providers</b> include costs of all original programming produced or developed in-house.												
	<b>Line d</b> — <b>System operators</b> report the cost for the retransmission of broadcast signals. Include the fair-market value (not the actual cost) of reciprocal non-cash exchanges, such as bartered advertising time, promotions, and carriage of new local and national cable channels, etc. Estimate services exchanged for retransmission consent as the amount your company would ordinarily charge for such services.												
	<b>Line e</b> — <b>Exclude</b> depreciation on intangible assets and assets leased to others by you under a capital lease agreement. Do not adjust for the value of depreciable assets sold or traded for replacement purposes.												
	<b>Line f</b> — <b>Exclude</b> payments by your firm to the parent company or organization, or any of its subsidiaries, for use of assets owned by them; and installment payments for assets obtained through capital lease agreements.												
	<b>Line g</b> — <b>Exclude</b> repair costs included as part of a lease or rental agreement, improvements for which depreciation accounts are maintained, and repairs performed by employees of your company and its subsidiaries.												
	<b>Line h</b> — <b>Exclude</b> worker's compensation premiums. Report these costs in line b(1).												
	<b>Line j</b> — <b>Exclude</b> the cost of utility services if included as part of a lease or rental agreement.												
	<b>Line l</b> — <b>Exclude</b> income, payroll, sales, and other taxes collected from customers and paid directly to local, State, or Federal government agencies.												
	<b>Lines m and n</b> — <i>See the attached "Coverage and Reporting Instructions" sheet to calculate Other Operating Expenses and Total Operating Expenses as they pertain to this survey.</i>												
	<b>NOTE</b> — <b>If the amount reported on line m is greater than 50 percent of the total operating expenses reported in line n, indicate the source of these expenses in the "Remarks" section on page 4 of this form.</b>												
	<b>a.</b> Annual payroll	627					677						
	<b>b.</b> Employer contributions to employee benefit plans												
	<b>(1)</b> Plans required under Federal and State legislation (including Social Security and Medicare (FICA), worker's compensation insurance, etc.)	628					678						
	<b>(2)</b> Other fringe benefit plans (including medical insurance, life insurance, etc.)	629					679						
	<b>c.</b> Program and production costs (including program service cost, such as basic cable service and pay-per-view or premium TV services; in house programs; and other program and production costs	106					156						
	<b>d.</b> Retransmission consent fee	815					865						
	<b>e.</b> Depreciation and amortization charges												
	<b>(1)</b> Buildings, offices, and structures	631					681						
	<b>(2)</b> Transmission systems	632					682						
	<b>(3)</b> Vehicles, machinery and equipment, and other tangible assets	633					683						
	<b>f.</b> Lease and rental costs												
	<b>(1)</b> Buildings, offices, and structures	634					684						
	<b>(2)</b> Transmission systems	635					685						
	<b>(3)</b> Vehicles, and other machinery and equipment	636					686						
	<b>g.</b> Cost of purchased repairs												
	<b>(1)</b> Buildings, offices, and structures	637					687						
	<b>(2)</b> Transmission systems	638					688						
	<b>(3)</b> Vehicles, and other machinery and equipment	639					689						
	<b>h.</b> Cost of insurance	640					690						
	<b>i.</b> Cost of telephone and other purchased communication services	641					691						
	<b>j.</b> Cost of purchased utilities	642					692						
	<b>k.</b> Cost of purchased advertising	643					693						
	<b>l.</b> Taxes and licenses	644					694						
	<b>m.</b> Other operating expenses	646					696						
	<b>n. TOTAL OPERATING EXPENSES</b>	647					697						

<b>Item 6 INTEREST EXPENSE</b>	<b>Key code</b>	<b>1996</b>				<b>Key code</b>	<b>1995</b>			
		Bil.	Mil.	Thou.	Dol.		Bil.	Mil.	Thou.	Dol.
Report all interest expense, including capitalized interest. <b>Estimates are acceptable if book figures are not available.</b>	<b>645</b>					<b>695</b>				

<b>Item 7 REPORT PERIOD</b>						<b>Key code</b>	<b>1996</b>			
								Month	Day	Year
Mark (X) the one box which best describes the period covered by your report. If the data reported in items 4 through 6 are for a period other than the "calendar year," please enter the beginning and ending dates.						From	<b>648</b>			
						To	<b>649</b>			
1 <input type="checkbox"/> Calendar year — Go to item 8 2 <input type="checkbox"/> Fiscal year 3 <input type="checkbox"/> Less than 12 months						} —————>				

<b>Item 8 OWNERSHIP OR CONTROL</b>		Name of owning or controlling company									
a. Does another company own more than 50 percent of the voting stock or have the power to control the management and policies of this company?  084 1 <input type="checkbox"/> YES —————> 2 <input type="checkbox"/> NO — Continue with item 8b		085									
		Number and street									
		City, State, and ZIP Code									
		EIN —————> 086									
b. Did this company acquire or merge with another company in 1996?  087 1 <input type="checkbox"/> YES —————> 2 <input type="checkbox"/> NO — Continue with item 9		Name of company acquired or merged with									
		088									
		Number and street									
		City, State, and ZIP Code									
		Date of merger or acquisition —————> 089		Month		Year		EIN —————> 090			

**REMARKS** — To reduce the need for costly telephone follow-up, please explain any significant change from your prior year reported data.

091

<b>CENSUS USE</b>
092

<b>Item 9 CERTIFICATION</b> — This report is substantially accurate and was prepared in accordance with instructions.			
Name of person to contact regarding this report		Address (Number and street, city, State, ZIP Code)	
093		094	
Signature of authorized person		095 Telephone	
		Area code	Number
Title		098 FAX	
		Area code	Number
Date			
096			

**1996 ANNUAL SURVEY OF COMMUNICATION SERVICES  
CABLE TV AND OTHER SERVICES  
COVERAGE AND REPORTING INSTRUCTIONS**

**SPECIFIC SURVEY COVERAGE**

- **Cable and Other Pay Television Services** — Locations primarily engaged in the dissemination of visual and textual television programs, on a subscription or fee basis. Also included are locations which are primarily engaged in cablecasting and which also produce taped program materials; and included are locations providing the following services: closed circuit television, direct broadcast satellite (DBS), multipoint distribution systems (MDS), and satellite master antenna systems (SMATV).
  - **Telegraph and Other Message Communications** — Locations primarily engaged in furnishing telegraph and other nonvocal message communications services, such as cablegram, electronic mail, and facsimile transmission, photography transmission, teletypewriter and telex services.
  - **Other Communications Services** — Locations primarily engaged in providing other communication services such as radar station operation, radio broadcasting operated by cab companies, satellite earth stations, satellite or missile tracking stations, operated on a contract basis, and missile tracking by telemetry and photography on a contract basis.
- Include data for auxiliary facilities of your company primarily engaged in furnishing supporting services to your communication business activities, such as central administrative offices, garages, warehouses, and locations providing maintenance and repairs of your machinery and equipment. Also, include revenue and expense data for offices of your company engaged in soliciting advertising.
- Exclude** subsidiaries or operating units which are requested to submit separate 1996 Annual Survey of Communication Services reports to the Bureau of the Census.
- If your activities do not appear to be covered by this survey, please describe your kind of business in the "Remarks" section on page 4 of this form.**

**REPORTING INSTRUCTIONS**

*Please retain a copy of the completed form for your records.*

Please read all instructions and complete all items in this report. This will save on costly and time-consuming follow-up.

- Report only for those locations primarily engaged in the activities defined in the coverage section above.
- For locations sold or acquired during 1996 and 1995, report only for the period that the locations were operated by this company.
- Report data for calendar year 1996 and 1995. If calendar year records are not available, data for the latest fiscal year are acceptable. Indicate the period covered in item 7. Please note, however, that estimates for calendar year 1996 and 1995 are preferable to book figures covering a different time period.
- Trade-outs and barter — Estimate spots exchanged for program material at a fair value consistent with purchases of other program material of similar quality and quantity. Estimate spots exchanged for merchandise or services as the amount your company would pay for the merchandise or service received.
- Report dollar values in whole dollars (omit cents).
- If book figures are not available, carefully prepared estimates are acceptable.

**Item 4 — REVENUE**

**Enter "0" in items where applicable. Do not combine data for two or more detail lines.**

- Report all charges or billings for services rendered and any sales of merchandise during 1996 and 1995, even though payments may be received at a later date. Do not deduct allowances for uncollectable accounts. **Exclude** revenue from a domestic parent organization (intracompany transfers), or from franchise locations owned by others and any franchise or license fees. **Exclude** sales or other taxes collected from customers and paid directly to a taxing authority.
- Prorate revenue derived from services provided on a contractual basis according to the work accomplished. (Only include the amounts applicable to the report period.)

**CABLE AND OTHER PAY TELEVISION REVENUE**

**Line a — System operators and program providers** — Report the revenue from the sale of time to advertisers or sponsors for national, spot and local advertising; classified channels; and program guides and other printed material. Deduct commissions paid to agency representatives.

**Line b — Program providers** report revenue from system operators and other customers for programming services. **System operators** report revenue from customers for programming services.

**Line c — System operators** — Report subscription fees received for basic and non-premium service tiers from residential and commercial customers.

**Line d — System operators** — Report revenue from pay-per-view and other premium services, such as movie channels.

**Line e — System operators** — Report installation fees for providing basic, pay-per-view, and other premium services. *Include all reconnect fees here.*

**Line f — System operators and program providers** — Report all other cable and pay television revenue, such as service charges, rental or lease of channel capacity, etc. System operators — *Include revenue from shop-at-home programs.*

**Line g** — Report the sum of items 4a through 4f.

**OTHER COMMUNICATION SERVICES REVENUE**

**Line h** — Report revenue from telegraph and other message communications, such as electronic mail, facsimile transmission, telegram and telex, and paging services.

**Line i** — Report revenue from all other point-to-point communication services, including satellite communications and radar station operations.

**OTHER OPERATING REVENUE**

**Line j** — Report other operating revenue, including sales of merchandise, rental revenue, etc. **Exclude** nonoperating revenue such as income from investments, the sale of securities, or real estate, etc. **NOTE — If the amount reported on this line is greater than 50 percent of the total operating revenue reported in item 4k, indicate the source of this revenue in the "Remarks" section on page 4 of this form.**

**Line k** — Report the sum of items 4g through 4j.

**NONOPERATING INCOME (Tax-exempt organizations only)**

**Line l** — Report all government subsidies used to offset operating or capital deficits, private gifts, loans, contributions, or grants.

**Line m** — Report other nonoperating receipts, such as income from investments; the sale of securities, real estate, etc. **NOTE — If the amount reported on this line is greater than 50 percent of the total revenue reported in item 4n, indicate the source of this revenue in the "Remarks" section on page 4 of this form.**

**Line n — Tax-exempt organizations** — Report the sum of items 4k through 4m.

**Item 5 — PAYROLL AND OTHER OPERATING EXPENSES**

**Enter "0" in items where applicable. Do not combine data for two or more detail lines.**

- Report costs incurred during 1996 and 1995 even though payments may be made at a later date. **Exclude** sales or other taxes collected from customers and paid directly to a taxing authority.

**Line a** — Report, on a cash basis, the gross earnings paid to employees prior to such deductions as employees' Social Security contributions, withholding taxes, group insurance premiums, union dues, savings bonds, etc. Include all wages, salaries, commissions to own employees, dismissal pay, paid bonuses, vacation and sick leave pay, and employee contributions to qualified pension plans whether or not subject to income or FICA tax. If a corporation, include salaries of officers; if an unincorporated concern, **exclude** payments to proprietors or partners.

- Definitions for annual payroll are the same as those used on the Employer's Quarterly Federal Tax Return, Treasury Form 941.

WHEN COMPLETING THIS REPORT, PLEASE READ THESE INSTRUCTIONS CAREFULLY — Detach this panel before returning your report.



## REPORTING INSTRUCTIONS — Continued

**Item 5 — PAYROLL AND OTHER OPERATING EXPENSES—  
Continued**

**Line b** — Report, on a cash basis, in line b(1) employer's cost for legally required programs, such as Social Security and Medicare (FICA), worker's compensation insurance, unemployment tax, and State disability insurance programs. Report, on a cash basis, in line b(2) employer's cost for programs not required by law, such as pension plans, stock purchase plans, union-negotiated benefits, life insurance benefits, and insurance premiums for hospital and medical plans. Report in line b(1) and line b(2) the amounts actually contributed.

**Line c — Program and production costs****System operators —**

- Report the programming costs for providing basic cable services. Including programming costs for providing pay-per-view or premium TV services. Include the cost of local origination program, include public access costs and fees.

**Program operators —**

- Report the cost of all original programs produced or developed in-house.

**System operators and program providers —**

- Include talent fees, music license fees, the value of bartered programming, and all other costs of programming and production. **Exclude** payroll and employer contributions to employee benefit programs

**Line d — System operators** — Report the cost for the retransmission of broadcast signals. Include the fair-market value (not the actual cost) of reciprocal non-cash exchanges, such as bartered advertising time, promotions, and carriage of new local and national cable channels, etc. Estimate services exchanged for retransmission consent as the amount your company would ordinarily charge for such services.

**Line e** — Report in line e(1) the amount of depreciation and amortization charges against buildings, offices, and structures owned by your firm. Report in line e(2) the amount of depreciation and amortization charges against transmission systems (cables, wires, amps, satellite transmissions, converters, tap offs, power supplies, and other transmitting equipment) owned by your firm. Report in line e(3) the amount of depreciation and amortization charges against vehicles, machinery and equipment, and other tangible assets owned by your firm. Include depreciation on assets rented or leased to others by you under an operating lease agreement. Include depreciation on assets owned and used by your firm within leaseholds and assets obtained through capital lease agreements. **Exclude** depreciation on intangible assets and assets leased to others by you under a capital lease agreement. Do not adjust for the value of depreciable assets sold or traded for replacement purposes.

**Line f** — Report in line f(1) the cost of renting or leasing buildings, offices, and structures. Report in line f(2) the cost of renting or leasing transmission systems (cables, wires, amps, satellite transmissions, converters, tap offs, power supplies, and other transmitting equipment). Report in line f(3) the cost of renting or leasing vehicles, and other machinery and equipment. **Exclude** payments by your firm to the parent company or organization, or any of its subsidiaries for use of assets owned by them; and installment payments for assets obtained by your company through capital lease agreements.

**Line g** — Report in line g(1) the cost of purchased repairs (including charges for parts and labor) to buildings, offices, and structures. Report in line g(2) the cost of purchased repairs to transmission systems (cables, wires, amps, satellite transmissions, converters, tap offs, and other transmitting equipment). Report in line g(3) the cost of purchased repairs to vehicles, and other machinery and equipment. **Exclude** repair costs included as part of a lease or rental agreement, improvements for which depreciation accounts are maintained, and repairs performed by employees of your company and its subsidiaries.

**Line h** — Report the cost of all commercial insurance, including that used to protect the company against losses or damages to buildings, structures, and machinery and equipment caused by fire, flood, wind, boiler explosion, or any other cause. Include premiums on fidelity bonds of employees, and insurance to protect against liability for deaths or injuries of persons and damages to property of others. **Exclude worker's compensation premiums.** Report these costs in line b(1).

**Line i** — Report the cost of nonrevenue-generating purchased communication services, including telephone, telex, telegraph, teletype, etc.

**Line j** — Report the cost of purchased utilities, including the cost of purchased electricity and purchased fuels consumed for heat, power or generating electricity. Include water, sewer, and refuse removal. **Exclude** the cost of these utility services if included as part of a lease or rental agreement.

**Line k** — Report the cost of purchased advertising, including payments to other firms for printing, media, and other services and materials used for advertising.

**Line l** — Report the cost of taxes and licenses including business license fees, real and personal property taxes (such as taxes on real estate, motor vehicles, machinery, equipment, and inventories), and special assessments. Also include FCC license fees. **Exclude** income, sales, payroll, excise taxes, and other taxes collected from customers and paid to local, State, or Federal government agencies.

**Lines m and n**

- **Total operating expenses** — Will not match to the company's income statement due to the cash and accrual methods requested for this survey. As a guide, compute total operating expenses as follows —

Total operating expenses (from income statement)  
+ Taxes — *If not included in operating expenses, see item 5l on page 3.*  
+ [Annual payroll (cash basis) + Employer contributions (cash basis)]  
– [Annual payroll (accrual basis) + Employer contributions (accrual basis)]

= **TOTAL OPERATING EXPENSES** — *Place in item 5n*

- **Other operating expenses** — If other operating expenses are unavailable, calculate them as follows —

**TOTAL OPERATING EXPENSES FOR SURVEY**  
(as calculated in item 5n)

– (Items 5a through 5l on survey report form)

= **OTHER OPERATING EXPENSES** — *Place in item 5m.*

**NOTE** — **If the amount reported on line m is greater than 50 percent of the total operating expenses reported in line n, indicate the source of these expenses in the "Remarks" section on page 4 of this form.**

Other operating expenses include billing services, travel expenses, accounting and legal fees, dues and subscriptions, office supplies, data processing expenses, etc. Include the cost of computer software purchased under licensing agreements. **Exclude** income taxes, and local sales and excise taxes.

Public reporting burden for this collection of information is estimated to average 3.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Associate Director for Administration, Attn: Paperwork Reduction Project 0607-0798, Room 3104, FB 3, Bureau of the Census, Washington, DC 20233-0001. PLEASE INCLUDE FORM NAME AND NUMBER IN ALL CORRESPONDENCE. Respondents are not required to respond to any information collection unless it displays a valid approval number from the Office of Management and Budget. This 8-digit number appears in the top right corner on the front of this form.