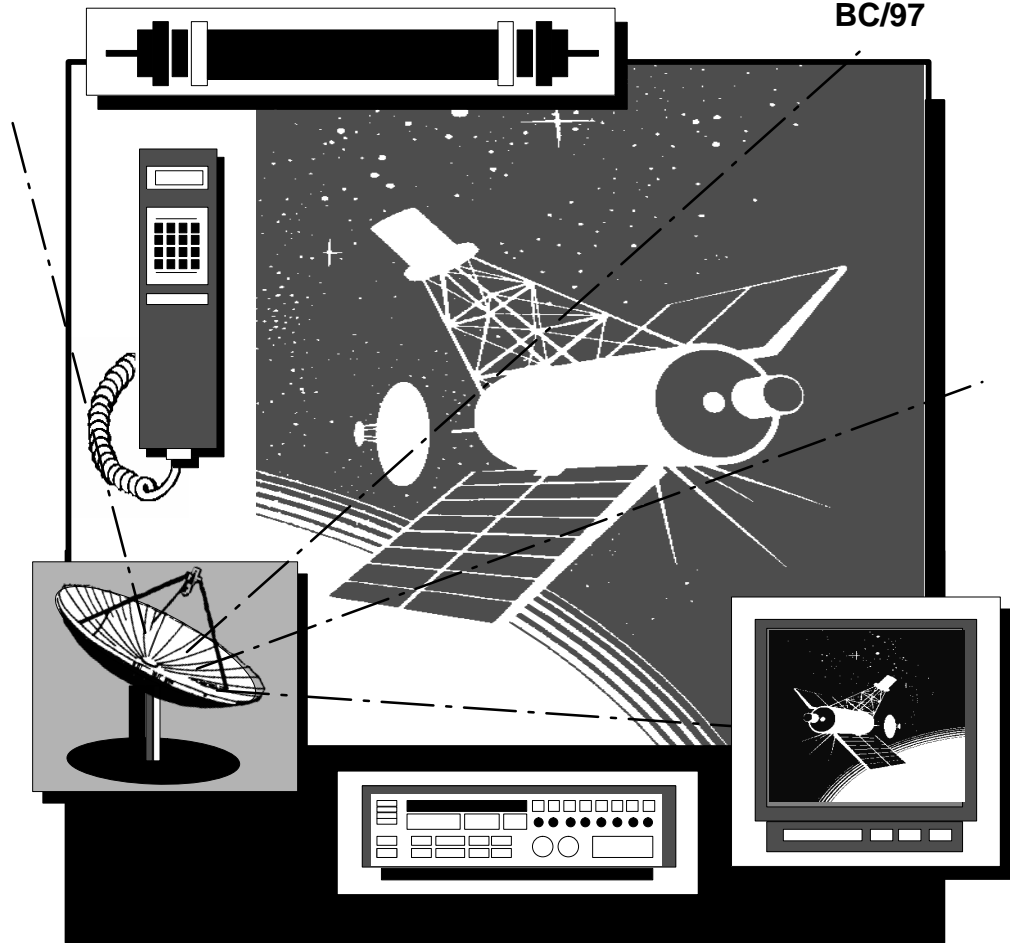


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Annual Survey of Communication Services: 1997

BC/97



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Acknowledgments

Service Sector Statistics Division prepared this report under the general direction of **Thomas E. Zabelsky**, Assistant Division Chief for Current Service and Transportation Programs. **Ruth A. Bramblett**, Chief, Current Services Branch, supervised the planning, implementation, and compiling of this report with assistance from **Michael Armah**, **Christine Walker**, **Jeffrey Barnett**, **Stacy Furukawa**, **Theresa Graves**, and **David Lassman**.

Sarah W. Baumgardner, Assistant Division Chief for Economic Surveys in the Economic Statistical Methods and Programming Division (ESMPD), supervised the development of the processing system and computer programs. **Barry F. Sessamen**, Chief, Annual Services Branch, directed the development of the processing system and computer programs with assistance from **Jeffery Burton**, **Tatiana Gallagher**, **Nga Nguyen**, **Harold Bobbitt**, **Neil Gray**, and **Matthew Grinberg**.

Carl A. Konschnik, former Assistant Division Chief, Research and Methodology, supervised the sample design and statistical methodology. **Jock R. Black**, Chief, Program Research and Development Branch, directed the implementation of the sample design, including estimation and variance estimation methodology, with assistance from **William C. Davie Jr.**, and **M. Christina Cruz**. **Carol S. King**, Chief, Statistical Methods Branch, supervised the development of sample control, imputation, quality control procedures, and benchmarking with assistance from **Linda Moore**.

Judith Petty, Chief, National Processing Center, coordinated the data collection efforts with assistance from **Carlene Bottorff**, Chief, Economic Projects Branch, **Linda Broadus**, **Vicki Miles**, **Brenda Goodale**, and Service Sector Statistics Division's onsite analyst, **Michael Lutz**.

The staff of the Administrative and Customer Services Division, **Walter C. Odom**, Chief, performed publication planning, design, composition, editorial review, and procurement. **Nelsa Brown** provided publication coordination and editing.

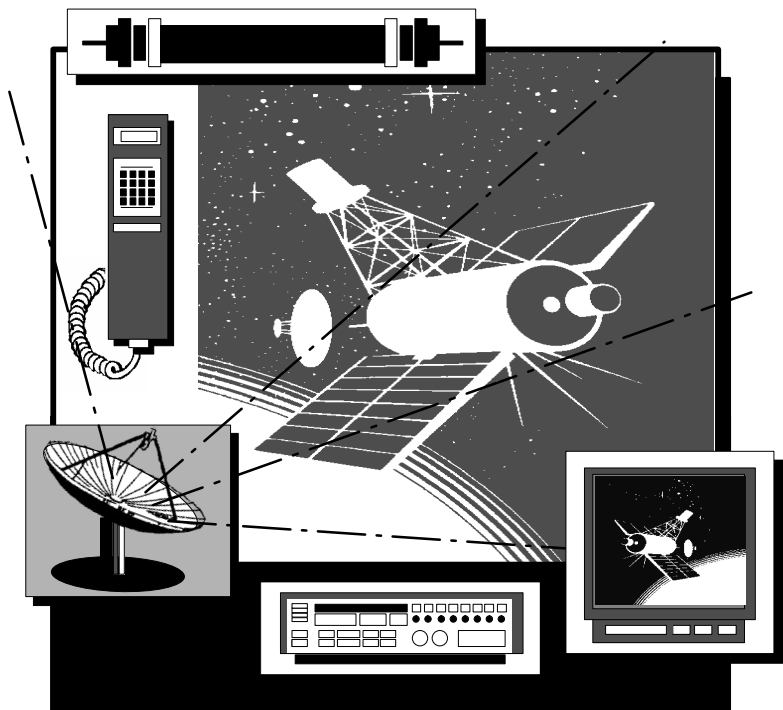
Special acknowledgment also is due to the many businesses whose cooperation was essential to the publication of this report.

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CURRENT BUSINESS REPORTS

Annual Survey of Communication Services: 1997

BC/97



Issued January 1999



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SUGGESTED CITATION

U.S. Bureau of the Census, Current Business Reports, BC/97, *Annual Survey of
Communication Services: 1997*, U.S. Government Printing Office, Washington, DC 1999.

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Introduction

Coverage

This report presents results from the 1997 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 1997 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.

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: 1990 Through 1997

Item	Communications services (SIC 48)	Telephone communications (SIC 481) ¹	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)
Total Revenue									
Millions of dollars									
1997	348,482	256,116	35,240	220,876	40,779	10,533	30,246	43,412	8,175
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)	32,932	(NA)	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
Percent change									
1997/1996	8.1	7.6	17.5	6.2	4.1	9.4	2.4	12.8	25.6
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
Operating Expenses									
Millions of dollars									
1997	286,218	212,490	27,741	184,749	32,226	8,467	23,759	35,060	6,442
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
Percent change									
1997/1996	9.9	10.5	19.9	9.2	(Z)	8.7	-2.7	15.1	19.4
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
Annual Payroll									
Millions of dollars									
1997	61,335	44,524	5,283	39,241	9,285	3,422	5,863	6,027	1,499
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
Percent change									
1997/1996	7.4	5.8	22.1	3.9	4.2	7.9	2.2	19.1	39.4
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
Employer Contributions to Social Security and Other Supplemental Benefits									
Millions of dollars									
1997	13,285	10,263	1,033	9,230	1,484	438	1,046	1,293	245
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
Percent change									

Table 1. Communications Services (SIC 48) — Summary Statistics, by Kind of Business: 1990 Through 1997

Item	Communica- tions services (SIC 48)	Telephone communica- tions (SIC 481) ¹	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)
1997/1996	6.7	6.8	25.2	5.1	0.3	6.8	-2.2	12.7	16.7
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

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).

¹Prior 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

SUMMARY OF DATA

Revenue for U.S. telephone firms totaled \$256.1 billion in 1997, an increase of 7.6 percent compared to 1996.

Long-distance service provided 38.5 percent of all telephone industry revenue in 1997, totaling \$98.5 billion. Local service revenue gained 6.9 percent from 1996 to \$57.1 billion in 1997.

Revenue for cellular and radiotelephone services increased 17.3 percent to \$33.5 billion in 1997. While contributing only 13.1 percent of total industry revenue, cellular and radiotelephone services accounted for 27.3 percent of total revenue growth in 1997.

Non-residential customers were the source of \$113.0 billion in telephone communications, except radiotelephone

(SIC 4813) revenue. They accounted for 58.5 percent of all revenue for long-distance, local and network access services. In 1997, the portions of total long-distance revenue and total network access revenue provided by interstate services were 65.4 percent and 73.3 percent respectively.

Telephone industry expenses reached a total of \$212.5 billion in 1997.

Annual payroll reached \$44.5 billion in 1997 and accounted for approximately 21.0 percent of all industry expenses. Employer contributions to Social Security and other supplemental benefits were \$10.3 billion in 1997.

Purchased communications for the industry rose 16.9 percent to \$2.4 billion, while purchased advertising rose 24.0 percent to \$5.6 billion.

Table 2. Telephone Communications (SIC 481) — Estimated Operating Revenue and Expenses: 1990 Through 1997

Item	Millions of dollars								Percent change						
	1997	1996	1995	1994	1993	1992	1991	1990	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990
Operating Revenue															
Total	256,116	238,063	216,296	199,259	183,538	171,578	164,738	160,482	7.6	10.1	8.6	8.6	7.0	4.2	2.7
Local service	57,065	53,403	49,349	46,662	45,178	43,341	41,354	40,180	6.9	8.2	5.8	3.3	4.2	4.8	2.9
Long-distance service	98,528	94,039	86,834	81,037	73,923	69,446	69,006	67,698	4.8	8.3	7.2	9.6	6.4	0.6	1.9
Network access	37,447	36,101	34,131	32,988	31,658	30,998	29,947	30,044	3.7	5.8	3.5	4.2	2.1	3.5	-0.3
Cellular and other radiotelephone	33,453	28,520	22,837	16,848	12,401	9,181	6,870	6,002	17.3	24.9	35.5	35.9	35.1	33.6	14.5
Directory advertising	10,764	10,214	9,850	9,439	9,117	8,923	8,680	8,373	5.4	3.7	4.4	3.5	2.2	2.8	3.7
Other operating revenue	18,859	15,786	13,295	12,285	11,261	9,689	8,881	8,185	19.5	18.7	8.2	9.1	16.2	9.1	8.5
Operating Expenses															
Total	212,490	192,349	180,538	164,936	160,273	143,033	137,593	131,493	10.5	6.5	9.5	2.9	12.1	4.0	4.6
Annual payroll	44,524	42,087	40,721	38,106	37,106	35,900	35,320	34,903	5.8	3.4	6.9	2.7	3.4	1.6	1.2
Employer contributions to Social Security and other supplemental benefits	10,263	9,611	9,184	9,347	9,379	9,584	8,924	8,121	6.8	4.6	-1.7	-0.3	-2.1	7.4	9.9
Access charges	39,781	36,018	33,748	30,047	27,035	24,539	24,039	23,214	10.4	6.7	12.3	11.1	10.2	2.1	3.6
Depreciation	37,589	32,937	31,651	28,578	25,546	23,623	23,600	22,927	14.1	4.1	10.8	11.9	8.1	0.1	2.9
Lease and rental	5,310	4,492	3,919	4,037	3,608	4,247	3,867	3,543	18.2	14.6	-2.9	11.9	-15.0	9.8	9.1
Purchased repairs	6,533	5,243	4,907	4,413	3,474	2,915	2,954	2,977	24.6	6.8	11.2	27.0	19.2	-1.3	-0.8
Insurance	371	336	304	261	228	222	218	193	10.4	10.5	16.5	14.5	2.7	1.8	13.0
Telephone and other purchased communication services	2,373	2,030	1,858	1,321	946	707	544	504	16.9	9.3	40.7	39.6	33.8	30.0	7.9
Purchased utilities	2,174	1,961	1,770	1,562	1,315	1,178	1,150	1,106	10.9	10.8	13.3	18.8	11.6	2.4	4.0
Purchased advertising	5,624	4,534	3,607	3,835	3,085	2,637	2,546	2,328	24.0	25.7	-5.9	24.3	17.0	3.6	9.4
Taxes	9,021	7,978	7,539	6,603	5,861	5,194	5,233	5,086	13.1	5.8	14.2	12.7	12.8	-0.7	2.9
Other operating expenses	48,927	45,122	41,330	36,826	42,690	32,287	29,198	26,591	8.4	9.2	12.2	-13.7	32.2	10.6	9.8

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: 1996 and 1997

Item	Millions of dollars		Percent change	Percent of total	
	1997	1996	1997/1996	1997	1996
Operating Revenue					
Total ¹	35,240	29,999	17.5	100.0	100.0
Cellular and other radiotelephone	33,094	28,208	17.3	93.9	94.0
Other operating revenue	2,133	1,778	20.0	6.1	5.9
Operating Expenses					
Total	27,741	23,131	19.9	100.0	100.0
Annual payroll	5,283	4,327	22.1	19.0	18.7
Employer contributions to Social Security and other supplemental benefits	1,033	825	25.2	3.7	3.6
Access charges	1,529	1,453	5.2	5.5	6.3
Depreciation	4,900	3,767	30.1	17.7	16.3
Lease and rental	1,350	911	48.2	4.9	3.9
Purchased repairs	357	277	28.9	1.3	1.2
Insurance	79	76	3.9	0.3	0.3
Telephone and other purchased communication services	919	660	39.2	3.3	2.9
Purchased utilities	205	154	33.1	0.7	0.7
Purchased advertising	1,495	1,325	12.8	5.4	5.7
Taxes	402	385	4.4	1.4	1.7
Other operating expenses	10,189	8,971	13.6	36.7	38.8

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-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.

¹Includes sources of revenue not shown separately.

Table 4. Telephone Communications, Except Radiotelephone (SIC 4813) — Estimated Operating Revenue and Expenses: 1996 and 1997

Item	Millions of dollars		Percent change	Percent of total	
	1997	1996	1997/1996	1997	1996
Operating Revenue					
Total	220,876	208,064	6.2	100.0	100.0
Local service	57,061	53,399	6.9	25.8	25.7
Long-distance service	98,528	94,039	4.8	44.6	45.2
Network access	37,438	36,092	3.7	16.9	17.3
Cellular and other radiotelephone	(S)	(S)	(S)	(S)	(S)
Directory advertising	10,764	10,214	5.4	4.9	4.9
Other operating revenue	16,726	14,008	19.4	7.6	6.7
Operating Expenses					
Total	184,749	169,218	9.2	100.0	100.0
Annual payroll	39,241	37,760	3.9	21.2	22.3
Employer contributions to Social Security and other supplemental benefits	9,230	8,786	5.1	5.0	5.2
Access charges	38,252	34,565	10.7	20.7	20.4
Depreciation	32,689	29,170	12.1	17.7	17.2
Lease and rental	3,960	3,581	10.6	2.1	2.1
Purchased repairs	6,176	4,966	24.4	3.3	2.9
Insurance	292	260	12.3	0.2	0.2
Telephone and other purchased communication services	1,454	1,370	6.1	0.8	0.8
Purchased utilities	1,969	1,807	9.0	1.1	1.1
Purchased advertising	4,129	3,209	28.7	2.2	1.9
Taxes	8,619	7,593	13.5	4.7	4.5
Other operating expenses	38,738	36,151	7.2	21.0	21.4

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: 1996 and 1997

Item	Dollar volume	Type of customer		Type of service	
		Residential	Nonresidential	Intrastate	Interstate
Local Service					
Millions of dollars					
1997	57,061	29,209	27,852	56,411	650
1996	53,399	27,099	26,300	52,767	632
Percent change					
1997/1996	6.9	7.8	5.9	6.9	2.8
Long-Distance Service					
Millions of dollars					
1997	98,528	42,771	55,757	34,111	64,417
1996	94,039	40,755	53,284	33,707	60,332
Percent change					
1997/1996	4.8	4.9	4.6	1.2	6.8
Network Access					
Millions of dollars					
1997	37,438	8,103	29,335	9,989	27,449
1996	36,092	7,603	28,489	9,547	26,545
Percent change					
1997/1996	3.7	6.6	3.0	4.6	3.4

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: 1997

Item	Millions of dollars
Cellular and other radiotelephone revenue ¹	33,453
Type of Service	
Air time	14,738
Basic service	10,167
Long-distance service	1,085
Roaming charges	3,560
Other services	3,903

¹Includes 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

SUMMARY OF DATA

Taxable Firms

Total operating revenue for taxable U.S. television and radio broadcasters combined was \$39.0 billion in 1997, an increase of 3.8 percent from 1996.

Revenue for the television broadcasting industry was about \$28.8 billion in 1997. Sales of television time to networks, advertisers, and sponsors (station time sales), representing 55.9 percent of television revenue, was \$16.1 billion in 1997. National and regional television advertising sales increased 2.4 percent while local advertising, which accounted for 53.7 percent of total station time sales in 1997, increased 3.2 percent from the previous year. Television network times sales fell 1.3 percent from 1996 to \$11.1 billion.

Revenue for the nation's radio broadcasters rose 9.5 percent to \$10.2 billion in 1997. Station time sales accounted for 91.1 percent of their total revenue. Local advertising, accounting for 77.5 percent of radio station time sales in 1997, was up 8.4 percent from the previous year.

Operating expenses for the television broadcasting industry were \$22.5 billion in 1997. Broadcast rights to first-run programs, feature films, syndicated programs, and sporting events accounted for 37.8 percent of total operating expenses for television broadcasters in 1997, a decrease in dollar volume of 6.8 percent.

Operating expenses for the radio industry were \$8.2 billion in 1997. Annual payroll, \$3.3 billion in 1997, was the largest component of these expenses.

Tax-Exempt Firms

Total revenue for tax-exempt radio and television broadcasters combined was \$1.8 billion in 1997, up 9.4 percent from 1996.

Revenue for tax-exempt television broadcasters increased 10.7 percent. Tax-exempt radio broadcasters' revenue increased 4.3 percent in 1997.

Operating expenses for tax-exempt radio and television broadcasters combined were \$1.6 billion in 1997.

Table 7. Total Broadcasting Services (SIC 483) — Estimated Revenue and Expenses for Taxable and Tax-Exempt Firms: 1990 Through 1997

Item	Millions of dollars								Percent change						
	1997	1996	1995	1994	1993	1992	1991	1990	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990
Total Revenue															
Total ¹	40,779	39,182	35,907	32,932	30,278	29,853	28,741	29,707	4.1	9.1	9.0	8.8	1.4	3.9	-3.3
Operating Expenses															
Total	32,226	32,216	29,511	27,457	25,672	26,009	25,760	25,753	(Z)	9.2	7.5	7.0	-1.3	1.0	(Z)
Annual payroll	9,285	8,907	8,326	7,612	7,046	6,976	6,660	6,680	4.2	7.0	9.4	8.0	1.0	4.7	-0.3
Employer contributions to Social Security and other supplemental benefits	1,484	1,480	1,383	1,287	1,197	1,166	1,074	1,066	0.3	7.0	7.5	7.5	2.7	8.6	0.8
Broadcast rights	9,098	9,697	8,592	8,135	8,005	8,564	8,727	8,329	-6.2	12.9	5.6	1.6	-6.5	-1.9	4.8
Music license fees	469	456	407	345	338	371	363	374	2.9	12.0	18.0	2.1	-8.9	2.2	-2.9
Depreciation	1,628	1,532	1,395	1,272	1,258	1,331	1,351	1,404	6.3	9.8	9.7	1.1	-5.5	-1.5	-3.8
Lease and rental	647	618	577	542	512	490	496	502	4.7	7.1	6.5	5.9	4.5	-1.2	-1.2
Purchased repairs	334	351	322	285	258	242	244	247	-4.8	9.0	13.0	10.5	6.6	-0.8	-1.2
Insurance	174	197	177	174	164	168	157	152	-11.7	11.3	1.7	6.1	-2.4	7.0	3.3
Telephone and other purchased communication services	320	336	294	269	255	255	249	259	-4.8	14.3	9.3	5.5	—	2.4	-3.9
Purchased utilities	307	338	308	298	277	279	275	265	-9.2	9.7	3.4	7.6	-0.7	1.5	3.8
Purchased advertising	1,379	1,222	1,141	995	852	827	869	971	12.8	7.1	14.7	16.8	3.0	-4.8	-10.5
Taxes	214	234	222	194	183	191	175	178	-8.5	5.4	14.4	6.0	-4.2	9.1	-1.7
Other operating expenses ²	6,887	6,848	6,367	6,049	5,327	5,149	5,120	5,326	0.6	7.6	5.3	13.6	3.5	0.6	-3.9

Z Less than .05 percent.

—Represents zero.

¹Includes non-operating income from tax-exempt firms.

²Includes 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: 1990 Through 1997

Item	Millions of dollars								Percent change						
	1997	1996	1995	1994	1993	1992	1991	1990	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990
Total Revenue															
Total ¹	10,533	9,631	8,795	8,089	7,402	7,019	6,890	7,173	9.4	9.5	8.7	9.3	5.5	1.9	-3.9
Operating Expenses															
Total	8,467	7,786	7,251	6,853	6,407	6,350	6,364	6,522	8.7	7.4	5.8	7.0	0.9	-0.2	-2.4
Annual payroll	3,422	3,170	2,961	2,752	2,597	2,547	2,492	2,501	7.9	7.1	7.6	6.0	2.0	2.2	-0.4
Employer contributions to Social Security and other supplemental benefits	438	410	381	349	357	359	341	340	6.8	7.6	9.2	-2.2	-0.6	5.3	0.3
Broadcast rights	313	299	315	255	250	218	284	274	4.7	-5.1	23.5	2.0	14.7	-23.2	3.6
Music license fees	250	225	205	183	162	150	152	160	11.1	9.8	12.0	13.0	8.0	-1.3	-5.0
Depreciation	511	456	416	399	413	460	473	487	12.1	9.6	4.3	-3.4	-10.2	-2.7	-2.9
Lease and rental	276	250	242	236	214	204	200	208	10.4	3.3	2.5	10.3	4.9	2.0	-3.8
Purchased repairs	91	87	84	81	83	82	84	84	4.6	3.6	3.7	-2.4	1.2	-2.4	—
Insurance	78	81	71	71	67	68	66	66	-3.7	14.1	—	6.0	-1.5	3.0	—
Telephone and other purchased communication services	147	141	129	122	118	121	117	120	4.3	9.3	5.7	3.4	-2.5	3.4	-2.5
Purchased utilities	116	116	109	108	100	107	105	103	—	6.4	0.9	8.0	-6.5	1.9	1.9
Purchased advertising	458	410	412	371	315	318	334	372	11.7	-0.5	11.1	17.8	-0.9	-4.8	-10.2
Taxes	79	74	74	62	64	66	59	61	6.8	—	19.4	-3.1	-3.0	11.9	-3.3
Other operating expenses ²	2,288	2,067	1,852	1,864	1,667	1,650	1,657	1,746	10.7	11.6	-0.6	11.8	1.0	-0.4	-5.1

—Represents zero.

¹Includes non-operating income from tax-exempt firms.

²Includes 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: 1990 Through 1997**

Item	Millions of dollars								Percent change						
	1997	1996	1995	1994	1993	1992	1991	1990	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990
Total Revenue															
Total ¹	30,246	29,551	27,112	24,843	22,876	22,834	21,851	22,534	2.4	9.0	9.1	8.6	0.2	4.5	-3.0
Operating Expenses															
Total	23,759	24,430	22,260	20,604	19,265	19,659	19,396	19,231	-2.7	9.7	8.0	7.0	-2.0	1.4	0.9
Annual payroll	5,863	5,737	5,365	4,860	4,449	4,429	4,168	4,179	2.2	6.9	10.4	9.2	0.5	6.3	-0.3
Employer contributions to Social Security and other supplemental benefits	1,046	1,070	1,002	938	840	807	733	726	-2.2	6.8	6.8	11.7	4.1	10.1	1.0
Broadcast rights	8,785	9,398	8,277	7,880	7,755	8,346	8,443	8,055	-6.5	13.5	5.0	1.6	-7.1	-1.1	4.8
Music license fees	219	231	202	162	176	221	211	214	-5.2	14.4	24.7	-8.0	-20.4	4.7	-1.4
Depreciation	1,117	1,076	979	873	845	871	878	917	3.8	9.9	12.1	3.3	-3.0	-0.8	-4.3
Lease and rental	371	368	335	306	298	286	296	294	0.8	9.9	9.5	2.7	4.2	-3.4	0.7
Purchased repairs	243	264	238	204	175	160	160	163	-8.0	10.9	16.7	16.6	9.4	—	-1.8
Insurance	96	116	106	103	97	100	91	86	-17.2	9.4	2.9	6.2	-3.0	9.9	5.8
Telephone and other purchased communication services	173	195	165	147	137	134	132	139	-11.3	18.2	12.2	7.3	2.2	1.5	-5.0
Purchased utilities	191	222	199	190	177	172	170	162	-14.0	11.6	4.7	7.3	2.9	1.2	4.9
Purchased advertising	921	812	729	624	537	509	535	599	13.4	11.4	16.8	16.2	5.5	-4.9	-10.7
Taxes	135	160	148	132	119	125	116	117	-15.6	8.1	12.1	10.9	-4.8	7.8	-0.9
Other operating expenses ²	4,599	4,781	4,515	4,185	3,660	3,499	3,463	3,580	-3.8	5.9	7.9	14.3	4.6	1.0	-3.3

—Represents zero.

¹Includes non-operating income from tax-exempt firms.

²Includes 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: 1991 Through 1997

Item	Millions of dollars							Percent change						
	1997	1996	1995	1994	1993	1992	1991	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	
Operating Revenue														
Total	38,985	37,542	34,319	31,315	28,409	27,859	26,845	3.8	9.4	9.6	10.2	2.0	3.8	
Station time sales	25,379	24,130	22,450	20,647	18,882	18,580	18,022	5.2	7.5	8.7	9.3	1.6	3.1	
Network compensation ..	644	631	564	451	440	459	510	2.1	11.9	25.1	2.5	-4.1	-10.0	
National/regional														
advertising	8,891	8,476	8,166	7,459	6,758	6,733	6,666	4.9	3.8	9.5	10.4	0.4	1.0	
Local advertising	15,844	15,023	13,720	12,737	11,684	11,388	10,846	5.5	9.5	7.7	9.0	2.6	5.0	
Network time sales	11,701	11,792	10,319	9,459	8,424	8,221	7,645	-0.8	14.3	9.1	12.3	2.5	7.5	
Other operating revenue ..	1,905	1,620	1,550	1,209	1,103	1,058	1,178	17.6	4.5	28.2	9.6	4.3	-10.2	
Operating Expenses														
Total	30,648	30,721	28,038	25,899	23,891	24,135	23,944	-0.2	9.6	8.3	8.4	-1.0	0.8	
Annual payroll	8,848	8,497	7,933	7,222	6,664	6,595	6,288	4.1	7.1	9.8	8.4	1.0	4.9	
Employer contributions to														
Social Security and other														
supplemental benefits ...	1,397	1,400	1,303	1,207	1,120	1,090	1,001	-0.2	7.4	8.0	7.8	2.8	8.9	
Broadcast rights	8,801	9,404	8,260	7,723	7,349	7,737	7,922	-6.4	13.8	7.0	5.1	-5.0	-2.3	
Music license fees	467	454	405	344	337	370	361	2.9	12.1	17.7	2.1	-8.9	2.5	
Depreciation	1,548	1,455	1,324	1,193	1,185	1,264	1,286	6.4	9.9	11.0	0.7	-6.3	-1.7	
Lease and rental	609	590	538	503	476	452	462	3.2	9.7	7.0	5.7	5.3	-2.2	
Purchased repairs	310	331	300	268	239	226	228	-6.3	10.3	11.9	12.1	5.8	-0.9	
Insurance	164	188	168	165	155	158	147	-12.8	11.9	1.8	6.5	-1.9	7.5	
Telephone and other														
purchased														
communication services .	300	319	278	254	236	236	231	-6.0	14.7	9.4	7.6	—	2.2	
Purchased utilities	280	310	281	269	252	256	252	-9.7	10.3	4.5	6.7	-1.6	1.6	
Purchased advertising	1,353	1,195	1,115	969	821	797	842	13.2	7.2	15.1	18.0	3.0	-5.3	
Taxes	210	229	217	191	180	187	172	-8.3	5.5	13.6	6.1	-3.7	8.7	
Other operating expenses ¹	6,361	6,349	5,916	5,591	4,877	4,767	4,752	(Z)	7.3	5.8	14.6	2.3	0.3	

Z Less than .05 percent.

—Represents zero.

¹Includes 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: 1991 Through 1997

Item	Millions of dollars							Percent change						Percent of total							
	1997	1996	1995	1994	1993	1992	1991	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1997	1996	1995	1994	1993	1992	1991	
Operating Revenue																					
Total	10,193	9,305	8,518	7,827	7,159	6,795	6,671	9.5	9.2	8.8	9.3	5.4	1.9	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Station time sales	9,287	8,476	7,779	7,199	6,601	6,275	6,104	9.6	9.0	8.1	9.1	5.2	2.8	91.1	91.1	91.3	92.0	92.2	92.3	91.5	91.5
Network compensation	85	81	71	75	75	95	98	4.9	14.1	-5.3	—	-21.1	-3.1	0.8	0.9	0.8	1.0	1.0	1.4	1.5	1.5
National/regional advertising	2,002	1,750	1,765	1,551	1,390	1,313	1,433	14.4	-0.8	13.8	11.6	5.9	-8.4	19.6	18.8	20.7	19.8	19.4	19.3	21.5	21.5
Local advertising	7,200	6,645	5,943	5,573	5,136	4,867	4,573	8.4	11.8	6.6	8.5	5.5	6.4	70.6	71.4	69.8	71.2	71.7	71.6	68.6	68.6
Network time sales	553	498	464	402	314	276	312	11.0	7.3	15.4	28.0	13.8	-11.5	5.4	5.4	5.4	5.1	4.4	4.1	4.7	4.7
Other operating revenue	353	331	275	226	244	244	255	6.6	20.4	21.7	-7.4	0.0	-4.3	3.5	3.6	3.2	2.9	3.4	3.6	3.8	3.8
Operating Expenses																					
Total	8,154	7,499	6,997	6,610	6,177	6,137	6,157	8.7	7.2	5.9	7.0	0.7	-0.3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Annual payroll	3,304	3,065	2,864	2,661	2,512	2,469	2,413	7.8	7.0	7.6	5.9	1.7	2.3	40.5	40.9	40.9	40.3	40.7	40.2	39.2	39.2
Employer contributions to Social Security and other supplemental benefits	416	389	361	331	339	343	326	6.9	7.8	9.1	-2.4	-1.2	5.2	5.1	5.2	5.2	5.0	5.5	5.6	5.3	5.3
Broadcast rights	303	287	304	244	239	209	274	5.6	-5.6	24.6	2.1	14.4	-23.7	3.7	3.8	4.3	3.7	3.9	3.4	4.5	4.5
Music license fees	249	224	204	183	162	149	151	11.2	9.8	11.5	13.0	8.7	-1.3	3.1	3.0	2.9	2.8	2.6	2.4	2.5	2.5
Depreciation	491	440	403	385	400	449	463	11.6	9.2	4.7	-3.8	-10.9	-3.0	6.0	5.9	5.8	5.8	6.5	7.3	7.5	7.5
Lease and rental	266	239	226	221	203	191	189	11.3	5.8	2.3	8.9	6.3	1.1	3.3	3.2	3.2	3.3	3.3	3.1	3.1	3.1
Purchased repairs	81	78	76	75	76	77	79	3.8	2.6	1.3	-1.3	-1.3	-2.5	1.0	1.0	1.1	1.1	1.2	1.3	1.3	1.3
Insurance	76	79	69	69	65	66	64	-3.8	14.5	—	6.2	-1.5	3.1	0.9	1.1	1.0	1.0	1.1	1.1	1.0	1.0
Telephone and other purchased communication services	140	134	123	116	112	116	112	4.5	8.9	6.0	3.6	-3.4	3.6	1.7	1.8	1.8	1.8	1.8	1.9	1.8	1.8
Purchased utilities	110	110	104	102	95	102	100	—	5.8	2.0	7.4	-6.9	2.0	1.3	1.5	1.5	1.5	1.5	1.7	1.6	1.6
Purchased advertising	454	407	409	368	311	314	330	11.5	-0.5	11.1	18.3	-1.0	-4.8	5.6	5.4	5.8	5.6	5.0	5.1	5.4	5.4
Taxes	78	71	71	60	63	65	58	9.9	—	18.3	-4.8	-3.1	12.1	1.0	0.9	1.0	0.9	1.0	1.1	0.9	0.9
Other operating expenses ¹	2,186	1,976	1,783	1,795	1,600	1,587	1,598	10.6	10.8	-0.7	12.2	0.8	-0.7	26.8	26.4	25.5	27.2	25.9	25.9	26.0	26.0

—Represents zero.

¹Includes 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: 1991 Through 1997**

Item	Millions of dollars							Percent change						Percent of total							
	1997	1996	1995	1994	1993	1992	1991	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1997	1996	1995	1994	1993	1992	1991	
Operating Revenue																					
Total	28,792	28,237	25,801	23,488	21,250	21,064	20,174	2.0	9.4	9.8	10.5	0.9	4.4	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Station time sales	16,092	15,654	14,671	13,448	12,281	12,305	11,918	2.8	6.7	9.1	9.5	-0.2	3.2	55.9	55.4	56.9	57.3	57.8	58.4	59.1	
Network compensation	559	550	493	376	365	364	412	1.6	11.6	31.1	3.0	0.3	-11.7	1.9	1.9	1.9	1.6	1.7	1.7	2.0	
National/regional advertising	6,889	6,726	6,401	5,908	5,368	5,420	5,233	2.4	5.1	8.3	10.1	-1.0	3.6	23.9	23.8	24.8	25.2	25.3	25.7	25.9	
Local advertising	8,644	8,378	7,777	7,164	6,548	6,521	6,273	3.2	7.7	8.6	9.4	0.4	4.0	30.0	29.7	30.1	30.5	30.8	31.0	31.1	
Network time sales	11,148	11,294	9,855	9,057	8,110	7,945	7,333	-1.3	14.6	8.8	11.7	2.1	8.3	38.7	40.0	38.2	38.6	38.2	37.7	36.3	
Other operating revenue	1,552	1,289	1,275	983	859	814	923	20.4	1.1	29.7	14.4	5.5	-11.8	5.4	4.6	4.9	4.2	4.0	3.9	4.6	
Operating Expenses																					
Total	22,494	23,222	21,041	19,289	17,714	17,998	17,787	-3.1	10.4	9.1	8.9	-1.6	1.2	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Annual payroll	5,544	5,432	5,069	4,561	4,152	4,126	3,875	2.1	7.2	11.1	9.9	0.6	6.5	24.6	23.4	24.1	23.6	23.4	22.9	21.8	
Employer contributions to Social Security and other supplemental benefits	981	1,011	942	876	781	747	675	-3.0	7.3	7.5	12.2	4.6	10.7	4.4	4.4	4.5	4.5	4.4	4.2	3.8	
Broadcast rights	8,498	9,117	7,956	7,479	7,110	7,528	7,648	-6.8	14.6	6.4	5.2	-5.6	-1.6	37.8	39.3	37.8	38.8	40.1	41.8	43.0	
Music license fees	218	230	201	161	175	221	210	-5.2	14.4	24.8	-8.0	-20.8	5.2	1.0	1.0	1.0	0.8	1.0	1.2	1.2	
Depreciation	1,057	1,015	921	808	785	815	823	4.1	10.2	14.0	2.9	-3.7	-1.0	4.7	4.4	4.4	4.2	4.4	4.5	4.6	
Lease and rental	343	351	312	282	273	261	273	-2.3	12.5	10.6	3.3	4.6	-4.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
Purchased repairs	229	253	224	193	163	149	149	-9.5	12.9	16.1	18.4	9.4	—	1.0	1.1	1.1	1.0	0.9	0.8	0.8	
Insurance	88	109	99	96	90	92	83	-19.3	10.1	3.1	6.7	-2.2	10.8	0.4	0.5	0.5	0.5	0.5	0.5	0.5	
Telephone and other purchased communication services	160	185	155	138	124	120	119	-13.5	19.4	12.3	11.3	3.3	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7	
Purchased utilities	170	200	177	167	157	154	152	-15.0	13.0	6.0	6.4	1.9	1.3	0.8	0.9	0.8	0.9	0.9	0.9	0.9	
Purchased advertising	899	788	706	601	510	483	512	14.1	11.6	17.5	17.8	5.6	-5.7	4.0	3.4	3.4	3.1	2.9	2.7	2.9	
Taxes	132	158	146	131	117	122	114	-16.5	8.2	11.5	12.0	-4.1	7.0	0.6	0.7	0.7	0.7	0.7	0.7	0.6	
Other operating expenses ¹	4,175	4,373	4,133	3,796	3,277	3,180	3,154	-4.5	5.8	8.9	15.8	3.1	0.8	18.6	18.8	19.6	19.7	18.5	17.7	17.7	

—Represents zero.

¹Includes 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: 1991 Through 1997**

Item	Millions of dollars							Percent change					
	1997	1996	1995	1994	1993	1992	1991	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991
Total Revenue													
Total ¹	1,794	1,640	1,588	1,617	1,869	1,994	1,896	9.4	3.3	-1.8	-13.5	-6.3	5.2
Operating Expenses													
Total	1,578	1,495	1,473	1,558	1,781	1,874	1,816	5.6	1.5	-5.5	-12.5	-5.0	3.2
Annual payroll	437	410	393	390	382	381	372	6.6	4.3	0.8	2.1	0.3	2.4
Employer contributions to Social Security and other supplemental benefits ...	87	80	80	80	77	76	73	8.8	—	—	3.9	1.3	4.1
Broadcast rights	(S)	(S)	(S)	412	656	827	805	(S)	(S)	(S)	-37.2	-20.7	2.7
Music license fees	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)
Depreciation	80	77	71	79	73	67	65	3.9	8.5	-10.1	8.2	9.0	3.1
Lease and rental	38	28	39	39	36	38	34	35.7	-28.2	—	8.3	-5.3	11.8
Purchased repairs	24	20	22	17	19	16	16	20.0	-9.1	29.4	-10.5	18.8	—
Insurance	10	9	9	9	9	10	10	11.1	—	—	—	-10.0	—
Telephone and other purchased communication services .	20	17	16	15	19	19	18	17.6	6.3	6.7	-21.1	—	5.6
Purchased utilities	27	28	27	29	25	23	23	-3.6	3.7	-6.9	16.0	8.7	—
Purchased advertising	26	27	26	26	31	30	27	-3.7	3.8	—	-16.1	3.3	11.1
Taxes	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)
Other operating expenses ²	526	499	451	458	450	382	368	5.4	10.6	-1.5	1.8	17.8	3.8

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.

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

²Includes 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: 1991 Through 1997**

Item	Millions of dollars							Percent change					
	1997	1996	1995	1994	1993	1992	1991	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991
Total Revenue													
Total ¹	340	326	277	262	243	224	219	4.3	17.7	5.7	7.8	8.5	2.3
Operating Expenses													
Total	313	287	254	243	230	213	207	9.1	13.0	4.5	5.7	8.0	2.9
Annual payroll	118	105	97	91	85	78	79	12.4	8.2	6.6	7.1	9.0	-1.3
Employer contributions to Social Security and other supplemental benefits ...	22	21	20	18	18	16	15	4.8	5.0	11.1	—	12.5	6.7

—Represents zero.

¹Includes 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: 1991 Through 1997**

Item	Millions of dollars							Percent change					
	1997	1996	1995	1994	1993	1992	1991	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991
Total Revenue													
Total ¹	1,454	1,314	1,311	1,355	1,626	1,770	1,677	10.7	0.2	-3.2	-16.7	-8.1	5.5
Operating Expenses													
Total	1,265	1,208	1,219	1,315	1,551	1,661	1,609	4.7	-0.9	-7.3	-15.2	-6.6	3.2
Annual payroll	319	305	296	299	297	303	293	4.6	3.0	-1.0	0.7	-2.0	3.4
Employer contributions to Social Security and other supplemental benefits ...	65	59	60	62	59	60	58	10.2	-1.7	-3.2	5.1	-1.7	3.4

¹Includes 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

SUMMARY OF DATA

Revenue for the nation's cable television industry rose 12.8 percent from 1996 to \$43.4 billion in 1997.

Cable system operators reported basic service revenue, the largest component of industry revenue, of \$21.1 billion. Pay-per-view and other premium service revenue showed a 3.7 percent increase from 1996. Cable television networks reported revenue from programming services of \$6.3 billion in 1997, an increase of 16.1 percent from 1996. Advertising revenue for the

cable industry reached \$5.6 billion in 1997, up 12.4 percent from 1996.

Total operating expenses rose 15.1 percent from 1996 to \$35.1 billion in 1997. Program and production costs, which accounted for 36.6 percent of total operating expenses in 1997, increased 14.2 percent from 1996 to \$12.8 billion. Depreciation expenses were \$6.1 billion in 1997, accounting for 17.4 percent of total operating expenses. In 1997, annual payroll increased 19.1 percent from 1996, while employer contributions to Social Security and other supplemental benefits rose 12.4 percent.

Table 16. Cable and Other Pay Television Services (SIC 4841) — Components of Estimated Operating Revenue and Expenses for Taxable Firms: 1990 Through 1997

Item	Millions of dollars								Percent change							Percent of total								
	1997	1996	1995	1994	1993	1992	1991	1990	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991	1991/ 1990	1997	1996	1995	1994	1993	1992	1991	1990	
Operating Revenue																								
Total ¹	43,412	38,488	33,890	30,289	29,639	27,465	24,954	23,192	12.8	13.6	11.9	2.2	7.9	10.1	7.6	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)
Total cable and other pay television revenue	41,499	37,027	32,541	29,304	28,769	26,653	23,895	22,165	12.1	13.8	11.0	1.9	7.9	11.5	7.8	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Advertising	5,627	5,007	4,466	3,597	2,981	2,491	2,100	1,882	12.4	12.1	24.2	20.7	19.7	18.6	11.6	13.6	13.5	13.7	12.3	10.4	9.3	8.8	8.5	8.5
Program revenue	6,313	5,438	4,843	4,714	4,440	4,423	4,112	3,816	16.1	12.3	2.7	6.2	0.4	7.6	7.8	15.2	14.7	14.9	16.1	15.4	16.6	17.2	17.2	17.2
Basic service revenue	21,134	18,621	16,310	14,547	14,904	13,532	11,985	10,933	13.5	14.2	12.1	-2.4	10.1	12.9	9.6	50.9	50.3	50.1	49.6	51.8	50.8	50.2	49.3	49.3
Pay-per-view and other premium service revenue	5,906	5,696	5,068	4,662	4,880	4,708	4,465	4,351	3.7	12.4	8.7	-4.5	3.7	5.4	2.6	14.2	15.4	15.6	15.9	17.0	17.7	18.7	19.6	19.6
Installation fees	555	508	445	427	417	390	324	302	9.3	14.2	4.2	2.4	6.9	20.4	7.3	1.3	1.4	1.4	1.5	1.4	1.5	1.4	1.4	1.4
Other cable revenue	1,964	1,757	1,409	1,357	1,147	1,109	909	881	11.8	24.7	3.8	18.3	3.4	22.0	3.2	4.7	4.7	4.3	4.6	4.0	4.2	3.8	4.0	4.0
Operating Expenses																								
Total	35,060	30,471	26,428	23,492	22,648	21,232	20,154	19,354	15.1	15.3	12.5	3.7	6.7	5.3	4.1	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Annual payroll	6,027	5,061	4,519	3,931	3,824	3,533	2,973	2,816	19.1	12.0	15.0	2.8	8.2	18.8	5.6	17.2	16.6	17.1	16.7	16.9	16.6	14.8	14.5	14.5
Employer contributions to Social Security and other supplemental benefits	1,293	1,150	1,000	915	866	801	667	588	12.4	15.0	9.3	5.7	8.1	20.1	13.4	3.7	3.8	3.8	3.9	3.8	3.8	3.3	3.0	3.0
Plans required under Federal and State legislation	504	413	381	354	341	326	256	239	22.0	8.4	7.6	3.8	4.6	27.3	7.1	1.4	1.4	1.4	1.5	1.5	1.5	1.3	1.2	1.2
Other fringe benefit plans	789	737	619	561	525	475	411	349	7.1	19.1	10.3	6.9	10.5	15.6	17.8	2.3	2.4	2.3	2.4	2.3	2.2	2.0	1.8	1.8
Program and production costs ²	12,839	11,239	9,442	8,333	7,644	6,763	6,317	5,926	14.2	19.0	13.3	9.0	13.0	7.1	6.6	36.6	36.9	35.7	35.5	33.8	31.9	31.3	30.6	30.6
Depreciation	6,117	4,990	4,433	3,934	3,848	3,704	3,634	3,611	22.6	12.6	12.7	2.2	3.9	1.9	0.6	17.4	16.4	16.8	16.7	17.0	17.4	18.0	18.7	18.7
Buildings, offices, and structures	(S)	(S)	(S)	(S)	(S)	(S)	229	232	(S)	(S)	(S)	(S)	(S)	(S)	(S)	-1.3	(S)	(S)	(S)	(S)	(S)	(S)	1.1	1.2
Transmission systems	4,730	3,745	3,230	2,814	2,792	2,678	2,668	2,622	26.3	15.9	14.8	0.8	4.3	0.4	1.8	13.5	12.3	12.2	12.0	12.3	12.6	13.2	13.5	13.5
Vehicles, machinery and equipment, and other tangible assets	1,136	914	765	773	747	769	737	757	24.3	19.5	-1.0	3.5	-2.9	4.3	-2.6	3.2	3.0	2.9	3.3	3.3	3.6	3.7	3.9	3.9
Lease and rental	836	764	682	648	631	589	516	513	9.4	12.0	5.2	2.7	7.1	14.1	0.6	2.4	2.5	2.6	2.8	2.8	2.8	2.6	2.7	2.7
Buildings, offices, and structures	350	297	258	237	237	193	185	178	17.8	15.1	8.9	—	—	22.8	4.3	1.0	1.0	1.0	1.0	1.0	1.1	1.0	1.0	1.0
Transmission systems	373	350	318	310	300	270	240	241	6.6	10.1	2.6	3.3	11.1	12.5	-0.4	1.1	1.1	1.2	1.3	1.3	1.3	1.2	1.2	1.2
Vehicles, and other machinery and equipment	113	117	106	101	94	82	83	87	-3.4	10.4	5.0	7.4	14.6	-1.2	-4.6	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Purchased repairs	648	615	555	459	432	373	341	343	5.4	10.8	20.9	6.3	15.8	9.4	-0.6	1.8	2.0	2.1	2.0	1.9	1.8	1.7	1.8	1.8
Buildings, offices, and structures	68	62	60	49	45	37	33	33	9.7	3.3	22.4	8.9	21.6	12.1	—	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Transmission systems	376	375	345	277	255	214	198	193	0.3	8.7	24.5	8.6	19.2	8.1	2.6	1.1	1.2	1.3	1.2	1.1	1.0	1.0	1.0	1.0
Vehicles, and other machinery and equipment	204	178	150	133	132	122	110	117	14.6	18.7	12.8	0.8	8.2	10.9	-6.0	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6
Insurance	213	190	175	162	165	145	115	110	12.1	8.6	8.0	-1.8	13.8	26.1	4.5	0.6	0.6	0.7	0.7	0.7	0.7	0.6	0.6	0.6
Telephone and other purchased communication services	350	321	283	225	191	158	139	133	9.0	13.4	25.8	17.8	20.9	13.7	4.5	1.0	1.1	1.1	1.0	0.8	0.7	0.7	0.7	0.7
Purchased utilities	265	241	215	210	220	220	201	188	10.0	12.1	2.4	-4.5	—	9.5	6.9	0.8	0.8	0.8	0.9	1.0	1.0	1.0	1.0	1.0
Purchased advertising	1,153	1,062	891	708	601	537	472	467	8.6	19.2	—	17.8	11.9	13.8	1.1	3.3	3.5	3.4	3.0	2.7	2.5	2.3	2.4	2.4
Taxes	470	436	429	424	423	408	332	310	7.8	1.6	1.2	0.2	3.7	22.9	7.1	1.3	1.4	1.6	1.8	1.9	1.9	1.6	1.6	1.6
Other operating expenses	4,849	4,402	3,804	3,543	3,803	4,001	4,447	4,349	10.2	15.7	7.4	-6.8	-4.9	-10.0	2.3	13.8	14.4	14.4	15.1	16.8	18.8	22.1	22.5	22.5

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.

¹Includes sources of revenue not shown separately.

²Includes 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 sampling units and because only a subset of the entire population is measured in a sample survey. Nonsampling error encompasses all other factors that contribute to the total error of a sample survey estimate. The accuracy of a survey result may be affected by these two types of errors.

Sampling and nonsampling errors are often measured by the quantities bias and variance. *Bias* is the difference, averaged over all possible samples of the same size and design, between an estimator and its true (unknown) population value. Any systematic error that affects all samples taken under a specified design with the same constant error may bias the resulting estimates. *Variance* is the squared difference, averaged over all possible samples of the same size and design, between an estimator and its average value.

Descriptions of sampling and nonsampling errors for the Annual Survey of Communication Services are provided in the following sections.

Sampling Error

Because the estimates are based on a sample, exact agreement with the results that would be obtained from a complete enumeration 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 particular sample used in this survey is one of a large number of samples of the same size that could have been selected using the same design. If all possible samples had been surveyed, under the same conditions, an estimate of an unknown population value could have been obtained from each sample. These samples give rise to a distribution of estimates for the unknown population value. A statistical measure of the variability among these estimates is the standard error, which can be approximated from any one sample. The *standard error* is defined as the square root of the variance. The *coefficient of variation* (or relative standard error) of an estimate is the standard error of the estimate divided by the estimate. Note that measures of sampling variability, such as the standard error or coefficient of variation, are estimated from the sample and are also subject to sampling variability. (Technically, we

should refer to the *estimated* standard error or the *estimated* coefficient of variation of an *estimator*. However, for the sake of brevity we have omitted this detail.) It is important to note that the standard error and coefficient of variation only measure sampling variability. They do not capture any systematic biases in the estimates. Estimated coefficients of variation for dollar volume estimates and estimated ratios are shown in Tables A-1 through A-10. (All coefficients of variation are expressed as percents.)

The estimate from a particular sample and the approximate standard error associated with the estimate can be used to construct a confidence interval. A *confidence interval* is a range about a given estimator that has a specified probability of containing the estimator's corresponding, unknown population value. Associated with each interval is a percentage of confidence, which is interpreted as follows. If, for each possible sample, an estimate of an unknown population value and its approximate standard error were obtained, then:

1. For approximately 90 percent of the possible samples, the interval from 1.65 standard errors below to 1.65 standard errors above the estimate would include the unknown population value.
2. For approximately 95 percent of the possible samples, the interval from two standard errors below to two standard errors above the estimate would include the unknown population value.

Nonsampling Error

Nonsampling error encompasses all other factors that contribute to the total error of a sample survey estimate and may also occur in censuses. It is often helpful to think of nonsampling error as arising from deficiencies or mistakes at some point in the survey process. In the Annual Survey of Communication Services, nonsampling error can be attributed to many sources: (1) inability to obtain information about all cases in the sample, (2) response errors, (3) differences in the interpretation of the questions, (4) mistakes in coding or keying the data obtained, and (5) other errors of collection, response, coverage, and processing. Although no direct measurement of the potential biases due to nonsampling error 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 major 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 10 percent of the national revenue estimate.

Table A-1. **Communications Services (SIC 48) — Estimated Coefficients of Variation for Summary Statistics, by Kind of Business: 1996 and 1997**

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)
Total Revenue									
Dollar volume									
1997	1.2	1.5	1.4	1.8	1.5	3.0	1.8	2.1	5.5
1996	0.9	1.1	1.5	1.2	1.3	3.3	1.3	2.3	3.0
Year-to-year ratio 1997/1996	0.6	0.7	1.0	0.8	0.9	1.4	1.1	1.0	3.9
Operating Expenses									
Dollar volume									
1997	1.3	1.6	1.2	1.9	1.7	3.1	2.0	2.1	4.9
1996	0.9	1.1	1.2	1.3	1.4	3.6	1.5	2.3	3.1
Year-to-year ratio 1997/1996	0.7	0.8	0.9	1.0	0.8	1.5	0.9	1.3	3.5
Annual Payroll									
Dollar volume									
1997	0.7	0.8	1.4	0.9	1.9	3.5	2.2	1.9	9.3
1996	0.6	0.7	1.4	0.8	2.2	4.2	2.5	2.0	5.7
Year-to-year ratio 1997/1996	0.4	0.5	1.3	0.5	0.7	1.6	0.7	1.0	5.1
Employer Contributions to Social Security and Other Supplemental Benefits									
Dollar volume									
1997	0.9	1.1	1.3	1.2	2.1	4.0	2.5	1.6	6.5
1996	0.7	0.8	1.0	0.8	1.9	4.1	2.1	1.7	3.8
Year-to-year ratio 1997/1996	0.7	0.8	0.9	0.9	1.3	2.9	1.5	0.9	4.4

Table A-2. Telephone Communications (SIC 481) — Estimated Coefficients of Variation for Operating Revenue and Expenses: 1996 and 1997

Item	Dollar volume		Year-to-year ratio 1997/1996
	1997	1996	
Operating Revenue			
Total	1.5	1.1	0.7
Local service	0.9	0.6	0.4
Long-distance service	3.5	2.4	1.7
Network access	1.7	1.5	0.6
Cellular and other radiotelephone	1.4	1.4	1.0
Directory advertising	0.8	0.6	0.3
Other operating revenue	3.1	3.0	2.3
Operating Expenses			
Total	1.6	1.1	0.8
Annual payroll	0.8	0.7	0.5
Employer contributions to Social Security and other supplemental benefits	1.1	0.8	0.8
Access charges	4.6	3.5	1.5
Depreciation	1.1	0.8	0.5
Lease and rental	0.8	7.4	7.5
Purchased repairs	1.3	1.3	0.5
Insurance	2.6	2.8	1.8
Telephone and other purchased communication services	4.5	5.6	4.5
Purchased utilities	1.0	0.8	0.5
Purchased advertising	5.4	3.6	1.9
Taxes	2.7	1.8	1.1
Other operating expenses	1.5	1.1	1.1

Table A-3. Radiotelephone Communications (SIC 4812) — Estimated Coefficients of Variation for Operating Revenue and Expenses: 1996 and 1997

Item	Dollar volume		Year-to-year ratio 1997/1996	Percent of total	
	1997	1996		1997	1996
Operating Revenue					
Total	1.4	1.5	1.0	(X)	(X)
Cellular and other radiotelephone	1.3	1.4	1.0	0.4	0.4
Other operating revenue	7.0	7.6	5.6	6.4	7.0
Operating Expenses					
Total	1.2	1.2	0.9	(X)	(X)
Annual payroll	1.4	1.4	1.3	0.4	1.0
Employer contributions to Social Security and other supplemental benefits	1.3	1.0	0.9	0.3	0.6
Access charges	2.1	2.0	2.5	1.5	2.4
Depreciation	1.2	1.8	1.0	0.4	0.9
Lease and rental	1.8	3.0	2.8	1.1	2.4
Purchased repairs	2.1	2.3	1.2	1.4	1.4
Insurance	5.0	2.6	4.1	4.4	2.6
Telephone and other purchased communication services	4.9	4.6	4.0	4.7	4.2
Purchased utilities	1.7	1.9	1.0	1.0	1.2
Purchased advertising	1.2	1.1	0.6	0.5	0.7
Taxes	1.5	1.5	1.0	0.7	0.9
Other operating expenses	1.2	1.4	1.0	0.6	0.7

X Not applicable.

Table A-4. Telephone Communications, Except Radiotelephone (SIC 4813) — Estimated Coefficients of Variation for Operating Revenue and Expenses: 1996 and 1997

Item	Dollar volume		Year-to-year ratio 1997/1996	Percent of total	
	1997	1996		1997	1996
Operating Revenue					
Total	1.8	1.2	0.8	(X)	(X)
Local service	0.9	0.6	0.4	1.4	1.0
Long-distance service	3.5	2.4	1.7	1.9	1.4
Network access	1.7	1.5	0.6	1.7	1.5
Cellular and other radiotelephone	(S)	(S)	(S)	(S)	(S)
Directory advertising	0.8	0.6	0.3	1.4	1.0
Other operating revenue	3.3	3.3	2.5	3.9	3.4
Operating Expenses					
Total	1.9	1.3	1.0	(X)	(X)
Annual payroll	0.9	0.8	0.5	1.3	0.8
Employer contributions to Social Security and other supplemental benefits	1.2	0.8	0.9	1.7	1.0
Access charges	4.8	3.6	1.5	3.2	2.6
Depreciation	1.2	0.9	0.6	1.5	1.1
Lease and rental	1.0	9.2	9.4	1.4	9.1
Purchased repairs	1.4	1.3	0.6	1.6	1.3
Insurance	3.0	3.6	2.0	3.0	3.3
Telephone and other purchased communication services	6.7	8.0	6.4	6.4	7.8
Purchased utilities	1.1	0.9	0.6	1.5	1.2
Purchased advertising	7.3	5.0	2.5	5.8	4.2
Taxes	2.8	1.9	1.1	1.5	1.4
Other operating expenses	1.8	1.4	1.4	1.0	1.2

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: 1996 and 1997

Item	Dollar volume	Type of customer		Type of service	
		Residential	Nonresidential	Intrastate	Interstate
Local Service					
Dollar volume					
1997	0.9	0.7	1.2	0.9	6.3
1996	0.6	0.6	0.8	0.6	7.1
Year-to-year ratio 1997/1996	0.4	0.4	0.5	0.4	5.4
Long-Distance Service					
Dollar volume					
1997	3.5	6.8	3.2	3.5	3.5
1996	2.4	4.0	2.6	2.3	2.5
Year-to-year ratio 1997/1996	1.7	2.8	2.0	1.8	1.6
Network Access					
Dollar volume					
1997	1.7	5.0	1.3	2.7	1.4
1996	1.5	4.9	1.0	2.2	1.3
Year-to-year ratio 1997/1996	0.6	1.5	0.7	1.1	0.5

Table A-6. Telephone Communications (SIC 481) — Estimated Coefficients of Variation for Cellular and Other Radiotelephone Revenue, by Type of Service: 1997

Item	1997 (Dollar volume)
Cellular and other radiotelephone revenue	1.4
Type of Service	
Air time	1.1
Basic service	1.6
Long-distance service	1.3
Roaming charges	2.3
Other services	4.4

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: 1996 and 1997**

Item	Total broadcasting (SIC 483)			Radio (SIC 4832)			Television (SIC 4833)		
	Dollar volume		Year-to- year ratio 1997/1996	Dollar volume		Year-to- year ratio 1997/1996	Dollar volume		Year-to- year ratio 1997/1996
	1997	1996		1997	1996		1997	1996	
Total Revenue									
Total	1.5	1.3	0.9	3.0	3.3	1.4	1.8	1.3	1.1
Operating Expenses									
Total	1.7	1.4	0.8	3.1	3.6	1.5	2.0	1.5	0.9
Annual payroll	1.9	2.2	0.7	3.5	4.2	1.6	2.2	2.5	0.7
Employer contributions to Social Security and other supplemental benefits	2.1	1.9	1.3	4.0	4.1	2.9	2.5	2.1	1.5
Broadcast rights	2.6	2.3	1.1	7.2	5.1	3.3	2.7	2.4	1.2
Music license fees	1.7	1.7	1.2	3.0	2.9	2.0	1.1	1.8	1.3
Depreciation	2.9	2.6	2.3	5.7	6.7	5.1	3.4	2.4	2.4
Lease and rental	4.2	4.4	2.3	5.5	6.8	3.5	6.1	5.8	3.3
Purchased repairs	3.2	2.1	2.1	5.0	3.9	3.3	4.0	2.5	2.6
Insurance	2.6	2.9	3.0	3.9	6.3	6.3	3.6	2.2	2.4
Telephone and other purchased communication services	2.7	2.4	1.2	4.9	5.2	1.7	2.8	1.7	1.9
Purchased utilities	3.1	3.7	3.3	5.0	5.1	2.8	4.0	5.0	4.9
Purchased advertising	4.8	4.0	1.7	3.2	2.9	2.5	7.0	5.9	2.2
Taxes	3.2	2.4	3.3	6.4	4.3	6.5	3.5	2.8	3.5
Other operating expenses	1.9	1.4	1.9	3.2	3.5	3.4	2.3	1.3	2.2

Table A-8. **Broadcasting Services (SIC 483) — Estimated Coefficients of Variation for Operating Revenue and Expenses for Taxable Firms, by Kind of Business: 1996 and 1997**

Item	Total broadcasting (SIC 483)			Radio (SIC 4832)					Television (SIC 4833)				
	Dollar volume		Year- to-year ratio 1997/ 1996	Dollar volume		Year- to-year ratio 1997/ 1996	Percent of total		Dollar volume		Year- to-year ratio 1997/ 1996	Percent of total	
	1997	1996		1997	1996		1997	1996	1997	1996		1997	1996
Operating Revenue													
Total	1.6	1.3	0.9	3.2	3.5	1.5	(X)	(X)	1.8	1.3	1.1	(X)	(X)
Station time sales	2.1	2.0	1.4	2.8	3.4	1.9	0.6	0.5	2.9	2.4	1.9	1.6	1.2
Network compensation ..	5.3	5.1	5.3	3.6	4.2	3.5	3.4	4.6	6.0	5.9	6.1	5.6	5.1
National/regional advertising	2.3	2.1	1.9	4.5	5.0	2.7	2.4	2.4	2.6	2.3	2.4	1.3	1.2
Local advertising	2.2	2.1	1.4	2.6	3.3	2.1	1.1	0.9	3.3	2.6	1.8	2.1	1.7
Network time sales	1.9	1.2	0.7	9.3	5.6	5.3	6.6	3.6	2.0	1.2	0.7	2.2	1.7
Other operating revenue ..	4.0	3.4	3.7	8.7	12.6	12.4	6.4	11.6	4.5	2.8	3.4	4.0	2.3
Operating Expenses													
Total	1.8	1.5	0.8	3.3	3.8	1.6	(X)	(X)	2.1	1.5	1.0	(X)	(X)
Annual payroll	2.0	2.3	0.8	3.6	4.4	1.6	0.9	1.2	2.3	2.5	0.8	1.6	2.1
Employer contributions to Social Security and other supplemental benefits ...	2.2	1.9	1.4	4.3	4.1	3.0	2.8	2.7	2.6	2.1	1.6	1.8	2.0
Broadcast rights	2.7	2.4	1.2	7.5	5.4	3.4	5.7	3.6	2.8	2.5	1.2	1.6	1.4
Music license fees	1.7	1.7	1.2	3.0	3.0	2.0	2.3	2.3	1.1	1.8	1.3	1.9	2.0
Depreciation	3.1	2.7	2.4	6.1	7.1	5.3	5.7	5.2	3.5	2.4	2.6	3.7	2.9
Lease and rental	4.6	4.7	2.5	5.9	7.3	3.6	4.0	4.9	6.8	6.2	3.5	6.9	6.1
Purchased repairs	3.4	2.2	2.2	5.6	4.6	4.0	4.4	3.2	4.2	2.5	2.7	3.6	2.3
Insurance	2.7	3.1	3.1	4.1	6.6	6.5	3.0	6.2	3.7	2.3	2.6	3.4	2.3
Telephone and other purchased communication services ..	2.9	2.5	1.3	5.3	5.6	1.8	3.3	2.8	2.9	1.6	2.0	1.7	1.3
Purchased utilities	2.9	3.9	3.6	5.6	5.8	3.0	4.2	3.8	3.1	5.2	5.3	3.2	5.8
Purchased advertising	4.9	4.1	1.7	3.2	2.9	2.5	2.6	2.2	7.1	6.1	2.2	5.4	5.0
Taxes	3.3	2.4	3.3	6.5	4.5	6.8	6.3	3.5	3.5	2.8	3.5	3.9	2.4
Other operating expenses ..	2.1	1.5	2.0	3.4	3.8	3.6	1.8	2.0	2.6	1.4	2.5	1.6	1.5

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: 1996 and 1997**

Item	Total broadcasting (SIC 483)			Radio (SIC 4832)			Television (SIC 4833)		
	Dollar volume		Year-to- year ratio 1997/1996	Dollar volume		Year-to- year ratio 1997/1996	Dollar volume		Year-to- year ratio 1997/1996
	1997	1996		1997	1996		1997	1996	
Total Revenue									
Total	3.3	3.5	1.5	12.1	13.4	2.8	2.8	2.9	1.7
Operating Expenses									
Total	3.3	3.3	0.5	12.4	12.7	1.2	2.8	2.8	0.6
Annual payroll	4.3	3.9	0.8	11.5	9.7	2.0	4.1	4.1	0.7
Employer contributions to Social Security and other supplemental benefits	4.6	4.4	0.8	12.5	11.5	1.3	4.5	4.3	1.1
Broadcast rights	(S)	(S)	(S)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Music license fees	(S)	(S)	(S)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Depreciation	5.8	5.5	1.9	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Lease and rental	10.3	10.4	9.0	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Purchased repairs	6.7	8.0	6.4	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Insurance	3.7	4.8	2.6	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Telephone and other purchased communication services	4.9	7.8	3.1	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Purchased utilities	18.2	13.2	6.0	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Purchased advertising	2.7	3.6	3.5	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Taxes	(S)	(S)	(S)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Other operating expenses	3.0	3.4	1.1	(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: 1996 and 1997

Item	Dollar volume		Year-to-year ratio 1997/1996	Percent of total	
	1997	1996		1997	1996
Operating Revenue					
Total	2.1	2.3	1.0	(X)	(X)
Total cable and other pay television revenue	2.1	2.4	0.9	(X)	(X)
Advertising	5.0	5.1	0.7	4.4	4.2
Program revenue	3.8	3.4	1.5	4.3	4.1
Basic service revenue	2.3	2.6	1.1	1.2	1.0
Pay-per-view and other premium service revenue	6.6	6.1	2.7	5.3	5.0
Installation fees	3.9	7.6	6.5	3.5	7.3
Other cable revenue	1.9	3.4	2.5	1.6	2.1
Operating Expenses					
Total	2.1	2.2	1.4	(X)	(X)
Annual payroll	1.9	1.8	1.0	0.9	1.3
Employer contributions to Social Security and other supplemental benefits	1.6	1.7	0.9	1.4	1.5
Plans required under Federal and State legislation	2.0	2.0	1.5	1.9	1.9
Other fringe benefit plans	1.5	1.7	0.7	1.3	1.4
Program and production costs	2.7	2.7	1.1	1.3	1.2
Depreciation	3.0	3.8	3.1	2.2	2.3
Buildings, offices, and structures	(S)	(S)	(S)	(S)	(S)
Transmission systems	3.3	4.3	3.4	2.3	2.8
Vehicles, machinery and equipment, and other tangible assets	4.6	6.7	8.0	4.7	7.3
Lease and rental	4.3	5.8	6.2	3.9	5.3
Buildings, offices, and structures	3.8	3.1	2.7	2.6	2.7
Transmission systems	8.2	10.3	9.5	8.1	9.9
Vehicles, and other machinery and equipment	4.4	8.8	10.0	4.9	8.6
Purchased repairs	2.1	2.6	2.1	2.1	2.2
Buildings, offices, and structures	6.8	5.5	2.9	6.1	4.3
Transmission systems	2.2	3.1	2.8	2.6	3.0
Vehicles, and other machinery and equipment	2.1	3.3	2.3	2.4	3.0
Insurance	3.5	2.7	3.8	3.4	2.2
Telephone and other purchased communication services	5.6	2.1	5.2	5.5	1.7
Purchased utilities	3.3	3.5	1.2	2.2	2.5
Purchased advertising	1.6	1.4	1.4	1.6	1.9
Taxes	2.9	2.9	2.1	2.3	2.2
Other operating expenses	3.8	2.9	2.2	2.4	1.8

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

B-516

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

FORM **B-516**
(1-23-98)
U.S. DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS

1997 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 THIS 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 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	1997 Number
	Enter the total number of telephone communication locations operated by this company as of December 31, 1997. A location is defined as an establishment with paid company personnel. _____	601	

Item 2 ORGANIZATIONAL STATUS — Mark (X) the ONE box which best describes this company during 1997.

081 0 Corporation 5 Governmental — Specify _____ 9 Other — Specify _____

1 Individual proprietorship

2 Partnership

CONTINUE WITH ITEM 3 ON PAGE 2

<p>Item 3 OPERATING REVENUE</p> <p><i>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</i></p> <p>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</p> <p>Line a — Report cellular and other mobile services revenue in line d.</p> <p>Line d — Report installation fees and the sale of equipment in line f.</p> <p>Line e — Report other directory revenue (i.e., revenue from the sale of directories, charges for unlisted telephone numbers, etc.) in line f.</p> <p>Line f — 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.</p> <p>NOTE — 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>	<p>Estimates are acceptable if book figures are not available.</p> <p>a. Local service revenue</p> <p>b. Long-distance service revenue</p> <p>c. Network access revenue</p> <p>d. Cellular and other radiotelephone revenue</p> <p>e. Directory advertising revenue</p> <p>f. Other operating revenue</p> <p>g. TOTAL OPERATING REVENUE</p>	<p>Key code</p> <p>602</p> <p>603</p> <p>604</p> <p>605</p> <p>606</p> <p>607</p> <p>608</p>	<p>1997</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Bil.</th> <th>Mil.</th> <th>Thou.</th> <th>Dol.</th> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>	Bil.	Mil.	Thou.	Dol.																								
Bil.	Mil.	Thou.	Dol.																												
<p>Item 4 SALES TAXES AND OTHER TAXES</p> <p>Were sales taxes or other taxes collected directly from customers and forwarded directly to taxing authorities? Exclude sales taxes on your purchases that were remitted directly to taxing authorities.</p>	<p>099</p> <p>1 <input type="checkbox"/> YES — Report the amount of such taxes</p> <p>2 <input type="checkbox"/> NO — Continue with item 5</p>	<p>Key code</p> <p>624</p>	<p>1997</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Bil.</th> <th>Mil.</th> <th>Thou.</th> <th>Dol.</th> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>	Bil.	Mil.	Thou.	Dol.																								
Bil.	Mil.	Thou.	Dol.																												
<p>Item 5 ANALYSIS OF REVENUE</p> <p>5a. What were the percentages of local service, long-distance service, and network access revenue by type of customer?</p> <p>(1) Residential customers</p> <p>(2) Other customers</p> <p>TOTAL</p>	<p>Percentage of local service revenue</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Key code</th> <th>1997</th> </tr> <tr> <td>609</td> <td> %</td> </tr> <tr> <td>610</td> <td> %</td> </tr> <tr> <td colspan="2" style="text-align: center;">100%</td> </tr> </table>	Key code	1997	609	%	610	%	100%		<p>Percentage of long-distance service revenue</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Key code</th> <th>1997</th> </tr> <tr> <td>611</td> <td> %</td> </tr> <tr> <td>612</td> <td> %</td> </tr> <tr> <td colspan="2" style="text-align: center;">100%</td> </tr> </table>	Key code	1997	611	%	612	%	100%		<p>Percentage of network access revenue</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Key code</th> <th>1997</th> </tr> <tr> <td>613</td> <td> %</td> </tr> <tr> <td>614</td> <td> %</td> </tr> <tr> <td colspan="2" style="text-align: center;">100%</td> </tr> </table>	Key code	1997	613	%	614	%	100%					
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<p>5b. What were the percentages of local service, long-distance service, and network access revenue by type of service?</p> <p>(1) Intrastate service</p> <p>(2) Interstate service</p> <p>TOTAL</p>	<p>Percentage of local service revenue</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Key code</th> <th>1997</th> </tr> <tr> <td>625</td> <td> %</td> </tr> <tr> <td>626</td> <td> %</td> </tr> <tr> <td colspan="2" style="text-align: center;">100%</td> </tr> </table>	Key code	1997	625	%	626	%	100%		<p>Percentage of long-distance service revenue</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Key code</th> <th>1997</th> </tr> <tr> <td>615</td> <td> %</td> </tr> <tr> <td>616</td> <td> %</td> </tr> <tr> <td colspan="2" style="text-align: center;">100%</td> </tr> </table>	Key code	1997	615	%	616	%	100%		<p>Percentage of network access revenue</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>Key code</th> <th>1997</th> </tr> <tr> <td>617</td> <td> %</td> </tr> <tr> <td>618</td> <td> %</td> </tr> <tr> <td colspan="2" style="text-align: center;">100%</td> </tr> </table>	Key code	1997	617	%	618	%	100%					
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<p>Line 5c — 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>NOTE — The sum of lines c(1) through c(5) should equal 100 percent.</p>	<p>5c. Percentage of cellular and other radiotelephone revenue from:</p> <p>(1) Air time</p> <p>(2) Basic service</p> <p>(3) Long-distance service</p> <p>(4) Roaming charges</p> <p>(5) Other</p> <p>TOTAL</p>	<p>Key code</p> <p>619</p> <p>620</p> <p>621</p> <p>622</p> <p>623</p>	<p>1997</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th> </th> <th> </th> </tr> <tr> <td> </td> <td> %</td> </tr> <tr> <td> </td> <td> %</td> </tr> <tr> <td> </td> <td> %</td> </tr> <tr> <td> </td> <td> %</td> </tr> <tr> <td> </td> <td> %</td> </tr> <tr> <td colspan="2" style="text-align: center;">100%</td> </tr> </table>				%		%		%		%		%	100%															
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Item 6	PAYROLL AND OTHER OPERATING EXPENSES	Estimates are acceptable if book figures are not available.	Key code	1997			
				Bil.	Mil.	Thou.	Dol.
<p>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</p> <p>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</p> <p>Line a — Report, on a cash basis, the gross earnings paid to employees prior to deductions. If an unincorporated concern, exclude payments to proprietors or partners.</p> <p>Line 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>Line c — Firms providing cellular phone service, report interconnection fees here.</p> <p>Line d — 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.</p> <p>Line e — 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.</p> <p>Line f — 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.</p> <p>Line g — Exclude worker's compensation premiums. Report these costs in line b(1).</p> <p>Line i — Exclude the cost of utility services if included as part of a lease or rental agreement.</p> <p>Line k — Exclude income, payroll, sales, and other taxes collected from customers and paid directly to local, State, or Federal government agencies.</p> <p>Lines l and m — 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>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.</p>							
		a. Annual payroll	627				
		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				
		(2) Other fringe benefit plans (including medical insurance, life insurance, etc.)	629				
		c. Access charges	630				
		d. Depreciation and amortization charges					
		(1) Buildings, offices, and structures	631				
		(2) Communication systems	632				
		(3) Vehicles, machinery and equipment, and other tangible assets	633				
		e. Lease and rental costs					
		(1) Buildings, offices, and structures	634				
		(2) Communication systems	635				
		(3) Vehicles, and other machinery and equipment	636				
		f. Cost of purchased repairs					
		(1) Buildings, offices, and structures	637				
		(2) Communication systems	638				
		(3) Vehicles, and other machinery and equipment	639				
		g. Cost of insurance	640				
		h. Cost of telephone and other purchased communication services	641				
		i. Cost of purchased utilities	642				
		j. Cost of purchased advertising	643				
		k. Taxes and licenses	644				
		l. Other operating expenses	646				
		m. TOTAL OPERATING EXPENSES	647				

Item 7	INTEREST EXPENSE	Estimates are acceptable if book figures are not available.	Key code	1997			
				Bil.	Mil.	Thou.	Dol.
<p>Report all interest expense, including capitalized interest.</p>							
<p>Estimates are acceptable if book figures are not available.</p>			645				

CONTINUE WITH ITEM 8 ON PAGE 4

Item 8 REPORT PERIOD	Key code	1997			
Mark (X) the one box which best describes the period covered by your report. If the data reported in items 3 through 7 are for a period other than the "calendar year," please enter the beginning and ending dates.	1 <input type="checkbox"/> Calendar year — Go to item 9	From	Month	Day	Year
	2 <input type="checkbox"/> Fiscal year		648		
	3 <input type="checkbox"/> Less than 12 months	To	649		

Item 9 OWNERSHIP OR CONTROL					
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 9b	Name of owning or controlling company				
	085 _____ Number and street City, State, and ZIP Code				
					086
					EIN →
b. Did this company acquire or merge with another company in 1997? 087 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No — Continue with item 10	Name of company acquired or merged with				
	088 _____				
	Number and street				
	City, State, and ZIP Code				
					089
					EIN →
					090
					EIN →

REMARKS — Please use this space for any explanations that may be essential in understanding your reported data.

091

CENSUS USE

092

Item 10 CERTIFICATION — This report is substantially accurate and was prepared in accordance with instructions.					
Name of person completing this report	Address (Number and street, city, State, ZIP Code)	095 Telephone			
		Area code	Number	Extension	
Signature of authorized person	094	098 FAX			
		Area code	Number	Extension	
Title	Date				
096					

**1997 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 1997 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 1997, report only for the period that the locations were operated by this company.
- Report data for calendar year 1997. If calendar year records are not available, data for the latest fiscal year are acceptable. Indicate the period covered in item 8. Please note, however, that estimates for calendar year 1997 are preferable 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 1997, 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 1997 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 5 — 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 6 — 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 1997 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' 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:

$$\begin{aligned} & \text{Total operating expenses (from income statement)} \\ & + \text{Taxes — If not included in operating expenses,} \\ & \quad \text{see item 6k on page 3.} \\ & + [\text{Annual payroll (cash basis) + Employer contributions} \\ & \quad \text{(cash basis)}] \\ & - [\text{Annual payroll (accrual basis) + Employer contributions} \\ & \quad \text{(accrual basis)}] \\ & \hline & = \text{TOTAL OPERATING EXPENSES — Place in item 6m} \end{aligned}$$

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

$$\begin{aligned} & \text{TOTAL OPERATING EXPENSES FOR SURVEY} \\ & \quad \text{(as calculated in item 6m)} \\ & - (\text{Items 6a through 6k on survey report form}) \\ & \hline & = \text{OTHER OPERATING EXPENSES — Place in item 6l.} \end{aligned}$$

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/Controller, 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

<p>FORM B-518 (1-30-98)</p> <p>U.S. DEPARTMENT OF COMMERCE BUREAU OF THE CENSUS</p> <p style="text-align: center;">1997 ANNUAL SURVEY OF COMMUNICATION SERVICES RADIO AND TELEVISION BROADCASTING</p>	<p>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.</p>																		
	<p>In correspondence pertaining to this report, please refer to the IDENTIFICATION NUMBER shown below.</p> <table border="1" style="float: right; border-collapse: collapse;"> <tr> <td style="padding: 2px;">CENSUS USE</td> <td style="padding: 2px; width: 40px; text-align: center;">011</td> <td style="padding: 2px; width: 40px; text-align: center;">012</td> </tr> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px;"></td> <td style="padding: 2px;"></td> </tr> </table>	CENSUS USE	011	012															
CENSUS USE	011	012																	
<p>RETURN TO</p> <p>↓</p> <p>BUREAU OF THE CENSUS 1201 East 10th Street Jeffersonville, IN 47132-0001</p>																			
<p>Any questions call 1-800-772-7851</p>	<p><i>(Please correct any error in name, address, and ZIP Code)</i></p>																		
<p>BEFORE COMPLETING YOUR REPORT</p>	<p>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 THIS FORM. If book figures are not available, carefully prepared estimates are acceptable.</p>																		
<p>SURVEY COVERAGE</p> <p>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 this form.</p> <p>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.</p>																			
<p>Item 1 NUMBER OF LOCATIONS</p> <p>Enter the total number of broadcasting locations operated by this company as of December 31, 1997. A location is defined as an establishment with paid company personnel.</p> <p>Line a – Report the number of radio stations covered by this survey.</p> <p>Line b – Report the number of television stations covered by this survey.</p> <p>Line c – Report the number of other broadcasting locations covered by this survey. <i>(Include network broadcasting locations.)</i></p> <p>Line d – Report the total number of broadcasting locations and stations covered by this report. Sum of lines a through c.</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;"></td> <td style="width:10%; text-align: center;">Key code</td> <td style="width:20%; text-align: center;">1997 Number</td> </tr> <tr> <td>Enter the total number of –</td> <td></td> <td></td> </tr> <tr> <td>a. Radio stations</td> <td style="text-align: center;">701</td> <td></td> </tr> <tr> <td>b. Television stations</td> <td style="text-align: center;">702</td> <td></td> </tr> <tr> <td>c. Other broadcasting locations</td> <td style="text-align: center;">703</td> <td></td> </tr> <tr> <td>d. TOTAL NUMBER OF BROADCASTING LOCATIONS/STATIONS – Sum of lines a through c</td> <td style="text-align: center;">601</td> <td></td> </tr> </table>		Key code	1997 Number	Enter the total number of –			a. Radio stations	701		b. Television stations	702		c. Other broadcasting locations	703		d. TOTAL NUMBER OF BROADCASTING LOCATIONS/STATIONS – Sum of lines a through c	601	
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<p>▶ NOTE – If you reported both radio and television stations in items 1a and 1b above, continue with item 1e. Otherwise, SKIP to item 2. ◀</p>																			
<p>Line e – 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.</p> <p>NOTE – The sum of lines e(1) and e(2) should equal 100 percent.</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;"></td> <td style="width:10%; text-align: center;">Key code</td> <td style="width:20%; text-align: center;">1997 Percent</td> </tr> <tr> <td>e. What percentage of this firm's total operating revenue was from –</td> <td></td> <td></td> </tr> <tr> <td>(1) Radio stations?</td> <td style="text-align: center;">716</td> <td style="text-align: center;">%</td> </tr> <tr> <td>(2) Television stations?</td> <td style="text-align: center;">717</td> <td style="text-align: center;">%</td> </tr> <tr> <td style="text-align: center;">TOTAL</td> <td></td> <td style="text-align: center;">100%</td> </tr> </table>		Key code	1997 Percent	e. What percentage of this firm's total operating revenue was from –			(1) Radio stations?	716	%	(2) Television stations?	717	%	TOTAL		100%			
	Key code	1997 Percent																	
e. What percentage of this firm's total operating revenue was from –																			
(1) Radio stations?	716	%																	
(2) Television stations?	717	%																	
TOTAL		100%																	
<p>Item 2 ORGANIZATIONAL STATUS — Mark (X) the ONE box which best describes this company during 1997.</p>																			
<table style="width:100%;"> <tr> <td style="width:33%;"><input type="checkbox"/> 0 Corporation</td> <td style="width:33%;"><input type="checkbox"/> 5 Governmental — Specify <input checked="" type="checkbox"/></td> <td style="width:33%;"><input type="checkbox"/> 9 Other — Specify <input checked="" type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/> 1 Individual proprietorship</td> <td></td> <td></td> </tr> <tr> <td><input type="checkbox"/> 2 Partnership</td> <td></td> <td></td> </tr> </table>		<input type="checkbox"/> 0 Corporation	<input type="checkbox"/> 5 Governmental — Specify <input checked="" type="checkbox"/>	<input type="checkbox"/> 9 Other — Specify <input checked="" type="checkbox"/>	<input type="checkbox"/> 1 Individual proprietorship			<input type="checkbox"/> 2 Partnership											
<input type="checkbox"/> 0 Corporation	<input type="checkbox"/> 5 Governmental — Specify <input checked="" type="checkbox"/>	<input type="checkbox"/> 9 Other — Specify <input checked="" type="checkbox"/>																	
<input type="checkbox"/> 1 Individual proprietorship																			
<input type="checkbox"/> 2 Partnership																			

Item 3 TAX STATUS								
a. Is this firm or organization operated on a not-for-profit basis? 007 1 <input type="checkbox"/> YES 2 <input type="checkbox"/> 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 <input type="checkbox"/> YES 2 <input type="checkbox"/> NO								
Item 4 REVENUE		Estimates are acceptable if book figures are not available.		1997				
<p>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</p> <p>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</p> <p>STATION TIME SALES</p> <p>Line a – Exclude network compensation paid to stations owned by your company.</p> <p>Lines b and c – Deduct commissions paid to agency representatives and brokers.</p> <p>NETWORK TIME SALES</p> <p>Line e – (Networks only) Deduct commissions paid to agency representatives and brokers.</p> <p>OTHER OPERATING REVENUE</p> <p>Line f – 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 line g, indicate the source of this revenue in the "Remarks" section on page 4 of this form.</p>		Key code		Bil.	Mil.	Thou.	Dol.	
		STATION TIME SALES						
		a. Network compensation		704				
		b. National/regional advertising revenue (net)		705				
		c. Local advertising revenue (net)		706				
		d. TOTAL STATION TIME SALES (net) — Sum of lines a through c.		707				
		NETWORK TIME SALES (Networks only)						
		e. Advertising revenue (net)		708				
		f. OTHER OPERATING REVENUE		607				
		g. TOTAL OPERATING REVENUE		608				
▶ TAXABLE ORGANIZATIONS – SKIP now to item 5. ◀								
NONOPERATING INCOME (Tax-exempt organizations only; all others SKIP to item 5.)		NONOPERATING INCOME		1997				
<p>Line i – NOTE – 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.</p> <p>Line j – Tax-exempt organizations only. Report the sum of items 4g through 4i.</p>		Key code		Bil.	Mil.	Thou.	Dol.	
		h. Subsidies, gifts, loans, contributions, and grants		709				
		i. Other nonoperating income		710				
		j. TOTAL REVENUE		711				
Item 5 SALES TAXES AND OTHER TAXES		Were sales taxes or other taxes collected from customers and forwarded directly to taxing authorities? Exclude sales taxes on your purchases that were remitted directly to taxing authorities. 099 1 <input type="checkbox"/> YES – Report the amount of such taxes 2 <input type="checkbox"/> NO – Continue with item 6		1997				
		Key code		Bil.	Mil.	Thou.	Dol.	
		624						
Item 6 PAYROLL AND OTHER OPERATING EXPENSES		Estimates are acceptable if book figures are not available.		1997				
<p>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</p> <p>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</p> <p>Line a — Report, on a cash basis, the gross earnings paid to employees prior to deductions. If an unincorporated concern, exclude payments to proprietors or partners.</p> <p>Line 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>		Key code		Bil.	Mil.	Thou.	Dol.	
		a. Annual payroll		627				
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		(2) Other fringe benefit plans (including medical insurance, life insurance, etc.)		629				
		c. Broadcast rights		712				
		d. Music license fees		713				
SUBTOTAL — Sums of lines a through d. Please enter these totals here and on next page.								

Item 9 OWNERSHIP OR CONTROL 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 9b	Name of owning or controlling company		
	085 _____		
	Number and street		
	City, State, and ZIP Code		
			086 _____
			EIN → _____ - _____
b. Did this company acquire or merge with another company in 1997? 087 1 <input type="checkbox"/> YES → 2 <input type="checkbox"/> NO — Continue with item 10	Name of company acquired or merged with		
	088 _____		
	Number and street		
	City, State, and ZIP Code		
		089 _____	090 _____
		Date of merger or acquisition → _____	EIN → _____ - _____

REMARKS — Please use this space for any explanations that may be essential in understanding your reported data.

CENSUS USE
 092 _____

Item 10 CERTIFICATION — This report is substantially accurate and was prepared in accordance with instructions.			
Name of person completing this report	Address (Number and street, city, State, ZIP Code)	095 Telephone	
093 _____	094 _____	Area code	Number
		Extension	
Signature of authorized person		098 FAX	
		Area code	Number
		Extension	
Title	Date		
096 _____			

**1997 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 1997 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 1997, report only for the period that the locations were operated by this company.
- Report data for calendar year 1997. If calendar year records are not available, data for the latest fiscal year are acceptable. Indicate the period covered in item 8. Please note, however, that estimates for calendar year 1997 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 1997, 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 6 — 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 1997 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 6 — 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 6m 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 6o*

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

TOTAL OPERATING EXPENSES FOR SURVEY
 (as calculated in item 6o)

– (Items 6a through 6m on survey report form)

= **OTHER OPERATING EXPENSES** — *Place in item 6n.*

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/Controller, 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**
(2-03-98)

U.S. DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS

1997 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 THIS 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

Enter the total number of cable television and other communication services locations operated by this company as of December 31, 1997. A location is defined as an establishment with paid company personnel. _____

Key code	1997 Number
601	

Item 2 ORGANIZATIONAL STATUS — Mark (X) the ONE box which best describes this company during 1997.

- 081 Corporation 5 Governmental — Specify _____ ↘ 9 Other — Specify _____ ↘
 1 Individual proprietorship
 2 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	1997			
				Bil.	Mil.	Thou.	DoI.
<p>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</p> <p>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</p> <p>CABLE AND OTHER PAY TELEVISION REVENUE</p> <p>Line a — System operators and program providers report here. — Deduct commissions paid to agency representatives.</p> <p>Line b — Program providers report revenue from system operators and other customers for programming services. System operators report revenue from customers for programming services.</p> <p>Line c — System operators report here — Include subscription fees received for basic and non-premium service tiers from residential and commercial customers.</p> <p>Line d — System operators report here.</p> <p>Line e — System operators report here. — Include all reconnect fees.</p> <p>Line f — System operators and program providers report here. — Include revenue from shop-at-home programs.</p> <p>OTHER OPERATING REVENUE</p> <p>Line j — Exclude nonoperating revenue such as income from investments, the sale of securities, or real estate, etc.</p> <p>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.</p>		<p>CABLE AND OTHER PAY TELEVISION REVENUE</p> <p>a. Advertising revenue (net) 801</p> <p>b. Program revenue 802</p> <p>c. Basic service revenue 803</p> <p>d. Pay-per-view and other premium service revenue 804</p> <p>e. Installation fees 805</p> <p>f. Other cable and pay TV revenue 806</p> <p>g. TOTAL CABLE AND OTHER PAY TELEVISION REVENUE 807</p> <p>OTHER COMMUNICATION SERVICES REVENUE</p> <p>h. Telegraph and other message communication revenue 808</p> <p>i. Other communication services revenue 809</p> <p>j. OTHER OPERATING REVENUE 607</p> <p>k. TOTAL OPERATING REVENUE 608</p>					
<p>▶ TAXABLE ORGANIZATIONS — SKIP now to item 5. ◀</p>							
<p>NONOPERATING INCOME (Tax-exempt organizations only; all others SKIP to item 5)</p> <p>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.</p> <p>Line n — Tax-exempt organizations only. Report the sum of items 4k through 4m.</p>		<p>NONOPERATING INCOME</p> <p>i. Subsidies, gifts, loans, contributions, and grants 709</p> <p>m. Other nonoperating income 710</p> <p>n. TOTAL REVENUE 711</p>					

Item 5	SALES TAXES AND OTHER TAXES	Key code	1997			
			Bil.	Mil.	Thou.	DoI.
<p>Were sales taxes or other taxes collected directly from customers and forwarded directly to taxing authorities? Exclude sales taxes on your purchases that were remitted directly to taxing authorities.</p> <p><input type="checkbox"/> 099 <input type="checkbox"/> YES — Report the amount of such taxes</p> <p><input type="checkbox"/> 2 NO — Continue with item 6</p>		624				

CONTINUE WITH ITEM 6 ON PAGE 3

Item 6	PAYROLL AND OTHER OPERATING EXPENSES	Estimates are acceptable if book figures are not available.	Key code	1997			
				Bil.	Mil.	Thou.	Dol.
<p>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</p> <p>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</p> <p>Line a — Report, on a cash basis, the gross earnings paid to employees prior to deductions. If an unincorporated concern, exclude payments to proprietors or partners.</p> <p>Line 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>Line c — Program and production costs</p> <p>Include talent and 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.</p> <p>System operators include cost of all local origination programming. Include public access costs and fees.</p> <p>Program providers include costs of all original programming produced or developed in-house.</p> <p>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.</p> <p>Line e — 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.</p> <p>Line f — 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 through capital lease agreements.</p> <p>Line g — 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.</p> <p>Line h — Exclude worker's compensation premiums. Report these costs in line b(1).</p> <p>Line j — Exclude the cost of utility services if included as part of a lease or rental agreement.</p> <p>Line l — Exclude income, payroll, sales, and other taxes collected from customers and paid directly to local, State, or Federal government agencies.</p> <p>Lines m and n — 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>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.</p>		a. Annual payroll	627				
		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				
		(2) Other fringe benefit plans (including medical insurance, life insurance, etc.)	629				
		c. 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				
		d. Retransmission consent fee	815				
		e. Depreciation and amortization charges					
		(1) Buildings, offices, and structures	631				
		(2) Transmission systems	632				
		(3) Vehicles, machinery and equipment, and other tangible assets	633				
		f. Lease and rental costs					
		(1) Buildings, offices, and structures	634				
		(2) Transmission systems	635				
		(3) Vehicles, and other machinery and equipment	636				
		g. Cost of purchased repairs					
		(1) Buildings, offices, and structures	637				
		(2) Transmission systems	638				
		(3) Vehicles, and other machinery and equipment	639				
		h. Cost of insurance	640				
		i. Cost of telephone and other purchased communication services	641				
		j. Cost of purchased utilities	642				
		k. Cost of purchased advertising	643				
		l. Taxes and licenses	644				
		m. Other operating expenses	646				
		n. TOTAL OPERATING EXPENSES	647				

Item 7 INTEREST EXPENSE		Key code	1997			
			Bil.	Mil.	Thou.	Dol.
Report all interest expense, including capitalized interest. Estimates are acceptable if book figures are not available.		645				
Item 8 REPORT PERIOD		Key code	1997			
			Month	Day	Year	
<p>Mark (X) the one box which best describes the period covered by your report.</p> <p>If the data reported in items 4 through 7 are for a period other than the "calendar year," please enter the beginning and ending dates.</p>		From	648			
<p>1 <input type="checkbox"/> Calendar year — Go to item 9</p> <p>2 <input type="checkbox"/> Fiscal year</p> <p>3 <input type="checkbox"/> Less than 12 months</p>		To	649			
Item 9 OWNERSHIP OR CONTROL		Name of owning or controlling company				
<p>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?</p> <p>084 1 <input type="checkbox"/> YES →</p> <p>2 <input type="checkbox"/> NO — Continue with item 9b</p>		085				
		Number and street				
		City, State, and ZIP Code				
		EIN →				
		086		-		
<p>b. Did this company acquire or merge with another company in 1997?</p> <p>087 1 <input type="checkbox"/> YES →</p> <p>2 <input type="checkbox"/> NO — Continue with item 10</p>		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 — Please use this space for any explanations that may be essential in understanding your reported data.						
091						
CENSUS USE						
092						
Item 10 CERTIFICATION — This report is substantially accurate and was prepared in accordance with instructions.						
Name of person to completing this report		Address (Number and street, city, State, ZIP Code)			095 Telephone	
093		094			Area code	Number
					Extension	
Signature of authorized person		098 FAX				
		Area code	Number			
Title		Date				
096						

**1997 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 1997 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 1997, report only for the period that the locations were operated by this company.
- Report data for calendar year 1997. If calendar year records are not available, data for the latest fiscal year are acceptable. Indicate the period covered in item 8. Please note, however, that estimates for calendar year 1997 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 1997, 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 6 — 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 1997 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 6 — 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 6l 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 6n*

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

TOTAL OPERATING EXPENSES FOR SURVEY
(as calculated in item 6n)
- (Items 6a through 6l on survey report form)

= **OTHER OPERATING EXPENSES** — *Place in item 6m.*

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/Controller, 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.