

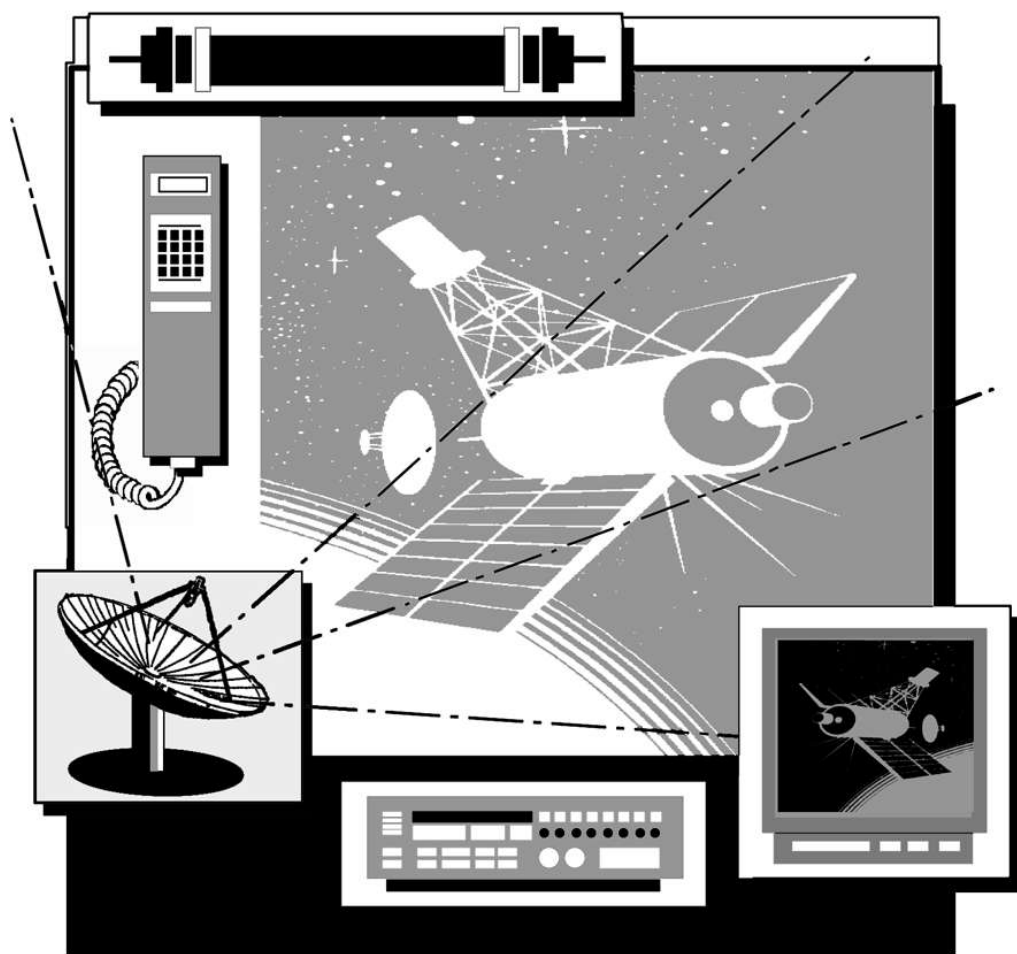
# Annual Survey of Communication Services

1998

Issued December 1999

BC/98

Current Business Reports



U S C E N S U S B U R E A U

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U.S. Department of Commerce  
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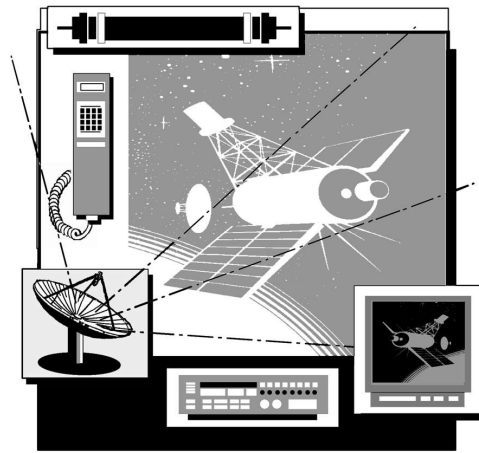
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# Introduction

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## Coverage

This report presents results from the 1998 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 1998 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.

### NOTICE OF FUTURE CHANGES:

This will be the final year the Census Bureau publishes data for this survey using the Standard Industrial Classification (SIC) system. Beginning with the 1999 survey year, we will publish data using the North American Industry Classification System (NAICS). NAICS was developed jointly by the United States, Canada, and Mexico to provide new comparability in statistics about business activity across North America.

The following URL contains detailed information about NAICS and provides a comparison of the SIC and NAICS systems:

<http://www.census.gov/epcd/www/naics.html>

**Table 1. Communications Services (SIC 48) — Summary Statistics by Kind of Business: 1991 Through 1998**

Item	Communica- tions services (SIC 48)	Telephone communica- tions (SIC 481) <sup>1</sup>	Radiotele- phone communica- tions (SIC 4812)	Telephone communica- tions, except radiotele- phone (SIC 4813)	Radio and television broadcasting (SIC 483)	Radio broadcasting (SIC 4832)	Television broadcasting (SIC 4833)	Cable and other pay television services (SIC 4841)	Telegraph and other communica- tions services, not elsewhere classified (SIC 4822 and 4899)
<b>Total Revenue</b>									
Millions of dollars									
1998	388,011	284,515	43,985	240,530	44,345	11,590	32,755	49,257	9,894
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)	(NA)	32,932	8,089	24,843	30,289	4,757
1993	247,221	183,538	(NA)	(NA)	30,278	7,402	22,876	29,639	3,766
1992	232,241	171,578	(NA)	(NA)	29,853	7,019	22,834	27,465	3,345
1991	221,466	164,738	(NA)	(NA)	28,741	6,890	21,851	24,954	3,033
Percent change									
1998/1997	11.3	11.1	24.8	8.9	8.7	10.0	8.3	13.5	20.8
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
<b>Operating Expenses</b>									
Millions of dollars									
1998	324,601	239,657	34,003	205,654	35,376	9,091	26,285	41,606	7,962
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
Percent change									
1998/1997	13.4	12.8	22.6	11.3	9.8	7.4	10.6	18.7	23.6
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
<b>Annual Payroll</b>									
Millions of dollars									
1998	68,911	49,194	6,838	42,356	10,366	3,593	6,773	7,337	2,014
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
Percent change									
1998/1997	12.3	10.5	29.4	7.9	11.6	5.0	15.5	21.7	34.4
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
<b>Employer Contributions to Social Security and Other Supplemental Benefits</b>									
Millions of dollars									
1998	14,976	11,423	1,353	10,070	1,633	456	1,177	1,581	339
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



**Table 1. Communications Services (SIC 48) — Summary Statistics by Kind of Business: 1991 Through 1998—Con.**

Item	Communica- tions services (SIC 48)	Telephone communica- tions (SIC 481) <sup>1</sup>	Radiotele- phone communica- tions (SIC 4812)	Telephone communica- tions, except radiotele- phone (SIC 4813)	Radio and television broadcasting (SIC 483)	Radio broadcasting (SIC 4832)	Television broadcasting (SIC 4833)	Cable and other pay television services (SIC 4841)	Telegraph and other communica- tions services, not elsewhere classified (SIC 4822 and 4899)
1991 .....	10,846	8,924	(NA)	(NA)	1,074	341	733	667	181
Percent change									
1998/1997 .....	12.7	11.3	31.0	9.1	10.0	4.1	12.5	22.3	38.4
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

NA Not available. Z Less than .05 percent.

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

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

# Telephone Communications

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## **SUMMARY OF DATA**

Revenue for U.S. telephone firms totaled \$284.5 billion in 1998, an increase of 11.1 percent compared to 1997.

Long-distance service provided 36.6 percent of all telephone industry revenue in 1998, totaling \$104.1 billion. Local service revenue gained 10.9 percent from 1997 to \$63.2 billion in 1998.

Revenue for cellular and radiotelephone services increased 25.3 percent to \$41.9 billion in 1998. While contributing only 14.7 percent of total industry revenue, cellular and radiotelephone services accounted for 29.7 percent of total revenue growth in 1998.

Non-residential customers were the source of \$122.1 billion in telephone communications, except

radiotelephone (SIC 4813) revenue. They accounted for 58.9 percent of all revenue for long-distance, local and network access services. In 1998, the portions of total long-distance revenue and total network access revenue provided by interstate services were 66.2 percent and 73.3 percent respectively.

Telephone industry expenses reached a total of \$239.7 billion in 1998.

Annual payroll reached \$49.2 billion in 1998 and accounted for approximately 20.5 percent of all industry expenses. Employer contributions to Social Security and other supplemental benefits were \$11.4 billion in 1998.

**Table 2. Telephone Communications (SIC 481) — Estimated Operating Revenue and Expenses: 1991 Through 1998**

Item	Millions of dollars								Percent change						
	1998	1997	1996	1995	1994	1993	1992	1991	1998/ 1997	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991
<b>Operating Revenue</b>															
Total . . . . .	284,515	256,116	238,063	216,296	199,259	183,538	171,578	164,738	11.1	7.6	10.1	8.6	8.6	7.0	4.2
Local service . . . . .	63,276	57,065	53,403	49,349	46,662	45,178	43,341	41,354	10.9	6.9	8.2	5.8	3.3	4.2	4.8
Long-distance service . . . . .	104,149	98,528	94,039	86,834	81,037	73,923	69,446	69,006	5.7	4.8	8.3	7.2	9.6	6.4	0.6
Network access . . . . .	40,430	37,447	36,101	34,131	32,988	31,658	30,998	29,947	8.0	3.7	5.8	3.5	4.2	2.1	3.5
Cellular and other radiotelephone . . . . .	41,908	33,453	28,520	22,837	16,848	12,401	9,181	6,870	25.3	17.3	24.9	35.5	35.9	35.1	33.6
Directory advertising . . . . .	11,982	10,764	10,214	9,850	9,439	9,117	8,923	8,680	11.3	5.4	3.7	4.4	3.5	2.2	2.8
Other operating revenue . . . . .	22,771	18,859	15,786	13,295	12,285	11,261	9,689	8,881	20.7	19.5	18.7	8.2	9.1	16.2	9.1
<b>Operating Expenses</b>															
Total . . . . .	239,657	212,490	192,349	180,538	164,936	160,273	143,033	137,593	12.8	10.5	6.5	9.5	2.9	12.1	4.0
Annual payroll . . . . .	49,194	44,524	42,087	40,721	38,106	37,106	35,900	35,320	10.5	5.8	3.4	6.9	2.7	3.4	1.6
Employer contributions to Social Security and other supplemental benefits . . . . .	11,423	10,263	9,611	9,184	9,347	9,379	9,584	8,924	11.3	6.8	4.6	-1.7	-0.3	-2.1	7.4
Access charges . . . . .	43,964	39,781	36,018	33,748	30,047	27,035	24,539	24,039	10.5	10.4	6.7	12.3	11.1	10.2	2.1
Depreciation . . . . .	42,448	37,589	32,937	31,651	28,578	25,546	23,623	23,600	12.9	14.1	4.1	10.8	11.9	8.1	0.1
Lease and rental . . . . .	6,496	5,310	4,492	3,919	4,037	3,608	4,247	3,867	22.3	18.2	14.6	-2.9	11.9	-15.0	9.8
Purchased repairs . . . . .	7,001	6,533	5,243	4,907	4,413	3,474	2,915	2,954	7.2	24.6	6.8	11.2	27.0	19.2	-1.3
Insurance . . . . .	397	371	336	304	261	228	222	218	7.0	10.4	10.5	16.5	14.5	2.7	1.8
Telephone and other purchased communication services . . . . .	2,791	2,373	2,030	1,858	1,321	946	707	544	17.6	16.9	9.3	40.7	39.6	33.8	30.0
Purchased utilities . . . . .	2,372	2,174	1,961	1,770	1,562	1,315	1,178	1,150	9.1	10.9	10.8	13.3	18.8	11.6	2.4
Purchased advertising . . . . .	6,431	5,624	4,534	3,607	3,835	3,085	2,637	2,546	14.3	24.0	25.7	-5.9	24.3	17.0	3.6
Taxes . . . . .	9,953	9,021	7,978	7,539	6,603	5,861	5,194	5,233	10.3	13.1	5.8	14.2	12.7	12.8	-0.7
Other operating expenses . . . . .	57,187	48,927	45,122	41,330	36,826	42,690	32,287	29,198	16.9	8.4	9.2	12.2	-13.7	32.2	10.6

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: 1997 and 1998**

Item	Millions of dollars		Percent change	Percent of total	
	1998	1997	1998/1997	1998	1997
<b>Operating Revenue</b>					
Total <sup>1</sup> .....	43,985	35,240	24.8	100.0	100.0
Cellular and other radiotelephone .....	41,519	33,094	25.5	94.4	93.9
Other operating revenue .....	2,448	2,133	14.8	5.6	6.1
<b>Operating Expenses</b>					
Total .....	34,003	27,741	22.6	100.0	100.0
Annual payroll .....	6,838	5,283	29.4	20.1	19.0
Employer contributions to Social Security and other supplemental benefits .....	1,353	1,033	31.0	4.0	3.7
Access charges .....	1,737	1,529	13.6	5.1	5.5
Depreciation .....	6,076	4,900	24.0	17.9	17.7
Lease and rental .....	1,905	1,350	41.1	5.6	4.9
Purchased repairs .....	439	357	23.0	1.3	1.3
Insurance .....	93	79	17.7	0.3	0.3
Telephone and other purchased communication services .....	1,176	919	28.0	3.5	3.3
Purchased utilities .....	237	205	15.6	0.7	0.7
Purchased advertising .....	1,781	1,495	19.1	5.2	5.4
Taxes .....	521	402	29.6	1.5	1.4
Other operating expenses .....	11,847	10,189	16.3	34.8	36.7

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

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

Table 4. **Telephone Communications, Except Radiotelephone (SIC 4813) — Estimated Operating Revenue and Expenses: 1997 and 1998**

Item	Millions of dollars		Percent change	Percent of total	
	1998	1997	1998/1997	1998	1997
<b>Operating Revenue</b>					
Total .....	240,530	220,876	8.9	100.0	100.0
Local service .....	63,270	57,061	10.9	26.3	25.8
Long-distance service .....	104,148	98,528	5.7	43.3	44.6
Network access .....	40,417	37,438	8.0	16.8	16.9
Cellular and other radiotelephone .....	(S)	(S)	(S)	(S)	(S)
Directory advertising .....	11,982	10,764	11.3	5.0	4.9
Other operating revenue .....	20,323	16,726	21.5	8.4	7.6
<b>Operating Expenses</b>					
Total .....	205,654	184,749	11.3	100.0	100.0
Annual payroll .....	42,356	39,241	7.9	20.6	21.2
Employer contributions to Social Security and other supplemental benefits .....	10,070	9,230	9.1	4.9	5.0
Access charges .....	42,226	38,252	10.4	20.5	20.7
Depreciation .....	36,372	32,689	11.3	17.7	17.7
Lease and rental .....	4,591	3,960	15.9	2.2	2.1
Purchased repairs .....	6,562	6,176	6.3	3.2	3.3
Insurance .....	304	292	4.1	0.1	0.2
Telephone and other purchased communication services .....	1,616	1,454	11.1	0.8	0.8
Purchased utilities .....	2,135	1,969	8.4	1.0	1.1
Purchased advertising .....	4,650	4,129	12.6	2.3	2.2
Taxes .....	9,432	8,619	9.4	4.6	4.7
Other operating expenses .....	45,340	38,738	17.0	22.0	21.0

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

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

Table 5. **Telephone Communications, Except Radiotelephone (SIC 4813) —Estimated Local, Long-Distance, and Network Access Revenue by Type of Customer and Service: 1997 and 1998**

Item	Dollar volume	Type of customer		Type of service	
		Residential	Nonresidential	Intrastate	Interstate
<b>Local Service</b>					
Millions of dollars					
1998 .....	63,270	32,919	30,351	62,578	691
1997 .....	57,061	29,209	27,852	56,411	650
Percent change					
1998/1997 .....	10.9	12.7	9.0	10.9	6.3
<b>Long-Distance Service</b>					
Millions of dollars					
1998 .....	104,148	44,118	60,030	35,194	68,954
1997 .....	98,528	42,771	55,757	34,111	64,417
Percent change					
1998/1997 .....	5.7	3.1	7.7	3.2	7.0
<b>Network Access</b>					
Millions of dollars					
1998 .....	40,417	8,679	31,738	10,803	29,614
1997 .....	37,438	8,103	29,335	9,989	27,449
Percent change					
1998/1997 .....	8.0	7.1	8.2	8.1	7.9

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).

Table 6. **Telephone Communications (SIC 481) — Estimated Cellular and Other Radiotelephone Revenue by Type of Service: 1998**

Item	Millions of dollars
Cellular and other radiotelephone revenue <sup>1</sup> .....	41,908
<b>Type of Service</b>	
Air time .....	17,483
Basic service .....	13,809
Long-distance service .....	1,590
Roaming charges .....	4,654
Other services .....	4,373

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

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

# Radio and Television Broadcasting Services

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## SUMMARY OF DATA

### Taxable Firms

Total operating revenue for taxable U.S. television and radio broadcasters combined was \$42.5 billion in 1998, an increase of 8.9 percent from 1997.

Revenue for the television broadcasting industry was about \$31.3 billion in 1998. Sales of television time to networks, advertisers, and sponsors (station time sales), representing 55.7 percent of television revenue, was \$17.4 billion in 1998. National and regional television advertising sales increased 7.8 percent while local advertising, which accounted for 54.1 percent of total station time sales in 1998, increased 9.1 percent from the previous year. Television network times sales increased 8.4 percent from 1997 to \$12.1 billion.

Revenue for the nation's radio broadcasters rose 9.9 percent to \$11.2 billion in 1998. Station time sales accounted for 91.5 percent of their total revenue. Local advertising, accounting for 77.0 percent of radio station time sales in 1998, was up 9.7 percent from the previous year.

Operating expenses for the television broadcasting industry were \$24.9 billion in 1998. Broadcast rights to first-run programs, feature films, syndicated programs, and sporting events accounted for 38.5 percent of total operating expenses for television broadcasters in 1998, an increase in dollar volume of 12.6 percent.

Operating expenses for the radio industry were \$8.7 billion in 1998. Annual payroll, \$3.5 billion in 1998, was the largest component of these expenses.

### Tax-Exempt Firms

Total revenue for tax-exempt radio and television broadcasters combined was \$1.9 billion in 1998, up 5.0 percent from 1997.

Revenue for tax-exempt television broadcasters increased 3.1 percent. Tax-exempt radio broadcasters' revenue increased 12.9 percent in 1998.

Operating expenses for tax-exempt radio and television broadcasters combined were \$1.8 billion in 1998.



**Table 7. Total Broadcasting Services (SIC 483) — Estimated Revenue and Expenses for Taxable and Tax-Exempt Firms: 1991 Through 1998**

Item	Millions of dollars								Percent change						
	1998	1997	1996	1995	1994	1993	1992	1991	1998/ 1997	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991
<b>Total Revenue</b>															
Total <sup>1</sup> . . . . .	44,345	40,779	39,182	35,907	32,932	30,278	29,853	28,741	8.7	4.1	9.1	9.0	8.8	1.4	3.9
<b>Operating Expenses</b>															
Total . . . . .	35,376	32,226	32,216	29,511	27,457	25,672	26,009	25,760	9.8	(Z)	9.2	7.5	7.0	-1.3	1.0
Annual payroll . . . . .	10,366	9,285	8,907	8,326	7,612	7,046	6,976	6,660	11.6	4.2	7.0	9.4	8.0	1.0	4.7
Employer contributions to Social Security and other supplemental benefits . . . . .	1,633	1,484	1,480	1,383	1,287	1,197	1,166	1,074	10.0	0.3	7.0	7.5	7.5	2.7	8.6
Broadcast rights . . . . .	10,300	9,098	9,697	8,592	8,135	8,005	8,564	8,727	13.2	-6.2	12.9	5.6	1.6	-6.5	-1.9
Music license fees . . . . .	505	469	456	407	345	338	371	363	7.7	2.9	12.0	18.0	2.1	-8.9	2.2
Depreciation . . . . .	1,713	1,628	1,532	1,395	1,272	1,258	1,331	1,351	5.2	6.3	9.8	9.7	1.1	-5.5	-1.5
Lease and rental . . . . .	715	647	618	577	542	512	490	496	10.5	4.7	7.1	6.5	5.9	4.5	-1.2
Purchased repairs . . . . .	343	334	351	322	285	258	242	244	2.7	-4.8	9.0	13.0	10.5	6.6	-0.8
Insurance . . . . .	169	174	197	177	174	164	168	157	-2.9	-11.7	11.3	1.7	6.1	-2.4	7.0
Telephone and other purchased communication services . . . . .	368	320	336	294	269	255	255	249	15.0	-4.8	14.3	9.3	5.5	—	2.4
Purchased utilities . . . . .	316	307	338	308	298	277	279	275	2.9	-9.2	9.7	3.4	7.6	-0.7	1.5
Purchased advertising . . . . .	1,456	1,379	1,222	1,141	995	852	827	869	5.6	12.8	7.1	14.7	16.8	3.0	-4.8
Taxes . . . . .	237	214	234	222	194	183	191	175	10.7	-8.5	5.4	14.4	6.0	-4.2	9.1
Other operating expenses <sup>2</sup> . . . . .	7,256	6,887	6,848	6,367	6,049	5,327	5,149	5,120	5.4	0.6	7.6	5.3	13.6	3.5	0.6

Z Less than .05 percent.

—Represents zero.

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

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

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

**Table 8. Radio Broadcasting Services (SIC 4832) — Estimated Revenue and Expenses for Taxable and Tax-Exempt Firms: 1991 Through 1998**

Item	Millions of dollars								Percent change						
	1998	1997	1996	1995	1994	1993	1992	1991	1998/ 1997	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991
<b>Total Revenue</b>															
Total <sup>1</sup> . . . . .	11,590	10,533	9,631	8,795	8,089	7,402	7,019	6,890	10.0	9.4	9.5	8.7	9.3	5.5	1.9
<b>Operating Expenses</b>															
Total . . . . .	9,091	8,467	7,786	7,251	6,853	6,407	6,350	6,364	7.4	8.7	7.4	5.8	7.0	0.9	-0.2
Annual payroll . . . . .	3,593	3,422	3,170	2,961	2,752	2,597	2,547	2,492	5.0	7.9	7.1	7.6	6.0	2.0	2.2
Employer contributions to Social Security and other supplemental benefits . . . . .	456	438	410	381	349	357	359	341	4.1	6.8	7.6	9.2	-2.2	-0.6	5.3
Broadcast rights . . . . .	364	313	299	315	255	250	218	284	16.3	4.7	-5.1	23.5	2.0	14.7	-23.2
Music license fees . . . . .	274	250	225	205	183	162	150	152	9.6	11.1	9.8	12.0	13.0	8.0	-1.3
Depreciation . . . . .	605	511	456	416	399	413	460	473	18.4	12.1	9.6	4.3	-3.4	-10.2	-2.7
Lease and rental . . . . .	294	276	250	242	236	214	204	200	6.5	10.4	3.3	2.5	10.3	4.9	2.0
Purchased repairs . . . . .	100	91	87	84	81	83	82	84	9.9	4.6	3.6	3.7	-2.4	1.2	-2.4
Insurance . . . . .	74	78	81	71	71	67	68	66	-5.1	-3.7	14.1	—	6.0	-1.5	3.0
Telephone and other purchased communication services . . . . .	164	147	141	129	122	118	121	117	11.6	4.3	9.3	5.7	3.4	-2.5	3.4
Purchased utilities . . . . .	117	116	116	109	108	100	107	105	0.9	—	6.4	0.9	8.0	-6.5	1.9
Purchased advertising . . . . .	472	458	410	412	371	315	318	334	3.1	11.7	-0.5	11.1	17.8	-0.9	-4.8
Taxes . . . . .	90	79	74	74	62	64	66	59	13.9	6.8	—	19.4	-3.1	-3.0	11.9
Other operating expenses <sup>2</sup> . . . . .	2,488	2,288	2,067	1,852	1,864	1,667	1,650	1,657	8.7	10.7	11.6	-0.6	11.8	1.0	-0.4

—Represents zero.

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

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

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

Table 9. **Television Broadcasting Services (SIC 4833) — Estimated Revenue and Expenses for Taxable and Tax-Exempt Firms: 1991 Through 1998**

Item	Millions of dollars								Percent change						
	1998	1997	1996	1995	1994	1993	1992	1991	1998/ 1997	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1992/ 1991
<b>Total Revenue</b>															
Total <sup>1</sup> . . . . .	32,755	30,246	29,551	27,112	24,843	22,876	22,834	21,851	8.3	2.4	9.0	9.1	8.6	0.2	4.5
<b>Operating Expenses</b>															
Total . . . . .	26,285	23,759	24,430	22,260	20,604	19,265	19,659	19,396	10.6	-2.7	9.7	8.0	7.0	-2.0	1.4
Annual payroll . . . . .	6,773	5,863	5,737	5,365	4,860	4,449	4,429	4,168	15.5	2.2	6.9	10.4	9.2	0.5	6.3
Employer contributions to Social Security and other supplemental benefits . . . . .	1,177	1,046	1,070	1,002	938	840	807	733	12.5	-2.2	6.8	6.8	11.7	4.1	10.1
Broadcast rights . . . . .	9,936	8,785	9,398	8,277	7,880	7,755	8,346	8,443	13.1	-6.5	13.5	5.0	1.6	-7.1	-1.1
Music license fees . . . . .	232	219	231	202	162	176	221	211	5.9	-5.2	14.4	24.7	-8.0	-20.4	4.7
Depreciation . . . . .	1,107	1,117	1,076	979	873	845	871	878	-0.9	3.8	9.9	12.1	3.3	-3.0	-0.8
Lease and rental . . . . .	421	371	368	335	306	298	286	296	13.5	0.8	9.9	9.5	2.7	4.2	-3.4
Purchased repairs . . . . .	243	243	264	238	204	175	160	160	—	-8.0	10.9	16.7	16.6	9.4	—
Insurance . . . . .	94	96	116	106	103	97	100	91	-2.1	-17.2	9.4	2.9	6.2	-3.0	9.9
Telephone and other purchased communication services . . . . .	204	173	195	165	147	137	134	132	17.9	-11.3	18.2	12.2	7.3	2.2	1.5
Purchased utilities . . . . .	199	191	222	199	190	177	172	170	4.2	-14.0	11.6	4.7	7.3	2.9	1.2
Purchased advertising . . . . .	985	921	812	729	624	537	509	535	6.9	13.4	11.4	16.8	16.2	5.5	-4.9
Taxes . . . . .	147	135	160	148	132	119	125	116	8.9	-15.6	8.1	12.1	10.9	-4.8	7.8
Other operating expenses <sup>2</sup> . . . . .	4,768	4,599	4,781	4,515	4,185	3,660	3,499	3,463	3.7	-3.8	5.9	7.9	14.3	4.6	1.0

—Represents zero.

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

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

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

Table 10. **Total Broadcasting Services (SIC 483) — Estimated Operating Revenue and Expenses for Taxable Firms: 1992 Through 1998**

Item	Millions of dollars							Percent change					
	1998	1997	1996	1995	1994	1993	1992	1998/ 1997	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992
<b>Operating Revenue</b>													
Total .....	42,462	38,985	37,542	34,319	31,315	28,409	27,859	8.9	3.8	9.4	9.6	10.2	2.0
Station time sales .....	27,672	25,379	24,130	22,450	20,647	18,882	18,580	9.0	5.2	7.5	8.7	9.3	1.6
Network compensation ..	645	644	631	564	451	440	459	0.2	2.1	11.9	25.1	2.5	-4.1
National/regional													
advertising .....	9,700	8,891	8,476	8,166	7,459	6,758	6,733	9.1	4.9	3.8	9.5	10.4	0.4
Local advertising .....	17,326	15,844	15,023	13,720	12,737	11,684	11,388	9.4	5.5	9.5	7.7	9.0	2.6
Network time sales .....	12,721	11,701	11,792	10,319	9,459	8,424	8,221	8.7	-0.8	14.3	9.1	12.3	2.5
Other operating revenue ..	2,069	1,905	1,620	1,550	1,209	1,103	1,058	8.6	17.6	4.5	28.2	9.6	4.3
<b>Operating Expenses</b>													
Total .....	33,618	30,648	30,721	28,038	25,899	23,891	24,135	9.7	-0.2	9.6	8.3	8.4	-1.0
Annual payroll .....	9,897	8,848	8,497	7,933	7,222	6,664	6,595	11.9	4.1	7.1	9.8	8.4	1.0
Employer contributions to													
Social Security and other													
supplemental benefits ...	1,540	1,397	1,400	1,303	1,207	1,120	1,090	10.2	-0.2	7.4	8.0	7.8	2.8
Broadcast rights .....	9,923	8,801	9,404	8,260	7,723	7,349	7,737	12.7	-6.4	13.8	7.0	5.1	-5.0
Music license fees .....	500	467	454	405	344	337	370	7.1	2.9	12.1	17.7	2.1	-8.9
Depreciation .....	1,636	1,548	1,455	1,324	1,193	1,185	1,264	5.7	6.4	9.9	11.0	0.7	-6.3
Lease and rental .....	673	609	590	538	503	476	452	10.5	3.2	9.7	7.0	5.7	5.3
Purchased repairs .....	317	310	331	300	268	239	226	2.3	-6.3	10.3	11.9	12.1	5.8
Insurance .....	158	164	188	168	165	155	158	-3.7	-12.8	11.9	1.8	6.5	-1.9
Telephone and other													
purchased													
communication services .	344	300	319	278	254	236	236	14.7	-6.0	14.7	9.4	7.6	—
Purchased utilities .....	288	280	310	281	269	252	256	2.9	-9.7	10.3	4.5	6.7	-1.6
Purchased advertising ....	1,429	1,353	1,195	1,115	969	821	797	5.6	13.2	7.2	15.1	18.0	3.0
Taxes .....	233	210	229	217	191	180	187	11.0	-8.3	5.5	13.6	6.1	-3.7
Other operating expenses <sup>1</sup>	6,680	6,361	6,349	5,916	5,591	4,877	4,767	5.0	(Z)	7.3	5.8	14.6	2.3

Z Less than .05 percent.

—Represents zero.

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

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

**Table 11. Radio Broadcasting Services (SIC 4832) — Components of Estimated Operating Revenue and Expenses for Taxable Firms: 1992 Through 1998**

Item	Millions of dollars								Percent change								Percent of total					
	1998	1997	1996	1995	1994	1993	1992	1998/1997	1997/1996	1996/1995	1995/1994	1994/1993	1993/1992	1998	1997	1996	1995	1994	1993	1992		
<b>Operating Revenue</b>																						
Total	11,206	10,193	9,305	8,518	7,827	7,159	6,795	9.9	9.5	9.2	8.8	9.3	5.4	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Station time sales	10,253	9,287	8,476	7,779	7,199	6,601	6,275	10.4	9.6	9.0	8.1	9.1	5.2	91.5	91.1	91.1	91.3	92.0	92.2	92.3	92.3	
Network compensation	83	85	81	71	75	75	95	-2.4	4.9	14.1	-5.3	—	-21.1	0.7	0.8	0.9	0.8	1.0	1.0	1.0	1.4	
National/regional advertising	2,274	2,002	1,750	1,765	1,551	1,390	1,313	13.6	14.4	-0.8	13.8	11.6	5.9	20.3	19.6	18.8	20.7	19.8	19.4	19.3	19.3	
Local advertising	7,896	7,200	6,645	5,943	5,573	5,136	4,867	9.7	8.4	11.8	6.6	8.5	5.5	70.5	70.6	71.4	69.8	71.2	71.7	71.6	71.6	
Network time sales	638	553	498	464	402	314	276	15.4	11.0	7.3	15.4	28.0	13.8	5.7	5.4	5.4	5.4	5.1	4.4	4.1	4.1	
Other operating revenue	316	353	331	275	226	244	244	-10.5	6.6	20.4	21.7	-7.4	—	2.8	3.5	3.6	3.2	2.9	3.4	3.4	3.6	
<b>Operating Expenses</b>																						
Total	8,747	8,154	7,499	6,997	6,610	6,177	6,137	7.3	8.7	7.2	5.9	7.0	0.7	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Annual payroll	3,462	3,304	3,065	2,864	2,661	2,512	2,469	4.8	7.8	7.0	7.6	5.9	1.7	39.6	40.5	40.9	40.9	40.3	40.7	40.7	40.2	
Employer contributions to Social Security and other supplemental benefits	431	416	389	361	331	339	343	3.6	6.9	7.8	9.1	-2.4	-1.2	4.9	5.1	5.2	5.2	5.0	5.5	5.5	5.6	
Broadcast rights	352	303	287	304	244	239	209	16.2	5.6	-5.6	24.6	2.1	14.4	4.0	3.7	3.8	4.3	3.7	3.9	3.4	3.4	
Music license fees	272	249	224	204	183	162	149	9.2	11.2	9.8	11.5	13.0	8.7	3.1	3.1	3.0	2.9	2.8	2.6	2.4	2.4	
Depreciation	583	491	440	403	385	400	449	18.7	11.6	9.2	4.7	-3.8	-10.9	6.7	6.0	5.9	5.8	5.8	6.5	7.3	7.3	
Lease and rental	282	266	239	226	221	203	191	6.0	11.3	5.8	2.3	8.9	6.3	3.2	3.3	3.2	3.2	3.3	3.3	3.3	3.1	
Purchased repairs	90	81	78	76	75	76	77	11.1	3.8	2.6	1.3	-1.3	-1.3	1.0	1.0	1.0	1.1	1.1	1.2	1.3	1.3	
Insurance	72	76	79	69	69	65	66	-5.3	-3.8	14.5	—	6.2	-1.5	0.8	0.9	1.1	1.0	1.0	1.1	1.1	1.1	
Telephone and other purchased communication services	156	140	134	123	116	112	116	11.4	4.5	8.9	6.0	3.6	-3.4	1.8	1.7	1.8	1.8	1.8	1.8	1.8	1.9	
Purchased utilities	110	110	110	104	102	95	102	—	—	5.8	2.0	7.4	-6.9	1.3	1.3	1.5	1.5	1.5	1.5	1.5	1.7	
Purchased advertising	468	454	407	409	368	311	314	3.1	11.5	-0.5	11.1	18.3	-1.0	5.4	5.6	5.4	5.8	5.6	5.0	5.1	5.1	
Taxes	88	78	71	71	60	63	65	12.8	9.9	—	18.3	-4.8	-3.1	1.0	1.0	0.9	1.0	0.9	1.0	1.0	1.1	
Other operating expenses <sup>1</sup>	2,381	2,186	1,976	1,783	1,795	1,600	1,587	8.9	10.6	10.8	-0.7	12.2	0.8	27.2	26.8	26.4	25.5	27.2	25.9	25.9	25.9	

—Represents zero.

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

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

**Table 12. Television Broadcasting Services (SIC 4833) — Components of Estimated Operating Revenue and Expenses for Taxable Firms: 1992 Through 1998**

Item	Millions of dollars								Percent change								Percent of total							
	1998	1997	1996	1995	1994	1993	1992	1998/ 1997	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	1998	1997	1996	1995	1994	1993	1992				
<b>Operating Revenue</b>																								
Total	31,256	28,792	28,237	25,801	23,488	21,250	21,064	8.6	2.0	9.4	9.8	10.5	0.9	100.0	100.0	100.0	100.0	100.0	100.0	100.0				
Station time sales	17,419	16,092	15,654	14,671	13,448	12,281	12,305	8.2	2.8	6.7	9.1	9.5	-0.2	55.7	55.9	55.4	56.9	57.3	57.8	58.4				
Network compensation	563	559	550	493	376	365	364	0.7	1.6	11.6	31.1	3.0	0.3	1.8	1.9	1.9	1.9	1.6	1.7	1.7				
National/regional advertising	7,426	6,889	6,726	6,401	5,908	5,368	5,420	7.8	2.4	5.1	8.3	10.1	-1.0	23.8	23.9	23.8	24.8	25.2	25.3	25.7				
Local advertising	9,430	8,644	8,378	7,777	7,164	6,548	6,521	9.1	3.2	7.7	8.6	9.4	0.4	30.2	30.0	29.7	30.1	30.5	30.8	31.0				
Network time sales	12,083	11,148	11,294	9,855	9,057	8,110	7,945	8.4	-1.3	14.6	8.8	11.7	2.1	38.7	38.7	40.0	38.2	38.6	38.2	37.7				
Other operating revenue	1,754	1,552	1,289	1,275	983	859	814	13.0	20.4	1.1	29.7	14.4	5.5	5.6	5.4	4.6	4.9	4.2	4.0	3.9				
<b>Operating Expenses</b>																								
Total	24,870	22,494	23,222	21,041	19,289	17,714	17,998	10.6	-3.1	10.4	9.1	8.9	-1.6	100.0	100.0	100.0	100.0	100.0	100.0	100.0				
Annual payroll	6,435	5,544	5,432	5,069	4,561	4,152	4,126	16.1	2.1	7.2	11.1	9.9	0.6	25.9	24.6	23.4	24.1	23.6	23.4	22.9				
Employer contributions to Social Security and other supplemental benefits	1,109	981	1,011	942	876	781	747	13.0	-3.0	7.3	7.5	12.2	4.6	4.5	4.4	4.4	4.5	4.5	4.4	4.2				
Broadcast rights	9,571	8,498	9,117	7,956	7,479	7,110	7,528	12.6	-6.8	14.6	6.4	5.2	-5.6	38.5	37.8	39.3	37.8	38.8	40.1	41.8				
Music license fees	228	218	230	201	161	175	221	4.6	-5.2	14.4	24.8	-8.0	-20.8	0.9	1.0	1.0	1.0	0.8	1.0	1.2				
Depreciation	1,053	1,057	1,015	921	808	785	815	-0.4	4.1	10.2	14.0	2.9	-3.7	4.2	4.7	4.4	4.4	4.2	4.4	4.5				
Lease and rental	391	343	351	312	282	273	261	14.0	-2.3	12.5	10.6	3.3	4.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5				
Purchased repairs	227	229	253	224	193	163	149	-0.9	-9.5	12.9	16.1	18.4	9.4	0.9	1.0	1.1	1.1	1.0	0.9	0.8				
Insurance	86	88	109	99	96	90	92	-2.3	-19.3	10.1	3.1	6.7	-2.2	0.3	0.4	0.5	0.5	0.5	0.5	0.5				
Telephone and other purchased communication services	188	160	185	155	138	124	120	17.5	-13.5	19.4	12.3	11.3	3.3	0.8	0.7	0.8	0.7	0.7	0.7	0.7				
Purchased utilities	178	170	200	177	167	157	154	4.7	-15.0	13.0	6.0	6.4	1.9	0.7	0.8	0.9	0.8	0.9	0.9	0.9				
Purchased advertising	961	899	788	706	601	510	483	6.9	14.1	11.6	17.5	17.8	5.6	3.9	4.0	3.4	3.4	3.1	2.9	2.7				
Taxes	145	132	158	146	131	117	122	9.8	-16.5	8.2	11.5	12.0	-4.1	0.6	0.6	0.7	0.7	0.7	0.7	0.7				
Other operating expenses <sup>1</sup>	4,298	4,175	4,373	4,133	3,796	3,277	3,180	2.9	-4.5	5.8	8.9	15.8	3.1	17.3	18.6	18.8	19.6	19.7	18.5	17.7				

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

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

Table 13. **Total Broadcasting Services (SIC 483) — Estimated Revenue and Expenses for Tax-Exempt Firms: 1992 Through 1998**

Item	Millions of dollars							Percent change						
	1998	1997	1996	1995	1994	1993	1992	1998/ 1997	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992	
<b>Total Revenue</b>														
Total <sup>1</sup> .....	1,883	1,794	1,640	1,588	1,617	1,869	1,994	5.0	9.4	3.3	-1.8	-13.5	-6.3	
<b>Operating Expenses</b>														
Total .....	1,759	1,578	1,495	1,473	1,558	1,781	1,874	11.5	5.6	1.5	-5.5	-12.5	-5.0	
Annual payroll .....	469	437	410	393	390	382	381	7.3	6.6	4.3	0.8	2.1	0.3	
Employer contributions to Social Security and other supplemental benefits ...	93	87	80	80	80	77	76	6.9	8.8	—	—	3.9	1.3	
Broadcast rights .....	(S)	(S)	(S)	(S)	412	656	827	(S)	(S)	(S)	(S)	-37.2	-20.7	
Music license fees .....	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	
Depreciation .....	77	80	77	71	79	73	67	-3.8	3.9	8.5	-10.1	8.2	9.0	
Lease and rental .....	42	38	28	39	39	36	38	10.5	35.7	-28.2	—	8.3	-5.3	
Purchased repairs .....	26	24	20	22	17	19	16	8.3	20.0	-9.1	29.4	-10.5	18.8	
Insurance .....	11	10	9	9	9	9	10	10.0	11.1	—	—	—	-10.0	
Telephone and other purchased communication services .	24	20	17	16	15	19	19	20.0	17.6	6.3	6.7	-21.1	—	
Purchased utilities .....	28	27	28	27	29	25	23	3.7	-3.6	3.7	-6.9	16.0	8.7	
Purchased advertising ....	27	26	27	26	26	31	30	3.8	-3.7	3.8	—	-16.1	3.3	
Taxes .....	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	(S)	
Other operating expenses <sup>2</sup>	576	526	499	451	458	450	382	9.5	5.4	10.6	-1.5	1.8	17.8	

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.

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

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

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

Table 14. **Radio Broadcasting Services (SIC 4832) — Estimated Revenue and Expenses for Tax-Exempt Firms: 1992 Through 1998**

Item	Millions of dollars							Percent change					
	1998	1997	1996	1995	1994	1993	1992	1998/ 1997	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992
<b>Total Revenue</b>													
Total <sup>1</sup> .....	384	340	326	277	262	243	224	12.9	4.3	17.7	5.7	7.8	8.5
<b>Operating Expenses</b>													
Total .....	344	313	287	254	243	230	213	9.9	9.1	13.0	4.5	5.7	8.0
Annual payroll .....	131	118	105	97	91	85	78	11.0	12.4	8.2	6.6	7.1	9.0
Employer contributions to Social Security and other supplemental benefits ...	25	22	21	20	18	18	16	13.6	4.8	5.0	11.1	—	12.5

—Represents zero.

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

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



Table 15. **Television Broadcasting Services (SIC 4833) — Estimated Revenue and Expenses for Tax-Exempt Firms: 1992 Through 1998**

Item	Millions of dollars							Percent change					
	1998	1997	1996	1995	1994	1993	1992	1998/ 1997	1997/ 1996	1996/ 1995	1995/ 1994	1994/ 1993	1993/ 1992
<b>Total Revenue</b>													
Total <sup>1</sup> .....	1,499	1,454	1,314	1,311	1,355	1,626	1,770	3.1	10.7	0.2	-3.2	-16.7	-8.1
<b>Operating Expenses</b>													
Total .....	1,415	1,265	1,208	1,219	1,315	1,551	1,661	11.9	4.7	-0.9	-7.3	-15.2	-6.6
Annual payroll .....	338	319	305	296	299	297	303	6.0	4.6	3.0	-1.0	0.7	-2.0
Employer contributions to Social Security and other supplemental benefits ...	68	65	59	60	62	59	60	4.6	10.2	-1.7	-3.2	5.1	-1.7

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

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

# Cable and Other Pay Television Services

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## **SUMMARY OF DATA**

Revenue for the nation's cable television industry rose 13.5 percent from 1997 to \$49.3 billion in 1998.

Cable system operators reported basic service revenue, the largest component of industry revenue, of \$24.3 billion. Cable television networks reported revenue from programming services of \$7.5 billion in 1998, an increase of 18.4 percent from 1997. Advertising revenue for the cable industry reached \$6.6 billion in 1998, up 18.1 percent from 1997.

Total operating expenses rose 18.7 percent from 1997 to \$41.6 billion in 1998. Program and production costs, which accounted for 35.9 percent of total operating expenses in 1998, increased 16.2 percent from 1997 to \$14.9 billion. Depreciation expenses were \$7.2 billion in 1998, accounting for 17.4 percent of total operating expenses. In 1998, annual payroll increased 21.7 percent from 1997, while employer contributions to Social Security and other supplemental benefits rose 22.3 percent.

**Table 16. Cable and Other Pay Television Services (SIC 4841) — Components of Estimated Operating Revenue and Expenses for Taxable Firms: 1991 Through 1998**

Item	Millions of dollars								Percent change								Percent of total								
	1998	1997	1996	1995	1994	1993	1992	1991	1998/1997	1997/1996	1996/1995	1995/1994	1994/1993	1993/1992	1992/1991	1998	1997	1996	1995	1994	1993	1992	1991		
<b>Operating Revenue</b>																									
Total <sup>1</sup> . . . . .	49,257	43,412	38,488	33,890	30,289	29,639	27,465	24,954	13.5	12.8	13.6	11.9	2.2	7.9	10.1	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	(X)	
Total cable and other pay television revenue . . . . .	46,945	41,499	37,027	32,541	29,304	28,769	26,653	23,895	13.1	12.1	13.8	11.0	1.9	7.9	11.5	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Advertising . . . . .	6,643	5,627	5,007	4,466	3,597	2,981	2,491	2,100	18.1	12.4	12.1	24.2	20.7	19.7	18.6	14.2	13.6	13.5	13.7	12.3	10.4	9.3	8.8	8.8	
Program revenue . . . . .	7,473	6,313	5,438	4,843	4,714	4,440	4,423	4,112	18.4	16.1	12.3	2.7	6.2	0.4	7.6	15.9	15.2	14.7	14.9	16.1	15.4	16.6	17.2	17.2	
Basic service revenue . . . . .	24,255	21,134	18,621	16,310	14,547	14,904	13,632	11,985	14.8	13.5	14.2	12.1	-2.4	10.1	12.9	51.7	50.9	50.3	50.1	49.6	51.8	50.8	50.2	50.2	
Pay-per-view and other premium service revenue . . . . .	5,994	5,906	5,696	5,068	4,662	4,880	4,708	4,465	1.5	3.7	12.4	8.7	-4.5	3.7	5.4	12.8	14.2	15.4	15.6	15.9	17.0	17.7	18.7	18.7	
Installation fees . . . . .	619	555	508	445	427	417	390	324	11.5	9.3	14.2	4.2	2.4	6.9	20.4	1.3	1.3	1.4	1.4	1.5	1.4	1.5	1.4	1.4	
Other cable revenue . . . . .	1,960	1,964	1,757	1,409	1,357	1,147	1,109	909	-0.2	11.8	24.7	3.8	18.3	3.4	22.0	4.2	4.7	4.7	4.3	4.6	4.0	4.2	3.8	3.8	
<b>Operating Expenses</b>																									
Total . . . . .	41,606	35,060	30,471	26,428	23,482	22,648	21,232	20,154	18.7	15.1	15.3	12.5	3.7	6.7	5.3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Annual payroll . . . . .	7,337	6,027	5,061	4,519	3,991	3,824	3,533	2,973	21.7	19.1	12.0	15.0	2.8	8.2	18.8	17.6	17.2	16.6	17.1	16.7	16.9	16.6	14.8	14.8	
Employer contributions to Social Security and other supplemental benefits . . . . .	1,581	1,293	1,150	1,000	915	866	801	687	22.3	12.4	15.0	9.3	5.7	8.1	20.1	3.8	3.7	3.8	3.8	3.9	3.8	3.8	3.8	3.3	3.3
Plans required under Federal and State legislation . . . . .	598	504	413	381	354	341	326	256	18.7	22.0	8.4	7.6	3.8	4.6	27.3	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.3	1.3
Other fringe benefit plans . . . . .	983	789	737	619	561	525	475	411	24.6	7.1	19.1	10.3	6.9	10.5	15.6	2.4	2.3	2.4	2.3	2.4	2.3	2.2	2.0	2.0	
Program and production costs <sup>2</sup> . . . . .	14,920	12,839	11,239	9,442	8,333	7,644	6,763	6,317	16.2	14.2	19.0	13.3	9.0	13.0	7.1	35.9	36.6	36.9	35.7	35.5	33.8	31.9	31.3	31.3	
Depreciation . . . . .	7,246	6,117	4,990	4,433	3,934	3,848	3,704	3,634	18.5	22.6	12.6	12.7	2.2	3.9	1.9	17.4	17.4	16.4	16.8	16.7	17.0	17.4	18.0	18.0	
Buildings, offices, and structures . . . . .	5,747	4,730	3,745	3,230	2,814	2,792	2,678	2,668	21.5	26.3	15.9	14.8	0.8	4.3	0.4	13.8	13.5	12.3	12.2	12.0	12.3	12.6	13.2	13.2	
Transmission systems . . . . .	1,213	1,136	914	765	773	747	769	737	6.8	24.3	19.5	-1.0	3.5	-2.9	4.3	2.9	3.2	3.0	2.9	3.3	3.3	3.6	3.7	3.7	
Vehicles, machinery and equipment, and other tangible assets . . . . .	998	836	764	682	648	631	589	516	19.4	9.4	12.0	5.2	2.7	7.1	14.1	2.4	2.4	2.5	2.6	2.8	2.8	2.8	2.6	2.6	
Lease and rental . . . . .	427	350	297	258	237	237	237	193	22.0	17.8	15.1	8.9	—	—	22.8	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.0	1.0	
Buildings, offices, and structures . . . . .	448	373	350	318	310	300	270	240	20.1	6.6	10.1	2.6	3.3	11.1	12.5	1.1	1.1	1.1	1.2	1.3	1.3	1.3	1.2	1.2	
Transmission systems . . . . .	124	113	117	106	101	94	82	83	9.7	-3.4	10.4	5.0	7.4	14.6	-1.2	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
Vehicles, and other machinery and equipment . . . . .	740	648	615	555	459	432	373	341	14.2	5.4	10.8	20.9	6.3	15.8	9.4	1.8	1.8	2.0	2.1	2.0	1.9	1.8	1.7	1.7	
Purchased repairs . . . . .	71	68	62	60	49	45	37	33	4.4	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	
Buildings, offices, and structures . . . . .	435	376	375	345	277	255	214	198	15.7	0.3	8.7	24.5	8.6	19.2	8.1	1.0	1.1	1.2	1.3	1.2	1.1	1.0	1.0	1.0	
Transmission systems . . . . .	234	204	178	150	133	132	122	110	14.7	14.6	18.7	12.8	0.8	8.2	10.9	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	
Vehicles, and other machinery and equipment . . . . .	236	213	190	175	162	165	145	115	10.8	12.1	8.6	8.0	-1.8	13.8	26.1	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.6	0.6	
Insurance . . . . .	389	350	321	283	225	191	158	139	11.1	9.0	13.4	25.8	17.8	20.9	13.7	0.9	1.0	1.1	1.1	1.0	0.8	0.7	0.7	0.7	
Telephone and other purchased communication services . . . . .	318	265	241	215	210	220	220	201	20.0	10.0	12.1	2.4	-4.5	—	9.5	0.8	0.8	0.8	0.8	0.9	1.0	1.0	1.0	1.0	
Purchased utilities . . . . .	1,402	1,153	1,062	891	708	601	537	472	21.6	8.6	19.2	—	17.8	11.9	13.8	3.4	3.3	3.5	3.4	3.0	2.7	2.5	2.3	2.3	
Purchased advertising . . . . .	499	470	436	429	424	423	408	332	6.2	7.8	1.6	1.2	0.2	3.7	22.9	1.2	1.3	1.4	1.6	1.8	1.9	1.9	1.6	1.6	
Taxes . . . . .	5,941	4,849	4,402	3,804	3,543	3,803	4,001	4,447	22.5	10.2	15.7	7.4	-6.8	-4.9	-10.0	14.3	13.8	14.4	14.4	15.1	16.8	18.8	22.1	22.1	
Other operating expenses . . . . .																									

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

—Represents zero.

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

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

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

# Appendix A.

## Measures of Sampling Variability

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### 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. The *bias* of an estimator of an unknown population value is the difference, averaged over all possible samples of the same size and design, between the estimator and the unknown population value. Any systematic error, or inaccuracy that affects all samples of a specified design in a similar way, 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 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.

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A potentially large source of bias in the estimates is due to imputing data for nonrespondents and for data which fail edit.

For all kinds of business combined, imputed revenue amounts to about 8 percent of the national revenue estimate.

Table A-1. **Communications Services (SIC 48) — Estimated Coefficients of Variation for Summary Statistics by Kind of Business: 1997 and 1998**

Item	Communications services (SIC 48)	Telephone communications (SIC 481)	Radiotelephone communications (SIC 4812)	Telephone communications, except radiotelephone (SIC 4813)	Radio and television broadcasting (SIC 483)	Radio broadcasting (SIC 4832)	Television broadcasting (SIC 4833)	Cable and other pay television services (SIC 4841)	Telegraph and other communications services, not elsewhere classified (SIC 4822 and 4899)
<b>Total Revenue</b>									
Dollar volume									
1998 .....	1.3	1.5	1.4	1.8	1.4	2.9	1.8	2.1	5.5
1997 .....	1.2	1.5	1.4	1.8	1.5	3.0	1.8	2.1	5.5
Year-to-year ratio 1998/1997 .....	0.3	0.3	1.1	0.3	0.8	1.5	0.9	0.8	2.6
<b>Operating Expenses</b>									
Dollar volume									
1998 .....	1.2	1.4	1.4	1.7	2.2	3.4	3.0	2.2	5.8
1997 .....	1.3	1.6	1.2	1.9	1.7	3.1	2.0	2.1	4.9
Year-to-year ratio 1998/1997 .....	0.5	0.5	1.0	0.5	1.1	1.7	1.3	1.0	2.7
<b>Annual Payroll</b>									
Dollar volume									
1998 .....	0.7	0.9	1.6	1.1	1.4	3.1	1.9	2.1	8.0
1997 .....	0.7	0.8	1.4	0.9	1.9	3.5	2.2	1.9	9.3
Year-to-year ratio 1998/1997 .....	0.4	0.4	1.3	0.5	1.1	1.8	1.2	1.1	4.8
<b>Employer Contributions to Social Security and Other Supplemental Benefits</b>									
Dollar volume									
1998 .....	0.9	1.1	0.9	1.3	1.5	2.4	2.1	1.9	7.3
1997 .....	0.9	1.1	1.3	1.2	2.1	4.0	2.5	1.6	6.5
Year-to-year ratio 1998/1997 .....	0.4	0.5	0.9	0.5	1.1	2.7	0.9	1.2	3.3

Table A-2. **Telephone Communications (SIC 481) — Estimated Coefficients of Variation for Operating Revenue and Expenses: 1997 and 1998**

Item	Dollar volume		Year-to-year ratio 1998/1997
	1998	1997	
<b>Operating Revenue</b>			
Total .....	1.5	1.5	0.3
Local service .....	0.9	0.9	0.2
Long-distance service .....	3.1	3.5	0.6
Network access .....	1.9	1.7	0.4
Cellular and other radiotelephone .....	1.4	1.4	1.1
Directory advertising .....	0.9	0.8	0.2
Other operating revenue .....	3.2	3.1	2.1
<b>Operating Expenses</b>			
Total .....	1.4	1.6	0.5
Annual payroll .....	0.9	0.8	0.4
Employer contributions to Social Security and other supplemental benefits .....	1.1	1.1	0.5
Access charges .....	4.0	4.6	1.1
Depreciation .....	1.0	1.1	0.3
Lease and rental .....	1.9	0.8	1.7
Purchased repairs .....	1.5	1.3	0.3
Insurance .....	2.4	2.6	1.3
Telephone and other purchased communication services .....	3.6	4.5	1.2
Purchased utilities .....	1.0	1.0	0.4
Purchased advertising .....	3.4	5.4	1.5
Taxes .....	2.2	2.7	0.8
Other operating expenses .....	1.5	1.5	0.8

Table A-3. **Radiotelephone Communications (SIC 4812) — Estimated Coefficients of Variation for Operating Revenue and Expenses: 1997 and 1998**

Item	Dollar volume		Year-to-year ratio 1998/1997	Percent of total	
	1998	1997		1998	1997
<b>Operating Revenue</b>					
Total .....	1.4	1.4	1.1	(X)	(X)
Cellular and other radiotelephone .....	1.5	1.3	1.1	0.5	0.4
Other operating revenue .....	8.1	7.0	2.2	8.0	6.4
<b>Operating Expenses</b>					
Total .....	1.4	1.2	1.0	(X)	(X)
Annual payroll .....	1.6	1.4	1.3	0.5	0.4
Employer contributions to Social Security and other supplemental benefits .....	0.9	1.3	0.9	0.8	0.3
Access charges .....	2.0	2.1	1.4	1.4	1.5
Depreciation .....	1.1	1.2	0.8	0.6	0.4
Lease and rental .....	6.7	1.8	5.6	5.1	1.1
Purchased repairs .....	2.0	2.1	1.9	1.4	1.4
Insurance .....	3.8	5.0	1.8	2.5	4.4
Telephone and other purchased communication services .....	4.4	4.9	2.3	4.3	4.7
Purchased utilities .....	1.3	1.7	1.2	1.4	1.0
Purchased advertising .....	3.3	1.2	2.8	2.1	0.5
Taxes .....	1.1	1.5	1.0	0.9	0.7
Other operating expenses .....	1.1	1.2	0.8	0.9	0.6

X Not applicable.



Table A-4. **Telephone Communications, Except Radiotelephone (SIC 4813) — Estimated Coefficients of Variation for Operating Revenue and Expenses: 1997 and 1998**

Item	Dollar volume		Year-to-year ratio 1998/1997	Percent of total	
	1998	1997		1998	1997
<b>Operating Revenue</b>					
Total .....	1.8	1.8	0.3	(X)	(X)
Local service .....	0.9	0.9	0.2	1.2	1.4
Long-distance service .....	3.1	3.5	0.6	1.4	1.9
Network access .....	1.9	1.7	0.4	1.4	1.7
Cellular and other radiotelephone .....	(S)	(S)	(S)	(S)	(S)
Directory advertising .....	0.9	0.8	0.2	1.3	1.4
Other operating revenue .....	3.4	3.3	2.4	3.1	3.9
<b>Operating Expenses</b>					
Total .....	1.7	1.9	0.5	(X)	(X)
Annual payroll .....	1.1	0.9	0.5	0.9	1.3
Employer contributions to Social Security and other supplemental benefits .....	1.3	1.2	0.5	1.3	1.7
Access charges .....	4.2	4.8	1.1	2.7	3.2
Depreciation .....	1.2	1.2	0.4	0.9	1.5
Lease and rental .....	1.3	1.0	0.6	1.2	1.4
Purchased repairs .....	1.6	1.4	0.4	1.2	1.6
Insurance .....	3.5	3.0	1.3	2.9	3.0
Telephone and other purchased communication services .....	5.8	6.7	1.3	5.0	6.4
Purchased utilities .....	1.1	1.1	0.4	1.0	1.5
Purchased advertising .....	4.8	7.3	1.5	3.4	5.8
Taxes .....	2.3	2.8	0.8	1.4	1.5
Other operating expenses .....	1.8	1.8	0.9	1.0	1.0

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

Table A-5. **Telephone Communications, Except Radiotelephone (SIC 4813) — Estimated Coefficients of Variation for Local, Long-Distance, and Network Access Revenue by Type of Customer and Service: 1997 and 1998**

Item	Dollar volume	Type of customer		Type of service	
		Residential	Nonresidential	Intrastate	Interstate
<b>Local Service</b>					
Dollar volume					
1998 .....	0.9	0.8	1.3	0.9	6.5
1997 .....	0.9	0.7	1.2	0.9	6.3
Year-to-year ratio 1998/1997 .....	0.2	0.4	0.3	0.2	1.3
<b>Long-Distance Service</b>					
Dollar volume					
1998 .....	3.1	5.9	3.1	3.3	3.1
1997 .....	3.5	6.8	3.2	3.5	3.5
Year-to-year ratio 1998/1997 .....	0.6	0.7	0.7	0.8	0.6
<b>Network Access</b>					
Dollar volume					
1998 .....	1.9	4.9	1.6	2.7	1.6
1997 .....	1.7	5.0	1.3	2.7	1.4
Year-to-year ratio 1998/1997 .....	0.4	1.7	0.5	0.6	0.4

Table A-6. **Telephone Communications (SIC 481) — Estimated Coefficients of Variation for Cellular and Other Radiotelephone Revenue by Type of Service: 1998**

Item	1998 (Dollar volume)
Cellular and other radiotelephone revenue .....	1.4
<b>Type of Service</b>	
Air time .....	1.6
Basic service .....	1.1
Long-distance service .....	2.0
Roaming charges .....	1.8
Other services .....	5.3

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: 1997 and 1998**

Item	Total broadcasting (SIC 483)			Radio (SIC 4832)			Television (SIC 4833)		
	Dollar volume		Year-to- year ratio 1998/1997	Dollar volume		Year-to- year ratio 1998/1997	Dollar volume		Year-to- year ratio 1998/1997
	1998	1997		1998	1997		1998	1997	
<b>Total Revenue</b>									
Total .....	1.4	1.5	0.8	2.9	3.0	1.5	1.8	1.8	0.9
<b>Operating Expenses</b>									
Total .....	2.2	1.7	1.1	3.4	3.1	1.7	3.0	2.0	1.3
Annual payroll .....	1.4	1.9	1.1	3.1	3.5	1.8	1.9	2.2	1.2
Employer contributions to Social Security and other supplemental benefits .....	1.5	2.1	1.1	2.4	4.0	2.7	2.1	2.5	0.9
Broadcast rights .....	3.9	2.6	1.1	7.5	7.2	1.4	4.1	2.7	1.1
Music license fees .....	2.2	1.7	1.5	3.9	3.0	2.2	1.6	1.1	1.3
Depreciation .....	2.4	2.9	3.4	5.1	5.7	4.4	3.6	3.4	4.3
Lease and rental .....	3.6	4.2	2.7	4.7	5.5	3.9	5.8	6.1	3.8
Purchased repairs .....	3.1	3.2	2.6	7.6	5.0	4.5	4.4	4.0	3.5
Insurance .....	4.3	2.6	3.5	4.9	3.9	2.2	5.8	3.6	6.1
Telephone and other purchased communication services .....	2.2	2.7	1.4	4.4	4.9	2.8	2.5	2.8	1.7
Purchased utilities .....	3.0	3.1	2.0	4.9	5.0	3.0	3.8	4.0	2.0
Purchased advertising .....	6.5	4.8	1.7	4.3	3.2	2.2	9.6	7.0	2.2
Taxes .....	2.5	3.2	2.3	5.3	6.4	5.4	3.2	3.5	4.0
Other operating expenses .....	2.4	1.9	1.9	4.6	3.2	2.8	4.0	2.3	2.7

Table A-8. **Broadcasting Services (SIC 483) — Estimated Coefficients of Variation for Operating Revenue and Expenses for Taxable Firms by Kind of Business: 1997 and 1998**

Item	Total broadcasting (SIC 483)			Radio (SIC 4832)					Television (SIC 4833)				
	Dollar volume		Year- to-year ratio 1998/ 1997	Dollar volume		Year- to-year ratio 1998/ 1997	Percent of total		Dollar volume		Year- to-year ratio 1998/ 1997	Percent of total	
	1998	1997		1998	1997		1998	1997	1998	1997		1998	1997
<b>Operating Revenue</b>													
Total .....	1.5	1.6	0.8	3.0	3.2	1.5	(X)	(X)	1.8	1.8	0.9	(X)	(X)
Station time sales .....	1.7	2.1	0.8	2.7	2.8	1.5	0.6	0.6	2.3	2.9	1.0	1.6	1.6
Network compensation ..	4.3	5.3	2.5	6.3	3.6	4.1	4.5	3.4	5.2	6.0	2.9	5.1	5.6
National/regional advertising .....	2.0	2.3	1.0	3.6	4.5	2.4	1.7	2.4	2.2	2.6	1.1	1.4	1.3
Local advertising .....	1.7	2.2	0.8	2.7	2.6	1.5	0.9	1.1	2.8	3.3	1.1	2.2	2.1
Network time sales .....	3.2	1.9	1.1	9.8	9.3	2.2	7.1	6.6	3.4	2.0	1.1	2.2	2.2
Other operating revenue ..	3.4	4.0	3.1	11.2	8.7	4.3	8.3	6.4	3.3	4.5	3.4	3.0	4.0
<b>Operating Expenses</b>													
Total .....	2.3	1.8	1.2	3.5	3.3	1.8	(X)	(X)	3.2	2.1	1.4	(X)	(X)
Annual payroll .....	1.5	2.0	1.1	3.2	3.6	1.8	1.0	0.9	1.9	2.3	1.3	1.9	1.6
Employer contributions to Social Security and other supplemental benefits ...	1.6	2.2	1.1	2.4	4.3	2.8	2.2	2.8	2.1	2.6	0.9	1.9	1.8
Broadcast rights .....	4.1	2.7	1.1	7.8	7.5	1.6	6.1	5.7	4.2	2.8	1.2	1.3	1.6
Music license fees .....	2.2	1.7	1.5	4.0	3.0	2.2	3.2	2.3	1.6	1.1	1.4	2.7	1.9
Depreciation .....	2.5	3.1	3.6	5.4	6.1	4.6	3.8	5.7	3.7	3.5	4.5	1.8	3.7
Lease and rental .....	3.9	4.6	2.7	4.8	5.9	3.6	2.9	4.0	6.3	6.8	3.9	7.0	6.9
Purchased repairs .....	3.2	3.4	2.7	8.6	5.6	4.8	6.6	4.4	4.7	4.2	3.8	4.7	3.6
Insurance .....	4.6	2.7	3.7	5.1	4.1	2.3	2.9	3.0	6.2	3.7	6.7	6.8	3.4
Telephone and other purchased communication services ..	2.3	2.9	1.5	4.8	5.3	2.9	2.7	3.3	2.7	2.9	1.9	1.7	1.7
Purchased utilities .....	2.6	2.9	2.0	5.5	5.6	3.0	4.1	4.2	3.6	3.1	2.1	3.4	3.2
Purchased advertising ....	6.7	4.9	1.8	4.4	3.2	2.3	2.5	2.6	9.8	7.1	2.3	5.0	5.4
Taxes .....	2.5	3.3	2.5	5.6	6.5	5.4	3.3	6.3	3.3	3.5	4.0	3.0	3.9
Other operating expenses ..	2.7	2.1	2.1	4.7	3.4	3.0	1.8	1.8	4.5	2.6	3.0	2.3	1.6

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: 1997 and 1998**

Item	Total broadcasting (SIC 483)			Radio (SIC 4832)			Television (SIC 4833)		
	Dollar volume		Year-to- year ratio 1998/1997	Dollar volume		Year-to- year ratio 1998/1997	Dollar volume		Year-to- year ratio 1998/1997
	1998	1997		1998	1997		1998	1997	
<b>Total Revenue</b>									
Total .....	2.7	3.3	1.3	13.1	12.1	2.4	2.8	2.8	1.3
<b>Operating Expenses</b>									
Total .....	2.7	3.3	0.5	13.1	12.4	1.6	2.5	2.8	0.5
Annual payroll .....	3.6	4.3	1.0	11.4	11.5	2.4	3.9	4.1	1.2
Employer contributions to Social Security and other supplemental benefits .....	3.9	4.6	1.2	11.1	12.5	2.6	3.9	4.5	1.4
Broadcast rights .....	(S)	(S)	(S)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Music license fees .....	(S)	(S)	(S)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Depreciation .....	5.2	5.8	3.2	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Lease and rental .....	8.4	10.3	13.5	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Purchased repairs .....	3.5	6.7	3.3	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Insurance .....	2.8	3.7	2.6	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Telephone and other purchased communication services .....	5.1	4.9	2.1	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Purchased utilities .....	13.3	18.2	2.5	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Purchased advertising .....	2.0	2.7	1.9	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Taxes .....	(S)	(S)	(S)	(NA)	(NA)	(NA)	(NA)	(NA)	(NA)
Other operating expenses .....	3.1	3.0	1.4	(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: 1997 and 1998**

Item	Dollar volume		Year-to-year ratio 1998/1997	Percent of total	
	1998	1997		1998	1997
<b>Operating Revenue</b>					
Total .....	2.1	2.1	0.8	(X)	(X)
Total cable and other pay television revenue .....	2.2	2.1	0.8	(X)	(X)
Advertising .....	4.6	5.0	1.1	3.3	4.4
Program revenue .....	4.7	3.8	1.2	4.6	4.3
Basic service revenue .....	2.1	2.3	0.9	1.3	1.2
Pay-per-view and other premium service revenue .....	7.0	6.6	1.1	5.4	5.3
Installation fees .....	4.6	3.9	2.7	4.0	3.5
Other cable revenue .....	2.7	1.9	1.9	2.2	1.6
<b>Operating Expenses</b>					
Total .....	2.2	2.1	1.0	(X)	(X)
Annual payroll .....	2.1	1.9	1.1	1.2	0.9
Employer contributions to Social Security and other supplemental benefits .....	1.9	1.6	1.2	1.5	1.4
Plans required under Federal and State legislation .....	2.2	2.0	1.1	1.9	1.9
Other fringe benefit plans .....	1.8	1.5	1.4	1.4	1.3
Program and production costs .....	2.9	2.7	1.0	1.3	1.3
Depreciation .....	3.1	3.0	1.4	2.1	2.2
Buildings, offices, and structures .....	(S)	(S)	(S)	(S)	(S)
Transmission systems .....	3.4	3.3	1.6	2.3	2.3
Vehicles, machinery and equipment, and other tangible assets .....	4.6	4.6	2.1	4.3	4.7
Lease and rental .....	4.0	4.3	2.3	3.3	3.9
Buildings, offices, and structures .....	4.5	3.8	1.9	3.0	2.6
Transmission systems .....	6.9	8.2	4.3	6.9	8.1
Vehicles, and other machinery and equipment .....	4.0	4.4	2.4	4.7	4.9
Purchased repairs .....	1.8	2.1	1.2	1.9	2.1
Buildings, offices, and structures .....	5.0	6.8	2.8	3.7	6.1
Transmission systems .....	2.1	2.2	1.1	2.7	2.6
Vehicles, and other machinery and equipment .....	2.6	2.1	2.7	2.2	2.4
Insurance .....	3.0	3.5	2.0	3.0	3.4
Telephone and other purchased communication services .....	3.3	5.6	2.9	2.3	5.5
Purchased utilities .....	3.0	3.3	1.7	2.2	2.2
Purchased advertising .....	2.1	1.6	1.8	2.0	1.6
Taxes .....	4.0	2.9	2.8	2.5	2.3
Other operating expenses .....	3.6	3.8	2.1	2.4	2.4

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

# Appendix B.

## Explanatory Material

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### 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.



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**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.

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**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.

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**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.

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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 mailing 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

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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 organization owned and operated by Federal, State, or organization is classified according to the major service (determined by the volume of revenue) it provides. Establishments, firms, and organizations owned and operated by Federal, State, or local governments are excluded. A description of each kind-of-business classification presented in this report follows.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Appendix D. Report Forms

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# B-516

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

FORM **B-516**  
(10-19-98)  
U.S. DEPARTMENT OF COMMERCE  
BUREAU OF THE CENSUS

## 1998 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 only 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

013

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

Enter the total number of telephone communication locations operated by this company as of December 31, 1998. A location is defined as an establishment with paid company personnel. \_\_\_\_\_

Key  
code

1998  
Number

001

#### Item 2 ORGANIZATIONAL STATUS — Mark (X) the ONE box which best describes this company during 1998.

- 081  Corporation      5  Governmental — Specify       9  Other — Specify   
1  Individual proprietorship       082       083  
2  Partnership

**CONTINUE WITH ITEM 3 ON PAGE 2**

Item 3 OPERATING REVENUE	Estimates are acceptable if book figures are not available.				Key code	1998			
	Bil.	Mil.	Thou.	Dol.					
<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><b>Line a</b> — Report cellular and other mobile services revenue in line d.</p> <p><b>Line d</b> — Report installation fees and the sale of equipment in line f.</p> <p><b>Line e</b> — Report other directory revenue (i.e., revenue from the sale of directories, charges for unlisted telephone numbers, etc.) in line f.</p> <p><b>Line f</b> — Exclude the sale of merchandise and equipment from retail locations. Also exclude sales or other taxes collected from customers and paid directly to a taxing authority, and nonoperating revenue such as income from investments, the sale of securities, real estate, etc. <b>NOTE</b> — If the amount reported on this line is greater than 50 percent of the total operating revenue reported in line g, indicate the source of this revenue in the "Remarks" section on page 4 of this form.</p>	a. Local service revenue	602							
	b. Long-distance service revenue	603							
	c. Network access revenue	604							
	d. Cellular and other radiotelephone revenue	605							
	e. Directory advertising revenue	606							
	f. Other operating revenue	607							
	<b>g. TOTAL OPERATING REVENUE</b>	<b>002</b>							
<b>Item 4 ANALYSIS OF REVENUE</b>	<b>Percentage of local service revenue</b>		<b>Percentage of long-distance service revenue</b>		<b>Percentage of network access revenue</b>				
<b>4a. What were the percentages of local service, long-distance service, and network access revenue by type of customer?</b>	<b>Key code</b>	<b>1998</b>	<b>Key code</b>	<b>1998</b>	<b>Key code</b>	<b>1998</b>			
	(1) Residential customers	609 %	611 %	613 %					
(2) Other customers	610 %	612 %	614 %						
<b>TOTAL</b>	<b>100%</b>		<b>100%</b>		<b>100%</b>				
<b>4b. What were the percentages of local service, long-distance service, and network access revenue by type of service?</b>	<b>Key code</b>	<b>1998</b>	<b>Key code</b>	<b>1998</b>	<b>Key code</b>	<b>1998</b>			
	(1) Intrastate service	625 %	615 %	617 %					
(2) Interstate service	626 %	616 %	618 %						
<b>TOTAL</b>	<b>100%</b>		<b>100%</b>		<b>100%</b>				
<p><b>Line 4c</b> – Firms providing cellular and other radiotelephone services: Report in lines c(1) through c(5) respectively, the percentage of cellular and other radiotelephone revenue (reported in item 3d) from the sale of air time; basic and other services, such as call waiting and voice mail; long-distance services; intercarrier nonhome-subscriber traffic services (roaming charges); and all other sources, such as radio paging, mobile dispatching, and signaling services.</p> <p><b>NOTE</b> – The sum of lines c(1) through c(5) should equal 100 percent.</p>	<b>4c. Percentage of cellular and other radiotelephone revenue from:</b>				<b>Key code</b>	<b>1998</b>			
	(1) Air time					619	%		
	(2) Basic service					620	%		
	(3) Long-distance service					621	%		
	(4) Roaming charges					622	%		
	(5) Other					623	%		
<b>TOTAL</b>					<b>100%</b>				



Item 5	PAYROLL AND OTHER OPERATING EXPENSES	Estimates are acceptable if book figures are not available.	Key code	1998			
				Bil.	Mil.	Thou.	Dol.
<p><b>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</b></p> <p><b>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</b></p> <p><b>Line a</b> — Report, on a cash basis, the gross earnings paid to employees prior to deductions. If an unincorporated concern, <b>exclude</b> payments to proprietors or partners.</p> <p><b>Line b</b> — Report, on a cash basis, in line b(1) employer's cost for legally required programs. Report, on a cash basis, in line b(2) employer's cost for programs not required by law. Report in line b(1) and line b(2) the amounts actually contributed.</p> <p><b>Line c</b> — Firms providing <b>cellular phone service</b>, report <b>interconnection fees</b> here.</p> <p><b>Line d</b> — <b>Exclude</b> depreciation on intangible assets and assets leased to others by you under a capital lease agreement. Do not adjust for the value of depreciable assets sold or traded for replacement purposes.</p> <p><b>Line e</b> — <b>Exclude</b> payments by your firm to the parent company or organization, or any of its subsidiaries, for use of assets owned by them; and installment payments for assets obtained by your company through capital lease agreements.</p> <p><b>Line f</b> — <b>Exclude</b> repair costs included as part of a lease or rental agreement, improvements for which depreciation accounts are maintained, and repairs performed by employees of your company and its subsidiaries.</p> <p><b>Line g</b> — <b>Exclude</b> worker's compensation premiums. Report these costs in line b(1).</p> <p><b>Line i</b> — <b>Exclude</b> the cost of utility services if included as part of a lease or rental agreement.</p> <p><b>Line k</b> — <b>Exclude</b> income, payroll, sales, and other taxes collected from customers and paid directly to local, State, or Federal government agencies.</p> <p><b>Lines l and m</b> — See the attached "Coverage and Reporting Instructions" sheet to calculate Other Operating Expenses and Total Operating Expenses as they pertain to this survey.</p> <p><b>NOTE</b> — If the amount reported on line l is greater than 50 percent of the total operating expenses reported in line m, indicate the source of these expenses in the "Remarks" section on page 4 of this form.</p>		a. Annual payroll	627				
		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	003						
Item 6	INTEREST EXPENSE		Key code	1998			
<p>Report all interest expense, including capitalized interest.</p> <p><b>Estimates are acceptable if book figures are not available.</b></p>				Bil.	Mil.	Thou.	Dol.
			645				

CONTINUE WITH ITEM 7 ON PAGE 4

<b>Item 7 REPORT PERIOD</b>		<b>Key code</b>		<b>1998</b>		
Mark (X) the one box which best describes the period covered by your report.		080	1 <input type="checkbox"/> Calendar year — Go to item 8	From	005	Month   Day   Year
If the data reported in items 3 through 6 are for a period other than the "calendar year," please enter the beginning and ending dates.			2 <input type="checkbox"/> Fiscal year	To	010	
			3 <input type="checkbox"/> Less than 12 months			

<b>Item 8 OWNERSHIP OR CONTROL</b>		Name of owning or controlling company					
a. Does another company own more than 50 percent of the voting stock or have the power to control the management and policies of this company?		085					
084 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No — Continue with item 8b		Number and street					
		City, State, and ZIP Code					
		086					
		EIN →					
b. Did this company acquire or merge with another company in 1998?		Name of company acquired or merged with					
087 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No — Continue with item 9		088					
		Number and street					
		City, State, and ZIP Code					
		Date of merger or acquisition		089	Month	Year	090
						EIN →	

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

091

<b>CENSUS USE</b>
092

<b>Item 9 CERTIFICATION — This report is substantially accurate and was prepared in accordance with instructions.</b>					
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		097			

**1998 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 1998 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 1998, report only for the period that the locations were operated by this company.
- Report data for calendar year 1998. If calendar year records are not available, data for the latest fiscal year are acceptable. Indicate the period covered in item 7. Please note, however, that estimates for calendar year 1998 are preferable to book figures covering a different time period.
- Regulated common carriers, report data on a financial reporting basis.
- Report dollar values in whole dollars (omit cents).
- If book figures are not available, carefully prepared estimates are acceptable.

**Item 3 — OPERATING REVENUE**

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

- Report all charges or billings for services rendered and any sales of merchandise during 1998, 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 1998 under capital, finance, or "full payout" leases). Also, include revenue from the rental of telecommunications plant or equipment furnished apart from services rendered; operating and maintenance activities for others; special billing arrangements for customers; billing and collection services provided to other telecommunications firms; directory revenue from other than advertising services; installation fees; and services such as general accounting, financial, legal, etc. provided to firms under a license, general contract, or other agreement. Include sales of merchandise and equipment. **Exclude** the sale of merchandise and equipment from retail locations. Also, **exclude** sales or other taxes collected from customers and paid directly to a taxing authority, and nonoperating revenue such as the sale of investments, securities, real estate, etc. **NOTE — If the amount reported on this line is greater than 50 percent of the total operating revenue reported in item 3g, indicate the source of this revenue in the "Remarks" section on page 4 of this form.**

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

**Item 4 — ANALYSIS OF REVENUE**

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

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

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

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

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

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

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

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

REPORTING INSTRUCTIONS — Continued

Item 5 — PAYROLL AND OTHER OPERATING EXPENSES

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

- Report costs incurred during 1998 even though payments may be made at a later date. **Exclude** sales taxes or other taxes collected from customers and paid directly to a taxing authority.

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

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

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

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

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

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

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

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

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

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

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

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

Lines l and m

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

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

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

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

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

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

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

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

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

Public reporting burden for this collection of information is estimated to average 8.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Associate Director for Finance and Administration, 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.

FORM **B-518**  
(10-19-98)

U.S. DEPARTMENT OF COMMERCE  
BUREAU OF THE CENSUS

**1998 ANNUAL  
SURVEY OF  
COMMUNICATION  
SERVICES**

**RADIO AND TELEVISION  
BROADCASTING**

---

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

Any questions call 1-800-772-7851

**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 only 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.

<b>CENSUS USE</b>	013

(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 radio and television broadcasting 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.**

<b>Item 1</b>	<b>NUMBER OF LOCATIONS</b>		<b>Key code</b>	<b>1998 Number</b>
Enter the total number of broadcasting locations operated by this company as of December 31, 1998. A location is defined as an establishment with paid company personnel. <b>Line a</b> – Report the number of radio stations covered by this survey. <b>Line b</b> – Report the number of television stations covered by this survey. <b>Line c</b> – Report the number of other broadcasting locations covered by this survey. (Include network broadcasting locations.) <b>Line d</b> – Report the total number of broadcasting locations and stations covered by this report. Sum of lines a through c.	Enter the total number of –			
	a. Radio stations		<b>701</b>	
	b. Television stations		<b>702</b>	
	c. Other broadcasting locations		<b>703</b>	
	<b>d. TOTAL NUMBER OF BROADCASTING LOCATIONS/STATIONS – Sum of lines a through c</b>		<b>001</b>	

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

		<b>Key code</b>	<b>1998 Percent</b>
<b>Line e</b> – Report the percentage of this firm's total operating revenue (item 4g, page 2) from all radio stations reported in item 1a and all television stations reported in item 1b. <b>NOTE</b> – The sum of lines e(1) and e(2) should equal 100 percent.	e. What percentage of this firm's total operating revenue was from –		
	(1) Radio stations?	<b>716</b>	%
	(2) Television stations?	<b>717</b>	%
	<b>TOTAL</b>		<b>100%</b>

**Item 2 ORGANIZATIONAL STATUS** — Mark (X) the ONE box which best describes this company during 1998.

081  Corporation      5  Governmental — Specify  9  Other — Specify

1  Individual proprietorship       082       083

2  Partnership



**Item 3 TAX STATUS**

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

Item 4 REVENUE	Estimates are acceptable if book figures are not available.	Key code	1998			
			Bil.	Mil.	Thou.	Dol.
<p><b>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</b></p> <p>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</p> <p><b>STATION TIME SALES</b></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><b>NETWORK TIME SALES</b></p> <p>Line e – (Networks only) Deduct commissions paid to agency representatives and brokers.</p> <p><b>OTHER OPERATING REVENUE</b></p> <p>Line f – Include satellite truck rental revenue, but exclude tower rental revenue. <b>NOTE</b> – If the amount reported on this line is greater than 50 percent of total operating revenue reported in line g, indicate the source of this revenue in the "Remarks" section on page 4 of this form.</p>	<b>STATION TIME SALES</b>					
	a. Network compensation	704				
	b. National/regional advertising revenue (net)	705				
	c. Local advertising revenue (net)	706				
	d. <b>TOTAL STATION TIME SALES (net) — Sum of lines a through c.</b>	707				
	<b>NETWORK TIME SALES (Networks only)</b>					
	e. Advertising revenue (net)	708				
	f. <b>OTHER OPERATING REVENUE</b>	607				
	g. <b>TOTAL OPERATING REVENUE</b>	002				

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

NONOPERATING INCOME (Tax-exempt organizations only; all others SKIP to item 5.)	NONOPERATING INCOME	Key code	1998			
			Bil.	Mil.	Thou.	Dol.
<p>Line i – <b>NOTE</b> – If the amount reported on this line is greater than 50 percent of the total revenue reported in line j, indicate the source of this revenue in the "Remarks" section on page 4 of this form.</p> <p>Line j – <b>Tax-exempt organizations only.</b> Report the sum of items 4g through 4i.</p>	h. Subsidies, gifts, loans, contributions, and grants	709				
	i. Other nonoperating income	710				
	j. <b>TOTAL REVENUE</b>	006				

Item 5 PAYROLL AND OTHER OPERATING EXPENSES	Estimates are acceptable if book figures are not available.	Key code	1998			
			Bil.	Mil.	Thou.	Dol.
<p><b>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</b></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, <b>exclude</b> 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>	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. Broadcast rights	712				
	d. Music license fees	713				
	<b>SUBTOTAL — Sums of lines a through d.</b> Please enter these totals here and on next page.					

Item 5	PAYROLL AND OTHER OPERATING EXPENSES — Continued	Estimates are acceptable if book figures are not available.	Key code	1998			
				Bil.	Mil.	Thou.	Dol.
<p><b>Line e</b> — (Networks only) <b>Exclude</b> the cost of programming time purchased from stations owned by your company.</p> <p><b>Line f</b> — <b>Exclude</b> depreciation on intangible assets and assets leased to others by you under a capital lease agreement. Do not adjust for the value of depreciable assets sold or traded for replacement purposes.</p> <p><b>Line g</b> — <b>Exclude</b> payments by your firm to the parent company or organization, or any of its subsidiaries, for use of assets owned by them; and installment payments for assets obtained by your company through capital lease agreements.</p> <p><b>Line h</b> — <b>Exclude</b> repair costs included as part of a lease or rental agreement, improvements for which depreciation accounts are maintained, and repairs performed by employees of your company and its subsidiaries.</p> <p><b>Line i</b> — <b>Exclude</b> worker's compensation premiums. Report these costs in line b(1).</p> <p><b>Line k</b> — <b>Exclude</b> the cost of utility services if included as part of a lease or rental agreement.</p> <p><b>Line m</b> — <b>Exclude</b> income, payroll, sales, and other taxes collected from customers and paid directly to local, State, or Federal government agencies.</p> <p><b>Lines n and o</b> — See the attached "Coverage and Reporting Instructions" sheet to calculate Other Operating Expenses and Total Operating Expenses as they pertain to this survey.</p> <p><b>NOTE</b> — If the amount reported on line n is greater than 50 percent of the total operating expenses reported in line o, indicate the source of these expenses in the "Remarks" section on page 4 of this form.</p>		<p><b>BEFORE continuing — Enter subtotals for lines a through d from previous page.</b></p>					
		<b>e. Network compensation fees</b>	<b>714</b>				
		<b>f. Depreciation and amortization charges</b>					
		(1) Buildings, offices, and structures	<b>631</b>				
		(2) Transmission systems	<b>632</b>				
		(3) Vehicles, machinery and equipment, and other tangible assets	<b>633</b>				
		<b>g. Lease and rental costs</b>					
		(1) Buildings, offices, and structures	<b>634</b>				
		(2) Transmission systems	<b>635</b>				
		(3) Vehicles, and other machinery and equipment	<b>636</b>				
		<b>h. Cost of purchased repairs</b>					
		(1) Buildings, offices, and structures	<b>637</b>				
		(2) Transmission systems	<b>638</b>				
		(3) Vehicles, and other machinery and equipment	<b>639</b>				
		<b>i. Cost of insurance</b>	<b>640</b>				
		<b>j. Cost of telephone and other purchased communication services</b>	<b>641</b>				
		<b>k. Cost of purchased utilities</b>	<b>642</b>				
		<b>l. Cost of purchased advertising</b>	<b>643</b>				
		<b>m. Taxes and licenses</b>	<b>644</b>				
		<b>n. Other operating expenses</b>	<b>646</b>				
		<b>o. TOTAL OPERATING EXPENSES</b>	<b>003</b>				

Item 6	INTEREST EXPENSE	Key code	1998			
			Bil.	Mil.	Thou.	Dol.
<p>Report all interest expense, including capitalized interest.</p> <p><b>Estimates are acceptable if book figures are not available.</b></p>		<b>645</b>				

Item 7	REPORT PERIOD	Key code	1998		
			Month	Day	Year
<p>Mark (X) the one box which best describes the period covered by your report.</p> <p>080 <input type="checkbox"/> 1 <input type="checkbox"/> Calendar year — Go to item 8</p> <p>If the data reported in items 4 through 6 are for a period other than the "calendar year," please enter the beginning and ending dates.</p> <p><input type="checkbox"/> 2 <input type="checkbox"/> Fiscal year</p> <p><input type="checkbox"/> 3 <input type="checkbox"/> Less than 12 months</p>					
From		<b>005</b>			
To		<b>010</b>			

<b>Item 8 OWNERSHIP OR CONTROL</b>	Name of owning or controlling company	
	085	
	Number and street	
	City, State, and ZIP Code	
084	1 <input type="checkbox"/> YES → 2 <input type="checkbox"/> NO — <i>Continue with item 8b</i>	
Name of company acquired or merged with		
087	1 <input type="checkbox"/> YES → 2 <input type="checkbox"/> NO — <i>Continue with item 9</i>	
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

<b>CENSUS USE</b>
092

<b>Item 9 CERTIFICATION</b> — This report is substantially accurate and was prepared in accordance with instructions.			
Name of person completing this report	Address (Number and street, city, State, ZIP Code)	095 Telephone	
093	094	Area code	Number
Signature of authorized person		098 FAX	
		Area code	Number
Title	Date		
096	097		



1998 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 1998 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 1998, report only for the period that the locations were operated by this company.
- Report data for calendar year 1998. If calendar year records are not available, data for the latest fiscal year are acceptable. Indicate the period covered in item 7. Please note, however, that estimates for calendar year 1998 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 1998, even though payments may be received at a later date. Do not deduct allowances for uncollectable accounts. **Exclude** revenue from a domestic parent organization (intracompany transfers), or from franchise locations owned by others and any franchise or license fees. **Exclude** sales and other taxes collected from customers and paid directly to a taxing authority.
- Prorate revenue derived from services provided on a contractual basis according to the work accomplished. (Only include the amounts applicable to the report period.)

STATION TIME SALES

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

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

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

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

NETWORK TIME SALES

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

OTHER OPERATING REVENUE

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

TOTAL OPERATING REVENUE

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

NONOPERATING INCOME (Tax-exempt organizations only)

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

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

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

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

Item 5 — PAYROLL AND OTHER OPERATING EXPENSES

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

- Report costs incurred during 1998 even though payments may be made at a later date. **Exclude** sales or other taxes collected from customers and paid directly to a taxing authority.

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

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

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

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

**REPORTING INSTRUCTIONS — Continued**

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

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

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

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

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

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

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

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

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

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

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

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

**Lines n and o**

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

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

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

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

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

- (Items 5a through 5m on survey report form)

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

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

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

Public reporting burden for this collection of information is estimated to average 5.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Associate Director for Finance and Administration, 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.

FORM **B-520**  
(11-09-98)  
U.S. DEPARTMENT OF COMMERCE  
BUREAU OF THE CENSUS  
**1998 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 only 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	013

**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	Key code	1998 Number
	Enter the total number of cable television and other communication services locations operated by this company as of December 31, 1998. A location is defined as an establishment with paid company personnel. _____	<b>001</b>	

**Item 2 ORGANIZATIONAL STATUS** — Mark (X) the ONE box which best describes this company during 1998.

081  Corporation      5  Governmental — Specify  082      9  Other — Specify  083

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	1998			
			Bil.	Mil.	Thou.	DoI.
<p><b>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</b></p> <p>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</p> <p><b>CABLE AND OTHER PAY TELEVISION REVENUE</b></p> <p><b>Line a — System operators and program providers report here.</b> — Deduct commissions paid to agency representatives.</p> <p><b>Line b — Program providers</b> report revenue from system operators and other customers for programming services. <b>System operators</b> report revenue from customers for programming services.</p> <p><b>Line c — System operators report here</b> — Include subscription fees received for basic and non-premium service tiers from residential and commercial customers.</p> <p><b>Line d — System operators report here.</b></p> <p><b>Line e — System operators report here.</b> — Include all reconnect fees.</p> <p><b>Line f — System operators and program providers report here.</b> — Include revenue from shop-at-home programs.</p> <p><b>OTHER OPERATING REVENUE</b></p> <p><b>Line j — Exclude</b> nonoperating revenue such as income from investments, the sale of securities, or real estate, etc.</p> <p><b>NOTE — If the amount reported on this line is greater than 50 percent of the total operating revenue reported in line k, indicate the source of this revenue in the "Remarks" section on page 4 of this form.</b></p>	<b>CABLE AND OTHER PAY TELEVISION REVENUE</b>					
	a. Advertising revenue (net)	801				
	b. Program revenue	802				
	c. Basic service revenue	803				
	d. Pay-per-view and other premium service revenue	804				
	e. Installation fees	805				
	f. Other cable and pay TV revenue	806				
	<b>g. TOTAL CABLE AND OTHER PAY TELEVISION REVENUE</b>	<b>807</b>				
	<b>OTHER COMMUNICATION SERVICES REVENUE</b>					
	h. Telegraph and other message communication revenue	808				
	i. Other communication services revenue	809				
	<b>j. OTHER OPERATING REVENUE</b>	<b>607</b>				
	<b>k. TOTAL OPERATING REVENUE</b>	<b>002</b>				

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

NONOPERATING INCOME (Tax-exempt organizations only; all others SKIP to item 5)	NONOPERATING INCOME	Key code	1998			
			Bil.	Mil.	Thou.	DoI.
<p><b>Line m — NOTE — If the amount reported on this line is greater than 50 percent of the total revenue reported in line n, indicate the source of this revenue in the "Remarks" section on page 4 of this form.</b></p> <p><b>Line n — Tax-exempt organizations only.</b> Report the sum of items 4k through 4m.</p>	i. Subsidies, gifts, loans, contributions, and grants	709				
	m. Other nonoperating income	710				
	<b>n. TOTAL REVENUE</b>	<b>006</b>				

**CONTINUE WITH ITEM 5 ON PAGE 3**

Item 5	PAYROLL AND OTHER OPERATING EXPENSES	Estimates are acceptable if book figures are not available.	Key code	1998			
				Bil.	Mil.	Thou.	Dol.
<p><b>See the attached "Coverage and Reporting Instructions" sheet before completing this section.</b></p> <p><b>Enter "0" in items where applicable. Do not combine data for two or more detail lines.</b></p> <p><b>Line a</b> — Report, on a cash basis, the gross earnings paid to employees prior to deductions. If an unincorporated concern, <b>exclude</b> payments to proprietors or partners.</p> <p><b>Line b</b> — Report, on a cash basis, in line b(1) employer's cost for legally required programs. Report, on a cash basis, in line b(2) employer's cost for programs not required by law. Report in line b(1) and line b(2) the amounts actually contributed.</p> <p><b>Line c — Program and production costs</b></p> <p><b>Include</b> talent and music license fees, the value of bartered programming, and all other costs of programming and production. <b>Exclude</b> payroll and employer contributions to employee benefit programs.</p> <p><b>System operators</b> include cost of all local origination programming. Include public access costs and fees.</p> <p><b>Program providers</b> include costs of all original programming produced or developed in-house.</p> <p><b>Line d - System operators</b> report the cost for the retransmission of broadcast signals. Include the fair-market value (not the actual cost) of reciprocal non-cash exchanges, such as bartered advertising time, promotions, and carriage of new local and national cable channels, etc. Estimate services exchanged for retransmission consent as the amount your company would ordinarily charge for such services.</p> <p><b>Line e</b> — <b>Exclude</b> depreciation on intangible assets and assets leased to others by you under a capital lease agreement. Do not adjust for the value of depreciable assets sold or traded for replacement purposes.</p> <p><b>Line f</b> — <b>Exclude</b> payments by your firm to the parent company or organization, or any of its subsidiaries, for use of assets owned by them; and installment payments for assets obtained through capital lease agreements.</p> <p><b>Line g</b> — <b>Exclude</b> repair costs included as part of a lease or rental agreement, improvements for which depreciation accounts are maintained, and repairs performed by employees of your company and its subsidiaries.</p> <p><b>Line h</b> — <b>Exclude</b> worker's compensation premiums. Report these costs in line b(1).</p> <p><b>Line j</b> — <b>Exclude</b> the cost of utility services if included as part of a lease or rental agreement.</p> <p><b>Line l</b> — <b>Exclude</b> income, payroll, sales, and other taxes collected from customers and paid directly to local, State, or Federal government agencies.</p> <p><b>Lines m and n</b> — See the attached "Coverage and Reporting Instructions" sheet to calculate Other Operating Expenses and Total Operating Expenses as they pertain to this survey.</p> <p><b>NOTE</b> — If the amount reported on line 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	003						





1998 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 1998 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 1998, report only for the period that the locations were operated by this company.
- Report data for calendar year 1998. If calendar year records are not available, data for the latest fiscal year are acceptable. Indicate the period covered in item 7. Please note, however, that estimates for calendar year 1998 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 1998, even though payments may be received at a later date. Do not deduct allowances for uncollectable accounts. **Exclude** revenue from a domestic parent organization (intracompany transfers), or from franchise locations owned by others and any franchise or license fees. **Exclude** sales or other taxes collected from customers and paid directly to a taxing authority.
- Prorate revenue derived from services provided on a contractual basis according to the work accomplished. (Only include the amounts applicable to the report period.)

**CABLE AND OTHER PAY TELEVISION REVENUE**

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

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

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

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

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

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

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

**OTHER COMMUNICATION SERVICES REVENUE**

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

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

**OTHER OPERATING REVENUE**

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

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

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

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

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

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

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

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

- Report costs incurred during 1998 even though payments may be made at a later date. **Exclude** sales or other taxes collected from customers and paid directly to a taxing authority.

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

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

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

**REPORTING INSTRUCTIONS — Continued**

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

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

**Line c — Program and production costs**

**System operators —**

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

**Program operators —**

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

**System operators and program providers —**

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

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

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

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

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

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

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

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

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

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

**Lines m and n**

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

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

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

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

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

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

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

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

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

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