



# NEWS

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.  
See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).

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## FCC Releases *Reference Book*

Washington, D.C. – Today, the Federal Communications Commission (FCC) released its annual report, *Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service*. The report contains information on local and long distance rates paid by residential and business consumers, household expenditures, and price indices. Highlights include the following:

### Rates for Local Service

- The average rate paid by residential customers for touch-tone calling rose from \$20.78 in 2000 to \$21.84 in 2001, an increase of 5.1%. Connection charges for residential customers fell from \$44.10 in 2000 to \$42.72 in 2001, a decrease of 3.2%.
- Lifeline subsidizes the monthly phone charges for low-income households, while LinkUp subsidizes charges for the connection of a phone line. Based on a sample of cities, Lifeline conferred an average monthly benefit of \$11.87, and LinkUp conferred an average benefit of \$30.57.
- The average rate paid by business customers for a single phone line rose from \$41.80 to \$42.18, an increase of less than 1%. Connection charges for single-line business customers rose from \$72.29 in 2000 to \$72.38 in 2001, an increase of virtually nil. Service and connection charges for multi-line businesses stayed essentially the same between 2000 and 2001.

### Toll Service Rates

- The Consumer Price Index for Interstate Toll Service fell by 2% during 2001, measured from December 2000 to December 2001, and the Consumer Price Index for Intrastate Toll Service fell by 1.7%, while the overall Consumer Price Index rose by 1.5%.
- The average revenue per minute of long distance, which reflects rates paid by residential and business consumers, has fallen by 40% since discount and promotional long distance plans were introduced in 1992.

### **Consumer Expenditures for Telephone Service**

- Telephone expenditures gathered by the Bureau of Labor Statistics include consumer expenditures on wireline telephone service, including local and long distance service, payphone service, calling cards, and wireless service.
- According to BLS figures, monthly expenditures on telephone service by households with telephone service rose \$2.33, from \$70.75 in 1999 to \$73.08 to 2000, an increase of 3.3%. Telephone service continues to comprise approximately 2% of household expenditures.
- According to BLS figures, urban households, who spent \$889 on telephone service during the year 2000, continue to spend more on telephone service than do rural households, who spent \$790 on telephone service during the year 2000.
- According to data for the year 2001 provided by TNS Telecoms, households spent \$426 on local service, \$176 on long distance service, and \$351 on wireless service, for a total annual expenditure of \$953 on telephone services.

This report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th, S.W. Copies may be purchased by calling Qualex International, Portals II, 445 12th Street S.W., Room CY-B402, Washington, DC 20554, (202) 863-2893, or via e-mail [qualexint@aol.com](mailto:qualexint@aol.com). The report can be downloaded from the **FCC-State Link** Internet site at [www.fcc.gov/wcb/stats](http://www.fcc.gov/wcb/stats).

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For further information, contact the Industry Analysis and Technology Division, Wireline Competition Bureau, at (202) 418-0940, or for users of TTY equipment, call 202-418-0484.