



# NEWS

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## FCC RELEASES STATISTICS OF THE LONG DISTANCE TELECOMMUNICATIONS INDUSTRY REPORT

### *Long Distance Market Revenue Declines; Average per Minute Rate Falls to 8 Cents per Minute*

Washington, D.C. – The Federal Communications Commission (FCC) today released its latest report on the long distance industry, *Statistics of the Long Distance Telecommunications Industry*. The report provides a general overview of the U.S. long distance telecommunications industry.

The report is divided into two sections. The first section contains information that describes the total long distance market, such as revenues, market shares, and number of companies. The second section shows data on residential long distance calling, focusing on usage patterns, market shares, prices, and expenditures. Highlights from the report are shown below:

### **I. Revenue Data**

- In 2001, the long distance market had slightly more than \$99 billion in revenues, compared to \$110 billion in 2000. Carriers providing long distance service (including wireless carriers) accounted for over \$90 billion and local telephone companies accounted for the remaining \$9 billion; compared to \$101 billion for long distance carriers and \$9 billion for local telephone companies in 2000.
- International revenues have grown more than five-fold from less than \$4 billion in 1984 to \$19.5 billion in 2001 and, in 2001, represented about 20% of total toll revenues.
- As of May 1, 2003, the Commission had approved applications filed by the Bell operating companies to offer interLATA service in 41 states and the District of Columbia. At this time, one application, for Minnesota, is pending.

### **II. Consumer Usage / Price Data**

- The average customer payment per minute of toll service continues to decline. Revenue per minute for interstate calls fell from 9 cents per minute in 2000 to 8 cents per minute in 2001. Revenue per minute for international calls declined from 52 cents in

2000 to 35 cents in 2001. Adjusted for inflation, interstate and international toll rates declined 60% from 1991 to 2001.

- According to a sampling of residential telephone bills, in 2002 the average household spent \$83 monthly on telecommunications. Of this, \$12 was for services provided by long distance carriers, \$36 for services by local exchange carriers and \$35 for service provided by wireless carriers.

### **III. Market Share Data**

- In 1984, AT&T's market share was about 90% of the toll revenues reported by carriers that identify themselves as primarily long distance carriers. By 2001, AT&T's market share had declined to slightly less than 38%, MCI's share was almost 24%, Sprint's was 9%, the regional Bell operating company (RBOC) long distance affiliates had over 6%, and more than 1,000 other long distance carriers had almost 24% of the remaining market.

- Market shares for residential consumers are summarized by household, by intraLATA minutes and by interLATA minutes. In terms of households, TNS Telecoms, a telecommunications market information firm, sample data show that the three largest interexchange carriers collectively held 84.7% of the market in 1999 and 60.1% by 2002. While the RBOCs effectively served no households in 1999, they captured 15.8% of households by 2002. In 2002, the remaining 24.1% of households were served by other carriers.

- Market shares of intraLATA minutes for residential users fell slightly during recent years for the major long distance carriers and RBOCs. After a peak of 35% in 2000, AT&T, MCI and Sprint collectively billed 30.6% of intraLATA minutes in 2002. The RBOCs, likewise, have seen their collective share of this market fall from 43.2% in 2000 to 38.8% in 2002.

- The share of interLATA minutes billed by the three largest interexchange carriers to residential users fell from 80.7% in 1999 to 58.3% in 2002, according to TNS sample data. The RBOCs acquired a 10.6% share of interLATA minutes by year end 2002, and the remaining 31% of interLATA minutes were billed by other carriers.

The report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, SW, Washington, D.C. 20554. Copies may be purchased by calling Qualex International at (202) 863-2893. The report, including spreadsheets containing the statistical tables and figures, can also be downloaded from the **FCC-State Link** Internet site at [www.fcc.gov/ccb/stats](http://www.fcc.gov/ccb/stats).

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Questions can be directed to the Wireline Competition Bureau's Industry Analysis and Technology Division at (202) 418-0940. Users of TTY equipment, please call (202) 418-0484.

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