Monitoring Report
CC Docket No. 87-339
December 1987

Prepared by the Staff of the
Federal-State Joint Board
In CC Docket No. 80-286

Table of Contents

Monitoring Report
CC Docket No. 87-339
December 1987

Introduction and Summary

This is the second in a series of quarterly reports to be issued over a five year period that is intended to help telecommunications policymakers and the general public monitor the impact of two major decisions adopted by the Federal Communications Commission (Commission) during 1987. In the first of these decisions, the Commission adopted the recommendations of the Federal-State Joint Board in CC Docket No. 80-286 to increase subscriber line charges, expand the federal lifeline assistance program, retarget the formula for high cost assistance, and modify the common line pooling system. In the second decision, the Commission adopted the recommendations of the Federal-State Joint Board in CC Docket No. 86-297 to simplify jurisdictional separations rules and conform those rules to the recently revised Uniform System of Accounts. In this report we update and supplement the data provided in the first report of the Joint Board staff which was released in September 1987.

In an Order released on August 26, 1987, the Commission, acted upon the recommendations of the Joint Boards in CC Docket Nos. 80-286 and 86-297, and established a program to monitor the impact of the two decisions noted above. This report presents currently available data in each of the eight subject categories selected for monitoring which are: (1) subscribership and penetration levels; (2) lifeline assistance plans, including both the subscriber line charge waiver and Link-Up programs; (3) costs and high cost assistance; (4) network usage and growth; (5) rates and revenues; (6) bypass; (7) pooling and rate deaveraging; and (8) jurisdictional shifts in revenue requirements.

This report consists primarily of data that have been received since the first monitoring report was released. Most of these data are intended to augment the baseline information contained in our September report. That baseline reflects as nearly as possible the situation prior to implementation of the decisions recommended by the Joint Boards and adopted by the Commission.

For several reasons statistically significant data are not available at this time on the impact of many of the Commission decisions we are monitoring. First, several aspects of these decisions will not be implemented for some time. For example, changes in assistance to high cost telephone companies will not be implemented until January 1988 and modifications to the common line pooling system are not scheduled for implementation until early in 1989. Second, as the Joint Board and the

Commission recognized in their discussion of the monitoring program, delays often occur in the collection and distribution of large amounts of statistical data. Telephone company reports on revenue and network usage, for example, normally are not compiled until several months after a particular reporting period has ended. Third, we receive some data on less than a quarterly basis. For example, telephone penetration data is reported by the Bureau of the Census only three times a year and thus no new figures have been released since the last report. Finally, it may take some time for consumers to become aware of changes as they are implemented and to factor them into their decisions about telephone service, and for us to collect statistically useful data on those decisions.

This report does include new information in some of the areas we are monitoring. For example, this report provides descriptions of recent actions to implement lifeline and Link-Up America programs in the states. Also we include a limited amount of data reflecting the results of the July 1987 increase in subscriber line charges, as reflected in the Consumer Price Index (CPI) and Producer Price Index (PPI). The most recent data show that for the 12 months ending in October 1987, the nation's overall rate of inflation was 4.5% (measured by the CPI for all items). The CPI price of telephone service declined by 1.6% during the same 12 month period. The CPI for telephone services is based on a market basket of services purchased by typical consumers and thus includes both local and long distance service. More specifically, the overall CPI for telephone service is composed of three subindexes. During the most recent 12 months, the local service component increased at an annual rate of 2.8%, while the price of interstate toll calls fell 12.6% and the price of state toll calls fell 2.6%.

The data and comments in this and future reports will serve as the foundation for the review to be undertaken by members of the Joint Board and the FCC in CC Docket No. 80-286 ninety days prior to the scheduled implementation of subscriber line charge increases in December 1988 and April 1989. With this task in mind, we hope to improve upon the format and coverage of this report in the months ahead. At the suggestion of the National Association of Regulatory Utility Commissioners, the Commission's order establishing the monitoring program included a request for comments to be filed before October 28, 1987, regarding the specifics of the monitoring program. The comments that were received are summarized in each section of this report, insofar as they relate to that section. We emphasize, however, that our monitoring efforts are being conducted in the context of an open docket (CC Docket No. 87-339) which allows materials, comments, and studies to be submitted at any time. This report incorporates information received prior to December 1, 1987. We plan to include in future reports a list and summary of comments that have been received in the docket in the period since the last report.

The deadline for submission of information for each future monitoring report is the first day of the month preceding the one which the report is

released. Thus, the deadline for the March report is February 1, for the June report May 1, for the September report August 1, and for the December report November 1. Filings received after the deadline will appear in the next report. The staff intends to report all filings made in the docket at the earliest administratively possible time. For ease of public reference we ask that parties submitting materials for the docket provide a duplicate copy to the Public Reference Room of the Common Carrier Bureau's Industry Analysis Division, [1] where a copy of all materials filed in the docket is available for public reference.

---

1 1919 M Street, N.W., Room 537, FCC, Washington, DC 20554.

The following federal and state staff members have contributed to this report and can be contacted for further information. Unless otherwise noted, the federal staff members can be reached at (202) 632-0745.

General Information:	Alexander Belinfante (Federal) Ronald Choura (Michigan) (517) 334-6240
Subscribership and Penetration:	Alexander Belinfante (Federal) Carl Hunt (Colorado) (303) 894-2028
Lifeline Assistance Plans:	Laurence Povich (Federal) (202) 632-6363 Hugh Gerringer (North Carolina) (919) 733-2810 Joel Shifman (Maine) (207) 289-3831
Costs and High Cost Assistance:	Alexander Belinfante (Federal) Rowland Curry (Texas) (512) 458-0103
Network Usage and Growth:	Alexander Belinfante (Federal) Jim Lanni (Rhode Island) (401) 277-3500
Rates and Revenues:	James Lande (Federal) Gary Evenson (Wisconsin) (608) 266-6744
Bypass:	Peyton Wynns (Federal) Fred Sistarenik (New York) (518) 486-2815 Heikki Leesment (New Jersey) (201) 648-7695
Pooling and Rate Deaveraging:	Linda Blake (Federal) Heikki Leesment (New Jersey) (201) 648-7695
Jurisdictional Shifts:	Cindy Schonhaut (Federal) (202) 632-7500 Emily Marks (California) (414) 557-3369

SERVICE LIST

All items filed in CC Docket No. 87-339 must be filed with the Secretary, Federal Communications Commission, 1919 M Street, N.W., Room 222, Washington, D.C. 20554, and the following Commissioners and staff members:

DOCKET NO. 80-286 JOINT BOARD MEMBERS

Chairman Dennis R. Patrick
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D. C. 20554

Chairman Edward F. Burke
Rhode Island Public Utilities Commission
100 Orange Street
Providence, Rhode Island 02903

Commissioner George H. Barbour
New Jersey Board of Public Utilities
2 Gateway Center
Newark, New Jersey 07102

Commissioner Ronald L. Lehr
Colorado Public Utilities Commission
1580 Logan Street
Denver, Colorado 80203

Commissioner Edward B. Hipp
North Carolina Utilities Commission
Box 29510
Raleigh, North Carolina 27626-0510
[if hand deliver:
Dobbs Building
430 North Salisbury Street
Raleigh, North Carolina 27602]

Commissioner James H. Quello
Federal Communications Commission
1919 M Street, N.W., Room 802
Washington, D. C. 20554

DOCKET NO. 80-286 FEDERAL-STATE JOINT BOARD STAFF

Ronald Choura
Chairman, Federal-State Joint Board Staff
Michigan Public Service Commission
6545 Mercantile Way
Lansing, Michigan 48910

Elton Calder
Georgia Public Service Commission
162 State Office Building
244 Washington Street, S.W.
Atlanta, Georgia 30334

Rowland Curry
Texas Public Utility Commission
Suite 400 N
7800 Shoal Creek Blvd.
Austin, Texas 78757

Emily Marks
California Public Utilities Commission
505 Van Ness Avenue, Room 4004
San Francisco, California 94102

Heikki Leesment
New Jersey Board of Public Utilities
2 Gateway Center
Newark, New Jersey 07102

Carl Hunt
Colorado Public Utilities Commission
1580 Logan Street
Denver, Colorado 80203

Fred Sistarenik
New York Public Service Commission
3 Empire State Plaza
Fifth Floor
Albany, New York 12223

Joel Shifman
Maine Public Utilities Commission
State House
Augusta, Maine 04333

Gary A. Evenson
Director, Communications Bureau
Utility Rates Division
Public Service Commission
P.O. Box 7854
Madison, Wisconsin 53707
[if hand deliver:
4802 Sheboygan Avenue
Madison, Wisconsin 53702]

Hugh L. Gerringer
Public Staff - NCUC
Communications Division
Box 29520
Raleigh, North Carolina 27626-0520
[if had deliver:
Dobbs Building
430 North Salisbury Street
Room 5082E
Raleigh, North Carolina 27602]

Charles Gray
National Association of Regulatory Utility Commissioners
1102 ICC Building
Constitution Ave. & 12th St., N.W.
Washington, D.C. 20044

Jim Lanni
Rhode Island Public Utilities Commission
100 Orange Street
Providence, Rhode Island 02903

Michael E. Wilson
Chief, Audits Branch
Accounting and Audits
Division
Common Carrier Bureau
Federal Communications
Commission
Washington, D.C. 20554
[if hand delivered:
2000 L Street, N.W., Room 257
Washington, D. C.]

Alexander Belinfante
Industry Analysis Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W., Room 538
Washington, D.C. 20554

Cindy Z. Schonhaut
Special Counsel Federal-State
Joint Board Matters
Accounting and Audits Division
Common Carrier Bureau
Federal Communications
Commission
Washington, D.C. 20554
[if hand delivered:
2000 L Street, N.W., Room 257
Washington, D.C.]

Peyton L. Wynns
Chief, Industry Analysis Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W., Room 538
Washington, D.C. 20554

1. Subscribership and Penetration Levels

The number of households and the percentage of households that have telephone service represent the most basic measures of the extent of universal service. Continuing analysis of telephone penetration statistics allows us to examine the aggregate effects of Commission actions on households' decisions to maintain, acquire or drop telephone service. This section presents comprehensive data on telephone penetration statistics collected by the Current Population Survey (CPS) of the Bureau of the Census under contract with the Commission. In the September report we presented telephone penetration statistics for the United States from November 1983 to July 1987. Chart 1.1 in Attachment II summarizes the penetration levels for households from November 1983 to July 1987. [1] The latest figures for July show 92.3% of all households have a telephone in their housing unit and 94.2% of all households have access to a telephone either at home or elsewhere. [2] The September monitoring report also contained tables showing penetration rates for households by state, age of householder, race of householder, size of household, and family income. It also contained a table showing penetration rates for adult individuals by race and employment status. We do not reproduce those tables in this report. Attachment I summarizes the comments on this section of the monitoring report that have been received in our open docket since the last report.

---

1 In the September monitoring report, Charts 1.1 and 1.2 were mistakenly interchanged. This chart appeared in that report as Chart 1.2 although it was described in the text of the report as Chart 1.1.

2 The specific questions asked in the Current Population Survey are: "Is there a telephone in this house/apartment?" and, if the answer to the first question is "no", "Is there a telephone elsewhere on which people in this household can be called?" Although the survey is conducted every month, not all questions are asked every month. The telephone questions are asked once every four months, in the month that a household is first included in the sample and in the month that the household reenters the sample a year later. Since the sample is staggered, the information that is reported for any given month actually reflects responses over the preceding four months. Aggregated summaries of the responses are reported to the FCC, based on the surveys conducted through March, July, and November of each year. These reports are generally released approximately two months after the final month of each four month survey period.

No new data on penetration has been received from the Census Bureau since the September monitoring report. New data will be available soon and will be included in the March 1988 monitoring report. This report does contain in Attachment II, however, detailed penetration data based on various economic and demographic characteristics for March 1987. These data are derived from the CPS data tapes for March, the most detailed of the surveys conducted by the CPS. The tables in Attachment II are an update of the telephone penetration studies released by the FCC in April 1986 and April 1987, which made available information relating telephone penetration to various household characteristics reported by the CPS. 3

Once a year, in March, the CPS augments its regular survey with additional questions, and augments its sample with about 2500 additional Hispanic households. The responses from the additional Hispanic households are integrated into the tables in this report but were not included in the tables which were published in the September monitoring report. Thus, in some cases, small discrepancies may exist between the percentages in the September monitoring report and those computed from the March tapes and presented in Attachment II of this section.

The March CPS tapes we have analyzed contain records for households, families, and individuals. The responses to the questions on telephone availability are included only on the household records. Thus, we have limited our analysis to the household records. Our analysis takes each of the questions on the household record and relates the response to it to the response to the question whether the household has telephone service.

For each question (except for Tables 1.9 and 1.10), if the number of households in the sample for a given response category was less than about 100, that category was combined with another closely related category. The reason for this combination is that the estimated proportions are unreliable for small samples. (The standard error of the estimated proportion is approximately related to the inverse of the square root of the sample size.)

The CPS uses a stratified sample, and each observation in the sample has a weight attached to it to reflect the estimate of the ratio of the population size to the sample for the stratum from which it comes. Thus, the population estimates are simply the sums of the weights.

---

3 "Telephone Penetration and Household Characteristics", released April 18, 1986, which tabulates responses from the March 1984 and March 1985 surveys, and "Telephone Penetration and Household Characteristics for 1986", released April 3, 1987, which tabulates responses from the March 1986 survey.

The most notable pattern that emerges from our analysis of the data is the relationship between penetration and income or income-related variables. For example, Table 1.26 shows that households with incomes in the lowest 20% of the income distribution have a penetration rate of under 85%, while households in the upper 30% of the income distribution have a penetration rate of over 98%. Similarly, Table 1.17 shows that households owning their residence have penetration rates significantly higher than those that do not, and Table 1.32 shows that households receiving food stamps have penetration rates significantly below those that do not receive such assistance.

Table 1.1 summarizes the responses to the two telephone availability questions. The remaining tables focus on the proportion of households with a phone in the housing unit. Penetration data are presented as a function of the size of the household in Table 1.2, the number of families in the household in Table 1.3, and the number of housing units in the building in Table 1.4.

Table 1.5 shows penetration by geographic regions, which are defined as follows: Northeast is a combination of the New England and Middle Atlantic divisions; North Central combines the East North Central and West North Central divisions; South combines the South Atlantic, East South Central, and West South Central divisions; and West combines the Mountain and Pacific divisions. Table 1.6 shows penetration by geographic divisions, which are comprised of the following states: New England - Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut; Middle Atlantic - New York, New Jersey, and Pennsylvania; East North Central - Ohio, Indiana, Illinois, Michigan, and Wisconsin; West North Central - Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas; South Atlantic - Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida; East South Central -Kentucky, Tennessee, Alabama, and Mississippi; West South Central -Arkansas, Louisiana, Oklahoma, and Texas; Mountain - Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada; and Pacific -Washington, Oregon, California, Alaska, and Hawaii. Table 1.7 shows penetration for individual states.

Penetration is shown for Consolidated Metropolitan Statistical Areas (CMSAs) in Table 1.8, Primary Metropolitan Statistical Areas (PMSAs) in Table 1.9, and cities in Table 1.10. Penetration is related to metropolitan status in Table 1.11, city status in Table 1.12, CMSA size in Table 1.13, and PMSA size in Table 1.14. The Metropolitan Statistical Area (MSA) boundaries (used in Tables 1.8 and 1.9) and sizes (used in Tables 1.13 and 1.14) are based on the 1980 Census. They are not always the same as the 1970 Standard Metropolitan Statistical Area (SMSA) boundaries and sizes used in the report of the 1984 and 1985 data. In most cases, an area that was identified as a SMSA is now just referred to as a MSA. In the larger

metropolitan areas, however, these areas are referred to as PMSAs, and groups of adjacent PMSAs are put together into CMSAs. In some states, some households are not identified as to whether they are in an MSA (see Table 1.11) or whether they are in a central city or a suburb of an MSA (see Table 1.12). This is because of the small number of households in one of the categories in that state. Similarly, parts of some multistate PMSAs that in turn are parts of CMSAs are not identified directly. Indirect identification was possible, however, of households in those areas by means of the PMSA population size variable. Those households are included with their PMSAs in the PMSA list (Table 1.9). Since the census has reduced the minimum population of an area required to allow disclosure from 250,000 to 100,000 people, this report includes data on many more MSAs than the report for 1984 and 1985. Also, data for some individual cities are now available, and are, as indicated above, presented in Table 1.10.

Penetration is related to farms in Table 1.15, type of living quarters in Table 1.16, home ownership in Table 1.17, public housing in Table 1.18, rent subsidy in Table 1.19, family status in Table 1.20, relationship among household members in Table 1.21, number of children in Table 1.22, number of unrelated household members in Table 1.23, number of couples in Table 1.24, number of unmarried children in Table 1.25, income percentage in Table 1.26, and dollar income in Table 1.27.

"Group quarters" (see Tables 1.16, 1.20, 1.21, and 1.23) refers to non-standard housing such as campsites, shelters, etc. It does not include group houses, which are categorized as "householder living with nonrelatives" in Table 1.20. The household income percentile rankings supplied by the CPS excluded the group quarters observations. We have included them in our percentile rankings in Tables 1.26. To do this, some adjustment of the income limits for the percentile groups was necessary to make the estimates of the number of population households approximately equal for all groups. (This adjustment is necessitated by the fact that group quarters residents are predominantly low income people.)

Penetration is related to whether children eat at school in Table 1.28, the number of children who eat at school in Table 1.29, whether children get subsidized school lunches in Table 1.30, receipt of food stamps in Table 1.32, the number of people covered by food stamps in Table 1.33, the number of months food stamps were received in the past year in Table 1.34, the value of food stamps received in Table 1.35, the receipt of energy assistance in Table 1.36, the value of enegy assistance in Table 1.37, and the ability to pay the heating fuel bill in Table 1.38.

On Table 1.39, type of fuel used, many households are in the "unknown" category because this question is asked only of households with incomes under $30,000. (In previous years only households receiving energy assistance were asked this question.)

Table 1.40 shows the relationship for each state between those households without telephone service and those that are estimated to be below the poverty line. In this case, the poverty line was estimated to be an annual income of $3,506 plus $1,887 times the number of people in the household. Thus, the poverty line estimate is $5,393 for a single-person household, $7,280 for a two-person household, etc. This is an approximation of the official Federal poverty line. The table shows that nationwide about 43% of all households without phone service are below the estimated poverty line, and about 25% of those below the poverty line are without phone service.

ATTACHMENT I

SUMMARY OF COMMENTS ON
SUBSCRIBERSHIP AND PENETRATION

Washington Utilities and Transportation Commission

The Washington Utilities and Transportation Commission (WUTC) identifies problems with the research design and sampling procedure used in their disconnect study and problems with the study execution. As a result, the WUTC recommends that a 1985 report by the National Regulatory Research Institute, A Methodology for Telephone Studies Relating Usage to Demographic and Other Variables, be used as a disconnect study model instead of its disconnect methodology.

Office of the Consumers' Counsel, State of Ohio

The Ohio Office of the Consumer's Counsel argues that monitoring subscribership and penetration levels is important because of the increase in the subscriber line charge and jurisdictional shifts in revenue requirements resulting from separations changes. In particular, it states that the subscribership level of low income consumers should be monitored for each state and as a national average.

Michigan Public Service Commission

The Michigan Commission states that monitoring data should be expanded to include penetration levels by state and county to determine regional differences in penetration levels which will allow better targeting of universal service support. It asserts that uniform data should be collected by state and county to compare on a national basis. It maintains that state regulators and industry can work together to collect this information.

Public Service Commission of the District of Columbia

The D.C. Public Service Commission states that studies such as the disconnect study performed by the Washington Utilities and Transportation Commission are useful and superior to statistics on telephone ownership. It asserts that the circumstances under which the WUTC conducted its study were unusual in that a subscriber line charge (SLC) was implemented, withdrawn and replaced by an alternative rate design. It maintains that it will be more difficult to isolate the impact of subsequent increases in the SLC on universal service.

The D.C. Commission states that the September monitoring report did not mention which local exchange carriers (LECs) are conducting disconnect studies nor did it describe the study design and how it will provide the

necessary benchmark. Moreover, it recommends that the three month disconnect study period be extended to between six and twelve months to more accurately capture customer response.

Office of the People's Counsel of the District of Columbia

The D.C. Office of the People's Counsel states that the FCC should use the results of the monitoring program to determine whether the next scheduled subscriber line charge increase should be implemented. It asserts that the FCC should seek input from all interested parties on the development of standards to measure telephone subscribership and penetration levels.

BellSouth

BellSouth states that it can provide disconnect data but is not using the WUTC methodology because of flaws in that disconnect study, principally the sampling design. BellSouth states that its study includes the entire universe of disconnect activity. It asserts that use of the NRRI methodology as suggested by WUTC is unnecessary since BellSouth is using the entire universe. Hence, it argues that there is no need for the Commission to mandate a study methodology.

Bell Atlantic

Bell Atlantic asserts that disconnect studies such as those performed by WUTC should be used. It argues that even though the WUTC stated the study lacked a control group and was not a true random sample, these difficulties can be corrected. Also, it asserts that a questionnaire is unnecessary since this information is routinely collected from disconnecting customers.

Bell Atlantic states that the Commission should reduce the study period from three to two months. It states that its records are automated and collected for two months, and that collection of an additional month's data would be costly. It asserts that LECs should not be required to provide data for months not readily available from their automated systems.

US West

The US West companies, Mountain Bell, Northwestern Bell, and Pacific Northwest Bell, submitted extensive demographic data from the 1980 Census of Population for the states that they serve. Telephone penetration information is included in these data.

ATTACHMENT II

CHART AND TABLES

CHART 1.1

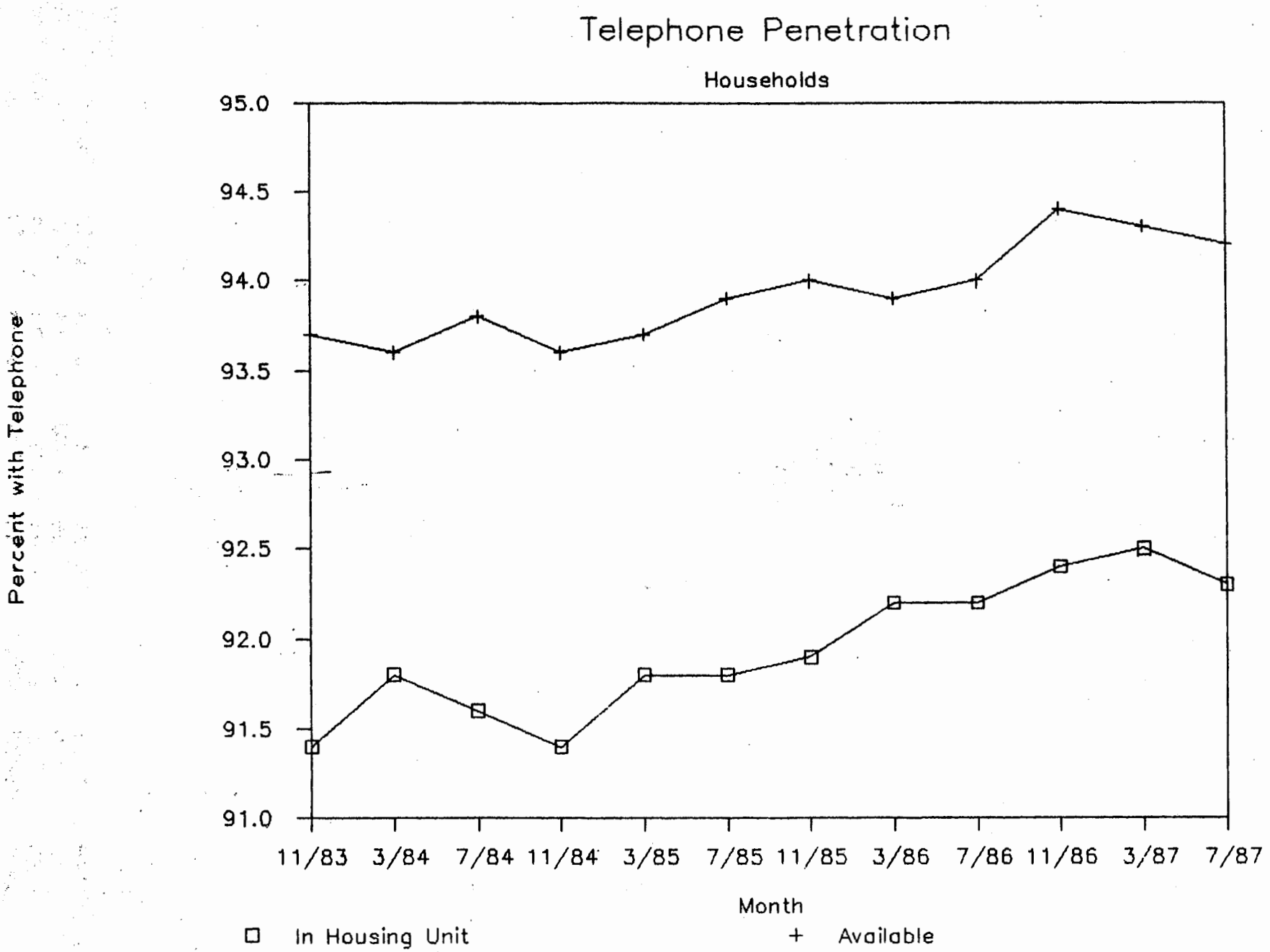
Telephone Penetration
Households
Percent with Telephone
95.0
94.5
94.0
93.5
93.0
92.5
92.0
91.5
91.0
11/83
3/84
7/84
11/84
3/85
7/85
11/85
3/86
7/86
11/86
3/87
7/87
Month
In Housing Unit
Available

TABLE 1.1

CURRENT POPULATION SURVEY MARCH 1987

TELEPHONE AVAILABILITY	SAMPLE SIZE	POPULATION ESTIMATES HOUSEHOLDS (000)	% OF TOTAL
PHONE IN HOUSING UNIT	53710	82745.843	92.5
PHONE AVAILABLE ELSEWHERE	962	1563.997	1.7
PHONE NOT AVAILABLE	3313	5105.000	5.7
TOTAL	57985	89414.839	100.0

TABLE 1.2

CURRENT POPULATION SURVEY MARCH 1987

NO. OF PERSONS IN HOUSEHOLD	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
1	13592	21250.385	19047.801	89.6
2	18249	28504.382	27017.846	94.8
3	10344	16118.471	14885.656	92.4
4	9262	13950.869	13096.909	93.9
5	4165	6156.511	5668.695	92.1
6	1490	2170.763	1961.591	90.4
7	513	729.859	635.531	87.1
8	191	269.189	230.351	85.6
9-16	179	264.411	201.463	76.2
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.3

CURRENT POPULATION SURVEY MARCH 1987

NO. OF FAMILIES IN HOUSEHOLD	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
1	53062	81831.603	76118.363	93.0
2	4419	6798.599	5956.797	87.6
3	361	571.366	489.605	85.7
4-10	143	213.272	181.078	84.9
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.4

CURRENT POPULATION SURVEY MARCH 1987

NO. OF HOUSING UNITS IN STRUCTURE	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
1	37602	58032.270	55030.753	94.8
2	3656	5505.836	4893.340	88.9
3-4	2711	3938.750	3442.286	87.4
5-9	2776	4342.936	3698.416	85.2
10+	5917	9288.698	8183.334	88.1
N A	5323	8306.348	7497.714	90.3
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.5

CURRENT POPULATION SURVEY MARCH 1987

GEOGRAPHIC REGION	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
NORTHEAST	13726	18867.535	17899.070	94.9
NORTH CENTRAL	13929	22007.113	20681.942	94.0
SOUTH	17860	30542.725	27425.308	89.8
WEST	12470	17997.466	16739.524	93.0
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.6

CURRENT POPULATION SURVEY MARCH 1987

GEOGRAPHIC DIVISION	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
NEW ENGLAND	4909	4788.236	4614.631	96.4
MIDDLE ATLANTIC	8817	14079.300	13284.439	94.4
EAST NORTH CENTRAL	8633	15393.225	14440.607	93.8
WEST NORTH CENTRAL	5296	6613.887	6241.335	94.4
SOUTH ATLANTIC	10088	15451.901	14070.528	91.1
EAST SOUTH CENTRAL	2806	5506.999	4808.440	87.3
WEST SOUTH CENTRAL	4966	9583.825	8546.340	89.2
MOUNTAIN	5221	4840.219	4404.598	91.0
PACIFIC	7249	13157.247	12334.926	93.8
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.7

CURRENT POPULATION SURVEY MARCH 1987

STATE	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
ALABAMA	713	1476.015	1289.889	87.4
ALASKA	795	182.471	161.430	88.5
ARIZONA	626	1269.232	1121.392	88.4
ARKANSAS	729	869.739	757.195	87.1
CALIFORNIA	4723	9874.096	9293.619	94.1
COLORADO	669	1267.482	1178.753	93.0
CONNECTICUT	592	1197.889	1169.957	97.7
DELAWARE	541	244.642	236.314	96.6
DISTRICT OF COLUMBIA	627	263.280	240.751	91.4
FLORIDA	2918	4696.081	4284.112	91.2
GEORGIA	672	2224.121	1950.285	87.7
HAWAII	499	355.330	336.514	94.7
IDAHO	708	348.864	318.303	91.2
ILLINOIS	2338	4262.972	4011.346	94.1
INDIANA	847	2090.931	1909.056	91.3
IOWA	748	1096.488	1048.565	95.6
KANSAS	734	926.155	884.536	95.5
KENTUCKY	669	1300.955	1138.334	87.5
LOUISIANA	574	1546.434	1346.529	87.1
MAINE	587	437.163	411.934	94.2
MARYLAND	763	1634.556	1573.262	96.3
MASSACHUSETTS	2207	2184.432	2112.456	96.7
MICHIGAN	2272	3333.549	3141.126	94.2
MINNESOTA	644	1566.055	1502.517	95.9
MISSISSIPPI	730	938.578	776.741	82.8
MISSOURI	815	1936.905	1772.137	91.5
MONTANA	797	317.826	290.157	91.3
NEBRASKA	728	588.713	558.792	94.9
NEVADA	547	405.569	375.042	92.5
NEW HAMPSHIRE	480	387.288	364.342	94.1
NEW JERSEY	2280	2752.756	2594.373	94.2
NEW MEXICO	814	521.603	460.297	88.2
NEW YORK	4126	6728.196	6277.547	93.3
NORTH CAROLINA	2315	2420.427	2173.042	89.8
NORTH DAKOTA	763	243.453	238.263	97.9
OHIO	2393	3949.080	3689.315	93.4
OKLAHOMA	689	1225.998	1082.667	88.3
OREGON	585	1050.755	960.931	91.5
PENNSYLVANIA	2411	4598.348	4412.519	96.0
RHODE ISLAND	518	374.039	356.997	95.4
SOUTH CAROLINA	730	1164.205	1036.752	89.1
SOUTH DAKOTA	864	256.119	236.525	92.3
TENNESSEE	694	1791.451	1603.476	89.5
TEXAS	2974	5941.654	5359.949	90.2
UTAH	609	528.231	490.953	92.9
VERMONT	525	207.424	198.945	95.9
VIRGINIA	816	2069.347	1923.657	93.0
WASHINGTON	647	1694.594	1582.432	93.4
WEST VIRGINIA	706	735.242	652.352	88.7
WISCONSIN	783	1756.692	1689.764	96.2
WYOMING	451	181.411	169.699	93.5
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.8

CURRENT POPULATION SURVEY MARCH 1987

CONSOLIDATED METROPOLITAN STATISTICAL AREA (LISTED IN ORDER OF 1983 SIZE)	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
NEW YORK/NEWARK/LONG ISLAND, NY/NJ/CT	4569	6755.711	6311.504	93.4
LOS ANGELES/ANAHEIM/RIVERSIDE, CA	2689	4748.048	4460.310	93.9
CHICAGO/GARY/LAKE COUNTY, IL/IN	1553	2886.420	2719.522	94.2
PHILADELPHIA/WILMINGTON/TRENTON, PA/NJ/DE	1597	2222.548	2095.680	94.3
SAN FRANCISCO/OAKLAND/SAN JOSE, CA	904	2308.999	2216.266	96.0
DETROIT/ANN ARBOR, MI	1099	1659.157	1578.167	95.1
BOSTON/LAWRENCE/SALEM, MA/NH	1528	1506.705	1464.000	97.2
HOUSTON/GALVESTON/BRAZORIA, TX	584	1340.769	1251.999	93.4
WASHINGTON, DC/MD/VA	1130	1422.463	1389.438	97.7
DALLAS/FORT WORTH, TX	614	1382.863	1268.792	91.8
CLEVELAND/AKRON/LORAIN, OH	611	1009.286	936.754	92.8
MIAMI/FORT LAUDERDALE, FL	782	1147.464	1062.014	92.6
PITTSBURGH/BEAVER VALLEY, PA	489	927.118	905.879	97.7
ST. LOUIS, MO/IL	400	911.168	833.146	91.4
ATLANTA, GA	308	1061.065	967.113	91.1
BALTIMORE, MD	380	810.221	768.254	94.8
MINNEAPOLIS/ST. PAUL, MN	360	876.437	838.057	95.6
SEATTLE/TACOMA, WA	339	919.616	869.324	94.5
SAN DIEGO, CA	294	726.271	687.781	94.7
TAMPA/ST. PETERSBURG/CLEARWATER, FL	505	806.372	739.289	91.7
DENVER/BOULDER, CO	387	746.891	694.886	93.0
CINCINNATI/HAMILTON, OH/KY	366	620.253	590.537	95.2
PHOENIX, AZ	375	760.399	671.544	88.3
MILWAUKEE/RACINE, WI	266	592.919	570.907	96.3
KANSAS CITY, MO/KS	344	598.159	578.098	96.6
PORTLAND/VANCOUVER, OR/WA	298	566.676	536.995	94.8
NEW ORLEANS, LA	184	503.874	441.392	87.6
COLUMBUS, OH	289	472.096	450.784	95.5
NORFOLK/VIRGINIA BEACH/NEWPORT NEWS, VA	158	401.187	361.818	90.2
BUFFALO/NIAGARA FALLS, NY	296	476.890	448.489	94.0
SACRAMENTO, CA	203	515.295	472.746	91.7
INDIANAPOLIS, IN	203	507.600	472.728	93.1
SAN ANTONIO, TX	325	454.422	399.716	88.0
PROVIDENCE/PAWTUCKET/FALL RIVER, RI/MA	565	429.887	408.825	95.1
CHARLOTTE/GASTONIA/ROCK HILL, NC/SC	423	454.979	414.577	91.1
HARTFORD/NEW BRITAIN/MIDDLETOWN, CT	205	417.327	409.590	98.1
ALL OTHER MSAS	16805	25213.857	23391.163	92.8
REMAINDER OF THE UNITED STATES	15558	20253.428	18067.757	89.2
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.9

CURRENT POPULATION SURVEY MARCH 1987

PRIMARY METROPOLITAN STATISTICAL AREA	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
AKRON, OH	142	232.570	224.322	96.5
ALBANY/SCHENECTADY/TROY, NY	171	283.073	268.975	95.0
ALBUQUERQUE, NM	316	200.660	184.104	91.7
ALLENTOWN/BETHLEHEM, PA	135	255.063	251.417	98.6
ALTOONA, PA	30	57.563	55.481	96.4
ANAHEIM/SANTA ANA, CA	293	756.941	715.987	94.6
ANCHORAGE, AK	423	85.153	82.762	97.2
ANDERSON, IN	35	85.236	76.023	89.2
ANDERSON, SC	51	78.184	67.317	86.1
ANN ARBOR, MI	49	75.372	71.851	95.3
APPLETON/OSHKOSH/NEENAH, WI	52	118.836	118.836	100.0
ASHEVILLE, NC	54	55.823	54.799	98.2
ATLANTA, GA	308	1061.065	967.113	91.1
AUGUSTA, GA/SC	58	151.467	140.645	92.9
AURORA/ELGIN, IL	69	127.232	119.680	94.1
AUSTIN, TX	128	278.173	249.547	89.7
BAKERSFIELD, CA	77	185.768	168.111	90.5
BALTIMORE, MD	380	810.221	768.254	94.8
BATON ROUGE, LA	74	195.662	182.652	93.4
BATTLE CREEK, MI	39	55.056	55.056	100.0
BEAUMONT/PORT ARTHUR, TX	64	146.957	133.648	90.9
BEAVER COUNTY, PA	41	77.547	77.547	100.0
BELLINGHAM, WA	30	71.799	71.799	100.0
BENTON HARBOR, MI	40	58.693	55.682	94.9
BERGEN/PASSAIC, NJ	397	467.560	447.918	95.8
BILOXI/GULFPORT, MS	61	73.743	69.688	94.5
BINGHAMTON, NY	60	99.336	97.573	98.2
BIRMINGHAM, AL	166	344.517	307.758	89.3
BLOOMINGTON/NORMAL, IL	35	64.262	62.509	97.3
BOISE CITY, ID	142	72.791	69.338	95.3
BOSTON, MA	1029	1033.003	1005.874	97.4
BOULDER/LONGMONT, CO	45	89.332	83.293	93.2
BRADENTON, FL	45	79.250	63.031	79.5
BRAZORIA, TX	21	45.460	40.548	89.2
BRIDGEPORT/MILFORD, CT	83	167.432	157.388	94.0
BROCKTON, MA	65	65.772	64.090	97.4
BROWNSVILLE/HARLINGEN, TX	59	74.353	62.195	83.6
BUFFALO, NY	241	388.990	371.873	95.6
BURLINGTON, VT	129	50.166	48.869	97.4
CANTON, OH	91	184.806	163.557	88.5
CEDAR RAPIDS, IA	49	73.367	73.367	100.0
CHAMPAIGN/URBANA/RANTOUL, IL	34	64.960	63.159	97.2
CHARLESTON, SC	104	166.672	152.711	91.6
CHARLESTON, WV	89	93.612	88.337	94.4
CHARLOTTE/GASTONIA/ROCK HILL, NC/SC	423	454.979	414.577	91.1
CHATTANOOGA, TN/GA	42	114.277	104.664	91.6
CHICAGO, IL	1238	2250.507	2118.436	94.1
CHICO, CA	43	103.974	103.974	100.0
CINCINNATI, OH/KY	306	522.673	502.791	96.2
CLEVELAND, OH	417	693.094	634.794	91.6
COLORADO SPRINGS, CO	72	137.303	126.368	92.0
COLUMBIA, MO	36	83.322	79.005	94.8

TABLE 1.9

CURRENT POPULATION SURVEY MARCH 1987

PRIMARY METROPOLITAN STATISTICAL AREA	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
COLUMBIA, SC	87	141.423	132.041	93.4
COLUMBUS, GA	39	120.725	114.815	95.1
COLUMBUS, OH	289	472.096	450.784	95.5
CORPUS CHRISTI, TX	78	104.306	88.740	85.1
DALLAS, TX	407	923.675	841.086	91.1
DANBURY, CT	42	83.943	83.943	100.0
DAVENPORT/ROCK ISLAND/MOLINE, IA/IL	86	139.164	131.260	94.3
DAYTON/SPRINGFIELD, OH	212	341.730	315.207	92.2
DAYTONA BEACH, FL	82	133.899	132.309	98.8
DENVER, CO	342	657.560	611.593	93.0
DES MOINES, IA	86	127.481	124.919	98.0
DETROIT, MI	1050	1583.786	1506.316	95.1
DULUTH, MN	37	88.878	88.878	100.0
EAST ST. LOUIS/BELLEVILLE/ALTON/GRANITE CITY, IL	110	198.935	186.810	93.9
EL PASO, TX	165	190.643	164.192	86.1
ERIE, PA	52	98.054	98.054	100.0
EUGENE/SPRINGFIELD, OR	66	118.066	108.092	91.6
EVANSVILLE, IN	45	111.723	97.309	87.1
FALL RIVER, MA/RI	64	57.851	54.274	93.8
FAYETTEVILLE, NC	82	86.348	75.723	87.7
FAYETTEVILLE/SPRINGDALE, AR	28	33.230	33.230	100.0
FLINT, MI	122	180.899	167.567	92.6
FLORENCE, AL	43	89.256	82.855	92.8
FLORENCE, SC	29	46.420	43.349	93.4
FORT COLLINS/LOVELAND, CO	46	87.722	81.085	92.4
FORT LAUDERDALE/HOLLYWOOD/POMPANO BEACH, FL	290	482.117	440.923	91.5
FORT MYERS, FL	73	115.535	102.785	89.0
FORT SMITH, AR	52	62.275	59.951	96.3
FORT WALTON BEACH, FL	28	46.045	44.318	96.2
FORT WAYNE, IN	53	126.564	117.393	92.8
FORT WORTH/ARLINGTON, TX	207	459.188	427.706	93.1
FRESNO, CA	89	215.564	194.440	90.2
GADSDEN, AL	42	80.558	71.189	88.4
GAINESVILLE, FL	48	77.466	68.431	88.3
GALVESTON/TEXAS CITY, TX	47	101.849	99.726	97.9
GARY/HAMMOND, IN	92	224.154	205.080	91.5
GRAND RAPIDS, MI	169	237.092	231.784	97.8
GREENSBORO/WINSTON-SALEM/HIGH POINT, NC	355	368.200	334.509	90.8
GREENVILLE/SPARTANBURG, SC	147	234.353	210.669	89.9
HAMILTON/MIDDLETOWN, OH	60	97.580	87.746	89.9
HARRISBURG/LEBANON/CARLISLE, PA	91	169.451	163.290	96.4
HARTFORD, CT	144	295.095	289.652	98.2
HICKORY, NC	76	78.982	71.589	90.6
HONOLULU, HI	374	274.092	263.040	96.0
HOUMA/THIBODAUX, LA	37	95.904	88.747	92.5
HOUSTON, TX	516	1193.460	1111.724	93.2
HUNTINGTON, WV	77	82.094	69.735	84.9
HUNTSVILLE, AL	40	83.991	76.669	91.3
INDIANAPOLIS, IN	203	507.600	472.728	93.1
JACKSON, MI	40	57.890	50.496	87.2
JACKSON, MS	113	142.372	117.634	82.6
JACKSONVILLE, FL	203	341.936	295.649	86.5

TABLE 1.9

CURRENT POPULATION SURVEY MARCH 1987

PRIMARY METROPOLITAN STATISTICAL AREA	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
JERSEY CITY, NJ	221	242.209	207.243	85.6
JOHNSON CITY/KINGSPORT/BRISTOL, TN	55	140.322	129.930	92.6
JOHNSTOWN, PA	49	92.247	86.505	93.8
JOLIET, IL	71	132.473	126.117	95.2
JOPLIN, MO	35	84.798	79.861	94.2
KALAMAZOO, MI	54	78.365	72.312	92.3
KANKAKEE, IL	38	71.436	64.638	90.5
KANSAS CITY, MO/KS	344	598.159	578.098	96.6
KILLEEN/TEMPLE, TX	46	97.769	86.406	88.4
KNOXVILLE, TN	91	232.238	217.717	93.7
LAFAYETTE, LA	33	84.751	72.150	85.1
LAKE CHARLES, LA	25	67.266	61.539	91.5
LAKE COUNTY, IL	83	152.054	150.209	98.8
LAKELAND/WINTER HAVEN, FL	100	219.286	202.004	92.1
LANCASTER, PA	75	141.840	127.396	89.8
LANSING/EAST LANSING, MI	107	150.245	146.884	97.8
LAS CRUCES, NM	121	75.855	68.885	90.8
LAS VEGAS, NV	327	244.770	230.234	94.1
LAWRENCE/HAVERHILL, MA	110	107.621	102.807	95.5
LAWRENCE/HAVERHILL/LOWELL, NH	52	41.350	39.742	96.1
LAWTON, OK	41	71.918	64.176	89.2
LEXINGTON/FAYETTE, KY	60	115.299	103.915	90.1
LIMA, OH	38	59.964	58.534	97.6
LINCOLN, NE	99	79.313	78.446	98.9
LITTLE ROCK/NORTH LITTLE ROCK, AR	153	184.957	161.932	87.6
LORAIN/ELYRIA, OH	52	83.622	77.637	92.8
LOS ANGELES/LONG BEACH, CA	2011	3041.388	2836.375	93.3
LOUISVILLE, KY/IN	156	314.133	292.959	93.3
LOWELL, MA	85	85.428	83.512	97.8
LUBBOCK, TX	31	69.607	56.561	81.3
MACON/WARNER ROBINS, GA	29	96.432	92.764	96.2
MADISON, WI	60	135.939	131.537	96.8
MANCHESTER, NH	69	54.572	49.931	91.5
MANSFIELD, OH	46	74.996	74.996	100.0
MCALLEN/EDINBURG/MISSION, TX	107	185.700	174.250	93.3
MEDFORD, OR	41	70.728	63.180	89.3
MELBOURNE/TITUSVILLE/PALM BAY, FL	80	132.422	123.726	93.4
MEMPHIS, TN	126	334.874	302.178	90.2
MIAMI/HIALEAH, FL	492	665.346	621.091	93.3
MIDDLESEX/SOMERSET/HUNTERDON, NJ	271	331.734	329.925	99.5
MIDDLETOWN/BRISTOL, CT	33	66.320	64.027	96.5
MILWAUKEE, WI	221	495.596	475.016	95.8
MINNEAPOLIS/ST. PAUL, MN	360	876.437	838.057	95.6
MOBILE, AL	77	169.984	142.216	83.7
MODESTO, CA	46	111.240	111.240	100.0
MONMOUTH/OCEAN, NJ	266	333.536	322.173	96.6
MONROE, LA	45	129.413	109.920	84.9
MONTGOMERY, AL	49	104.807	99.065	94.5
MUSKEGON, MI	38	54.944	50.495	91.9
NASHUA, NH	85	72.588	68.116	93.8
NASHVILLE, TN	134	344.596	314.983	91.4
NASSAU/SUFFOLK, NY	523	890.226	868.933	97.6

TABLE 1.9

CURRENT POPULATION SURVEY MARCH 1987

PRIMARY METROPOLITAN STATISTICAL AREA	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
NEW BEDFORD, MA	70	66.879	64.216	96.0
NEW BRITAIN, CT	28	55.911	55.911	100.0
NEW HAVEN/MERIDEN, CT	92	185.783	183.157	98.6
NEW LONDON/NORWICH, CT	39	78.920	78.920	100.0
NEW ORLEANS, LA	184	503.874	441.392	87.6
NEW YORK, NY	2115	3357.545	3064.613	91.3
NEWARK, NJ	534	649.722	605.921	93.3
NIAGARA FALLS, NY	55	87.900	76.616	87.2
NORFOLK/VIRGINIA BEACH/NEWPORT NEWS, VA	158	401.187	361.818	90.2
NORWALK, CT	29	58.718	55.315	94.2
OAKLAND, CA	299	760.364	741.414	97.5
OCALA, FL	53	100.123	84.591	84.5
OKLAHOMA CITY, OK	201	365.288	330.811	90.3
OLYMPIA, WA	45	112.488	106.938	95.1
OMAHA, NE	235	189.857	177.221	93.3
ORANGE COUNTY, NY	59	116.893	111.938	95.8
ORLANDO, FL	198	311.279	286.692	92.1
OXNARD/VENTURA, CA	89	206.312	200.447	97.2
PAWTUCKET/WOONSOCKET/ATTLEBORO, RI/MA	167	132.072	127.224	96.3
PENSACOLA, FL	68	108.920	92.037	84.5
PEORIA, IL	78	143.872	132.373	92.0
PHILADELPHIA, PA/NJ	1075	1874.310	1767.352	94.3
PHOENIX, AZ	375	760.399	671.544	88.3
PITTSBURGH, PA	448	849.571	828.332	97.5
PORTLAND, ME	88	65.250	62.874	96.4
PORTLAND, OR	266	483.820	461.162	95.3
PORTSMOUTH/DOVER/ROCHESTER, NH	68	53.571	50.758	94.7
POUGHKEEPSIE, NY	55	89.777	87.832	97.8
PROVIDENCE, RI	334	239.964	227.327	94.7
PROVO/OREM, UT	53	44.332	42.546	96.0
PUEBLO, CO	47	80.402	71.377	88.8
RACINE, WI	45	97.324	95.890	98.5
RALEIGH/DURHAM, NC	238	247.781	227.442	91.8
READING, PA	62	117.113	113.238	96.7
RENO, NV	79	61.476	55.504	90.3
RICHMOND/PETERSBURG, VA	106	269.271	266.836	99.1
RIVERSIDE/SAN BERNARDINO, CA	296	743.407	707.501	95.2
ROANOKE, VA	46	120.870	115.168	95.3
ROCHESTER, NY	223	369.624	346.521	93.7
ROCKFORD, IL	53	97.675	94.169	96.4
SACRAMENTO, CA	203	515.295	472.746	91.7
SAGINAW/BAY CITY/MIDLAND, MI	122	170.802	157.625	92.3
ST. LOUIS, MO/IL	290	712.232	646.337	90.7
SALEM, OR	48	83.310	80.636	96.8
SALEM/GLOUCESTER, MA	102	100.943	99.858	98.9
SALINAS/SEASIDE/MONTEREY, CA	43	111.062	101.102	91.0
SALT LAKE CITY/OGDEN, UT	392	337.993	317.808	94.0
SAN ANTONIO, TX	325	454.422	399.716	88.0
SAN DIEGO, CA	294	726.271	687.781	94.7
SAN FRANCISCO, CA	255	648.206	621.529	95.9
SAN JOSE, CA	207	533.872	512.421	96.0
SANTA BARBARA/SANTA MARIA/LOMPOC, CA	43	108.654	96.954	89.2

TABLE 1.9

CURRENT POPULATION SURVEY MARCH 1987

PRIMARY METROPOLITAN STATISTICAL AREA	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
SANTA CRUZ, CA	42	107.706	102.362	95.0
SANTA ROSA/PETALUMA, CA	50	128.055	115.329	90.1
SARASOTA, FL	62	103.249	99.922	96.8
SAVANNAH, GA	35	118.956	103.348	86.9
SCRANTON/WILKES-BARRE, PA	141	269.337	269.337	100.0
SEATTLE, WA	278	757.043	717.706	94.8
SHARON, PA	35	66.774	64.939	97.3
SHREVEPORT, LA	50	133.421	124.064	93.0
SIOUX CITY, IA	39	59.275	51.656	87.1
SIOUX FALLS, SD	157	46.516	45.004	96.8
SOUTH BEND/MISHAWAKA, IN	38	99.496	91.681	92.1
SPOKANE, WA	50	119.235	110.068	92.3
SPRINGFIELD, IL	47	85.562	74.736	87.3
SPRINGFIELD, MO	38	86.292	81.395	94.3
SPRINGFIELD, MA	195	187.006	175.312	93.7
STAMFORD, CT	29	56.193	56.193	100.0
STOCKTON, CA	65	167.625	163.266	97.4
SYRACUSE, NY	147	242.982	235.172	96.8
TACOMA, WA	61	162.573	151.618	93.3
TALLAHASSEE, FL	50	102.912	96.965	94.2
TAMPA/ST. PETERSBURG/CLEARWATER, FL	505	806.372	739.289	91.7
TERRE HAUTE, IN	34	80.049	72.656	90.8
TOLEDO, OH	144	234.261	222.234	94.9
TOPEKA, KS	46	56.592	55.461	98.0
TRENTON, NJ	90	108.011	101.073	93.6
TUCSON, AZ	119	234.140	215.159	91.9
TULSA, OK	182	326.715	283.436	86.8
TUSCALOOSA, AL	50	109.191	90.956	83.3
UTICA/ROME, NY	73	120.712	113.887	94.3
VALLEJO/FAIRFIELD/NAPA, CA	51	130.796	123.210	94.2
VANCOUVER, WA	32	82.856	75.833	91.5
VINELAND/MILLVILLE/BRIDGETON, NJ	49	58.482	53.700	91.8
VISALIA/TULARE/PORTERVILLE, CA	49	113.651	99.066	87.2
WACO, TX	35	79.356	78.022	98.3
WASHINGTON, DC/MD/VA	1130	1422.463	1389.438	97.7
WATERBURY, CT	39	77.872	77.872	100.0
WATERLOO/CEDAR FALLS, IA	32	47.324	47.324	100.0
WEST PALM BEACH/BOCA RATON/DELRAY BEACH, FL	208	332.034	309.294	93.2
WHEELING, WV	29	29.645	25.292	85.3
WICHITA, KS	168	211.904	201.215	95.0
WILLIAMSPORT, PA	42	79.922	79.922	100.0
WILMINGTON, DE/NJ	383	181.745	173.556	95.5
WORCESTER, MA	158	152.420	147.867	97.0
YORK, PA	85	158.682	155.157	97.8
YOUNGSTOWN/WARREN, OH	183	181.876	173.709	95.5
YUBA CITY, CA	40	102.797	97.775	95.1
ALL OTHER MSAS	1958	2450.470	2264.280	92.4
REMAINDER OF THE UNITED STATES	15558	20253.428	18067.757	89.2
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.10

CURRENT POPULATION SURVEY MARCH 1987

CITIES	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
AKRON/BARBERTON/KENT, OH	64	102.318	95.757	93.6
ALBANY, NY	19	29.633	28.013	94.5
ALLENTOWN/BETHLEHEM/EASTON, PA	48	88.733	88.733	100.0
ANAHEIM, CA	24	60.074	48.206	80.2
ANCHORAGE, AK	423	85.153	82.762	97.2
ANN ARBOR, MI	23	35.414	33.716	95.2
APPLETON/OSHKOSH/NEENAH, WI	21	48.305	48.305	100.0
ARLINGTON, TX	53	113.552	108.928	95.9
ARLINGTON, VA	26	65.470	65.470	100.0
ATLANTA/MARIETTA, GA	56	192.924	166.075	86.1
ATTLEBORO, MA	16	15.752	14.777	93.8
AURORA/ELGIN, IL	24	43.576	41.389	95.0
AUSTIN, TX	70	148.205	143.340	96.7
BAKERSFIELD, CA	16	38.147	28.665	75.1
BALTIMORE/ANNAPOLIS, MD	126	276.366	242.743	87.8
BATON ROUGE, LA	32	92.416	86.813	93.9
BEAUMONT/PORT ARTHUR, TX	24	54.334	51.211	94.3
BERKELEY/LIVERMORE, CA	34	90.292	87.507	96.9
BIRMINGHAM/BESSEMER, AL	57	123.133	105.153	85.4
BOSTON, MA	195	202.519	186.299	92.0
BRIDGEPORT/MILFORD, CT	27	55.718	45.674	82.0
BUFFALO, NY	86	139.614	127.425	91.3
BURBANK/POMONA, CA	68	101.725	92.799	91.2
CAMBRIDGE/LYNN/WALTHAM/FRAMINGHAM, MA	127	131.760	124.692	94.6
CANTON/MASSILON, OH	29	82.000	65.709	80.1
CHARLOTTE/GASTONIA, NC	158	163.290	143.693	88.0
CHATTANOOGA, TN	21	57.070	47.457	83.2
CHICAGO, IL	590	1066.574	959.272	89.9
CINCINNATI, OH	87	148.566	139.924	94.2
CLEVELAND, OH	126	207.795	163.863	78.9
COLUMBIA, SC	17	27.938	22.213	79.5
COLUMBUS/LANCASTER/NEWARK, OH	158	256.732	240.085	93.5
DALLAS, TX	186	415.943	374.458	90.0
DAYTON/SPRINGFIELD, OH	64	102.657	89.508	87.2
DEARBORN/PONTIAC/PORT HURON, MI	55	82.200	80.558	98.0
DENVER, CO	113	215.866	196.174	90.9
DES MOINES, IA	54	79.250	76.687	96.8
DETROIT, MI	238	388.188	340.011	87.6
DURHAM/CHAPEL HILL, NC	45	49.018	41.787	85.2
EAST ST. LOUIS/BELLEVILLE/ALTON/GRANITE CITY, IL	17	31.212	31.212	100.0
ELIZABETH, NJ	43	48.801	39.820	81.6

TABLE 1.10

CURRENT POPULATION SURVEY MARCH 1987

CITIES	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
ERIE, PA	20	39.227	39.227	100.0
EUGENE/SPRINGFIELD, OR	37	67.306	57.333	85.2
EVANSTON/CHICAGO HEIGHTS, IL	14	26.194	26.194	100.0
EVANSVILLE, IN	21	54.572	52.115	95.5
FALL RIVER, MA	32	30.970	27.924	90.2
FLINT, MI	42	64.535	57.273	88.7
FORT LAUDERDALE, FL	42	71.100	56.964	80.1
FORT WAYNE, IN	24	55.496	48.547	87.5
FORT WORTH, TX	75	161.362	146.131	90.6
FRESNO, CA	30	77.865	71.642	92.0
GARY, IN	17	43.668	36.605	83.8
GRAND RAPIDS/HOLLAND, MI	52	72.460	68.581	94.6
GREENSBORO, NC	48	49.018	41.719	85.1
GREENVILLE/SPARTANBURG, SC	27	44.555	31.992	71.8
HAMILTON/MIDDLETOWN, OH	30	48.454	38.620	79.7
HAMMOND/EAST CHICAGO, IN	19	45.301	38.424	83.0
HAMPTON, VA	21	51.277	43.560	84.9
HARTFORD, CT	33	61.024	57.613	94.4
HIALEAH/MIAMI BEACH, FL	77	91.197	85.616	93.9
HOLLYWOOD/POMPANO BEACH, FL	50	78.932	69.432	88.0
HOLYOKE/WESTFIELD/NORTHAMPTON, MA	33	31.162	26.863	86.2
HONOLULU, HI	194	143.835	135.768	94.4
HOUSTON/BAYTOWN, TX	291	634.174	576.623	90.9
INDIANAPOLIS, IN	124	317.170	295.142	93.1
IRVING/DENTON, TX	35	74.145	64.438	86.9
JACKSON, MS	59	75.965	55.460	73.0
JACKSONVILLE, FL	124	204.220	179.812	88.0
JERSEY CITY/HOBOKEN, NJ	102	117.093	99.055	84.6
KANSAS CITY, MO	79	187.729	180.483	96.1
KANSAS CITY/LEAVENWORTH/OLATHE, KS	74	91.814	90.692	98.8
KNOXVILLE/OAK RIDGE, TN	26	70.736	63.057	89.1
LANSING/EAST LANSING, MI	47	63.207	61.617	97.5
LAS VEGAS, NV	111	82.425	76.274	92.5
LAWRENCE/HAVERHILL, MA	49	48.767	43.952	90.1
LEXINGTON/FAYETTE, KY	34	63.965	63.965	100.0
LITTLE ROCK/NORTH LITTLE ROCK/JACKSONVILLE, AR	86	107.491	98.656	91.8
LONG BEACH, CA	94	152.470	139.459	91.5
LORAIN/ELYRIA, OH	28	44.038	38.053	86.4
LOS ANGELES, CA	802	1220.682	1120.980	91.8
LOUISVILLE, KY	51	99.979	92.358	92.4
MACON/WARNER ROBINS, GA	26	86.235	82.567	95.7

TABLE 1.10

CURRENT POPULATION SURVEY MARCH 1987

CITIES	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
MADISON, WI	34	76.475	72.073	94.2
MCALLEN/EDINBURG/MISSION, TX	31	59.936	56.401	94.1
MEMPHIS, TN	95	255.345	225.146	88.2
MESA, AZ	62	126.379	113.696	90.0
MIAMI, FL	103	130.711	108.884	83.3
MILWAUKEE/WAUKESHA, WI	103	233.365	212.786	91.2
MINNEAPOLIS, MN	69	168.999	152.049	90.0
MOBILE, AL	43	94.042	89.260	94.9
MODESTO/TURLOCK, CA	26	63.268	63.268	100.0
NASHVILLE/MURFREESBORO, TN	82	216.168	193.921	89.7
NEW HAVEN/MERIDEN, CT	33	62.633	60.006	95.8
NEW ORLEANS/SLIDELL, LA	89	248.018	197.625	79.7
NEW YORK/WHITE PLAINS, NY	1873	2949.199	2665.940	90.4
NEWARK, NJ	83	96.316	70.433	73.1
NEWPORT NEWS, VA	24	61.873	59.286	95.8
NORFOLK, VA	27	70.615	65.298	92.5
OAKLAND, CA	56	149.776	144.104	96.2
OKLAHOMA CITY/NORMAN/SHAWNEE, OK	108	191.807	173.649	90.5
OMAHA, NE	150	118.027	107.992	91.5
ORLANDO, FL	30	48.514	43.902	90.5
OXNARD/VENTURA, CA	28	64.170	62.338	97.1
PASADENA, CA	37	61.943	58.324	94.2
PATERSON, NJ	39	41.402	36.288	87.6
PAWTUCKET/WOONSOCKET, RI	69	49.955	47.514	95.1
PEORIA/PEKIN, IL	28	52.743	46.496	88.2
PHILADELPHIA/NORRISTOWN, PA	339	655.381	592.777	90.4
PHOENIX, AZ	180	358.921	306.781	85.5
PITTSBURGH/MCKEESPORT, PA	99	184.313	176.723	95.9
PORTLAND, OR	91	165.818	149.771	90.3
PORTSMOUTH/SUFFOLK, VA	20	50.463	39.554	78.4
PROVIDENCE, RI	84	61.595	52.025	84.5
PROVO/OREM, UT	53	44.332	42.546	96.0
RALEIGH, NC	77	79.917	76.176	95.3
RENO, NV	79	61.476	55.504	90.3
RICHMOND, VA	32	82.064	82.064	100.0
RIVERSIDE, CA	26	71.309	71.309	100.0
ROANOKE, VA	22	57.558	54.453	94.6
ROCHESTER, NY	67	109.152	98.017	89.8
ROCKFORD, IL	25	45.574	42.069	92.3
SACRAMENTO/DAVIS/WOODLAND, CA	71	182.508	164.592	90.2
SAGINAW/BAY CITY/MIDLAND, MI	51	71.157	65.375	91.9

TABLE 1.10

CURRENT POPULATION SURVEY MARCH 1987

CITIES	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
ST. LOUIS/ST. CHARLES, MO	78	200.769	174.320	86.8
ST. PAUL/BLOOMINGTON, MN	59	141.302	125.605	88.9
ST. PETERSBURG/CLEARWATER, FL	100	165.473	146.032	88.3
SALINAS/SEASIDE/MONTEREY, CA	23	58.366	51.520	88.3
SALT LAKE CITY/OGDEN, UT	105	89.211	86.434	96.9
SAN ANTONIO, TX	247	321.084	272.636	84.9
SAN BERNARDINO/PALM SPRINGS, CA	23	52.867	51.235	96.9
SAN DIEGO/ESCONDIDO, CA	153	386.817	359.364	92.9
SAN FRANCISCO, CA	125	314.907	291.000	92.4
SAN JOSE/PALO ALTO, CA	113	290.959	281.958	96.9
SANTA ANA, CA	30	79.528	75.721	95.2
SANTA BARBARA/SANTA MARIA/LOMPOC, CA	25	62.709	51.009	81.3
SANTA ROSA/PETALUMA, CA	12	30.197	30.197	100.0
SCHENECTADY/TROY, NY	23	37.489	31.897	85.1
SCRANTON/WILKES-BARRE/HAZLETON, PA	35	67.043	67.043	100.0
SEATTLE/AUBURN/EVERETT, WA	107	284.380	262.825	92.4
SPOKANE, WA	30	73.225	70.941	96.9
SPRINGFIELD, MA	68	64.778	57.383	88.6
STOCKTON/LODI, CA	44	112.567	110.720	98.4
SYRACUSE, NY	40	65.363	62.767	96.0
TACOMA, WA	20	51.817	49.441	95.4
TAMPA, FL	77	118.399	98.808	83.5
TEMPE/SCOTTSDALE, AZ	43	88.560	84.509	95.4
TOLEDO/BOWLING GREEN, OH	84	137.273	130.147	94.8
TOPEKA, KS	46	56.592	55.461	98.0
TUCSON, AZ	77	148.909	129.928	87.3
TULSA, OK	100	179.190	166.287	92.8
UTICA/ROME, NY	28	46.433	41.330	89.0
VALLEJO/FAIRFIELD/NAPA, CA	28	70.695	68.872	97.4
VIRGINIA BEACH, VA	41	103.346	103.346	100.0
WASHINGTON, DC	627	263.280	240.751	91.4
WATERBURY, CT	19	36.028	36.028	100.0
WAUKEGAN/NORTH CHICAGO, IL	16	26.551	24.706	93.1
WEST PALM BEACH/BOCA RATON/DELRAY BEACH, FL	51	82.421	72.648	88.1
WICHITA, KS	92	117.547	110.478	94.0
WINSTON-SALEM/HIGH POINT, NC	98	107.810	94.870	88.0
WORCESTER, MA	69	65.026	61.462	94.5
YOUNGSTOWN/WARREN, OH	29	45.782	37.615	82.2
REMAINDER OF THE UNITED STATES	43522	65885.880	61404.459	93.2
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.11

CURRENT POPULATION SURVEY MARCH 1987

MSA STATUS	SAMPLE SIZE	POPULATION ESTIMATES (000): HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
IN MSA	42427	69161.411	64678.086	93.5
NOT IN MSA	14668	19594.784	17459.347	89.1
NOT IDENTIFIABLE	890	658.643	608.409	92.4
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.12

CURRENT POPULATION SURVEY MARCH 1987

MSA CITY STATUS	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
CENTRAL CITY	14717	24028.290	21780.820	90.6
SUBURB	18173	31561.373	30201.069	95.7
NOT IN MSA	14668	19594.784	17459.347	89.1
NOT IDENTIFIABLE	10427	14230.392	13304.607	93.5
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.13

CURRENT POPULATION SURVEY MARCH 1987

CMSA POPULATION SIZE BREAKDOWN	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
10,000,000 OR MORE	7258	11503.759	10771.814	93.6
5,000,000 TO 9,999,999	4054	7417.967	7031.468	94.8
2,500,000 TO 4,999,999	6348	9468.707	8951.164	94.5
1,000,000 TO 2,499,999	8354	15895.114	14850.285	93.4
500,000 TO 999,999	5855	9148.394	8493.533	92.8
250,000 TO 499,999	4365	7464.094	6935.326	92.9
50,000 TO 249,999	6193	8263.376	7644.496	92.5
NOT IN MSA/NOT IDENTIFIED	15558	20253.428	18067.757	89.2
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.14

CURRENT POPULATION SURVEY MARCH 1987

PMSA POPULATION SIZE BREAKDOWN	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
3,000,000 OR MORE	9135	14723.458	13794.255	93.7
1,000,000 TO 2,999,999	12540	23471.585	22017.742	93.8
500,000 TO 999,999	8099	11987.277	11196.750	93.4
250,000 TO 499,999	5753	9452.911	8809.156	93.2
50,000 TO 249,999	6900	9526.180	8860.183	93.0
NOT IN MSA/NOT IDENTIFIED	15558	20253.428	18067.757	89.2
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.15

CURRENT POPULATION SURVEY MARCH 1987

LAND USE	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
NONFARM	56682	87716.002	81132.717	92.5
FARM	1303	1698.838	1613.126	95.0
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.16

CURRENT POPULATION SURVEY MARCH 1987

TYPE OF LIVING QUARTERS	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
HOUSE OR APARTMENT	54452	83986.749	78445.436	93.4
MOBILE HOME OR TRAILER	3222	4852.894	3975.904	81.9
HOTEL, ROOMING HOUSE, ETC.	133	224.151	97.901	43.7
GROUP QUARTERS	178	351.045	226.602	64.6
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.17

CURRENT POPULATION SURVEY MARCH 1987

TENURE OF HOUSEHOLD	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
OWNED OR BEING BOUGHT	37066	57051.483	55490.721	97.3
RENTED	19836	30729.256	25966.341	84.5
NO CASH RENT	1083	1634.100	1288.781	78.9
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.18

CURRENT POPULATION SURVEY MARCH 1987

PUBLIC HOUSING STATUS OF NONOWNED	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
IN PUBLIC HOUSING	1689	2516.277	1960.083	77.9
NOT IN PUBLIC HOUSING	19230	29847.079	25295.039	84.7
OWNED	37066	57051.483	55490.721	97.3
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.19

CURRENT POPULATION SURVEY MARCH 1987

RENT SUBSIDY STATUS OF NON-PUBLIC HOUSING	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
RENT SUBSIDY RECEIVED	888	1265.798	1026.693	81.1
NO RENT SUBSIDY RECEIVED	18342	28581.281	24268.346	84.9
OWNED OR IN PUBLIC HOUSING	38755	59567.760	57450.804	96.4
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.20

CURRENT POPULATION SURVEY MARCH 1987

TYPE OF HOUSEHOLD	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
FAMILY	41862	64227.899	60210.861	93.7
HOUSEHOLDER LIVING ALONE	13460	20989.854	18881.049	90.0
HOUSEHOLDER LIVING WITH NONRELATIVES	2485	3846.041	3427.331	89.1
GROUP QUARTERS	178	351.045	226.602	64.6
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.21

CURRENT POPULATION SURVEY MARCH 1987

RELATIONSHIP AMONG HOUSEHOLD MEMBERS	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
ALL MEMBERS RELATED TO HOUSEHOLDER	54226	83592.595	77737.769	93.0
SOME MEMBERS RELATED TO HOUSEHOLDER	1096	1625.158	1354.141	83.3
NO MEMBERS RELATED TO HOUSEHOLDER	2485	3846.041	3427.331	89.1
GROUP QUARTERS	178	351.045	226.602	64.6
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.22

CURRENT POPULATION SURVEY MARCH 1987

NO. OF PERSONS IN HOUSEHOLD UNDER 18	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
0	35328	55178.332	51667.526	93.6
1	9416	14600.165	13388.763	91.7
2	8414	12642.144	11605.401	91.8
3	3332	4857.916	4346.412	89.5
4	1005	1445.432	1196.664	82.8
5	309	427.672	342.086	80.0
6-12	181	263.177	198.991	75.6
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.23

CURRENT POPULATION SURVEY MARCH 1987

NO. OF PERSONS NOT RELATED TO HOUSEHOLDER	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
0	54226	83592.595	77737.769	93.0
1	2902	4433.116	3891.617	87.8
2	419	660.586	586.410	88.8
3 OR MORE	260	377.498	303.444	80.4
GROUP QUARTERS	178	351.045	226.602	64.6
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.24

CURRENT POPULATION SURVEY MARCH 1987

NO. OF COUPLES IN HOUSEHOLD	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
0 OR 1	57513	88686.100	82075.964	92.5
2 OR MORE	472	728.739	669.878	91.9
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.25

CURRENT POPULATION SURVEY MARCH 1987

NUMBER OF HOUSEHOLD MEMBERS 5-18 NEVER MARRIED OTHER THAN HOUSEHOLDER	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
0	39202	61135.302	56807.029	92.9
1	9172	14129.248	12964.426	91.8
2	6531	9684.621	9009.279	93.0
3	2224	3226.329	2931.125	90.9
4	594	876.473	755.818	86.2
5 OR MORE	262	362.866	278.166	76.7
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.26

CURRENT POPULATION SURVEY MARCH 1987

HOUSEHOLD INCOME PERCENTILE RANKING	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
0 - 5%	2877	4466.734	3181.494	71.2
5 - 10%	2961	4473.070	3646.853	81.5
10 - 15%	2908	4454.374	3721.804	83.6
15 - 20%	2950	4502.212	3821.935	84.9
20 - 25%	2920	4433.255	3903.042	88.0
25 - 30%	2918	4492.881	3995.323	88.9
30 - 35%	2928	4472.842	4051.282	90.6
35 - 40%	2993	4471.548	4151.479	92.8
40 - 45%	2949	4468.607	4190.972	93.8
45 - 50%	2911	4465.124	4254.048	95.3
50 - 55%	2920	4467.383	4278.539	95.8
55 - 60%	2930	4480.583	4332.769	96.7
60 - 65%	2899	4470.490	4337.287	97.0
65 - 70%	2885	4471.628	4359.564	97.5
70 - 75%	2868	4496.147	4419.495	98.3
75 - 80%	2857	4445.474	4381.206	98.6
80 - 85%	2839	4473.015	4431.196	99.1
85 - 90%	2848	4467.718	4427.791	99.1
90 - 95%	2842	4470.647	4424.407	99.0
95 - 100%	2782	4471.108	4435.358	99.2
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.27

CURRENT POPULATION SURVEY MARCH 1987

HOUSEHOLD INCOME	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
LOSS	145	201.252	180.341	89.6
NONE	254	412.355	279.391	67.8
$1 TO $2,499	1051	1648.870	1113.820	67.6
$2,500 TO $4,999	2922	4445.493	3388.414	76.2
$5,000 TO $7,499	3754	5760.312	4797.058	83.3
$7,500 TO $9,999	3128	4742.091	4051.508	85.4
$10,000 TO $12,499	3362	5119.271	4464.595	87.2
$12,500 TO $14,999	3060	4726.028	4202.099	88.9
$15,000 TO $17,499	3233	4921.073	4489.476	91.2
$17,500 TO $19,999	2926	4364.872	4050.323	92.8
$20,000 TO $22,499	3049	4623.608	4349.273	94.1
$22,500 TO $24,999	2590	3977.548	3786.771	95.2
$25,000 TO $27,499	2761	4225.256	4043.701	95.7
$27,500 TO $29,999	2305	3507.523	3398.574	96.9
$30,000 TO $32,499	2597	4058.903	3924.271	96.7
$32,500 TO $34,999	1982	3013.470	2926.541	97.1
$35,000 TO $37,499	2152	3336.996	3265.486	97.9
$37,500 TO $39,999	1743	2734.468	2687.301	98.3
$40,000 TO $44,999	3156	4920.374	4841.120	98.4
$45,000 TO $49,999	2381	3719.583	3684.698	99.1
$50,000 TO $59,999	3667	5781.415	5731.779	99.1
$60,000 TO $74,999	2717	4270.647	4230.768	99.1
$75,000 AND OVER	3050	4903.431	4858.533	99.1
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.28

CURRENT POPULATION SURVEY MARCH 1987

HOUSEHOLDS WITH CHILDREN EATING COMPLETE HOT LUNCH AT SCHOOL	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
SOME CHILDREN EAT AT SCHOOL	12242	18332.256	16551.918	90.3
NO CHILDREN EAT AT SCHOOL	6541	9947.282	9386.896	94.4
NO CHILDREN IN SCHOOL	39202	61135.302	56807.029	92.9
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.29

CURRENT POPULATION SURVEY MARCH 1987

NUMBER OF CHILDREN WHO EAT COMPLETE LUNCH AT SCHOOL	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
0	45743	71082.584	66193.925	93.1
1	6387	9710.361	8866.478	91.3
2	4045	6005.524	5456.992	90.9
3	1282	1847.827	1623.947	87.9
4	374	553.867	455.336	82.2
5 OR MORE	154	214.676	149.165	69.5
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.30

CURRENT POPULATION SURVEY MARCH 1987

HOUSEHOLDS WITH CHILDREN GETTING SUBSIDIZED LUNCH AT SCHOOL	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
SOME CHILDREN GET SUBSIDIZED LUNCH	4081	6049.585	4684.962	77.4
NO CHILDREN GET SUBSIDIZED LUNCH	8161	12282.671	11866.956	96.6
NO CHILDREN EAT AT SCHOOL	45743	71082.584	66193.925	93.1
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.31

CURRENT POPULATION SURVEY MARCH 1987

NUMBER OF CHILDREN WHO GET SUBSIDIZED LUNCH AT SCHOOL	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
0	53904	83365.254	78060.881	93.6
1	1821	2764.313	2183.695	79.0
2	1344	1987.831	1543.951	77.7
3	585	814.103	616.840	75.8
4	214	309.447	229.128	74.0
5 OR MORE	117	173.891	111.348	64.0
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.32

CURRENT POPULATION SURVEY MARCH 1987

RECEIPT OF FOOD STAMPS	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
FOOD STAMPS RECEIVED	4365	6579.135	4567.030	69.4
FOOD STAMPS NOT RECEIVED	53620	82835.704	78178.813	94.4
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.33

CURRENT POPULATION SURVEY MARCH 1987

NO. OF PERSONS IN HOUSEHOLD COVERED BY FOOD STAMPS	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
0	53620	82835.704	78178.813	94.4
1	1223	1813.320	1348.570	74.4
2	942	1473.553	1017.690	69.1
3	870	1328.492	920.940	69.3
4	651	959.211	632.638	66.0
5	371	550.046	340.532	61.9
6	161	242.576	167.672	69.1
7 OR MORE	147	211.938	138.988	65.6
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.34

CURRENT POPULATION SURVEY MARCH 1987

NUMBER OF MONTHS FOOD STAMPS RECEIVED	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
0	53620	82835.704	78178.813	94.4
1	132	215.062	161.887	75.3
2	190	281.519	207.428	73.7
3	251	373.615	274.405	73.4
4	172	260.705	184.193	70.7
5	139	213.217	158.085	74.1
6	228	348.160	220.628	63.4
7-8	204	315.385	216.278	68.6
9-11	228	327.457	223.968	68.4
12	2821	4244.014	2920.157	68.8
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.35

CURRENT POPULATION SURVEY MARCH 1987

$ VALUE OF FOOD STAMPS RECEIVED	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
0	53620	82835.704	78178.813	94.4
1 - 100	194	297.712	234.722	78.8
101 - 200	483	733.965	569.356	77.6
201 - 300	283	433.611	329.793	76.1
301 - 400	269	410.137	293.946	71.7
401 - 500	209	305.272	213.008	69.8
501 - 600	204	302.464	210.197	69.5
601 - 800	366	563.256	410.641	72.9
801 - 1000	466	703.931	481.461	68.4
1001 - 1300	389	577.306	405.925	70.3
1301 - 1600	310	449.496	294.114	65.4
1601 - 2000	416	637.284	400.607	62.9
2001 - 2400	294	435.404	322.604	74.1
2401 - 3000	249	372.655	189.691	50.9
3001 - 6000	233	356.642	210.965	59.2
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.36

CURRENT POPULATION SURVEY MARCH 1987

RECEIPT OF ENERGY ASSISTANCE	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
ENERGY ASSISTANCE RECEIVED	3217	4653.882	3612.947	77.6
ENERGY ASSISTANCE NOT RECEIVED	54768	84760.957	79132.896	93.4
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.37

CURRENT POPULATION SURVEY MARCH 1987

$ VALUE OF ENERGY ASSISTANCE RECEIVED	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
0	54768	84760.957	79132.896	93.4
1 - 50	204	300.362	241.408	80.4
51 - 100	439	682.068	518.594	76.0
101 - 150	609	935.448	709.414	75.8
151 - 200	643	967.308	718.643	74.3
201 - 250	411	607.811	496.708	81.7
251 - 300	303	439.620	373.124	84.9
301 - 400	316	402.611	314.802	78.2
401 - 2000	292	318.654	240.253	75.4
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.38

CURRENT POPULATION SURVEY MARCH 1987

HOUSEHOLD'S ABILITY TO PAY HEATING FUEL BILL	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
NO HEAT AND UNABLE TO PAY	813	1265.286	868.091	68.6
HAS HEAT AND/OR IS ABLE TO PAY	57172	88149.553	81877.752	92.9
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.39

CURRENT POPULATION SURVEY MARCH 1987

TYPE OF FUEL USED	SAMPLE SIZE	POPULATION ESTIMATES (000) HOUSEHOLDS	NO. WITH PHONE	% WITH PHONE
GAS FROM UNDERGROUND PIPES	17249	27196.998	24313.225	89.4
GAS - BOTTLED, TANK, OR LP	2213	3379.573	2865.052	84.8
ELECTRICITY	6809	10955.204	9626.894	87.9
FUEL OIL, KEROSENE, ETC.	5708	7680.033	6908.312	90.0
WOOD, COAL, COKE, OTHER, OR NONE	2715	3719.984	3120.544	83.9
UNKNOWN	23291	36483.048	35911.817	98.4
TOTAL	57985	89414.839	82745.843	92.5

TABLE 1.40

CURRENT POPULATION SURVEY MARCH 1987 POPULATION ESTIMATES

STATE	HOUSEHOLDS (000)	% WITHOUT PHONE	% BELOW POVERTY LINE	% OF THOSE WITHOUT PHONE WHO ARE BELOW POVERTY LINE	% OF THOSE BELOW POVERTY LINE WHO ARE WITHOUT PHONE
ALABAMA	1476.015	12.6	23.4	53.8	28.9
ALASKA	182.471	11.5	10.2	24.5	27.7
ARIZONA	1269.232	11.6	13.2	27.7	24.6
ARKANSAS	869.739	12.9	22.4	55.0	31.8
CALIFORNIA	9874.096	5.9	9.9	36.5	21.7
COLORADO	1267.482	7.0	12.6	33.2	18.4
CONNECTICUT	1197.889	2.3	7.6	48.3	14.8
DELAWARE	244.642	3.4	12.0	40.1	11.4
DISTRICT OF COLUMBIA	263.280	8.6	10.4	34.0	27.9
FLORIDA	4696.081	8.8	10.8	32.8	26.8
GEORGIA	2224.121	12.3	13.8	41.9	37.4
HAWAII	355.330	5.3	12.0	40.7	18.0
IDAHO	348.864	8.8	17.5	44.8	22.4
ILLINOIS	4262.972	5.9	13.1	45.5	20.6
INDIANA	2090.931	8.7	12.6	32.1	22.1
IOWA	1096.488	4.4	13.3	48.5	15.9
KANSAS	926.155	4.5	12.2	28.3	10.5
KENTUCKY	1300.955	12.5	18.4	50.0	34.0
LOUISIANA	1546.434	12.9	23.2	58.5	32.6
MAINE	437.463	5.8	11.0	20.9	11.0
MARYLAND	1634.556	3.7	9.5	44.0	17.4
MASSACHUSETTS	2184.432	3.3	9.8	35.7	12.0
MICHIGAN	3333.549	5.8	12.8	51.1	22.9
MINNESOTA	1566.055	4.1	10.4	29.7	11.6
MISSISSIPPI	938.578	17.2	26.3	57.1	37.4
MISSOURI	1936.905	8.5	14.2	50.7	30.4
MONTANA	317.826	8.7	13.9	45.1	28.2
NEBRASKA	588.713	5.1	12.8	38.7	15.4
NEVADA	405.569	7.5	7.2	26.6	27.9
NEW HAMPSHIRE	387.288	5.9	4.5	4.4	5.8
NEW JERSEY	2752.756	5.8	9.3	41.7	25.8
NEW MEXICO	521.603	11.8	17.8	47.1	31.0
NEW YORK	6728.196	6.7	13.6	42.6	21.1
NORTH CAROLINA	2420.427	10.2	14.8	40.9	28.1
NORTH DAKOTA	243.453	2.1	14.8	44.9	6.5
OHIO	3949.080	6.6	12.2	44.6	24.1
OKLAHOMA	1225.998	11.7	15.7	54.8	40.8
OREGON	1050.755	8.5	12.7	48.7	32.8
PENNSYLVANIA	4598.348	4.0	10.4	37.6	14.5
RHODE ISLAND	374.039	4.6	11.2	37.2	15.1
SOUTH CAROLINA	1164.205	10.9	17.7	50.2	31.0
SOUTH DAKOTA	256.119	7.7	16.0	49.9	23.8
TENNESSEE	1791.451	10.5	19.6	46.0	24.6
TEXAS	5941.654	9.8	14.8	41.0	27.1
UTAH	528.231	7.1	11.0	49.3	31.7
VERMONT	207.424	4.1	10.1	21.1	8.5
VIRGINIA	2069.347	7.0	9.6	50.5	37.1
WASHINGTON	1694.594	6.6	13.5	43.3	21.3
WEST VIRGINIA	735.242	11.3	22.7	60.2	29.9
WISCONSIN	1756.692	3.8	11.2	63.6	21.7
WYOMING	181.411	6.5	13.0	36.4	18.1
TOTAL	89414.839	7.5	13.0	43.2	24.7

2. Lifeline Assistance Plans

To further the universal service objectives of the Communications Act, lifeline assistance programs were established by the Joint Board and the FCC to ensure that low income subscribers do not drop off the telephone network, and additionally to encourage new subscribers to obtain service. This section discusses the three federal lifeline plans and the various state programs implemented in response to those federal programs to date. This section does not discuss the many state programs which are unrelated to the federal lifeline programs. Attachment I provides a summary of comments and questions to be included in future reports. Attachment II is a report from NECA on projected costs on a state-by-state basis for implementing lifeline assistance in 1988.

The Federal Communications Commission, in conjunction with the states and local telephone companies, has established lifeline programs which are designed to promote universal service by helping low income or disadvantaged individuals afford telephone service. The programs are funded by the interexchange carriers, managed by the states, and may take the form of a reduction in monthly charges or a reduction in installation charges. Under state programs certified by the FCC, local exchange carriers receive additional revenues from interexchange carriers. Under these programs lifeline benefits are only available to persons who pass a "means" test such as eligibility for food stamps or Medicaid. A second requirement for FCC certification is that each applicant's eligibility for benefits be verified. The state has wide latitude in selecting means tests, shaping the benefits, and determining the geographic availability of the programs.

Based the recommendation of the Federal-State Joint Board, the FCC has made available the following three federal lifeline assistance plans:

Plan 1- On December 19, 1984, the FCC adopted an optional plan which allows a reduction in fixed charges for telephone service equal to the federal subscriber line charge (SLC) for low income households satisfying a state determined means test subject to verification. This is accomplished by a 50% reduction in the SLC funded through the interstate carrier common line charge (CCLC). States wishing to take advantage of this assistance mechanism are required to implement an equal monetary reduction in the local exchange rate for those low income households to be funded from state sources. The assistance would be available for a single telephone line for the principal residence of eligible households.

Plan 2- On December 10, 1985, the FCC adopted broader lifeline assistance measures for low income households providing for a reduction in fixed charges for telephone service of twice the size of the SLC. This reduction would be achieved through a waiver of the full federal SLC (including future increases in the SLC) up to the amount matched by state assistance, provided that the plans meet the following federal requirements:

a) means test -- highly targeted assistance plan which focuses on those individuals on limited incomes;

b) subject to verification -- procedures must be established which routinely check to ensure that those individuals eligible under the plans are the individuals benefitting under the plan;

c) availability -- for a single telephone line for the principal residence of eligible households.

The state matching contribution can be in the form of reduced local telephone service rates, reduced connection charges or deposit requirements. No restrictions are imposed on the source of funding for the state assistance. The federal assistance is to be funded by the carriers through the interstate CCLC.

Plan 3- On April 16, 1987, the FCC adopted a two part plan, Link-Up America, to connect low income households to the telephone network. Under the first part, sufficient federal assistance will be provided to pay one-half of the connection charges, up to a $30.00 amount, assessed for commencing telephone service. Under the second part, when a local exchange company (LEC) offers a deferred payment plan not to exceed 12 months for service commencement charges and it does not assess the subscribers any interest charges, federal assistance will be available to that LEC to cover the interest on costs on an amount up to $200.

Connection assistance will be available for one telephone line per household, at a subscriber's principal place of residence. Before receiving federal assistance, a plan must meet the following criteria to ensure that the assistance is properly targeted: 1) the customer requesting assistance has lived at an address or addresses where there has been no telephone service for at least three months immediately prior to the request for assistance; 2) assistance is available, at most, once every two years; 3) the customer cannot be a dependent

(as defined by the federal income tax code) under the age of 60; and 4) the customer must meet state-determined income criteria. The first two criteria are to be verified by using LEC records. The final two criteria may be self-certified. If a state determines, however, that verification of criteria #1 and #2 is administratively or economically impractical for a LEC, that the necessary information must be provided by a LEC or agency outside the state, or in other specified circumstances, then self-certification of these criteria will be allowed and criterion #4 must be verified by the state or LEC.

States are encouraged, but not required, to match the remaining half of the connection charges. The states and LECs are encouraged to develop deferred payment plans for service commencement charges as well as provide reductions in, or waivers of, security deposit requirements for low income customers who do not have poor credit histories.

Federal assistance is to be funded through the interstate CCLC until April 1989, at which time all three lifeline assistance plans will be funded through direct billing of the interexchange carriers (IXCs) by NECA. IXCs will be responsible for paying lifeline assistance if they have at least 1) 1% of the "1+" or "presubscribed" common lines presubscribed to interexchange carriers in all study areas, or 2) 5% of the presubscribed lines in any study area and a minimum of 1,000 presubscribed lines in that study area.

Two states, California and New York, have been offering a lifeline assistance program pursuant to Plan 1 since January 1985. At this time, fifteen states and jurisdictions have been certified by the FCC to provide lifeline connection assistance under the Link-Up America Program, Plan 3, which became effective July 1, 1987. Twenty states and the District of Columbia have been certified to offer lifeline assistance pursuant to Plan 2. Table 2.1 provides a complete listing of all approved state programs offering assistance under Plans 2 and 3, and the dates of FCC certification.

TABLE 2.1

LIFELINE & LIFELINE CONNECTION ASSISTANCE PROGRAMS

STATE	APPROVED LIFELINE	APPROVED LINK UP
Distict of Columbia	3/18/86	08/19/87
North Carolina	5/22/86	10/19/87
Arkansas	5/22/86	10/01/87
Maryland	5/22/86	10/01/87
Oregon	5/22/86	
Colorado	7/25/86	11/13/87
West Virginia	7/25/86	09/11/87
Vermont	10/01/86	
Hawaii	10/27/86	
Arizona	11/14/86	*
Utah	12/31/86	
New Mexico	04/01/87	
Nevada	04/28/87	
Ohio	07/01/87	10/01/87
Washington	07/24/87	
Idaho	07/24/87	
Maine	08/11/87	08/11/87**
Montana	08/11/87	08/11/87
New York	11/02/87	08/11/87
Rhode Island	09/21/87	09/21/87
Alabama		10/01/87
Missouri	10/01/87	*
Texas		10/01/87
New Jersey		11/13/87
Connecticut		11/13/87
Virginia	*	*
North Dakota		*
South Carolina		*
Kentucky		*

* Application received but no final action taken by 12/1/87.

** Approved but not implemented. See Attachment I.

A brief summary of Plan 2 being offered in each of these states follows. It should be noted that three states (Missouri, New York, and Rhode Island) have new programs that have been added to this listing since our September report.

-Arizona: established a three year telephone Assistance Pilot Program that targets individuals at or below 150% of federal poverty guidelines. State assistance includes coverage of all costs of flat-rate unlimited local calling, wire and line maintenance fee, and a one-time upgrade of service (not to exceed a value of $27.50). A telephone rental for a monthly fee of $2.25 is also offered. All applicants are state interviewed and certified annually. The program was approved on November 14, 1986.

-Arkansas: established a Lifeline Measured Rate service available to residential ratepayers who meet the criteria of the federal food stamp program. The local program has been in effect since September 1984 and provides an estimated average benefit of $4.10 per month per subscriber, independent of the waiver of the subscriber line charge.

-Colorado: enacted legislation effective September 1, 1986, to establish the Colorado low-income Telephone Assistance Program through revised state statutes. The law provides single line dial-tone and flat-rate charge in a principal residence at the equivalent of a twenty-five percent discount. Eligible subscribers are state social service recipients of financial assistance programs for the elderly and low-income disabled persons who qualify for supplemental security income under federal programs.

-District of Columbia: established an Economy II service available to residential ratepayers who are over 65 years of age and qualify under federal statutory criteria for participation in the Low Income Home Energy Assistance Programs (LIHEAP) or the Complementary Energy Assistance Program in the District. The local program provides an average benefit of $4.81 per month per subscriber, independent of the waiver of the subscriber line charge. The program was approved on March 18, 1986.

-Hawaii: enacted legislation on April 30, 1986. The rate is $2.70 less than the regular individual residence rates for eligible participants 60 years of age or older with total annual household income of $10,000 or less. On October 15, 1986, the Hawaiian Telephone Company filed tariffs with the

Public Utilities Commission setting verification and income eligibility standards, providing installation of a single residence access line and associated equipment, a 50% reduction in service connection charges, elimination of nonrecurring charges and three month payment leniency on reduced connection charges.

-Idaho: legislation passed in 1987 (H.B. No. 298) provides for Telecommunications Service Assistance which requires that recipients meet both age and income means tests. Applicants must be head of household, sixty years of age or older, and participants in LIHEAP (130% of the federal poverty guidelines). The Idaho Public Utilities Commission will set a uniform monthly surcharge on each business and residential access line to reimburse telephone service providers. The program matches the subscriber line charge, and was approved on July 24, 1987.

-Maine: established a Lifeline Service Program to eligible residence households receiving AFDC, SSI, Medicaid, Food Stamps, or Energy Assistance. The program provides reduced service and equipment charges for installation, and a reduction in the monthly rate of basic exchange service. Maine estimates over 22,250 participating subscribers (40% of qualified) and forecasts an annual installation program of 8,600. The program was approved on August 11, 1987.

-Maryland: established a Tel-Life service available to residential ratepayers who qualify under the state general public assistance program or under the federal Social Security Act. The Public Service Commission estimates that 39,750 people will qualify under the program and that the average benefit will be $4.40 per month per subscriber, independent of additional discount available on initial installation and connection services and of the waiver of the subscriber line charge. The program was approved May 22, 1986.

-Missouri: enacted a Lifeline Service Plan on October 1, 1987. The plan offers reduced rates of $5.30 for one basic residential access line. Eligible subscribers will be residents who qualify for energy assistance, are at least 65 years of age or disabled, and have an annual income of no more than $7,500. The Missouri Division of Family Services will provide Southwestern Bell with a list of residents eligible to participate. Continued eligibility will be certified by Southwestern Bell through a list provided by the Division of Family Services.

-Montana: established a program based on criteria in Montana S.B. No. 257. Assistance will be verified by the Montana Department of Social and Rehabilitation Services for subscribers receiving Medicaid (26,000 households). The state assistance for subscribers will equal the residential End Users Common Line Charge. Reimbursement for discounts will be authorized by the Public Service Commission on residential access lines through a monthly rate surcharge. The program was approved on August 11, 1987.

-Nevada: established the Nevada Experimental Lifeline Program which has two sets of criteria for eligibility, each of which meets the federal criteria: (a) the applicant must be at least 60 years of age and the applicant's household gross income must be under 150% of the federal poverty level for each household; (b) the applicant must be a recipient of government-funded public assistance, e.g., SSI or SSA, regardless of age, with household income under 150% of the poverty level. The Experimental Lifeline Program will be funded solely by the shareholders of Nevada Bell to provide the $2.00 per month discount and the once-a-year 50% discount connection charge. Eligible subscribers will receive discounts without limitation to the grade of service or customer calling patterns. The program was approved on April 18, 1987.

-New Mexico: approved the Mountain Bell Low Income Telephone Assistance Program (LITAP), effective March 1, 1987. Under LITAP, Mountain Bell's customers in New Mexico who qualify for Medicaid benefits under regulations administered by the New Mexico Human Services Department, will receive a $2.00 per month reduction in monthly bills for basic exchange service. The service and equipment charge to change to this program will be waived. Eligible customers are entitled to a 25% discount on the access line service and equipment charge.

-New York: Since June 1, 1985, New York Telephone has offered a basic lifeline plan to qualified subscribers that waived 50% of the Subscriber Line Charge. In September 1987 the Public Service Commission ordered the telephone company to expand the program. The expanded lifeline plan provides discounts on monthly service in excess of the $2.60 Subscriber Line Charge. One option, the Basic Lifeline plan, provides eligible subscribers a message rate access line for $1 per month plus a 10% discount on up to $5 of monthly usage. A second option, the Expanded Lifeline Service, provides the same $1 per month access line plus $10 of monthly usage for a prepaid $9 per month. Residents who qualify for AFDC, Food

Stamps, Home Relief, Medicaid, SSI and the home energy assistance program will be eligible to participate. Eligibility will be certified by the New York State Department of Social Services.

-North Carolina: established a matching program in the state which is available to ratepayers who qualify under the federal AFDC and SSI programs. The program provides for a credit on the local service bill of 100% of the subscriber line charge. The program is funded through state tax credits given to the participating LECs. The program was approved on May 26, 1986.

-Ohio: approved the low-income "telephone assistance plans" (TAPS) of eight Ohio local exchange companies. Each TAP plan offers a waiver of the security deposit and a fifty percent reduction in service connection charges upon initiation or reestablishment of service to partipants in the Home Energy Assistance Program or the Ohio Energy Credits Program. The requirements in both programs have annual income limits per person and per household. Additionally, eligibility for Ohio Energy Credits requires that the head of the household and/or the spouse be age 65 or older, or permanently or totally disabled, with gross annual household income limited at $9,000. The TAP offerings are provided to eligible customers through the deposit waiver and connection discount only once in a one-year period. The Ohio tariffs give benefits to each subscriber monthly up to the SLC limit of $2.00. Where assistance under a LEC's TAP is less than SLC, the amount of nonrecurring state assistance will be set commensurate with a specified number of months. The program was approved on July 1, 1987.

-Oregon: established an Oregon Telephone Assistance Program (TAP) available to ratepayers 60 years of age or older and who qualify for the federal food stamp program. The program provides for a credit on the local service bill of $2.00, independent of the federal waiver of the subscriber line charge. The program was approved on May 22, 1986.

-Rhode Island: enacted legislation in October 1987 to provide a Lifeline Service Program. Eligible subscribers will receive a reduction of $5.20 per month for a single telephone line, including one and two party unlimited local service, one-state-one-rate service, ocean state service, or enhanced Ocean State service. The program is available to residents who qualify for SSI, AFDC, GPA or Rhode Island Medical assistance. The Public Utilities Commission will monitor the program by requiring data from the telephone company within

six months after the implementation. A monthly cross-check will be performed by the Department of Human Resources using computer tapes of participants provided by the telephone company.

-Utah: established a lifeline program which addresses the price of local service and the customer's cost of obtaining telephone service. Discounts are provided to eligible customers of telephone companies with rates for local service (not including extended area service, mileage charges for areas outside of the base rate areas, and optional features) above the state established standard needs budget for telephone service. Those include Mountain Bell, Continental Telephone Company of the West, and Beehive Telephone Company. Other telephone companies may apply to the Public Service Commission of Utah for a lifeline rate if they desire to offer one.

Customers who qualify by income or are participating in any one of eight income-eligible welfare programs supervised by Utah's Department of Social Services may register themselves for lifeline services by filing a certification with their local exchange carrier, if the carrier offers lifeline telephone service.

The telephone companies, not less than annually, must verify their lists of lifeline rate participants with the eligibility lists kept and maintained by Social Services of Utah. The program was approved on December 31, 1986.

-Vermont: enacted broad legislation on May 13, 1986 requiring the Public Service Board to adopt rates designed to implement a lifeline program, and provide a $2.00 credit toward payment on monthly local telephone charges by eligible households. The legislation also required the department of Social Welfare to continue to administer the eligibility and verification provisions fo the program. Two paths of targeted eligibility are administered: the first, participation in either AFDC, Food Stamps, Fuel Assistance, Medicaid, or Supplemental Security Income programs; the second, through the Vermont Department of Taxes' state sales tax credit program for individuals over 65 years old having gross income of less than $13,000 per annum.

-Washington: S.B. No. 5097 became effective July 26, 1987. Eligible subscribers are verified by the State Department of Social and Health Services through participation in the following programs: AFDC, chore services, food stamps, SSI,

refugee assistance, or the Community Options Program Entry System. Each of these programs is means-tested by the department. The local exchange deposit is also waived. A 50 percent discount on service connection fee is mandated, and the remaining portion is payable through installment payments. The legislation creates a lifeline excise tax on all other switched access lines to provide a threshold lifeline rate for universal service in each telephone company.

-West Virginia: enacted legislation effective July 1, 1986, requiring telephone companies to provide Telephone Assistance Service to low-income residential customers. Subscribers must be either disabled or at least 60 years of age and be receiving Social Security supplemental security income benefits, aid to families with dependent children benefits, aid to dependent children-unemployed benefits, food stamps, or be a member of a household who total income qualifies under Social Security supplemental income programs.

ATTACHMENT I
SUMMARY OF COMMENTS ON

LIFELINE ASSISTANCE PLANS

Michigan Public Service Commission

The comments of the Michigan Public Service Commission include four recommendations:

a) Future report should maintain and update information of state implementation of lifeline plans;

b) It would be useful if information could be added to the report to identify states with plans that do not receive federal funding;

c) State laws which have been enacted involving these plans should be identified;

d) Information indicating a state contact person should be included.

Mountain States, Northwestern Bell, and Pacific Northwest Bell; the State of Maine and the State of New York

These comments request clarification of the "3 month rule" for eligibility for the Link-Up program. The "3 month rule" is also addressed as a problem by the State of Maine Public Utilities Commission and the State of New York Department of Public Service in separate requests for waiver or reconsideration of the rule. Both intent and implementation concerns are expressed by the parties.

Pacific Telesis

Pacific Telesis requests the Commission to identify what information it is seeking on "the cost of the program". It asserts that if LECs do not have some data, separate reporting by a LEC would not be useful. It argues that lifeline participation be reported in percentage terms. Pacific Telesis would not have the LECs provide data on the impact of the lifeline program on low-income households.

District of Columbia Public Service Commission

A request is made in the comments to clarify whether the state commission or LEC must file an annual report to remain eligible for federal assistance.

Indiana Office of Utility Consumer Counselor

The Indiana Office of Utility Consumer Counselor suggests that information be presented on both the administrative costs of the lifeline programs and their impact on subscribership levels. It indicates that the administrative cost data should show separately the one-time costs of establishing the lifeline programs as well as the cost of such ongoing activities as application certification and recordkeeping. Additionally, it suggests that reimbursed federal program costs should be separated for clarification. It argues that data are necessary to compare costs and benefits of both federal and state programs. In addition to program costs, it requests data on the impact of adding additional households and on subscribership levels. It states that data should be collected showing the number of households eligible for each lifeline plan in each state, and the number of subscribers to the plans. It suggests that information should be provided which indicates whether the lifeline participants previously subscribed to telephone service, and, if so, the type of service and rate.

ATTACHMENT II

LIFELINE ASSISTANCE PLANS
NECA BUDGET PROJECTIONS FOR STATE PLANS

The monitoring of Lifeline Assistance plans requires NECA to submit reports at the state and study area level of detail. Because the Lifeline Connection Assistance program is new, having been introduced in July 1987, and the end user charge waiver has historically been netted in reporting for pooling purposes, no actual amounts flowed to each LEC are available. In lieu of actuals for the prior period, NECA has submitted the projection of Lifeline Assistance amounts that were included in the Annual Tariff filing made on October 2, 1987 for calendar year 1988.

Beginning in 1988, NECA will collect actual data from the exchange carriers on a semi-annual basis in June and December of each year and will report these data in this docket as they become available.

TABLE 2.2

LIFELINE ASSISTANCE BY STATE
(PROJECTED IN 1988 DOLLARS)

STATE	END USER CHARGES WAIVED	LCA CONNECTION CHARGES	LCA-DEFERRED INTEREST	TOTAL ASSISTANCE
AK	0	0	0	0
AL	0	60,071	0	60,071
AR	160,586	60,651	0	221,237
AZ	312,000	25,343	0	337,343
CA	19,688,452	0	0	19,688,452
CO	686,400	18,020	0	704,420
CT	0	0	0	0
DC	93,600	3,426	0	97,026
DE	81,214	1,100	0	82,314
FL	0	285,827	1,676	287,503
GA	0	74,407	0	74,407
HI	163,862	0	0	163,862
IA	0	22,950	0	22,950
ID	172,550	4,453	0	177,003
IL	0	0	0	0
IN	0	0	0	0
KS	0	2,296	0	2,296
KY	0	60,681	0	60,681
LA	0	161,257	0	161,257
MA	0	0	0	0
MD	99,840	48,000	0	147,840
ME	429,624	644	0	430,268
MI	27,540	3,400	0	30,940
MN	1,123,200	47,040	0	1,170,240
MO	830,481	21,140	0	851,621
MS	0	89,622	0	89,622
MT	374,400	11,393	0	385,793
NC	732,420	108,325	0	840,745
ND	0	2,310	0	2,310
NE	475,800	20,400	0	496,200
NH	0	0	0	0
NJ	500,697	215,670	0	716,367
NM	642,720	29,125	0	671,845
NV	35,053	120	3	35,176
NY	2,297,598	577,040	40,017	2,914,655
OH	1,183,018	18,640	0	1,201,658
OK	0	11,760	0	11,760
OR	468,425	19,880	0	488,305

LIFELINE ASSISTANCE BY STATE

PA	0	20,000	0	20,000
PR	0	0	0	0
RI	453,118	7,100	138	460,356
SC	0	72,705	0	72,705
SD	135,377	13,125	0	148,502
TN	0	129,929	0	129,929
TX	0	39,630	0	39,630
UT	701,376	21,994	0	723,370
VA	78,000	148,279	0	226,279
VI	0	0	0	0
VT	485,160	0	0	485,160
WA	727,212	139,830	26	867,068
WI	0	1,960	0	1,960
WV	190,289	8,108	0	198,397
WY	70,200	8,293	0	78,493
X 1/	936,963	0	0	936,963
	34,357,173	2,615,944	41,860	37,014,977

1/ X represents the national total for unsampled study areas.

3. Costs and High Cost Assistance

On a nationwide basis, approximately 28 percent of a LEC's local loop costs are allocated to the interstate (federal) jurisdiction, and 72 percent are allocated to the state jurisdiction. The average cost per loop, however, varies significantly among LECs. The Commission's high cost assistance program permits LECs with very high per loop costs to allocate more of their loop costs to the interstate jurisdiction, thus recovering these costs from interexchange carriers and leaving less costs to be recovered through state rates. In this manner, the high cost assistance program operates to hold down local rates and thereby furthers one of the most important goals of federal and state regulation -- the preservation of universal telephone service. Acting on the recommendation of the Federal-State Joint Board in CC Docket No. 80-286, the Commission has adopted rule changes that, effective January 1988, will retarget federal assistance provided to high cost local exchange carriers (LECs). This section of the report outlines the high cost assistance program and the changes adopted by the Commission, and discusses the baseline high cost data included in the report. A summary of comments received in our open docket relating to this section appears in Attachment I.

The Commission regulates the recovery by LECs of that portion of their total costs associated with the provision of interstate services. The states regulate the recovery of costs associated with intrastate services (local service and state long distance services). The Commission's high cost assistance program relates to the allocation between the state and interstate jurisdictions of non-traffic sensitive (NTS) "local loop costs" -- a term that refers to the costs of outside telephone wires, poles, and other facilities that link each telephone customer's premises to the public switched telephone network. These costs are allocated between the state and interstate jurisdictions because all local loops can be used for making and receiving state and interstate telephone calls.

Pursuant to the changes recommended by the Joint Board and adopted by the Commission, high cost assistance will be retargeted to increase benefits to small and medium sized LECs beginning in January 1988. This retargeting will take the form of an additional interstate cost allocation for such LECs.

The Commission's high cost assistance program is being implemented during a period in which the interstate allocation of loop costs is being shifted from a level based on the Subscriber Plant Factor (SPF) to a gross allocation factor of 25%. Both of these efforts are being phased in over the same eight-year period. Data permitting an analysis of the increasing cost support and the changing SPF based interstate allocation will be included in future monitoring reports.

The Commission's high cost assistance program is administered by the National Exchange Carrier Association (NECA). As part of the administration of the program, NECA collects certain cost data from LECs that provide service to approximately 98% of the nation's subscribers. Each year NECA collects NTS cost and loop data from the previous year, and uses it to distribute high cost assistance in the following year. In the September report, we included a restatement of the high cost data for 1985, which was recast at a rate of return of 12% instead of the 12.75% used in NECA's filing and we used the high cost formula currently in place (not the new formula that will be effective in 1988). State totals from NECA's 1987 report, covering high cost data for 1986, are presented in Attachment II. It uses the 12.75% rate of return which was in effect in 1986, rather than the 12% rate currently in effect. Two tables are presented in this report. The first, labeled "support determination at 200,000 loops", shows the universal service fund (USF) calculation based on the new high cost formula which takes effect in January 1988. The second, labeled "support determination at 50,000 loops", shows the USF calculation based on the old high cost formula which is currently in effect. Comparison of the two tables thus shows the effect of the implementation of the new formula.[1] Since the actual transition proportion for 1988 is 3/8, representing the third year of the eight-year phase-in, the actual monthly USF payments to be made in 1988 are three times the amounts shown in the column "monthly USF at 1/8 transition" in the "support determination at 200,000 loops" table. Both tables are based on data for all companies, including imputed costs for average schedule companies.

---

1 Since the data are for 1986, the impact of the new system of accounts is not reflected in these numbers.

ATTACHMENT I
SUMMARY OF COMMENTS ON
COSTS AND HIGH COST ASSISTANCE

Public Service Commission of the District of Columbia (D.C. PSC)

The D.C. PSC agrees with the requirement to reformat the high cost information provided by NECA to allow easier understanding and use.

Michigan Public Service Commission

The Michigan Commission supports the FCC and Joint Board request to NECA to submit in its next report the data in the new format, not only for 1986 data but also for 1985 data. It further urges encouragement of parties to comment on the new data format and make suggestions for further modifications.

USTA

USTA states in its comments that the monitoring of the impact of jurisdictional shifts on the universal service fund is of particular concern to LECs. It affirms the importance of maintaining the integrity of the retargeted USF payments. It argues that this means that the payments received under Parts 31 and 67 as of September 1989 should be the same as the payments received in October 1989 based on Parts 32 and 36.

ATTACHMENT II

STATE USF COST TOTALS

TABLE 3.1

DATE: 09/18/87
TIME: 09:12
PRD: 871
TYPE: ALL

NATIONAL EXCHANGE CARRIERS ASSOCIATION
UNIVERSAL SERVICE FUND
EXPENSE ADJUSTMENT
STATE SUMMARY
SUPPORT DETERMINATION AT 200,000 LOOPS

USF3010
PAGE 1

STATE	UNSEPARATED REVENUE REQUIREMENT	LOOPS	USF COST/LOOP	ANNUAL USF AT 100%	MONTHLY USF AT 1/8 TRANSITION	PERCENT OF TOTAL
ALABAMA	417,632,161.61	1,577,841	264.68	13,547,468	141,120	02.83
ALASKA	94,930,486.31	246,353	385.34	29,621,860	308,564	06.19
ARIZONA	442,938,159.77	1,609,130	275.26	13,459,169	140,201	02.81
ARKANSAS	292,247,796.23	921,662	317.08	15,906,792	165,696	03.32
CALIFORNIA	3,366,496,749.79	14,418,836	233.47	39,633,172	412,849	08.28
COLORADO	359,532,275.75	1,671,532	215.09	2,879,278	29,993	00.60
CONNECTICUT	343,494,608.22	1,686,842	203.63	0	0	00.00
DELAWARE	65,659,078.76	348,315	188.50	0	0	00.00
DISTRICT OF COLUMBIA	86,402,458.49	767,536	112.57	0	0	00.00
FLORIDA	1,899,816,660.99	6,166,648	308.07	32,384,721	337,342	06.76
GEORGIA	756,739,454.23	2,739,265	276.25	13,687,670	142,580	02.86
HAWAII	83,488,176.09	483,933	172.52	0	0	00.00
IDAHO	126,688,465.38	419,610	301.91	11,735,527	122,245	02.45
ILLINOIS	957,258,178.43	5,774,341	165.77	1,488,667	15,508	00.31
INDIANA	480,417,958.66	2,367,727	202.90	1,448,499	15,087	00.30
IOWA	262,807,103.83	1,280,788	205.19	2,339,627	24,375	00.48
KANSAS	289,620,562.17	1,182,565	244.90	11,924,858	124,220	02.49
KENTUCKY	380,826,955.92	1,391,084	273.76	6,705,695	69,852	01.40
LOUISIANA	540,869,118.26	1,792,119	301.80	13,803,556	143,787	02.88
MAINE	152,757,545.96	559,667	272.94	3,256,315	33,919	00.68
MARYLAND	436,526,592.90	2,419,800	180.39	0	0	00.00
MASSACHUSETTS	509,544,887.34	3,262,486	156.18	0	0	00.00
MICHIGAN	891,200,104.40	4,404,137	202.35	2,619,551	27,288	00.54
MINNESOTA	431,307,855.60	2,090,627	206.30	4,615,687	48,080	00.96
MISSISSIPPI	299,711,688.11	881,325	340.06	8,836,177	92,045	01.84
MISSOURI	562,197,793.48	2,358,163	238.40	25,743,491	268,165	05.38
MONTANA	120,357,719.03	359,651	334.65	8,678,763	90,403	01.81
NEBRASKA	155,876,910.88	781,046	199.57	3,889,737	40,520	00.81
NEVADA	121,535,668.85	544,558	223.18	7,918,291	82,484	01.65
NEW HAMPSHIRE	141,773,537.33	542,779	261.19	470,762	4,904	00.09
NEW JERSEY	806,259,896.80	4,369,685	184.51	212,255	2,211	00.04
NEW MEXICO	175,986,175.07	601,538	292.56	18,601,800	193,769	03.88
NEW YORK	2,127,827,382.13	9,732,897	218.62	8,577,061	89,344	01.79
NORTH CAROLINA	720,988,658.38	2,825,224	255.19	11,024,349	114,837	02.30
NORTH DAKOTA	89,068,532.31	332,497	267.87	2,822,503	29,403	00.59
OHIO	920,450,939.49	4,835,553	190.35	789,106	8,219	00.16
OKLAHOMA	439,868,358.19	1,482,439	296.71	21,399,545	222,913	04.47
OREGON	310,103,681.63	1,289,115	240.55	12,097,306	126,011	02.52
PENNSYLVANIA	1,082,069,044.22	5,811,015	186.21	1,488,319	15,504	00.31
PUERTO RICO	170,816,921.41	703,621	242.76	0	0	00.00
RHODE ISLAND	94,845,436.56	482,269	196.66	0	0	00.00
SOUTH CAROLINA	422,054,060.68	1,358,935	310.57	9,109,050	94,886	01.90
SOUTH DAKOTA	82,645,152.41	306,166	269.93	2,833,093	29,513	00.59
TENNESSEE	477,758,684.62	2,072,194	230.55	1,807,756	18,831	00.37
TEXAS	2,158,278,555.00	7,842,869	275.18	61,953,030	645,348	12.94
UTAH	140,959,579.60	669,509	210.54	2,633,726	27,436	00.55

TABLE 3.1

DATE: 09/18/87
TIME: 09:12
PRD: 871
TYPE: ALL

NATIONAL EXCHANGE CARRIERS ASSOCIATION
UNIVERSAL SERVICE FUND
EXPENSE ADJUSTMENT
STATE SUMMARY
SUPPORT DETERMINATION AT 200,000 LOOPS

STATE	UNSEPARATED REVENUE REQUIREMENT	LOOPS	USF COST/LOOP	ANNUAL USF AT 100%	MONTHLY USF AT 1/8 TRANSITION	PERCENT OF TOTAL
VERMONT	83,903,756.58	271,109	309.48	3,254,435	33,902	00.68
VIRGIN ISLANDS	17,092,504.35	39,232	435.67	4,665,701	48,601	00.97
VIRGINIA	682,438,912.69	2,795,122	244.15	4,744,815	49,427	00.99
WASHINGTON	488,016,701.25	2,273,171	214.68	12,885,353	134,221	02.69
WEST VIRGINIA	254,148,136.70	733,341	346.56	10,962,489	114,193	02.29
WISCONSIN	484,658,587.01	2,189,622	221.34	3,582,276	37,316	00.74
WYOMING	92,366,846.90	221,632	416.75	6,363,319	66,285	01.33
INDUSTRY TOTAL	27,393,263,217.00	118,289,121	231.57	478,402,620	4,983,397	100.00

TOTAL NUMBER OF STUDY AREA CODES: 1485

TABLE 3.2

DATE: 09/18/87
TIME: 09:12
PRD: 871
TYPE: ALL

NATIONAL EXCHANGE CARRIERS ASSOCIATION
UNIVERSAL SERVICE FUND
EXPENSE ADJUSTMENT
STATE SUMMARY
SUPPORT DETERMINATION AT 50,000 LOOPS

USF3010
PAGE 1

STATE	UNSEPARATED REVENUE REQUIREMENT	LOOPS	USF COST/LOOP	ANNUAL USF AT 100%	MONTHLY USF AT 1/8 TRANSITION	PERCENT OF TOTAL
ALABAMA	417,632,161.61	1,577,841	264.68	8,523,944	88,794	01.54
ALASKA	94,930,486.31	246,353	385.34	28,220,037	293,959	05.10
ARIZONA	442,938,159.77	1,609,130	275.26	12,532,757	130,551	02.26
ARKANSAS	292,247,796.23	921,662	317.08	14,629,802	152,396	02.64
CALIFORNIA	3,366,496,749.79	14,418,836	233.47	70,993,337	739,515	12.84
COLORADO	359,532,275.75	1,671,532	215.09	2,653,656	27,643	00.48
CONNECTICUT	343,494,608.22	1,686,842	203.63	0	0	00.00
DELAWARE	65,659,078.76	348,315	188.50	0	0	00.00
DISTRICT OF COLUMBIA	86,402,458.49	767,536	112.57	0	0	00.00
FLORIDA	1,899,816,660.99	6,166,648	308.07	70,422,128	733,563	12.73
GEORGIA	756,739,454.23	2,739,265	276.25	11,302,856	117,741	02.04
HAWAII	83,488,176.09	483,933	172.52	0	0	00.00
IDAHO	126,688,465.38	419,610	301.91	9,476,058	98,710	01.71
ILLINOIS	957,258,178.43	5,774,341	165.77	789,626	8,227	00.14
INDIANA	480,417,958.66	2,367,727	202.90	627,003	6,532	00.11
IOWA	262,807,103.83	1,280,788	205.19	1,315,778	13,708	00.23
KANSAS	289,620,562.17	1,182,565	244.90	10,410,083	108,440	01.88
KENTUCKY	380,826,955.92	1,391,084	273.76	7,650,445	79,693	01.38
LOUISIANA	540,869,118.26	1,792,119	301.80	20,537,435	213,934	03.71
MAINE	152,757,545.96	559,667	272.94	2,817,095	29,346	00.50
MARYLAND	436,526,592.90	2,419,800	180.39	0	0	00.00
MASSACHUSETTS	509,544,887.34	3,262,486	156.18	0	0	00.00
MICHIGAN	891,200,104.40	4,404,137	202.35	2,120,277	22,087	00.38
MINNESOTA	431,307,855.60	2,090,627	206.30	2,297,240	23,929	00.41
MISSISSIPPI	299,711,688.11	881,325	340.06	17,847,849	185,915	03.22
MISSOURI	562,197,793.48	2,358,163	238.40	19,218,957	200,201	03.47
MONTANA	120,357,719.03	359,651	334.65	10,196,698	106,216	01.84
NEBRASKA	155,876,910.88	781,046	199.57	3,426,112	35,691	00.61
NEVADA	121,535,668.85	544,558	223.18	4,423,914	46,082	00.80
NEW HAMPSHIRE	141,773,537.33	542,779	261.19	367,203	3,824	00.06
NEW JERSEY	806,259,896.80	4,369,685	184.51	163,252	1,701	00.02
NEW MEXICO	175,986,175.07	601,538	292.56	17,824,993	185,677	03.22
NEW YORK	2,127,827,382.13	9,732,897	218.62	4,649,237	48,431	00.84
NORTH CAROLINA	720,988,658.38	2,825,224	255.19	12,240,934	127,510	02.21
NORTH DAKOTA	89,068,532.31	332,497	267.87	2,447,640	25,499	00.44
OHIO	920,450,939.49	4,835,553	190.35	1,405,832	14,644	00.25
OKLAHOMA	439,868,358.19	1,482,439	296.71	19,937,267	207,680	03.60
OREGON	310,103,681.63	1,289,115	240.55	10,632,871	110,762	01.92
PENNSYLVANIA	1,082,069,044.22	5,811,015	186.21	1,182,510	12,318	00.21
PUERTO RICO	170,816,921.41	703,621	242.76	0	0	00.00
RHODE ISLAND	94,845,436.56	482,269	196.66	0	0	00.00
SOUTH CAROLINA	422,054,060.68	1,358,935	310.57	17,792,586	185,340	03.21
SOUTH DAKOTA	82,645,152.41	306,166	269.93	2,449,063	25,511	00.44
TENNESSEE	477,758,684.62	2,072,194	230.55	1,390,155	14,481	00.25
TEXAS	2,158,278,555.00	7,842,869	275.18	60,804,093	633,378	10.99
UTAH	140,959,579.60	669,509	210.54	2,398,132	24,981	00.43

TABLE 3.2

DATE: 09/18/87
TIME: 09:12
PRD: 871
TYPE: ALL

NATIONAL EXCHANGE CARRIERS ASSOCIATION
UNIVERSAL SERVICE FUND
EXPENSE ADJUSTMENT
STATE SUMMARY
SUPPORT DETERMINATION AT 50,000 LOOPS

USF3010
PAGE 2

STATE	UNSEPARATED REVENUE REQUIREMENT	LOOPS	USF COST/LOOP	ANNUAL USF AT 100%	MONTHLY USF AT 1/8 TRANSITION	PERCENT OF TOTAL
VERMONT	83,903,756.58	271,109	309.48	4,157,628	43,309	00.75
VIRGIN ISLANDS	17,092,504.35	39,232	435.67	4,188,408	43,629	00.75
VIRGINIA	682,438,912.69	2,795,122	244.15	3,836,061	39,960	00.69
WASHINGTON	488,016,701.25	2,273,171	214.68	10,405,089	108,388	01.88
WEST VIRGINIA	254,148,136.70	733,341	346.56	17,371,074	180,950	03.14
WISCONSIN	484,658,587.01	2,189,622	221.34	8,129,351	84,680	01.47
WYOMING	92,366,846.90	221,632	416.75	16,617,558	173,102	03.00
INDUSTRY TOTAL	27,393,263,217.00	118,289,121	231.57	552,824,024	5,758,628	100.00

TOTAL NUMBER OF STUDY AREA CODES: 1485

4. Network Usage and Growth

The amount of traffic carried on the public switched network is a vital concern to the Joint Board and the Commission. To monitor use of this network, NECA provides monthly reports to the Commission on the volumes of switched interstate usage. To supplement this information, the Joint Board recommended that the larger local telephone companies also provide, on an annual basis, their total switched minutes of use, their interstate switched minutes of use, and their Subscriber Plant Factor (SPF), Subscriber Line Usage (SLU), and Dial Equipment Minutes (DEM) factors. The Joint Board recognized that much of this data was not previously collected by any single entity and that reports could be received directly from the companies involved or could be received and consolidated by some other entity (such as NECA).

The September monitoring report addressed criteria for use in selecting alternative measures of telephone network usage. Comments that have been received on network usage and growth in our open docket since the September report are summarized in Attachment I.

Attachment II includes data on switched telephone traffic as reflected in the National Exchange Carrier Association (NECA) calculations of carrier common line (CCL) minutes of use from June 1984 through August 1987. Our September report included this cumulative data through May 1987. Table 4.1 shows the latest available figures on minutes of use for interstate traffic as reported by NECA, derived from the Common Line Pool earned revenues. Tables 4.2 and 4.3 show the figures for large (Tier 1) and small (non-Tier 1) companies, respectively. Since June 1986, these figures do not count the minutes from the closed end of WATS.

On October 26, 1987, a data request was sent to all cost companies seeking network usage data. A copy of the request is included in Attachment III. NECA is curently compiling the information that it received in November from Tier 1 companies for 1985 and 1986. This information will appear in the March 1988 monitoring report. The remaining information that was requested, for prior years and smaller companies, should be in the June 1988 monitoring report. Data for 1987 and future years will be collected by NECA in conjunction with the USF cost data collection.

ATTACHMENT I

SUMMARY OF COMMENTS ON
NETWORK USAGE AND GROWTH

Public Service Commission of the District of Columbia

The D.C. PSC states that the appropriate measurement of traffic usage for the monitoring plan should be billed or conversation minutes of use. It avers that this is the most relevant measure from a customer's point of view and should be used to evaluate the impact of federally-prescribed charges on universal service.

The Office of the People's Counsel of the District of Columbia

The People's Counsel recommends that the FCC use the results of the monitoring program to determine whether the next scheduled subscriber line charge increase should be implemented. In addition, it suggests that the NECA monthly reports on traffic volumes be filed with state commissions and other interested parties for review.

Michigan Public Service Commission

The Michigan Commission suggests that progress reports be made on what data may be available and what the industry is willing to provide in the next report. It further suggests that individual states collect this data and submit it to a centralized location if progress is not occurring within the industry in this area of monitoring.

State of Indiana Office of Utility Consumer Counselor

The Indiana UCC believes that the monthly CCL usage data provided in the initial monitoring report is a good first step toward developing statistics for measuring impacts. It notes that collection of other types of data that was not anticipated is necessary in order to isolate the impacts of the FCC decisions, such as changes in state toll rates, rates for other services, and timing of presubscription. It states that some of this data may vary geographically and should be reported on a state-by-state basis.

BellSouth

BellSouth states that the NECA report on minutes of use derived from the carrier common line earned revenues is deficient and should not be used to monitor network usage and growth. It states that the NECA report does not accurately reflect monthly usage because the earned revenues, in some cases, reflect out-of-period adjustments which could distort usage data for a monthly period. In addition, it contends that comparisons of interstate

usage and total usage are meaningless since they are not comparably reported. BellSouth states the use of SLU, SPF, and DEM factors would also be meaningless since these factors, by themselves, do not indicate if network usage is growing or declining.

It states that the appropriate minutes of use should be derived from the traffic data that are currently utilized to calculate SLU and DEM factors. It asserts that these data are readily available and can be used to provide the interstate and total switched minutes of use for determining network usage trends.

Pacific Telesis

Pacific Telesis states that the requirement for total switched minutes of use data should be deleted. It contends that, since the interstate MOUs are derived from earned revenue information, the state MOUs would have to be calculated in the same manner for comparison reasons and this is not feasible at this time for the following reasons: (1) the Pacific Companies have not developed the necessary algorithms to transform state switched access MOUs to revenue producing MOUs; (2) the state intraLATA traffic (toll and exchange) can not be transformed into revenue-based MOUs since the billing for this usage is performed by messages; and (3) normalization of these booked intraLATA revenues would be extremely complicated due to numerous billing adjustment codes, and the existing algorithms would not work. It recommends that the requirement to report total switched MOUs be deleted, since the Pacific Companies cannot currently develop total switched MOUs which are comparable to interstate MOUs.

ATTACHMENT II

NECA CCL ACCESS MINUTES DATA

TABLE 4.1

NATIONAL EXCHANGE CARRIER ASSOCIATION,INC.

SUPPLEMENTAL REPORT OF COMMON LINE POOL RESULTS
REPORTED AS OF OCTOBER, 1987

MINUTES OF USE DERIVED FROM N E C A CCL EARNED REVENUES

TOTAL COMMON LINE POOL

(MOU REPORTED IN MILLIONS)

	PREMIUM CCL MOUS			NONPREMIUM CCL MOUS		
MONTH/YR	ORIGINATING	TERMINATING	TOTAL	ORIGINATING	TERMINATING	TOTAL
JUN 84	N/A	N/A	14,545.271	N/A	N/A	1,827.007
JUL 84	N/A	N/A	12,566.294	N/A	N/A	1,886.240
AUG 84	N/A	N/A	13,135.947	N/A	N/A	1,911.089
SEP 84	N/A	N/A	12,319.793	N/A	N/A	1,720.966
OCT 84	N/A	N/A	13,161.263	N/A	N/A	2,018.484
NOV 84	N/A	N/A	13,090.910	N/A	N/A	2,010.440
DEC 84	N/A	N/A	13,378.258	N/A	N/A	1,990.827
JAN 85	N/A	N/A	13,115.551	N/A	N/A	2,176.491
FEB 85	N/A	N/A	12,998.244	N/A	N/A	2,182.451
MAR 85	N/A	N/A	13,418.828	N/A	N/A	2,283.537
APR 85	N/A	N/A	13,755.632	N/A	N/A	2,270.295
MAY 85	N/A	N/A	13,810.066	N/A	N/A	2,028.473
JUN 85	N/A	N/A	13,905.208	N/A	N/A	2,295.878
JUL 85	N/A	N/A	14,146.095	N/A	N/A	2,190.388
AUG 85	N/A	N/A	14,586.024	N/A	N/A	1,994.763
SEP 85	N/A	N/A	14,456.980	N/A	N/A	1,974.874
OCT 85	N/A	N/A	15,206.389	N/A	N/A	1,781.234
NOV 85	N/A	N/A	14,287.189	N/A	N/A	1,780.678
DEC 85	N/A	N/A	15,003.623	N/A	N/A	1,767.416
JAN 86	N/A	N/A	15,359.387	N/A	N/A	1,369.110
FEB 86	N/A	N/A	14,711.417	N/A	N/A	1,400.313
MAR 86	N/A	N/A	15,853.821	N/A	N/A	1,350.319
APR 86	N/A	N/A	15,922.078	N/A	N/A	1,275.367
MAY 86	N/A	N/A	16,023.246	N/A	N/A	1,187.580
JUN 86	5,545.644	8,222.234	13,767.879	480.138	817.090	1,297.228
JUL 86	6,340.519	8,117.472	14,457.992	502.543	758.197	1,260.741
AUG 86	6,183.368	8,192.255	14,375.623	430.857	694.849	1,125.707
SEP 86	6,447.999	8,059.777	14,507.777	368.707	694.496	1,063.204
OCT 86	6,746.526	8,478.321	15,224.847	319.982	682.835	1,002.818
NOV 86	6,427.627	8,155.004	14,582.633	340.580	690.635	1,031.216
DEC 86	7,043.448	8,814.289	15,857.738	298.663	656.828	955.492
JAN 87	7,063.392	8,594.124	15,657.518	342.572	649.531	992.104
FEB 87	6,811.150	8,637.083	15,448.233	347.094	672.352	1,019.447
MAR 87	7,465.731	9,512.715	16,978.447	366.903	756.783	1,123.687
APR 87	7,226.598	9,227.330	16,453.930	354.960	700.300	1,055.262
MAY 87	7,333.582	8,911.597	16,245.180	323.638	692.750	1,016.389
JUN 87	7,554.972	9,395.069	16,950.043	274.479	696.607	971.088
JUL 87	9,657.562	9,266.102	18,923.664	388.557	705.724	1,094.282
AUG 87	7,572.647	9,504.924	17,077.572	280.996	774.235	1,055.231

TABLE 4.2

NATIONAL EXCHANGE CARRIER ASSOCIATION,INC.

SUPPLEMENTAL REPORT OF COMMON LINE POOL RESULTS
REPORTED AS OF OCTOBER, 1987

MINUTES OF USE DERIVED FROM N E C A CCL EARNED REVENUES

TIER 1

(MOU REPORTED IN MILLIONS)

	PREMIUM CCL MOUS			NONPREMIUM CCL MOUS		
MONTH/YR	ORIGINATING	TERMINATING	TOTAL	ORIGINATING	TERMINATING	TOTAL
JUN 84	N/A	N/A	13,685.597	N/A	N/A	1,813.710
JUL 84	N/A	N/A	11,795.348	N/A	N/A	1,875.077
AUG 84	N/A	N/A	12,345.332	N/A	N/A	1,898.366
SEP 84	N/A	N/A	11,542.403	N/A	N/A	1,707.373
OCT 84	N/A	N/A	12,347.081	N/A	N/A	2,001.905
NOV 84	N/A	N/A	12,291.952	N/A	N/A	1,994.562
DEC 84	N/A	N/A	12,562.210	N/A	N/A	1,971.868
JAN 85	N/A	N/A	12,302.152	N/A	N/A	2,158.260
FEB 85	N/A	N/A	12,201.878	N/A	N/A	2,164.499
MAR 85	N/A	N/A	12,600.320	N/A	N/A	2,264.289
APR 85	N/A	N/A	12,915.205	N/A	N/A	2,249.389
MAY 85	N/A	N/A	12,959.438	N/A	N/A	2,007.246
JUN 85	N/A	N/A	13,003.811	N/A	N/A	2,271.726
JUL 85	N/A	N/A	13,262.800	N/A	N/A	2,165.717
AUG 85	N/A	N/A	13,658.918	N/A	N/A	1,970.276
SEP 85	N/A	N/A	13,553.502	N/A	N/A	1,950.462
OCT 85	N/A	N/A	14,303.096	N/A	N/A	1,757.488
NOV 85	N/A	N/A	13,386.820	N/A	N/A	1,757.239
DEC 85	N/A	N/A	14,083.268	N/A	N/A	1,743.623
JAN 86	N/A	N/A	14,459.592	N/A	N/A	1,347.314
FEB 86	N/A	N/A	13,846.984	N/A	N/A	1,373.721
MAR 86	N/A	N/A	14,928.360	N/A	N/A	1,323.963
APR 86	N/A	N/A	14,990.809	N/A	N/A	1,248.354
MAY 86	N/A	N/A	15,077.432	N/A	N/A	1,158.817
JUN 86	5,175.198	7,676.947	12,852.146	470.445	800.636	1,271.082
JUL 86	5,948.736	7,615.900	13,564.637	492.535	743.099	1,235.635
AUG 86	5,782.960	7,661.761	13,444.721	419.322	676.246	1,095.569
SEP 86	6,051.440	7,553.517	13,604.958	355.870	670.471	1,026.341
OCT 86	6,343.124	7,964.092	14,307.217	308.134	657.652	965.787
NOV 86	6,025.514	7,644.747	13,670.262	327.966	665.061	993.028
DEC 86	6,630.111	8,297.008	14,927.120	287.213	631.650	918.864
JAN 87	6,612.276	8,045.261	14,657.537	328.933	623.644	952.578
FEB 87	6,409.401	8,127.633	14,537.035	334.363	647.694	982.058
MAR 87	7,047.477	8,979.454	16,026.932	355.439	733.193	1,088.634
APR 87	6,800.474	8,683.231	15,483.706	343.085	676.871	1,019.958
MAY 87	6,897.193	8,367.278	15,264.472	311.220	666.160	977.381
JUN 87	7,110.943	8,843.049	15,953.993	264.289	670.779	935.068
JUL 87	9,099.626	8,687.361	17,786.988	375.705	681.944	1,057.650
AUG 87	7,097.517	8,910.232	16,007.750	269.235	745.954	1,015.190

TABLE 4.3

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

SUPPLEMENTAL REPORT OF COMMON LINE POOL RESULTS
REPORTED AS OF OCTOBER, 1987

MINUTES OF USE DERIVED FROM N E C A CCL EARNED REVENUES

NON-TIER 1

(MOU REPORTED IN MILLIONS)

	PREMIUM CCL MOUS			NONPREMIUM CCL MOUS		
MONTH/YR	ORIGINATING	TERMINATING	TOTAL	ORIGINATING	TERMINATING	TOTAL
JUN 84	N/A	N/A	859.674	N/A	N/A	13.297
JUL 84	N/A	N/A	770.946	N/A	N/A	11.163
AUG 84	N/A	N/A	790.615	N/A	N/A	12.723
SEP 84	N/A	N/A	777.390	N/A	N/A	13.593
OCT 84	N/A	N/A	814.183	N/A	N/A	16.579
NOV 84	N/A	N/A	798.958	N/A	N/A	15.879
DEC 84	N/A	N/A	816.048	N/A	N/A	18.959
JAN 85	N/A	N/A	813.399	N/A	N/A	18.231
FEB 85	N/A	N/A	796.366	N/A	N/A	17.952
MAR 85	N/A	N/A	818.509	N/A	N/A	19.248
APR 85	N/A	N/A	840.427	N/A	N/A	20.906
MAY 85	N/A	N/A	850.629	N/A	N/A	21.227
JUN 85	N/A	N/A	901.397	N/A	N/A	24.152
JUL 85	N/A	N/A	883.295	N/A	N/A	24.671
AUG 85	N/A	N/A	927.105	N/A	N/A	24.488
SEP 85	N/A	N/A	903.478	N/A	N/A	24.412
OCT 85	N/A	N/A	903.293	N/A	N/A	23.746
NOV 85	N/A	N/A	900.369	N/A	N/A	23.439
DEC 85	N/A	N/A	920.355	N/A	N/A	23.794
JAN 86	N/A	N/A	899.795	N/A	N/A	21.797
FEB 86	N/A	N/A	864.433	N/A	N/A	26.592
MAR 86	N/A	N/A	925.461	N/A	N/A	26.355
APR 86	N/A	N/A	931.269	N/A	N/A	27.013
MAY 86	N/A	N/A	945.814	N/A	N/A	28.764
JUN 86	370.445	545.287	915.734	9.692	16.454	26.147
JUL 86	391.782	501.572	893.355	10.007	15.097	25.106
AUG 86	400.408	530.493	930.902	11.535	18.603	30.138
SEP 86	396.558	506.260	902.819	12.837	24.025	36.863
OCT 86	403.401	514.229	917.631	11.847	25.183	37.031
NOV 86	402.113	510.257	912.370	12.613	25.573	38.188
DEC 86	413.337	517.280	930.618	11.450	25.177	36.628
JAN 87	451.116	548.863	999.980	13.639	25.886	39.526
FEB 87	401.748	509.449	911.198	12.730	24.658	37.389
MAR 87	418.253	533.261	951.515	11.463	23.589	35.053
APR 87	426.124	544.099	970.224	11.875	23.428	35.304
MAY 87	436.388	544.319	980.708	12.418	26.589	39.008
JUN 87	444.029	552.019	996.050	10.190	25.828	36.019
JUL 87	557.935	578.740	1,136.676	12.851	23.780	36.632
AUG 87	475.130	594.691	1,069.822	11.760	28.280	40.041

ATTACHMENT III

USAGE DATA REQUEST

FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

October 26, 1987

Dear Sir:

On behalf of the Federal-State Joint Board in CC Docket No. 80-286, we are hereby seeking annual data on network usage and growth. As part of the monitoring program in CC Docket No. 87-339, we ask that you complete the attached form on a study area basis. Please forward your responses to Barbara Walters at NECA, who will compile this data and report it to us. Tier I companies should report 1985 and 1986 information to NECA by November 13, 1987. All companies that settle on a cost basis should report all of this information (for those years that they used costs for settlements) by February 6, 1988. Average schedule companies need not report this information.

All figures requested should be calendar year totals, except as follows: Number of loops should be for the end of the year. Access Minutes for 1984 should be for the period covered by access charges. Originating and terminating access minutes for 1986 should be for the period during which the closed end of WATS was directly assigned. Originating 800 minutes should be included with terminating access minutes. SLU and access minutes for 1986 should exclude directly assigned WATS and 800 minutes. The SPF factor should be the value used for separations purposes -- initially measured, then frozen, and now transitional. Interstate DEM minutes should include Feature Groups A and B minutes. The interstate DEM factor should be the unweighted, measured factor. Any changes in the methodology used to compute the SLU or DEM factors during the years covered by this request should be explained.

Any questions should be directed to Barbara Walters at (201) 884-8086 or Alexander Belinfante at (202) 632-0745.

Sincerely,

Gerald Brock
Chief, Common Carrier Bureau

Network Usage Data Request

Exchange Carrier Name _____

Study Area NECA Code No. _____

Contact Name _____

Contact Phone No. _____

Measures of Access (CCL):	1984	1985	1986
Originating Premium Minutes			_____
Terminating Premium Minutes			_____
Total Premium Minutes	_____	_____	_____
Originating Nonpremium Minutes			_____
Terminating Nonpremium Minutes			_____
Total Nonpremium Minutes	_____	_____	_____

	1980	1981	1982	1983
No. of Loops (Cat. 1.33)				
State Toll Messages				
Interstate Toll Messages				
Measures of Loop Usage:				
Local SLU Minutes				
State Toll SLU Minutes				
Interstate SLU Minutes				
Total SLU Minutes				
Interstate SLU Factor				
Interstate SPF Factor				
Measures of Switch Usage:				
Local DEM Minutes				
State Toll DEM Minutes				
Interstate DEM Minutes				
Total DEM Minutes				
Interstate DEM Factor				
Weighted DEM Factor				

	1984	1985	1986
No. of Loops (Cat. 1.33)			
State Toll Messages			
Interstate Toll Messages			
Measures of Loop Usage:			
Local SLU Minutes			
State Toll SLU Minutes			
Interstate SLU Minutes			
Total SLU Minutes			
Interstate SLU Factor			
Interstate SPF Factor			
Measures of Switch Usage:			
Local DEM Minutes			
State Toll DEM Minutes			
Interstate DEM Minutes			
Total DEM Minutes			
Interstate DEM Factor			
Weighted DEM Factor			

OMB No. 3060-0391
Approved through 9/30/90
5 CFR 1320

5. Rates and Revenues

This section contains a variety of information on telephone price indexes and rate levels. First, it describes and presents a series of price indexes maintained by the Bureau of Labor Statistics. Second, it discusses rate levels and changes in average rate levels. Third, it summarizes rate cases pending before state regulatory commissions. These cases are an important indicator of future local rate changes. We also discuss other sources of information now being developed but not available for inclusion in the report at this time. In Attachment I, we summarize comments received on the previous monitoring report.

CHANGES IN THE PRICE OF TELEPHONE SERVICES:

The Bureau of Labor Statistics (BLS) collects a variety of information on telephone service as part of three separate programs -- the Consumer Price Index (CPI), the Producer Price Index (PPI), and the Consumer Expenditure Survey. The monthly price indexes represent prices sampled in the middle of the month.

A. Long Term Trends in the Overall Price of Telephone Service:

A price index for telephone services was first published in 1935. Since that time, telephone prices have tended to increase at a slower pace than most other prices. Table 5.1 shows long run CPI changes for all goods and services, each of the seven major categories that currently constitute the CPI, telephone service, and several services that are often characterized as public utilities. The price of telephone service has increased less rapidly than any other category listed in the table over the entire 50 year period for which indexes are available and has increased less rapidly than all other listed categories except one for the most recent ten year period. 1

---

1 For a description of the methodologies used by the BLS in calculating price indexes, see Primer and Sourcebook on Telephone Price Indexes and Rate Levels, published by the FCC in April 1987. The Primer contains, in its appendices, detailed index numbers for each of the telephone price indexes maintained by the BLS from the inception of each index through the end of 1986. In early 1987, the Bureau of Labor Statistics revised its telephone related PPI indexes and published revised index numbers for the period back to January 1984. The BLS has also made revisions to the CPI telephone service sample. The PPI and CPI revisions are described in Local Rates Update, published by the FCC in September 1987. The revised PPI price indexes are contained in their entirety in the monitoring report issued September 1987.

Table 5.1
Annual Rate of Change For Various Price Indexes*

	1935 to 1986	1976 to 1986
CPI all goods and services	4.16%	6.77%
CPI major categories		
- food & beverages	**	5.80
- housing	**	7.51
- apparel & upkeep	4.24	3.48
- transportation	4.11	6.38
- medical care	4.99	8.91
- entertainment	**	5.54
- other goods & services	**	7.85
CPI telephone service	2.30	4.66
CPI public transportation	5.13	9.36
CPI piped gas	4.11	10.62
CPI electricity	2.49	7.59
CPI sewer & water maintenance	**	8.32

* Exponential rates calculated using the first and last years of each comparison period.

** Series not established until after 1935.

B. Recent Annual Changes in the Overall Price of Telephone Service:

Changes in telephone prices tend to lag behind other price changes. Overall inflation in the American economy peaked in 1979 and 1980. In contrast, the price of telephone services rose most rapidly during the years 1981 through 1984, with the rate of increase declining in 1985 and again in 1986. In Table 5.2, the annual rate of change is shown for the overall CPI and the CPI for telephone service for each of the last ten years. In the September monitoring report the last line of this and subsequent tables was for the eight month interval from December 1986 to August 1987. [2] This report measures the twelve month interval from October 1986 to October 1987.

Table 5.2
Annual Rate of Change in Price Indexes

	CPI: All Goods & Services	CPI: All Telephone Services
December 1976 to December 1977	6.8%	.5%
December 1977 to December 1978	9.0	.8
December 1978 to December 1979	13.3	.8
December 1979 to December 1980	12.4	4.5
December 1980 to December 1981	8.9	11.8
December 1981 to December 1982	3.9	7.3
December 1982 to December 1983	3.8	3.6
December 1983 to December 1984	4.0	9.2
December 1984 to December 1985	3.8	4.7
December 1985 to December 1986	1.1	2.7
October 1986 to October 1987	4.5	-1.6

---

2 For that eight month interval, the rate of change in the CPI for all goods and services was 3.5 percent, and for all telephone services was -0.1 percent.

C. Price Indexes for Local Service

The Bureau of Labor Statistics publishes a number of price indexes related to local telephone service, two of which are important to the monitoring program. The CPI index of local telephone charges is based on a broadly defined "market basket" of local services that includes monthly service charges, message unit charges, equipment, installation, enhanced services (such as touch-tone and call waiting), taxes, subscriber line charges, and all other consumer expenditures associated with local telephone services except long distance charges. In contrast, the PPI index of monthly residential rates is much more narrowly defined. It is based only on monthly service charges for residential service, optional touch tone service, and subscriber line charges. It excludes taxes and all other telephone service charges. The annual rates of change for these two indexes are presented in Table 5.3. [3] In the CPI index, about half of the 1984 increase occurred during January, reflecting adjustments made at the time of AT&T's divestiture of its operating companies. In January 1987, when the PPI index was revised to include subscriber line charges, revised index numbers for 1985 and 1986 were issued based on the new methodology.

Table 5.3
Annual Rate of Change in Price Indexes
For Local Telephone Service

	CPI: All Local Charges	PPI: Monthly Service Charges For Residential Service
December 1977 to December 1978	1.5%	3.1%
December 1978 to December 1979	1.7	1.6
December 1979 to December 1980	7.1	7.1
December 1980 to December 1981	12.6	15.6
December 1981 to December 1982	10.8	9.0
December 1982 to December 1983	3.2	0.2
December 1983 to December 1984	17.1	10.4
December 1984 to December 1985	8.9	12.4
December 1985 to December 1986	7.1	8.9
October 1986 to October 1987	2.8	2.3

---

3 For the eight month interval presented in the September report, December 1986 to August 1987, the rate of change in the CPI for all local charges was 5.6 percent; the rate of change in the PPI for monthly services charges for residential service was 2.6 percent.

D. Price Indexes for Long Distance Service:

CPI data is available for intrastate toll and interstate toll services since December 1977. Table 5.4 presents the annual changes in these series for recent years. [4] The high inflation of the late 1970's is reflected in the long distance price increases beginning in 1980. Interstate toll rates have steadily fallen since 1983, and intrastate toll rates have stabilized since that time.

Table 5.4
Annual Rate of Change in Price Indexes
For Long Distance Service

	CPI: Interstate Toll Calls	CPI: Intrastate Toll Calls
December 1977 to December 1978	-0.8%	1.3%
December 1978 to December 1979	-0.8	0.2
December 1979 to December 1980	3.5	6.1
December 1980 to December 1981	14.6	4.1
December 1981 to December 1982	2.6	7.4
December 1982 to December 1983	1.4	3.7
December 1983 to December 1984	-4.3	0.5
December 1984 to December 1985	-3.8	0.3
December 1985 to December 1986	-9.5	0.4
October 1986 to October 1987	-12.6	-2.6

---

4 For the eight month interval presented in the September report, December 1986 to August 1987, the rate of change in the CPI for interstate toll calls was -13.1 percent; the rate of change in the CPI for intrastate toll calls was -2.9 percent.

E. Price Index Data for the Most Recent Annual Period

The Bureau of Labor Statistics has now released price index data covering the period through October 1987. (Our September report included data through August 1987.) For the most recent three month period, the CPI for all telephone services increased 0.2% while the CPI for all items increased 1.3%. In the September report the data for the most recent three month period (May to August) was an increase of 0.6% for telephone service while the CPI for all items increased by 1.2%. During the most recent twelve month period, the price of telephone services declined slightly (-1.6%) while the overall rate of inflation was 4.5%. In the September report the data indicated that the telephone service price decline was 1.4% while the overall rate of inflation was 4.3%. These most recent changes are shown in Table 5.5 along with the most recent quarterly and annual changes in the CPI subindexes and the most relevant PPI series. The overall decline of 1.6% in the CPI for telephone service indicates that, given the mixture of local and toll service purchased by the typical household, price decreases for toll calls and the effects of the corporate income tax changes more than offset any local rate increases and the effects of subscriber line charges.

Table 5.5
Most Recent Price Index Changes

Index	Most Recent Three Months *	Most Recent Annual Period **
CPI: Local Service	0.2%	2.8%
PPI: Local Residential Service	-0.1	2.3
CPI: Interstate Toll	0.5	-12.6
PPI: Interstate MTS	0.0	-13.5
CPI: Intrastate Toll	-0.1	-2.6
PPI: Intrastate MTS	-0.6	-2.1
CPI: Telephone Services	0.2	-1.6
CPI: All Items	1.3	4.5

* Measured from July 1987 to October 1987. This represents the percentage change occurring during this three month interval rather than an annual rate of change.

** Measured from October 1986 to October 1987.

For the most recent annual period, local charges have increased at a slower rate than inflation and, when local charges are combined with price changes in long distance services, the overall price of telephone service purchased by the typical household has declined slightly. Monthly data for the CPI telephone indexes are shown in Table 5.6 for the period beginning in July 1983.

TABLE 5.6
Consumer Price Index Data

	All Goods & Services	All Telephone Services	Local Services	Interstate Toll Service	Intrastate Toll Service
1983 July	299.3	173.8	141.8	121.9	118.2
August	300.3	173.9	142.1	121.9	118.3
September	301.8	174.4	142.6	121.9	118.6
October	302.6	174.1	142.2	121.5	119.0
November	303.1	175.4	143.8	121.5	119.8
December	303.5	174.3	142.2	121.4	119.7
1984 January	305.2	183.3	154.3	121.4	122.1
February	306.6	186.8	159.0	122.4	122.1
March	307.3	185.9	157.7	122.4	122.0
April	308.8	186.4	157.8	122.3	123.7
May	309.7	186.7	158.3	122.6	123.1
June	310.7	187.1	160.1	118.5	124.8
July	311.7	188.1	162.3	116.2	125.9
August	313.0	188.4	163.3	116.1	124.9
September	314.5	189.8	165.3	116.1	124.8
October	315.3	190.0	165.5	116.3	124.8
November	315.3	191.1	166.9	116.2	125.4
December	315.5	190.4	166.5	116.2	124.1
1985 January	316.1	190.8	167.1	116.2	124.0
February	317.4	189.1	164.6	116.2	123.9
March	318.8	191.3	167.7	116.2	124.3
April	320.1	191.1	167.5	116.2	124.2
May	321.3	191.4	167.7	116.8	123.9
June	322.3	195.7	175.4	113.5	124.4
July	322.8	197.2	177.9	111.6	125.9
August	323.5	198.3	179.2	111.9	126.3
September	324.5	198.6	179.6	111.9	126.3
October	325.5	198.7	179.7	111.9	126.5
November	326.6	199.5	181.0	111.8	126.4
December	327.4	199.3	181.4	111.8	124.7
1986 January	328.4	200.1	182.4	111.8	125.0
February	327.5	200.4	182.7	111.8	125.3
March	326.0	201.3	183.9	111.8	125.4
April	325.3	203.5	187.3	111.8	125.1
May	326.3	203.5	187.3	111.8	125.2
June	327.9	207.3	196.0	105.5	125.0
July	328.0	207.3	198.1	101.5	125.0
August	328.6	207.4	198.3	101.2	125.3
September	330.2	206.6	197.3	101.2	124.7
October	330.5	207.7	198.8	101.2	125.1
November	330.8	205.3	195.4	101.2	124.8
December	331.1	204.7	194.3	101.2	125.2
1987 January	331.2	203.7	199.0	92.4	125.4
February	334.4	203.3	198.8	92.4	124.6
March	335.9	203.2	198.6	92.4	124.6
April	337.7	203.9	199.7	92.3	124.5
May	338.7	203.3	199.7	91.9	123.2
June	340.1	201.9	198.8	91.9	120.3
July	340.8	203.8	203.9	88.0	121.9
August	342.7	204.5	205.2	87.9	121.6
September	344.4	203.7	203.7	88.4	121.2
October	345.3	204.3	204.4	88.4	121.8

Monthly data for four PPI indexes (local residential service, local business service, interstate toll, and intrastate toll) are shown in Table 5.7. In the first monitoring report, we published all telephone related PPI indexes rather than just these four.

TABLE 5.7
Producer Price Index Data

		Local Residential Services	Local Business Services	Intrastate MTS	Interstate MTS
		4811-111	4811-112	4811-211	4811-212
1983	July	169.6	173.1	152.2	153.4
	August	169.7	173.2	152.3	153.4
	September	170.2	173.6	152.3	153.4
	October	170.5	174.0	153.2	153.4
	November	170.6	174.1	153.2	153.4
	December	170.6	174.1	153.2	153.4
1984	January	177.8	180.3	155.9	153.4
	February	177.8	180.3	155.9	153.4
	March	177.7	180.5	155.9	153.4
	April	177.7	183.7	156.1	153.4
	May	178.1	183.7	155.3	153.4
	June	178.6	208.1	155.9	145.6
	July	181.4	211.0	157.0	145.6
	August	186.0	213.7	158.3	145.6
	September	188.7	215.8	158.9	145.6
	October	188.7	215.9	158.9	145.6
	November	188.3	215.9	157.6	145.6
	December	188.4	216.0	158.8	145.6
1985	January	189.8	218.2	159.6	145.6
	February	191.9	220.7	159.6	145.6
	March	191.1	220.7	159.6	145.6
	April	191.1	220.7	160.8	146.6
	May	192.3	220.9	162.6	147.9
	June	208.8	222.2	162.8	141.3
	July	209.2	222.2	162.8	141.3
	August	210.4	222.9	163.4	141.3
	September	211.0	223.9	163.3	141.3
	October	211.0	224.6	163.3	141.3
	November	211.7	228.0	163.4	141.3
	December	211.7	228.0	162.1	141.3
1986	January	213.4	230.8	162.1	141.3
	February	213.6	231.3	162.2	141.3
	March	213.6	231.3	162.3	141.3
	April	213.6	231.3	156.6	141.3
	May	213.6	231.3	156.6	141.3
	June	230.3	234.0	155.4	127.2
	July	230.3	234.0	155.4	127.1
	August	230.8	234.1	155.4	127.1
	September	231.3	234.6	155.5	127.1
	October	231.3	234.6	155.5	127.1
	November	230.5	233.6	155.5	127.1
	December	230.5	233.6	155.5	127.1
1987	January	230.2	233.9	155.5	113.8
	February	230.0	233.9	154.7	113.8
	March	230.0	234.0	154.7	113.8
	April	228.9	233.5	154.5	113.8
	May	228.9	233.5	154.5	113.8
	June	228.9	233.5	154.1	113.8
	July	236.9	233.0	153.2	110.0
	August	236.6	232.7	153.3	110.0
	September	236.6	232.0	152.3	110.0
	October	236.6	232.0	152.3	110.0

INFORMATION ON RATE LEVELS:

This section describes the level of local and long distance rates and access charges in dollar terms.

Local Rates

Local rates are regulated by state regulatory agencies and vary greatly from area to area. Characterization of any rate as "typical" is therefore difficult. In most states, the Bell Operating Companies and larger independent telephone companies charge higher rates in metropolitan areas than in rural areas -- a pricing practice that dates back to the turn of the century and is traditionally justified by the belief that the value of the service provided is higher for subscribers with more populous local calling areas. California differs from most states in that rates are averaged throughout the state. There, the basic local rate is $8.25 for areas served by Pacific Bell and $9.75 for areas served by General of California.

Table 5.8 presents average local residential rates in October 1986, April 1987, and October 1987. The averages are based on a survey using the same sampling areas and weights used by the Bureau of Labor Statistics (BLS) in constructing the Consumer Price Index. The price indexes published by the BLS indicate percentage changes in the price of the telephone services. The BLS does not publish the actual level of rates. In October 1987, the national average for flat rate residential service was $12.19 monthly. In April 1987 this average rate was $12.51, and in October 1986 this average rate was $12.55. Lower priced service alternatives are typically available, at an average monthly charge of $6.11. 5

---

5 The methodology used in conducting the survey is contained in the Primer and Sourcebook on Telephone Price Indexes and Rate Levels. The city specific data from the October survey is contained in Appendix 6 of the Primer. The city specific data from the April 1987 survey is contained in Local Rates Update, Mimeo No. 4768, released September 14, 1987. The city specific data from the October 1987 survey is contained in Telephone Rates Update, released December 8, 1987. Comparisons made in that report show that changes in the survey averages are roughly consistent with changes in the CPI and PPI local residential service indexes when adjustments are made for different sample definitions.

Table 5.8
Average Monthly Telephone Rates*

	October 1986	April 1987	October 1987
Lowest generally available price**	$ 6.00	$ 6.08	$ 6.11
Subscriber Line Charges	2.07	2.08	2.69
Taxes	.80	.81	.92
Total	8.87	8.97	9.72
Private rotary line, with unlimited local calling***	12.55	12.51	$12.19
Subscriber Line Charges	2.07	2.08	2.69
Taxes	1.52	1.50	1.53
Total	16.13	16.09	16.41
Connection of rotary service where no premises visit is required	45.63	45.12	43.59
Taxes	n.a	2.50	2.66
Total	n.a	47.61	46.25

* Rates include surcharges that result in revenues for the local telephone company. 911 service fees are included in taxes. October 1986 estimates have been revised to reflect these definitions, and to incorporate a few minor corrections. For an explanation of the methodology and the underlying data, See Local Rates Update. Items do not always sum to totals due to rounding differences.

** The lowest generally available price is the monthly charge for party line or measured service if available in the downtown area. (The private rotary line unlimited calling rate was used in the few cities where lower rates were not available.) The average does not include lifeline rates or subsidized rates which are available only to persons who meet selected criteria such as age or use of food stamps.

*** Unlimited calling service is not available in New York City or Chicago. Equivalent rates were estimated as the measured service rate with 100 message units.

Long Distance Rates

Table 5.9 compares the prices of long distance calls in all mileage bands and rate periods based on AT&T's tariffed rates in effect during January 1984 and November 1987. These rates are the basic message toll service rates and do not reflect discounts available in special calling plans. During this period, AT&T's per minute charges for interstate calls have been reduced about 32% for the average residential customer. This presentation of interstate toll levels was requested by the D.C. Public Service Commission. In the September report, we presented sample rates from Washington, D.C., to New York City, which is in the 125-292 mileage band, to Atlanta and Chicago, which are in the 431-925 mileage band, and to Los Angeles, which is in the 1911-3000 mileage band.

Table 5.9
Changes in the Price of Directly Dialed Long Distance Calls
(AT&T Rates)

Calling Distance (in miles)		Five minute calls Jan. 1984	Nov. 1987	Percentage change	Ten minute calls Jan. 1984	Nov. 1987	Percentage change
1 - 10	Day	$0.96	$0.78	-18.8%	$1.76	$1.48	-15.9%
	Evening	0.57	0.48	-15.8	1.05	0.91	-13.3
	Night	0.38	0.36	- 5.3	0.70	0.69	- 1.4
11 - 22	Day	1.28	0.99	-22.7	2.38	1.89	-20.6
	Evening	0.76	0.61	-19.7	1.42	1.17	-17.6
	Night	0.51	0.46	- 9.8	0.95	0.88	- 7.4
23 - 55	Day	1.60	1.09	-31.9	3.00	2.09	-30.3
	Evening	0.96	0.67	-30.2	1.80	1.29	-28.3
	Night	0.64	0.51	-20.3	1.20	0.98	-18.3
56 - 124	Day	2.05	1.23	-40.0	3.90	2.38	-39.0
	Evening	1.22	0.76	-37.7	2.34	1.47	-37.2
	Night	0.82	0.57	-30.5	1.56	1.11	-28.8
125 - 292	Day	2.14	1.31	-38.8	4.09	2.56	-37.4
	Evening	1.28	0.81	-36.7	2.45	1.58	-35.5
	Night	0.85	0.61	-28.2	1.63	1.20	-26.4
293 - 430	Day	2.27	1.40	-38.3	4.37	2.75	-37.1
	Evening	1.36	0.86	-36.8	2.62	1.70	-35.1
	Night	0.90	0.65	-27.8	1.74	1.29	-25.9

431 - 925	Day	2.34	1.50	-35.9	4.49	2.95	-34.3
	Evening	1.40	0.93	-33.6	2.69	1.82	-32.3
	Night	0.93	0.70	-24.7	1.79	1.38	-22.9
926 - 1910	Day	2.40	1.51	-37.1	4.60	2.96	-35.7
	Evening	1.44	0.93	-35.4	2.75	1.83	-33.5
	Night	0.96	0.70	-27.1	1.84	1.39	-24.5
1911 - 3000	Day	2.70	1.58	-41.5	5.15	3.08	-40.2
	Evening	1.62	0.97	-40.1	3.09	1.90	-38.5
	Night	1.08	0.74	-31.5	2.06	1.44	-30.1
3001 - 4250	Day	2.80	1.79	-36.1	5.35	3.49	-34.8
	Evening	1.68	1.10	-34.5	3.21	2.16	-32.7
	Night	1.12	0.84	-25.0	2.14	1.64	-23.4
4251 - 5750	Day	2.91	1.89	-35.1	5.56	3.69	-33.6
	Evening	1.74	1.17	-32.8	3.33	2.28	-31.5
	Night	1.16	0.88	-24.1	2.22	1.73	-22.1

Subscriber Line and Access Charges

Monthly subscriber line charges (or "end user" charges) were first imposed on multiline business customers in 1984 and were charged to residential customers in 1985. Table 5.10 presents the level of these charges over time.

Table 5.10

Charges by Local Telephone Companies to End Users
(In Dollars per Month per Line)

			Residential and Single Line Business	Multiline Business 1/	Centrex
5/26/84	to	5/31/85	$0.00	$4.99	$2.00
6/1/85	to	9/30/85	1.00	4.99	2.00
10/1/85	to	5/31/86	1.00	4.97	2.00
6/1/86	to	12/31/86	2.00	4.97	2.00
1/1/87	to	6/30/87	2.00	5.12	3.00
7/1/87	to	12/31/87	2.60	5.12	4.00

1/ The monthly subscriber line charge for multiline business customers is capped at a maximum rate of $6.00 monthly. Local companies are not permitted to charge the full amount unless justified by their underlying costs. As a result, some companies do not charge the full $6.00. This column represents a national average calculated by NECA.

Access charges by local telephone companies to long distance carriers are an important component of the overall cost of providing long distance service. Changes in the average level of these charges are shown in Table 5.11.

Table 5.11

Interstate Charges by Local Telephone Companies to Long Distance Carriers
(National Average for "Premium" Service in cents per Minute)

	Carrier Common Line Charge Per Originating Access Minute 1/	Carrier Common Line Charge Per Terminating Access Minute 1/	Total Traffic Sensitive Charge Per Access Minute 2/	Total Charges Per Conversation Minute 3/
5/26/84 to 12/31/84	5.24	5.24	3.1	17.26
1/1/85 to 5/31/85	5.43	5.43	3.1	17.66
6/1/85 to 9/30/85	4.71	4.71	3.1	16.17
10/1/85 to 5/31/86	4.33	4.33	3.1	15.38
6/1/86 to 12/31/86	3.04	4.33	3.1	14.00
1/1/87 to 6/30/87	1.55	4.33	3.1	12.41
7/1/87 to 12/31/87	0.69	4.33	3.1	11.49

1/ These are nationally uniform "premium" rates specified in tariffs filed by the National Exchange Carrier Association (NECA). Where equal access is not available, carriers other than AT&T pay discounted "non-premium" rates.

2/ Traffic sensitive switched access rates are not subject to mandatory pooling and are thus not nationally uniform. The rate shown in this column has been estimated by the FCC staff as a composite that includes both average switching and transport charges. The average traffic sensitive rate seems to have remained remarkably constant. The average composite rate for "Tier 1" telephone companies during the June 1985-May 1986 "test year" used in the October 1986 tariff filing was 3.019 cents per minute. Because Tier 1 companies handle about 93% of the industry's access minutes, the average for Tier 1 companies will be close to the national average. During mid-1985, the rate charged by those smaller companies that were members of NECA's traffic sensitive pool was similar: 3.23 cents per minute. The NECA traffic sensitive pool in mid-1985 still had a number of large company members and represented between 40 and 50% of the industry. During the 1986-1987 test year, the Tier 1 composite was 3.07 cents per minutes -- essentially unchanged from the year before. Since October 1985, NECA pool membership has been roughly stable, accounting for about 4% of the industry's volume of service. NECA has filed, in the monitoring docket, a rate chronology that presents rate changes for its traffic

sensitive pool in some detail. The industry average, however, remains very close to the Tier 1 average.

3/ Long distance carriers are billed originating access charges for the time that the local network is tied up with calls that are not completed and for the time involved in setting up calls. As a result, the number of originating access minutes exceeds the number of conversation minutes. Using the ratio of access minutes to conversation minutes presented by AT&T for its domestic interstate service, the charges in this column have been calculated as follows: 107% of the originating carrier common line rate + 100% of the terminating carrier common line rate + 107% of the traffic sensitive rate (for originating access) + 100% of the traffic sensitive access rate (for terminating access).

STATE TELEPHONE RATE CASES:

The actions of state regulatory commissions provide important indicators of future local and state toll rate levels. Rate cases completed by the state commissions tend to result in immediate rate changes. At the same time, the amount of rate relief requested by local telephone companies, but not yet acted upon by state commissions, provides an indication of future rate changes.

Beginning in 1984, the FCC has compiled quarterly data on major rate cases completed by state public utility commissions. On average, state commissions have tended to grant slightly less than half of the increases requested by telephone companies. During the first half of 1984, state commissions completed action on a number of extraordinarily large rate cases. After the first half of 1984, however, the level of activity in state cases has diminished substantially. In 1986, state commissions granted less than $300 million in revenue increases, compared with nearly $4 billion in 1984. During the first three-quarters of 1987, the dollar amount of rate reductions and refunds ordered by state commissions slightly exceeded the dollar amount of rate increases authorized. Table 5.12 presents data on completed rate cases from 1984 through the third quarter of this year.

Table 5.12
Completed Telephone Rate Cases
(Millions of Dollars)

		Revenue Increases Requested	Revenue Increases Granted	Percentage Granted
1984	First quarter	$ 2,033.8	$ 1,175.6	58%
	Second quarter	3,982.0	2,054.2	52
	Third quarter	531.0	284.5	54
	Fourth quarter	774.6	361.2	47
	Total	7,321.4	3,875.5	53%
1985	First quarter	471.4	246.3	52
	Second quarter	584.5	314.8	54
	Third quarter	648.5	286.5	44
	Fourth quarter	936.1	307.3	33
	Total	2,640.5	1,154.9	44%
1986	First quarter	826.2	58.0	7
	Second quarter	654.1	57.9	9
	Third quarter	276.3	173.3	63
	Fourth quarter	1.8	0.8	45
	Total	1,758.4	290.0	16%
1987	First quarter	14.2	(41.0)	N.M.*
	Second quarter **	210.4	125.8	60%
	Third quarter	8.9	(87.0)	N.M.

* N.M.: Not meaningful

** The results reported here for the second quarter differ substantially from the results originally reported in our first monitoring report. The difference arises from the fact that the only large rate case decided during the quarter (a $175 million rural service improvement program in the state of Colorado) was decided on the last day of the quarter and not reported until after the FCC's Summary of State Rate Cases for the second quarter had already been prepared. This rate increase, however, will phase in over the life of a five year rural upgrade program related to reducing the number of parties on multiparty service.

At the time of divestiture, rate cases pending before state public utility commissions totaled nearly $7 billion dollars. By September 1987, State Public Utility Commissions had few pending requests for rate increases and the majority of the active cases pending before those commissions concerned potential revenue reductions. Since rate cases typically take more than a year to be completed, the lack of pending cases should indicate a correspondingly low level of state and local increases during at least the next year. Moreover, several states have entered into arrangements with local exchange carriers that will probably continue this trend.

Table 5.13
Summary of Telephone Revenue Requests Pending
Before State Public Utility Commissions
(Millions of Dollars)

Date	Revenue Requests Pending
September 30, 1983	$6,493.4
December 31, 1983	6,970.0
March 31, 1984	4,851.9
June 30, 1984	1,675.6
September 30, 1984	3,387.5
December 31, 1984	3,672.3
March 31, 1985	3,779.0
June 30, 1985	3,316.3
September 30, 1985	2,664.2
December 31, 1985	1,437.3
March 31, 1986	766.2
June 30, 1986	362.0
September 30, 1986	315.7
December 31, 1986	322.6
March 31, 1987	127.1
June 30, 1987	(86.4)
September 30, 1987	(18.7)

ADDITIONAL DATA RECEIVED

The National Exchange Carrier Association (NECA) provided a variety of information addressing the issue of exchange carrier revenues. While we had originally expected to include that revenue data in this section, the Joint

Board staff now believes that the data is more relevant to the section of this monitoring report addressing pooling, and, accordingly, the NECA data is included in that section. US West filed in this docket a variety of rate information for each of the states it serves. We have not included the US West data in this report for two reasons -- we have no similar data from other companies at this time and the US West data is voluminous and not easily summarized. We expect that rate data now being developed by NARUC to be similar in many respects to the data submitted by US West.

ADDITIONAL SOURCES OF FUTURE INFORMATION

Three groups are working on the development of information on rates that will, in the future, provide additional information for the monitoring report. We hope that the data collection efforts now in progress will provide a more complete level of detail on rates and revenues. We welcome any suggestions on further refinements of this section of the monitoring report. We briefly discuss the efforts of each of the three groups below.

1. NARUC/BELLCORE

At the request of NARUC, Bell Communications Research (Bellcore) is preparing a summary of local rate schedules of the Bell Operating Companies. We expect the summary to reflect local rates as of December 31, 1987, and to be available for inclusion in either the March or June 1988 report. In substance, we expect the publication to be substantially similar to Bell Operating Companies Exchange Service Telephone Rates: December 31, 1986. At the same time, Bellcore is also providing a separate survey of state toll rates. It is anticipated that Bellcore will provide a summary of its local rate data that contains the number of lines in each service category (and the average rate for each service category) by state and similar averages on a national basis.

2. NARUC Subcommittee on Communications

Much relevant information on state rates, and rate proceedings resides within the state utility commissions that comprise NARUC. The staff subcommittee of the NARUC Communications Committee is pursuing a project to develop mechanisms to accumulate relevant rate data from the states in a uniform manner for filing with the Joint Board. The Joint Board staff has previously noted the need for state input of information to this monitoring docket and we anticipate that NARUC (or the Communications Committee) will file individual state data in this docket. Information on the impact of state price cap and rate deregulation plans as well as the Tax Reform Act on state rate levels may also be included in these filings.

3. USTA

The research on penetration and subscribership levels being conducted by the FCC (related to section 1 above) has disaggregated Bureau of the Census demographic data into 495 geographic areas. The telephone rates associated with these areas are needed to link changes in penetration rates with changes in the price of telephone service. The United States Telephone Association (USTA) has agreed to collect the necessary price and telephone service characteristics for each of these areas. A copy of the full data request to USTA, dated November 10, 1987, is contained in the monitoring docket.

ATTACHMENT I
SUMMARY OF COMMENTS ON
RATES AND REVENUES

Three groups provided comments on the rates and revenues section appearing in the previous monitoring report. These were the public service commissions from the District of Columbia (D.C.) and the State of Michigan (Michigan) and the Office of the Utility Consumer Counselor for the State of Indiana (Indiana). Indiana suggests that information on access charges be included and such information is now contained in Tables 5.10 and 5.11. D.C. suggests that interstate toll rates be shown for all mileage bands rather than for the three bands shown in the previous report. Table 5.9, showing toll rates, has been expanded in response to their suggestion and now includes all mileage rates.

Both D.C. and Michigan suggest additional information be collected on the level of local rates. D.C., for example, suggests that local rate levels be included for all local rate categories rather than the two shown in Table 5.8. As noted above, efforts to compile rate information are in progress through the National Association of Regulatory Utility Commissioners (NARUC). Such information when submitted may address these concerns for more rate detail.

Michigan also notes that many of the state rate cases decided this year and now pending (Tables 5.12 and 5.13 above) consist of reductions associated with the effects of the Tax Reform Act. Parties filing rate information may want to address this issue. Michigan also proposes that other relevant data for monitoring would include the cost of facilities and the age of plant. This information is not covered by any filings made or anticipated relative to rates and revenues, but may be relevant to the section on cost and high cost assistance. Michigan also suggests data on income, unemployment and population density be correlated with local rates. A portion of the demographic information of this type is being addressed in the report section on subscribership and penetration, but not correlated to specific local rates.

6. Bypass

As we stated in our first monitoring report (September 1987), periodic reports using a uniform methodology on bypass from the major exchange carriers would be best to monitor the development and scope of bypass over time. The September report included a request for specific proposals for a uniform bypass monitoring system, a statement of goals in the monitoring of bypass, and a description of periodic reporting requirements to achieve those goals. It also included substantial excerpts from the Third Report on Bypass of the Public Switched Network.

Attachment I includes a summary of comments received which address the issue of bypass. The Joint Board staff has reviewed the comments and proposals received since our initial monitoring report and we have incorporated those comments in the development of a suggested three-part bypass data reporting form to accumulate periodic information on bypass. This form is presented in Attachment II.

In addition to the formalized quantification of bypass and the inclusion of any reports which the LECs file with their state commissions, all parties are invited to provide whatever additional data or information they may be able to develop with respect to bypass. In the submission of bypass data, companies should include documentation of methodologies, any additional relevant information and any further explanation of the data which they believe useful.

The three-part bypass data report forms are self explanatory and could be submitted by all seven regional Bell holding companies on behalf of their operating companies and by GTE on behalf of their operating companies. Any other Local Exchange Companies that may wish to file bypass data should be encouraged to do so.

The Joint Board staff has also recently become aware of certain large customers who have discontinued their use of private telecommunications systems. Thus, to evaluate all aspects of bypass, we request that LECs filing bypass data include information regarding such customers that may be returning to the public network for their telecommunications needs. The accumulation of data with respect to customers that discontinue their private networks will help ensure a more balanced analysis of this important issue.

The staff suggests that bypass data should be filed semi-annually (by April 30 and October 31) with the first set of data filed by April 29, 1988, in time to be incorporated in our June 1988 monitoring report. That report

will include all data filed to date so that other parties receiving their monitoring report may perform their own analyses. Our initial concern for the June 1988 report is the creation of a historical base from which to monitor the changes in bypass in future reports. Subsequent reports will include data received since the last report.

ATTACHMENT I

SUMMARY OF COMMENTS ON BYPASS

Ameritech

Ameritech states that, given the goals for monitoring bypass, there are three types of information which should be included in the report: (1) actual examples of service and facility bypass; (2) the effect of bypass on the LEC's revenues; and (3) generic information including technical articles on trends, technologies, new legislation, regulatory decisions, etc. It argues that reporting could be burdensome and should at least initially apply only to the BOCs and General Telephone Companies. It suggests a format, the submission of which should be required no more than semi-annually.

Bell Atlantic

Bell Atlantic supports Ameritech's bypass monitoring proposal.

BellSouth

BellSouth supports Ameritech's bypass monitoring proposal. BellSouth is currently developing the necessary systems and procedures to provide bypass data as proposed by Ameritech.

GTE

GTE states that customer bypass information should be provided by industry groups so that companies will not reveal publicly their detection strategies or capabilities as well as proprietary marketing intelligence. It contends that bypass reports should be semi-annual. It believes that only specific study areas for the GTE studies should be required.

Pacific Telesis

Pacific Telesis states that semi-annual bypass reports should be filed. It contends that LECs should report the impacts on revenue created by service and by facility bypass. It believes that the LECs should include both actual examples of service and facility bypass and describe various technologies available to end-users and IXCs to enable bypass. It indicates that this information should include the services offered by the IXCs which promote bypass of LEC public switched networks particularly by large end users.

Southwestern Bell

Southwestern Bell states that documentation of actual bypass serves to prove the existence of the phenomenon. It indicates that the quantification of LEC revenues lost illustrates the magnitude of the problem. It argues that only IXCs and the bypassing customers have the information necessary to document all cases. The bypass reporting mechanism it favors is essentially that proposed by Ameritech.

USTA

USTA supports the Ameritech proposal to provide for a common format for reporting bypass data by the large LECs. It asserts that small companies should not be burdened by costly reporting requirements. It argues that, because of the nature of the marketplace, not all bypass will be known to LECs, but the Ameritech proposal will assist in tracking the effects of FCC decisions.

District of Columbia People's Counsel

The D.C. People's Counsel states that the FCC mentions its concerns about bypass, but does not offer any effective plan to monitor bypass, other than to direct the local exchange companies to file bypass reports within its open docket and at the state commission level. It contends that in view of the fact that the FCC believes that bypass is the major underlying justification for subscriber line charges, the FCC should develop and implement an effective plan to actively monitor the extent to which bypass is occurring.

Public Service Commission of the District of Columbia

The D.C. Public Service Commission states that bypass is a multidimensional phenomenon. It argues that, not only is it essential to distinguish between the various forms of service and facility bypass, it is also essential to distinguish between economic and uneconomic bypass. It contends that a study must examine the reasons behind specific instances of bypass. It indicates that the Pacific Bell studies conducted in California appear closer to the type of study which should be required, but that study has some shortcomings. It argues that, while it is important that LECs be required to conduct bypass studies and that those studies be generally uniform across companies and jurisdictions, it is also important that those studies reflect features and data availability specific to particular jurisdictions.

Office of Utility Consumer Counselor - State of Indiana

The Indiana UCC states that, although it does not have a specific proposal, the data collected should be sufficient to permit analysis of the effects on bypass of the FCC's transfer of NTS cost responsibility from IXCs to end users, since the FCC's decision to shift these costs was based on the presumed threat of bypass. It suggests that the relative importance of non-cost and cost factors should be explored in the bypass reports.

It argues that one of the defects found with various bypass studies is the lack of reliable estimates of the impact of bypass on the local exchange companies' revenues. It asserts that, in many cases, bypass does not displace revenues collected through the LEC's access charges, but instead reflects growth that might not have occurred but for the decision to bypass. It indicates that, in many instances, the bypass may be limited to a certain service or circumstance, rather than a total bypass of the local network. It states that this limited bypass may even enhance revenues. Thus, it contends that it is critical to distinguish between types of bypass and the resulting impact on revenues. It urges the Joint Board to include in its bypass monitoring system concrete procedures for estimating and reporting the revenue impact of bypass.

Michigan Public Service Commission

The Michigan Commission supports applying the California approach of measuring bypass to all companies and all states. It asserts that this type of data should be obtained as soon as possible and updated for future reports through the period of the monitoring report. Also, it believes that further analysis needs to be done and parties need to be encouraged to comment on better ways to quantify the bypass issue.

It states that the assessment of the impact of bypass, again, appears to be an area where individual state commissions, working through NARUC, could make a major contribution. It suggests that the FCC and Joint Board should work with NARUC to develop a uniform state-by-state approach to collecting nationwide data.

New Jersey Board of Public Utilities Staff

New Jersey suggests that the Joint Board should be concerned with all bypass and not just bypass which had a quantifiable negative effect on the local exchange. It states that a nationally uniform system for quantifying bypass may be difficult to sustain since the nature of the problem and possible solutions may vary from one area of the country to another. It asserts that the wide divergence between the rate and cost of providing carrier access in many low cost areas itself creates inviting bypass opportunities. It believes that the Joint Board should be willing to receive and evaluate bypass data of whatever kind parties are able to accumulate.

ATTACHMENT II

BYPASS DATA REPORTING FORMS

I

Company _____
State _____
Date _____

ACTUAL NEW BYPASS EXPERIENCED
SINCE LAST REPORT*

Approximate Date Bypass Began	Customer Type City, State**	Reason(s) for Bypass***	Annualized Revenue Loss	Facility or Service Bypass****	Congressional District

* 1st report to include all bypass experienced to date including predivestiture bypass (Government, military, etc.)
** Carriers must be able to identify customer to the Joint Board upon confidential inquiry.
*** By code 1, economic, 2 service(s) unavailable from LEC, 3 security, 4 control, 5 quality, 6 other
**** If facility what type (carrier or private) and mode (fiber, etc.)

Company _____
State _____
Date _____

BYPASS ABANDONED/DISCONTINUED
SINCE LAST REPORT

Approximate Date Bypass Began	Customer Type City, State*	Reasons for Bypass	Annualized Revenue Gain	Facility or Service Bypass**	Congressional District

* Carriers must be able to identify customer to the Joint Board upon confidential inquiry.
** If facility what type (carrier or private) and mode (fiber, etc.)

Company _____
State _____
Date _____

BYPASS STUDY
ESTIMATED REVENUE LOSS
(Includes all bypass)
(Annualized)

A. FACILITY BYPASS - Switched

1. Estimated MOU Lost to Facility Bypass — MOU
2. Average Switched Access Rate Per Minute — $
3. Estimated Swtiched Revenue Loss — $

B. FACILITY BYPASS - Private Line

1. Estimated number of private line circuits lost to facility bypass
2. Average Rate per circuit — $
3. Estimated private line revenue lost — $

C. SERVICE BYPASS

1. Estimated MOU Lost to Service Bypass — MOU
2. Average Switched Access Rate Per Minute — $
3. Estimated Switched Revenue Loss — $
4. Less Special Access Revenue Gained — -$
5. Estimated Revenue Loss — $

7. Pooling and Rate Deaveraging

In the initial monitoring report, the Joint Board staff indicated that the transition to jurisdictionally specific Carrier Common Line charges will not occur until April 1989 and, thus, no new pressures to deaverage interstate toll rates should exist before that time.

The first report suggested that beginning in 1989 our monitoring effort should include information on LECs withdrawing from the pooling process, the dimensions of long term support and transitional support payments between the LECs, and the common line revenue requirement for the LECs remaining in the NECA pool. In the furtherance of this effort, we requested that NECA file data regarding revenues and expenses of pool members by study area on annual basis, and nationwide totals on a monthly basis. The latest nationwide pooling figures provided by NECA are contained in Attachment I.

In addition to the foregoing, the Joint Board staff requested comments from interested parties on what additional information should be included in this section of the report. The only party submitting comments on this portion of the report was the Public Service Commission of the District of Columbia. The D.C. Commission suggested that NECA provide information regarding which companies are beneficiaries of and contributors to the NECA pool, since this information will help identify jurisdictions in which pressures to deaverage may be greatest.

ATTACHMENT I

NATIONWIDE COMMON LINE POOL RESULTS

TABLE 7.1

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

SUPPLEMENTAL REPORT OF COMMON LINE POOL RESULTS
REPORTED AS OF OCTOBER, 1987

N E C A CCL EARNED REVENUES

TOTAL COMMON LINE POOL

(REVENUE REPORTED IN MILLIONS)

	PREMIUM CCL EARNED REVENUE			NONPREMIUM CCL EARNED REVENUE		
MONTH/YR	ORIGINATING	TERMINATING	TOTAL	ORIGINATING	TERMINATING	TOTAL
JUN 84	N/A	N/A	762.172	N/A	N/A	43.117
JUL 84	N/A	N/A	658.474	N/A	N/A	44.515
AUG 84	N/A	N/A	688.324	N/A	N/A	45.102
SEP 84	N/A	N/A	645.557	N/A	N/A	40.615
OCT 84	N/A	N/A	689.650	N/A	N/A	47.636
NOV 84	N/A	N/A	685.964	N/A	N/A	47.446
DEC 84	N/A	N/A	701.021	N/A	N/A	46.984
JAN 85	N/A	N/A	700.370	N/A	N/A	52.432
FEB 85	N/A	N/A	705.805	N/A	N/A	53.470
MAR 85	N/A	N/A	728.642	N/A	N/A	55.947
APR 85	N/A	N/A	746.931	N/A	N/A	55.622
MAY 85	N/A	N/A	749.887	N/A	N/A	49.698
JUN 85	N/A	N/A	654.935	N/A	N/A	48.673
JUL 85	N/A	N/A	666.281	N/A	N/A	46.436
AUG 85	N/A	N/A	687.002	N/A	N/A	42.289
SEP 85	N/A	N/A	680.924	N/A	N/A	41.867
OCT 85	N/A	N/A	658.437	N/A	N/A	34.734
NOV 85	N/A	N/A	618.635	N/A	N/A	34.723
DEC 85	N/A	N/A	649.657	N/A	N/A	34.465
JAN 86	N/A	N/A	665.061	N/A	N/A	26.698
FEB 86	N/A	N/A	637.004	N/A	N/A	27.306
MAR 86	N/A	N/A	686.470	N/A	N/A	26.331
APR 86	N/A	N/A	689.426	N/A	N/A	24.870
MAY 86	N/A	N/A	693.807	N/A	N/A	23.158
JUN 86	168.587	356.022	524.610	6.577	15.933	22.511
JUL 86	192.751	351.486	544.238	6.884	14.784	21.670
AUG 86	187.974	354.724	542.699	5.902	13.549	19.452
SEP 86	196.019	348.988	545.008	5.051	13.542	18.594
OCT 86	205.094	367.111	572.206	4.383	13.315	17.699
NOV 86	195.399	353.111	548.512	4.665	13.467	18.133
DEC 86	214.120	381.658	595.780	4.091	12.808	16.900
JAN 87	109.482	372.125	481.608	2.398	12.665	15.064
FEB 87	105.572	373.985	479.559	2.429	13.110	15.541
MAR 87	115.718	411.900	527.619	2.568	14.757	17.326
APR 87	112.012	399.543	511.556	2.484	13.655	16.141
MAY 87	113.670	385.872	499.543	2.265	13.508	15.774
JUN 87	117.102	406.806	523.909	1.921	13.583	15.505
JUL 87	66.637	401.222	467.859	1.204	13.761	14.966
AUG 87	52.251	411.563	463.814	0.871	15.097	15.969

TABLE 7.2

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

SUPPLEMENTAL REPORT OF COMMON LINE POOL RESULTS
REPORTED AS OF OCTOBER, 1987

N E C A CCL EARNED REVENUES

TIER 1

(REVENUE REPORTED IN MILLIONS)

	PREMIUM CCL EARNED REVENUE			NONPREMIUM CCL EARNED REVENUE		
MONTH/YR	ORIGINATING	TERMINATING	TOTAL	ORIGINATING	TERMINATING	TOTAL
JUN 84	N/A	N/A	717.125	N/A	N/A	42.804
JUL 84	N/A	N/A	618.076	N/A	N/A	44.252
AUG 84	N/A	N/A	646.895	N/A	N/A	44.801
SEP 84	N/A	N/A	604.822	N/A	N/A	40.294
OCT 84	N/A	N/A	646.987	N/A	N/A	47.245
NOV 84	N/A	N/A	644.098	N/A	N/A	47.072
DEC 84	N/A	N/A	658.260	N/A	N/A	46.536
JAN 85	N/A	N/A	656.935	N/A	N/A	51.992
FEB 85	N/A	N/A	662.562	N/A	N/A	53.030
MAR 85	N/A	N/A	684.197	N/A	N/A	55.475
APR 85	N/A	N/A	701.296	N/A	N/A	55.110
MAY 85	N/A	N/A	703.697	N/A	N/A	49.178
JUN 85	N/A	N/A	612.479	N/A	N/A	48.161
JUL 85	N/A	N/A	624.678	N/A	N/A	45.913
AUG 85	N/A	N/A	643.335	N/A	N/A	41.770
SEP 85	N/A	N/A	638.370	N/A	N/A	41.350
OCT 85	N/A	N/A	619.324	N/A	N/A	34.271
NOV 85	N/A	N/A	579.649	N/A	N/A	34.266
DEC 85	N/A	N/A	609.806	N/A	N/A	34.001
JAN 86	N/A	N/A	626.100	N/A	N/A	26.273
FEB 86	N/A	N/A	599.574	N/A	N/A	26.788
MAR 86	N/A	N/A	646.398	N/A	N/A	25.817
APR 86	N/A	N/A	649.102	N/A	N/A	24.343
MAY 86	N/A	N/A	652.853	N/A	N/A	22.597
JUN 86	157.326	332.411	489.738	6.445	15.612	22.058
JUL 86	180.841	329.768	510.610	6.747	14.490	21.238
AUG 86	175.801	331.754	507.556	5.744	13.186	18.932
SEP 86	183.963	327.067	511.031	4.875	13.074	17.950
OCT 86	192.830	344.845	537.676	4.221	12.824	17.046
NOV 86	183.175	331.017	514.193	4.493	12.968	17.462
DEC 86	201.555	359.260	560.816	3.934	12.317	16.252
JAN 87	102.490	348.359	450.850	2.302	12.161	14.464
FEB 87	99.345	351.926	451.272	2.340	12.630	14.971
MAR 87	109.235	388.810	498.046	2.488	14.297	16.785
APR 87	105.407	375.983	481.391	2.401	13.199	15.601
MAY 87	106.906	362.303	469.210	2.178	12.990	15.169
JUN 87	110.219	382.904	493.124	1.850	13.080	14.930
JUL 87	62.787	376.162	438.950	1.164	13.297	14.463
AUG 87	48.972	385.813	434.786	0.834	14.546	15.381

TABLE 7.3

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

SUPPLEMENTAL REPORT OF COMMON LINE POOL RESULTS
REPORTED AS OF OCTOBER, 1987

N E C A CCL EARNED REVENUES

NON-TIER 1

(REVENUE REPORTED IN MILLIONS)

	PREMIUM CCL EARNED REVENUE			NONPREMIUM CCL EARNED REVENUE		
MONTH/YR	ORIGINATING	TERMINATING	TOTAL	ORIGINATING	TERMINATING	TOTAL
JUN 84	N/A	N/A	45.047	N/A	N/A	0.314
JUL 84	N/A	N/A	40.398	N/A	N/A	0.263
AUG 84	N/A	N/A	41.428	N/A	N/A	0.300
SEP 84	N/A	N/A	40.735	N/A	N/A	0.321
OCT 84	N/A	N/A	42.663	N/A	N/A	0.391
NOV 84	N/A	N/A	41.865	N/A	N/A	0.375
DEC 84	N/A	N/A	42.761	N/A	N/A	0.447
JAN 85	N/A	N/A	43.435	N/A	N/A	0.439
FEB 85	N/A	N/A	43.243	N/A	N/A	0.440
MAR 85	N/A	N/A	44.445	N/A	N/A	0.472
APR 85	N/A	N/A	45.635	N/A	N/A	0.512
MAY 85	N/A	N/A	46.189	N/A	N/A	0.520
JUN 85	N/A	N/A	42.456	N/A	N/A	0.512
JUL 85	N/A	N/A	41.603	N/A	N/A	0.523
AUG 85	N/A	N/A	43.667	N/A	N/A	0.519
SEP 85	N/A	N/A	42.554	N/A	N/A	0.518
OCT 85	N/A	N/A	39.113	N/A	N/A	0.463
NOV 85	N/A	N/A	38.986	N/A	N/A	0.457
DEC 85	N/A	N/A	39.851	N/A	N/A	0.464
JAN 86	N/A	N/A	38.961	N/A	N/A	0.425
FEB 86	N/A	N/A	37.430	N/A	N/A	0.519
MAR 86	N/A	N/A	40.072	N/A	N/A	0.514
APR 86	N/A	N/A	40.324	N/A	N/A	0.527
MAY 86	N/A	N/A	40.954	N/A	N/A	0.561
JUN 86	11.261	23.610	34.873	0.132	0.320	0.454
JUL 86	11.910	21.718	33.628	0.137	0.294	0.432
AUG 86	12.172	22.970	35.143	0.158	0.362	0.521
SEP 86	12.055	21.921	33.976	0.175	0.468	0.644
OCT 86	12.263	22.266	34.530	0.162	0.491	0.653
NOV 86	12.224	22.094	34.318	0.172	0.498	0.671
DEC 86	12.565	22.398	34.964	0.156	0.490	0.648
JAN 87	6.992	23.765	30.758	0.095	0.504	0.600
FEB 87	6.227	22.059	28.286	0.089	0.480	0.570
MAR 87	6.482	23.090	29.573	0.080	0.460	0.540
APR 87	6.604	23.559	30.164	0.083	0.456	0.540
MAY 87	6.764	23.569	30.333	0.086	0.518	0.605
JUN 87	6.882	23.902	30.785	0.071	0.503	0.575
JUL 87	3.849	25.059	28.909	0.039	0.463	0.504
AUG 87	3.278	25.750	29.029	0.036	0.551	0.588

TABLE 7.4

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
SUMMARY OF POOL RESULTS FOR THE MONTH ENDING AUGUST 31, 1987
REPORTED AS OF OCTOBER 31, 1987

COMMON LINE (CL) (Note 1)	CURRENT MONTH	1987 POOL YEAR (Note 2)
Carrier Common Line (CCL) Earned Revenue		
Premium	$465,711,277	$3,958,332,593
Non-premium	$14,071,962	$123,419,053
Special Access Surcharge	$8,222,613	$80,493,420
CCL Net Realized Uncollectibles	$228,261	$3,070,020
CCL Net Earned Revenue	$487,777,491	$4,159,175,046
End User Earned Revenues	$361,434,905	$2,513,561,220
End User Net Realized Uncollectibles	$1,317,069	$11,393,007
End User Net Earned Revenues	$360,117,836	$2,502,168,213
Total Common Line Net Earned Revenues	$847,895,327	$6,661,343,259
CL Income from Interest Charged Construction	$1,189,253	$9,458,292
Total Common Line Revenues	$849,084,580	$6,670,801,551
NECA Administrative Cost	$3,437,570	$28,801,773
Average Schedule Company Settlements	$21,316,456	$173,337,562
Common Line Expenses and other Taxes	$578,662,692	$4,539,858,315
Common Line Adjusted Federal Income Tax	$64,944,732	$505,625,807
Universal Service Fund (effective 1/1/86)	$10,523,482	$83,693,696
Total Common Line Costs	$678,884,932	$5,331,317,093
Common Line Residue for Distribution (Note 3)	$170,199,648	$1,339,484,458
Common Line Net Investment	$17,379,698,758	$17,483,304,939
Annualized Common Line Residue Ratio (Note 4)		
- NEW TAX LAW (Note 5)	11.75%	11.49%
AS FILED - OLD TAX LAW	11.36%	11.11%

Note 1: All of the individual line items include some estimates and are subject to further adjustments under current NECA procedures.

Note 2: The 1987 pool year is for the period beginning January 1, 1987 through the CURRENT MONTH. The Net Investment is an average of the cumulative months reported.

Note 3: Residue for Distribution is Total Revenues less Total Expenses.

Note 4: Annualized Residue Ratio in the CURRENT MONTH is calculated by dividing the amount of Residue for Distribution by the amount of average Net Investment and multiplying by 12 months X 100. The annualized POOL YEAR Residue Ratios are similarly computed except that the sum of the calculation is then divided by the number of POOL YEAR reporting periods.

Note 5: NEW TAX LAW reflects pool results calculated with the effects, as reported by member companies, of the 1986 Tax Reform Act (TRA), and use of the blended tax rate of 39.95% and is the actual basis for settlements distribution. AS FILED - OLD TAX LAW, reflects NECA's estimate of what pool results would be without the adoption of the 1986 TRA, consistent with NECA's October 1986 Tariff Filing and the Commission's MO+O dated December 24, 1986.

TABLE 7.5

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
SUMMARY OF POOL RESULTS FOR THE MONTH ENDING AUGUST 31, 1987
REPORTED AS OF OCTOBER 31, 1987

TRAFFIC SENSITIVE (TS) (Note 1)	CURRENT MONTH	1987 POOL YEAR (Note 2)
TS Earned Revenue	$41,069,942	$297,445,814
TS Net Realized Uncollectibles	$653	$18,427
TS Net Earned Revenue	$41,069,289	$297,427,387
TS Income From Interest Charged Construction	$22,720	$174,580
Total Traffic Sensitive Revenues	$41,092,009	$297,601,967
Average Schedule Company Settlements	$14,313,089	$110,187,938
TS Expenses and other Taxes	$15,454,291	$121,784,708
TS Adjusted Federal Income Tax	$3,154,039	$16,646,990
Total Traffic Sensitive Expenses	$32,921,419	$248,619,636
TS Residue For Distribution (Note 3)	$8,170,590	$48,982,331
TS Net Investment	$553,697,490	$551,748,778
Annualized Traffic Sensitive Residue Ratio (Note 4)		
- NEW TAX LAW (Note 5)	17.71%	13.32%
AS FILED - OLD TAX LAW	16.86%	12.78%

Note 1: All of the individual line items include some estimates and are subject to further adjustments under current NECA procedures.

Note 2: The 1987 pool year is for the period beginning January 1, 1987 through the CURRENT MONTH. The Net Investment is an average of the cumulative months reported.

Note 3: Residue for Distribution is Total Revenues less Total Expenses.

Note 4: Annualized Residue Ratio in the CURRENT MONTH is calculated by dividing the amount of Residue for Distribution by the amount of average Net Investment and multiplying by 12 months X 100. The annualized POOL YEAR Residue Ratios are similarly computed except that the sum of the calculation is then divided by the number of POOL YEAR reporting periods.

Note 5: NEW TAX LAW reflects pool results calculated with the effects, as reported by member companies, of the 1986 Tax Reform Act (TRA), and use of the blended tax rate of 39.95% and is the actual basis for settlements distribution. AS FILED - OLD TAX LAW, reflects NECA's estimate of what pool results would be without the adoption of the 1986 TRA, consistent with NECA's October 1986 Tariff Filing and the Commission's MO+O dated December 24, 1986.

8. Jurisdictional Shifts in Revenue Requirements

To address concerns that changes in the separations procedures might dramatically shift costs between jurisdictions and thereby lead to unanticipated or significant rate increases, the monitoring program includes the examination of jurisdictional shifts in revenue requirements that occur starting in 1988. This section discusses the monitoring efforts in this area that will be undertaken as the information becomes available.

Earlier this year the Commission adopted the recommendations of the Joint Board in Docket No. 86-297 which conformed separations procedures to the revised Uniform System of Accounts and simplified those procedures. The Commission also adopted the Joint Board's recommendation that review of the jurisdictional revenue requirement shifts resulting from these changes be included in the monitoring plan. Pursuant to the Commission's decision, no formal report from carriers on jurisdictional shifts in revenue requirements is due until March 1989. At that time, shifts occurring during calendar year 1988 will be reported by carriers.

Specifically, the Commission in its order requested information on jurisdictional shifts in total revenue requirements that exceed 5% or more of the company's annual total revenue requirements for the study area. The shifts in revenue requirements to be reported by carriers are those resulting from conformance of the separations rules to the new accounting rules and from simplification of the separations rules. Other separations procedures changes (including those relating to central office equipment and other changes recommended by the Joint Board in Docket No. 80-286) will be excluded.

Subsequent to the Commission's adoption of the Joint Board's recommended monitoring plan, further separations issues developed. The Commission reconsidered its decision regarding the separations procedures for marketing expenses, and decided that, on an interim basis, billings for access charges should be included in the allocation factor for these expenses. (Memorandum Opinion and Order released August 18, 1987). The Commission was concerned, as were the state members of the Joint Board, that the revenue requirement impact of the exclusion of access revenues from the allocation factor had not been fully tested in the conformance proceeding. The Commission referred this issue to the Joint Board in CC Docket No. 80-286 and requested that the Joint Board recommend a permanent solution by April 1, 1988. 1

---

1 In addition, petitions for reconsideration regarding other aspects of the revised separations procedures are currently pending before the Commission.

A summary of comments received since the September report is in Attachment I.

ATTACHMENT I

SUMMARY OF COMMENTS ON
JURISDICTIONAL SHIFTS IN REVENUE REQUIREMENTS

On October 28, 1987, eight parties 2 filed comments in this docket specifically addressing the issue of jurisdictional shifts in revenue requirements as described in the monitoring program. All but two of these parties, D.C. PSC and OPC-D.C., generally agree that meeting the reporting requirements for jurisdictional revenue requirement shifts will be a significant burden to the carriers and costly to ratepayers. These parties argue that development of the required data covering 1988 and 1989 will require LECs to maintain parallel accounting and separations systems covering Parts 31 and 67, as well as Parts 32 and 36. They also contend that LECs will be required to maintain two systems not only through the period of transition, but for an extended additional period as well. These parties assert that this will completely negate the cost savings and efficiencies that the Commission sought to obtain in adopting the new Separations Manual.

USTA and Bell Atlantic both assert that separations changes and accounting rules will all be effective on January 1, 1988, and the accounting records that the company keeps will be changed on that date. They therefore argue that because they do not anticipate further changes on January 1, 1989, less justification exists in 1989 for the parallel bookkeeping that the monitoring program requires. They argue that substantial new investment in data processing equipment, and increased manpower, will be necessary solely for monitoring purposes. GTE also maintains that since the separations changes are all effective on January 1, 1988, the Commission can effectively assess the effects of its conformance order by observing the actual 1988 separations results. It does not believe that continuation of the studies beyond that year is necessary. Additionally, USTA argues that the LECs are converting both their non-automated and their mechanized systems to operate in the new format so that using the old formats as well as the new format would result in

---

2 The Bell Atlantic Telephone Companies (Bell Atlantic), the BellSouth Corporation, South Central Bell Telephone and Southern Bell Telephone and Telegraph Company (BellSouth), Pubic Service Commission of the District of Columbia (D.C. PSC), GTE Service Corporation (GTE), Pacific Bell and Nevada Bell (Pacific), Office of the People's Counsel of the District of Columbia (OPC-D.C.), Southwestern Bell Telephone Company (Southwestern Bell) and United States Telephone Association (USTA).

confusion among the employees, thus thwarting their efforts to maintain awareness and consistency in applying the new rules.

USTA raises the additional argument that the burden of duplicate systems remains significant not only to the LECs but also to the Commission. It contends that in some instances the regulatory reporting required by this proceeding will duplicate reporting or filing requirements set out in tariff review plans or the Commission's Report and Order on automated data reporting (ARMIS). It argues that the Commission should strive to consolidate these reports.

BellSouth contends that the performance of separations studies by carriers for the monitoring plan will require the continuation of some studies that have been eliminated in the new Separations Manual, such as Land and Building and Wage Apportionment and location studies. BellSouth states that it is investigating alternative, less burdensome approaches to meet the Commission's objectives for monitoring jurisdictional shifts in revenue requirements.

Five of the parties 3 specifically recommend statistical modeling as one available alternative that would provide an assessment of the jurisdictional revenue requirement shifts. USTA notes that because direct mapping from Part 67 to Part 36 is not always possible, modeling would be more appropriate because it would not require greater detail than that now required by the Part 32 rules for Class A companies. USTA suggests the use of the model that was developed by the Commission when it sought to evaluate the impacts of the proposed Separations Manual in CC Docket No. 86-297.

Pacific stresses that permitting LECs to report simulated rather than actual impacts would eliminate additional procedures and avoid administrative and financial burdens. It offers to work with the Commission and other members of the industry to develop a model to produce accurate results and minimize additional costs. In its support of cost effective alternatives, GTE outlines an alternative that it recommends to measure the effects of conformance.

Two parties, OPC-D.C. and D.C. PSC, do not agree that the data submission would be a burden and recommend certain changes that would increase the extent of the monitoring program regarding jurisdictional revenue requirement shifts. OPC-D.C. recommends that the Commission require

---

3 USTA, Bell Atlantic, Pacific, Southestern Bell and GTE.

LECs to file data regarding all shifts in revenue requirements by account on a semi-annual basis for three years and that these reports be filed with each state commission. It believes that this extended time would allow regulators to fully judge the effects of shifts in revenue requirements and that the semi-annual reports would provide the regulators with a more effective response time. D.C. PSC believes that LECs should be required, not requested, to calculate jurisdictional shifts in revenue requirements. It also argues that some threshold level of revenue requirement shift should be established by the Commission above which some corrective action will be taken.