

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Alltel Florida, Inc.'s Petition)
To Reduce Intrastate Switched Network)
Access Rates In A Revenue Neutral)
Manner Pursuant to Section 364.164,)
Florida Statutes)
_____)

DOCKET No.: 050693-72
FILED: Sept. 29, 2005

ALLTEL FLORIDA, INC.

Exhibits to Direct Testimony

of

David C. Blessing

Volume III

DCB-20 to DCB-30

(public version)

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D. Blessing Ex. No. ____ (DCB-20)
Wyoming 2005 Telecom Report

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Exhibit DCB-20

Wyoming PSC 2005 Annual Telecom Report.

2005

ANNUAL

TELECOMMUNICATIONS

REPORT

prepared by the

Wyoming Public Service Commission

(023)

<http://psc.state.wy.us>

soxley@state.wy.us

pursuant to W. S. § 37-15-407 of the
Wyoming Telecommunications Act of 1995

Cheyenne, Wyoming 82002

January 10, 2005

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Foreword

This Report is prepared annually by the Wyoming Public Service Commission under the mandate of W.S. § 37-15-407 in the Wyoming Telecommunications Act of 1995, which states:

“(a) The commission shall with the input and participation of the telecommunications industry and other relevant state departments, boards and agencies prepare and issue an annual report on the status of the telecommunications industry and Wyoming regulation thereof on January 10 of each year beginning in 1996. Such report shall include:

“(i) A review of regulatory decisions and actions from the preceding year and a description of pending cases involving significant telecommunications companies or issues;

“(ii) A description of the telecommunications industry or trends therein, including the number, type and size of companies offering telecommunications services, telecommunications technologies in place and under development, variations in the geographic availability of services and in process for services, and penetration levels of subscriber access to local exchange service in each exchange and trends related thereto;

“(iii) The status of compliance by carriers and the commission with the requirements of this chapter;

“(iv) The effects, and likely effects of Wyoming regulatory policies and practices, including those described in this title, on telecommunications companies, services and customers;

“(v) Any recommendations for legislative change which are adopted by the commission and which the commission believes are in the interest of Wyoming telecommunications customers; and

“(vi) Any other information or analysis which the commission is required to provide by this title or deems necessary to provide.

“(b) The commission’s report shall be filed with the legislature, the governor and the state telecommunications council.”

Telecommunications on the Internet

The Commission’s web site offers regularly updated information about telecommunications regulatory activities in Wyoming at:

<http://psc.state.wy.us>

It offers complete texts of orders, notices, tariffs, annual reports, official minutes and other information about telecommunications companies and the Commission, and it is searchable. We have included docket numbers and web addresses in this Report to assist you in finding more information on subjects of interest. We invite you to use it and to share your suggestions for improvement with our webmaster at dcrock@state.wy.us

Find more information about the Wyoming Universal Service Fund at:

<http://psc.state.wy.us/wyusf.htm>

Information about the Wyoming Office of Consumer Advocate is available at:

<http://psc.state.wy.us/oca.htm>

SECTION 1: REGULATORY MATTERS

a. Some Telecommunications Terms Used in This Report

We hope that the following definitions of telecommunications industry terms and acronyms will be useful to you in reading this Report. If you have further questions, please contact the Public Service Commission at soxley@state.wy.us or by telephone at 307-777-5746.

“access” Access, as used in “access charge” and “switched access” means the ability of a customer to have access to the local telephone company’s switch to make or to receive long distance calls. Long distance companies depend on access to complete calls made by their customers; and these companies pay on a per minute-of-use basis for this access.

“BOC” This federal Act acronym stands for Bell Operating Company and includes the companies formed during the breakup of AT&T in 1984 and their successors. Section 3(a)(2)(35) of the federal Act lists all of the BOCs. These companies are also known as RBOCs, or Regional Bell Operating Companies. Qwest, successor to U S WEST, is the only BOC providing service in Wyoming.

“central office” A central office is the installation containing the local telephone switch serving a community and the surrounding area (the “local exchange”). The central office switch connects customers to the local and long distance networks.

“CFR” The Code of Federal Regulations is the standard compilation of all federal agency regulations. References can be to either individual sections or Parts containing several sections on a single topic. Their numbering (e.g., 47 CFR) follows the numbering of titles in the United States Code.

“CLEC” A Competitive Local Exchange Carrier offering local exchange telecommunications services in Wyoming in competition with an established (incumbent) carrier. Wyoming CLECs are listed in Appendix B to this Report.

“CMRS” Commercial Mobile Radio Service, as defined by the Federal Communications Commission, is a type of wireless carrier holding an exclusive federally-issued license in a defined geographic area for a certain period of time. CMRS service providers can include PCS, cellular, Radio Common Carriers and others.

“competitive” Under W.S. § 37-15-202, the Legislature has deemed some telecommunications services “competitive” and the PSC may find other services competitive. Most competitive services are not subject to price regulation by the PSC. Local basic telephone services, switched access and long distance services, if provided by an established local exchange carrier, are not automatically considered “competitive.” Most other services are “competitive,” including local service provided by resellers, long distance services of long distance companies, and added features like call waiting and caller ID. As a general rule, if a customer has the choice of similar

services at similar prices from different providers, the service can be found competitive by the PSC under the Act.

“de-averaging” When a telecommunications company de-averages its rates, it breaks down its subscribers into rate categories recognizing the different costs of serving different customer groups. Subscribers all pay the same price if the company has averaged rates.

“embedded” An embedded cost of providing telephone service is an actual investment that has already been made. It shows up on the books of the company.

“equal access” This is the ability of a customer to choose any in-state and any interstate long distance carrier and to use that carrier to complete calls without having to dial any extra numbers. This is also called “1+” equal access.

“ETC” Under 47 U.S.C. §254(e) in the federal Act, only a telecommunications carrier designated as an Eligible Telecommunications Carrier can receive federal universal service support. Under 47 U.S.C. §214, an ETC must, in the area for which support is sought, offer all the services eligible for federal universal service support, either through its own facilities or a combination of its facilities and the resale of another carrier’s services. It must advertise the price and availability of the services throughout the area. Designations of ETC status are made by state regulatory commissions. More than one carrier may be certified in a particular area, and Commission certifications must be made annually to the FCC.

“explicit” An explicit subsidy is one that a consumer can see on the telephone bill. An example is the credit against high cost basic service from the Wyoming Universal Service Fund.

“FCC” The Federal Communications Commission.

“federal Act” The federal Telecommunications Act of 1996, P.L. 104-104, generally consisting of amendments to the federal Communications Act of 1934 (47 U.S.C. 151, *et seq.*).

“hot cut” A hot cut is a process by which an incumbent local exchange carrier manually disconnects the customer’s loop (which is hardwired to its local switch) and physically rewires it to the switch of its local competitor, while reassigning the customer’s telephone number to the competitor’s switch. Properly performed, a hot cut would not be noticed by the customer.

“ILEC” An Incumbent Local Exchange Carrier is an established, facilities-based telecommunication carrier offering local telecommunications services in Wyoming. Wyoming’s 14 ILECs are listed in Appendix A to this Report.

“implicit” An implicit subsidy is one that cannot be identified on the customer’s bill. An example would be a rate for a service which is lower because of revenues generated by the sale of other services above their costs.

“interconnection agreement” A contract between two telecommunications carriers which spells out the terms and conditions on which the carriers will connect and deal with each other

for the purpose of providing services to the public. Qwest's Wyoming SGAT is a form interconnection agreement which spells out Qwest's generally offered terms of interconnection with CLECs desiring to compete with Qwest in the provision of local exchange service. Section 1i of this Report contains a list of interconnection agreements which various companies have concluded with Qwest and Sprint/United.

"LNP" Local number portability allows customers switching service providers to retain their existing telephone numbers after the move, including wireline-to-wireline, wireline-to-wireless, wireless-to-wireline and wireless-to-wireless moves. Considered a key provision supporting a competitive market, federal law allows state regulatory commissions to grant waivers of existing federal LNP requirements on a showing of good cause. In the Wyoming Telecommunications Act of 1995, at W.S. § 37-15-404, *Protection of telecommunications consumers*, subsection (e)(v), the Commission was given authority to make rules on "Telephone number portability to the full extent technically feasible."

"NASUCA" The National Association of State Utility Consumer Advocates is a voluntary national association of 44 consumer advocates in 42 states, the District of Columbia and Barbados.

"OCA" The Office of Consumer Advocate was created by the Wyoming Legislature, effective March 6, 2003, as a "separate division within the public service commission." It is charged with representing "the interests of Wyoming citizens and all classes of utility customers in matters involving public utilities" but is not allowed to "advocate for or on behalf of any individual, organization or entity." As an independent entity, it may, among other things, appeal Commission decisions, negotiate proposed settlements in contested cases, participate in court proceedings as an *amicus curiae*. Read the entire group of statutes creating the OCA at:

<http://legisweb.state.wy.us/statutes/titles/title37/c02a04.htm>

Find out more about the OCA on the Internet at: <http://psc.state.wy.us/oca.htm>

"PIDs" Performance Indicator Definitions quantify aspects of Qwest's performance under its QPAP to allow accurate and objective measurement of this performance in Qwest's dealing with CLECs and in opening its market fully and fairly to local service competition. Payments by Qwest under the QPAP are triggered by performance under the PIDs.

"POTS" Industry acronym for Plain Old Telephone Service, the basic level of telecommunications service once characterized by a single line, black, rotary dial telephone connected to the local central office. The companion acronym **"PANS"** denotes Pretty Amazing New Stuff, a catch-all acronym for more sophisticated technology and the services it offers.

"QPAP" Qwest's Wyoming Statement of Generally Available Terms, defined below, contains provisions for payments by Qwest when it fails to meet defined standards in interconnecting with local exchange service competitors. These payments are provided for in Exhibit K to the SGAT, the Qwest Performance Assurance Plan or QPAP. A Performance Assurance Plan is nominally "voluntary" but the FCC has not approved any Section 271 application that did not include such a plan.

“ROC” The Regional Oversight Committee is comprised of state regulators from the 14 states in which Qwest provides local telephone service. The Commission is a member. The ROC meets twice a year, sharing information on telecommunications regulatory issues concerning Qwest and undertaking regulatory projects of common interest. [See the ROC’s web site at <http://regionaloversightcommittee.org>]

“Section 271” Section 271 of the federal Act and related provisions prohibit an RBOC from offering originating long distance telecommunications service across state and LATA (local access and transport area) boundaries unless the RBOC has demonstrated that it has fairly and fully opened its local exchange service markets [e.g., in Wyoming] to competition, including a showing that it meets the requirements of a 14-element competitive checklist under Section 271 of the federal Act. After lengthy Commission proceedings, Qwest received a favorable recommendation that it met the relevant criteria in December 2002. The FCC accepted this recommendation and Qwest started to offer this type of service early in 2003. [Docket No. 70000-TA-00-599]

“Section 503” This section of the Commission’s Rules deals with required service quality reporting and record keeping by telecommunications service providers in Wyoming. You will note below that several service providers have asked for waivers of certain provisions of Section 503. The applying companies are not facilities-based carriers, and the service quality reporting requirements for which waivers are routinely sought only apply to facilities-based carriers. Read Section 503 on-line at: <http://soswy.state.wy.us/RULES/4868.pdf>

“SGAT” SGAT stands for Statement of Generally Available Terms, and it is described at Section 252(f) of the federal Act. It is a form contract under which competitors may interconnect with Qwest to provide local service in competition with Qwest in Wyoming (formally entitled *Statement of Generally Available Terms and Conditions for Interconnection, Unbundled Network Elements, Ancillary Services and Resale of Telecommunications Services*). The Wyoming SGAT has been examined and allowed to go into effect as part of the Commission’s Section 271 proceedings. The Commission continues to monitor the functioning of the SGAT and participates in the regulatory group of states undertaking long term administration of the PIDs used to measure Qwest’s performance under the SGAT. Qwest’s Wyoming SGAT and its related exhibits can be viewed on line at: <http://www.qwest.com/about/policy/sgats/WY.html>

“TELRIC” or “Total Element Long Run Incremental Cost” Section 252(d) of the federal Act generally describes a “just and reasonable” pricing standard for interconnection and network element charges which must be “based on the cost (determined without reference to a rate-of-return or other rate-based proceeding) of providing the interconnection or network element (whichever is applicable).” It must be “nondiscriminatory,” and “may include a reasonable profit.” The FCC articulated this as the forward looking TELRIC methodology, establishing TELRIC by rule in its *Local Competition Order*. It is used to ensure that prices are set at levels “that encourage efficient market entry.” TELRIC was the wholesale pricing standard used in connection with Qwest’s Section 271 proceeding. TELRIC forms the basis for the prices that Qwest charges to competitive providers for individual elements of its network, such as loop, switching and transport.

“TRO” or Triennial Review Order” In 2003, the FCC issued its *Report and Order on Remand and Further Notice of Proposed Rulemaking*, FCC 03-36, called the Triennial Review Order or TRO, in its Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Deployment of Wireline Services Offering Advanced Telecommunications Capability, being held in CC Dockets No. 01-338, 96-98, and 98-147. It is intended as a review and examination of the facts, on a state by state basis, bearing on the various duties of ILECs to unbundle their systems to accommodate competition. Find more information on the TRO below at Section 1k of this Report.

“TSLRIC” or “Total Service Long Run Incremental Cost” According to the Act at W.S. § 37-15-103(a)(xiii), this means “. . . the total forward-looking cost, using least cost technology, for a telecommunications service or basic network function that the telecommunications provider would incur if it were to initially offer such telecommunications service or basic network function;” Telecommunications companies which offer non-competitive services must price each of its services at least at a level that allows the service to recover its own total service long run incremental cost. This is intended to eliminate implicit subsidies and to encourage competitors to enter the market on a level playing field. It is a retail level standard.

“UNE” An unbundled network element. Section 251(c)(3) of the federal Act requires incumbent local exchange carriers like Qwest to provide nondiscriminatory access to network elements on an unbundled or individual basis to any telecommunications carrier requesting them for the provision of a telecommunications service. That Section states that “An incumbent local exchange carrier shall provide such unbundled network elements in a manner that allows requesting carriers to combine such elements in order to provide such telecommunications service.” Qwest’s UNE prices for Wyoming are found at Exhibit A to Qwest’s Wyoming SGAT. [See the Wyoming SGAT and its Exhibits at <http://www.qwest.com/about/policy/sgats/WY.html>]

“UNE-P” Unbundled network element-platform. It is a group of physical and functional elements (UNEs) of a facilities-based carrier’s network which, when combined, provide a complete local service circuit or service “platform.”

“USAC” The Universal Service Administrative Company, set up as a non-profit corporation by the National Exchange Carrier Association, to administer federal universal service funding mechanisms.

“Wyoming Act” The Wyoming Telecommunications Act of 1995, Chapter 15 of Title 37 of the Wyoming Statutes, is the basic telecommunications regulatory law in Wyoming.

b. Chronology of Telecommunications Issues and Events: 2004

In this chronology, we have highlighted some events which may be of interest to a wider group of readers of this Report *by italicizing them*.

January 6, 2004

The Commission approved the application of Working Assets Funding Service, Inc., for a waiver of the service quality reporting requirements of Section 503 of the Commission's Rules. Docket No. 74062-TA-03-13

January 7, 2004

Wyoming Telecommunications Council meeting. See further details below in the Section 2 of this Report. Visit the Council's web site at: <http://cio.state.wy.us/telecom/index.asp>

January 8, 2004

The Commission approved the application of Primus Telecommunications for a pro forma transfer of control of the company from Primus Telecommunications Group, Inc., to Primus Telecommunications Holding, Inc. Docket No. 74137-TA-03-5

The Commission approved the application of Project Telephone Company to revise its Toll Restriction Tariff. Docket No. 70012-TT-03-21

Qwest Corporation's (Qwest) wireline interconnection agreement with VCI Company and an amendment were approved. Docket Nos. 70000-TK-03-941 and 70000-TK-03-942

January 13, 2004

The Commission approved the application of Qwest to enter into an unbundled network elements, ancillary services, and resale of telecommunications services interconnection agreement with CAT Communications International, Inc. Docket No. 70000-TK-03-945

January 15, 2004

The Commission approved an amendment to Qwest's interconnection agreement with Arch Wireless f/k/a Mobile Communications. Docket No. 70000-TK-03-946

January 27, 2004

The Commission approved an amendment to Qwest's interconnection agreement with DIECA Communications Inc. Docket Nos. 70000-TK-03-950 and 70071-TK-03-7

The Commission canceled the registration authority and tariffs of PT-1 Long Distance, Inc., to offer intrastate, interexchange telecommunications services because of its failure to comply with Wyoming law. Docket No. 74473-IT-03-3

The Commission approved the amendment of Qwest's interconnection agreement with Comm South Companies, Inc. Docket Nos. 70000-TK-03-947 and 70057-TK-03-6

The Commission issued a formal letter of instruction informing all applicable Wyoming telecommunications service providers that the Wyoming Division of Vocational Rehabilitation and the Wyoming Telecommunications Relay Service Advisory Committee decided that the Wyoming Relay per-line surcharge should remain at the level of 6¢ per month for calendar year 2004. Undocketed.

January 29, 2004

The Commission approved the application of Teleglobe America Inc., to implement internal corporate structure changes enabling a transfer of control of the company from Teleglobe Netherlands to ITXC Corp. Docket No. 74363-TA-04-7

February 4, 2004

The Commission held a public hearing on Chugwater Telephone's application to have its local exchange and switched access services found to be subject to competition under W.S. § 37-15-202(a) because of competition from wireless telecommunications service providers. Docket No. 70005-TA-03-19

February 12, 2004

The Commission approved Lightyear Communications' plan of reorganization and a series of related financial transactions. Docket No. 74067-TA-03-10

The Commission authorized Qwest to extend a previously approved Competitive Inquiry promotional offering through April 30, 2004. Docket No. 70000-TT-04-956

The Commission declined to take action on the application of VCI Company for designation as an Eligible Telecommunications Carrier. Docket No. 70104-TA-04-4

February 13, 2004

The Office of Consumer Advocate submitted to the FCC its *Reply Comments of the Wyoming Office of Consumer Advocate on Petition for Rulemaking to Eliminate Rate-of-Return Regulation of Incumbent Local Exchange Carriers* in Docket No. RM 10822 and CC Docket No. 96-45 regarding universal service. Western Wireless asked the FCC to eliminate rate of return regulation of ILECs, and the Office of Consumer Advocate commented on the need to examine universal service funding mechanisms to ensure their adequacy, especially in rural, high cost states such as Wyoming, but disagreed with Western Wireless' premise that rate of return regulation should be eliminated. Read the Reply Comments at Appendix H to this Report.

February 19, 2004

The Commission approved the request of Qwest and XO Network Services to enter into an interconnection agreement. Docket Nos. 70000-TK-04-952 and 70107-TK-04-3

The Commission authorized an Order granting the request of XO Network Services to withdraw its pending application in Docket No. 70107-TT-04-2 regarding changing a credit for interruptions; introducing a re-dispatch charge; and Plan C local exchange service rates (basic business lines, PBX trunks and operator assistance). Docket No. 70107-TT-04-5

For lack of jurisdiction under the Wyoming Telecommunications Act of 1995, the Commission dismissed the complaint of the Sheridan County Commission against Qwest regarding the omission of the communities of Banner and Story from the QwestDEX Northeastern Wyoming telephone directory. Docket No. 70000-TC-04-964

February 24, 2004

The Commission approved the application of Frontier Communications of America for a waiver of the Commission's Rules regarding held order and service interruption reports. Docket No. 74149-TA-04-14

February 26, 2004

The Commission approved the amended application of VCI Company for designation as an Eligible Telecommunications Carrier (ETC). Docket No. 70104-TA-04-4

March 1, 2004

Chairman Rob Hurless began his term of service as Chairman of the Commission.

March 2, 2004

Qwest and Houlton Enterprises were allowed to amend their existing interconnection agreement. Docket Nos. 70000-TK-04-955 and 70100-TK-04-4

The Commission allowed Z-Tel Communications to withdraw its previously filed application to remove tariff provisions relating to the Telephone Assistance Program. Docket No. 70084-TT-04-33

The United States Court of Appeals for the District of Columbia Circuit decided United States Telecom Association v. Federal Communications Commission and United States of America, Case No. 00-1012. The Court vacated the TRO in part, remanded it in part and stayed its decision for the longer of 60 days or until a petition for rehearing was denied. Among other actions, the Court vacated the FCC's delegation of impairment determinations to the states, which applies to mass market switching and certain dedicated transport elements, DS1, DS3, and dark fiber and the FCC's nationwide impairment determinations concerning these elements. It vacated the FCC's decision not to take into account availability of tariffed special access services when conducting the impairment analysis (and therefore vacated the decision that wireless carriers are impaired without unbundled access to ILEC dedicated transport). The court stated that "This deadline is appropriate in light of the Commission's failure, after eight

years, to develop lawful unbundling rules, and its apparent unwillingness to adhere to prior judicial rulings.”

March 4, 2004

The Commission approved the application of Qwest to expand the Base Rate Area for its Casper exchange to include parts of two subdivision developments previously excluded. Docket No. 70000-TT-04-959

The Commission approved the application of Qwest and IDT America Corp., to enter into an interconnection agreement. Docket Nos. 70000-TK-03-951 and 70106-TK-03-2

The Commission authorized United Telephone Company of the West d/b/a Sprint (United Telephone) to enter into an interconnection agreement with dpiTeleconnect. Docket No. 70009-TK-04-198

March 11, 2004

The Commission approved the application of T-NETIX Telecommunications Services to transfer control of its parent corporation to TZ Holdings, Inc. Docket No. 74008-TA-04-12

The Commission granted a concurrent certificate of public convenience and necessity to Southwestern Bell Communications Services, Inc., to provide local exchange telecommunications services in those areas of Wyoming served by Qwest. Docket No. 70110-TA-04-1

The Commission approved the application of Comm South Companies, Inc., to implement its original access service tariff. Docket No. 70057-TT-04-8

The Commission approved the transfer of ownership and all of the outstanding capital stock of Motion Telecom to Wireless Channels. Docket No. 74600-TA-04-4

The Commission approved the application of Electric Lightwave, Inc., for a waiver of the Commission Rule relating to service quality reporting requirements. Docket No. 74236-TA-04-7

The Commission approved the application of Bell Atlantic Communications, Inc., on behalf of its Verizon companies, for a waiver of the Commission Rule relating to service quality reporting requirements. Docket Nos. 74440-TA-04-44, 74198-TA-04-54 and 74091-TA-04-201

March 18, 2004

The Commission allowed Qwest to amend its existing interconnection agreement with Z -Tel Communications to include terms, conditions and rates for UNE-P Line Splitting. Docket Nos. 70000-TK-04-953 and 70084-TK-04-32

The Commission approved an interconnection agreement between Qwest and Granite Telecommunications. Docket Nos. 70000-TK-04-962 and 70108-TK-04-2

March 19, 2004

Wyoming Telecommunications Council meeting. See further details below in the Section 2 of this Report. Visit the Council's web site at: <http://cio.state.wy.us/telecom/index.asp>

March 25, 2004

The Commission approved the request of Qwest for a two month extension of time in which to file its 2004 TSLRIC study inputs and to schedule a technical conference. The Commission also approved similar extensions of the TSLRIC related study filing and final action deadlines in Docket No. 70000-TA-04-1045. Docket No. 70000-TA-04-970

The Commission approved the application of Qwest to amend its existing interconnection agreement with 1-800 Reconex to include terms, conditions and rates for UNE-P Public Access Lines. Docket Nos. 70000-TK-04-963 and 70033-TK-04-16

Qwest was authorized to offer a Business Line Volume Purchasing Plan, effective April 5, 2004. Docket No. 70000-TT-04-969

The Commission approved the application of United Telephone to enter into an interconnection agreement with XO Network Services. Docket Nos. 70009-TK-04-196 and 70107-TK-04-4

March 30, 2004

The Commission gave the Wyoming Universal Service Fund manager additional time to May 10, 2004, to file the state-wide average local exchange telecommunications service rate and recommended assessment level for the fund's 2004-2005 fiscal year. (No other fund-related deadlines were affected by this action.) Undocketed

March 31, 2004

The Commission deliberated the application of Chugwater Telephone Company to have its telecommunications services deemed subject to effective competition under W.S. § 37-15-202. The Commission did not make a final decision and decided to take additional evidence in the case. Docket No. 70005-TA-03-19

April 1, 2004

The Commission authorized an Order granting the motion of Qwest to withdraw a revised Wyoming SGAT based on the March 2, 2004 United States Court of Appeals decision regarding the TRO. Docket No. 70000-TK-04-966

April 2, 2004

The Commission held public deliberations on the formal complaint of Contact Communications against Qwest Communications regarding Qwest's charges for physical collocation service in its Riverton and Lander wire centers. The Commission dismissed the complaint. Docket Nos. 70000-TC-03-881 and 70026-TC-03-12

April 8, 2004

The Commission approved Qwest's negotiated wireline interconnection agreement with Sprint Communications. Docket Nos. 70000-TK-04-957 and 70021-TK-04-21

April 13, 2004

The Commission authorized Qwest to offer enhancements to its current Competitive Response Program, effective May 3, 2004. Docket No. 70000-TT-04-976

WERCS Communications, Inc., was granted a concurrent certificate of public convenience and necessity to provide local exchange telecommunications services in those areas of Wyoming currently served by Qwest. Docket No. 70112-TA-04-1

ACN Communication Services, Inc., was granted a concurrent certificate of public convenience and necessity to provide local exchange telecommunications services in those areas of Wyoming currently served by Qwest. Docket No. 70113-TA-04-1

April 15, 2004

Clear World Communications Corporation applied for a waiver of W.S. § 37-15-412, which governs slamming and cramming by telecommunications service providers. The Commission dismissed the application. Docket No. 74376-TA-04-10

Qwest was authorized to amend its existing interconnection agreement with Sprint Communications Company, L.P. Docket Nos. 70000-TK-04-968 and 70021-TK-04-22

April 18-19, 2004

The Commissioners and members of its staff attended the ROC meeting in Denver, Colorado. Attendees met with representatives of the FCC and the other state regulatory commissions having jurisdiction over Qwest. Topics included the TRO, universal service support and emerging Voice over Internet Protocol (VoIP) technology.

April 20-21, 2004

Qwest held a technical workshop in Cheyenne on its 2004 TSLRIC inputs and models. Commission staff members and the Office of Consumer Advocate attended.

April 23, 2004

Wyoming Telecommunications Council meeting. See further details below in the Section 2 of this Report. Visit the Council's web site at: <http://cio.state.wy.us/telecom/index.asp>

April 27, 2004

Qwest's application for approval of modifications and updates to Exhibit B of its Wyoming SGAT was approved. Docket No. 70000-TA-04-965

April 29, 2004

The Commission conducted public deliberations on the formal complaint of Mrs. Joseph Rickie Walsh a/k/a Denise Kay Parrish against Qwest, dismissing the complaint because Qwest had addressed Walsh's issues. Docket No. 70000-TC-03-929

The Commission approved the applications by these companies for a waiver and modification of certain provisions of Section 503 of the Commission's Rules regarding service quality reporting requirements in Docket Nos.:

- 70027-TA-04-28 [MCIMetro Access Transmissions Services, LLC]
- 74006-TA-04-185 [MCI WorldCom Communications, Inc.]
- 72003-TA-04-120 [MCI WorldCom Network Services, Inc.]
- 74007-TA-04-30 [Teleconnect Long Distance Services & Systems, Inc.]
- 74213-TA-04-9 [Intermedia Communications, Inc.]
- 74183-TA-04-15 [TTI National, Inc.]

The Commission accepted compliance filings by Qwest in its TELRIC cost determination proceeding. Docket No. 70000-TA-01-700

Comtech 21 LLC, received a concurrent certificate of public convenience and necessity to provide local exchange telecommunication services in Wyoming. Docket No. 70111-TA-04-1

May 4, 2004

The Commission approved the amendment of Qwest's existing interconnection agreement with DIECA Communications, Inc., d/b/a Covad Communications Company. Docket Nos. 70000-TK-04-973 and 70071-TK-04-8

The Commission approved the application of Houlton Enterprises, Inc., d/b/a Guaranteed Phone Service, to immediately cancel its certificate of public convenience and necessity and cancel its Wyoming tariffs. Docket No. 70100-TA-04-5

May 11, 2004

The Commission approved the amendment of existing Qwest interconnection agreements to allow the ordering of DSL service with UNEs in Docket Nos.:

VarTec Telecom, Inc. 70000-TK-04-972 and 70092-TK-04-11

Excel Telecommunications, Inc. 70000-TK-04-974 and 70020-TK-04-15

The Commission suspended the assessment for the 2004-2005 fiscal year of the Wyoming Universal Service Fund because current fund balances were adjudged adequate to meet funding requirements for the fund's fiscal year. The Commission established the weighted state-wide average local exchange service rate at \$24.36, and the 130% support threshold at \$31.67. As a result of this action, qualifying customers receiving support from the fund will pay \$3.75 per month less for basic local exchange service beginning on July 1, 2004. Docket No. 90072-XO-04-24

The Commission approved the application of Qwest to enter into a local number portability agreement with All West Wyoming, Inc. Docket Nos. 70000-TK-04-961 and 70050-TK-04-8

May 12, 2004

The Commission sent a letter to Senator McCain and Representative Barton urging support of federal legislation that would ensure a fairer and more targeted distribution of federal universal service support to rural states like Wyoming. Read a copy of this letter at Appendix G to this Report.

May 13, 2004

United Telephone was authorized to amend its existing CMRS interconnection agreement with Sprint PCS. Docket No. 70009-TK-04-201

May 24, 2004

The Commission filed a brief as an Intervenor/Petitioner in Qwest Communications International, Inc., v. Federal Communications Commission and United States of America (No. 03-9637) with the United States Court of Appeals for the 10th Circuit, arguing on appeal for additional federal universal service funding support for Wyoming local exchange carriers and explaining how existing federal support for Wyoming local exchange carriers is inadequate under the federal Act. Undocketed.

The Commission dismissed CenturyTel of Wyoming's request for suspension of the FCC's requirement to implement local number portability under the federal Act, 47 U.S.C. § 251(f)(2).

CenturyTel requested dismissal on its representations that it complied with the requirement. Docket No. 70003-TA-03-85

The Commission granted requests by certain ILECs for 30-day suspensions of the FCC's requirement to implement local number portability under 47 U.S.C. § 251(f)(2). The Commission granted the suspensions to allow parties to these cases, including the Office of Consumer Advocate and Western Wireless, to try to resolve outstanding issues. Docket Nos.:

- 70001-TA-03-50 [Range Telephone]
- 70005-TA-03-20 [Chugwater Telephone]
- 70006-TA-03-63 [Silver Star Communications]
- 70007-TA-03-42 [Dubois Telephone]
- 70012-TA-03-22 [Project Telephone]
- 70013-TA-03-18 [All West Communications]
- 70015-TA-03-43 [RT Communications]
- 70016-TA-03-27 [Teton Telecom]

May 27, 2004

The Commission designated Qwest's local exchange telecommunications services provided in the Afton exchange as subject to effective competition under W.S. § 37-15-202. Docket No. 70000-TA-99-505

June 1, 2004

Kathleen A. "Cindy" Lewis began her term of service as Commissioner.

The Commission approved the application of Teligent, Inc., and Aspen Capital Partners, L.P., to transfer the controlling interest in Teligent to Aspen. Docket No. 74362-TA-04-11

Qwest was allowed to amend its interconnection agreement with XO Network Services to include provisions relating to the TRO ruling on the availability of certain UNEs, line sharing and dedicated transport. Docket Nos. 70000-TK-04-977 and 70107-TK-04-8

The Commission authorized the amendment of Qwest's interconnection agreement with Contact Communications to incorporate terms, rates and conditions relating to collocation available inventory. Docket Nos. 70000-TK-04-985 and 70026-TK-04-14

The Commission authorized the placement of twelve retail customer contracts between Qwest and certain business customers in the Commission's confidential contract files with no rate related treatment. Docket Nos. 70000-TK-04-980 and 70000-TK-04-981

June 16-26, 2004

Denise Parrish of the Office of Consumer Advocate participated in a telecommunications regulatory conference sponsored by the International Telecommunications Union in Banjul, capital of The Gambia, located in western Africa.

June 22, 2004

The Commission approved a Type 2 Wireless interconnection agreement between Qwest and Union Cellular. Docket Nos. 70000-TC-04-860, 70008-TC-04-40, 70000-TK-04-967 and 70008-TK-04-41

Qwest, Range Telephone Cooperative, RT Communications, Dubois Telephone Exchange, CenturyTel, Silver Star Communications and All West Communications were allowed to intervene in the application of Western Wireless for designation as an Eligible Telecommunications Carrier in the Cody and Powell wire centers. Docket No. 70042-TA-04-4

The Commission tabled consideration of Union Telephone Company's request for clarification with regard to the Order expanding its Eligible Telecommunications Carrier designation to include its wireless service area. Docket No. 70008-TA-03-38

The Commission approved an amendment to Qwest's existing interconnection agreement with Contact Communications. Docket No. 70000-TK-04-986 and 70026-TK-04-15

The Commission approved a Business Escalation Amendment to Qwest's existing interconnection agreement with MCIMetro Access Transmission Services, LLC. Docket No. 70000-TK-04-994 and 70027-TK-04-30

The Commission approved the applications of Qwest to amend its existing interconnection agreement with InTTec, Inc. Docket No. 70000-TK-04-987 and 70049-TK-04-5; 70000-TK-04-988 and 70049-TK-04-6

Qwest was authorized to amend its existing interconnection agreement with ICG Telecom Services to incorporate terms and conditions relating to the FCC's TRO on the availability of certain UNEs, line sharing and dedicated transport. Docket Nos. 70000-TK-04-993 and 70040-TK-04-7

The Commission approved the application of Qwest to amend its existing interconnection agreement with Sprint Communications Company to incorporate terms, rates and conditions relating to Qwest DSL. Docket Nos. 70000-TK-04-989 and 70021-TK-04-24

The Commission allowed Qwest to revise Exhibit B to its Wyoming SGAT. Docket No. 70000-TK-04-992

June 24, 2004

The Commission allowed Qwest to enter into a UNE, ancillary services and resale interconnection agreement with Comtech21, LLC. Docket Nos. 70000-TK-04-995 & 70111-TK-04-2

July 6, 2004

The Commission approved stipulations among the individual telecommunications companies, Western Wireless and the Office of Consumer Advocate regarding the companies' requests for further suspension of the FCC's requirement to implement local number portability under 47 U.S.C. § 251(f)(2). The suspension periods ranged in length from 90 to 180 days depending on the individual circumstances of the companies. Docket Nos.:

70001-TA-03-50 [Range Telephone]
70005-TA-03-20 [Chugwater Telephone]
70006-TA-03-63 [Silver Star Communications]
70007-TA-03-42 [Dubois Telephone]
70012-TA-03-22 [Project Telephone]
70013-TA-03-18 [All West Communications]
70015-TA-03-43 [RT Communications]
70016-TA-03-27 [Teton Telecom]

July 7, 2004

Wyoming Telecommunications Council meeting. See further details below in the Section 2 of this Report. Visit the Council's web site at: <http://cio.state.wy.us/telecom/index.asp>

July 8, 2004

The Commission tabled discussion of further proceedings on the application of Chugwater Telephone Company for designation of its local exchange and switched access services as being subject to competition under W.S. § 37-15-202. Matters under consideration included procedural challenges by the Office of Consumer Advocate and Chugwater's responses. Docket No. 70005-TA-03-19

July 15, 2004

Tel West Communications, LLC., was granted a certificate of public convenience and necessity to provide concurrent local exchange telecommunications services within those areas of Wyoming currently served by Qwest. Docket No. 70044-TA-04-4

July 20, 2004

With regard to the application of Chugwater Telephone Company for designation of its local exchange and switched access services as being subject to competition under W.S. § 37-15-202, the Commission denied the Office of Consumer Advocate's Objection to Late Filed Exhibits and Motion for Dismissal of Petition or Denial of Relief and also denied the Motion to Disregard Untimely Motion filed by Chugwater Telephone Company. The Commission reopened the hearing pursuant to the provisions of Section 115(b)(ix) of its Rules to take further evidence in this case. Docket No. 70005-TA-03-19

July 22, 2004

The Commission authorized United Telephone to enter into an interconnection agreement with 1-800-RECONEX, Inc. Docket Nos. 70009-TK-04-206 and 70033-TK-04-18

July 27, 2004

The Commission approved the amendment of Qwest's existing interconnection agreement with DIECA Communications, Inc. Docket Nos. 70000-TK-04-997 and 70071-TK-04-9

The Commission authorized Qwest to enter into an interconnection agreement with 1-800-Reconex, Inc. Docket Nos. 70000-TK-04-1000 and 70033-TK-04-17

The Commission approved the application of Qwest to enlarge its Cody, Wyoming, base rate area to include therein customers residing in the Panorama View Subdivision, effective August 23, 2004. Docket No. 70000-TT-04-1016

July 29, 2004

Evercom Systems, Inc., was authorized to transfer control of its parent company, Evercom Holdings, Inc., to TZ Holdings, Inc. Docket No. 74294-TA-04-9

August 17, 2004

Qwest was authorized to enter into an interconnection agreement with Covista, Inc. Docket Nos. 70000-TK-04-1003 and 70105-TK-04-2

The Commission approved the internal corporate reorganization plan of XO Network Services f/k/a XO Long Distance Services and XO Communications Services, resulting in a transfer of control. Docket Nos. 70107-TA-04-7 and 74442-TA-04-9

The Commission authorized placement of customer-specific master telecommunications services agreements between Qwest and three of its business customers in the Commission's confidential files with no rate related treatment. Docket Nos. 70000-TK-04-1012, 70000-TK-04-1013 and 70000-TK-04-1014

The Commission approved the application of MCCC ICG Holdings, LLC., and ICG Communications, Inc., to implement a reorganization resulting in a transfer of control. Docket No. 70040-TA-8

The Commission approved the application of Qwest to enter into an interconnection agreement with Qwest Communications Corporation, its related CLEC. Docket Nos. 70000-TK-04-1009 and 70099-TK-04-2

Qwest and AT&T Communications of the Mountain States were authorized to enter into an interconnection agreement. Docket No. 70000-TK-04-9961 and 70106-TK-04-38

August 17-19, 2004

Chairman Hurlless attended the 2004 annual conference of the Tri-State Telecommunications Association, an organization of local exchange carriers operating in Wyoming, Utah and Idaho. He made a presentation on current issues facing Wyoming telecommunications regulators.

August 19, 2004

Commissioners and staff members attended a meeting of the Joint Corporations, Elections and Political Subdivisions Interim Committee at which the Committee received a preliminary report on the telecommunications universal service fund study being prepared by QSI, the legislature's consultant on this project. Read the minutes of the meeting on line at:
<http://legisweb.state.wy.us/2004/interim/corp/MINUTES/min0819.htm>

Jim Roberts, Manager of Regulatory Affairs for United Telephone, made a public presentation of his views on United Telephone's operations and plans for the future. Undocketed

The Commission approved the application of Qwest to revise Exhibits B and K to its Wyoming SGAT. Docket No. 70000-TA-04-1007

August 26, 2004

CommPartners, LLC, received a concurrent certificate of public convenience and necessity to provide resold and facilities-based local exchange and switched access telecommunications services in those Wyoming service areas currently served by Qwest. Docket No. 70115-TA-04-1

The Commission allowed Qwest to amend its line sharing agreement with DIECA Communications. Docket Nos. 70000-TK-04-1015 and 70071-TK-04-10

August 31, 2004

The Commission approved the application of Qwest to enter into an Operator Services Agreement and a Directory Services Agreement with Ionex Communications North. Docket Nos.:

70000-TK-04-1001 & 70022-TK-04-22

70000-TK-04-1002 & 70022-TK-04-23

September 9, 2004

The Commission approved applications for waiver of the service quality reporting requirements of Section 503 of its Rules. Docket Nos.:

74437-TA-04-5 [KDDI America, Inc.]

74352-TA-04-8 [Alliance Group Services, Inc.]

September 12-13, 2004

Commissioners and staff members attended a meeting of the ROC at Missoula, Montana. Topics included: [a] the ROC multi-state Qwest Performance Assurance Plan (QPAP) audit in which Wyoming committed to participate, [b] the telecommunications industry's financial outlook in the wake of the FCC's issuance of the TRO, [c] an update on federal regulation from the FCC, and [d] emerging commercial negotiations and agreements. Undocketed

September 16, 2004

The Commission approved applications for waiver of the service quality reporting requirements of Section 503 of its Rules. Docket Nos.:

74128-TA-04-3 [American Cyber Corporation d/b/a Discount Plus]

74284-TA-04-4 [Coleman Enterprises, Inc. d/b/a Local Long Distance]

The Commission approved the application of MCI, Inc., to cancel the concurrent certificate of public convenience and necessity held by its affiliate, MCI WorldCom Communications, Inc. Docket Nos. 70038-TA-04-4 and 70027-TA-04-39

The Commission approved the application of Gores Portfolio Holdings, Inc., and Global Tel*Link Corporation to transfer control of Global to Gores. Docket No. 74426-TA-04-4

September 17, 2004

Wyoming Telecommunications Council meeting. See further details below in the Section 2 of this Report. Visit the Council's web site at: <http://cio.state.wy.us/telecom/index.asp>

September 21, 2004

The Office of Consumer Advocate filed a set of Reply Comments with the FCC in CC Docket No. 96-45, In the matter of Federal-State Board on Universal Service, discussing issues regarding evaluations of ETC status by state commissions and the number of lines per subscriber that should receive support. Read a copy of the filing at Appendix I to this Report.

September 22, 2004

The Commission approved the application of CenturyTel of Wyoming to implement an additional line and Caller ID promotional offering for the period of October 1, 2004, through December 31, 2004. Docket No. 70003-TT-04-88

The Commission authorized Qwest Infrastructure Sharing Master Services Agreements to be placed in the Commission's confidential files with no prejudgment of any rate related effects. Docket Nos.:

70000-TK-04-978 and 70011-TK-04-29 [Tri County Telephone Association]
70000-TK-04-979 and 70012-TK-04-23 [Project Telephone Company]

The Commission approved the amendment of Qwest's interconnection agreement with MCIMetro Access Transmission Services to include rates, terms and conditions for Individual Hot Cut and Batch Hot Cut processes. Docket Nos. 70000-TK-04-1018 and 70027-TK-04-37

September 27, 2004

The Commission filed letters with the FCC and the USAC certifying those rural and non-rural incumbent local exchange carriers and Eligible Telecommunications Carriers serving lines in the service area of rural or non-rural incumbent local exchange carriers as being eligible to receive federal universal service fund support. This allows the certified entities to continue to receive federal support in 2005. Commission-certified non-rural carriers included: Advanced Communications Technology, Qwest, Silver Star Communications, Union Cellular, VCI Company, and Western Wireless. Commission-certified rural carriers included: All West Communications, CenturyTel of Wyoming, Chugwater Telephone, Columbine Telephone d/b/a Teton Telecom, Dubois Telephone, Golden West Telephone, Project Telephone, RT Communications, Range Telephone, Silver Star Communications, Tri County Telephone, TCT West, Union Telephone, Union Cellular, United Telephone, and Western Wireless. The Commission's certification ensures that certified companies will receive approximately \$28.6 million in federal high cost support to provide, maintain and upgrade facilities and services. You may read copies of the Commission's certifications at Appendix F to this Report. Undocketed

Docket No. 70099-TA-04-3 The Commission approved the application of Qwest Communications Corporation (the Qwest CLEC) to amend its concurrent certificate of public convenience and necessity to offer local exchange telecommunications services in all Wyoming exchanges and to offer facilities-based services.

September 30, 2004

The Commission filed its initial written rate comparability certification to the FCC and the USAC regarding Qwest's residential telecommunications service rates as required by the Code of Federal Regulations. You may read this Rate Certification at Attachment A to Appendix E to this Report.

October 12, 2004

The Commission approved a DC power measuring amendment to Qwest's existing interconnection agreement with McLeodUSA Telecommunications Services, Inc. Docket Nos. 70000-TK-04-1026 and 70023-TK-04-75

The Commission dismissed the complaint of Goolsby, Finley and Associates against Sprint Communications upon resolution of the complaint in favor of the complaining customer. Docket No. 70021-TC-04-23

The Commission granted waivers of certain service quality reporting requirements of Section 503 of its Rules. Docket Nos.:

74592-TA-04-2 [Global Communications Consulting Corp.]

74245-TA-04-3 [Telco Partners, Inc.]

74563-TA-04-2 [Tralee Telephone Company, LLC]

74562-TA-04-2 [Ridley Telephone Company]

74348-TA-04-3 [Main Street Telephone Company]

74356-TA-04-4 [OPEX Communications, Inc.]

The Commission approved Qwest's proposed revisions to Exhibit A to its Wyoming SGAT. Docket No. 70000-TA-04-1021

October 14, 2004

Commission staff attended a meeting of the Joint Corporations, Elections and Political Subdivisions Interim Committee at which the Legislature's consultants, QSI, presented a preliminary version of its report on universal service funding in Wyoming. Mike Korber, Commission staff member and Wyoming Universal Service Fund Manager, testified. The Office of Consumer Advocate also attended and participated. Read the minutes of the meeting on line at:

<http://legisweb.state.wy.us/2004/interim/corp/MINUTES/min1014.htm>

Undocketed

Qwest's request to enter into an agreement to provide Qwest Platform Plus services to Granite Communications was approved. Docket Nos. 70000-TK-04-1024 and 70108-TK-04-4

The Commission granted a limited concurrent certificate of public convenience and necessity to Bresnan Broadband to provide point-to-point private line telecommunications services to schools and libraries in Wyoming. This is the first certificate of public convenience and necessity granted in Wyoming to a company offering telecommunications services using cable television infrastructure. Docket No. 70114-TA-04-1

ITC^DelaCom was authorized to transfer controlling interest in the company to itself from Welsh Carson through a stock reissuance. Docket Nos. 74224-TA-04-19 and 74122-TA-04-22

The Commission allowed Quantumshift Communications, Inc., to transfer controlling interest in the company to VCOM Solutions, Inc. Docket Nos. 70054-TA-04-5 and 74520-TA-04-2

October 20, 2004

The Commission heard oral arguments on Qwest's Motion to Dismiss with regard to interconnection agreement amendment (for Elimination of UNE-P and Implementation of Batch Hot Cut Process and Discounts) and Master Service Agreement filings of MCImetro Access

Transmission Services. Both filings were approved by the Commission. Docket Nos. 70027-TK-04-28 and 70000-TK-04-1020

The Commission approved an Internet Service Provider-Bound Traffic amendment to Qwest's interconnection agreement with Contact Communications. Docket Nos. 70000-TK-04-1025 and 70026-TK-04-16

October 27, 2004

The Commission approved a Design Services amendment to Qwest's interconnection agreement with DIECA Communications. Docket Nos. 70000-TK-04-1032 & 70071-TK-04-11

The Commission approved a Shared Distribution Loop amendment to Qwest's interconnection agreement with Contact Communications. Docket Nos. 70000-TK-04-1031 & 70026-TK-04-17

MCImetro Access Transmission Services' application for approval of an amendment to its interconnection agreement with Qwest for the elimination of UNE-P and implementation of Batch Hot Cut Process and Discounts and its Master Service Agreement with Qwest were approved. The Commission also denied Qwest's Motion to Dismiss the amendment and Master Service Agreement filings. Docket Nos. 70027-TK-04-28 and 70000-TK-04

November 2, 2004

Qwest and Union Telephone Company presented oral argument on pending matters:

- Qwest's Motion to Dismiss Union's complaint against Qwest for failure to properly route telecommunications traffic. Docket Nos. 70008-TC-04-40 and 70000-TC-04-960
- Union's Petition for Rehearing regarding Qwest's request for arbitration of an interconnection agreement with Union Telephone Company d/b/a Union Cellular. Docket Nos. 70008-TK-04-41 and 70000-TK-04-967
- Application of Qwest to enter into a Type 2 wireless interconnection agreement with Union. Docket Nos. 70008-TK-04-42 and 70000-TK-04-1019

The Commission dismissed the complaint of ACS Networks against Union Telephone Company for failure to prosecute. Docket No. 70008-TC-03-37

The Commission dismissed the Notice of Interconnection Request filed by ACS Networks with respect to Union Telephone Company for failure to prosecute. Docket No. 70008-TA-03-39

November 3, 2004

Qwest was authorized to implement a Shared Distribution Loop amendment to its interconnection agreement with InTTec, Inc. Docket No. 70000-TK-04-1035 & 70049-TK-04-7

Regarding Qwest's request to modify Exhibits B and K to its Wyoming SGAT, the Commission approved a revised Exhibit B and allowed a revised version of Exhibit K to go into effect pursuant to the provisions of 47 U.S.C. § 252(f)(3)(B). Docket No. 70000-TA-04-1033

The Commission authorized Orders to Show Cause why these telecommunications companies should not have their operating authority cancelled because of non-compliance with Wyoming law. The Commission set the hearing for November 30, 2004. Docket Nos.:

70095-TI-04-6 [Budget Phone, Inc.]
70101-TI-04-5 [Alticomm, Inc.]
70102-TI-04-2 [Wyoming Big Sky Telecom]
70103-TI-04-2 [Globcom Incorporated]
74130-TI-04-7 [Atlas Communications, Ltd.]
74385-TI-04-18 [OneStar Long Distance, Inc.]
74565-TI-04-2 [Budget Phone, Inc.]
74579-TI-04-2 [Alticomm, Inc.]
74587-TI-04-2 [Better World Telecom, Inc.]
74597-TI-04-2 [Globcom Incorporated]
70028-TI-04-2 [Atlas Communications, Ltd.]
74265-TI-04-7 [STORMTEL, INC., f/k/a Z-TEL, INC.]
74317-TI-04-6 [Communications Billing, Inc.]
74336-TI-04-6 [Orion Technologies, Inc., f/k/a Special Accounts Billing Group, Inc.]
74388-TI-04-5 [IE Com d/b/a International Exchange Communications]
74514-TI-04-6 [Ciera Network Systems, Inc.]
74515-TI-04-4 [Local Telcom Holding, LLC, d/b/a Transpoint Communications]
74528-TI-04-3 [Direct One, LLC]
74535-TI-04-3 [TELECOMEZ CORP.]
74544-TI-04-2 [Telegenius, Inc.]
74560-TI-04-2 [Equal Access Communications, LLC, d/b/a Equal Access]
74568-TI-04-2 [Choice Telco, LLC, d/b/a C-Telco, LLC]
74589-TI-04-3 [Miko Telephone Communications, Inc.]
74598-TI-04-2 [Colorado Communications Network, Inc., d/b/a/ Hospitality Communications]
70049-TI-04-8 [InTTec, Inc.]
74097-TI-04-4 [Telecare, Inc.]
74340-TI-04-8 [ICG Telecom Group, Inc.]
74411-TI-04-2 [Blackstone Communications Company]
74475-TI-04-4 [JirehCom, Inc.]
74555-TI-04-2 [Teliss, LLC]
74581-TI-04-3 [Dialaround Enterprises, Inc.]

The Commission granted the Motions to Compel Discovery of Western Wireless Holding Company in its arbitration requests involving Range Telephone Cooperative and RT Communications. Docket Nos. 70001-TK-04-54 and 70042-TK-04-6; 70015-TK-04-46 and 70042-TK-04-7

November 8, 2004

The Commission approved a letter agreement between Qwest and Southwestern Bell Communications to allow it to adopt Qwest's SGAT and associated exhibits. Docket Nos. 70000-TK-04-1028 and 70110-TK-04-2

BullsEye Telecom, Inc., was granted a concurrent certificate of public convenience and necessity to provide resold and facilities-based local exchange and access telecommunications services in those areas of Wyoming currently served by Qwest. Docket No. 70116-TA-04-1

GE Business Productivity Solutions (GEBPS) and Business Productivity Solutions, Inc. (BPS) were allowed to transfer assets, customer base and Wyoming operating registration from GEBPS to BPS. Docket No. 74050-TA-04-33

Qwest's Motion to Dismiss the complaint of Union Telephone Company against it for failure to properly route telecommunications traffic was granted. Docket Nos. 70008-TC-04-40 and 70000-TC-04-960

The Commission denied the Union Telephone Company Petition for Rehearing regarding Qwest's arbitration request for an interconnection agreement. Docket Nos. 70008-TK-04-41 and 70000-TK-04-967

Qwest's application to enter into a Type 2 Wireless interconnection agreement with Union Telephone Company was approved. Docket Nos. 70008-TK-04-42 and 70000-TK-04-1019

November 10, 2004

Commissioner Furtney and Chief Counsel Steve Oxley attended a meeting with members of the Wyoming Telecommunications Association, the AARP, and wireless service providers to discuss industry initiatives to amend the Wyoming Telecommunications Act of 1995 intended to be presented to the Legislature. Undocketed

November 12, 2004

The Commission heard oral arguments and scheduled deliberations on the motions for declaratory ruling filed by Range Telephone Cooperative, RT Communications and Western Wireless Holding Company with regard to arbitration requests. Docket Nos. 70001-TK-04-54 and 70042-TK-04-6; 70015-TK-04-46 and 70042-TK-04-7

November 18, 2004

The Commission approved confidential treatment of two Qwest retail customer contracts and directed them to be placed in its confidential files with no prejudgment of any rate making issues. Docket Nos. 70000-TA-04-1044 and 70000-TA-04-1047

The Commission approved a Stipulation and Agreement among the Office of Consumer Advocate, Chugwater Telephone Company and Western Wireless Holding Company with regard to competitive service and local number portability matters concerning Chugwater. This disposed of [a] the Office of Consumer Advocate's motion to terminate Chugwater's local number portability suspension, [b] Chugwater's motion to continue exemption, and [c] a motion to compel discovery brought by the Office of Consumer Advocate. Chugwater was given a suspension of the local number portability requirement for two additional years. Read more about this action in Section 2 of this Report. Docket Nos. 70005-TA-03-19 and 70005-TA-03-20

The Commission approved a Stipulation and Agreement among Project Telephone, Western Wireless Holding Company, and the Office of Consumer Advocate with regard to Project's request for a waiver of the local number portability implementation requirement until March 2005. Docket No. 70012-TA-03-22

The Commission granted the motion of RT Communications to continue suspension of its local number portability implementation obligation for the Kaycee exchange. Docket No. 70015-TA-03-43

The Commission granted motions by Teton Telecom and Silver Star Communications for continuation of the suspension of their local number portability implementation obligations. Docket Nos. 70016-TA-03-27 and 70006-TA-03-63

The Commission granted waivers to these companies of certain provisions of Section 503 of its Rules regarding service quality reporting requirements. Docket Nos.:

74345-TA-04-5 [Reliant Communications, Inc.]

74567-TA-04-3 [Horizon Telecom, Inc.]

74519-TA-04-6 [Reduced Rate Long Distance, LLC]

74550-TA-04-2 [ECI Communications, Inc.]

Excel Telecommunications, Inc., and Vartec Telecom, Inc., were allowed to merge Excel Telephone into Excelcom, Inc. Docket Nos. 70020-TA-04-18, 74015-TA-04-49, 70092-TA-04-14, and 74077-TA-04-60

The Commission approved the joint application of Qwest and Contact Communications to amend their existing interconnection agreement to provide for line sharing. Docket Nos. 70000-TK-04-1037 and 70026-TK-04-18

The Commission consolidated these two proceedings for arbitration of interconnection agreements between Range Telephone, RT Communications (Petitioners) and Western Wireless and denied the Petitioners' opposition to the notice of intervention filed by the Office of Consumer Advocate. See W.S. § 37-2-702(a). Docket Nos. 70001-TK-04-54 and 70042-TK-04-6 and Docket Nos. 70015-TK-04-46 and 70042-TK-04-7

November 23, 2004

Deputy Chair Furtney was appointed to the ROC Performance Assurance Plan Audit Collaborative Executive Committee and staff member Mike Korber was appointed to the related Steering Committee. The audit will examine how well Qwest Corporation is performing in providing services and products to their wholesale (CLEC) customers under the QPAP. Undocketed

The Commission implemented a more informational open meeting minute format. Review the new and expanded minute format on the web at <http://psc.state.wy.us>

November 24, 2004

Docket Nos. 70001-TK-04-54 and 70042-TK-04-6; 70015-TK-04-46 and 70042-TK-04-7 [Petitions for arbitration of interconnection agreements between Range Telephone and Western Wireless and RT Communications and Western Wireless.] On its own motion, the Commission issued orders to Range Telephone and RT Communications to show cause why they should not be sanctioned for disobeying the Commission's oral orders of November 3, 2004, compelling responses to discovery propounded by Western Wireless. The Commission set the show cause hearing for December 3, 2004.

November 30, 2004

Show cause hearings were held regarding revocation of the operating authority of the companies listed in the chronology entry for November 3, 2004.

Qwest and Z-Tel Communications were authorized to amend their interconnection agreement to include terms and conditions for a Batch Hot Cut process and to remove certain UNEs. Docket Nos. 70000-TK-04-1041 and 70084-TK-04-39

The Commission authorized Qwest and Advanced Communications Technology, Inc., to amend their interconnection agreement for commercial line sharing. Docket Nos. 70000-TK-04-1039 and 70096-TK-04-9

The Commission authorized the amendment of Qwest's interconnection agreement with Multiband Communications, LLC. Docket No. 70000-TK-04-1038

December 2, 2004

OneStar Long Distance, Inc., received authority to transfer its assets and customers to Telrite Corporation. Both companies are interexchange telecommunications resellers. Docket Nos. 74385-TA-04-17 and 74601-TA-04-2

The Commission canceled the operating authority of these companies for failure to comply with the requirements of Wyoming law requiring the filing of Commission annual reports, Department of Revenue uniform assessment reports, or both. Docket Nos.:

70101-TI-04-5 [Alticomm, Inc.]
70102-TI-04-2 [Wyoming Big Sky Telecom]
70103-TI-04-2 [Globcom Incorporated]
74130-TI-04-7 [Atlas Communications, Ltd.]
74385-TI-04-18 [OneStar Long Distance, Inc.]
74579-TI-04-2 [Alticomm, Inc.]
74587-TI-04-2 [Better World Telecom, Inc.]
74597-TI-04-2 [Globcom Incorporated]
70028-TI-04-2 [Atlas Communications, Ltd.]
74265-TI-04-7 [STORMTEL, INC. f/k/a Z-TEL, INC.]
74514-TI-04-6 [Ciera Network Systems, Inc.]
74515-TI-04-4 [Local Telcom Holding, LLC d/b/a Transpoint Communications]
74528-TI-04-3 [Direct One, LLC.]
74544-TI-04-2 [Telegenius, Inc.]
74589-TI-04-3 [Miko Telephone Communications, Inc.]
74598-TI-04-2 [Colorado Communications Network, Inc. d/b/a Hospitality Communications]
74317-TI-04-6 [Communications Billing, Inc.]
74336-TI-04-6 [Orion Technologies, Inc., f/k/a Special Accounts Billing Group, Inc.]
74388-TI-04-5 [IE Com (International Exchange Communications, Inc.)]
74535-TI-04-3 [TELECOMEZ CORP.]
74560-TI-04-2 [Equal Access Communications, LLC d/b/a Equal Access]
74568-TI-04-2 [Choice Telco, LLC d/b/a C-Telco, LLC]
74475-TI-04-4 [JirehCom, Inc.]

The Commission dismissed the show cause proceedings against these companies because they complied with appropriate Commission and Department of Revenue filing requirements and are not in violation of Wyoming law. Docket Nos.:

70095-TI-04-6 [Budget Phone, Inc.]
74565-TI-04-2 [Budget Phone, Inc.]
70049-TI-04-8 [InTTec, Inc.]
74097-TI-04-4 [Telecare, Inc.]
74340-TI-04-8 [ICG Telecom Group, Inc.]
74411-TI-04-2 [Blackstone Communications Company]
74555-TI-04-2 [Teliss, LLC]
74581-TI-04-3 [Dialaround Enterprises Inc.]

December 3, 2004

The Commission held a show cause hearing on the issue of why Range Telephone and RT Communications should not be sanctioned for failure to comply with a Commission order directing them to fully answer certain interrogatories and document requests of Western Wireless. The companies were not sanctioned based on their representations of cooperation. Docket Nos. 70001-TK-04-54 and 70042-TK-04-6; 70015-TK-04-46 and 70042-TK-04-7

December 7, 2004

The Commission granted the joint motion of Qwest and the Office of Consumer Advocate to withdraw their request for a public hearing regarding the approval of Qwest's 2004 TSLRIC study inputs. Docket No. 70000-TA-04-999

Qwest was authorized to amend its interconnection agreement with New Edge Network, Inc. Docket Nos. 70000-TK-04-1042 and 70056-TK-04-11

Southwestern Bell Communications Services Inc., d/b/a SBC Long Distance, was given authority to transfer control to SBC Telecom, Inc., and change its name. Docket Nos. 70110-TA-04-4 and 74263-TA-04-57

December 10, 2004

Wyoming Telecommunications Council meeting. See further details below in the Section 2 of this Report. Visit the Council's web site at: <http://cio.state.wy.us/telecom/index.asp>

December 15, 2004

In Qwest's petition for arbitration of an interconnection agreement with Union Telephone Company d/b/a Union Cellular [Docket Nos. 70000-TK-04-967 and 70008-TK-04-41]; and the complaint filing by Union Telephone Company against Qwest for failure to properly route telecommunications traffic [Docket Nos. 70008-TC-04-40 and 70000-TC-04-960]; the Commission dismissed both proceedings after oral argument of the parties on procedural motions.

On the request of Qwest and the Office of Consumer Advocate, the Commission postponed the public hearing on Qwest's application for approval of its 2004 TSLRIC study filing. Docket No. 70000-TA-04-1045

Extreme Media Technologies was granted a concurrent certificate of public convenience and necessity to provide local telecommunications service in Wyoming. Docket No. 70117-TA-04-1

Z-Tel Communications, Inc. was authorized to change its name to Trinsic Communications, Inc. Docket No. 70084-TT-04-41

December 16-17, 2004

The Joint Corporations, Elections and Political Subdivisions Interim Committee discussed QSI's December 3, 2004, report to the legislature entitled *The Wyoming Universal Service Fund: An Evaluation of the Basis and Qualification for Funding*. Commissioners and members of the Commission staff attended and participated. Read the minutes of the meeting at: <http://legisweb.state.wy.us/2004/interim/corp/MEETINGS/Final%20Report%20To%20Legislature%2011-30-04.pdf>

December 21, 2004

The Commission and the Office of Consumer Advocate filed a joint petition with the FCC asking for supplemental federal universal service funds for customers of Qwest, arguing that the federal support for the rates of Qwest's Wyoming customers did not fulfill the mandate of the federal Act for affordable rates for quality services which are reasonably comparable to the services and rates offered to urban customers in the United States. Wyoming has eliminated implicit subsidies from rates, initiated the Wyoming universal service fund and has ensured that each service's price covers its TSLRIC costs. See the Joint Petition and its attachments at Appendix E to this Report.

December 23, 2004

The Commission authorized an amendment to Qwest's interconnection agreement with XO Network Services, Inc. Docket Nos. 70000-TK-04-1046 and 70107-TK-04-9

Qwest and Southwestern Bell Communication Services a/k/a SBC Long Distance obtained authority to amend their existing interconnection agreement. Docket Nos. 70000-TK-04-1040 and 70110-TK-04-3

c. Selected Telecommunications Regulatory Matters Now Pending

- The ongoing post-Section 271 administration by the Commission of issues concerning Qwest's SGAT, QPAP, modification of PIDs and proceedings on related subjects.
- Pending proceedings on determinations of Qwest's TELRIC and TSLRIC costs.
- The collaborative effort of the ROC states to audit the Qwest QPAP. Deputy Chair Furtney and staff member Mike Korber are the principal participants for Wyoming.
- Laramie County District Court appeals taken by Union Telephone Company from Commission decisions bearing on the wholesale business relationship of Union with Qwest. The appealed decisions were made in [i] Docket Nos. 70000-TK-04-967 and 70008-TK-04-41; and [ii] Docket Nos. 70000-TC-04-960 and 70008-TC-04-40

These are not all of the telecommunications cases or other matters now pending before the Commission. If you want more information about any case or company described above or information on *any* telecommunications regulatory matter, please visit the various Commission data bases at our web site at <http://psc.state.wy.us>

d. Telecommunications at the Governor's Planning Office

At the Governor's Planning Office, Steve Ellenbecker, the Governor's Energy and Telecommunications Policy Advisor, has responsibility for telecommunications issues. In his

daily work, he provides information, assistance, and advice on telecommunications matters and helps constituents to resolve problems and get answers to questions. He researches and evaluates new telecommunications technologies for possible applicability in Wyoming's rural environment and supports the Wyoming Telecommunications Council's Broadband Initiative efforts. He is a liaison from the Governor's office to the Public Service Commission on telecommunications matters. He brings many years of experience in telecommunications to the job.

Mr. Ellenbecker may be contacted at 307-777-8521 or sellen@state.wy.us

Governor's Planning Office
Herschler Building
122 West 25th Street
Cheyenne, Wyoming 82002

e. The Wyoming Office of Consumer Advocate

The mission of the Office of Consumer Advocate is to provide independent and direct representation of Wyoming utility ratepayers before the Wyoming Public Service Commission in utility filings and applications in which the public interest is contested. The OCA is dedicated to ensuring that safe, adequate and reliable utility services are available to all Wyoming citizens at affordable rates.

During 2004, the OCA was an active intervenor in several telecommunications cases before the Wyoming Public Service Commission.

On November 5, 2003, Chugwater Telephone Company filed an application seeking a determination under W.S. § 37-15-202(a), that its facilities-based local exchange and access services, including essential services, are subject to competition, and therefore no longer subject to price regulation by the Commission. The OCA entered into a stipulation with Chugwater on this request which the Commission approved in open meeting on November 18, 2004. The stipulation provides that Chugwater is allowed downward pricing flexibility for the services it provides, including essential and non-competitive services, for a period of two years, after which time it may file another request to have its services found competitive. The OCA has agreed not to contest any future request of Chugwater that its local services be found competitive but has made no such agreement regarding switched access.

In March 2004, Range Telephone, Chugwater Telephone, Silver Star Communications, Dubois Telephone, Project Telephone, All West Communications, RT Communications and Teton Telecom filed applications for suspension of the FCC's requirement to implement LNP under federal law (see the federal rule at 47 CFR § 251(f)(2)). Number portability is essential to the continued development of competitive markets in Wyoming and the OCA worked diligently to ensure that these companies would not be permanently exempted from the requirement to provide it. As a result of our efforts, at its regular open meeting on July 6, 2004, the Commission approved stipulations in each of these cases which ensure that the listed companies are either now, or will be in the near future, able to comply with the FCC's number portability requirements.

In March 2004, Western Wireless filed a request to become an Eligible Telecommunications Carrier (ETC) in Qwest's Cody and Powell exchanges. The OCA intervened in this case, which is scheduled to go to hearing in March 2005. The matter has also been consolidated with another ETC application filed by Western Wireless in August 2004 with regard to the Clark, Basin, Frannie, Greybull, Lovell, Meeteetse, Burlington, Hyattville and Ten Sleep exchanges. The OCA will be asking the Commission to carefully consider whether Western Wireless is currently complying with each of the federal ETC requirements.

On June 15, 2004, the OCA filed comments raising concerns regarding the appropriateness of the computations associated with the Wyoming Universal Service Fund. The OCA's preliminary computations showed that distributions from the fund were more than \$500,000 less than they should have been. On December 21, 2004, the OCA received a response from the WUSF manager agreeing in part with the OCA concerns. The OCA is currently drafting an additional response in this matter. [Ed. note. In his response, the WUSF Manager recommended a one-time adjustment of \$229,000 for the remedy ordered by the Commission for recalculations associated with the fiscal year ended June 30, 2004. This adjustment derives from a one-time refund/bill credit of \$6.18 per affected customer.]

On November 1, 2004, Qwest Communications filed its required TSLRIC study detailing the forward looking costs for the services it provides in Wyoming. The OCA has been actively engaged in reviewing this filing and intends to prepare and present testimony regarding the studies at a public hearing scheduled to begin on February 22, 2005. Silver Star Communications has also been an active intervener in this case and is disputing the nature of Qwest's Wyoming cost studies. Specifically, Silver Star believes that Qwest's TSLRIC studies, since they are highly averaged studies, do not reflect the true geographically deaveraged cost that Qwest incurs to serve its Wyoming customers. In rural areas, this means that Qwest's retail price is lower than it otherwise would be if the cost were not averaged with larger, more urban wire centers, and the converse would also be true of the larger Qwest wire centers. Because Silver Star competes with Qwest in the Afton exchange, which is a very small wire center in western Wyoming, Silver Star believes that Qwest has an unfair competitive advantage based on its average cost and pricing practices. The OCA will continue to review this filing and will offer its own recommendations to the Commission at the February 22, 2005, hearing.

On August 23, 2004, Qwest filed its required TELRIC study. TELRIC studies are critical in formulating fair terms and conditions for the interconnection of the facilities of competing providers as identified in Qwest's SGAT. A recent decision of the United States Court of Appeals for the Ninth Circuit to exempt switching and other network elements from the FCC's unbundling requirements will have an impact on the TELRIC studies under review by the OCA. The matter is scheduled for hearing before the Commission beginning on March 8, 2005.

The OCA also filed comments, either individually or jointly, in five federal proceedings during 2004. On January 12, 2004 the OCA filed comments in CC Docket No. 96-45, responding to an FCC request for comments in the Further Notice of Proposed Rulemaking regarding [i] the sufficiency of federal universal service funding in rural areas, and [ii] the comparability of rates between urban and rural areas, in particular for non-rural carriers serving

rural areas. The OCA comments argued that, because of the statewide study area issue, the rates of the non-rural carrier (Qwest) in Wyoming are not comparable to those in urban areas because the support it receives from the federal universal service fund is not sufficient to achieve rate comparability. The OCA urged the FCC to continue to explore funding methods that will bring more comparability to urban and rural rates.

On February 13, 2004, the OCA submitted reply comments in the matter of the Petition for Rulemaking to Eliminate Rate-of-Return Regulation of Incumbent Local Exchange Carriers, filed by Western Wireless in CC Docket No. 96-45). In its petition, Western Wireless argued for the elimination of rate-of-return regulation of rural incumbent local exchange carriers for the purpose of determining their federal high-cost universal service support and interstate access charges. Instead, Western Wireless proposed development of a support model that [i] is the lower of the wireline or wireless forward-looking cost in each geographic area, and [ii] based on the developed forward-looking cost, support be provided only when retail rates exceed a predetermined minimum "affordable" level. While the OCA supports sensible changes to federal support mechanisms that enhance the affordability and accessibility of telephone service, the OCA disagrees with Western Wireless' approach to modification of these mechanisms. Read these Reply Comments at Appendix H to this Report.

On September 21, 2004 the OCA filed reply comments in CC Docket No. 96-45 further supporting its request for additional federal universal service fund support for Wyoming customers and responding to several questions raised by the FCC in its Further Notice of Proposed Rulemaking. Specifically, the OCA recommended that:

"As the process of reforming the federal USF support system continues, the Wyoming OCA asks that the Commission focus on the principles of the federal Telecommunications Act of 1996. While we agree that there are a number of inefficiencies in the current distribution of the fund, and the distribution should be more precisely targeted to those high cost and high priced areas of the nation, this does not translate into specific caps or fund size limitations. Limiting the size of the fund should not become the Commission's primary goal in this proceeding to such an extent that the other important principles of the Act are ignored or overlooked. Rather, maintaining ubiquitous, affordable service with all customers having the ability to access both basic and advanced services, while preserving essentially equal footing for competitors must be the outcome in this reform proceeding. Finally, any reforms adopted should be clearly and comprehensively expressed, including all administrative and procedural aspects."

Read the entire text of these comments at Appendix I to this Report.

On November 17, 2004 Denise Parrish, Deputy Administrator of the OCA, testified before an *en banc* hearing of the Federal-State Joint Board on Universal Service on behalf of the National Association of State Utility Consumer Advocates (NASUCA) on the issue of high-cost service support for areas served by rural carriers and on related issues. In her testimony, Parrish articulated five principles that should guide federal universal service reform:

- affordability of basic communications services by all, including the economically disadvantaged;
- ubiquitous access to quality services throughout the nation;
- equitable and reasonably comparable treatment of urban and rural customers;
- a system of support that can be counted on to keep and better the high-quality and reliable telephone network that has been established throughout America; and

- a system of distributing support that neither advantages nor disadvantages emerging technologies or competitors in meeting basic communications needs.

Read this statement at Appendix J to this Report.

On December 21, 2004, the OCA and the Commission submitted a Joint Petition (CC Docket No. 96-45) for consideration by the FCC and the Federal-State Joint Board on Universal Service for supplemental federal universal service funds for customers of Wyoming's non-rural incumbent local exchange carrier (Qwest). In the Joint Petition, the OCA and the Commission again sought additional federal funding to eliminate the disparity that currently exists between urban and rural rates for Qwest's Wyoming customers, arguing that Wyoming had fulfilled its obligations under the federal Act and the FCC rules to eliminate implicit subsidies and establish an explicit state universal service support mechanism, but that those efforts are insufficient to assure the rate comparability required by the federal Act. The analysis in the Joint Petition also showed that approximately \$4.7 million in additional federal funding is necessary in order to achieve rate comparability between urban and rural rates in Wyoming. NASUCA has expressed its intent to file comments in support of the Joint Petition of the OCA and the Commission.

Learn more about the activities of the Office of Consumer Advocate at its web site:

<http://psc.state.wy.us/oqa.htm>

f. The Wyoming Universal Service Fund

The Wyoming Universal Service Fund (WUSF) is authorized in the Wyoming Act at W.S. § 37-15-501 and is further defined in Section 500 of the Commission's Rules. It was established to assist in maintaining affordable prices for essential telecommunications services while Wyoming's telecommunications markets are in transition from a regulated, monopolistic model to a competitive model. According to the Wyoming Act, it was established to "assist only those customers of telecommunications companies located in areas of this state with relatively high rates for essential services." The fund provides support to these high cost customers when their rate for local telecommunications service, after a credit for federal universal service funds, exceeds one-hundred thirty percent (130%) of the statewide weighted average rate.

The WUSF is funded through an assessment on customer bills which is applied to all intrastate telecommunications services. The assessment level has changed over time as funding requirements have changed due to [i] changes in local telecommunications service prices, [ii] the level of federal support provided, and [iii] the balance in the WUSF. Because collections in prior fiscal years is considered sufficient to sustain the fund in the 2004-2005 fiscal year, the universal service fund assessment percentage applied to customer bills has been reduced to 0%. The assessment history for the universal service fund is as follows:

Assessment	Docket Number	Effective Date
1%	90072-XO-97-1	07/01/97
2%	90072-XO-98-2	04/01/98
2%	90072-XO-98-3	07/01/98
6%	90072-XO-98-4	10/01/98

continued

Assessment	Docket Number	Effective Date
3%	90072-XO-99-6	03/01/99
2%	90072-XO-99-10	07/01/99
3%	90072-XO-99-11	10/01/99
2%	90072-XO-00-13	07/01/00
4%	90072-XO-01-17	07/01/01
4%	90072-XO-02-20	07/01/02
1%	90072-XO-03-22	07/01/03
0%	90072-XO-04-24	07/01/04

Under Section 500(k) of the Commission's Rules, the manager of the WUSF filed a report to the Commission which provided details regarding the computation of a recommended assessment level for the 2004-2005 WUSF fiscal year and gave details of fund activity for the 2003-2004 fund fiscal year, as set forth below:

Schedule of Receipts and Disbursements
July 1, 2003, through June 30, 2004

Fiscal Year beginning balance	\$ 6,252,028
Assessments and Penalties received	3,609,834
Qwest section 271 QPAP payments	49,145
Investment income	242,809
Total Fiscal Year receipts	3,901,788
Disbursements for support	(2,490,418)
Disbursements for administrative expenses	(65,527)
Fiscal year ending balance	\$7,597,871

Rate Averages and Total Support Projections
July 1, 2004, through June 30, 2005

	Residential and Business
Statewide Weighted Average Local Service Rate	\$24.36
130% Support Benchmark	\$31.67
Total 2004-2005 Support Projection	\$3,644,000

The Commission addressed a number of important issues regarding the WUSF this year. They were:

- On May 3, 2004, the Commission issued an order suspending the Wyoming Universal Service Fund assessment for the twelve-month period beginning July 1, 2004 (i.e., establishing the level at 0% of gross intrastate retail revenues). This order also established the weighted statewide average rate at \$24.36 and the associated support benchmark at \$31.67 for the fiscal year beginning July 1, 2004. [Docket No. 90072-XO-04-24]

- In June 2004, the Wyoming Legislature retained QSI Consulting to review and analyze the WUSF. Specifically, the legislation provided funding for a study of the current WUSF, including [a] the effects of changing the current fund from a price-based fund to a cost-based fund, [b] the implications and desirability of supporting only a single (primary) line for business and residential customers receiving support from the fund, [c] the universal service fund subsidy level and [d] the appropriate structure for the fund. In addition QSI Consulting also committed to including an evaluation of the potential effect of new, low cost telecommunications technologies on the fund. PSC staff members Mike Korber (the WUSF Manager) and Barbara Iversen (WUSF Specialist) worked extensively with QSI Consulting during the project. Substantial amounts of data on the history and current operating characteristics of the WUSF were provided to QSI to assist it in the preparation of the required report to the Wyoming Legislature.

On December 16-17, 2004, QSI Consulting presented its *Report to the Wyoming Legislature on the Wyoming Universal Service Fund* to the Joint Corporations, Elections and Political Subdivisions Interim Committee. In the *Report*, QSI Consulting recommended the following:

1. The Legislature should consider directing the Commission to open a proceeding to fully address and examine the issues and consequences of changing from a price-based fund to some form of cost-based fund.
2. The WUSF should continue to support all qualifying access lines and not just primary access lines.
3. The Legislature should consider an additional study designed to examine and quantify new and developing technologies in the telecommunications industry and their applicability in addressing universal service goals and objectives.

Read QSI's *Report* on line at:

<http://legisweb.state.wy.us/2004/interim/corp/MEETINGS/Final%20Report%20To%20Legislature%2011-30-04.pdf>

[Find out more about the Wyoming Universal Service Fund and related telecommunications matters on the web at: <http://psc.state.wy.us/wyusf.htm>]

g. Federal Universal Service Fund Issues

In 2004, there were some changes to the Federal Universal Service Fund, including adjustments to the computations and support mechanism regarding non-rural carriers. These adjustments included updating the line counts used in the federal universal service funding model and translating the model itself into a more modern computer language. As described below, the FCC also responded to an earlier federal appeals court decision, but with little change in the actual distribution of funds. The FCC is continuing its discussions with industry participants regarding the best means of collecting the funds needed to provide the basic support needed to maintain affordable, quality, nationwide telecommunications service. At the time of this Report, no further orders had been issued on changes to the collection method.

In October, 2002, the FCC sought comment on the Joint Board's recommendations in response to the Court's remand regarding universal service funding issues. Generally, the Joint Board recommended: [i] continuing the use of a national average cost benchmark based on 135% of the national average cost; [ii] funding 76% of the state average costs exceeding the national benchmark; [iii] establishing a national rate benchmark based on a percentage of the national average urban rate [iv] implementing state review and certification of rate comparability; and [v] providing states the opportunity to demonstrate that further federal action is needed because current federal support and state actions together are insufficient to yield reasonably comparable rates. The Commission filed two sets of comments on these recommendations.

On October 27, 2003, the FCC released its *Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order* in response to the above-described decision of the Tenth Circuit and the recommendations of the Federal-State Joint Board on Universal Service. In this order, the FCC:

- reaffirmed that comparing statewide average costs to a nationwide cost benchmark reflects the appropriate federal and state roles in determining federal non-rural high-cost support;
- defined "sufficient" as enough federal support to enable states to achieve reasonable comparability of rural and urban rates in high-cost areas served by non-rural carriers;
- defined "reasonably comparable" in terms of a national urban rate benchmark;
- modified the non-rural support mechanism by basing the cost benchmark (used to determine the amount of non-rural high-cost support) on two standard deviations above the national average cost per line;
- adopted a rate review and expanded certification process in which the states must certify whether their rural rates are reasonably comparable to urban rates nationwide or explain why they are not;
- established an annually-adjusted nationwide rate benchmark based on two standard deviations above the most recent urban residential rates in the FCC's Wireline Competition Bureau's annual rate survey that will be used to establish a 'safe harbor' determination of whether rates are presumed to be comparable to urban rates nationwide;
- established a basic service rate template for states to use in comparing rates in rural, high-cost areas served by non-rural carriers to the nationwide urban rate benchmark;
- adopted the recommendation to permit states to request further federal action, if necessary, based on a demonstration that the state's rates in rural, high cost areas served by non-rural carriers are not reasonably comparable to urban rates nationwide, and that the state has taken all reasonable steps to achieve reasonable comparability; and
- reviewed the FCC's comprehensive plan for supporting universal service in high-cost areas.

In this October 27, 2003, order, the FCC sought comment on the rate review and expanded certification process. The FCC proposed a method for calculating any additional targeted federal support that may be provided in response to a state request for further action, based on forward-looking cost estimates. Under this proposal, any support would be targeted on a wire-center basis, using a set percentage of per-line costs exceeding a threshold above the national average cost for wire centers. Specifically, the FCC sought comments on:

- whether it should require states to file additional data that might enhance the FCC's ability to assess the non-rural mechanism and state actions to achieve comparability of urban and rural rates;
- the role of calling scopes in the rate review process; and
- how to treat any state requests for further federal action, including procedures for states to submit any such request, required showings by requesting states, and how to calculate any additional support.

The October 27, 2003, order also sought comment on whether the FCC should make additional targeted federal support available for high-cost wire centers in states that implement explicit universal service mechanisms. It also asked whether any such additional support, rewarding states for explicit universal service mechanisms, should be without regard to their achievement of rate comparability.

On May 24, 2004, the Commission filed a brief as Petitioner/Intervenor in support of a petition for review of the FCC's Order on Remand [Order on Remand, *Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order, In the Matter of Federal-State Joint Board on Universal Service*, 18 FCC Rcd 22559, CC Docket No. 96-45 (2003)] with the United States Court of Appeals for the Tenth Circuit in *Qwest Communications International, Inc., v. Federal Communications Commission and United States of America* (No. 03-9637). In its brief, the Commission argued that the Order on Remand does not provide for sufficient federal support to high-cost, rural states like Wyoming, as required by the letter of the federal Act. The brief contains a discussion of the inadequacy of federal high cost support and Wyoming's work in implementing the Wyoming universal service fund and in addressing other basic service pricing issues.

The Wyoming Office of Consumer Advocate submitted comments in response to the FCC's *Further Notice*. The OCA encouraged the FCC to look for all ways possible to continue to enhance its review and enforcement of the comparability standard found at Section 254(b)(3) of the federal Act. The OCA suggested that any additional data gathered should focus on each state's movement toward a competitive model, as well as encompassing both comparability *and* affordability issues. The OCA cautioned that the quality and context in which the numerical rate data is derived may be as important as the rate comparisons themselves. The OCA suggested that each individual state should be free to make a showing (but *not* on a one-size-fits-all basis) that it has done what it can to achieve urban/rural rate comparability and that it still needs federal funds assistance to reach its final goal. The OCA further suggested that Wyoming would readily be able to make such a showing. Finally, the OCA argued that the FCC should recognize states that have made a movement toward self-help through the implementation of a state universal service fund.

On July 14, 2003, the FCC issued its *Report and Order on Reconsideration*, adopting the recommendation of the Federal-State Joint Board on Universal Service to retain the existing list of services supported by the federal universal service fund. The FCC agreed with the Joint Board's general conclusion that no new service satisfies the statutory criteria contained in Section 254(c) of the federal Act and that the public interest would not be served by expanding the list of supported services at this time. It indicated that the current list of supported services strikes the right balance between ensuring the availability of fundamental telecommunications services to all Americans and maintaining a sustainable universal service fund. The services considered – but rejected for inclusion -- by both the Joint Board and the FCC include:

- advanced or high-speed services;
- unlimited local usage;
- soft dial tone or warm line services;
- prepaid calling plans;
- payphone lines;
- Braille TTY and two line voice carry over;
- N11 codes;
- toll or expanded area service;
- modifying voice grade access bandwidth;
- transport costs;
- rural wireless ETC category;
- and technical and service quality standards.

The Joint Board was unable to reach agreement on whether to include equal access in the list of core services and the FCC, at this time, likewise made no decision regarding equal access. The definition of core, supported services remains as originally ordered in 1997:

- voice grade access to the public switched network, with the ability to place and receive calls;
- dual tone multifrequency signaling or its functional equivalent [touchtone];
- single party service;
- access to emergency services, including in some instances, access to 911 and enhanced 911 services;
- access to operator services;
- access to interexchange services;
- access to directory assistance; and
- toll limitation services for qualifying low-income consumers.

On May 12, 2004, the Commission sent a letter to Senator McCain and Representative Barton urging support of federal legislation that would ensure a fairer and more targeted distribution of federal universal service support to rural states like Wyoming. The letter highlighted some of the inequities that currently exist in the federal universal service support program as they concern the treatment of “non-rural” carriers like Qwest which serve large numbers of high-cost rural customers in Wyoming. Read a copy of this letter at Appendix G to this Report.

On September 24, 2004, the Commission filed with the FCC and the USAC its annual *Certification of High Cost Support for Rural Carriers and Eligible Telecommunications Carriers (ETCs) Serving Lines in the Service Area of a Rural Carrier Pursuant to 47 C.F.R. § 54.314* (CC Docket No. 96-45) showing that the federal universal service fund monies received by Wyoming's rural local service providers and a wireless carrier are being used in a manner

consistent with Section 254(e) of the Federal Telecommunications Act of 1996. The certified entities include: All West Communications, Inc., CenturyTel of Wyoming, Inc., Chugwater Telephone Company, Columbine Telephone Company d/b/a Teton Telecom, Dubois Telephone Exchange, Inc., Golden West Telecommunications Cooperative, Inc., Project Telephone Company, RT Communications, Inc., Range Telephone Cooperative, Inc., Silver Star Communications, Tri-County Telephone Association, TCT WEST, Union Telephone Company, United Telephone Company of the West d/b/a Sprint, Western Wireless and Union Telephone Company d/b/a Union Cellular. On the same day, the Commission filed with the FCC and the USAC its *Certification of High Cost Support for Non-Rural Carriers and Eligible Telecommunications Carriers (ETCs) Serving Lines in the Service Area of a Non-Rural Carrier Pursuant to 47 C.F.R. § 54.313* (CC Docket No. 96-45), making a similar certification for companies classified by the FCC as “non-rural.” This group included Advanced Communications Technology, Qwest Corporation, Silver Star Communications, Union Telephone Company d/b/a Union Cellular, VCI Company and Western Wireless. These Commission certifications are a federal requirement for the continued receipt of federal universal service funding by the designated Eligible Telecommunications Carriers in Wyoming. Read these certifications at Appendix F to this Report.

On September 30, 2004, the Commission filed its initial Residential Rate Comparability Certification with the FCC and the USAC. This filing compared the rates for Qwest’s rural customers in Wyoming with the nationwide urban rate benchmark established by the FCC for 2004. The Commission concluded in this filing that the rates for Qwest’s rural customers are not comparable to the nationwide benchmark and that supplemental federal universal service support is necessary if Qwest is to meet this comparability standard. The Commission attached a copy of this Rate Certification to its Joint Petition described below. Read a copy of this Rate Certification: Attachment A to Appendix E to this Report.

On December 21, 2004, the Commission and the Office of Consumer Advocate filed a Joint Petition with the FCC requesting additional federal universal service funding support for Quest’s customers in rural high-cost areas of Wyoming where Qwest provides local exchange service. The Joint Petition requests the supplemental federal funding support for those Qwest customers as provided for in the FCC’s October 2003 Order on Remand. The Joint Petition points out that Wyoming, alone among the states, has eliminated implicit rate subsidies, brought rates up to cover costs and has established a fully functioning explicit state universal support mechanism. Even considering this, Qwest’s high-cost customers still should obtain additional federal support under the parameters of the federal Telecommunications Act of 1996. Read a copy of the Joint Petition and its attachments at Appendix E to this Report.

Each year, the federal and state staff members of the Joint Board on Universal Service release a report on the various components of the federal Universal Service Fund support programs. This report, known as the *Monitoring Report*, contains information designed to monitor the impact of various universal service support mechanisms and to provide data on the effects of federal regulatory policies. The *Monitoring Report* also summarizes the annual contributions to and disbursements from the major universal service support programs: low-income support; high-cost support; schools and libraries support; and rural health care support. Below are Wyoming figures from the 2004 *Monitoring Report* compared to data for the previous reporting year:

	2003		2004	
	Committed*	Disbursed*	Committed*	Disbursed*
Wyoming High Cost Support	\$40,243,668		\$41,441,068	
Wyoming Low Income Support	\$274,974		\$343,295	
Wyoming Schools and Libraries Support	\$3,284,625*	\$124,386*	\$1,335,416	\$141,973
Wyoming Rural Health Support	\$73,233*	\$18,447*	\$62,856	\$37,634

*For the schools and libraries and the rural health care support programs, funding is broken down in the *Monitoring Report* in terms of funds committed and funds disbursed.

Below are the national figures for the various types of federal universal service support programs:

	2003	2004
National High Cost Support	\$2.8 billion	\$3.3 billion
National Low Income Support	\$673 million	\$716 million
National Schools and Libraries Support	\$2.2 billion	\$1.7 billion
National Rural Health Support	\$15 million	\$19.2 million
TOTAL UNIVERSAL SERVICE	\$5.688 billion	\$5.735 billion

The latest projections from the FCC, the Joint Board on Universal Service and the USAC show that Wyoming local exchange carriers are scheduled to receive federal high-cost support (including all federal high-cost support mechanisms – high-cost loop support, interstate access and common line support, long term support and local switching support) in the amounts set out in the table below. These amounts are subject to quarterly revisions and updates throughout the reporting year and thereafter. Last year's reported figures are shown for comparative purposes.

Company	Prior Reporting Year	Current Reporting Year
All West Communications	\$116,904	\$125,552
CenturyTel of Wyoming	\$793,428	\$1,057,736
Chugwater Telephone Company	\$166,584	\$301,456
Dubois Telephone Exchange	\$1,954,380	\$2,189,204
Qwest Corporation	\$15,602,316	\$13,861,468
Range Telephone Cooperative (includes RT Communications)	\$8,081,028	\$7,924,620
Silver Star Communications	\$1,469,556	\$2,052,736
Tri County Telephone Association (includes TCT WEST)	\$5,296,260	\$6,760,104
Union Telephone Company	\$4,663,668	\$5,001,936
Sprint/United Telephone Company of the West	\$2,099,544	\$2,166,256
WYOMING TOTAL	\$40,243,668	\$41,441,068

h. The Status of Compliance with the Act

The Wyoming Act encourages the transition to competition in Wyoming telecommunications markets and seeks to eliminate implicit subsidies built into local rates. In Wyoming and throughout the entire nation, low residential rates were supported by subsidies implicitly paid by other services. Under the Act, subsidies for high-cost customers are made explicit through the use of the Wyoming Universal Service Fund. The Act's stated intent is also "to maintain affordable essential telecommunications services through the transition . . ." to competition.

Each service must pay its own way under the Wyoming Act. If a local telephone company offers noncompetitive services, each of its services must be priced so that the revenue from each service covers the service's total service long run incremental cost (TSLRIC). This is intended to encourage local service competition by preventing existing companies from subsidizing local service rates with money from other services. That, in theory, allows competitors to enter a local service market and compete on level ground.

The Act requires local exchange companies to have TSLRIC-compliant prices by January 1, 2005. Qwest, Union Telephone, CenturyTel of Wyoming, Dubois Telephone, Range Telephone, RT Communications, Sprint/United, TCT West, Tri County Telephone, Teton Telecom, All West Communications, Silver Star Communications and Chugwater Telephone have made the transition. This means that 99.99% of Wyoming's access lines have approved TSLRIC-compliant rates in place. Project Telephone and Golden West Telephone serve mostly in other states and have, taken together, fewer than 300 customers in Wyoming. Both have been granted TSLRIC waivers through January 1, 2005, as allowed by the Act.

The first table below shows local business and residential basic service prices as they were just before the Wyoming Act was passed in 1995, and as of January 1, 2005. Because the Wyoming Universal Service Fund's 130% support threshold is now \$31.67 per month, no customer's required payment for local service would be higher than that.

The table shows that residential and business rates of established telephone companies have increased significantly since 1995, except for the business rates of Qwest, RT Communications, Silver Star Communications and Teton Telecom. In most cases, higher prices for local exchange service have been partially offset by lower switched access and toll prices. Distance (how far the customer is from the central office) and density (expressed as the number of customers in a given area or per mile of line) are important cost factors independent of TSLRIC and other causes. This shows up clearly in the various base rates for local service when they are contrasted with the rates for customers of that company farthest from the base rate area (examples of de-averaging). Some companies do not de-average prices because of the geographic configuration of the areas involved or due to lending requirements of such institutions as the Rural Utilities Service.

Many factors influence the prices offered by each service provider in Wyoming, including considerations of whether to average or de-average prices, how to reflect distance-related costs, what technology to employ, and how to account fairly for customer density, loan requirements, billing administration and other costs. There are significant rate differences among Wyoming telecommunication companies and the reasons are identifiable. There is no

individual model or set of physical or regulatory conditions that would guarantee uniform prices among the incumbent local exchange service providers in Wyoming. Significant diversity exists among these service providers in a number of important areas which support rational variations in local exchange and switched access prices. Pricing methodologies -- TSLRIC, historic embedded cost, and others -- used by the Commission, allowed by law, and employed by the service provider, do not themselves cause the existence of or drive the magnitude of pricing differences between companies.

See table on next page.

Basic Local Residential and Business Telephone Service Rates

Company	Residential Rates			Business Rates		
	1995	1/1/2005	change	1995	1/1/2005	change
Qwest						
base rate area:	\$14.64	\$23.10	58%	\$30.56	\$23.10	(24%)
farthest from base area:	\$24.54	\$69.35*	183%	\$41.46	\$69.35*	67%
Union Telephone						
base rate area:	\$8.49	\$40.95*	382%	\$13.69	\$40.95*	199%
farthest from base area:	\$26.49	\$88.47*	234%	\$31.69	\$88.47*	179%
CenturyTel of Wyoming						
base rate area:	\$10.00	\$15.00	50%	\$15.00	\$15.00	0%
farthest from base area:	\$17.50	\$28.00	60%	\$26.25	\$28.00	7%
Dubois Telephone	\$11.00	\$19.25	75%	\$19.55	\$24.25	24%
Range Telephone	\$11.65	\$16.00	37%	\$18.40	\$19.00	3%
RT Communications						
Shoshoni & central WY exch:	\$10.04	\$16.00	59%	\$19.66	\$22.50	14%
farthest from base area:	\$19.94	\$25.90	30%	\$29.56	\$32.40*	10%
Thermopolis & Newcastle:	\$10.78	\$16.00	48%	\$22.03	\$22.50	2%
farthest from base area:	\$20.68	\$25.90	25%	\$31.93	\$32.40*	1%
Worland exchange:	\$11.51	\$16.00	39%	\$24.42	\$22.50	(8%)
farthest from base area:	\$21.41	\$25.90	21%	\$34.32	\$32.40*	(6%)
Pine Bluffs, Burns, Carpenter:	\$12.98	\$16.00	23%	\$29.19	\$22.50	(23%)
farthest from base area:	\$22.88	\$25.90	13%	\$39.09	\$32.40*	(17%)
Sprint/United						
Guernsey exchange:	\$7.94	\$36.22*	356%	\$13.39	\$36.22*	171%
LaGrange exchange:	\$11.13	\$91.36*	721%	\$17.35	\$91.36*	427%
Ingle exchange:	\$11.13	\$82.23*	639%	\$24.63	\$82.23*	234%
Torrington exchange:	\$11.13	\$27.48	147%	\$24.63	\$27.48	12%
TCT West						
Greybull exchange:	\$10.14	\$27.31	172%	\$19.66	\$27.31	39%
Lovell exchange:	\$10.78	\$30.63	184%	\$22.03	\$30.63	39%
Basin exchange:	\$10.78	\$31.42	191%	\$22.03	\$31.42	43%
Frannie & Meeteetse:	\$10.78	\$45.08*	318%	\$22.03	\$45.08*	105%
Tri County Telephone						
Burlington exchange:	\$6.75	\$44.86*	565%	\$10.25	\$44.86*	338%
all other exchanges:	\$8.25	\$45.08*	446%	\$14.00	\$45.08*	222%
Teton Telecom **	\$29.65 **	\$31.25	5%	\$40.46 **	\$31.25	(23%)
Silver Star Communications	\$16.80	\$24.50	46%	\$25.20	\$24.50	(3%)
Chugwater Telephone	\$10.50	\$38.20*	264%	\$15.25	\$38.20*	150%
All West Communications	\$14.25	\$59.52*	318%	\$20.25	\$59.52*	194%

* before applying credits for Wyoming and federal universal service fund support.

** Teton Telecom did not exist in 1995. Earlier prices shown are Eton's initial rates.

Switched access rates under the Wyoming Telecommunications Act of 1995

W.S. § 37-15-411 in the Wyoming Act requires the Commission to investigate the appropriate way to calculate intrastate switched access charges for all Wyoming telephone utilities and study the feasibility of “phasing out intrastate telecommunication subsidies flowing between telephone companies in Wyoming by January 1, 2002.”

On December 27, 1995, the Commission, in its General Order No. 74 proceeding entitled *An Investigation into the Appropriate Method for Calculating Intrastate Switched Access Charges and Regarding the Feasibility of Eliminating Intercompany Subsidies Among Wyoming Telephone Companies*, held public workshops to obtain information from industry and others to develop proposed rules on switched access service pricing. This generated much controversy; and, in 1999, the Commission determined it lacked the statutory authority to implement rules on the subject. The Commission decided that switched access service pricing should be handled on a case-by-case basis. Since then, switched access prices have changed principally in ILEC pricing cases which also concerned adjustments in local service rates to comply with the Wyoming Act’s TSLRIC mandate. Now, more than 99.99% of all subscriber lines in Wyoming are subject to TSLRIC-compliant switched access service prices. Generally, switched access rates were reduced substantially as local business and residential rates increased to cover their own TSLRIC costs, reversing a long-standing pricing policy, prevalent throughout the United States that access and toll prices should contribute to keeping the cost of basic local service low. Below is a table illustrating the changes in switched access prices in Wyoming between the advent of the Wyoming Act and the reporting year.

Switched Access and Intrastate Toll Rates

Company	Switched Access Rates (¢ per minute)			Intrastate Toll Rates (¢ per minute)		
	1995	2004	change	1995	2004	change
Qwest (U S WEST)	9.71¢	1.4698¢	(85%)	20.86¢	**	‡
Tri County Telephone	16.53¢	1.5445¢	(91%)	20.86¢*	**	‡
TCT West	9.71¢	1.5445¢	(84%)	20.86¢*	**	‡
Dubois Telephone	11.52¢	11.470¢	(0.4%)	20.86¢*	**	‡
Union Telephone	10.60¢	3.2500¢	(69%)	20.86¢*	**	‡
Sprint/United	10.33¢	0.4571¢	(96%)	20.86¢*	**	‡
RT Communications	9.71¢	7.5000¢	(23%)	20.86¢*	**	‡
Range Telephone	9.08¢	7.2610¢	(20%)	20.86¢*	**	‡
CenturyTel	6.60¢	3.1369¢	(52%)	20.86¢*	**	‡
All West Communications	14.78¢	1.50¢	(90%)	20.86¢*	**	‡
Chugwater Telephone	8.99¢	4.635¢	(48%)	20.86¢*	**	‡
Silver Star Communications	9.71¢	6.37¢	(34%)	20.86¢*	**	‡
Teton Telecom***	6.59¢	6.37¢	(3%)	n/a	**	n/a

* In 1995, Qwest (then U S WEST) was the designated toll carrier in Wyoming.

** There are multiple calling plans available from approximately 100 active interexchange telecommunications carriers registered at the Commission to provide long distance service through the implementation of equal access with all of the incumbent local exchange service providers in Wyoming. Prices vary from approximately 5¢ to 7.5 ¢ per minute.

*** Did not exist in 1995. Initial Teton Telecom rates are shown.

‡ Intrastate toll prices have been reduced up to 70% from 1995 levels.

During 2004, the Commission conducted show cause hearings relating to noncompliance with Wyoming law by certain interexchange carriers authorized to provide long distance service and by certain CLECs authorized to provide local service in Wyoming. As a result of these proceedings, the Commission revoked the registrations and canceled the authority of a number of interexchange carriers and CLECs to provide service in Wyoming. Most commonly, these smaller companies failed to file uniform assessment reports with the Wyoming Department of Revenue or to file required annual reports with the Commission. The list of affected companies is found above in the 2004 Chronology section of the Report at November 3, and December 2, 2004. Public hearings were held on November 30, 2004.

i. Competitive Provision of Local Exchange Service

The Wyoming Act and the federal Act encourage the development of competition in local exchange service markets. Both Acts require the incumbent local exchange carriers to open their networks to competitors, to allow them to interconnect fairly with their networks and to offer services at wholesale prices suitable for resale.

By the end of the reporting period, the Commission had approved a total of 86 applications for concurrent certificates of public convenience and necessity to provide competitive local exchange service in Wyoming. Most of these companies are authorized to provide competitive local exchange service in those Wyoming exchanges served by Qwest under W.S. § 37-1-201(b). Several companies have also been authorized to provide service in the Wyoming exchanges served by Sprint/United Telephone Company of the West and the other incumbent local exchange companies serving in the state.

Among these companies, McLeodUSA is active in 19 Wyoming local exchange service markets. Silver Star offers direct facilities-based competitive local service in Afton and private line/special access services (T-1) in the Jackson exchange. Silver Star is preparing to provide a full range of local services in the Jackson exchange. All West now offers competitive local exchange service in the Evanston area. Advanced Communications Technology (ACT) offers facilities-based competitive local service in Sheridan. MCI offers its Neighborhood local exchange service plan in all Qwest exchanges in Wyoming. AT&T, under an approved interconnection agreement with Qwest, offers competitive Outbound ADL business services. Other companies are in various stages of advertising and serving, or otherwise preparing to do so. They are:

Name	Certificate Date
AT&T Communications of the Mountain States, Inc.	August 16, 1996
Sprint Communications Company	August 28, 1996
Excel Telecommunications	November 25, 1996
Ionex Communications North	March 17, 1997
McLeodUSA Telecommunications Services	April 14, 1997
Contact Communications	April 24, 1997
MCIMETRO Access Transmission Services/MCIMETRO	April 29, 1997
Tel-Save d/b/a The Phone Company	July 1, 1997
Preferred Carrier Services	August 20, 1997
Atlas Communications*	September 2, 1997
LCI International Telecom	November 13, 1997
Group Long Distance	February 20, 1998
Sterling International Funding d/b/a Reconex a/k/a Amertel	March 17, 1998

Name	Certificate Date
Silver Star Communications (Afton)	March 17, 1998
LDM Systems	March 19, 1998
Dial and Save of Wyoming	April 16, 1998
WorldCom Technologies	May 7, 1998
Western CLEC, formerly Eclipse Communications	January 21, 1999
Level 3 Communications	March 16, 1999
NET tel	April 7, 1999
InTTec	August 17, 1999
DSLnet Communications	August 17, 1999
JATO Operating Two Corp.	August 23, 1999
Tri-Tel	September 30, 1999
New Edge Networks	November 30, 1999
All-West/Wyoming	December 20, 1999
MVX.com Communications	December 22, 1999
Concert Communications Sales	January 4, 2000
Adelphia Business Solutions Operations	January 20, 2000
Now Communications	January 20, 2000
Comm South Companies	February 3, 2000
CI ²	February 3, 2000
Universal Access	April 13, 2000
Arrival Communications	April 18, 2000
HJN Telecom	April 25, 2000
Advanced Telecom Group	May 9, 2000
Maxcess	May 11, 2000
United Communications Hub	May 11, 2000
CCCWY d/b/a Connect!	May 25, 2000
Essential.com	August 18, 2000
360Networks (USA)	August 18, 2000
Global Telelink Services	August 24, 2000
Pathnet Telecommunications Services	September 7, 2000
Telera Communications	September 26, 2000
Pac-West Telecomm	September 28, 2000
Dieca Communications d/b/a Covad Communications	October 17, 2000
Fairpoint Communications Solutions	October 17, 2000
ServiSense.com	October 28, 2000
Essex Communications d/b/a eLEC Communications	November 7, 2000
Premiere Network Services	November 7, 2000
Telicor	February 22, 2001
Z-Tel Communications	April 13, 2001
Regal Telephone	May 3, 2001
NOS Communications	May 21, 2001
KMC Telecom V	July 3, 2001
Viteom	September 18, 2001
New Access Communications	September 20, 2001
TeleCents Communications	October 30, 2001
Intrado Communications	November 1, 2001
NTERA	November 13, 2001
Vartec Telecom	December 6, 2001
KMC Data	January 17, 2002
Simply Cellular and Telephone Reconnections	February 7, 2002
Budget Phone	March 5, 2002
ICG Telecom Group	May 23, 2002
VP Telecom	July 15, 2002
Advanced Communications Technology	July 17, 2002
iLOKA	September 17, 2002
Qwest Communications Corporation	December 19, 2002
AltComm*	February 13, 2003
Houlton Enterprises d/b/a Guaranteed Phone Service*	April 15, 2003
Wyoming Big Sky Telecom *	May 6, 2003
VCI Company formerly Vilaire Communications	July 3, 2003

Name	Certificate Date
GlobeCom*	July 15, 2003
Covista	September 4, 2003
IDT America	September 4, 2003
XO Communications	October 30, 2003
Computer Network Technology	November 18, 2003
Granite Telecommunications	December 23, 2003
Southwestern Bell Communications Services	March 11, 2004
ACN Communication Services	April 13, 2004
WERCS Communications	April 13, 2004
Comtech21	April 29, 2004
Tel West Communications	July 15, 2004
CommPartners	August 26, 2004
Bullseye Telecom	November 8, 2004
Extreme Media	December 15, 2004

The companies whose names are stricken through either [i] filed for and were given approval to cancel their certificate authority or [ii] had their certificates revoked by the Commission for noncompliance with Wyoming law and Commission rules. The certificates of those with asterisks by their names were canceled or revoked during the reporting year.

You may obtain more information about these competitive local exchange service providers by contacting them at the addresses listed in Appendix B to this Report.

j. Interconnection and Resale of Local Exchange Service

In the Wyoming Act, W.S. § 37-15-404(d) requires telecommunications companies to “disclose in a timely and uniform manner information necessary for the design of equipment and services that will meet the specifications of interconnection;” Subsection (e) of this statute gives the Commission the power to make rules on, among other subjects, interconnection of networks at nondiscriminatory and reasonable rates, terms and conditions; for the unbundling of services into reasonable basic network features; and for the resale and sharing of services and functions at reasonable and nondiscriminatory rates. These provisions are mirrored by the federal Telecommunications Act of 1996 which, at § 251(a)(1), imposes a duty on telecommunications providers to interconnect with the facilities and equipment of other telecommunications carriers; and which, at § 251(c)(1), imposes a duty on incumbent local exchange carriers to negotiate interconnection agreements with a competitive carrier requesting one. If they cannot reach agreement, § 252 of the federal Act provides for the arbitration by state commissions of disputes regarding interconnection negotiations. One such proceeding, involving RT Communications, Range Telephone Cooperative and Western Wireless, was considered by the Commission during the reporting year. After the end of the reporting year, the parties successfully negotiated interconnection agreements.

By December 31, 2004, the Commission had approved 128 negotiated interconnection agreements for use in providing service in Wyoming under Section 252 of the federal Act, including 15 agreements approved during the reporting period. Negotiated Interconnection Agreements with Qwest Corporation and United Telephone Company of the West, d/b/a Sprint that have been filed for approval pursuant to Section 252 of the federal Act as of December 31, 2004, are listed below:

with U S WEST Communications, Inc.:	
1	MetaComm Cellular
2	CommNet Cellular
3	AirTouch Cellular
4	FirsTel
5	Western Wireless
6	Nextel West
7	Sprint Communications
8	Knight Communications
9	Comm South Companies
10	Dakota Services
11	Silver Star Communications
12	3 Rivers PCS
13	RT Communications
14	Sterling International Funding d/b/a Reconex a/k/a Ameritel
15	Preferred Carrier Services
16	NET-tel Corporation
17	Advanced Communications Group
18	Tel West Communications
19	WYOCOM (wyoming.com)
20	Topp Comm
21	Covad Communications
22	CCCWY d/b/a Connect!
23	Computer Business Sciences
24	AT&T Communications
25	NOW Communications
26	U S WEST Wireless
27	DSLnet Communications
28	New Edge Networks
29	INTTEC
30	JATO Communications
31	Pathnet Telecommunications
32	Essential.com
33	Healthcare Liability Management
34	HJN Telecom
35	All West/Wyoming
36	Telwest Communications

with Qwest Corporation (f/k/a U S WEST Communications, Inc):	
37	ServiSense.com
38	Newcom Wireless
39	Choctaw Communications d/b/a Smoke Signals Communications
40	Arch Paging and Mobile Communications
41	dPI-Teleconnect
42	WWC Holding
43	Pilgrim Telephone
44	Continental F.S. Communications
45	@Link Networks
46	Flatel
47	Premiere Communications
48	Simply Cellular and Telephone Reconnections

with Qwest Corporation (f/k/a U S WEST Communications, Inc) (continued):

49	Regal Telephone
50	USA Digital 1
51	Telicor
52	Maxcess
53	McLeodUSA Telecommunications
54	Essex Communications d/b/a eLEC Communications
55	Multiband
56	Digital Communications
57	Contact Communications
58	Ciera Network Systems
59	Sprint Spectrum
60	New Access Communications
61	Z-Tel Communications
62	NOS Communications
63	Uintah Basin Electronics Telecommunications
64	CI ²
65	Telephone Company of Central Florida
66	TW Wireless
67	Edge Wireless
68	Bridgeband Communications
69	Summit Wireless
70	VoiceStream Wireless
71	Vartec Telecom
72	Cellco Partnership d/b/a Verizon Wireless
73	Intrado Communications
74	Sprint Communications, L.P.
75	Premiere Network Services
76	Level 3 Communications
77	Qwest Wireless
78	Nextel West
79	NOW Communications
80	Excel Telecommunications
81	Ionex Communications North
82	Covad Communications
83	VP Telecom d/b/a OrbitCom
84	Advanced Communications Technology
85	Wavesent
86	Iloka d/b/a Microtech-Tel
87	Page Data
88	InTTec
89	Houlton Enterprises d/b/a Guaranteed Phone Service
90	AltiComm
91	Montana Advanced Information Network (MAIN)
92	MCIMetro Access Transmission Services
93	ICG Telecom Group
94	VCI
95	CAT Communications
96	IDT America
97	XO Network Services
98	Granite Telecommunications
99	ACN Communications Services

with Qwest Corporation (f/k/a U S WEST Communications, Inc) (continued):	
100	Comtech21
101	Qwest Communications Corporation
102	Southwestern Bell Communications
103	Multiband Communications
104	NorthStar Telecom
105	CommPartners
106	Union Telephone Company

with Sprint/United Telephone Company of the West:	
107	Dakota Services
108	U.S. Telco
109	Tin Can Communications
110	EZ Talk Communications
111	dPI-Teleconnect
112	Choctaw Communications d/b/a Smoke Signals Communications
113	Comm South Companies
114	Compass Communications
115	Pathnet Telecommunications
116	@Link Networks
117	Sprint PCS
118	1-800 Reconnex
119	USA Digital 1
120	Western Wireless
121	Verizon Wireless
122	Budget Phone
123	Preferred Carrier Services
124	Digital Communications
125	Direct2 Internet
126	AltiComm
127	XO Network Services
128	ACN Communications Services

In addition to these agreements themselves, Qwest and Sprint/United have continued the process of submitting for Commission approval numerous amendments to previously approved interconnection agreements.

k. The Federal Communications Commission's Triennial Review Order (the TRO)

On August 21, 2003, the FCC issued its *Report and Order on Remand and Further Notice of Proposed Rulemaking*, FCC 03-36, called the Triennial Review Order or TRO, in its Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Deployment of Wireline Services Offering Advanced Telecommunications Capability, being held in CC Dockets No. 01-338, 96-98, and 98-147.

1. The 90 day Proceeding. In the TRO, the FCC made a nationwide presumption that, under the federal Act, incumbent local exchange carriers would not be required to provide local circuit switching as a UNE to competitive local exchange carriers serving enterprise market

customers using high-capacity loops at transmission capacities of DS1 or higher. It also found that special circumstances could exist that would impair the development of competition if unbundled local circuit switching access was not available to enterprise customers in particular markets. The TRO provided a mechanism which state commissions could use to rebut this national presumption of non-impairment and require incumbent local exchange carriers to continue to offer this UNE if the state found that specific markets warranted continued provision of unbundled local circuit switching to competitive local exchange carriers serving enterprise market customers with high-capacity loops. The TRO required state commissions seeking a waiver to analyze operational and economic issues and file a waiver petition within 90 days of the effective date of the TRO. The Commission established Docket No. 90002-TF-03-1 and issued a Notice and Order to Wyoming telecommunications companies and others requesting petitions and comments and offering to consider holding a 90-day proceeding if an affected competitive local exchange carrier would come forward with evidence to rebut the FCC's national presumption. The Commission received no filings or hearing requests by the October 22, 2003, deadline: and the Commission closed this proceeding on December 18, 2003.

2. **The 9-Month Proceeding.** The TRO also established a nationwide presumption that competitors are impaired [a] on a customer-location specific basis without access to unbundled DS1, DS3, and dark fiber loops; [b] on a route-by-route basis without access to unbundled D1, DS3, and dark fiber dedicated transport; and [c] if they did not have access to unbundled local circuit switching when serving mass market customers. The FCC asked the state to consider other issues including whether or not to implement a "batch hot cut process" to address issues concerning the migration of customers between competitors in a competitive environment. The FCC delegated authority to state commissions to conduct a nine month process to develop additional facts and to make different findings based on the states' abilities to make more detailed impairment analyses of local conditions under the FCC's guidelines on actual deployment and specific economic and operational criteria. On October 22, 2003, the Commission established Docket No. 90002-TF-03-2, requesting petitions and comments on the subject and setting a pre-hearing conference for November 20, 2003. The stated subject of the proceeding was to determine whether Wyoming incumbent local exchange carriers must continue to provide competitive local exchange carriers with access to mass market high-capacity loops, mass market switching and dedicated transport.

Qwest, AT&T, MCI, Contact Communications, the Wyoming Telecommunications Council, Sprint, the independent Wyoming ILECs, and the Office of Consumer Advocate filed petitions to participate in this proceeding. Thereafter, Qwest moved to postpone the 9-Month Proceeding indefinitely, citing resource issues involving simultaneous proceedings in 14 states and uncertainty concerning whether Qwest's Wyoming operations would meet the FCC's "three switch" prerequisites for eliminating the unbundling obligation. Granting the motion would mean that Qwest would not seek relief now from its obligation to provide unbundled switching for mass market customers in Wyoming and remove Qwest's obligation to go forward with an individual Wyoming batch hot cut process determination. On December 18, 2003, the Commission granted the motion, terminating the 9-Month Proceeding but allowing later refiling. All participating Wyoming parties supported the decision.

Effective June 16, 2004, in the proceeding known as “USTA II”, the United States Court of Appeals for the D.C. Circuit reversed and vacated certain portions of the Triennial Review Order – especially those relating to the ongoing unbundling obligations of incumbent local exchange carriers like Qwest. On September 13, 2004, the FCC, in its *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, issued Interim Rules relating to unbundled access to network elements. The USTA II Decision and the Interim Rules required the FCC to implement permanent, final rules regarding these unbundling obligations. On December 15, 2004, the FCC adopted final rules eliminating the requirement for competitive carriers to have unbundled access to mass-market local circuit switching of the incumbent carrier. The obligations for incumbent carriers to provide unbundled access to high capacity (DS1 and higher) loops and dedicated interoffice transport were reduced or eliminated. The transition period for these new loop, transport and switching rules is twelve months.

l. “1+” IntraLATA Equal Access

W.S. § 37-15-410, required local exchange companies to provide intraLATA “1+” equal access by January 1, 1998, “where technically and economically feasible.” This dialing parity promotes competition in the in-state Wyoming long distance market by allowing a customer to preselect a carrier for in-state long distance calls which can be reached by dialing “1” plus the telephone number without the need to use “dial around” or other multi-digit alternatives to reach the chosen carrier and called party. “1+” equal access also applies to pay telephone providers. All of Wyoming’s ILECs have implemented “1+” equal access.

m. Local Number Portability

Local number portability (LNP) gives subscribers the ability to keep their own telephone numbers regardless of which company provides local exchange service. This portability of local telephone numbers eliminates another barrier to local exchange competition. Appendix D shows that Qwest has fully implemented number portability in all of its Wyoming exchanges. Sprint/United has also implemented local number portability in its Wyoming exchanges. 47 CFR § 251(f)(2) requires independent local exchange carriers throughout the United States to implement local number portability during 2004. The Commission received and ruled on a number of requests for extensions or modifications of this requirement from various independent local exchange carriers in Wyoming. This table summarizes the results of these Commission rulings:

Company	LNP-capable by:
All West Communications	September 20, 2004
CenturyTel of Wyoming	April 13, 2004
Chugwater Telephone	November 20, 2006
Dubois Telephone	August 23, 2004
Project Telephone	March 1, 2005
Range Telephone	August 23, 2004
RT Communications	April 2005
Silver Star Communications and Teton Telecom	December 20, 2004
TCT West	May 24, 2004
Tri County Telephone	May 24, 2004
Union Telephone	May 24, 2004

n. The Effects of Wyoming Regulatory Policies and Practices on Telecommunications Companies, Services and Customers, and Improving the Regulatory Process

i. The Wyoming telecommunications market.

The Wyoming Act and the federal Act have had a profound effect on the development of the telecommunications industry in Wyoming. They have encouraged the development of competitive alternatives for business and residential. Competition and communications infrastructure development are increasing but it is not all being done by traditional service providers. Examples of this are the high speed data services being offered by Contact Communications in a number of smaller and larger Wyoming markets, the point-to-point communications services of Bresnan Communications offered using cable television infrastructure, the proliferation of digital cellular service throughout the state, and the SWEETNET local infrastructure project (discussed below).

Section 2 of this Report contains information on Wyoming's local and long distance telecommunications service suppliers and the increasing number of interconnection agreements allowing for (but not always guaranteeing the provision of) competitive local exchange service. Telecommunications subscribers in Wyoming have a choice of multiple in-state long distance service providers and many also have choices of local service providers. Economic developments in the telecommunications industry in Wyoming and throughout the United States have resulted in many reorganizations, business failures and mergers among companies -- especially those who find it difficult to survive in the smaller and more challenging markets. This market winnowing is not an effect of the Wyoming Act which has encouraged more companies to come to Wyoming to provide service. As with the rest of the United States, the development of Wyoming's telecommunications markets and the offering of newer, more technology-intensive services depends largely on economic forces which factor in the cost of the service, the demand and the willingness of the market to support the new services.

The TSLRIC pricing floor in the Wyoming Act is designed to encourage entry by facilities-based competitors into Wyoming's local exchange service markets by streamlining regulation, removing implicit subsidies from rates and replacing them with explicit subsidies (i.e., the Wyoming Universal Service Fund) designed to increase the affordability of service among the highest cost customers. The Act seeks to level the playing field among existing companies and new market entrants. It has clearly identified the fact that it is relatively expensive to serve the small and widely separated Wyoming markets. As companies came into compliance with the TSLRIC provisions of the Act, more competition developed, although the level of competition is not universal in the state.

The attendant rise in prices for local exchange service and the substantial drop in cellular service prices have caused the migration of some customers from traditional land line service to cellular telephones as their main source of local telecommunications service. We expect the trend to continue and believe that data which the FCC states it will soon begin to collect on such alternative modes of subscribership will show this to be the case.

Certain wireless services qualify for support by the federal and Wyoming universal service funds. The Wyoming Act was amended in 2001 to allow the Wyoming Universal Service Fund to support wireless carriers for services which function as a surrogate for traditional landline service. (See W.S. § 37-15-502, which extends Wyoming universal service fund eligibility and distribution to carriers using wireless technology to provide “supported services” which are the wireless equivalent of landline service and are *not* the same as the highly mobile cellular service more commonly found in Wyoming and elsewhere throughout the United States.)

ii. Better regulatory procedures.

The Commission has streamlined the approval process for certification of local exchange competitors, for registering new interexchange carriers, and for approval of interconnection agreements and amendments. The Commission has implemented an on-line electronic filing system which provides an efficient, rapid and less expensive way for local exchange service providers and interexchange companies to file annual reports. This system allows for quick and efficient analysis of annual report data. [See the report forms at <http://psc.state.wy.us/htdocs/arforms.html>] To assist potential competitors to comply with the Wyoming Telecommunications Act of 1995 and get a start in Wyoming, we have developed information packages to help them through the registration and certification processes more quickly and at a lower cost. Since the Commission assumed direct responsibility for managing the Wyoming Universal Service Fund in 2003, the reporting by and communication with telecommunications companies has improved. The Commission has implemented an on-line electronic system for the forms and reports associated with the Wyoming Universal Service Fund. [Find out more about the Wyoming Universal Service Fund on line at <http://psc.state.wy.us/wyusf.htm>]

iii. Local services subject to competition.

In the Wyoming Act, W.S. § 37-15-202(a) provides a mechanism whereby the services of a telecommunications company may be found to be subject to effective competition and therefore no longer subject to price regulation by the Commission. This section states:

“(a) Upon petition by any telecommunications company, the commission may, after notice and opportunity for hearing, find and conclude that a telecommunications service is subject to competition. Any service found to be effectively competitive shall not be subject to regulation of prices by the commission. The commission shall consider only the following factors in determining whether a telecommunications service is subject to effective competition:

“(i) The extent to which the same or equivalent telecommunications services are available from alternative providers in the relevant market;

“(ii) The extent to which telecommunications services of alternative providers are functionally equivalent or may be substituted at comparable prices, terms and conditions;

“(iii) Existing economic, regulatory or technological barriers to entry.”

During the reporting year, the Commission ruled on Section 202 applications by Qwest and Chugwater Telephone Company.

1. Qwest applied with respect to its basic local exchange service provided in the Afton exchange, excluding its intrastate switched access service in the Afton exchange from this application. On May 24, 2004, the Commission ruled that Qwest's local exchange service in the Afton exchange is subject to effective competition. On August 4, 2004, Silver Star Communications, Qwest's facilities-based local exchange service competitor in the Afton exchange, filed a Petition for Hearing, challenging this determination. [Docket No. 70000-TA-99-505] Because of the nature of its issues, Silver Star was invited to have its objections heard in Qwest's TSLRIC study case [Docket No. 70000-TA-04-1045]. Silver Star intervened in this case and stated its request for relief. This matter has been set for hearing by the Commission. (Silver Star's petition to have its service in the Afton exchange found subject to competition was previously granted by the Commission.)

2. In November 2003, Chugwater Telephone Company filed an application requesting a determination by the Commission that its basic local exchange and switched access services are subject to competition. On November 20, 2004, the Commission accepted and approved a Stipulation between Chugwater Telephone and the Wyoming Office of Consumer Advocate providing Chugwater with "Limited Temporary §202 Status." The terms of the Stipulation included, among other items, the following conditions:

- a. Chugwater may reduce any of its rates.
- b. Pricing flexibility for local service, switched access, interconnection, transport and termination and other wholesale services and elements is limited to reductions.
- c. No currently provided service shall be discontinued, except for termination for nonpayment of bills, or violation of tariffs, service regulations or Wyoming statutes.
- d. Price change tariffs must be prefiled for Commission review before implementation to ensure compliance with the Stipulation.
- e. No other aspect of the Commission's regulatory oversight of Chugwater is changed.

The Stipulation expires on November 20, 2006, at which time the Commission will make a full evaluation of the market conditions in the Chugwater exchange. [Docket No. 70005-TA-03-19]

iv. Experimental e-filing program.

In 2002, the Commission began an experimental program for accepting and processing routine applications in electronic format with the goal of obtaining practical experience and information about the advantages of electronic filings. The program continues to be conducted with Qwest because it files a sufficient number of routine applications each year which are well suited to this experimental program.

The program started with accepting applications of ten pages or less concerning [i] promotional offerings (10 day notice); [ii] competitive offerings (1 day notice); [iii] routine

amendments to interconnection agreements (90 day notice); and [iv] other less complicated applications. Today this program includes acceptance of all applications filed by Qwest.

Electronic applications include backup "mirror image" documentation, i.e., in PDF and Word formats. PDF files cannot be edited (preserving the original application materials) and Word files allow the Commission to use portions of the application for notices and memos (allowing for more efficient processing). E-filed confidential material is given "confidential" watermarks that are readable on-screen and when printed. E-filing applications are printed and distributed to the Commissioners and staff. When the application is processed by the Commission, orders, letters and tariffs issued by the Commission are returned to Qwest by mail. The Commission maintains required paper docket file copies.

The e-filing experiment is still under way. In 2003, Qwest e-filed 24 applications and through December 2004, Qwest had e-filed 22 applications. In June 2004, Commission staff met with Qwest representatives to evaluate the electronic filing process. It is an administrative advantage for Qwest to be able to file documents electronically. As Qwest has reorganized, e-filing has helped because filings can come to the Commission electronically from multiple locations depending on the type of product line involved. The administrative disadvantage for Commission staff is that the process of implementing a fully electronic filing process became more time consuming and generated more paper. Our staff continues to receive electronic filings from Qwest, and the filings are treated as normal filings and handled in the traditional paper format. The Commission will continue this program with Qwest and evaluate the advisability of expanding it to include other utilities.

v. A note about cellular telecommunications.

We do not regulate the service offerings of cellular providers, except for the possible arbitration of controversies such as the interconnection agreements between Western Wireless and RT Communications and Range Telephone Cooperative noted above in the 2004 chronology. Detailed statistics are therefore not routinely available to us. However, we have seen Wyoming cellular markets expanding vigorously, with the number of cellular subscribers approaching the number of landline subscribers. Wyoming consumers continue to find more cellular service offerings, including packages, routinely and widely available to them. Cellular competition remains vigorous and PCS and digital wireless service is more prevalent in Wyoming markets. See Appendix C to this Report for a listing of cellular and PCS providers in Wyoming.

o. Telecommunications Slamming, Complaints, and Related Matters

i. Slamming. The practice of changing a telephone customer's long distance or local carrier without the customer's knowledge or authorization is called slamming. During the reporting year, it accounted for approximately 4% of the complaints received by the Commission; and it is a consumer problem which has developed in the increasingly competitive telecommunications marketplace. This percentage is higher than that for the previous reporting period, but much less than the 11% rate experienced in 1999. Wyoming's slamming and cramming law, W.S. § 37-15-412, appears to be a helpful and continuing deterrent to the growth

of in-state slamming, as this statistic shows. We continue to emphasize rapid correction of consumer slamming complaints and to discuss emerging slamming problems with service providers.

Our Complaint Section continues to see an increase in *supposed* slamming complaints. As long-distance companies merge, customer bills will often display the name of a merged company or the name of the long distance company's billing agent which are generally not familiar to the customer. Unfortunately, there is often no explanation on the bill; and customer service personnel are frequently unable to answer questions about this problem. Consumers therefore erroneously believe that they have been slammed. Similarly, changes of company names also occur when customers change local exchange service companies and the change orders are not submitted correctly. Customers may have the correct local and long distance carrier on their bills; but, within 30 days thereafter, they are switched to a different company due to local or long distance company errors relating to mergers or bankruptcies. Because our slamming law views habitual "slammers" with disfavor, we document slamming incidents carefully to determine whether companies operating in Wyoming are using slamming as a "business practice." Wyoming's slamming law equips the Commission with important tools for dealing with the practice and moving to end it.

Because most slamming occurs with respect to interstate long distance service, jurisdiction, in most cases, lies with the FCC. As most other states have done, Wyoming confirmed for the FCC that it would take over primary responsibility for resolving both intrastate and interstate slamming complaints lodged by Wyoming consumers. The process, known as "Opting-In," allows Wyoming to act as the primary forum for all slamming complaints arising in the state. This shortens the lines of communications, allowing interstate problems of Wyoming consumers to be addressed more efficiently.

The Commission and its complaint section will help Wyoming customers experiencing either state or federal level problems to obtain information and to resolve slamming problems effectively and rapidly. The Commission's brochure on the subject, *Telephone Slamming: You don't have to be a victim!*, is available free of charge.

ii. Telecommunications complaints. The overall number of utility complaints received by the Commission decreased from 1,416 in 2003 to 1,141 in 2004. The following table, containing a percentage breakdown of the complaints received by the Commission during the reporting year, places the volume of telecommunications complaints into perspective:

Year	Water	Gas	Electric	Local Telecommunications	Long Distance Telecommunications
2002	1%	17%	10%	44%	28%
2003	1%	24%	12%	39%	24%
2004	1%	27%	19%	35%	18%

Although we see a substantial number of telecommunications complaints stemming from competitive telecommunications markets, many complaints still concern more "traditional" subjects such as service quality, support for advanced services, availability (or not) of service enhancements, billing errors and disagreements, and misunderstanding of the various charges

appearing on bills. In July 2004, the federal Subscriber Line Charge was again increased. This generated an increase in customer calls to the Commission regarding increased billing charges for subscribers of many of Wyoming's larger carriers. We and our Complaint Staff were pleased to see that so many customers were aware of billing changes and had the desire to understand the reasons for the changes.

iii. Some persistent problem areas.

- Our Complaint Section still experiences significant increases in complaints where telephone companies have misquoted the cost of services to customers and have generally given them incorrect information. The misquotes are most generally significant in dollar amount and create billing errors in addition to the misinformation.
- The response time of local exchange companies and long distance companies to Commission investigations of consumer complaints has been poor, with most companies no longer responding within five working days. Some simply do not respond adequately if at all, necessitating follow up e-mails and telephone calls to companies to resolve complaints.
- Local number portability in Wyoming has helped to decrease problems experienced by consumers in changing from one service provider to another. Companies must work together to release a customer's line and ensure that it is working properly with the newly chosen service provider. Although procedures for requesting and implementing carrier changes appear to be working, some problems persist; and complaints in this area have increased. Many of the complaints involve changes from one local service provider to another.

iv. Information requests. In addition to the complaints received during the reporting year, we have also received 45 information requests from customers which were not formal complaints. Most often these questions concern the need for additional and higher speed service, price and service charges, customer deposits, the Do Not Call List (a very popular subject), extended area service, line extensions and rate increases. Customers are still very interested in the details of the taxes, fees, surcharges and distance charges appearing on their telephone bills. The Commission continues to see more customers who do not understand distance charges and who are unable to get clear answers from telephone companies. Customers often want charges verified and seek regulatory and legislative ways to eliminate them. The public continues to show an interest in understanding the telecommunications industry and regulation.

v. Speeding up the process. Despite our occasional difficulties in locating some complained-of interexchange telecommunications service providers, the number of unresolved complaints carried over each month has decreased to an average of 79 -- an 8% decrease over 2003 levels and the second year of declining carryovers.

vi. Toll free assistance. Since 1998, the Commission has maintained an 888 toll-free number for use by Wyoming consumers in bringing complaints to the attention of the Commission.

vii. Confidentiality. As always, customers bringing complaints to the Commission can be assured that the facts of their individual situations will be treated confidentially.

p. Recommendations for Legislative Change

The telecommunications industry in Wyoming is increasingly competitive and technologically dynamic, and the Wyoming Telecommunications Act of 1995 therefore must be regarded as a living document. In 2004, the Joint Corporations, Elections and Political Subdivisions Interim Committee created a Telecommunications USF Study Subcommittee to conduct an interim study of the Wyoming Universal Service Fund under Section 324 of the 2004 Budget Bill (HEA 77) which provided \$75,000 for a study of “the current state telecommunications universal service fund, the effects of changing the current fund from a price-based fund to a cost-based fund, implications and desirability of supporting only a single line for each business and residential customer receiving support through the fund, the universal service fund subsidy level and the fund's appropriate structure.” The Subcommittee’s consultants, QSI Consulting, conducted the study and issued their report in December 2004. This *Report to the Wyoming Legislature on the Wyoming Universal Service Fund* recommended that the Legislature consider directing the Commission to open a proceeding to examine changing from a price-based to a cost-based fund. QSI also recommended that the Legislature consider an additional study to examine new and developing technology in the telecommunications industry and how they might address Wyoming’s universal service objectives. Read QSI’s *Report* on line at: <http://legisweb.state.wy.us/2004/interim/corp/MEETINGS/Final%20Report%20To%20Legislature%2011-30-04.pdf>

In addition, the Joint Corporations, Elections and Political Subdivisions Interim Committee stated that it “. . . has been presented with a variety of issues and testimony regarding telecommunications in Wyoming. Among these issues are possible changes in the universal service fund, a study of the use of broadband technology across Wyoming and deregulation of local access services.” The Committee said it would examine these issues. The Commission supports this comprehensive and deliberative approach to changing how telecommunications is regulated in Wyoming. The Commission and members of its staff have assisted the Legislature and the Legislative Service Office in the past and are prepared to assist in the future.

The Wyoming Telecommunications Act of 1995 will be ten years old in 2005. It has prompted fundamental changes in the Wyoming telecommunications industry and has not been substantially altered in those ten years. A thorough re-examination is due. We believe the Act must fairly address new technological and business developments in the Wyoming telecommunications market and do so in a timely manner. This examination must take into account the realities of the communications market and its daily impact on the lives of citizens and the economy of the state. Because telecommunications remains a necessity for individuals and businesses, however, we also believe changes in the Act must be carefully thought out so that the interests of Wyoming’s consumers are served. For example, service providers have begun to see some competition from newer communications technologies which have developed in a business environment which does not emphasize the public interest as traditional telecommunications companies do. Enhanced 911 emergency service, and even basic 911 service, are thus not considered a responsibility by some companies, but simply a “choice” for the service provider to make. We must balance the competitive evolution of the market and the interests of old and new competitors with the interests of the people and businesses of Wyoming. For this re-examination to succeed, it must bring together service providers, regulators, law makers and other policy makers, large and small customers and technology experts.

SECTION 2 THE TELECOMMUNICATIONS INDUSTRY IN WYOMING

a. Introduction

This section of the Report provides a general description of the telecommunications industry in Wyoming, the technology employed, the general availability of various services and a look ahead at developing technologies likely to be deployed in the future. This section should be read in conjunction with Appendix D, which contains detailed exchange-by-exchange information on the telecommunications technology deployed, the nature of the interoffice plant in service and the specific services which are generally available in the various exchanges. **Services and technology which are new in the reporting year are highlighted in boldface type in Appendix D.** Telecommunications companies have been steadily increasing the availability of improved services and the number of new services not previously available is relatively small. Questions about the availability of specific services in particular places within exchanges and the nature of existing but unused local telecommunications plant capacity should be directed to the telecommunications service providers themselves. Most service providers consider information on unused capacity and its location highly confidential and commercially sensitive.

b. Number, Type and Size of Companies

There are 14 incumbent facilities-based local telephone companies (ILECs) providing local exchange service in Wyoming. There are approximately 307,130 access lines in service in the state at this time, a decrease of 11,520 or about 3.6% fewer than in calendar year 2003. Qwest Corporation, Wyoming's predominant ILEC, provides service to approximately 255,442 of the state's access lines. The remaining access lines are served by the 13 independent local telephone companies. CLECs serve approximately 25,876 access lines in Wyoming. Appendix A to this Report contains a brief summary of the basic facts about Wyoming ILECs, and Appendix K provides a map of the certificated territories of Wyoming's ILECs, produced by the Commission's Geographical Information System.

When the Wyoming Telecommunications Act of 1995 went into effect on March 1, 1995, there were 24 interexchange (long distance or toll service) resellers and nine facilities-based interexchange carriers providing long distance service in Wyoming. Before the Wyoming Telecommunications Act of 1995, there were no CLECs in the state; but now there are 59 (an increase of three from the previous reporting year) as shown in Appendix B to this Report. Because the interexchange resale market is dynamic and characterized by new entrants, acquisitions, mergers, bankruptcies and business reorganizations, you may find current information about these companies participating in the Wyoming market at the Commission's web site. [<http://psc.state.wy.us>]

"Facilities-based" telecommunications companies own or lease physical *facilities* to acquire, switch, enhance, transport, or terminate traffic on their own systems, while "resellers" purchase or lease *services* from facilities-based providers to acquire, switch, enhance, transport,

or terminate traffic. Facilities-based carriers do not necessarily carry all of their traffic over their own facilities and may purchase or lease facilities of others to help furnish the needed services.

By December 31, 2004, the combined number of facilities-based companies and resellers serving as interexchange carriers in Wyoming has increased by about 1,200% since 1995, including the registration of 15 new interexchange carriers during the reporting year. By the end of the reporting year, 86 CLECs had been certified to provide local telephone service in those Wyoming exchanges served by Qwest Corporation, although some of these carriers are, because of the highly competitive nature of the market, no longer in business. Widespread local service competition has yet to develop throughout all of the relevant exchanges.

The exchanges served by Wyoming's ILECs are listed in Appendix A to this Report. (Note that the restrictions formerly imposed by W.S. § 37-15-201(c), limiting immediate competitive entry into the local exchange markets of incumbent companies with fewer than 30,000 access lines in Wyoming, have been preempted by the Federal Communications Commission and affirmed by the United States Court of Appeals for the Tenth Circuit.) Appendix B to this Report identifies those CLECs which have been certificated to provide competitive service in Wyoming.

With respect to long distance telecommunications services, Wyoming customers have a wide selection of carriers and choices of many differing terms, conditions and prices which have been brought about by the functioning of the competitive market. Resale of services is an easy and rapid way to enter into local market competition, but it does not always provide an attractive return to the competitor. Facilities-based local competition, seen by many as the more stable and long term competitive option (and the one offering the most possibilities for technological advancement), requires substantial expenditures for the facilities needed to provide competitive local service. Further, the capital markets have an impact on the ability of facilities-based competitive local exchange carriers to obtain the funds needed to construct networks and other facilities. Although some smaller competitors do not have the financial capabilities for this type of market entrance, the successful entry of Silver Star Communications into direct facilities-based local service competition with Qwest in the Afton exchange shows that it is possible to be technologically advanced and successful in such a competitive endeavor in Wyoming -- even in a relatively small market.

c. Technologies in Use and Under Development

1. Technology Trends. Deployment of new technology that leverages the capabilities of existing infrastructure offers opportunities to improve the availability of broadband to Wyoming residents, businesses and institutions. Technical developments such as digital subscriber line (DSL), cable modem, Voice over Internet Protocol (VoIP) and broadband over power lines (BPL) use and enhance the abilities of existing copper, fiber, and power lines, offering the opportunity for citizens of Wyoming to expand their use of new technologies throughout the state. Additionally, wireless communications technologies (cellular, PCS, CMRS) are giving citizens new mobility. Cable systems have the capability to deliver voice, data, Internet and video via cable modem.

Not to be forgotten is satellite technology, which delivers video programming and a limited offering of broadband services, offering advanced functionality to customers who might be geographically isolated from other technologies. Rural electric cooperatives like Carbon Power & Light now offer satellite service. In March 2005, it will participate in the trial of Wild Blue, a new and more technologically advanced satellite service capable of providing television programming, Internet service, and eventually VoIP. This service is targeted at consumers in rural areas which characterize rural electric cooperative service territories in Wyoming.

Local telephone service providers are assessing the use of different technologies and evaluating next-generation technology for upgrading central office switching capability. Today, switching capabilities are dominated by circuit-type switching. Next generation technology, often referred to as "soft switch", is software driven. Soft switch technology costs less and has the ability to offer broadband services to all customers over existing copper lines or a combination of copper and fiber facilities. It is relatively easy to upgrade at a lower cost than prior switching technologies.

2. Infrastructure. Wyoming entered 2004 with significant upgrades to the telecommunications infrastructure and system; and companies were deploying broadband services throughout the state. This took the form of digital subscriber line (DSL) and the completion of the fiber optic backbone linking the communities of Cheyenne, Lusk, Wheatland, Glenrock, Casper, Wright City, Gillette, Moorcroft, Sheridan, Buffalo, Basin, Powell, Jackson, Kemmerer, Evanston, Afton, Green River, Rock Springs, Rawlins, and Laramie. A digital microwave radio link was deployed between Jackson and Riverton.

Wyoming's fiber optic backbone facilities, which provide enhanced voice, data and video capability, are having social and economic impacts comparable to those coming from the improvement the construction of interstate highways had on Wyoming's highway network. This backbone provides Wyoming's citizens and telecommunications service providers with many more options to deploy voice, data and video products as stand alone or bundled services for residents, businesses and institutions within the state. It provides Wyoming with its all-important link to the broadband networks of the national carriers and Internet service providers. Now Wyoming's local telephone companies, both large and small, have the ability to link their customers to the nation and the world economies which increasingly depend on efficient and rapid information services dominated by data transfer rather than the traditional voice-grade service.

Over the last four years, there have been cooperative efforts among the incumbent telephone companies to improve the state's telecommunications infrastructure. This approach resulted in a more rapid and more economical deployment and construction of the fiber network. Exchange areas throughout the state benefited from this effort. In 2004-2005, the final leg of the project will be complete and tie together exchanges in Dubois, Riverton and Shoshoni when fiber replaces digital microwave technology. This will improve the economic capabilities of the state, its businesses and its citizens.

The southern tier of the state is crossed by significant fiber facilities owned by Sprint, AT&T, Level 3, MCI, and 360 Networks. In the north central area of the state, regional companies such as Touch America and ACT have constructed fiber facilities.

3. Digital Subscriber Line (DSL). Digital Subscriber Line service is the transmission of digital frequencies over existing copper wire above traditional voice grade service frequencies. It is considered one of the best investments to extend the life and usefulness of copper facilities that characterize the great majority of the local telecommunications plant in Wyoming (that portion of the network between the central office and the customer's premises). DSL takes advantage of the fact that voice grade service uses only a small portion of the available capacity of copper loops.

The most dominant form of DSL is asynchronous DSL (aDSL). It offers higher download speeds than upload speeds on the premise that the most efficient use of available bandwidth is to offer the subscriber the enhanced ability to download rapidly. Higher speeds are available but have service limitations. The higher the speed, the shorter the distance from the central office the residence or business must be to obtain higher speed services like full motion video. Technology enhancements and local exchange carrier upgrades to existing copper plant have increased the availability of DSL services to rural areas.

Most local telephone companies offer DSL service in Wyoming. As a result of this technology, more rural customers located farther from the local central office are getting the potential of receiving broadband services to access the Internet and get Internet Protocol (IP) video. Local exchange service providers are striving to provide this service with one provider (TCT West) reporting that 96% of its customers have access to the service. Additionally, it is a medium over which information services and VoIP can be delivered to residences, businesses, schools, libraries, hospitals and institutions of government in rural areas that have low population densities. This does not mean that every residence and business in the state can be served by DSL. Other technologies such as wireless and satellite should also be considered.

As with all technologies, DSL faces technical issues; and, with DSL, the major issue is noise interference, which is sometimes referred to as "cross talk" from one line to another. Some also believe that copper loops, and therefore DSL technology, may one day be replaced by fiber to the home. In the past, such technological migrations have been slowed by the substantial cost of replacing local telecommunications plant.

4. Voice Over Internet Protocol (VoIP). Voice over Internet Protocol is growing in popularity and is considered by many to be the technology voice communications services will likely use in the future. It is viewed as an alternative to the circuit switched technology now employed by traditional telephone companies. Rather than streaming voice signals over dedicated circuits as switched technology does now, VoIP converts a voice call to Internet Protocol, which is the framing of digital signals into packets that are sent over the Internet. Voice, data and video signals are broken into multiple packets that can take different routes through the network. At the final destination, the packets are re-assembled and delivered as one information stream to the receiving party. VoIP is viewed as an inherent competitor to traditional circuit switching technology because it uses the network more efficiently and cheaply.

To date, the primary application has been voice service over long distance networks. However, data transmission and access to information sources are beginning to characterize the deployment of this new technology.

Major deployments of VoIP have been done by established long distance service providers and competing companies. Additionally, local telephone exchange companies are enhancing their facilities to offer VoIP services.

This new technology is not without its limitations or problems. To take advantage of VoIP, one needs a broadband connection to the residence or business. The last mile of connection to the home or business from the incumbent local service provider (the loop connecting the local switch to the customer) is required for the service. This most often must be a digital connection over existing copper wire that takes advantage of frequencies above those needed for voice grade services. Some technical issues about service quality and access to 911 are being addressed at this time. Some VoIP proponents do not believe their services should be required to support either basic 911 emergency service or, more particularly, Enhanced 911 which provides information about the physical location of the emergency. The matter is not yet settled.

5. Broadband Over Power Lines (BPL). Broadband Over Power Lines is the delivery of broadband Internet signals using electrical wiring to bring high-speed digital signals to homes and businesses. It is a system designed to deliver Internet services using medium voltage power lines as the distribution medium. We know of no trials or deployments in Wyoming during the reporting year; and the technology is still in the early stages of development in other areas of the country. Trials have been conducted in individual buildings and limited geographical areas. The technology is still in its infancy and it still poses technical and operational issues which need to be addressed. BPL has an interesting potential for use in rural areas. While there have been announcements of commercial deployment in other areas of the country, the potential of BPL to support services such as Internet access, VOIP, meter reading and power monitoring has yet to be realized.

6. Wireless Services (Cellular). Citizens of Wyoming are increasingly using wireless telephones as a means of communication, and wireless telephone usage in Wyoming now comes very close to equaling wireline usage. The latest data available from the Federal Communications Commission shows that, as of June 2004, there were approximately 277,658 cellular subscribers in Wyoming and approximately 319,000 ILEC and CLEC access lines in service in the same period. The number of cell phone users has increased dramatically in recent years.

Initially, cell phones were considered complementary to traditional wireline telephone service provided over copper lines; however, now it is estimated that about 6% of telecommunications is conducted exclusively over cellular telephones. Some estimate that this trend will grow at a rate of 1% to 1.5% per year. Because of the packaging of services by wireless providers, free or low cost long distance service is routinely available to cellular customers, encouraging, according to FCC estimates, about 40% of all long distance minutes of

use to involve cell phones. This has dramatically reduced the dependence on traditional landlines for long distance calling.

Wireless has its limitations. The most common are system capacity and distance from cell sites. Another limitation is E911 capability, although this is rapidly being overcome. An individual placing an E911 call on a cell phone does not have a permanent address location tied to the cell phone as would be the case with traditional wireline phone service. However, cell phones now must be "chipped" with the ability to provide GPS location information to local PSAPs (Public Service Answering Points). The cost of deploying E911 capabilities in PSAPs has slowed the wider use of this functionality. Technical limitations keep cellular telephone from being a significant force in the broadband market.

7. **Cable Modem.** Cable modem is the delivery of broadband over cable television lines. It provides the cable subscriber with the opportunity to use the cable connection for Internet access and VoIP. Using existing cable lines, individuals can get packages of video on demand, informational and voice services. While video services and information services are available in Wyoming, VoIP services have not yet been offered but the technical capability is available. According to the Cellular Telecommunications & Internet Association (CTIA), in January 2004, there were an estimated 195,370 TV households in Wyoming. CTIA estimates that approximately 123,450 homes have access to cable services with approximately 77,000 of them actually subscribing. In its infancy, the cable industry advertised bringing TV service to rural areas, but service areas have generally been limited to higher density markets such as cities and towns.

8. **What Does the Future Hold?** In the near term, new technology will rely more on broadband over copper and fiber telecommunications lines. Technology upgrades such as the "soft switch" will enhance the competitive abilities of local exchange service providers.

While technology offers new options in terms of voice communications using broadband, there is a convergence or bundling of services by the telecommunications and information service providers. The trend is toward all of them offering, now or in the near future, packages of voice, data and video service. Telephone companies are offering traditional POTS, broadband over DSL, VoIP and wireless. Cable companies will be offering video, broadband and voice services. Silver Star Communications now offers Internet Protocol video service, and some other telephone companies are also planning to offer video services delivering television programs to the home. Before long, this technological synergy will reach a point at which a cable subscriber will be able to transfer a television show from cable to cellular phone, allowing the subscriber to leave the house without missing the news or a favorite show.

Today the options are many and the choices multiplying. The delivery of these services has been the result of private initiatives and innovation. National FCC statistics indicate that citizens of Wyoming are spending more on telecommunications than they have before as a result of the many new services and service choices available to them in the market place.

d. Differences in Geographical Availability in Wyoming

The availability of various telecommunications services in Wyoming is described in considerable detail in Appendix D to this Report, which shows, with some increasingly minor exceptions, that voice telecommunications services and features are generally comparable among Wyoming exchanges. Some systems offer a longer or shorter list of features, but most companies provide features which their subscribers actually desire and which the market will support. There is still somewhat of a disparity in the actual availability of high speed data services among Wyoming exchanges mainly due to the cost of providing the service as well as certain technical limitations.

We conclude that the differences in geographical availability for voice telecommunication features and services is less of a matter of geography than it is a difference in composition of the markets served and the abilities of the serving companies. While differences in the availability of voice-grade features is not particularly marked, there are larger variances in the availability of DSL-type services by company and within exchanges. The fiber backbone projects connecting Wyoming exchanges provide for the capacity to the "front door" of the community. However, within the community or exchange, there must be sufficient demand to encourage the telecommunications company to make plant upgrades needed to support these services. Competitive challenges from the coaxial cable distribution systems in Wyoming are examples of how new technology stimulates more active interest in technological upgrades for the public switched network. The SWEETNET project described in this Report, in addition to the other features and capabilities it offers, also provides technologically flexible enhanced connectivity inside the community useful in supporting high speed data services to homes and businesses.

e. Telephone Subscribership Levels in Wyoming

The percentage of households that have telephone service is a standard measure of the universality of telecommunications service; and the United States Bureau of the Census (Census Bureau) collects relevant data as part of its Current Population Survey, which monitors trends between the complete ten-year censuses under an ongoing arrangement with the FCC. This undertaking allows the FCC, state commissions and others to examine the possible effects of various actions on household decisions to maintain, acquire or drop telephone service. The Industry Analysis and Technology Division of the FCC's Wireline Competition Bureau is the source of the Wyoming telephone subscribership information in this Report.

The two generally accepted basic measures of subscribership levels are [i] telephone service within the housing unit ("unit") and [ii] telephone service elsewhere which is available at a common location to the people in the housing unit, such as a hallway, clubhouse or other nearby shared area ("available"). The most current penetration rates for Wyoming, as of August 2004, are set forth in the table below, together with comparative data from previous reports.

Wyoming		
Date	"Unit"	"Available"
August 2004	95.8%	96.5%
August 2003	93.8%	95.0%
August 2002	93.7%	95.0%
August 2001	94.2%	95.1%
August 2000	94.8%	96.1%
August 1999	95.0%	95.6%
August 1998	94.8%	95.2%
August 1997	92.7%	94.5%
August 1984	89.9%	92.8%

Considering the subscribership levels for 2004, Wyoming has experienced a statistically significant increase in penetration rates measured between 1984 and 2004, and has also shown modest increases over 2003 in both "Unit" and "Available" penetration statistics, reaching all-time high levels when contrasted with the previous reporting years. For comparison purposes, the summary table below shows the nationwide average penetration rates for the same points in time as those presented above for Wyoming.

Nationwide Averages		
Date	"Unit"	"Available"
August 2004	94.2%	95.1%
August 2003	95.5%	96.2%
August 2002	95.1%	96.0%
August 2001	94.6%	95.4%
August 2000	94.4%	95.2%
August 1999	94.4%	95.3%
August 1998	94.1%	95.2%
August 1997	93.9%	95.0%
August 1984	91.6%	93.7%

These statistics still do not include data on customers using cellular or other wireless technology as their primary source of local service, but we have been told that the FCC is compiling statistics which will later include customers who use these alternatives to land line telephony as their main source of local service. We would expect Wyoming percentages to increase further when the FCC begins maintaining this data.

The more comprehensive table below presents comparative data on individual state penetration rates, measured on a "Unit" basis during the reporting year and for a 1983 historical baseline.

Telephone Penetration by State (Percentage of Households with Telephone Service)
(States with declining penetration levels are italicized for ease of review)

State	November 1983	August 2004	Change
Alabama	87.9%	91.7%	3.8%
Alaska	83.8%	96.2%	12.4%
Arizona	88.8%	93.4%	4.7%
Arkansas	88.2%	88.8%	0.6%
California	91.7%	95.9%	4.2%
Colorado	94.4%	97.0%	2.6%
Connecticut	95.5%	98.1%	2.6%
Delaware	95.0%	96.1%	1.1%
<i>District of Columbia</i>	<i>94.7%</i>	<i>93.2%</i>	<i>-1.5%</i>
Florida	85.5%	93.7%	8.2%
Georgia	88.9%	92.1%	3.2%
Hawaii	94.6%	95.3%	0.7%
Idaho	89.5%	96.8%	7.3%
<i>Illinois</i>	<i>95.0%</i>	<i>90.4%</i>	<i>-4.6%</i>
Indiana	90.3%	91.3%	1.0%
<i>Iowa</i>	<i>95.4%</i>	<i>95.2%</i>	<i>-0.2%</i>
<i>Kansas</i>	<i>94.9%</i>	<i>94.0%</i>	<i>-0.9%</i>
Kentucky	86.9%	90.8%	3.9%
Louisiana	88.9%	90.5%	1.6%
Maine	90.7%	96.6%	5.9%
<i>Maryland</i>	<i>96.3%</i>	<i>94.3%</i>	<i>-2.0%</i>
Massachusetts	94.3%	96.8%	2.5%
Michigan	93.8%	94.2%	0.4%
Minnesota	96.4%	97.7%	1.4%
Mississippi	82.4%	91.6%	9.2%
Missouri	92.1%	93.9%	1.8%
Montana	92.8%	93.6%	0.8%
Nebraska	94.0%	94.8%	0.8%
Nevada	89.4%	93.8%	4.4%
New Hampshire	95.0%	95.0%	0.0%
New Jersey	94.1%	96.1%	2.0%
New Mexico	85.3%	91.6%	6.3%
New York	90.8%	95.0%	4.2%
North Carolina	89.3%	93.6%	4.3%
<i>North Dakota</i>	<i>95.1%</i>	<i>94.5%</i>	<i>-0.6%</i>
Ohio	92.2%	94.0%	1.8%
Oklahoma	91.5%	93.8%	2.3%
Oregon	91.2%	95.5%	4.3%
Pennsylvania	95.1%	96.2%	1.1%
Rhode Island	93.3%	95.5%	2.2%
South Carolina	81.8%	94.2%	12.4%
South Dakota	92.7%	92.9%	0.2%

continued

State	November 1983	August 2004	Change
Tennessee	87.6%	93.6%	6.0%
Texas	89.0%	92.5%	3.5%
Utah	90.3%	97.0%	6.7%
Vermont	92.7%	96.9%	4.2%
Virginia	93.1%	94.5%	1.4%
Washington	92.5%	95.1%	2.6%
West Virginia	88.1%	94.7%	6.6%
Wisconsin	94.8%	96.2%	1.4%
Wyoming	89.7%	95.8%	6.1%
Total United States	91.4%	94.2%	2.8%

f. The Wyoming Equality Network: Telecommunications Technology Serving Education

After the Wyoming Supreme Court's decision in *Campbell County School District v. State*, 907 P.2d 1238 (Wyo. 1995) and 1997 legislation requiring the development and implementation of a statewide education technology plan, the State developed a plan for connectivity for data transfer between schools and interactive video among all high schools in Wyoming. During the first phase of implementation, Qwest was placed under contract to provide data connectivity to all schools. The system included provision for network, frame relay, ATM-CRS, and private line services. It was designed to support advanced high speed data equipment, satellite service, maintenance and management services. The project, officially known as the Wyoming Equality Network (WEN), covers the entire state; and Wyoming's independent telephone companies, in partnership with Qwest, are responsible for substantial portions of the system. The State currently uses Qwest as the inter-exchange carrier to carry inter-LATA traffic to Torrington.

The WEN network has been deployed successfully for six and a half years. It is a high-speed, broadband digital data access network which offers several powerful and flexible features. It provides equitable access and is scaleable, manageable, standards-based, and future-oriented, as well as being compatible with the existing telecommunications infrastructure of Wyoming's local exchange service providers.

The WEN network, like most wide-area networks, is dynamic and constantly evolving. Marconi 200, 420 and 440 series ATM switches are used along with Cisco routers as network hardware. The WEN network uses Switched Variable Circuits to provide flexible video connectivity. Each video location can make direct, point-to-point connections with any other video location in the state simply by calling. If a conference of three or more sites is needed, they simply schedule the video bridge and accomplish a multipoint meeting. WEN's video bridges have been connected to Primary Rate Interface (PRI or T-1 speed) ISDN connections so the system has the capability to dial out and connect or receive a call and connect with other systems throughout the world.

Wyoming schools have continued to develop the use of the Internet as a research and teaching tool, and their need for performance continues to grow. The Wyoming Department of Education has sought and received additional funding to upgrade most of its existing 56 kbps circuits to higher bandwidth T-1 capacity. This project took almost a year and was completed in February 2004. The upgrade not only provided additional bandwidth to most school locations but also gave network managers an opportunity to redesign many district configurations to allow for an easier path for intra-district communications. Internet demand is almost certain to grow as a result of the additional bandwidth. Therefore, despite the fact that last year ten megabytes of bandwidth had been added to the system's fractional OC3 connection (to bring its bandwidth up to a capacity of 45 megabytes), an additional 10 megabytes was added in October 2004 to bring the total service to 55 megabytes per second. Other network tools have been employed to maximize the system's performance. For example, caching, shaping and site blocking tools have been deployed to minimize waste and improve performance.

WEN serves all Wyoming high schools and community colleges, as well as the University of Wyoming's College of Education. It successfully passed beta testing before the reporting year and now provides educational classes and educational service support at remote locations throughout Wyoming.

The current contracts reach maturity in June of 2006, and the Department of Education is currently investigating the capabilities of various vendors to determine what might be available to enhance or improve the next generation of the WEN.

The aggregation of the schools to address common communications technology needs throughout the state helps to make it feasible for telecommunications companies to further deploy ATM-CRS technology for other businesses -- a significant benefit given the rural and sparsely populated character of the state and the investment required to support advanced technology telecommunications applications.

The infrastructure deployed by Wyoming's telecommunications companies has contributed to WEN's success. For example, they have upgraded their central offices with digital capabilities and have, as can be seen in this Report, carried through with significant enhancements of their digital fiber optic interoffice facilities.

You may obtain more technical information about the WEN system from Tom Engbretson at the Wyoming Department of Administration and Information. Contact him at tengbr@state.wy.us or at 307-777-5089.

g. Wyoming Relay

Telecommunications Relay Service (TRS), under the mandates of Title IV of the federal Americans with Disabilities Act (ADA), is designed to provide universal telephone service for all Americans including people who are deaf, hard of hearing, or speech-impaired. On May 1, 2003, the Federal Communications Commission (FCC) again granted certification to Wyoming's Telecommunications Relay Service program (Wyoming Relay) as meeting or exceeding all

established operational, technical, and functional minimum standards. The certification is in effect through July 25, 2008.

During the reporting year, the State of Wyoming Department of Workforce Services, Division of Vocational Rehabilitation, selected Hamilton Relay, Inc., as Wyoming's new provider of Telecommunications Relay Service. Previously, Sprint was the provider of relay service for Wyoming. Hamilton Relay began processing Wyoming relay calls on August 1, 2004. It was selected as the result of a competitive bidding process in which it was determined that it provided the best relay service at the lowest cost to the State. Hamilton Telecommunications, based in Aurora, Nebraska, currently provides relay services to the states of Nebraska, Idaho, Kentucky, Louisiana, Wisconsin, Rhode Island, Maine and the District of Columbia. Established in 1901, Hamilton also provides local telephone and cable television service, call center services, Internet services, computer sales, network integration and other services to customers in Nebraska and across the country.

In 2004, the average number of outbound traditional Wyoming Relay calls per month was 4,381; and this is the same as the previous reporting year. Feedback from customers indicates that Wyoming Relay customers are continuing to switch technology and services. Many are now making Internet relay calls, although we have not been able to get good statistics on the call volume of Internet relay. Current technology does not allow us to know where the Internet relay call is originating from (Wyoming or another state); customers have their choice of providers; and we do not receive reports on the number of Internet relay calls from all providers. We have also received customer feedback that there is an increased use of two-way pagers, e-mail and instant messaging as methods of communication. After 711 dialing access for relay services was implemented nationwide in 2001, Wyoming Relay maintained the existing toll-free access numbers in addition to adding 711 as a convenience. The majority of Wyoming Relay calls now come in via 711 dialing access.

Wyoming legislation authorizes both the Telecommunications Relay Service and an Equipment Distribution Program, all to be funded by a telephone line surcharge. Persons seeking equipment through the program must demonstrate financial need. Eight amplified telephones, thirteen text telephones (TTYs), one voice carryover device, thirteen signaling devices, and seven CapTel telephones were distributed free of charge to individuals with communication impairments who met the financial needs test.

Effective December 8, 2003, Wyoming Relay began offering CapTel Service. The CapTel telephone lets users listen to callers and, at the same time, receive written captions of everything the caller says. The captions, provided by a service that uses the latest in voice-recognition technology, are displayed nearly simultaneously with the caller's speech, making CapTel ideal for anyone who finds it difficult to hear over the telephone. Telephone calls are made in a customary manner -- by simply dialing the called party's telephone number directly. As they dial, the CapTel automatically connects to a captioning service. It all happens quickly, automatically, and transparently, so callers do not interact with the operator or "set up" the call in any special way. The number of CapTel minutes in October 2004, which is the most recent month for which we have data, was 2,416. This is a dramatic increase from March, which was the first month of fully FCC-compliant CapTel service in Wyoming, when the number of CapTel

minutes was only 210. The number of CapTel minutes is anticipated to continue to grow exponentially.

Other services offered by Wyoming Relay include:

Equal Access to Carrier of Choice Wyoming Relay gives users access to their chosen Inter-LATA (interstate) and Intra-LATA (intrastate) carrier or carriers when making relay calls and to all other operator services, to the same extent that such access is provided to standard phone users.

Video Relay Service Video Relay Service, available at <http://www.wyvrs.com>, provides American Sign Language users with an attractive alternative that offers them the opportunity to communicate by video conferencing, using their native language.

Internet Protocol Relay Anyone who has an account with an Internet service provider can make a relay call by accessing <http://www.hiprelay.com>.

Voice Carryover (VCO) VCO allows a deaf or hard-of-hearing person to speak directly to a hearing person. When the hearing person speaks, a relay operator will type to the deaf or hard-of-hearing person everything that is said and the communication will appear on a text display. The Wyoming Relay access phone number for VCO is **1-877-877-1474**. Two-line VCO is also available. Two-line VCO allows a VCO user to have a more interactive conversation. By using two telephone lines, the caller can listen to the conversation on one line while receiving typed text from a relay operator on the other line, thus creating a more natural flow of conversation.

Hearing Carryover (HCO) HCO allows speech-disabled users who can hear to listen to the person they are calling. The HCO user types the desired conversation for the relay operator to read to the standard telephone user. Two-line HCO is also available. Two-line HCO uses two telephone lines and 3-way calling.

Speech-to-Speech Relay Service (STS) Specially trained relay operators help persons with speech disabilities voice their conversations. The relay operators repeat to the other party the words of persons with speech disabilities or persons who use a speech synthesizer. The Wyoming Relay access phone number for STS is **1-877-787-0503**.

Servicio en Español Wyoming Relay Service ofrece el sistema de Relay en español para llamadas en las cuales ambas partes hablen español. Para usar el sistema de Relay en español de Wyoming Relay Service, marque el 1-800-829-2783 (TTY/Voz).

Spanish Language Relay Service TTY users can type in Spanish and the conversations will be relayed in Spanish or translated to English. This is also available to hearing/voice relay users. To access this service, users should dial 1-800-829-2783 (TTY/Voice).

Pay-per-call Calls Deaf, hard-of-hearing, deaf-blind, and speech-disabled callers may access 900 pay-per-call services using Wyoming Relay.

Directory Assistance Wyoming Relay provides access to local, intrastate, and interstate directory assistance.

Answering Machine Retrieval (AMR) Users can ask relay operators to retrieve messages from their voice or TTY answering machines or voice mail. If needed, the caller gives the relay operator a password, places the handset next to the speaker of the answering machine or voice mail until all messages are retrieved, and then the relay operator types or voices the message back to the relay user.

Handling of Emergency Calls This provides a system for incoming emergency calls that, at a minimum, automatically and immediately transfers the caller to the nearest Public Safety Answering Point (PSAP, also known as an emergency dispatch or 911 center). In addition, the relay operators pass along the caller's telephone number to the dispatcher when a caller disconnects before being connected to emergency services. *Despite this, Wyoming Relay encourages users to dial 911 directly in case of an emergency.*

Relay Operator gender preferences Wyoming Relay users may request a relay operator of either gender at the initiation of a call or when there is a change of relay operators.

Speed of Answer 90% of all Wyoming Relay calls are answered within ten seconds. This service requirement helps to ensure that relay calls are answered quickly and are not placed on hold or in queue.

60 WPM Typing Speed Relay operators are required to type a minimum of 60 words per minute (WPM).

Caller ID and other advanced services Wyoming Relay uses SS7 technology to provide true Caller ID that transmits the 10-digit number of the calling party. Because Wyoming Relay can pass, send and receive calling line identification information, a whole host of other advanced features are now available including: Call Rejection, Call Acceptance, Anonymous Call Rejection, Preferred Call Forwarding and Unique Flash. Previously, a relay call would show up on Caller ID as either "unavailable" or "out of area."

Wireless Calls Wyoming Relay Service is capable of processing relay calls that involve pagers, cellular and personal communications services (PCS).

Consumer Complaints Complaint resolution procedures incorporate multiple checks and balances to ensure that complaints are promptly and satisfactorily resolved with Wyoming Relay customers. For questions, problems or to receive free relay training and information, contact Wyoming Relay Customer Service [available 24 hours a day at **1-888-694-4450**] or the state office [available during working hours at **1-800-452-1408** V/TTY and by e-mail at lcieli@state.wy.us].

Summary of Important Contact Information for Relay Services

All call types	711
Text Telephone (TTY) access to Wyoming Relay	1-800-877-9965
Voice users access to Wyoming Relay	1-800-877-9975
Voice Carryover (VCO) users access to Wyoming Relay	1-877-877-1474
Speech-to-Speech (STS) users access to Wyoming Relay	1-877-787-0503
Servicio en español (Spanish Language Service)	1-800-829-2783
Video Relay Service	www.wyvrs.com
Internet Relay Service	www.hiprelay.com
24-Hour Customer Service Center	1-888-694-4450 V/TTY
Relay Service Information	1-800-452-1408 V/TTY

The Wyoming Telecommunications Relay Service Advisory Committee

In 1991, W.S. §§ 16-9-202 through 16-9-204, created the Telecommunications Relay Service Advisory Committee, a seven-member committee appointed by the Governor for three-year terms. The Committee provides advice concerning the administration of the Wyoming Relay Program, and annually determines the amount of the telephone surcharge per access line. Members are selected from appointment districts, and not more than four members may be affiliated with the same political party. The current members are: Angela S. Turner (I) [Cheyenne]; Susan M. Fanning (D) [Laramie]; Jeffrey S. McKimmey (R) [Jackson]; John D. Cosner (R) [Gillette]; Paul S. Brooks (R) [Sundance]; Heather Parsons (D) [Casper]; and Larry Paulsen (R) [Powell].

h. SWEETNET: an Open Source Service Provider Network in Southwestern Wyoming
(by Steve Shea, Chairman, Joint Powers Telecommunications Board)

It has traditionally been the responsibility of cities to provide the infrastructure required to maintain and enhance the quality of life for residents and provide businesses with new opportunities to grow and expand. Along with providing the infrastructure for incumbent businesses to grow and flourish, it is also necessary to attract and retain new businesses thus expanding the opportunities within the communities.

Access to new and competitively priced advanced telecommunications and information services, now and in the future, is as important today in the 21st century as basic telephone service, paved streets, water and sewer were to the quality of life and economic development in rural communities in the early part of the 20th century.

To that end the Joint Powers Telecommunications Board (JPTB), an inter-local government agency formed by the cities of Green River and Rock Springs, is in the process of implementing a Southwestern Wyoming Enhanced & Expanded Telecommunications (SWEET) Network. The SWEETNET will allow service providers to achieve "Internet economies of scale in the last mile." Residents and businesses will benefit through efficient service provisioning and increased bandwidth capacity. As it becomes more efficient for service providers to deploy high-speed, multi-service networks, more customers will be connected, more revenue

opportunities around high-value applications will arise, and prices for services and applications will decrease.

The SWEET System will provide a dynamic environment for economic growth within the region and provide residents and businesses with “twenty-first century information services.”

The Benefits expected are:

- A reliable, cost-effective, high-speed community based network..
- Interconnectivity among local government facilities and entities, which will permit greater economies of scale as well as new services to be offered.
- Enhance the educational opportunities and environment within the communities by providing local high speed Transparent LAN connectivity for K-12 schools and colleges. Provide for education’s future outreach to the community by providing connectivity to businesses and residents as well as high-speed external connections to the worldwide education community.
- Enhance transportation opportunities and safety within and between the communities by providing reliable connectivity for citizens to their public transportation systems.
- Create a competitive landscape for information and telecommunications services that will foster increased competition, greater choice, rapid provisioning and delivery of services, lower costs and extremely high reliability.
- Facilitate “open access” to the network for local businesses for point-to-point and transparent LAN services across the network at reasonable cost.
- Provide a MON (metro-area optical network) infrastructure that will create an environment where community based information, communications, entertainment and business services can flourish and improve the quality of life for all of its residents.

The SWEETNET System is a multi-year program that began with the installation, termination and testing of a fiber optic backbone. The JPTB has completed the installation of a 96-strand single mode fiber backbone connecting the cities of Green River and Rock Springs to the regional POP (Point of Presence) on the Broadwing transcontinental fiber. This fiber is approximately 21 miles long with four main points. (Green River City Hall, Rock Springs City Hall, Blairtown and the POP). This fiber backbone extends the “Carrier Class” network of the tier 1 transcontinental bandwidth providers to the respective cities. It provides a platform for the delivery of cost effective high bandwidth services to the Core Layer of the SWEETNET System.

The backbone consists of:

- 24 strands of continuous fiber between Green River and the POP, terminated at both ends,
- 24 strands of continuous fiber between Rock Springs and the POP, terminated at both ends,
- 12 strands of continuous fiber between Green River and Rock Springs, terminated at both ends,

- 84 strands of continuous fiber between Rock Springs and Blairtown, not terminated at either end, and
- 24 strands of continuous fiber between Green River and Blairtown, not terminated at either end.

During 2003, the JPTB and their consultant and contractors completed a market study, a preliminary engineering design and a feasibility study, copies of which are available on the SWEETNET web site below. The market study showed the likely penetration rate SWEETNET ultimately achieves will reach 67% to 71%. A follow-up independent marketing study reached the same conclusion. Total cost of the project would be approximately \$25-30 million, with the final cost dependent on bond interest rates at the time of construction and the final selection of the type of optical connector that will be used at each subscriber location. Based on the estimated cost of the project, a subscriber penetration rate of 22-27% needs to be achieved to assure SWEETNET's financial viability. Penetration requirements vary depending on exactly how the construction of the network is phased. The SWEETNET market studies combined with an analysis of similar projects throughout the country indicate that the required subscriber penetration rates can be effectively achieved.

Unfortunately, the city governments of Rock Springs and Green River have experienced state revenue downturns in the past year and are not currently in a position to back the project itself financially. The JPTB has contracted with MetroNets to find private financing from other sources. The results of that search will be revealed early in 2005.

In the meantime, the cities have continued to fund the JPTB, and move forward with connecting governmental buildings. An RFP was issued in January of 2005 for construction of a line between the County Sheriff Offices in Rock Springs and the Rock Springs City Hall. This will enable all of the law enforcement agencies in both cities to communicate with increased security and enable some enhancements of the E-911 system. Fiber upgrades to the County and City offices in Green River are also included in the RFP.

The SWEETNET system will be a new generation network rather than a new generation monopoly. The JPTB will not be locked into any long-term contracts or exclusive arrangements with any particular service providers. The JPTB is committed to bring at least two retail service providers for each of the functional areas: voice, video broadcast, video on demand, and an Internet Service Provider onto the system in a reasonable time frame. These services are in addition to Transparent LAN and other "On-Net" services that will be provided to local businesses and government without an external service provider. The SWEETNET system will be an open network owned by the public, in which the system is operated by an entity independent of the retail services.

The system will be an affordable community-wide, retail-neutral, open network, more advanced than the hybrid fiber/coax (HFC) designs found elsewhere. The use of HFC technology does not fully use the most recent, proven technologies, has severe limitations and would soon be outdated. In addition, the JPTB believes that an HFC system, no matter how modern or advanced, cannot provide sufficient bandwidth to accommodate many simultaneous service providers in all of the potential application areas that such a system should or could provide.

Another major consideration is the ability to support the needs of large corporate and government interests for extremely high bandwidth services such as 1Gb or 10Gb Transparent LAN Services (TLS), Synchronous Optical Network (SONET), OC-3 to OC-192, and others.

The JPTB will contract with a network operator who will face no conflict of interest in opening the network to all retail services and wholesale services. Developing municipal infrastructure with any content carrier would undermine the very purpose of building a new independent wholesale transport infrastructure, the intent of which is to provide open, fair and equal access to all interests in the community.

Key features of the SWEET System will be:

- Open Architecture to eliminate monopoly, technology lock-in and promote competition for open and equal access.
- Transparent end-to-end optical infrastructure which takes advantage of key technologies to create an Open Systems Interconnection (OSI) Layer 2 network which has a fully redundant Core and Distribution layer Architecture with 99.999% reliability.
- Multi-gigabit core and distribution layers and gigabit capable access layer utilizing the latest "Metro Ethernet" technologies with the ability for seamless scalability into Dense Wavelength Division Multiplexing (DWDM) and other transparent high bandwidth technologies for future growth requirements.
- Accommodate any present or future voice, Internet, data and video requirements provided by multiple providers while not being locked-in to any single technology or vendor. All traffic transits the same network with no hybrid networks required.
- Complete compatibility with all Internet and Internet II protocols
- A Layer 2 network design that creates ubiquitous access and is fully converged and readily scalable.
- Redundant ring topology utilizing gigabit Ethernet over fiber optics with highly flexible Quality of Service (QOS) and Class of Service (COS) configurable to allocate bandwidth to the various data, voice and video services.
- The system allows for multi-site connectivity, maintains system reliability through redundancy, and has built-in port capability to support expansion projections.

The SWEET System will be capable of supporting the following services:

- VoIP telephony,
- Instructional programming,
- Video-on-demand (VOD) streams,
- Video teleconferencing,
- Unified messaging (e-mail/voice mail) and Internet access,

- Networked data services,
- Smart home devices, and
- Internet gaming.

It is the intent of JPTB to create a versatile network architecture that will facilitate the rapid introduction and adoption of services and dramatically reduce the current provisioning times required to bring multi-service networking solutions to government, businesses and residents.

Additional reports, studies and information about the SWEETNET system can be obtained on the Internet at www.sweetnet.us.

i. **The Wyoming Telecommunications Council -- 2004.**

**WYOMING TELECOMMUNICATIONS COUNCIL
2004 Annual Report**
to
**The Honorable Dave Freudenthal
Governor of Wyoming**
and
**The Legislative Joint Corporations, Elections, and
Political Subdivisions Interim Committee**

Statutory activities of the Wyoming Telecommunications Council.

The Wyoming Telecommunications Council was established by the Legislature in 1989 under W.S. § 9-2-1026.2. The nine-member Council, appointed by the Governor with Senate approval, is charged by law with [a] developing long range and short range goals and plans to meet the telecommunications needs of the state and its citizens; [b] inventorying current telecommunications infrastructure; and [c] soliciting comments and recommendations on needs, practices and technologies for providing telecommunications services in Wyoming. Below is a copy of the Council's 2004 Annual Report. Find more information about the Wyoming Telecommunications Council on line at:

<http://cio.state.wy.us/telecom/index.asp>

MEETING SUMMARIES

The Wyoming Telecommunications Council (WTC) met with its membership on January 7, 2004, in Cheyenne. The membership was briefed on the upcoming Budget Session, as it related to the WTC budget request for the Broadband Project. Advocacy suggestions were offered and discussed. The Wyoming Public Service Commission (PSC) Triennial Review Order (TRO) progress was updated. The WTC offered opinion and participated in the TRO.

On March 19, 2004, the WTC again met in Cheyenne. An update was provided by the WyoLink (public safety mobile communications) project team. Mr. Robert Wyatt, WTC council member, served as the co-chair for the WyoLink Steering Committee. The Council was informed of a \$250,000 appropriation for the Broadband Study. The appropriation was made available through the Wyoming Business Council "Business Ready Communities" fund. The Broadband Project work plan was revised, as a result of industry and Council input. It was decided that the Wyoming Telecommunications Association will be provided a place on the agenda in all future WTC meetings. Senate Enrolled Act 31 (to establish a uniform statewide health care information and communication technology system) was discussed, as to similarities between that project and the Broadband Project. The health care team was contacted in an effort to share telecommunications coverage data. The WTC chairman serves on the subcommittee for the statewide health care electronic medical records project.

The WTC met in a working session, on April 23, 2004, in Casper, to discuss the broadband initiative work plan. Industry representatives were invited to participate and provide input. The input was used to change the work plan document in preparation for the WTC presentation to the Wyoming Business Council at its June meeting in Jackson, WY.

The WTC met on July 7, 2004, in Casper. The WTC chairman reported on his attendance at the Wyoming Telecommunication Association (WTA) meeting. The WTA embraced the use of the "place at the table" for future WTC meetings. It was reported that the Wyoming Business Council (WBC) had approved the Broadband Project concept and that they had allotted \$250,000 from their "Business Ready Communities" fund for that project. The Broadband Project work plan was presented and discussed. The tasks that need to be completed, prior to drafting an RFP for a telecommunications consultant, were discussed. The initial survey of the telephone companies and cable providers is to collect data in order to identify the "challenge" areas for services within our state. A recent national survey was shown to have recognized Wyoming's improvement in the digital services being provided to citizens. The ranking was 18th – which is quite an improvement from the previous ranking of 44th. Progress of telecommunications infrastructure through the Wind River Indian Reservation was discussed. The Wyoming Public Television director informed the Council of the new digital conversion project and stressed the need to share telecommunication resources.

The WTC met on September 17, 2004 in Worland. The Electronic Health Records RFP generated 9 proposals for a plan to implement electronic medical records and exchange medical records, using a common format. A couple of WTC council members assisted in reviewing and advising on this project. The WyoLink Radio Project released its RFP in August for an interoperability solution for the state. The industry report focused on what information was confidential and/or proprietary, as the survey is prepared for release. The WTC and the audience reviewed, worked, and finalized the initiative letter and the survey during this session.

The WTC met on December 10, 2004 in Casper. Possible sources for a more detailed information survey were discussed. The Broadband Initiative Project steps were restated and confirmed by the Council. Top priorities for 2005 were identified by the Council. Upcoming Council vacancies were discussed, as they relate to nominees and leadership. The activities of

the University of Wyoming and the Wyoming Business Council, related to the "Business Incubator" at the University, were discussed.

The Broadband Project is guided by the attached Wyoming Telecommunications Council policy statement:

Wyoming Telecommunications Council Policy Brief – as adopted 11/14/03

To make Wyoming a better place to live and work, the State government hereby resolves to achieve universal broadband access to advanced telecommunications services for all Wyoming citizens.

Wyoming's ability to participate in the global economy depends on providing all citizens access to a broadband infrastructure that delivers such services as high-speed Internet access and video conferencing. Broadband networks have joined highways and railroads as necessary elements of a modern infrastructure and are an essential component of economic prosperity.

Just like the farm-to-market roads programs of the last century created opportunities for farmers and ranchers to move their products to market, our ability to compete in the new century depends in large measure on the development of our telecommunications infrastructure. Economic, social, educational and healthcare problems will result, if areas are 'left out' of the communications revolution because they lack broadband access.

- Broadband services are an essential component to operating a business. Today, ranchers with access to high-speed services can locate and transact business with livestock purchasers around the world. Lack of broadband access results in lost sales, which has a negative impact on economic prosperity.
- Lack of broadband access can also impact a community's educational system. A child assigned to write a school report on the Transcontinental Railroad can produce a superior product, if that child can access the Library of Congress with the click of a mouse. The edge that technically well-served students have over students without access to these services will have an enormous impact on future generations.
- Quality healthcare is also of critical importance to Wyoming. Telemedicine facilitates the exchange of patient information from one site to another over broadband services. Lives can be saved in remote rural areas where a patient and the closest health care professional are miles apart.

Our principal challenge, as a State, is to identify any barriers that might exist to achieving universal broadband access and to eliminate them. *With this in mind, the State recommends that the Legislature:*

Fund the Wyoming Telecommunications Council's budget request. Once funded, the Council will define the areas of Wyoming where barriers exist to the provision of universal broadband access and develop collaborative plans of action to overcome these barriers. These plans will

emphasize market-based solutions where possible and will be developed in cooperation with all municipal and county governments and the telecommunication companies that serve them.

BROADBAND WORK PLAN

The Broadband proposal calls for the funding of seven separate steps toward implementing the goal of achieving universal broadband access:

- Bring together the primary stakeholders to determine the specifics of the project through a scoping statement;

Data collection is on-going.
- Create an inventory of current and prospective types of access facilities, including, but not limited to, copper loops, DSL service, cable modem access, wireless technologies, and the like;

Data collection is on-going.
- Gather and analyze baseline data on existing and planned broadband facilities by location and provider;

Data collection is on-going.
- Issue a Request for Information (RFI), to seek ways of expanding broadband access to areas that the previous step showed were lacking and would continue to lack without a change to governmental policy;
- Analyze the responses to the RFI to determine the optimal approach to achieving universal broadband access in Wyoming and determine both a rough plan to implement the strategy and a rough estimate of the cost of doing so;
- Develop a plan to educate the public about why universal broadband access should be a Wyoming goal; and
- Develop any needed legislative changes.

The planned activities of the Wyoming Telecommunications Council in 2005 critically depend upon the ability of the project team to collect meaningful information, which will identify the “challenge” areas and allow the WTC to hire a consultant to research each of the “challenge” areas for an inventory of proximity telecommunications resources.

j. **Wireless Telecommunications in Wyoming**

Cellular telecommunications services are provided state-wide within each of five Rural Service Areas (RSAs) and one Metropolitan Statistical Area (MSA). Each Area, conceptually similar to a certificated service territory, is served by two providers. In each Area, there is always a non-wireline provider (System A) and a wireline provider legally affiliated with an existing land-line telephone company (System B). Systems A and B are mutually exclusive. Under federal law, the FCC, and not the states, regulates both the certification of wireless service providers for market entry and the specification of their service territories. Further information about cellular service providers, Wyoming’s RSAs and its MSA is found in Appendix C to this Report.

PCS (Personal Communications Service) wireless telecommunications services are also provided state-wide through various carriers licensed and authorized by the FCC. PCS is broadly defined as mobile and fixed wireless communications products and offerings, serving both residential and business customers, and can be integrated into a variety of networks. PCS is functionally divided into two major categories – broadband and narrowband. Cellular and broadband PCS are comparatively similar in quality, price, value added services and coverage. For PCS purposes, Wyoming is divided into nine Basic Trading Areas (BTAs) with each area similar to a certificated service territory. Further information about Wyoming’s PCS providers and Wyoming’s nine BTAs can be found in Appendix C to this Report.

The Commission’s jurisdiction over wireless telecommunications service is limited in the Wyoming Act to universal service funding matters and to service quality issues “to the extent not preempted by federal law.” See, W.S. § 37-15-104(a)(vi). The Commission took legal argument on preemption and found that the area was sufficiently preempted by federal law that the Commission would not engage in cellular quality of service rule making. [Docket No. 90000-XR-01-88; General Order No. 88] The ability of wireless carriers which provide the functional equivalent of land line service to obtain payments from the Wyoming Universal Service Fund was added to the Wyoming Act in 2001. See, W.S. §§ 37-15-101 and 37-15-102. The definition of the wireless services eligible for support from the fund is found at W.S. § 37-15-103(a)(xvi).

General issues concerning the Wyoming Universal Service Fund are discussed above in this report.

SECTION 3 OTHER INFORMATION

a. The Commission's Geographic Information System (GIS)

Since December 2000, the Commission has been using a Geographic Information System (GIS) to delineate the certificated area boundaries for all jurisdictional utilities in Wyoming, including data on the certificated territories of all facilities-based ILECs operating in Wyoming. In the past year, there have been only limited updates to the data. A GIS map of the ILEC certificated service areas, can be found at Appendix K to this Report. [See our updated color GIS maps of the service territories of Wyoming's gas, electric and telecommunications companies at the PSC web site: <http://psc.state.wy.us/htdocs/certterr.htm>]

Prior to the implementation of GIS, maps of certificated area boundaries were maintained primarily by hand, using traditional hand drafting methods. Our GIS maps are more accurate and much easier to maintain and update. We expect these more accurate computer maps to continue to keep disputes among utility companies over certificated territories to an absolute minimum. Changes to utility certificated areas which may be brought about by, among other things, utility acquisitions and mergers are reflected in the GIS data base as soon as they are approved by the Commission.

The Commission has long recognized that irregularities in written territory descriptions and anomalies in the Public Land Survey, which our orders reference, have the potential to create varying perceptions of the precise boundaries of utility certificated areas. The GIS system will allow us to identify areas where boundaries overlap, or conversely, where no utility has been certificated to provide service. When these areas are identified and checked against relevant Commission orders, we will be able to consult with the affected utilities to resolve any remaining service area anomalies. This process will continue in 2005. During the reporting year, the Commission's GIS system helped to track down the origins and logic behind the boundaries of electric utility service territories in the Buffalo area and the Campbell County area for PacifiCorp and Powder River Energy Corporation.

In addition to refining the results of this phase of the project, the Commission is actively developing additional uses for its GIS platform. For example, the Commission's facilities engineers have continued to capture necessary data related to the geographic location of utility facilities throughout Wyoming using Global Positioning Satellite (GPS) technology. While this effort has been primarily focused on electric facilities throughout the state, as time and resources allow, we will capture similar data on telecommunications facilities such as switching and remote terminal locations and interoffice cable routes. This in turn will allow a more accurate inventory of telecommunications services throughout Wyoming and assist in identifying areas of compliance and non-compliance with the Commission's quality of service rules. The Commission is also considering constructing an overlay of wireless facilities in the future.

The Commission has shared data with several organizations in the past year. The following disclaimer is sent with all data requests:

"No liability is assumed by the Wyoming Public Service Commission due to the accuracy of the information, errors or omissions. Although these data have been processed successfully on a computer system, no warranty expressed or implied is made regarding the accuracy or utility of the data on any other system or for general or scientific purposes, nor shall the act of distribution constitute any such warranty. This disclaimer applies both to individual use of the data and aggregate use with other data. The State of Wyoming does not waive sovereign immunity by distributing these data, and specifically retains immunity and all defenses available to it as sovereign pursuant to Wyo. Stat. § 1-39-104(a), Wyo. Stat. § 1-39-120, Wyo. Stat. § 1-39-121, and all other state law."

b. Your Reactions to This Report are Important to Us

Please tell us what you liked about this Report and what you would like to see added, changed or covered differently in the future. Please share your thoughts and ideas with Steve Oxley, the Commission's Chief Counsel:

by telephone: 307-777-7427 (voice) or 307-777-5700 (fax)
by e-mail: soxley@state.wy.us
in writing: Steve Oxley, Chief Counsel
Wyoming Public Service Commission
2515 Warren Avenue, Suite 300
Cheyenne, Wyoming 82002

c. The Telecommunications Report Team

Reports do not write themselves, and this Telecommunications Report is no exception. Among the contributors to this report are:

Mike Korber, Wyoming Public Service Commission
and
Art Schmidt, Wyoming Public Service Commission
Bryce Freeman, Wyoming Office of Consumer Advocate
Kim McMasters, Wyoming Public Service Commission
Lori Cielinski, Department of Workforce Services
Tom Engbretson, Department of Administration & Information
Steve Shea, Chairman, Joint Powers Telecommunications Board
and

Various experts working for Wyoming's land line and wireless service providers.

APPENDIX A

Wyoming Incumbent Local Exchange Carriers (ILECs)

As of December 31, 2004

<p>1. <u>All West Communications</u> P. O. Box 588 Kamas, UT 84036-0588 (801) 783-4361 County Served: Lincoln Exchange: Cokeville</p>	<p>Access Lines 326 Revenues \$ 606,546 Gross Plant \$2,954,209 Net Plant \$1,111,264</p>
<p>2. <u>Chugwater Telephone Company</u> P. O. Box 223 Chugwater, WY 82210-0223 (307) 422-3535 Counties Served: Laramie, Platte Exchange: Chugwater</p>	<p>Access Lines 264 Revenues \$ 511,648 Gross Plant \$1,227,946 Net Plant \$ 254,434</p>
<p>3. <u>Dubois Telephone Exchange</u> P. O. Box 246 Dubois, WY 82513-0246 (307) 455-2341 Counties Served: Fremont, Sweetwater and Carbon Exchanges: Baggs, Crowheart and Dubois</p>	<p>Access Lines 2,413 Revenues \$ 4,198,273 Gross Plant \$14,899,982 Net Plant \$ 5,280,654</p>
<p>4. <u>Golden West Telephone Cooperative</u> P. O. Box 411 Wall, SD 57790-0411 (605) 279-2161 Counties Served: Niobrara and Weston Exchange: Edgemont, SD</p>	<p>Access Lines 28 Revenues \$ 77,812 Gross Plant \$303,182 Net Plant \$124,412</p>
<p>5. <u>Project Telephone Company</u> P. O. Box 600 Scobey, MT 59263-0600 (406) 783-5659 County Served: Park Exchange: Clark</p>	<p>Access Lines 272 Revenues \$ 115,334 Gross Plant \$1,246,246 Net Plant \$ 750,527</p>

APPENDIX A

Wyoming Incumbent Local Exchange Carriers (ILECs)

As of December 31, 2004

<p>6. <u>Range Telephone Cooperative</u> P. O. Box 127 Forsyth, MT 59327-0127 (406) 347-2226</p>	<p>Access Lines 2,312 Revenues \$ 2,625,150 Gross Plant \$16,184,968 Net Plant \$ 8,452,725</p>
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Counties Served: Crook, Weston, Campbell, Sheridan and Johnson

Exchanges: Alzada, MT, Decker, MT, Arvada, Clearmont, Southeast Sheridan, and Sundance

<p>7. <u>RT Communications</u> P. O. Box 506 Worland, WY 82401 (307) 347-8251</p>	<p>Access Lines 17,297 Revenues \$20,300,525 Gross Plant \$99,696,366 Net Plant \$25,099,647</p>
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Counties Served: Fremont, Natrona, Laramie, Weston, Crook, Washakie, Johnson, and Hot Springs

Exchanges: Albin, Burns, Carpenter, Pine Bluffs, Gas Hills, Hulett, Jeffrey City, Kaycee, Midwest, Moorcroft, Newcastle, Shoshoni, Thermopolis, Upton/Osage and Worland

<p>8. <u>Silver Star Communications</u> 104101 Highway 89 Freedom, WY 83120 (307) 883-2411</p>	<p>Access Lines 4,230 Revenues \$ 4,847,728 Gross Plant \$16,814,404 Net Plant \$ 6,461,631</p>
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County Served: Lincoln
 Exchanges: Alpine and Freedom

<p>8a. <u>Silver Star Communications at Alta, d/b/a Teton Telecom</u></p>	<p>Access Lines 263 Revenues \$402,878 Gross Plant \$987,936 Net Plant \$383,978</p>
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County Served: Teton
 Exchange: Driggs, ID

<p>9. <u>CenturyTel of Wyoming formerly PTI Communications</u> 110 South Franklin Pinedale, WY 82941 (307) 367-4321</p>	<p>Access Lines 5,673 Revenues \$ 4,347,295 Gross Plant \$19,134,867 Net Plant \$ 4,610,991</p>
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Counties Served: Sublette, Sweetwater, Carbon, and Albany

Exchanges: Big Piney, Eden-Farson, Medicine Bow and Pinedale

APPENDIX A

Wyoming Incumbent Local Exchange Carriers (ILECs)

As of December 31, 2004

<p>10. <u>TCT West</u> P. O. Box 671 Basin, WY 82410 (307) 568-3357</p>	<p>Access Lines 5,460 Revenues \$ 8,222,699 Gross Plant \$39,397,256 Net Plant \$21,634,369</p>
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Counties Served: Big Horn, Park and Hot Springs
 Exchanges: Lovell, Meeteetse, Greybull, Frannie/Deaver and Basin

<p>11. <u>Tri County Telephone Association</u> P. O. Box 310 Basin, WY 82410-0310 (307) 568-2427</p>	<p>Access Lines 1,106 Revenues \$ 3,121,638 Gross Plant \$11,803,674 Net Plant \$ 5,989,894</p>
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Counties Served: Washakie, Big Horn, Park, and Hot Springs
 Exchanges: Burlington, Hamilton Dome, Hyattville and Ten Sleep

<p>12. <u>Union Telephone Company</u> P. O. Box 160 Mountain View, WY 82939-0160 (307) 782-6131</p>	<p>Access Lines 6,172 Revenues \$26,615,687 Gross Plant \$103,981,886 Net Plant \$47,896,885</p>
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Counties Served: Uinta, Sweetwater, Carbon, Albany, Lincoln, and Sublette
 Exchanges: Mountain View, Lyman, Hanna/Elk Mountain, Rock River, LaBarge, Shirley Basin, Saratoga and Encampment

<p>13. <u>Sprint Communications d/b/a United Telephone Company of the West</u> P. O. Box 2128 Scottsbluff, NE 69363 (308) 635-8200</p>	<p>Access Lines 6,961 Revenues \$ 7,032,136 Gross Plant \$15,056,928 Net Plant \$ 4,977,536</p>
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Counties Served: Goshen and Platte
 Exchanges: Guernsey, LaGrange, Lingle, Torrington and Lyman, NE

APPENDIX A

Wyoming Incumbent Local Exchange Carriers (ILECs)

As of December 31, 2004

14. <u>Qwest Corporation</u>	Access Lines	255,442
6101 Yellowstone Road	Revenues	\$209,466,052
P. O. Box 428	Gross Plant	\$557,438,417
Cheyenne, WY 82003-0428	Net Plant	\$138,011,952
(307) 771-6298		

Counties Served: All Wyoming Counties (Albany, Big Horn, Campbell, Carbon, Converse, Crook, Fremont, Goshen, Hot Springs, Johnson, Laramie, Lincoln, Natrona, Niobrara, Park, Platte, Sheridan, Sublette, Sweetwater, Teton, Uinta, Washakie and Weston) and Yellowstone National Park.

Exchanges: Afton, Buffalo, Casper, Cheyenne, Cody, Dayton/Ranchester, Douglas, Evanston, Gillette, Glendo, Glenrock, Green River, Jackson, Kemmerer, Lander, Laramie, Lusk, Powell, Rawlins, Riverton, Rock Springs, Sheridan, Story, Wheatland, Wright, Yellowstone Park (Lake, Mammoth, Old Faithful)

Sources: Telecommunications company reports filed with the Commission during the reporting year.

APPENDIX B

Wyoming Competitive Local Exchange Carriers (CLECs)
as of December 31, 2004

Mergers and acquisitions which occurred during the reporting year and previous years are described at the end of the relevant company entries.

1.	AT&T Communications of the Mountain States 1875 Lawrence Street Denver, Colorado 80202 Certificate authority: Qwest exchanges only
2.	Sprint Communications Company 8140 Ward Parkway P.O. Box 8417 Kansas City, Missouri 64114 Certificate authority: Qwest and Sprint/United exchanges only
3.	Excel Telecommunications 2440 Marsh Lane Carrollton, Texas 75006 Certificate authority: Qwest exchanges only (Acquired by Teleglobe Communications during 1998.)
4.	McLeodUSA Telecommunications Services McLeodUSA Technology Park 6400 C Street SW P.O. Box 3177 Cedar Rapids, Iowa 52406-3177 Certificate authority: Qwest exchanges only
5.	Ionex Communications North formerly FirsTel 5710 LBJ Freeway - Suite 215 Dallas, Texas 75240F Certificate authority: Qwest exchanges only (Acquired by Advanced Communications Group during 1998.) (Acquired by Ionex Telecommunications during 2003.)
6.	MCIMETRO Access Transmission Services MCIMETRO 707 17 th Street, Suite 3600 Denver, Colorado 80202 Certificate authority: Qwest exchanges only
7.	WYOCOM wyoming.com d/b/a Contact Communications 937 West Main Street Riverton, Wyoming 82501 Certificate authority: Qwest and Sprint/United exchanges only
8.	ACN Communication Services 32991 Hamilton Court Farmington Hills, Michigan 48334 Certificate authority: Qwest exchanges only

APPENDIX B

Wyoming Competitive Local Exchange Carriers (CLECs)
as of December 31, 2004

9.	<p>Preferred Carrier Services 500 Grapevine Highway Suite 300 Hurst, Texas 76054 Certificate authority: Qwest exchanges only (Acquired by Phones For All during 1998.)</p>
10.	<p>Talk.com Holding Corp d/b/a Talk America formerly Tel-Save d/b/a The Phone Company 12001 Science Drive – Suite 130 Orlando, Florida 32826 Certificate authority: Qwest exchanges only</p>
11.	<p>WorldCom Communications 201 Spear Street – 9th Floor San Francisco, California 94105 Certificate authority: Qwest exchanges only</p>
12.	<p>Silver Star Communications 104101 Highway 89 Freedom, Wyoming 83120 Certificate authority: Afton and Jackson exchanges of Qwest</p>
13.	<p>Nova Communications formerly Sterling International Funding d/b/a 1-800-Reconex a/k/a Ameritel 9620 S.W. Barbur Blvd. - Suite 330 Portland, Oregon 97219 Certificate authority: Qwest exchanges only</p>
14.	<p>Western CLEC formerly Eclipse Communications 3650 131st Avenue SE - Suite 400 Bellevue, Washington 98006 Certificate authority: Qwest exchanges only</p>
15.	<p>Level 3 Communications 1025 Eldorado Blvd. Broomfield, Colorado 80021 Certificate authority: Qwest exchanges only</p>
16.	<p>InTTec subsidiary of Visionary Communications P. O. Box 2799 Gillette, Wyoming 82717 Certificate authority: Qwest exchanges only</p>
17.	<p>DSLnet Communications 545 Long Wharf Drive - Fifth Floor New Haven, Connecticut 06511 Certificate authority: Qwest exchanges only</p>

APPENDIX B

Wyoming Competitive Local Exchange Carriers (CLECs)

as of December 31, 2004

18.	<p>Tri Tel 405 South Fourth Street P. O. Box 350 Basin, Wyoming 82410 Certificate authority: Qwest exchanges only</p>
19.	<p>New Edge Networks 3000 Columbia House Blvd. - Suite 106 Vancouver, Washington 98661 Certificate authority: Qwest exchanges only</p>
20.	<p>All West/Wyoming 50 West 100 North Kamas, Utah 84036 Certificate authority: Qwest exchanges only</p>
21.	<p>Quantumshift Communications formerly MVX.COM Communications 100 Rowland Way - Suite 145 Novato, California 94945 Certificate authority: Qwest exchanges only</p>
22.	<p>ARBROS Communications d/b/a Comm South Companies 6830 Walling Lane Dallas, Texas 75231 Certificate authority: Qwest exchanges only</p>
23.	<p>CI² 200 Galleria Parkway - Suite 1550 Atlanta, Georgia 30339 Certificate authority: Qwest exchanges only</p>
24.	<p>NOW Communications 711 South Tejon Street - Suite 201 Colorado Springs, Colorado 80903 Certificate authority: Qwest exchanges only</p>
25.	<p>Universal Access 100 North Riverside Plaza - Suite 2200 Chicago, Illinois 60606 Certificate authority: Qwest exchanges only</p>
26.	<p>Reliant Communications formerly HJN Telecom 3235 Satellite Blvd. Building 400 - Suite 300 Duluth, Georgia 30096 Certificate authority: Qwest exchanges only</p>
27.	<p>CommPartners 3291 North Buffalo Drive - Suite 8 Las Vegas, Nevada Certificate authority: Qwest exchanges only</p>

APPENDIX B

Wyoming Competitive Local Exchange Carriers (CLECs)

as of December 31, 2004

28.	United Communications Hub 225 Lake Avenue - Suite 705 Pasadena, California 91106 Certificate authority: Qwest exchanges only
29.	360Networks (USA) 867 Coal Creek Circle - Suite 160 Louisville, Colorado 80027 Certificate authority: Qwest exchanges only
30.	Dieca Communications d/b/a Covad Communications 3420 Central Expressway Santa Clara, California 95051 Certificate authority: Qwest and Sprint/United exchanges only
31.	Premiere Network Services 1510 North Hampton Road - Suite 120 DeSoto, Texas 75115 Certificate authority: Qwest exchanges only
32.	BT Communications Sales formerly Concert Communications Sales 11440 Commerce Park Drive Reston, Virginia 20191 Certificate authority: Qwest exchanges only
33.	Z-Tel Communications 601 South Harbour Island Blvd. – Suite 220 Tampa, Florida 33602 Certificate authority: Qwest exchanges only
34.	KMC Telecom V 1755 North Brown Road Lawrenceville, Georgia 30043 Certificate authority: Qwest exchanges only
35.	Regal Telephone 1119 West Kent Avenue – Suite J Missoula, Montana 59806 Certificate authority: Qwest exchanges only
36.	NOS Communications 4380 Boulder Highway Las Vegas, Nevada 89121 Certificate authority: Qwest exchanges only
37.	New Access Communications 120 South 6th Street – Suite 950 Minneapolis, Minnesota 55402 Certificate authority: Qwest exchanges only
38.	Intrado Communications 6285 Lookout Road

APPENDIX B

Wyoming Competitive Local Exchange Carriers (CLECs)
as of December 31, 2004

	Boulder, Colorado 80301 Certificate authority: Qwest exchanges only
39.	Vartec Telecom 2440 Marsh Lane Carrollton, Texas 75006 Certificate authority: Qwest exchanges only
40.	KMC Data 1545 Route 206 – Suite 300 Bedminster, New Jersey 07921 Certificate authority: Qwest exchanges only
41.	Budget Phone 6901 West 70 th Street Shreveport, Louisiana 71149 Certificate authority: Qwest exchanges only
42.	ICG Telecom Group 161 Inverness Drive West Englewood, Colorado 80112 Certificate authority: Qwest exchanges only
43.	OrbitCom formerly VP Telecom 1701 North Louise Avenue Sioux Falls, South Dakota 57107 Certificate authority: Qwest exchanges only
44.	Advanced Communications Technology 60 West Seymour Street Sheridan, Wyoming 82801 Certificate authority: Qwest exchanges only
45.	iLOKA d/b/a Microtech-tel 6312 South Fiddlers Green Circle - Suite 150N Greenwood Village, Colorado 80111 Certificate authority: Qwest exchanges only
46.	Qwest Communications Corporation (QCC) 1801 California Street – Suite 5100 Denver, Colorado 80202 Certificate authority: All Wyoming exchanges
47.	Tel West Communications 3701 South Norfolk Street – Suite 300 Seattle, Washington 98118 Certificate authority: Qwest exchanges only
48.	Comtech21 One Barnes Park South Wallingford, Connecticut 06492 Certificate authority: Qwest exchanges only
49.	VCI Company formerly Vilaire Communications

APPENDIX B

Wyoming Competitive Local Exchange Carriers (CLECs)

as of December 31, 2004

	7304 Zircon Drive SW Lakewood, Washington 98498 Certificate authority: Qwest exchanges only
50.	WERCS Communications 400 East 1 st Street Casper, Wyoming 82601 Certificate authority: Qwest exchanges only
51.	Covista 721 Broad Street – 2 nd Floor Chattanooga, Tennessee 37402 Certificate authority: Qwest exchanges only
52.	IDT America 520 Broad Street Newark, New Jersey 07102 Certificate authority: Qwest exchanges only
53.	XO Communications 111 East Broadway Salt Lake City, Utah 84111 Certificate authority: Qwest exchanges only
54.	Computer Network Technology 6000 Nathan Lane Minneapolis, Minnesota 55442 Certificate authority: Qwest exchanges only
55.	Granite Telecommunications 234 Copeland Street Quincy, Massachusetts 02169 Certificate authority: Qwest exchanges only
56.	Southwestern Bell Communications Services (SBC) 5850 West Las Positas Blvd. Pleasanton, California 94588 Certificate authority: Qwest exchanges only
57.	Bullseye Telecom 25900 Greenfield Road – Suite 330 Oak Park, Michigan 48237 Certificate authority: Qwest exchanges only
58.	Extreme Media Technologies 100 North Center Street – Suite 201 Casper, Wyoming 82601 Certificate authority: Qwest exchanges only

APPENDIX C

Wyoming Wholesale Cellular and Personal Communications Service (PCS) Providers
Licensed by the Federal Communications Commission

1. **Verizon Communications**
d/b/a Verizon Wireless
formerly CommNet Cellular
8350 East Crescent Parkway - Suite 400
Greenwood Village, Colorado 80111
Authorized Service Areas:
Rural Service Area #1 (System B)
Rural Service Area #2 (System B)
Rural Service Area #3 (System A)

2. **Western Wireless**
d/b/a Cellular One
11400 S.E. 8th Street - Suite 445
Bellevue, Washington 98004
Authorized Service Areas:
Casper MSA (System A)
Rural Service Area #2 (System A)
Rural Service Area #4 (System A)
Rural Service Area #5 (System A)

3. **Union Telephone Company**
d/b/a Union Cellular
P. O. Box 160
Mountain View, Wyoming 82939
Authorized Service Area:
Rural Service Area #3 (System B)

4. **Verizon Communications**
d/b/a Verizon Wireless
formerly AirTouch Cellular
3150 SE Eastgate Way
Bellevue, Washington 98009
Authorized Service Areas:
Casper MSA (System B)
Rural Service Area #4 (System B)
Rural Service Area #5 (System B)

5. **MetaComm Cellular Partners**
d/b/a Cellular One
190 Parish Drive
Wayne, New Jersey 07470
Authorized Service Area:
Rural Service Area #1 (System A)

APPENDIX C

**Wyoming Wholesale Cellular and Personal Communications Service (PCS) Providers
Licensed by the Federal Communications Commission**

6. **Union Telephone Company (PCS Provider)**
d/b/a Union Cellular
formerly SpectraCom d/b/a PYXIS Communications
 P. O. Box 160
 Mountain View, Wyoming 82939
Authorized Service Areas:
 Basic Trading Area #69
 Basic Trading Area #77
 Basic Trading Area #375
Counties Served: Washakie, Hot Springs, Fremont, Natrona, Campbell, Albany, Laramie, Johnson, Converse, Platte and Carbon

7. **Union Telephone Company (PCS Provider)**
d/b/a Union Cellular
 P. O. Box 160
 Mountain View, Wyoming 82939
Authorized Service Areas:
 Basic Trading Area #41
 Basic Trading Area #369
 Basic Trading Area #381
 Basic Trading Area #399
 Basic Trading Area #411
Counties Served: Big Horn, Crook, Goshen, Lincoln, Niobrara, Park, Sheridan, Sublette, Sweetwater, Uinta, Weston and Yellowstone National Park

8. **Silver Star Communications (PCS Provider)**
d/b/a Silver Star Wireless
d/b/a Valley Wireless
d/b/a Bridger Land Wireless
 104101 Highway 89
 Freedom, Wyoming 83120
Authorized Service Areas:
 Basic Trading Area #202
 Basic Trading Area #381
 Basic Trading Area #399
Counties Served: Lincoln, Sublette, Sweetwater, Teton and Uinta

Guide to Cellular Service Areas

Area Name	Counties Served
Casper MSA	Natrona
Rural Service Area #1	Park, Big Horn, Washakie, Hot Springs (and Yellowstone Park)
Rural Service Area #2	Weston, Crook, Campbell, Johnson and Sheridan
Rural Service Area #3	Teton, Lincoln, Sublette, Fremont, Carbon, Uinta and Sweetwater
Rural Service Area #4	Albany, Laramie, Platte, Goshen and Niobrara
Rural Service Area #5	Converse

GUIDE TO READING APPENDIX D
Wyoming Central Office Information (by location)
as of December 31, 2004

We hope that the explanatory guide below will make your review of the information on Wyoming's telephone exchanges in the following Appendix D more useful and readable.

<i>Name of Exchange</i>	
<i>Name of Company Providing Local Facilities-based Service</i>	
<i>Central Office:</i> details of the local telecommunications system	
<i>Switch Manufacturer:</i>	By Name
<i>Switch Model:</i>	Model Designation (Type: Digital or Analog) and details of any host/remote relationship to another switch.
<i>NPA Code:</i>	The primary area code of the exchange and any secondary area codes.
<i>Landline NNX Codes:</i> <i>Wireless NNX Codes:</i>	The first three digits of the local telephone numbers related to the area code (shown in parenthesis) identified for landline and wireless service. This information obtained on www.primeris.com/fonefind
<i>Equal Access IntraLATA:</i>	Can a customer select the in-state long distance carrier of choice and reach that carrier without dialing extra numbers? (Yes or No)
<i>Local Number Portability:</i>	Can a customer switch local telephone service providers and still keep the same telephone number? (Yes or No)
<i>Equal Access InterLATA:</i>	Can a customer select the interstate long distance carrier of choice and reach that carrier without dialing extra numbers? (Yes or No)
<i>Switch Features Enabled:</i> What special features are available?	
<i>Custom:</i>	Basic optional features grouped according to long-established industry standard definition of Custom Calling features
<i>CLASS:</i>	More advanced optional features supported by the Custom Local Area Signaling Service (CLASS) signalling system
<i>Options:</i>	Other advanced options not dependent on CLASS
<i>System:</i>	Facilities/capabilities supporting switch features
<i>EAS:</i>	Extended Area Service A list of exchanges, including the Named Exchange, among which calls are local -- not billed as a long distance calls (including other companies participating in the service)
<i>Interoffice</i>	What facilities connect the Named Exchange to other exchanges?
	Where the connection runs (name of exchange) Type of connection (fiber, digital or analog)

Internet Service: Internet Service Providers (ISPs) are part of a dynamic market. Inquire locally to identify ISPs, including local exchange companies and others that may offer service in the exchange. Chambers of Commerce often have up-to-date information.

Remember: **information in BOLD** is something new.

APPENDIX D
Wyoming Central Office Information (by location)
as of December 31, 2004

Afton

Qwest Communications, Inc.
Central Office:

Switch Manufacturer: Northern Telecom
Switch Model: DMS-100/RSC (Digital) Host Jackson

NPA Code: 307, 208

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 238	Wyocom LLC d/b/a Contact Communications	CLEC
(307) 886	Qwest Communications	RBOC
(208) 225	Qwest Communications	RBOC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 884	Union Cellular	Wireless Provider
(307) 248	Comnet Cellular, Inc	Wireless Provider

Equal Access IntraLATA: Yes Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Centron, Call Waiting, Remote Call Forwarding, Call Forwarding, Speed Dialing, Custom Ringing, 3-Way Calling, Call Curfew, Call Data Collection and Transmission Service, Long Distance Alert, TrackLinePlus
CLASS:	Caller Identification-Name and Number, Caller Identification Number, Calling ID on Call Waiting, Call Rejection, Priority Call, Select Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured and Flat Rate Service, Private Branch Exchange Trunks, 911, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 211, 311, 511, 711

EAS: Freedom and Alpine (Silver Star Communications - Independent)

Interoffice:

To Freedom	Digital
To Kemmerer	Digital
To Jackson	Digital
To Casper	Digital
To Evanston	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Afton

Silver Star Communications

Central Office:

Switch Manufacturer: Northern Telecom
Switch Model: DMS-10 (5.01.01) (Digital)

NPA Codes: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
885	Silver Star Telephone Co.	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Short List Speed Calling, Long List Speed Calling, Call Forwarding, Toll Call Forwarding, Remote Call Forwarding, Call Waiting, 3-Way Calling, 2-Party Custom Calling Features, Cancel Call Waiting, Integrated Business Service (Small Centrex), Enhanced Business Service (Large Centrex), Teen Service, Enhanced Voice Mail, Call Forward-Remote Access, Call Forward-Busy, Call Forward DMO Activation, Fax on Demand, Fax Fwd on Demand,
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*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

APPENDIX D
Wyoming Central Office Information (by location)
as of December 31, 2004

	911, 711.
SYSTEM:	Internet Service, Multiple PIC, World Line Card, Switched 56, SD-1, DS-3, ATM, Full SONET, OC-3, Pilot Program VoIP.
Other:	xDSL, I. P. Video

EAS: Afton (886 - Qwest exchange), Alpine/Freedom and Tygee, ID
Interoffice:

To Freedom	124 Digital
To Pocatello, ID	via Freedom OC-3

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Albin

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model:

NPA Codes: 307, 308

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 246	RT Communications	Independent
(308) 846	RT Communications	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Custom Calling/ CLASS Services	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, E-911 Service, DID, Special Service Circuit – Switched 56, T1, T3, SS7 equipped
Features Enabled	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID, Per Call Blocking, Call Forward No Answer, Call Forward Remote, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
Other	Voice Messaging, Call Answering, Teleconference PCS Service. xDSL

EAS: Cheyenne, Burns, Carpenter and Pine Bluffs

Interoffice:

To Burns	Digital
To Carpenter	Digital
To Cheyenne	Digital
To Pine Bluffs	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Alpine

Silver Star Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: RSLE 1024 (Digital)

NPA Codes: 307, 208

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 883, 654	Silver Star Telephone Company, Inc –WY	Independent
(307) 886	Qwest Communications	RBOC EAS (Afton, WY)

*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

APPENDIX D
Wyoming Central Office Information (by location)
as of December 31, 2004

(208) 873, 564	Silver Star Telephone Company, Inc. – Wy.	Independent
(208) 225	Qwest Communications	RBOC EAS (Tygee, ID)

Equal Access IntraLATA: Yes
Equal Access InterLATA: Yes
Switch Features Enabled:

Local Number Portability: Yes

Custom:	Short List Speed Calling, Long List Speed Calling, Call Forwarding, Toll Call Forwarding, Remote Call Forwarding, Call Waiting, 3-Way Calling, 2-Party Custom Calling Features, Cancel Call Waiting, Integrated Business Service (Small Centrex), Enhanced Business Service (Large Centrex), Teen Service, Enhanced Voice Mail, Call Forward-Remote Access, Call Forward-Busy, Call Forward DMO Activation
SYSTEM:	Internet Service, Multiple PIC, World Line Card, Switched 56, DS-1, DS-3 ATM, SONET, Pilot program for voice-over IP.
Other:	xDSL, I. P. Video

EAS: Afton and Tygee, ID

Interoffice:

To Afton (via Jackson)	OC-3
To Casper (via Jackson)	144 Digital
To Pocatello, ID	OC-3

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Alta

Teton Telecom

Central Office:

Switch Manufacturer: Nortel

Switch Model: HSO/SSO (Digital) (Remote from Freedom Host)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
353	Columbine Telephone d/b/a Teton Telecom	Independent– EAS (Driggs, ID)

Equal Access IntraLATA: No
Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Short List Speed Calling, Long List Speed Calling, Call Forwarding, Toll Call Forwarding, Remote Call Forwarding, Call Waiting, 3-Way Calling, 2-Party Custom Calling Features, Cancel Call Waiting, Integrated Business Service (Small Centrex), Enhanced Business Service (Large Centrex)
Options:	Equal Access Feature Group A, Equal Access,
Other:	xDSL, I. P. Video

Interoffice:

To Freedom, WY	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Alzada

Range Telephone Cooperative, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10 RLCM (Digital)

NPA Codes: 307, 406

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 878	Range Telephone Cooperative, Inc, MT	Independent

NOTE: Changes and additions since the previous telecommunications report are shown in BOLD

APPENDIX D
Wyoming Central Office Information (by location)
as of December 31, 2004

(406) 828	Range Telephone Cooperative, Inc. MT	Independent
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Equal Access IntraLATA: IntraLATA Equal Access Ready

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Touch Tone Dialing, Centrex, Call Forwarding, Call Waiting, 3-Way Calling, Speed Calling, Teen Service, Voice Mail, Usage Sensitive Custom Calling, Common Channel Signaling 7, Enhanced 800 Dialing, Call Forward Remote Access, User Programmable Call Forward Don't Answer, Sw 56 Data, Calling Name and Number Delivery, Call Forward Busy, Remote Call Forward, Selective Call Forward, Digital PBX, Caller ID Blocking, Customer Originated Trace, E-911, Automatic Call Back, Automatic Recall, Selective Call Acceptance, Selective Call Rejection, Anonymous Call Rejection, User Transfer, Selective Distinctive Ringing
Other:	xDSL

Interoffice:

To Broadus, MT	Digital
To Billings, MT	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Anschutz Ranch East Plant

All West Communications

Central Office:

Switch Manufacturer: AG Communications System

Switch Model: GTD5

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
479	All West Communications, Inc. - WY	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Calling, Cancel Call Waiting, Distinctive Ring
Options:	Distinctive Ringing, Toll Restrictions, Call Name Delivery, Calling Number Delivery, Auto Call Back
System:	Flat Rate, Tone Dialing, PBX Trunks, Multi-line Hunting, DID, Toll Restriction, 911
Other:	Internet, xDSL

Interoffice:

To Cokeville	Digital (Fiber)
To Evanston	Digital (Fiber)

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Arvada

Range Telephone Cooperative, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10 RLCM (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
736	Range Telephone Cooperative, Inc. - WY	Independent

APPENDIX D
Wyoming Central Office Information (by location)
as of December 31, 2004

Equal Access IntraLATA: Yes
Equal Access InterLATA: Yes
Switch Features Enabled:

Custom:	Touch Tone Dialing, Centrex, Call Forwarding, Call Waiting, 3-Way Calling, Speed Calling, Teen Service, Voice Mail, Usage Sensitive Custom Calling, Common Channel Signaling 7, Enhanced 800 Dialing, Call Forward Remote Access, User Programmable Call Forward Don't Answer, E-911, Switched 56 Data, Calling Name and Number Delivery, Call Forward Busy, Remote Call Forward, Selective Call Forward, Digital PBX, Caller ID Blocking, Customer Originated Trace, Automatic Call Back, Automatic Recall, Selective Call Acceptance, Selective Call Rejection, Anonymous Call Rejection, User Transfer, Selective Distinctive Ringing
Other:	xDSL

Interoffice:

To SE Sheridan	Digital
To Casper	Digital
To Clearmont	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Baggs/Dixon/Savery

Dubois Telephone Company

Central Office:

Switch Manufacturer: Northern Telecom
Switch Model: DMS-10 (Digital)
Switch Configuration: HSO/SSO
SSO with Dubois

Switch Generic: 5.04

NPA Codes: 307(WY) 970(CO)

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 383	Dubois Telephone Exchange, Inc.	Independent
(970) 583	Dubois Telephone Exchange, Inc.	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
380	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Calling, Digital Centrex; Enhanced versions of the above, too numerous to list
Options:	Flat Rate Service, Touch Tone Dialing, Private Branch Exchange Trunks, E-911, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, 900 Access Blocking, Digital Connectivity
Other:	Local Access Internet, Switched 56, xDSL

Interoffice:

To Rawlins/Cheyenne	Digital/Fiber
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Basin

TCT West, Inc.

Central Office:

Switch Manufacturer: Lucent Technologies
Switch Model: 5ESS-2000*

APPENDIX D
Wyoming Central Office Information (by location)
as of December 31, 2004

(*Note: Burlington, Frannie-Deaver, Hamilton Dome, Hyattville, Lovell, Meeteetse and Ten Sleep are all served by digital line carrier trunked to the Basin 5ESS-2000 Lucent Technologies digital switch)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
568	TCT West, Inc.	Independent
569	TRI Telephone, Inc.	CLEC
765	TCT West, Inc. (Greybull)	Independent

Equal Access IntraLATA: Capable, 10XXX **Local Number Portability: Yes**

Equal Access InterLATA: Yes

Switch Features Enabled:

Options:	Automatic Call back, Automatic Route Selection, Advanced Services Platform, Call Forwarding all, Automatic Call Distribution, Call Trace customer originated, Call Park, Code Calling answer, Directed Call Pickup, Call Waiting & Cancel, ISDN, Distinctive Ringing Call, Home Intercom, Line Identification name and number, Circular Hunt, Multiple Hunt, Three-way calling, Six way analog conference calling, Consult, Call Transfer, Call Bridging, Attendant Recall, Line Queue, Speed Calling all, Selective Call Rejection, Selective Call acceptance, Restricted Originating, Time, Local Internet Access
System:	Full SONET (ring bus), ATM, TV, Video
Other:	xDSL

EAS: Greybull

Interoffice:

To Casper	Digital
To Greybull	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Big Piney

CenturyTel of Wyoming, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10 (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
276	CenturyTel of Wyoming, Inc.	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
260	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Short List Speed Call, Long List Speed Call, Call Forward, 3-Way Calling, Call Waiting, Cancel Call Waiting, Remote Call Forward, Toll Call Forward, Teen Service, Ring Again, Enhanced 800, Call Forward Remote Access, Centrex; Voice Mail
Options:	Touch Tone Dialing, Toll Restriction, 1+ and 0+ Dialing, Trunk Hunting, , Equal Access, Integrated Business Services, Enhanced Business Services
System:	Local T1, 280 IDS
Other:	xDSL

Interoffice:

To Pinedale	Digital
To Cheyenne	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

APPENDIX D
Wyoming Central Office Information (by location)
as of December 31, 2004

Boulder

CenturyTel of Wyoming, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10 remote off Pinedale switch (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
537	CenturyTel of Wyoming, Inc.	Independent – EAS (Pinedale)

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
231	Comnet Cellular, Inc. –Wyoming	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Short Speed Call, Long Speed Call, Call Forward, 3-Way Calling, Call Waiting, Cancel Call Waiting, Remote Call Forward, Toll Call Forward, Teen Service, Ring Again, Enhanced 800, Call Forward Remote Access, Centrex, Voice Mail
Options:	Touch Tone Dialing, Toll Restriction, 1+ and 0+ Dialing, Trunk Hunting, Wire Maintenance Plan, Equal Access, Integrated Business Services, Enhanced Business Services
System:	Local T1, 280 IDS
Other:	xDSL

Interoffice:

To Pinedale	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Buffalo

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson

Switch Model: AXE/RSS (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
285	Wyocom, LLC d/b/a Contact Communications	CLEC
684	Qwest Communications	RBOC
204	Inttec, Inc.	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
620, 621, 622	Comnet Cellular, Inc. - Wyoming	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Call, Centron Service, Remote Call Forwarding
CLASS:	Caller Identification-Name and Number, Caller Identification Number, Calling ID on Call Waiting, Call Rejection, Priority Call, Select Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured or Flat Rate Service, Private Branch Exchange Trunks, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 211, 311, 511, 711
Other	xDSL

APPENDIX D
Wyoming Central Office Information (by location)
as of December 31, 2004

Interoffice:

To Casper	Digital
To Sheridan	Digital
To Story	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Burlington

Tri County Telephone Association, Inc.

Central Office:

Switch Manufacturer: Lucent Technologies

Switch Model: 5ESS-2000 to Basin

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
762	Tri-County Telephone Association, Inc.	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Options:	Automatic Call back, Automatic Route Selection, Advanced Services Platform, Call Forwarding all, Automatic Call Distribution, Call Trace customer originated, Call Park, Code Calling answer, Directed Call Pickup, Call Waiting & Cancel, ISDN, Distinctive Ringing Call, Home Intercom, Line Identification name and number, Circular Hunt, Multiple Hunt, Three-way calling, Six way analog conference calling, Consult, Call Transfer, Call Bridging, Attendant Recall, Line Queue, Speed Calling all, Selective Call Rejection, Selective Call acceptance, Restricted Originating, Time, Local Internet Access
System:	Full SONET (ring bus), ATM, TV, Video.
Other:	xDSL

Interoffice:

To Casper	Digital
To Basin	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Burns

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: RSC Remote off of Pine Bluffs DMS 10

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
547	RT Communications	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Services:	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, E-911 Service, DID, Special Service Circuit – Switched 56, T1, T3 SS7 equipped
Custom Calling/CLASS Features Enabled	Caller Identification-Name and Number, Caller Identification Number, Calling ID on Call Waiting, Call Rejection, Priority Call, 3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call

*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

APPENDIX D
Wyoming Central Office Information (by location)
as of December 31, 2004

	Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
Other	Voice Messaging, Call Answering, Teleconference, xDSL

EAS: Cheyenne, Albin, Carpenter and Pine Bluffs

Interoffice:

To Albin	Digital
To Carpenter	Digital
To Cheyenne	Digital
To Pine Bluffs	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Carpenter

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: **RLCM Remote off of Pine Bluffs DMS 10**

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
649	RT Communications	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Services	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, E-911 Service, DID, Special Service Circuit – Switched 56, T1, T3 SS7 equipped
Custom Calling/CLASS Features Enabled	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
Other	Voice Messaging, Call Answering, Teleconference, xDSL

EAS: Cheyenne, Burns, Albin and Pine Bluffs

Interoffice:

To Albin	Digital
To Burns	Digital
To Cheyenne	Digital
To Pine Bluffs	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Casper

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: AT&T

Switch Model: 5ESS (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
215	AT&T – Local – WY	CLEC

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224	Sprint Communications	CLEC
227	WyoCom LLC, d/b/a Contact Communications	CLEC
232, 233, 234, 235, 237, 261, 265, 266, 268, 472, 473, 577, 995	Qwest Communications	RBOC
205	Inttec, Inc.	CLEC
462	Level 3	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
230	Versatel Communications	Wireless Provider
267, 797	Western Wireless Corporation	Wireless Provider
377	Union Cellular	Wireless Provider
277	Comnet Cellular	Wireless Provider
258, 259, 262	Verizon	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Custom Ringing, 3-Way Calling, Call Waiting, Call Forwarding, Speed Call, IntraCall, Centron Service, Single Number Service, Remote Call Forwarding, Remote Access Forwarding, Schedule Forwarding, Business Continuation Routing, Call Curfew, Call Data Collection and Transmission, Long Distance Alert, TrackLine Plus
CLASS:	Caller Identification-Name and Number, Caller Identification Number, Calling ID on Call Waiting, Call Rejection, Priority Call, Select Call Forwarding, Last Call Return, Continuous Redial, SS-7, Do Not Disturb, No Solicitation, Security Screen, Selective Call Waiting.
Options:	Measured or Flat Rate service, Touch Tone Dialing, Private Branch Exchange Trunks, Equal Access, E-911, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, Voice Messaging, Frame Relay, PCS wireless, 211, 311, 511, 711, ATM, ISDN BRI, ISDN PRI
Other:	xDSL

EAS: Glenrock

Interoffice:

To Glenrock	Digital
To Buffalo	Digital Fiber
To Midwest	Digital
To Shoshoni	Digital
To Wright	Digital Fiber
To Cody	Digital Fiber
To Gillette	Digital Fiber
To Sheridan	Digital Fiber

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Chevenne

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: AT&T

Switch Model: 5ESS (Digital)

NPA Code: 307, 970

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Landline NNX Codes:

NNX	Telephone Company	TelCo Type
222, 223	Sprint Communications Company, L.P. - Wy	CLEC
243	Wyocom LLC d/b/a Contact Communications	CLEC
432, 433, 632, 633, 634, 635, 637, 638, 662, 771, 772, 773, 775, 777, 778, 996	Qwest Communications	RBOC
757	AT&T Local	CLEC
(970) 662	Qwest Communications	RBOC
207	Inttec, Inc.	CLEC
459	Level 3	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
220, 920	Voice Stream Wireless Corporation	Wireless Provider
221, 256	Sprint PCS	Wireless Provider
421, 630, 631	Verizon	Wireless Provider
477	Union Cellular	Wireless Provider
640	Western Wireless Corporation	Wireless Provider
650	Nextel Communications	Wireless Provider
214	Comnet Cellular	Wireless Provider

Equal Access IntraLATA: Yes Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	IntraCall; Custom Ringing, 3-Way Calling, Call Waiting, Call Forwarding, Speed Calling, Centron Service, Single Number Service, Remote Call Forwarding, Remote Access Forwarding, Scheduled Forwarding, Business Continuation Routing, Call Curfew, Call Data Collection and Transmission, Long Distance Alert, TrackLine Plus, Local Area Network Switching Service
CLASS:	Caller Identification - Name and Number, Caller Identification Number, Calling ID On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7, Do Not Disturb, No Solicitation, Security Screen, Selective Call Waiting
Options:	Flat Rate Service, Measured Service, Private Branch Exchange Trunks, Equal Access, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, Voice Messaging, E-911, Frame Relay, 211, 311, 511, 711, ATM, ISDN BRI, ISDN PRI.
Other:	xDSL

EAS: Albin, Burns, Carpenter and Pine Bluffs (RT Communications - Independent)

Interoffice:

To Glendo	Digital
To Laramie	Digital
To Pine Bluffs	Digital
To Casper	Digital fiber OC48

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Chugwater

Chugwater Telephone Company

Central Office:

Switch Manufacturer: Redcom

Switch Model: MDX 384 (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
422	Chugwater Telephone Co.	Independent

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Equal Access IntraLATA: Yes
Equal Access InterLATA: Yes
Switch Features Enabled:

Custom:	Standard Digital offerings plus Custom Calling Features
Options:	911, 711, 511

EAS: To Qwest exchanges of Wheatland and Glendo
Interoffice:

To Cheyenne	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Clark

Project Telephone Company

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10 REM (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
341	Project Telephone Company (Wyola, MT)	Independent
645	Project Telephone Company, Inc. (Clark)	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
884	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Custom Calling Services, Short List Speed Calling, Long List Speed Calling, Call Forwarding, 3-Way Calling, Call Waiting, Cancel Call Waiting, Remote Call Forwarding, Toll Call Forwarding, 2-Party Custom Calling, Single Party Revertive Calling Station Options
CLASS:	All
SYSTEM:	Automatic Digital Carrier Module, Digitone, Satellite Switching Office, Five Day AMA Backup, Dial Pulse, internet dialup, SS-7, FC digital loop.
Other:	xDSL

Interoffice:

To Billings, MT	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Clearmont

Range Telephone Cooperative, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10 RLCM (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
758	Range Telephone Cooperative, Inc.	Independent

Equal Access IntraLATA: Yes

Equal Access InterLATA: Yes

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Switch Features Enabled:

Custom:	Touch Tone Dialing, Centrex, Call Forwarding, Call Waiting, 3-Way Calling, Speed Calling, Teen Service, Voice Mail, Usage Sensitive Custom Calling, Common Channel Signaling 7, Enhanced 800 Dialing, Call Forward Remote Access, User Programmable Call Forward Don't Answer, E-911, Sw 56, Calling Name and Number Delivery, Call Forward Busy, Remote Call Forward, Selective Call Forward, Digital PBX, Caller ID Blocking, Customer Originated Trace, Automatic Call Back, Automatic Recall, Selective Call Acceptance, Selective Call Rejection, Anonymous Call Rejection, User Transfer, Selective Distinctive Ringing, 711
Other:	xDSL

Interoffice:

To SE Sheridan	Digital
To Arvada	Digital
To Casper	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Cody

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson

Switch Model: AXE (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
263	Wyocom, LLC d/b/a Contact Communications	CLEC
527, 578, 587	Qwest Communications	RBOC
206	Inttec, Inc.	CLEC
213	Level 3	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
250, 269, 272	Comnet Cellular, Inc. - Wyoming	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Call, Centron Service, Remote Call Forwarding
CLASS:	Caller Identification - Name & Number, Caller Identification - Number, Call Rejection, Caller ID On Call Waiting, Priority Call, Selective Call Forwarding; Last Call Return, Continuous Redial, SS-7
Options:	Measured or Flat Rate Service, Private Branch Exchange Trunks, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 911, 211, 311, 511, 711, ATM, Frame Relay
Other:	xDSL

Interoffice:

To Basin	Digital
To Casper	Digital
To Lovell	Digital
To Powell	Digital
To Worland	Digital

*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Cokeville

All West Communications

Central Office:

Switch Manufacturer: AG Communications Systems

Switch Model: GTD-5 Remote

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
279	All West Communications	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
270	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Calling, BETRS
Options:	Measured or Flat Rate Service, Tone Dialing, Private Branch Exchange Trunks, Equal Access, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, E-911, Internet, Cancel Call Waiting, Distinctive Ringing
System:	SONET NEXT OC48 capability: telephone services, ISP.
Other:	xDSL

Interoffice:

To Randolph UT	Digital (Fiber)	1) DS3	Radio 8)DS1
To Evanston WY	Digital (Fiber)	1) DS3	Radio 8)DS1

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Crowheart

Dubois Telephone Exchange, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: RSLM (Digital)

Switch Configuration: Remote off Dubois

NPA Code: 307 (WY)

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
486	Dubois Telephone Exchange, Inc.	Independent

Equal Access IntraLATA: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Calling, Digital Centrex; Enhanced versions of the above, too numerous to list
Options:	Flat Rate Service, Touch Tone Dialing, Private Branch Exchange Trunks, E-911, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, 900 Access Blocking, Local Access Internet
Other:	Voice Mail, Switched 56, xDSL

EAS: Dubois, Digital Radio

Interoffice:

To Dubois	Digital Radio
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To Riverton	Digital Radio
To Lander	Digital Radio

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Daniel

CenturyTel of Wyoming, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10 remote off Pinedale switch (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
859	CenturyTel of Wyoming, Inc.	Independent – EAS (Pinedale)

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Short Speed Call, Long Speed Call, Call Forward, 3-Way Calling, Call Waiting, Cancel Call Waiting, Remote Call Forward, Toll Call Forward, Teen Service, Ring Again, Enhanced 800, Call Forward Remote Access, Centrex, Voice Mail
Options:	Touch Tone Dialing, Toll Restriction, 1+ and 0+ Dialing, Trunk Hunting, Wire Maintenance Plan, Equal Access, Integrated Business Services, Enhanced Business Services
System:	Local T1, 280 IDS.
Other:	xDSL

Interoffice:

To Pinedale	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Dayton-Ranchester

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson

Switch Model: AXE/RSS (Digital)

NPA Code: 307, 406

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 655	Qwest Communications	RBOC-EAS (Sheridan)
(406) 659	Qwest Communications	RBOC-EAS (Sheridan)

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3 Way Calling, Call Waiting, Call Forwarding, Speed Call, Centron Service
CLASS:	Caller Identification – Name and Number, Caller Identification Number, Calling ID on Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured or Flat Rate Service, Private Branch Exchange Trunks, Equal Acces, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 211, 311, 511, 711, Frame Relay

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Interoffice:

To Casper	Digital
To Sheridan	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Decker

Range Telephone Cooperative, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10 RLCM (Digital)

NPA Codes: 307, 406

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 750	Range Telephone Cooperative, Inc	Independent
(406) 757	Range Telephone Cooperative, Inc. – MT.	Independent

Equal Access IntraLATA: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Touch Tone Dialing, Centrex, Call Forwarding, Call Waiting, 3-Way Calling, Speed Calling, Teen Service, Voice Mail, Usage Sensitive Custom Calling, Common Channel Signaling 7, Enhanced 800 Dialing, Call Forward Remote Access, User Programmable Call Forward Don't Answer, E-911, Switch 56, Calling Name and Number Delivery, Call Forward Busy, Remote Call Forward, Selective Call Forward, Digital PBX, Caller ID Blocking, Customer Originated Trace, Automatic Call Back, Automatic Recall, Selective Call Acceptance, Selective Call Rejection, Anonymous Call Rejection, User Transfer, Selective Distinctive Ringing
Other:	xDSL

Interoffice:

To Casper	Digital
To SE Sheridan	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Douglas

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
358	Qwest Communications	RBOC
368	Wyocom LLC d/b/a Contact Communications	CLEC
208	Inttec, Inc.	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
351, 624	Western Wireless Corporation – WY	Wireless Provider
359	Verizon	Wireless Provider
357	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

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Switch Features Enabled:

Custom:	Call Forwarding, IntraCall, Speed Calling, Call Waiting, Centron Service, 3-Way Call, Custom Ringing, Long Distance Alert, Remote Call Forwarding
CLASS:	Caller Identification - Name & Number, Caller Identification - Number, Call Rejection, Calling ID On Call Waiting, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Flat Rate Service, Measured Rate Service, Private Branch Exchange Trunks, Multi-line Hunting, Toll Restriction, Direct Inward Dialing, Digital Connectivity, 911, 211, 311, 511, 711
Other	xDSL

Interoffice:

To Casper	Digital
To Glendo	Digital
To Glenrock	Digital
To Lusk	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Dubois

Dubois Telephone Exchange, Inc.

Central Office:

Switch Manufacturer: Northern Telecom
Switch Model: DMS-10 (Digital)
Switch Configuration: HSO/SSO
HSO for Baggs (SSO)
HSO for Crowheart (Remote)
Switch Generic: 5.04

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
455	Dubois Telephone Exchange, Inc.	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
450	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Calling, Digital Centrex; Enhanced Call Waiting, Enhanced Call Forwarding, Distinctive ringing, Automatic Call Back
CLASS/System:	Wireless and DSC trial. ISP planned
Options:	Flat Rate Service, Touch Tone Dialing, Private Branch Exchange Trunks, E-911, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, 900 Access Blocking, Dial Local Internet Access, Digital Connectivity
Other:	Voice Mail, Switched 56, xDSL

EAS: Crowheart by Digital Radio

Interoffice:

To Casper	Digital Radio
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

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Edgemont

Golden West Telecommunications Cooperative, Inc.

Central Office:

Switch Manufacturer: NTI

Switch Model: DMS-10 (Digital) - Remote

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
663	Golden West Telephone Cooperative, Inc.	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	DID, Multi Hunt, Toll Restriction, Speed Calling, 3-Way Calling, Call Waiting, Digital Connectivity
CLASS:	Selective Call Acceptance, Call Forwarding, Automatic Call Back, Automatic Recall, Call Forward Busy, Call Forward No Answer, Selective Call Rejection
Options:	Flat rated service, Tone Dial, PBX Trunks, 911
CLASS/System	ATM, FRS, Nortel.
Other:	xDSL

Interoffice:

To Sioux Falls, SD	Digital	All interoffice facilities are fiber based
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Elk Mountain/Shirley Basin

Union Telephone Company

Central Office:

Switch Manufacturer: Nortel (Northern Telecom)

Switch Model: Elk Mountain, RLCM (Remote Line Concentrated Module)

Shirley Basin, Digital Direct trunks to Elk Mountain

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
348	Union Telephone Company (Elk Mountain)	Independent
356	Union Telephone Company (Shirley Basin)	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom: Options:

Custom:	Tone Dialing, PBX Trunks, 911, Toll Restriction, DID, Multi-line Hunt, 900 Access Blocking, Switched 56, Centrex, SS7, Enable Enhance 800.
CLASS:	Flat rate calling, Call Forward Busy, Call Forward No Answer, Caller ID, Automatic Call Distribution, Remote Call Forward, Selective Call Forward and Rejection Caller ID Blocking.
Options:	Voice Mail
Other:	xDSL

Interoffice:

To Encampment	Digital
To Shirley Basin	Digital
To Rawlins	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD** Telecommunications in Wyoming*

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Encampment

Union Telephone Company

Central Office:

Switch Manufacturer: Nortel (Northern Telecom)

Switch Model: RSCS (Remote Switching Center - SONET)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
327	Union Telephone Company	Independent

Equal Access IntraLATA: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Tone Dialing, PBX Trunks, 911 enabled, Toll Restriction, Direct Inward Dialing, Multi-line Hunt, 900 Access Blocking, Switched 56, Centrex, Enable Enhanced 800.
Class:	Caller ID Blocking, Cancel Call Waiting, Call Waiting, Call Forward, 3 Way Calling, Speed Calling, Call Forward Busy, Call Forward No Answer, Caller ID, Automatic Call Distribution, Remote Call Forward, Selective Call Forward and Rejection.
Options:	Local Internet Access by Union, Voice Mail
Other:	xDSL

Interoffice:

To Mountain View	Digital microwave
To Rawlins	Digital microwave
To Saratoga	Digital fiber
To Hanna	Digital microwave
To Rock River	Digital microwave
To Elk Mountain	Digital microwave

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Evanston

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson

Switch Model: AXE 10 (Digital)

NPA Code: 307, 435, 801

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 384	Wyocom, LLC d/b/a Contact Communications	CLEC
(307) 444, 497	All West Communications, Inc.	Independent
(307) 783, 789	Qwest Communications	RBOC
(435) 289	Qwest Communications	RBOC
(801) 289	Winstar Wireless, Inc. – UT	CLEC
(307) 209	InTTec, Inc.	CLEC
(307) 255	Elec	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 677, 678, 679	Comnet Cellular, Inc. – WY.	Wireless Provider

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(307) 799	Union Cellular	Wireless Provider
(801) 289	Winstar Wireless, Inc. – UT	CLEC

Equal Access IntraLATA: Yes Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3 Way Calling, Call Waiting, Call Forwarding, Speed Call, Centron Service, Remote Call Forwarding
CLASS:	Caller Identification - Name and Number, Caller Identification Number, Calling ID On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured of Flat Rate Service, Private Branch Exchange Trunks, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 211, 311, 511, 711, 911
Other:	xDSL

Interoffice:

To Kemmerer	Digital
To Cheyenne	Digital
To Cokeville	Digital
To Green River/Rock Springs	Digital
To Jackson	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Farson/Eden

CenturyTel of Wyoming, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10, (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
273	CenturyTel of Wyoming, Inc.	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
280	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Short Speed Call, Long Speed Call, Call Forward, 3-Way Calling, Call Waiting, Cancel Call Waiting, Remote Call Forward, Toll Call Forward, Teen Service;
Options:	Flat Rate Service, Touch Tone Dialing, Private Branch Exchange Trunks, Integrated Services, Enhanced Business Service
System:	Local T1, 280 IDS

Interoffice:

To Riverton	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Frannie-Deaver

TCT West, Inc.

Central Office:

Switch Manufacturer: Lucent Technologies

Switch Model: 5ESS-2000

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NPA Codes: 307, 406
Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 664	TCT West, Inc.	Independent
(406) 764	TCT West, Inc.	Independent

Equal Access IntraLATA: Capable, 10XXX **Local Number Portability: Yes**
Equal Access InterLATA: Yes
Switch Features Enabled:

Options:	Automatic Call back, Automatic Route Selection, Advanced Services Platform, Call Forwarding all, Automatic Call Distribution, Call Trace customer originated, Call Park, Code Calling answer, Directed Call Pickup, Call Waiting & Cancel, ISDN, Distinctive Ringing Call, Home Intercom, Line Identification name and number, Circular Hunt, Multiple Hunt, Three-way calling, Six way analog conference calling, Consult, Call Transfer, Call Bridging, Attendant Recall, Line Queue, Speed Calling all, Selective Call Rejection, Selective Call Acceptance, Restricted Originating, Time, Local Internet Access
SYSTEM:	Full SONET (ring bus), ATM, TV, Video
Other:	xDSL

Interoffice:

To Basin	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Freedom

Silver Star Communications

Central Office:

Switch Manufacturer: Northern Telecom
Switch Model: DMS-10 5.01.01 (409.XX) (Digital) & Tekelec Softswitch

NPA Codes: 307, 208
Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 654, 883, 885, 886	Silver Star Telephone Company, Inc.	Independent
(208) 564, 873	Silver Star Communications, Inc.	Ind. EAS (Afton, Wy.)

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 890	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes **Local Number Portability: Yes**
Equal Access InterLATA: Yes
Switch Features Enabled:

Custom:	Short List Speed Calling, Long List Speed Calling, Call Forwarding, Toll Call Forwarding, Remote Call Forwarding, Call Waiting, 3-Way Calling, 2-Party Custom Calling Features, Cancel Call Waiting, Integrated Business Service (Small Centrex), Enhanced Business Service (Large Centrex), Teen Service, Enhanced Voice Mail, Call Forward-Remote Access, Call Forward-Busy, Call Forward DMO Activation, Fax on Demand, Fax Fwd on Demand, E911
SYSTEM:	Internet Service, Multiple PIC, World Line Card, Switched 56, DS-1, DS-3, ATM, FRS, OC-48 System, SONET (full)
Other:	XDSL, I. P. Video

EAS: Afton and Tygee, ID

Interoffice:

To Afton (via Jackson)	OC-48
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To Casper (via Jackson)	144 Digital
To Boise, ID (via Wayan, ID)	48 Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Gas Hills

RT Communications

Central Office:

Switch Manufacturer: **Northern Telecom**

Switch Model: Remote Star off of **Worland DMS 100**

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
457	RT Communications	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Switch Features/Services Enabled:

Services	Services Enabled	Other
	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, E-911 Service, DID, Special Service Circuit – Switched 56, T1, T3 SS7 equipped	Voice Messaging, Call Answering, Teleconference
Custom Calling/CLASS Features Enabled	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line	

Interoffice:

To Shoshoni - Worland	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Gillette

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
445	Wyocom LLC d/b/a Contact Communications	CLEC
682, 685, 686, 687	Qwest Communications	RBOC
210	Inttec, Inc.	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
567	Union Cellular	Wireless Provider
660, 680	Western Wireless Corporation – WY.	Wireless Provider
670, 681, 689	Comnet Cellular, Inc. – WY.	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Call Forwarding, Call Waiting, 3-Way Call, Speed Dialing, IntraCall, Centron, Custom Ringing, Long Distance Alert, Remote Call Forwarding
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*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

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Options:	Measured and Flat Rate Service, Private Branch Exchange Trunks, 911, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, Frame Relay, ATM, 211, 311, 511, 711, ISDN PRI
CLASS	Call Forwarding, 1st Call Return, Continuous Redial, SS-7
System:	Digital Cross Connects DS-1 to DS-1 Caller Identification, Name and Number, Caller Identification Number, Calling ID and Call Waiting, Call Rejection, Priority Call, Selective
Other:	xDSL

EAS: Wright

Interoffice:

To Casper	Digital
To Wright	Digital
To Recluse	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Glendo

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100/RSC (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
735	Qwest Communications	RBOC

Equal Access IntraLATA: Yes Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Call Forwarding, Speed Call, Call Waiting, Centron Services, 3 Way Calling, Intracall, Remote Call Forwarding, Custom Ringing, Long Distance Alert
CLASS:	Caller Identification - Name & Number, Calling ID On Call Waiting, Caller Identification - Number, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Flat Rate Service, Measured Rated Service, Private Branch Exchange Trunks, Multi-line Hunting, Toll Restriction, Direct Inward Dialing, Digital Connectivity, 211, 311, 511, 711, 911

EAS: Wheatland, Chugwater

Interoffice:

to Lusk	Digital
to Casper	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Glenrock

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 (Digital, remote off Douglas)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
436	Qwest Communications	RBOC

NOTE: Changes and additions since the previous telecommunications report are shown in BOLD

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Wyoming Central Office Information (by location)
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Wireless NNX Codes:

438	Union Cellular	Wireless Provider
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Equal Access IntraLATA: Yes Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Call Forwarding, IntraCall, Speed Calling, Call Waiting, Centron Services, 3- Way Calling, Remote Call Forwarding, Custom Ringing, Long Distance Alert
CLASS:	Caller Identification - Name & Number, Caller Identification - Number, Calling ID On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Flat Rate Service, Measured Rate Service, Private Branch Exchange Trunks, Multi-line Hunting, Toll Restriction, Direct Inward Dialing, Digital Connectivity, 211, 311, 511, 711, 911, Frame Relay

EAS: Casper

Interoffice:

To Casper	Digital
To Douglas	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Green River

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson

Switch Model: AXE -10 (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
297	Uintah Basin Electric	Independent
478	Wyocom LLC d/b/a Contact Communications	CLEC
872, 875	Qwest Communications	RBOC
244	InTTec, Inc.	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
870	Union Cellular	Wireless Provider
871	Comnet Cellular, Inc. - WY.	Wireless Provider

Equal Access IntraLATA: Yes Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Call, Centron Service, Remote Call Forwarding
CLASS:	Caller Identification - Name & Number, Caller Identification - Number, Calling ID On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured and Flat Rate Service, Private Branch Exchange Trunks, E-911, Digital Connectivity, Multi-line Hunting, Toll Restriction, Frame Relay, 211, 311, 511, 711
Other:	xDSL

Interoffice:

To Evanston	Digital
To Rock Springs	Digital
To Cheyenne	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

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Greybull

TCT West, Inc.

Central Office:

Switch Manufacturer: Lucent Technologies

Switch Model: 5ESS-2000 [Basin]

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
568, 765	TCT West, Inc. (Basin, Wy.)	Independent

Equal Access IntraLATA: Capable, 10XXX **Local Number Portability: Yes**

Equal Access InterLATA: Yes

Switch Features Enabled:

Options:	Automatic Call back, Automatic Route Selection, Advanced Services Platform, Call Forwarding all, Automatic Call Distribution, Call Trace customer originated, Call Park, Code Calling answer, Directed Call Pickup, Call Waiting & Cancel, ISDN, Distinctive Ringing Call, Home Intercom, Line Identification name and number, Circular Hunt, Multiple Hunt, Three-way calling, Six way analog conference calling, Consult, Call Transfer, Call Bridging, Attendant Recall, Line Queue, Speed Calling all, Selective Call Rejection, Selective Call Acceptance, Restricted Originating, Time, Local Internet Access
System:	Full SONET (ring bus), ATM, TV, Video.
Other:	xDSL

EAS: Basin

Interoffice:

To Basin	Digital
To Casper	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Guernsey

Sprint Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 RSC (Digital, remote off Scottsbluff, NE)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
836	United Telephone Co. of the West - Wy. d/b/a Sprint	Independent

Equal Access IntraLATA: Yes **Local Number Portability: Yes**

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Call Waiting; Call Forwarding, Three-way Calling, Speed Calling 8, Speed Calling 30, Directory Number Transfer, Call Forwarding-Busy, Call Forwarding-No Answer, Remote Call Forwarding, Hot line/Warm Line, Intercom, Signal Ring
CLASS:	Return Call, Caller ID with Name, Anonymous Call Rejection, Repeat Dialing, Selective Call Forward, Selective Call Rejection, Selective Call Ring
Options:	ACD, Business Premise Wiring, CCS7, Channel Banks, Data Service Units, Data Terminals, Digital Central Office, Digital Data Service, DS0, DS1 Clear Channel, E-911, LAN Networks, Modems, Other LAN Equipment, Residential Premise Wiring, Routers, School Premise Wiring, Switched 56, T-1 Multiplexers, Telephone Sets, Touch Tone Dialing, UCD, Voice Mail, Centrex offering, Fractional T1 & Term Discounts, Special Access, Internet, ISDN

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System:	SONET OC48
Other:	xDSL

EAS: Torrington, LaGrange, West Lyman and Lingle

Interoffice:

To Morrill	Digital
To Scottsbluff	Digital
To Torrington	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Hamilton Dome

Tri County Telephone Association, Inc.

Central Office:

Switch Manufacturer: Lucent Technologies

Switch Model: 5ESS-2000

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
864	RT Communications (Thermopolis)	Independent
867	Tri-County Telephone Association, Inc.	Independent

Equal Access IntraLATA: Capable, 10 XXX **Local Number Portability: Yes**

Equal Access InterLATA: Yes

Switch Features enabled:

Enabled:	Automatic Call back, Automatic Route Selection, Advanced Services Platform, Call Forwarding all, Automatic Call Distribution, Call Trace customer originated, Call Park, Code Calling answer, Directed Call Pickup, Call Waiting & Cancel, ISDN, Distinctive Ringing Call, Home Intercom, Line Identification name and number, Circular Hunt, Multiple Hunt, Three-way calling, Six way analog conference calling, Consult, Call Transfer, Call Bridging, Attendant Recall, Line Queue, Speed Calling all, Selective Call Rejection, Selective Call acceptance, Restricted Originating, Time, Local Internet Access
System:	Full SONET (ring bus), ATM, TV, Video.
Other:	xDSL

EAS: Thermopolis

Interoffice:

To Thermopolis	Digital
To Casper	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Hanna

Union Telephone Company

Central Office:

Switch Manufacturer: Nortel (Northern Telecom)

Switch Model: RLCM (Remote Line Concentrator Module)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
325	Union Telephone Company	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
339	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes **Local Number Portability: Yes**

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Equal Access InterLATA: Yes

Switch Features Enabled:

Enabled:	Flat Rate Calling, Tone Dialing, PBX Trunks, 911
Custom:	Toll Restriction, DID, Multi-line Hunt, 900 Access Blocking, Switched 56, Centrex, SS7 enable, Enhanced 800.
CLASS:	Caller ID, Cancel Call Waiting, Caller ID Blocking, Call Waiting, Call Forward, 3-way Calling, Speed Calling, Call Forward Busy, Call Forward No Answer, Automatic Call Distribution, Remote Call Forward, Selective Call Forward and Rejection.
Options:	Internet Access by Union, Voice Mail
Other:	xDSL

Interoffice:

To Mountain View	Digital microwave
To Saratoga	Digital microwave

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Hulett

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: RSC Remote off NewCastle DMS 10

NPA Codes: 307, 406

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 467	RT Communications	Independent
(406) 767	RT Communications, Inc.	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Services	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, 911 Service, DID, (E-911 capable) Special Service Circuit – Switched 56, T1, T3 SS7 equipped
Custom Calling/CLASS Features Enabled	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
Other	Voice Messaging, Call Answering, Local Internet Access, Teleconference, xDSL

Interoffice:

To Newcastle	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Hyattville

Tri County Telephone Association, Inc.

Central Office:

Switch Manufacturer: Lucent Technologies

Switch Model: 5ESS-2000

Switch Location: Basin, WY, via digital line carrier from Hyattville

NPA Code: 307

*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

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Landline NNX Codes:

NNX	Telephone Company	TelCo Type
366	Tri-County Telephone Association (Ten Sleep)	Independent
469	Tri-County Telephone Association (Hyattville)	Independent

Equal Access IntraLATA: Capable, 10XXX Local Number Portability: **Yes**

Equal Access InterLATA: Yes

Switch Features Enabled:

Options:	Automatic Call back, Automatic Route Selection, Advanced Services Platform, Call Forwarding all, Automatic Call Distribution, Call Trace customer originated, Call Park, Code Calling answer, Directed Call Pickup, Call Waiting & Cancel, ISDN, Distinctive Ringing Call, Home Intercom, Line Identification name and number, Circular Hunt, Multiple Hunt, Three-way calling, Six way analog conference calling, Consult, Call Transfer, Call Bridging, Attendant Recall, Line Queue, Speed Calling all, Selective Call Rejection, Selective Call Acceptance, Restricted Originating, Time, Local Internet Access
System:	Full SONET (ring bus), ATM, TV, and Video.
Other:	xDSL

EAS: Ten Sleep

Interoffice:

To Basin	Digital
To Casper	Digital
To Ten Sleep	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Jackson

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
522	Wyocom LLC d/b/a Contact Communications	CLEC
732, 733, 734, 739	Qwest Communications	RBOC
200	Level 3	CLEC
201	Sprint	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
203	Sprint Spectrum ID	PCS
413	Edge Wireless	Wireless Provider
690, 691, 699	Comnet Cellular, Inc.	Wireless Provider
730, 740	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	IntraCall, Centron, Call Waiting, Call Forwarding, Speed Dialing, Custom Ringing, 3-Way Calling, Remote Call Forwarding, Long Distance Alert
CLASS:	Caller Identification - Name and Number, Caller Identification Number, Calling ID on Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured and Flat Rate Service, Private Branch Exchange Trunks, E-911, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, Frame Relay, ISDN BRI, 211, 311, 511, 711, ISDN PRI, ATM

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Other:	xDSL
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EAS: Moran

Interoffice:

To Afton	Digital
To Casper	Digital
To Moran	Digital
To Freedom/Alpine	Digital
To Riverton	Radio (3 DS3's)
To Evanston	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Jeffrey City

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom
Switch Model: Remote off of **Worland** DMS 100

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
544	RT Communications	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Services:	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, E-911 Service, DID Special Service Circuit – Switched 56, T1, T3 SS7 equipped
Custom Calling/CLASS Features Enabled	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
Other:	Voice Messaging, Call Answering, Teleconference.

Interoffice:

To Shoshoni – Worland	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Kaycee

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom
Switch Model: DMS-10 (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
738	RT Communications, Inc.	Independent

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Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Services	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, E-911 Service, DID Special Service Circuit – Switched 56, T1
Custom Calling/CLASS Features Enabled	(Services requiring SS7 local only) 3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Number Delivery, Caller ID Per Line Blocking, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Warm Line, Teen Line, Ring Again, Call Transfer
Other:	Voice Messaging, Teleconference, xDSL

Interoffice:

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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Kemmerer

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson

Switch Model: AXE/RSS (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
535, 563	Wyocom LLC d/b/a Contact Communications	CLEC
828, 877	Qwest Communications	RBOC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
727	Union Cellular	Wireless Provider
829	Comnet Cellular, Inc. – Wy.	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Call, Centron Service, Remote Call Forwarding
CLASS:	Caller Identification – Name and Number, Caller Identification Number, Calling ID on Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured or Flat Rate Service, Private Branch Exchange Trunks, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 211, 311, 511, 711, 911
Other	xDSL

Interoffice:

To Afton	Digital
To Moran	Digital
To Cheyenne	Digital
To Alpine	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

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LaBarge

Union Telephone Company

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: RLCM (Remote Line Concentrator Module)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
386	Union Telephone Company - Wy.	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
390	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	PBX Trunks, 911 enabled, Tone Dialing, Toll Restriction, DID, Multi-line Hunt, 900 Access Blocking, Switched 56, Centrex, SS7 enabled, Enhanced 800.
CLASS:	Cancel Call Waiting, Call Waiting, Call Forward, 3 Way Calling, Speed Calling, Call Transfer, Call Forward Busy, Call Forward No Answer, Caller ID, Automatic Call Distribution, Remote Call Forward, Call Forward and Rejection, Caller ID Blocking.
Options:	Voice Mail,
Other:	xDSL

Interoffice:

To Mountain View	Digital microwave
To Rock Springs	Digital microwave

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

LaGrange

Sprint Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 RLCM (Digital, remote off Scottsbluff, NE)

NPA Code: 307, 308

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 834	United Telephone Company of the West d/b/a Sprint	Independent
(308) 838	United Telephone Company of the West d/b/a Sprint	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Call Waiting, Call Forwarding, Three-way Calling, Speed Calling 8, Speed Calling 30, Directory Number Transfer, Call Forwarding-Busy, Call Forwarding-No Answer, Remote Call Forwarding, Hot line/Warm line Intercom, Signal Ring
CLASS:	Return Call, Caller ID with Name, Anonymous Call Rejection, Repeat Dialing, Selective Call Forward, Selective Call Rejection, Selective Call Ring
Options:	Business Premise Wiring, Channel Banks, Data Service Units, Data Terminals, Digital Data Service, DS0, DS1 Clear Channel, LAN Networks, Modems, Other LAN Equipment, Residential Premise Wiring, Routers, School Premise Wiring, T-1 Multiplexers, Telephone sets, Touch Tone Dialing, Fractional T1 and Term Discounts - Special Access Services, Internet, CCS7, Switched 56, Voice Mail, Centrex, ISDN

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System:	SONET OC48
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EAS: Guernsey, Lingle, Torrington and West Lyman

Interoffice:

To Morrill, NE	Digital
To Scottsbluff, NE	Digital
To Torrington, WY	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Lake

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson

Switch Model: AXE/RSS (Digital)

NPA Code: 307

NNX Code:

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
242	Qwest Communications	

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Call, Centron, Remote Call Forwarding
CLASS:	Caller Identification - Name and Number, Caller Identification Number, Calling ID on Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured or Flat Rate Service, Private Branch Exchange Trunks, Equal Access, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 211, 311, 511, 711

EAS: Mammoth and Old Faithful, Wyoming, and Montana exchanges of Belgrade, Bozeman, Clyde Park, Cooke City, Gallatin Gateway, Gardiner, Livingston, Manhattan, Three Forks, West Yellowstone, and Wilsall.

Interoffice:

to Mammoth	Digital
to Billings, MT	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Lander

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100/RSC (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
332, 335	Qwest Communications	RBOC
526	Wyocom LLC d/b/a Contact Communications	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
330	Union Cellular	Wireless Provider
345	Union Cellular	Wireless Provider

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349	Comnet Cellular, Inc. – Wy.	Wireless Provider
658	Comnet Cellular, Inc.	Wireless Provider

Equal Access IntraLATA: Yes Local Number Portability: Yes
Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	IntraCall, Custom Ringing, 3-Way Calling, Call Waiting, Call Forwarding, Remote Call Forwarding, Speed Call, Centron Service, Long Distance Alert
CLASS:	Caller Identification – Name & Number, Caller Identification – Number, Calling ID on Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured Rate Service, Flat Rate Service, Private Branch Exchange Trunks, E-911, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, PCS Wireless, 211, 311, 511, 711, Frame Relay

Interoffice:

To Riverton	Digital Radio (1 DS3)
To Casper	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Laramie

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 (Digital)

NPA Code: 307, 970

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 528	Wyocom LLC d/b/a Contact communications	CLEC
(307) 721, 742, 745, 755, 766	Qwest Communications	RBOC
(970) 435	Qwest Communications	RBOC
(307) 218	Inttec, Inc.	CLEC
(307) 460	Level 3	CLEC
(307) 551	KMC Telecom	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
399,760	Verizon	Wireless Provider
761	Western Wireless Corporation – Wy.	Wireless Provider
977	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	IntraCall, Centron, Call Waiting, Call Forwarding, Speed Dialing, Custom Ringing, 3-Way Calling, Remote Call Forwarding, Remote Access Forwarding, Scheduled Forwarding, Long Distance Alert, Call Data Collection and Transmission, TrackLine Plus, Call Curfew
CLASS:	Caller Identification - Name & Number, Caller Identification - Number, Calling ID On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured and Flat Rate Service, Private Branch Exchange Trunks, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, Frame Relay, 211, 311, 511, 711, E-911, ATM, ISDN PRI, ISDN BRI
Other:	xDSL

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Interoffice:

To Cheyenne	Digital
To Rawlins	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Leigh Canyon

Teton Telecom

Central Office:

Switch Manufacturer: Nortel

Switch Model: HSO/SSO (Digital) (Remote from Freedom Host)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
576	Columbine Telephone d/b/a Teton Telecom	Independent- EAS (Driggs, ID)

Equal Access IntraLATA: No

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Short List Speed Calling, Long List Speed Calling, Call Forwarding, Toll Call Forwarding, Remote Call Forwarding, Call Waiting, 3-Way Calling, 2-Party Custom Calling Features, Cancel Call Waiting, Integrated Business Service (Small Centrex), Enhanced Business Service (Large Centrex)
Options:	Equal Access Feature Group A, Equal Access,
Other:	xDSL, I. P. Video

Interoffice:

To Freedom, WY	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Lingle

Sprint Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 RSC (Digital, remote off Scottsbluff, NE)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
837	United Telephone Company of the West - Wy.	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Call Waiting; Call Forwarding, Three-way Calling, Speed Calling 8, Speed Calling 30, Directory Number Transfer, Call Forwarding-Busy, Call Forwarding-No Answer, Remote Call Forwarding, Hot line/Warm Line, Intercom, Signal Ring
CLASS:	Return Call, Caller ID with Name, Anonymous Call Rejection, Repeat Dialing, Selective Call Forward, Selective Call Rejection, Selective Call Ring
Options:	911, Business Premise Wiring, CCS7, Channel Banks, Data Service Units, Data Terminals, Digital Central Office, Digital Data Service, DS0, DS1 Clear Channel, LAN Networks, Modems, Other LAN Equipment, Residential Premise Wiring, Routers, School Premise Wiring, Switched 56, T-1 Multiplexers, Telephone sets, Touch Tone Dialing, UCD, Voice Mail, Centrex, Internet, ISDN
System:	SONET OC48
Other:	xDSL

*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

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EAS: Guernsey, LaGrange, Torrington and West Lyman
Interoffice:

To Morrill, NE	Digital
To Scottsbluff	Digital
To Torrington	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Lovell (includes Byron, Cowley)

TCT West, Inc.

Central Office:

Switch Manufacturer: Lucent Technologies

Switch Model: 5ESS-2000

Switch Location: Basin, WY, via digital line carrier from Lovell

NPA Codes: 307, 406

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 548	TCT West, Inc.	Independent
(406) 484	TCT West, Inc.	Independent

Equal Access IntraLATA: Capable, 10XXX **Local Number Portability: Yes**

Equal Access InterLATA: Yes

Switch Features Enabled:

Options:	Automatic Call back, Automatic Route Selection, Advanced Services Platform, Call Forwarding all, Automatic Call Distribution, Call Trace customer originated, Call Park, Code Calling answer, Directed Call Pickup, Call Waiting & Cancel, ISDN, Distinctive Ringing Call, Home Intercom, Line Identification name and number, Circular Hunt, Multiple Hunt, Three-way calling, Six way analog conference calling, Consult, Call Transfer, Call Bridging, Attendant Recall, Line Queue, Speed Calling all, Selective Call Rejection, Selective Call acceptance, Restricted Originating, Time, Local Internet Access
System:	Full SONET (ring bus), ATM, TV, Video.
Other:	xDSL

Interoffice:

To Basin	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Lusk

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100/RSC (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
334	Qwest Communications	RBOC
785	WyoCom LLC d/b/a Contact Communications	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
340	Verizon	Wireless Provider
216	Western Wireless	Wireless Provider

Equal Access IntraLATA: Yes **Local Number Portability: Yes**

Equal Access InterLATA: Yes

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Switch Features Enabled:

Custom:	Call Forwarding, IntraCall, Speed Calling, Call Waiting, Centron Services, 3-Way Calling, Remote Call Forwarding, Custom Ringing, Long Distance Alert
CLASS:	Caller Identification - Name & Number, Calling ID On Call Waiting, Caller Identification - Number, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Flat Rate Service, Measured Rate Service, Private Branch Exchange Trunks, Multi-line Hunting, Toll Restriction, Direct Inward Dialing, Digital connectivity, 911, 211, 311, 511, 711

Interoffice:

To Douglas	Digital
To Glendo	Digital
To Casper	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Lyman

Union Telephone Company

Central Office:

Switch Manufacturer: Nortel (Northern Telecom)

Switch Model: DMS-100/200 RSC

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
787	Union Telephone Company - Wy.	Independent
788	United Telephone Company of the West d/b/a Sprint - NE	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	PBX Trunks, 911 enabled, Tone Dialing, Automatic Call Distribution, Toll Restriction, DID, Multi-line Hunt, 900 Access Blocking, Switched 56, Centrex, SS7 Enabled, Enhanced 800.
Class:	Cancel Call Waiting, Call Waiting, Call Forward, 3-Way Calling, Speed Calling, Transfer, Call Forward Busy, Call Forward No Answer, Caller ID, Remote Call Forward, Selective Call Forward and Rejection, Caller ID Blocking.
Options:	Internet Access by Union, Voice Mail.
Other:	xDSL

Interoffice:

To Mountain View	Digital cable
To Rock Springs	Digital cable/microwave

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

(Serving Wyoming, West Lyman NE)

Sprint Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 RLCM (Digital, remote off Scottsbluff, NE)

NPA Code: 307

NNX Code: 788

Equal Access IntraLATA: Yes Local Number Portability: Yes

Equal Access InterLATA: Yes

*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

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Switch Features Enabled:

Custom:	Call Waiting, Call Forwarding, Three-way Calling, Speed Calling 8, Speed Calling 30, Directory Number Transfer, Call Forwarding-Busy, Call Forwarding-No Answer, Remote call forwarding, Hot line/Warm Line, Intercom, Signal Ring
CLASS:	Return Call, Caller ID with Name, Anonymous Call Rejection, Repeat Dialing, Selective Call Forward, Selective Call Rejection, Selective Call Ring
Options:	911, ACD, Business Premise Wiring, CCS7, Channel Banks, Data Service Units, Data Terminals, Digital Central Office, Digital Data Service, DS0, DS1 Clear Channel, E-911, LAN Networks, Modems, OC12, Other LAN Equipment, Residential Premise Wiring, Routers, School Premise Wiring, SONET, Switched 56, T-1 Multiplexers, Telephone sets, Touch Tone Dialing, UCD, Voice Mail, Centrex, Internet, ISDN
System:	SONET OC48

EAS: Guernsey, LaGrange, Lingle and Torrington

Interoffice:

To Morrill	Digital
To Scottsbluff	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Mammoth

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson

Switch Model: AXE (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
344	Qwest Communications	RBOC

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Call, Centron, Remote Call Forwarding
CLASS:	Caller Identification - Name & Number, Calling ID On Call Waiting, Caller Identification - Number, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured or Flat Rate Service, Private Branch Exchange Trunks, Equal Access, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 211, 311, 511, 711

EAS: Lake and Old Faithful, Wyoming, and Montana exchanges of Belgrade, Bozeman, Clyde Park, Cooke City, Gallatin Gateway, Gardiner, Livingston, Manhattan, Three Forks, West Yellowstone, and Wilsall.

Interoffice:

To Gardner, MT	Digital
To Lake	Digital
To Old Faithful	Digital
To West Yellowstone, MT	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Marbleton

CenturyTel of Wyoming, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

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Switch Model: DMS-10 remote off Big Piney Switch (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
276	CenturyTel of Wyoming, Inc. (Big Piney)	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Short Speed Call, Long Speed Call, Call Forward, 3-Way Calling, Call Waiting, Cancel Call Waiting, Remote Call Forward, Toll Call-Forward, Teen Service, Ring Again, Enhanced 800, Call Forward Remote Access, Centrex, Voice Mail;
Options:	Touch Tone Dialing, Toll Restriction, 1+ and 0+ Dialing, Trunk Hunting, Wire Maintenance Plan, Equal Access, Integrated Business Services, Enhanced Business Services
System:	Local T1, 280 IDS
Other:	xDSL

Interoffice:

To Pinedale	Digital
To Kemmerer	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

McKinnon

Union Telephone Company

Central Office:

Switch Manufacturer: Nortel (Northern Telecom)

Switch Model: RLCM (digital) (Remote Line Concentrator Module)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
378	Union Telephone Company – WY.	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	PBX Trunks, 911 enabled, Tone Dialing, Automatic Call Distribution, Toll Restriction, DID, Multi-line Hunt, 900Access Blocking, Switched 56, Centrex, SS7 enabled, Enhanced 800
Class	Cancel Call Waiting, Call Waiting, Call Forward, 3 Way Calling, Speed Calling, Transfer, Call Forward Busy, Call Forward No Answer, Caller ID, Remote Call Forward, Selective Call Forward and Rejection, Caller ID Blocking.
Options:	Internet Access by Union, Voice Mail.
Other:	xDSL

Interoffice:

To Laramie	Digital (via - Network) microwave
To Encampment	Digital microwave

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Medicine Bow

CenturyTel of Wyoming, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10, (Digital)

*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

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NPA Code: 307
Landline NNX Codes:

NNX	Telephone Company	TelCo Type
379	CenturyTel of Wyoming, Inc.	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
520	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes **Local Number Portability: Yes**
Equal Access InterLATA: Yes
Switch Features Enabled:

Custom:	Short Speed Call, Long Speed Call, Call Forward, Call Waiting, 3-Way Calling, Remote Call Forward, Toll Call Forward, Cancel Call Waiting, Teen Service, Ring Again, Enhanced 800, Enhanced 888, Expanded International Dialing, Touch Tone Dialing, 911
Options:	Toll Restriction, 1+ and 0+ Dialing, Trunk Hunting, Wire Maintenance Plan, Equal Access, Centrex Including Integrated Business Service, Enhanced Business Service and Meridian Business Set
System:	Local T1, 280 IDS

Interoffice:

To Cheyenne	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Meeteetse

TCT West

Central Office:

Switch Manufacturer: Lucent Technologies
Switch Model: 5ESS -2000

NPA Code: 307
Landline NNX Codes:

NNX	Telephone Company	TelCo Type
868	TCT West, Inc.	Independent

Equal Access IntraLATA: Capable, 10XXX **Local Number Portability: Yes**
Equal Access InterLATA: Yes
Switch Features Enabled:

Options:	Automatic Call back, Automatic Route Selection, Advanced Services Platform, Call Forwarding all, Automatic Call Distribution, Call Trace customer originated, Call Park, Code Calling answer, Directed Call Pickup, Call Waiting & Cancel, ISDN, Distinctive Ringing Call, Home Intercom, Line Identification name and number, Circular Hunt, Multiple Hunt, Three-way calling, Six way analog conference calling, Consult, Call Transfer, Call Bridging, Attendant Recall, Line Queue, Speed Calling all, Selective Call Rejection, Selective Call acceptance, Restricted Originating, Time, Local Internet Access
System:	Full SONET (ring bus), ATM, TV, Video.
Other:	xDSL

Interoffice:

To Casper	Digital
To Basin	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

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Midwest

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: **RSC Remote off Worland DMS 100**

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
437	RT Communications	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

SERVICES	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, E-911 Service, DID Special Service Circuit – Switched 56, T1
CUSTOM CALLING/CLASS FEATURES ENABLED	(Services requiring SS7 local only) 3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
OTHER	Voice Messaging, Teleconference, xDSL.

Interoffice:

Worland	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Moorcroft

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: RSC Remote off Newcastle DMS 100

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
756	RT Communications	Independent

Wireline NNX Codes:

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Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Services:	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, 911 Service, DID (E-911 capable), Special Service Circuit – Switched 56, T1, T3SS7 equipped
Custom Calling/CLASS Features Enabled	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line, 711
Other	Voice Messaging, Call Answering, Local Internet Access, Teleconference, xDSL.

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CLASS:	Cancel Call Waiting, Call Waiting, Call Forward, 3-Way Calling, Speed Calling, Transfer, Call Forward Busy, Call Forward No Answer, Caller ID, Remote Call Forward, Selective Call Forward and Rejection, Caller ID Blocking.
Options:	Internet Access by Union, Voice Mail.
Other:	xDSL

Interoffice:

To Green River	Digital microwave
To Evanston	Digital microwave
To Lyman	Digital cable
To Rock Springs	Digital microwave
To Kemmerer	Digital microwave
To Manila	Digital microwave
To Casper	Digital microwave
To Encampment	Digital microwave
To Cheyenne	Digital microwave
To Jackson	Digital microwave

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Newcastle

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: Remote

NPA Codes: 307, 605

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 746	RT Communications	Independent
(605) 749	RT Communications	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Services	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, 911 Service, DID (E911 capable) Special Service Circuit – Switched 56, T1, T3 SS7 equipped
Custom Calling/CLASS Features Enabled	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
Other:	Voice Messaging, Call Answering, Local Internet Access, Teleconference, xDSL

EAS: The Osage exchange is included in the Newcastle local calling area

Interoffice:

To Hulett	Digital
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To Osage	Digital
To Upton	Digital
To Moorcroft	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Old Faithful

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson

Switch Model: AXE/RSS (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
545	Qwest Communications	RBOC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
549	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Call, Centron, Remote Call Forwarding
CLASS:	Caller Identification - Name & Number, Caller Identification - Number, Calling ID On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, continuous Redial, SS-7
Options:	Measured or Flat Rate Service, Private Branch Exchange Trunks, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity; 211, 311, 511, 711

EAS: Lake and Mammoth, Wyoming, and the Montana exchanges of Belgrade, Bozeman, Clyde Park, Cooke City, Gallatin Gateway, Gardiner, Livingston, Manhattan, Three Forks, West Yellowstone, and Wilsall.

Interoffice:

To Mammoth	Digital
To Billings, MT	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Osage

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: **RLCN Remote off Newcastle DMS 10**

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
465	RT Communications	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Services	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, 911 Service, DID(E-911 capable) Special Service Circuit - Switched 56, T1, T3 SS7 equipped
Custom Calling/CLASS	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call

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Features Enabled	Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
Other	Voice Messaging, Call Answering, Local Internet Access, Teleconference

EAS: The Newcastle exchange is included in the Osage local calling area.

Interoffice:

To Newcastle	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Pine Bluffs

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10 (Digital)

NPA Codes: 307, 308

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 245	RT Communications	Independent
(308) 244	RT Communications	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Services	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, E-911 Service, DID Special Service Circuit – Switched 56, T1, T3 SS7 equipped
Custom Calling/CLASS Features Enabled	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
Other	Voice Messaging, Call Answering, Teleconference, xDSL

EAS: Cheyenne, Burns, Carpenter and Albin

Interoffice:

To Albin	Digital
To Burns	Digital
To Carpenter	Digital
To Cheyenne	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Pinedale

CenturyTel of Wyoming, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10 (Digital), **502.0** (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
367, 537, 859	CenturyTel of Wyoming, Inc.	Independent

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Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
231	Comnet Cellular, Inc. - WY.	Wireless Provider

Equal Access IntraLATA: Yes **Local Number Portability: Yes**

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Short Speed Call, Long Speed Call, Call Forward, 3-Way Calling, Call Waiting, Cancel Call Waiting, Remote Call Forward, Toll Call Forward, Teen Service, Ring Again, Enhanced 800, Call Forward Remote Access, Centrex, Voice Mail
Options:	Touch Tone Dialing, Toll Restriction, 1+ and 0+ Dialing, Trunk Hunting, Wire Maintenance Plan, Equal Access, Integrated Business Services, Enhanced Business Services
System:	Local T1, 280 IDS
Other:	xDSL

Interoffice:

To Big Piney	Digital
To Cheyenne	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Powell

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson

Switch Model: AXE/RSS (Digital)

NPA Code: 307, 406

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 754	Qwest Communications	RBOC
(406) 574	Qwest Communications	RBOC
(307) 219	Inttec, Inc.	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
(307) 769	Wyocom LLC d/b/a Contact Communications	Wireless Provider
(307) 254	Comnet Cellular	Wireless Provider
(307) 202	Western Wireless	Wireless Provider

Equal Access IntraLATA: Yes **Local Number Portability: Yes**

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Call, Centron Service, Remote Call Forwarding
CLASS:	Caller Identification - Name & Number, Caller Identification - Number, Calling ID On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured and Flat Rate Service, Private Branch Exchange Trunks, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 911 Service, 211, 311, 511, 711, ATM, Frame Relay
Other:	xDSL

Interoffice:

To Casper	Digital
To Cody	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

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Rawlins

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 (digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
324, 328	Qwest Communications	RBOC
729	Wyocom LLC d/b/a Contact Communications	CLEC
226	Inttec, inc.	CLEC
212	Level 3	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
320	Union Cellular	Wireless Provider
321, 361, 370	Comnet Cellular, Inc. – WY.	Wireless Provider

Equal Access IntraLATA: Yes

Local Number portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Remote Call Forwarding, Speed Call, Centron Service, Custom Ringing, Intracall, Long Distance Alert
CLASS:	Caller Identification-Name and Number, Caller Identification Number, Calling ID On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured and Flat Rate Service, Private Branch Exchange Trunks, 911, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, ATM, 211, 311, 511, 711
Other:	xDSL

Interoffice:

To Laramie	Digital
To Rock Springs	Digital
To Cheyenne	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Riverton

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
748	Wyocom LLC d/b/a Contact Communications	CLEC
855, 856, 857	Qwest Communications	RBOC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
240	TW Wireless, LLC	Wireless Provider
840, 851, 852	Comnet Cellular, Inc. – Wy.	Wireless Provider
850	Union Cellular	Wireless Provider
858	Union Cellular	Wireless Provider

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Equal Access IntraLATA: Yes Local Number Portability: Yes
Equal Access InterLATA: Yes
Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Call, Remote Call Forwarding, Centron Service, Custom Ring, Intracall, Long Distance Alert
CLASS:	Caller Identification - Name and Number, Caller Identification Number, Calling ID On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured and Flat Rate Service, Private Branch Exchange Trunks, E-911, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, ISDN-PRI, 211, 311, 511, 711, Frame Relay, ATM
Other:	xDSL

Interoffice:

To Lander	Digital
To Casper	Digital, Radio (3 DS3's)

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Rock River

Union Telephone Company

Central Office:

Switch Manufacturer: Nortel (Northern Telecom)
Switch Model: RLCM (digital) (Remote Line Concentrator Module)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
378	Union Telephone Company - WY.	Independent

Equal Access IntraLATA: Yes **Local Number Portability: Yes**
Equal Access InterLATA: Yes
Switch Features Enabled:

Custom:	PBX Trunks, 911 enabled, Tone Dialing, Automatic Call Distribution, Toll Restriction, DID, Multi-line Hunt, 900 Access Blocking, Switched 56, Centrex, SS7 enable, Enhanced 800.
CLASS	Call Waiting, Cancel Call Waiting, Call Forward, 3-Way Calling, Speed Calling, Call Forward No Answer, Caller ID, Remote Call Forward, Selective Call Forward and Rejection, Caller ID Blocking.
Options:	Internet Access by Union, Voice Mail.
Other:	xDSL

Interoffice:

To Laramie	Digital (via - Network) microwave
To Encampment	Digital microwave

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Rock Springs

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson
Switch Model: AXE (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
252	Uintah Basin Electric	Independent

*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

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Wyoming Central Office Information (by location)
as of December 31, 2004

352, 362, 382	Qwest Communications	RBOC
768	Wyocom LLC d/b/a Contact Communications	CLEC
922	AT&T Local - Wy.	CLEC
228	Inttec, Inc.	CLEC
212	Level 3	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
350, 354	Union Cellular	Wireless Provider
371, 381, 389	Comnet Cellular, Inc. - Wy.	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Call, Centron Service, Remote Call Forwarding
CLASS:	Caller Identification - Name & Number, Caller Identification - Number, Calling ID On Call Waiting, Caller Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured and Flat Rate Service, Private Branch Exchange Trunks, E-911, Frame Relay, Digital Connectivity, Multi-line Hunting, Toll Restriction, 211, 311, 511, 711, ATM
Other:	xDSL

Interoffice:

To Green River	Digital
To Kemmerer	Digital
To Rawlins	Digital
To Cheyenne	Digital
To Evanston	Digital Fiber OC48

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Saratoga

Union Telephone Company

Central Office:

Switch Manufacturer: Nortel (Northern Telecom)

Switch Model: RSCS (Remote Switching Center-Sonet)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
326	Union Telephone Company - Wy.	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
329	Union Cellular	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	PBX Trunks, Tone Dialing, Toll Restriction, DID, Multi-line Hunt, 900 Access Blocking, Switched 56, Centrex, SS7 Enable, Enhanced 800.
CLASS Enabled	Cancel Wall Waiting, Tone Dialing, Flat Rate Calling, PBX Trunks, 911 Enabled
Options:	Internet Access by Union, Voice Mail.
Other:	xDSL

Interoffice:

To Encampment	Digital Fiber
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Wyoming Central Office Information (by location)
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To Hanna	Digital Fiber/microwave
To Mountain View	Digital Fiber/microwave
To Rawlins	Digital Fiber/microwave

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

SE Sheridan

Range Telephone Cooperative, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10 (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
737	Range Telephone Cooperative, Inc.	Independent

Equal Access IntraLATA: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Touch Tone Dialing, Centrex, Call Forwarding, Call Waiting, 3-Way Calling, Speed Calling, Teen Service, Voice Mail, Usage Sensitive Custom Calling, Common Channel Signaling 7, Enhanced 800 Dialing, Call Forward Remote Access, User Programmable Call Forward Don't Answer, E-911, Sw 56, Calling Name and Number Delivery, Call Forward Busy, Remote Call Forward, Selective Call Forward, Digital PBX, Caller ID Blocking, Customer Originated Trace, Automatic Call Back, Automatic Recall, Selective Call Acceptance, Selective Call Rejection, Anonymous Call Rejection, User Transfer, Selective Distinctive Ringing
Other:	xDSL

Interoffice:

To Decker	Digital
To Sheridan	Digital
To Clearmont	Digital
To Arvada	Digital
To Casper	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Sheridan

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson

Switch Model: AXE 10 (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
655, 672, 673, 674, 683	Qwest Communications	RBOC
743	Wyocom LLC d/b/a Contact Communications	CLEC
229	Inttec, Inc.	CLEC
461	Level 3	CLEC
675	Advance Communications Technology	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
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*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

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751	Western Wireless Corporation - WY.	Wireless Provider
752, 753, 759, 763	Comnet Cellular, Inc - WY.	Wireless Provider
488	3 Rivers PCS, Inc.	PCS

Equal Access IntraLATA: Yes Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Calling, Centron Service, Remote Call Forwarding
CLASS:	Caller Identification - Name & Number, Caller Identification - Number, Calling ID On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured and Flat Rate Service, Private Branch Exchange Trunks, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 211, 311, 511, 711, 911, Frame Relay, ATM
Other:	xDSL

EAS: Story, Dayton-Ranchester, and SE Sheridan (Range Telephone - Independent)

Interoffice:

To Casper	Digital
To Buffalo	Digital
To Dayton-Ranchester	Digital
To Story	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Shoshoni

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: RLC Remote off Worland DMS 100

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
876	RT Communications	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Services	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, E-911 Service, DID Special Service Circuit - Switched 56, T1, T3 SS7 equipped
Custom Calling/CLASS Features Enabled	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
Other	Voice Messaging, Call Answering, Local Internet Access, Teleconference, xDSL

Interoffice:

To Worland	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

APPENDIX D
Wyoming Central Office Information (by location)
as of December 31, 2004

Story

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Ericsson

Switch Model: AXE/RSS (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
683	Qwest Communications	RBOC

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	3-Way Calling, Call Waiting, Call Forwarding, Speed Calling, Centron Service, Remote Call Forwarding
CLASS:	Caller Identification – Name & Number, Caller Identification – Number, Calling ID On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured & Flat Rate Service, Touch Tone Dialing, Private Branch Exchange Trunks, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 211, 311, 511, 711, 911, Frame Relay

EAS: Sheridan, Dayton-Ranchester and SE Sheridan (Range Telephone – Independent)

Interoffice:

To Sheridan	Digital
To Casper	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Sundance

Range Telephone Cooperative, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-10 (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
283	Range Telephone Cooperative, Inc.	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
281, 282, 284	Comnet Cellular Inc. – WY.	Wireless Provider
290	Western Wireless Corporation – WY.	Wireless Provider

Equal Access IntraLATA: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Touch Tone Dialing, Centrex, Call Forwarding, Call Waiting, 3-Way Calling, Speed Calling, Teen Service, Voice Mail, Usage Sensitive Custom Calling, Common Channel Signaling 7, Enhanced 800 Dialing, Call Forward Remote Access, User Programmable Call Forward Don't Answer, Sw 56, E-911, Calling Name and Number Delivery, Call Forward Busy, Remote Call Forward, Selective Call Forward, Digital PBX, Caller ID Blocking, Customer Originated Trace, Automatic Call Back, Automatic Recall, Selective Call Acceptance, Selective Call Rejection, Anonymous Call Rejection, User Transfer, Selective Distinctive Ringing
Other:	xDSL

APPENDIX D
Wyoming Central Office Information (by location)
as of December 31, 2004

Interoffice:

To Casper	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Ten Sleep

Tri County Telephone Association, Inc.

Central Office:

Switch Manufacturer: Lucent Technologies

Switch Model: 5ESS-2000

Switch Location: Basin, WY, via digital line carrier from Ten Sleep

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
366	Tri-County Telephone Association, Inc.	Independent
469	Tri-County Telephone Association, Inc. (Hyattville)	Independent

Equal Access IntraLATA: Capable, 10XXX **Local Number Portability: Yes**

Equal Access InterLATA: Yes

Switch Features Enabled:

Options:	Automatic Call back, Automatic Route Selection, Advanced Services Platform, Call Forwarding all, Automatic Call Distribution, Call Trace customer originated, Call Park, Code Calling answer, Directed Call Pickup, Call Waiting & Cancel, ISDN, Distinctive Ringing Call, Home Intercom, Line Identification name and number, Circular Hunt, Multiple Hunt, Three-way calling, Six way analog conference calling, Consult, Call Transfer, Call Bridging, Attendant Recall, Line Queue, Speed Calling all, Selective Call Rejection, Selective Call acceptance, Restricted Originating, Time, Local Internet Access
System:	Full SONET (ring bus), ATM, TV, Video, Fiber to the Home.
Other:	xDSL

EAS: Hyattville

Interoffice:

To Casper	Digital
To Hyattville	Digital
To Basin	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Thermopolis

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: **RSC Remote off Worland DMS 100**

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
864	RT Communications	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

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Wyoming Central Office Information (by location)
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Switch Features/Services Enabled:

Services	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, 911 Service, E-911 Service, DID Special Service Circuit – Switched 56, T1, T3, SS7 equipped
Custom Calling/CLASS Features Enabled	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
Other	Voice Messaging, Call Answering, Local Internet, Teleconference, xDSL

EAS: Hamilton Dome

Interoffice:

To Hamilton Dome	Digital
To Worland	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Torrington

Sprint Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 **SRSC** (Digital, remote off Scottsbluff, NE)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
532, 534	United Telephone Co. of the West d/b/a Sprint	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
401	Western Wireless Corporation – Wy.	Wireless Provider
557	Cellular, Inc.	Wireless Provider

Equal Access IntraLATA: Yes Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Call Waiting; Call Forwarding, Three-way Calling, Speed Calling 8, Speed Calling 30, Directory Number Transfer, Call Forwarding-Busy, Call Forwarding-No Answer, Remote call forwarding, Hot line/Warm Line, Intercom, Signal Ring
CLASS:	Return Call, Caller ID with Name, Anonymous Call Rejection, Repeat Dialing, Selective Call Forward, Selective Call Rejection, Selective Call Ring
Options:	911, Business Premise Wiring, Channel Banks, Data Service Units, Data Terminals, Digital Central Office, Digital Data Service, DS0, DS1 Clear Channel, E-911, LAN Networks, Modems, Other LAN Equipment, Residential Premise Wiring, Routers, School Premise Wiring, T-1 Multiplexers, Telephone sets, Touch Tone Dialing, Centrex capability, Internet, ISDN
System::	SONET OC48
Other:	xDSL

EAS: Lingle, Guernsey, LaGrange and West Lyman

Interoffice:

To Lingle	Digital
To Morrill	Digital
To Scottsbluff	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

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Wyoming Central Office Information (by location)
as of December 31, 2004

Upton

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: **RSC Remote off Newcastle DMS 10**

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
468	RT Communications	Independent

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled:

Services	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, 911 Service, DID (E-911 capable) Special Service Circuit – Switched 56, T1, T3, SS7
Custom Calling/CLASS Features Enabled	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
Other	Voice Messaging, Call Answering, Local Internet Access, Teleconference, xDSL

Interoffice:

To Newcastle	Digital
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Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Wheatland

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: AT&T

Switch Model: 5ESS/RSM (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
322	Qwest Communications	RBOC
943	Wyocom LLC d/b/a Contact Communications	CLEC

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type
241	Western Wireless Corporations – WY.	Wireless Provider
331	Verizon	Wireless Provider

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	IntraCall, Custom Ringing, 3-Way Calling, Call Waiting, Call Forwarding, Speed Calling, Centron Service, Single Number Service, Remote Call Forwarding, Remote Access Forwarding, Scheduled Forwarding, Call Curfew, Long Distance Alert, Call Data Collection and Transmission, TrackLine Plus
CLASS:	Caller Identification - Name & Number, Caller Identification - Number, Calling On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Flat Rate Service, Measured Service, Touch Tone Dialing, Private Branch Exchange Trunks, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 211, 311, 511, 711, 911

*NOTE: Changes and additions since the previous telecommunications report are shown in **BOLD***

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EAS: Glendo, Chugwater

Interoffice:

To Cheyenne	Digital
To Glendo	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Worland

RT Communications

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100 (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
347, 375	RT Communications, Inc.	Independent

Wireless NNX Codes:

NNX	Telephone Company	TelCo Type

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features/Services Enabled

Services	Flat Rate Service, Flat Rate Trunks, Touch Tone Dialing, E-911 Service, DID, Special Service Circuit – Switched 56, T1, T3, SS7 Equipped
Custom Calling/CLASS Features Enabled (Wireline)	3-Way Calling, 8 Speed Calling, Automatic Call Back, Automatic Recall, Anonymous Call Rejection, Call Forward, Call Forward Busy, Caller ID Per Call Blocking, Call Forward No Answer, Call Forward Remote Access, Calling Name Delivery, Calling Number Delivery, Call Waiting, Centrex, Customer Originated Trace, Distinctive Ringing, Remote Call Forward, Selective Call Acceptance, Selective Call Forward, Selective Call Rejection, 30 Speed Calling, Caller ID Per Line Blocking, Teen Line, Ring Again, Call Transfer, Warm Line
Other:	Voice Messaging, Local Internet Access, Call Answering, Teleconference, xDSL.

Interoffice:

Wireline:

To Thermopolis	Digital
To Shoshoni	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Wright

Qwest Communications, Inc.

Central Office:

Switch Manufacturer: Northern Telecom

Switch Model: DMS-100/RSC (Digital)

NPA Code: 307

Landline NNX Codes:

NNX	Telephone Company	TelCo Type
464, 939	Qwest Communications	RBOC

Equal Access IntraLATA: Yes

Local Number Portability: Yes

Equal Access InterLATA: Yes

Switch Features Enabled:

Custom:	Call Forwarding, Call Waiting, 3-Way Calling, Speed Dialing, Remote Call Forwarding, IntraCall, Centron, Custom Ringing, Long Distance Alert
CLASS:	Caller Identification - Name & Number, Caller Identification - Number, Calling ID

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	On Call Waiting, Call Rejection, Priority Call, Selective Call Forwarding, Last Call Return, Continuous Redial, SS-7
Options:	Measured and Flat Rate Service, Private Branch Exchange Trunks, Multi-line Hunting, Direct Inward Dialing, Toll Restriction, Digital Connectivity, 211, 311, 511, 711, 911

EAS: Gillette

Interoffice:

To Casper	Digital
To Gillette	Digital

Internet Service: Inquire locally about service and ISPs. See Guide to Reading Appendix D.

Note to these tables:

NNX numbers (central office codes - the first three digits of your local telephone number) may be found at <http://www.primeris.com/fonefind>. Lists pertinent to Wyoming exchanges may be found by searching area codes 208, 307, 308, 406, 435, 605, 801, and 970.

Basic Trading Areas for wireless applications may extend beyond areas listed. Contact local service providers for wireless availability in your area.

APPENDIX E

Joint Petition to the FCC for Supplemental Universal Service Funds for Customers of Wyoming's Non-Rural Incumbent Carrier (submitted December 21, 2004)

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
Federal-State Joint Board on) CC Docket No. 96-45
Universal Service)

JOINT PETITION OF THE
WYOMING PUBLIC SERVICE COMMISSION
AND THE WYOMING OFFICE OF CONSUMER ADVOCATE
FOR SUPPLEMENTAL FEDERAL UNIVERSAL SERVICE FUNDS FOR CUSTOMERS
OF WYOMING'S NON-RURAL INCUMBENT LOCAL EXCHANGE CARRIER

(Submitted December 21, 2004)

The Wyoming Public Service Commission (WPSC) and the Wyoming Office of Consumer Advocate (WOCA) hereby petition the Federal Communications Commission (Commission) for supplemental universal service funding for customers of Wyoming's only non-rural incumbent local exchange carrier, Qwest Corporation (Qwest). This petition is filed pursuant to the Commission's decision and direction provided in its October 27, 2003, *Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order* (the *Order on Remand*) in CC Docket No. 96-45, FCC 03-249. It is also a follow-up to the annual residential rate comparability certification filed on September 30, 2004, pursuant to 47 C.F.R. § 54.316.

BACKGROUND

In its *Order on Remand*, the Commission, more specifically than in its prior decisions, addressed the universal service principles of: [a] affordability of rates for quality services, [b] sufficiency of the universal service fund, and [c] ensuring that rural customers have access to services reasonably comparable to those available in urban areas at prices that are also reasonably comparable to those of urban customers.¹ The *Order on Remand* also addressed a number of specific issues, including: the computation of the support to be provided non-rural carriers, the definitions of "sufficient" and "reasonably comparable", the required annual certification, and other specifics of universal service funding. However, in this petition we are particularly interested in the Commission's adoption of the Joint Board's recommendation "to

¹ These principles are found in Section 254 of the federal 1996 Telecommunications Act. Section 254(b)(2) states, "Quality services should be available at just, reasonable, and affordable rates." Section 254(b)(5) states, "There should be specific, predictable and sufficient Federal and State mechanisms to preserve and advance universal service."

Section 254(b)(3) states,
Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.

APPENDIX E

Joint Petition to the FCC for Supplemental Universal Service Funds for Customers of Wyoming's Non-Rural Incumbent Carrier (submitted December 21, 2004)

permit states to request further federal action, if necessary, based on a demonstration that the state's rates in rural, high-cost areas served by non-rural carriers are not reasonably comparable to urban rates nationwide" with the burden on the state to show that it "has taken all reasonable steps to achieve reasonable comparability through state action and existing federal support."²

The Commission's supplemental rate review process contains four steps. First, states must annually review rates in rural high-cost areas served by non-rural carriers to assess the comparability of rural rates to urban rates nationwide. Second, states must submit an annual certification to the Commission regarding the comparability of the rates. Third, if a state has not achieved reasonable comparability between rural and urban rates, it must explain in its annual certification why it has not been able to achieve such comparability, and must do so each year until comparability has been achieved. Fourth, a state may request further federal action, based on a showing that federal and state actions taken together are not sufficient to achieve the required rate comparability.

In the *Order on Remand* at paragraph 57, the Commission states that the federal action could include, but is not limited to, "additional targeted federal support or actions to modify calling scopes or improve quality of service where state commissions have limited jurisdiction." [Footnote omitted.] Furthermore, the Commission has indicated its intention of allowing great flexibility regarding the request for further federal action.³ The Commission also places the burden of showing the need for further federal action on the states, requiring [a] a full explanation of the basis of the request, including a demonstration of the lack of rate comparability, and [b] a full explanation of the actions that the state has taken in its attempt to achieve rate comparability.⁴ The Commission has indicated its intention to act as expeditiously as possible on a request for further action after it is received, including an expeditious public notice seeking comment on the request.⁵

It is also important, for background as to why we are filing this Joint Petition, to recall the Commission's definitions of "sufficient" and "reasonably comparable." The Commission has defined "sufficient" as "enough federal support to enable states to achieve reasonably comparable rural and urban rates."⁶ As part of its definition of "reasonably comparable," the Commission presumed rural rates would be reasonably comparable to urban rates if they "deviate no further than two standard deviations above the national average urban rate in the Bureau's *Reference Book*,"⁷ referring to the *Reference Book of Rates, Price Indices and Expenditures for Telephone Service* (the *Reference Book*) annual survey of local telephone rates conducted by the Commission's Wireline Competition Bureau. At the time of the *Order on*

² See October 27, 2003 *Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order*, CC Docket No. 96-45 FCC 03-249, paragraph 4.

³ *Order on Remand*, paragraph 95 where the Commission states,

We reject arguments that we should not adopt the Joint Board's recommendation to permit states to seek further federal action because the process is ill-defined. Because the ability to request further federal action is intended to address isolated, unique circumstances, we concur with the Joint Board's recommendation that states should be afforded great flexibility in showing that further federal action is required.

⁴ *Order on Remand*, paragraph 93.

⁵ *Order on Remand*, paragraph 94.

⁶ *Order on Remand*, paragraph 36.

⁷ *Order on Remand*, paragraph 38.

APPENDIX E

Joint Petition to the FCC for Supplemental Universal Service Funds for Customers of Wyoming's Non-Rural Incumbent Carrier (submitted December 21, 2004)

Remand, the Commission presumed that if a rural rate is \$32.28⁸, or less, it would be considered to be within the range of reasonable comparability to nationwide urban rates. This benchmark is to be updated each year. The Commission also stated its willingness to consider other factors or specific information that would show why this presumption should not apply to a specific rural area.

The WPSC and the WOCA remind the Commission that Wyoming's prior concerns about rate affordability and comparability were specifically and pointedly addressed in the *Order on Remand*. At paragraphs 143 through 145, the Commission denied the WPSC's petition for reconsideration of the Commission's *Ninth Report and Order*. However, as part of the denial of this petition, the Commission "commends the Wyoming Commission for implementing pro-competitive policies by deaveraging and eliminating implicit subsidies."⁹ Furthermore, the Commission offered each state, including Wyoming, the opportunity to request further federal action based on a showing of both best efforts to achieve rate comparability and the resulting lack of urban-rural rate comparability. This section of the *Order on Remand* concludes, at paragraph 145, "We anticipate that this proposal, if adopted, would help to address the concerns raised by the Wyoming Commission in its petition."

2004 RATE CERTIFICATION FILING

On September 30, 2004, the WPSC filed the required annual residential rate certification for its non-rural incumbent carrier with the Commission and the Universal Service Administrative Company (USAC). Because Wyoming has only one incumbent non-rural carrier, this annual certification related specifically to Qwest's rates and service in Wyoming. In its certification, the WPSC assumed a nationwide urban rate benchmark of \$34.16 per month based on the most recent information in the *Reference Book*. The certification filing concluded that Qwest's "rural residential rates are not reasonably comparable to the nationwide urban rate benchmark."¹⁰

Several reasons for this conclusion of non-comparability are summarized on page 2 of the WPSC Rate Certification filing:

There are several reasons why the rates are not reasonably comparable, with the main factor being the fact that Wyoming has cost-based rates for its rural areas and no other state does (a fact recognized several times by the FCC in the *Remand Order*). The WPSC has fully implemented the statutory mandates of the pro-competitive Wyoming Telecommunications Act of 1995 (Wyoming Act) (W.S. §§ 37-15-101 through 37-15-502). Relevant sections of the Wyoming Act are W.S. § 37-15-402 which requires cost-based pricing for all retail telecommunications services in Wyoming, W.S. § 37-15-403 which prohibits cross subsidies and eliminates implicit subsidies and W.S. § 37-15-501, which establishes the Wyoming Universal Service Fund. Qwest now has in place de-averaged cost-based residential rates with all implicit subsidies removed from the residential rates and the WPSC has implemented the explicit subsidy support

⁸ As noted in footnote 204 of the *Order on Remand* and the *Reference Book* data, the related benchmark of \$32.28 should include not only the monthly charge for flat-rate service, but also subscriber line charges, taxes, 911 charges, and other charges. At the time of the order, these charges, over and above the flat-rate price, were estimated to be about \$8.78 nationwide.

⁹ *Order on Remand*, paragraph 144.

¹⁰ See *WPSC New Residential Rate Comparability Certification*, filed September 30, 2004, page 2.

APPENDIX E

Joint Petition to the FCC for Supplemental Universal Service Funds for Customers of Wyoming's Non-Rural Incumbent Carrier (submitted December 21, 2004)

program -- the Wyoming Universal Service Fund. The residential rate shown on Exhibit 1 to this certification reflects the true high cost, rural nature of much of Wyoming.

The WPSC's annual rate certification found that many of Qwest's customers were paying the monthly rate of \$42.28, including taxes and surcharges. This rate is 124% of the nationwide urban rate benchmark. This rate is the end result *after* both federal universal service funds and Wyoming universal service funds are credited directly to customers' bills. Attachment A hereto is a copy of the WPSC's 2004 annual certification, *New Residential Rate Comparability Certification for Wyoming's Non-Rural Incumbent Carrier Serving in Rural Areas within Wyoming Pursuant to 47 C.F.R. § 54.316*, filed with the Commission and USAC on September 30, 2004.

MORE FACTS ON WYOMING'S LACK OF RATE COMPARABILITY IN SPITE OF ITS BEST EFFORTS

Wyoming has a small population and low population density. According to the 2000 census¹¹, Wyoming had the lowest population in the nation, with fewer than 500,000 people (0.2% of the total population in the United States) and more than 97,100 square miles of land, yielding a population density of 5.1 persons per square mile. Only Alaska has a lower population density, with 1.1 persons per square mile and about 627,000 people. However, Alaska is nearly seven times larger than Wyoming. In contrast, the District of Columbia is the second least populous geographic area in the United States, with about 572,000 people, yet it has a population density of more than 9,316 persons per square mile.

Wyoming has very real universal service needs. It is a predominantly rural state with a small and widely dispersed population, few urban centers and some of the most physically difficult-to-serve territory in the United States. Much of the cost of traditional wireline telephone service is driven by distance and density. This is especially true for the local loop portion of the cost which is driven by the amount of trench that must be dug and the amount of cable that must be laid in that trench. In low population density areas¹², long lines are often needed to serve relatively few customers. Qwest serves about 75% of all customers in Wyoming, including customers in much of rural Wyoming. Attachment B to this petition is a map showing that Qwest serves throughout Wyoming and not only in the most urban areas of the state. This is the first reason why it is difficult for Wyoming to meet the rate comparability test defined by the Commission.

Second, substantial network upgrades have occurred over the past five to ten years in Wyoming. With limited exceptions, fiber interoffice connections have been deployed throughout the state. All of Wyoming's switches have been upgraded to digital. Redundant loops have been built by Qwest, by itself and through partnerships with independent local rural carriers. While Wyoming must confront issues arising from technologies that limit service based on loop length and must build network in a fiscally responsible manner, we are far from being a

¹¹ Data taken from the U.S. Census Bureau, American FactFinder, based on the year 2000 census data. This data shows that the average population density in the United States is 79.6 persons per square mile of land area.

¹² Eight of Wyoming's twenty-three counties have fewer than 10,000 people with one county having fewer than 3,000 people.

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technologically backwater state. The cost of the investments necessary to provide this type of quality local service -- service that is capable of providing the advanced services referenced in Section 254 of the 1996 Telecommunications Act¹³ -- are included in the cost studies that underlie Wyoming retail and wholesale rates. This affects Wyoming's ability to meet the rate comparability test as defined by the Commission.

Third, and unlike all of the other states, Wyoming has fully prepared its local exchange markets for competition, an undertaking that has dramatically and sometimes painfully increased prices for residential retail customers. Between 1995 and 1999, Qwest made multiple rate filings before the WPSC to transform its rates from traditional, implicit subsidy-laden rates to total service long-run incremental cost-based rates supported only, when necessary, by explicit subsidies. This multiyear process involved:

- Treating an access line as an access line, so that business lines and residential lines are priced the same (i.e., at their true cost), rather than continuing pricing on the ability to pay or value of service.
- Assigning the cost of the local loop to basic local service rather than trying to collect this fixed cost-based item from either optional services (e.g., call waiting, call forwarding) not subscribed to by all customers or from usage based services (e.g., switched access), where larger users would pay a portion of the cost for smaller users -- a continuation of implicit subsidies.
- Deaveraging the cost and price of retail service to recognize that it costs more to serve a more rural customer not located in a clustered population of subscribers.¹⁴
- Setting retail rates at or above the total service long-run incremental cost of service so entering competitors are not automatically and immediately priced out of the market through the continuation of implicit subsidies.

Each of these has increased the price of local service to Qwest's customers. The following table provides a comparison of 1995 prices and today's prices¹⁵ for Qwest's Wyoming customers:

	1995	2004
Qwest Residential Base Rate Area	\$14.64	\$23.10
Qwest Residential Zone furthest from Base Rate Area	\$24.54	\$69.35
Qwest Business Base Rate Area	\$30.56	\$23.10
Qwest Business Zone furthest from Base Rate Area	\$41.46	\$69.35
Qwest Per Minute Intrastate Switched Access Rate	\$0.0971	\$0.014698

Fourth, Wyoming has successfully implemented an explicit universal service funding mechanism as authorized by our legislature at W.S. §§ 37-15-501 and 502. It provides for

¹³ Section 254(b)(2) of the 1996 Telecommunications Act states, "Access to advanced telecommunications and information services should be provided in all regions of the Nation."

¹⁴ Qwest's prices are disaggregated by a base rate area and three zones. The base rate area is the most populous area of each exchange. The zones are amoeba shaped areas surrounding the base rate area that represent less dense and less populous areas.

¹⁵ Price shown is before the federal universal service support and Wyoming universal service support are credited to a customer's bill. This information is detailed in a December 2002 WPSC report, *The Pricing of Basic Telecommunications Service under the Wyoming Telecommunications Act of 1995*, found at <http://psc.state.wy.us/htdocs/teleco/TeleServPrice.PDF>.

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support directly to customers and is designed so that no customer is required to pay more than 130% of the statewide weighted average local exchange rate, excluding taxes and surcharges, for basic local service. For the twelve months beginning July 1, 2004, the statewide weighted average local service rate in Wyoming is \$24.36, making the benchmark support threshold \$31.67. Based on current, forward looking cost-based local service rates for all companies in Wyoming, there is a need to support a fund of about \$3.6 million annually. Revenue for the fund is provided by an assessment on all intrastate telecommunications revenue, including intrastate wireless revenue, which currently is estimated to be about \$270 million annually. This translates into an assessment of just under 1.5% on an ongoing basis¹⁶ at current revenue levels. However, this funding level cannot be expected to remain constant and is expected to increase as [a] intrastate access revenues decrease substantially with the increasing use of wireless telephony for long-distance calls, and [b] more competitive local exchange carriers (CLECs) and wireless companies seek to receive Wyoming universal service fund support.

The fact that Wyoming has instituted a working, viable, explicit universal service fund meets the Commission's test requirement that a state must be trying to help itself. However, using more of Wyoming's universal service funds to keep Wyoming rates affordable and comparable to urban rates would be difficult, especially because Wyoming's urban customers already pay a significantly larger bill than do urban customers in other states. Furthermore, Wyoming rural customers have also engaged in the self-help desired by the Commission, since their Wyoming universal service fund assessment is based on their gross rate, rather than their rate net of federal and state assistance. Thus, a rural Qwest customer with a gross rate of \$69.35 would pay more than an extra \$1 per month (i.e., \$69.35 x 1.5%) for their portion of the Wyoming universal service fund, adding to the burden they already bear of having some of the highest local rates in the nation. Moreover, they still pay their full share of federal universal service charges.

The WPSC and WOCA support this revised and rationalized pricing structure as an important element in preparing the Wyoming market for competition. The continued use of implicit subsidies would not have been conducive to the entry of competitors into the Wyoming market. We were willing to take all the transitional pricing steps needed to move from monopoly markets to competitive markets, recognizing that competition was a goal of both the federal Telecommunications Act of 1996 and the Wyoming Telecommunications Act of 1995. Yet, alongside this transition were to be both federal and state mechanisms to ease the transition to market-based rates and to assist in keeping rates affordable.¹⁷ Wyoming, more than any other state, has taken to heart the concept of preparing for competition. However, this should not be done without the promised federal support mechanism to assist in the transition process while markets become more fully and effectively competitive. We have done what we can ourselves but we deserve additional assistance as provided for in the federal Telecommunications Act of 1996.

¹⁶ In the past, the assessment has ranged from a low of 1% to a high of 6%.

¹⁷ See May 8, 1997 *Report and Order* in CC Docket No. 96-45, paragraph 1:

"In the Telecommunications Act of 1996 (1996 Act), Congress directed the Commission and the states to take the steps necessary to establish support mechanisms to ensure the delivery of affordable telecommunications service to all Americans, including low-income consumers, eligible schools and libraries, and rural health care providers."

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REQUEST FOR ADDITIONAL FEDERAL UNIVERSAL SERVICE FUNDS

The Commission has opened the door to the states to ask for further federal action based on isolated, unique circumstances. In our discussion above, we have shown the unique challenges Wyoming faces. We have shown why the current level of state and federal universal service funds, taken together, are still inadequate to keep current rates comparable under the Commission's test of urban/rural rate comparability. Some respondents have argued and will continue to argue that our request is premature, asserting that the Commission must establish a more rigidly defined one-size-fits-all process for making these requests before the Commission grants supplemental assistance. The Commission has already rightly rejected these arguments¹⁸, while at the same time working to put some parameters and guidelines in place relative to these individualized requests. We ask that the Commission continue to reject the stalling arguments that our request is premature. We have waited long enough. We have had competition-ready prices in place for several years and we have removed competition-strangling implicit subsidies from retail basic service rates in Wyoming, a step few, if any, other states have been willing to take in order to advance competitive markets in rural high-cost service areas. If rates for local service are "reasonable" in Wyoming, one has to ask why other states are so reluctant to rebalance rates and remove implicit subsidies supporting low local service rates. We have asked the Commission for help for several years but the Commission was not yet ready to address our specific need. Now, with the Commission's parameters in place, it is time to examine the effect of implementing truly and thoroughly pro-competitive policies in a rural state.

We ask the Commission to authorize additional federal high cost support funds to further assist in moving the rates of Qwest's Wyoming customers closer to the threshold of urban/rural rate comparability. We use the following illustration¹⁹ to show the magnitude of funds that would assist in this regard.

	Base Rate Area	Zone One	Zone Two	Zone Three
Basic Service Rate	\$23.10	\$23.10	\$23.10	\$23.10
Zone Additive	\$0	\$15.50	\$25.50	\$46.25
GROSS RATE	\$23.10	\$38.60	\$48.60	\$69.35
Federal USF Credit	0	(\$6.93)	(\$14.18)	(\$28.00)
RATE NET OF FUSF	\$23.10	\$31.67	\$34.42	\$41.35
Wyoming USF Credit	\$0	\$0	(\$2.75)	(\$9.68)
Net Rate (before Taxes and Surcharges)	\$23.10	\$31.67	\$31.67	\$31.67
Subscriber Line Charge	\$6.50	\$6.50	\$6.50	\$6.50
FUSF Surcharge	\$0.58	\$0.58	\$0.58	\$0.58
Telecomm Relay	\$0.06	\$0.06	\$0.06	\$0.06
Wyoming Lifeline	\$0.01	\$0.01	\$0.01	\$0.01
E 9-1-1	\$0.75	\$0.75	\$0.75	\$0.75
Federal Excise Tax	\$0.93	\$1.16	\$1.16	\$1.16
Wyoming Sales Tax	\$1.24	\$1.55	\$1.55	\$1.55

¹⁸ *Order on Remand*, paragraph 95, "We reject arguments that we should not adopt the Joint Board's recommendation to permit states to seek further federal action because the process is ill-defined."

¹⁹ The number of lines in this illustration are taken from the Universal Service Administrative Company's High Cost Model Support Projected by Wire Center, for Fourth Quarter 2004 as found in USAC Appendix HC15.

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FINAL BILL TO CUSTOMER	\$33.17	\$42.28	\$42.28	\$42.28
Commission Benchmark	\$34.16	\$34.16	\$34.16	\$34.16
<i>Comparability Shortfall</i>	<i>\$0</i>	<i>\$8.12</i>	<i>\$8.12</i>	<i>\$8.12</i>
Number of Lines	138,850	11,269	12,880	24,383
Necessary Additional Support	\$0	\$1,098,051	\$1,255,027	\$2,375,880

As illustrated in the above table, Wyoming would need additional support of about \$4.7 million annually in order to make the Qwest customers' rates reasonably comparable to nationwide urban rates. With nearly 113 million households nationally with telephones²⁰, and nearly \$112 billion in annual interstate and international revenues²¹, Wyoming's request for supplemental federal support is modest, especially in light of our competitive preparedness. Our requested \$4.7 million could be collected at a rate of *just over four cents per household per year*.

Wyoming rules require, if these supplemental funds were provided, that the money would be flowed back directly to customers as bill credits. Thus, we, the Commission and industry may all be assured that the funds will not be inappropriately used by Qwest. This is money for Qwest's customers, not its coffers.

Even though our Joint Petition may cause some respondents to question the competitive fairness of allowing the incumbent supplemental funds to achieve rate comparability, the needs of Qwest's rural customers in Wyoming are well documented and real. Some may claim that providing supplemental funds would only be proper if they were also paid out to competitors on the same dollar per customer basis as is allowed to the incumbent. While we agree that the question of whether any equivalent supplemental funds should be provided to Qwest's competitors needs to be resolved, it should be done in a manner that neither interferes with nor postpones the Commission's response to our petition. We are unaware of any Commission orders to date which have addressed, let alone resolved, this supplemental funding issue.

CONCLUSION

Wyoming has eliminated implicit subsidies from rates and implemented rates under which each service covers its actual costs. We have implemented an explicit state universal service funding mechanism and have otherwise prepared Wyoming telecommunications markets for competition, consistent with the federal and Wyoming Telecommunications Acts. As the Commission had often recognized, implicit subsidies are unsustainable in the competitive environment envisioned by the 1996 Act. *See, e.g., Order on Remand*, paragraph 16. The Commission called on the states in the *Order on Remand*, paragraph 127, to "replace implicit support mechanisms with explicit support mechanisms that will be sustainable in a competitive environment." We have answered your call.

We support the Commission's decision to allow states "to request further federal action, if necessary, based on a demonstration that the state's rates in rural, high-cost areas served by non-rural carriers are not reasonably comparable to urban rates nationwide." You rightly place the burden on the state to show that it "has taken all reasonable steps to achieve reasonable

²⁰ Information taken from Commission's *Telephone Subscriber Report* issued August 2004.

²¹ Information taken from *Federal-State Joint Board on Universal Service Monitoring Report* issued October 2004.

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comparability through state action and existing federal support.” In response, Wyoming has made the needed annual review of rates in rural high-cost areas served by Qwest (Wyoming’s non-rural carrier) to assess their comparability to nationwide non-rural rates. Wyoming has submitted the annual certification regarding rate comparability. We have explained why such comparability has not been achieved. In this Joint Petition, we have demonstrated that federal and state actions taken together are not sufficient to achieve the required rate comparability. Therefore the WPSC and the WOCA hereby request, based on our showings above, that the Commission take immediate remedial action to allow additional federal support for Qwest’s rural customers in Wyoming as described and quantified above.

Respectfully Submitted,

Rob Hurless
Chairman, WPSC

Steve Furtney
Commissioner, WPSC

Kathleen A. Lewis
Commissioner, WPSC

Bryce J. Freeman
Administrator, WOCA

APPENDIX E

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Wyoming's Non-Rural Incumbent Carrier (submitted December 21, 2004)



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September 30, 2004

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Irene Flannery
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RE: New Residential Rate Comparability Certification for Wyoming's Non-Rural Incumbent
Carrier Serving in Rural Areas within Wyoming Pursuant to 47 C.F.R. § 54.316
(CC Docket No. 96-45)

Dear Ms. Dortch and Ms. Flannery:

The Wyoming Public Service Commission (WPSC) hereby submits, pursuant to 47 C.F.R. § 54.316, its initial residential rate comparability certification to the Federal Communications Commission (FCC) and to the Universal Service Administrative Company (USAC). 47 C.F.R. § 54.316, **Rate comparability review and certification for areas served by non-rural carriers**, requires state commissions to annually review the comparability of residential rates in rural areas of the state served by non-rural incumbent local exchange carriers to urban rates nationwide. Qwest Corporation (Study Area Code 515108) is the only non-rural incumbent local exchange carrier in Wyoming and Qwest does serve in the rural areas of the state. 47 C.F.R. § 54.316 further requires the WPSC to certify to the FCC and the USAC whether the rates are reasonably comparable pursuant to the universal service principles contained in section 254(b)(3) of the federal Telecommunications Act of 1996.

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This residential rate review and certification is pursuant to the FCC's expanded certification process contained in the FCC's *Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order*, CC Docket No. 96-45, FCC 03-249 released October 27, 2003 (commonly referred to as the *Remand Order*). This initial rate review and certification is due October 1, 2004, pertaining to residential rates in effect as of July 1, 2004, with rates compared to the current nationwide urban rate benchmark. The nationwide urban rate benchmark equals the most recent average urban rate plus two weighted average standard deviations. The average urban rate and standard deviation are found in the most recent *Reference Book of Rates, Price Indices, and Expenditures for Telephone Service* published by the Wireline Competition Bureau of the FCC. For this initial certification, the nationwide urban rate benchmark is \$34.16 per month.

Exhibit 1 to this filing is a presentation of the Basic Service Rate Template for Wyoming as more fully described in the Joint Board's Recommended Decision, in paragraph 86 of the FCC's *Remand Order* and contained in Appendix F to the *Remand Order*. This Exhibit presents, in detail, the residential rate data for the most rural areas (Rural Zone 3) within Wyoming as required by the *Remand Order* and 47 C.F.R. § 54.316. This Exhibit shows that these rural residential customers, served by the non-rural incumbent local exchange carrier, pay a monthly rate of \$42.28, or 124 percent (124%) of the nationwide urban rate benchmark. Because of the manner in which federal support is targeted, residential customers located in Rural Zone 1 and Rural Zone 2 also pay the monthly rate of \$42.28. One hundred percent (100%) of the federal high cost support received by Qwest in Wyoming is reflected as a bill credit to its rural customers. Based on these facts, the methods in which the average urban rate was calculated and the rate comparison requirements contained in the *Remand Order*, the Wyoming Commission must conclude that its rural residential rates are not reasonably comparable to the nationwide urban rate benchmark.

There are several reasons why the rates are not reasonably comparable, with the main factor being the fact that Wyoming has cost-based rates for its rural areas and no other state does (a fact recognized several times by the FCC in the *Remand Order*). The WPSC has fully implemented the statutory mandates of the pro-competitive Wyoming Telecommunications Act of 1995 (Wyoming Act) (W.S. §§ 37-15-101 through 37-15-502). Relevant sections of the Wyoming Act are W.S. § 37-15-402 which requires cost-based pricing for all retail telecommunications services in Wyoming, W.S. § 37-15-403 which prohibits cross subsidies and eliminates implicit subsidies and W.S. § 37-15-501, which established the Wyoming Universal Service Fund. Qwest now has in place de-averaged cost-based residential rates with all implicit subsidies removed from the residential rates and the WPSC has implemented the explicit subsidy support program – the Wyoming Universal Service Fund. The residential rate shown on Exhibit 1 to this certification reflects the truly high cost, rural nature of much of Wyoming.

Since the WPSC has told the “Wyoming Story” many times in comments and reply comments during numerous federal Universal Service Fund proceedings, the FCC is very familiar with our situation. The WPSC was an active participant in the Rural Task Force on these important universal service issues. A recent example of this is the *Remand Order* where the FCC mentioned Wyoming and its unique circumstances several times (e.g., *Remand Order* ¶ 144).

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Another factor greatly impacting the rate comparison is the continued presence of substantial amounts of implicit subsidies in the rates that constitute the average urban rate and the nationwide urban rate benchmark.

In conclusion, the WPSC very much intends to pursue remedies to this residential rate disparity through requests for further federal action provided to state commissions in Part IV.D.2.e. of the *Remand Order*. The WPSC believes we can clearly demonstrate that the rates in rural, high-cost areas of Wyoming served by the non-rural incumbent local exchange carrier are not reasonably comparable to urban rates nationwide and that Wyoming has taken all reasonable steps to achieve reasonable comparability through our actions and the application of existing federal support. Our request for further federal action may include variations of the additional targeted federal support as detailed and described in Part V.C.3. and Appendix G of the *Remand Order*. The WPSC looks forward to working with the FCC, the USAC and all other interested parties in achieving the Universal Service goals and principles contained in Section 254 of the federal Telecommunications Act of 1996.

Sincerely,

/s/ Steve Furtney

Steve Furtney
Deputy Chair
Wyoming Public Service Commission

APPENDIX E

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Wyoming's Non-Rural Incumbent Carrier (submitted December 21, 2004)

Exhibit 1

Wyoming Public Service Commission
Rate Comparability Analysis
Residential Rate Data

Residential Customers in the Most Rural Areas of Wyoming Served
by the Non-Rural Incumbent Local Exchange Carrier

Rate, Surcharges, Credits and Taxes as of July 1, 2004:

Basic Residential Access Line Rate	\$69.35
Federal Universal Service Fund Credit	(\$28.00)
Wyoming Universal Service Fund Credit	<u>(\$9.68)</u>
Net Residential Rate Subject to Mandatory Surcharges and Taxes	\$31.67
Federal Subscriber Line Charge	\$6.50
Federal Universal Service Fund Surcharge	\$0.58
Telecommunications Relay System Surcharge	\$0.06
Wyoming Lifeline Program Surcharge	\$0.01
E911 Emergency Calling System Tax	\$0.75
Federal Excise Tax	\$1.16
Wyoming State Sales Tax	<u>\$1.55</u>
Total Basic Residential Service Rate to Customer	<u><u>\$42.28</u></u>

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Wyoming's Non-Rural Incumbent Carrier (submitted December 21, 2004)**

Appendix F

Commission Rural and Non-Rural ETC Certifications to the FCC

December 21, 2004



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RE: Certification of High Cost Support for Non-Rural Carriers and Eligible
Telecommunications Carriers (ETCs) Serving Lines in the Service Area of a Non-Rural
Carrier Pursuant to 47 C.F.R. § 54.313 (CC Docket No. 96-45)

Dear Ms. Dortch and Ms. Flannery:

The Wyoming Public Service Commission (WPSC) hereby submits, pursuant to 47 C.F.R. § 54.313, its annual certification to the Federal Communications Commission (FCC) and the Universal Service Administrative Company (USAC). 47 C.F.R. § 54.313 requires that the appropriate state regulatory authority annually certify those non-rural incumbent local exchange carriers and/or eligible telecommunications carriers serving lines in the service area of a non-rural incumbent local exchange carrier, within their jurisdiction, for purposes of receiving federal universal service fund support.

The WPSC has solicited from its jurisdictional non-rural incumbent local exchange carriers and ETCs serving lines in the service area of a non-rural incumbent local exchange carrier, their respective signed affidavits that set forth the manner in which federal universal service support funds have been used, and will be used during the applicable 12-month period for which support funds are being requested. The WPSC also requested further accounting data and financial documentation showing that the carriers were using the federal high cost support for its intended purposes. The respective affidavits and additional documentation will be made available to the FCC and /or USAC upon request.

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December 21, 2004

As the appropriate state regulatory authority with jurisdiction to regulate, *inter alia*, the intrastate activities of telecommunications companies serving in Wyoming, the WPSC hereby identifies the following non-rural incumbent local exchange carriers and ETCs serving lines in the service area of a non-rural incumbent local exchange carrier, as being certified to receive federal universal service support funds:

<u>Carrier</u>	<u>Study Area Code</u>
Advanced Communications Technology	519004
Qwest Corporation	515108
Silver Star Communications	519001
Union Telephone Company d/b/a Union Cellular	519905
VCI Company	519006
Western Wireless	519002

Western Wireless has been designated by the FCC as an ETC in certain non-rural service areas within the state of Wyoming. ETC status was granted to Western Wireless by the FCC due to the fact that the WPSC determined that it did not, at that time, have authority to grant ETC status to wireless providers. The WPSC now has the statutory authority to designate wireless providers as ETCs and did so recently in the case of Union Telephone Company d/b/a Union Cellular. The WPSC continues to be without authority to regulate the operations or rates of Western Wireless or Union Cellular. Based on the affidavit and other documentation filed by VCI Company (VCI), it is our understanding that VCI currently utilizes its designation as an ETC to participate in federal low income support programs and that VCI does not receive federal high cost support.

Pursuant to the representations contained in the affidavits submitted by these carriers, and the Commission's review of the additional documentation and support required to be filed by the carriers this year, the Commission certifies that these identified carriers have affirmed they will use the federal universal service support funds only for the provision, maintenance, and upgrading of facilities and services for which support is intended, consistent with section 254(e) of the federal Communications Act of 1934, as amended. This includes High Cost Model support (HCM).

Sincerely,

/s/ Rob Hurless

Rob Hurless
Chairman

/s/Steve Furtney

Steve Furtney
Deputy Chair

/s/Kathleen A. Lewis

Kathleen A. Lewis
Commissioner

Appendix F

Commission Rural and Non-Rural ETC Certifications to the FCC
December 21, 2004



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RE: Certification of High Cost Support for Rural Carriers and Eligible Telecommunications Carriers (ETCs) Serving Lines in the Service Area of a Rural Carrier Pursuant to 47 C.F.R. § 54.314 (CC Docket No. 96-45)

Dear Ms. Dortch and Ms. Flannery:

The Wyoming Public Service Commission (WPSC) hereby submits, pursuant to 47 C.F.R. § 54.314, its annual certification to the Federal Communications Commission (FCC) and the Universal Service Administrative Company (USAC). 47 C.F.R. § 54.314 requires that the appropriate state regulatory authority annually certify those rural incumbent local exchange carriers and/or eligible telecommunications carriers serving lines in the service area of a rural incumbent local exchange carrier, within their jurisdiction, for purposes of receiving federal universal service fund support.

The WPSC has solicited from its jurisdictional rural incumbent local exchange carriers and ETCs serving lines in the service area of a rural incumbent local exchange carrier, their respective signed affidavits that set forth the manner in which federal universal service support funds have been used, and will be used during the applicable 12-month period for which support funds are being requested. The WPSC also requested further accounting data and financial documentation showing that the carriers were using the federal high cost support for its intended purposes. The

Appendix F

Commission Rural and Non-Rural ETC Certifications to the FCC

December 21, 2004

respective affidavits and additional documentation will be made available to the FCC and /or USAC upon request.

As the appropriate state regulatory authority with jurisdiction to regulate, *inter alia*, the intrastate activities of telecommunications companies serving in Wyoming, the WPSC hereby identifies the following rural incumbent local exchange carriers and ETCs serving lines in the service area of a rural incumbent local exchange carrier, as being certified to receive federal universal service support funds:

<u>Carrier</u>	<u>Study Area Code</u>
All West Communications, Inc.	512290
CenturyTel of Wyoming, Inc.	512299
Chugwater Telephone Company	512289
Columbine Telephone Company d/b/a Teton Telecom	462204
Dubois Telephone Exchange, Inc.	512291
Golden West Telecommunications Cooperative, Inc.	391659
Project Telephone Company	482250
RT Communications, Inc.	512251
Range Telephone Cooperative, Inc.	512251
Silver Star Communications	512295
Tri-County Telephone Association	512296
TCT WEST	512296
Union Telephone Company	512297
United Telephone Company of the West d/b/a Sprint	511595
Western Wireless	519002
Union Telephone Company d/b/a Union Cellular	519905

Based upon the representations contained in the affidavits submitted by these carriers, and the Commission's review of the additional documentation and support required to be filed by the carriers this year, the Commission certifies that these identified carriers will use the federal universal service support funds only for the provision, maintenance, and upgrading of facilities and services for which support is intended, consistent with section 254(e) of the federal Communications Act of 1934, as amended. This includes High Cost Loop support (HCL), Local Switching Support (LSS) and high cost support received pursuant to the purchase of exchanges.

Sincerely,

/s/ Rob Hurless
Rob Hurless
Chairman

/s/ Steve Furtney
Steve Furtney
Deputy Chair

/s/ Kathleen A. Lewis
Kathleen A. Lewis
Commissioner

APPENDIX G

Letter to Senator McCain and Representative Barton on inadequate federal universal service support for rural telecommunications customers (May 12, 2004)



THE STATE OF WYOMING

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DEPUTY DIRECTOR

May 12, 2004

The Honorable John McCain
Chairman, Senate Committee on Commerce,
Science and Transportation
United States Senate
Washington, DC 20510

The Honorable Joe Barton
Chairman, House Committee on Energy and
Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman McCain and Chairman Barton:

On December 24, 2003, the Federal Communications Commission (Commission) issued its projections for federal universal service funding (FUSF) in 2004. In doing so, the Commission confirmed that **millions of rural Americans, including many in your home states, will continue to be deprived of the benefits of universal service, contrary to the clear intent of Congress expressed in Section 254(b) of the Telecommunications Act of 1996.**

Without FUSF support, needed investments in the telephone network are not occurring in many rural communities, putting them at a competitive disadvantage in today's increasingly digital economy.

Approximately 70% of rural telephone consumers are served by one of 30 so-called "non-rural" carriers, which is what the Commission calls large carriers that serve both urban and rural areas. In 2003, under the FUSF program for these carriers, almost 85% of the money went to just three states (Mississippi, Alabama, and West Virginia), with the remainder going to just five more states (Maine, Vermont, Kentucky, Montana and Wyoming). This distribution recognizes in part that the cost of serving customers in Wyoming is the highest in the contiguous 48 states, but **consumers in 42 states, including Arizona, Texas, and many of the least densely populated states in the country, paid more than \$200 million into this critical component of the USF and received zero benefit in return.**

A Wyoming example illustrates the problem. Even though Qwest, Wyoming's only non-rural carrier, receives \$9,096,591 per year in federal USF support to serve rural customers, rural carriers in Wyoming receive about three times as much federal support for serving a comparable number of rural customers.

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Letter to Senator McCain and Representative Barton on inadequate federal universal service support for rural telecommunications customers (May 12, 2004)

For 2004, the FCC has updated its line data and eligibility formula, resulting in an estimated \$50 million increase in this part of the FUSF. However, the new state funding distributions are still arbitrary and unfair. The FCC projects only two additional states receiving funds (Nebraska and South Dakota); two states are cut back (Maine and West Virginia); and most of the increase flows to states that were already beneficiaries. **Forty states are still shut out of the program entirely.**

We know for a fact that the cost of service is high in Wyoming because Wyoming has removed implicit subsidies from local rates. As a consequence, Wyoming customers pay about \$32.00 per month, plus about \$8 to \$10 for taxes, fees, subscriber line charges and other surcharges, out of their own pockets for basic local service in rural areas served by non-rural carrier Qwest. We would challenge other states receiving large portions of the available federal USF support to make such a showing and thereby prove that they have indeed identified true local service costs and have moved to a competitive local service pricing framework of the type envisioned by federal telecommunications law.

The carefully worded universal service principles in the Telecommunications Act of 1996 show that Congress did not intend these huge disparities. The inadequate support for Wyoming, with its known high costs, further illustrates the problem. Something is very wrong.

We strongly encourage you to schedule action this year on legislation to ensure a fairer, better targeted distribution of this fund, focused on states where the cost of service is high and there are rural communities that truly need the help. Legislation to accomplish this goal without raising consumer costs, taxes, surcharges or federal spending has been offered by Senator Gordon Smith (S. 1380) and Representative Lee Terry (H.R. 1582). These bills enjoy broad, bipartisan support in both houses of Congress and across the country.

It's important to note that these bills would not affect the separate FUSF account for small rural carriers and co-ops. Those funds are dedicated to a separate category of consumers and are irrelevant to meeting the needs of the majority of rural consumers served by larger carriers.

We also recognize there are many problems in the broader FUSF program. However, comprehensive reform of FUSF may take years to accomplish. In contrast, targeted reform of the "non-rural" account can be accomplished relatively quickly and easily. In the interests of ensuring fair treatment for millions of rural Americans, the high-cost, non-rural program can and should be fixed this year.

Sincerely,

ROB HURLESS
Chairman

STEVE FURTNEY
Deputy Chair

cc: Governor Dave Freudenthal
Members of the Senate Committee on Commerce, Science and Transportation
Members of the House Committee on Energy and Commerce
Members of the Wyoming Senate Delegation
Members of the Federal Communications Commission

APPENDIX H

OCA Comments on Elimination of Rate-of Return Regulation of ILECs

February 13, 2004

**Before the
Federal Communications Commission
Washington, D.C. 20544**

In the Matter of)
Western Wireless Corporation)
Petition for Rulemaking to Eliminate) RM 10822
Rate-of-Return Regulation of)
Incumbent Local Exchange Carriers) CC Docket No. 96-45
Federal-State Joint Board on)
Universal Service)

**Reply Comments of the Wyoming Office of Consumer Advocate
On Petition for Rulemaking to Eliminate
Rate-of-Return Regulation
Of Incumbent Local Exchange Carriers**

(Submitted February 13, 2004)

The Wyoming Office of Consumer Advocate (WOCA) hereby submits its Reply Comments in response to Western Wireless Corporation's Petition for Rulemaking to Eliminate Rate-of-Return Regulation of Incumbent Local Exchange Carriers (Western Wireless Petition). Our comments are directed to the need to achieve and maintain affordable rates in all areas of the nation, and the misunderstandings that seem to permeate Western Wireless' Petition and the comments of its supporters. Yet, for reasons far different than those advocated by Western Wireless and its supporters, we too advocate for a review and update of the mechanics of the federal universal service program.

The WOCA is an interested party in this proceeding. Created in 2003¹, the WOCA is charged with representing the interests of Wyoming citizens and all classes of utility customers in matters involving public utilities. In our role of representing the public interest of Wyoming citizens, we are keenly interested in the preservation of the national telecommunications system, particularly in rural communities; the advancement of universal service, particularly in low-density states; and the affordability of telecommunications service, particularly in high-cost areas.

¹ The WOCA was created in 2003 with the passage of legislation enacting W.S. § 37-2-401 and 404. While the WOCA is a newly created entity, it is not unfamiliar with the issues raised in Western Wireless' Petition. The members of the WOCA, former members of the staff of the Wyoming Public Service Commission, have been responsible during the past nine years for assisting with the development and implementation of the Wyoming Universal Service Fund, the transition from monopoly to competitive ready telecommunications markets, and recommendations regarding the repricing of telecommunications services to move from implicit to explicit subsidies. Members of the WOCA have also actively met with the Joint Board, the Commission, and the Rural Task Force on federal universal service fund issues.

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In its Petition, filed on October 30, 2003, Western Wireless proposes to eliminate rate-of-return regulation of rural incumbent local exchange carriers, for the purpose of determining their federal high-cost universal service support and interstate access charges. Instead, Western Wireless proposes that a support model be developed that is the lower of the wireline or wireless forward-looking cost in each geographic area, and that based on the developed forward-looking cost, support be provided only when retail rates exceed a predetermined minimum “affordable” level. Western Wireless further proposes that the new system be phased-in, with a safety net, and furthermore, that access charge reform be implemented.

The WOCA finds portions of Western Wireless petition appealing and worthy of further consideration, but is concerned about the misunderstandings that underlie much of the proposal. While we would like to see the federal universal service support mechanisms revisited – for both rural and non-rural carriers – we are concerned that the correct endpoint from the revisitation is presumed, and thus, Western Wireless attempts to construct a self-fulfilling prophesy. We are concerned that the Western Wireless proposed exercise suggests a predetermined outcome, and will result in unaffordable rates and rural rates not comparable to urban rates. Instead, we would rather see a more global review of the support mechanism(s), with an eye to some finality regarding the means of support, the longer-term sustainability of the funding, and the advancement of competitive-ready markets, while still keeping the goal of affordable rates and quality of service at the forefront. It is in this context, that the WOCA wishes to advocate several of the suggestions that have already come forward in the initial round of comments in this proceeding, while also looking to correct several of the misconceptions that have been promoted by Western Wireless and its supporters.

In its Petition, Western Wireless states that there is a need to “release rural customers from the grips of the RLECs whose dominant position in the local market threatens the ability of rural America to have access to basic and advanced services comparable to those available in urban areas.”² The WOCA does not advocate that the Commission or any Joint Board to whom this matter may be referred adopt the Western Wireless statement as a legitimate reason to reexamine the current universal service support mechanism. The Wyoming Public Service Commission currently has before it a petition requesting that it declare that Chugwater Telephone’s³ basic local exchange services are competitive, based solely on the other non-landline carriers serving in the area (i.e., wireless providers and internet providers). While this matter is still pending in Wyoming, the record on that case shows that there are many customers in that one small Wyoming exchange who have chosen wireless for either their primary or secondary line. Whether or not the Wyoming statutory definition of effective competition has been met, it is clear that wireless carriers are making competitive inroads in even some of the most rural states in the nation, such as Wyoming.

² Page 1 of Western Wireless’ Petition for Rulemaking to Eliminate Rate-of-Return Regulation of Incumbent Local Exchange Carriers.

³ Chugwater Telephone Company, Inc. is one of the smallest incumbent local exchange carriers in Wyoming, with less than 300 access lines.

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Rather than advocating that rural incumbent carriers have an impenetrable market share that must be attacked by completely revamping the federal support program, we think that the better question is whether wireless companies will be held to the same standards as the incumbent landline companies, such that competition can proceed on an equitable basis, without the advantage being tipped to the side of the wireless companies. For example, in December 2000, Western Wireless was given eligible telecommunications carrier (ETC) status by the FCC in December 2000 for its Wyoming operations. This ETC status was granted based on an application wherein Western Wireless indicated that it would make a universal service offering that met the entirety of the list of supported services to be provided by an ETC carrier. Yet, as of today, Western Wireless is not offering this promised service in Wyoming, in spite of projections that Western Wireless will receive more than \$9 million⁴ in federal universal service fund support in 2004 based on its self-reported Wyoming line counts. This is more than the amount estimated to be received by any other ETC in Wyoming, with the exception of Qwest.⁵ Thus, the WOCA believes that wireless carriers have neither a barrier to entry in the rural areas nor a disadvantage when it comes to receiving federal support – especially given the self-reporting nature of their line counts.

Western Wireless also advocates that forward-looking costs are the only true measure of the factors that drive economic decision-making.⁶ What Western Wireless fails to explain is that regardless of whether forward-looking costs or historical costs are used to determine rates and support levels, the true driver of the need for subsidies is the same: the elimination of implicit subsidies. Wyoming has undertaken a systematic process of moving its local exchange rates to or above cost with the cost being defined as total service long-run incremental cost (TSLRIC). While doing so, we have also continued to look at earnings levels based on traditional measures of earned rates-of-return on historical costs. For several providers who had recently made major upgrades and modernized their networks, we found that the historical and forward-looking costs were not significantly different. However, we found that there were very large rate increases necessary in order to bring the local service rates to or above either the historical or the forward-looking cost.⁷ We are concerned that Western Wireless' comments may be misunderstood as suggesting that the use of forward-looking costs would somehow limit or eliminate the need for a sizable federal universal service fund. Clearly, the Wyoming experience is that the use of forward-looking costs, accompanied by the elimination of implicit subsidies, very clearly drives the need for a sustainable, predictable, and adequately sized federal universal service fund.

⁴ See Universal Service Administrative Company High Cost Loop Support Projected by State by Study Area for First Quarter 2004.

⁵ Based on the same USAC report, Qwest is expected to receive about \$12.6 million in Wyoming.

⁶ Page 4 of Western Wireless' Petition.

⁷ Some customers in exchanges of United Telephone Company of the West have rates prior to state universal service fund support, but after federal support, that are more than eight times their previously authorized rate due to the elimination of implicit subsidies.

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Western Wireless also argues⁸ that rate-of-return regulation is the “true cause of the growth of the high-cost universal service fund, which threatens the long-term viability of the fund.” Yet, there is a lack of discussion in either Western Wireless’ petition, or the comments of its supporters, about the impact that the proposals might have on the long-term viability of an affordable, ubiquitous, national telephone network. For instance, T-Mobile has suggested that the Commission should immediately cap total distributions for USF support to carriers serving rural areas so universal service in non-rural areas is not jeopardized.⁹ Rather than capping the size of the fund, the WOCA suggests developing a funding method that will allow for the preservation and advancement of affordable rates and markets that are competition-ready and allows for the long-term sustainability of the fund. We acknowledge that all of those requirements may not be met with the current method, and thus, agree that it would be useful to review the current funding method for both rural and non-rural carriers. But again, we do not wish in the meantime to impact the funding for customers in states who have already taken broad steps to prepare for competition, as Wyoming has. Thus, we do not support a freeze or dramatic change in the current funding until a new, acceptable, tested method is in place and is ready for implementation.

In its Petition, at pages 6 and 7, Western Wireless lists the pending and soon to be initiated cases that are closely related to what it seeks in its petition, that is, a new proceeding to review the universal service funding and access rates for rural carriers. Yet, in spite of admitting that there are already a number of proceedings in the works or on the way to addressing these issues, Western Wireless wants still yet another proceeding addressing these matters. In this regard, we agree with the comments of USTA, et al., who state at pages 2-3 of their comments, “Opening a new proceeding to consider issues that are already considered in other contexts is contrary to basic administrative law principles and would be a waste of the Commission’s time and industry resources.” We further agree with the USTA et al. Joint Comments that the Western Wireless petition can be boiled down to a request for the review of universal service funding for rural carriers and for access charges to be based on forward looking costs.¹⁰ As we have already stated, the WOCA advocates a review of these issues but there is no need to do so with the presumption of eliminating the use of historical costs as any basis or factor for either ratemaking or funding universal service support. We also believe that such a reexamination of these issues is best done straightforwardly as a universal service related matter, rather than under the guise of rejecting historical regulatory practices.¹¹

⁸ See page 5 of Western Wireless Petition.

⁹ See page 12 of T-Mobile’s Comments filed January 16, 2004.

¹⁰ The Joint Comments state at pages 2-3, “In the end, however, its *Petition* amounts to nothing more than a request that the Commission base universal service support and access charge revenue requirements for ROR ILECs on forward-looking economic cost (FLEC) models rather than historical revenue requirements.”

¹¹ There is no need to discuss the flaws, disincentives, benefits or other related aspects or rate-of-return regulation when determining this matter. Instead, the Commission only needs to concentrate on affordable rates and a sustainable fund in order to address the issues that clearly underlie the filing of the Petition. To go further would create opportunities for unnecessary arguments for or against rate-of-return regulation, a traditional regulatory practice used by many states and non-federal jurisdictions.

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At page 22 of its Petition, Western Wireless cites a U.S. Court of Appeals for the D.C. Circuit decision, and specifically refers to the cite “because a firm can pass any cost along to ratepayers (unless it is identified as imprudent), its incentive to innovate is less sharp than if it were unregulated.” Western Wireless then uses this statement to determine that the disincentives and inefficiencies related to rate-of-return regulation would not be present if its proposal to use forward-looking costs as part of the regulation were adopted. Yet, this is not consistent with the statement of the Court. The Court discusses the differences in incentives and efficiency when comparing regulated and unregulated situations. That is not the situation to be addressed here. Because of the lack of universal, proven, effective competition in American telephone markets, the choice at hand is the type of regulation to be used – not whether to regulate or deregulate. Hence, there should be no reliance on the concept that markets *will* be more efficient or innovative or technologically advanced if forward-looking costs replace the historical costs. There are other factors that will have a significant impact on market efficiencies and innovation, including access to capital, the ability for existing and new firms to fund network upgrades and replacements, the willingness of customers to pay the going-rate for new services, and even technological advances.¹²

In its comments supporting the Western Wireless Petition, T-Mobile states, at page 9: The Commission has already determined that (1) the current Rural Task Force plan is an “interim” plan only that will end in mid-2006; (2) carriers serving rural areas should “shift gradually to a forward-looking economic cost methodology;” and (3) the Joint Board should develop a more targeted, long-term USF support plan before the current interim plan expires. In fact, the Commission had stated that it would “refer these [long-term] issues to the Joint Board no later than January 1, 2002.”

T-Mobile then continues by advocating “the Commission should now expeditiously refer this matter to the Joint Board. Any additional delay will simply mean that the Joint Board – and the Commission – will have even less time to evaluate and develop a long-term plan.”

The WOCA agrees that now is the time to refer this matter to the Joint Board and begin a meaningful and complete review of the funding method. We also agree that any future plan should be targeted to those who need it according to all of the principles contained in Section 254 of the federal Telecommunications Act of 1996 – and not just selective principles advocated by individual parties.

We further agree with T-Mobile that the review of the funding method should look for a method that will facilitate the eventual consolidation of the rural and non-rural USF programs.¹³ Wyoming recognized years ago that the inequities between rural and non-rural funding needed to be resolved, as it pointed to adjoining, sparsely populated, non-dense exchanges served by rural

¹² For instance, the deployment of telephony related broadband has historically had deployment problems due to its distance limitations. This engineering problem will not be resolved with a change in regulatory schemes.

¹³ See T-Mobile Comments of January 16, 2004 at pages 11-12.

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and non-rural companies with very different funding results. The Wyoming Public Service Commission at the time expressed grave concern about how disparities in the funding were impacting the competitiveness of these exchanges. We still find the example relevant and a reason that eventual consolidation of the two funding mechanisms must be a stated goal for any new universal service investigations.

However, we disagree with both Western Wireless and T-Mobile that there should be a stated goal of basing the rural carrier funding on models that use forward-looking costs. We are concerned that if this is the pre-stated answer to the problem, there will be an attempt to place a square peg in a round hole. It is not clear that the model, as it currently stands or as it could be modified, would allow for appropriate, sufficient, or adequate funding for the rural areas. Leaving aside the philosophical arguments of whether forward-looking costs are better used than historical, actual costs, there are a number of concerns about rural geo-coding and customer location placement in the model that are yet to be resolved satisfactorily. There are different facts and circumstances that must be considered when it comes to line loops, size of customer premises and location of demarcation points, and other similar items that need to be revisited as part of a decision to use the synthesis or related cost model. These challenges require time for adequate study and testing. Until this occurs, there should be no presumption that the forward-looking costs will provide a better solution to rural funding and achieving urban/rural rate comparability than some other method might.

To presume that forward-looking costs are best also eliminates any creative solutions that might have been developed since the last look at the rural funding method several years ago. For example, there might be a solution that would rely neither on forward-looking nor historical costs, but might be based on rates and prices themselves, with some parameters stated as to the development or level of those rates. Perhaps there is a solution waiting to be presented that relies on forward-looking costs for basic support with historical costs for a safety net. Or, there could be a solution in the development stage that has a tiered based plan (such as that advocated in earlier proceedings by Qwest) that would designate sharing between state and federal funds. None of these ideas should be foreclosed prior to the commencement of the proceeding.

Finally, Western Wireless requests further access reform based on the use of forward-looking costs. While the WOCA does not conceptually oppose further access reform, we are concerned about the form that such access pricing changes have taken in recent days. The general nature of access reform has been to reduce the per-minute charges that have been previously billed to long-distance providers, and increase flat rates paid directly by end-users. The effect of this is to increase the end-user's total bill, whether he/she benefits from accompanying reductions in long-distance rates or not, and this is particularly true for those who do not make many toll calls. But, all this has happened without a complete recognition that these additional flat-rated surcharges impact the affordability of the overall bill paid by end users. As the Wyoming Public Service Commission has pointed out in many of its previous universal service comments, customers who take nothing but plain-old-telephone-service may have taxes and surcharges of \$10 or more added to their basic service charge. This must enter into the formula for determining whether rates are affordable and whether urban/rural rates are comparable – especially if the Commission accepts Western Wireless' suggestion to do even more of this kind of rate restructuring.

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February 13, 2004

In conclusion, the WOCA appreciates the opportunity to submit reply comments in response to Western Wireless' Petition. While disagreeing with many of the reasons stated by Western Wireless for its request to reexamine rural universal service funding, we agree with the overall concept that this issue again be reviewed. However, the review should begin with a blank slate, and not based on unjustified presumptions that could become self-fulfilling prophecies that jeopardize the continuation of nationwide affordable telephone service. The WOCA would be pleased to further discuss these issues with the Commission and looks forward to participating in future proceedings on this matter.

Respectfully Submitted,

/s/ Bryce J. Freeman

Bryce J. Freeman
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APPENDIX I

OCA Reply Comments on Universal Service Support for Rural and Non-Rural Carriers
September 21, 2004

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
) CC Docket No. 96-45
Federal-State Joint Board)
On Universal Service)

REPLY COMMENTS OF
THE WYOMING OFFICE OF CONSUMER ADVOCATE
(Submitted September 21, 2004)

The Wyoming Office of Consumer Advocate (Wyoming OCA) is an interested party in this proceeding. The Wyoming OCA is charged with representing the interests of Wyoming citizens and all classes of utility customers in matters involving public utilities. We are concerned about sustaining federal support to rural and non-rural telecommunications providers and their customers, and the availability of affordable high-quality telecommunications services nationwide, particularly in extremely rural states like Wyoming. Maintaining or reducing the size of the universal service fund should not become the sole objective when reviewing the administration of federal universal service programs.¹ The fund must be sized to ensure affordability and availability of services in all areas – both urban and rural – throughout the nation.²

On June 8, 2004, the Federal Communications Commission (Commission) released its Notice of Proposed Rulemaking (NPRM) seeking comment on the Recommended Decision of the Federal-State Joint Board on Universal Service (Recommended Decision) concerning the process for designation of eligible telecommunications carriers (ETCs) and the Commission’s rules regarding high-cost universal service support. The Commission seeks comment on three major areas of recommendation: (1) whether the Commission should adopt permissive federal guidelines encouraging state commissions to consider certain additional minimum qualifications when evaluating ETC designation requests and whether higher levels of scrutiny are required for ETC applications in rural areas; (2) whether high-cost support should be limited to a single connection, and if so, how to administer such a limitation; and (3) whether the Commission’s rules should be amended relative to required certifications and the filing of line-count data.

¹ This view is opposition to the view of the Public Utility Commission of Oregon, whose primary comments focus on ways to limit the size of the fund, including suggestions for both short-run and long run means for controlling USF growth.

² Rate affordability and funding sufficiency are both specifically stated principles of universal service as found in Section 254 of the federal 1996 Telecommunications Act – principles that must remain at the forefront of the Commission’s work on universal service.

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September 21, 2004

Dozens of parties filed responses to the NPRM in the initial comment period. In response to many of those comments, the Wyoming Office of Consumer Advocate hereby files its Reply Comments.

Should the Commission adopt permissive federal guidelines encouraging state commissions to consider additional minimum qualifications when evaluating ETC designations requests and should higher levels of scrutiny be required for ETC applications for rural areas?

The Joint Board recommends that the Commission adopt permissive federal guidelines for states to consider in proceedings to designate ETCs under section 214 of the Communications Act of 1934, as amended. The Joint Board notes that such permissive guidelines would: allow for more predictable application processing among states, would assist in determining whether the public interest test has been met³, and would improve the long-term sustainability of the federal universal service fund.

The Wyoming OCA agrees that the ETC designation process should be rigorous to assure that only fully qualified applicants receive designation as ETCs. We further agree that a core set of minimum qualifications would allow for a more predictable and rigorous process and that only fully qualified carriers that are committed to providing universal service should receive federal universal service support.⁴ As described in the Joint Board's Recommended Decision, those additional minimum qualifications should include: adequate financial resources, commitment and ability to provide the supported services, the ability to remain functional in emergencies, consumer protection, and local usage. We agree that each of these items is consistent with a determination that a service meets the goals and objectives of universal service as stated in Section 254 of the federal Telecommunications Act of 1996. We also agree with California that "inclusion of such factors as financial viability and technical capability is in the public interest in

³ Sprint argues at page 24 in its August 6, 2004 comments in this proceeding (as do several other commenters) that the "statute does not require a special 'public interest' finding for areas served by *non-rural* ILEC's separate and apart from the general finding that the applicant has satisfied the established ETC criteria." The Wyoming OCA disagrees. Section 102 of the federal Telecommunications Act of 1996 states, "Upon request *and consistent with the public interest, convenience and necessity*, the State commission may, in the case served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an eligible telecommunications carrier . . ."

⁴ Many ETC applicants appear to focus on gaining access to the universal service funds under the guise of leveling the competitive playing field with little or no mention of the impact that such access will have on customer service or customer rates. Often, there is no indication that customers will receive any benefit from the additional ETC designation, since the applicants indicate that their competitiveness does not depend on access to funds and there is no indication that end user rates or services will change once funds are provided to these carriers. Thus, making sure that ETC applicants meet the most stringent of tests, including public interest tests, is reasonable and necessary.

This position also appears to be supported by the Universal Service Administrative Company who states at page 6 in their August 6, 2004 comments in this proceeding, "Whatever the approach ultimately selected by the Commission, USAC urges the Commission to adopt clear rules, provide clear direction to USAC and carriers, and choose a process that is transparent, enforceable, and fully auditable."

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that it ensures the ETC has the resources to serve all customers within its designated service area.”⁵

In its Recommended Decision, the Joint Board raises the question of whether or not its recommendations regarding a more comprehensive review of ETC applications should be applied in such a way that state commissions might re-evaluate whether previously granted ETC status for a carrier remains appropriate or should be rescinded – specifically with an eye to whether the existing competitive ETC is serving the public interest. While the Wyoming OCA supports the future application of the more comprehensive review of ETC applications pursuant to permissive guidelines and admires those far-sighted state commissions who conducted comprehensive initial reviews of ETC applications in the absence of the proposed guidelines, we are concerned about the consequences of retroactive application of these guidelines. That is, we do not believe that each state commission should reopen each and every ETC application previously granted to test existing ETCs against the proposed guidelines.

However, it is the duty and responsibility of the state regulators (or the Commission where the state commissions lack the necessary authority) to monitor and oversee the service provide by the ETCs to ensure that they continue to meet their ongoing universal service obligations. When an ETC ceases providing each of the required elements of universal service, or otherwise fails to meet its obligations under Section 214, the regulator should be free to consider rescinding ETC status, and to conduct its inquiry using the previously established standards as well as the new guidelines. We believe state commissions could efficiently integrate this oversight of the carriers’ compliance with universal service obligations with the annual certification process. While the annual certification requirement specifically requires scrutiny of the use of USF funds, it would be absurd for a state regulator to certify the use of the funds if an ETC were no longer providing the supported services or otherwise not meeting its universal service obligations. On this issue, we agree with the United States Telecom Association’s⁶ suggestion that decertification is appropriate if during the annual certification process it is found that ETC designation requirements are not being met.

Furthermore, we ask the Commission to clarify the process of decertification in cases where ETC status was originally granted by the Commission due to lack of state authority, and the state commission has since gained authority to conduct annual certifications which are routinely based on the self-serving, unverified statement of the carriers. The Wyoming OCA is concerned that in such cases, neither adequate oversight of the use of the funds nor compliance with ETC

⁵ See the Comments of the People of the State of California and the Public Utilities Commission of the State of California in CC Docket No. 96-45, filed August 6, 2004, page 4.

⁶ See Comments of the United States Telecom Association, filed August 6, 2004, in CC docket No. 96-45, page 15, “If a carrier cannot demonstrate compliance with the ETC designation requirements and the proper uses of their support, state regulatory agencies (or the Commission if it originally granted ETC status) should decertify any such carrier as an ETC, thereby removing the carrier’s eligibility for federal universal service support.”

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requirements is adequately assured. We encourage the Commission to clarify the state commissions' options and eliminate this compliance enforceability gap.⁷

Should the high-cost support be limited to a single line connection and if so, how should such a limitation be administered?

The Joint Board recommends that the Commission limit the scope of high-cost support to a single connection that provides access to the public telephone network. The Joint Board, (though not unanimously) believes that supporting a single connection is more consistent with the goals of the federal Act than the present system, is necessary to preserve the sustainability of the fund, would send more appropriate entry signals in rural and high-cost areas, and would be competitively neutral. In addition, the Joint Board recommends that high-cost support in areas served by rural carriers be capped on a per-line or per-connection basis where a competitive carrier is designated as an ETC, and adjusted annually by an index factor.

While the Wyoming OCA takes no position on whether support should be limited to a single line, we agree with the Joint Board that such a proposal would present difficult administrative challenges. If the Commission adopts the recommendation to limit support to a single line, it should very thoroughly and specifically establish the administrative process and rules by which the supported line is designated. These rules must be consistent from state-to-state, within each state, and within each ETC service area. Additionally, the designation process should be non-burdensome to customers and carriers. The process of limiting the size of the federal universal service fund should not create additional burdens for carriers, which would increase customer rates. We also agree with the observation found in nearly every initial comment filed in this matter, that there are numerous questions that need be addressed, including everything from defining the primary line to defining a household. The Commission must specifically address each and every one of these questions and not leave the process to work itself out or leave the answers to be developed independently by each state.

Because we believe the burden on customers should be minimized to the greatest extent possible, we take issue with the Joint Board's recommendation to have customers select one of their multiple lines to receive support. In our experience, many customers dislike making these kinds of choices. It imposes on their time and often induces significant stress related to the fear of making unfamiliar decisions with potentially negative economic consequences. Regarding similar choices for other utility matters, customers have repeatedly shared with us that they would prefer to leave such choices to the experts. Additionally, we would expect a flood of

⁷ At the time that Western Wireless sought ETC designation, Wyoming did not have the authority to grant such a designation, and thus, the Commission ultimately issued the ETC designation. However, pursuant to the established processes, the Commission requires the Wyoming Public Service Commission to annually submit a certification that the funds are being used appropriately. Since the Wyoming Public Service Commission has taken the position that it does not have jurisdiction over wireless carriers, the certification is based solely on unverified statements from the carrier itself. Questions are now arising about Western Wireless' compliance with ETC requirements but it is not clear that the Wyoming Public Service Commission has the authority to decertify given the circumstances, nor is it clear that the Commission is periodically reviewing Western Wireless actual operations to see if its continuing ETC designation remains in the public interest.

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dinnertime calls and piles of mailings from carriers urging customer to select them as the designated carrier to receive support. There is great potential for carriers engaged in this type of communication to exploit customers' fears of real or imagined dangers associated with the designation of their supported line, or to resort to unfair, deceptive and misleading practices as they compete for supported line designations.⁸ Here, we again agree with the United States Telecom Association's statement at page 20 of their initial comments in this proceeding: "Adoption of a primary line plan is likely to result in massive customer confusion that will undoubtedly have a negative impact on the industry."

Many customers will not understand that if their wireless carrier is selected to receive the support in lieu of supported wireline service, their wireline service rates will likely increase without corresponding decreases in their wireless rates. In Wyoming, the state commission has the authority to require most carriers who receive federal universal service funds to either reduce their rates by the amount of federal universal service funds received, or to directly credit that amount to customers' bills. However, it is not clear that the Wyoming commission has such authority over wireless carriers. Therefore, customers designating their wireless service to receive support would lose their current bill credits and very possible find that the same bill credit requirement does not apply to their wireless carrier, who would be permitted to absorb all or part of the support associated with the service. This would result in a net increase in the total telecommunications expense to customers who chose their wireless provider as the carrier to receive support. The National Exchange Carrier Association, Inc., at page 17 of their August 6, 2004 comments, also raises this issue:

Finally, the potential for customer confusion should not be underestimated. Implementing the Joint Board's recommendation will require customers throughout the nation to make new and potentially confusing choices as to their "primary" carriers. Customers will be justifiably concerned as to the consequences of designating their "primary" connection, particularly if it is not clear how that designation will affect consumer rates. In cases where unexpected increases in rates will result from a change in "primary" carrier designation, consumer outrage will be the norm. The Commission must obviously make sure that potential rate impacts are fully understood prior to implementing a plan that can potentially have such widespread adverse consequences on consumers.

We agree.

The Joint Board's Recommended Decision rejects the argument that rates might rise for second lines, which are often used for access to information services such as dial-up Internet access or fax services. We agree that it is unlikely that second line rates will increase. *Rather, we are*

⁸ Many Wyoming natural gas customers have recently been subjected to the process of having to choose a natural gas supplier as well as a pricing option for natural gas service. A significant number of customers indicated their dissatisfaction with the selection process and the requirement to select a supplier or have one randomly chosen for them through a default process. One of the many comments received was the fear that making the wrong choice would impact not only the size of their bill but also the quality and safety of their service. If this fear exists for a service that remains highly regulated, we can only imagine the fear tactics that could be used by unregulated telecommunications providers.

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concerned that the price for the first line is likely to increase! The basis of this concern is that as many of the costing, pricing, and support-determination models are currently configured, the cost of trenching, laying cable, and other costs associated with the network investment of providing service are averaged over the total number of lines. Thus, the results of the models show no difference in the cost of the first, second, third, or tenth line to a customer location. So while it is true that laying the second line to a location may impose only a small incremental cost on the network, that fact is not currently reflected in the costing and pricing regimes used for most regulatory purposes.⁹ To truly recognize the cost of providing universal service in one line to one location, all of those trenching costs, backhoe rentals, etc. should be associated with the cost – and the price – of the first line. This fundamental change would require re-evaluation of the continued affordability of universal service to all customers. It may also have a perverse impact on the stated goal of limiting the size of the federal fund.

We urge the Commission to carefully consider whether supporting only a single line is consistent with its other competitive policy and pricing goals. Since the passage of the Telecommunications Act of 1996, Wyoming has worked diligently, often against vigorous resistance from the public and industry, to make its telecommunications market competitor friendly. We have, with few exceptions, eliminated price differentials between business and residential service. This was done to eliminate implicit subsidies, so that remaining subsidies would be explicit and competitively neutral. Similarly, when establishing costs, as described above, the averaging concept is used in order to treat a line-as-a-line, whether it is the first or second line at a location. It is not clear how the Joint Board's recommendation would impact Wyoming's significant progress toward establishing an environment that might foster competition. What is clear is that the "a line is a line" concept would no longer be valid, and any incentive to be *competitive purists* in our implementation of pricing and costing policies may disappear.

Similarly, the Joint Board's recommendation to separately address the issue of support for multiple business lines in rural areas without the same support for multiple residential lines in rural areas simply invites gaming of pricing and costing in those areas. This too has the potential to *increase* the overall size of the federal universal service fund.

Should the Commission's rules be amended relative to required certifications and the filing of line-count data?

The Notice of Proposed Rulemaking also seeks comments on several administrative issues, including: (1) should newly designated ETCs begin receiving high-cost support as of their ETC date, provided certifications and line-counts are filed within sixty days of the ETC designation date and (2) what support ramifications should there be for the untimely certification filings of

⁹ In initial comments of AT&T Corp, filed August 6, 2004 in this proceeding, at page 14, AT&T agrees that the first line incurs most of the cost of trenching and laying poles. However, it only comments on the cost of this activity and fails to mention that this is not consistent with the way that prices and support mechanisms are currently computed.

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Interstate Access Support? The Joint Board suggested the need for comment on several miscellaneous matters, including: (1) how the customer location for mobile wireless customers should be defined, and (2) should USAC have the authority to develop standards for the submission of ETC maps, such that they are provided in a uniform, electronic format? The Wyoming OCA does not offer comments on each of these matters, but does offer some general thoughts on the administrative processes.

As to the requirements and processes ETCs are required to meet and follow, we believe that they should be strictly enforced and diligently monitored for compliance.¹⁰ While all regulatory bodies, including the Commission, should periodically review their processes and filing requirements to determine whether they are still necessary and relevant, while in effect such standards should be strictly enforced. Otherwise, competitive fairness will likely erode. Furthermore, without some negative consequence related to non-compliance, the common corporate motto would become "better to ask forgiveness than permission." There is already a great deal of incentive to bend the rules when it comes to complying with ETC standards and requirements.¹¹ We fear that without stringent oversight of the process and clear guidance for all participants, competitors will flourish while competition flounders.¹² So, USAC should have the authority to implement nationwide standards that allow for reasonable monitoring and enforcement of the policies that have been established by the U.S. Congress and the Commission. Consistent mapping is one of those that are specifically identified by the Joint Board, but others may also exist. USAC should be encouraged to continually provide input to the Commission and the industry as to its needs in order to best administer the limited funds available.

Conclusion

As the process of reforming the federal USF support system continues, the Wyoming OCA asks that the Commission focus on the principles of the federal Telecommunications Act of 1996. While we agree that there are a number of inefficiencies in the current distribution of the fund, and the distribution should be more precisely targeted to those high cost and high priced areas of the nation, this does not translate into specific caps or fund size limitations. Limiting the size of the fund should not become the Commission's primary goal in this proceeding to such an extent

¹⁰ With this statement, we agree with the comments of CenturyTel that "...it is insufficient to establish standards and public interest criteria without implementing a mechanism to enforce requirements and ensure accountability on an on-going basis." See comments of CenturyTel, Inc., filed August 6, 2004 in CC Docket No. 96-45, page 5.

¹¹ For example, the Wyoming OCA is extremely concerned about the attitude taken by Western Wireless when it comes to their universal service offering. While Western Wireless receives millions of dollars based on reported line counts in Wyoming, as of April 2004, not a single customer in Wyoming had taken the universal service offering described grandly in Western Wireless' ETC filing which was granted by the Commission based on a promise to offer rather than the existence of an offering. Furthermore, Western Wireless feels no need to advertise that particular service, stating that it only has to advertise any of its services in general to comply with the ETC standards. More guidance and monitoring of this situation would assist in making sure that the federal universal service funds are distributed in a wise and careful manner.

¹² This is consistent with CenturyTel's comments that "the purpose of this proceeding is not to stimulate competition." See Comments of CenturyTel, Inc., filed August 6, 2004, in CC Docket No. 96-45, page 3.

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that the other important principles of the Act are ignored or overlooked. Rather, maintaining ubiquitous, affordable service with all customers having the ability to access both basic and advanced services, while preserving essentially equal footing for competitors must be the outcome in this reform proceeding. Finally, any reforms adopted should be clearly and comprehensively expressed, including all administrative and procedural aspects.

Respectfully submitted this 21st day of September 2004.

/s/ Bryce J. Freeman

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November 17, 2004

Statement of Denise Parrish on Behalf of the National Association of State Utility Consumer Advocates

Regarding the Issues of High-Cost Service Support For Areas Served by Rural Carriers and Related Issues

November 17, 2004 En Banc Hearing Of The Federal-State Joint Board On Universal Service

Basic Principles

NASUCA very much appreciates the opportunity to provide input into the Joint Board's recommendation relative to high cost support funding for rural carriers. We agree that this review of the appropriate funding method is important and necessary. Yet, we urge the Joint Board to keep certain fundamental principles in mind as it undertakes the development of its recommendations. These principles, which are clearly spelled out in Section 254 of the Act, must not be lost in the discussions about today's market structures, new technologies, competitive by-pass, and growth rates. While each of those items has a place in the discussion, they are secondary to the fundamentals. These fundamental principles are beautifully simple in concept:

- affordability of basic communications services by all, including the economically disadvantaged;
- ubiquitous access to quality services throughout the nation;
- equitable and reasonably comparable treatment of urban and rural customers;
- a system of support that can be counted on to keep and better the high-quality and reliable telephone network that has been established throughout America; and
- a system of distributing support that neither advantages nor disadvantages emerging technologies or competitors in meeting basic communications needs.

The Joint Board need not select one of these principles at the expense of another. Rather, we believe the Joint Board can, and must, find a way to mesh each of these principles so that they become complimentary to one another. We hope our suggestions will assist the Joint Board in this formidable task.

NASUCA's Formal Comments

On October 15, 2004, NASCA filed formal comments in this matter. These comments encourage:

- the continued transition to economic costs by rural carriers that have 50,000 access lines or more through a five-year phase-in to a forward-looking cost basis of support;
- maintaining embedded costs, with checks and balances, as the basis of support for the smallest of the rural carriers;
- refinement of the definition of rural carrier including combining the entirety of the service area in a state for a carrier when determining its rural or non-rural status; and

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- a leveling of the playing field such that CLECs receive support based on their own costs, rather than the costs of another carrier.

My comments are intended to be supplemental and complementary to those more formal and complete comments of NASUCA submitted in this matter.

What methodology should the Commission use to calculate the basis of support for eligible telecommunications carriers?

Does one size fit all?

Before determining the computational methods to be used in distributing support to ETCs, the Joint Board should consider whether *one size fits all* or whether there is justification to consider different support schemes for different sizes of carriers, different types of carriers, and carriers located in geographically diverse areas. We disagree with those who urge that one system can be made to fit all, whether the fit is natural or forced. However, in examining the general characteristics of carriers, including economies of scales, deployment costs, overheads, and other cost drivers, we conclude that three categories of carriers – and hence, three methods of computing support – are adequate and appropriate for today's market.

Non-rural carriers should continue to be provided support on the basis of the Commission's synthesis model that estimates forward-looking economic costs for each area of service throughout the nation. Rural carriers serving larger numbers of customers should be transitioned to a forward-looking cost method, but only if there is recognition that the model and support mechanism needs modification and updating. Rural carriers serving a smaller number of customers should be allowed to remain on an embedded cost based system, with some safeguards put in place to make sure that the sky is not the limit in terms of federal support.

Redefining Rural

When placing carriers into one of our three recommended categories, we suggest that the characteristics of what constitutes a rural or non-rural carrier be redefined. Holding companies having multiple operations in one state should not be permitted to maintain separate study areas endlessly to the point of maximizing support. Holding companies are able to take advantage of their purchasing power and effectuate economies of scale relative to certain administrative and operating costs, as well as relative to the cost of material. In light of this, we encourage the redefinition of rural such that all of the related and subsidiary operations of a company are consolidated when performing the line count to determine if it qualifies as a small rural carrier, a large rural carrier, or a non-rural carrier. A new category of rural carrier should be created for those providers with more than 50,000 customers in a state.

In encouraging the consolidation of the multiple but related operations within a state for the purposes of defining rural carriers, we are not suggesting that these larger carriers may not need support. Their cost of providing service may still be driven upward by low-density service areas or rocky terrain. But, it is these actual cost characteristics that should be recognized in the level

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of support they are provided rather than maintenance of artificial study area designations in order to maximize federal support.

NASUCA urges an additional refinement to the definition of rural carrier, for USF purposes. As just described, we encourage that rural carriers be defined as either larger rural carriers (those who serve a total of 50,000 or more lines in a state) or smaller rural carriers (those who serve less than 50,000 lines in a state). But, when determining whether a carrier is rural at all, the current definition should be narrowed. In looking at the current definition at Section 153(37) of the Act, a carrier is defined as rural if any one of several events listed occurs. For example, a carrier can have less than 15% of its access lines in communities of more than 50,000 on February 8, 1996 and be defined as rural, even though it may have several million total lines! To rectify this situation, NASUCA is recommending that Section 153(37) (B), (C), and (D) all apply for a carrier to be classified as rural. By making this change, there would be assurance that the territory served is rural and the carriers are smaller in total size. Once a carrier is defined as rural, it is then categorized as either a larger or a smaller rural carrier.

By redefining the characteristics of a rural carrier, the Joint Board, and ultimately the Commission, can better target the fund to those carriers with the highest need for support. Forward-looking cost models have currently proven to be the most problematic when attempting to measure the costs, customer locations and efficiencies of the most rural and smallest providers. By beginning additional transitions away from embedded-based support with the larger rural carriers, any problems that do exist will be minimized. Furthermore, the costs of these larger rural carriers are more similar to those already being measured in the model for non-rural carriers than they are to the costs of the smaller, more high-cost, less dense rural carriers. Also, the costs of this larger rural carriers group appears to be more homogenous than are the costs of the smallest carriers.

The use of such a model to calculate the level of support to the carrier then blends the principles of providing support where it is needed (affordability) and minimization of the fund (sustainability). The model furthers the provision of quality services by using inputs based on modern technologies that allow for services that meet today's customers' expectations. Finally, the model would be technologically and competitively neutral since the model would reflect a reasonably efficient level of operations. This efficiency could then be achieved through the deployment of any one of multiple technologies. Assuming a proper measurement of the efficiencies and costs of today's carriers by the model, support should be predictable and sufficient.

Reexamining and Updating the Model Inputs

One key aspect of NASUCA's recommendation is that the model's inputs must be reexamined, revised, and updated during the five-year period we propose for transitioning larger rural carriers from an embedded cost system to a forward-looking cost system. We recommend that the current Commission synthesis model become the starting point for the development of a model for measuring appropriate distributions to the larger rural incumbent ETCs. We acknowledge and share the concerns of several of the Joint Board members that the model – as it stands today

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– does not work for either large or small rural carriers. However, we are hopeful that with an update and reexamination of the customer locations, model assumptions on operating costs, and model assumptions on per unit investments, the results will provide the efficiency incentives that are intended while also providing sufficient support levels. NASUCA's support for a transition to forward-looking costs is dependent upon the re-look at the model inputs and assumptions. Without this provision, we too would continue to have serious doubts about the appropriateness of its use for any rural company – whether large or small.

Statewide Average versus Individual Carrier Costs

We also recommend a change in the granularity of the model outputs and the use of those outputs for making support distributions. Rather than expanding the current method of benchmarking against statewide average costs, we recommend that the forward-looking costs determined by the model for each carrier (based upon inputs representing individual carriers characteristics) be measured against a benchmark. If a carrier has more than one service territory in a state, those service areas would be combined for the purpose of determining distributions, but the costs for one carrier would not be combined with those of another provider when determining its share of high-cost support.

As to the benchmark against which an individual carriers' model output costs are to be applied, NASUCA has not yet made a recommendation. However, we do suggest that the Joint Board carefully examine whether the current benchmark for non-rural providers should also be applied to the rural carriers. Some updated model runs, some average pricing information, and an examination of total rural customer bills (including more long distance than that used by most urban customers) would be useful as the Joint Board develops its recommendation on the appropriate benchmark for rural customers. Many continue to be concerned that the current benchmark for urban companies does not comply with the reasonable comparability test, and if this is true, we suspect that the reasonable comparable test would be even more compromised if the same benchmark were applied to rural companies. This is an area that needs more data and more discussion.

Small Carriers' Embedded Cost Support

NASUCA proposes that companies with fewer than 50,000 access lines remain under a support mechanism based on embedded costs for now. We also propose that further study should be done looking toward the ultimate transition of all companies to a forward-looking cost model. However, the transition of the smallest rural carriers from embedded-cost based support should only occur once re-examination and re-testing of the model with rural inputs and reasonable geographic customer data has been used in the forward-looking cost model. We must be assured that the support coming from such a transition will be sufficient to keep end user rates affordable and that the quality of service will not suffer. We must not become a nation of haves and have-nots for the sake of economic theory.

On the other hand, we agree that the current embedded system may offer opportunities for smaller companies to abuse the system through the use of gold-plating networks or the lack of cost controls. Hence, we suggest that some there be some control placed on the level of

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overheads and administrative costs that are included in the computation of high-cost support. One method of doing this is by arriving at a *best-practices benchmark*. This benchmark could then become a safe-harbor where, for example, if a company's overheads were within a designated range, they would be deemed reasonable for inclusion in the support calculation. (The Joint Board should further examine the reasonable basis for such a benchmark, whether it be on a per customer basis, a dollar of revenue basis, a dollar of investment basis, or some combination thereof.) However, we are reluctant to endorse a system where all costs above such a benchmark are deemed to be unreasonable without even an opportunity for further explanation or support.

Should a competitor receive support based on the incumbent carrier's costs or its own costs?

Cost-Based Support for CETCs

NASUCA recommends that a CLEC receive support based on its own costs rather than based on the incumbent carrier's costs. Additionally, the CETC should only receive support if its costs are high enough to exceed the established benchmark such that support is necessary for it to continue to provide service in the rural market. It should not be entitled to receive high-cost support simply because another carrier receives such support. Experience has shown that support is not necessarily required to stimulate new investment in a rural market by a CETC, and thus, the support is simply a bonus revenue stream that is funded with customer money. Build-out often occurs, especially in rural cellular markets, without any assurance that ETC status will be granted. If ETC status is granted, shareholders benefit but customers rarely, if ever, see a change in that competitive provider's price. Continuing to provide money to CETC's who show no need for the funds fails the test of providing a sustainable fund. It also fails the test of maintaining affordable rates for all customers as customers are required to pay more and more to support a fund that is growing unnecessarily.

Some may argue that requiring CETC's to provide cost data in order to receive public support is a move toward heavy-handed regulation and away from free-market economics. We disagree. The NASUCA proposal relative to fund distributions *would not require* a competitive carrier to provide any cost data to regulators and would not require any regulatory approvals *unless* it was asking for money that is coming from a publicly administered pool of money funded by all customers – not just its own. If a company is to receive high-cost funds, it should be willing to show it has a need for the money and that providing such funds is not in violation of the public interest. If it chooses not to share such information, it should fund its operations from shareholder money and revenues from its own customers.

We recommend one other computational limitation on the support provided to CETCs. Support must be capped at the incumbent carrier's level of support in order to ensure a sustainable high-cost program and mitigate the risk of uneconomic support for very high-cost competitive carriers. ILECs continue to serve as the only reliable carrier of last resort. If a competitive provider is unable to offer services at a cost equal to or less than the costs incurred by the incumbent provider, it is not in the public interest to support that provider's higher costs. Competition is not served by allowing inefficient competitive providers to remain in an area at

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the expense of the American public. Competitive providers should not receive support that exceeds the per line support provided to the incumbent carrier.

The universal service fund should not be used to advance or promote competitive carriers market entry. It should be competitively neutral which means that it should neither advantage nor disadvantage any carrier serving the market. Providing an incentive for the inefficient carrier to enter the market is not competitively neutral but instead advantages the CETC. This practice should stop.

What level of support should be provided to carriers who acquire exchanges from an unaffiliated carrier?

NASUCA did not take a position on this question in its October 15, 2004 comments. However, several principles stated in response to other aspects of the Joint Board's questions are also applicable in response to the issue of support for acquired exchanges. Carriers should not be provided an incentive to purchase exchanges just to increase their profit levels at the expense of the high-cost fund. But, if exchanges purchased are deemed to be in the public interest (in that quality of service will improve, affordability and accessibility of services will increase, or other fundamental public interest standards are met) then they should receive similar treatment as existing exchanges. Administrative cost safeguards would be applied. Consolidation of study areas within a state would occur for purposes of computing high-cost support. Rates and services should continue to be subject to the reasonably comparable test.

Again, NASUCA is appreciative of the opportunity to provide input into this proceeding. We look forward to answering any questions you may have about our recommendations at the en banc hearing.

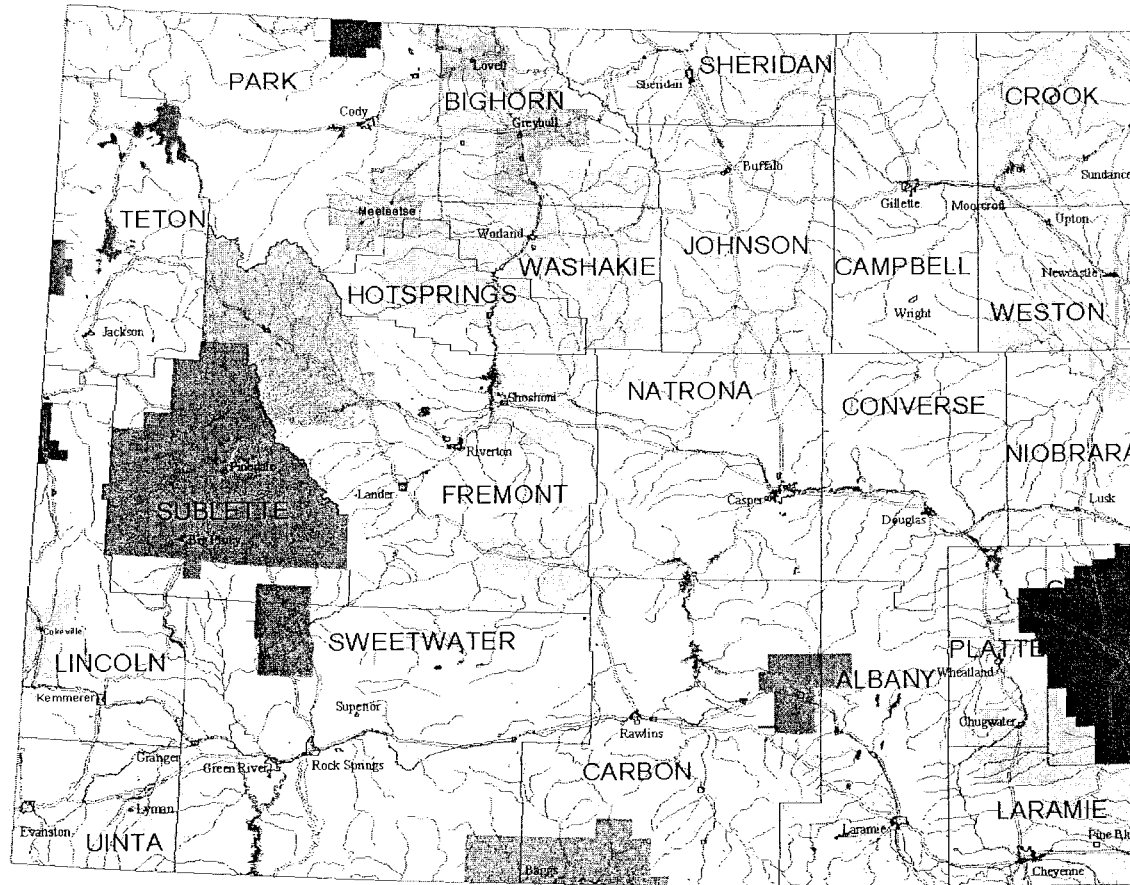
Appendix K
Color GIS Map of Wyoming Incumbent Telephone Company Certificated Areas

See Full Color Map on Next Page

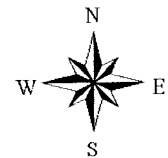


Wyoming Telephone Utilities Certificated Areas

Printed January 10, 2005
Note: Items are not 100% accurate



- County
- Town
- Railroad
- Highway
- River
- Lakes
- All West Communications
- Century Telephone
- Chugwater Telephone
- Dubols Telephone Exchange
- Golden West Telephone
- Project Telephone
- Range Telephone
- RT Communications
- Silver Star Telephone
- TCT West
- Teton Telecom
- Tri-County Telephone
- Union Telephone Co.
- Sprint - United Telephone Co. of the West
- Qwest Communications
- Qwest Communications
- Qwest Communications



Subject	Households	Families			Nonfamily households
		Total	Married-couple families	Female householder, no husband present	
NUMBER					
Total	6,341,121	4,238,409	3,242,027	739,159	2,102,712
Less than \$10,000	606,995	243,787	94,603	125,499	390,446
\$10,000 to \$14,999	427,050	195,528	95,733	81,379	247,440
\$15,000 to \$19,999	442,980	243,855	138,440	82,006	214,256
\$20,000 to \$24,999	475,475	280,154	176,352	77,963	206,375
\$25,000 to \$29,999	460,353	289,511	196,153	67,583	177,432
\$30,000 to \$34,999	441,101	290,003	209,018	57,671	152,214
\$35,000 to \$39,999	400,470	275,917	208,448	48,390	121,313
\$40,000 to \$44,999	379,192	268,173	210,563	40,327	105,609
\$45,000 to \$49,999	323,892	238,828	194,276	31,131	78,703
\$50,000 to \$59,999	564,222	427,901	361,843	45,059	123,509
\$60,000 to \$74,999	606,347	479,487	423,619	36,996	109,642
\$75,000 to \$99,999	552,379	452,986	412,552	26,048	82,563
\$100,000 to \$124,999	271,522	225,543	210,860	8,945	38,614
\$125,000 to \$149,999	127,338	107,192	101,269	3,897	16,664
\$150,000 to \$199,999	114,432	96,551	91,649	2,756	15,307
\$200,000 or more	147,373	122,993	116,649	3,509	22,625
Median income (dollars)	38,819	45,625	52,202	25,185	24,799
Mean income (dollars)	53,504	61,238	69,358	32,351	35,392
PERCENT DISTRIBUTION					
Total	100.0	100.0	100.0	100.0	100.0
Less than \$10,000	9.6	5.8	2.9	17.0	18.6
\$10,000 to \$14,999	6.7	4.6	3.0	11.0	11.8
\$15,000 to \$19,999	7.0	5.8	4.3	11.1	10.2
\$20,000 to \$24,999	7.5	6.6	5.4	10.5	9.8
\$25,000 to \$29,999	7.3	6.8	6.1	9.1	8.4
\$30,000 to \$34,999	7.0	6.8	6.4	7.8	7.2
\$35,000 to \$39,999	6.3	6.5	6.4	6.5	5.8
\$40,000 to \$44,999	6.0	6.3	6.5	5.5	5.0
\$45,000 to \$49,999	5.1	5.6	6.0	4.2	3.7
\$50,000 to \$59,999	8.9	10.1	11.2	6.1	5.9
\$60,000 to \$74,999	9.6	11.3	13.1	5.0	5.2
\$75,000 to \$99,999	8.7	10.7	12.7	3.5	3.9
\$100,000 to \$124,999	4.3	5.3	6.5	1.2	1.8
\$125,000 to \$149,999	2.0	2.5	3.1	0.5	0.8
\$150,000 to \$199,999	1.8	2.3	2.8	0.4	0.7
\$200,000 or more	2.3	2.9	3.6	0.5	1.1

Subject	Households	Families			Nonfamily households
		Total	Married-couple families	Female householder, no husband present	
(X) Not applicable.					

Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrices P52, P53, P54, P79, P80, P81, PCT38,

Subject	Households	Families			Nonfamily households
		Total	Married-couple families	Female householder, no husband present	
PCT40, and PCT41.					

Dkt. No. _____
D. Blessing Ex. No. ____ (DCB-21)
Bresnen Communications

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Alltel Florida, Inc.'s Petition)
To Reduce Intrastate Switched Network)
Access Rates In A Revenue Neutral)
Manner Pursuant to Section 364.164,)
Florida Statutes)
_____)

Exhibit DCB-21

Bresnan Communications home page @ <http://bresnan.com>.

About Bresnan

History: United States

With the initial purchase of five cable systems in 1984, Bresnan began to dramatically alter the telecommunications landscape on the Upper Peninsula of Michigan. The company grew quickly, making additional acquisitions in Michigan, Minnesota, Wisconsin, Mississippi and Georgia. After upgrading many of those systems, Bresnan introduced high-speed Internet access on the Upper Peninsula of Michigan in the summer of 1997, making its customers among the first in the country to experience this new technology.

In 1998, Bresnan decided to consolidate operations in the Midwest, with plans to create the economies of scale necessary to offer advanced programming and data networking services. The company accomplished this by selling its Southeast operations and acquiring other strategically clustered systems in small and medium-sized communities throughout the Midwest. Ultimately, the interconnection of its systems facilitated the exchange of voice, video, and data traffic among businesses and institutions in the area.

Bresnan's multi-million dollar commitment to education has deepened throughout the years alongside the evolution of broadband technology. Pioneers in the development and construction of interactive television networks for distance learning, by 1999 the company had already completed 19 full-service data networks connecting almost 200 educational sites.

In February 2000, Bresnan completed the sale of all of its U.S. operations to Charter Communications, now the fourth largest cable operator in the United States. In March 2003, Bresnan reentered the cable market with the acquisition of about 314,000 customers in Colorado, Montana, Wyoming and Utah.

[Overview](#) | [Chile](#) | [Poland](#)



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About Bresnan

Overview

Bresnan Communications is a broadband telecommunications provider founded in 1984 with the goal of providing leading-edge technology, entertainment and advanced services supported by outstanding customer service to small and medium-sized markets. The nation's thirteenth largest MSO, Bresnan currently serves over 300,000 customers in Colorado, Montana, Wyoming, and Utah. We have also operated abroad in Chile and Poland, at one point serving more than a million customers worldwide.

Today, Bresnan delivers advanced products and services such as high-speed Internet access, high-definition television, video-on-demand, digital video recorder, and telephone to residential and business customers across an upgraded fiber-optic coaxial network that reaches across 95% of its footprint. Bresnan Business Services, the company's commercial sales division, recently has passed its 1000th customer marker, delivering custom data, voice, and video solutions to businesses and institutions of all sizes.

William J. Bresnan, founder and Chief Executive Officer of Bresnan Communications, and a cable industry pioneer with more than 40 years experience in the industry, is widely acknowledged as one of the leading supporters of technological advancement in the field. An inductee into the Cable Television Hall of Fame and the Broadcasting and Cable Hall of Fame, he is the recipient of numerous awards and honors including the Walter Kaitz Foundation's prestigious Partnership in Diversity Award honoring him for his "leadership, generosity, talent and integrity."

Bresnan's executive team possesses a demonstrated wealth of experience in finance, engineering, and development and operations of broadband systems. Over the years, it has gained vast experience in utilizing various telecommunications technologies including advanced fiber optics, traditional coaxial cable, twisted-pair copper telephone wire, and wireless services.



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With Bresnan Digital Phone you can talk with anyone, anytime, anywhere in the country plus Canada – all for one low rate!

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Monthly savings over your current phone provider! One low monthly rate includes unlimited local and long distance service within the continental U.S., the U.S. Virgin Islands, Alaska, Hawaii, and Canada. And check out our great international rates!

Unlimited Local and Long Distance Calling!

\$39.99 a month

Free Installation / Free Activation



Talk about ease!

- Keep your same number and existing phone.
- No new equipment to buy, one call to Bresnan does it all.
- View your statement and call activity, pay your bill, manage your phone features and even get your voice mail messages — all online. You'll have access to your account information anytime, anywhere with My Phone Account. It's free, convenient and secure.

Talk about a guarantee!

We're so confident you'll love your Bresnan Digital Phone service that we'll give you your money back if you're not completely satisfied and we'll pay for you to be reconnected to your original provider!

Talk about features!

You'll get 13 great time-saving features:

- Call waiting, so you never miss that important call.
- Call forwarding, so you can stay in touch while you're away.
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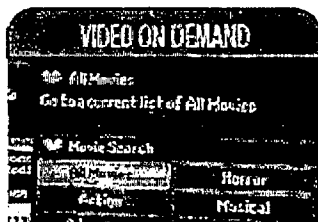
Bresnan Digital Cable

Better Television, Better Value

Channels and features satellite can't deliver – only Bresnan can! Check out these Bresnan Digital Cable packages for the lineup that's right for you. Get great television at a great value!

Digital Cable packages include:

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- Multiple screens of the best movie channels – HBO, Showtime, Cinemax, The Movie Channel, Encore and STARZ!
- More pay-per-view options
- Up to 46 CD-quality digital music channels on Music Choice!
- On-screen Interactive Program Guide 
- Parental controls to screen out unwanted programs



Hit movies, top shows whenever you want them. Start, pause, rewind, fast-forward - no video stores!



Crystal-clear pictures in a wide-screen format. You won't believe your eyes!



Totally cool! Pause live TV, fast-forward or rewind your favorite shows to replay them, record anytime.

When combining Bresnan Digital Cable and Bresnan OnLine High-Speed Internet, please refer to our combo package rates for the best price!

Service subject to the terms of the Bresnan Digital Cable Subscriber Agreement.



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THE TRUTH
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Dkt. No _____
D. Blessing Ex. No. ____ (DCB-22)
Contact Communications

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Alltel Florida, Inc.'s Petition)
To Reduce Intrastate Switched Network)
Access Rates In A Revenue Neutral)
Manner Pursuant to Section 364.164,)
Florida Statutes)
_____)

Exhibit DCB-22

Contact Communication's home page @ <http://www.contactcom.net/default.htm>.

CONTACT

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Contact Communications is a Competitive Local Exchange Carrier (CLEC) that grew out of Wyoming's largest privately held Internet Service Provider (ISP). Intent on providing next-generation data telecom services to ISPs. Contact received Certification to serve the US West (now Qwest) territory in April 1997, as a wholesale data exchange carrier. The Company is expanding into additional services for Internet Providers and a variety of traditional telecommunications services using state-of-the-art protocols and expandable hardware designs. Presently operating in Wyoming, Contact is certified in 8 other states including Montana, Idaho, Utah, North Dakota, South Dakota, Nebraska, Colorado and Hawaii.

Our mission is to enable ISPs to rapidly and economically design and deploy next-generation communications services to their customers by providing an alternative to excessive rates and poor quality of local telecom services currently available to ISPs. Contact frees ISPs from the hassles of building and maintaining their Internet network. Contact's focus is to deliver customer-driven communications solutions uniquely tailored to individual business requirements. Our ability to translate business communications obstacles into business communications opportunities, combined with our commitment to be proactive and responsive service to our customers is what sets us apart from the crowd. Contact places the business back in the hands of the ISP.

Although several companies are working with Internet Service Providers to offer them wholesale modem ports and wholesale DSL, virtually all of these firms are taking the path of greatest volume at least cost. This has led them to the larger cities and the larger providers. Even those that are targeting the smaller cities are looking to simplify their marketing by associating with the larger Internet providers. Contact, however, focuses on delivering reasonable costs for broadband without crippling volume commitments, allowing ISPs serving rural markets similar efficiencies as ISPs serving metro markets. Our intent is to compete with the incumbent telephone companies so that ISPs serving rural markets are able to offer advanced services with reasonable margins.

Diversity is a necessity in this changing market and is one of our greatest assets. At Contact we are on the cutting edge in developing new services for the ISP market. Today, the entire telephone industry faces challenges and opportunities virtually unimaginable just a decade ago. Contact Communications has positioned itself as the preeminent wholesaler of service to Internet Providers in the Mountain State Region. Contact gives ISPs the freedom to build their business.

Acceptable Use Policy

937 West Main • Riverton, WY 82501
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Fax 1-307-856-1499

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Internet Call Diversion (ICD)

Contact empowers ISPs to control and manage their operations by providing web-based network reports and provisioning tools. **MORE ►**

Egress Backbone Transport

Contact works very closely with our ISP Partners to monitor Egress Backbone Transport utilization to ensure adequate capacity exists between Contact and the ISP to sufficiently handle traffic. **MORE ►**

Internet Backbone Bandwidth

With Internet Backbone Bandwidth from Contact, our ISP Partners are able to take advantage of the economies of scale gained by outsourcing your ICD and Internet traffic termination. **MORE ►**

Virtual ISP

Contact's Virtual ISP services allows our ISP Partners to focus on Sales and Marketing of their products while Contact delivers a complete turnkey solution to deliver high-quality ISP services to the ISP customer base. **MORE ►**

Service Areas

Service Areas [See Map](#)

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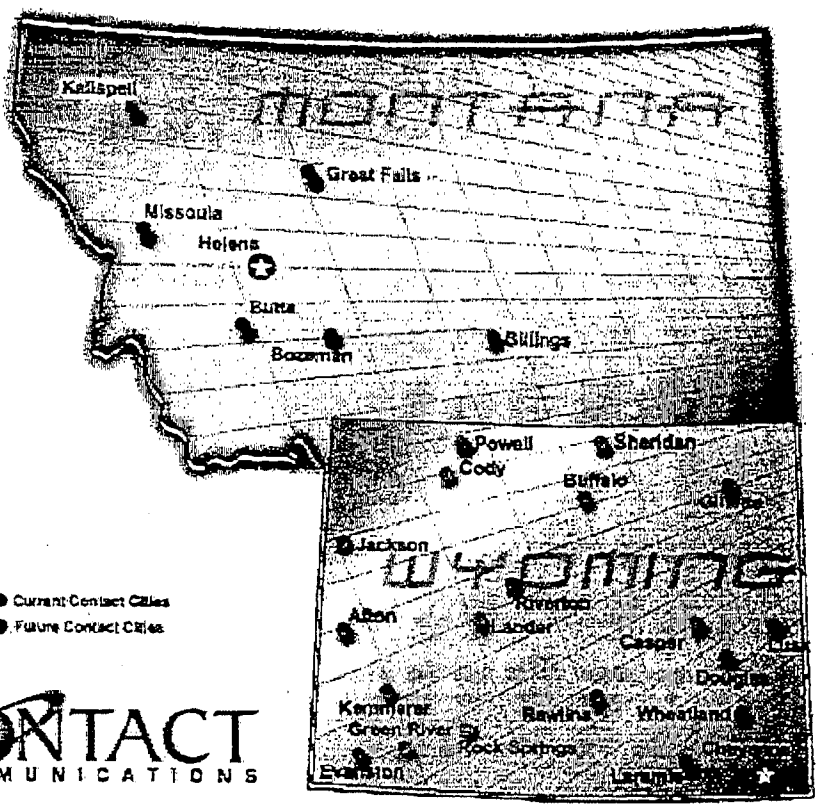
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- Current Contact Cities
- Future Contact Cities

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**WHO WE
ARE**

Management Team

Steve Mossbrook, President - Steve is the founder and CEO of Contact Communications. He provides the leadership and strategic vision of the company focuses on marketing and financial management.

Frostie Sprout, Vice President of Technology - Frostie leads our team in decisions regarding the deployment of technology based services. He concentrates on hardware and software evaluation, testing and prototype deployment.

Rich Hardt, Vice President - Rich brings over 25 years of experience in designing voice, video and data systems for clients such as Ted Turner's Turner Broadcasting Network and for educational clients both in the United States and international markets. He designed the nation's first K-12 school buildings to utilize a fiber optic infrastructure for voice, video and data while serving as director of the AT&T/Penn-Harris-Madison "Schools of the Future Project".

Howard Bastedo, Director of Network Operations - Howard has over 15 years experience as a senior executive with a wide range of start-up and world-class telecoms/ISPs. He has been directly involved in the formation of corporate vision and strategy, the management of rapid growth, the implementation of cutting-edge technology, and the direction of daily operations.

Jack Berridge, Director of Sales - Jack has 16 years of extensive background in telecommunications and network infrastructure. With direct experience as a Network Design Engineer for voice and data and management of Network Administration and Operations groups primarily focusing on data communication provisioning as well as point-of-presence facility acquisition and build-out. Jack has also built an entire Network Operations Center (NOC) and Technical Assistance Center (TAC) for a startup company. Jack is a Certified Help Desk Manager and holds his Cisco CCNA certification as well as SonicWall CSSA certification.

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Dkt. No. _____
D. Blessing Ex. No. ____ (DCB-23)
Rates, Prices, Expenditures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Alltel Florida, Inc.'s Petition)
To Reduce Intrastate Switched Network)
Access Rates In A Revenue Neutral)
Manner Pursuant to Section 364.164,)
Florida Statutes)
_____)

Exhibit DCB-23

FCC Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service, Table 1.1 July 2005.



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 516 F 2d 386 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE
May 25, 2005

NEWS MEDIA CONTACT:
Mark Wigfield at (202) 418-0259
E-mail: mark.wigfield@fcc.gov

FCC Releases *Reference Book*

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

Toll Service Rates

- During 2004, the consumer price index for interstate toll service fell 8.7% and the consumer price index for intrastate toll service fell 6.6%, while the overall consumer price index rose 3.3%.
- The average revenue per minute of long distance calling, which reflects rates paid by residential and business consumers, has fallen from 15 cents in 1992, when discount and promotional long distance plans were introduced, to 7 cents in 2003, a decrease of 53%.

Rates for Local Service

- The average rate paid by residential customers for unlimited touch-tone calling was \$24.31 in 2004, compared to \$24.52 in 2003, a decrease of 0.9%. Connection charges for residential customers rose from \$42.54 to \$42.59 during the same period, an increase of 0.1%.
- The Lifeline universal service program subsidizes the monthly phone charges for low-income households, while the Link-Up program subsidizes charges for the connection of a phone line. Based on a sample of cities, Lifeline conferred an average monthly benefit of \$13.82, and Link-Up conferred an average benefit of \$28.51.
- The average rate paid by business customers for a single phone line was \$43.75 in 2004, compared to \$41.96 in 2003, an increase of 4.3%. Connection charges for single-line business customers fell from \$74.18 in 2003 to \$74.17 in 2004, a decrease of 0.01%.

Consumer Expenditures for Telephone Service

- According to Bureau of Labor Statistics (BLS) surveys, telephone service continues to comprise approximately 2% of household expenditures. Monthly expenditures for telephone service by households with telephone service fell from \$79.75 in 2002 to \$79.67 in 2003, a decrease of 0.1%.
- Also, according to BLS surveys, urban households continue to spend more on telephone service than rural households. During 2003, annual expenditures for urban households were \$967, as compared to \$875 for rural households.
- According to data for the year 2003 provided by TNS Telecoms, households annually spent \$441 on local service (compared to \$436 in 2002), \$122 on long distance service (compared to \$149 in 2002), and \$492 on wireless service (compared to \$417 in 2002), for a total annual expenditure of \$1,055 on telephone services (compared to \$1,001 in 2002).

This report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, S.W., Washington, DC 20554. Copies may be purchased by calling Best Copy and Printing, Inc., Portals II, 445 12th Street S.W., Room CY-B402, Washington, DC 20554, (202) 488-5300, or by e-mail at fcc@bcpiweb.com. The report can be downloaded from the **FCC-State Link** Internet site at www.fcc.gov/wcb/stats.

-- FCC --

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

REFERENCE BOOK
of Rates, Price Indices, and Household
Expenditures for Telephone Service

Paul R. Zimmerman

Industry Analysis & Technology Division
Wireline Competition Bureau
2005



This report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street S.W., Washington, D.C. 20554. Copies may be purchased by calling Best Copy and Printing, Inc., Portals II, 445 12th Street S.W., Room CY-B402, Washington, D.C. 20554, telephone 202-488-5300, or via e-mail at fcc@bcpiweb.com. The report can also be downloaded from the **FCC-State Link** Internet site www.fcc.gov/wcb/stats.

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Appendix *Urban Rates Survey Residential and Single-Line Business Forms*

Introduction

This 2005 issue of the *Reference Book* highlights the data collected through the Industry Analysis and Technology Division's annual *Urban Rates Survey*. The local rate data compiled for 2003 and 2004 reflect the inclusion of various taxes and surcharges and, as such, provide an estimate of the monthly charges residential and single-line business customers pay for local telephone service provided by wireline telephone companies. Local rates pertaining to multiline-business customers are no longer reported. Like the previous edition of the *Reference Book* (2004), this issue primarily focuses on trends in rates, price indices, and expenditures for telephone service. As before, each chapter has a section following the text which informs the reader about the various additional data sources that contain further information on these topics. This report, and previous reports, are also available on the **FCC-State Link** at www.fcc.gov/wcb/stats.

This publication focuses on domestic telecommunications. Those interested in international telecommunications are encouraged to refer to *Trends in the International Telecommunications Industry*, which is also available on the **FCC-State Link** Internet site.

Statistical Findings

Rates for Local Service

- The average rate paid by residential customers for unlimited touch-tone calling fell to \$24.31 in 2004, a decrease of 0.9% from \$24.52 in 2003. Connection charges for residential customers rose from \$42.54 to \$42.59 during the same period, an increase of 0.1%.
- Lifeline subsidizes the monthly phone charges for low-income households, while LinkUp subsidizes charges for the connection of a phone line. Based on a sample of cities, Lifeline conferred an average monthly benefit of \$13.82, and Link-Up conferred an average benefit of \$28.51.
- The average rate paid by business customers for a single phone line rose from \$41.96 in 2003 to \$43.75 in 2004, an increase of 4.3%. Connection charges for single-line business customers fell from \$74.18 in 2003 to \$74.17 in 2004, a decrease of 0.01%.

Toll Service Rates

- The increased availability and marketing of discount and promotional long distance plans, as well as the popularity of wireless “bucket-of-minutes” plans, has made basic schedule rates obsolete for many long distance customers, particularly business customers and high volume residential consumers. Today wireline, wireless, and cable companies are offering consumers bundled packages of local and long distance service, and buckets of minutes that can be used to call anyone, anywhere, and anytime.
- The average revenue per minute of long distance calling, which reflects rates paid by residential and business consumers, has fallen from 15 cents in 1992, when discount and promotional long distance plans were introduced, to 7 cents in 2003, a decrease of 53%.
- During 2004, the consumer price index for interstate toll service fell 8.7% and the consumer price index for intrastate toll service fell 6.6%, while the overall consumer price index rose 3.3%.

Consumer Expenditures for Telephone Service

- According to Bureau of Labor Statistics (BLS) surveys, monthly expenditures for telephone service by households with telephone service fell from \$79.75 in 2002 to \$79.67 in 2003, a decrease of 0.1%. Telephone service continues to comprise approximately 2% of household expenditures.
- Also, according to BLS surveys, urban households continue to spend more on telephone service than rural households. During 2003, annual expenditures for urban households were \$967, as compared to \$875 for rural households.
- According to data provided by TNS Telecoms, a marketing research firm, households spent a total of \$1,055 on telephone services during the year 2003: \$441 on local service; \$122 on long distance service; and \$492 on wireless service.

I. Rates

This section focuses on rates for local telephone service provided by wireline telephone companies. The billing structure for local telephone service can be broadly classified as either flat-rate or message/measured service. Customers subscribing to flat-rate service do not pay any additional fees for calls within their local calling area, regardless of the number of calls they place. Alternatively, customers subscribing to message or measured service pay an additional charge for calls made within the local calling area. Message service denotes those plans which bill customers by the call, regardless of the length of the call, while measured service plans bill customers based upon the length of the call. Either plan may also base charges on the distance between the calling and called party. Under either message or measured service, some amount of calling may be included in the monthly basic charge and therefore be made without additional cost to the customer.

In addition to monthly charges for basic service and calling charges, customers pay a number of other charges for telephone service. The federal subscriber line charge is a line item that local exchange carriers are authorized to charge to recover a portion of the interstate costs of providing local phone service. Some states, such as Michigan, authorize local carriers to charge a state subscriber line charge. In some areas there are additional surcharges that the state telephone regulatory authority has authorized the carrier to charge customers. These surcharges are generally associated with price-cap plans and other regulatory matters that either limit the carrier's local service revenue to reasonable levels, or ensure that the carrier is fully compensated for the cost of providing service. In some states, most notably California, the surcharges change annually and can either add or subtract to the local rates of customers. Charges to fund local number portability, telecommunications relay services, and 911 services also appear on telephone bills in many parts of the country.

The local rate averages presented in this report include subscriber line charges and local number portability surcharges that are tariffed at the FCC. Revenues from these charges are classified as interstate and therefore are included in incumbent local exchange carrier (ILEC) universal service contribution bases. Prior to July 2000, the ILECs recovered the cost of universal service contributions through per-minute interstate access charges. In July 2000 the ILECs began recovering this cost through pass-through charges levied on local exchange service customers. These pass-through charges also are included in our calculations of the base rate for local service.

State, county, and municipal governments levy a number of charges on telephone service. These charges range from standard sales taxes to the 3 percent federal excise tax on telephone service, the latter of which is levied on all monthly service charges except for connection charges or state and municipal taxes appearing as separate line items on consumers' bills.

For local service, posted rates provide an accurate picture of prices paid by end users. However, the long distance market features a variety of rates for identical or similar services. Residential consumers may choose from a wide variety of distinct discount plans, and many businesses enter into contracts with long distance carriers rather than purchasing service at the posted rates. Consequently, basic rates do not necessarily reflect the prices that residential and business consumers actually pay for long distance services. In fact, the vast majority of customers employ discount long distance calling

plans and do not pay the basic schedule rate.¹ Numerous ILECs, competitive local exchange carriers (CLECs), and interexchange carriers (IXCs) are now offering bundled packages of local and long-distance voice services, many at discounted rates. In addition, many wireless providers offer packages that include a set number of minutes that may be used for local or long-distance calls.

A. Local Service Rates

The Industry Analysis and Technology Division of the Wireline Competition Bureau conducts an annual survey of ILEC local telephone service rates in 95 urban areas of the United States.² The cities surveyed are those that were included in the BLS Consumer Price Index (CPI) in 1986. In constructing averages and medians, the sample weights derived by the BLS are used. In addition to collecting information on monthly rates for service, the *Urban Rates Survey* collects information on charges paid to have a phone connected to the network and the price of optional inside wire maintenance plans offered by many local exchange carriers.

1. Residential Rates

Table 1.1 presents the national average rates for residential telephone service as of October 15, 2004. The average rate for flat-rate calling with touch-tone service in the 95 cities in the sample was \$24.31. Measured or message service was \$16.62, with an average additional charge of 8 cents for a 5-minute, same-zone, business-day call.

The charge to have a single residential line connected averaged \$42.59 on October 15, 2004. If telephone service is being installed for the first time at a residence, a drop line from the nearest telephone cable must be run to the building and a connection block (network interface device) must be installed. In twenty-seven of the sample cities, an additional charge is levied for this work. The nationwide average connection charge would be \$12.45 higher if these charges were included.

In some areas of the country, only one type of service is offered, either flat-rate or measured/message service, and consumers do not have a choice. In order to calculate a national average based upon all of the sample cities, we calculate a "representative rate." The representative rate is the flat-rate service charge in those areas where this type of service

¹ Bureau of Labor Statistics (BLS) price indices, presented in Section III, provide an alternative measure of long distance prices.

² In 2003, the form used to conduct the *Urban Rates Survey* was revised. Specifically, a more detailed breakout of carriers' surcharges and taxes now appear as separate line items on the survey instrument. The residential and business survey instruments are included in the attached Appendix. In addition, all carriers are now required to submit all line-item data in terms of dollar amounts, whereas before some line items were reported as percentages. These changes to the survey form allow for more accurate estimates of the total monthly recurring costs for basic local residential and single-line business service. Note that all estimates for 2002 and beyond reflect usage of the revised survey form, estimates for years 2001 and prior reflect those obtained from the previous survey instrument.

was available.³ Table 1.2 presents the national average representative rates from 1986 to 2004. During this nineteen-year period, the average representative rate for residential local service has gone from \$17.70 to \$24.31, and average connection charges have dropped from \$49.25 to \$42.59.

Table 1.3 provides the rates in each of the 95 cities in the *Urban Rates Survey* as of October 15, 2004. Tables 1.4 and 1.5 provide historical rates for each of the sample cities.

2. Rates for Low-Income Households

Tables 1.1 through 1.5 show the local rates that are available to all customers. Many states, in addition to federal programs, subsidize low-income households' monthly service charges and connection fees. Most of these subsidy programs are part of the FCC's Lifeline and Link-Up programs. The goal of the Lifeline and Link-Up programs is to help achieve universal service by enabling lower-income households to obtain telephone service. Lifeline subsidizes lower-income households' monthly service charges, while Link-Up subsidizes lower-income households' connection charges. In 2004, qualifying households in all of the 95 surveyed cities received Lifeline and Link-Up benefits. Table 1.6 shows the average Lifeline and Link-Up rates in those cities and compares the subsidized rates to the standard rates. In 2004, low-income households on the Lifeline program paid \$10.49 per month for local service, as compared to \$24.31 paid by residential subscribers not on the Lifeline program, for an average saving of \$13.82 per month. Low-income households receiving Link-Up assistance paid \$14.08 for connection charges, as compared to \$42.59 paid by residential subscribers not receiving LinkUp assistance, for an average Link-Up benefit of \$28.51.

Table 1.7 presents the Lifeline and Link-Up rates, as well as the standard rates, in the sample cities as of October 15, 2004.

3. Business Rates

The *Urban Rates Survey* also collects information on charges for single-line business service. Beginning with the 2003 *Urban Rates Survey*, data pertaining to charges for multi-line business services (key systems and private branch exchanges) are no longer collected.

Table 1.8 presents the average monthly rates for flat-rate and measured/message service paid by a business with a single telephone line, as well as the connection charges a business could expect to pay. Table 1.9 calculates the "representative rate," and shows the trend in rates since 1989. Rates for single-line businesses have followed trends similar to those seen with residential rates. Rates have stayed relatively constant, moving with changes in the federal subscriber line charge, which was capped at \$6.50 at the time of the latest survey. Tables 1.10 through 1.12 present current and historical rates for the sample cities.

³ If flat-rate service was unavailable, the rate for measured/message service was used, along with the charges associated with placing 100 five-minute, same-zone, business-day calls. As of October 15, 2001, flat-rate local residential service was available in all 95 cities, so that approximating the cost of measured/message service with 100 five-minute, same-zone business day calls was unnecessary.

B. Standard Deviation Analysis of Residential Rates

In October 2003, the Federal Communications Commission adopted a recommendation by the Federal-State Joint Board on Universal Service establishing an annual adjusted nationwide urban rate benchmark for purposes of determining universal service support for non-rural carriers. This benchmark is used by the states and the Commission as a tool to assess the reasonable comparability of rates in rural and high-cost areas served by non-rural carriers to nationwide urban rates.⁴ The urban rate benchmark adopted by the Commission is based upon the most recent average urban residential rate as shown in Table 1.1.

Because of the great variation in urban rates nationwide, the Commission adopted a “standard deviation analysis” which measures the dispersion of urban rates from the average. As such, an urban rate benchmark level of two (weighted) standard deviations above the (weighted) average urban rate is used. Table 1.13 presents the results of such a standard deviation analysis for the residential rates reported in the *Urban Rates Survey* as of October 15, 2004. The average, plus the two standard deviation benchmark, is \$34.21. Table 1.14 shows the historical trend in the standard deviation analysis for the years 1993-2004. Over this period the average, plus the two standard deviation benchmark, rose by 20.4%.

C. Toll Service Rates

Since 1992, carriers have introduced an impressive array of discount and promotional plans, and many long distance residential customers subscribe to these plans. These plans take a variety of formats. Some plans offer a block of calling time for a fixed fee and reduced per minute rates for additional calling while others give volume discounts or discounts for calls to certain phone numbers or area codes. One common trend has been the introduction of flat-rate calling plans, which eliminate the mileage bands associated with traditional basic schedules. For example, Verizon’s “Freedom” plan offers unlimited long-distance and local calling (as well as unlimited voice mail, caller ID, call waiting, speed dialing, and three-way calling) for as low as \$49.95 per month (not including add-on charges). In addition, Verizon offers discounts on its high-speed Internet and wireless offerings to those subscribers who sign up for the “Freedom” plan.

Section 271 of the Telecommunications Act of 1996 allowed the Regional Bell Operating Companies (RBOCs) to provide in-region interLATA toll services once the companies satisfied a fourteen-point “checklist” of conditions which demonstrates that

⁴ See *Federal-State Joint Board on Universal Service*, CC. Docket No. 96-45, Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order, 18 FCC Rcd 22559, 22607-22610, paras. 80-82 (2003), *remanded*, *Qwest Communications Int’l, Inc. v. FCC*, Nos. 03-9617, 04-9518, 04-9519, 2005 WL 41969 (10th Cir. Feb. 23, 2005).

their local exchange markets are open to entry by competitive local exchange carriers. All of the RBOCs attained section 271 approvals for their particular markets, and many are now offering discounted bundled packages of voice and popular calling features.

Wireless companies and prepaid calling cards offer more options for long-distance consumers. Wireless companies now offer packages which enable customers to purchase a set number of minutes of usage per month at a set rate (some with unlimited nights and weekends) and allow customers to use these minutes for local or long distance calling. Consumers may also purchase prepaid calling cards, which contain an allotted number of minutes, with some charging rates less than three cents per minute.

Using revenue per-minute data for both residential and business interstate toll traffic, Table 1.15 illustrates the downward trend in long distance rates since discount long distance plans were introduced in 1992. The carriers' average revenue per interstate toll minute has fallen by 53% since 1992, demonstrating that the advent of discount long distance plans has produced lower rates for both business and residential consumers.

D. Additional Sources of Information on Local and Toll Rates

1. Local Rates

A few states have begun to place exchange service tariffs on the Internet. The National Association of Regulatory Utility Commissioners (NARUC) web site has links to the web sites of all of the state telecommunications regulatory agencies: www.naruc.org.

The Bureau of Labor Statistics (BLS), part of the U.S. Department of Labor, publishes a number of price indices that follow trends in local telephone rates. Part III of this report reviews these indices. The most current figures can be obtained at www.bls.gov.

2. Toll Rates

Up until August 2001, all interstate interexchange carriers were required to file tariffs setting forth their rates with the FCC. These filings were available for public inspection at the FCC's Reference Information Center, Washington, DC. As of August 1, 2001, interstate carriers were no longer required to file tariffs setting forth their interstate long distance rates. Since that date, carriers are required to post their rates on their websites.

The BLS publishes a number of price indices that follow trends in toll rates. Part III of this report reviews these indices. The most current figures can be obtained at stats.bls.gov.

Finally, there are a number of firms that specialize in monitoring major long distance companies and their rates, and many of these firms maintain Internet sites. Some examples are Abtolls.com, a free directory service guide to long distance carriers and their rates; Telecommunications Research and Action Center, which uses a search engine to find the lowest long distance rates for any selected calling pattern; *Phone Bill Busters*, which lists discount long distance plans and uses a search engine to find the lowest long distance rates for any selected calling pattern; and *Discount Long Distance Digest*, an Internet newsletter which offers a "free multi-carrier cost comparison service". One can access these services on the Internet at www.abtolls.com, www.trac.org, www.phone-bill-busters.com, and www.thedigest.com.

Table 1.1
Residential Rates for Local Service in Urban Areas
(As of October 15, 2004)

	Average Rate	Median Rate ²
Monthly Charge for Flat-Rate Service ¹	\$14.53	\$13.43
Federal and State Subscriber Line Charges	5.81	6.26
Taxes, 911 and Other Charges	3.97	3.86
Total Monthly Charge for Flat-Rate Service	\$24.31	\$23.55
Number of Sample Cities with Flat-Rate Service	95	-
Monthly Charge for Measured/Message Service ¹	\$7.69	\$8.01
Federal and State Subscriber Line Charges	5.78	6.05
Taxes, 911 and Other Charges	3.15	3.15
Total Monthly Charge for Measured/Message Service	\$16.62	\$17.21
Cost of a 5-Minute Daytime Call	0.08	0.08
Number of Sample Cities with Message/Measured Service	95	-
Basic Connection Charge ¹	\$39.26	\$39.40
Taxes	3.32	2.81
Total Connection Charge	\$42.59	\$42.21
Additional Charge if Drop Line and Connection Block Needed	12.45	0.00
Lowest-Cost Inside Wiring Maintenance Plan	\$3.98	\$4.45

Note: Detail may not add to totals due to rounding.

¹ Rate includes additional monthly charges for touch-tone service.

² Where a rate exists for fewer than 95 cities, the median represents the midpoint rate for those cities which have the service offering.

Table 1.2
Average Residential Rates for Local Service in Urban Areas, 1986-2004
(As of October 15)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 ¹	2004 ²
Representative Monthly Charge ^{3,4}	\$12.58	\$12.44	\$12.32	\$12.30	\$12.36	\$13.03	\$13.05	\$13.16	\$13.19	\$13.62	\$13.71	\$13.67	\$13.75	\$13.77	\$13.64	\$14.49	\$14.38	\$14.54	\$14.53
Subscriber Line Charges	2.04	2.66	2.67	3.53	3.55	3.56	3.55	3.55	3.55	3.54	3.54	3.53	3.52	3.58	4.50	5.05	5.74	5.86	5.81
Additional Monthly Charge for Touch-Tone Service	1.57	1.52	1.54	1.52	1.33	1.06	0.97	0.94	0.77	0.44	0.30	0.25	0.10	0.09	0.06	0.04	⁴	⁴	⁴
Taxes, 911, and Other Charges	1.51	1.56	1.58	1.70	2.00	2.12	2.15	2.29	2.31	2.41	2.40	2.42	2.39	2.48	2.57	3.03	3.94	4.12	3.97
Total Monthly Charge	\$17.70	\$18.18	\$18.11	\$19.05	\$19.24	\$19.77	\$19.72	\$19.95	\$19.81	\$20.01	\$19.95	\$19.88	\$19.76	\$19.93	\$20.78	\$22.62	\$24.07	\$24.52	\$24.31
Basic Connection Charge ⁴	45.63	44.04	42.94	43.06	43.06	42.00	41.50	41.38	41.28	40.91	41.11	41.04	41.24	41.26	41.45	40.02	39.83	39.22	39.26
Additional Connection Charge for Touch-tone Service	1.34	1.31	1.55	1.76	1.77	1.27	1.22	1.23	0.85	0.23	0.23	0.17	0.12	0.12	0.12	0.12	⁴	⁴	⁴
Taxes, 911, and Other Charges	2.28	2.20	2.11	2.44	2.32	2.30	2.29	2.30	2.33	2.44	2.36	2.46	2.38	2.57	2.53	2.81	1.33	3.32	3.32
Total Connection Charge	\$49.25	\$47.55	\$46.60	\$47.26	\$47.15	\$45.57	\$45.01	\$44.92	\$44.46	\$43.58	\$43.70	\$43.67	\$43.74	\$43.95	\$44.10	\$42.95	\$41.16	\$42.54	\$42.59
Additional Charge if Drop Line and Connection Block Needed	¹	¹	6.04	6.07	6.89	6.89	6.50	7.29	6.74	5.90	5.74	5.65	5.64	5.86	5.84	5.84	5.85	12.13	12.45
Lowest-Cost Inside Wiring Maintenance Plan	0.58	0.85	0.89	1.07	1.07	1.20	1.25	1.31	1.45	1.52	1.78	1.68	2.22	2.66	3.03	3.62	3.62	3.64	3.98

Note: Details may not add to totals due to rounding.

¹ Revised.

² Subject to revision.

³ Rates are based upon flat-rate service where available and measured/message service with 100 five-minute, same-zone, business-day calls elsewhere. Beginning in 2001, all rates reflect flat-rate service.

⁴ Beginning in 2002, rate includes additional monthly charges for touch-tone service.

Table 1.3
Residential Telephone Rates in the Sample Cities ¹
(As of October 15, 2004)

State	City	Telephone Company	Monthly Telephone Rate Including Touch-Tone, Surcharges, and Taxes		Cost of a Five-Minute Same-Zone Daytime Call	Connection Charges Including Touch-Tone, Surcharges, and Taxes	Least-Cost Inside Wiring Maintenance Plan
			Flat-Rate Service	Measured/Message Service			
Alabama	Huntsville	BellSouth	\$26.84	\$22.04	\$0.05	\$40.00	\$5.50
Alaska	Anchorage	Anchorage	21.61			53.50	2.00
Arizona	Tucson	Qwest	22.66	17.25	0.20	27.50	4.75
Arkansas	Pine Bluff	SBC	27.53	18.88	0.07	45.00	4.45
Arkansas	West Memphis	SBC	33.55	17.88	0.07	45.00	4.45
California	Anaheim	SBC	16.05	11.69	0.05	33.01	2.99
California	Bakersfield	SBC	16.05	10.87	0.05	33.01	2.99
California	Fresno	SBC	16.05	10.87	0.05	33.01	2.99
California	Long Beach	Verizon	28.47	20.06	0.08	46.00	1.75
California	Los Angeles	SBC	16.05	10.87	0.05	33.01	2.99
California	Oakland	SBC	16.05	10.87	0.05	33.01	2.99
California	Salinas	SBC	16.05	10.87	0.05	33.01	2.99
California	San Diego	SBC	16.05	10.87	0.05	33.01	2.99
California	San Francisco	SBC	16.05	10.87	0.05	33.01	2.99
California	San Jose	SBC	16.05	10.87	0.05	33.01	2.99
Colorado	Boulder	Qwest	27.17	20.52	0.13	35.00	4.75
Colorado	Colorado Springs	Qwest	24.68	18.78	0.13	35.00	4.75
Colorado	Denver	Qwest	25.62	19.36	0.13	35.00	4.75
Connecticut	Ansonia	Verizon	22.15	15.52	0.18	65.00	3.95
Connecticut	Norwalk	Verizon	21.08	15.54	0.18	65.00	3.95
District of Columbia	Washington	Verizon	21.46	13.36	0.05	21.00	3.45
Florida	Miami	BellSouth	21.14			40.88	5.50
Florida	Tampa	Verizon	22.27	17.05	0.10	55.00	3.95
Florida	West Palm Beach	BellSouth	20.65			40.88	5.50
Georgia	Albany	BellSouth	25.91	18.18	0.12	42.50	5.50
Georgia	Atlanta	BellSouth	28.90			42.50	5.50
Hawaii	Honolulu	Verizon	26.23			45.50	3.95
Illinois	Chicago	SBC	21.78	10.00	0.05	39.40	3.95
Illinois	Decatur	SBC	28.78	17.10	0.05	39.40	4.95
Illinois	Rock Island	SBC	28.53	16.85	0.05	39.40	4.95
Indiana	Indianapolis	SBC	19.74	14.26	0.21	47.00	4.99
Indiana	Terre Haute	Verizon	25.95			57.20	3.95
Iowa	Fort Dodge	Frontier	19.90			12.95	3.95
Kentucky	Louisville	BellSouth	28.87	24.16	0.06	42.00	5.50
Louisiana	Baton Rouge	BellSouth	23.28	16.46	0.25	41.00	5.50
Louisiana	New Orleans	BellSouth	22.12	15.62	0.06	41.00	5.50
Maine	Portland	Verizon	27.28			44.75	3.45
Maryland	Baltimore	Verizon	27.94	20.05	0.08	44.25	3.45
Massachusetts	Boston	Verizon	29.88	22.39	0.09	13.50	3.45
Massachusetts	Hyannis	Verizon	29.88	22.39	0.09	13.50	3.45
Massachusetts	Springfield	Verizon	29.88	22.39	0.09	13.50	3.45
Michigan	Detroit	SBC	27.45	23.42	0.07	42.25	4.95
Michigan	Grand Rapids	SBC	25.11	21.97	0.07	42.25	4.95
Michigan	Saginaw	SBC	27.27	24.45	0.07	42.25	4.95
Minnesota	Detroit Lakes	Qwest	21.69	15.96	0.00	18.35	4.75
Minnesota	Minneapolis	Qwest	22.67	17.10	0.10	18.35	4.75
Mississippi	Pascagoula	BellSouth	28.73	19.98	0.04	46.00	5.50
Missouri	Kansas City	SBC	19.81	13.76	0.08	36.19	4.95
Missouri	Mexico	SBC	18.40	12.96	0.08	36.19	4.95
Missouri	St. Louis	SBC	20.23	13.95	0.08	36.19	4.95
Montana	Butte	Qwest	26.02	18.36	0.05	26.00	4.75
Nebraska	Grand Island	Qwest	28.75	22.92	0.10	33.00	4.75
New Jersey	Phillipsburg	Verizon	17.09	13.22	0.10	42.35	3.45

Table 1.3
Residential Telephone Rates in the Sample Cities - Continued¹
(As of October 15, 2004)

State	City	Telephone Company	Monthly Telephone Rate Including Touch-Tone, Surcharges, and Taxes		Cost of a Five-Minute Same-Zone Daytime Call	Connection Charges Including Touch-Tone, Surcharges, and Taxes	Least-Cost Inside Wiring Maintenance Plan
			Flat-Rate Service	Measured/Message Service			
New Mexico	Alamogordo	Qwest	23.74	15.04	0.15	30.00	4.75
New York	Binghamton	Verizon	30.44	18.08	0.09	55.00	2.35
New York	Buffalo	Verizon	34.47	18.51	0.09	55.00	2.35
New York	Massena	Verizon	28.65	17.97	0.09	55.00	2.35
New York	New York City	Verizon	31.67	19.11	0.09	55.00	2.35
New York	Ogdensburg	Verizon	29.42	18.46	0.09	55.00	2.35
New York	Rochester	Frontier	20.44	13.23	0.08	33.32	3.95
North Carolina	Raleigh	BellSouth	23.32			42.75	5.50
North Carolina	Rockingham	BellSouth	22.15			42.75	5.50
Ohio	Canton	SBC	22.14	16.30	0.08	36.50	4.95
Ohio	Cincinnati	Cincinnati Bell	23.61	15.21	0.15	25.70	5.95
Ohio	Cleveland	SBC	22.45	16.52	0.08	36.50	4.95
Ohio	Columbus	SBC	22.19	16.33	0.08	36.50	4.95
Ohio	Toledo	SBC	22.29	16.41	0.08	36.50	4.95
Oregon	Corvallis	Qwest	22.67	15.45	0.15	16.50	4.75
Oregon	Portland	Qwest	22.66	15.44	0.15	16.50	4.75
Pennsylvania	Allentown	Verizon	22.10	17.46	0.07	40.00	3.45
Pennsylvania	Ellwood City	Verizon	22.53	17.90	0.07	40.00	3.45
Pennsylvania	Johnstown	Verizon	23.12	15.43	0.07	52.70	3.95
Pennsylvania	New Castle	Verizon	20.73	17.88	0.07	40.00	3.45
Pennsylvania	Philadelphia	Verizon	23.45	16.57	0.07	40.00	3.45
Pennsylvania	Pittsburgh	Verizon	23.45	16.57	0.07	40.00	3.45
Pennsylvania	Scranton	Verizon	22.10	17.46	0.07	40.00	3.45
Rhode Island	Providence	Verizon	30.29	18.08	0.05	33.83	3.45
South Carolina	Beaufort	Sprint	23.80	15.65	0.12	32.30	4.00
Tennessee	Memphis	BellSouth	23.08	14.38	0.06	41.50	5.50
Tennessee	Nashville	BellSouth	22.41	14.13	0.06	41.50	5.50
Texas	Brownsville	SBC	19.13	13.83	0.08	38.35	4.95
Texas	Corpus Christi	SBC	20.48	15.18	0.08	38.35	4.95
Texas	Dallas	SBC	23.14	16.71	0.08	38.35	4.95
Texas	Fort Worth	SBC	21.49	15.35	0.08	38.35	4.95
Texas	Houston	SBC	21.92	15.57	0.08	38.35	4.95
Texas	San Antonio	SBC	19.71	14.05	0.08	38.35	4.95
Utah	Logan	Qwest	21.41	19.34	0.10	25.00	4.75
Virginia	Richmond	Verizon	31.43	24.64	0.19	38.50	1.25
Virginia	Smithfield	Verizon	30.59	21.80	0.16	40.00	2.50
Washington	Everett	Verizon	24.49	17.83	0.02	43.25	3.95
Washington	Seattle	Qwest	21.33	17.44	0.07	31.00	4.75
West Virginia	Huntington	Verizon	23.32	13.87	0.16	42.00	3.45
Wisconsin	Milwaukee	SBC	33.84	14.76	0.04	51.90	
Wisconsin	Racine	SBC	33.58	14.78	0.04	51.90	

¹ All figures are preliminary and subject to revision.

Table 1.4
Monthly Residential Telephone Rates in the Sample Cities ¹
(As of October 15)

State	City	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 ²	2004 ³
Alabama	Huntsville	\$24.60	\$24.60	\$23.06	\$22.67	\$22.67	\$22.67	\$22.67	\$23.61	\$24.85	\$25.98	\$26.76	\$26.84
Alaska	Anchorage	16.20	14.44	14.47	14.47	14.46	14.48	14.48	14.34	15.42	20.95	21.50	21.61
Arizona	Tucson	18.23	18.23	19.18	19.13	19.42	19.42	19.43	20.10	20.78	22.89	23.39	22.66
Arkansas	Pine Bluff	22.60	22.22	22.06	22.14	22.22	22.22	22.26	23.22	25.09	26.08	26.11	27.53
Arkansas	West Memphis	29.00	29.55	28.57	28.65	28.78	20.79	28.75	29.72	31.58	32.72	32.71	33.55
California	Anaheim	12.18	12.18	15.59	15.69	15.57	15.57	15.42	15.34	15.71	17.48	16.67	16.05
California	Bakersfield	12.18	12.18	15.59	15.69	15.57	15.57	15.42	15.34	15.71	17.48	16.67	16.05
California	Fresno	12.18	12.18	15.59	15.69	16.67	17.13	15.42	15.34	15.71	17.48	16.67	16.05
California	Long Beach	17.35	16.78	23.56	23.51	23.51	23.51	23.51	24.48	25.05	24.69	28.31	28.47
California	Los Angeles	13.39	13.39	17.09	17.20	15.57	16.01	16.59	16.87	17.28	17.48	16.67	16.05
California	Oakland	13.09	13.09	16.72	16.82	15.57	16.01	16.23	16.49	16.89	17.48	16.67	16.05
California	Salinas	12.79	12.91	16.49	16.59	15.57	16.01	16.02	16.26	16.65	17.48	16.67	16.05
California	San Bernardino	17.12	16.55	23.24	23.19	23.19	23.19	23.19	24.15	25.05	24.69	29.02	28.92
California	San Diego	12.18	12.18	15.59	15.69	15.57	16.01	15.42	15.34	15.71	17.48	16.67	16.05
California	San Francisco	12.18	12.69	15.59	15.69	16.45	16.91	15.16	15.34	15.71	17.48	16.67	16.05
Colorado	Boulder	20.99	21.26	21.51	21.55	21.36	21.39	22.07	23.04	23.07	27.06	27.68	27.17
Colorado	Colorado Springs	20.29	20.23	19.78	20.38	20.38	20.36	20.85	21.77	22.33	24.48	25.00	24.68
Colorado	Denver	20.80	21.12	21.10	21.14	21.11	21.40	21.91	22.85	22.98	25.71	26.23	25.62
Connecticut	Ansonia	17.22	17.60	18.70	18.70	18.70	18.64	19.41	20.67	22.02	22.41	22.34	22.15
Connecticut	Norwalk	16.13	16.51	17.60	17.60	17.60	17.55	18.32	19.58	20.93	21.32	21.25	21.08
District of Columbia	Washington	21.70	21.67	20.13	21.05	19.23	20.10	19.94	20.12	21.03	21.01	21.53	21.46
Florida	Miami	18.07	16.92	16.84	16.86	16.86	16.85	16.83	17.76	18.97	20.26	21.02	21.14
Florida	Tampa	17.45	17.45	17.65	19.09	19.19	19.23	19.23	20.27	21.04	22.29	22.49	22.27
Florida	West Palm Beach	16.74	15.65	15.59	15.89	15.89	15.60	15.58	16.73	18.15	19.56	20.29	20.65
Georgia	Albany	20.60	20.63	20.63	21.29	21.29	21.34	21.88	22.98	24.22	25.11	26.25	25.91
Georgia	Atlanta	24.50	24.53	24.80	24.98	24.98	24.92	24.92	26.04	27.25	28.56	29.54	28.90
Hawaii	Honolulu	19.35	20.60	21.35	22.52	22.40	22.40	22.40	23.28	23.28	25.34	26.35	26.23
Illinois	Chicago	18.21	18.20	17.31	17.63	17.18	17.18	14.52	15.52	21.64	24.68	22.12	21.78
Illinois	Decatur	21.56	21.54	20.19	20.18	20.18	20.18	22.26	23.26	21.08	31.52	29.15	28.78
Illinois	Rock Island	22.18	22.17	20.82	20.82	20.18	20.18	21.85	22.85	20.79	31.26	28.90	28.53
Indiana	Indianapolis	21.87	20.44	19.81	18.82	18.82	18.82	19.05	20.25	20.40	20.20	20.21	19.74
Indiana	Terre Haute	22.93	23.02	23.02	22.98	22.98	22.98	19.86	22.57	23.63	26.21	25.94	25.95
Iowa	Fort Dodge	13.79	14.06	14.06	14.06	15.96	15.90	15.57	16.49	17.62	19.04	19.51	19.90
Kentucky	Louisville	24.17	24.17	23.66	23.66	24.63	24.63	24.70	26.41	27.11	28.44	29.06	28.87
Louisiana	Baton Rouge	22.25	20.81	20.93	20.66	19.57	19.57	19.57	20.47	23.17	23.00	23.65	23.28
Louisiana	New Orleans	23.28	20.33	20.14	19.99	18.78	18.78	18.78	19.69	20.67	21.84	22.49	22.12
Maine	Portland	18.24	18.27	17.99	18.19	19.12	19.70	22.53	23.34	24.72	26.31	26.99	27.28
Maryland	Baltimore	24.98	24.98	24.98	24.98	24.98	24.67	24.67	25.73	26.47	27.14	28.09	27.94
Massachusetts	Boston	21.72	23.07	23.07	23.07	23.07	23.07	23.07	23.46	24.53	25.61	29.64	29.88
Massachusetts	Hyannis	20.43	23.07	23.07	23.07	23.07	23.07	23.07	23.46	24.53	25.61	29.64	29.88
Massachusetts	Springfield	21.72	23.07	23.07	23.07	23.07	23.07	23.07	23.46	24.53	25.61	29.64	29.88
Michigan	Detroit	19.25	19.55	19.50	19.42	19.42	19.76	22.50	25.99	27.12	27.77	27.39	27.45
Michigan	Grand Rapids	17.19	17.53	18.06	17.95	18.01	18.25	20.08	23.28	24.54	25.47	25.07	25.11
Michigan	Saginaw	18.75	16.93	18.96	20.05	20.05	20.11	19.85	22.99	27.71	28.18	27.52	27.27
Minnesota	Detroit Lakes	19.86	19.84	19.91	19.91	19.63	19.63	19.63	20.57	21.50	22.41	22.42	21.69
Minnesota	Minneapolis	21.64	21.66	21.73	21.73	21.45	21.46	20.61	21.54	22.48	23.38	23.39	22.67
Mississippi	Pascagoula	26.03	26.42	26.42	26.03	26.03	25.26	24.81	25.80	27.05	28.30	28.95	28.73
Missouri	Kansas City	20.40	19.03	18.15	18.15	19.53	19.53	18.25	19.21	20.68	20.33	20.25	19.81
Missouri	Mexico	17.14	15.81	17.19	17.19	17.26	17.26	17.26	18.42	20.10	18.76	18.91	18.40
Missouri	St. Louis	20.23	19.05	18.18	18.18	18.18	18.18	18.28	19.32	20.87	20.52	20.73	20.23
Montana	Butte	18.22	18.22	18.22	18.22	19.26	19.69	22.70	23.16	24.23	26.25	26.54	26.02
Nebraska	Grand Island	21.88	21.88	21.85	21.76	23.39	23.27	26.22	27.14	26.25	29.64	29.38	28.75
New Jersey	Phillipsburg	13.04	13.04	13.04	13.04	13.05	13.05	13.05	13.21	15.31	15.93	16.30	17.09

Table 1.4
Monthly Residential Telephone Rates in the Sample Cities - Continued¹
(As of October 15)

State	City	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 ²	2004 ³
New Mexico	Alamogordo	20.21	20.46	20.65	20.82	20.99	20.99	19.03	17.50	18.14	22.47	24.22	23.74
New York	Binghamton	25.31	24.52	26.03	23.80	23.76	23.74	23.74	23.90	25.01	29.05	30.57	30.44
New York	Buffalo	32.68	31.63	30.62	28.34	28.29	28.27	28.27	28.37	32.41	32.52	34.25	34.47
New York	Massena	22.90	22.88	23.40	21.19	20.33	20.31	20.31	20.50	24.94	24.88	28.79	28.65
New York	New York City	26.75	26.73	25.00	24.92	24.88	24.86	24.86	25.00	28.45	29.04	31.81	31.67
New York	Ogdensburg	23.54	23.52	24.06	21.78	20.90	20.88	20.88	21.08	25.62	25.56	29.56	29.42
New York	Rochester	19.75	18.96	16.83	16.83	17.91	17.86	17.86	18.64	19.55	20.38	20.44	20.44
North Carolina	Raleigh	18.23	18.02	17.75	17.48	17.22	17.23	17.23	18.13	19.33	21.28	23.46	23.32
North Carolina	Rockingham	16.74	16.53	16.22	15.95	15.69	15.69	15.69	16.86	19.20	20.54	21.81	22.15
Ohio	Canton	21.29	21.29	20.00	19.59	18.87	18.72	18.56	19.28	20.31	21.06	21.18	22.14
Ohio	Cincinnati	20.30	21.24	21.13	21.13	21.13	21.05	21.55	22.74	23.54	23.76	23.98	23.61
Ohio	Cleveland	21.29	21.29	20.00	19.44	18.87	18.72	18.56	19.28	20.31	21.06	21.18	22.45
Ohio	Columbus	21.29	21.29	20.00	19.85	18.87	18.72	18.56	19.28	20.31	21.06	21.18	22.19
Ohio	Toledo	21.29	21.29	20.00	19.85	18.87	18.72	18.56	19.28	20.31	21.06	21.18	22.29
Oregon	Corvallis	19.02	18.21	18.73	19.65	19.66	19.88	19.97	21.05	21.62	24.05	23.11	22.67
Oregon	Portland	21.42	18.36	22.07	23.02	21.22	21.19	21.19	22.07	23.64	25.44	21.60	22.66
Pennsylvania	Allentown	17.70	17.70	17.59	17.63	17.47	17.94	17.48	18.35	19.59	20.87	22.21	22.10
Pennsylvania	Ellwood City	15.07	15.07	16.72	16.76	16.60	16.60	16.60	18.74	20.00	21.28	22.65	22.53
Pennsylvania	Johnstown	20.11	21.95	21.78	20.31	19.48	19.48	21.94	22.86	20.97	21.54	23.33	23.12
Pennsylvania	New Castle	15.07	15.58	14.97	15.01	14.90	14.90	14.90	17.04	18.30	19.58	20.84	20.73
Pennsylvania	Philadelphia	20.09	20.09	19.98	18.72	18.56	18.56	18.56	19.41	20.67	22.13	23.57	23.45
Pennsylvania	Pittsburgh	18.78	18.78	18.67	18.72	17.48	17.48	18.56	19.41	20.67	21.95	23.57	23.45
Pennsylvania	Scranton	16.41	16.41	17.59	17.63	18.56	18.56	17.48	18.32	19.59	20.87	22.31	22.10
Rhode Island	Providence	23.09	23.50	23.50	23.50	23.50	23.50	23.49	24.43	25.52	27.68	29.32	30.29
South Carolina	Beaufort	20.30	20.30	19.76	19.76	19.76	19.76	20.41	21.33	22.26	24.56	24.45	23.80
Tennessee	Memphis	20.25	20.25	20.25	20.33	20.33	20.33	19.95	20.33	21.76	22.15	22.80	23.08
Tennessee	Nashville	19.41	19.41	19.41	19.41	19.41	19.88	19.51	19.90	20.99	21.72	22.42	22.41
Texas	Brownsville	15.27	14.33	15.33	15.31	14.91	14.78	15.33	17.16	18.33	21.97	21.54	19.13
Texas	Corpus Christi	17.00	15.93	15.89	15.90	16.22	17.15	17.17	16.23	17.32	27.39	25.77	20.48
Texas	Dallas	18.97	17.99	18.00	17.92	17.47	18.07	17.97	19.45	20.64	28.10	26.79	23.14
Texas	Fort Worth	17.77	16.70	16.73	16.62	16.17	16.75	16.89	19.17	19.66	25.82	25.05	21.49
Texas	Houston	19.42	18.39	18.44	18.28	17.98	18.31	18.31	18.87	19.55	22.19	22.45	21.92
Texas	San Antonio	17.52	16.58	16.56	16.42	16.37	16.35	16.35	17.05	18.13	19.83	20.04	19.71
Utah	Logan	15.66	15.62	15.76	15.76	15.70	17.73	17.99	19.38	19.44	22.13	21.80	21.41
Virginia	Richmond	24.60	24.60	23.90	23.78	23.78	23.78	23.78	28.67	29.60	30.06	31.60	31.43
Virginia	Smithfield	17.01	17.01	17.01	16.90	16.90	16.90	16.90	17.87	27.82	33.29	30.81	30.59
Washington	Everett	18.97	18.97	18.97	18.97	18.97	18.97	19.53	20.47	22.27	24.65	24.71	24.49
Washington	Seattle	17.00	17.00	16.22	15.93	15.97	15.61	18.16	19.03	19.23	21.91	22.01	21.33
West Virginia	Huntington	28.73	28.73	28.73	28.21	27.68	27.16	27.16	25.69	27.47	29.16	29.25	23.32
Wisconsin	Milwaukee	16.56	15.91	15.91	15.92	15.92	15.92	16.76	17.46	34.75	34.95	35.56	33.84
Wisconsin	Racine	16.61	15.96	15.87	15.88	15.88	15.88	16.40	17.09	34.61	34.93	35.54	33.58

¹ Beginning in 2001, all rates reflect flat-rate service. Rates are for flat-rate service where available and measured/message service with 100 local calls elsewhere. All rates include touch-tone service, surcharges, 911 charges, and taxes.

² Revised figures.

³ Preliminary figures - subject to revision.

Table 1.5
Connection Charges for a Residential Telephone Line in the Sample Cities ¹
(As of October 15)

State	City	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 ²	2004 ³
Alabama	Huntsville	\$42.68	\$42.68	\$42.68	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Alaska	Anchorage	25.50	25.50	25.50	25.50	25.50	25.50	35.00	35.00	35.00	43.40	43.40	53.50
Arizona	Tucson	51.74	51.74	51.74	48.92	48.92	48.92	49.85	46.59	38.43	35.00	30.61	30.61
Arkansas	Pine Bluff	52.72	44.16	43.92	44.08	44.05	44.05	44.16	39.70	44.16	39.70	39.70	45.00
Arkansas	West Memphis	53.25	44.24	44.54	44.67	44.71	44.57	44.69	39.70	44.69	39.70	39.70	45.00
California	Anaheim	34.32	34.32	35.19	35.47	35.61	35.93	34.29	32.23	32.47	33.01	35.82	35.82
California	Bakersfield	34.32	34.32	35.19	35.47	34.92	35.93	34.29	32.23	32.47	35.82	35.82	35.82
California	Fresno	34.32	34.32	35.19	35.47	34.92	35.93	34.29	32.23	32.47	35.82	35.82	35.82
California	Long Beach	55.25	52.89	45.73	45.61	45.61	45.61	45.61	45.61	45.51	46.00	52.46	53.09
California	Los Angeles	34.32	34.32	35.19	35.47	34.92	35.93	33.70	32.23	35.77	35.82	35.82	35.82
California	Oakland	34.32	34.32	35.19	35.47	34.92	35.93	33.70	32.23	32.47	35.82	35.82	35.82
California	Salinas	34.32	34.32	35.19	35.47	34.92	35.93	33.70	32.23	32.47	35.82	35.82	35.82
California	San Bernardino	55.25	52.89	45.73	45.61	45.61	45.61	45.61	45.61	45.51	46.00	53.84	54.01
California	San Diego	34.32	34.32	35.19	35.47	34.92	35.93	34.29	32.23	32.47	35.82	35.82	35.82
California	San Francisco	34.32	34.32	35.19	35.47	34.92	35.93	34.29	32.23	32.47	35.82	35.82	35.82
California	San Jose	34.32	34.32	35.19	35.47	35.93	35.93	34.29	32.23	34.12	35.82	35.82	35.82
Colorado	Colorado Springs	36.84	36.40	36.40	36.40	36.40	36.40	37.53	36.09	37.38	35.00	37.09	37.09
Colorado	Denver	37.56	37.56	37.56	37.56	37.56	37.56	38.72	36.09	38.54	38.27	38.27	38.27
Connecticut	Ansonia	47.70	47.70	47.70	47.70	47.70	47.70	47.70	55.00	58.30	65.00	65.00	65.00
Connecticut	Norwalk	47.70	47.70	47.70	47.70	47.70	47.70	47.70	55.00	58.30	65.00	65.00	65.00
District of Columbia	Washington	30.76	30.76	30.76	30.76	30.76	30.76	30.76	30.76	21.00	23.10	25.10	25.10
Florida	Miami	44.50	40.00	40.00	40.00	40.00	40.00	40.00	40.00	43.32	43.92	44.25	44.17
Florida	Tampa	62.98	62.98	62.98	59.13	59.13	59.13	59.13	55.00	59.13	55.00	61.15	61.15
Florida	West Palm Beach	44.50	40.00	40.00	40.00	40.00	40.00	40.00	40.00	43.28	43.88	44.05	44.05
Georgia	Albany	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
Georgia	Atlanta	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50	42.50
Hawaii	Honolulu	45.50	45.50	45.50	49.30	50.74	50.74	50.74	50.61	50.72	45.50	53.91	53.91
Illinois	Chicago	60.56	60.56	60.56	60.56	60.56	60.56	63.03	55.00	59.76	45.40	39.60	39.40
Illinois	Decatur	60.64	60.64	60.64	60.64	60.64	60.64	62.56	55.00	59.31	45.40	39.40	39.40
Illinois	Rock Island	60.64	60.64	60.64	60.64	60.64	60.64	62.56	55.00	59.31	45.40	39.60	39.40
Indiana	Indianapolis	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00	47.00
Indiana	Terre Haute	60.06	60.06	60.06	60.06	60.06	60.06	60.06	60.06	60.06	57.20	62.35	62.35
Iowa	Fort Dodge	9.82	9.82	9.82	9.82	14.06	13.98	13.59	12.94	13.57	12.80	12.76	12.95
Kentucky	Louisville	34.50	34.50	34.50	42.00	42.00	42.00	42.00	42.00	44.52	44.52	44.52	44.52
Louisiana	Baton Rouge	51.80	51.80	44.63	44.29	42.23	42.23	42.23	41.00	44.28	44.34	44.34	44.34
Louisiana	New Orleans	51.50	52.00	44.29	44.29	42.23	42.23	42.23	41.00	42.23	42.23	42.23	42.23
Maine	Portland	47.44	47.44	47.44	47.44	47.44	47.21	47.21	44.75	46.99	44.75	48.33	48.33
Maryland	Baltimore	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	56.18	51.79
Massachusetts	Boston	38.92	38.92	38.92	38.92	38.92	38.92	38.92	37.07	14.18	13.50	14.59	14.59
Massachusetts	Hyannis	38.92	38.92	38.92	38.92	38.92	38.92	38.92	37.07	14.18	13.50	14.59	14.59
Massachusetts	Springfield	38.92	38.92	38.92	38.92	38.92	38.92	38.92	37.07	14.18	13.50	14.59	14.59
Michigan	Detroit	43.68	44.52	44.52	44.52	44.52	44.52	46.62	42.00	46.62	46.62	46.62	46.90
Michigan	Grand Rapids	43.68	44.52	44.52	44.52	44.52	44.52	44.52	42.00	44.52	44.52	44.52	44.78
Michigan	Saginaw	43.68	44.52	44.52	44.52	44.52	44.52	44.52	42.00	44.52	44.52	44.52	44.78
Minnesota	Detroit Lakes	18.75	18.75	18.75	19.97	19.54	19.54	19.54	18.35	19.54	19.54	19.54	19.54
Minnesota	Minneapolis	18.75	18.75	18.75	20.06	19.63	19.63	19.63	18.35	19.63	19.63	19.63	19.63
Mississippi	Pascagoula	49.22	49.22	49.22	49.22	49.22	49.22	49.22	46.00	49.22	49.22	49.22	49.22
Missouri	Kansas City	52.95	42.47	42.47	42.47	42.47	42.47	42.70	36.50	41.69	41.51	37.45	41.16
Missouri	Mexico	51.98	51.98	41.70	41.70	41.88	41.88	41.88	36.50	41.49	41.18	41.55	41.53
Missouri	St. Louis	53.16	53.67	43.06	43.06	43.06	43.06	43.30	36.50	42.93	42.61	42.99	42.97
Montana	Butte	35.30	35.30	25.00	25.00	25.00	25.00	26.00	26.00	26.00	26.00	26.00	26.00
Nebraska	Grand Island	30.52	30.52	30.52	36.03	36.03	36.03	37.41	35.29	37.27	37.44	37.44	37.60
New Jersey	Phillipsburg	44.52	44.52	44.52	44.89	44.89	44.89	44.89	42.35	44.89	44.89	46.16	46.16

Table 1.5
Connection Charges for a Residential Telephone Line in the Sample Cities - Continued
(As of October 15)

State	City	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 ²	2004 ³
New Mexico	Alamogordo	31.86	31.96	31.96	31.86	31.86	31.86	31.86	30.00	31.99	32.01	32.01	32.09
New York	Binghamton	62.48	62.42	62.71	62.59	62.47	62.41	62.41	57.13	61.53	55.00	61.61	61.61
New York	Buffalo	64.19	64.13	63.83	63.71	63.59	63.53	63.53	58.17	62.57	55.00	62.68	62.68
New York	Massena	62.69	62.63	62.34	62.22	62.10	62.05	62.05	57.33	61.18	55.00	61.26	61.26
New York	New York	64.64	64.58	64.29	64.02	63.90	63.84	63.84	58.32	62.47	55.00	62.62	62.62
New York	Ogdensburg	64.46	64.39	64.09	63.97	63.85	63.79	63.79	57.33	62.83	55.00	62.91	62.91
New York	Rochester	47.01	33.32	33.32	33.32	33.32	33.32	33.32	33.32	33.32	33.32	33.32	33.32
North Carolina	Raleigh	44.03	44.03	44.03	44.03	44.03	44.03	44.03	42.75	44.03	45.32	45.32	45.32
North Carolina	Rockingham	44.03	44.03	44.03	44.03	44.03	44.03	44.03	42.75	44.03	45.32	45.32	45.32
Ohio	Canton	45.80	45.80	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50
Ohio	Cincinnati	30.25	31.70	31.70	31.70	31.70	25.70	25.70	25.70	25.70	25.70	25.70	25.70
Ohio	Cleveland	45.80	45.80	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50
Ohio	Columbus	45.80	45.80	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50
Ohio	Toledo	45.80	45.80	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50	36.50
Oregon	Corvallis	12.00	12.00	12.00	12.36	12.36	12.36	12.36	12.36	12.72	16.50	17.90	17.99
Oregon	Portland	12.00	12.00	12.00	12.36	12.36	12.36	12.36	12.36	12.72	16.50	17.90	17.99
Pennsylvania	Allentown	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	43.60	43.60
Pennsylvania	Ellwood City	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	43.60	43.60
Pennsylvania	Johnstown	55.86	55.86	55.86	55.86	55.86	55.86	55.86	52.70	55.86	52.70	57.44	57.44
Pennsylvania	New Castle	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	43.60	43.60
Pennsylvania	Philadelphia	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	44.00	44.00
Pennsylvania	Pittsburgh	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	44.00	44.00
Pennsylvania	Scranton	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	43.60	43.60
Rhode Island	Providence	30.39	36.20	36.20	36.20	36.20	36.20	36.20	33.83	36.20	33.83	37.21	37.21
South Carolina	Beaufort	32.30	32.30	32.30	32.30	32.30	32.30	32.30	32.30	32.30	32.30	32.30	32.30
Tennessee	Memphis	47.39	47.39	47.39	47.62	47.62	47.62	47.40	43.85	47.28	47.76	47.96	47.96
Tennessee	Nashville	45.13	45.13	45.13	45.13	45.13	45.13	44.92	41.50	44.92	45.44	45.45	45.45
Texas	Brownsville	46.66	44.06	47.12	47.08	47.07	46.65	47.39	38.35	47.39	44.06	41.51	41.51
Texas	Corpus Christi	50.45	47.39	47.28	47.31	48.25	43.85	43.91	38.35	43.91	43.91	41.47	41.47
Texas	Dallas	51.15	48.38	48.38	48.18	46.95	48.58	48.31	38.35	48.31	44.06	41.51	41.51
Texas	Fort Worth	50.80	47.82	47.90	47.59	46.31	47.95	48.36	38.35	48.36	44.06	41.32	41.32
Texas	Houston	51.22	48.37	48.40	47.98	47.20	44.06	44.06	38.35	44.06	44.06	41.13	41.13
Texas	San Antonio	49.99	47.38	47.31	46.93	47.71	43.85	43.85	38.35	43.85	43.91	41.18	41.13
Utah	Logan	19.92	19.90	19.90	26.53	26.50	26.50	26.83	25.17	27.41	25.00	26.68	27.89
Virginia	Richmond	38.50	38.50	38.50	38.50	38.50	38.50	38.50	38.50	38.50	38.50	50.79	50.79
Virginia	Smithfield	29.25	29.25	29.25	30.00	30.00	30.00	40.00	40.00	40.00	40.00	47.20	47.20
Washington	Everett	42.08	42.08	42.08	46.67	46.67	46.67	46.67	43.25	46.67	43.25	50.09	50.09
Washington	Seattle	33.08	33.08	32.98	32.98	32.98	32.98	32.98	32.98	32.98	32.98	32.98	32.98
West Virginia	Huntington	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	44.10	44.10
Wisconsin	Milwaukee	34.87	34.87	34.87	34.90	34.90	35.52	47.52	45.00	58.08	55.00	51.90	51.90
Wisconsin	Racine	34.70	34.70	34.70	34.74	34.74	35.52	47.30	55.00	57.81	55.00	51.90	51.90

¹ Rates include additional monthly taxes and surcharges.

² Revised figures.

³ Subject to revision.

Table 1.6
Comparison of Standard Local Telephone Rates to Lifeline and Link-Up Rates
(As of October 15, 2004)

	Standard Rate in Cities with Subsidy Plan	Subsidy-Plan Rate	Benefit
	(a)	(b)	(a) - (b)
Representative Monthly Charge ¹	\$14.53	\$8.52	\$6.02
Federal and State Subscriber Line Charges	5.81	0.14	5.67
Taxes, 911 and Other Charges	3.97	1.83	2.14
Total Monthly Charge ²	\$24.31	\$10.49	\$13.82
Basic Connection Charge	\$39.26	\$12.96	\$26.30
Taxes	3.32	1.12	2.21
Total Connection Charge ²	\$42.59	\$14.08	\$28.51

Note: Detail may not add to totals due to rounding.

¹ All standard rates reflect flat-rate service. Subsidy plan rates reflect flat-rate subsidized service where available and subsidized measured/message service with 100 calls elsewhere.

² Averages are for the 95 cities with subsidized monthly rates and connection assistance plans.

Table 1.7
Lifeline and Link-Up Rates in the Sample Cities
(As of October 15, 2004)

State	City	Telephone Company	Monthly Telephone Rate ¹ Including Surcharges and Taxes		Connection Charge Including Surcharges and Taxes	
			Standard Rates	Lifeline Rates	Standard Rates	Link-Up Rates
Alabama	Huntsville	BellSouth	\$26.84	\$11.14	\$40.00	\$20.00
Alaska	Anchorage	Anchorage	21.61	1.64	53.50	0.00
Arizona	Tucson	Qwest	22.66	9.68	27.50	15.31
Arkansas	Pine Bluff	SBC	27.53	14.37	45.00	22.50
Arkansas	West Memphis	SBC	33.55	20.17	45.00	22.50
California	Anaheim	SBC	16.05	10.50	33.01	17.81
California	Bakersfield	SBC	16.05	10.50	33.01	17.81
California	Fresno	SBC	16.05	10.50	33.01	17.81
California	Long Beach	Verizon	28.47	5.44	46.00	11.55
California	Los Angeles	SBC	16.05	10.50	33.01	17.81
California	Oakland	SBC	16.05	10.50	33.01	17.81
California	San Bernadino	Verizon	28.92	5.54	46.00	11.74
California	San Diego	SBC	16.05	10.50	33.01	17.81
California	San Francisco	SBC	16.05	10.50	33.01	17.81
California	San Jose	SBC	16.05	10.50	33.01	17.81
Colorado	Boulder	Qwest	27.17	6.56	35.00	20.10
Colorado	Colorado Springs	Qwest	24.68	6.08	35.00	18.55
Colorado	Denver	Qwest	25.62	6.10	35.00	19.14
Connecticut	Ansonia	SBC	22.15	11.18	65.00	35.00
Connecticut	Norwalk	SBC	21.08	10.10	65.00	35.00
District of Columbia	Washington	Verizon	21.46	4.49	21.00	12.55
Florida	Miami	BellSouth	21.14	6.14	40.88	22.08
Florida	Tampa	Verizon	22.27	6.36	55.00	30.58
Florida	West Palm Beach	BellSouth	20.65	5.24	40.88	22.02
Georgia	Albany	BellSouth	25.91	10.66	42.50	21.25
Georgia	Atlanta	BellSouth	28.90	13.58	42.50	21.25
Hawaii	Honolulu	Verizon	26.23	15.42	45.50	26.95
Illinois	Chicago	SBC	21.78	14.04	39.40	9.70
Illinois	Decatur	SBC	28.78	21.12	39.40	9.70
Illinois	Rock Island	SBC	28.53	20.87	39.40	9.70
Indiana	Indianapolis	SBC	19.74	11.82	47.00	0.00
Indiana	Terre Haute	Verizon	25.95	16.08	57.20	31.18
Iowa	Fort Dodge	Frontier	19.90	10.00	12.95	6.48
Kentucky	Louisville	BellSouth	28.87	13.48	42.00	22.26
Louisiana	Baton Rouge	BellSouth	23.28	13.85	41.00	22.18
Louisiana	New Orleans	BellSouth	22.12	12.80	41.00	21.12
Maine	Portland	Verizon	27.28	9.67	44.75	10.80
Maryland	Baltimore	Verizon	27.94	7.78	44.25	16.68
Massachusetts	Boston	Verizon	29.88	8.86	13.50	7.29
Massachusetts	Hyannis	Verizon	29.88	8.86	13.50	7.29
Massachusetts	Springfield	Verizon	29.88	8.86	13.50	7.29
Michigan	Detroit	SBC	27.45	15.95	42.25	0.00
Michigan	Grand Rapids	SBC	25.11	13.81	42.25	0.00
Michigan	Saginaw	SBC	27.27	16.27	42.25	0.00
Minnesota	Detroit Lakes	Qwest	21.69	11.88	18.35	9.78
Minnesota	Minneapolis	Qwest	22.67	12.85	18.35	9.82
Mississippi	Pascagoula	BellSouth	28.73	13.18	46.00	24.61
Missouri	Kansas City	SBC	19.81	8.77	36.19	18.10
Missouri	Mexico	SBC	18.40	7.09	36.19	18.10
Missouri	St. Louis	SBC	20.23	8.98	36.19	18.10
Montana	Butte	Qwest	26.02	6.93	26.00	13.00
Nebraska	Grand Island	Qwest	28.75	16.38	33.00	18.80
New Jersey	Phillipsburg	Verizon	17.09	1.58	42.35	23.09

Table 1.7
Lifeline and Link-Up Rates in the Sample Cities - Continued
(As of October 15, 2004)

State	City	Telephone Company	Monthly Telephone Rate ¹ Including Surcharges and Taxes		Connection Charge Including Surcharges and Taxes	
			Standard Rates	Lifeline Rates	Standard Rates	Link-Up Rates
New Mexico	Alamogordo	Qwest	23.74	5.26	30.00	8.02
New York	Binghamton	Verizon	30.44	13.50	55.00	5.60
New York	Buffalo	Verizon	34.47	17.74	55.00	5.70
New York	Massena	Verizon	28.65	10.28	55.00	5.57
New York	New York City	Verizon	31.67	13.72	55.00	5.69
New York	Ogdensburg	Verizon	29.42	10.56	55.00	5.72
New York	Rochester	Frontier - Rochester	20.44	8.46	33.32	10.00
North Carolina	Raleigh	BellSouth	23.32	7.97	42.75	22.66
North Carolina	Rockingham	BellSouth	22.15	6.80	42.75	22.66
Ohio	Canton	SBC	22.14	8.58	36.50	0.00
Ohio	Cincinnati	Cincinnati Bell	23.61	10.37	25.70	0.00
Ohio	Cleveland	SBC	22.45	8.70	36.50	0.00
Ohio	Columbus	SBC	22.19	8.60	36.50	0.00
Ohio	Toledo	SBC	22.29	8.64	36.50	0.00
Oregon	Corvallis	Qwest	22.67	7.39	16.50	8.99
Oregon	Portland	Qwest	22.66	7.38	16.50	8.99
Pennsylvania	Allentown	Verizon	22.10	8.67	40.00	21.80
Pennsylvania	Ellwood City	Verizon	22.53	9.10	40.00	21.80
Pennsylvania	Johnstown	Verizon	23.12	9.15	52.70	28.72
Pennsylvania	New Castle	Verizon	20.73	7.30	40.00	21.80
Pennsylvania	Philadelphia	Verizon	23.45	9.90	40.00	22.00
Pennsylvania	Pittsburgh	Verizon	23.45	9.90	40.00	22.06
Pennsylvania	Scranton	Verizon	22.10	8.67	40.00	21.80
Rhode Island	Providence	Verizon	30.29	13.40	33.83	18.61
South Carolina	Beaufort	Sprint	23.80	7.77	32.30	16.15
Tennessee	Memphis	BellSouth	23.08	7.01	41.50	24.00
Tennessee	Nashville	BellSouth	22.41	6.68	41.50	22.52
Texas	Brownsville	SBC	19.13	3.89	38.35	19.18
Texas	Corpus Christi	SBC	20.48	3.34	38.35	19.18
Texas	Dallas	SBC	23.14	7.06	38.35	19.18
Texas	Fort Worth	SBC	21.49	5.50	38.35	19.18
Texas	Houston	SBC	21.92	5.27	38.35	19.18
Texas	San Antonio	SBC	19.71	4.92	38.35	19.18
Utah	Logan	Qwest	21.41	5.57	25.00	13.95
Virginia	Richmond	Verizon	31.43	16.97	38.50	25.39
Virginia	Smithfield	Verizon	30.59	13.70	40.00	23.60
Washington	Everett	Verizon	24.49	10.24	43.25	25.05
Washington	Seattle	Qwest	21.33	9.61	31.00	16.49
West Virginia	Huntington	Verizon	23.32	20.35	42.00	0.00
Wisconsin	Milwaukee	SBC	33.84	23.87	51.90	0.00
Wisconsin	Racine	SBC	33.58	23.85	51.90	0.00

¹ Rates are for flat-rate service where available and measured/message service with 100 calls elsewhere. Rates are subject to revision.

Table 1.8
Average Local Rates for Businesses with a Single Line in Urban Areas
(As of October 15, 2004)

	Average Rate	Median Rate ¹
Monthly Charge for Flat-Rate Service ²	\$32.81	\$33.42
Federal and State Subscriber Line Charges	5.84	6.50
Taxes, 911, and Other Charges	7.57	7.07
Total Monthly Charge for Flat-Rate Service	\$46.21	\$46.99
Number of Sample Cities with Flat-Rate Service	53	
Monthly Charge for Measured/Message Service ²	\$17.59	\$18.14
Federal and State Subscriber Line Charges	5.66	6.05
Taxes, 911, and Other Charges	4.90	4.59
Total Monthly Charge for Measured/Message Service	\$28.15	\$28.78
Cost of a 5-Minute Daytime Call	0.10	0.08
Number of Sample Cities with Message/Measured Service	85	
Basic Connection Charge ²	\$67.24	\$62.85
Taxes	6.93	5.71
Total Connection Charge	\$74.17	\$68.56
Additional Charge if Drop Line and Connection Block Needed	13.76	0.00
Lowest-Cost Inside Wiring Maintenance Plan	\$5.25	\$5.75

Note: Detail may not add to totals due to rounding.

¹ Where a rate exists for fewer than 95 cities, the median represents the midpoint rate for those cities which have the service offering.

² Includes additional monthly charges for touch-tone service.

Table 1.9
Average Local Rates for Businesses with a Single Line in Urban Areas
(As of October 15)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 ¹	2004 ²
Monthly Representative Service Charge ³	\$31.06	\$30.97	\$32.29	\$32.45	\$32.70	\$32.25	\$32.48	\$32.58	\$32.76	\$32.44	\$32.41	\$32.18	\$31.88	\$30.86	\$30.65	\$32.42
Subscriber Line Charges	3.55	3.57	3.57	3.56	3.57	3.57	3.57	3.54	3.54	3.54	3.52	4.39	4.91	5.63	5.76	5.72
Extra for Touch-Tone Service ⁴	2.43	2.35	1.84	1.71	1.67	1.21	0.97	0.82	0.38	0.32	0.25	0.19	0.18	4	4	4
Taxes, 911, and Other Charges	4.21	4.32	4.42	4.57	4.63	4.61	4.79	4.87	4.99	4.97	5.03	5.04	5.45	5.47	5.55	5.62
Total Monthly Charge	\$41.25	\$41.21	\$42.12	\$42.29	\$42.57	\$41.64	\$41.80	\$41.81	\$41.67	\$41.27	\$41.21	\$41.80	\$42.43	\$41.95	\$41.96	\$43.75
Monthly Charge for Flat-Rate Service	\$33.04	\$33.29	\$34.12	\$34.06	\$34.85	\$34.39	\$34.45	\$34.42	\$34.68	\$34.39	\$33.73	\$33.45	\$32.02	\$32.92	\$33.17	\$32.81
Subscriber Line Charges	3.65	3.69	3.70	3.70	3.70	3.70	3.69	3.61	3.61	3.56	3.50	4.35	4.77	5.77	6.03	5.84
Extra for Touch-Tone Service ⁴	2.12	2.11	1.87	1.84	1.76	1.12	1.00	0.89	0.53	0.49	0.47	0.43	0.39	4	4	4
Taxes, 911, and Other Charges	4.90	4.98	5.22	5.34	5.50	5.36	5.58	5.55	5.58	5.63	5.49	5.68	5.98	8.16	7.91	7.57
Total Monthly Charge for Flat-Rate Service	\$43.71	\$44.07	\$44.91	\$44.94	\$45.81	\$44.57	\$44.71	\$44.47	\$44.39	\$44.07	\$43.20	\$43.90	\$43.15	\$46.85	\$47.12	\$46.21
Number of Sample Cities with Flat-Rate Service	59	56	54	54	54	53	53	53	53	54	54	54	54	52	52	53
Monthly Charge for Measured/Message Service	\$16.18	\$16.17	\$16.76	\$16.55	\$16.60	\$16.74	\$17.06	\$17.26	\$17.28	\$17.16	\$17.06	\$16.92	\$17.16	\$17.56	\$17.21	\$17.59
200 Five-Minute, Business-Day, Same-Zone Calls	16.11	16.19	16.70	17.23	17.57	17.38	17.15	17.10	17.18	17.15	17.24	17.63	17.56	16.78	17.17	19.36
Subscriber Line Charges	3.54	3.55	3.55	3.54	3.55	3.55	3.54	3.51	3.51	3.53	3.52	4.39	4.90	5.56	5.65	5.66
Extra for Touch-Tone Service ⁴	2.48	2.39	1.87	1.73	1.68	1.22	0.98	0.83	0.39	0.33	0.25	0.20	0.19	4	4	4
Tax, Including 911 Charges	4.41	4.53	4.56	4.77	4.86	4.83	5.01	5.13	5.22	5.19	5.28	5.32	5.76	4.71	4.78	4.90
Total Monthly Charge for Measured/Message Service	\$42.72	\$42.83	\$43.44	\$43.82	\$44.26	\$43.72	\$43.75	\$43.84	\$43.57	\$43.35	\$43.35	\$44.45	\$45.57	\$44.61	\$44.82	\$47.51
Number of Sample Cities with Measured/Message Service	83	83	84	84	84	87	87	86	85	85	85	85	85	86	85	85
Cost of a Five-Minute, Business-Day, Same-Zone Cal	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.10
Basic Connection Charge	\$71.05	\$71.36	\$72.75	\$72.55	\$71.41	\$69.88	\$67.87	\$68.47	\$68.67	\$65.83	\$67.87	\$67.77	\$67.04	\$67.29	\$67.23	\$67.24
Additional Connection Charge for Touch-Tone Service ⁴	1.70	1.89	1.13	1.19	1.17	0.92	0.27	0.17	0.17	0.12	0.12	0.12	0.12	4	4	4
Tax, Including 911 Charges	4.06	4.15	4.32	4.33	4.25	4.13	4.17	4.20	4.45	4.13	4.53	4.40	4.69	5.09	6.95	6.93
Total Connection Charge	\$76.81	\$77.40	\$78.20	\$78.07	\$76.83	\$74.93	\$72.31	\$72.85	\$73.29	\$70.09	\$72.55	\$72.29	\$71.86	\$72.39	\$74.18	\$74.17
Additional Charge if Drop Line and Connection Block Needed	\$5.92	\$7.87	\$6.90	\$6.83	\$6.64	\$6.49	\$7.28	\$6.98	\$6.54	\$6.54	\$6.65	\$6.62	\$6.62	\$6.52	\$13.43	\$13.76
Lowest-Cost Inside Wiring Maintenance Plan	\$1.78	\$1.91	\$2.05	\$2.03	\$2.08	\$2.26	\$2.39	\$2.63	\$2.84	\$3.04	\$3.53	\$3.92	\$4.86	\$4.73	\$4.65	\$5.25

Note: Details may not add to totals due to rounding.

¹ Revised.

² Subject to revision.

³ Rates are based on flat-rate service where available and measured/message service with 200 five-minute, same-zone, business-day calls elsewhere.

⁴ Starting in 2002, additional monthly charges for touch-tone service are included in the monthly charge.

Table 1.10
Telephone Rates in the Sample Cities for a Business with a Single Line
(As of October 15, 2004)

State	City	Telephone Company	Monthly Telephone Rate Including Touch-Tone, Surcharges, and Taxes		Cost of a Five-Minute Same-Zone Daytime Call	Connection Charges Including Touch-Tone, Surcharges, and Taxes
			Flat-Rate Service	Measured/Message Service		
Alabama	Huntsville	BellSouth	\$49.59	\$35.77	\$0.17	\$69.00
Alaska	Anchorage	Anchorage	35.68			56.50
Arizona	Tucson	Qwest	42.54			47.30
Arkansas	Pine Bluff	SBC	47.10	31.05	0.07	93.43
Arkansas	West Memphis	SBC	58.67	28.79	0.07	94.55
California	Anaheim	SBC		16.47	0.01	72.92
California	Bakersfield	SBC		16.28	0.01	72.92
California	Fresno	SBC		16.27	0.01	72.83
California	Long Beach	Verizon		30.75	0.08	101.34
California	Los Angeles	SBC		16.27	0.07	72.92
California	Oakland	SBC		16.27	0.07	72.92
California	Salinas	SBC		16.27	0.07	72.92
California	San Bernadino	Verizon		31.24	0.08	100.07
California	San Diego	SBC		16.27	0.07	72.92
California	San Francisco	SBC		16.27	0.07	72.92
California	San Jose	SBC		16.27	0.07	72.92
Colorado	Boulder	Qwest	51.27	30.97	0.13	62.03
Colorado	Colorado Springs	Qwest	46.04	28.06	0.13	57.23
Colorado	Denver	Qwest	48.31	29.21	0.11	59.05
Connecticut	Ansonia	SBC	47.11	29.33	0.18	79.50
Connecticut	Norwalk	SBC	44.17	29.33	0.18	79.50
District of Columbia	Washington	Verizon		22.08	0.08	99.49
Florida	Miami	BellSouth	44.70	40.97	0.06	64.58
Florida	Tampa	Verizon	45.17	35.32	0.10	81.30
Florida	West Palm Beach	BellSouth	43.13	39.01	0.06	64.42
Georgia	Albany	BellSouth	46.47	39.55	0.12	58.25
Georgia	Atlanta	BellSouth	64.22			58.25
Hawaii	Honolulu	Verizon	51.52			53.91
Illinois	Chicago	SBC		12.88	0.10	58.42
Illinois	Decatur	SBC		20.46	0.10	57.98
Illinois	Rock Island	SBC		20.16	0.10	57.98
Indiana	Indianapolis	SBC	50.22	37.51	0.16	59.00
Indiana	Terre Haute	Verizon	41.47			71.40
Iowa	Fort Dodge	Frontier	29.78			21.81
Kentucky	Louisville	BellSouth	45.60			77.38
Louisiana	Baton Rouge	BellSouth	46.00	42.49	0.05	91.93
Louisiana	New Orleans	BellSouth	43.59	40.44	0.06	87.55
Maine	Portland	Verizon	46.38			60.48
Maryland	Baltimore	Verizon		24.52	0.09	115.29
Massachusetts	Boston	Verizon		26.22	0.12	100.46
Massachusetts	Hyannis	Verizon	55.13	26.22	0.12	100.46
Massachusetts	Springfield	Verizon		26.22	0.12	100.46
Michigan	Detroit	SBC		24.54	0.09	46.90
Michigan	Grand Rapids	SBC		22.86	0.09	44.78
Michigan	Saginaw	SBC		26.36	0.09	44.78
Minnesota	Detroit Lakes	Qwest	44.26	29.70	0.10	51.01
Minnesota	Minneapolis	Qwest	54.01	39.29	0.10	51.25
Mississippi	Pascagoula	BellSouth	50.71	43.33	0.09	71.69
Missouri	Kansas City	SBC	51.85	28.02	0.08	61.38
Missouri	Mexico	SBC	36.95	26.17	0.08	59.45
Missouri	St. Louis	SBC	51.34	28.67	0.08	62.56
Montana	Butte	Qwest	44.39	29.35	0.05	61.25
Nebraska	Grand Island	Qwest	40.06	29.41	0.10	51.28
New Jersey	Phillipsburg	Verizon		22.89	0.07	87.50

Table 1.10
Telephone Rates in the Sample Cities for a Business with a Single Line - Continued
(As of October 15, 2004)

State	City	Telephone Company	Monthly Telephone Rate Including Touch-Tone, Surcharges, and Taxes		Cost of a Five-Minute Same-Zone Daytime Call	Connection Charges Including Touch-Tone, Surcharges, and Taxes
			Flat-Rate Service	Measured/Message Service		
New Mexico	Alamogordo	Qwest	47.57	29.92	0.15	57.70
New York	Binghamton	Verizon		30.58	0.10	120.90
New York	Buffalo	Verizon		29.44	0.10	121.00
New York	Massena	Verizon		28.70	0.10	119.94
New York	New York City	Verizon		30.08	0.10	121.27
New York	Ogdensburg	Verizon		29.47	0.10	123.12
New York	Rochester	Frontier		20.39	0.09	54.96
North Carolina	Raleigh	BellSouth	53.63			68.90
North Carolina	Rockingham	BellSouth	44.17			68.90
Ohio	Canton	Ameritech		38.19	0.08	62.85
Ohio	Cincinnati	Cincinnati Bell	53.79	37.31	0.15	49.75
Ohio	Cleveland	SBC		33.71	0.08	62.85
Ohio	Columbus	SBC		33.33	0.08	62.85
Ohio	Toledo	SBC		35.69	0.08	62.85
Oregon	Corvallis	Qwest	37.49	28.51	0.15	33.79
Oregon	Portland	Qwest	37.48	28.50	0.15	33.79
Pennsylvania	Allestown	Verizon		33.06	0.07	81.75
Pennsylvania	Ellwood City	Verizon		35.79	0.07	81.75
Pennsylvania	Johnstown	Verizon		24.05	0.15	62.24
Pennsylvania	New Castle	Verizon		35.79	0.07	81.75
Pennsylvania	Philadelphia	Verizon		27.59	0.07	82.50
Pennsylvania	Pittsburgh	Verizon		27.59	0.07	82.50
Pennsylvania	Scranton	Verizon		33.06	0.07	81.75
Rhode Island	Providence	Verizon		31.01	0.02	49.07
South Carolina	Beaufort	Sprint	41.54	28.00	0.12	35.60
Tennessee	Memphis	BellSouth	56.40	42.15	0.12	67.64
Tennessee	Nashville	BellSouth	54.56	41.08	0.12	64.06
Texas	Brownsville	SBC	36.50	27.59	0.08	62.22
Texas	Corpus Christi	SBC	39.16	30.25	0.08	62.00
Texas	Dallas	SBC	51.97	40.54	0.08	62.22
Texas	Fort Worth	SBC	44.72	34.38	0.08	62.22
Texas	Houston	SBC	47.80	36.48	0.08	62.22
Texas	San Antonio	SBC	39.69	30.09	0.08	62.00
Utah	Logan	Qwest	30.09	27.11	0.08	55.78
Virginia	Richmond	Verizon	78.58	28.67	0.19	84.42
Virginia	Smithfield	Verizon	52.87	38.61	0.16	47.20
Washington	Everett	Verizon	43.83	29.94	0.02	75.85
Washington	Seattle	Qwest	40.18	30.32	0.07	55.55
West Virginia	Huntington	Verizon	65.32	33.29	0.16	82.97
Wisconsin	Milwaukee	SBC		23.94	0.09	68.27
Wisconsin	Racine	SBC		24.20	0.09	67.95

Table 1.11
Monthly Telephone Rates in the Sample Cities for a Business with a Single Line ¹
(As of October 15)

State	City	1994	1995	1996	1997	1998	1999	2000	2002	2003 ²	2004 ³
Alabama	Huntsville	\$60.55	\$56.15	\$53.46	\$50.90	\$48.40	\$45.97	\$46.91	\$48.97	\$49.86	\$49.59
Alaska	Anchorage	31.04	31.05	31.05	31.08	31.12	31.11	31.11	35.57	35.68	35.68
Arizona	Tucson	40.72	41.73	41.71	42.00	42.00	42.01	42.68	44.17	43.27	42.54
Arkansas	Pine Bluff	41.10	40.91	41.05	41.13	41.13	41.39	42.53	45.51	45.70	47.10
Arkansas	West Memphis	53.30	53.70	53.85	53.03	53.80	54.14	55.06	58.66	58.61	58.67
California	Anaheim	29.10	30.43	30.65	30.25	30.28	28.34	27.20	18.92	19.00	18.47
California	Bakersfield	29.15	31.06	31.29	30.64	30.92	28.23	27.20	18.92	17.72	18.28
California	Fresno	29.97	31.06	31.29	31.10	30.92	28.11	27.78	19.49	17.72	30.27
California	Long Beach	36.92	43.95	43.84	40.67	43.84	43.84	44.81	43.22	46.67	46.75
California	Los Angeles	31.38	33.36	33.60	31.75	33.16	30.24	30.55	18.92	17.72	30.27
California	Oakland	30.67	32.63	32.86	NA	32.45	29.58	29.24	18.92	17.72	30.27
California	Salinas	31.00	32.97	33.21	31.10	32.79	29.94	29.54	18.82	17.72	30.27
California	San Bernadino	36.41	43.35	43.25	43.29	43.25	43.25	44.20	43.20	47.43	47.24
California	San Diego	28.54	30.43	30.65	30.56	30.30	27.62	27.20	18.92	17.72	30.27
California	San Francisco	31.18	32.63	33.38	33.29	32.45	29.58	29.24	18.92	17.72	30.27
California	San Jose	29.96	31.90	32.13	32.02	31.33	28.93	28.56	18.92	17.72	30.27
Colorado	Boulder	46.88	47.16	47.15	47.03	46.94	45.52	46.25	51.01	51.75	51.27
Colorado	Colorado Springs	44.27	43.82	44.42	44.42	44.40	42.87	43.51	45.89	46.41	46.04
Colorado	Denver	46.69	46.68	46.65	46.59	46.57	45.22	45.89	48.48	49.00	48.31
Connecticut	Ansonia	40.76	43.70	43.70	43.70	43.65	44.39	45.67	47.38	47.30	47.11
Connecticut	Norwalk	37.91	40.86	40.86	40.86	40.70	41.46	42.72	44.47	44.36	44.17
District of Columbia	Washington	35.32	33.37	39.17	37.84	34.85	35.81	36.34	36.18	39.16	39.08
Florida	Miami	40.65	40.65	40.67	40.13	37.40	40.64	41.63	43.86	44.75	44.70
Florida	Tampa	37.66	37.87	41.09	41.09	41.18	41.18	42.21	44.98	45.39	45.17
Florida	West Palm Beach	39.47	37.39	38.13	38.67	40.66	37.38	38.60	41.76	42.57	43.13
Georgia	Albany	39.74	39.74	41.00	41.00	41.15	41.70	42.98	45.16	46.80	46.47
Georgia	Atlanta	53.64	58.82	58.87	58.87	58.81	58.81	60.25	62.60	64.84	64.22
Hawaii	Honolulu	42.74	44.39	46.09	47.32	47.32	47.32	48.20	49.63	51.85	51.52
Illinois	Chicago	34.12	32.12	31.91	31.91	33.74	35.12	36.12	33.08	33.23	32.88
Illinois	Decatur	38.01	35.96	35.71	35.15	40.17	42.49	43.49	40.50	20.81	40.46
Illinois	Rock Island	38.64	36.58	36.58	35.77	40.79	42.02	43.08	40.24	40.51	40.16
Indiana	Indianapolis	57.46	56.78	55.84	55.84	55.84	56.07	57.27	59.03	54.51	50.22
Indiana	Terre Haute	47.07	47.07	47.03	47.03	43.91	43.91	37.99	41.96	41.46	41.47
Iowa	Fort Dodge	22.44	22.44	22.44	22.44	25.95	25.34	26.26	28.81	29.25	29.78
Kentucky	Louisville	60.96	61.01	55.87	56.84	45.27	45.33	48.75	45.12	45.80	45.60
Louisiana	Baton Rouge	48.55	49.50	47.76	46.12	45.40	41.53	42.43	45.72	47.26	46.00
Louisiana	New Orleans	50.21	50.21	46.30	46.34	45.64	41.30	42.22	43.31	43.96	43.59
Maine	Portland	40.54	38.63	38.82	39.75	41.33	43.06	43.78	48.37	49.12	46.38
Maryland	Baltimore	43.57	43.57	43.57	43.60	43.16	43.12	44.14	41.28	42.69	42.52
Massachusetts	Boston	43.22	42.78	42.78	42.78	42.78	42.78	42.99	42.67	47.00	50.22
Massachusetts	Hyannis	46.92	46.92	46.92	48.38	48.38	48.38	47.72	42.67	47.00	55.13
Massachusetts	Springfield	43.22	38.89	38.89	38.89	38.89	38.89	39.31	42.67	47.00	50.22
Michigan	Detroit	37.02	37.81	40.89	40.89	38.32	40.68	43.28	42.49	42.46	42.54
Michigan	Grand Rapids	35.29	36.02	35.81	35.88	36.66	37.57	39.97	41.18	41.12	40.86
Michigan	Saginaw	35.11	36.59	37.95	39.14	37.46	38.35	40.71	44.92	44.61	44.36
Minnesota	Detroit Lakes	42.35	42.41	42.41	42.28	42.28	42.29	43.22	44.97	44.98	44.26
Minnesota	Minneapolis	54.91	54.98	54.98	54.85	54.85	52.05	52.99	54.71	54.72	54.01
Mississippi	Pascagoula	57.33	57.33	57.41	56.16	55.88	55.88	54.51	50.20	50.85	50.71
Missouri	Kansas City	46.02	45.57	45.57	45.15	45.15	45.34	46.37	49.29	48.48	51.85
Missouri	Mexico	32.28	36.13	36.13	36.29	36.29	36.29	37.64	37.10	37.46	36.95
Missouri	St. Louis	46.02	45.15	45.15	45.10	45.10	45.40	46.64	49.81	49.90	51.34
Montana	Butte	43.82	43.82	43.82	44.07	45.36	42.29	41.84	44.62	44.91	44.39
Nebraska	Grand Island	47.87	47.84	47.79	47.79	47.57	49.51	44.78	40.91	40.65	40.06
New Jersey	Phillipsburg	27.58	27.58	26.65	26.51	27.86	27.86	28.79	30.48	30.85	31.64

Table 1.11
Monthly Telephone Rates in the Sample Cities for a Business with a Single Line - Continued¹
(As of October 15)

State	City	1994	1995	1996	1997	1998	1999	2000	2002	2003 ²	2004 ³
New Mexico	Alamogordo	55.84	56.03	56.20	56.37	56.37	50.20	44.55	47.53	48.03	47.57
New York	Binghamton	51.24	49.77	49.68	48.07	45.44	48.03	47.91	48.56	49.01	50.58
New York	Buffalo	50.80	50.58	50.49	49.12	49.08	48.82	48.69	48.06	49.51	49.44
New York	Massena	49.67	49.46	49.37	49.09	49.05	47.74	47.61	45.57	48.84	48.70
New York	New York	51.13	50.92	50.73	50.07	48.03	49.05	48.91	48.56	50.22	50.08
New York	Ogdensburg	51.07	50.85	50.76	49.78	47.74	49.08	48.95	48.31	49.62	49.47
New York	Rochester	49.84	48.28	48.28	48.86	48.82	44.30	44.77	38.59	38.62	38.59
North Carolina	Raleigh	41.76	41.53	40.74	39.94	39.96	39.96	40.86	42.59	45.16	53.63
North Carolina	Rockingham	36.42	36.11	35.32	34.52	34.52	34.52	36.08	41.31	44.23	44.17
Ohio	Canton	44.48	44.22	44.22	44.22	43.11	43.96	44.84	46.31	46.53	48.35
Ohio	Cincinnati	53.19	52.99	52.99	51.88	51.37	51.73	55.48	53.94	54.16	53.79
Ohio	Cleveland	44.48	43.19	42.16	43.38	40.23	40.20	40.20	41.71	41.79	43.87
Ohio	Columbus	44.48	43.19	42.16	42.16	40.23	40.20	40.20	41.68	41.79	43.49
Ohio	Toledo	44.48	44.22	44.22	42.16	42.29	41.23	42.11	43.74	43.85	45.85
Oregon	Corvallis	39.69	36.99	39.56	39.58	39.83	39.97	38.11	39.55	37.86	37.49
Oregon	Portland	46.18	42.79	42.29	42.04	42.00	42.00	42.88	41.86	38.85	37.48
Pennsylvania	Allentown	35.98	37.34	37.34	36.53	37.26	37.26	38.15	45.34	47.21	47.06
Pennsylvania	Ellwood City	36.52	36.52	38.81	39.99	39.99	39.99	40.88	47.92	49.94	49.79
Pennsylvania	Johnstown	37.70	37.37	37.72	37.26	40.01	40.01	40.94	32.69	38.31	38.05
Pennsylvania	New Castle	38.81	38.81	38.81	38.53	39.99	39.99	40.88	47.92	31.41	49.79
Pennsylvania	Philadelphia	30.63	30.63	28.55	29.99	31.53	31.53	32.42	39.94	41.49	41.59
Pennsylvania	Pittsburgh	30.63	31.72	31.72	31.72	31.53	34.26	35.15	39.94	41.75	41.59
Pennsylvania	Scranton	35.98	35.98	37.34	37.26	37.26	37.26	38.15	45.34	47.21	47.06
Rhode Island	Providence	48.44	48.44	47.82	47.82	47.16	70.51	71.44	70.03	35.17	35.01
South Carolina	Beaufort	38.69	38.04	38.04	38.04	38.69	38.69	39.60	42.30	42.19	41.54
Tennessee	Memphis	54.70	54.70	54.95	54.95	54.95	54.69	55.71	55.12	55.77	56.40
Tennessee	Nashville	52.35	52.35	52.35	52.35	53.77	53.52	54.47	53.58	54.77	54.56
Texas	Brownsville	29.23	31.23	31.23	33.82	35.26	31.44	33.83	36.37	35.94	36.50
Texas	Corpus Christi	31.90	31.82	31.85	31.01	30.95	29.92	31.16	37.96	39.23	39.16
Texas	Dallas	38.66	38.65	38.49	33.35	34.54	38.59	39.11	45.70	50.01	51.97
Texas	Fort Worth	34.44	34.50	34.27	37.51	38.81	34.83	37.25	38.47	42.69	44.72
Texas	Houston	41.27	41.37	40.35	39.48	42.85	42.85	39.87	49.45	47.76	47.80
Texas	San Antonio	34.19	34.14	33.86	30.95	30.95	31.56	33.12	39.00	39.81	39.69
Utah	Logan	31.88	31.93	30.22	30.14	28.46	27.82	29.56	32.12	31.37	30.09
Virginia	Richmond	75.06	75.06	72.53	72.53	NA	74.56	77.97	78.63	78.74	78.58
Virginia	Smithfield	30.08	30.08	30.08	29.98	29.98	29.98	30.94	50.23	52.89	52.87
Washington	Everett	39.98	39.98	39.98	39.98	39.98	41.37	42.31	43.98	44.05	43.83
Washington	Seattle	37.03	37.03	37.03	37.19	36.47	36.47	37.42	40.82	40.92	40.18
West Virginia	Huntington	73.39	73.39	75.05	73.03	72.02	72.02	67.31	60.60	60.90	65.32
Wisconsin	Milwaukee	37.48	37.48	37.51	39.69	39.69	40.80	41.15	41.04	40.84	41.94
Wisconsin	Racine	39.40	39.12	39.16	39.53	39.52	40.63	40.97	41.91	40.82	42.20

¹ Rates are based upon flat-rate service where available and measured/message service with 200 five-minute, same-zone, business day calls.

² Revised.

³ Subject to revision.

Table 1.12
Connection Charges for a Single Business Line in the Sample Cities ¹
(As of October 15)

State	City	1994	1995	1996	1997	1998	1999	2001	2002	2003 ²	2004 ³
Alabama	Huntsville	\$73.62	\$73.62	\$69.00	\$69.00	\$69.00	\$69.00	\$69.00	\$69.00	\$69.00	69.00
Alaska	Anchorage	30.75	30.75	30.75	30.75	53.00	53.00	53.00	65.70	65.70	56.50
Arizona	Tucson	62.31	62.47	58.91	58.91	58.91	60.03	61.48	53.80	47.30	47.30
Arkansas	Pine Bluff	93.44	92.94	93.27	93.19	93.22	93.43	93.43	93.43	93.43	93.43
Arkansas	West Memphis	93.60	94.24	94.51	94.61	94.30	94.55	94.55	94.55	94.55	94.55
California	Anaheim	69.87	71.64	72.23	73.16	71.10	71.10	66.10	72.92	72.92	72.92
California	Bakersfield	69.87	71.64	72.23	73.16	71.10	69.80	66.10	72.92	72.92	72.92
California	Fresno	69.87	71.64	72.23	73.16	71.10	69.80	66.10	72.92	72.92	72.83
California	Long Beach	80.20	84.33	92.51	92.51	92.51	92.51	92.40	93.30	101.34	101.34
California	Los Angeles	69.87	71.64	72.23	73.16	71.10	69.80	66.10	73.93	73.93	72.92
California	Oakland	69.87	71.64	72.23	73.16	71.10	69.80	66.10	72.92	72.92	72.92
California	Salinas	69.87	71.64	72.23	73.16	71.10	69.80	66.10	72.92	72.92	72.92
California	San Bernadino	80.20	84.33	91.25	91.25	91.25	91.25	91.13	92.03	100.07	100.07
California	San Diego	69.87	71.64	72.23	73.16	71.10	69.80	66.10	72.92	72.92	72.92
California	San Francisco	69.87	71.64	72.23	73.16	71.10	69.80	66.10	72.92	72.92	72.92
California	San Jose	69.87	71.64	72.23	73.16	71.10	69.80	66.10	72.92	72.92	72.92
Colorado	Boulder	74.84	74.91	75.08	75.08	75.08	60.94	59.54	61.94	61.94	62.03
Colorado	Colorado Springs	72.80	72.80	72.80	72.80	72.80	58.97	57.67	56.11	57.23	57.23
Colorado	Denver	75.11	75.11	75.11	75.11	75.11	60.84	59.45	59.05	59.05	59.05
Connecticut	Ansonia	68.90	68.90	68.90	68.90	68.90	68.90	68.90	79.50	79.50	79.50
Connecticut	Norwalk	68.90	68.90	68.90	68.90	68.90	68.90	68.90	79.50	79.50	79.50
District of Columbia	Washington	66.03	66.03	83.25	83.25	83.25	83.25	83.25	83.25	99.49	99.49
Florida	Miami	59.92	60.20	60.20	60.20	59.92	60.20	64.45	64.23	64.58	64.58
Florida	Tampa	78.89	78.89	74.07	74.07	74.07	74.07	74.07	74.07	81.30	81.30
Florida	West Palm Beach	59.92	59.92	59.92	59.92	60.20	59.92	64.39	64.18	64.42	64.42
Georgia	Albany	52.25	52.25	52.25	58.25	58.25	58.25	58.25	58.25	58.25	58.25
Georgia	Atlanta	52.25	52.25	52.25	58.25	58.25	58.25	58.25	58.25	58.25	58.25
Hawaii	Honolulu	47.50	47.50	51.47	52.97	52.97	54.97	49.61	44.61	53.91	53.91
Illinois	Chicago	93.03	57.64	57.64	57.64	57.64	59.99	58.42	58.42	58.42	58.42
Illinois	Decatur	93.17	57.72	57.72	57.72	57.72	59.55	57.98	57.98	57.98	57.98
Illinois	Rock Island	93.17	57.72	57.72	57.72	57.72	59.55	57.98	57.98	57.98	57.98
Indiana	Indianapolis	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00	59.00
Indiana	Terre Haute	68.78	68.78	68.78	68.78	68.78	68.78	68.78	68.78	71.40	71.40
Iowa	Fort Dodge	15.65	15.65	15.65	15.65	22.22	21.60	21.57	21.57	21.51	21.81
Kentucky	Louisville	47.50	47.50	73.00	73.00	73.00	73.00	77.38	77.38	77.38	77.38
Louisiana	Baton Rouge	88.06	87.55	87.55	87.55	87.55	87.55	91.80	87.55	91.93	91.93
Louisiana	New Orleans	87.55	87.55	87.55	87.55	87.55	87.55	87.55	87.55	87.55	87.55
Maine	Portland	59.36	59.36	59.36	59.36	59.08	59.08	58.80	58.80	60.48	60.48
Maryland	Baltimore	98.50	98.50	98.50	98.50	87.00	87.00	87.00	87.00	115.29	115.29
Massachusetts	Boston	97.67	97.67	97.67	97.67	97.67	97.67	97.67	97.67	100.46	100.46
Massachusetts	Hyannis	97.67	97.67	97.67	97.67	97.67	97.67	97.67	97.67	100.46	100.46
Massachusetts	Springfield	97.67	97.67	97.67	97.67	97.67	97.67	97.67	97.67	100.46	100.46
Michigan	Detroit	44.52	44.52	44.52	44.52	44.52	46.62	46.62	46.62	46.62	46.90
Michigan	Grand Rapids	43.68	44.52	44.52	44.52	44.52	44.52	44.52	44.52	44.52	44.78
Michigan	Saginaw	44.52	44.52	44.52	44.52	44.52	44.52	44.52	44.52	44.52	44.78
Minnesota	Detroit Lakes	49.50	49.50	47.93	51.01	51.01	51.01	51.01	51.01	51.01	51.01
Minnesota	Minneapolis	49.50	49.50	48.15	51.25	51.25	51.25	51.25	51.25	51.25	51.25
Mississippi	Pascagoula	71.69	71.69	71.69	71.69	71.69	71.69	71.69	71.69	71.69	71.69
Missouri	Kansas City	70.78	61.44	61.44	61.50	61.63	61.13	59.69	60.37	60.83	61.38
Missouri	Mexico	68.55	59.70	59.70	59.96	60.80	59.96	59.41	58.96	59.49	59.45
Missouri	St. Louis	70.78	61.63	61.63	61.63	59.96	61.98	61.46	62.13	62.59	62.56
Montana	Butte	61.40	61.40	61.40	61.40	61.40	61.40	61.25	61.25	61.25	61.25
Nebraska	Grand Island	49.05	49.05	49.13	49.13	49.13	51.02	50.83	51.05	51.05	51.28
New Jersey	Phillipsburg	79.50	79.50	80.27	80.27	80.27	80.27	85.09	85.09	87.50	87.50

Table 1.12
Connection Charges for a Single Business Line in the Sample Cities - Continued¹
(As of October 15)

State	City	1994	1995	1996	1997	1998	1999	2001	2002	2003 ²	2004 ³
New Mexico	Alamogordo	57.46	57.47	57.29	57.29	57.29	57.29	57.53	57.57	57.57	57.70
New York	Binghamton	120.48	120.92	120.68	120.46	122.51	120.34	118.64	117.72	120.90	120.90
New York	Buffalo	123.65	123.08	122.85	122.62	123.00	122.51	120.64	117.82	121.00	121.00
New York	Massena	120.77	120.20	119.98	119.75	123.10	119.64	128.76	116.76	119.94	119.94
New York	New York	124.53	123.95	123.45	123.22	120.34	123.10	120.45	118.09	121.27	121.27
New York	Ogdensburg	124.17	123.58	123.35	123.12	119.64	123.00	121.15	119.94	123.12	123.12
New York	Rochester	57.16	55.56	55.56	55.56	57.27	57.27	56.48	54.96	54.96	54.96
North Carolina	Raleigh	64.38	64.38	64.38	66.95	66.95	66.95	66.95	68.90	68.90	68.90
North Carolina	Rockingham	64.38	64.38	64.38	66.95	66.95	66.95	66.95	68.90	68.90	68.90
Ohio	Canton	72.15	62.85	62.85	62.85	62.85	62.85	62.85	62.85	62.85	62.85
Ohio	Cincinnati	55.78	55.78	55.78	55.78	49.75	49.75	49.75	49.75	49.75	49.75
Ohio	Cleveland	72.15	62.85	62.85	62.85	62.85	62.85	62.85	62.85	62.85	62.85
Ohio	Columbus	72.15	62.85	62.85	62.85	62.85	62.85	62.85	62.85	62.85	62.85
Ohio	Toledo	72.15	62.85	62.85	62.85	62.85	62.85	62.85	62.85	62.85	62.85
Oregon	Corvallis	31.00	31.00	31.93	31.93	31.93	31.93	32.86	33.60	33.64	33.79
Oregon	Portland	31.00	31.00	31.00	31.93	31.93	31.93	32.86	33.64	33.64	33.79
Pennsylvania	Allentown	79.50	79.50	79.50	79.50	79.50	79.50	79.50	79.50	81.75	81.75
Pennsylvania	Ellwood City	79.50	79.50	79.50	79.50	79.50	79.50	79.50	79.50	81.75	81.75
Pennsylvania	Johnstown	60.44	60.44	60.44	60.44	60.44	60.44	60.44	78.43	62.24	62.24
Pennsylvania	New Castle	79.50	79.50	79.50	79.50	79.50	79.50	79.50	79.50	81.75	81.75
Pennsylvania	Philadelphia	79.50	79.50	79.50	79.50	79.50	79.50	79.50	79.50	82.50	82.50
Pennsylvania	Pittsburgh	79.50	79.50	79.50	79.50	79.50	79.50	79.50	79.50	82.50	82.50
Pennsylvania	Scranton	79.50	79.50	79.50	79.50	79.50	79.50	79.50	79.50	81.75	81.75
Rhode Island	Providence	46.50	46.50	46.50	46.50	47.73	47.73	47.73	47.73	49.12	49.07
South Carolina	Beaufort	35.60	35.60	35.60	35.60	35.60	35.60	35.60	35.60	35.60	35.60
Tennessee	Memphis	66.80	66.80	67.12	67.12	63.62	66.82	66.65	67.33	67.64	67.64
Tennessee	Nashville	63.62	63.62	63.62	63.62	68.37	63.33	63.33	63.47	64.06	64.06
Texas	Brownsville	64.57	69.00	69.00	68.99	69.45	69.45	69.45	62.22	62.22	62.22
Texas	Corpus Christi	69.45	69.29	69.34	70.72	64.27	64.35	64.35	62.00	62.00	62.00
Texas	Dallas	70.91	70.91	70.61	68.82	64.57	70.80	70.80	62.22	62.22	62.22
Texas	Fort Worth	70.09	70.21	69.75	67.87	70.28	70.87	70.87	62.22	62.22	62.22
Texas	Houston	70.89	70.93	69.18	70.32	71.20	64.57	64.57	62.22	62.22	62.22
Texas	San Antonio	69.45	69.34	68.78	68.78	70.72	64.27	64.27	62.00	62.00	62.00
Utah	Logan	53.06	53.06	53.06	53.00	53.00	53.66	53.30	53.36	53.36	55.78
Virginia	Richmond	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	84.42	84.42
Virginia	Smithfield	29.25	29.25	29.25	29.25	29.25	40.00	40.00	40.00	47.20	47.20
Washington	Everett	57.19	57.19	70.67	70.67	70.67	70.67	70.67	70.67	75.85	75.85
Washington	Seattle	55.25	55.25	55.25	55.45	55.45	55.45	55.29	55.55	55.55	55.55
West Virginia	Huntington	96.90	96.90	96.90	96.90	79.00	79.00	79.00	79.00	82.97	82.97
Wisconsin	Milwaukee	68.21	68.21	68.27	68.27	67.95	68.27	68.27	68.27	68.27	68.27
Wisconsin	Racine	68.21	67.88	67.95	67.95	72.60	67.95	67.95	67.95	67.95	67.95

¹ Charges include touch-tone charges, surcharges, and taxes.

² Revised figures.

³ Subject to revision.

Table 1.13
Standard Deviation Analysis of Residential Rates in the Sample Cities
(as of October 15, 2004)

a.	Maximum Charge	\$34.47
b.	Minimum Charge	\$16.05
c.	Representative Monthly Charge (Weighted Average)	\$24.31
d.	Weighted Standard Deviation (Std Dev)	\$4.95
e.	Average + 2*(Std Dev) (= c + 2d)	\$34.21
f.	Percent to Average (= [e/c] * 100)	141%

Table 1.14
Historical Standard Deviation Analysis of Residential Rates in the Sample Cities
(As of October 15)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 ¹	2004 ²
Maximum Rate	\$32.68	\$31.63	\$30.62	\$28.65	\$28.78	\$28.27	\$28.75	\$29.72	\$34.75	\$34.95	\$35.56	\$34.47
Minimum Rate	\$12.18	\$12.18	\$13.04	\$13.04	\$13.05	\$13.05	\$13.05	\$13.21	\$15.31	\$15.93	\$16.30	\$16.05
Representative Monthly Rate (Average)	\$19.95	\$19.81	\$20.01	\$19.95	\$19.88	\$19.76	\$19.93	\$20.78	\$22.62	\$24.07	\$24.65	\$24.31
Weighted Standard Deviation (Std Dev)	\$4.23	\$4.28	\$3.41	\$3.28	\$3.35	\$3.24	\$3.46	\$3.57	\$4.20	\$4.32	\$4.90	\$4.95
Average + 2*(Std Dev)	\$28.41	\$28.38	\$26.84	\$26.51	\$26.58	\$26.24	\$26.85	\$27.92	\$31.01	\$32.71	\$34.45	\$34.21
Percentage to Average	142%	143%	134%	133%	134%	133%	135%	134%	137%	136%	140%	141%
Average + 3*(Std Dev)	\$32.65	\$32.66	\$30.25	\$29.78	\$29.93	\$29.47	\$30.31	\$31.49	\$35.21	\$37.03	\$39.35	\$39.16
Percentage to Average	164%	165%	151%	149%	151%	149%	152%	152%	156%	154%	160%	161%

¹ Revised figures.

² Subject to revision.

Table 1.15
Average Revenue per Minute for Interstate Toll Service Calls

Year	Revenue per Minute
1992	\$0.15
1993	0.15
1994	0.14
1995	0.12
1996	0.12
1997	0.11
1998	0.11
1999	0.11
2000	0.09
2001	0.08
2002	0.07
2003	0.07

Source: Industry Analysis and Technology Division of the Wireline Competition Bureau
Telecommunications Industry Revenues (March 2005).

II. Expenditures on Telephone Service

A. Residential Expenditures

The Bureau of Labor Statistics (BLS) conducts surveys of consumer expenditures, in part, to develop weights for the consumer price indices. The surveys collect income, expenditure, and demographic information for "consumer units." Consumer units are often referred to as households, but the definition is not identical to households, as defined by the Census Bureau.¹ For instance, there were approximately 110 million consumer units in 2001, compared with approximately 107.7 million households. BLS uses two types of surveys: diary surveys, where household members record most types of purchases for a few weeks; and interview surveys, where households are interviewed to determine their expenditures for the prior three months. Households selected for the interview survey are interviewed in five successive quarters. Tables 2.1 through 2.5 present the annual average total expenditures and telephone expenditures by various demographic classifications.

Prior to 1984, BLS published separate expenditure estimates based on the diary and the interview surveys. At that time, telephone expenditures were collected only through the interview surveys, and average levels of telephone expenditures were published only in the interview summaries. BLS began publishing integrated estimates in 1984, combining information from both types of surveys.

Expenditure data were not collected for rural households for 1980 through 1983. Nationwide expenditure data are available for 1984 through 2002. According to BLS, more than 85 percent of households are in urban areas, and the estimates of telephone expenditures by urban households are similar to estimates for nationwide average telephone expenditures. Nonetheless, 1980 through 1983 data are not completely comparable with subsequent data.

Several changes in the telephone industry make it difficult to interpret changes in the BLS estimates of household expenditures for telephone service. Prior to 1983, most residential telephones were leased from local exchange carriers. As a consequence of the FCC's Computer Inquiry II proceeding, telephone sets were detariffed on January 1, 1984. Existing tariffed equipment became known as "embedded rate base" and much of this equipment was sold "in place" to consumers. Significant amounts of equipment purchases were included on local telephone bills in 1983 and 1984. Telephone bills have not included significant amounts of equipment sales since that time. The remaining Bell System embedded rate base was transferred to AT&T in 1984, but the lease payments were included in local telephone bills into 1987.

The BLS has changed the consumer expenditure survey questionnaires to reflect changes in the equipment market. Beginning in 1982, the survey specifically included telephones and accessories in its list of home furnishings and related household items. Amounts appearing on the telephone bills, however, were included as telephone service until 1986. Thus, the 1983 and 1984 estimates include the sale of the embedded base. The current questionnaire separates equipment sales from other items that appear on telephone bills. The questionnaire does not specifically address payments for leasing telephone equipment, commonly known as customer premises equipment (CPE). CPE lease payments may still be reported as telephone service expenditures.

¹ We also refer to consumer units as "households."

The consumer expenditure survey continues to classify payments for inside wiring maintenance as part of telephone service. This probably accounts for between \$10 to \$20 of average annual household telephone expenditures. Beginning in 1991, consumers have been asked to separately identify cellular telephone payments. The BLS has not yet published a separate estimate for cellular telephone expenditures, but instead continues to include these with other telephone expenditures.

Table 2.6 presents estimates of annual household telecommunications expenditure by the type of service provider. This table is derived from Bill Harvesting® data collected by TNS Telecoms, which provides information on actual usage in the residential telecom market as collected from the actual telecommunications bills of households. TNS Telecoms, a telecommunications market information firm, conducts nationwide surveys and Bill Harvesting® on a quarterly basis from over 120,000 households each year. The company has donated databases to the Commission containing information on residential phone usage.

B. Business Expenditures

One of the few sources of information on expenditures for telecommunications services by businesses is contained in the input-output (I-O) accounts of the U.S. economy. The accounts are created by the Bureau of Economic Analysis from the economic censuses conducted every five years by the Bureau of the Census. The accounts are generally released about five years after the economic censuses. The accounts show the production of commodities (goods and services) by each industry, the use of commodities by each industry, the commodity composition of gross domestic product, and the industry distribution of value added.

Table 2.7 shows the most recent I-O account of the use of communications by U.S. industry. Table 2.8 presents the most recent account of the commodities used by the U.S. communications industry.

C. Additional Sources of Information on Expenditures for Telephone Service

Additional information from the *Consumer Expenditure Survey* is available from the Bureau of Labor Statistics at www.bls.gov/cex/.

TNS Telecoms has donated databases containing information on residential phone usage collected from actual consumer telecommunications bills to the Commission. TNS Telecoms has granted the Commission permission to use these databases for industry research purposes and to publish the industry level results. TNS Telecoms has been monitoring the telecommunications market since 1995 through both the ReQuest® consumer survey and Bill Harvesting® in the residential market and the BusinessWave® business survey in the business market. Table 2.6 comes from these databases. For additional information visit www.tnstelecoms.com or contact them at 1-866-811-TNST or by e-mail at contact@tnstelecoms.com. Their address is 101 Greenwood Ave, Suite 502, Jenkintown, PA 19046.

Additional information on the input-output accounts of the U.S. economy is available from the Bureau of Economic Analysis at www.bea.doc.gov on the Internet.

Concordance between I-O industry codes and 1987 standard industrial classification (SIC) codes can be found in Appendix A of Benchmark Input-Output Accounts for the U.S. Economy, 1997 in *Survey of Current Business*, November, 1997. The U.S. Census Bureau has since replaced the SIC codes with the North American Industry Classification System (NAICS). Information concerning the conversion from 1987 SIC codes to NAICS can be found at www.census.gov/epcd/naics02/.

The Bureau of the Census publishes the *Service Annual Survey* that also provides some estimates of household and business expenditures on telephone service. This information can be found at www.census.gov on the Internet.

Table 2.1
Average Annual Household Expenditures
by Household Location

	All Households	Urban Households	Rural Households	Census Region			
				Northeast	Midwest	South	West
Total Household Expenditures							
1980	\$16,723	\$16,723		\$17,222	\$16,024	\$16,188	\$17,962
1981	17,558	17,558		17,053	17,324	17,086	19,275
1982	18,071	18,071		16,980	18,143	17,820	19,710
1983	19,692	19,692		19,077	19,580	19,074	21,538
1984	21,975	22,729	\$18,217	21,593	21,167	21,587	24,238
1985	23,490	24,129	20,257	22,808	22,664	23,180	25,961
1986	23,866	24,571	19,677	24,905	22,706	22,545	26,476
1987	24,414	25,063	20,513	25,079	23,021	23,292	27,309
1988	25,892	26,617	21,380	26,348	24,753	24,671	28,830
1989	27,809	28,584	23,106	28,241	26,062	26,232	32,144
1990	28,369	28,989	24,499	28,369	25,919	27,011	32,445
1991	29,614	30,382	24,785	31,026	27,675	28,062	33,131
1992	29,846	30,569	25,347	31,177	28,445	27,750	33,647
1993	30,692	31,431	26,296	31,634	28,884	29,247	34,348
1994	31,731	32,233	28,668	32,549	30,331	30,072	35,318
1995	32,264	33,101	27,160	33,009	31,909	30,289	35,206
1996	33,797	34,502	28,853	34,163	33,025	32,871	35,795
1997	34,819	35,614	29,353	36,070	33,791	32,226	39,037
1998	35,535	36,349	29,813	37,535	34,513	32,958	38,938
1999	37,027	37,905	30,831	38,446	36,337	33,328	42,364
2000	38,045	38,942	31,831	38,902	39,213	34,707	41,328
2001	39,518	40,355	33,681	41,169	39,548	36,285	43,261
2002	40,677	41,600	34,067	42,390	40,601	37,281	44,728
2003	40,817	41,619	35,157	42,162	40,280	37,625	45,381
Household Expenditure for Telephone Service							
1980	\$325	\$325		\$335	\$303	\$339	\$320
1981	360	360		358	353	365	366
1982	375	375		351	364	372	426
1983	415	415		410	393	435	419
1984	435	450	359	433	407	445	458
1985	455	466	402	459	419	457	500
1986	471	478	425	470	444	477	494
1987	499	503	475	501	464	505	532
1988	537	544	493	524	498	545	585
1989	567	577	505	570	532	572	601
1990	592	599	549	589	547	616	611
1991	618	621	601	621	595	616	647
1992	623	629	580	636	589	624	646
1993	658	666	606	677	616	673	664
1994	690	698	642	700	663	690	713
1995	708	720	633	717	706	714	691
1996	772	779	726	763	753	796	764
1997	809	814	773	785	778	839	817
1998	830	834	801	814	801	858	828
1999	849	854	812	846	858	862	822
2000	877	889	790	856	884	891	864
2001	914	927	825	897	914	924	914
2002	957	972	851	952	934	987	936
2003	956	967	875	932	917	1,002	941
Expenditures on Telephone Service as a Percentage of Total Household Expenditures							
1980	1.94%	1.94%		1.95%	1.89%	2.09%	1.78%
1981	2.05	2.05		2.10	2.04	2.14	1.90
1982	2.08	2.08		2.07	2.01	2.09	2.16
1983	2.11	2.11		2.15	2.01	2.28	1.95
1984	1.98	1.98	1.97%	2.01	1.92	2.06	1.89
1985	1.94	1.93	1.98	2.01	1.85	1.97	1.93
1986	1.97	1.95	2.16	1.89	1.96	2.12	1.87
1987	2.04	2.01	2.32	2.02	2.02	2.17	1.95
1988	2.07	2.04	2.31	1.99	2.01	2.21	2.03
1989	2.04	2.02	2.19	2.02	2.04	2.18	1.87
1990	2.09	2.07	2.24	2.08	2.11	2.28	1.88
1991	2.09	2.04	2.42	2.01	2.15	2.20	1.95
1992	2.09	2.06	2.29	2.04	2.07	2.25	1.92
1993	2.14	2.12	2.30	2.14	2.13	2.30	1.93
1994	2.17	2.16	2.24	2.15	2.18	2.30	2.02
1995	2.19	2.18	2.33	2.17	2.21	2.36	1.96
1996	2.28	2.26	2.52	2.23	2.28	2.28	2.13
1997	2.32	2.26	2.77	2.18	2.30	2.60	2.09
1998	2.34	2.29	2.69	2.17	2.32	2.60	2.13
1999	2.29	2.25	2.63	2.20	2.36	2.59	1.94
2000	2.31	2.28	2.48	2.20	2.25	2.57	2.09
2001	2.31	2.30	2.45	2.18	2.31	2.55	2.11
2002	2.35	2.34	2.50	2.25	2.30	2.65	2.09
2003	2.34	2.32	2.49	2.21	2.28	2.66	2.07

Table 2.2
Average Annual Household Expenditures
by Race and National Origin

	By Race		By National Origin	
	White & Other	Black	Hispanic	Non-Hispanic
1980	\$17,335	\$12,016		
1981	18,169	12,856		
1982	18,693	13,229		
1983	20,567	12,878		
1984	22,847	14,631		
1985	24,399	15,979		
1986	24,806	16,203		
1987	25,376	16,324		
1988	27,004	16,670		
1989	28,944	18,343		
1990	29,547	19,130		
1991	30,794	20,091		
1992	31,158	19,695		
1993	31,967	20,684		
1994	32,614	22,413	\$26,433	\$32,165
1995	33,737	23,739	26,744	32,729
1996	34,994	24,926	27,868	34,338
1997	36,076	25,509	29,333	35,325
1998	36,848	25,796	30,013	36,044
1999	38,354	27,374	33,105	37,385
2000	39,406	28,152	32,735	38,549
2001	40,968	28,903	34,361	40,009
2002	42,135	30,136	34,742	41,295
2003	42,451	28,708	34,575	41,521
Household Expenditure for Telephone Service				
1980	\$321	\$356		
1981	359	370		
1982	368	432		
1983	411	448		
1984	432	462		
1985	454	463		
1986	470	478		
1987	498	506		
1988	537	536		
1989	563	603		
1990	588	624		
1991	613	657		
1992	619	647		
1993	650	719		
1994	681	756	\$793	\$681
1995	698	782	796	700
1996	757	887	870	763
1997	791	945	833	807
1998	818	915	811	831
1999	837	934	872	847
2000	862	986	889	876
2001	899	1,024	917	914
2002	944	1,050	1,021	950
2003	946	1,027	968	954
Expenditures on Telephone Service as Percentage of Total Household Expenditures				
1980	1.85%	2.96%		
1981	1.98	2.88		
1982	1.97	3.27		
1983	2.00	3.48		
1984	1.89	3.16		
1985	1.86	2.90		
1986	1.89	2.95		
1987	1.96	3.10		
1988	1.99	3.22		
1989	1.95	3.29		
1990	1.99	3.26		
1991	1.99	3.27		
1992	1.99	3.29		
1993	2.03	3.48		
1994	2.07	3.37	3.00%	2.12%
1995	2.09	3.29	2.98	2.14
1996	2.16	3.56	3.12	2.22
1997	2.19	3.70	2.84	2.28
1998	2.22	3.55	2.70	2.31
1999	2.18	3.41	2.63	2.27
2000	2.19	3.50	2.72	2.27
2001	2.19	3.54	2.67	2.28
2002	2.24	3.48	2.94	2.30
2003	2.23	3.58	2.80	2.30

Table 2.3
Average Annual Household Expenditures
by Household Income

	Households Grouped by Total Income from Lowest to Highest Quintile				
	1	2	3	4	5
Total Household Expenditures					
1980	\$7,746	\$11,452	\$15,370	\$20,143	\$29,717
1981	7,945	11,688	16,099	21,280	31,404
1982	8,080	11,788	16,200	21,444	33,311
1983	8,557	12,504	17,239	23,359	36,936
1984	10,894	14,337	19,469	26,138	41,825
1985	11,417	15,092	20,374	27,760	45,156
1986	11,477	14,639	21,088	28,698	46,242
1987	10,355	15,686	21,708	29,603	46,470
1988	10,893	16,880	23,290	32,084	48,718
1989	12,119	17,616	24,476	34,231	53,093
1990	12,908	17,924	24,673	34,247	55,411
1991	13,464	18,986	26,144	36,151	57,597
1992	12,643	19,257	26,573	36,094	57,981
1993	13,957	19,712	26,603	37,299	59,521
1994	14,356	20,891	28,513	39,033	60,803
1995	14,607	22,126	29,125	39,395	62,639
1996	15,896	22,799	30,402	41,965	66,794
1997	16,008	23,558	31,447	42,846	66,800
1998	16,630	23,709	31,400	43,811	70,648
1999	16,766	24,850	33,078	46,015	75,080
2000	17,940	26,550	34,716	46,794	75,102
2001	18,883	26,492	35,660	48,772	77,125
2002	19,061	27,140	36,881	50,432	79,199
2003	18,492	26,729	36,213	50,468	81,731
Household Expenditures for Telephone Service					
1980	\$202	\$266	\$335	\$365	\$450
1981	235	294	361	415	487
1982	257	314	354	423	506
1983	268	353	386	472	571
1984	295	350	430	476	630
1985	311	363	449	503	628
1986	337	383	453	526	662
1987	335	403	501	547	670
1988	352	441	538	585	727
1989	370	459	564	644	757
1990	402	496	585	647	818
1991	415	532	596	665	834
1992	424	533	621	677	844
1993	457	532	652	731	911
1994	455	591	672	761	963
1995	491	599	703	785	968
1996	513	641	750	892	1,100
1997	530	671	794	909	1,142
1998	527	661	801	947	1,194
1999	559	671	825	975	1,227
2000	575	705	860	1,004	1,305
2001	558	727	906	1,054	1,343
2002	584	741	928	1,150	1,433
2003	564	768	932	1,142	1,441
Expenditures on Telephone Service as a Percentage of Total Household Expenditures					
1980	2.61%	2.32%	2.18%	1.81%	1.51%
1981	2.96	2.52	2.24	1.95	1.55
1982	3.18	2.66	2.19	1.97	1.52
1983	3.13	2.82	2.24	2.02	1.55
1984	2.71	2.44	2.21	1.82	1.51
1985	2.72	2.41	2.20	1.81	1.39
1986	2.94	2.62	2.15	1.83	1.43
1987	3.24	2.57	2.31	1.85	1.44
1988	3.23	2.61	2.31	1.82	1.49
1989	3.05	2.61	2.30	1.88	1.43
1990	3.11	2.77	2.37	1.89	1.48
1991	3.08	2.80	2.28	1.84	1.45
1992	3.35	2.77	2.34	1.88	1.46
1993	3.27	2.70	2.45	1.96	1.53
1994	3.17	2.83	2.36	1.95	1.58
1995	3.38	2.71	2.41	1.99	1.55
1996	3.20	2.94	2.46	2.05	1.57
1997	3.24	3.02	2.53	2.09	1.63
1998	3.17	2.79	2.55	2.16	1.69
1999	3.33	2.70	2.49	2.12	1.63
2000	3.21	2.66	2.48	2.15	1.74
2001	2.96	2.74	2.54	2.16	1.74
2002	3.06	2.73	2.52	2.28	1.81
2003	3.05	2.87	2.57	2.26	1.76

Table 2.4
Average Annual Household Expenditures
by Age of the Head of the Household

	By Age of the Head of the Household						
	Under 25	25-34	35-44	45-54	55-64	65-74	Over 74
1980	\$10,905	\$17,452	\$21,235	\$22,517	\$17,535		
1981	11,309	18,503	22,890	23,385	17,418		
1982	11,368	18,814	23,309	23,539	18,449		
1983	11,855	19,708	25,230	25,896	20,585		
1984	13,461	22,294	28,214	28,696	23,401	\$15,842	\$11,122
1985	13,763	23,349	29,604	30,946	24,766	17,938	13,012
1986	14,142	23,931	31,219	32,218	24,808	17,506	12,198
1987	14,368	24,177	31,473	31,708	25,707	18,888	12,230
1988	16,373	25,770	33,077	33,205	25,765	20,120	13,339
1989	16,577	26,683	35,589	36,073	26,617	21,152	15,919
1990	16,518	28,107	35,579	36,996	29,244	20,895	15,448
1991	16,745	29,280	36,446	38,137	31,945	22,564	15,782
1992	17,258	29,554	37,196	37,427	31,704	22,862	17,764
1993	17,468	28,594	37,429	41,020	32,973	23,706	18,530
1994	18,417	30,468	37,565	41,420	33,682	25,059	19,280
1995	18,425	31,493	38,397	42,179	32,626	25,277	18,572
1996	18,384	33,020	39,944	42,722	36,132	27,739	19,603
1997	18,450	34,902	40,413	45,239	35,954	27,792	20,279
1998	19,436	34,779	42,154	45,475	37,329	27,830	20,987
1999	21,725	36,181	42,836	46,538	39,427	29,911	22,900
2000	22,543	38,945	45,149	46,160	39,340	30,782	21,908
2001	23,526	39,451	46,908	47,930	41,462	32,023	23,099
2002	24,229	40,318	48,330	48,748	44,330	32,243	23,759
2003	22,396	40,525	47,175	50,101	44,191	33,629	25,016
	Household Expenditures for Telephone Service						
1980	\$248	\$343	\$401	\$415	\$319		
1981	275	377	433	458	364		
1982	266	389	436	484	391		
1983	275	439	472	535	421		
1984	292	450	541	558	451	\$341	\$266
1985	323	449	535	576	473	377	298
1986	342	485	546	580	483	399	316
1987	381	504	586	607	521	401	328
1988	417	534	617	669	543	458	338
1989	396	583	640	719	567	486	360
1990	430	604	682	750	590	476	376
1991	471	629	684	803	641	487	376
1992	469	648	698	753	652	502	421
1993	512	687	734	782	707	520	441
1994	570	726	766	819	697	551	445
1995	541	744	777	859	723	577	443
1996	537	838	856	925	814	618	459
1997	550	893	921	952	842	627	458
1998	560	888	947	993	835	679	494
1999	562	924	950	1008	869	711	506
2000	589	950	1,018	1,007	909	720	511
2001	629	1,001	1,035	1,072	926	746	551
2002	641	1,032	1,096	1,109	981	794	579
2003	616	1,001	1,097	1,156	981	773	572
	Expenditures on Telephone Service as a Percentage of Total Household Expenditures						
1980	2.27%	1.97%	1.89%	1.84%	1.82%		
1981	2.43	2.04	1.89	1.96	2.09		
1982	2.34	2.07	1.87	2.06	2.12		
1983	2.32	2.23	1.87	2.07	2.05		
1984	2.17	2.02	1.92	1.94	1.93	2.15%	2.39%
1985	2.35	1.92	1.81	1.86	1.91	2.10	2.29
1986	2.42	2.03	1.75	1.80	1.95	2.28	2.59
1987	2.65	2.08	1.86	1.91	2.03	2.12	2.68
1988	2.55	2.07	1.87	2.01	2.11	2.28	2.53
1989	2.39	2.18	1.80	1.99	1.98	2.30	2.26
1990	2.60	2.15	1.92	2.03	2.02	2.28	2.43
1991	2.81	2.15	1.88	2.11	2.01	2.16	2.38
1992	2.72	2.19	1.88	2.01	2.06	2.20	2.37
1993	2.93	2.40	1.96	1.91	2.14	2.19	2.40
1994	3.09	2.38	2.04	1.98	2.07	2.20	2.31
1995	2.94	2.36	2.02	2.04	2.22	2.28	2.39
1996	2.92	2.54	2.14	2.17	2.25	2.23	2.34
1997	2.98	2.56	2.28	2.10	2.34	2.26	2.26
1998	2.88	2.55	2.25	2.18	2.24	2.44	2.35
1999	2.59	2.55	2.22	2.17	2.20	2.38	2.21
2000	2.61	2.44	2.25	2.18	2.31	2.34	2.33
2001	2.67	2.54	2.21	2.24	2.23	2.33	2.39
2002	2.65	2.56	2.27	2.27	2.21	2.46	2.44
2003	2.75	2.47	2.33	2.31	2.22	2.30	2.29

Table 2.5
Average Annual Household Expenditures
by Size of the Household

	By Size of the Household				
	1	2	3	4	Over 4
Total Household Expenditures					
1980					
1981					
1982					
1983					
1984	\$12,994	\$21,515	\$26,653	\$28,403	
1985	13,954	23,442	28,317	31,408	
1986	13,733	24,675	28,050	32,232	
1987	14,693	24,761	28,549	32,753	
1988	15,671	26,350	30,446	34,455	\$32,706
1989	16,814	28,622	32,643	35,803	35,871
1990	17,128	28,851	33,688	37,493	36,279
1991	17,569	30,648	34,389	38,806	38,269
1992	17,797	30,773	34,982	40,658	38,019
1993	17,999	31,603	35,416	42,397	39,981
1994	19,343	33,062	36,732	41,480	40,702
1995	19,389	33,100	37,838	42,819	41,561
1996	20,082	35,559	39,531	43,670	43,217
1997	20,923	36,617	40,926	45,225	43,929
1998	21,483	36,973	41,388	47,020	45,569
1999	22,404	38,895	42,885	49,119	47,581
2000	23,059	38,627	45,156	52,032	49,100
2001	23,507	40,359	45,508	54,395	53,805
2002	24,190	41,797	48,098	54,033	55,501
2003	23,657	43,693	47,406	55,201	52,565
Household Expenditures for Telephone Service					
1980					
1981					
1982					
1983					
1984	\$311	\$420	\$494	\$515	
1985	330	458	501	548	
1986	347	470	539	563	
1987	367	489	587	590	
1988	409	527	601	626	\$681
1989	423	564	633	650	739
1990	440	582	681	681	769
1991	449	617	693	722	808
1992	470	616	700	722	821
1993	472	656	740	803	854
1994	502	699	774	817	879
1995	506	714	815	839	894
1996	544	777	921	904	972
1997	583	789	954	995	1,016
1998	581	839	990	991	1,022
1999	592	847	994	1,050	1,094
2000	607	865	1,031	1,108	1,136
2001	620	905	1,091	1,166	1,194
2002	624	955	1,160	1,219	1,262
2003	623	965	1,161	1,227	1,229
Expenditures on Telephone Service as a Percentage of Total Household Expenditures					
1980					
1981					
1982					
1983					
1984	2.39%	1.95%	1.85%	1.81%	
1985	2.36	1.95	1.77	1.74	
1986	2.53	1.90	1.92	1.75	
1987	2.50	1.97	2.06	1.80	
1988	2.61	2.00	1.97	1.82	2.08%
1989	2.52	1.97	1.94	1.82	2.06
1990	2.57	2.02	2.02	1.82	2.12
1991	2.56	2.01	2.02	1.86	2.11
1992	2.64	2.00	2.00	1.78	2.16
1993	2.62	2.08	2.09	1.89	2.14
1994	2.60	2.11	2.11	1.97	2.16
1995	2.61	2.16	2.15	1.96	2.15
1996	2.71	2.19	2.33	2.07	2.25
1997	2.79	2.15	2.33	2.20	2.31
1998	2.70	2.27	2.39	2.11	2.24
1999	2.64	2.18	2.32	2.14	2.30
2000	2.63	2.24	2.28	2.13	2.31
2001	2.64	2.24	2.40	2.14	2.22
2002	2.58	2.28	2.41	2.26	2.27
2003	2.63	2.21	2.45	2.22	2.34

Table 2.6
Average Annual Household Telecommunications Expenditures
by Type of Provider*

	Local Exchange	Long Distance Carriers	Wireless Carriers	Total Expenditures
1995	\$346	\$250	\$82	\$596
1996	359	250	108	717
1997	379	305	129	813
1998	398	270	164	832
1999	402	257	205	864
2000	416	211	279	906
2001	426	176	351	953
2002	436	149	417	1,001
2003	441	122	492	1,055

Source: Calculated by Industry Analysis and Technology Division staff using survey data from TNS Telecoms *ReQuest Market Monitor*™, Bill Harvesting®.

Note: These data are average annual *expenditures* based on sample data for those households with wireline telephone service. These data do *not* reflect average annual *bills*. For example, the average household in the sample spent \$492 for wireless service in 2003. This average was calculated by simply dividing the total wireless expenditures of households in the sample by the total number of households in the sample. Of course, a number of households in the sample did not take wireless service in 2003 and therefore paid nothing. The average annual bill for wireless service for 2003 - averaged over only those households that received a bill - was therefore much higher, about \$740. In addition, these data are only representative of telecommunications revenues from servicing residential *end-users*, and do not reflect any revenues received from servicing business customers or other *carriers*.

* Excludes households in Alaska and Hawaii.

Table 2.7
1999 Use of Communications Commodities by Industry

I-O Industry Group	Total Industry Output (Millions)	Purchases of Communications Except Radio & Television (Millions)	Communications Purchases of Percent of Industry Output	Communications Purchases by Industry as a Percent of Total Communications Commodities
1 Livestock and livestock products	\$99,657	\$325	0.33%	0.08%
2 Other Agricultural products	109,658	364	0.33	0.09
3 Forestry and fishery products	15,667	15	0.10	0.00
4 Agricultural, forestry, and fishery services	52,241	239	0.46	0.06
5 & 6 Metallic ores mining	10,157	38	0.38	0.01
7 Coal mining	21,602	44	0.21	0.01
8 Crude petroleum and natural gas	102,534	233	0.23	0.06
9&10 Nonmetallic minerals mining	16,107	63	0.39	0.02
11 New Construction	745,620	3,115	0.42	0.81
12 Repair and maintenance construction	320,753	1,512	0.47	0.39
13 Ordinance and accessories	16,367	90	0.55	0.02
14 Food and kindred products	494,576	879	0.18	0.23
15 Tobacco manufactures	51,623	77	0.15	0.02
16 Broad and narrow fabrics, yarn and thread mills	42,356	72	0.17	0.02
17 Miscellaneous textile goods and floor coverings	22,792	74	0.33	0.02
18 Apparel	64,897	166	0.26	0.04
19 Miscellaneous fabricated textile products	29,577	74	0.25	0.02
20 & 21 Lumber and wood products	128,487	240	0.19	0.06
22 & 23 Furniture and fixtures	71,860	254	0.35	0.07
24 Paper & allied products, except containers	118,003	330	0.28	0.09
25 Paperboard containers and boxes	42,615	131	0.31	0.03
26A Newspapers and periodicals	26,219	477	1.82	0.12
26B Other printing & publishing	103,135	587	0.57	0.15
27A Industrial and other chemicals	135,401	335	0.25	0.09
27B Agricultural fertilizers and chemicals	21,842	54	0.24	0.01
28 Plastics and synthetic materials	67,270	319	0.47	0.08
29A Drugs	100,278	379	0.38	0.10
29B Cleaning and toilet preparations	49,832	192	0.39	0.05
30 Paints & allied products	18,803	53	0.28	0.01
31 Petroleum refining and related industries	170,914	254	0.15	0.07
32 Rubber & miscellaneous plastics products	169,957	549	0.32	0.14
33 & 34 Footwear, leather, and leather products	8,341	24	0.29	0.01
35 Glass and glass products	23,402	89	0.38	0.02
36 Stone and clay products	72,779	229	0.32	0.06
37 Primary iron and steel manufacturing	94,889	223	0.23	0.06
38 Primary nonferrous metals manufacturing	85,226	196	0.23	0.05
39 Metal containers	12,933	26	0.20	0.01
40 Heating, plumbing, & structural metal parts	79,497	248	0.31	0.06
41 Screw machine products and stampings	56,294	142	0.25	0.04
42 Other fabricated metal products	82,339	294	0.36	0.08
43 Engines and turbines	28,605	66	0.23	0.02
44 & 45 Farm, construction and mining machinery	51,060	155	0.30	0.04
46 Materials handling machinery and equipment	14,887	55	0.37	0.01
47 Metal working machinery and equipment	39,832	176	0.44	0.05
48 Special industrial machinery and equipment	34,257	173	0.50	0.04
49 General industrial machinery and equipment	40,186	191	0.48	0.05
50 Miscellaneous machinery, except electrical	39,073	120	0.31	0.03
51 Computer and office equipment	104,654	560	0.54	0.15
52 Service industry machinery	39,049	131	0.34	0.03
53 Electrical industrial equipment and apparatus	41,404	180	0.43	0.05
54 Household appliances	22,462	92	0.41	0.02

Table 2.7
1999 Use of Communications Commodities by Industry - Continued

I-O Industry Group	Total Industry Output (Millions)	Purchases of Communications Except Radio & Television (Millions)	Communications Purchases of Percent of Industry Output	Communications Purchases by Industry as a Percent of Total Communications Commodities
55 Electric lighting and wiring equipment	26,750	101	0.38	0.03
56 Audio, video, and communications equipment	99,938	585	0.58	0.15
57 Electronic components and accessories	150,787	759	0.50	0.20
58 Miscellaneous electrical machinery and supplies	28,130	83	0.29	0.02
59A Motor vehicles (passenger cars and trucks)	260,164	335	0.13	0.09
59B Truck/bus bodies, trailers, and motor vehicle	148,382	317	0.21	0.08
60 Aircraft parts	127,044	273	0.21	0.07
61 Other transportation equipment	48,489	119	0.25	0.03
62 Scientific and controlling instruments	134,192	764	0.57	0.20
63 Ophthalmic and photographic equipment	21,812	154	0.71	0.04
64 Miscellaneous manufacturing	51,756	197	0.38	0.05
65A Railroads, and related services	81,841	607	0.74	0.16
65B Motor freight transportation and warehousing	245,876	3,281	1.33	0.85
65C Water transportation	40,925	54	0.13	0.01
65D Air transportation	148,915	1,618	1.09	0.42
65E Pipelines, freight forwarders and related services	41,670	1,635	3.92	0.43
66 Communications, except radio and TV	384,486	63,517	16.52	16.52
67 Radio and television broadcasting	5,928	933	15.74	0.24
68A Electric services (utilities)	230,976	402	0.17	0.10
68B Gas production and distribution (utilities)	101,547	61	0.06	0.02
68C Water and sanitary services	72,083	563	0.78	0.15
69A Wholesale trade	883,029	18,481	2.09	4.81
69B Retail trade	796,357	9,895	1.24	2.57
70A Finance	761,040	13,090	1.72	3.40
70B Insurance	356,818	6,791	1.90	1.77
71A Owner-occupied dwellings	673,525	-	0.00	0.00
71B Real estate and royalties	855,883	5,761	0.67	1.50
72A Hotels and lodging places	88,331	1,186	1.34	0.31
72B Personal and repair services	134,522	1,805	1.34	0.47
73A Computer and data processing services	419,702	9,237	2.20	2.40
73B Legal engineering accounting services	397,290	5,375	1.35	1.40
73C Other businesses and professional services	653,498	9,601	1.47	2.50
73D Advertising	213,214	586	0.27	0.15
74 Eating and drinking places	394,950	1,573	0.40	0.41
75 Automobile repair and services	282,793	2,350	0.83	0.61
76 Amusements	216,302	1,842	0.85	0.48
77A Health Services	798,018	7,865	0.99	2.05
77B Educational and social services	345,272	3,805	1.10	0.99
78 Federal government enterprises	79,082	452	0.57	0.12
79 State and local government enterprises	46,513	659	1.42	0.17
82 General government industry	1,004,347	-	0.00	0.00
84 Household industry	13,111.00	-	0.00	0.00
Personal consumption expenditures	6,246,517	158,405	2.54	
Gross private fixed investment	1,577,194	9,262	0.59	
Changes in private inventories	59,500	-	0.00	
Exports	909,737	5,597	0.62	
Imports	-1,159,626	-	0.00	
Federal government purchases	565,000	6,670	1.18	
State and local government purchases	1,076,000	12,942	1.20	
Gross Domestic Product	25,274,351	192,877	0.76	
Intermediate Use	6,998,244	191,609	2.74	
Total Commodity Output	16,272,567	384,486	2.36	

Table 2.8
1999 Use of Commodities by the Communications Industry

I-O Industry Group		Total Commodity Output (Millions)	Sales to Communications Except Radio and Television Industry (Millions)	Percentage of Total Sales to Communications Except Radio & Television Industry	Sales to Communications Except Radio & TV as Percent of Communications Industry Output
1	Livestock and livestock products	\$99,657		0.00%	0.00%
2	Other Agricultural products	109,658	\$2	0.00	0.00
3	Forestry and fishery products	15,667		0.00	0.00
4	Agricultural, forestry, and fishery services	52,241	131	0.25	0.03
5 & 6	Metallic ores mining	10,157		0.00	0.00
7	Coal mining	21,602		0.00	0.00
8	Crude petroleum and natural gas	102,534		0.00	0.00
9&10	Nonmetallic minerals mining	16,107		0.00	0.00
11	New Construction	745,620		0.00	0.00
12	Repair and maintenance construction	320,753	18,025	5.62	4.62
13	Ordinance and accessories	16,367		0.00	0.00
14	Food and kindred products	494,576		0.00	0.00
15	Tobacco manufactures	51,623		0.00	0.00
16	Broad and narrow fabrics, yarn and thread mills	42,356		0.00	0.00
17	Miscellaneous textile goods and floor coverings	22,792	2	0.01	0.00
18	Apparel	64,897	148	0.23	0.04
19	Miscellaneous fabricated textile products	29,577	8	0.03	0.00
20 & 21	Lumber and wood products	128,487	56	0.04	0.01
22 & 23	Furniture and fixtures	71,860		0.00	0.00
24	Paper & allied products, except containers	118,003	370	0.31	0.09
25	Paperboard containers and boxes	42,615	191	0.45	0.05
26A	Newspapers and periodicals	26,219	247	0.94	0.06
26B	Other printing & publishing	103,135	1,362	1.32	0.35
27A	Industrial and other chemicals	135,401	22	0.02	0.01
27B	Agricultural fertilizers and chemical	21,842		0.00	0.00
28	Plastics and synthetic materials	67,270		0.00	0.00
29A	Drugs	100,278	8	0.01	0.00
29B	Cleaning and toilet preparations	49,832	36	0.07	0.01
30	Paints & allied products	18,803	101	0.54	0.03
31	Petroleum refining and related industries	170,914	356	0.21	0.09
32	Rubber & miscellaneous plastics products	169,957	901	0.53	0.23
33 & 34	Footwear, leather, and leather products	8,341	3	0.03	0.00
35	Glass and glass products	23,402	46	0.20	0.01
36	Stone and clay products	72,779		0.00	0.00
37	Primary iron and steel manufacturing	94,889		0.00	0.00
38	Primary nonferrous metals manufacturing	85,226	36	0.04	0.01
39	Metal containers	12,933		0.00	0.00
40	Heating, plumbing, & structural metal parts	79,497		0.00	0.00
41	Screw machine products and stampings	56,294	608	1.08	0.16
42	Other fabricated metal products	82,339	557	0.68	0.14
43	Engines and turbines	28,605	490	1.71	0.13
44 & 45	Farm, construction and mining machinery	51,060		0.00	0.00
46	Materials handling machinery and equipment	14,887		0.00	0.00
47	Metal working machinery and equipment	39,832	11	0.03	0.00
48	Special industrial machinery and equipment	34,257		0.00	0.00
49	General industrial machinery and equipment	40,186	748	1.86	0.19
50	Miscellaneous machinery, except electrical	39,073	34	0.09	0.01
51	Computer and office equipment	104,654	837	0.80	0.21
52	Service industry machinery	39,049	7	0.02	0.00
53	Electrical industrial equipment and apparatus	41,404	836	2.02	0.21
54	Household appliances	22,462		0.00	0.00
55	Electric lighting and wiring equipment	26,750	197	0.73	0.06
56	Audio, video, and communications equipment	99,938	5,740	5.74	1.47
57	Electronic components and accessories	150,787	6,843	4.54	1.75

Table 2.8
1999 Use of Commodities by the Communications Industry - Continued

I-O Industry Group	Total Commodity Output (Millions)	Sales to Communications Except Radio and Television Industry (Millions)	Percentage of Total Sales to Communications Except Radio & Television Industry	Sales to Communications Except Radio & TV as Percent of Communications Industry Output	
58	Miscellaneous electrical machinery and supplies	28,130	358	1.27	0.09
59A	Motor vehicles (passenger cars and trucks)	260,164		0.00	0.00
59B	Truck and bus bodies, trailers, and motor vehicle	148,382	72	0.05	0.02
60	Aircraft parts	127,044		0.00	0.00
61	Other transportation equipment	48,489		0.00	0.00
62	Scientific and controlling instrument	134,192	39	0.03	0.01
63	Ophthalmic and photographic equipment	21,812	135	0.62	0.03
64	Miscellaneous manufacturing	51,756	212	0.41	0.05
65A	Railroads, and related services	81,841	377	0.46	0.10
65B	Motor freight transportation and warehousing	245,876	537	0.22	0.14
65C	Water transportation	40,925	40	0.10	0.01
65D	Air transportation	148,915	1,612	1.08	0.41
65E	Pipelines, freight forwarders and related services	41,670	21	0.05	0.01
66	Communications, except radio and TV	384,486	63,517	16.52	16.28
67	Radio and television broadcasting	5,928	272	4.59	0.07
68A	Electric services (utilities)	230,976	1,323	0.57	0.34
68B	Gas production and distribution (utilities)	101,547	184	0.18	0.05
68C	Water and sanitary services	72,083	478	0.66	0.12
69A	Wholesale trade	883,029	3,570	0.40	0.91
69B	Retail trade	796,357	135	0.02	0.03
70A	Finance	761,040	4,304	0.57	1.10
70B	Insurance	356,818	794	0.22	0.20
71A	Owner-occupied dwellings	673,525		0.00	0.00
71B	Real estate and royalties	855,883	8,016	0.94	2.05
72A	Hotels and lodging places	88,331	1,390	1.57	0.36
72B	Personal and repair services	134,522	3,021	2.25	0.77
73A	Computer and data processing services	419,702	6,835	1.63	1.75
73B	Legal engineering accounting and related services	397,290	15,886	4.00	4.07
73C	Other businesses and professional services	653,498	11,515	1.76	2.95
73D	Advertising	213,214	7,402	3.47	1.90
74	Eating and drinking places	394,950	1,256	0.32	0.32
75	Automobile repair and services	282,793	2,697	0.95	0.69
76	Amusements	216,302	6,044	2.79	1.55
77A	Health Services	798,018		0.00	0.00
77B	Educational and social services, and membership	345,272	474	0.14	0.12
78	Federal government enterprises	79,082	1,424	1.80	0.36
79	State and local government enterprises	46,513	148	0.32	0.04
82	General government industry	1,004,347		0.00	0.00
84	Household industry	13,111		0.00	0.00
Total Sales		16,277,252	390,265	2.40	100.00
Value Added		9,281,532	200,065	2.16	51.26

III. Price Indices

The U.S. Department of Labor's Bureau of Labor Statistics (BLS) calculates telephone service price indices as part of two major programs. The Consumer Price Index (CPI) program publishes indices based on the amount of money that residential customers in urban areas pay for telephone service. The Producer Price Index (PPI) program publishes indices based on the amount of money that companies receive for providing telephone service. Unlike the CPI, the PPI indices cover business as well as residential telephone service.

A. Consumer Price Indices

The Consumer Price Index is the nation's most widely recognized measure of retail price changes. It is published monthly by the BLS, and measures the prices all urban consumers pay for most goods and services. BLS defines urban areas as Metropolitan Statistical Areas (MSAs) and small cities with populations greater than 2500. According to BLS, over 85 percent of the U.S. population lives in urban areas.

The BLS has published an index for telephone services since 1935. In 1978 it began publishing an index for local telephone service, interstate toll service, and intrastate toll service. In 1998 it added an index for cellular telephone services. At that time, the BLS also revised the telephone services index to include information from the cellular index and created an aggregate index by combining the interstate and intrastate toll service indices into an index for long distance services. Telephone service price changes are also included in the CPI index for all goods and services, as well as in other broad indices. According to the BLS, as of the end of December 2004, telephone prices account for roughly 2% of the CPI for all goods and services.¹

Table 3.1 shows the annual changes in the CPI indices since 1980. In addition to showing the nominal changes in telephone prices, the table shows the changes in telephone prices after adjusting for the impact of inflation, as measured by the CPI for all goods and services. Chart 1 illustrates the changes in toll rates since the AT&T divestiture in 1984; since then, rates for both interstate and intrastate toll calls have fallen. Chart 2 adjusts the price indices for interstate and intrastate toll service for the impacts of inflation. Relative to the prices of other goods and services, long distance rates have fallen substantially since the AT&T divestiture in 1984.

Table 3.2 shows three monthly consumer price indices that were first published in 1998. A long distance service index has been created using the existing information collected for the interstate and intrastate toll indices. An index for cellular telephone service has been created and the previous "telephone services" index has been replaced with a new measure that includes the cellular price index. Since the previous index for telephone services did not include cellular services, the two series are not strictly comparable. Users should exercise caution because current price trends in the cellular market deviate significantly from those in the wireline telephony market.

¹ See <http://www.bls.gov/cpi/cpiri2004.pdf>.

B. Producer Price Indices

The Producer Price Index (PPI) is a statistical series established by the BLS to measure changes in the prices charged by producers. This index, formerly known as the Wholesale Price Index, was first published in 1902. The BLS began publishing indices for telecommunications products in 1972. These indices were wholly redesigned in mid-1995. Consequently, the current indices are not comparable to indices prior to 1995. In addition to 39 current indices of telecommunications products, the BLS publishes overall indices by stage of processing -- finished goods, intermediate goods, and crude materials for further processing.

With the release of data for January 2004, the Producer Price Index program changed its basis for industry classification from the 1987 Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS). Developed in cooperation with Canada and Mexico, NAICS represents a profound change for statistical programs focusing on emerging economic activities. The system was developed using a production-oriented conceptual framework, grouping establishments into industries based on the activity in which they are primarily engaged. While many NAICS industries directly compare with SIC industries, a number of SIC industries were split or combined to form a new NAICS industry. The PPI treats the SIC-to-NAICS comparison as continuous if 80 percent or more of the weight of the SIC-based index comprises at least 80 percent of the weight of the NAICS-based index. All index series that have passed this test are published under the NAICS structure using the index base date and price index history established by the SIC-based index. Documentation of the NAICS to SIC concordance for all subsectors, industry groups, and products may be found at <http://www.bls.gov/ppi/ppinaics.htm>.²

Since the PPI indexes the prices received by producers, it includes the prices paid by businesses as well as consumers. The PPI does not include taxes or other government surcharges. Additionally, it is subject to substantial fluctuations from month to month and each index is revised four months following its release. Consequently, analysts should use caution when using the PPI to measure short-run trends in telecommunications prices. It is suggested that users consider constructing a three to four month moving average of the series to improve the analysis of trends. Table 3.3 presents the monthly PPI indices for the period since their revision in mid-1995. Certain Producer Price Index categories were discontinued in 1995. These PPIs may be found at <http://www.bls.gov>.

C. Additional Sources of Information on Price Indices

The BLS maintains current and complete access to all of the price indices at stats.bls.gov on the Internet. Visitors can find documentation on the construction of the indices there as well.

² Several telecommunications PPIs published by the BLS under the SIC classification system are no longer published after the conversion to NAICS. These include "Other Local Service" (SIC pcu4813#114), "Other Local Service except Directory Assistance" (SIC pcu4813#11409), "LEC Intrastate Private Line Service" (SIC pcu4813#311), "Directory Advertising" (SIC pcu4813#91), and "Other Telephone Services" (SIC pcu4813#99). In addition, "Directory Assistance" (SIC pcu4813#11401) is now classified as "Other Local Service" (NAICS 517110114) and "Telephone Communications except Radiotelephone" is now referred to as "Wired Telecommunications Carriers".

Table 3.1
Changes in the Consumer Price Indices Since 1980
 (Percent change from December of the previous year through December of the year shown)

	All Goods and Services	Telephone Services		Land-line Telephone Services, Local Charges		Land-line Interstate Toll Calls		Land-line Intrastate Toll Calls		Wireless Telephone Services	
			Inflation Adjusted		Inflation Adjusted		Inflation Adjusted		Inflation Adjusted		Inflation Adjusted
1980	12.5%	4.6%	-7.1%	7.0%	-4.9%	3.4%	-8.1%	-0.6%	-11.6%		
1981	8.9%	11.7%	2.5%	12.6%	3.3%	14.6%	5.2%	6.2%	-2.5%		
1982	3.8%	7.2%	3.3%	10.8%	6.7%	2.6%	-1.2%	4.2%	0.3%		
1983	3.8%	3.6%	-0.2%	3.1%	-0.6%	1.5%	-2.2%	7.4%	3.4%		
1984	3.9%	9.2%	5.1%	17.2%	12.7%	-4.3%	-8.0%	3.6%	-0.3%		
1985	3.8%	4.7%	0.8%	8.9%	5.0%	-3.7%	-7.2%	0.6%	-3.1%		
1986	1.1%	2.7%	1.6%	7.1%	5.9%	-9.4%	-10.4%	0.3%	-0.8%		
1987	4.4%	-1.3%	-5.5%	3.3%	-1.0%	-12.4%	-16.1%	-3.0%	-7.1%		
1988	4.4%	1.3%	-3.0%	4.5%	0.1%	-4.2%	-8.2%	-4.2%	-8.3%		
1989	4.6%	-0.3%	-4.7%	0.6%	-3.9%	-1.3%	-5.7%	-2.6%	-6.9%		
1990	6.1%	-0.4%	-6.2%	1.0%	-4.8%	-3.7%	-9.3%	-2.2%	-7.8%		
1991	3.1%	3.5%	0.4%	5.1%	2.0%	1.3%	-1.7%	-1.5%	-4.4%		
1992	2.9%	-0.3%	-3.1%	0.5%	-2.4%	-1.3%	-4.1%	-2.4%	-5.1%		
1993	2.7%	1.8%	-0.9%	1.0%	-1.7%	6.5%	3.7%	0.2%	-2.5%		
1994	2.7%	0.7%	-2.0%	-0.3%	-2.9%	5.4%	2.7%	-1.0%	-3.6%		
1995	2.5%	1.2%	-1.3%	2.6%	0.0%	0.1%	-2.3%	-3.8%	-6.2%		
1996	3.3%	2.1%	-1.2%	0.9%	-2.4%	3.7%	0.4%	6.1%	2.7%		
1997	1.7%	0.2%	-1.4%	1.0%	-0.6%	-4.3%	-5.9%	2.8%	1.1%		
1998	1.6%	0.3%	-1.9%	1.3%	-0.3%	-0.8%	-2.4%	1.5%	-0.1%		
1999	2.7%	0.4%	-2.2%	2.9%	0.2%	-0.7%	-3.3%	-1.6%	-4.1%	-11.6%	-13.9%
2000	3.4%	-2.3%	-5.5%	5.6%	2.1%	-11.2%	-14.1%	-6.0%	-9.1%	-12.3%	-15.2%
2001	1.6%	1.3%	-0.2%	4.5%	2.9%	-2.0%	-3.3%	-1.7%	-3.2%	-5.5%	-6.9%
2002	2.4%	0.2%	-2.1%	5.3%	2.9%	-5.9%	-8.2%	-6.1%	-3.2%	-0.3%	-2.0%
2003	1.8%	-2.7%	-4.4%	2.6%	0.8%	-10.8%	-12.4%	-9.3%	-10.9%	-1.3%	-3.1%
2004	3.3%	-2.5%	-5.6%	1.1%	-2.1%	-8.7%	-11.7%	-6.6%	-9.6%	-1.4%	-4.5%

Chart 1

Consumer Price Indices for Toll Service Since 1984

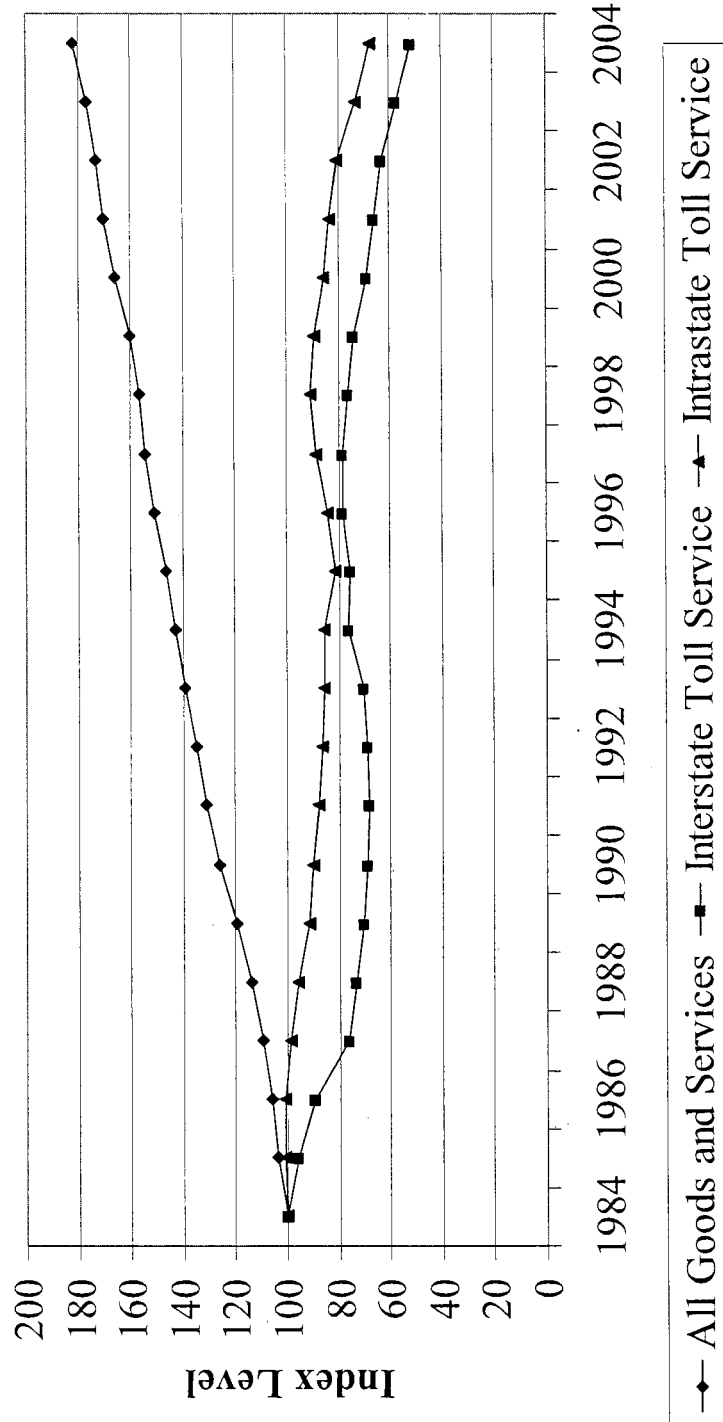


Chart 2

Consumer Price Indices for Toll Service Since 1984 (Adjusted for Inflation)

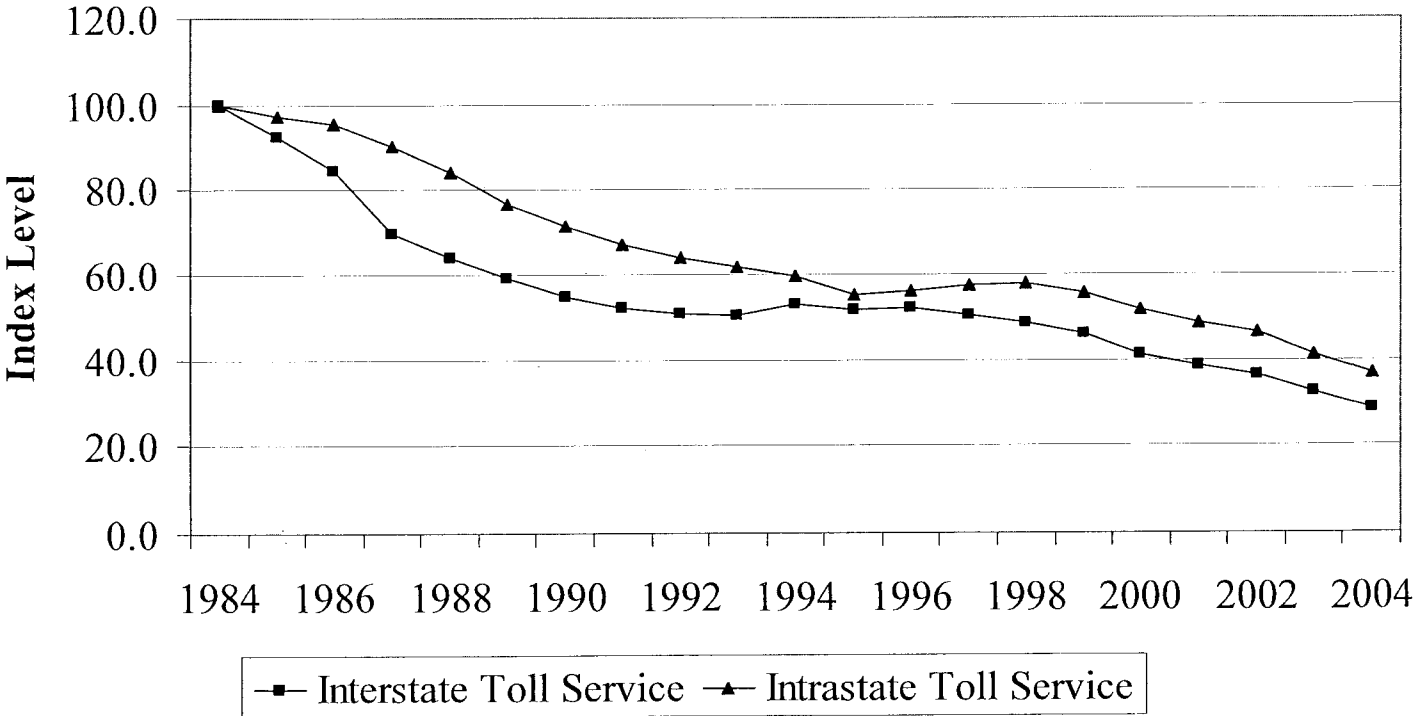


Table 3.2
Monthly Consumer Price Indices
(December 1997 = 100)

	All Goods and Services	Telephone Services	Land-line Telephone Services, Local Charges	Land-line Telephone Services, Long-Distance Charges	Land-line Interstate Toll Calls	Land-line Intrastate Toll Calls	Wireless Telephone Services	
BLS Series ID	CUUR0000SA0	CUUR0000SEED	CUUR0000SEED01	CUUR0000SEED02	CUUR0000SS27051	CUUR0000SS27061	CUUR0000SEED03	
2000	January	104.6	100.9	104.8	98.5	98.3	100.1	80.6
	February	105.3	99.4	104.9	95.5	94.0	99.2	79.7
	March	106.1	98.9	105.1	94.4	93.1	98.5	79.2
	April	106.2	98.6	105.2	93.7	92.4	97.8	78.9
	May	106.3	98.5	105.3	93.4	92.0	97.6	78.2
	June	106.9	97.2	105.8	90.6	89.0	95.0	76.8
	July	107.1	98.2	107.3	91.3	89.8	95.7	74.9
	August	107.1	98.9	109.5	90.7	89.2	95.1	73.7
	September	107.7	97.0	108.5	87.9	86.2	92.0	72.8
	October	107.9	98.3	109.8	89.4	87.9	92.9	73.0
	November	107.9	97.5	110.3	87.2	85.0	91.9	72.9
	December	107.9	98.4	110.0	89.5	87.5	93.9	71.1
2001	January	108.6	98.8	110.5	89.9	88.0	94.2	68.9
	February	109.0	98.7	110.7	89.5	87.6	93.7	68.9
	March	109.2	99.4	110.9	90.7	89.0	94.5	68.7
	April	109.7	99.0	111.9	89.1	87.2	93.1	68.8
	May	110.2	98.7	112.1	88.2	86.2	92.6	68.5
	June	110.4	99.0	112.3	88.7	86.7	93.0	68.1
	July	110.0	99.6	113.2	88.9	86.8	93.0	68.6
	August	110.0	99.6	113.9	88.5	86.4	92.7	68.1
	September	110.5	99.2	114.1	87.6	85.5	92.0	67.2
	October	110.2	99.9	114.6	88.5	86.4	92.9	67.1
	November	110.0	99.6	114.8	87.6	85.5	92.2	67.5
	December	109.5	99.7	114.9	87.9	85.8	92.3	67.2
2002	January	109.8	100.3	115.7	88.2	86.2	92.6	67.5
	February	110.2	100.3	116.1	87.9	85.8	92.6	67.5
	March	110.8	99.1	114.1	87.0	85.0	91.6	67.5
	April	111.5	98.2	114.0	85.1	82.7	90.1	67.6
	May	111.5	99.3	116.8	85.2	82.6	90.4	66.7
	June	111.5	99.2	116.9	85.0	82.4	90.1	66.6
	July	111.7	99.5	118.7	84.0	81.3	89.1	67.0
	August	112.0	100.6	120.2	84.7	82.6	89.1	67.8
	September	112.2	100.1	120.4	83.7	81.4	88.2	67.5
	October	112.4	99.9	120.6	83.0	80.7	87.5	67.9
	November	112.4	99.8	120.8	82.7	80.7	87.0	67.5
	December	112.2	99.9	121.0	82.6	80.7	86.7	67.4
2003	January	112.6	100.4	121.3	83.4	81.9	87.0	67.6
	February	113.5	100.5	121.2	83.5	82.2	86.9	67.7
	March	114.2	99.7	121.7	81.5	79.8	85.1	67.6
	April	113.9	98.7	121.9	79.2	77.4	83.1	67.5
	May	113.7	98.1	122.0	77.9	76.0	81.8	67.5
	June	113.8	97.5	122.2	76.7	74.6	80.8	66.3
	July	114.0	98.1	123.1	77.2	75.6	80.8	66.2
	August	114.4	97.8	123.7	76.0	74.0	79.7	66.1
	September	114.8	97.4	123.8	75.2	73.3	78.9	66.1
	October	114.6	97.1	124.0	74.3	72.1	78.7	66.1
	November	114.3	97.2	124.2	74.1	71.8	78.3	66.7
	December	114.2	97.2	124.1	74.3	72.0	78.6	66.5
2004	January	114.8	97.0	124.4	73.9	71.6	78.0	66.3
	February	115.4	97.1	124.2	73.9	71.6	77.8	66.6
	March	116.2	96.7	124.2	73.1	70.6	77.2	66.5
	April	116.6	96.5	123.9	72.8	70.1	77.2	66.4
	May	117.2	95.9	124.2	71.3	68.8	75.5	66.5
	June	117.6	95.8	124.2	71.2	68.4	75.4	66.4
	July	117.4	95.6	124.7	70.1	67.6	74.2	66.5
	August	117.5	95.0	124.7	68.7	66.0	72.9	66.5
	September	117.7	95.3	124.9	69.6	67.0	73.9	66.3
	October	118.4	94.6	125.2	68.3	65.7	72.6	65.5
	November	118.4	94.9	125.1	69.3	66.4	74.0	65.5
	December	118.0	94.8	125.5	68.6	65.7	73.4	65.6

Note: Figures for local telephone service, interstate toll service, and intrastate toll service after May, 2000 are converted from 1982-1984 base index series reported by the Bureau of Labor Statistics. Historical data on these series based upon the 1982-1984 index for January, 1972 through May, 2000 can be found in the Industry Analysis and Technology Division, Wireline Competition Bureau, *Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service* (July 2002).

Table 3.3
Monthly Producer Price Indices
(June 1995 = 100)

	Wired Telecommunications Carriers	Local Service, except Private Lines	Residence Local Service	Business Local Service	Coin Local Service	Other Local Service
NAICS Series ID	517110	5171101	517110111	517110112	517110113	517110114
1999 January	96.9	100.4	100.2	100.4	101.7	103.6
February	96.2	100.4	100.2	100.5	101.7	103.6
March	96.6	100.4	100.2	100.5	101.7	103.6
April	97.3	100.5	100.2	100.5	101.7	103.6
May	97.0	100.5	100.2	100.5	101.7	103.6
June	97.1	100.5	100.2	100.5	101.7	103.6
July	95.5	100.5	100.2	100.5	101.8	104.0
August	95.8	100.5	100.2	100.5	101.8	104.0
September	95.7	100.5	100.4	100.5	101.8	104.0
October	95.2	100.5	100.4	100.5	101.8	104.0
November	94.3	100.5	100.4	100.5	101.8	104.0
December	94.5	100.5	100.3	100.5	101.8	104.0
2000 January	94.8	100.6	100.3	100.6	101.8	104.0
February	94.1	100.6	100.3	100.6	101.8	104.0
March	94.8	100.7	100.3	100.9	101.8	104.0
April	94.1	100.7	100.5	100.7	101.5	104.0
May	93.4	100.7	100.6	100.6	101.9	104.0
June	94.1	100.8	100.8	100.5	102.3	104.0
July	94.0	101.3	101.7	100.6	102.7	104.0
August	94.0	101.3	101.7	100.6	103.2	104.0
September	93.8	101.5	101.9	100.6	103.6	104.2
October	93.4	101.4	101.9	100.5	103.6	104.2
November	93.0	101.4	101.9	100.5	103.6	104.2
December	93.1	101.4	101.9	100.5	103.6	104.2
2001 January	92.2	101.4	101.9	100.5	103.6	104.5
February	92.0	101.5	101.9	100.5	103.6	104.5
March	92.0	101.5	101.9	100.5	103.6	104.5
April	91.9	101.9	102.5	100.7	103.5	104.5
May	91.8	101.9	102.6	100.7	103.4	104.5
June	91.4	102.0	102.9	100.7	103.6	104.5
July	91.5	102.7	104.4	100.7	103.7	104.8
August	91.8	102.8	104.4	100.7	103.9	104.8
September	92.0	102.9	104.5	100.7	104.1	104.8
October	90.1	102.9	104.5	100.8	104.3	104.8
November	90.1	102.9	104.5	100.8	104.3	104.8
December	89.2	102.9	104.5	100.8	104.3	104.8
2002 January	88.4	103.4	105.2	101.0	104.3	104.8
February	88.0	103.4	105.2	101.0	104.3	104.8
March	87.9	103.4	105.3	101.0	104.3	104.8
April	87.5	103.4	105.4	101.0	104.3	104.8
May	87.8	103.4	105.3	101.0	104.3	104.8
June	87.7	103.5	105.5	101.1	104.3	104.8
July	87.4	104.0	106.1	101.1	104.3	119.5
August	87.8	104.0	106.1	101.2	104.3	119.5
September	87.7	104.0	106.2	101.1	103.9	119.9
October	85.5	104.0	106.2	101.1	103.9	119.9
November	86.4	103.9	106.2	101.1	103.9	119.9
December	86.0	104.0	106.2	101.1	103.9	119.9
2003 January	85.7	103.9	106.2	101.1	103.9	119.9
February	85.8	103.9	106.2	101.1	103.9	119.9
March	85.8	104.0	106.2	101.1	103.9	119.9
April	85.5	104.5	106.8	101.5	103.9	119.9
May	85.9	104.8	107.4	101.6	103.9	119.9
June	85.9	105.0	107.9	101.6	103.9	119.9
July	86.0	105.2	108.2	101.6	103.9	120.3
August	86.1	105.2	108.2	101.6	103.9	120.3
September	85.7	105.2	108.2	101.6	103.9	120.3
October	85.2	105.2	108.3	101.6	103.9	120.3
November	84.7	105.2	108.3	101.6	103.9	120.3
December	84.1	105.2	108.3	101.6	103.9	120.3
2004 January	84.5	105.4	108.6	101.6	103.9	120.3
February	84.0	105.4	108.6	101.6	103.9	120.3
March	84.1	105.4	108.6	101.6	103.9	120.3
April	83.9	105.4	108.6	101.6	103.9	120.3
May	83.7	105.4	108.6	101.6	103.9	120.3
June	83.8	105.4	108.6	101.6	103.9	120.3
July	83.6	105.4	108.6	101.7	103.9	120.3
August	83.7	105.4	108.6	101.7	103.9	120.3
September	83.5	105.5	108.7	101.7	103.9	120.5
October*	83.2	105.4	108.6	101.7	103.9	120.5
November*	83.0	105.4	108.6	101.7	103.9	120.5
December*	83.0	105.4	108.5	101.7	103.9	120.5

* Subject to revision

Table 3.3
Monthly Producer Price Indices - Continued
(June 1995 = 100)

	Public Switched Toll Service	Residence Switched Toll Service	Intrastate Residence Switched Toll Service	Interstate Residence Switched Toll Service	International Residence Switched Toll Service	Business Switched Toll Service	Business Switched Access Toll Service
NAICS Series ID	5171102	51711021	517110211	517110212	517110213	51711022	517110221
1999 January	93.9	97.3	97.2	105.0	72.7	89.9	100.0
February	92.5	95.4	96.4	102.0	69.6	89.1	99.7
March	93.3	96.9	97.0	106.0	68.0	89.0	100.0
April	94.5	97.6	96.6	108.0	69.1	90.8	101.2
May	93.9	97.3	96.8	106.8	69.5	89.9	100.5
June	94.2	97.4	96.7	107.2	69.3	90.5	101.9
July	91.1	98.4	97.2	108.7	71.6	82.4	93.8
August	91.7	99.4	97.5	110.1	73.9	82.5	95.8
September	91.4	99.0	96.6	110.1	73.1	82.4	94.8
October	90.5	97.6	96.9	107.5	69.7	82.1	94.1
November	88.8	95.4	95.2	104.0	67.0	80.9	92.4
December	89.3	95.8	94.3	106.6	65.8	81.5	93.4
2000 January	89.7	96.5	94.8	107.4	67.5	81.6	95.4
February	88.4	94.1	96.2	100.1	65.9	81.6	92.9
March	89.7	96.2	95.0	105.9	68.2	82.1	95.3
April	88.3	94.6	94.4	102.8	67.0	80.8	93.4
May	87.0	92.9	93.6	99.3	65.7	80.0	93.2
June	88.3	95.1	94.4	104.1	67.0	80.3	94.0
July	87.8	94.3	93.8	102.1	68.0	80.0	94.6
August	87.7	94.2	93.8	102.2	67.2	80.0	94.5
September	87.3	94.8	93.9	104.7	64.5	78.4	92.6
October	86.6	93.2	93.5	101.7	61.6	78.8	93.1
November	85.6	92.6	93.5	101.7	58.4	77.3	91.5
December	85.9	93.0	93.7	101.8	60.2	77.5	91.1
2001 January	84.2	92.2	93.3	107.4	60.9	74.7	87.6
February	83.8	92.1	94.1	99.5	61.8	73.9	87.9
March	83.9	92.4	94.7	98.2	61.3	73.8	87.5
April	83.4	92.1	94.3	98.6	61.3	73.0	87.2
May	83.1	92.2	94.3	98.2	60.4	72.2	85.8
June	82.4	91.4	95.2	98.9	57.4	71.6	84.7
July	81.9	91.3	95.6	96.9	57.9	70.7	84.3
August	82.5	92.8	95.8	96.0	54.8	70.2	83.2
September	82.7	91.7	95.9	101.2	52.9	72.0	84.3
October	79.2	88.4	94.9	92.2	49.7	68.2	80.5
November	79.1	89.0	95.5	94.7	45.6	67.4	77.6
December	77.4	88.2	96.0	92.4	44.5	64.6	74.6
2002 January	75.7	86.7	95.4	89.1	43.9	62.7	72.7
February	75.0	85.2	95.8	85.4	42.4	62.8	73.3
March	74.6	84.5	95.6	84.8	40.2	62.8	73.6
April	73.8	83.9	95.3	82.9	41.2	61.9	73.4
May	74.5	83.5	95.3	82.1	40.6	63.7	73.7
June	74.2	83.3	95.1	81.3	41.6	63.3	74.3
July	73.3	83.1	94.7	80.9	42.1	61.5	72.1
August	74.1	84.1	96.9	81.5	42.3	62.0	72.4
September	73.8	83.0	96.9	78.8	41.4	62.8	72.8
October	69.7	77.1	96.8	63.6	39.4	60.7	71.1
November	71.4	80.9	96.4	74.9	38.3	60.2	69.8
December	70.7	80.9	95.7	75.4	38.5	58.6	69.1
2003 January	70.0	79.9	95.6	73.0	38.2	58.3	68.5
February	70.4	79.7	87.4	81.2	37.2	59.2	68.9
March	70.2	79.8	87.4	81.6	37.0	58.7	67.9
April	69.4	78.2	86.9	78.2	35.6	58.9	68.7
May	69.8	79.5	87.1	82.2	34.4	58.3	67.1
June	69.7	78.9	87.1	80.7	33.8	58.7	68.3
July	69.8	79.4	86.9	81.3	36.3	58.4	67.0
August	69.9	79.5	86.7	82.2	35.4	58.5	67.2
September	69.3	78.1	85.9	79.8	33.9	58.7	67.7
October	68.3	77.6	85.4	79.5	32.5	57.4	66.5
November	67.4	76.1	84.7	76.5	31.8	57.0	64.9
December	66.3	74.6	83.7	73.5	31.3	56.3	64.6
2004 January	66.7	75.4	83.1	76.6	30.8	56.4	64.7
February	65.9	74.1	82.6	73.1	31.4	56.1	64.3
March	66.1	74.7	82.2	76.4	29.1	55.8	63.9
April	65.8	74.4	82.1	75.2	29.9	55.5	63.4
May	65.4	74.3	82.0	75.3	29.1	54.9	62.5
June	65.5	74.3	82.1	75.7	28.5	55.0	62.9
July	65.2	74.4	82.3	75.1	29.5	54.2	62.4
August	65.3	75.0	82.5	76.8	29.6	53.9	62.0
September	64.9	74.3	81.9	75.7	28.7	53.8	61.8
October*	64.3	74.0	82.2	74.9	28.2	52.8	60.4
November*	64.0	73.3	81.9	74.0	26.4	52.9	61.1
December*	63.9	73.4	81.8	74.3	27.0	52.7	60.4

* Subject to revision

Table 3.3
Monthly Producer Price Indices - Continued
(June 1995 = 100)

NAICS Series ID	5171102211	51711022111	51711022112	51711022113	5171102212	51711022121	51711022122	51711022123	
1999	Outbound Business Switched Access Toll Service	Intrastate Business Switched Access Toll Service, Outbound	Interstate Business Switched Access Toll Service, Outbound	International Business Switched Access Toll Service, Outbound	Inbound Business Switched Access Toll Service	Intrastate Business Switched Access Toll Service, Inbound	Interstate Business Switched Access Toll Service, Inbound	International Business Switched Access Toll Service, Inbound	
January	108.1	104.7	122.2	88.1	86.0	75.3	79.6	69.9	
February	106.4	104.5	118.4	86.2	88.0	78.0	83.4	65.2	
March	107.5	104.9	120.3	88.0	87.0	74.7	82.9	65.4	
April	107.9	104.3	122.2	88.1	89.4	76.5	86.8	70.9	
May	107.9	104.1	120.6	92.3	87.8	74.4	83.7	75.7	
June	110.5	104.7	123.8	100.2	86.9	73.6	82.4	74.5	
July	100.0	102.5	104.6	84.2	83.0	70.7	74.5	79.3	
August	103.2	102.9	112.9	83.5	83.0	70.0	75.3	74.4	
September	101.8	102.5	110.4	82.1	82.5	69.8	74.8	69.0	
October	100.0	102.3	109.6	72.6	83.7	70.5	76.1	79.9	
November	98.8	101.9	108.1	69.3	81.3	68.3	72.3	74.7	
December	99.3	101.9	107.0	75.4	83.1	69.7	75.0	81.2	
2000	January	102.1	102.4	109.9	85.2	83.8	70.7	76.6	76.2
February	98.5	101.5	104.8	76.9	83.2	70.2	75.7	75.0	
March	101.4	103.0	113.6	69.3	84.6	76.1	74.9	80.1	
April	100.0	102.0	110.5	70.5	81.9	69.5	74.6	58.9	
May	100.5	102.0	110.5	74.0	80.7	68.4	72.7	56.5	
June	100.6	102.2	111.1	72.6	82.6	68.8	77.4	52.0	
July	101.6	102.2	110.5	80.9	82.5	68.7	77.3	51.0	
August	101.6	102.2	110.8	80.3	82.2	68.3	76.6	54.1	
September	100.1	102.0	110.0	73.0	79.5	61.9	74.2	51.9	
October	98.9	101.8	108.2	69.6	83.1	69.4	78.2	52.9	
November	97.5	101.3	105.6	68.3	81.1	67.5	75.2	46.9	
December	96.9	100.8	103.0	72.4	81.1	67.2	74.8	52.5	
2001	January	92.1	99.4	95.6	62.8	79.7	65.8	72.5	51.1
February	91.2	99.0	95.5	58.0	82.2	68.5	77.3	46.8	
March	91.0	99.5	92.7	62.2	81.5	67.6	75.7	51.4	
April	91.0	98.4	96.1	57.1	80.6	66.3	74.5	50.7	
May	89.3	97.7	93.2	55.1	79.7	66.4	72.3	49.6	
June	87.0	98.0	86.7	55.3	80.6	66.7	74.3	49.3	
July	87.1	98.4	86.3	55.3	79.4	67.5	71.0	49.3	
August	86.2	98.3	85.6	51.9	77.8	64.9	69.1	47.4	
September	88.2	97.6	91.1	53.3	77.6	63.5	68.9	51.9	
October	81.5	95.4	77.6	48.9	78.6	66.8	70.1	45.9	
November	80.2	96.7	70.8	53.5	73.2	62.0	60.2	45.4	
December	74.6	93.4	60.7	51.3	74.5	56.5	66.9	40.4	
2002	January	72.6	93.3	56.2	48.9	72.7	60.8	37.4	
February	72.3	93.3	55.1	49.3	75.1	62.6	64.7	37.9	
March	73.3	93.1	57.4	50.9	74.1	63.2	61.9	39.8	
April	72.7	92.8	54.5	53.9	74.7	60.7	65.2	36.4	
May	72.4	91.7	49.7	64.2	76.1	63.3	66.2	41.0	
June	72.9	92.1	52.9	61.1	76.7	62.5	67.0	41.0	
July	70.5	91.9	49.4	53.4	74.8	63.2	63.5	39.4	
August	69.3	91.8	48.7	48.4	77.6	64.7	68.2	42.1	
September	69.7	91.8	49.0	50.2	78.0	64.9	67.6	55.1	
October	68.3	91.4	48.9	43.0	75.9	62.6	64.0	58.4	
November	67.7	91.0	48.2	42.2	73.6	61.0	61.5	45.7	
December	66.0	90.5	44.4	40.9	74.4	60.2	63.9	45.3	
2003	January	65.3	90.2	42.5	41.6	73.9	62.9	52.2	
February	64.4	89.9	41.1	39.8	76.7	63.2	65.9	54.3	
March	64.4	90.0	40.6	40.4	74.0	63.3	60.2	52.6	
April	64.4	89.4	41.4	40.4	76.0	63.4	64.2	55.4	
May	62.3	89.1	37.6	36.8	75.5	63.5	62.6	57.5	
June	63.0	89.2	37.8	39.8	77.4	64.6	66.4	54.8	
July	61.8	88.9	34.5	40.4	75.9	64.5	61.9	65.5	
August	62.0	88.8	34.3	41.9	76.1	64.6	62.9	60.3	
September	61.3	88.8	34.4	38.1	78.6	67.2	65.8	68.8	
October	61.1	88.7	35.5	35.1	75.8	64.3	62.7	59.8	
November	60.0	88.5	32.9	34.4	73.3	62.4	59.8	47.7	
December	59.5	88.3	31.9	33.7	73.4	60.0	61.7	46.1	
2004	January	59.2	88.2	32.1	32.0	74.0	61.2	43.1	
February	58.3	87.2	30.4	32.7	74.5	60.0	64.6	41.7	
March	58.4	88.1	30.5	30.4	73.3	60.5	62.4	35.8	
April	57.8	87.5	29.4	31.0	72.9	60.9	60.9	39.6	
May	57.1	86.9	28.5	30.2	71.6	60.5	58.4	39.5	
June	57.4	87.1	28.7	30.9	72.5	60.2	60.6	38.8	
July	57.0	87.0	27.6	31.4	71.5	59.8	58.5	40.4	
August	57.1	86.7	27.9	31.5	70.6	61.0	55.6	40.4	
September	56.6	86.6	27.2	30.6	70.8	61.3	56.0	39.8	
October*	54.7	85.0	24.9	27.9	70.2	60.8	55.3	38.5	
November*	55.1	86.1	25.3	27.2	71.3	60.9	58.0	35.1	
December*	55.0	85.4	25.1	28.3	69.7	60.0	54.7	39.0	

* Subject to revision

Table 3.3
Monthly Producer Price Indices - Continued
(June 1995 = 100)

	Business Special Access Switched Toll Service, except Private Lines	Outbound Business Special Access Switched Toll Service	Intrastate Business Special Access Switched Toll Service, Outbound	Interstate Business Special Access Switched Toll Service, Outbound	International Business Special Access Switched Toll Service, Outbound	Inbound Business Special Access Switched Toll Service	Intrastate Business Special Access Switched Toll Service, Inbound
NAICS Series ID	517110222	5171102221	51711022211	51711022212	51711022213	5171102222	51711022221
1999							
January	72.9	65.4	67.0	61.4	68.5	86.3	77.3
February	71.2	63.5	63.0	58.3	68.0	84.9	84.6
March	70.5	62.3	63.5	58.5	63.8	85.2	80.3
April	73.3	64.7	69.5	63.6	61.5	88.6	79.8
May	72.0	63.1	66.0	63.5	57.7	85.0	79.9
June	71.2	60.0	61.9	60.0	54.2	91.2	83.8
July	63.0	58.3	61.5	56.6	53.6	71.6	64.0
August	60.1	51.5	54.5	53.1	38.7	75.7	67.4
September	61.4	54.2	58.7	55.0	43.4	74.4	65.5
October	61.9	57.6	60.8	57.3	50.6	69.5	59.5
November	61.4	53.9	54.0	51.2	50.1	74.8	65.6
December	61.5	56.0	56.3	53.7	52.5	71.2	61.6
2000							
January	58.2	50.6	47.0	44.9	51.3	71.9	62.4
February	62.4	55.5	55.3	51.9	53.8	74.8	66.0
March	59.7	52.6	52.3	49.4	49.1	72.5	63.1
April	59.7	53.2	52.6	50.2	49.7	71.3	61.6
May	57.7	51.7	50.0	48.3	48.6	68.5	58.3
June	57.0	50.5	51.3	48.4	43.8	68.8	58.6
July	55.4	49.0	49.4	48.0	40.3	66.8	56.1
August	55.6	48.7	50.3	48.2	38.5	67.9	57.4
September	54.3	46.5	46.3	45.5	36.9	68.3	57.9
October	54.7	48.9	49.2	46.8	41.6	65.3	54.3
November	53.3	48.2	49.1	47.2	38.7	62.5	50.9
December	54.5	45.7	45.5	44.2	36.4	70.3	60.5
2001							
January	53.0	43.8	40.7	39.4	39.0	69.5	59.5
February	50.2	42.8	43.1	39.7	34.4	63.5	52.1
March	50.7	41.9	41.1	39.5	32.2	66.5	55.4
April	48.9	41.3	47.0	34.8	35.4	62.4	52.9
May	49.3	41.4	49.5	35.5	33.8	63.4	58.5
June	49.6	40.7	44.4	34.9	34.4	65.5	56.8
July	47.9	41.1	41.5	38.7	30.8	60.1	49.9
August	48.4	39.5	37.5	34.6	33.0	64.4	57.7
September	51.2	43.5	49.1	37.2	38.5	65.1	58.5
October	47.4	40.7	49.7	33.6	34.1	59.6	53.3
November	50.2	41.9	29.5	32.6	47.3	65.0	60.8
December	47.7	40.2	47.8	30.0	38.8	61.3	53.4
2002							
January	46.0	36.9	47.2	25.7	34.9	62.8	62.8
February	45.3	39.1	48.3	29.4	36.1	56.2	45.7
March	44.9	38.9	52.2	28.3	35.5	55.3	48.1
April	42.8	36.8	53.8	25.0	33.1	53.5	45.4
May	46.7	39.4	50.0	30.2	34.8	59.9	57.0
June	45.0	38.7	49.0	29.5	34.2	56.2	51.9
July	43.9	38.1	49.7	27.7	34.5	54.2	48.5
August	44.8	38.4	43.7	29.4	35.0	56.2	51.2
September	45.9	40.0	52.1	30.4	35.8	56.3	50.5
October	43.3	36.8	45.8	27.0	33.0	54.8	47.2
November	43.9	37.9	47.7	28.6	33.3	54.5	46.3
December	41.2	35.4	43.1	24.3	33.5	51.6	46.6
2003							
January	41.5	34.9	47.3	25.1	29.0	53.2	54.0
February	42.8	36.1	42.5	27.3	31.0	54.8	46.7
March	43.1	37.4	46.8	29.7	29.9	53.2	51.5
April	42.6	36.3	47.1	25.3	33.3	53.9	47.8
May	43.4	37.5	41.8	28.1	35.1	53.7	50.8
June	42.6	35.9	44.2	26.2	31.7	54.7	46.9
July	43.7	39.4	51.1	31.0	32.9	51.0	51.0
August	43.9	38.8	49.6	30.0	33.2	52.5	44.3
September	43.5	38.6	50.5	29.0	34.1	51.7	52.3
October	41.9	36.7	46.2	28.4	29.8	51.0	48.1
November	43.5	38.7	49.3	30.5	32.2	51.6	50.2
December	42.3	36.9	46.9	28.5	30.2	51.6	48.8
2004							
January	42.4	36.6	47.4	28.1	29.6	52.5	49.4
February	42.3	37.1	42.6	31.7	26.8	51.3	46.9
March	42.0	35.6	42.4	29.6	25.4	53.5	50.0
April	42.0	36.1	46.0	29.7	25.3	52.4	46.7
May	41.8	36.0	43.6	29.7	26.0	52.2	48.4
June	41.6	35.7	43.8	29.3	25.5	52.0	50.5
July	40.4	35.1	43.0	27.7	26.5	49.8	47.7
August	40.0	34.5	44.1	26.4	26.2	49.8	48.4
September	40.2	34.4	45.0	26.8	25.1	50.5	51.7
October*	39.8	34.6	44.0	26.5	26.5	48.8	48.0
November*	39.1	33.9	41.2	26.1	25.6	48.3	45.0
December*	39.5	33.9	42.2	26.1	25.4	49.5	47.2

* Subject to revision

Table 3.3
Monthly Producer Price Indices - Continued
(June 1995 = 100)

	Interstate Business Special Access Switched Toll Service, Inbound	International Business Special Access Switched Toll Service, Inbound	Other Toll Service	Private Line Service	Intrastate Private Line Service	Other Telephone Services
NAICS Series ID	51711022222	51711022223	51711029	5171103	51711031	5171109
1999						
January	97.6	96.0	101.5	100.2	100.6	100.8
February	93.0	96.1	101.5	100.3	100.8	100.8
March	94.7	96.0	101.5	100.3	100.8	100.8
April	101.2	96.2	101.4	100.3	100.8	100.8
May	100.0	96.2	102.0	100.3	100.8	100.8
June	104.9	96.9	100.1	100.3	100.8	100.8
July	74.2	97.1	101.6	100.3	100.8	100.2
August	80.7	96.5	100.0	100.3	100.8	100.2
September	79.0	96.2	101.9	100.3	100.8	100.8
October	71.6	92.1	100.0	100.3	100.8	100.8
November	79.6	85.0	98.8	100.3	100.8	100.9
December	74.3	84.5	99.1	100.4	101.2	100.4
2000						
January	75.2	90.6	99.1	100.4	101.2	100.7
February	79.5	90.0	99.6	100.4	101.2	100.9
March	76.1	90.8	100.2	100.4	101.2	100.5
April	74.3	88.5	100.6	100.4	101.2	100.6
May	70.2	89.1	100.3	100.4	101.2	100.0
June	70.6	89.1	100.8	100.4	101.2	100.0
July	67.6	85.2	100.6	100.4	101.2	100.7
August	69.2	93.0	100.3	100.4	101.2	100.6
September	69.8	95.5	100.4	100.4	101.2	101.3
October	65.2	93.0	99.3	100.4	101.1	100.0
November	61.2	78.2	99.8	100.4	101.2	101.3
December	72.9	88.8	95.6	100.4	101.2	101.0
2001						
January	71.6	84.2	101.7	100.4	101.1	101.5
February	62.7	81.3	102.9	100.4	101.0	101.5
March	67.2	84.5	101.0	100.4	101.0	101.5
April	60.4	90.4	101.6	100.4	101.0	101.5
May	60.6	90.1	101.4	100.3	100.7	101.5
June	65.0	93.2	101.2	100.3	101.0	101.5
July	56.9	92.6	100.3	100.3	101.0	101.4
August	62.8	88.5	100.2	100.3	101.0	101.4
September	63.7	87.7	101.0	100.5	101.5	101.5
October	55.1	85.7	100.6	100.6	101.7	101.5
November	63.0	80.7	100.3	100.6	101.7	101.7
December	58.3	70.4	101.6	100.6	101.7	101.7
2002						
January	58.4	78.6	102.4	100.6	101.7	101.7
February	50.6	76.0	100.5	100.6	101.9	101.7
March	48.4	77.2	99.2	100.6	101.9	101.7
April	45.6	75.6	99.2	100.7	102.2	101.7
May	54.5	74.4	99.9	100.8	102.3	101.6
June	48.9	74.6	100.1	100.9	102.5	101.6
July	46.1	74.2	99.5	100.9	102.7	101.6
August	49.1	75.6	99.6	100.9	102.7	101.6
September	49.6	75.2	99.5	100.9	102.7	101.6
October	47.6	73.5	95.9	101.3	103.7	101.9
November	47.3	74.5	96.4	101.3	103.7	101.8
December	41.6	74.0	93.9	101.3	103.7	102.0
2003						
January	42.7	73.9	91.5	101.3	103.7	102.0
February	47.7	74.4	92.4	101.3	103.7	101.9
March	43.4	60.9	90.5	101.3	103.7	101.9
April	45.8	61.3	90.4	101.3	103.7	101.9
May	44.5	59.2	87.2	101.3	103.7	101.9
June	47.5	55.4	86.9	101.3	103.7	101.9
July	39.4	56.4	85.6	101.2	103.6	101.9
August	44.2	54.6	86.7	101.2	103.6	101.7
September	40.4	56.2	84.9	101.2	103.6	101.7
October	40.2	58.6	84.1	101.2	103.6	101.9
November	40.8	52.4	82.7	101.2	103.6	101.9
December	41.1	52.3	81.6	101.2	103.6	101.9
2004						
January	42.7	55.6	82.9	101.2	103.6	101.9
February	41.1	54.3	80.7	101.2	103.6	101.9
March	44.4	62.6	78.7	101.2	103.6	101.8
April	43.3	48.5	77.4	101.2	103.6	101.8
May	42.4	46.9	76.9	101.2	103.6	101.8
June	41.4	49.2	75.2	101.2	103.6	101.8
July	38.2	46.6	74.6	101.2	103.6	101.8
August	38.0	45.1	73.3	101.2	103.6	101.8
September	38.2	44.4	74.0	101.3	103.8	101.8
October*	36.1	44.1	71.9	101.2	103.6	102.0
November*	36.0	37.1	71.2	101.2	103.6	102.0
December*	37.7	38.1	71.7	101.2	103.6	102.0

* Subject to revision

Appendix

Residential Rate Review

Please update these data for October 15, 2004

I. Access Rates	Generally Available Service		Subsidized Services Such as Lifeline	
	(#1) Unlimited or Flat-Rate Service	(#2) Measured or Message Service	(#3) Unlimited or Flat-Rate Service	(#4) Measured or Message Service
Monthly Charges per line (Express all figures in DOLLAR amounts)				
a. Recurring service charge incl. touch-tone b. Federal subscriber line charge (SLC) c. State subscriber line charge				
d1. Federally tariffed local number portability (LNP) surcharge d2. Federal universal service surcharge on Federal SLC and LNP d3. Other mandatory surcharges (such as gross receipts tax, regulatory fees or passthrough charges on the State SLC) accounted as company revenue				
d4. Tax or surcharge for funding 911 service d5. Federal excise tax d6. Intrastate telecommunications relay service (TRS or relay) tax or surcharge d7. Tot. other taxes (sales, excise, etc.) levied on customers by state, county, local govts. e. Total Surcharges and Taxes (sum d1 to d7)				
f. Total Monthly Recurring Charge = a + b + c + e				
g. Lowest monthly inside wiring plan h. Optional extended area plan				
Charges for calls in local service area i. Number of voice calls or message units included in monthly rate if message service j. Dollar calling allowance for voice calls incl. in monthly rate if measured service k. Charge for a 5-minute, business day, same-zone voice call				
II. Service Connection Charges			Normal Service	Subsidized Service (e.g., Link-Up)
a. Total connection charge for residential service if no premises visit is required b. Minimum additional charge if drop line and terminal block are needed to connect service. Do not include any inside wiring charges.				
III. Other Mandatory Charges for Connection			Normal Service	Subsidized Service (e.g., Link-Up)
a. Mandatory surcharges on connection accounted as company revenue (in dollars) b. State, county, and local taxes and surcharges on connection (total in dollars) c. Other mandatory connection charges (in dollars)				
Notes				

Form Completed by: _____

Contact Telephone Number: _____

Contact E-mail: _____

Business Rate Review

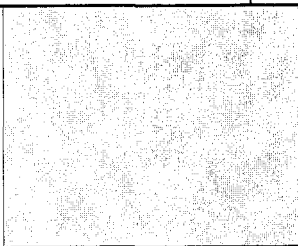
Please update these data for October 15, 2004

I. Access Rates

Monthly Charges per line (Express all figures in DOLLAR amounts)	Single Line Business	
	Unlimited Service	Measured Service
a. Recurring service charge (including touch-tone)		
b. Federal subscriber line charge (SLC)		
c. State subscriber line charge		
d1. Federally tariffed local number portability (LNP) surcharge		
d2. Federal universal service surcharge on the Fed. SLC and LNP		
d3. Other mandatory surcharges (such as gross receipts tax, regulatory or passthrough charges on the State SLC) accounted as company revenue		
d4. Tax or surcharge for funding 911 service		
d5. Federal excise tax		
d6. Intrastate telecommunications relay service (TRS or relay) tax		
d7. Total other taxes (such as sales, excise, etc.) levied on customers by state, county, local governments		
e. Total Surcharges and Taxes (sum d1 to d7)		
f. Total Monthly Recurring Charge = a + b + c + e		
g. Lowest monthly inside wiring		

Charges for calls in the local service area

- h. The number of voice calls or message units included in the monthly recurring rate if message service
- i. The dollar calling allowance for voice calls included in the monthly recurring rate if measured service
- j. The charge for a 5-minute, business day, same-zone voice call



II. Service Connection Charges

Single Line Business

- a. Total connection charge for single-line business service. Assume no premise visit is required.
- b. Minimum additional charge if drop line and terminal block are needed to connect service. Do not include any inside wiring charges. Do not include the cost of an NT1 interface or power supply for ISDN lines.

III. Other Mandatory Charges for Connection

- a. Mandatory surcharges on connection accounted as company revenue (in dollars)
- b. State, county, and local taxes and surcharges on connection (total in dollars)
- c. Other mandatory connection charges (in dollars)

IV. Payphone Charges

- a. Tariff rate for a 5-minute, business day, same-zone call at a company-owned payphone

Notes

Form Completed by: _____

Contact Telephone Number: _____

Contact E-mail: _____

Customer Response

Publication: *Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service, 2005.*

You can help us provide the best possible information to the public by completing this form and returning it to the Industry Analysis & Technology Division of the FCC's Wireline Competition Bureau.

1. Please check the category that best describes you:

- press
- current telecommunications carrier
- potential telecommunications carrier
- business customer evaluating vendors/service options
- consultant, law firm, lobbyist
- other business customer
- academic/student
- residential customer
- FCC employee
- other federal government employee
- state or local government employee
- Other (please specify)

2. Please rate the report:	Excellent	Good	Satisfactory	Poor	No opinion
Data accuracy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Data presentation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Timeliness of data	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Completeness of data	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Text clarity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Completeness of text	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Overall, how do you rate this report?	Excellent	Good	Satisfactory	Poor	No opinion
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. How can this report be improved?

5. May we contact you to discuss possible improvements?

Name:

Telephone #:

Questions? Contact Paul Zimmerman at 202-418-7285 or email paul.zimmerman@fcc.gov		
Fax this response to	Or	Mail this response to
202-418-0520		FCC/IATD Washington, D.C. 20554

Dkt. No. _____
D. Blessing Ex. No. ____ (DCB-24)
Household Income

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Alltel Florida, Inc.'s Petition)
To Reduce Intrastate Switched Network)
Access Rates In A Revenue Neutral)
Manner Pursuant to Section 364.164,)
Florida Statutes)
_____)

Exhibit DCB-24

US Census Bureau, 2003 Household Income and Expenditures.

Subject	Households	Families			Nonfamily households
		Total	Married-couple families	Female householder, no husband present	
NUMBER					
Total	6,341,121	4,238,409	3,242,027	739,159	2,102,712
Less than \$10,000	606,995	243,787	94,603	125,499	390,446
\$10,000 to \$14,999	427,050	195,528	95,733	81,379	247,440
\$15,000 to \$19,999	442,980	243,855	138,440	82,006	214,256
\$20,000 to \$24,999	475,475	280,154	176,352	77,963	206,375
\$25,000 to \$29,999	460,353	289,511	196,153	67,583	177,432
\$30,000 to \$34,999	441,101	290,003	209,018	57,671	152,214
\$35,000 to \$39,999	400,470	275,917	208,448	48,390	121,313
\$40,000 to \$44,999	379,192	268,173	210,563	40,327	105,609
\$45,000 to \$49,999	323,892	238,828	194,276	31,131	78,703
\$50,000 to \$59,999	564,222	427,901	361,843	45,059	123,509
\$60,000 to \$74,999	606,347	479,487	423,619	36,996	109,642
\$75,000 to \$99,999	552,379	452,986	412,552	26,048	82,563
\$100,000 to \$124,999	271,522	225,543	210,860	8,945	38,614
\$125,000 to \$149,999	127,338	107,192	101,269	3,897	16,664
\$150,000 to \$199,999	114,432	96,551	91,649	2,756	15,307
\$200,000 or more	147,373	122,993	116,649	3,509	22,625
Median income (dollars)	38,819	45,625	52,202	25,185	24,799
Mean income (dollars)	53,504	61,238	69,358	32,351	35,392
PERCENT DISTRIBUTION					
Total	100.0	100.0	100.0	100.0	100.0
Less than \$10,000	9.6	5.8	2.9	17.0	18.6
\$10,000 to \$14,999	6.7	4.6	3.0	11.0	11.8
\$15,000 to \$19,999	7.0	5.8	4.3	11.1	10.2
\$20,000 to \$24,999	7.5	6.6	5.4	10.5	9.8
\$25,000 to \$29,999	7.3	6.8	6.1	9.1	8.4
\$30,000 to \$34,999	7.0	6.8	6.4	7.8	7.2
\$35,000 to \$39,999	6.3	6.5	6.4	6.5	5.8
\$40,000 to \$44,999	6.0	6.3	6.5	5.5	5.0
\$45,000 to \$49,999	5.1	5.6	6.0	4.2	3.7
\$50,000 to \$59,999	8.9	10.1	11.2	6.1	5.9
\$60,000 to \$74,999	9.6	11.3	13.1	5.0	5.2
\$75,000 to \$99,999	8.7	10.7	12.7	3.5	3.9
\$100,000 to \$124,999	4.3	5.3	6.5	1.2	1.8
\$125,000 to \$149,999	2.0	2.5	3.1	0.5	0.8
\$150,000 to \$199,999	1.8	2.3	2.8	0.4	0.7
\$200,000 or more	2.3	2.9	3.6	0.5	1.1
Families					
Subject	Households	Total	Married-couple families	Female householder, no husband present	Nonfamily households

Subject	Households	Families		Nonfamily households
		Total	Female householder, no husband present	

(X) Not applicable.

Source: U.S. Census Bureau, Census 2000 Summary File 3, Matrices P52, P53, P54, P79, P80, P81, PCT38, PCT40, and PCT41.

Dkt. No _____
D. Blessing Ex. No. ____ (DCB-25)
CPI

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Alltel Florida, Inc.'s Petition)
To Reduce Intrastate Switched Network)
Access Rates In A Revenue Neutral)
Manner Pursuant to Section 364.164,)
Florida Statutes)
_____)

Exhibit DCB-25

CPI - All Urban Consumers - All Items - Year to Year Average Change in CPI; U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C. 20212; Consumer Price Index, All Urban Consumers – (CPI-U), U.S. City Average – All Items.

Annual CPI Changes

1982-84=100

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.
1913	9.8	9.8	9.8	9.8	9.7	9.8	9.9	9.9	10.0	10.0
1914	10.0	9.9	9.9	9.8	9.9	9.9	10.0	10.2	10.2	10.1
1915	10.1	10.0	9.9	10.0	10.1	10.1	10.1	10.1	10.1	10.2
1916	10.4	10.4	10.5	10.6	10.7	10.8	10.8	10.9	11.1	11.3
1917	11.7	12.0	12.0	12.6	12.8	13.0	12.8	13.0	13.3	13.5
1918	14.0	14.1	14.0	14.2	14.5	14.7	15.1	15.4	15.7	16.0
1919	16.5	16.2	16.4	16.7	16.9	16.9	17.4	17.7	17.8	18.1
1920	19.3	19.5	19.7	20.3	20.6	20.9	20.8	20.3	20.0	19.9
1921	19.0	18.4	18.3	18.1	17.7	17.6	17.7	17.7	17.5	17.5
1922	16.9	16.9	16.7	16.7	16.7	16.7	16.8	16.6	16.6	16.7
1923	16.8	16.8	16.8	16.9	16.9	17.0	17.2	17.1	17.2	17.3
1924	17.3	17.2	17.1	17.0	17.0	17.0	17.1	17.0	17.1	17.2
1925	17.3	17.2	17.3	17.2	17.3	17.5	17.7	17.7	17.7	17.7
1926	17.9	17.9	17.8	17.9	17.8	17.7	17.5	17.4	17.5	17.6
1927	17.5	17.4	17.3	17.3	17.4	17.6	17.3	17.2	17.3	17.4
1928	17.3	17.1	17.1	17.1	17.2	17.1	17.1	17.1	17.3	17.2
1929	17.1	17.1	17.0	16.9	17.0	17.1	17.3	17.3	17.3	17.3
1930	17.1	17.0	16.9	17.0	16.9	16.8	16.6	16.5	16.6	16.5
1931	15.9	15.7	15.6	15.5	15.3	15.1	15.1	15.1	15.0	14.9
1932	14.3	14.1	14.0	13.9	13.7	13.6	13.6	13.5	13.4	13.3
1933	12.9	12.7	12.6	12.6	12.6	12.7	13.1	13.2	13.2	13.2
1934	13.2	13.3	13.3	13.3	13.3	13.4	13.4	13.4	13.6	13.5
1935	13.6	13.7	13.7	13.8	13.8	13.7	13.7	13.7	13.7	13.7
1936	13.8	13.8	13.7	13.7	13.7	13.8	13.9	14.0	14.0	14.0
1937	14.1	14.1	14.2	14.3	14.4	14.4	14.5	14.5	14.6	14.6
1938	14.2	14.1	14.1	14.2	14.1	14.1	14.1	14.1	14.1	14.0
1939	14.0	13.9	13.9	13.8	13.8	13.8	13.8	13.8	14.1	14.0
1940	13.9	14.0	14.0	14.0	14.0	14.1	14.0	14.0	14.0	14.0
1941	14.1	14.1	14.2	14.3	14.4	14.7	14.7	14.9	15.1	15.3
1942	15.7	15.8	16.0	16.1	16.3	16.3	16.4	16.5	16.5	16.7
1943	16.9	16.9	17.2	17.4	17.5	17.5	17.4	17.3	17.4	17.4
1944	17.4	17.4	17.4	17.5	17.5	17.6	17.7	17.7	17.7	17.7
1945	17.8	17.8	17.8	17.8	17.9	18.1	18.1	18.1	18.1	18.1
1946	18.2	18.1	18.3	18.4	18.5	18.7	19.8	20.2	20.4	20.8
1947	21.5	21.5	21.9	21.9	21.9	22.0	22.2	22.5	23.0	23.0
1948	23.7	23.5	23.4	23.8	23.9	24.1	24.4	24.5	24.5	24.4
1949	24.0	23.8	23.8	23.9	23.8	23.9	23.7	23.8	23.9	23.7
1950	23.5	23.5	23.6	23.6	23.7	23.8	24.1	24.3	24.4	24.6
1951	25.4	25.7	25.8	25.8	25.9	25.9	25.9	25.9	26.1	26.2
1952	26.5	26.3	26.3	26.4	26.4	26.5	26.7	26.7	26.7	26.7
1953	26.6	26.5	26.6	26.6	26.7	26.8	26.8	26.9	26.9	27.0
1954	26.9	26.9	26.9	26.8	26.9	26.9	26.9	26.9	26.8	26.8
1955	26.7	26.7	26.7	26.7	26.7	26.7	26.8	26.8	26.9	26.9
1956	26.8	26.8	26.8	26.9	27.0	27.2	27.4	27.3	27.4	27.5
1957	27.6	27.7	27.8	27.9	28.0	28.1	28.3	28.3	28.3	28.3
1958	28.6	28.6	28.8	28.9	28.9	28.9	29.0	28.9	28.9	28.9
1959	29.0	28.9	28.9	29.0	29.0	29.1	29.2	29.2	29.3	29.4

1960	29.3	29.4	29.4	29.5	29.5	29.6	29.6	29.6	29.6	29.8
1961	29.8	29.8	29.8	29.8	29.8	29.8	30.0	29.9	30.0	30.0
1962	30.0	30.1	30.1	30.2	30.2	30.2	30.3	30.3	30.4	30.4
1963	30.4	30.4	30.5	30.5	30.5	30.6	30.7	30.7	30.7	30.8
1964	30.9	30.9	30.9	30.9	30.9	31.0	31.1	31.0	31.1	31.1
1965	31.2	31.2	31.3	31.4	31.4	31.6	31.6	31.6	31.6	31.7
1966	31.8	32.0	32.1	32.3	32.3	32.4	32.5	32.7	32.7	32.9
1967	32.9	32.9	33.0	33.1	33.2	33.3	33.4	33.5	33.6	33.7
1968	34.1	34.2	34.3	34.4	34.5	34.7	34.9	35.0	35.1	35.3
1969	35.6	35.8	36.1	36.3	36.4	36.6	36.8	37.0	37.1	37.3
1970	37.8	38.0	38.2	38.5	38.6	38.8	39.0	39.0	39.2	39.4
1971	39.8	39.9	40.0	40.1	40.3	40.6	40.7	40.8	40.8	40.9
1972	41.1	41.3	41.4	41.5	41.6	41.7	41.9	42.0	42.1	42.3
1973	42.6	42.9	43.3	43.6	43.9	44.2	44.3	45.1	45.2	45.6
1974	46.6	47.2	47.8	48.0	48.6	49.0	49.4	50.0	50.6	51.1
1975	52.1	52.5	52.7	52.9	53.2	53.6	54.2	54.3	54.6	54.9
1976	55.6	55.8	55.9	56.1	56.5	56.8	57.1	57.4	57.6	57.9
1977	58.5	59.1	59.5	60.0	60.3	60.7	61.0	61.2	61.4	61.6
1978	62.5	62.9	63.4	63.9	64.5	65.2	65.7	66.0	66.5	67.1
1979	68.3	69.1	69.8	70.6	71.5	72.3	73.1	73.8	74.6	75.2
1980	77.8	78.9	80.1	81.0	81.8	82.7	82.7	83.3	84.0	84.8
1981	87.0	87.9	88.5	89.1	89.8	90.6	91.6	92.3	93.2	93.4
1982	94.3	94.6	94.5	94.9	95.8	97.0	97.5	97.7	97.9	98.2
1983	97.8	97.9	97.9	98.6	99.2	99.5	99.9	100.2	100.7	101.0
1984	101.9	102.4	102.6	103.1	103.4	103.7	104.1	104.5	105.0	105.3
1985	105.5	106.0	106.4	106.9	107.3	107.6	107.8	108.0	108.3	108.7
1986	109.6	109.3	108.8	108.6	108.9	109.5	109.5	109.7	110.2	110.3
1987	111.2	111.6	112.1	112.7	113.1	113.5	113.8	114.4	115.0	115.3
1988	115.7	116.0	116.5	117.1	117.5	118.0	118.5	119.0	119.8	120.2
1989	121.1	121.6	122.3	123.1	123.8	124.1	124.4	124.6	125.0	125.6
1990	127.4	128.0	128.7	128.9	129.2	129.9	130.4	131.6	132.7	133.5
1991	134.6	134.8	135.0	135.2	135.6	136.0	136.2	136.6	137.2	137.4
1992	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8
1993	142.6	143.1	143.6	144.0	144.2	144.4	144.4	144.8	145.1	145.7
1994	146.2	146.7	147.2	147.4	147.5	148.0	148.4	149.0	149.4	149.5
1995	150.3	150.9	151.4	151.9	152.2	152.5	152.5	152.9	153.2	153.7
1996	154.4	154.9	155.7	156.3	156.6	156.7	157.0	157.3	157.8	158.3
1997	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6
1998	161.6	161.9	162.2	162.5	162.8	163.0	163.2	163.4	163.6	164.0
1999	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9
2005	190.7									

U.S. Department of Labor
 Bureau of Labor Statistics
 Washington, D.C. 20212
 Consumer Price Index

All Urban Consumers - (CPI-U)
U.S. City Average
All Items
#####

NOV.	DEC.	SEMIANNUAL		PERCENT CHANGE		
		1ST HALF	2ND HALF	AVG.	DEC-DEC	AVG-AVG
10.1	10.0			9.9		
10.2	10.1			10.0	1.0	1.0
10.3	10.3			10.1	2.0	1.0
11.5	11.6			10.9	12.6	7.9
13.5	13.7			12.8	18.1	17.4
16.3	16.5			15.1	20.4	18.0
18.5	18.9			17.3	14.5	14.6
19.8	19.4			20.0	2.6	15.6
17.4	17.3			17.9	-10.8	-10.5
16.8	16.9			16.8	-2.3	-6.1
17.3	17.3			17.1	2.4	1.8
17.2	17.3			17.1	0.0	0.0
18.0	17.9			17.5	3.5	2.3
17.7	17.7			17.7	-1.1	1.1
17.3	17.3			17.4	-2.3	-1.7
17.2	17.1			17.1	-1.2	-1.7
17.3	17.2			17.1	0.6	0.0
16.4	16.1			16.7	-6.4	-2.3
14.7	14.6			15.2	-9.3	-9.0
13.2	13.1			13.7	-10.3	-9.9
13.2	13.2			13.0	0.8	-5.1
13.5	13.4			13.4	1.5	3.1
13.8	13.8			13.7	3.0	2.2
14.0	14.0			13.9	1.4	1.5
14.5	14.4			14.4	2.9	3.6
14.0	14.0			14.1	-2.8	-2.1
14.0	14.0			13.9	0.0	-1.4
14.0	14.1			14.0	0.7	0.7
15.4	15.5			14.7	9.9	5.0
16.8	16.9			16.3	9.0	10.9
17.4	17.4			17.3	3.0	6.1
17.7	17.8			17.6	2.3	1.7
18.1	18.2			18.0	2.2	2.3
21.3	21.5			19.5	18.1	8.3
23.1	23.4			22.3	8.8	14.4
24.2	24.1			24.1	3.0	8.1
23.8	23.6			23.8	-2.1	-1.2
24.7	25.0			24.1	5.9	1.3
26.4	26.5			26.0	6.0	7.9
26.7	26.7			26.5	0.8	1.9
26.9	26.9			26.7	0.7	0.8
26.8	26.7			26.9	-0.7	0.7
26.9	26.8			26.8	0.4	-0.4
27.5	27.6			27.2	3.0	1.5
28.4	28.4			28.1	2.9	3.3
29.0	28.9			28.9	1.8	2.8
29.4	29.4			29.1	1.7	0.7

29.8	29.8			29.6	1.4	1.7
30.0	30.0			29.9	0.7	1.0
30.4	30.4			30.2	1.3	1.0
30.8	30.9			30.6	1.6	1.3
31.2	31.2			31.0	1.0	1.3
31.7	31.8			31.5	1.9	1.6
32.9	32.9			32.4	3.5	2.9
33.8	33.9			33.4	3.0	3.1
35.4	35.5			34.8	4.7	4.2
37.5	37.7			36.7	6.2	5.5
39.6	39.8			38.8	5.6	5.7
40.9	41.1			40.5	3.3	4.4
42.4	42.5			41.8	3.4	3.2
45.9	46.2			44.4	8.7	6.2
51.5	51.9			49.3	12.3	11.0
55.3	55.5			53.8	6.9	9.1
58.0	58.2			56.9	4.9	5.8
61.9	62.1			60.6	6.7	6.5
67.4	67.7			65.2	9.0	7.6
75.9	76.7			72.6	13.3	11.3
85.5	86.3			82.4	12.5	13.5
93.7	94.0			90.9	8.9	10.3
98.0	97.6			96.5	3.8	6.2
101.2	101.3			99.6	3.8	3.2
105.3	105.3	102.9	104.9	103.9	3.9	4.3
109.0	109.3	106.6	108.5	107.6	3.8	3.6
110.4	110.5	109.1	110.1	109.6	1.1	1.9
115.4	115.4	112.4	114.9	113.6	4.4	3.6
120.3	120.5	116.8	119.7	118.3	4.4	4.1
125.9	126.1	122.7	125.3	124.0	4.6	4.8
133.8	133.8	128.7	132.6	130.7	6.1	5.4
137.8	137.9	135.2	137.2	136.2	3.1	4.2
142.0	141.9	139.2	141.4	140.3	2.9	3.0
145.8	145.8	143.7	145.3	144.5	2.7	3.0
149.7	149.7	147.2	149.3	148.2	2.7	2.6
153.6	153.5	151.5	153.2	152.4	2.5	2.8
158.6	158.6	155.8	157.9	156.9	3.3	3.0
161.5	161.3	159.9	161.2	160.5	1.7	2.3
164.0	163.9	162.3	163.7	163.0	1.6	1.6
168.3	168.3	165.4	167.8	166.6	2.7	2.2
174.1	174.0	170.8	173.6	172.2	3.4	3.4
177.4	176.7	176.6	177.5	177.1	1.6	2.8
181.3	180.9	178.9	180.9	179.9	2.4	1.6
184.5	184.3	183.3	184.6	184.0	1.9	2.3
191.0	190.3	187.6	190.2	188.9	3.3	2.7

Dkt. No _____
D. Blessing Ex. No. ____ (DCB-26)
CTIA Wireless Survey

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Alltel Florida, Inc.'s Petition)
To Reduce Intrastate Switched Network)
Access Rates In A Revenue Neutral)
Manner Pursuant to Section 364.164,)
Florida Statutes)
_____)

Exhibit DCB-26

*CTIA - the Wireless Association's Annualized Wireless Industry Survey Results,
December 1985 - December 2004 Reflecting Domestic U.S. Commercially-Operational
Cellular, ESMR and PCS Providers, p.2 @*
http://www.ctia.org/research_statistics/statistics/index.cfm/AID/10030.

Background on CTIA's Semi-Annual Wireless Industry Survey

CTIA-The Wireless Association™'s Semi-annual wireless industry survey develops industry-wide information drawn from operational member and non-member wireless service providers. It has been conducted since January 1985, originally as a cellular-only survey instrument, and now including PCS and ESMR providers. No break-out of results specific to PCS or ESMR is performed at this time.

The information solicited from the service providers includes: cumulative capital investment, direct employment, number of cell sites, total service revenues, roaming revenues as a subset of total service revenues, the average local monthly bill, and the average length of call. The average local monthly bill is developed on a weighted basis, to avoid skewing the figures. It is not an average of averages. No adjustments are made to these figures.

The CTIA survey also develops information on the number of reported wireless service subscribers for the responding systems, and an estimated total subscriber figure (taking into account non-responding systems). Because the CTIA survey is a voluntary survey, it cannot compel responses from wireless carriers. However, the survey has an excellent response rate. For the December 31, 2004, installment of the semi-annual survey, CTIA received responses from companies serving 95.4 percent of wireless subscribers.

Because not all systems do respond, CTIA develops an estimate of total subscribership. The estimated subscriber figure is developed by determining the identity and character of non-responding markets (*i.e.*, RSA/MSA or equivalent-market designation, age of system, market population), and using a surrogate penetration rate applicable to similar, known systems to derive probable subscribership. These numbers are then summed with the reported subscriber numbers to reach the total estimated subscriber figures. No carrier-specific or market-specific information is maintained as a result of the survey. All such information is aggregated by an independent accounting firm to a nationwide level. The underlying source material for the survey is then destroyed per confidentiality agreements.

The following tables and charts reflect selected top-of-the-line data. Complete results of CTIA's semi-annual survey are available for purchase in the comprehensive report, *CTIA's Wireless Industry Indices: 1985 – 2004*, including data on prepaid and toll revenues, subscriber usage, investment, digital subscribership, and other operational indicators and ratios. The report is available for a member price of \$850 and a non-member price of \$1,075. Subsequent copies are available to members at \$475 each and to non-members at \$535 each. Annual subscriptions are available at a member price of \$1,445 and non-member price of \$1,825. The report may be ordered by contacting research@ctia.org or by ordering directly from CTIA's eStore at http://www.ctia.org/store/categoryresults.cfm?category_id=15. Order forms are also available on CTIA's web site, at http://files.ctia.org/pdf/Indices_Order_Form.pdf

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**CTIA-THE WIRELESS ASSOCIATION™'S
ANNUALIZED WIRELESS INDUSTRY SURVEY RESULTS
DECEMBER 1985 – DECEMBER 2004**

Reflecting Domestic U.S. Commercially-Operational Cellular, ESMR and PCS Providers

Date	Estimated Subscribers	Annualized Total Service Revenues (\$000)	Annualized Roamer Revenues (\$000)	Cell Sites	Employees	Cum Capital Investment (\$000)	Average Local Monthly Bill	Avg. Local Call Length (Min)
1985	340,213	\$482,428	N/A	913	2,727	\$911,167	N/A	N/A
1986	681,825	\$823,052	N/A	1,531	4,334	\$1,436,753	N/A	N/A
1987	1,230,855	\$1,151,519	N/A	2,305	7,147	\$2,234,635	\$96.83	2.33
1988	2,069,441	\$1,959,548	N/A	3,209	11,400	\$3,274,105	\$98.02	2.26
1989	3,508,944	\$3,340,595	\$294,567	4,169	15,927	\$4,480,142	\$89.30	2.48
1990	5,283,055	\$4,548,820	\$456,010	5,616	21,382	\$6,281,596	\$80.90	2.20
1991	7,557,148	\$5,708,522	\$703,651	7,847	26,327	\$8,671,544	\$72.74	2.38
1992	11,032,753	\$7,822,726	\$ 973,871	10,307	34,348	\$11,262,070	\$68.68	2.58
1993	16,009,461	\$10,892,175	\$1,361,613	12,824	39,810	\$13,956,366	\$61.49	2.41
1994	24,134,421	\$14,229,922	\$1,830,782	17,920	53,902	\$18,938,678	\$56.21	2.24
1995	33,785,661	\$19,081,239	\$2,542,570	22,663	68,165	\$24,080,467	\$51.00	2.15
1996	44,042,992	\$23,634,971	\$2,780,935	30,045	84,161	\$32,573,522	\$47.70	2.32
1997	55,312,293	\$27,485,633	\$2,974,205	51,600	109,387	\$46,057,910	\$42.78	2.31
1998	69,209,321	\$33,133,175	\$3,500,469	65,887	134,754	\$60,542,774	\$39.43	2.39
1999	86,047,003	\$40,018,489	\$4,085,417	81,698	155,817	\$71,264,865	\$41.24	2.38
2000	109,478,031	\$52,466,020	\$3,882,981	104,288	184,449	\$89,624,387	\$45.27	2.56
2001	128,374,512	\$65,316,235	\$3,752,826	127,540	203,580	\$105,030,101	\$47.37	2.74
2002	140,766,842	\$76,508,187	\$3,895,512	139,338	192,410	\$126,922,347	\$48.40	2.73
2003	158,721,981	\$87,624,093	\$3,766,267	162,986	205,629	\$145,866,914	\$49.91	3.07
2004	182,140,362	\$102,121,210	\$4,210,331	175,725	226,016	\$173,793,507	\$50.64	3.05

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CTIA'S SEMI-ANNUAL WIRELESS INDUSTRY SURVEY RESULTS

June 1985 - December 2004

Date	Estimated Subscribers	Total Six- Month Revenues (\$000)	Roamer Service Revenues (\$000)	Cell Sites	Employees	Cum Capital Investment (\$000)	Average Local Monthly Bill	Avg. Local Call Length (Min)	Avg. Roam Call Length
Jan-85	91,600	\$178,085	N/A	346	1,404	\$354,760	N/A	N/A	N/A
Jun-85	203,600	\$176,231	N/A	599	1,697	\$588,751	N/A	N/A	N/A
Dec-85	340,213	\$306,197	N/A	913	2,727	\$911,167	N/A	N/A	N/A
Jun-86	500,000	\$360,585	N/A	1,194	3,556	\$1,140,163	N/A	N/A	N/A
Dec-86	681,825	\$462,467	N/A	1,531	4,334	\$1,436,753	N/A	N/A	N/A
Jun-87	883,778	\$479,514	N/A	1,732	5,656	\$1,724,348	N/A	N/A	N/A
Dec-87	1,230,855	\$672,005	N/A	2,305	7,147	\$2,234,635	\$96.83	N/A	N/A
Jun-88	1,608,697	\$886,075	N/A	2,789	9,154	\$2,589,589	\$95.00	N/A	N/A
Dec-88	2,069,441	\$1,073,473	\$89,331	3,209	11,400	\$3,274,105	\$98.02	N/A	N/A
Jun-89	2,691,793	\$1,406,463	\$121,368	3,577	13,719	\$3,675,473	\$85.52	N/A	N/A
Dec-89	3,508,944	\$1,934,132	\$173,199	4,169	15,927	\$4,480,142	\$89.30	N/A	N/A
Jun-90	4,368,686	\$2,126,362	\$192,350	4,768	18,973	\$5,211,765	\$83.94	N/A	N/A
Dec-90	5,283,055	\$2,422,458	\$263,660	5,616	21,382	\$6,281,596	\$80.90	N/A	N/A
Jun-91	6,380,053	\$2,653,505	\$302,329	6,685	25,545	\$7,429,739	\$74.56	N/A	N/A
Dec-91	7,557,148	\$3,055,017	\$401,325	7,847	26,327	\$8,671,544	\$72.74	N/A	N/A
Jun-92	8,892,535	\$3,633,285	\$436,725	8,901	30,595	\$9,276,139	\$68.51	N/A	N/A
Dec-92	11,032,753	\$4,189,441	\$537,146	10,307	34,348	\$11,262,070	\$68.68	N/A	N/A
Jun-93	13,067,318	\$4,819,259	\$587,347	11,551	36,501	\$12,775,967	\$67.31	2.38	3.38
Dec-93	16,009,461	\$6,075,916	\$774,266	12,824	39,810	\$13,956,366	\$61.49	2.41	3.26
Jun-94	19,283,306	\$6,519,031	\$778,116	14,740	45,622	\$16,107,921	\$58.65	2.36	2.89

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CTIA's SEMI-ANNUAL WIRELESS INDUSTRY SURVEY RESULTS

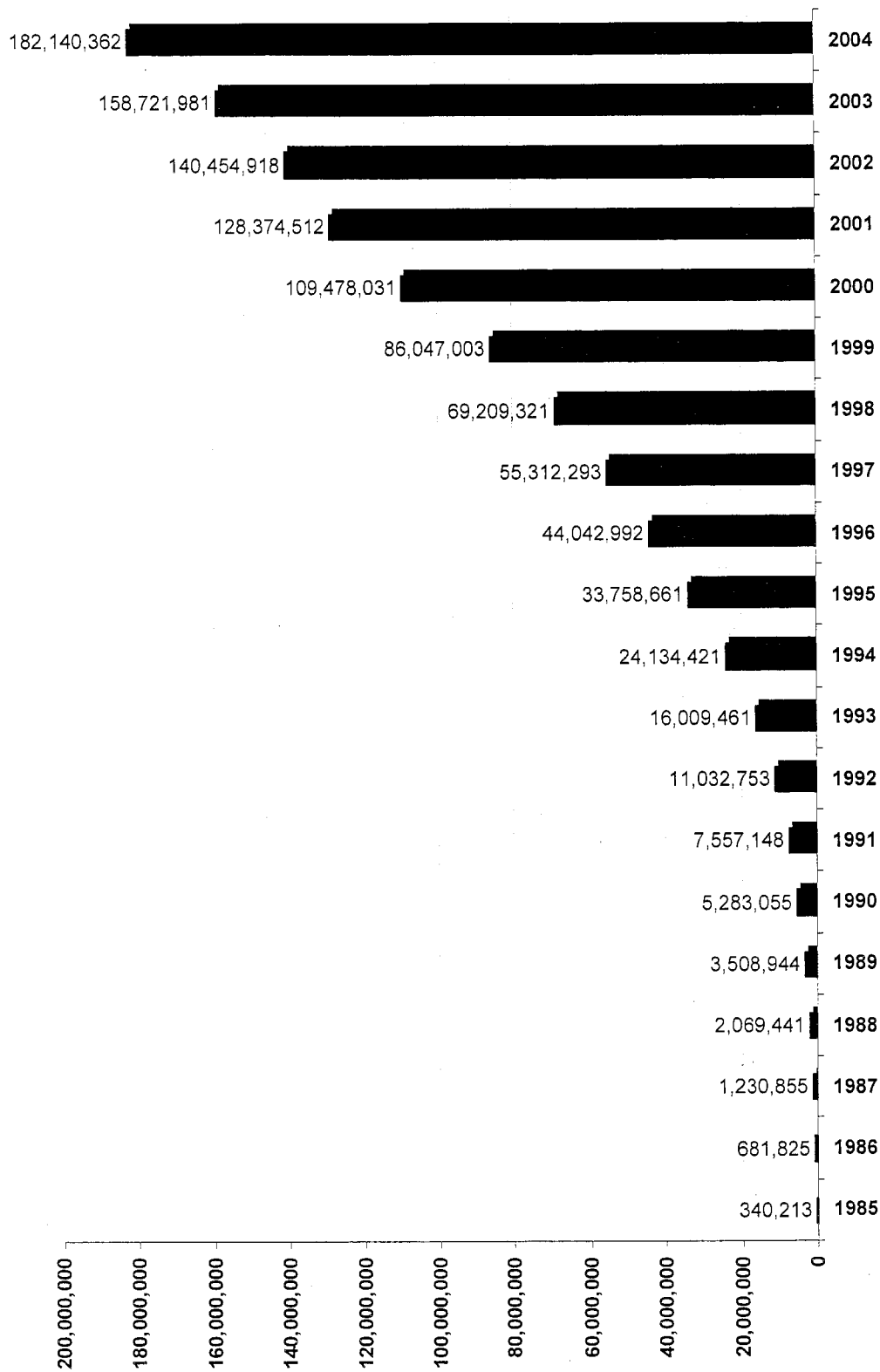
June 1985 - December 2004

Date	Estimated Subscribers	Total Six- Month Revenues (\$000)	Roamer Service Revenues (\$000)	Cell Sites	Employees	Cum Capital Investment (\$000)	Average Local Monthly Bill	Avg. Local Call Length (Min)	Avg. Roam Call Length
Dec-94	24,134,421	\$7,710,891	\$1,052,666	17,920	53,902	\$18,938,678	\$56.21	2.24	2.85
Jun-95	28,154,414	\$8,749,625	\$1,120,337	19,844	60,689	\$21,721,711	\$52.45	2.27	2.74
Dec-95	33,758,661	\$10,330,614	\$1,422,233	22,663	68,165	\$24,080,467	\$51.00	2.15	2.79
Jun-96	38,195,466	\$11,194,247	\$1,314,943	24,802	73,365	\$26,707,046	\$48.84	2.24	2.8
Dec-96	44,042,992	\$12,440,724	\$1,465,992	30,045	84,161	\$32,573,522	\$47.70	2.32	3.14
Jun-97	48,705,553	\$13,134,551	\$1,392,440	38,650	97,039	\$37,454,294	\$43.86	2.25	2.95
Dec-97	55,312,293	\$14,351,082	\$1,581,765	51,600	109,387	\$46,057,910	\$42.78	2.31	2.94
Jun-98	60,831,431	\$15,286,660	\$1,584,891	57,674	113,111	\$50,178,812	\$39.88	2.34	2.65
Dec-98	69,209,321	\$17,846,515	\$1,915,578	65,887	134,754	\$60,542,774	\$39.43	2.39	3.11
Jun-99	76,284,753	\$19,368,304	\$1,922,416	74,157	141,929	\$66,782,827	\$40.24	2.40	2.96
Dec-99	86,047,003	\$20,650,185	\$2,163,001	81,698	155,817	\$71,264,865	\$41.24	2.38	3.11
Jun-00	97,035,925	\$24,645,365	\$1,971,625	95,733	159,645	\$76,652,358	\$45.15	2.48	3.19
Dec-00	109,478,031	\$27,820,655	\$1,911,356	104,288	184,449	\$89,624,387	\$45.27	2.56	3.23
Jun-01	118,397,734	\$30,905,721	\$1,727,058	114,059	186,317	\$99,728,695	\$45.56	2.62	3.01
Dec-01	128,374,512	\$34,410,513	\$2,205,768	127,540	203,580	\$105,030,101	\$47.37	2.74	2.94
Jun-02	134,561,370	\$36,707,086	\$1,846,267	131,350	186,956	\$118,418,677	\$47.42	2.60	3.07
Dec-02	140,766,842	\$39,801,101	\$2,049,245	139,338	192,410	\$126,922,347	\$48.40	2.73	3.11
Jun-03	148,065,824	\$41,384,171	\$1,825,243	147,719	187,169	\$134,147,049	\$49.46	2.63	3.15
Dec-03	158,721,981	\$46,239,922	\$1,941,024	162,986	205,629	\$145,866,914	\$49.91	3.07	3.45
Jun-04	169,467,393	\$49,275,671	\$2,015,799	174,368	212,186	\$156,700,380	\$49.49	3.06	3.45
Dec-04	182,140,362	\$52,845,539	\$2,194,532	175,725	226,016	\$173,793,507	\$50.64	3.05	2.80

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Estimated Subscribers

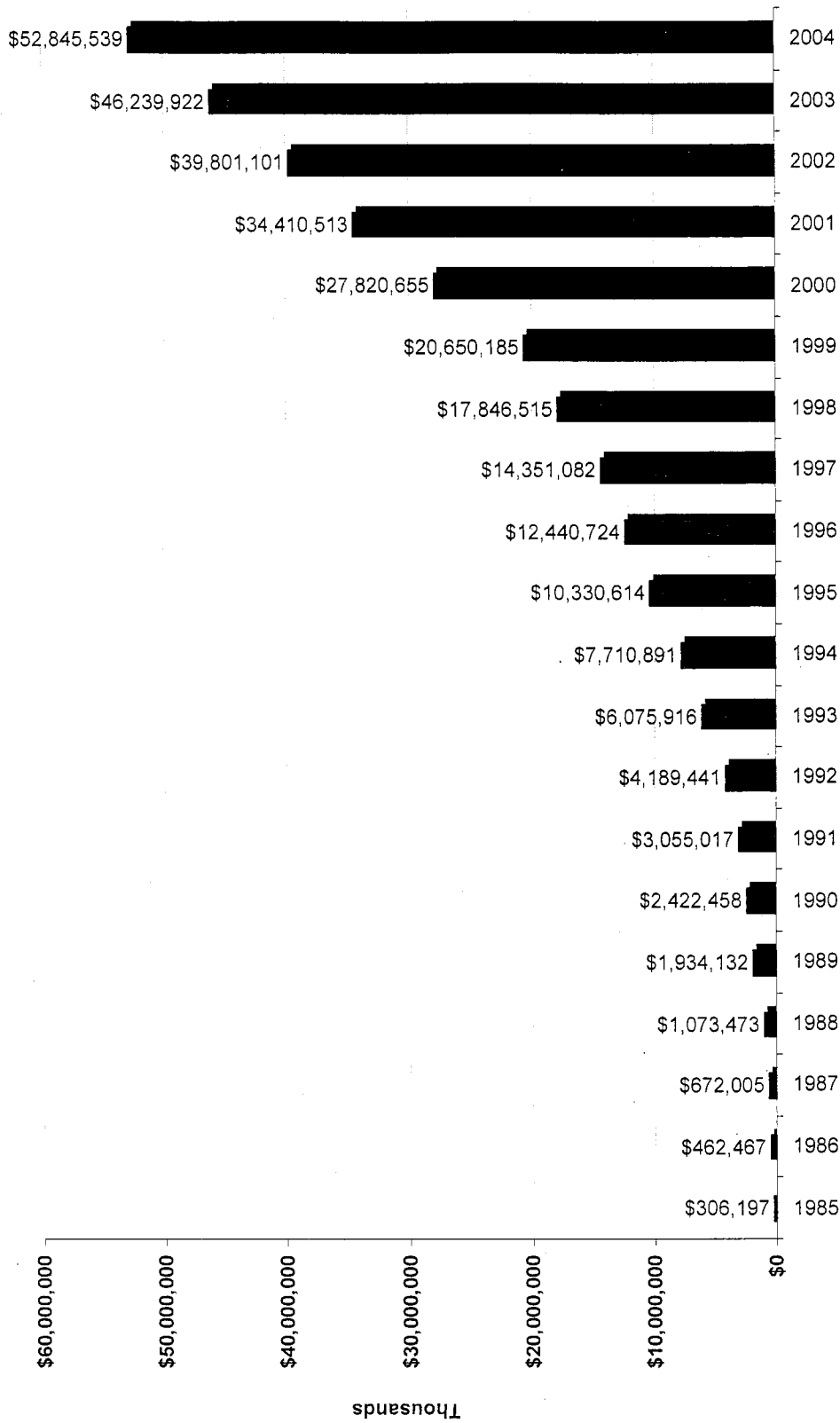


**Year-End 2004 Estimated Wireless Subscribers
Second Highest Growth Year Ever: Up 23.4 Million from 2003**

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Source: CTIA

Total Six-Month Service Revenues (000s)



**Total Wireless Service Revenues Reach Almost \$53 billion for Last Six Months of 2004
- Total Annual Revenues Reach More Than \$102 Billion for 2004**

Source: CTIA

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Cumulative Capital Investment (000s)

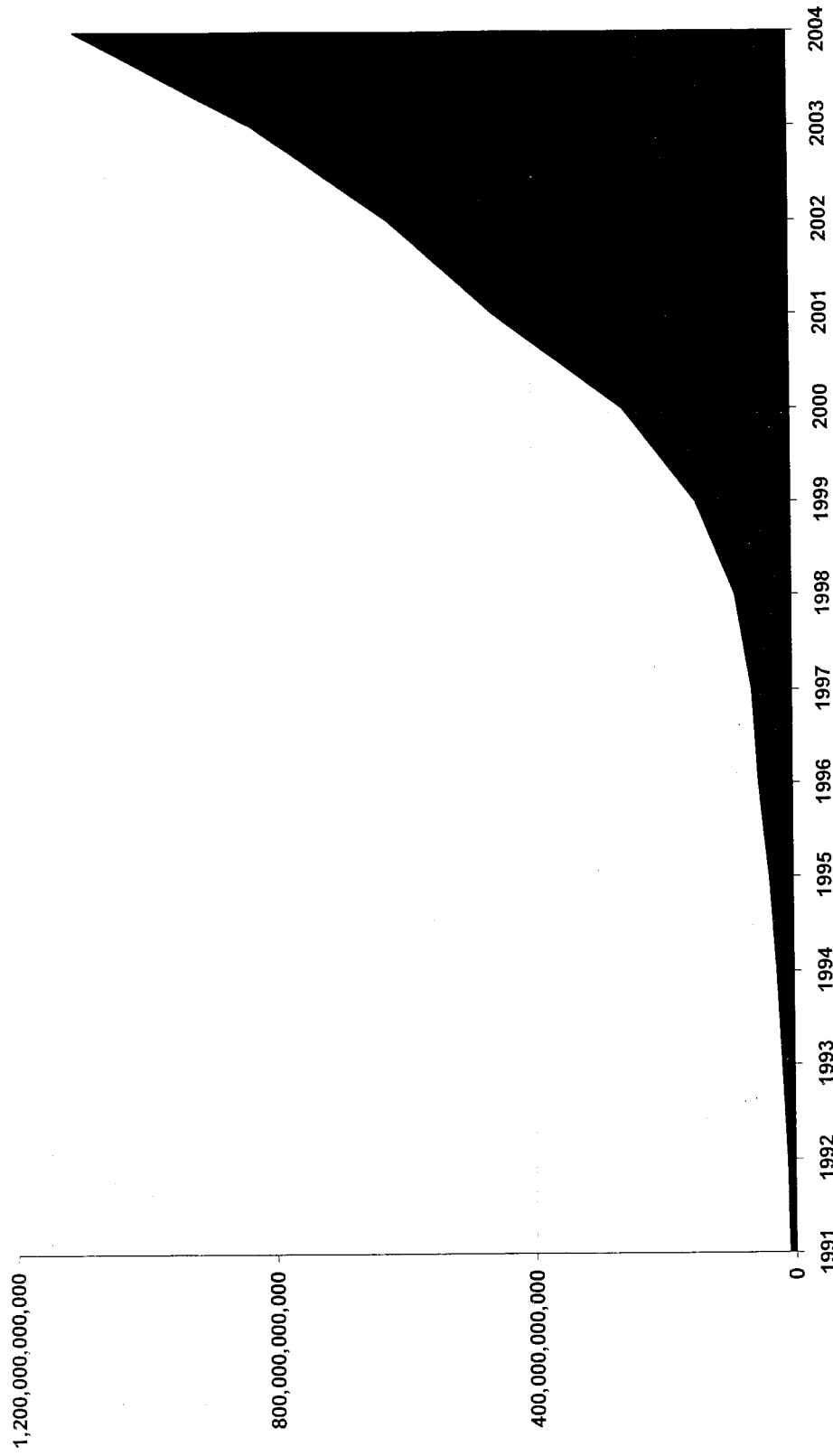


Cumulative Capital Investment Reaches Almost \$174 Billion at Year-End 2004 – Most Recent Year Is More Than First Ten Years of Wireless Investment

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Source: CTIA

Reported Wireless Minutes of Use Exceed One Trillion in 2004



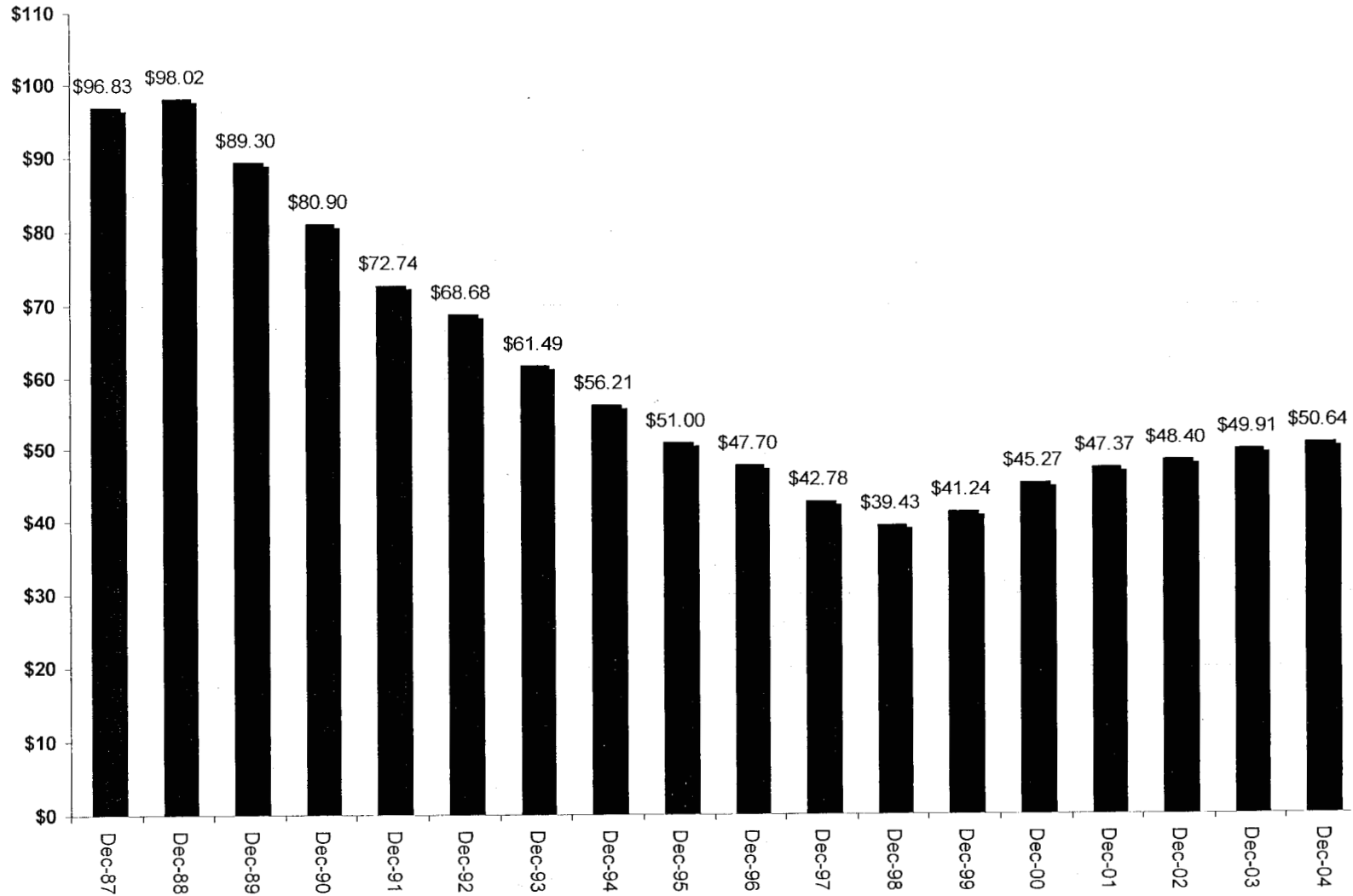
Reported Wireless Minutes of Use Grow 32.7 Percent Year-over-Year

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Source: CTIA

9

Average Local Monthly Bill



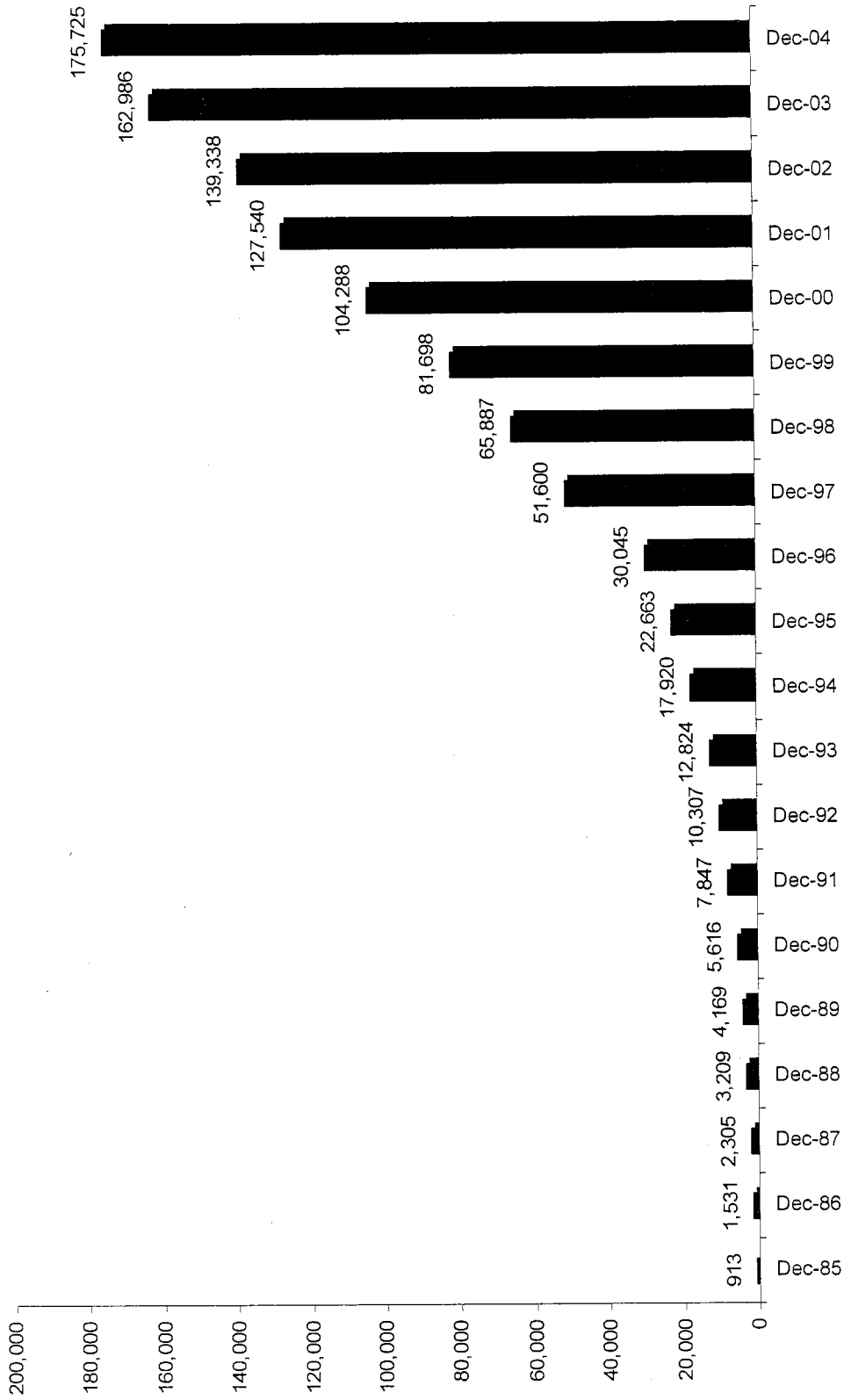
**Average Local Monthly Bill Grows 1.5 Percent Year-over-Year
- Average Customer Usage Grows 15 Percent**

Source : CTIA

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Cell Sites

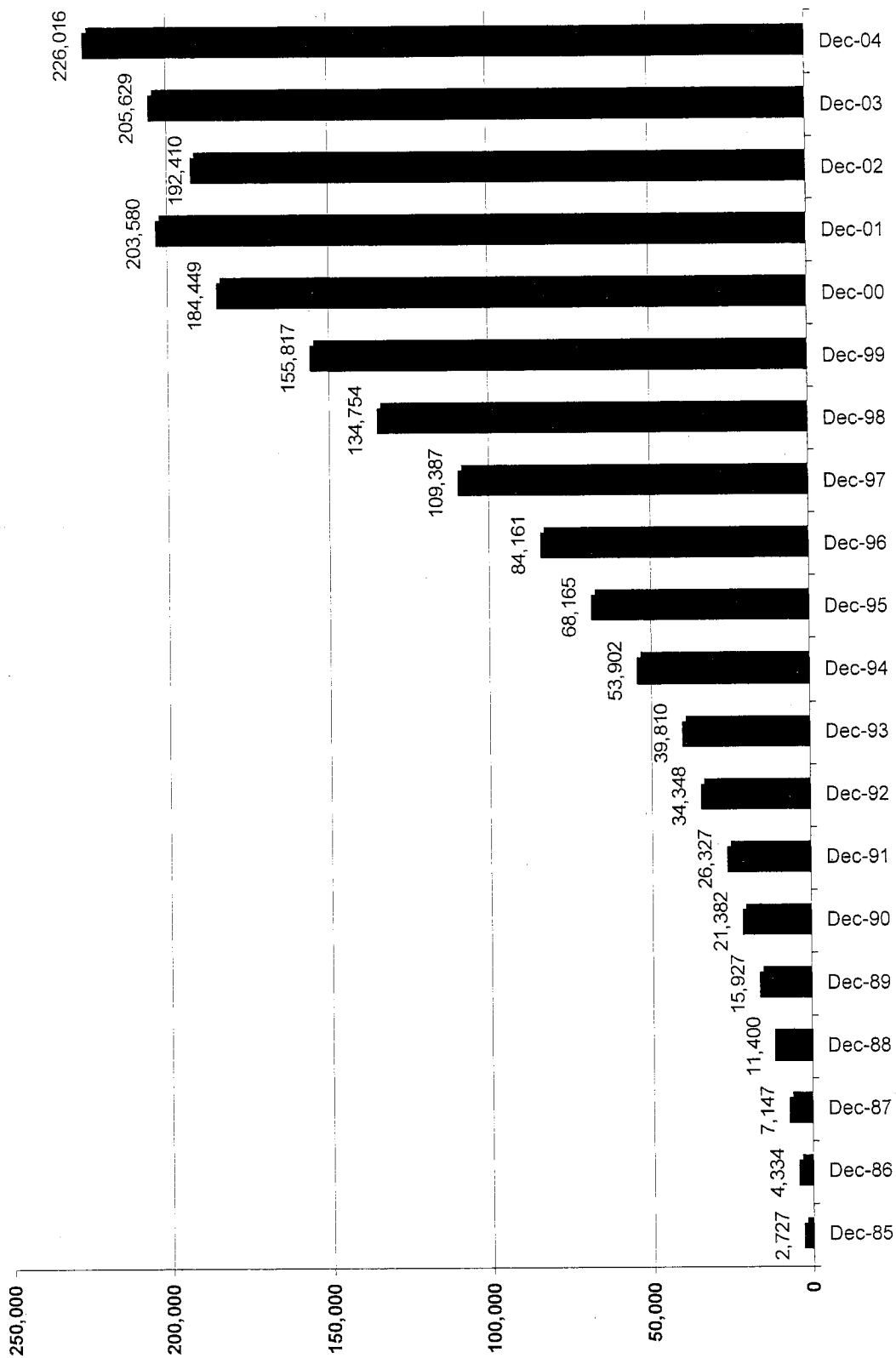


Operational Cell Sites Grow 7.8 Percent Year-over-Year

Source: CTIA

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Direct Carrier Employees



**Direct Wireless Carrier Employment Grows 10 Percent Year-over-Year
Direct Employment Exceeds 226,000 at Year-End 2004**

Source: CTIA

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Dkt. No _____
D. Blessing Ex. No. ____ (DCB-27)
NCTA Research

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Alltel Florida, Inc.'s Petition)
To Reduce Intrastate Switched Network)
Access Rates In A Revenue Neutral)
Manner Pursuant to Section 364.164,)
Florida Statutes)
_____)

Exhibit DCB-27

National Cable Television Association at <http://www.ncta.com>. State date from Nielsen Media Research representing January 2005 TV households and September 2004 cable TV households.



August 19, 2005

INDUSTRY OVERVIEW

Industry Overview > Statistics & Resources > State Data

- Home
- Industry Calendar
- Industry Overview
 - + Cable Operators
 - + Cable Program Networks
 - + Statistics & Resources
 - Top 25 Cable Systems
 - Top 25 MSOs
 - Top 20 Cable Networks
 - State Data
 - Cable Technology
 - Cable Theft
- Broadband Services
- Media Center
- Legislative & Regulatory
- Cable in the Classroom
- Industry Initiatives
- The National Show
- Walter Kaitz Foundation
- About NCTA
- Careers
- Frequently Asked Questions
- Privacy Policy
- Your Feedback



State	TV Households (January 2005)	Cable TV Households (September 2004)	Cable TV Households as a Percent of TV Households
Alabama	1,798,760	1,188,130	66%
Alaska	196,670	117,370	60%
Arizona	2,085,820	1,229,910	59%
Arkansas	1,072,600	625,610	58%
California	11,766,500	7,609,900	65%
Colorado	1,737,310	994,180	57%
Connecticut	1,345,110	1,183,930	88%
Delaware	319,010	263,850	83%
District of Columbia	239,850	169,600	71%
Florida	6,839,580	5,069,700	74%
Georgia	3,234,400	2,242,790	69%
Hawaii	417,120	374,620	90%
Idaho	496,870	210,400	42%
Illinois	4,671,870	3,160,120	68%
Indiana	2,418,800	1,460,430	60%
Iowa	1,164,870	697,410	60%
Kansas	1,049,950	709,410	68%
Kentucky	1,665,530	1,076,970	65%
Louisiana	1,698,280	1,240,180	73%
Maine	551,890	371,800	67%
Maryland	2,098,760	1,562,470	74%
Massachusetts	2,492,940	2,141,280	86%
Michigan	3,912,480	2,602,900	67%
Minnesota	1,977,140	1,141,100	58%
Mississippi	1,074,160	617,020	57%
Missouri	2,255,660	1,164,880	52%
Montana	362,840	186,130	51%
Nebraska	684,560	479,760	70%
Nevada	850,570	597,200	70%
New Hampshire	505,190	409,580	81%
New Jersey	3,165,640	2,704,270	85%
New Mexico	703,490	376,890	54%
New York	7,045,410	5,462,100	78%
North Carolina	3,328,830	2,158,360	65%

North Dakota	259,050	166,530	64%
Ohio	4,561,000	3,205,280	70%
Oklahoma	1,372,070	816,330	59%
Oregon	1,368,110	816,180	60%
Pennsylvania	4,856,600	3,829,270	79%
Rhode Island	428,900	341,240	80%
South Carolina	1,649,800	1,037,340	63%
South Dakota	296,970	190,590	64%
Tennessee	2,331,000	1,488,930	64%
Texas	7,906,070	4,454,720	56%
Utah	745,550	326,710	44%
Vermont	246,260	136,610	55%
Virginia	2,879,740	1,960,740	68%
Washington	2,318,850	1,575,100	68%
West Virginia	752,880	544,350	72%
Wisconsin	2,189,310	1,288,080	59%
Wyoming	199,550	125,770	63%
TOTAL	109,590,170	73,904,020	67%

Source: Nielsen Media Research. Reprinted with permission.

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Dkt. No _____
D. Blessing Ex. No. ____ (DCB-28)
NCTA Status

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Alltel Florida, Inc.'s Petition)
To Reduce Intrastate Switched Network)
Access Rates In A Revenue Neutral)
Manner Pursuant to Section 364.164,)
Florida Statutes)
_____)

Exhibit DCB-28

National Cable Television Association at <http://www.ncta.com>; Industry Overview, Statistics & Resources, revenue data provided by Kagan Research LLC.



INDUSTRY OVERVIEW

Industry Overview > Statistics & Resources


Top 25 Cable Systems | Top 25 MSOs | Top 20 Cable Program Networks

- Home
- Industry Calendar
- Industry Overview
 - Cable Operators
 - Cable Program Networks
 - Statistics & Resources
 - Top 25 Cable Systems
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- Industry Initiatives
- The National Show
- Walter Kaltz Foundation
- About NCTA
- Careers
- Frequently Asked Questions
- Privacy Policy
- Your Feedback



Industry Statistics	
State Data	N/A
Basic Cable Customers (February 2005) ¹	73,219,360
US Television Households (January 2005) ¹	109,590,170
Cable Penetration of TV Households (February 2005) ¹	66.8%
Occupied Homes Passed by Cable (December 2004) ⁶	108,200,000
Occupied Homes Passed as a Percent of TV Households (December 2004) ⁶	97%
Cable Headends (November 2004) ¹	9,009
Premium Cable Units ⁶	50,190,000
Cable Systems ³	8,875
Annual Cable Revenue (2004) ⁶	\$57.6 billion
Total Advertising Revenue (2004) ⁶	\$18.8 billion
Annual Franchise Fees Paid by Cable Industry (2003) ⁵	\$2.4 billion
Cable's Private Investment	
Cable Industry Construction/Upgrade Expenditures in 2004 ⁶	\$9.5 billion
Schools Served by Cable in the Classroom (December, 2001) ⁷	81,654
Students Served by Cable in the Classroom, (December, 2001) ⁷	43,676,577
Broadband Deployment	
Digital Cable Customers (December 31, 2004) ⁵	25,000,000
Cable Modem Customers (December 31, 2004) ⁵	21,000,000
Homes Passed by Cable Modem Service (September 30, 2004) ⁸	105,000,000
Residential Cable Telephony Customers (December 31, 2004) ⁵	3,000,000
Homes Passed by HDTV Service (January 2005) ⁵	92,000,000
Value and Prices	
National Video Programming Services/Networks (December 2004) ⁴	390
Major Television Awards Won by Cable in 2003 ⁹	46
Average Monthly Price for Expanded Basic Programming Packages (December 2004) ⁶	\$38.23
Competition	
Subscribers to Non-Cable Multichannel Video Program Distributors (MVPDs) (September 2004) ⁵	26.87 million

¹ A.C. Nielsen Media Research



³ Warren Communications News, Inc.
⁴ National Cable & Telecommunications Association
⁵ National Cable & Telecommunications Association
⁶ Kagan Research LLC
⁷ Cable in the Classroom
⁸ Morgan Stanley, "Bundling and the Battle for Basic," October 12, 2004.
⁹ Academy of Television Arts & Sciences; and Grady College of Journalism, University of Georgia

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Dkt. No. _____
D. Blessing Ex. No. ____ (DCB-29)
Trends in Telephone Service

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Alltel Florida, Inc.'s Petition)
To Reduce Intrastate Switched Network)
Access Rates In A Revenue Neutral)
Manner Pursuant to Section 364.164,)
Florida Statutes)
_____)

Exhibit DCB-29

"Trends in Telephone Service" - May 2004; FCC Industry Analysis and Technology
Division Wireline Competition Bureau, Table 2.5. (June 30, 2003 data).



NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

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

FOR IMMEDIATE RELEASE:
May 6, 2004

NEWS MEDIA CONTACT:
Mike Balmoris at (202) 418-0253
Email: michael.balmoris@fcc.gov

FEDERAL COMMUNICATIONS COMMISSION RELEASES STUDY ON TELEPHONE TRENDS

Washington, D.C. – Today, the Federal Communications Commission (FCC) released its *Trends in Telephone Service* report, which summarizes in one convenient reference information published in various reports over the course of the past year. The report provides answers to some of the most frequently asked questions about the telephone industry asked by consumers, members of Congress, other government agencies, telecommunications carriers, and members of the business and academic communities.

This year's report includes 29 new charts graphically depicting the reference information. Highlights from the report include:

Advanced Telecommunications Services

- Advanced services lines (exceeding 200 kbps in both directions) connecting homes and businesses to the Internet increased by 32% during the first half of 2003, from 12.4 million lines in service as of December 31, 2002 to 16.3 million as of June 30, 2003.
- Among advanced services lines, ADSL lines increased by 16%, from 2.2 million to 2.5 million, during the first six months of 2003, compared to a 43% increase, from 8.3 million to 11.9 million, for cable modem lines.

Local Telephone Competition

- As of June 2003, competitive local exchange carriers (CLECs) provided 26.9 million (or 14.7%) of the approximately 183 million nationwide local telephone lines that were in service to end users as opposed to 24.8 million (or 13.2%) of nationwide local telephone lines as of December 2002.
- About one-fourth of CLEC end-user lines are served over local loop facilities that the CLECs own.
- Incumbent local exchange carriers (ILECs) reported providing other carriers about 2.2 million lines on a resale basis as of June 30, 2003, compared to about 2.7 million lines six months earlier. ILECs provided about 17.2 million unbundled network element (UNE) loops as of June 30, 2003, compared to about 14.5 million loops six months earlier.

Table 2.5
High-Speed Lines by Technology as of June 30, 2003
(Over 200 kbps in at Least One Direction)

	ADSL	Coaxial Cable	Other ¹	Total
Alabama	70,639	181,338	31,969	283,946
Alaska	14,013	*	*	61,121
Arizona	77,368	319,272	48,539	445,179
Arkansas	44,801	*	*	128,311
California	1,715,998	1,395,435	345,248	3,456,681
Colorado	126,189	181,766	36,199	344,154
Connecticut	124,742	227,658	15,786	368,186
Delaware	*	*	3,386	55,030
District of Columbia	39,471	*	*	70,715
Florida	644,621	867,513	141,403	1,653,537
Georgia	368,372	289,922	109,766	768,060
Hawaii	*	*	*	*
Idaho	19,382	*	*	64,353
Illinois	363,733	383,069	124,667	871,469
Indiana	85,968	122,338	28,724	237,030
Iowa	39,386	111,748	11,123	162,257
Kansas	50,839	181,437	16,520	248,796
Kentucky	75,316	23,672	22,606	121,594
Louisiana	100,919	189,920	24,851	315,690
Maine	11,052	*	*	85,615
Maryland	126,873	306,442	36,511	469,826
Massachusetts	207,344	564,961	48,830	821,135
Michigan	135,360	543,336	58,059	736,755
Minnesota	115,244	255,988	29,138	400,370
Mississippi	33,650	50,234	12,227	96,111
Missouri	138,046	191,658	37,274	366,978
Montana	13,119	*	*	28,023
Nebraska	18,285	111,903	10,984	141,172
Nevada	47,934	*	*	209,732
New Hampshire	17,823	95,612	5,444	118,879
New Jersey	211,540	690,620	65,680	967,840
New Mexico	26,948	38,004	7,017	71,969
New York	438,241	1,401,322	157,777	1,997,340
North Carolina	161,642	454,272	65,390	681,304
North Dakota	11,593	10,066	3,815	25,474
Ohio	243,689	508,458	69,788	821,935
Oklahoma	78,248	*	*	234,823
Oregon	95,654	197,794	25,012	318,460
Pennsylvania	230,322	482,471	59,483	772,276
Puerto Rico	*	*	*	32,063
Rhode Island	*	*	4,391	105,610
South Carolina	52,667	185,083	25,118	262,868
South Dakota	8,637	9,156	4,223	22,016
Tennessee	92,777	277,579	44,357	414,713
Texas	597,447	888,595	124,893	1,610,935
Utah	65,648	*	*	135,007
Vermont	15,072	*	*	39,773
Virgin Islands	*	0	*	*
Virginia	114,797	404,616	48,100	567,513
Washington	225,377	313,915	38,086	577,378
West Virginia	*	73,263	*	90,173
Wisconsin	84,100	287,519	30,376	401,995
Wyoming	5,503	*	*	17,507
Nationwide	7,675,114	13,684,225	2,100,332	23,459,671

* Data withheld to maintain firm confidentiality.

¹ Other includes wireline technologies other than asymmetric digital subscriber line (ADSL), optical fiber to the subscriber's premises, satellite, and (terrestrial) fixed wireless systems.

Source: Industry Analysis and Technology Division, Wireline Competition Bureau, *High-Speed Services for Internet Access: Status as of June 30, 2003* (December 2003).

Dkt. No _____
D. Blessing Ex. No. ____ (DCB-30)
Illinois Order

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Alltel Florida, Inc.'s Petition)
To Reduce Intrastate Switched Network)
Access Rates In A Revenue Neutral)
Manner Pursuant to Section 364.164,)
Florida Statutes)
_____)

Exhibit DCB-30

Second Interim Order On Rehearing Before the Illinois Commerce Commission; In re: Illinois Independent Telephone Association Petition for initiation of an investigation of the necessity of and the establishment of a Universal Service Support Fund in accordance with Section 13-301(d) of the Public Utilities Act; Docket 00-0233; Consolidated with Illinois Commerce Commission On Its Own Motion Investigation into the necessity of and, if appropriate, the establishment of a Universal Support Fund pursuant to Section 13-301(d) of the Public Utilities Act; Docket 00-0335; dated: March 13, 2002.

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Independent Telephone Association	:	
	:	
Petition for initiation of an investigation of the necessity of and the establishment of a Universal Service Support Fund in accordance with Section 13-301(d) of the Public Utilities Act.	:	00-0233
	:	
	:	(Consolidated)
	:	
Illinois Commerce Commission On Its Own Motion	:	00-0335
	:	
Investigation into the necessity of and, if appropriate, the establishment of a Universal Support Fund pursuant to Section 13-301(d) of the Public Utilities Act.	:	
	:	

SECOND INTERIM ORDER ON REHEARING

DATED: March 13, 2002

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STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Independent Telephone Association	:	
	:	
Petition for initiation of an investigation of the necessity of and the establishment of a Universal Service Support Fund in accordance with Section 13-301(d) of the Public Utilities Act.	:	00-0233
	:	
	:	(Consolidated)
	:	
Illinois Commerce Commission On Its Own Motion	:	00-0335
	:	
Investigation into the necessity of and, if appropriate, the establishment of a Universal Support Fund pursuant to Section 13-301(d) of the Public Utilities Act.	:	

SECOND INTERIM ORDER ON REHEARING

By the Commission:

I. BACKGROUND AND PROCEDURAL HISTORY

On September 18, 2001, the Commission entered the Second Interim Order (the "Order") in the above-captioned dockets relating to the establishment of a Universal Service Fund. On October 18, 2001, applications for rehearing were filed by IITA, AT&T and a number of Intervenor. On October 19, 2001, an application for rehearing and a motion for clarification were filed by Harrisonville Telephone Company (which is also an Intervenor, but represented by different counsel) and Staff, respectively. The application for rehearing filed by AT&T was denied in its entirety while four matters raised in the remaining applications and in the Staff motion were designated for rehearing.

The first issue involves the establishment of the "affordable rate." The Order adopted Verizon's proposed affordable rate, which was found to be \$22.23. The rate was based upon Verizon's basic service rate of \$16.99, plus an adder for usage. Verizon witness Beauvais testified that he used a benchmark of 100 minutes per month as the usage factor, which resulted in an additional \$5.24 being added to the \$16.99,

resulting in the \$22.23 composite rate. The rehearing applications all posited that Verizon's tariffed usage rate is \$.034 per minute, which should have led to a usage adjustment of \$3.40 and an affordable rate of \$20.39. Rehearing was granted on this issue.

The next issue upon which the remaining applications agreed was the necessity for further clarification of the "single access" line basis for establishing the level of the USF. Staff noted that the Verizon exhibit made adjustments using the IITA base point level of funding, which was based upon funding of all access lines, from which Staff inferred that a different result might obtain if the single line determination remains intact. Staff suggested two avenues for the Commission to follow. Either modify the order to include all access lines or take additional evidence on the number and nature of primary and secondary lines in both the residential and business context, since this was not a matter of record in this docket. Additional evidence was taken on the impact of the single line/all access line dichotomy in the rehearing.

The final issue raised by IITA and Intervenors involved the Commission decision to not allow a phase in of the rate increases authorized by the Order. Noting that the majority of the parties supported some type of phase in to address issues of rate shock, the Commission determined that additional evidence should be taken on this issue.

II. AFFORDABLE RATE

A. IITA Position

The first issue addressed by the IITA concerned the computation of the Verizon affordable rate, specifically the usage adder. IITA witness Schoonmaker testified that the correct computation of the comparable Verizon rate based upon the record of the proceeding is \$20.39, not \$22.23. The witness based this conclusion upon the fact that Verizon witness Beauvais, in the record below, testified that he computed his proposed affordable rate by adding the average small exchange Verizon basic rate to a benchmark of local calls at the appropriate usage rate. Dr. Beauvais testified he used 100 calls per month as the usage benchmark and that the Verizon usage rate is \$.034 per call. The IITA further notes that the uncontested evidence below was that Verizon's basic rate for residential and small business customers without usage is \$16.99. From this the IITA concludes that a basic mathematical computation leads to the conclusion that when the usage charge for 100 local calls is correctly computed at \$3.40, and this product is summed with the basic rate of \$16.99, the total comparable affordable rate is \$20.39.

B. Verizon Position

Verizon filed a pleading with the Commission indicating it would not challenge the IITA's assertion that the correct calculation stemming from Dr. Beauvais' suggested approach to calculating the affordable rate should result in the rate being set at \$20.39.

C. Intervenors Position

The Intervenors, after adducing evidence that in many of their exchanges monthly usage is well below 100 calls per month (which would lead to a lower affordable rate), generally agreed that the \$20.39, affordable rate represents the most accurate calculation of the Verizon proposal.

D. Ameritech Position

Ameritech urges the Commission to reaffirm the determination made below and establish the affordable rate at \$22.23 because the funded carriers have failed to demonstrate that the \$5.24 additive for local usage, utilized by the Commission, was inappropriate. Ameritech first notes that the \$5.24 local usage figure was determined by using an average of 100 local calls per month. Ameritech's view is that the IITA's argument is predicated on Verizon's method of calculation, particularly the fact that Verizon took into account local calls, that are completed within a customer's home exchange, as well as calls that terminate in exchanges outside of the customer's home exchange, but are nevertheless classified as local. Such calls are generally referred to as Extended Area Service, or EAS, calls. It is Ameritech's view that for purposes of determining the affordable rate in this proceeding, Verizon's Extended Area Service calls were properly included as local calls and, therefore, both local and Extended Area Service Calls should be considered when determining the average usage used in Verizon's calculations.

Ameritech also put on testimony to the effect that in exchanges where Ameritech offers flat rate calling, usage tends to outstrip usage in exchanges where usage sensitive service is offered. From this Ameritech argues that it is likely that the rural exchanges under consideration here experience more usage than the Verizon exchanges studied by Dr. Beauvais, where usage was generally based upon usage sensitive charges as opposed to the flat rate service offered by the IITA members.

E. Staff Position

Staff argues that both rates are flawed and, after again arguing for an affordable rate based upon distinctions between business and residential customers, urges the Commission to settle upon the original \$22.23 as the "less flawed" of the "fundamentally flawed" \$20.39 rate or the "deeply flawed" \$22.23 rate. Staff's criticism of both rates are based upon its perception that the rates are less than an average small company telephone subscriber is likely to pay for basic monthly telephone service. In addition, Staff argues that Verizon's proposal did not address Verizon's EAS service, which is not flat rated but tariffed at \$.03 per connection and \$.018 per minute of use. Because, in its view, the \$22.23 rate understates subscriber costs less, it is the more favorable outcome.

F. Replies

1. IITA

In response to Staff, the IITA notes that the only empirical evidence adduced by any party was the usage figures introduced by several IITA members that indicated usage below 100 minutes per-month, despite the presence of flat rated service.

In response to Ameritech, the IITA notes that the only evidence it put on in support of its claim that the 100 minute per month claim might overstate usage was anecdotal evidence from Ohio and Indiana that has no bearing on the issue before the Commission.

Finally the IITA notes that Verizon, the sponsor of the original proposal adopted by the Commission has indicated that it does not oppose the \$20.39 rate as most representative of the costs incurred by a Verizon customer taking local service in an exchange comparable to those served by the IITA companies.

2. Intervenors

In response to Ameritech, Intervenors argue Ameritech's position on the usage rates of flat rate local calling customer only bolsters the position of the small companies because the small companies have flat rate service and even under those circumstances, the uncontradicted record indicates that small companies make less than 100 calls per month, on average, per line. Intervenors go on to argue that the usage figures of Intervenors' customers (which are substantially less than 100 calls per line per month) reflect lower numbers than Verizon's customers. Significantly, Ameritech does not recognize that even at 100 calls, on average, per month, the usage rate for Verizon of 3.4 cents per call with the 100-call rate equals only \$20.39.

Intervenors further posit that for Ameritech to argue that it is "very possible" that there is a higher average than 100 calls per month by the small companies' customers is nothing more than unsubstantiated speculation. Based on this evidence, it is not only possible but highly probable that all small companies have lower calling volumes than Verizon's customers do. According to Intervenors, Ameritech's argument must be rejected because the \$22.23 affordable rate is without substantial evidence.

In response to Staff, the Intervenors point out that their position is even more speculative than Ameritech's in asserting that Verizon's "estimate" of 100 calls per month was for residential usage only. Intervenors argue that Staff's position that business subscribers would make more calls and that Verizon's \$20.39 rate is understated is mere surmise. In addition, Staff completely ignores Verizon's admission in its "Notice" that its existing rural rate for local service could not be any greater than \$20.39. Intervenors also note that Staff also ignores the evidence presented by Intervenors that Intervenors' customers (using all lines, both business and residential) consistently resulted in usage under 100 calls per month.

In response to Staff assertions concerning Verizon's EAS calls, the Intervenor note that Verizon's EAS is not truly extended area service but rather reduced local toll. Intervenor note that this is a scope of service issue which Verizon did not argue. Verizon's subscribers have a much larger calling area and the subscribers in most independent companies will be paying a much higher interexchange call rate or toll call rather than Verizon's EAS users. Intervenor conclude that Verizon's reduced local toll charges cannot be considered in the calculation of the affordable rate.

3. Staff

Staff responds to Intervenor arguments relating to the contention that Verizon's local calling volumes include EAS calls that would be priced at toll rates for many rural companies and the assertion that many small companies' average monthly local call count per subscriber line is below 100. Staff asserts that the arguments are completely irrelevant because they confuse the value to the customer of the telecommunications service provided, with what constitutes the affordable rate a subscriber can pay for those services. In Staff's view the arguments do not address the issue in this case, which is not how much value USF eligible company subscribers get from telephone service, or whether this value is greater or less than the value Verizon subscribers get for their telephone service. The issue in this proceeding is how much USF eligible company subscribers can afford to spend on telephone service, regardless of whether those services are greatly valuable to them, or have little value to them. If similarly situated Verizon subscribers can afford to pay a certain rate for local telephone service – regardless of value – then USF eligible subscribers can “afford” to pay the same the rate for telephone service.

G. Commission Analysis and Conclusion on Affordable Rate

The Commission has reviewed the evidence and arguments of the parties and concludes that the affordable rate should be set at the Verizon proposed rate, which, if calculated correctly in the first instance would have been \$20.39. Verizon witness Beauvais undertook the calculation of an affordable rate by attempting to compare the rates and usage patterns of an average customer in an average IITA exchange with an average Verizon customer in a similar exchange. All parties agree that this required setting two rates. First the rate for a Verizon customers basic access to the system, which all parties agree was correctly set at \$16.99. Setting the second rate was more problematic because of disparities between the manner in which usage is charged in the two systems. In the IITA service territories, usage is generally, if not exclusively, flat rated. In Verizon's service territory, usage is billed on a minute of use basis. Faced with this discrepancy in billing regimes, Dr. Beauvais attempted to develop an adder that would estimate the additional expenses a user would incur if usage was billed on a minute of use basis. Dr. Beauvais estimated that a typical user would incur approximately 400 minutes of use, which would correspond to 100 calls per month. Then, using a \$.0524 per call connection fee across the 100 calls, Dr. Beauvais arrived

at his \$5.24 adder, which, when added to the \$16.99 monthly fee resulted in a \$22.23 affordable rate.

This calculation was called into question by Harrisonville witness Hoops, who presented uncontradicted evidence that Verizon's actual per call rate is \$.034 per call. Of particular note here is that no party has contradicted any of these assertions. Verizon's monthly access rate is \$16.99 and its per call rate is \$.034. The only matter of contention concerns Dr. Beauvais' estimate of 100 calls per month. None of the parties contesting this matter have produced any evidence that this estimate was or is unreasonable. Ameritech's assertions that flat rate customers in Ohio and Indiana are on the phone more than usage sensitive customers in Illinois is unsupported by any comparison of rates or demographics from which it could be concluded that its proposed usage adjustment is as reasonable as Verizon's. Staff's approach is largely a reiteration of its original position that the Commission should take perceived usage disparities between business and residential lines into consideration when setting the affordable rate and does little to advance the debate here since it has previously been rejected. Because we have been provided with no evidence or argument to conclude anything other than that Verizon's original proposed affordable rate was calculated based upon a misunderstanding of its per call rate, the Commission concludes that the calculation should have reflected the \$.034 per call rate across 100 monthly calls, resulting in an affordable rate of \$20.39.

III. NUMBER OF LINES ELIGIBLE FOR SUPPORT

A. IITA Position

The ITTA states the issues are as follows: (1) whether support should be provided to all lines or based upon the assumption of a primary residence line and a primary business line and; (2) whether the individual company qualifying amounts should be reduced if support were only provided based upon those assumptions.

The IITA first contends that, if the Commission were to limit support to a subset of lines, the proper mechanism to be applied in determining the total eligibility amount should be based upon a comparison between the cost of service and the affordable rate--not to the rate-of-return limited amount. The record evidence in Phase 2 demonstrated that the economic costs of providing the supported services for all lines exceeded the affordable rate in the aggregate for all companies by as high as \$73.6 million, based upon the analysis presented by the IITA, to a low of approximately \$30 million using the HAI default assumptions.

The IITA goes on to note that the Commission, rather than establishing the fund based entirely upon the cost of service studies, applied a rate-of-return limitation on the qualifying amounts of each company seeking funding. This limitation would (and should) allow each company (after rate increases up to the affordable rate level) the opportunity to earn an appropriate rate-of-return at a level recommended by the Staff but limit support so the company does not recover above that amount.

After reaching this conclusion, the Commission went on to find that support should also be limited to a single residential and a single business line. Following a review of the rehearing applications and motions for clarification, the Commission agreed to take additional evidence on the issue of the single line decision and its potential impact, if any, on the size of the fund. The IITA quantified the numbers and percentages of primary residential lines and single business lines for each small company previously qualifying for support. Individual company percentages of primary residential and single business lines to total lines vary from the low 70% area to the mid 90% area with the average for the companies being 86.6% of the total lines. The IITA asserts that if the number of supported lines were reduced to 86.6%, this would reduce the IITA's original qualifying amount from approximately \$73.6 million to \$63.7 million and the default amount of \$30 million to approximately \$26 million, amounts still well in excess of the Commission's imposed rate-of-return limitation qualifying amount for the individual companies of \$9,858,975 at the \$20.39 affordable rate. The IITA argues that if the qualifying amount was reduced (because of a qualifying line limitation or for any other reason) from the rate-of-return limit, the immediate impact would be to limit the company's earnings level to an amount below the established rate-of-return and deny the company the opportunity to earn the established rate-of-return.

The IITA goes on to note that, if a company were to respond by increasing rates for all lines, by definition and as a matter of mathematics, it would be increasing the rate for all lines to an amount in excess of the Commission established affordable rate level. Such results would be inconsistent with the legislative intent to provide support so rates could be maintained at affordable prices.

Mr. Schoonmaker, on behalf of the IITA, presented an alternative rate design with proposed rate increases in his testimony and schedules on rehearing. IITA Exhibit 2, Attachment 6 contains the individual company impacts and associated rate increases if each qualifying company's funding was limited to primary residential lines and a single business line and rates for all "non-primary" lines were increased to amounts necessary to allow the company (at least, in theory) to earn its rate-of-return. On Attachment 6, Column (d) sets forth the funding reduction associated with the line limitation; Column (e) sets forth the number of non-primary lines; and Column (f) sets forth the amount of increase, per month, in addition to and above an affordable rate of \$20.23 that would be required to generate revenues sufficient to allow the company to earn its rate-of-return. While the amounts vary from company to company, customers of 23 companies would have potential additional increases of more than \$5.00 per line, per month; and customers of 16 companies would face potential increases of more than \$10.00 per line, per month. Attachment 6 also demonstrates the extreme effect on customers having certain companies, such as Home Telephone Company where the necessary additional increase above the \$20.23 rate would be \$52.17 per line resulting in monthly rates for non-qualifying lines of \$72.40.

As Mr. Schoonmaker observed at page 15 of IITA Exhibit 2 on Rehearing, such a rate application would have substantial consequences on both the small company

and its customers. Customer complaints and adverse reactions are obvious on their face and would likely result in customers reducing the number of non-qualifying lines. With the customers' discontinuance of lines, the company would in turn not achieve the revenue recovery contemplated by the potential rate increase with the potential "death spiral" effect of necessitating further rate increases that would only, in turn, result in the cancellation of yet additional lines. Customers would be severely impacted economically by these rate increases or adversely affected by the reduction in customer service levels as a result of their cancellation of lines they are now using.

IITA Exhibit #2, Attachment 7 sets forth the governmental non-primary access lines for a subset of qualifying companies and indicates that some 17.7% of non-primary access lines are used by governmental units, such as towns, police departments, fire departments and schools. As Mr. Schoonmaker observed at page 16 of IITA Exhibit #2 on Rehearing, if these governmental bodies were forced to discontinue or limit their use of non-qualifying lines because of budgetary constraints, the ramifications could be far-reaching.

For all of the above reasons, the IITA urges that there should be no reduction in the qualifying amount of individual companies that was developed based upon the rate-of-return analysis and limitation resulting from any decision or limitation with regard to qualifying line issues.

B. Staff Position

Staff asserts that the USF should be calculated based upon all lines not just the primary residential or business line. Staff notes that all parties seem to agree that calculating the USF based upon primary lines will create administrative and enforcement difficulties, will increase rates for many business and residential subscribers and result in more "deadweight loss" for society as a whole.

In terms of administrative difficulty, Staff notes that many USF eligible companies define non-primary lines based upon the number of lines assigned to individual accounts and that if a household has two lines, each listed on a separate account, each line will be deemed to be primary, and each will be eligible for USF subsidies. On the other hand, if a household has two lines listed on the same account then one will be deemed primary and the other non-primary, and the non-primary line will not be eligible for USF subsidies. This will tempt households who have two lines listed on the same account to open another account so they can avoid paying the higher charges associated with a second residential line. This type of "gaming" will lead to enforcement problems and lead to the perception of unfairness since some households with two lines could end up having both lines subsidized while other households with two lines could end up paying a higher rate for the second line.

Staff goes on to note that other USF eligible companies define non-primary lines as second and additional lines to a particular billing address. This method of identifying a non-primary line could cause some households to be "overcharged" for

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their line if two or more households reside at one location. For example, a farm couple could have elderly parents or a "handyman" living with them. The parents or "handyman" may require a separate line for privacy or other reasons. But under the billing address definition of a non-primary residential line, second and additional lines would be charged at the higher non-primary rate, even though these second and additional lines are functioning as primary lines for the second household residing at a location. This definition of non-primary lines could lead to attempts by households to set up separate billing addresses for each line in an attempt to avoid the higher charges for the second line. More fundamentally, the inconsistency with which carriers identify non-primary lines (some use the billing address method, some use the account method and some both) demonstrates that the administration of USF distributions will be inconsistent between companies.

The same type of administrative problem could occur if subsidies are not provided to all lines of an individual business subscriber. For example, a business with two or more lines, could try to set up separate accounts for each line in an attempt to avoid paying higher charges associated with the second line. In addition, the Commission's rationale for denying subsidies to second residential lines — second lines are discretionary — does not necessarily apply to multi-line business users. Multi-line businesses likely subscribe to a second line because second lines are necessary to run the business and not just because they are convenient to have.

Staff also notes that, under the funding methodology adopted by the Commission, the USF funding amount a company is eligible to receive is calculated by subtracting the company's current revenues from the revenues the company would be entitled to earn if it earned its cost of capital ("revenue requirement"). If primary lines are the only lines subsidized, then the revenue requirement figure will need to be adjusted downward by the ratio of primary to total lines. This type of adjustment implicitly assumes that all lines, primary and non-primary, cost the telephone company the same amount to provide. If, as the evidence seems to show in this docket, primary lines are more expensive to provide than non-primary lines then this methodology will underfund the qualifying companies.

Staff goes on to posit that subscribers who have a second line might also experience rate shock if USF funding is denied to the second line. IITA's analysis suggests that monthly rates for a second line (either business or residential) would have to rise to about \$75 for Moultrie and Home telephone company subscribers, \$60 for Madison telephone company subscribers and \$50 for Egyptian telephone company subscribers. At these rates some subscribers will cancel service resulting in lost revenue while costs will remain virtually unchanged.

Finally, limiting subsidies to primary lines will result in more "deadweight loss" activity (i.e. diverting resources from production to procurement) by inducing subscribers to disguise secondary lines as primary lines, in order to receive subsidies. All the time and effort associated with this endeavor (setting up separate accounts for each line, setting up separate billing addresses etc), and all the time and effort

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associated with trying to prevent such switching is, in Staff's view, a waste from a social point of view because these endeavors would result in resources being diverted from producing goods and services and being instead directed towards procuring subsidies and enforcing subsidy guidelines. Staff counsels against adopting a policy that would likely result in large "deadweight losses."

In contrast to other proposals, applying the subsidy to all lines will eliminate, or at least minimize, the problems discussed above. If all lines are subsidized, customers would not be motivated to try and minimize their costs by characterizing second lines as primary lines. Thus, the carriers would waste less time and capital on prevention, inspection and re-programming. This savings, would translate into potential savings for the local carrier's customers, if not for all the telecommunications consumers in Illinois who pay into Illinois' USF.

C. Intervenor's Position

Intervenors first note that the Commission's methodology for calculating the USF fund utilizes rate of return principals and is, in the first instance, based upon a carrier's revenue requirement not its access line count. This methodology flows from the Commission's prior recognition of the fact that the cost of providing service in rural exchanges exceeds the revenue received for those services, leading to the need for a universal service fund. Intervenors conclude that limiting the size of the fund to a subset of lines that make up the firm's revenue requirement would, *per force*, result in the companies receiving less than their revenue requirement. Intervenors note that Mr. Trimble of Verizon testified that funding levels based upon the funding of all access lines came closer to recovering an independent company's actual costs than any model and that the rate of return limitation was a "rational limit."

Intervenors also note that the FCC funds all access lines (T.1032) and urge the Commission to do likewise. They further note that 47 USC 254(f) restricts state authority on universal service as follows:

A State may adopt regulations not inconsistent with the Commission's rules to preserve and advance universal service. * * * A state may adopt regulations to provide for additional definitions and standards to preserve and advance universal service within that state only to the extent that such regulations adopt additional specific, predictable, and sufficient mechanisms to support such definitions or standards that do not rely on or burden Federal universal service support mechanisms. (Emphasis added.)

Intervenors argue that the FCC has preempted the field and Illinois cannot adopt a calculation of the USF that is inconsistent with the FCC's rules. Illinois may adopt rules that expand universal service but not restrict it. The preemption doctrine provides that federal law overrides state laws on the same subject and it would be inconsistent

with Section 254(f) and the FCC's rules and procedures for the Illinois Commerce Commission to exclude secondary lines.

In addition to preemption arguments, the Intervenor's point to a number of untoward consequences they assert will occur in the event the Commission limits the calculation of the USF to primary lines. Intervenor's note that, on average, the rural companies have approximately 14% of their total lines as secondary lines and that basing the USF on primary lines would, mathematically, reduce the size of the USF and reduce the funding levels to all qualifying companies. Intervenor's note that the evidence shows that the funding deficiency caused by lack of funding for secondary lines could be recovered in at least two ways: raising the rates of all customers and lines, which would minimize the impact on secondary lines but would cause all customers to pay rates above the affordable rate level; or, raising the rates charged for secondary lines.

Intervenor's note that Verizon witness Trimble testified that the price of single-line service should be "capped" at the price of the affordable rate. Even without support of secondary lines, Verizon agrees that it would be unreasonable for rural companies to spread the funding deficiency across all lines because to do so would require each company to charge more than the affordable rate, which is inconsistent with the entire concept of an "affordable rate." Following the second course would result in secondary line prices being substantially increased to the point that customers would not purchase secondary lines, thereby decreasing the total number of access lines and revenue of each company and increasing the funding needed to support primary lines. Intervenor's point to the following results in the event prices for secondary lines were increased to recoup the funding shortfall. In Leaf River's case, an additional charge of \$36.12 over and above its current rate of \$24.93 for secondary lines would be required to make up the lost revenue, meaning a residential secondary line would cost \$61.05 and a secondary business line would cost \$65.64. Woodhull would have to charge a total of \$26.09 for a secondary line. Oneida would have to charge \$35.85 for a secondary line and New Windsor would have to charge \$31.52 for a secondary line. Home Telephone would need to charge \$52.17 for a second line.

Intervenor's also argue that lack of funding of secondary lines would have a drastic impact on rural services. Viola has a school with 4 lines to the superintendent of schools and 3 lines to the Winola Elementary School, all at one "premise," which, based upon the concept of counting the number of lines at an address, would result in the school district paying the secondary line rate for 6 lines. In addition, Viola has a public library with 2 secondary lines, a volunteer fire department with 1 secondary line, 2 churches with a secondary line each, a post office with 2 secondary lines, and the village of Viola with 3 secondary lines. Mercer County Home Health Care, a part of the county hospital system, has 5 secondary lines. The Leaf River school has 5 secondary lines and its volunteer fire department has 6 secondary lines.

Montrose Mutual has three schools with a total of 10 secondary lines, two volunteer fire departments with 4 secondary lines, two churches with 1 secondary line each and the Village of Dieterich with 1 secondary line.

In New Windsor, the public library has 2 secondary lines, the volunteer fire department has 1 secondary line, the local churches have 4 secondary lines, and the Village has 2 secondary lines, all classified as business line accounts. All of these public or charitable entities face substantial rate increases if secondary lines are not supported. In Oneida the ROWVA Community School District grade school has 3 secondary lines and the attached high school has 4 secondary lines. Next door, the superintendent has 3 secondary lines, for a total of 8 secondary lines for the school district. The Oneida Altona Ambulance District has 1 secondary line, the volunteer fire department has 1 secondary line, as does the post office and a local church.

In Woodhull, the school district has 11 secondary lines, the public library has 4 secondary lines, the volunteer fire department 2 secondary lines, local churches have 2 secondary lines and the Village has 3 secondary lines.

In addition to these factual assertions, Intervenor's argue that the Public Utilities Act requires a telephone company to furnish to all persons who apply therefor, and who are reasonably entitled thereto, suitable facilities without discrimination and without delay. *Barry v. Commonwealth Edison*, 374 Ill.473, 29 N.E.^{2d} 1014, 1016 (1940). 220 ILCS 5/8-101 states: Every public utility shall, upon reasonable notice, furnish to all persons who may apply therefor and be reasonably entitled thereto, suitable facilities and service, without discrimination and without delay. (Emphasis added.)

Therefore each company must furnish each applicant telephone service without discrimination and a higher charge to an applicant at the same address as another customer would be discriminatory and a denial of equal protection. There is no legal basis for the phone company to discriminate in its local rates between two accounts at the same location, each with good credit. To do so puts the company in jeopardy with serious legal challenges based upon race, gender, and age contrary to state and federal law.

For example, assume that a family has two access lines and both access lines are in the name of the husband. He is the customer. If the Commission fails to support secondary lines and the secondary line rate goes up (as it must necessarily do under either revenue recovery scenario), the husband could cancel his secondary line and the wife would come to the phone company and seek to establish an account in her name alone. Assuming she is credit worthy, she has every right to have phone service in her own account.

As the carrier of last resort, the phone company has no basis upon which to deny her an account in her name unless she has bad credit or has failed to pay the company previously. However, it is incredulous to suggest that the company indicate to the wife that merely because she is the second account to be established at the same

residence, she would have to pay several dollars more for the same service at the same location simply because she lives in the same home with her husband. However, if the wife left the husband and established an account in her own name at a separate location within the same exchange, she would get the benefit of the supported lower single-line rate. Intervenors argue that this disparity does not make sense and is simply bad policy. The same holds true with two sisters living together or an adult child living with a parent, any of whom may want the privacy of a secondary line or the use of a secondary line for high speed data.

Intervenors also take issue with the "primary/secondary" classification, arguing that a line is only "primary" as to a customer, it is not primary as to location. Every consumer in Illinois is entitled to establish telephone service with the local telephone company in his or her individual name without discrimination as to price for the same service to the same location. Failing to support secondary lines and forcing the companies to necessarily increase the charges for secondary lines would be illegal. 220 ILCS 5/9-101 states as follows:

All rates or other charges made, demanded or received by any product or commodity furnished or to be furnished or for any service rendered or to be rendered shall be just and reasonable. Every unjust or unreasonable charge made, demanded or received for such product or commodity or service is hereby prohibited and declared unlawful. All rules and regulations made by a public utility affecting or pertaining to its charges to the public shall be just and reasonable. (Emphasis added.)

Public utilities are prohibited by law from discriminating or maintaining any unreasonable difference in rates as between localities. 220 ILCS 5/9-241 states as follows:

No public utility shall, as to rates or other charges, services, facilities or in other respect, make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage. No public utility shall establish or maintain any unreasonable difference as to rates or other charges, services, facilities, or in any other respect, either as between localities or as between classes of service.

Sec. 9-241 specifically prohibits unreasonable differences in rates *as between localities* so a difference in rates for customers *at the same locality* for the same service is undoubtedly illegal.

Failing to support secondary lines would require local phone companies to discriminate against individual users at the same location for the same class of service without any knowledge as to the use that that line will be put to. All residential subscribers in a given exchange should pay the same rate just as all business subscribers should pay the same rate. However, by failing to fund secondary lines, the

Commission is encouraging, if not requiring, independent companies to charge more for secondary lines based solely on the fact that the service is at the same address, irrespective of whether the second or third line is paid for in the account of a different individual.

Intervenors also argue that failing to support second lines ignores the rate base element of the telephone carriers revenue requirement because telephone installations, as a matter of course contain enough cable pairs to establish more than one line per premise. When a customer orders a second line, no additional digging or cable installation is required because it has already been done and the costs incurred. The company simply activates the second pair of wires for a separate line number on the switch. Investment in the plant has already been made. Secondary lines are revenue enhancers to rural telephone companies, not cost causers, so they should be encouraged, not discouraged, especially since they reduce the revenue requirement of each company. If subscribers cancel secondary lines due to increase rates, the USF needs for those rural companies will go up.

The Commission's Order concluded that secondary lines were "discretionary services" and stated that merely because it is possible that end users would "falsely" identify additional lines as primary lines was not sufficient reason to subsidize secondary lines. The Commission's order erroneously assumes that it is "false" for more than one primary access line to exist at the same location.

Finally, Intervenors take issue with the policy underpinnings of the Commission's decision that only primary lines should be funded, which they characterize as resting upon a decision that low-income users in one area of the state should not subsidize high-income users in another area of the state. Intervenors first argue that there is no record support for the proposition that all or even most rural users are high-income earners. Intervenors also argue that this policy statement is inconsistent with Commission policy toward other subsidized programs. For example, ITAC subsidies are paid by all telephone customers and support services for the hearing impaired, with no consideration of the economic status of the payors or the recipients. Likewise, the telecommunications municipal infrastructure maintenance fee is a charge paid by low-income users and wealthy users alike, with no showing that the funds generated do not accrue more to benefit the wealthy than the poor. Intervenors conclude that there are simply cases, such as this one, where the policy goals outweigh the costs, especially where the costs imposed (approximately \$.078 per month per line) are so minimal.

D. Ameritech Position

Ameritech argues that USF support for secondary lines would be inappropriate because it would create an incentive for potential competitors to cream skim. Ameritech bases this assertion upon the premise that competitors usually target those customers where the most profit potential exists, i.e. multi-line business customers and residential customers with more services such as second and third lines. If those lines receive high cost fund support, and support is eventually available to competitive carriers as

well as the incumbents, the problem of uneven competitive entry would be exacerbated because competitors would be able to target the more profitable customers while being eligible to receive support for all of the lines to which the customers might subscribe.

E. Verizon Position

Verizon urges the Commission to reaffirm its decision that only primary residence lines and single business lines are eligible for support. Verizon notes that Section 13-301(d) of the Act specifically provides in pertinent part that:

the Commission shall . . . (d) investigate the necessity of and, if appropriate, establish a universal service support fund from which local exchange telecommunications carriers . . . whose economic costs of providing services for which universal service support may be made available exceed the affordable rate established by the Commission for such services may be eligible to receive support.

Verizon asserts that the clear import of section 13-301(d) is that support is to be provided to services whose costs exceed the affordable rate. To that end, it is Verizon's position that only the primary residence line and a single business line are eligible for support. According to Verizon, the record here demonstrates that there are little or no costs associated with the provision of additional lines. Verizon points to testimony of various Intervenor witnesses that Verizon claims state that secondary access lines impose little or no cost on the companies. Moreover, as Verizon witness Dennis B. Trimble noted, Verizon customers should not be required to support discretionary services—especially where such services impose “zero” cost.

Verizon also disputes the claim that administrative difficulty in designating primary and secondary lines should effect any decision made herein based upon its reading of Section 13-301(d), which does not offer the IITA members excessive intrastate USF funding simply because of the difficulties associated with accounting for primary and secondary lines. The Act is clear that the Commission can designate what services are to be supported, and the cost for providing those eligible services must be greater than the affordable rate. In conclusion, Verizon asserts that the record on rehearing demonstrates that the Commission correctly found that only primary residence lines and single business lines are eligible for support.

F. Replies

1. Ameritech

Ameritech responded to the IITA, Intervenor and Staff noting that three general arguments were made: 1) the small companies cannot meet their revenue requirements unless they receive support for all access lines; 2) the FCC requires support for all access lines and thus the intrastate fund should also do so; and 3) it would be

burdensome and difficult, both administratively and from an enforcement perspective, if only primary residential lines and single business lines are covered.

In response to claims that if the qualifying amount for each company is reduced because of a limitation on the lines covered or for any other reason, the effect on the funded companies would be to reduce their earnings below their established rate of return levels, Ameritech urges first that this claim be scrutinized very closely by the Commission because what the IITA and the other funded companies are requesting is that their rate of return levels be met by the customers of the funding companies.

In response to claims that demand for second lines will diminish dramatically if they raise the prices and that the lack of funding of secondary lines would have a drastic impact on rural services, Ameritech opines that it is unlikely that the results would be so drastic. Ameritech Illinois' witness, Mr. O'Brien, pointed out in his testimony that there are numerous other ways that local exchange carriers can generate revenues. Mr. O'Brien suggested that a funded company could raise the rates on all of its access lines, instead of only raising the rates on the secondary lines, and collect those revenues from its own end user customers. He also testified that there were numerous other sources from which funded companies could obtain additional revenues, including CLASS/central office services and vertical services. Carriers with modern switches could also introduce new services, including services such as privacy manager.

In response to Staff's concern that subscribers to secondary lines might experience rate shock if high cost funding is not granted for the support of secondary lines, Ameritech responds that this misses the point that USF support is not used as a subsidy to individual customers but is a subsidy to the funded companies themselves. The way to make up any shortfall is not necessarily through only the second lines. Rather, it may be through raising the rates on all lines or through other services as discussed above. In fact, according to the witness, the funded companies are seeking the best of both worlds. They are proposing that the affordable rate be lowered to \$20.39 and that all lines be funded. This would mean that the funded companies would charge the lower affordable rate for all lines, including second and additional lines, and receive a higher funding amount because of having lower rates for all of these lines. Ameritech Illinois is not opposed to the companies receiving the revenues they deserve, however, as much as possible should come from their own subscribers, not the customers of other companies. Therefore, even if the Commission were to decide to fund all lines, that action would support an even greater need to have an affordable rate of at least \$22.23 so that funding from other companies for additional lines be kept to a minimum.

Ameritech also addresses the argument that supporting only primary lines would be inconsistent with either TA 96 and the FCC's decision to support all access lines and/or the Illinois statutory requirement to support at a minimum the services supported by the FCC. Ameritech first notes that Section 254 (f) of TA 96 provides that "[a] state may adopt regulations not inconsistent with the Commission's rules to preserve and

advance universal service." Ameritech then asserts that Intervenors would pick and choose what is inconsistent. They complain that the Commission has ordered support for primary lines only and not all access lines, as the FCC did, but they ignore the fact that the FCC provides funding to all carriers while, under Section 13-301(d), high cost support is limited to those companies who received support under the High Cost and DEM Weighting Funds. According to Ameritech, Intervenors choose to ignore this difference between the interstate universal service fund and the Section 13-301(d) fund being established in this proceeding.

Finally, Ameritech addressed the arguments relating to the administrative burdens associated with funding only primary lines. Ameritech asserts that potential administrative and enforcement issues are not sufficient reasons for the Commission to require the subsidization of discretionary services. Ameritech Illinois' witness explained on cross examination that there is a definition of "primary" line as a service address used by the FCC that could be applied here. Moreover, despite the administrative difficulties alleged by Staff and some of the funded companies, there is precedent for distinguishing primary lines from secondary lines. Under the FCC's guidelines, Ameritech Illinois implemented a higher EUCL for secondary lines than the one assessed on primary lines. Thus, price-cap carriers have gone through a process where primary lines were designated and treated differently. There is also precedent from earlier Commission high cost proceedings. In its Twenty-Seventh Interim Order dated October 16, 1986, issued in Docket No. 83-0142, the Commission set up a high cost fund as some of the small companies' non-traffic sensitive charges were being transitioned from traffic sensitive access charges to end users. In that Order the Commission found that only residence and single line business access lines would be funded.

2. Verizon

Verizon first responded to the positions taken by the parties advocating funding levels based upon all lines by asserting that the record here demonstrates that non-primary residence lines and secondary business lines do not impose costs beyond the affordable rate and as such are not subject to USF support.

In response to Intervenors argument concerning federal pre-emption, Verizon asserts that here is simply no basis for the argument because the Commission is authorized to consider the establishment of an intrastate USF under Section 13-301(d), which is a state statute. Verizon argues that, notwithstanding that point, the fact that the Commission determined that only primary residence and single business lines are to be supported is not in contravention of federal law because the Commission is setting the parameters for an intrastate USF, not challenging the parameters of the federal USF, which would be the only instance in which federal pre-emption would be an issue. Moreover, the Commission has previously rejected similar preemption arguments in the prior Order.

Verizon next responds to the Intervenors claim that the Commission's decision on this point is somehow "discriminatory" by noting that Section 13-301(d) expressly allows the Commission to determine what services are eligible for intrastate USF support. Accordingly, the Commission has the authority to determine which service will not be supported. As such, the Intervenors "discrimination" claim entirely lacks merit because the Commission has the express authority to make such a designation.

3. Staff

Staff first responds to Verizon's argument relating to second lines being provisioned at little or no cost. Staff asserts that this argument essentially rebuts itself. If, as Verizon argues, second lines are provisioned at little or no cost, and current rates cover these "zero" or, at most, modest costs, it follows that any revenue shortfall that USF eligible companies currently face comes almost exclusively from primary lines. It further follows that, if all or virtually all of the revenue shortfall USF eligible companies currently experience comes from primary lines, then no reduction in total subsidy amount is warranted, -- regardless of which lines receive support -- since the current disparity between the costs of providing service and revenues derived from those services is, by implication, caused by only primary lines to begin with.

In response to Ameritech's contention that second lines are discretionary services, Staff notes that the assertion is highly questionable on a number of fronts. First, businesses subscribe to second and additional lines not because they are convenient to have, but because they are necessary to conduct business. Staff posits that, if the Boeing aircraft company moved its headquarters to Leaf River rather than Chicago, for example, it is preposterous to suggest that only one line would be necessary to service the entire headquarters staff of this company. Second, on the residential side, it is difficult to argue that, for example, a household with three teenage children really has a great deal of discretion in getting a second line. Second lines are also used extensively to access the internet, and an increase in second line rates would likely harm internet penetration rates in rural areas, further exacerbating the digital divide, an outcome directly contrary to the General Assembly's expressed policies in this area. See, e.g., 30 ILCS 780/5-3 (state policy should foster "a society in which all individuals can benefit from the opportunities created by the new [digital] technologies.")

Staff notes that, ultimately, the Commission must decide whether the modest cost savings achieved from removing subsidies from second and additional lines outweigh the administrative, financial and social problems that this would cause rural telephone companies and their subscribers. In Staff's view, the Commission should resolve this by ordering that all lines be supported.

4. IITA

The IITA first notes that neither Verizon nor Ameritech addressed the IITA's assertion that the mathematical certainty of any reduction in the fund size resulting from

a decision to support only a subset of lines would, in light of the Commission imposed rate of return limitation, deny the companies the opportunity to earn the rate of return that the Commission has already determined to be reasonable.

The IITA also addressed the arguments of Verizon and Ameritech relating to assertions concerning the cost differences attributable to primary and secondary lines. The IITA asserts that the economic cost studies, which addressed all lines in the composite and which were accepted by the Commission and used to determine that all companies were eligible for support demonstrate that, at a minimum, the economic costs of providing the supported services for all lines exceeds the revenue received, including federal universal service support, by approximately \$30 million dollars. As such, the IITA finds Verizon's claim inconsistent with the determination already made by the Commission.

In addition, the IITA notes that the FCC has, on several occasions, considered the types of arguments offered by Ameritech and Verizon to limit federal universal service funding to some subset of access lines. Having considered these arguments, the FCC continues to provide federal support to all access lines. The IITA urges the Commission to follow the FCC's lead and reach the same conclusion.

Finally, the IITA notes that the fund established by the Commission's Second Interim Order is pursuant to the provisions of Section 13-301(d) of the Act. Section 13-301(d) incorporates by reference and requires the Commission to make findings in accordance with Section 13-301(e)(1). Section 13-301(e)(1) provides as follows:

(1) Define the group of services to be declared "supported telecommunications services" that constitute "universal service". This group of services shall, at a minimum, include those services as defined by the Federal Communications Commission and as from time to time amended. In addition, the Commission shall consider the range of services currently offered by telecommunications carriers offering local exchange telecommunications service, the existing rate structures for the supported telecommunications services, and the telecommunications needs of Illinois consumers in determining the supported telecommunications services. The Commission shall, from time to time or upon request, review and, if appropriate, revise the group of Illinois supported telecommunications services and the terms of the fund to reflect changes or enhancements in telecommunications needs, technologies, and available services. (Emphasis added)

The FCC's funding of services for all lines establishes the minimum for a Section 13-301(d) fund. According the IITA, the arguments of Ameritech and Verizon ignore and are contrary to this requirement.

5. Intervenor

In response to the argument of Ameritech and Verizon relating to the costs of primary and secondary lines, the Intervenor indicates that the argument has 2 inherent defects. First, it understates the cost of the primary line because the costs of the primary and secondary lines are averaged together to arrive at a dollar per line amount of support. Then, after having artificially reduced the cost of the primary line and the dollar amount of support per line, the Ameritech and Verizon argument proposes to provide funding based on the artificially reduced dollar per line level for primary lines only. Stated another way, Ameritech and Verizon propose to reduce IUSF support based on an overstated dollar per line amount for non-primary lines. The Intervenor points out that on cross examination, Ameritech's witness could not state with certainty that primary lines cost more than seconds because he did not do a study.

In response to assertions made by Ameritech relating to the discretionary nature of second lines, Intervenor points out that, while Ameritech witness O'Brien testified that increased charges due to the lack of universal service support for secondary lines for schools, fire departments, churches and governmental offices are simply costs that those entities will have to bear, he did not make the argument that multi-lines to schools, fire departments, churches or other governmental offices are "discretionary." Intervenor asserts that, in fact, the normal operation of the services of those entities, like many businesses, requires more than one line. These public service organizations require more than one line to perform their public duties and so do many other rural businesses and homes. It is absurd to term secondary lines as "discretionary" in the age of the information highway and expanding telecommunication services. From this, the Intervenor concludes that secondary lines are not "discretionary services" to public service agencies.

In terms of businesses, Intervenor posits that it is doubtful that many businesses would view their secondary lines as discretionary because their normal operation requires more than one line on many occasions. Like their urban counterparts, rural businesses use secondary lines to talk to customers when the first line is busy and for e-mail and fax capability.

In terms of residential service, Intervenor responded to Ameritech's contention that all that universal service requires is that households have a phone at an affordable rate to make "necessary" calls like emergency calls. Intervenor asserts that this position does not square with reality or common practices. The basic use of telephone service is no longer limited to merely emergency situations but has evolved to a greater communications tool. Universal service should recognize that if a customer is willing to pay the affordable rate for an additional line, that line is "necessary" for that individual customer as a matter of basic economics and should be supported to make it affordable to meet that customer's individual residential or business needs.

Intervenor also responds to Ameritech and Verizon assertions that rural telephone companies could turn to other sources of revenue to make up for the

inevitable funding deficiency caused by removing secondary line support by noting that neither Ameritech nor Verizon could give a clear answer on what "other services" could raise revenue. The evidence shows that today Leaf River has 608 access lines and in 1990 it had 642 access lines. The population of Leaf River has increased by 9 people in the last 10 years from 546 in 1990 to 555 in 2000. The school district has had a decrease of 2 children in the last 10 years. At the present time Viola has 854 access lines and in 1990 it had 699 access lines for 155 line increase. The village population, however, has decreased over the last 10 years from 964 in 1990 to 956 in 2000. New Windsor presently has 642 access lines and in 1990 it had 560 access lines, an increase of 82 lines. The population of New Windsor decreased from 774 in 1990 to 720 in 2000. Montrose Mutual presently has 1,695 access lines. Five years ago it had 1,475 access lines. The population of its four exchanges has decreased or at best remained flat for the last 10 years. Dieterich, the largest city in the service area had a population in 1990 of 650 people and today has a population of 590. Oneida has 613 access lines today and in 1995 had 502 access lines, for a 111 line increase. The population of Oneida has remained the same, at 752 between 1990 and 2000. Woodhull has 776 access lines today and in 1994 had 660 access lines. The population of Woodhull has increased by one from 808 in 1990 to 809 in 2000. Intervenor conclude that independent telephone companies have no untapped growth capacity and cannot go out and just "hunt up" new business. The population in rural communities is declining or stagnant at best, but the access line count is increasing due to the greater need for secondary lines for reasonable telecommunications use. The internet, fax lines and e-mail has spawned a greater need for secondary lines and established a new norm.

Intervenor responded to Verizon's suggestion that the rural companies raise their charges for vertical services to offset the revenue requirement deficiency that would occur if the USF fund were limited to primary lines. Intervenor note that Leaf River, Montrose, New Windsor, Oneida, Viola and Woodhull presented evidence that their charges for vertical services were nearly identical to Verizon's charges for vertical services while the revenues generated from vertical services is *de minimus*. According to Intervenor, the fact is that there are no other alternative sources of revenue for rural carriers. Because they derive their revenue from local service, access charges, and universal service support with little or no other source of funds, a substantial funding deficiency will undoubtedly occur without support for all lines.

In response to the assertions of Verizon and Ameritech relating to the administrative difficulties attendant upon single line funding, Intervenor note that Verizon witness Mr. Trimble addressed this issue on cross examination. They point out that he first testified that it was possible to have two or more primary lines to a business or to a multi-apartment premise, but it was impossible to have more than one primary line to a single-family residence. When asked how he would determine a primary line if more than one family member established an account in his or her individual name, one with two competing carriers, he suggested that the phone company look at "its records" to award the first in the field the supported line. According to Intervenor this would result in the anomalous situation of one family member having a line that is supported

(and thus priced lower) and another member of the household having a substantially higher line in his or her own individual name. Mr. Trimble finally admitted that the issue of funding only primary lines was a "slippery slope" to administer and that the Commission would be forced to draw the line somewhere.

Mr. Trimble was then asked how he would treat two lines to the same home, one a single-family residential line and the second a single business line for a home office. At first he responded by stating that he would not support the business line, but then shifted and stated that if the business and residence could be partitioned, then the lines should both be supported, then he ultimately stated if the business line was truly a business, both lines should be supported. For example, a line to a beauty shop in a home with a line to the residence should both be supported. Finally, Mr. Trimble indicated that a lot of different definitions could be used, and he again admitted that it is a slippery slope. He looked to the Commission to invent a definition to solve his problem but he couldn't come up with a suggestion on how to do so.

G. Commission Analysis and Conclusion on Eligible Lines

The Commission has reviewed the evidence and arguments of the parties and concludes that it should not depart from the decision reached previously, which would base the USF calculation on support for a primary line, whether that line be business or residential. The Commission notes that while the parties have presented a great deal of evidence and argument relating to this issue, no party has presented any matter that was not previously before the Commission at the time of the entry of the Second Interim Order. At the time we reached the single line determination there, we were cognizant of the fact that basing the size of the USF fund on support for a single line would reduce the fund size. We were also cognizant of the fact that the qualifying companies would, in all likelihood, seek to recoup the reduction in the fund size from their customers. Rate increases are particularly likely in light of the fact that we have little or no control over the rates charged by the qualifying companies under Section 13-504 of the PUA, which largely exempts carriers with less than 35,000 access lines from the rate making provisions of Article IX of the PUA.

Despite the fact that our decision here may bring rate increases to the customers of the qualifying companies, the policy issue is more far reaching. The policy issue facing the Commission is whether the families and agencies, and, in the case of public agencies, the taxing agencies that support them, should bear the brunt of increased rates relating to second lines, or whether the burden should be shifted to all citizens of the state, including low income citizens in inner cities that cannot afford a single line. On balance, reasoned public policy supports imposing the burden on the parties who use the services and the localities where they are used rather than allowing parties to purchase second lines on the backs of the poor.

In addition to offering no compelling factual or policy reason to depart from our prior decision, no party has presented any compelling legal authority either. Intervenor's pre-emption arguments were dealt with in the Second Interim Order and

will not be addressed again. Our review of section 13-301(d) provides us with no indication that the legislature intended that we walk in lock step with the FCC in determining whether or not to support all access lines in the USF. Rather, the statute simply instructs us to establish a list of supported services no less expansive than the FCC's. That we have done. Our list of supported services includes:

1. Voice grade access to the public switched network
2. Local usage
3. Dual tone multi-frequency signaling or its equivalent
4. Single-party service or its functional equivalent
5. Access to emergency services
6. Access to operator services
7. Access to interexchange service
8. Access to directory assistance
9. Toll control services for qualifying low-income consumers

These are the services supported by the FCC. The fact that the FCC computes the level of support based upon support for all access lines does not change the fact that our order supports the same services. There is no indication anywhere in section 13-301 that the number of lines entitled to support may not be limited, as long as individuals and businesses are guaranteed access to the network and that the fund recognize that that access is at an affordable rate. Our decision assures that this is the case.

In the same vein, Intervenor arguments that the size of the fund must be recalculated (and increased) because our determination will somehow affect the amount of Federal USF support the companies will receive are not well taken. Section 13-301 specifically requires us to compute the size of any USF with the level of Federal funding in mind. The calculation that resulted in the original fund size appearing on Intervenor's Schedule B recognized the entirety of Federal support under then current FCC policy. The fact that the actions taken here reduce the level of state support originally requested will in no way effect the level of Federal support and, accordingly, no modification of the calculation is warranted.

III. PHASE IN ISSUES

A. IITA position

The IITA first notes that all parties submitting testimony, including Staff, Ameritech and Verizon, recommended a transition plan or phase-in to the affordable rate level. While the IITA supported the five year transition plan proposed by Staff in Phase 2 of these dockets, the IITA presented a modified shorter phase-in during the rehearing. The IITA's shorter phase-in is premised on and conditioned on all lines being funded and an affordable rate level of no higher than \$20.39. The IITA's plan would involve a transition of the revenue differential between each company's existing rates and the \$20.39 affordable rate level in six equal increments with interim steps occurring each six months starting October 1, 2001 and ending April 1, 2004. The IITA's proposed phase-in or transition plan is grounded in experience gained in the 1980's when, pursuant to Commission Orders in Docket No. 83-0142, the intrastate Carrier Common Line charges were eliminated and transitioned to end user customers. In that case, increases of up to a maximum of \$12.35 were phased in over a five year period with end user increases occurring every six months.

The IITA asserts that its transition plan is reasonable, patterned after prior Commission's transition plans, and is intended to prevent undue rate shock on customers while phasing in rate increases to a \$20.39 affordable rate.

B. Staff

Staff recommends that the phase-in occur over a number of years to prevent rate shock and reduce economic hardship for subscribers of rural telephone companies. Staff recommends that the number of years selected correspond to the final affordable rate. For example, if Verizon's proposed rate of \$22.23 is adopted, the phase-in period should be four years. Each year, rates would rise by one-fourth of the difference between the subscriber's current rate and Verizon's proposed rate of \$22.23, or \$2, whichever is greater. If IITA's proposed rate of \$20.39 is adopted, then the phase-in period should be 3 years. Each year rates would rise by one-third of the difference between the subscriber's current rate and the IITA's proposed rate of \$20.39 or \$2 whichever is greater. The phase-in would occur once a year starting on October 1, 2001. Staff recommends a shorter phase-in period for the lower affordable rate because there is less hardship to which subscribers must adjust.

C. Intervenors

Intervenors first note that all parties except Ameritech agreed on a five-year phase-in plan, before the Second Interim Order was entered. Intervenors go on to note that, at this time, several companies are less than \$3.00 from the \$20.39 affordable rate and that a shorter phase-in period is appropriate for those companies, assuming that the affordable rate is set at \$20.39. Intervenors propose that any carrier that has a current rate of \$17.39 or more should be phased in to the affordable rate by increases

of \$1.00 per year over the next three years, with increases to occur every six months beginning on July 1, 2002. Any small company whose current rates are less than \$17.39 should phase in their rate increases by 20% of the difference between their current rate and \$20.39 over a five-year period beginning July 1, 2001. Intervenors recommend that the phase in begin at a time after the Commission has entered an order establishing the affordable rate and phase-in period but with sufficient time for the companies to prepare and file tariffs to meet the 30-day notice requirement of section 13-504 of the PUA. In support of their position, Intervenors attached to their Brief on Exceptions three revised schedules addressing their phase in proposals.

D. Ameritech

Ameritech begins by noting that, in the prior phase of this proceeding, it recommended an affordable rate level higher than that adopted by the Commission in its September 18, 2001 Order and proposed a phase-in to avoid potential rate shock to end users. On rehearing, Ameritech Illinois' proposed that each company would phase in one-sixth of the difference between current rates and the affordable rates each six months, as under the IITA's proposal, with two modifications. Ameritech noted that the rates for many companies are already relatively close to the affordable rate, resulting in the amount of total increase being so small for many of the funded companies that it is not necessary to implement the increase in six steps to avoid rate shock. Based upon this observation, Ameritech suggests that there should be a minimum increase of \$1.00 each six months for all companies until such time as an individual company reaches the affordable rate level. For companies needing more than \$6.00 in total increases to reach the affordable rate, they would follow the IITA's proposal of an increase of one-sixth of the total difference between existing rates and the affordable rate each sixth months.

The second modification Ameritech Illinois proposed to the IITA phase-in is that if the Commission were to lower the affordable rate level to \$20.39, then the phase-in should be reduced to two years, with increases each six months of one-fourth of the difference between existing rates and the affordable rate. The minimum increase each six months would again be \$1.00. A shorter time would clearly be appropriate, because the affordable rate would be at a much lower level and companies could phase-in over a shorter period without rate shock.

E. Verizon

Verizon proposes that a transition period of no more than three years is appropriate in order to implement the affordable rate determined by the Commission. It is also Verizon's position that such transitions should be tailored to each member of the IITA. In particular, there may be many instances where the affordable rate can be increased at one time. Such a proposal ensures that as many IITA member customers are paying an affordable rate similar to that paid by Verizon customers—thereby reducing the surcharge imposed upon Verizon customers.

Verizon proposes that the transition plan utilize a semi-annual increase in the affordable rate. The amount of the increase, however, would be fixed at a particular dollar amount for all companies, with the semi-annual increase amount set at the maximum amount any company would be required to increase semi-annually over a three year period. Under this proposal then, some companies would attain the affordable rate plateau more quickly than other companies, whose current rates are exceptionally lower than the Commission-determined affordable rate.

Verizon asserts that its proposal balances the interests of all parties in this proceeding. First, it allows the IITA members the opportunity to phase-in the Commission's affordable rate decision. Second, it implements the Commission's decision in a timely manner. In doing so, Verizon's transition plan serves to ensure that Verizon's customers are not paying more in surcharges than necessary to support similarly situated customers.

F. Replies

1. IITA

The IITA did not specifically address the various plans put forth by the remaining parties.

2. Staff

Staff opposes the semi-annual affordable rate phase-in proposals based upon its view that such an approach would likely be administratively burdensome, would introduce needless complications to the USF fund size calculations without much, if any, consumer benefits. Staff notes that if the affordable rate is phased in semi-annually rather than annually, it will effectively double the tasks associated with rate changes, such as rate re-programming, bill notifications, and explanations to subscribers phoning in about the bill, that companies will have to undertake. It also complicates the calculations involved in determining the fund size since half the year is funded to support one affordable rate while the other half of the year is funded to support a higher affordable rate, not to mention other issues associated with fund administration. In addition, if the affordable rate is adjusted semi-annually, the surcharge used to support USF should be adjusted semi-annually as well, which introduces further complications. Finally, it appears self-evident that semi-annual increases are less palatable to consumers than annual increases. Consumers will have to adjust to two increases a year rather than one, although Staff acknowledges that the one annual increase will be double the magnitude of the two semi-annual increases.

3. Intervenors

Intervenors first address Staff's 3-year phase-in proposal of an affordable rate of \$20.39. Intervenors find the 3-year phase-in appropriate for those companies that are

near the affordable rate, but insufficient for companies that are more than \$3.00 away from the affordable rate. Intervenors suggest July 1, 2002 as an appropriate starting time.

Intervenors find Ameritech's proposed phase in too harsh and too severe. At an affordable rate of \$20.39, Ameritech proposes that all companies phase in their rates within 2 years by one-fourth the difference, with a minimum of \$1.00 increase each six months. Several small companies such as Viola are approximately \$8.00 away from an affordable rate of \$20.39. Intervenors argue that a 5-year phase-in as agreed to in the original proceeding will work towards avoiding rate shock and more reasonably allow for price increases. The Intervenors' proposal of a 3-year/5-year phase-in should be adopted.

4. Ameritech

Ameritech did not specifically address the proposals of the other parties.

5. Verizon

Verizon opposes the longer phase in periods proposed by the IITA and Intervenors. Verizon notes that, during the Phase II proceedings, Verizon presented evidence and argument that the IITA member companies knew that certain subsidies would be eliminated over time, and that they had the opportunity to phase-in rate adjustments. Instead of adjusting rates, the IITA member companies did nothing, which has now, lead some of the companies to claim the need for a five-year transition plan to avoid rate shock to their customers. Verizon urges the Commission to not have Verizon customers subsidize the IITA member companies for any longer than necessary due to the fact that these companies elected to do nothing about their respective rate structures for an extended period of time.

G. Commission Analysis and Conclusion on Phase In

The Commission has reviewed the evidence and arguments and adopts the 3/5 year proposal of Intervenors as shown on their Revised Schedule B, which is attached as an Appendix to this Order. Giving effect to the adjustments adopted herein, the beginning fund size will be \$10,535,634 and the final fund size will be \$8,695,055, reflecting a total fund reduction of \$1,840,579. Utilizing the Intervenors approach, as reflected on the Appendix attached to this Order, all but \$317,666 or approximately 17% of the decrease will occur over the first three years. This would seem to satisfy the concerns of Ameritech and Verizon that their subscribers not pay more than necessary for as short a period of time as conscionable, while avoiding rate shock to the customers of the qualifying companies.

IV. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having considered the entire record herein and being fully advised in the premises, is of the opinion and finds that:

- (1) Illinois Bell Telephone Company, d/b/a Ameritech Illinois, GTE (now Verizon) North and South, and the companies that comprise the Illinois Independent Telephone Association, or IITA, which consist of small, independent local exchange companies with fewer than 35,000 access lines, and all other interveners in this proceeding are telecommunications carriers as defined by the Illinois Public Utilities Act;
- (2) the Commission has jurisdiction over the parties and the subject matter of this proceeding pursuant to the Illinois Public Utilities Act;
- (3) on March 16, 2000, the IITA filed, pursuant to Section 13-301(d) of the PUA, a *Petition for initiation of an investigation of the necessity of and the establishment of a Universal Service Support Fund in accordance with Section 13-301(d) of the Public Utilities Act* on March 16, 2000, which Petition was docketed as ICC Docket No. 00-0233;
- (4) on May 10, 2000, pursuant to Section 13-301(d) of the PUA and our Order dated March 29, 2000 in Docket Nos. 97-0601/0602, we initiated Docket No. 00-0335, which was consolidated with the IITA Petition in Docket No. 00-0233 on March 10, 2000; and
- (5) the recitals of fact and conclusions of law set forth in the prefatory portion of this order and those findings and conclusions in the September 18, 2001 Second Interim Order not specifically set aside by this Order are supported by the record and are hereby adopted as the findings of fact and conclusions of law of the Illinois Commerce Commission.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that:

- A. An initial Universal Service Fund in the amount of \$10,535,634, plus administrative expenses, is hereby established pursuant to Section 13-301(d) of the Illinois Public Utilities Act;
- B. The Fund shall become effective thirty days from the entry of this order and shall remain in effect until dissolved by order of the Commission and shall be reduced in accordance with the proposals of Interveners as indicated on Revised Schedule B attached to their initial brief on rehearing with a final fund size of \$8,695,055; Revised Schedule B is attached to this Order as an Appendix;
- C. The services defined by the FCC as supported services shall be the state supported universal services for purposes of the Fund, with the exception that the fund shall be based upon support for a single residential or business line;

- D. The Verizon adjusted rate of \$20.39 is adopted as the "affordable rate" for purposes of the Fund;
- E. All local exchange carriers and interexchange carriers certificated in Illinois shall contribute to the Fund on the basis of their intrastate retail revenues, consistent with Section 13-301(d) of the PUA and the Agreement submitted by the parties to this case, which is hereby approved and incorporated into this Order;
- F. All carriers contributing to the Fund shall timely provide to the Fund Administrator and Staff, in the first instance, all information necessary to determine each carrier's intrastate net retail revenues;
- G. All carriers contributing to the Fund shall recover their fund contributions from their end user customers via an explicit end user surcharge on the customer's bill. The surcharge shall be assessed in a competitively neutral manner consistent with existing Illinois rules and statutes;
- H. All carriers contributing to the Fund shall be prohibited from recovering their funding commitments from another certificated carrier for any service purchased and used solely as an input to a service provided to such certificated carrier's retail customers;
- I. The ISCECA is appointed as the Fund Administrator of the Fund.

IT IS FURTHER ORDERED that all findings, conclusions and ordering paragraphs contained in the Second Interim Order (Order entered September 18, 2001) in this docket that are not specifically set aside or modified herein, shall remain in full force and effect.

IT IS FURTHER ORDERED that any materials submitted in this proceeding for which proprietary treatment was requested shall be accorded proprietary treatment.

IT IS FURTHER ORDERED that any petitions, objections or motions made in this proceeding and not otherwise specifically disposed of herein are hereby disposed of in a manner consistent with the conclusions contained herein.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final as to all matters determined herein; it is not subject to the Administrative Review Law.

By order of the Commission this 13th day of March, 2002.

Chairman

Chairman Mathias dissented.