

# 2006 Annual Services Report Service Annual Survey

## Wired Telecommunications Carriers

U.S. DEPARTMENT OF COMMERCE  
Economics and Statistics Administration  
U.S. CENSUS BUREAU



FORM

**SA-5171**

138 SAS\_I  
517110

**REPORT DUE**

Any questions call **1-800-772-7851**  
M-F, 8:30 a.m. to 5:00 p.m. EST.

Please correct any error in the name, address, or ZIP Code.

### **YOUR RESPONSE IS REQUIRED BY LAW**

Title 13, U.S. Code, requires businesses and other organizations that receive this questionnaire to answer the questions and return the report to the Census Bureau.

### **YOUR RESPONSE IS CONFIDENTIAL BY LAW**

Title 13, U.S. Code, requires that your response may be seen only by persons sworn to uphold the confidentiality of Census Bureau information and may be used only for statistical purposes. The law also provides that copies retained in your files are **immune from legal process.**

### **YOUR RESPONSE IS IMPORTANT**

The services industries account for nearly 70 percent of all economic activity. We conduct this survey to obtain timely, comprehensive and consistent measures needed by policy-makers, businesses, and the public to accurately assess domestic economic performance.

## Annual Services Report

- This report should be completed and returned on or before the due date in the preaddressed envelope provided.
- If filing within the required time frame will cause an undue burden and you would like an extension, or if you have any questions, please write to:

**U.S. CENSUS BUREAU  
1201 East 10th Street  
Jeffersonville, IN 47132-0001**

or call a Census Bureau Representative at 1-800-772-7851, weekdays from 8:30 a.m. to 5:00 p.m., eastern standard time.

### 1 Report Coverage

This report covers all domestic locations operated by your company and its subsidiaries primarily engaged in (1) operating and maintaining switching and transmission facilities to provide point-to-point communications via landlines, microwave, or combination of landlines and satellite linkups or (2) furnishing telegraph and other non-vocal communications using their own facilities.

ON THIS FORM, PLEASE ALSO INCLUDE LOCATIONS ENGAGED IN CELLULAR AND OTHER WIRELESS TELECOMMUNICATIONS, TELECOMMUNICATIONS RESELLERS, SATELLITE TELECOMMUNICATIONS, AND OTHER TELECOMMUNICATIONS ACTIVITIES.

**Does the above coverage describe this firm's business activity?**

- 0001  Yes – Go to **2**
- 2  No – Specify the firm's business activity and complete the report where applicable beginning with **2**. →
- 0002

### 2 Report Periods

**What periods of time will this data represent?**

- Report data for the 2006 calendar year if possible.
- For locations that were sold or acquired during a year, only report for the periods that this firm operated the locations.

0006  2006 calendar year – Go to **3**

2  Other than calendar year – Enter the periods this report will cover. . . . .  
(e.g., fiscal years, periods with less than a full calendar year).

|      |      | 2006  |     |      |
|------|------|-------|-----|------|
|      |      | Month | Day | Year |
| 0007 | From |       |     |      |
| 0008 | To   |       |     |      |

### 3 Operating Revenue

Report the total operating revenue for this firm's locations defined in 1 for the following categories.

- Enter "0" where applicable.
- Estimates are acceptable.

**Exclude:**

- Transfers made within the company.

#### Fixed Services

|  |      | 2006 Operating Revenue |      |       |      |
|--|------|------------------------|------|-------|------|
|  |      | Bil.                   | Mil. | Thou. | Dol. |
| 1. <b>Fixed local</b> – The provision of access to public switched telephone network for the transmission and switching of voice, data and video within and between local calling areas, where the call is made from a fixed location. <b>Include</b> basic service connection fees, revenue from extended areas, local private lines, public telephone services provided with the basic service area, and fixed local calling features such as directory assistance, caller identification, call forwarding and call waiting. . . . . | 6015 | \$                     |      |       |      |
| 2. <b>Fixed long-distance</b> – Outbound or inbound calls made from a fixed customer location where call is paid for by the caller or the recipient and call transmit beyond the basic service area. <b>Include</b> international call originating in the United States, any charges for operator assistance or special billings directly related to these calls. . . . .  | 6016 | \$                     |      |       |      |
| 3. <b>Fixed all distance (no distinction between local or long distance)</b> – Transmission and switching of voice, data and video over the public switched telephone network (PSTN), where the call is made from a fixed customer location and where the charges are not distance sensitive. . . . .  | 6281 | \$                     |      |       |      |

#### Other Telecommunications Services

|   |      |    |  |  |  |
|---|------|----|--|--|--|
| 4. <b>Carrier services</b> – Providing wired or wireless services to originate, terminate or transit calls for another telecommunication service provider, including transoceanic telecommunications. <b>Include</b> network access and internet backbone services, charges such as interconnection and settlement charges for the termination of domestic or international calls, charges to long distance carriers for calls originating at a payphone or within another carrier's local network, charges for jointly used facilities such as pole attachments, and charges for the exclusive rights of circuits. . . . . | 6017 | \$ |  |  |  |
| 5. <b>Private network services</b> – Provision of a wired or wireless telecommunication link(s) between specified points for the exclusive use of the client. <b>Include</b> packetswitching services. <b>Exclude</b> provision of private links to telecommunication service providers as classified in line 4. . . . .  | 6018 | \$ |  |  |  |
| 6. <b>Subscriber line charges</b> – Fees received from end users and paid directly to local telephone companies. This fee, regulated and capped by the Federal Communication Commission, covers the cost of connecting end users' calls to the telephone network. . . . .   | 6282 | \$ |  |  |  |
| 7. <b>Internet access services</b> – Provision of a direct connection to the Internet, both wired and wireless. <b>Include</b> broadband, narrowband, digital subscriber lines (DSL), dial-up and always-on Internet access services. . . . .   | 6019 | \$ |  |  |  |
| 8. <b>Internet telephony</b> – Providing a direct connection to the Internet, wired or wireless, for the transmission of voice or data to fixed local telephone locations on the public switched telephone network. <b>Include</b> 911 service and a number to mimic a local fixed telephone number for the purpose of receiving calls from local fixed telephone users in the same local calling area. A broadband connection to the internet is a prerequisite in order to obtain this service. <b>Include</b> Voice Over Internet Protocol (VOIP) and related internet telephony services. . . . .                       | 6020 | \$ |  |  |  |

**3** Operating Revenue – (Continued)

Report the total operating revenue for this firm's locations defined in **1** for the following categories.

- Enter "0" where applicable.
- Estimates are acceptable.

**Exclude:**

- Transfers made within the company.

Other Telecommunications Services – (Continued)

|  |      | 2006 Operating Revenue |      |       |      |
|--|------|------------------------|------|-------|------|
|  |      | Bil.                   | Mil. | Thou. | Dol. |
| 9. <b>Telecommunication network installation services</b> – Installing wires and other equipment to put a telecommunication network in place. . . . .  | 6021 | \$                     |      |       |      |
| 10. <b>Reselling services for telecommunications equipment, retail</b> – Retailing of telecommunications equipment such as fixed or mobile telephones, pagers, mobile radio units, key telephone, PBX, modems, and data terminal equipment, purchased on own-account for resale. . . . . | 6022 | \$                     |      |       |      |
| 11. <b>Rental of telecommunications equipment</b> – Renting and leasing telecommunication equipment such as fixed or mobile telephones, pagers, mobile radio units, key telephones, PBX, modems, and data terminal equipment, purchased on own-account for resale. . . . .               | 6023 | \$                     |      |       |      |
| 12. <b>Repair and maintenance services for telecommunications equipment</b> – Repair and maintenance of equipment, facilities and related products on or off a customer's premises. <b>Include</b> telephones, modems, multiplexers, earth stations, etc. . . . .                        | 6024 | \$                     |      |       |      |

Other Operating Revenue

13. **All other operating revenue** – Revenue not reported in lines 1–12. If this item is greater than 20% of the total operating revenue, specify the primary source of the revenue here ↗

|  |  |      |    |  |  |  |  |
|--|--|------|----|--|--|--|--|
| 1560   |  | 1799 | \$ |  |  |  |  |
| 14. <b>TOTAL OPERATING REVENUE</b> – Sum of lines 1–13 . . . . . |  | 1800 | \$ |  |  |  |  |

## 4 Source of Revenue

Report the percent of total operating revenue by type of customer.

- Enter "0" where applicable.
- Estimates are acceptable.

**Exclude**

- Transfers made within the company.

### Fixed Local Telephony

Report the percent of fixed local telephony (3 line 1) by type of customer.

|   | 2006                        |
|---|-----------------------------|
| 1. <b>Government</b> – local, state, or federal governments ..... | 6283 <input type="text"/> % |
| 2. <b>Business firms and not-for-profit organizations</b> .....   | 6284 <input type="text"/> % |
| 3. <b>Household consumers and individual users</b> .....          | 6285 <input type="text"/> % |
|   | + <input type="text"/> %    |
|   | <hr/> 100%                  |

### Fixed Long-distance Telephony

Report the percent of fixed long-distance telephony (3 line 2) by type of customer.

|   | 2006                        |
|---|-----------------------------|
| 1. <b>Government</b> – local, state, or federal governments ..... | 6286 <input type="text"/> % |
| 2. <b>Business firms and not-for-profit organizations</b> .....   | 6287 <input type="text"/> % |
| 3. <b>Household consumers and individual users</b> .....          | 6288 <input type="text"/> % |
|   | + <input type="text"/> %    |
|   | <hr/> 100%                  |

### Subscriber Line Charges

Report the percent of subscriber line charges (3 line 6) by type of customer.

|   | 2006                        |
|---|-----------------------------|
| 1. <b>Government</b> – local, state, or federal governments ..... | 6289 <input type="text"/> % |
| 2. <b>Business firms and not-for-profit organizations</b> .....   | 6290 <input type="text"/> % |
| 3. <b>Household consumers and individual users</b> .....          | 6291 <input type="text"/> % |
|   | + <input type="text"/> %    |
|   | <hr/> 100%                  |

### Fixed Long-distance Telephony

Report the percent of fixed long-distance telephony (3 line 2) by type of customer.

|                               | 2006                        |
|-------------------------------|-----------------------------|
| 1. <b>Intrastate</b> .....    | 6292 <input type="text"/> % |
| 2. <b>Interstate</b> .....    | 6293 <input type="text"/> % |
| 3. <b>International</b> ..... | 6294 <input type="text"/> % |
|                               | + <input type="text"/> %    |
|                               | <hr/> 100%                  |

## 5 Operating Expenses

Report operating expenses for this firm's locations as defined in 1 for the following categories.

- Enter "0" where applicable.
- Estimates are acceptable.

**Exclude:**

- Transfers made within the company
- Capitalized expenses
- Interest
- Bad debt
- Impairment
- Income tax

### Personnel Costs

2006 Operating Expenses

Bil. Mil. Thou. Dol.

- |   |      |    |  |  |  |  |
|---|------|----|--|--|--|--|
| <p><b>1. Gross annual payroll</b> – Total annual Medicare salaries and wages for all employees as reported on your firm's IRS Form 941, Employer's Quarterly Federal Tax Return, line 5(c) for the four quarters that correspond to the survey period. . . . .</p>  | 1821 | \$ |  |  |  |  |
| <p><b>2. Employer's cost for fringe benefits</b> – Employer's cost for legally required programs and programs not required by law. <b>Include</b> insurance premiums for hospital plans, medical plans, and single service plans (e.g., dental, vision, prescription drugs); premium equivalents for self-insured plans and fees paid to third-party administrators (TPAs); defined benefit pension plans; defined contribution plans (e.g., profit sharing, 401K and stock option plans); and other fringe benefits (e.g., Social Security, workers' compensation insurance, unemployment tax, state disability insurance programs, life insurance benefits, Medicare). <b>Exclude</b> employee contributions. . . . .</p> | 1822 | \$ |  |  |  |  |
| <p><b>3. Temporary staff and leased employee expense</b> – Total costs paid to Professional Employer Organizations (PEOs) and staffing agencies for personnel. <b>Include</b> all charges for payroll, benefits, and services. . . . .</p>  | 1823 | \$ |  |  |  |  |

### Expensed Materials, Parts and Supplies (not for resale)

- |   |      |    |  |  |  |  |
|---|------|----|--|--|--|--|
| <p><b>4. Expensed equipment</b> – Expensed computer hardware and other equipment (e.g., copiers, fax machines, telephones, shop and lab equipment, CPUs and monitors). Report packaged software in line 6. Report leased and rented equipment in line 8. . . . .</p>                            | 1824 | \$ |  |  |  |  |
| <p><b>5. Expensed purchases of other materials, parts, and supplies</b> – Materials and supplies used in providing services to others; materials and parts used in repairs; office and janitorial supplies; small tools; containers and other packaging materials; and motor fuels. . . . .</p> | 1825 | \$ |  |  |  |  |

### Expensed Purchased Services

- |  |      |    |  |  |  |  |
|--|------|----|--|--|--|--|
| <p><b>6. Expensed purchases of software</b> – Purchases of prepackaged, custom coded, or vendor customized software. <b>Include</b> software developed or customized by others, web-design services and purchases, licensing agreements, upgrades of software; and maintenance fees related to software upgrades and alterations. . . . .</p>                    | 1826 | \$ |  |  |  |  |
| <p><b>7. Purchased electricity and fuels (except motor fuels)</b> – If the cost of electricity and heating fuels (e.g., natural gas, propane, oil, coal) are included in lease or rental payments, report in line 8 . . . . .</p>  | 1827 | \$ |  |  |  |  |
| <p><b>8. Lease and rental payments</b> – For land, buildings, offices, structures, machinery, equipment, and other tangible items. <b>Include</b> lease and rental of transportation equipment without operators; and penalties incurred for broken leases. <b>Exclude</b> capital and financing lease agreements and licensing/leasing of software. . . . .</p> | 1828 | \$ |  |  |  |  |

**5** Operating Expenses – (Continued)

Report operating expenses for this firm’s locations as defined in **1** for the following categories.

- Enter "0" where applicable.
- Estimates are acceptable.

**Exclude:**

- Transfers made within the company
- Capitalized expenses
- Interest
- Bad debt
- Impairment
- Income tax

Expensed Purchased Services – (Continued)

|   |      | 2006 Operating Expenses |      |       |      |
|---|------|-------------------------|------|-------|------|
|   |      | Bil.                    | Mil. | Thou. | Dol. |
| <b>9. Purchased repair and maintenance</b> – Include expensed repair and maintenance to buildings and integral building components (e.g., elevators, heating and cooling systems), structures, offices, machinery, vehicles, equipment, and computer hardware. <b>Exclude</b> materials, parts, and supplies used for repair and maintenance performed by this firm’s employees. Report janitorial and grounds maintenance services in line 15. . . . . | 1829 | \$                      |      |       |      |
| <b>10. Purchased advertising and promotional services</b> – Include marketing and public relations services. . . . .  | 1830 | \$                      |      |       |      |

Other Operating Expenses

|   |      |    |  |  |  |
|---|------|----|--|--|--|
| <b>11. Access charges</b> – Payment for access to the local loop. Firms providing cellular phone service, report interconnection fees here. <b>Include</b> fees for leased facilities, access charges paid to foreign companies for international calls originating in the United States. . . . .   | 6025 | \$ |  |  |  |
| <b>12. Universal service contributions (USC) and other similar charges</b> – Payments to state and federal governments to support universal funds for services for local and independent providers. . . . .   | 6026 | \$ |  |  |  |
| <b>13. Depreciation and amortization charges</b> – Include depreciation charges taken against tangible assets owned and used by your firm, tangible assets and improvements owned by your firm within leaseholds, tangible assets obtained through capital lease agreements, and amortization charges against intangible assets (e.g., patents, copyrights). <b>Exclude</b> impairment. . . . . | 1831 | \$ |  |  |  |
| <b>14. Governmental taxes and license fees</b> – Payments to government agencies for taxes and licenses. <b>Include</b> business and property taxes. <b>Exclude</b> income taxes, and sales and excise taxes collected from customers. . . . .  | 1832 | \$ |  |  |  |
| <b>15. All other operating expenses</b> – Report all other operating expenses not reported above, unless specifically excluded in the general instructions at the top of the page. <b>Exclude</b> purchases of merchandise for resale and non-operating expenses. . . . .   | 1899 | \$ |  |  |  |
| <b>16. TOTAL OPERATING EXPENSES</b> – Sum of lines 1–15. . . . .  | 1900 | \$ |  |  |  |

**6** Not Applicable

## 7 Sales Tax

Were sales taxes or other taxes (i.e. amusement occupancy, use, etc.) collected from customers and forwarded directly to taxing authorities?

- 0032 1  Yes – **What was this firm's sales taxes?** .....
- 2  No – Go to **8**

| 2006 Sales Taxes |      |       |      |
|------------------|------|-------|------|
| Bil.             | Mil. | Thou. | Dol. |
| 2200             |      |       |      |
| \$               |      |       |      |

## 8 E-Commerce Revenue

E-commerce includes sales and receipts from any transaction completed over an Internet, extranet, EDI network, electronic mail or other online system. Transactions are agreements between buyers and sellers to transfer ownership of, or rights to use, goods or services. Payment for these goods and services may or may not be made online.

Did the revenue reported in **3** include any e-commerce revenue?

- 0011 1  Yes – **What was this firm's e-commerce revenue?** .....
- 2  No – Go to **9**

| 2006 E-Commerce Revenue |      |       |      |
|-------------------------|------|-------|------|
| Bil.                    | Mil. | Thou. | Dol. |
| 2000                    |      |       |      |
| \$                      |      |       |      |

## 9 Export Revenue

An exported service is a service performed for a customer or client (individual, government, business establishment, etc.) located outside the United States (i.e., outside the 50 States, District of Columbia, U.S. Commonwealth Territories, or U.S. possessions).

**Include:**

- Services performed for unaffiliated and affiliated foreign firms (i.e., foreign parent firms, subsidiaries, branches, etc.).

**Exclude:**

- Services provided to domestic subsidiaries of foreign firms.

Did the revenue reported in **3** include any revenue from exports?

- 0009 1  Yes – **What was this firm's revenue from exports?** .....
- 2  No – Go to **11**

| 2006 Export Revenue |      |       |      |
|---------------------|------|-------|------|
| Bil.                | Mil. | Thou. | Dol. |
| 2100                |      |       |      |
| \$                  |      |       |      |

## 10 Not Applicable





## General Instructions

- Report data on an accrual basis, except for payroll.
- Dollars should be rounded to the nearest dollar.
- If a figure is \$1,030,280,456 it should be reported as →

| Bil. | Mil. | Thou. | Dol. |
|------|------|-------|------|
| 1    | 030  | 280   | 456  |

## Item Specific Instructions – All Firms

### Item 3 – Operating Revenue

#### Include:

- Report gross billings, **except** where noted elsewhere on the form.
- Dues and assessments from members and affiliates.

#### Exclude from operating revenue:

- Taxes collected directly from customers or clients and paid directly to a local, state, or federal tax agency.

## Instructions for Taxable Firms

### Item 3 – Operating Revenue

#### Include:

- Amounts received for work subcontracted to others.
- For locations that were sold or acquired during a year, only report for the periods that this firm operated the locations.
- Revenue from services performed by domestic locations of foreign parent firms, subsidiaries, branches, etc.

#### Exclude:

- Rents from and revenue of separately operated departments, concessions, etc., which are leased to others.
- Commissions from vending machine operators.
- Revenue of foreign subsidiaries (those located outside the U.S., i.e., outside the 50 states, District of Columbia, U.S. Commonwealth Territories, or U.S. Possessions).

## Instructions for Tax-Exempt Firms

### Item 3 – Operating Revenue

#### Include:

- Program service revenue for services provided in 2006, whether or not payment was received in 2006.
- Gross sales of merchandise minus returns and allowances.
- Income from interest, dividends, gross rents (including display space rentals and share of receipts from departments operated by other companies), royalties, and other investments.
- Gross contributions, gifts, and grants (whether or not restricted for use in operations).
- Commissions earned from the sale of merchandise owned by others (including commissions from vending machine operators).
- Gross receipts from fundraising activities.

#### Exclude:

- Gross receipts of departments or concessions operated by other companies
- Amounts transferred to operating funds from capital or reserve funds.

## Item Specific Instructions – All Firms

### Item 5 – Operating Expenses

#### Line 1 – Gross annual payroll

**Include** salaries and wages, commissions, dismissal pay, bonuses, employee contributions to Social Security, income tax withholding, union dues, group insurance premiums, savings bonds, cash equivalent in-kind, allowances, holiday pay, vacation pay, sick leave, stock purchase plans, and employee contributions to pension plans. **Exclude** the cost of leased employees, employer's cost for fringe benefits, temporary staff obtained from temporary help services. For unincorporated businesses, **exclude** profit or other compensation of proprietors or partners.

#### All other operating expenses

**Include** travel and entertainment; postage, shipping or delivery services, warehousing, and storage services; royalties; security services; janitorial and grounds maintenance services; purchased transportation with operators; and other expenses not reported elsewhere.