



NEWS

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

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FCC RELEASES NEW LOCAL TELEPHONE COMPETITION DATA *Second Collection to Comprehensively Include Interconnected VoIP*

Washington, D.C. – The Federal Communications Commission today released the second *Local Telephone Competition* report to be based on comprehensive information about subscribership to interconnected Voice over Internet Protocol (VoIP) service as well as more traditional telephone lines. The report summarizes data collected by FCC Form 477 as of June 30, 2009.

Interconnected VoIP service represents an important and rapidly growing part of the U.S. voice service market. Interconnected VoIP service enables voice communications over a broadband connection and allows users both to receive calls from, and place calls to, the public switched telephone network, like traditional phone service. Providers of the service include companies like Vonage as well as cable and telephone companies that own their own networks.

Report highlights include:

- In June 2009, there were 133 million traditional switched access lines in service and 23 million interconnected VoIP subscriptions in the United States, or about 157 million wireline retail local telephone service connections in total. Of these, 93 million were residential connections and 64 million were business connections.
- Interconnected VoIP subscriptions increased by 10% during the first six months of 2009 (from 21 million to 23 million subscriptions) and switched access lines decreased by 5% (from 141 million to 133 million lines) for a combined decrease of 3% (from 162 million to about 157 million total wireline retail local telephone service connections).
- Of the 157 million total connections in service at mid-year 2009, 47% were residential switched access lines, 38% were business switched access lines, 13% were residential interconnected VoIP subscriptions, and 2% were business interconnected VoIP subscriptions.
- Of the 157 million total connections, 44% were residential lines and 28% were business lines owned by incumbent local exchange carriers (ILECs), while 16% provided non-ILEC residential service, and 12% provided non-ILEC business service.
- Of the 93 million wireline residential connections, 73.1% were ILEC switched access lines, 20.7% were non-ILEC interconnected VoIP subscriptions, 5.5% were non-ILEC switched access lines, and 0.6% were ILEC interconnected VoIP subscriptions.

- Of the 64 million wireline business connections, 68.7% were ILEC switched access lines, 25.6% were non-ILEC switched access lines, 5.1% were non-ILEC interconnected VoIP subscriptions, and 0.6% were ILEC interconnected VoIP subscriptions.

The report also summarizes information on: (1) subscribership to standalone interconnected VoIP service *versus* interconnected VoIP service bundles that include broadband Internet access service (83% of interconnected VoIP subscribers in June 2009 received service through a “broadband bundle”), (2) subscribership to interconnected VoIP service that includes, as a service feature, use of the service over any broadband connection to which the customer has access, for example, at a hotel or vacation residence (“nomadic” functionality) *versus* service that does not include this feature (17% subscribed to nomadic service), and (3) the type of broadband connection in the broadband bundle (89% via cable modem; 10% via FTTP, DSL or other wireline; 1% via fixed wireless or other connections). For switched access lines, the report presents summary statistics for the technology used in the line, and it summarizes and compares the reported data about wholesale relationships. The report also updates summary statistics for the mobile telephony subscribership information collected by Form 477.

The report is available for reference in the FCC’s Reference Information Center, Courtyard Level, 445 12th Street, SW, Washington, DC. Copies may be purchased by calling Best Copy and Printing, Inc. at (800) 378-3160. The report can also be downloaded from the Wireline Competition Bureau Statistical Reports Internet site at www.fcc.gov/wcb/stats.

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