



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. Circ 1974).

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FCC RELEASES NEW LOCAL TELEPHONE COMPETITION DATA

First Collection to Comprehensively Include Interconnected VoIP

Washington, D.C. – The Federal Communications Commission for the first time has released comprehensive information about subscribership to interconnected Voice over Internet Protocol (VoIP) service.

Interconnected VoIP service represents an important and rapidly growing part of the U.S. voice service market and the new data will provide the Commission with a comprehensive picture of that market going forward. 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.

The new information released today is included in the FCC's *Local Telephone Competition* report, which also includes information about more traditional telephone lines provided in previous reports. Because interconnected VoIP subscribers were not comprehensively included in earlier data collections, certain of the report's summary statistics are not directly comparable to the statistics for earlier dates.

The report summarizes data collected by FCC Form 477 as of December 31, 2008. Report highlights include:

- At year-end 2008, there were 141 million traditional switched access lines in service and 21 million interconnected VoIP subscriptions in the United States, or about 162 million wireline retail local telephone service connections in total. Of these, 97 million were residential connections and 65 million were business connections.
- Of the 162 million total connections, 48% were residential switched access lines, 39% were business switched access lines, 12% were residential VoIP subscriptions, and 1% were business VoIP subscriptions.
- Of the 162 million total connections, 45% were residential lines and 28% were business lines owned by incumbent local exchange carriers (ILECs), while 15% provided non-ILEC residential service, and 12% provided non-ILEC business service.

- Of the 97 million wireline residential connections, 74.5% were ILEC switched access lines, 19.5% were non-ILEC interconnected VoIP subscriptions, 5.8% were non-ILEC switched access lines, and 0.3% were ILEC interconnected VoIP subscriptions.
- Of the 65 million wireline business connections, 70.1% were ILEC switched access lines, 26.8% were non-ILEC switched access lines, 2.7% were non-ILEC interconnected VoIP subscriptions, and 0.4% 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 (81% receive 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 (13% subscribe to nomadic service), and (3) the type of broadband connection in the broadband bundle (92% via cable modem; 7% 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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