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2005 Annual Services Report
Service Annual Survey

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

Internet Service Providers

FORM

SA-518111A

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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 providing clients access to the Internet and generally provide related services such as web hosting, web page designing, and hardware or software consulting related to Internet connectivity. Establishments in this industry are known as Internet service providers and may provide local, regional, or national coverage for clients or provide backbone services (except telecommunications carriers) for other Internet service providers. Internet service providers have the equipment and telecommunication network access required for a point-of-presence on the Internet.

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

0001
1 ☐ Yes – **Go to** 3
2 ☐ No – **Specify the firm's business activity and complete the report where applicable beginning with** 3 **.** →

0002

2 Not Applicable

3 Report Periods

What periods of time will this data represent?

- Report data for the 2005 and 2004 calendar years if possible.
- For locations that were sold or acquired during a year, only report for the periods that this firm operated the locations.

0006
1 ☐ 2005 and 2004 calendar years – Go to 4
2 ☐ Other than calendar years – **Enter the periods this report will cover.** . . .
(e.g., fiscal years, periods with less than a full calendar year).

	2005			2004		
	Month	Day	Year	Month	Day	Year
0007 **From**						
0008 **To**						

4 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.

		2005 Operating Revenue				2004 Operating Revenue			
		Bil.	Mil.	Thou.	Dol.	Bil.	Mil.	Thou.	Dol.
1. **Internet access service –** Providing a direct connection to the internet (e.g., broadband, dial-up access) through wired (e.g., telephone, cable, optical networks) or wireless (e.g., cellular, Wi-Fi) routes.	6019	$				$			
2. **Online advertising space –** Provision of space for electronic advertising distributed over the Internet (e.g., banner ads, buttons, text links, interstitials, rich media ads, and streaming audio and video ads).	6014	$				$			
3. **Internet backbone services –** Carriage of Internet traffic for other Internet Service Providers (ISPs).	6341	$				$			
4. **Internet telephony –** 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 (e.g., voice over internet protocol (VOIP)).	6020	$				$			
5. **Web site hosting services –** Providing the infrastructure to host a customer's web site and related files.	6031	$				$			
6. **Information technology design and development services –** Providing technical expertise to design and develop an IT solution (e.g., custom applications, networks, and computer systems).	6032	$				$			
7. **All other operating revenue –** Revenue not reported in lines **1–6. If this item is greater than 20% of the total operating revenue, specify the primary source of revenue here** 1560	1799	$				$			
8. **TOTAL OPERATING REVENUE –** Sum of lines **1–7**.	1800	$				$			

5 Source of Internet Access Revenue

Report the percent of internet access revenue (4 line 1) by type of customers.

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

		Source of Internet Access Revenue	
		2005	2004
1. **Government –** local, state, or federal governments	6342	%	%
2. **Business firms and not-for-profit organizations**	6343	%	%
3. **Household consumers and individual users**	6344	+ %	+ %
		100%	100%

6 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

		2005 Operating Expenses				2004 Operating Expenses			
		Bil.	Mil.	Thou.	Dol.	Bil.	Mil.	Thou.	Dol.
1. Gross annual payroll – 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.	1821	$				$			
2. Employer's cost for fringe benefits – Employer's cost for legally required programs and programs not required by law. **Include** 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). Do not include employee contributions.	1822	$				$			
3. Temporary staff and leased employee expense – Total costs paid to Professional Employer Organizations (PEOs) and staffing agencies for personnel. **Include** all charges for payroll, benefits, and services.	1823	$				$			

Expensed Materials, Parts and Supplies (not for resale)

4. Expensed equipment – 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**.	1824	$				$			
5. Expensed purchases of other materials, parts, and supplies – 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.	1825	$				$			

Expensed Purchased Services

6. Expensed purchases of software – Purchases of prepackaged, custom coded, or vendor customized software. **Include** 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.	1826	$				$			
7. Purchased electricity and fuels (except motor fuels) – 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**	1827	$				$			
8. Lease and rental payments – For land, buildings, offices, structures, machinery, equipment, and other tangible items. **Include** lease and rental of transportation equipment without operators; and penalties incurred for broken leases. **Exclude** capital and financing lease agreements and licensing/leasing of software.	1828	$				$			

6 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)

		2005 Operating Expenses				2004 Operating Expenses			
		Bil.	Mil.	Thou.	Dol.	Bil.	Mil.	Thou.	Dol.
9. Purchased repair and maintenance – 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. **Exclude** materials, parts, and supplies used for repair and maintenance performed by this firm's employees. Report janitorial and grounds maintenance services in line **13**.	1829	$				$			
10. Purchased advertising and promotional services – Include marketing and public relations services.	1830	$				$			

Other Operating Expenses

		2005 Operating Expenses				2004 Operating Expenses			
		Bil.	Mil.	Thou.	Dol.	Bil.	Mil.	Thou.	Dol.
11. Depreciation and amortization charges – 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). **Exclude** impairment.	1831	$				$			
12. Governmental taxes and license fees – Payments to government agencies for taxes and licenses. **Include** business and property taxes. **Exclude** income taxes, and sales and excise taxes collected from customers.	1832	$				$			
13. All other operating expenses – Report all other operating expenses not reported above, unless specifically excluded in the general instructions at the top of the page. **Exclude** purchases of merchandise for resale and non-operating expenses.	1899	$				$			
14. TOTAL OPERATING EXPENSES – Sum of lines **1–13**.	1900	$				$			

7 Not Applicable

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.

Include:

- Revenue from online orders for goods or services placed by a buyer.
- Commissions or fees from trading of securities or the sale of other financial products online (insurance, loans, etc.).
- Commissions or fees from selling or facilitating the sale of third party products through your company's website.
- Commissions or fees from use of computerized reservation systems, financial transaction processing systems, etc.
- Revenue from orders or contracts negotiated online with a buyer and seller on the price and terms for transferring ownership or the rights to use goods or services.
- Revenue from telephone transactions using interactive voice response systems.

Exclude:

- Online billings where the order or contract was not negotiated online.
- Delivery of services online where the order or contract was not negotiated online.
- Provision of telecommunications systems and related infrastructure systems where the order or contract for such services was not negotiated online.
- Orders for goods or services placed by fax or over switched telephone network.
- Online advertising.

Did the revenue reported in 4 include any e-commerce revenue?

	2005 E-Commerce Revenue				2004 E-Commerce Revenue			
	Bil.	Mil.	Thou.	Dol.	Bil.	Mil.	Thou.	Dol.
2000	$				$			

0011 1 ☐ Yes – **What was this firm's e-commerce revenue?** . . . . .

2 ☐ No – Go to 9

	Month	Year
0010		

When did this firm begin e-commerce sales? . . . . . .

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:

- Revenue from the sale of personal, business, or mainframe computer software to clients and customers located outside the United States.
- 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 4 include any revenue from exports?

	2005 Export Revenue				2004 Export Revenue			
	Bil.	Mil.	Thou.	Dol.	Bil.	Mil.	Thou.	Dol.
2100	$				$			

0009 1 ☐ Yes – **What was this firm's revenue from exports?** . . . .

2 ☐ No – Go to 11

10 Not Applicable

11 Ownership or Control

Does another firm own more than 50 percent of the voting stock or have the power to control the management and policies of this company?

0013
1 ☐ Yes – **Provide this firm's information.** . . . .
2 ☐ No – **Go to** 12

0014 Name of owning or controlling company

0015 EIN –

Street address

City, State, ZIP Code

12 Acquisitions or Mergers

Did this company acquire or merge with another firm in 2005 or 2004?

0018 Month Year

1 ☐ Yes – **Provide the date of the merger or acquisition and the firm's information.** . . . . . .
(for multiple mergers, provide each firm's information as an attachment to this report)

0016
2 ☐ No – **Go to** 13

0017 Name of company acquired or merged with

0019 EIN –

Street address

City, State, ZIP Code

13 Remarks – Please provide an explanation for any inconsistent or incomplete data that would aid in understanding this report. For any separate correspondence pertaining to this report, please include the identification number shown in the address label area at the top of the first page.

0027

14 Certification – This report is substantially accurate and has been prepared in accordance with the instructions.

0020 Name of person completing this report – *Please print*

0024 Title

0025 Date

0021 Address (Street address, City, State, ZIP Code)

0022 Telephone number — Area code | Number | Extension

0023 Fax number — Area code | Number | Extension

0026 E-mail address

Return Completed form to:
U.S. CENSUS BUREAU
1201 East 10th Street
Jeffersonville, IN 47132-0001

or fax to: 1–800–447–4613

Public reporting burden for this collection of information is estimated to average 3.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: Paperwork Project 0607-0422, U.S. Census Bureau, 4700 Silver Hill Road, Stop 1500, Washington, DC 20233-1500. You may e-mail comments to Paperwork@census.gov; use "Paperwork Project 0607-0422" as the subject. Please include form name and number in all correspondence. Respondents are not required to respond to any information collection unless it displays a valid approval number from the Office of Management and Budget. This 8-digit number appears in the top right corner on the front of this form.

To see aggregate industry results of previous Service Annual Surveys, go to the following website: www.census.gov/econ/www/servmenu.html

2005 Annual Services Report
Instructions for Taxable Firms

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

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

Include in operating revenue:

- Report gross billings, except where noted elsewhere on the form.
- 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.
- 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.
- 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).
- Non-operating revenue such as income from investments, sales of company-owned real estate (land and building), or other assets, (except inventory held for resale, securities, gifts, loans, contributions, or grants).
- Revenue from the sale of used equipment.

Item Specific Instructions

Item 6 – 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.