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# 2008 Annual Services Report
# Service Annual Survey
## Internet Service Providers

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

FORM
**SA-518111**

138 SAS_I
518111

**REPORT DUE**

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

Any questions call **1–800–772–7851**
M–F, 8:30 a.m. to 5:00 p.m. EST.
or
***Visit*** our web site:
www.census.gov/econhelp/sas

**Internet Reporting**
To complete this report online go to: *www.census.gov/econhelp/sas*
Click on "Census Taker" and use your username and password to login.

Username:
Password:

## 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 that report payroll for the Federal Employer Identification Number (EIN) shown above the address label 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** 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 2008 calendar year if possible.
- For locations that were sold or acquired during the year, only report for the periods that this firm operated the locations.

0006
1 ☐ 2008 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).

| | 2008 | | |
|---|---|---|---|
| | 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.

| | | Mark "X" if None | 2008 Operating Revenue 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. Website hosting services –** Providing the infrastructure to host a customer's website 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 | | $ |

## 4 Source of Internet Access Revenue

**Report the percent of Internet access revenue (3 line 1) by type of customers.**

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

| | Source of Internet Access Revenue 2008 |
|---|---|
| **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% |

## 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

**2008 Operating Expenses**

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 or IRS Form 944 Employer's Annual Federal Tax Return line 4(c). . . . . 1821 — *Mark "X" if None* ☐ — Bil. Mil. Thou. Dol. — $

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). **Exclude** employee contributions. . . . . 1822 — *Mark "X" if None* ☐ — $

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 — *Mark "X" if None* ☐ — $

### 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 — *Mark "X" if None* ☐ — $

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 — *Mark "X" if None* ☐ — $

### 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 — *Mark "X" if None* ☐ — $

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 — *Mark "X" if None* ☐ — $

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 — *Mark "X" if None* ☐ — $

## 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)

**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

*Mark "X" if None* ☐

**2008 Operating Expenses**

| Bil. | Mil. | Thou. | Dol. |
|---|---|---|---|
| $ | | | |

**10. Purchased advertising and promotional services – Include** marketing and public relations services. . . . . 1830

*Mark "X" if None* ☐

| Bil. | Mil. | Thou. | Dol. |
|---|---|---|---|
| $ | | | |

### Other Operating Expenses

**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

*Mark "X" if None* ☐

| Bil. | Mil. | Thou. | Dol. |
|---|---|---|---|
| $ | | | |

**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

*Mark "X" if None* ☐

| Bil. | Mil. | Thou. | Dol. |
|---|---|---|---|
| $ | | | |

**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. **Include** office postage and package delivery. **Exclude** purchases of merchandise for resale and non-operating expenses. . . . . 1899

*Mark "X" if None* ☐

| Bil. | Mil. | Thou. | Dol. |
|---|---|---|---|
| $ | | | |

**14. TOTAL OPERATING EXPENSES –** Sum of lines **1–13**. . . . . 1900

| Bil. | Mil. | Thou. | Dol. |
|---|---|---|---|
| $ | | | |

## 6 Not Applicable

## 7 Not Applicable

## 8 E-Commerce Revenue

E-commerce includes sales, receipts, and contributions 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?**

**2008 E-Commerce Revenue**

| | Bil. | Mil. | Thou. | Dol. |
|---|---|---|---|---|
| 0011 1 ☐ Yes – **What was this firm's e-commerce revenue?** . . . . . 2000 | $ | | | |

2 ☐ No – Go to 9

## 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?**

**2008 Export Revenue**

| | Bil. | Mil. | Thou. | Dol. |
|---|---|---|---|---|
| 0009 1 ☐ Yes – **What was this firm's revenue from exports?** . . . . . 2100 | $ | | | |

2 ☐ No – Go to 11

## 10 Not Applicable

## 11 Change in Structure

**Did you have an Employer Identification Number (EIN) change in 2008?**

0013 1 ☐ Yes – **Enter the new EIN.** . . . . . EIN 0015 ☐☐ – ☐☐☐☐☐☐☐

2 ☐ No – **Continue**

**Was there a change in ownership or control?**

Month Year

0018 ☐☐ ☐☐

0016 1 ☐ Yes – **Provide the date of the change and the firm's information.** . . . . . (for multiple mergers, provide each firm's information as an attachment to this report)

2 ☐ No – **Go to** 12

0017 Name of company acquired or merged with

Street address

City, State, ZIP Code

0019 EIN ☐☐ – ☐☐☐☐☐☐☐

**Specify the nature of this change here** →

0035

## 12 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

## 13 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

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 5.0 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, 4600 Silver Hill Road, AMSD-3K138, Washington, DC 20233. 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

# 2008 Annual Services Report

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 |

## Item Specific Instructions – All Firms

### Item 3 – Revenue

**Include:**

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

**Exclude:**

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

## Instructions for Taxable Firms

### Item 3 – 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 – Revenue

**Include:**

- Program service revenue for services provided in 2008, whether or not payment was received in 2008.
- 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.