AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

NETWORK OPERATIONS EXPENSES

36.353 Network operations expenses—Account 6530 (Class B telephone companies); Accounts 6531, 6532, 6533, 6534, and 6535 (Class A telephone companies).
36.354 Access expenses—Account 6540.

DEPRECIATION AND AMORTIZATION EXPENSES

36.361 Depreciation and amortization expenses—Account 6560.

CUSTOMER OPERATIONS EXPENSES

36.371 General.
36.372 Marketing—Account 6610 (Class B telephone companies); Accounts 6611 and 6613 (Class A telephone companies).
36.373 Services—Account 6620.
36.374 Telephone operator services.
36.375 Published directory listing.
36.376 All other.
36.377 Category 1—Local business office expense.
36.378 Category 2—Customer services (revenue accounting).
36.379 Message processing expense.
36.380 Other billing and collecting expense.
36.381 Carrier access charge billing and collecting expense.
36.382 Category 3—All other customer services expense.

CORPORATE OPERATIONS EXPENSE

36.391 General.
36.392 General and administrative—Account 6720.

OPERATING TAXES

36.411 Operating taxes—Account 7200 (Class B Telephone Companies); Accounts 7210, 7220, 7230, 7240, and 7250 (Class A Telephone Companies).
36.412 Apportionment procedures.

EQUAL ACCESS EXPENSES

36.421 Equal access expenses.

Subpart E—Reserves and Deferrals

36.501 General.
36.502 Other jurisdictional assets—Net—Account 1500.
36.503 Accumulated depreciation—Account 3100.
36.504 Accumulated depreciation—Property held for future telecommunications use—Account 3200.
36.505 Accumulated amortization—Tangible—Account 3400 (Class B Telephone Companies); Accumulated amortization—Capital Leases—Account 3410 (Class A Telephone Companies).
36.506 Net current deferred operating income taxes—Account 4100, Net noncurrent deferred operating income taxes—Account 4340.
36.507 Other jurisdictional liabilities and deferred credits—Net—Account 4370.

Subpart F—Universal Service Fund

GENERAL

36.601 General.
36.602 Calculation of non-rural carrier portion of nationwide loop cost expense adjustment.
36.603 Calculation of rural incumbent local exchange carrier portion of nationwide loop cost expense adjustment.
36.604 Calculation of the rural growth factor.
36.605 Calculation of safety net additive.

DATA COLLECTION

36.611 Submission of information to the National Exchange Carrier Association (NECA).
36.612 Updating information submitted to the National Exchange Carrier Association.
36.613 Submission of information by the National Exchange Carrier Association.

CALCULATION OF LOOP COSTS FOR EXPENSE ADJUSTMENT

36.621 Study area total unseparated loop cost.
36.622 National and study area average unseparated loop costs.

CALCULATION OF EXPENSE ADJUSTMENT—ADDITIONAL INTERSTATE EXPENSE ALLOCATION

36.631 Expense adjustment.

TRANSITIONAL EXPENSE ADJUSTMENT

Subpart G [Reserved]

APPENDIX TO PART 36—GLOSSARY

AUTHORITY: 47 U.S.C. Secs. 151, 154 (i) and (j), 205, 221(c), 254, 403 and 410.

SOURCE: 52 FR 17229, May 6, 1987, unless otherwise noted.

Subpart A—General

§ 36.1 General.

(a) This part contains an outline of separations procedures for telecommunications companies on the station-to-station basis. These procedures are applicable either to property costs, revenues, expenses, taxes, and reserves as recorded on the books of the company or to estimated amounts.

(1) Where a value basis is used instead of book costs, the ''costs'' referred to are the ''values'' of the property derived from the valuation.

(b) The separations procedures set forth in this part are designed primarily for the allocation of property costs, revenues, expenses, taxes and reserves between state and interstate jurisdictions. For separations, where required, of the state portion between exchange and toll or for separations of individual exchanges or special services, further analyses and studies may be required to adapt the procedures to such additional separations.

(c) The fundamental basis on which separations are made is the use of telecommunications plant in each of the operations. The first step is the assignment of the cost of the plant to categories. The basis for making this assignment is the identification of the plant assignable to each category and the determination of the cost of the plant so identified. The second step is the apportionment of the cost of the plant in each category among the operations by direct assignment where possible, and all remaining costs are assigned by the application of appropriate use factors.

(d) In assigning book costs to categories, the costs used for certain plant classes are average unit costs which equate to all book costs of a particular account or subaccount; for other plant classes, the costs used are those which either directly approximate book cost levels or which are equated to match total book costs at a given location.

(e) The procedures outlined herein reflect ''short-cuts'' where practicable and where their application produces substantially the same separations results as would be obtained by the use of more detailed procedures, and they assume the use of records generally maintained by Telecommunications Companies.

(f) The classification to accounts of telecommunications property, revenues, expenses, etc., set forth in this manual is that prescribed by the Federal Communications Commission's Uniform System of Accounts for Telecommunications Companies.

(g) In the assignment of property costs to categories and in the apportionment of such costs among the operations, each amount so assigned and apportioned is identified as to the account classification in which the property is included. Thus, the separated results are identified by property accounts and apportionment bases are provided for those expenses which are separated on the basis of the apportionment of property costs. Similarly, amounts of revenues and expenses assigned each of the operations are identified as to account classification.

(h) The separations procedures described in this part are not to be interpreted as indicating what property, revenues, expenses and taxes, or what items carried in the income, reserve and retained earnings accounts, should or should not be considered in any investigation or rate proceeding.

§ 36.2 Fundamental principles underlying procedures.

(a) The following general principles underlie the procedures outlined in this part:

(1) Separations are intended to apportion costs among categories or jurisdictions by actual use or by direct assignment.

(2) Separations are made on the ''actual use'' basis, which gives consideration to relative occupancy and relative time measurements.

(3) In the development of ''actual use'' measurements, measurements of use are (i) determined for telecommunications plant or for work performed by operating forces on a unit basis (e.g., conversation-minute-kilometers per message, weighted standard work seconds per call) in studies of traffic handled or work performed during a representative period for all traffic and (ii) applied to overall traffic volumes, i.e., 24-hour rather than busy-hour volumes.

(b) Underlying the procedures included in this manual for the separation of plant costs is an over-all concept which may be described as follows:

(1) Telecommunications plant, in general, is segregable into two broad classifications, namely, (i) interexchange plant, which is plant used primarily to furnish toll services, and (ii) exchange plant, which is plant used primarily to furnish local services.