

access lines decreases or has decreased such that, under § 36.125(f), the weighted interstate DEM factor for 2010 or any successive year would be raised, that higher weighted interstate DEM factor shall be applied to the study area's 1996 unweighted interstate DEM factor to derive a new local switching support factor.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33011, 33012, Aug. 29, 1988; 62 FR 32946, June 17, 1997; 63 FR 2124, Jan. 13, 1998; 66 FR 33205, June 21, 2001; 69 FR 12549, Mar. 17, 2004; 71 FR 65745, Nov. 9, 2006; 75 FR 17874, Apr. 8, 2010; 75 FR 30301, June 1, 2010]

§ 36.126 Circuit equipment—Category 4.

(a) For the purpose of this section, the term “Circuit Equipment” encompasses the Radio Systems and Circuit Equipment contained in Accounts 2230 through 2232 respectively. It includes central office equipment, other than switching equipment and automatic message recording equipment, which is used to derive communications transmission channels or which is used for the amplification, modulation, regeneration, testing, balancing or control of signals transmitted over communications transmission channels. Examples of circuit equipment in general use include:

- (1) Carrier telephone and telegraph system terminals.
- (2) Telephone and telegraph repeaters, termination sets, impedance compensators, pulse link repeaters, echo suppressors and other intermediate transmission amplification and balancing equipment except that included in switchboards.
- (3) Radio transmitters, receivers, repeaters and other radio central office equipment except message switching equipment associated with radio systems.
- (4) Composite ringers, line signaling and switching pad circuits.
- (5) Concentration equipment.
- (6) Composite sets and repeating coils.
- (7) Program transmission amplifiers, monitoring devices and volume indicators.
- (8) Testboards, test desks, repair desks and patch bays, including those

provided for test and control, and for telegraph and transmission testing.

(b) For apportionment among the operations, the cost of circuit equipment is assigned to the following subsidiary categories:

(1) *Exchange Circuit Equipment—Category 4.1.* (i) Wideband Exchange Line Circuit Equipment—Category 4.11.

(ii) Exchange Trunk Circuit Equipment (Wideband and Non-Wideband)—Category 4.12.

(iii) Exchange Line Circuit Equipment Excluding Wideband—Category 4.13.

(2) *Interexchange Circuit Equipment—Category 4.2.* (i) Interexchange Circuit Equipment Furnished to Another Company for Interstate Use—Category 4.21.

(ii) Interexchange Circuit Equipment Used for Wideband Services including Satellite and Earth Station Equipment used for Wideband Service—Category 4.22.

(iii) All Other Interexchange Circuit Equipment—Category 4.23.

(3) *Host/Remote Message Circuit Equipment—Category 4.3.* (4) In addition, for the purpose of identifying and separating property associated with special services, circuit equipment included in Categories 4.12 (other than wideband equipment) 4.13 and 4.23 is identified as either basic circuit equipment, i.e., equipment that performs functions necessary to provide and operate channels suitable for voice transmission (telephone grade channels), or special circuit equipment, i.e., equipment that is peculiar to special service circuits. Carrier telephone terminals and carrier telephone repeaters are examples of basic circuit equipment in general use, while audio program transmission amplifiers, bridges, monitoring devices and volume indicators, telegraph carrier terminals and telegraph repeaters are examples of special circuit equipment in general use. Cost of exchange circuit equipment included in Categories 4.12 and 4.13 and the interexchange circuit equipment in Categories 4.21, 4.22 and 4.23 are segregated between basic circuit equipment and special circuit equipment only at those locations where amounts of interexchange and exchange special circuit equipment are significant. Where such segregation is not made, the total costs

in these categories are classified as basic circuit equipment.

(5) Effective July 1, 2001, through June 30, 2011, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balances of Accounts 2230 through 2232 to the categories/subcategories as specified in §§ 36.126(b)(1) through (b)(4) based on the relative percentage assignment of the average balances of Accounts 2230 through 2232 costs to these categories/subcategories during the twelve month period ending December 31, 2000.

(c) Apportionment of Exchange Circuit Equipment Among the Operations:

(1) Wideband Exchange Line Circuit Equipment—Category 4.11—The cost of exchange circuit equipment in this category is determined separately for each wideband facility. The respective costs are allocated to the appropriate operation in the same manner as the related exchange line cable and wire facilities described in § 36.155.

(2) Exchange Trunk Circuit Equipment (Wideband and Non-Wideband)—Category 4.12—The cost of exchange circuit equipment associated with this category for the study area is allocated to the appropriate operation in the same manner as the related exchange trunk cable and wire facilities as described in § 36.155.

(3) Exchange Line Circuit Equipment Excluding Wideband—Category 4.13—The cost of Circuit Equipment associated with exchange line plant excluding wideband for the study area is assigned to subcategories and is allocated to the appropriate operation in the same manner as the related exchange line cable and wire facilities for non-wideband service as described in § 36.154.

(4) Effective July 1, 2001, through June 30, 2011, all study areas shall apportion costs in the categories/subcategories, as specified in §§ 36.126(b)(1) through (b)(4), among the jurisdictions using the relative use measurements or factors, as specified in §§ 36.126(c)(1) through (c)(3) for the twelve month period ending December 31, 2000. Direct assignment of any subcategory of Category 4.1 Exchange Circuit Equipment to the jurisdictions shall be updated annually.

(d) Apportionment of Interexchange Circuit Equipment among the Operations: Procedures to be Used by Interexchange Carriers. (1) Interexchange Circuit Equipment Furnished to Another Company for Interstate Use—Category 4.21—This category comprises that circuit equipment provided for the use of another company as an integral part of its interexchange circuit facilities used wholly for interstate services. This category includes such circuit equipment as telephone carrier, terminals telegraph carrier terminals, and microwave systems used wholly for interstate services. The total cost of the circuit equipment in this category for the study area is assigned to the interstate operation.

(2) Interexchange Circuit Equipment Used for Wideband Service—Category 4.22—This category includes the circuit equipment portion of interexchange channels used for wideband services. The cost of interexchange circuit equipment in this category is determined separately for each wideband channel and is segregated between message and private line services on the basis of the use of the channels provided. The respective costs are allocated to the appropriate operation in the same manner as the related interexchange cable and wire facilities as described in § 36.156.

(3) All Other Interexchange Circuit Equipment—Category 4.23—This category includes the cost of all interexchange circuit equipment not assigned to Categories 4.21 and 4.22. Interexchange carriers shall freeze the allocation factors for Category 4.23 investment at levels reached on December 31, 1985, derived by using the procedures in effect at that time. On January 1, 1988, and thereafter, that frozen allocation factor shall be applied to each interexchange carrier's Category 4.23 investment to derive the interstate allocation. On January 1, 1988, and thereafter, the amount of investment allocated to the interstate jurisdiction will vary but the relative proportion of the total investment that is allocated to the interstate jurisdiction will remain frozen at 1985 levels.

(e) Apportionment of Interexchange Circuit Equipment among the Operations: Procedures To Be Used by Exchange Carriers. (1) Interexchange Circuit Equipment Furnished to Another Company for Interstate Use—Category 4.21—This category comprises that circuit equipment provided for the use of another company as an integral part of its interexchange circuit facilities used wholly for interstate services. This category includes such circuit equipment as telephone carrier terminals telegraph carrier terminals, and microwave systems used wholly for interstate services. The total cost of the circuit equipment in this category for the study area is assigned to the interstate operation.

(2) Interexchange Circuit Equipment Used for Wideband Service—Category 4.22—This category includes the circuit equipment portion of interexchange channels used for wideband services. The cost of interexchange circuit equipment in this category is determined separately for each wideband channel and is segregated between message and private line services on the basis of the use of the channels provided. The respective costs are allocated to the appropriate operation in the same manner as the related interexchange cable and wire facilities described in §36.156.

(3) All Other Interexchange Circuit Equipment—Category 4.23—This category includes the cost of all interexchange circuit equipment not assigned to Categories 4.21 and 4.22. The cost of interexchange basic circuit equipment used for the following classes of circuits is included in this category: Jointly used message circuits, *i.e.*, message switching plant circuits carrying messages from the state and interstate operations; circuits used for state private line service; and circuits used for state private line services.

(i) An average interexchange circuit equipment cost per equivalent interexchange telephone termination for all circuits is determined and applied to the equivalent interexchange telephone termination counts of each of the following classes of circuits: Private Line, State Private Line, Message. The cost of interstate private line circuits is assigned directly to the interstate oper-

ation. The cost of state private line circuits is assigned directly to the state operation. The cost of message circuits is apportioned between the state and interstate operations on the basis of the relative number of study area conversation-minutes applicable to such facilities.

(ii) [Reserved]

(iii) The cost of special circuit equipment is segregated among telegraph grade private line services and other private line services based on an analysis of the use of the equipment and in accordance with §36.126(b)(4). The special circuit equipment cost assigned to telegraph grade and other private line services is directly assigned to the appropriate operations.

(4) Effective July 1, 2001, through June 30, 2011, all study areas shall apportion costs in the categories/subcategories specified in §§36.126(e)(1) through (e)(3) among the jurisdictions using relative use measurements or factors, as specified in §§36.126(e)(1) through (e)(3) for the twelve month period ending December 31, 2000. Direct assignment of any subcategory of Category 4.2 Interexchange Circuit Equipment to the jurisdictions shall be updated annually.

(f) Apportionment of Host/Remote Message Circuit Equipment Among the Operations.

(1) Host/Remote Message Circuit Equipment—Category 4.3. This category includes message host/remote location circuit equipment for which a message circuit switching function is performed at the host central office associated with cable and wire facilities as described in §36.152(c).

(i) The category 4.3 cost of host/remote circuit equipment assigned to message services for the study area is apportioned among the exchange, intrastate toll, and interstate toll operations on the basis of the assignment of host/remote message cable and wire facilities as described in §36.157.

(ii) [Reserved]

(2) Effective July 1, 2001, through June 30, 2011, all study areas shall apportion costs in the subcategory specified in §36.126(f)(1) among the jurisdictions using the allocation factor, as specified in §36.126(f)(1)(i), for this subcategory for the twelve month period

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ending December 31, 2000. Direct assignment of any Category 4.3 Host/Remote Message Circuit Equipment to the jurisdictions shall be updated annually.

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INFORMATION ORIGINATION/TERMINATION (IOT) EQUIPMENT

§ 36.141 General.

(a) Information Origination/Termination Equipment is maintained in Account 2310 and includes station apparatus, embedded customer premises wiring, large private branch exchanges, public telephone terminal equipment, and other terminal equipment.

(b) The costs in Account 2310 shall be segregated between Other Information Origination/Termination Equipment—Category 1, and New Customer Premises Equipment—Category 2 by an analysis of accounting, engineering and other records.

(c) Effective July 1, 2001, through June 30, 2011, local exchange carriers subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the average balance of Account 2310 to the categories, as specified in § 36.141(b), based on the relative percentage assignment of the average balance of Account 2310 to these categories during the twelve month period ending December 31, 2000.

[52 FR 17229, May 6, 1987, as amended at 66 FR 33206, June 21, 2001; 75 FR 30301, June 1, 2010]

§ 36.142 Categories and apportionment procedures.

(a) *Other Information Origination/Termination Equipment—Category 1.* This category includes the cost of other information origination/termination equipment not assigned to Category 2. The costs of other information origination/termination equipment are allocated pursuant to the factor that is used to allocate subcategory 1.3 Exchange Line C&WF.

(b) *Customer Premises Equipment—Category 2.* This category includes the cost of Customer Premises Equipment that was detariffed pursuant to the Second

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Computer Inquiry decision. It shall be assigned to the state operations.

(c) Effective July 1, 2001, through June 30, 2011, all study areas shall apportion costs in the categories, as specified in § 36.141(b), among the jurisdictions using the relative use measurements or factors, as specified in § 36.142(a), for the twelve month period ending December 31, 2000. Direct assignment of any category of Information Origination/Termination Equipment to the jurisdictions shall be updated annually.

[52 FR 17229, May 6, 1987, as amended at 66 FR 33206, June 21, 2001; 71 FR 65746, Nov. 9, 2006; 75 FR 30301, June 1, 2010]

CABLE AND WIRE FACILITIES

§ 36.151 General.

(a) Cable and Wire Facilities, Account 2410, includes the following types of communications plant in service: Poles and antenna supporting structures, aerial cable, underground cable, buried cable, submarine cable, deep sea cable, intrabuilding network cable, aerial wire and conduit systems.

(b) For separations purposes, it is necessary to analyze the cable and wire facilities classified in subordinate records in order to determine their assignment to the categories listed in the following paragraphs.

(c) In the separation of the cost of cable and wire facilities among the operations, the first step is the assignment of the facilities to certain categories. The basic method of making this assignment is the identification of the facilities assignable to each category and the determination of the cost of the facilities so identified. Because of variations among companies in the character of the facilities and operating conditions, and in the accounting and engineering records maintained, the detailed methods followed, of necessity, will vary among the companies. The general principles to be followed, however, will be the same for all companies.

(d) The second step is the apportionment of the cost of the facilities in each category among the operations through the application of appropriate factors or by direct assignment.