Federal Communications Commission

§ 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:

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

(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. 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, 2014, study areas subject to price cap regulation, pursuant to
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§ 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.

(6) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to §61.41 of this chapter, shall assign the average balances of Accounts 2230 through 2232 to the categories/subcategories as specified in paragraphs (b)(1) through (4) of this section 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 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, 2017, all study areas shall apportion costs in the categories/subcategories, as specified in paragraphs (b)(1) through (4) of this section, among the jurisdictions using the relative use measurements or factors, as specified in paragraphs (c)(1) through (3) of this section 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 re-
main frozen at 1985 levels.

(e) Apportionment of Interexchange Circuit Equipment among the Op-
erations: Procedures To Be Used by Exchange Carriers. (1) Interexchange Cir-
cuit 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 tele-
graph carrier terminals, and micro-
wave systems used wholly for inter-
state services. The total cost of the cir-
cuit 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 deter-
mined separately for each wideband
channel and is segregated between mes-
sage and private line services on the
basis of the use of the channels pro-
vided. The respective costs are allo-
cated to the appropriate operation in
the same manner as the related inter-
exchange cable and wire facilities de-
scribed in §36.156.

(3) All Other Interexchange Circuit
Equipment—Category 4.23—This cat-
egory includes the cost of all inter-
exchange circuit equipment not as-
signed to Categories 4.21 and 4.22. The
cost of interexchange basic circuit
equipment used for the following class-
es of circuits is included in this cat-
egory: 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 inter-
exchange telephone termination counts of each of the fol-
lowing classes of circuits: Private Line,
State Private Line, Message. The cost
of interstate private line circuits is as-
signed directly to the interstate oper-
ation. The cost of state private line cir-
cuits 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 con-
versation-minutes applicable to such
facilities.

(ii) [Reserved]

(iii) The cost of special circuit equip-
ment is segregated among telegraph
grade private line services and other
private line services based on an anal-
ysis of the use of the equipment and in
accordance with §36.126(b)(4). The spe-
cial circuit equipment cost assigned to
telegraph grade and other private line
services is directly assigned to the ap-
propriate operations.

(4) Effective July 1, 2001, through
June 30, 2017, all study areas shall ap-
portion costs in the categories/subcat-
egories specified in paragraphs (e)(1)
through (3) of this section among the
jurisdictions using relative use meas-
urements or factors, as specified in
paragraphs (e)(1) through (3) for the
twelve month period ending December
31, 2000. Direct assignment of any sub-
category 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 cat-
egory includes message host/remote lo-
cation circuit equipment for which a
message circuit switching function is
performed at the host central office as-
associated with cable and wire facilities
as described in §36.152(c).

(i) The category 4.3 cost of host/ re-
mote circuit equipment assigned to
message services for the study area is
apportioned among the exchange,
intrastate toll, and interstate toll op-

erations on the basis of the assignment
of host/remote message cable and wire
facilities as described in §36.157.

(ii) [Reserved]
§ 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, 2017, all study areas shall apportion costs in the subcategory specified in paragraph (f)(1) of this section among the jurisdictions using the allocation factor, as specified in paragraph (f)(1)(i) of this section, for this subcategory for the twelve month period ending December 31, 2000. Direct assignment of any Category 4.3 Host/Remote Message Circuit Equipment to the jurisdictions shall be updated annually.

§ 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&W.
(b) Customer Premises Equipment—Category 2. This category includes the cost of Customer Premises Equipment that was detariffed pursuant to the Second Computer Inquiry decision. It shall be assigned to the state operations.
(c) Effective July 1, 2001, through June 30, 2017, 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 paragraph (a) of this section, 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.