(2) Submit data covering the last six months of the previous calendar year and the first six months of the existing calendar year no later than December 30th of the existing year;

(3) Submit data covering the last three months of the second previous calendar year and the first nine months of the previous calendar year no later than March 30th of the existing year.

(b) [Reserved]

§ 54.1307 Submission of Information by the National Exchange Carrier Association.

(a) On October 1 of each year, the National Exchange Carrier Association (NECA) shall file with the Commission and Administrator the information listed below. Information filed with the Commission shall be compiled from information provided to NECA by telephone companies pursuant to § 54.1305.

(1) The unseparated loop cost for each study area and a nationwide-average unseparated loop cost.

(2) The annual amount of the high cost expense adjustment for each study area, and the total nationwide amount of the expense adjustment.

(3) The dollar amount and percentage of the increase in the nationwide average unseparated loop cost, as well as the dollar amount and percentage increase for each study area, for the previous 5 years, or the number of years NECA has been receiving this information, whichever is the shorter time period.

(b) [Reserved]

§ 54.1308 Study Area Total Unseparated Loop Cost.

(a) For the purpose of calculating the expense adjustment, the study area total unseparated loop cost equals the sum of the following:

(1) Return component for net unseparated Exchange Line C&WF Subcategory 1.3 investment and Exchange Line CO Circuit Equipment Category 4.13 investment. This amount is calculated by deducting the accumulated depreciation and noncurrent deferred Federal income taxes attributable to C&WF Subcategory 1.3 investment and Exchange Line Category 4.13 circuit investment reported pursuant to § 54.1305(b) from the gross investment in Exchange Line C&WF Subcategory 1.3 and CO Category 4.13 reported pursuant to § 54.1305(a) to obtain the net unseparated C&WF Subcategory 1.3 investment, and CO Category 4.13 investment. The net unseparated C&WF Subcategory 1.3 investment and CO Category 4.13 investment is multiplied by the study area’s authorized interstate rate of return.

(2) Depreciation expense attributable to C&WF Subcategory 1.3 investment, and CO Category 4.13 investment as reported in § 54.1305(c).

(3) Maintenance expense attributable to C&WF Subcategory 1.3 investment, and CO Category 4.13 investment as reported in § 54.1305(d).

(4) Corporate Operations Expenses, Operating Taxes and the benefits and rent portions of operating expenses, as reported in § 54.1305(e) attributable to investment in C&WF Category 1.3 and COE Category 4.13. This amount is calculated by multiplying the total amount of these expenses and taxes by the ratio of the unseparated gross exchange plant investment in C&WF Category 1.3 and COE Category 4.13, as reported in § 54.1305(a), to the unseparated gross telecommunications plant investment, as reported in § 54.1305(f). Total Corporate Operations Expense for purposes of calculating high-cost loop support payments beginning January 1, 2012 shall be limited to the lesser of § 54.1308(a)(4)(i) or (ii).

(i) The actual average monthly per-loop Corporate Operations Expense; or

(ii) A monthly per-loop amount computed according to paragraphs (a)(4)(i)(A), (a)(4)(i)(B), (a)(4)(i)(C), and (a)(4)(i)(D) of this section. To the extent that some carriers’ corporate operations expenses are disallowed pursuant to these limitations, the national average unseparated cost per loop shall be adjusted accordingly.

(A) For study areas with 6,000 or fewer total working loops the amount monthly per working loop shall be $42.337 \times \text{the number of total working loops}, or, $63,000/\text{the number of total working loops}, whichever is greater;

(B) For study areas with more than 6,000 but fewer than 17,887 total working loops, the monthly amount per
working loop shall be $3,007 + (117,990/
the number of total working loops); and

(C) For study areas with 17,887 or
more total working loops, the monthly
amount per working loop shall be
$9,562.

(D) Beginning January 1, 2013, the
monthly per-loop amount computed ac-
cording to paragraphs (a)(4)(i)(A),
(a)(4)(i)(B), and (a)(4)(i)(C) of this sec-
tion shall be adjusted each year to re-
fect the annual percentage change in
the United States Department of Com-
merce’s Gross Domestic Product-
Chained Price Index (GDP–CPI).

(b) [Reserved]

§ 54.1309 National and study area av-
erage unseparated loop costs.

(a) National average unseparated loop
cost per working loop. Except as pro-
vided in paragraph (c) of this section,
this is equal to the sum of the Loop
Costs for each study area in the coun-
try as calculated pursuant to
§54.1308(a) divided by the sum of the
working loops reported in §54.1305(h)
for each study area in the country. The
national average unseparated loop cost
per working loop shall be calculated by
the National Exchange Carrier Associa-
tion. Beginning July 1, 2001, the na-
tional average unseparated loop cost
for purposes of calculating expense ad-
justments for rural incumbent local ex-
change carriers, as that term is defined
in §54.5 of this part is frozen at $240.00.

(1) The national average unseparated
loop cost per working loop shall be re-
calculated by the National Exchange
Carrier Association to reflect the Sep-
tember, December, and March update
filings.

(2) Each new nationwide average
shall be used in determining the additional
interstate expense allocation for
companies which made filings by the
most recent filing date.

(3) The calculation of a new national
average to reflect the update filings
shall not affect the amount of the addi-
tional interstate expense allocation for
companies which did not make an up-
date filing by the most recent filing
date.

(b) Study area average unseparated
loop cost per working loop. This is equal
to the unseparated loop costs for the
study area as calculated pursuant to
§54.1308(a) divided by the number of
working loops reported in §54.1305(i) for
the study area.

(1) If a company elects to, or is re-
quired to, update the data which it has
filed with the National Exchange Car-
errier Association as provided in
§54.1306(a), the study area average
unseparated loop cost per working loop
and the amount of its additional inter-
state expense allocation shall be recal-
culated to reflect the updated data.

(2) [Reserved]

(c) The national average inseparated
loop cost per working loop shall be the
greater of:

(1) The amount calculated pursuant
to the method described in paragraph
(a) of this section; or

(2) Beginning July 1, 1988, for rural
carriers, an amount calculated to
produce the maximum rural incumbent
local exchange carrier portion of na-
tionwide loop cost expense adjustment
allowable pursuant to §54.1302(a).

§ 54.1310 Expense adjustment.

(a) [Reserved]

(b) [Reserved]

(c) Beginning January 1, 1988, for
study areas reporting 200,000 or fewer
working loops pursuant to §54.1305(h),
the expense adjustment (additional
interstate expense allocation) is equal
to the sum of paragraphs (c)(1) through
(2) of this section.

(1) Sixty-five percent of the study
area average unseparated loop cost per
working loop as calculated pursuant to
§54.1309(b) in excess of 115 percent of
the national average for this cost but
not greater than 150 percent of the na-
tional average for this cost as cal-
culated pursuant to §54.1309(a) mul-
tiplied by the number of working loops
reported in §54.1305(h) for the study
area; and

(2) Seventy-five percent of the study
area average unseparated loop cost per
working loop as calculated pursuant to
§54.1309(b) in excess of 150 percent of
the national average for this cost as
calculated pursuant to §54.1309(a) mul-
tiplied by the number of working loops
reported in §54.1305(h) for the study
area.

(d) Beginning April 1, 1989, the ex-
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