

Interstate Common Line Support by dividing the rate-of-return carrier's targeted Interstate Common Line Support by its total lines served.

(3) The Administrator shall then calculate the Interstate Common Line Support available to the competitive eligible telecommunications carrier for each line it serves for each customer class in a disaggregation zone or undisaggregated study area by the following formula:

(i) If the Average Interstate Common Line Support is greater than \$2.70 multiplied by the number of residential and single-line business lines served by the rate-of-return carrier in the disaggregation zone or undisaggregated study area, then:

(A) Interstate Common Line Support per Multi-Line Business Line = (Average Interstate Common Line Support - \$2.70 × residential and single-line business lines served by the rate-of-return carrier) ÷ (total lines served by the rate-of-return carrier); and

(B) Interstate Common Line Support per Residential and Single-Line Business Line = Interstate Common Line Support per Multi-Line Business Line + \$2.70.

(ii) If the Average Interstate Common Line Support is less than or equal to \$2.70 multiplied by residential and single-line business lines served by the rate-of-return carrier in the disaggregation zone or undisaggregated study area, but greater than \$0, then:

(A) Interstate Common Line Support per Multi-Line Business Line = \$0; and

(B) Interstate Common Line Support per Residential and Single-Line Business Line = Average Interstate Common Line Support ÷ residential and single line business lines served by the rate-of-return carrier.

(iii) If the Average Interstate Common Line Support is equal to \$0, then the competitive eligible telecommunications carrier shall receive no Interstate Common Line Support for lines served in that disaggregation zone or undisaggregated study area.

§ 54.902 Calculation of Interstate Common Line Support for transferred exchanges.

(a) In the event that a rate-of-return carrier acquires exchanges from an en-

tity that is also a rate-of-return carrier, Interstate Common Line Support for the transferred exchanges shall be distributed as follows.

(1) Each carrier may report its updated line counts to reflect the transfer in the next quarterly line count filing pursuant to § 54.903(a)(1) that applies to the period in which the transfer occurred. During a transition period from the filing of the updated line counts until the end of the funding year, the Administrator shall adjust the Interstate Common Line Support received by each carrier based on the updated line counts and the per-line Interstate Common Line Support, categorized by customer class and, if applicable, disaggregation zone, of the selling carrier. If the acquiring carrier does not file a quarterly update of its line counts, it will not receive Interstate Common Line Support for those lines during the transition period.

(2) Each carrier's projected data for the following funding year filed pursuant to § 54.903(a)(3) shall reflect the transfer of exchanges.

(3) Each carrier's actual data filed pursuant to § 54.903(a)(4) shall reflect the transfer of exchanges. All post-transaction Interstate Common Line Support shall be subject to true up by the Administrator pursuant to § 54.903(b)(3).

(b) In the event that a rate-of-return carrier acquires exchanges from a price cap carrier that are incorporated into one of the rate-of-return carrier's existing study areas, Interstate Common Line Support for the transferred exchanges shall be distributed as follows.

(1) The acquiring carrier may report its updated line counts for the study area into which the acquired lines are incorporated in the next quarterly line count filing pursuant to § 54.903(a)(1) that applies to the period in which the transfer occurred. During a transition period from the filing of the updated line counts until the end of the funding year, the Administrator shall adjust the Interstate Common Line Support received by the acquiring carrier based on the updated line counts and the per-line amounts Interstate Common Line Support for the study area served by the acquiring carrier. If necessary, the Administrator shall develop an average

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per-line support amount to reflect various per-line amounts in multiple disaggregation zones served by the acquiring carrier. If the acquiring carrier does not file a quarterly update of its line counts, it will not receive Interstate Common Line Support for those lines during the transition period.

(2) The acquiring carrier's projected data for the following funding year filed pursuant to § 54.903(a)(3) shall reflect the transfer of exchanges.

(3) The acquiring carrier's actual data filed pursuant to § 54.903(a)(4) shall reflect the transfer of exchanges. All post-transaction Interstate Common Line Support shall be subject to true up by the Administrator pursuant to § 54.903(b)(3).

(c) In the event that a rate-of-return carrier acquires exchanges from a price cap carrier that are not incorporated into one of the rate-of-return carrier's existing study areas, Interstate Common Line Support for the transferred exchanges shall be distributed as follows.

(1) The acquiring rate-of-return may submit to the Administrator a projected Interstate Common Line Revenue Requirement for the acquired exchanges for the remainder of the funding year in the next quarterly report to the Administrator. The Administrator shall distribute Interstate Common Line Support pursuant to the partial year projected Interstate Common Line Revenue Requirement for the remainder of the funding year. If the acquiring carrier does not file a projected Interstate Common Line Revenue Requirement, it will not receive Interstate Common Line Support for those exchanges during the transition period.

(2) The acquiring carrier's projected data for the following funding year filed pursuant to § 54.903(a)(3) shall reflect the transfer of exchanges.

(3) The acquiring carrier's actual data filed pursuant to § 54.903(a)(4) shall reflect the transfer of exchanges. All post-transaction Interstate Common Line Support shall be subject to true up by the Administrator pursuant to § 54.903(b)(3).

(d) In the event that an entity other than a rate-of-return carrier acquires exchanges from a rate-of-return car-

rier, per-line Interstate Common Line Support will not transfer.

(e) This section does not alter any Commission rule governing the sale or transfer of exchanges, including the definition of "study area" in part 36.

[66 FR 59728, Nov. 30, 2001, as amended at 68 FR 31623, May 28, 2003]

§ 54.903 Obligations of rate-of-return carriers and the Administrator.

(a) To be eligible for Interstate Common Line Support, each rate-of-return carrier shall make the following filings with the Administrator.

(1) On April 18, 2002, each rate-of-return carrier shall submit to the Administrator the number of lines it serves as of September 30, 2001, within each rate-of-return carrier study area, by disaggregation zone if disaggregation zones have been established within that study area pursuant to § 54.315, showing residential and single-line business line counts and multi-line business line counts separately. For purposes of this report, and for purposes of computing support under this subpart, the residential and single-line business class lines reported include lines assessed the residential and single-line business End User Common Line charge pursuant to § 69.104 of this chapter, and the multi-line business class lines reported include lines assessed the multi-line business End User Common Line charge pursuant to § 69.104 of this chapter. For purposes of this report, and for purposes of computing support under this subpart, lines served using resale of the rate-of-return local exchange carrier's service pursuant to section 251(c)(4) of the Communications Act of 1934, as amended, shall be considered lines served by the rate-of-return carrier only and must be reported accordingly. Beginning July 31, 2002, each rate-of-return carrier shall submit the information described in this paragraph in accordance with the schedule in § 36.611 of this chapter.

(2) Each rate-of-return carrier in service areas where a competitive eligible telecommunications carrier has initiated service and reported line count data pursuant to § 54.307(c) shall submit the information in paragraph (a) of this