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tandem-switching rate element described in §69.111(g), the three-part tandem switched transport rate structure described in §69.111(a)(2), and port and multiplexer charges described in §69.111(1), shall be assessed upon minutes utilizing the local exchange carrier's local switching facilities, but not the local exchange carrier's transport service.

(2) If a local exchange carrier cannot recover its full residual interconnection charge revenues through the PICC mechanism established in §69.153, and will consequently cover a portion of its residual interconnection charge revenues through per-minute charges assessed pursuant to paragraphs (a) and (b) of this section, then the local exchange carrier must allocate its residual interconnection charge revenues subject to the exemption established in paragraph (c)(1) of this section between the PICC and the per-minute residual interconnection charge in the same proportion as other residual interconnection charge revenues are allocated between these two recovery mechanisms.

[62 FR 31938, June 11, 1997; 62 FR 40460, July 29, 1997, as amended at 62 FR 56133, Oct. 29, 1997]

§69.156 Marketing expenses.

Effective July 1, 2000, the marketing expenses formerly allocated to the common line and traffic sensitive baskets, and the switched services within the trunking basket pursuant to §32.6610 of this chapter and §69.403 will now be recovered in the CMT basket created pursuant to §61.42(d)(1) of this chapter. These marketing expenses will be recovered through the elements outlined in §§69.152, 69.153 and 69.154.

[65 FR 38703, June 21, 2000]

§ 69.157 Line port costs in excess of basic, analog service.

To the extent that the costs of ISDN line ports, and line ports associated with other services, exceed the costs of a line port used for basic, analog service, local exchange carriers may recover the difference through a separate monthly end-user charge. As of June

30, 2000, these rates will be capped until June 30, 2005.

[65 FR 38704, June 21, 2000; 65 FR 57744, Sept. 26, 2000]

§69.158 Universal service end user charges.

To the extent the company makes contributions to the Universal Service Support Mechanisms pursuant to §§ 54.706 and 54.709 of this chapter and the local exchange carrier seeks to recover some or all of the amount of such contribution, the local exchange carrier shall recover those contributions through a charge to end users other than Lifeline users. These contributions are not a part of any price cap baskets, and the charge to recover these contributions is not part of any other element established pursuant to part 69. Such a charge may be assessed on a per-line basis or as a percentage of interstate retail revenues, and at the option of the local exchange carrier it may be combined for billing purposes with other end user retail rate elements. A local exchange carrier opting to assess the Universal Service enduser rate element on a per-line basis may apply that charge using the "equivalency" relationships established for the multi-line business PICC for Primary Rate ISDN service, as per §69.153(d), and for Centrex lines, as per §69.153(e).

[65 FR 38704, June 21, 2000; 65 FR 57744, Sept. 26, 2000]

Subpart D—Apportionment of Net Investment

Source: 52 FR 37312, Oct. 6, 1987, unless otherwise noted.

§69.301 General.

(a) For purposes of computing annual revenue requirements for access elements net investment as defined in §69.2 (z) shall be apportioned among the interexchange category, the billing and collection category and access elements as provided in this subpart. For purposes of this subpart, local transport includes five elements: entrance facilities, direct-trunked transport, tandem-switched transport, dedicated

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signaling transport, and the interconnection charge. Expenses shall be apportioned as provided in subpart E of this part.

(b) The End User Common Line and Carrier Common Line elements shall be combined for purposes of this subpart and subpart E of this part. Those elements shall be described collectively as the Common Line element. The Common Line element revenue requirement shall be segregated in accordance with subpart F of this part.

 $[52\ FR\ 37312,\ Oct.\ 6,\ 1987,\ as\ amended\ at\ 57\ FR\ 54722,\ Nov.\ 20,\ 1992]$

§ 69.302 Net investment.

- (a) Investment in Accounts 2001, 1220 and Class B Rural Telephone Bank Stock booked in Account 1410 shall be apportioned among the interexchange category, billing and collection category and appropriate access elements as provided in §§ 69.303 through 69.309.
- (b) Investment in Accounts 2002, 2003 and to the extent such inclusions are allowed by this Commission, Account 2005 shall be apportioned on the basis of the total investment in Account 2001, Telecommunications Plant in Service.

[52 FR 37312, Oct. 6, 1987, as amended at 54 FR 3456, Jan. 24, 1989; 67 FR 5703, Feb. 6, 2002]

§ 69.303 Information origination/termination equipment (IOT).

Investment in all other IOT shall be apportioned between the Special Access and Common Line elements on the basis of the relative number of equivalent lines in use, as provided herein. Each interstate or foreign Special Access Line, excluding lines designated in §69.115(e), shall be counted as one or more equivalent lines where channels are of higher than voice bandwidth, and the number of equivalent lines shall equal the number of voice capacity analog or digital channels to which the higher capacity is equivalent. Local exchange subscriber lines shall be multiplied by the interstate Subscriber Plant Factor to determine the number of equivalent local exchange subscriber lines.

 $[52 \ FR \ 37312, \ Oct. \ 6, \ 1987, \ as \ amended \ at \ 62 \ FR \ 31938, \ June \ 11, \ 1997]$

§ 69.304 Subscriber line cable and wire facilities.

- (a) Investment in local exchange subscriber lines shall be assigned to the Common Line element.
- (b) Investment in interstate and foreign private lines and interstate WATS access lines shall be assigned to the Special access element.

 $[52 \; \mathrm{FR} \; 37312, \; \mathrm{Oct.} \; 6, \, 1987, \; \mathrm{as} \; \mathrm{amended} \; \mathrm{at} \; 62 \; \mathrm{FR} \; 31938, \; \mathrm{June} \; 11, \, 1997]$

§ 69.305 Carrier cable and wire facilities (C&WF).

- (a) Carrier C&WF that is not used for "origination" or "termination" as defined in §69.2(bb) and §69.2(cc) shall be assigned to the interexchange category.
- (b) Carrier C&WF, other than WATS access lines, not assigned pursuant to paragraph (a), (c), or (e) of this section that is used for interexchange services that use switching facilities for origination and termination that are also used for local exchange telephone service shall be apportioned to the local Transport elements.
- (c) Carrier C&WF that is used to provide transmission between the local exchange carrier's signalling transfer point and the database shall be assigned to the Line Information Database sub-element at §69.120(a).
- (d) All Carrier C&WF that is not apportioned pursuant to paragraphs (a), (b), (c), and (e) of this section shall be assigned to the Special Access element.
- (e) Carrier C&WF that is used to provide transmission between the local exchange carrier's signalling transfer point and the local switch shall be assigned to the local switching category.

[52 FR 37312, Oct. 6, 1987, as amended at 57 FR 24380, June 9, 1992; 58 FR 30995, May 28, 1993; 62 FR 31938, June 11, 1997]

§ 69.306 Central office equipment (COE).

- (a) The Separations Manual categories shall be used for purposes of apportioning investment in such equipment except that any Central office equipment attributable to local transport shall be assigned to the Transport elements.
- (b) COE Category 1 (Operator Systems Equipment) shall be apportioned