

Federal Communications Commission

§ 36.2

Subparts F–G [Reserved]

APPENDIX TO PART 36—GLOSSARY

AUTHORITY: 47 U.S.C. 151, 152, 154(i) and (j), 201, 205, 220, 221(c), 254, 303(r), 403, 410, and 1302 unless otherwise noted.

SOURCE: 52 FR 17229, May 6, 1987, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to part 36 appear at 74 FR 23956, May 22, 2009, 77 FR 30411, May 23, 2012, 82 FR 25538, June 2, 2017, and corrected at 83 FR 4153, Jan. 30, 2018. Nomenclature changes to part 36 also appear at 83 FR 63587, Dec. 11, 2018, and 84 FR 4360, Feb. 15, 2019.

Subpart A—General

§ 36.1 General.

(a) This part contains an outline of separations procedures for telecommunications companies on the station-to-station basis. These procedures are applicable either to property costs, revenues, expenses, taxes, and reserves as recorded on the books of the company or to estimated amounts.

(1) Where a value basis is used instead of book costs, the “costs” referred to are the “values” of the property derived from the valuation.

(b) The separations procedures set forth in this part are designed primarily for the allocation of property costs, revenues, expenses, taxes and reserves between state and interstate jurisdictions. For separations, where required, of the state portion between exchange and toll or for separations of individual exchanges or special services, further analyses and studies may be required to adapt the procedures to such additional separations.

(c) The fundamental basis on which separations are made is the use of telecommunications plant in each of the operations. The first step is the assignment of the cost of the plant to categories. The basis for making this assignment is the identification of the plant assignable to each category and the determination of the cost of the plant so identified. The second step is the apportionment of the cost of the plant in each category among the operations by direct assignment where possible, and all remaining costs are assigned by the application of appropriate use factors.

(d) In assigning book costs to categories, the costs used for certain plant classes are average unit costs which equate to all book costs of a particular account or subaccount; for other plant classes, the costs used are those which either directly approximate book cost levels or which are equated to match total book costs at a given location.

(e) The procedures outlined herein reflect “short-cuts” where practicable and where their application produces substantially the same separations results as would be obtained by the use of more detailed procedures, and they assume the use of records generally maintained by Telecommunications Companies.

(f) The classification to accounts of telecommunications property, revenues, expenses, etc., set forth in this manual is that prescribed by the Federal Communications Commission’s Uniform System of Accounts for Telecommunications Companies.

(g) In the assignment of property costs to categories and in the apportionment of such costs among the operations, each amount so assigned and apportioned is identified as to the account classification in which the property is included. Thus, the separated results are identified by property accounts and apportionment bases are provided for those expenses which are separated on the basis of the apportionment of property costs. Similarly, amounts of revenues and expenses assigned each of the operations are identified as to account classification.

(h) The separations procedures described in this part are not to be interpreted as indicating what property, revenues, expenses and taxes, or what items carried in the income, reserve and retained earnings accounts, should or should not be considered in any investigation or rate proceeding.

§ 36.2 Fundamental principles underlying procedures.

(a) The following general principles underlie the procedures outlined in this part:

(1) Separations are intended to apportion costs among categories or jurisdictions by actual use or by direct assignment.