

based on the relative percentage assignment of the average balance of Account 2210 (or, if Accounts 2211, 2212, and 2215 were required to be maintained at the applicable time, the average balances of Accounts 2211, 2212, and 2215) to Category 2, Tandem Switching Equipment during the twelve-month period ending December 31, 2000.

(d) Effective July 1, 2001, through December 31, 2024, all study areas shall apportion costs in Category 2, Tandem Switching Equipment, among the jurisdictions using the relative number of study area minutes of use, as specified in paragraph (b) of this section, for the twelve-month period ending December 31, 2000. Direct assignment of any sub-category of Category 2 Tandem Switching Equipment between jurisdictions shall be updated annually.

[52 FR 17229, May 6, 1987, as amended at 66 FR 33205, June 21, 2001; 69 FR 12549, Mar. 17, 2004; 75 FR 30301, June 1, 2010; 76 FR 30841, May 27, 2011; 79 FR 36236, June 26, 2014; 83 FR 63584, Dec. 11, 2018]

**§ 36.125 Local switching equipment—
Category 3.**

(a) Local switching equipment is included in account 2210. It comprises all central office switching equipment not assigned other categories. Examples of local switching equipment are basic switching train, toll connecting trunk equipment, interlocal trunks, tandem trunks, terminating senders used for toll completion, toll completing train, call reverting equipment, weather and time of day service equipment, and switching equipment at electronic analog or digital remote line locations. Equipment used for the identification, recording and timing of customer dialed charge traffic, or switched private line traffic (*e.g.*, transmitters, recorders, call identity indexers, perforators, ticketers, detectors, mastertimes) switchboards used solely for recording of calling telephone numbers in connection with customer dialed charge traffic, or switched private line traffic (or both) is included in this local switching category. Equipment provided and used primarily for operator dialed toll or customer dialed charge traffic except such equipment included in Category 2 Tandem Switching Equipment is also included in this

local switching category. This includes such items as directors, translators, sender registers, out trunk selectors and facilities for toll intercepting and digit absorption. Special services switching equipment which primarily performs the switching function for special services (*e.g.*, switching equipment, TWX concentrators and switchboards) is also included in this local switching category.

(1) Local office, as used in § 36.125, comprises one or more local switching entities of the same equipment type (*e.g.*, step-by-step, No. 5 Crossbar) in an individual location. A local switching entity comprises that local central office equipment of the same type which has a common intermediate distributing frame, market group or other separately identifiable switching unit serving one or more prefixes (NNX codes).

(2) A host/remote local switching complex is composed of an electronic analog or digital host office and all of its remote locations. A host/remote local switching complex is treated as one local office. The current jurisdictional definition of an exchange will apply.

(3) Dial equipment minutes of use (DEM) is defined as the minutes of holding time of the originating and terminating local switching equipment. Holding time is defined in the Glossary.

(4) The interstate allocation factor is the percentage of local switching investment apportioned to the interstate jurisdiction.

(5) The interstate DEM factor is the ratio of the interstate DEM to the total DEM. A weighted interstate DEM factor is the product of multiplying a weighting factor, as defined in paragraph (f) of this section, to the interstate DEM factor. The state DEM factor is the ratio of the state DEM to the total DEM.

(b) Beginning January 1, 1993, Category 3 investment for study areas with 50,000 or more access lines is apportioned to the interstate jurisdiction on the basis of the interstate DEM factor. Category 3 investment for study areas with 50,000 or more access lines is apportioned to the state jurisdiction on the basis of the state DEM factor.

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(c)–(e) [Reserved]

(f) Beginning January 1, 1998, for study areas with fewer than 50,000 access lines, Category 3 investment is apportioned to the interstate jurisdiction by the application of an interstate allocation factor that is the lesser of either .85 or the sum of the interstate DEM factor specified in paragraph (a)(5) of this section, and the difference between the 1996 interstate DEM factor and the 1996 interstate DEM factor multiplied by a weighting factor as determined by the table below. The Category 3 investment that is not assigned to the interstate jurisdiction pursuant to this paragraph is assigned to the state jurisdiction.

Number of access lines in service in study area	Weighting factor
0–10,000	3.0
10,001–20,000	2.5
20,001–50,000	2.0
50,001–or above	1.0

(g) For purposes of this section, an access line is a line that does not include WATS access lines, special access lines or private lines.

(h) Effective July 1, 2001, through December 31, 2024, study areas subject to price cap regulation, pursuant to §61.41 of this chapter, shall assign the average balance of Account 2210 to Category 3, Local Switching Equipment, based on the relative percentage assignment of the average balance of Account 2210 (or, if Accounts 2211, 2212, and 2215 were required to be maintained at the applicable time, the average balances of Accounts 2211, 2212, and 2215) to Category 3, during the twelve-month period ending December 31, 2000.

(i) Effective July 1, 2001, through December 31, 2024, all study areas shall apportion costs in Category 3, Local Switching Equipment, among the jurisdictions using relative dial equipment minutes of use for the twelve-month period ending December 31, 2000.

(j) If the number of a study area’s access lines increases such that, under paragraph (f) of this section, the weighted interstate DEM factor for 1997 or any successive year would be reduced, that lowered weighted interstate DEM factor shall be applied to the study area’s 1996 unweighted interstate DEM factor to derive a new local

switching support factor. If the number of a study area’s access lines decreases or has decreased such that, under paragraph (f) of this section, the weighted interstate DEM factor for 2010 or any successive year would be raised, that higher weighted interstate DEM factor shall be applied to the study area’s 1996 unweighted interstate DEM factor to derive a new local switching support factor.

[52 FR 17229, May 6, 1987, as amended at 53 FR 33011, 33012, Aug. 29, 1988; 62 FR 32946, June 17, 1997; 63 FR 2124, Jan. 13, 1998; 66 FR 33205, June 21, 2001; 69 FR 12549, Mar. 17, 2004; 71 FR 65745, Nov. 9, 2006; 75 FR 17874, Apr. 8, 2010; 75 FR 30301, June 1, 2010; 76 FR 30841, May 27, 2011; 79 FR 36236, June 26, 2014; 83 FR 63585, Dec. 11, 2018]

§ 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 Account 2230. 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 system terminals.
- (2) Telephone 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