

thus identifiable as entirely interstate or State in nature, shall be directly assigned to the appropriate operation and jurisdiction.

[52 FR 17229, May 6, 1987, as amended at 58 FR 44905, Aug. 25, 1993; 71 FR 65745, Nov. 9, 2006]

**§ 36.3 Freezing of jurisdictional separations category relationships and/or allocation factors.**

(a) Effective July 1, 2001, through December 31, 2024, all local exchange carriers subject to part 36 rules shall apportion costs to the jurisdictions using their study area and/or exchange specific jurisdictional allocation factors calculated during the twelve-month period ending December 31, 2000, for each of the categories/sub-categories as specified herein. Direct assignment of private line service costs between jurisdictions shall be updated annually. Other direct assignment of investment, expenses, revenues or taxes between jurisdictions shall be updated annually. Local exchange carriers that invest in telecommunications plant categories during the period July 1, 2001, through December 31, 2024, for which it had no separations allocation factors for the twelve-month period ending December 31, 2000, shall apportion that investment among the jurisdictions in accordance with the separations procedures in effect as of December 31, 2000 for the duration of the freeze.

(b) Effective July 1, 2001, through December 31, 2024, local exchange carriers subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign costs from the accounts under part 32 of this chapter (part 32 account(s)) to the separations categories/sub-categories, as specified herein, based on the percentage relationships of the categorized/sub-categorized costs to their associated part 32 accounts for the twelve-month period ending December 31, 2000. If a part 32 account for separations purposes is categorized into more than one category, the percentage relationship among the categories shall be utilized as well. Local exchange carriers that invest in types of telecommunications plant during the period July 1, 2001, through December 31, 2024, for which it had no separations category investment for the

twelve-month period ending December 31, 2000, shall assign such investment to separations categories in accordance with the separations procedures in effect as of December 31, 2000. Local exchange carriers not subject to price cap regulation, pursuant to § 61.41 of this chapter, may elect to be subject to the provisions of this paragraph (b). Such election must be made prior to July 1, 2001. Any local exchange carrier that is subject to § 69.3(e) of this chapter and that elected to be subject to this paragraph (b) may withdraw from that election by notifying the Commission by May 1, 2019, of its intent to withdraw from that election, and that withdrawal will be effective as of July 1, 2019. Any local exchange carrier that participates in an Association tariff, pursuant to §§ 69.601 through 69.610 of this chapter, and that elected to be subject to this paragraph (b) may withdraw from that election by notifying the Association by March 1, 2019, of such intent. Subject to these two exceptions, local exchange carriers that previously elected to become subject to this paragraph (b) shall not be eligible to withdraw from such regulation for the duration of the freeze.

(c) Effective July 1, 2001, through December 31, 2024, any local exchange carrier that sells or otherwise transfers exchanges, or parts thereof, to another carrier's study area shall continue to utilize the factors and, if applicable, category relationships as specified in paragraphs (a) and (b) of this section.

(d) Effective July 1, 2001, through December 31, 2024, any local exchange carrier that buys or otherwise acquires exchanges or part thereof, shall calculate new, composite factors and, if applicable, category relationships based on a weighted average of both the seller's and purchaser's factors and category relationships calculated pursuant to paragraphs (a) and (b) of this section. This weighted average should be based on the number of access lines currently being served by the acquiring carrier and the number of access lines in the acquired exchanges.

## § 36.4

(1) To compute the composite allocation factors and, if applicable, the composite category percentage relationships of the acquiring company, the acquiring carrier shall first sum its existing (pre-purchase) access lines (A) with the total access lines acquired from selling company (B). Then, multiply its factors and category relationship percentages by  $(A/(A + B))$  and those of the selling company by  $(B/(A + B))$  and sum the results.

(2) For carriers subject to a freeze of category relationships, the acquiring carrier should remove all categories of investment from the selling carrier's list of frozen category relationships where no such category investment exists within the sold exchange(s). The seller's remaining category relationships must then be increased proportionately to total 100 percent. Then, the adjusted seller's category relationships must be combined with those of the acquiring carrier as specified in § 36.3(d)(1) to determine the category relationships for the acquiring carrier's post-transfer study area.

(e) Any local exchange carrier study area converting from average schedule company status, as defined in § 69.605(c) of this chapter, to cost company status during the period July 1, 2001, through December 31, 2024, shall, for the first twelve months subsequent to conversion categorize the telecommunications plant and expenses and develop separations allocation factors in accordance with the separations procedures in effect as of December 31, 2000. Effective July 1, 2001 through December 31, 2024, such companies shall utilize the separations allocation factors and account categorization subject to the requirements of paragraphs (a) and (b) of this section based on the category relationships and allocation factors for the twelve months subsequent to the conversion to cost company status.

[66 FR 33204, June 21, 2001, as amended at 79 FR 36235, June 26, 2014; 84 FR 4360, Feb. 15, 2019]

### **§ 36.4 Streamlining procedures for processing petitions for waiver of study area boundaries.**

Effective January 1, 2012, local exchange carriers seeking a change in

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study area boundaries shall be subject to the following procedure:

(a) *Public Notice and Review Period.* Upon determination by the Wireline Competition Bureau that a petitioner has filed a complete petition for study area waiver and that the petition is appropriate for streamlined treatment, the Wireline Competition Bureau will issue a public notice seeking comment on the petition. Unless otherwise notified by the Wireline Competition Bureau, the petitioner is permitted to alter its study area boundaries on the 60th day after the reply comment due date, but only in accordance with the boundary changes proposed in its application.

(b) *Comment Cycle.* Comments on petitions for waiver may be filed during the first 30 days following public notice, and reply comments may be filed during the first 45 days following public notice, unless the public notice specifies a different pleading cycle. All comments on petitions for waiver shall be filed electronically, and shall satisfy such other filing requirements as may be specified in the public notice.

[76 FR 73853, Nov. 29, 2011]

## **Subpart B—Telecommunications Property**

### **GENERAL**

### **§ 36.101 Section arrangement.**

(a) This subpart is arranged in sections as follows:

#### **GENERAL**

Telecommunications Plant in Service—Account 2001—36.101 and 36.102.

General Support Facilities—Account 2110—36.111 and 36.112.

Central Office Equipment—Accounts 2210, 2220, 2230—36.121 thru 36.126.

Information Origination/Termination Equipment—Account 2310—36.141 and 36.142.

Cable and Wire Facilities—Account 2410—36.151 thru 36.157.

Amortization Assets—Accounts 2680 and 2690—36.161 and 36.162.

Telecommunications Plant—Other Accounts 2002 thru 2005—36.171.

Rural Telephone Bank Stock—36.172.

Material and Supplies—Accounts 1220, and

Cash Working Capital—36.181 and 36.182.

Equal Access Equipment—36.191.

[60 FR 12133, Mar. 6, 1995]