

charges, if the state commission finds that such rates reasonably reflect the costs imposed by the various users.

(d) Recurring costs shall be recovered through recurring charges, unless an incumbent LEC proves to a state commission that such recurring costs are *de minimis*. Recurring costs shall be considered *de minimis* when the costs of administering the recurring charge would be excessive in relation to the amount of the recurring costs.

(e) State commissions may, where reasonable, require incumbent LECs to recover nonrecurring costs through recurring charges over a reasonable period of time. Nonrecurring charges shall be allocated efficiently among requesting telecommunications carriers, and shall not permit an incumbent LEC to recover more than the total forward-looking economic cost of providing the applicable element.

(f) State commissions shall establish different rates for elements in at least three defined geographic areas within the state to reflect geographic cost differences.

(1) To establish geographically-deaveraged rates, state commissions may use existing density-related zone pricing plans described in §69.123 of this chapter, or other such cost-related zone plans established pursuant to state law.

(2) In states not using such existing plans, state commissions must create a minimum of three cost-related rate zones.

[61 FR 45619, Aug. 29, 1996, as amended at 64 FR 32207, June 16, 1999; 64 FR 68637, Dec. 8, 1999]

**§51.509 Rate structure standards for specific elements.**

In addition to the general rules set forth in §51.507, rates for specific elements shall comply with the following rate structure rules.

(a) *Local loop and subloop.* Loop and subloop costs shall be recovered through flat-rated charges.

(b) *Local switching.* Local switching costs shall be recovered through a combination of a flat-rated charge for line ports and one or more flat-rated or per-minute usage charges for the switching matrix and for trunk ports.

(c) *Dedicated transmission links.* Dedicated transmission link costs shall be recovered through flat-rated charges.

(d) *Shared transmission facilities between tandem switches and end offices.* The costs of shared transmission facilities between tandem switches and end offices may be recovered through usage-sensitive charges, or in another manner consistent with the manner that the incumbent LEC incurs those costs.

(e) *Tandem switching.* Tandem switching costs may be recovered through usage-sensitive charges, or in another manner consistent with the manner that the incumbent LEC incurs those costs.

(f) *Signaling and call-related database services.* Signaling and call-related database service costs shall be usage-sensitive, based on either the number of queries or the number of messages, with the exception of the dedicated circuits known as signaling links, the cost of which shall be recovered through flat-rated charges.

(g) *Collocation.* Collocation costs shall be recovered consistent with the rate structure policies established in the *Expanded Interconnection* proceeding, CC Docket No. 91-141.

(h) *Network interface device.* An incumbent LEC must establish a price for the network interface device when that unbundled network element is purchased on a stand-alone basis pursuant to §51.319(c).

[61 FR 45619, Aug. 29, 1996, as amended at 68 FR 52306, Sept. 2, 2003]

**§51.511 Forward-looking economic cost per unit.**

(a) The forward-looking economic cost per unit of an element equals the forward-looking economic cost of the element, as defined in §51.505, divided by a reasonable projection of the sum of the total number of units of the element that the incumbent LEC is likely to provide to requesting telecommunications carriers and the total number of units of the element that the incumbent LEC is likely to use in offering its own services, during a reasonable measuring period.

(b)(1) With respect to elements that an incumbent LEC offers on a flat-rate basis, the number of units is defined as

**Federal Communications Commission**

**§ 51.513**

the discrete number of elements (e.g., local loops or local switch ports) that the incumbent LEC uses or provides.

(2) With respect to elements that an incumbent LEC offers on a usage-sensitive basis, the number of units is defined as the unit of measurement of the usage (e.g., minutes of use or call-related database queries) of the element.

**§ 51.513 Proxies for forward-looking economic cost.**

(a) A state commission may determine that the cost information available to it with respect to one or more elements does not support the adoption of a rate or rates that are consistent with the requirements set forth in §§ 51.505 and 51.511. In that event, the state commission may establish a rate for an element that is consistent with the proxies specified in this section, provided that:

(1) Any rate established through use of such proxies shall be superseded once the state commission has completed review of a cost study that complies with the forward-looking economic cost based pricing methodology described in §§ 51.505 and 51.511, and has concluded that such study is a reasonable basis for establishing element rates; and

(2) The state commission sets forth in writing a reasonable basis for its selection of a particular rate for the element.

(b) The constraints on proxy-based rates described in this section apply on a geographically averaged basis. For purposes of determining whether geographically deaveraged rates for elements comply with the provisions of this section, a geographically averaged proxy-based rate shall be computed based on the weighted average of the actual, geographically deaveraged rates that apply in separate geographic areas in a state.

(c) *Proxies for specific elements*—(1) *Local loops.* For each state listed below, the proxy-based monthly rate for unbundled local loops, on a statewide weighted average basis, shall be no greater than the figures listed in the table below. (The Commission has not established a default proxy ceiling for loop rates in Alaska.)

TABLE

State	Proxy ceiling
Alabama .....	\$17.25
Arizona .....	12.85
Arkansas .....	21.18
California .....	11.10
Colorado .....	14.97
Connecticut .....	13.23
Delaware .....	13.24
District of Columbia .....	10.81
Florida .....	13.68
Georgia .....	16.09
Hawaii .....	15.27
Idaho .....	20.16
Illinois .....	13.12
Indiana .....	13.29
Iowa .....	15.94
Kansas .....	19.85
Kentucky .....	16.70
Louisiana .....	16.98
Maine .....	18.69
Maryland .....	13.36
Massachusetts .....	9.83
Michigan .....	15.27
Minnesota .....	14.81
Mississippi .....	21.97
Missouri .....	18.32
Montana .....	25.18
Nebraska .....	18.05
Nevada .....	18.95
New Hampshire .....	16.00
New Jersey .....	12.47
New Mexico .....	18.66
New York .....	11.75
North Carolina .....	16.71
North Dakota .....	25.36
Ohio .....	15.73
Oklahoma .....	17.63
Oregon .....	15.44
Pennsylvania .....	12.30
Puerto Rico .....	12.47
Rhode Island .....	11.48
South Carolina .....	17.07
South Dakota .....	25.33
Tennessee .....	17.41
Texas .....	15.49
Utah .....	15.12
Vermont .....	20.13
Virginia .....	14.13
Washington .....	13.37
West Virginia .....	19.25
Wisconsin .....	15.94
Wyoming .....	25.11

(2) *Local switching.* (i) The blended proxy-based rate for the usage-sensitive component of the unbundled local switching element, including the switching matrix, the functionalities used to provide vertical features, and the trunk ports, shall be no greater than 0.4 cents (\$0.004) per minute, and no less than 0.2 cents (\$0.002) per minute, except that, where a state commission has, before August 8, 1996, established a rate less than or equal to 0.5 cents (\$0.005) per minute, that rate may be retained pending completion of a forward-looking economic cost study.