

David J Hatton  
Director — Federal Regulatory Accounting

EX PARTE OR LATE FILED

**NYNEX**

November 3, 1995

**Ex Parte**

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M. Street, N.W.  
Room 222  
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: CC Docket No. 95-60, RM-8448-Revision to Amend Part 32, USOA for Class A and Class B Telephone Companies to Raise the Expense Limit for Certain Items of Equipment from \$500 to \$750

Dear Mr. Caton:

NYNEX filed Comments on July 24, 1995 in connection with the above CC Docket No. 95-60. In the Comments, NYNEX contended that the Commission's proposed \$250 increase in the expensing limit is not significant enough, and we proposed that a joint Federal-State study should be conducted to determine the appropriate level of the expensing limit.

The attached is a list of questions that we believe will be helpful to the Commission should such a study be initiated. We propose that the study of determining an expense limit be applicable at each account level as indicated in the attached. The objective expense limit level should be where the maximum number of items can be eliminated from the asset category due to their relative insignificance, while continuing to require asset recognition for the most significant items.

The information provided herein should be taken and considered in the context of our Comments as filed. We will also file a copy this Ex Parte with the NARUC Committee on Finance and Technology.

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Please call me if you have any questions regarding this information

Sincerely,

*David J. Hatton*  
*Sec*

Attachment

CC: Mr. K.P. Moran - Accounting & Audits Division  
Mr. K.M. Ackerman - Accounting & Audits Division  
Ms. F.K. Franklin - Accounting & Audits Division  
Ms. D.A. Weber - Accounting & Audits Division

CC Docket No. 95-60  
RM 8448

Revision to Amend Part 32, Uniform System of Accounts for Class A and Class B Telephone Companies to Raise the Expense Limit for Certain Items of Equipment from \$500 to \$750

Proposed Questionnaire on Support Assets  
For Local Exchange Companies

For the Accounts:

**2115** Garage Work Equipment  
**2116** Other Work Equipment  
**2122** Furniture  
**2123** Office Equipment  
**2123** Official Communications Equipment  
**2124** General Purpose Computers

1. Provide the number of items purchased in 1994 in the above accounts that cost between \$500 and \$1000, between \$1000 and \$1500 and between \$1500 and \$2000.
2. For the same dollar intervals provide the total cost of the items in question #1.
3. Provide the total value, as of 1/1/94, of items in the above accounts whose original book cost was between \$500 and \$1000, between \$1000 and \$1500 and between \$1500 and \$2000.
4. Provide the net book value of the quantities in question #3.
5. Estimate the annual amortization expense, based on currently prescribed average remaining lives, required to recover the embedded cost in the above accounts that would be caused by an increase in expensing levels from \$500 to \$1000, from \$500 to \$1500 and from \$500 to \$2000.