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COMMISSION SEEKS COMMENT ON
GVNW REQUEST FOR CLARIFICATION
AND/OR MODIFICATION OF CERTAIN PROVISIONS
IN PARTS 32, 36, 54, AND 69 OF THE COMMISSION'S RULES

CC DOCKET NO. 96-45
DA 98-1421

Release Date: July 16, 1998

Comment Date: August 6, 1998
Reply Comment Date: August 20, 1998

On June 16, 1998, GVNW filed a letter with the Commission requesting clarification and/or modification of the following provisions in Parts 32, 36, 54, and 69 of the Commission's rules:

Part 32. GVNW seeks clarification as to whether end user revenues for interstate special access services should be recorded in Account 5081 under 47 C.F.R. § 32.5081 or Account 5083 under 47 C.F.R. § 32.5083.

Part 36. In calculating the interstate allocation factor under Section 36.125(f) of the Commission's rules, 47 C.F.R. § 36.125(f), GVNW claims that the rule should require that carriers calculate the weighted DEM using the 1996 COE Category 3 allocation factor, not the 1996 interstate weighted DEM factor as currently provided in the rule. Accordingly, GVNW requests that the Commission clarify the appropriate method for calculating weighted DEM. GVNW further requests that the Commission confirm that it will continue to use the 1996 weighting factors set forth in Section 36.125(f) of the Commission's rules, 47 C.F.R. § 36.125(f), which are based on the number of access lines in place as of 1996. In addition, GVNW requests that the Commission clarify that, under 47 C.F.R. § 36.380(b), carriers are required to allocate one-third of their billing and collection expenses to the interstate jurisdiction only if the local exchange carrier bills or collects interstate revenues from end users on behalf of interexchange carriers.

Part 69. GVNW requests that the Commission clarify whether carriers should be permitted to recover universal service contributions through carrier common line charges, as directed in the universal service proceeding. See *Federal-State Joint Board on Universal Service, First Report and Order*, CC Docket No. 96-45, 12 FCC Rcd 8776, 9200 (1997), *appeal pending sub nom. in Texas Office of Util. Counsel*, No. 97-60421 (5th Cir. filed June 25, 1997). GVNW notes that the Commission's recently

released RAO Letter 27 provides that universal service contributions should be recorded in Account 6540 (Access Expenses). In addition, under Part 36, carriers are able to assign universal service expenses to the appropriate jurisdiction. GVNW notes, however, that section 69.401(e) of the Commission's rules provides that expenses in Account 6540 shall be assigned to the interexchange category and does not permit a carrier to assign universal service expenses to the common line element. See 47 C.F.R. § 69.401(e). GVNW requests that assignment to the common line element remain in effect until the Commission addresses this issue either in the rulemaking proceeding referenced in RAO Letter 27, or through modifications that could be made in the pending proceeding regarding access charge reform for rate or return companies. See *Access Charge Reform for Incumbent Local Exchange Carriers Subject to Rate or Return Regulation*, CC Docket No. 98-77, FCC 98-101 (rel. June 4, 1998).

Part 54. With regard to developing average investment for local switching under 47 C.F.R. § 54.301(d)(1), GVNW seeks clarification as to whether carriers should average the investment prior to, or after, allocation of such investment to switching. GVNW also requests that the Commission confirm that Account 2210 should be allocated to switching under 47 C.F.R. § 54.301(c). Moreover, GVNW seeks clarification as to whether the depreciation expense referenced in 47 C.F.R. § 54.301(d)(2) includes only the depreciation expense in Account 6560, Sub-Account 2210, or if it also includes the depreciation expense Account 6560, Sub-Account 2110, which is allocated to local switching in 47 C.F.R. § 54.301(c). Finally, GVNW requests that the Commission clarify that federal taxes are to be included in 47 C.F.R. § 54.301(d)(4) and all other taxes are to be included in 47 C.F.R. § 54.301(d)(3).

Interested parties may file comments on GVNW's letter on or before **August 6, 1998**, and reply comments on or before **August 20, 1998**. All filings should refer to the pleading as: **GVNW Request for Clarification of Certain Rules in Parts 32, 36, 54 and 69, CC Docket No. 96-45, DA 98-1421**. Interested parties must file one original and five copies of their comments with the Office of the Secretary, Federal Communications Commission, 1919 M Street, N.W., Room 222, Washington, D.C. 20554. Parties may also file comments electronically via the Internet at: <http://www.fcc.gov/e-file/ecfs.html>. Only one copy of an electronic submission must be submitted. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the lead docket number for this proceeding, which is Docket 96-45. Parties not submitting their comments via the Internet are also asked to submit their comments on diskette. Parties submitting diskettes should submit them to Sheryl Todd, Accounting Policy Division, 2100 M Street, N.W., Room 8606, Washington, D.C. 20554. Such a submission should be on a 3.5 inch diskette formatted in an IBM compatible format using WordPerfect 5.1 for Windows or compatible software. The diskette should be accompanied by a cover letter and should be submitted in "read only" mode. The diskette should be clearly labelled with the party's name, proceeding (including the lead docket number in this case, Docket 96-45, type of pleading (comment or reply comment), date of submission, and the name of the electronic file on the diskette. Each diskette should contain only one party's pleadings, preferably in a single electronic file. In addition, parties must send copies to the Commission's copy contractor, International Transcription Service, Inc., 1231 20th Street, N.W., Washington, D.C. 20036.

Pursuant to section 1.1206 of the Commission's Rules, 47 C.F.R. § 1.1206, this proceeding will be conducted as a permit-but-disclose proceeding in which *ex parte* communications are permitted subject to disclosure.

For further information contact Sharon Webber, Accounting Policy Division, Common Carrier Bureau at (202) 418-7400.

--Action by Chief, Accounting Policy Division--