

Rule	Action	Justification
69.4	<p><u>Charges to be filed.</u> Section deleted. Eliminates detail rate element codification, old USF requirements and public interest petition requirement for establishing new rate elements.</p>	Makes USTA Price Cap and ROR Access Reform Team recommendations.
New 69.4	<p><u>Services excluded from revenue requirement calculations.</u> Excludes contract services, special construction services and ICB services from revenue requirement calculations.</p>	Makes USTA ROR Access Reform Team recommendations.
69.5 (d)	<p><u>Persons to be assessed.</u> Deletes old USF requirements.</p>	Replaced by Part 54.
	<p><u>Subpart B - Computation of Charges for Non-Price Cap ILECs</u> Revise title to apply only to ROR ILECs.</p>	Part 69 applies exclusively to non-price cap ILECs.
69.101	<p><u>General.</u> Delete reference to Subpart C.</p>	All price cap rules incorporated into Part XX.
69.104 now 69.102	<p><u>End user common line for non-price cap incumbent local exchange carriers.</u> Section 69.104 deleted and replaced by 69.102 and is modeled after current section 69.152 for price cap LECs. Eliminates the distinction between primary and non-primary residence lines.</p>	Makes USTA ROR Access Reform Team recommendations.

Rule	Action	Justification
<p>New 69.103</p>	<p><u>Presubscribed interexchange carrier charge (PICC) for non-price cap incumbent local exchange carriers.</u> Adds new PICC rules for ROR ILECs. Modeled after current section 69.153. Eliminates the distinction between primary and non-primary residence lines.</p>	<p>Makes USTA ROR Access Reform Team recommendations.</p>
<p>69.105</p>	<p><u>Carrier common line for non-price cap local exchange carriers.</u> Revised and replaced by new per-minute CCL section based on current 69.154.</p>	<p>Makes USTA ROR Access Reform Team recommendations.</p>
<p>69.106</p>	<p><u>Local Switching.</u> Revised section includes charges to recover the Switching revenue requirement and provides greater flexibility. Deletes section (d), (e), (f) and (g) unnecessary requirements and price cap rules.</p>	<p>Makes USTA ROR Access Reform Team recommendations. All price cap rules incorporated into Part XX.</p>
<p>New 69.107</p>	<p><u>Transport Charges.</u> New section includes charges to recover the Transport revenue requirement.</p>	<p>Makes USTA ROR Access Reform Team recommendations.</p>
<p>69.108</p>	<p><u>Transport rate benchmark.</u> Section deleted. Detail rate element codification eliminated.</p>	<p>Makes USTA ROR Access Reform Team recommendations.</p>
<p>69.109</p>	<p><u>Information.</u> Section deleted. Detail rate element codification eliminated.</p>	<p>Makes USTA ROR Access Reform Team recommendations.</p>

Rule	Action	Justification
69.110	<u>Entrance Facilities.</u> Section deleted. Detail rate element codification eliminated.	Makes USTA ROR Access Reform Team recommendations.
69.111	<u>Tandem-switched transport and tandem charge.</u> Section deleted. Detail rate element codification eliminated.	Makes USTA ROR Access Reform Team recommendations.
69.112	<u>Direct-trunked transport.</u> Section deleted. Detail rate element codification eliminated.	Makes USTA ROR Access Reform Team recommendations.
69.113 now 69.108	<u>Non-premium charges for MTS-WATS equivalent services.</u> Revises and renumbers section. Eliminates price cap rules and references to deleted sections.	Makes USTA ROR Access Reform Team recommendations. All price cap rules incorporated into Part XX.
69.114	<u>Special access.</u> Section deleted. Detail rate element codification eliminated.	Makes USTA ROR Access Reform Team recommendations.
69.115 now 69.109	<u>Special access surcharges.</u> Section revised to eliminate detail rate element codification and obsolete requirements.	Makes USTA ROR Access Reform Team recommendations.
69.116	<u>Universal Service Fund.</u> Section deleted.	Replaced by Part 54.

Rule	Action	Justification
69.117	<u>Lifeline assistance.</u> Section deleted.	Replaced by Part 54.
69.118 now 69.110	<u>Traffic sensitive switched services.</u> Title changed to "Basic service elements for switched services." Section revised to eliminate detail rate element codification and obsolete requirements.	Makes USTA ROR Access Reform Team recommendations.
69.119	<u>Basic service element expedited approval process.</u> Section deleted. Eliminates unnecessary rule.	Makes USTA ROR Access Reform Team recommendations.
69.120	<u>Line information database.</u> Section deleted. Detail rate element codification eliminated.	Makes USTA ROR Access Reform Team recommendations.
69.121 now 69.111	<u>Connection charges for expanded interconnection.</u> Eliminates language referencing special access and switched transport.	Makes USTA ROR Access Reform Team recommendations.
69.123	<u>Density pricing zones for special access and switched transport.</u> Section deleted and replaced by 69.130, Zone Pricing.	Makes USTA ROR Access Reform Team recommendations.
69.124	<u>Interconnection charge.</u> Section deleted. Detail rate element codification eliminated.	Makes USTA ROR Access Reform Team recommendations.

Rule	Action	Justification
69.125	<u>Dedicated signalling transport.</u> Section deleted. Detail rate element codification eliminated.	Makes USTA ROR Access Reform Team recommendations.
69.126	<u>Nonrecurring charges.</u> Section deleted. Detail rate element codification eliminated.	Makes USTA ROR Access Reform Team recommendations.
69.127	<u>Transitional Equal Charge Rule.</u> Section deleted.	Deletes obsolete rule.
69.128	<u>Billing name and address.</u> Section deleted. Detail rate element codification eliminated.	Makes USTA ROR Access Reform Team recommendations.
69.129	<u>Signalling for tandem switching.</u> Section deleted. Detail rate element codification eliminated.	Makes USTA ROR Access Reform Team recommendations.
New 69.130	<u>Zone pricing.</u> Adds new zone pricing section.	Makes USTA ROR Access Reform Team recommendations.
	<u>Subpart C - Computation of Charges for Price Cap Local Exchange Carriers</u> Subpart deleted.	All price cap rules incorporated into Part XX.
69.151	<u>Applicability.</u> Section deleted.	All price cap rules incorporated into Part XX.
69.152	<u>End user common line for price cap local exchange carriers.</u> Section deleted.	All price cap rules incorporated into Part XX.

Rule	Action	Justification
69.153	<u>Presubscribed interexchange carrier charge (PICC).</u> Section deleted.	All price cap rules incorporated into Part XX.
69.154	<u>Per-minute carrier common line charge.</u> Section deleted.	All price cap rules incorporated into Part XX.
69.155	<u>Per-minute residual interconnection charge.</u> Section deleted.	All price cap rules incorporated into Part XX.
69.156	<u>Marketing expenses.</u> Section deleted.	All price cap rules incorporated into Part XX.
69.157	<u>Line port costs in excess of basic, analog service.</u> Section deleted.	All price cap rules incorporated into Part XX.
	<u>Subpart D - Apportionment of Net Investment</u> Subpart relettered as Subpart C.	Subpart relettered as a result of current Subpart C being deleted
69.301 now 69.201	<u>General.</u> Revises the apportionment of net investment to be among the IX and B & C categories and the access elements - Common Line, Switching, Transport, and Other.	Makes USTA ROR Access Reform Team recommendations.

Rule	Action	Justification
69.302 now 69.202	<p>Net Investment. Revises the apportionment of net investment to be among the IX and B & C categories and the access elements - Common Line, Switching, Transport, and Others.</p>	Makes USTA ROR Access Reform Team recommendations.
69.303 now 69.203	<p><u>Information origination/termination equipment (IOT)</u> Revises the apportionment of IOT investment from the Special Access element to the Transport element.</p>	Makes USTA ROR Access Reform Team recommendations.
69.304 now 69.204	<p><u>Subscriber line cable and wire facilities.</u> Revises the assignment of private line and WATS access line investment from the Special Access element to the Transport element.</p>	Makes USTA ROR Access Reform Team recommendations.
69.305 now 69.205	<p><u>Carrier cable and wire facilities (C&WF).</u> Revises the assignment of C&WF investment to the IX category and to the Switching and Transport elements, as appropriate.</p>	Makes USTA ROR Access Reform Team recommendations.
69.306 now 69.206	<p><u>Central office equipment (COE).</u> Revises the apportionment of COE investment to the Switching and Transport elements and to the IX and B & C categories, as appropriate. Eliminates line side port cost assignment for price cap LECs. Changes reference to MFJ to the AT&T Consent Decree.</p>	Makes USTA ROR Access Reform Team recommendations. All price cap rules incorporated into Part XX.

Rule	Action	Justification
69.307 now 69.207	<p>General support facilities. Revises the assignment of GSF investment to the IX and B & C categories and the Common Line, Switching, and Transport elements, as appropriate. Eliminates GSF assignment for price cap LECs.</p>	Makes USTA ROR Access Reform Team recommendations. All price cap rules incorporated into Part XX.
69.309 now 69.208	<p>Other investment. Revises the apportionment of other investment to be among the IX and B & C categories and the access elements - Common Line, Switching, Transport, and Other.</p>	Makes USTA ROR Access Reform Team recommendations.
69.310 now 69.209	<p>Capital leases. Revises the assignment of capital leases to the IX category and to the Common Line, Switching, and Transport elements.</p>	Makes USTA ROR Access Reform Team recommendations.
	<p>Subpart E - Apportionment of Expenses Subpart relettered as Subpart D.</p>	Subpart relettered as a result of current Subpart C being deleted.
69.401 now 69.301	<p>Direct expenses. Revises the apportionment of Direct expenses to be among the IX and B & C categories and the access elements - Common Line, Switching, Transport, and Other.</p>	Makes USTA ROR Access Reform Team recommendations.
69.402 now 69.302	<p>Operating taxes (Account 7200). Revises the apportionment of operating taxes to be among the IX and B & C categories and the access elements - Common Line, Switching, Transport, and Other.</p>	Makes USTA ROR Access Reform Team recommendations.

Rule	Action	Justification
69.403 now 69.303	<p><u>Marketing expense (Account 6610).</u> Revises the apportionment of marketing expense to the IX category and to the Common Line, Switching, and Transport elements, as appropriate.</p>	Makes USTA ROR Access Reform Team recommendations.
69.404 now 69.304	<p><u>Telephone operator services expenses in Account 6620.</u> Revises the apportionment of operator services expenses to the IX category and to the Switching element.</p>	Makes USTA ROR Access Reform Team recommendations.
69.405 now 69.305	<p><u>Published directory expenses in Account 6620.</u> Revises the assignment of published directory expenses from the Information element to the Switching element.</p>	Makes USTA ROR Access Reform Team recommendations.
69.406 now 69.306	<p><u>Local business office expenses in Account 6620.</u> Revises the assignment of local business office expenses to the IX and B & C categories and to the Common Line, Switching, Transport, and Others elements, as appropriate.</p>	Makes USTA ROR Access Reform Team recommendations.
69.407 now 69.307	<p><u>Revenue accounting expenses in Account 6620.</u> Revises the assignment of revenue accounting expenses to the IX and B & C categories and to the Common Line, Switching, and Transport elements, as appropriate.</p>	Makes USTA ROR Access Reform Team recommendations.

Rule	Action	Justification
69.408 now 69.308	<p><u>All other customer services expense in Account 6620.</u> Revises the assignment of all other customer services expenses to the IX and B & C categories and to the Common Line, Switching, and Transport elements.</p>	Makes USTA ROR Access Reform Team recommendations.
69.409 now 69.309	<p><u>Corporate operations expenses (Accounts 6710 and 6720).</u> Revises the assignment of all corporate operations expenses to the IX and B & C categories and to the Common Line, Switching, and Transport elements.</p>	Makes USTA ROR Access Reform Team recommendations.
69.411 now 69.310	<p><u>Other expense.</u> Revises the assignment of all other expenses to the IX category and to the Common Line, Switching, and Transport elements.</p>	Makes USTA ROR Access Reform Team recommendations.
69.412 now 69.311	<p><u>Non participating company payments/receipts.</u> Revises reference to deleted USF rules in Part 69 to Part 54.</p>	Replaced by Part 54.
69.413	<p><u>Universal service fund expenses.</u> Section deleted.</p>	Replaced by Part 54.
69.414	<p><u>Lifeline assistance expenses.</u> Section deleted.</p>	Replaced by Part 54

Rule	Action	Justification
	Subpart F - Segregation of Common Line Element Revenue Requirement Subpart deleted.	The rules in this Subpart are obsolete or are replaced by new or revised common line rules for ROR ILECs. There is no longer a need to segregate CPE or inside wire costs for CCL. The assignment of the common line revenue requirement is now addressed in new Subpart B rules.
69.501	General. Section deleted.	Sections 69.501(b) and (c) are obsolete. There is no longer a need to segregate CPE or inside wire costs for CCL. The assignment of the common line revenue requirement for ROR ILECs is now addressed in new or revised sections 69.102, 69.103 and 69.105 in Subpart B.
69.502	Base factor allocation. Section deleted.	The end user common line revenue requirement for ROR ILECs is now addressed in section 69.102.
	Subpart G - Exchange Carrier Association Subpart relettered as Subpart E.	Subpart relettered as a result of current Subparts C and F being deleted.
69.600 now 69.401	Definitions. Changes USF references in Part 69 to Part 54.	Replaced by Part 54.
69.601 now 69.402	Exchange carrier association. Renumbers section. No change in content.	Section renumbered.
69.602 now 69.403	Board of directors. Renumbers section. No change in content.	Section renumbered.
69.603 now 69.404	Association functions. Renumbers section and changes USF references in Part 69 to Part 54.	Section renumbered. USF requirements replaced by Part 54.

Rule	Action	Justification
69.604 now 69.405	<u>Billing and collection of access charges.</u> Renumbers section and changes USF references in Part 69 to Part 54.	Section renumbered. USF requirements replaced by Part 54.
69.605 now 69.406	<u>Reporting and distribution of pool access revenues.</u> Renumbers section. No change in content.	Section renumbered.
69.606 now 69.407	<u>Computation of average schedule company payments.</u> Renumbers section. No change in content.	Section renumbered.
69.607 now 69.408	<u>Disbursement of carrier common line residue.</u> Renumbers section. No change in content.	Section renumbered.
69.608 now 69.409	<u>Carrier common line hypothetical net balance.</u> Renumbers section. Deletes reference to current Subpart F.	Section renumbered. Subpart F is deleted.
69.609 now 69.410	<u>End user common line hypothetical net balances.</u> Renumbers section. Deletes reference to current Subpart F.	Section renumbered. Subpart F is deleted.
69.610 now 69.411	<u>Other hypothetical net balances.</u> Renumbers section. No change in content.	Section renumbered.

Rule	Action	Justification
69.611	<u>Effect of optional alternative carrier common line tariff provisions and end user common line surcharges.</u> Section deleted.	Deletes obsolete rules.
69.612	<u>Long term and transitional support.</u> Section deleted.	Replaced by Part 54.
69.613	<u>Temporary administrator of universal service support mechanisms.</u> Section deleted.	Replaced by Part 54.
69.614	<u>Independent subsidiary Board of Directors.</u> Section deleted.	Replaced by Part 54.
69.615	<u>High Cost and Low Income Committee.</u> Section deleted.	Replaced by Part 54.
69.616	<u>Independent subsidiary functions.</u> Section deleted.	Replaced by Part 54.
69.617	<u>Schools and Libraries Corporation and Rural Health Care Corporation.</u> Section deleted.	Replaced by Part 54.
69.618	<u>Rural Health Care Corporation functions.</u> Section deleted.	Replaced by Part 54.
69.619	<u>Schools and Libraries Corporation functions.</u> Section deleted.	Replaced by Part 54.

Rule	Action	Justification
69.620	<u>Administrative expenses of independent subsidiary, Schools and Libraries Corporation, and Rural Health Care Corporation.</u> Section deleted.	Replaced by Part 54.
69.621	<u>Audits of independent subsidiary, Schools and Libraries Corporation, and Rural Health Care Corporation.</u> Section deleted.	Replaced by Part 54.
69.622	<u>Transition to the permanent Administrator.</u> Section deleted.	Replaced by Part 54.
New	<u>Subpart F - Competitive Responses by Non-Price Cap ILECs</u> Subpart F added.	Subpart F is added to address competition and to provide additional pricing flexibility and nondominance for ROR ILECs, as proposed by the USTA ROR Access Reform Team.
New 69.501	<u>Voluntary network opening by non-price cap incumbent local exchange carriers.</u> New section allows ROR ILECS to voluntarily open their network by publishing a list of UNEs consistent with Part 51 and by committing to provide LNP to any competitive entrant in a timely manner consistent with state approved interconnection agreements. ROR ILECs which comply with this new section will be allowed to tariff and price interstate services on an ICB basis and permitted to file contract-based tariffs.	New section addresses competition and provides additional pricing flexibility for ROR ILECs, as proposed by the USTA ROR Access Reform Team.

Rule	Action	Justification
<p>New 69.502</p>	<p><u>Regulatory status of non-price cap incumbent local exchange carriers subject to competition.</u> New section codifies the nondominant status of ROR ILECs which have obtained state-approved interconnection agreements.</p>	<p>New section provides nondominant status for ROR ILECs, as proposed by the USTA ROR Access Reform Team.</p>

USTA BIENNIAL REVIEW PROPOSAL

CODE OF FEDERAL REGULATIONS

TITLE 47 - TELECOMMUNICATIONS

CHAPTER I

FEDERAL COMMUNICATIONS COMMISSION

PART 69 - ACCESS CHARGES FOR NON-PRICE CAP ILECS

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Subpart A - General

§ 69.1 Application of access charges.

(a) This Part establishes rules for access charges for interstate or foreign access services provided by incumbent local exchange carriers not subject to price cap regulation.

(b) Charges for such access service shall be computed, assessed and collected and revenues from such charges shall be distributed as provided in this Part. Access service tariffs shall be filed and supported as provided under Part 61 of this chapter.

§ 69.2 Definitions.

For purposes of this part:

(a) "Access Minutes" or "Access Minutes of Use" is that usage of exchange facilities in interstate or foreign service for the purpose of calculating chargeable usage. On the originating end of an interstate or foreign call, usage is to be measured from the time the originating end user's call is delivered by the telephone company and acknowledged as received by the interexchange carrier's facilities connected with the originating exchange. On the terminating end of an interstate or foreign call, usage is to be measured from the time the call is received by the end user in the terminating exchange. Timing of usage at both the originating and terminating end of an interstate or foreign call shall terminate when the calling or called party disconnects, whichever event is recognized first in the originating and terminating end exchanges as applicable;

(b) "Access Service" includes services and facilities provided for the origination or termination of any interstate or foreign telecommunication;

(c) "Annual revenue requirement" means the sum of the return component and the expense component;

(d) "Association" means the telephone company association described in Subpart E of this Part;

(e) "Big Three Expenses" are the combined expense groups comprising: Plant Specific Operations Expense, Accounts 6110, 6120, 6210, 6220, 6230, 6310 and 6410; Plant Nonspecific Operations Expenses, Accounts 6510, 6530 and 6540, and Customer Operations Expenses, Accounts 6610 and 6620;

(f) "Big Three Expense Factors" are the ratios of the sum of Big Three Expenses apportioned to each element or category to the combined Big Three Expenses.

(g) "Cable and Wire Facilities" includes all equipment or facilities that are described as cable and wire facilities in the Separations Manual and included in Account 2410;

(h) "Carrier Cable and Wire Facilities" means all cable and wire facilities that are not subscriber line cable and wire facilities;

(i) "Central Office Equipment" or "COE" includes all equipment or facilities that are described as Central Office Equipment in the Separations Manual and included in Accounts 2210, 2220 and 2230;

(j) "Corporate Operations Expenses" include Executive and planning Expenses (Account 6710) and General and Administrative Expenses (Account 6720);

(k) "Customer Operations Expenses" include Marketing and Services expenses in Accounts 6610 and 6620, respectively;

(l) "Direct Expense" means expenses that are attributable to a particular category or categories of tangible investment described in Subpart C of this Part and includes:

(1) Plant Specific Operations expenses in Accounts 6110, 6120, 6210, 6220, 6230, 6310 and 6410;

(2) Plant Nonspecific Operations Expenses in Accounts 6510, 6530, 6540 and 6560;

(m) "End User" means any customer of an interstate or foreign telecommunications service that is not a carrier except that a carrier other than a telephone company shall be deemed to be an "end user" when such carrier uses a telecommunications service for administrative purposes and a person or entity that offers telecommunications services exclusively as a reseller shall be deemed to be an "end user" if all resale transmissions offered by such reseller originate on the premises of such reseller;

(n) "Entry Switch" means the telephone company switch in which a transport line or trunk terminates;

(o) "Expense Component" means the total expenses and income charges for an annual period that are attributable to a particular element or category;

(p) "Expenses" include allowable expenses in the Uniform System of Accounts, Part 32, apportioned to interstate or international services pursuant to the Separations Manual and allowable income charges apportioned to interstate and international services pursuant to the Separations Manual;

(q) "General Support Facilities" include buildings, land, vehicles, aircraft, work equipment, furniture, office equipment and general purpose computers as described in the Separations Manual and included in Account 2110;

(r) "Information Origination/Termination Equipment" includes all equipment or facilities that are described as information origination/termination equipment in the Separations Manual and in Account 2310 except information origination/termination equipment that is used by telephone companies in their own operations;

(s) "Interexchange" or the "interexchange category" includes services or facilities provided as an integral part of interstate or foreign telecommunications that is not described as "access service" for purposes of this Part;

(t) "Line" or "Trunk" includes, but is not limited to, transmission media such as radio, satellite, wire, cable and fiber optic means of transmission;

(u) "Net Investment" means allowable original cost investment in Accounts 2001 through 2003, 1220 and 1402 that has been apportioned to interstate and foreign services pursuant to the Separations Manual from which depreciation, amortization and other reserves attributable to such investment that has been apportioned to interstate and foreign services pursuant to the Separations Manual have been subtracted and to which working capital that is attributable to interstate and foreign services has been added;

(v) "Operating Taxes" include all taxes in Account 7200;

(w) "Origination" of a service that is switched in a Class 4 switch or an interexchange switch that performs an equivalent function ends when the transmission enters such switch and "termination" of such a service begins when the transmission leaves such a switch, except that:

(1) Switching in a Class 4 switch or transmission between Class 4 switches that is not deemed to be interexchange for purposes of the AT&T Consent Decree, as defined in the Communications Act of 1934, will be "origination" or termination" for purposes of this Part, and

(2) "Origination" and "Termination" does not include the use of any part of a line, trunk or switch that is not owned or leased by a telephone company;

(x) "Origination" of any service other than a service that is switched in a Class 4 switch or a switch that performs an equivalent function ends and "termination" of any such service begins at a point of demarcation that corresponds with the point of demarcation that is used for a service that is switched in a Class 4 switch or a switch that performs an equivalent function;

(y) "Private Line" means a line that is used exclusively for an interexchange service other than MTS, WATS or an MTS-WATS equivalent service, including a line that is used at the closed end of an FX, WATS or CCSA service or any service that is substantially equivalent to a CCSA service;

(z) "Public Telephone" is a telephone provided by a telephone company through which an end user may originate interstate or foreign telecommunications for which he pays with coins or by credit card, collect or third number billing procedures;

(aa) "Return Component" means net investment attributable to a particular element or category multiplied by the authorized annual rate of return;

(bb) "Subscriber Line Cable and Wire Facilities" means all lines or trunks on the subscriber side of a Class 5 or end office switch, including lines or trunks that do not terminate in such a switch, except lines or trunks that connect an interexchange carrier;

(cc) "Telephone Company" or "local exchange carrier" as used in this part means an incumbent local carrier as defined in Sections 251(h)(1) of the 1934 Act as amended by the 1996 Act.

(dd) "Unit of Capacity" means the capability to transmit one conversation;

(ee) "WATS Access Line" means a line or trunk that is used exclusively for WATS service.

(ff) "Basic Service Elements" are optional unbundled features that enhanced service providers may require or find useful in the provision of enhanced services, as defined in Amendments of part 69 of the Commission's Rules relating to the Creation of Access Charge Subelements for Open Network Architecture, Report and Order, 5 FCC Rcd 4524 (1991).

(gg) "End Office" means the telephone company office from which the end user receives exchange service.

(hh) "Serving Wire Center" means the telephone company central office designated by the telephone company to serve the geographic area in which the interexchange carrier or other person's point of demarcation is located.

§ 69.3 Access elements

(a) Each local exchange carrier that is not subject to price cap regulation shall establish access elements as follows:

(1) A Transport access element which includes all rates for services related to the transmission of telecommunications signals between local exchange carrier locations, or between such locations and customer premises. Functions for which charges in this access element may be assessed include all interoffice transport, regardless of whether the transport facility is associated with a switching function; all facilities provided under interstate access tariffs between the local servicing office and a customer's premises; and any features associated with transport such as line conditioning.

(2) A Switching access element which includes all rates for services related to the processing of telecommunications signals at local exchange carrier locations, except for public policy elements. Functions for which charges in this access category may be assessed include switching, data base functions, signaling functions, measurement functions, operator and directory assistance functions, and other appropriate features and functions.

(3) A Common Line access element which includes the following subelement charges:

- (i) End User Common Line charge
- (ii) Special Access Surcharge
- (iii) Carrier Common Line charge
- (iv) Presubscribed Interexchange Carrier charge

(4) An Others access element which includes rates for access services that are not contained in the Transport, Switching or Common Line elements.

(b) As specified in Subparts C and D of this Part, investment and expense shall be assigned to the Transport, Switching, Common Line, and Others access categories for the purpose of developing an annual revenue requirement.

(c) Except as otherwise provided in this Part, Local exchange carriers may introduce subelements and associated charges for access services as appropriate.

§ 69.4 Services excluded from revenue requirement calculations

Local exchange carriers shall exclude from each access element revenue requirement such services or portions of such services as the Commission has designated or may hereafter designate by order, including but not limited to:

- (a) Special Construction services;
- (b) Individual Case Basis charges;
- (c) Services offered through contract-based tariffs.

§ 69.5 Persons to be assessed.

(a) End User charges shall be computed and assessed upon end users, and upon providers of public telephones, as defined in this subpart, and as provided in this Part.

(b) Carrier's carrier charges shall be computed and assessed upon all interexchange carriers that use local exchange switching facilities for the provision of interstate or foreign telecommunications services.

(c) Special access surcharges shall be assessed upon users of exchange facilities that interconnect these facilities with means of interstate or foreign telecommunications to the extent that carrier's carrier charges are not assessed upon such interconnected usage. As an interim measure pending the development of techniques accurately to measure such interconnected use and to assess such charges on a reasonable and non-discriminatory basis, telephone companies shall assess special access surcharges upon the closed ends of private line services and WATS services pursuant to the provisions of § 69.109 of this part.

Subpart B - Computation of Charges for Non-Price Cap ILECs

§ 69.101 General.

Except as provided in § 69.1, charges for each access element shall be computed and assessed as provided in this Subpart.

§ 69.102 End user common line for non-price cap incumbent local exchange carriers.

(a) This section is applicable only to incumbent local exchange carriers that are not subject to price cap regulation. A charge that is expressed in dollars and cents per line per month shall be assessed upon end users that subscribe to local exchange telephone service or Centrex service to the extent they do not pay carrier common line charges. A charge that is expressed in dollars and cents per line per month shall be assessed upon providers of public telephones. Such charge shall be assessed for each line between the premises of an end user, or public telephone location, and a Class 5 office that is or may be used for local exchange service transmissions.

(b) Except as provided in subsections (d) through (i) of this section, the maximum single line rate or charge shall be computed by dividing one-twelfth of the projected annual Common Line revenue requirement by the projected average number of local exchange service subscriber lines in use during such annual period.

(c) The charge for each subscriber line associated with a public telephone shall be equal to the monthly charge computed in accordance with paragraph (b) of this section.

(d) The maximum monthly charge for each residential or single line business local exchange service subscriber line shall be the charge computed in accordance with paragraph (b) of this section, or \$3.50, whichever is lower.

(e) [Reserved]

(f) The charge for each residential local exchange service subscriber line and the charge for each single line business local exchange service subscriber line shall be the same.

(g) A line shall be deemed to be a residential subscriber line if the subscriber pays a rate for such line that is described as a residential rate in the local exchange service tariff.

(h) [Reserved]

(i) A line shall be deemed to be a single line business subscriber line if the subscriber pays a rate that is not described as a residential