

**APPENDIX A****Parties Filing Comments and Reply Comments****Comments:**

1. AT&T Corp.
2. BellSouth Corporation / BellSouth Telecommunications, Inc.
3. CHR Solutions, Inc.
4. General Services Administration
5. GVNW Consulting, Inc.
6. John Staurulakis, Inc.
7. National Exchange Carrier Association, Inc., National Rural Telecom Association, National Telephone Cooperative Association, and Organization for the Promotion and Advancement of Small Telecommunications Companies
8. Pennsylvania Public Utilities Commission
9. Qwest Corporation
10. SBC Telecommunications, Inc.
11. Telecom Consulting Associates
12. Telephone Association of New England
13. United States Telecom Association
14. Verizon Telephone Companies
15. Vermont Public Service Board
16. WorldCom, Inc.

**Reply Comments:**

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7. National Exchange Carrier Association, Inc., National Telephone Cooperative Association, National Rural Telecom Association, and Organization for the Promotion and Advancement of Small Telecommunications Companies
8. Pennsylvania Public Utilities Commission
9. People of the State of California and the California Public Utilities Commission
10. Public Service Commission of Wisconsin
11. Qwest Corporation
12. SBC Communications, Inc.
13. Telecom Consulting Associates
14. Telephone Association of New England
15. United States Telephone Association
16. Verizon Telephone Companies
17. Vermont Public Service Board
18. Warinner, Gesinger & Associates, LLC
19. WorldCom, Inc.

**Appendix B****Category Relationships and Jurisdictional Allocation Factors to Freeze****Categories/Subcategories to Freeze (by account)****Account 2210 - Central Office Switching**

Category 2 – Tandem Switching Equipment

Category 3 – Local Switching Equipment

**Account 2220 – Operator Systems**

Category 1 – Operator Systems Equipment (by type of board)

- Separate toll boards
- Separate local manual boards
- Combined local manual and toll boards
- Combined toll and DSA boards
- Separate DSA and DSB boards
- Service observing boards
- Auxiliary service boards
- Traffic service positions

**Account 2230 – Circuit Equipment**

Category 4 – Circuit Equipment

Subcategory 4.1 – Exchange Circuit Equipment

4.11 – Wideband Exchange Line Circuit Equipment

4.12 – Exchange Trunk Circuit Equipment

4.13 – Exchange Line Circuit Equipment

- State private line and state WATS
- Interstate private line and interstate WATS
- Message telephone service

4.2 – Interexchange Circuit Equipment

4.21 – Interexchange circuit equipment furnished to another company for IS use

4.22 – Interexchange circuit equipment used for WDBD services including satellite and earth station equipment

4.23 – All other interexchange circuit equipment

- State private line and state WATS
- Interstate private line and interstate WATS
- Message telephone service

4.3 – Host/Remote Message Circuit Equipment

**Account 2310 – Information Origination/Termination (IOT) Equipment**

Category 1 – Other information origination / termination equipment

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Category 2 – Customer premises equipment

**Account 2410 – Cable & Wire Facilities**

Category 1 – Exchange Line C&WF

- Subcategory 1.1 - State private line and state WATS
- 1.2 - Interstate private line and interstate WATS
- 1.3 - Subscriber lines jointly used for local exchange and exchange access

Category 2 – Wideband and Exchange Trunk C&WF

Category 3 – Interexchange C&WF

- Subcategory 3.1 - State private line and state WATS
- 3.2 - Interstate private line and interstate WATS
- 3.3 – Message telephone service

Category 4 – Host/Remote Message C&WF

**Account 6620 – Services**

Telephone Operator Expenses

Published Directory Listing

Category 1 – Local Business Office Expense

- End user service order processing
- End user payment and collection
- End user billing inquiry
- Interexchange carrier service order processing
- Interexchange carrier payment and collection
- Interexchange carrier billing inquiry
- Coin collection and administration

Category 2 – Revenue Accounting Expense

- Message processing expense
  - Toll ticket processing
  - Local message processing
- Other billing and collection expense
- Carrier access charge billing and collecting expense

Category 3 – All Other Customer Services Expense

**Factors to Freeze (by Jurisdiction)**

1. Subscriber Line Minutes of Use (SLU)
2. Weighted Standard Work Seconds (WSWS) – by type of board
3. Tandem switch minutes of use (Tdm MOU)
4. Dial Equipment Minutes (DEM) – measured (i.e. unweighted)
5. Exchange Trunk Minutes of Use (Exch Trk MOU)

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6. Wideband Minutes of Use (WDBD MOU)
  7. Conversation Minutes (CM)
  8. Conversation Minute Kilometers (CMKm)
  9. Host-Remote Minute of Use Kilometers (MOUKm)
  10. Equal Access Minutes of Use (EA MOU)
  11. End User service order processing – contact factor
  12. End User payment & collection – revenue factor
  13. End User billing inquiry – contact factor
  14. IXC service order processing – contact factor
  15. IXC payment & collection – revenue factor
  16. IXC billing inquiry – contact factor
  17. Coin collection & administration – revenue factor
  18. Marketing - billed revenue factor
  19. SP + RC messages
  20. TSPS Relative Processor Real Time (in seconds) [to allocate RTA investment in end office]

**APPENDIX C****Final Rules**

Part 36 of Title 47 of the Code of Federal Regulations is amended as follows:

**PART 36 – JURISDICTIONAL SEPARATIONS PROCEDURES;  
STANDARD PROCEDURES FOR SEPARATING TELECOMMUNICATIONS  
PROPERTY COSTS, REVENUES, EXPENSES, TAXES AND RESERVES FOR  
TELECOMMUNICATIONS COMPANIES**

**Subpart A – General**

1. Section 36.3 is added as follows:

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

(a) Effective July 1, 2001, through June 30, 2006, all local exchange carriers subject to Part 36 rules shall apportion costs to the jurisdictions using their study area and/or exchange specific separations 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 June 30, 2006, 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 June 30, 2006, local exchange carriers subject to price cap regulation, pursuant to § 61.41, shall assign costs from the Part 32 accounts 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 June 30, 2006, 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.

(1) Local exchange carriers not subject to price cap regulation, pursuant to § 61.41, may elect to be subject to the provisions of § 36.3(b). Such election

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must be made prior to July 1, 2001. Local exchange carriers electing to become subject to § 36.3(b) shall not be eligible to withdraw from such regulation for the duration of the freeze. Local exchange carriers participating in Association tariffs, pursuant to § 69.601 et seq., shall notify the Association prior to July 1, 2001, of such intent to be subject to the provisions of § 36.3(b). Local exchange carriers not participating in Association tariffs shall notify the Commission prior to July 1, 2001, of such intent to be subject to the provisions of § 36.3(b).

(c) Effective July 1, 2001, through June 30, 2006, 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 §§ 36.3(a) and (b).

(d) Effective July 1, 2001, through June 30, 2006, 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 § 36.3(a) and (b). 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.

(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)(i) 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 Part 69.605(c), to cost company status during the period July 1, 2001, through June 30, 2006, 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 June 30, 2006, such companies shall utilize the separations allocation factors and account categorization subject to the requirements of §§ 36.3(a) and (b) based on the category relationships and allocation factors for the twelve months subsequent to the conversion to cost company status.

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**Subpart B – Telecommunications Property****Central Office Equipment**

2. Section 36.123 is amended as follows:

**§ 36.123 Operator systems equipment - Category 1.**

(a) . . .

(5) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to §61.41, shall assign the average balance of Account 2220, Operator Systems, to the categories/subcategories, as specified in § 36.123(a)(1) above, based on the relative percentage assignment of the average balance of Account 2220 to these categories/subcategories during the twelve month period ending December 31, 2000.

(6) Effective July 1, 2001 through June 30, 2006, all study areas shall apportion the costs assigned to the categories/subcategories, as specified in § 36.123(a)(1), among the jurisdictions using the relative use measurements for the twelve month period ending December 31, 2000 for each of the categories/subcategories specified in § 36.123 (b) through (e) below.

3. Section 36.124 is amended as follows:

**§ 36.124 Tandem switching equipment - Category 2.**

(a) . . .

(c) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to §61.41, shall assign the average balances of Accounts 2210, 2211, 2212 and 2215, to the Category 2, Tandem Switching Equipment based on the relative percentage assignment of the average balances of Account 2210, 2211, 2212 and 2215 to Category 2, Tandem Switching Equipment during the twelve month period ending December 31, 2000.

(d) Effective July1, 2001, through June 30, 2006, all study areas shall apportion costs in Category 2, Tandem Switching Equipment, among the jurisdictions using the relative number of study area minutes of use, as specified in § 36.124(b), for the twelve month period ending December 31, 2000. Direct assignment of any subcategory of Category 2 Tandem Switching Equipment between jurisdictions shall be updated annually.

4. Section 36.125 is amended as follows:

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**§ 36.125 Local switching equipment - Category 3.**

(a) . . .

(h) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to §61.41, shall assign the average balances of Accounts 2210, 2211, 2212, and 2215 to Category 3, Local Switching Equipment, based on the relative percentage assignment of the average balances of Account 2210, 2211, 2212 and 2215 to Category 3, during the twelve month period ending December 31, 2000.

(i) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion costs in Category 3, Local Switching Equipment, among the jurisdictions using relative dial equipment minutes of use for the twelve month period ending December 31, 2000.

(j) If during the period from January 1, 1997, through June 30, 2006, the number of a study area's access lines increased or will increase such that, under § 36.125(f) the weighting factor would be reduced, that lower weighting factor shall be applied to the study area's 1996 unweighted interstate DEM factor to derive a new local switching support factor. The study area will restate its Category 3, Local Switching Equipment factor under § 36.125(f) and use that factor for the duration of the freeze period.

5. Section 36.126 is amended as follows:

**§ 36.126 Circuit equipment - Category 4.**

(a) . . .

(b) . . .

(1) . . .

(5) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to §61.41, shall assign the average balances of Accounts 2230 through 2232 to the categories/subcategories as specified in §§ 36.126(b)(1) through (b)(4) based on the relative percentage assignment of the average balances of Accounts 2230 through 2232 costs to these categories/subcategories during the twelve month period ending December 31, 2000.

(c) . . .

(1) . . .

(4) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion costs in the categories/subcategories, as specified in §§ 36.126(b)(1) through (b)(4), among the jurisdictions using the relative

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use measurements or factors, as specified in §§ 36.126(c)(1) through (c)(3) for the twelve month period ending December 31, 2000. Direct assignment of any subcategory of Category 4.1 Exchange Circuit Equipment to the jurisdictions shall be updated annually.

(e) ...

(1) ...

(4) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion costs in the categories/subcategories specified in §§ 36.126(e)(1) through (e)(3) among the jurisdictions using relative use measurements or factors, as specified in §§ 36.126(e)(1) through (e)(3) for the twelve month period ending December 31, 2000. Direct assignment of any subcategory of Category 4.2 Interexchange Circuit Equipment to the jurisdictions shall be updated annually.

(f) ...

(1) ...

(2) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion costs in the subcategory specified in § 36.125(f)(1) among the jurisdictions using the allocation factor, as specified in § 36.125(f)(1)(i), for this subcategory for the twelve month period ending December 31, 2000. Direct assignment of any Category 4.3 Host/Remote Message Circuit Equipment to the jurisdictions shall be updated annually.

### **Information Origination/Termination Expenses**

6. Section 36.141 is amended as follows:

#### **§ 36.141 General.**

(a) ...

(c) Effective July 1, 2001, through June 30, 2006, local exchange carriers subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 2310 to the categories, as specified in § 36.141(b), based on the relative percentage assignment of the average balance of Account 2310 to these categories during the twelve month period ending December 31, 2000.

7. Section 36.142 is amended as follows:

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**§ 36.142 Categories and apportionment procedures.**

(a) ...

(c) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion costs in the categories, as specified in § 36.141(b), among the jurisdictions using the relative use measurements or factors, as specified in § 36.142(a), for the twelve month period ending December 31, 2000. Direct assignment of any category of Information Origination/Termination Equipment to the jurisdictions shall be updated annually.

**Cable and Wire Facilities**

8. Section 36.152 is amended as follows:

**§ 36.152 Categories of Cable and Wire Facilities.**

(a) ...

(d) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 2410 to the categories/subcategories, as specified in §§36.152(a) through (c), based on the relative percentage assignment of the average balance of Account 2410 to these categories/subcategories during the twelve month period ending December 31, 2000.

9. Section 36.154 is amended as follows:

**§ 36.154 Exchange Line Cable and Wire Facilities (C&WF) – Category 1 - apportionment.**

(a) ...

(g) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Subcategory 1.3 Exchange Line C&WF among the jurisdictions as specified in § 36.154(c). Direct assignment of subcategory Categories 1.1 and 1.2 Exchange Line C&WF to the jurisdictions shall be updated annually as specified in § 36.154(b).

10. Section 36.155 is amended as follows:

**§ 36.155 Wideband and exchange trunk C&WF – Category 2 – apportionment procedures.**

(a) ...

(b) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Category 2 Wideband and exchange trunk C&WF among the jurisdictions using the relative number of minutes of use, as specified in § 36.155(a), for the twelve-month

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period ending December 31, 2000. Direct assignment of any Category 2 equipment to the jurisdictions shall be updated annually.

11. Section 36.156 is amended as follows:

**§ 36.156 Interexchange Cable and Wire Facilities (C&WF) – Category 3 – apportionment procedures.**

(a) ...

(c) Effective July 1, 2001, through June 30, 2006, all study areas shall directly assign Category 3 Interexchange Cable and Wire Facilities C&WF where feasible. All study areas shall apportion the non-directly assigned costs in Category 3 equipment to the jurisdictions using the relative use measurements, as specified in § 36.156 (b), during the twelve-month period ending December 31, 2000.

12. Section 36.157 is amended as follows:

**§ 36.157 Host/Remote message Cable and Wire Facilities (C&WF) – Category 4 – apportionment procedures.**

(a) ...

(b) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Category 4 Host/Remote message Cable and Wire Facilities C&WF among the jurisdictions using the relative number of study area minutes-of-use kilometers applicable to such facilities, as specified in § 36.157(a)(1), for the twelve month period ending December 31, 2000. Direct assignment of any Category 4 equipment to the jurisdictions shall be updated annually.

**Equal Access Equipment**

13. Section 36.191 is amended as follows:

**§ 36.191 Equal access Equipment.**

(a) ...

(d) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Equal Access Equipment, as specified in § 36.191(a), among the jurisdictions using the relative state and interstate equal access traffic, as specified in § 36.191(c), for the twelve month period ending December 31, 2000.

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**Subpart C – Operating Revenues and Certain Income Accounts****Operating Revenues**

14. Section 36.212 is amended as follows:

**§ 36.212 Basic local services revenue – Account 5000.**

(a) ...

(c) ...

(1) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Wideband Message Service and TWX revenues among the jurisdictions using the relative number of TWX minutes of use for the twelve-month period ending December 31, 2000.

15. Section 36.214 is amended as follows:

**§ 36.214 Long distance message revenue – Account 5100.**

(a) ...

(1) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Wideband Message Service and TWX revenues among the jurisdictions using the relative number of TWX minutes of use for the twelve-month period ending December 31, 2000.

**Subpart D – Operating Expenses and Taxes****Customer Operations Expenses**

16. Section 36.372 is amended as follows:

**§ 36.372 Marketing – Account 6610.**

(a) ...

(1) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion expenses in this account among the jurisdictions using the analysis, as specified in § 36.372(a), during the twelve-month period ending December 31, 2000.

17. Section 36.374 is amended as follows:

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**§ 36.374 Telephone Operator Expenses.**

(a) . . .

(b) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to the Telephone operator expense classification based on the relative percentage assignment of the average balance of Account 6620 to this classification during the twelve month period ending December 31, 2000.

(c) Expenses in this classification are apportioned among the operations on the basis of the relative number of weighted standard work seconds as determined by analysis and study for a representative period.

(d) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Telephone operator expenses among the jurisdictions using the relative number of weighted standard work seconds, as specified in § 36.374(c), during the twelve-month period ending December 31, 2000.

18. Section 36.375 is amended as follows:

**§ 36.375 Published directory listing.**

(a) . . .

(b) . . .

(1) . . .

(5) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to the classifications, as specified in §§ 36.375(b)(1)-(4), based on the relative percentage assignment of the average balance of Account 6620 to these classifications during the twelve month period ending December 31, 2000.

(6) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Published directory listing expenses using the underlying relative use measurements, as specified in §§ 36.375(b)(1)-(4), during the twelve-month period ending December 31, 2000. Direct assignment of any Publishing directory listing expense to the jurisdictions shall be updated annually.

19. Section 36.377 is amended as follows:

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**§ 36.377 Category 1 – Local business office expense.**

(a) ...

Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to the subcategories, as specified in § 36.377(a), based on the relative percentage assignment of the average balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000.

(1) ...

(i) ...

(ix) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to the categories/subcategories, as specified in § 36.377(a)(1)(i) through (viii), based on the relative percentage assignment of the average balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000.

(a) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion TWX service order processing expense, as specified in § 36.377(a)(1)(viii) among the jurisdictions using relative billed TWX revenues for the twelve-month period ending December 31, 2000. All other subcategories of End-user service order processing expense, as specified in §§ 36.377(a)(1)(i)-(vii), shall be directly assigned.

(2) ...

(i) ...

(vii) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620- Services to the subcategories, as specified in § 36.377(a)(2)(i) through (vi), based on the relative percentage assignment of the average balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000.

(a) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion TWX payment and collection expense, as specified in § 36.377(2)(vi) among the jurisdictions using relative billed

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TWX revenues for the twelve-month period ending December 31, 2000. All other subcategories of End User payment and collection expense, as specified in §§ 36.377(a)(2)(i)-(vi), shall be directly assigned.

(3) ...

(i) ...

(vii) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to the subcategories, as specified in §§ 36.377(a)(3)(i) through (vi), based on the relative percentage assignment of the average balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000.

(a) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion TWX billing inquiry expense, as specified in § 36.377(a)(3)(v) among the jurisdictions using relative billed TWX revenues for the twelve-month period ending December 31, 2000. All other subcategories of End user billing inquiry expense, as specified in §§ 36.377(a)(3)(i)-(iv),(vi) shall be directly assigned.

(4) ...

(i) ...

(vii) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to the subcategories, as specified in § 36.377(a)(4)(i) through (vi), based on the relative percentage assignment of the average balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000.

(a) All subcategories of Interexchange carrier service order processing expense, as specified in §§ 36.377(a)(4)(i)-(vi), shall be directly assigned.

(5) ...

(i) ...

(vii) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to §61.41, shall assign the average balance of Account 6620-Services to the subcategories, as specified in § 36.377(a)(5)(i) through (vi), based on the relative percentage

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assignment of the average balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000.

(a) All subcategories of Interexchange carrier payment expense, as specified in §§ 36.377(a)(5)(i)-(vi), shall be directly assigned.

(6) ...

(i) ...

(vii) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to the subcategories, as specified in § 36.377(a)(6)(i) through (vi), based on the relative percentage assignment of the average balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000.

(a) All subcategories of Interexchange carrier billing inquiry expense, as specified in §§ 36.377(a)(6)(i)-(vi), shall be directly assigned.

(7) ...

(i) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to the subcategories, as specified in § 36.377(a)(7), based on the relative percentage assignment of the average balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000.

(ii) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Coin collection and administration expense among the jurisdictions using the relative state and interstate revenues deposited in the public and semi-public telephones, as specified in §§ 36.377(a)(7), for the twelve month period ending December 31, 2000. Direct assignment of any Coin collection and administration expense among the jurisdictions shall be updated annually.

20. Section 36.378 is amended as follows:

**§ 36.378 Category 2 – Customer services (revenue accounting).**

(a) ...

(b) ...

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(i) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to the classifications, as specified in § 36.378(b), based on the relative percentage assignment of the average balance of Account 6620 to those classifications during the twelve month period ending December 31, 2000.

21. Section 36.379 is amended as follows:

**§ 36.379 Message processing expense.**

(a) . . .

(b) . . .

(i) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to the subcategories, as specified in § 36.379(b), based on the relative percentage assignment of the average balance of Account 6620 to those subcategories during the twelve month period ending December 31, 2000.

(ii) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Toll Ticketing Processing Expense among the jurisdictions using the relative number of toll messages for the twelve-month period ending December 31, 2000. Local Message Process Expense is assigned to the state jurisdiction.

22. Section 36.380 is amended as follows:

**§ 36.380 Other billing and collecting expense.**

(a) . . .

(d) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to the Other billing and collecting expense classification based on the relative percentage assignment of the average balance of Account 6620 to those subcategory during the twelve month period ending December 31, 2000.

(e) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Other billing and collecting expense among the jurisdictions using the allocation factor utilized, pursuant to §§ 36.380(b) or (c), for the twelve month period ending December 31, 2000.

23. Section 36.381 is amended as follows:

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**§ 36.381 Carrier access charge billing and collecting expense.**

(a) . . .

(c) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to the Carrier access charge billing and collecting expense classification based on the relative percentage assignment of the average balance of Account 6620 to that classification during the twelve month period ending December 31, 2000.

(d) Effective July 1, 2001, through June 30, 2006, all study areas shall apportion Carrier access charge billing and collecting expense among the jurisdictions using the allocation factor, pursuant to § 36.381(b), for the twelve-month period ending December 31, 2000.

24. Section 36.382 is amended as follows:

**§ 36.382 Category 3 - All other customer services expense.**

(a) Effective July 1, 2001, through June 30, 2006, study areas subject to price cap regulation, pursuant to § 61.41, shall assign the average balance of Account 6620-Services to this category based on the relative percentage assignment of the average balance of Account 6620 to this category during the twelve month period ending December 31, 2000.

(b) Category 3 is apportioned on the basis of Categories 1 and 2.