

**Local Switching Support
Instructions for Support Calculation**

Approved by OMB
3060-0814

Ave. Burden Estimate per Respondent: 24 Hours

NOTICE: The collection of information stems from the Commission's authority under Section 254 of the Communications Act of 1934, as amended, 47 U.S.C. § 254. Each incumbent local exchange carrier that is not a member of the NECA Traffic Sensitive tariff, that has been designated an eligible telecommunications carrier, and that serves a study area with 50,000 or fewer access lines shall, for each study area, provide the Administrator with the projected total unseparated dollar amount assigned to each account in 47 C.F.R. § 54.301(b). The data collected here will be used by the Universal Service Administrative Company (USAC) to calculate each carrier's local switching support, consistent with section 54.301 of the Commission's rules, 47 C.F.R. § 54.301. Your response is mandatory.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The FCC is authorized under the Communications Act of 1934, as amended, to collect the information we request in this form. We will use the information to determine whether approving this form is in the public interest. If we believe there may be a violation or potential violation of an FCC statute, regulation, rule, or order, your form may be referred to the federal, state, or local agency responsible for investigating, prosecuting, enforcing, or implementing the statute, rule, regulation, or order. In certain cases, the information in your form may be disclosed to the Department of Justice or a court or adjudicative body when (a) the FCC; or (b) any employee of the FCC; or (c) the United States Government is a party in a proceeding before the body or has an interest in the proceeding.

If you do not provide the information requested on the form, your form may be returned without action or your form may be delayed.

The foregoing Notice is required by the Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3501 *et seq.*

We have estimated that each response to this collection of information will take, on average, 24 hours for each respondent. Our estimate includes the time to read this data request, review existing records, gather and maintain required data, and complete and review the response. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the reporting burden, to the Federal Communications Commission, Performance Evaluation and Records Management, Washington, D.C. 20554.

INSTRUCTIONS FOR COMPLETING THE WORKSHEET

Purpose-

The data requested herein provides the basis for determining the Local Switching Support amount for the calendar year in accordance with 47 C.F.R. §54.301(3)(b)-(d). This section of the rules states that the Local Switching Support will equal the difference between the weighted and

Local Switching Support Instructions for Support Calculation

unweighted 1996 Dial Equipment Minutes (DEM) factor multiplied by the carriers unseparated local switching revenue requirement.

General Instructions-

Please enter the six digit NECA Study Area Code on Data Line (010), the Study Area Name on Data Line (020), Data Period on Data Line (023), Submission Period on Data Line (025), Contact Name on Data Line (030) and Contact Telephone Number Data Line (040). Beginning with Data Line (060), enter the amounts for the 12-month period ending December 31 in the spaces provided.

A mechanized Local Switching Support Calculation System will not be available for direct, online use in entry of your company's data. The data collection form with imbedded calculations is available as an Excel 97 spreadsheet from the USAC website at: www.universalservice.org .

Return the completed form(s) via e-mail, fax, or mail not later than December 31 of each year to:

Email: hcfilings@hcli.universalservice.org

Fax: (877) 877-4925 / (866) 873(USF)-4666

**Mail: USAC
Customer Operations
2000 L Street, NW
Suite 200
Washington, DC 20036**

In addition to submission of the data, completion of a Certification statement, included as the last page of the Data Form, is required. It must be signed by the officer or employee responsible for the overall preparation of the data submission. The certification should be included with your data submission.

Each line on the Data Collection Form includes a Data Line reference number; a description of the information being requested; a duplicate Data Line reference number; an Enter yearly Amount space. For example:

Data Line	Description	Data Line	Enter 2007 Amount
(110)	Account 2210 - Central Office Switching Equipment (110)	_____	_____

The Data Line descriptions included in these Instructions follow a similar format. DATA LINE numbers and descriptions are given followed by a brief explanation of the type and often the possible source of the data to be entered. Reference to applicable parts of FCC rules are provided in brackets. For example:

Local Switching Support Instructions for Support Calculation

Data Line	Description	Explanation
	(110) Account 2210 - Central Office Switching Equipment	

[Part 32.2210]

For questions about this data collection, call 877-877-4925.

DATA REQUIREMENTS

Data required for this submission must be unseparated regulated amounts, i.e., state and interstate, as of the end-of-period for the calendar year and must be in accordance with FCC Rules. Revisions will be required when finalized actual data is available.

Data must be representative of the regulated telephone operations only, as authorized by the FCC, for the 12-month Data Collection Period for which it is being submitted (e.g., calendar year 2007). Investment, expenses, taxes, benefits and rents, etc., associated with non-regulated operations and costs associated with plant leased to other entities must be excluded. The non-regulated portion of accounts used for both regulated and non-regulated activity, e.g., motor vehicles, plant maintenance, benefits and rents, etc., must be excluded.

Calendar year 1996 cost study must be used for developing weighted and unweighted DEM factors for Local Switching Support purposes.

RECONCILIATION REQUIREMENTS

The FCC and the Administrator will require additional information reconciling the projected data provided herein to corresponding financial data when it becomes available (i.e., finalized financial records, ARMIS reports, etc.) for all study areas receiving Local Switching Support. This information must be provided within 12 months of the end of the data period, but not later than December 31 of the year subsequent to the year in which the projected data were used.

This reconciliation is intended to ensure that support amounts provided by the Universal Service programs are consistent with the actual support requirements of the carriers.

AVERAGE NET INVESTMENT

FCC Rules require net investment be calculated for the current and prior periods by the submission of end-of-period data for each year. These amounts are then summed and divided by two to obtain average net investment, which is then used to determine local switching support.

This worksheet estimates Average Net Investment by setting Current Period Net Investment equal to Prior Period Net Investment. A more precise estimate may be obtained by entering a value for Prior Period Net Investment in the worksheet. USAC will determine Average Net Investment through use of values entered in this worksheet for Current Period Net Investment and amounts stored in the LSS database for your study area from last year's data collection for Prior Period Net Investment.

**Local Switching Support
Instructions for Support Calculation**

I. EXCHANGE CARRIER/DATA IDENTIFICATION

These Data Lines contain pre-printed information about your company and the Data Period. Please verify and correct if necessary.

(010) Exchange Carrier Study Area Code.

(020) Exchange Carrier Study Area Name

(023) Data Period: For example, for 2010 Local Switching Support, enter 2010

(025) Submission Period: Check the appropriate Box (i.e., Original Projection if this is projected data or True-up to Actual if the submission is being made to report actual results for a prior period Local Switching Support amount.)

(030) Contact Name: Person USAC should contact for questions about this data.

(040) Contact Telephone Number: Number of the person identified in Data Line (030).

(045) Tax Status: If company is subject to Federal Income taxes, indicate with a 'Y'. If company is a cooperative or other entity not subject to Federal Income Taxes indicate with an 'N'.

II. WORKING LOOPS & DIAL EQUIPMENT MINUTE FACTOR

Working loops reported for Local Switching Support must be a count as of December 31, i.e., the same number that would be reported on line (070) of NECA's Annual USF Data Collection. Do not use average number of loops from cost studies, access line counts, presubscribed line counts or estimates.

(050) Category 1.3 Loops: Enter the count of Category 1.3 Loops excluding Category 1.3 TWX (Teletypewriter Exchange service) loops.
[Part 36.154 (a)]

(060) 1996 Interstate Unweighted Dial Equipment Minute (DEM) Factor used in 1996 Cost Study
[Part 36.125(b)]

(070) 1996 DEM Weighting Factor
[Part 36.125(f)]

**Local Switching Support
Instructions for Support Calculation**

II. INVESTMENT, PLANT OPERATIONS EXPENSE AND TAXES

Net Plant Investment

- (100) Account 2001 - Telecommunication Plant in Service
[Part 32. 2001]
- (110) Account 2210 - Central Office Switching Equipment
[Part 32.2210]
- (115) Account 2210 Cat. 3 - COE Category 3 (local switching)
Determine from a study of switching equipment investment, the portion of Central Office Switching Equipment associated with COE Category 3, Local Switching.
- (120) Account 2220 - Operator System Equipment
[Part 32.2220]
- (130) Account 2230 - Central Office Transmission Equipment
[Part 32.2230]
- (140) Total Central Office Equipment
Sum of Data Lines (110) plus (120) plus (130)
- (150) Account 2310 - Information Origination/Termination
[Part 32.2310]
- (160) Account 2410 - Cable and Wire Facilities
[Part 32.2410]
- (170) Account 2110 - General Support Facilities
[Part 32.2110]
- (180) Account 2680 - Amortizable Tangible Assets
[Part 32.2680]
- (190) Account 2690 - Intangibles
[Part 32.2690]
- (200) Account 2002 - Property Held for Future Telecommunications Use
[Part 32. 2002]
- (210) Account 2003 - Telecommunications Plant Under Construction
[Part 32. 2003]
- (220) Account 2005 - Telecommunications Plant Adjustment
[Part 32. 2005]

**Local Switching Support
Instructions for Support Calculation**

(230) Account 1402 - Investments in non-Affiliated Companies (Rural Telephone Bank Stock)

[Part 32.1402]

(240) Account 1220 - Materials and Supplies

[Part 32.1220]

(250) Cash Working Capital

[Part 36.182]

(260) Account 3100 - Accumulated Depreciation - Switching

[Part 32.3100]

Determine the portion of Account 3100 that is attributable to Switching Equipment

(265) Account 3100 - Accumulated Depreciation - Support Assets

[Part 32.3100]

Determine the portion of Account 3100 that is attributable to Support Assets

(270) Account 4100 - Net Deferred Operating Income Taxes

[Part 32.4100]

(280) Account 4340 - Net Noncurrent Operating Income Taxes

[Account 32.4340]

(290) Account 3400 - Accumulated Amortization - Tangible

[Account 32.3400]

(300) Account 3500 - Accumulated Amortization - Intangible

[Account 32.3500]

(310) Account 3600 - Accumulated Amortization - Other

[Account 32.3500]

(320) Account 6110 - Network Support Expense

[Account 32.6110]

(330) Account 6120 - General Support Expense

[Account 32.6120]

(340) Account 6210 - Central Office Switching Expense

[Account 32.6210]

(350) Account 6220 - Operator Systems Expense

[Account 32.6220]

**Local Switching Support
Instructions for Support Calculation**

- (360) Account 6230 - Central Office Transmission Expense
[Account 32.6230]
- (361) Account 6310 - Information Origination/Termination Expense
[Account 32.6310]
- (362) Account 6410 - Cable and Wire Facilities Expense
[Account 32.6410]
- (370) Account 6510 - Other Property Plant and Equipment Expense
[Account 32.6510]
- (380) Account 6530 - Network Operations Expense
[Account 32.6530]
- (381) Account 6540 - Access Expense
[Account 32.6540]
- (390) Account 6610 - Customer Services Marketing Expense
[Account 32.6610]
- (400) Account 6620 - Customer Operations Services Expense
[Part 32.6620]
- (410) Account 6710 - Executive and Planning Expense
[Part 32.6710]
- (420) Account 6720 - Corporate Operations Expense
[Part 32.6720]
- (430) Account 7230 - Operating State and Local Income Taxes
[Part 32.7230]
- (440) Account 7240 - Operating Other Taxes
[Part 32.7240]
- (450) Account 7210 - Operating Investment Tax Credits - net
[Part 32.7210]
- (460) Account 7250 - Provision for Deferred Operating Income Taxes -net
[Part 32.7250]
- (470) Account 6560 - Depreciation and Amortization Expense - Switching
[Part 32.6560]
Determine the portion of Account 6560 attributable to switching

**Local Switching Support
Instructions for Support Calculation**

(475) Account 6560 - Depreciation and Amortization Expense - Support
[Part 32.6560]

Determine the portion of Account 6560 attributable to support facilities

(480) Account 7300 - Non-Operating Income & Expense
[Part 32.7300]

(490) Account 7500 - Interest and Related Items
[Part 32.7500]

(500) Account 7340 - Allowance for Funds Used During Construction
[Part 32.7340]

(510) Account 1410 - Other Non-current Assets
[Part 32.1410]

(520) Account 1500 - Other Jurisdictional Assets - net
[Part 32.1500]

(530) Account 4370 - Other Jurisdictional Liabilities and Deferred Credits - net
[Part 32.4370]

(540) Account 4040 - Customer Deposits
[Part 32.4040]

(550) Account 4310 - Other Long-Term Liabilities
[Part 32.4310]

(560) Account 1438 - Deferred Maintenance and Retirements
[Part 32.1438]

**Local Switching Support
Instructions for Support Calculation**

VII. CERTIFICATION

This certification statement must be signed by the officer or employee responsible for the overall preparation of the data submission. (Ref. Part 54 of FCC Rules, 47 C.F.R. Section 54.707).

The completed certification statement must accompany the data submission.

CERTIFICATION

I am _____ . I hereby certify that I have overall responsibility for
(Title of Certifying Officer or Employee)

the preparation of all data in the attached _____ data submission
(Title of Data Submission)

for _____ and that I am authorized to execute this certification. Based
(Name of Carrier)

on information known to me or provided to me by employees responsible for the preparation of the data in this submission, I hereby certify that the data have been examined and reviewed and are complete, accurate, and consistent with the rules of the Federal Communications Commission.

Date:

Certifying Signature:

Name:

Title:

Period Covered: January 1, _____ to December 31, _____

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, as amended, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.