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the miscellaneous revenue accounts only when they are not identifiable by miscellaneous revenue account in the settlement process. (See also § 32.4999(e) of this subpart.) The extent that the charges and credits resulting from a settlement process can be identified by miscellaneous revenue accounts they shall be recorded in the applicable account.

**§ 32.5270 Carrier billing and collection revenue.**

This account shall include revenue derived from the provision of billing and collection services to other telecommunications companies. This includes amounts charged for services such as message recording, billing, collection, billing analysis, and billing information services, whether rendered under tariff or contractual arrangements.

**§ 32.5280 Nonregulated operating revenue.**

(a) This account shall include revenues derived from a nonregulated activity involving the common or joint use of assets or resources in the provision of regulated and nonregulated products or services.

(b) This account shall be debited and regulated revenue accounts shall be credited at tariffed rates when tariffed services are provided to nonregulated activities that are accounted for as prescribed in § 32.23(c) of this subpart.

(c) Separate subsidiary record categories shall be maintained for each nonregulated revenue item recorded in this account.

[53 FR 49322, Dec. 7, 1988, as amended at 64 FR 50008, Sept. 15, 1999]

**§ 32.5300 Uncollectible revenue.**

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 5301 and 5302. Class B telephone companies shall use this account for revenues of the type and character required of Class A companies in Accounts 5301 and 5302.

**§ 32.5301 Uncollectible revenue—telecommunications.**

This account shall be charged with amounts concurrently credited to Ac-

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count 1181, Accounts Receivable Allowances—Telecommunications.

**§ 32.5302 Uncollectible revenue—other.**

This account shall be charged with amounts concurrently credited to Account 1190, Other Accounts Receivable, or to Account 1191, Accounts Receivable Allowance—Other, when such allowance is maintained.

**Subpart E—Instructions for Expense Accounts**

**§ 32.5999 General.**

(a) *Structure of the expense accounts.*

(1) The expense section of the system of accounts shall be organized by expense group summary account, and subsidiary record category (if required).

(2) The expense section of this system of accounts shall be comprised of four major expense groups—Plant Specific Operations, Plant Nonspecific Operations, Customer Operations and Corporate Operations. Expenses to be recorded in Plant Specific and Plant Nonspecific Operations Expense Groups generally reflect cost associated with the various kinds of equipment identified in the plant asset accounts. Expenses to be recorded in the Customer Operations and Corporate Operations accounts reflect the costs of, or are associated with, functions performed by people, irrespective of the organization in which any particular function is performed.

(3) Summary accounts within expense groups shall be used to describe aggregations of two or more accounts having a certain commonality. Summary accounts are assigned numbers so that they may be used by Class A telephone companies to aggregate accounts for reporting purposes; and as specifically directed, so that they may be used as accounts by Class B telephone companies.

(4) Accounts shall be maintained as prescribed in this section subject to the conditions described in § 32.13 in subpart B. Subsidiary record categories may be required below the account level by this system of accounts or by Commission order.

(b) *Plant Specific Operations Expense.*

(1) The Plant Specific Operations Expense Accounts, 6110 through 6441, are

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used to record costs related to specific kinds of telecommunications plant.

(2) The Plant Specific Operations Expense accounts predominantly mirror the telecommunications plant in service detail accounts and are numbered consistently with them; the first digit of the expense account being six (6) and the remaining digits being the same as the last three numbers of the related plant account. In classifying Plant Specific Operations expenses, the text of the corresponding plant account should be consulted to ensure appropriateness.

(3) The Plant Specific Operations Expense accounts shall include the costs of inspecting, testing (except as specified in Account 6533, Testing Expense) and reporting on the condition of telecommunications plant to determine the need for repairs, replacements, rearrangements and changes; performing routine work to prevent trouble (except as specified in Account 6533), replacing items of plant other than retirement units; rearranging and changing the location of plant not retired; repairing material for reuse; restoring the condition of plant damaged by storms, floods, fire or other casualties (other than the cost of replacing retirement units); inspecting after repairs have been made; and receiving training to perform these kinds of work. Also included are the costs of direct supervision (immediate or first-level) and office support of this work.

(4) In addition to the activities specified in paragraph (b)(3) of this section, the appropriate Plant Specific Operations Expense accounts shall include the cost of personnel whose principal job is the operation of plant equipment, such as general purpose computer operators, aircraft pilots, chauffeurs and shuttle bus drivers. However, when the operation of equipment is performed as part of other identifiable functions (such as the use of office equipment, capital tools or motor vehicles) the operators' cost shall be charged to accounts appropriate for those functions. (For costs of operator services personnel, see Accounts 6621, Call Completion Services, and 6622, Number Services, and for costs of test board personnel see Account 6533.)

(c) *Plant Nonspecific Operations Expense.* The Plant Nonspecific Operations Expense accounts shall include expenses related to property held for future telecommunications use, provisioning expenses, network operations expenses, and depreciation and amortization expenses. Accounts in this group (except for Account 6540, Access Expense, and Accounts 6560 through 6565) shall include the costs of performing activities described in narratives for individual accounts. These costs shall also include the costs of supervision and office support of these activities.

(d) *Customer Operations Expense.* The Customer Operations Expense accounts shall include the cost of performing customer related marketing and services activities described in narratives for individual accounts. These costs shall also include the costs of supervision, office support and training for these activities.

(e) *Corporate Operations Expense.* The Corporate Operations Expense accounts shall include the costs of performing executive and planning activities and general and administrative activities described in narratives for individual accounts. These costs shall also include the costs of supervision, office support and training for these activities.

(f) *Reimbursements.* Reimbursements of actual costs incurred in connection with joint operations or projects repairing plant due to damages by others, and obligations to make changes in telecommunications plant (such as highway relocations), shall be credited to the accounts originally charged.

(g) *Expense accounts to be maintained.*

Account title	Class A account	Class B account
Income Statement Accounts		
Plant specific operations expense:		
Network support expense .....	1 <sup>2</sup> 6110	6110
Motor vehicle expense .....	1 <sup>6</sup> 112	.....
Aircraft expense .....	1 <sup>6</sup> 113	.....
Tools and other work equipment expense .....	1 <sup>6</sup> 114	.....
General support expenses .....	1 <sup>2</sup> 6120	6120
Land and building expenses .....	1 <sup>6</sup> 121	.....
Furniture and artworks expense .....	1 <sup>6</sup> 122	.....
Office equipment expense .....	1 <sup>6</sup> 123	.....
General purpose computers expense .....	1 <sup>6</sup> 124	.....
Central office switching expense .....	1 <sup>2</sup> 6210	6210
Analog electronic expense .....	1 <sup>6</sup> 211	.....
Digital electronic expense .....	1 <sup>6</sup> 212	.....
Electro-mechanical expense .....	1 <sup>6</sup> 215	.....
Operators system expense .....	1 <sup>6</sup> 220	6220

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Account title	Class A account	Class B account
Central office transmission expenses .....	<sup>1</sup> 26230	6230
Radio systems expense .....	<sup>1</sup> 6231	.....
Circuit equipment expense .....	<sup>1</sup> 6232	.....
Information origination/termination expense .....	<sup>1</sup> 26310	6310
Station apparatus expense .....	<sup>1</sup> 6311	.....
Large private branch exchange expense .....	<sup>1</sup> 6341	.....
Public telephone terminal equipment expense .....	<sup>1</sup> 6351	.....
Other terminal equipment expense .....	<sup>1</sup> 6362	.....
Cable and wire facilities expenses .....	<sup>1</sup> 26410	6410
Poles expense .....	<sup>1</sup> 6411	.....
Aerial cable expense .....	<sup>1</sup> 6421	.....
Underground cable expense .....	<sup>1</sup> 6422	.....
Buried cable expense .....	<sup>1</sup> 6423	.....
Submarine cable expense .....	<sup>1</sup> 6424	.....
Deep sea cable expense .....	<sup>1</sup> 6425	.....
Intrabuilding network cable expense .....	<sup>1</sup> 6426	.....
Aerial wire expense .....	<sup>1</sup> 6431	.....
Conduit systems expense .....	<sup>1</sup> 6441	.....
Plant nonspecific operations expense:		
Other property plant and equipment expenses .....	<sup>1</sup> 26510	6510
Property held for future .....	.....	.....
Telecommunications use expense .....	<sup>1</sup> 6511	.....
Provisioning expense .....	<sup>1</sup> 6512	.....
Network operations expenses .....	<sup>1</sup> 26530	6530
Power expense .....	<sup>1</sup> 6531	.....
Network administration expense .....	<sup>1</sup> 6532	.....
Testing expense .....	<sup>1</sup> 6533	.....
Plant operations administration expense .....	<sup>1</sup> 6534	.....
Engineering expense .....	<sup>1</sup> 6535	.....
Access expense .....	<sup>1</sup> 6540	6540
Depreciation and amortization expenses .....	<sup>2</sup> 6560	6560
Depreciation expense—telecommunications plant in service .....	6561	.....
Depreciation expense—property held for future telecommunications use .....	6562	.....
Amortization expense—tangible .....	6563	.....
Amortization expense—intangible .....	6564	.....
Amortization expense—other .....	6565	.....
Customer operations expense:		
Marketing .....	<sup>1</sup> 26610	6610
Product management .....	<sup>1</sup> 6611	.....
Sales .....	<sup>1</sup> 6612	.....
Product advertising .....	<sup>1</sup> 6613	.....
Services .....	<sup>1</sup> 26620	6620
Call completion services .....	<sup>1</sup> 6621	.....
Number services .....	<sup>1</sup> 6622	.....
Customer services .....	<sup>1</sup> 6623	.....
Corporate operations expense:		
Executive and planning .....	<sup>1</sup> 26710	6710
Executive .....	<sup>1</sup> 6711	.....
Planning .....	<sup>1</sup> 6712	.....
General and administrative .....	<sup>1</sup> 26720	6720
Accounting and finance .....	<sup>1</sup> 6721	.....
External relations .....	<sup>1</sup> 6722	.....
Human resources .....	<sup>1</sup> 6723	.....
Information management .....	<sup>1</sup> 6724	.....

Account title	Class A account	Class B account
Legal .....	<sup>1</sup> 6725	.....
Procurement .....	<sup>1</sup> 6726	.....
Research and development .....	<sup>1</sup> 6727	.....
Other general and administrative .....	<sup>1</sup> 6728	.....
Provision for uncollectible notes receivable .....	6790	6790

<sup>1</sup> Subsidiary record categories required in accordance with § 32.5999(f) of this subpart.

<sup>2</sup> To be used by Class A telephone companies to summarize accounts for reporting purposes.

[51 FR 43499, Dec. 2, 1986, as amended at 52 FR 7580, Mar. 12, 1987; 64 FR 50008, Sept. 15, 1999; 65 FR 16335, Mar. 28, 2000]

**§ 32.6110 Network support expenses.**

(a) This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6112 through 6114. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6112 through 6114.

(b) Credits shall be made to this account by Class B companies for amounts transferred to Construction and/or other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also § 32.5999(f)(5) of this subpart.)

[51 FR 43499, Dec. 2, 1986, as amended at 64 FR 50008, Sept. 15, 1999]

**§ 32.6112 Motor vehicle expense.**

(a) This account shall include costs of fuel, lubrications, license and inspection fees, washing, repainting, and minor accessories. Also included are the costs of personnel whose principal job is operating motor vehicles, such as chauffeurs and shuttle bus drivers. The costs of users of motor vehicles whose principal job is not the operation of motor vehicles shall be charged to accounts appropriate for the activities performed.

(b) Credits shall be made to this account for amounts transferred to Construction and/or to other Plant Specific Operations Expense accounts. These amounts shall be computed on the basis of direct labor hours. (See also § 32.5999(f)(5) of this subpart.)