

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

DA 90-959

In the Matter of)
)
Automated Reporting Requirements) CC Docket No. 86-182
for Certain Class A and Tier 1)
Telephone Companies (Parts 31,)
43, 67, and 69 of the FCC's Rules))

ORDER

Adopted: July 13, 1990

Released: July 20, 1990

By the Chief, Common Carrier Bureau:

I. INTRODUCTION AND BACKGROUND

1. By this Order, we adopt revisions to FCC Report No. 43.01, the ARMIS Quarterly Report. The revisions include: (1) changing the basis of Table I from its current quarterly format to a year-to-date format; (2) making a number of additional minor technical changes to Table I; and (3) adding Table III to capture the impact of out-of-period adjustments. The revised report is to be used by the carriers beginning with the first quarter of 1990 filings.

2. In the ARMIS Order,¹ the Commission established an automated system for collecting the financial and operating data necessary for it to effectively administer its accounting, separations and access rules. Among the reports the Commission established in that order was the ARMIS Quarterly Report. This report provides aggregated revenue, cost and traffic data quarterly, thereby enabling the Commission to monitor the major aspects of the carriers' operations and to detect problems and take timely and effective actions when necessary. The Commission directed the Common Carrier Bureau to develop the specific format and specifications for the reports.

3. The Bureau established the format and specifications for the Quarterly Report, on May 31, 1988.² It revised the form on January 6, 1989

1 Automated Reporting Requirements for Certain Class A and Tier 1 Telephone Companies (Parts 31, 43, 67, and 69 of the FCC's Rules), 2 FCC Rcd 5770 (1987) (ARMIS Order), recon., 3 FCC Rcd 6375 (1988) (ARMIS Reconsideration Order), further recon., 4 FCC Rcd 8240 (1989).

2 Automated Reporting Requirements for Certain Class A and Tier 1

and on April 18, 1990 it issued an Order Inviting Comment in which it proposed additional changes to the report. In this order we address the issues raised by the parties that responded to the Order Inviting Comment.

II. DISCUSSION

4. Comments were filed by the following parties: The Bell Atlantic Telephone Companies (Bell Atlantic), Cincinnati Bell Telephone (Cincinnati), Contel Corporation (Contel), GTE Service Corporation (GTE), MCI Communications Corporation (MCI), Southern New England Telephone-Company (SNET), Southwestern Bell Telephone Company (SWB), United Telecommunications, Inc. (United) and The United States Telephone Association (USTA). Replies were filed by the Ameritech Operating Companies (Ameritech), Bell Atlantic, BellSouth Corporation (BellSouth), Contel, GTE, SWB and USTA.

A. Change in Basis of Table I and Introduction of Table III

5. The proposals to change the basis of Table I from quarterly to year-to-date and to introduce Table III are intended to enable the Commission to more effectively monitor the carriers' financial and cost allocation data and to reconcile that data with other reports filed by the carriers. Currently the reconciliation is very difficult because the carriers use different adjustment procedures for the various costing systems. For example, the carriers only rarely adjust prior period accounting data after they close their books;³ however, they routinely make prior period adjustments to their jurisdictional separations and access data up to 24 months after the fact. Although the carriers routinely make these adjustments to their costing systems, they do not reflect these adjustments in their ARMIS Quarterly Reports. The proposed change in the basis of Table I and the introduction of Table III are intended to rectify this problem by capturing all the adjustments made to previous reporting periods.

6. Only SNET opposes the change in the basis of Table I from current quarter to year-to-date data. It argues that the existing Quarterly Report provides adequate information for the Commission's purposes and that no revision in the basis is necessary. We disagree. Unless we change the basis of Table I we will not be able to reconcile the Quarterly Reports with the annual reports. Consider the following example: During the third quarter a carrier discovers a separations problem that relates to its first quarter

Telephone Companies (Parts 31, 43, 67, and 69 of the FCC's Rules), 3 FCC Red 3874 (Com.Car.Bur. 1988) (First Quarterly Report Order).

3 The Commission's accounting rules permit such adjustment only to the extent permitted under generally accepted accounting principles. See Sections 32.1, 32.12 and 32.25.

operations. The carrier would not report this amount in its third quarter Quarterly Report because the adjustment relates to the first quarter, but it would affect its annual results. Furthermore, there is no requirement to refile the Quarterly Report for the first quarter. As a result, the sum of the four Quarterly Reports will not equal the annual report.

7. USTA and the LECs object to the establishment of Table III. They argue that the Commission does not need the data and that it is too burdensome for the carriers. MCI, on the other hand, believes the adjustment data proposed in Table III is necessary, but that the specific proposal falls short of what is necessary to completely analyze the carriers' filings. MCI believes that adjustments to each entry on Table I should be reported separately on Table III.

8. We disagree with the LECs' contention that the adjustment data proposed in Table III is not necessary. In the two years that the ARMIS Quarterly Reports have been filed, we have noted serious shortcomings in the report. Most notably, since the data cannot be reconciled to other reports filed with the Commission (e.g., Report 492 Rate of Return and the annual ARMIS reports), the reliability of the Quarterly Report cannot be established. As a result, it has not been relied upon as much as intended in the Commission's overall regulatory program. We also disagree with MCI that Table III should be expanded. We have analyzed the adjustments which the carriers have made over the past two years, and we have determined that their size does not warrant the level of detail shown in Table I.⁴ As a result, we are establishing Table III at the detail proposed in our Notice Inviting Comment. However, we will monitor these adjustments closely and if we find the table needs to be expanded, we will make appropriate additional changes.

B. Other Table III Issues

9. Bell Atlantic questions the necessity of monitoring the impact of out of period adjustments, given that any adjustments made more than nine months after the close of an enforcement period have no impact on rate of return enforcement. It argues that FCC Form 492 already provides data on the impact of out of period adjustments to monitor rate of return. Rate of return reporting, however, is not our sole concern here. We are also concerned about the integrity of the cost and revenue data filed in ARMIS which are the basis of our analysis and decision-making involving accounting, separations and access rules. Moreover, FCC Form 492 requires only a single number to summarize the impact of all out of period adjustments to revenues, expenses,

⁴ The analysis of adjustments referred to here was based upon data reported in the Rate of Return Report, i.e., the 492 Reports. Although these reports show very little detail, they do show the overall effect of the adjustments.

taxes and investment. The data required in Table III track the impact of all out of period adjustments on previously filed ARMIS reports.

10. The LECs also object to the collection of nonregulated data in Table III, arguing that it is their general practice to accord these data the same treatment as Part 32 data. They argue that nonregulated data are reported as "booked", end of period data. We are persuaded that most carriers report their nonregulated data on the same basis as their Part 32 data. However, Part 64, which prescribes the treatment of nonregulated data, is silent regarding out of period adjustments, and we are not convinced that all companies report Part 64 data on a "booked", end of period basis. Accordingly, although we will not require adjustment reporting for nonregulated data in Table III, we will require that all carriers making retroactive adjustments to nonregulated data disclose the particulars of these adjustments, at the Table III level of detail, in the footnotes to Table I.

11. Finally, the LECs ask to defer until 1991 the requirement to file data for the previous enforcement period in columns (d), (g), (j), (m) and (p). They assert that, until then, reporting for the previous enforcement period (1987/1988) requires translating the data from that period's Part 31 accounting to our current Part 32 accounting.⁵ The carriers maintain that it would be an unreasonable burden to require reporting adjustments that span two accounting systems. At an ex parte meeting of Common Carrier Bureau staff and a USTA task group on May 16, 1990, however, carrier representatives agreed that several of the rows could be reported in the previous enforcement period columns. They proposed to report data in the following rows: 3010, Net Revenues; and 4000, Average Net Investment, through 4060, Rate of Return Including Refund. Moreover, they advised that, although the breakdown of expenses and taxes called for in rows 3020 through 3060 would be burdensome, the aggregate total expenses and taxes could be reported. They proposed to report total expenses and taxes on row 3020 for the 1990 reports instead of total operating expenses. Under their proposal the breakdown of expenses and taxes called for on rows 3020 through 3060 and the investment data called for on rows 3070 through 3080 would not be reported for 1990. We feel that the loss of data for these seven rows is not serious enough to justify the burden and expense involved for the carriers to produce the data. Therefore, we agree that carriers may populate these rows with zeros for the 1990 Quarterly Report filings. Beginning with the first quarter of 1991, carriers shall report previous period adjustments for all rows on Table III.

5 Part 32 became effective on January 1, 1988. See Revision of the Uniform System of Accounts and Financial Reporting Requirements for Class A and Class B Telephone Companies (Parts 31, 33, 42, and 43 of the FCC's Rules), 51 F.R. 24745, July 8, 1986 and 51 F.R. 43493, December 2, 1986, recon., 2 FCC Red 1086 (1987).

C. Other Issues

12. In our Order Inviting Comment we proposed to remove " N/As" (i.e., designations of "not applicable") from rows 1630 through 1670 (Plant in Service) in column (o) (Equal Access), thus showing Equal Access Investment at the same level of disaggregation as the Equal Access Investment Reserves and Other Operating Expenses and Taxes. GTE and USTA oppose the proposal to collect these data at both the equal access level and the primary account level, arguing that such reporting would cause major problems in developing workable edit programs.⁶ We disagree. The edit check will simply note that, in column (o) row 1610 (equal access) is the same amount as row 1690 (total plant) and that the total of rows 1620 through 1680 must equal the amount in row 1610 and row 1690.

13. SWB also argues that it should not be required to report equal access investment at the primary account level. It argues that Part 36 does not require disaggregation of equal access investment at that level. Section 36.191 requires that equal access investment be removed from the primary accounts and aggregated for separations purposes. Furthermore, the Equal Access Accounting Order⁷ does not permit the aggregation of equal access investments for accounting purposes. It requires that these costs be recorded in the primary accounts and depreciated accordingly. Thus disaggregated equal access data are available in the carriers' records and we require that disaggregated equal access investment be reported in the Quarterly Report as proposed in our Order Inviting Comment.

14. GTE proposes that the N/As on a number of rows under the Common Line subcategories (columns (i)-(k)) be removed so that GTE can report the results of its allocation of revenues and taxes between these subcategories. GTE argues more generally that carriers should be allowed to override N/As. Our response to GTE's specific proposal is that the Commission's Rules do not require the allocation of revenues and taxes between the subcategories of Common Line and that, at this time, we have no regulatory need for these data. As to GTE's general request for permission to override N/As, we emphasize that carriers are not free to override the format of any of the ARMIS reports. Our experience has shown that reporting consistency is crucial to our ability to error-check the integrity of the data in the reports, and to compare the data of different companies.

6 The Commission has developed programs which edit the reported data to ensure its reliability.

7 Petitions for Recovery of Equal Access and Network Reconfiguration Costs, FCC 85-628 (released December 9, 1985) (Equal Access Accounting Order).

15. USTA has proposed removing N/As from row 1370 (FCC Non-Operating Adjustment) for two columns, Subject to Separations and State. N/As were placed in these columns because FCC Non-Operating Adjustments apply only to interstate costs. Similar FCC adjustments for operating expenses, investment, and taxes also have N/As in those columns. USTA has not proposed removing the N/As for the other FCC Adjustment rows. We have decided to retain the N/As for the FCC Non-Operating Adjustments row so that all FCC adjustments will be reported on a consistent basis.

16. A number of minor technical changes, which no one objected to, are proposed by the commenting parties. We have reviewed these proposed changes and have decided to adopt them as follows: (1) to revise the proposed general instructions for columns (b)-(d) (Total Company -SNFA and Intra-company Adjustments) to require that investment be reported as end-of-period instead of average-for-the-period data; (2) to remove the N/As from column (o) (Equal Access), row 1290 (Other Operating Income/Losses); rows 1340, 1350, 1360, 1370, and 1390 (Non-operating Items); and rows 1730, 1740, 1760 and 1770 (Other Investments) to allow carriers to show the details of the non-operating expenses and other investments that they are assigning to the Part 69 equal access sub-element; (3) to remove N/As from column (e) (All Other Adjustments), rows 1110 and 1610 (Equal Access Expenses and Investment), to allow carriers to report the difference in the amount of equal access costs on their books and the adjusted amounts that are removed under Part 36; (4) to remove row 1310 and include account 7520 in row 1510 (Fixed Charges), where it is grouped with other items that are treated for ratemaking purposes as deductions from net income in the calculation of taxable income; 5) to revise the instructions for row 1880 to include unfunded pension costs (account 4310); 6) to renumber row 1924 as 1925 to be consistent with the Quarterly Report's row numbering convention; 7) to move Other Jurisdictional Assets-Net (row 1810) from under the subheading Reserves to the subheading Other Investments to be consistent with Part 32, and renumber it row 1705; 8) to remove the N/A from column (q) (Information), row 1640 (COE-Switching) to allow carriers to report their assignment of switching investment to the Part 69 information sub-element; 9) to remove the N/A from column (c) (Non-regulated), row 1730 (Plant Acquisition Adjustment) to allow carriers to report the assignment of plant acquisition adjustments to their non-regulated activities; and, 10) to adopt clarified language for the instructions for Table I, column (f) (Subject to Separations); and Table II, rows 2020 and 2040 (Common Line Demand).

D. Filing Dates

17. The commenting parties requesting additional time for filing the Quarterly Report for the first quarter of 1990 maintain that ninety days after release of an ARMIS revision are necessary for the carriers to modify software and systems procedures, run validation checks, develop edit programs, and compile the reports. We have consulted with the industry and it is our belief that ninety days are not necessary for preparation of Tables I and II since they are not substantially changed. Therefore, we will allow sixty

(60) days from the release date of this Order for filing Tables I and II, and ninety (90) days for Table III because it is a new Table. All subsequent Quarterly Reports must be filed on the dates specified in Section 43.22 of the Commission's Rules.

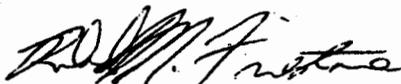
III. PAPERWORK REDUCTION ACT

17. The proposal contained herein has been analyzed with respect to the Paperwork Reduction Act of 1980 and found to impose a modified information collection requirement on the public. The current Quarterly Reporting requirements are approved by the Office of Management and Budget but the modifications described herein are subject to approval by the Office of Management and Budget as prescribed by the Act.

IV. ORDERING CLAUSE

18. Accordingly, IT IS ORDERED, pursuant to Section 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. Section 154(i), that the Quarterly Report IS REVISED, as set forth in the Appendix hereto.

FEDERAL COMMUNICATIONS COMMISSION



Richard M. Firestone
Chief, Common Carrier Bureau

APPENDIX

This document provides the instructions for FCC Report 43-01, the ARMIS Quarterly Report, which was adopted by the Commission in CC Docket No. 86-182. The instructions consist of the following two sections, which are attached:

1. Reporting Procedures - details on the specific procedures to be followed when submitting this report to the Commission.
2. Report Definition - an illustration of the rows and columns to be reported and their definitions.
3. Automated Report Specifications - the detailed automated data processing (ADP) specifications for the automated report to be filed.
4. Paper Report Specifications - the detailed specifications for the paper report to be filed.
5. COSA Code Table - the list of four letter COSA codes (CO = Company, SA = Study Area).

NOTE: These instructions supersede and completely replace the previous instructions, dated August 1989.

A. Introduction

This document contains details on the specific procedures to be followed when submitting FCC Report 43-01, the ARMIS Quarterly Report, to the Commission.

B. General Information

1. FCC Report 43-01 was adopted by the Commission in the ARMIS Order, Automated Reporting Requirements for Certain Class A and Tier 1 Telephone Companies (Parts 31, 43, 67, and 69 of the FCC's Rules), CC Docket No. 86-182, 2 FCC Rcd 5770 (1987). The report is prescribed for every local exchange carrier with operating revenues for the preceding year in excess of \$100 million.
2. Affected carriers shall file by March 31, June 30, September 30 and December 31 of each year the report for the previous calendar quarter. The initial report in this revised format will be filed in September 1990 and will contain data for the first quarter of calendar year 1990.
3. The report shall be filed on a study area (jurisdiction) basis.
4. Carriers seeking proprietary treatment for some data must provide two versions of each paper and automated report. The Confidential Version must contain all the required information (Confidential Treatment Tables/Data Records are provided to identify confidential data). The Public Version should not include data for which the carrier is seeking proprietary treatment. The carrier should prominently label the paper report and the diskette containing information subject to a claim of confidentiality to prevent inadvertent disclosure.
5. Carriers not seeking proprietary treatment for any data should provide only one version of each paper report and diskette, and the paper report and the diskette should be labeled the Unrestricted Version.
6. The Confidential Treatment Tables/Data Records are to be included in all reports but are not a substitute for applying for confidential treatment with this Commission following established Commission procedures.
7. Each report and diskette must be clearly labeled to include the report number, company, study area, period, COSA code, version and submission number. The report number is 43-01, which identifies the filing as the ARMIS Quarterly Report. The period identifies the year and quarter covered by the data. See the attached COSA Code Table (CO = Company, SA = Study Area) for a list of companies and their respective COSAs. The version refers to whether the filing is the Confidential, Public or Unrestricted Version. The submission number is defined as follows: Submission 0 is for test data purposes only. Submission 1 is the first submission of a quarter's data. Higher numbers (2, 3, etc.) would be used if

needed for successive revisions to correct that quarter's submission.

8. All correspondence and pleadings shall identify the proceeding as CC Docket 86-182.

C. Data Items That Are "Not Available" or Are "Withheld"

1. The term "Not Available" is used below to refer only to those items which the Commission has ruled are not applicable to a particular row/column or are not required for a particular filing entity. The Confidential Version must contain values for all of the data items except those items which are "Not Available." If, in addition to the required study area reports, a carrier submits a report which combines data for more than one study area, and this report includes a field such as a sum, a ratio, or a percentage that cannot be computed completely and accurately because it relies on another item which the Commission has ruled is a "Not Available" item, then that field is also considered to be "Not Available."
2. The term "Withheld" is used below to refer only to those items for which the carrier has applied for confidential treatment with the Commission and is only applicable to the Public Version. If a field such as a sum, a ratio or a percentage relies on an item or items which have been withheld and that field is not also withheld, then it must include the withheld amount. For example, a carrier could withhold the individual values for two of three numbers which are totaled. If the carrier does not also apply for confidential treatment for the total, then that total must be the sum of all three numbers, not just the one which was not withheld. The Public Version must contain values for all of the data items except those items which are "Not Available" or those items which have been "Withheld."
3. See paragraph C.5 in the attached Automated Report Specifications for data entry conventions for these items.

D. Where to File

1. Carriers submitting FCC Report 43-01 should consult the schedule below which details the number of copies required and the location to which those copies should be delivered.
2. Carriers are reminded that they must serve a copy of either the Unrestricted Version or the Public Version of both the paper report and the automated report (diskette) on the FCC's contractor for public records duplication, International Transcription Services, Inc., (ITS). These copies should be mailed to the attention of Wilbur Thomas of ITS at Suite 140, 2100 M Street, N.W., Washington, D.C. 20037 or delivered to ITS in Room 246 at FCC Headquarters, 1919 M Street, N.W., Washington, D.C. 20036.

NUMBER OF COPIESFOR CARRIERS SEEKING PROPRIETARY TREATMENT

	Trans- mittal Letter	Confi- dential Paper Report	Confi- dential Automated Report (diskette)	Public Paper Report	Public Automated Report (diskette)
FCC Secretary Room 222 1919 M Street, N.W. Washington, D.C. 20554	1	-	-	-	-
FCC Common Carrier Bureau Accounting & Audits Division 2000 L Street, N.W. Washington, D.C. 20554	1	1	1	1	1
ITS - Room 246 ATTN: Wilbur Thomas 1919 M Street, N.W. Washington, D.C. 20036	1	-	-	1	1

FOR CARRIERS NOT SEEKING PROPRIETARY TREATMENT

	Trans- mittal Letter	Unre- stricted Paper Report	Unre- stricted Automated Report (diskette)
FCC Secretary Room 222 1919 M Street, N.W. Washington, D.C. 20554	1	-	-
FCC Common Carrier Bureau Accounting & Audits Division 2000 L Street, N.W. Washington, D.C. 20554	1	1	1
ITS - Room 246 ATTN: Wilbur Thomas 1919 M Street, N.W. Washington, D.C. 20036	1	1	1

E. Footnotes

1. If any data for the current period differs materially from that for the previous period or the corresponding period of the preceding year and the difference is not self-explanatory but was caused by unusual circumstances, then include footnote text to explain the specific circumstances.
2. If the reporting carrier does not follow the procedures described in the row and column instructions of the attached Report Definition, it must explain any deviations from those procedures in an explanatory footnote. Such footnotes must provide detailed explanations of the procedures actually used by the carrier and its specific reasons for deviating from the procedures prescribed by the Commission's rules.
3. Significant out-of-period adjustments must be footnoted and fully explained.
4. Do not include explanatory footnotes in the transmittal letter. The footnote text must be included in the Footnote Text Records and the Footnote Table as specified in the Automated Report Specifications.

F. Errata

1. Carriers are under a legal obligation to correct any erroneous data discovered in FCC Report 43-01. Submissions containing corrected data must include references to indicate which data items were corrected since the previous submission.
2. These references must be included in the Erratum Records and the Erratum Table as specified in the Automated Report Specifications.

G. Certification

1. Carriers must certify the accuracy of the data submitted in FCC Report 43-01 by including a signed certification statement as the last page of the paper report.
2. The text of the certification statement is included on page 24 of 24 in the attached report definition.

H. Waivers

1. If a carrier determines that it will be unable to provide data required by FCC Report 43-01, it must file an application for waiver with the Commission following established Commission procedures. All such requests from a carrier should be included in a single application. The application must demonstrate good cause for reporting a different or lower level of detail and indicate how these deficiencies will be corrected.

2. Omission of individual data items or entries, without request for waiver, is unacceptable. One reason that compliance with the full requirements is so important is that omission of any single data entry by any carrier will jeopardize the accuracy of aggregate industry information.

1. Public Information

1. The Public or Unrestricted Versions of the paper reports filed as Report 43-01 may be examined by the public from 9:00 to 11:00 a.m. and from 2:00 to 4:00 p.m., Monday through Friday, in Room 812, 2000 L Street, N.W., Washington, D.C.
2. Copies of the Public or Unrestricted Versions of the paper or automated reports filed as FCC Report 43-01 may be obtained from the FCC's contractor for public records duplication, ITS. Parties should contact Wilbur Thomas of ITS at (202) 857-3800.

For further information regarding these procedures, contact:

Barbara Van Hagen
FCC Common Carrier Bureau
Accounting & Audits Division
(202) 634-1861

Estimated Average Burden Hours Per Response: 220 hours

SUMMARY

This document provides the Report Definition for FCC Report 43-01, the ARMIS Quarterly Report, and lists the revenue, revenue requirement, and demand data which must be provided quarterly by study area. It contains the following:

	<u>Pages</u>
Table I - Cost and Revenue Table	3 thru 4
Table II - Demand Analysis Table	5
Table III - Restated Data Table	6 thru 8
Table I - Row Instructions	9 thru 15
Table I - Column Descriptions	16 thru 18
Table II - Demand Analysis Table Definitions	19 thru 20
Table III - Row Instructions	21 thru 23
Table III - Column Descriptions	23
Certification	24

All monetary figures must be rounded to the nearest thousand dollars. All rate of return and percentage amounts (Rate of Return, Rate of Return including Refund and tax rate) must be entered in percent and must be rounded to 2 decimal places. All minutes of use figures must be rounded to the nearest thousand; all access line figures must be provided to the nearest whole number. The Rate of Return Multiplicative Factor must be rounded to four decimal places.

Items which need not be reported because they do not apply are designated by N/A. DO NOT override N/As. If a reporting carrier should wish to apply data to a field containing an N/A, the carrier should enter the amount(s) and an explanation as a footnote to the field. The amount(s) must not be entered in an N/A'd field. All other fields must be populated. If there are no data applicable to an open field, enter zero.

Do not include explanatory notes in the transmittal letter; such notes must be included in the Footnotes section of the filing.

This report definition supersedes all previously released report definitions. Please DO NOT use older report definition releases for preparation of FCC Form 43-01.

NOTICE: The ARMIS Quarterly Report collects highly aggregated financial data reflecting the results of accounting, rate base, and cost allocation requirements prescribed in Parts 32, 64, 65, 36 and 69. This report also includes a demand analysis table containing interstate access demand data and a summary data table to capture the financial impact of prior-period-adjustments that have been made since the last quarterly report. The ARMIS Quarterly Report specifies information requirements in a consistent format and is essential to the FCC to monitor revenue requirements, rate of return, jurisdictional separations and access charges. Your response is mandatory.

Public reporting burden for this collection of information is estimated to average 220 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden to the Federal Communications Commission, Office of Managing Director, Washington DC 20554, and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Washington, DC 20503.

FCC REPORT 43-01
 ARMS QUARTERLY REPORT

COMPANY: XXXXXXXXXXXXXXXXXXXXXXXX
 STUDY AREA: XXXXXXXXXXXXXXXXXX
 PERIOD: From mm yyy to mm yyy
 COBA: XXXX

XXXXXXXXXX VERSION
 SUBMISSION X
 TABLE I

TABLE I - COST AND REVENUE TABLE
 (Dollars in thousands)

Row	Classification (a)	Total (b)	Monies (c)	SFYA and Infra-co Adjustments (d)	All Other Adjustments (e)	Subject to Expropriations (f)	State (g)	Interstate (h)	Common Line			Total (m)
									Pay (i)	Inside Wire (j)	RFF (k)	
Revenues												
1010	Basic Local Service		N/A						N/A	N/A	N/A	N/A
1020	Network Access Services		N/A						N/A	N/A	N/A	N/A
1030	Toll Network Services		N/A						N/A	N/A	N/A	N/A
1040	Miscellaneous		N/A						N/A	N/A	N/A	N/A
1050	Settlements		N/A						N/A	N/A	N/A	N/A
1060	Uncollectibles		N/A						N/A	N/A	N/A	N/A
1090	Net Revenues								N/A	N/A	N/A	N/A
Expenses												
1110	Equal Access Expenses	N/A							N/A	N/A	N/A	N/A
1120	Plant Specific											
1130	Plant Non-Specific											
1140	Customer Operations Marketing											
1150	Customer Operations Services											
1160	Corporate Operations											
1170	Access		N/A									
1180	Depreciation/Amortization											
1185	FCC Expense Adjustment	N/A	N/A	N/A	N/A	N/A	N/A					
1190	Total Operating Expenses											
Other Operating Items												
1290	Other Operating Income/Losses											
Non-operating Items												
1320	Inc Effect/Jurisdiction Differenc		N/A	N/A				N/A	N/A	N/A	N/A	N/A
1330	Extraordinary Items											
1340	AT&TCC											
1350	Special Charges											
1360	All Other Non-operating Items											
1370	FCC Non-operating Adjustment	N/A	N/A	N/A	N/A	N/A	N/A					
1390	Total Non-operating Items											
Other Taxes												
1410	State and Local Income								N/A	N/A	N/A	N/A
1420	Other State and Local								N/A	N/A	N/A	N/A
1490	Total Other Taxes								N/A	N/A	N/A	N/A
Federal Income Taxes												
1510	Fixed Charges											
1520	IRE Income Adjustment		N/A									
1530	FCC Taxable Income Adjustment	N/A	N/A		N/A	N/A	N/A					
1540	IRC Amortization											
1550	FCC IRC Adjustment	N/A	N/A	N/A	N/A	N/A	N/A					
1590	Federal Income Taxes								N/A	N/A	N/A	N/A
Plant-in-Service												
1610	Equal Access Investment	N/A							N/A	N/A	N/A	N/A
1620	Support Plant											
1630	Operator Systems Equipment								N/A	N/A	N/A	N/A
1640	COE-Switching								N/A	N/A	N/A	N/A
1650	COE-Transmission								N/A	N/A	N/A	N/A
1660	Cable and Wire Facilities								N/A	N/A	N/A	N/A
1670	DOT Equipment								N/A	N/A	N/A	N/A
1680	Amortisable Assets											
1690	Total Plant											
Other Investments												
1705	Other Jurisdictional Assets-Net		N/A	N/A					N/A	N/A	N/A	N/A
1710	Property Held for Future Use											
1720	Plant Under Construction											
1730	Plant Acquisition Adjustment			N/A								
1740	Investment in Nonaffiliated Cos											
1750	Other Deferred Charges											
1760	Inventories											
1770	Cash Working Capital	N/A	N/A	N/A	N/A	N/A	N/A					
1780	FCC Investment Adjustment	N/A	N/A	N/A	N/A	N/A	N/A					
1790	Total Other Investments											
Reserves												
1820	Accumulated Depreciation											
1830	Accumulated Amortization											
1840	Deferred FTY											
1850	Customer Penalties											
1870	Other Deferred Credits											
1880	Other Juris Liab & Deferr Crs-Net		N/A	N/A								
1885	FCC Reserve Adjustment	N/A	N/A	N/A	N/A	N/A	N/A					
1890	Total Reserves											
Returns Data												
1910	Average Net Investment	N/A	N/A	N/A	N/A	N/A	N/A					
1915	Net Return	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1920	Rate of Return	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1925	FCC Ordered Refund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1935	Refund Adjusted for Taxes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1930	Net Return Including FCC Refund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1935	Rate of Return (Including refund)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Miscellaneous Data												
1950	Lifeline Adjustment	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
1960	Universal Service Fund	N/A	N/A	N/A	N/A				N/A	N/A	N/A	N/A
1970	Common Line Support-Long Term	N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A
1980	Common Line Support-Transitional	N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A

COMPANY: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
 STUDY AREA: xxxxxxxxxxxxxxxxxxxxxxxxxxxx
 PERIOD: Reporting Period Ending mmm yyyy
 COSA: xxxx

xxxxxxxxxxxxx VERSION
 SUBMISSION x
 TABLE III
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TABLE III - RESTATED DATA TABLE
 (Dollars in thousands)

Row	Classification (a)	Subject to Separations		
		Current	EP to	Previous
		Quarter (b)	Date (c)	EP (d)
3010	Net Revenues			
3020	Total Operating Expenses			
3030	Other Operating Income/Losses			
3040	Total Non-Operating Items			
3050	Total Other Taxes			
3060	Total Federal Income Taxes			
3070	Total Plant-in-Service			
3080	Total Other Investments			
3090	Total Reserves			
4000	Average Net Investment			
4010	Net Return	N/A	N/A	N/A
4020	Rate of Return	N/A	N/A	N/A
4030	FCC Ordered Refund	N/A	N/A	N/A
4040	Refund Adjusted for Taxes	N/A	N/A	N/A
4050	Net Return Including FCC Refund	N/A	N/A	N/A
4060	Rate of Return Including Refund	N/A	N/A	N/A

Row	Classification (a)	Interstate Access		
		Current	EP to	Previous
		Quarter (e)	Date (f)	EP (g)
3010	Net Revenues			
3020	Total Operating Expenses			
3030	Other Operating Income/Losses			
3040	Total Non-Operating Items			
3050	Total Other Taxes			
3060	Total Federal Income Taxes			
3070	Total Plant-in-Service			
3080	Total Other Investments			
3090	Total Reserves			
4000	Average Net Investment			
4010	Net Return			
4020	Rate of Return			
4030	FCC Ordered Refund			
4040	Refund Adjusted for Taxes			
4050	Net Return Including FCC Refund			
4060	Rate of Return Including Refund			

COMPANY: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
 STUDY AREA: xxxxxxxxxxxxxxxxxxxxxxxxxxxx
 PERIOD: Reporting Period Ending mmm yyyy
 COSA: xxxx

xxxxxxxxxxxxx VERSION
 SUBMISSION x
 TABLE III
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TABLE III - RESTATED DATA TABLE
 (Dollars in thousands)

		Common Line		
Row	Classification	Current Quarter	EP to Date	Previous EP
	(a)	(h)	(i)	(j)
3010	Net Revenues			
3020	Total Operating Expenses			
3030	Other Operating Income/Losses			
3040	Total Non-Operating Items			
3050	Total Other Taxes			
3060	Total Federal Income Taxes			
3070	Total Plant-in-Service			
3080	Total Other Investments			
3090	Total Reserves			
4000	Average Net Investment			
4010	Net Return			
4020	Rate of Return			
4030	FCC Ordered Refund			
4040	Refund Adjusted for Taxes			
4050	Net Return Including FCC Refund			
4060	Rate of Return Including Refund			

		Traffic Sensitive		
Row	Classification	Current Quarter	EP to Date	Previous EP
	(a)	(k)	(l)	(m)
3010	Net Revenues			
3020	Total Operating Expenses			
3030	Other Operating Income/Losses			
3040	Total Non-Operating Items			
3050	Total Other Taxes			
3060	Total Federal Income Taxes			
3070	Total Plant-in-Service			
3080	Total Other Investments			
3090	Total Reserves			
4000	Average Net Investment			
4010	Net Return			
4020	Rate of Return			
4030	FCC Ordered Refund			
4040	Refund Adjusted for Taxes			
4050	Net Return Including FCC Refund			
4060	Rate of Return Including Refund			

COMPANY: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
 STUDY AREA: xxxxxxxxxxxxxxxxxxxxxxxx
 PERIOD: Reporting Period Ending mmm yyyy
 COSA: xxxx

xxxxxxxxxxxxx VERSION
 SUBMISSION x
 TABLE III
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TABLE III - RESTATED DATA TABLE
 (Dollars in thousands)

Row	Classification (a)	Special Access		
		Current Quarter (n)	EP to Date (o)	Previous EP (p)
3010	Net Revenues			
3020	Total Operating Expenses			
3030	Other Operating Income/Losses			
3040	Total Non-Operating Items			
3050	Total Other Taxes			
3060	Total Federal Income Taxes			
3070	Total Plant-in-Service			
3080	Total Other Investments			
3090	Total Reserves			
4000	Average Net Investment			
4010	Net Return			
4020	Rate of Return			
4030	FCC Ordered Refund			
4040	Refund Adjusted for Taxes			
4050	Net Return Including FCC Refund			
4060	Rate of Return Including Refund			

RELATED DATA

Row	Classification (a)	Amount (q)
5000	Tax Rate	
5010	ROR Multiplicative Factor	

TABLE I - COST AND REVENUE TABLE

GENERAL INSTRUCTIONS

Table I requires the quarterly reporting of data on a current year to date basis for 20 columns and for 73 rows that contain revenue, expense, reserve and investment data for all aspects of the carriers' operations.

ROW INSTRUCTIONS

Each row is an element related to a study area's revenue or revenue requirement.

<u>Row</u>	<u>Item Description</u>
<u>Revenues</u>	
1010.	Basic Local Service - The total of accounts 5001 through 5060.
1020.	Network Access Services - The total of accounts 5081 through 5084.
1030.	Toll Network Services - The total of accounts 5100, 5110 and 5121 through 5160, exclusive of account 5129.
1040.	Miscellaneous - The total of accounts 5230 through 5250, 5261 through 5264, 5270 and 5280.
1050.	Settlements - The total of accounts 5069, 5129, 5169 and 5269. Carriers which do not retain the Class A accounts throughout separations and access reporting will include these amounts in the Class B accounts reported on rows 1010, 1030 and 1040.
1060.	Uncollectibles - The total of accounts 5301 and 5302.
1090.	Net Revenues - The total of rows 1010 through 1050 less row 1060.
<u>Expenses</u>	
1110.	Equal Access - This amount is equal to the total of all amounts that have been removed from the primary expense accounts pursuant to Section 36.421. Such expenses include only those expenses which are directly related to the provision of equal access. Equal access expenses must be reported on this row in the following columns, as appropriate: columns (e), (f), (g), (h) and (o) (if the reporting carrier has an equal access rate element) or, columns (n) and (p) (if the reporting carrier does not have an equal access rate element), and in columns (r) and (t). Total company equal access expenses must be included on rows 1120 through 1185, except row 1170, for column (b) and must be adjusted out of these rows in column (e). In column (o) these expenses must be included in rows 1110 through 1190, except row 1170. In column (o) row 1110 will equal the same amount as row 1190. The total of rows 1120 through 1185 will equal the same amount as row 1110 and row 1190. (Do not include rows 1120 through 1185 in row 1190 because the total of these rows is already included on row 1110.)

1120. Plant Specific - The total of accounts 6112 through 6116, 6121 through 6124, 6211 through 6220, 6231, 6232, 6311 through 6362, and 6411 through 6441.
1130. Plant Non-Specific - The total of accounts 6511, 6512 and 6531 through 6535.
1140. Customer Operations Marketing - The total of accounts 6611 through 6613.
1150. Customer Operations Services - The total of accounts 6621 through 6623.
1160. Corporate Operations - The total of accounts 6711, 6712, 6721 through 6728 and 6790.
1170. Access - The balance of account 6540.
1180. Depreciation/Amortization - The total of accounts 6561 through 6565.
1185. FCC Expense Adjustment - This amount shall contain the net of: (1) expense and other tax items not included above which the Commission has expressly allowed for ratemaking purposes; and (2) expense and other tax items included above which the Commission has expressly excluded for ratemaking purposes. A positive value represents a net allowance and a negative value represents a net disallowance.
1190. Total Operating Expenses - The total of rows 1110 through 1185. In column (o) this amount equals the total of rows 1120 through 1185.

Other Operating Items

1290. Other Operating Income/Losses - This amount shall contain the net of accounts 7110 through 7160 and 7990. A positive value represents income and a negative value represents loss.

Non-operating Items

1320. Income Effects of Jurisdictional Ratemaking Differences (Net) - The balance of account 7910. A positive value represents an increase to net income and a negative value represents a decrease to net income.
1330. Extraordinary Items - The total of accounts 7610 through 7640. Amounts excluded from ratemaking are removed in row 1370. A positive value represents an income credit and a negative value represents an income charge.
1340. Allowance for Funds Used During Construction - The balance of account 7340. Amounts excluded from ratemaking are removed in row 1370.
1350. Special Charges - The balance of account 7370. Amounts excluded from ratemaking are removed in row 1370.
1360. All Other Non-operating Items - The total of accounts 7310 through 7330, 7350 and 7360. Amounts excluded from ratemaking are removed in row 1370. A positive value represents income and a negative value represents a loss.

1370. FCC Non-operating Adjustment - This amount shall contain the net of: (1) non-operating items not included above which the Commission has expressly allowed for ratemaking purposes; and (2) non-operating items included above which the Commission has expressly excluded for ratemaking purposes. A positive value represents a net allowance and a negative value represents a net disallowance.
1390. Total Non-operating Items - The total of rows 1350 and 1370 less rows 1320, 1330, 1340 and 1360.

Other Taxes

1410. State and Local Income - The total of accounts 7230 and the appropriate portion of account 7250 for column (b). For column (c) enter the amount calculated pursuant to the reporting carrier's Cost Allocation Manual. Enter the amount applicable to SNFAs and intra-company transactions in column (d). For columns (f) through (v) allocate this amount between the state and interstate jurisdictions pursuant to Section 36.412, and allocate the interstate amount among the access elements pursuant to Section 69.402(a).
1420. Other State and Local - The balance of account 7240 for column (b). For column (c) enter the amount calculated pursuant to the reporting carrier's Cost Allocation Manual. Enter the amount applicable to SNFAs and intra-company transactions in column (d). Calculate this amount for the remaining columns pursuant to Section 36.412.
1490. Total Other Taxes - The total of rows 1410 and 1420.

Federal Income Taxes

1510. Fixed Charges - The amount of fixed charges (accounts 7510, 7520, 7530 and 7540) attributable to the operations is obtained by subtracting the tax component (positive or negative) attributable to nonoperating fixed charges (the ratio of nonoperating investment to total investment). Enter only the amount attributable to operating fixed charges in this row.
1520. IRS Income Adjustment - This amount is the difference between taxable income reported for IRS purposes and the taxable income shown in accordance with Part 32. A positive value represents a net increase to taxable income and a negative value represents a net decrease to taxable income.
1530. FCC Taxable Income Adjustment - This shall contain the net of: (1) taxable income not included above which the Commission has expressly allowed for ratemaking purposes; and (2) taxable income included above which the Commission has expressly excluded for ratemaking purposes. A positive value represents a taxable income allowance and a negative value represents a taxable income disallowance.

1540. Investment Tax Credit Amortization - Enter the unamortized balance of account 7210 in columns (b) and (c). Enter the amortized balance of account 7210 in columns (d) and (f) through (v).
1550. FCC Investment Tax Credit Adjustment - This shall contain the net of: (1) ITC not included above which the Commission has expressly allowed for ratemaking purposes; and (2) the ITC included above which the Commission has expressly excluded for ratemaking purposes. A positive value represents a net allowance to amortized investment tax credit and a negative value represents a net disallowance.
1590. Net Federal Income Taxes - For column (b), enter the total of accounts 7220 and the appropriate portion of 7250 minus the amortized amount of account 7210. For column (c) enter the amount calculated pursuant to the reporting carrier's Cost Allocation Manual. For column (e) this amount is the total of rows 1510 and 1540. For columns (d) and (f) through (v), calculate this amount by applying the applicable statutory federal income tax rate to the adjusted taxable income (row 1090 plus rows 1290, 1520 and 1530 less rows 1190, 1390, 1490, 1510) less rows 1540 and 1550). (i.e., tax rate x 1070 + 1290 + 1520 + 1530 - 1190 - 1390 - 1490 - 1510 - [1540 - 1550].)

Plant-in-Service

All investment data reported in columns (f) through (v) must be calculated by one of two methods: (1) divide the sum of average monthly investments by the number of months in the reporting period; (2) divide the sum of the investment balance for the end of the previous year and the end of the month investment balances for each month in the current reporting period by the number of months in the reporting period plus 1. Investment data reported in columns (b), (c) and (d) are reported as booked.

1610. Equal Access Investment - This amount is equal to the total of all amounts that have been removed from the primary investment accounts pursuant to Section 36.191. Such investment includes only that investment which is directly related to the provision of equal access. Equal access investment must be reported on this row in the following columns, as appropriate: columns (e), (f), (g), (h) and (o) (if the reporting carrier has an equal access rate element) or, columns (n) and (p) (if the reporting carrier does not have an equal access rate element), and in columns (r) and (t). Total company equal access investment must be included on rows 1620 through 1680 for column (b) and must be adjusted out of these rows in column (e). In column (o) these investments must be included in rows 1610 through 1690. In column (o) row 1610 will equal the same amount as row 1690. The total of rows 1620 through 1680 will equal the same amount as row 1610 and row 1690. (Do not include rows 1620 through 1680 in row 1690 because the total of these rows is already included on row 1610.

1620. Support Plant - The total of accounts 2111 through 2124.
1630. Operator Systems Equipment - The balance of account 2220.
1640. Central Office Equipment-Switching - The total of accounts 2211 through 2215.
1650. Central Office Equipment-Transmission - The total of accounts 2231 and 2232.
1660. Cable and Wire Facilities - The total of accounts 2411 through 2441.
1670. Information Origination/Termination Equipment - The total of accounts 2311 through 2362.
1680. Amortizable Assets - The total of accounts 2681, 2682 and 2690.
1690. Total Plant - The total of rows 1610, 1620, 1630, 1640, 1650, 1660, 1670 and 1680. In column (o) this amount equals the total of rows 1620, 1630, 1640, 1650, 1660, 1670 and 1680.

Other Investments

1705. Other Jurisdictional Assets-Net - The balance of Account 1500. A positive value represents a reduction to assets and a negative value represents an increase to assets.
1710. Property Held for Future Telecommunications Use - The balance of account 2002.
1720. Telecommunications Plant Under Construction - The total of accounts 2003 and 2004. Amounts excluded from ratemaking are removed in row 1780.
1730. Plant Acquisition Adjustment - The balance of account 2005. Amounts excluded from ratemaking are removed in row 1780.
1740. Investment in Nonaffiliated Companies - The balance of account 1402. The amount directly related to Class B Rural Telephone Bank Stock shall be included in the rate base. Amounts excluded from ratemaking are removed in row 1780.
1750. Other Deferred Charges - The balance of accounts 1438 and 1439. Amounts excluded from ratemaking are removed in row 1780.
1760. Inventories - The balance of account 1220.
1770. Cash Working Capital - This amount equals that portion of investment required to meet current expenses. The calculation of this amount shall take into account revenue and expense items which are received or paid for before the service is rendered and expense items received or disbursed after the service is rendered. This amount must be developed pursuant to CC Docket 86-497.
1780. FCC Investment Adjustment - This amount shall contain the net of: (1) investment items not included above which the Commission has expressly allowed for ratemaking purposes; and (2) investment items included above which the Commission has expressly excluded for ratemaking purposes. A positive value represents a net asset allowance and a negative value represents a net disallowance.
1790. Total Other Investments - The total of rows 1705 through 1780.

Reserves

1820. Accumulated Depreciation - The total of accounts 3100 and 3200.
1830. Accumulated Amortization - The total of accounts 3410, 3420, 3500 and 3600.
1840. Deferred Federal Income Taxes - The total of accounts 4100 and 4340.
1850. Customer Deposits - The balance of account 4040. This amount is separated between state and interstate by application of the interstate plant factor or special study. The interstate plant factor is calculated by dividing interstate plant-in-service by total plant-in-service.¹
1870. Other Deferred Credits - The balance of account 4360. Amounts excluded from ratemaking are removed in row 1885.
1880. Other Jurisdictional Liabilities and Deferred Credits-Net - The balance of accounts 4310 and 4370.
1885. FCC Reserve Adjustment - This amount shall contain the net of: (1) reserve items not included above which the Commission has expressly included for ratemaking purposes; and (2) reserve items included above which the Commission has expressly excluded for ratemaking purposes. A positive value represents a net reserve allowance and a negative value represents a net reserve disallowance.
1890. Total Reserves - The total of rows 1820 through 1885.

Return Data

1910. Average Net Investment - The total of rows 1690 and 1790 less row 1890.
1915. Net Return - The total of rows 1090 and 1290 less rows 1190, 1390, 1490 and 1590.
1920. Rate of Return - Line 1915 divided by line 1910, multiplied by the appropriate annualizing factor, times 100.
1925. FCC Ordered Refund - This amount should be developed in accordance with CC Docket 84-800, Phase I.
1926. Refund Adjusted for Taxes - To calculate this amount multiply row 1925 by the tax rate (see Table III, row 5000) and subtract the result from row 1925.

¹ This method for separation of customer deposits between state and interstate will be used as an interim measure until such time as provision is made for separation of customer deposits in Part 36 of the Commission's Rules. See Amendment of Part 65 of the Commission's Rules to Prescribe Components of the Rate Base and Net Income of Dominant Carriers, Report and Order, 3 FCC Rcd 269 (1987).

1930. Net Return Including FCC Refund - The total of lines 1915 and 1926.
1935. Rate of Return Including FCC Refund - Line 1930 divided by line 1910, multiplied by the appropriate annualizing factor, times 100.

Miscellaneous Data

1950. Lifeline Adjustment - Enter this amount pursuant to Part 36.701.
1960. Universal Service Fund - Carriers with higher than average non-traffic-sensitive loop costs must report their interstate allocation, as reported to NECA for this reporting period, on this line.
1970. Common Line Support-Long Term - Enter the amount of long term support submitted to NECA pursuant to Part 69.112(a). This item is a negative amount.
1980. Common Line Support-Transitional - Enter the amount of transitional support received (positive amount) or disbursed (negative amount) pursuant to Part 69.112(b).

TABLE 1 - COLUMN DESCRIPTIONS

Each column is a cost category, access element, or summary thereof, specified in the Commission's Rules. Columns (b), (c) and (d) shall be reported as booked. Column (e) shall contain the off-book adjustments necessary to arrive at the amount subject to separations. The remaining columns shall be reported as adjusted.

<u>Column</u>	<u>Description</u>
b.	<u>Total</u> - This column reflects the operating results for each of the rows itemized in this report, and includes all regulated and nonregulated company operations for each row. These amounts are represented prior to separation between state and interstate jurisdictions and are reported as booked.
c.	<u>Nonregulated</u> - This column reflects the amount of each row pertaining to nonregulated activities in compliance with Docket 86-111. These amounts are reported as booked.
d.	<u>SNFA and Intra-company Adjustments</u> - This column reflects adjustments made to each row for costs related to shared network facility arrangements and intra-company subsidiary contracts. These amounts are reported as booked.
e.	<u>All Other Adjustments</u> - This column reflects all remaining adjustments such as: prior period adjustments and accounting adjustments necessary to arrive at the amount subject to separation. In addition, adjustments to accommodate reallocation of common power costs in Part 36 from the assignment method used in Part 32 should be entered in this column. The affected rows are 1630, 1640 and 1650. Although the reallocation of common power costs between COE categories does not occur until COE is jurisdictionally separated, the adjustments for the reallocated cost must be entered in column (e) and the amount as adjusted for reallocation must be entered in column (f) to preserve the linear integrity of the Quarterly Report. If these adjustments are not entered in column (e), and the adjusted amount is not entered in column (f), column (h) will not equal columns (t) plus (u) plus (v) on these rows. Please footnote the amount(s) of common power cost dollar shifts.
f.	<u>Subject to Separations</u> - This column reflects that portion of each row that must be allocated between state and interstate jurisdictions pursuant to Part 36 of the Commission's Rules. Column (b) less columns (c), (d) and (e). This amount also equals the total of columns (g) and (h) except for those rows where an N/A appears in column (g).

- g. State - This column reflects that portion of each row that is allocated to the state jurisdiction for which this schedule is being filed, pursuant to Part 36 of the Commission's Rules. The cost of detariffed CPE shall be entered in this column pursuant to Part 36.142.
- h. Interstate - This column reflects that portion of each row that is allocated to the interstate jurisdiction for which this schedule is being filed, pursuant to Part 36 of the Commission's Rules.
- Common Line - These columns reflect those amounts that are assigned to the common line access element pursuant to Part 69 of the Commission's Rules. These costs are recovered through Subscriber Line Charges and a carrier common line charge assessed upon all interexchange carriers who use local exchange common line facilities for the provision of interstate or foreign telecommunications services.
- i. Pay - This column reflects that portion of each row applicable to Pay Telephone Common Line Access charges pursuant to Part 69 of the Commission's Rules.
- j. Inside Wire - This column reflects that portion of each row applicable to Common Line Access charges associated with inside wire pursuant to Part 69 of the Commission's Rules.
- k. Base Factor Portion (BFP) - This column reflects that portion of Common Line Access charges not assigned to Pay, Inside Wire or CPE pursuant to Part 69 of the Commission's Rules
- m. Total Common Line - The total of columns (i) through (k), unless the row item is not apportioned among the common line subelements because of the aggregate carrier common line charge. In these instances, total common line will be the only field populated for common line and will not, therefore, equal the total of columns (i) through (k).
- Traffic Sensitive - Traffic Sensitive plant is engineered to handle anticipated volumes of calls. These columns reflect those amounts that are assigned to the Traffic Sensitive Access elements and subelements pursuant to Part 69 of the Commission's Rules.
- n. Switching - This column reflects that portion of each row associated with connection of toll lines to toll lines, or toll lines to local central offices, exclusive of equal access costs if the exchange carrier has a separate equal access rate element. The amounts entered in this column are applicable to the Local Switching Access element pursuant to Part 69 of the Commission's Rules.

- o. Equal Access - This column includes only initial incremental expenditures for hardware and other equipment, and initial incremental presubscription costs related to the provision of equal access which would not be required absent the provision of equal access. This column applies to only those carriers having a separate equal access rate element.
- p. Transport - This column reflects that portion of each line item applicable to charges assessed upon all interexchange carriers who use switching or transport facilities that are apportioned to the transport element or elements for purposes of apportioning net investment. The amounts entered in this column are assigned to the Transport Access element pursuant to Part 69 of the Commission's Rules.
- q. Information - This column reflects that portion of each row applicable to charges assessed upon all interexchange carriers who are connected to assistance boards through interexchange directory assistance trunks. The amounts entered in this column are assigned to the Information Access element pursuant to Part 69 of the Commission's Rules.
- r. Total Traffic Sensitive - The total of columns (n) through (q).
- s. Special Access - This column reflects that portion of each row applicable to the total of all sub-elements that have been established for the use of equipment or facilities assigned to the Special Access element for purposes of apportioning net investment. The amounts entered in this column are assigned to the Special Access element pursuant to Part 69 of the Commission's Rules.
- t. Total Access - The total of columns (m), (r) and (s).
- u. Billing and Collection - This column reflects that portion of each row applicable to Billing and Collection services pursuant to Part 69 of the Commission's Rules.
- v. Interexchange (IX) - This column reflects that portion of each row applicable to Interexchange services pursuant to Part 69 of the Commission's Rules.

TABLE II - DEMAND ANALYSIS TABLEDEFINITIONS

Originating minutes of use (MOU) is a measurement of traffic on originating MTS and MTS-like common lines.

Terminating MOU is a measurement of traffic on terminating MTS and MTS-like, originating 800, terminating outWATS, originating open-end-FX and terminating open-end-FX common lines.

Premium carrier common line (CCL) MOU is a measurement of Feature Group A (FGA) and Feature Group B (FGB) traffic originating from or terminating at offices converted to equal access, plus all Feature Group C (FGC), Feature Group D (FGD), and interstate/intraLATA MOU, excluding closed-end WATS and WATS type MOU.

Non-Premium CCL MOU is a measurement of FGA and FGB access MOU originating and/or terminating at offices not converted to equal access.

Rows 2010 through 2060 of this table should contain monthly details of quarterly data. Rows 2090 through 2150 should be reported as of the end of the quarter.

MONTHLY DATA - END OF QUARTER VIEW

<u>Row</u>	<u>DESCRIPTION</u>
2010.	Originating Premium CCL MOU are calculated by dividing the originating premium CCL revenue reported to the pool by the originating premium CCL rate, calculated pursuant to Section 69.105.
2020.	Terminating Premium CCL MOU are calculated by dividing the terminating premium CCL revenue by the terminating premium CCL rate, calculated pursuant to Section 69.105.
2030.	Originating Non-Premium CCL MOU are calculated by dividing the originating Non-Premium CCL revenues reported to the pool by the product of the originating premium rate and .45, pursuant to Section 69.113.
2040.	Terminating Non-Premium CCL MOU are calculated by dividing the terminating Non-Premium CCL revenues by the product of the terminating premium CCL rate and .45, calculated pursuant to Section 69.113.
2050.	Total premium traffic sensitive MOU are calculated using premium local switching revenues and the appropriate rates.

2060. Total Non-Premium traffic sensitive MOU are calculated using non-premium local switching revenues and the appropriate rates.

QUARTERLY DATA

2090. Single line business customer premises terminations (CPTs) subject to the single line business interstate subscriber line charge, excluding company official, mobile radiotelephone and public telephone. CPTs are commonly referred to as "main station equivalents" or "billable units". A CPT is a line termination at the customer premises, rather than at the central office. Enter end of quarter in service amounts.
2100. Residence lifeline CPTs for which the interstate subscriber line charge is reduced or waived. The decision to implement a lifeline plan is left to the individual state commission. Enter end of quarter in service amounts.
2110. Residence non-lifeline CPTs subject to the residence interstate subscriber line charge, excluding lifeline CPTs. Enter end of quarter in service amounts.
2120. The total of multiline business CPTs subject to the multiline business interstate subscriber line charge including multiline semi-public lines, PBX trunks, Centrex CU trunks, hotel/motel LD trunks and Centrex CO lines ordered after July 27, 1983 and Centrex CO and CTX CO-like lines in service or ordered as of July 27, 1983. Enter end of quarter in service amounts for all of these items.
2140. Special access lines subject to a \$25 surcharge, including WATS lines, as appropriate, after June 1, 1986. Enter end of quarter in service amounts.
2150. Total billable access lines is the sum of rows 2090 through 2140.

TABLE III - RESTATED DATA TABLE

GENERAL INSTRUCTIONS

Table III requires current quarter data, enforcement period to date data, and cumulative previous enforcement period data for 16 key elements for each of the following categories: Subject to Separations, Interstate Access, Common Line, Traffic Sensitive, and Special Access.

Amounts reported for the current quarter and for the enforcement period to date shall include all adjustments necessary to reflect the proper ratemaking amounts for the applicable reporting period. Amounts reported for the previous enforcement period shall reflect the cumulative amounts for that period including all necessary adjustments applicable to the previous period, through the end of the quarter covered by this report.

Data entered in the current quarter columns include only revenues earned and costs incurred during the reporting period. Amounts reported in these columns shall agree with amounts in Table I for the first quarter of each year and with corresponding amounts reported in the current quarter column of the FCC Form 492. Amounts reported in the enforcement period to date columns shall correspond to amounts reported in the cumulative columns of the FCC Form 492. Previous enforcement period columns shall report cumulative data for the immediately preceding enforcement period including all adjustments to that enforcement period's data.

ROW INSTRUCTIONS

- 3010. Net Revenues - Net revenues, as described in Table I, row 1090; or FCC Form 492, row 1.
- 3020. Total Operating Expenses - Enter operating expenses, as described in Table I, row 1190 in this row.
- 3030. Other Operating Income/Loss - Enter other operating income or losses, as described in Table I, row 1290, in this row.
- 3040. Total Non-Operating Items - Enter non-operating items, as described in Table I, row 1390, in this row.
- 3050. Total Other Taxes - Enter other taxes, as described in Table I, row 1490, in this row.
- 3060. Total Federal Income Taxes - Enter federal income taxes, as described in Table I, row 1590, in this row.

All investment data must be calculated by one of two methods: (1) divide the sum of average monthly investments by the number of months in the reporting period; (2) divide the sum of the investment balance for the end of the previous period and the end of month investment balances for each month in the current reporting period by the number of months in the reporting period plus one.

3070. Total Plant-in-Service - Enter plant-in-service, as described in Table I, row 1690, in this row.
3080. Total Other Investments - Enter all other investments, as described in Table I, row 1790, in this row.
3090. Total Reserves - Enter total reserves, as described in Table I, row 1890, in this row.
4000. Average Net Investment - Enter the total of rows 3070 and 3080 less row 3090. Average Net Investment is described in Table I for row 1910; and in FCC Form 492, row 4.
4010. Net Return - Enter the total of rows 3010 and 3030 less 3020, 3040, 3050 and 3060. Net Return is described in Table I, row 1915; and In FCC Form 492, row 3.
4020. Rate of Return - Calculate by dividing row 4010 by row 4000 and annualizing with the appropriate multiplicative factor as reported on row 5010.
4030. FCC Ordered Refund - This amount shall be developed in accordance with CC Docket 84-800, Phase I. FCC Ordered Refund is described in Table I, row 1925; and in FCC Form 492, row 6.
4040. Refund Adjusted for Taxes - To calculate this amount multiply row 4030 by the tax rate (see row 5000) and subtract the result from row 4030. Refund Adjusted for Taxes is described in Table I, row 1926; and in FCC Form 492, Line 6 instructions, row 4.
4050. Net Return Including FCC Refund - The total of rows 4010 and 4040. Net Return Including FCC Refund is described in Table I, row 1930; and in FCC Form 492, row 7.

4060. Rate of Return Including Refund - Row 4050 divided by row 4000 annualized with a multiplicative factor appropriate for the enforcement period. Rate of Return Including Refund is described in Table I, row 1935; and in FCC Form 492, row 8.
5000. Tax Rate - Enter the tax rate applicable to row 4040. The tax rate is calculated in FCC Form 492, Line 6 instructions, row 3.
5010. ROR Multiplicative Factor - Enter the multiplicative factor used for annualizing rate of return for the enforcement period to date. The following factors shall be used for the appropriate period:

Current Quarter	4.0000
Prior Enforcement Period	0.5000
Enforcement Period To Date:	
First Quarter	4.0000
Second Quarter	2.0000
Third Quarter	1.3333
Fourth Quarter	1.0000
Fifth Quarter	0.8000
Sixth Quarter	0.6667
Seventh Quarter	0.5714
Eighth Quarter	0.5000

COLUMN INSTRUCTIONS

Columns (b), (e), (h), (k) and (n) reflect the amounts assigned to: subject to separations, interstate access, common line, traffic sensitive and special access for the current reporting period.

Columns (c), (f), (i), (l) and (o) reflect the cumulative amounts assigned to: subject to separations, interstate access, common line, traffic sensitive and special access for the current enforcement period.

Columns (d), (g), (j), (m) and (p) reflect the cumulative amounts assigned to: subject to separations, interstate access, common line, traffic sensitive and special access for the prior enforcement period.

CERTIFICATION

I certify that I am an officer of _____;
that I have examined the foregoing report and that to the best of my
knowledge, information, and belief, all statements of fact contained in this
report are true and that said report is an accurate statement of the affairs
of the above named respondent in respect to the data set forth herein for
the period from _____ to _____.

PRINTED NAME _____

POSITION _____

SIGNATURE _____

DATE _____

(Persons making willful false statements in this report form can be punished
by fine or imprisonment under the Communications Act, 47 U.S.C. 220(e).)

CONTACT PERSON _____

TELEPHONE NUMBER _____