

Before the
Federal Communications Commission
Washington, D.C. 20554

RAO Letter 6

Revised: February 13, 1989; Released: February 27, 1989

Responsible Accounting Officers

Part 32. Uniform System of Accounts for Telecommunications Companies (USOA)— Item Lists

Responsible Accounting Officer Letter No. 6 (RAO 6), issued June 26, 1987, contains a set of item lists for Telecommunications Plant in Service accounts in Part 32 of the Commission's rules. This RAO letter is issued for the purpose of amending the lists in RAO 6 as discussed below.

1. In a letter to the Chief, Accounting and Audits Division, dated September 30, 1988, Southwestern Bell Telephone requested that the item lists in RAO 6 be revised with respect to the classification of signal transfer points (STPs). The item lists in RAO 6 show STPs to be classifiable to Account 2232, Circuit Equipment. Southwestern Bell states, however, that STPs are packet switches that direct signaling messages among facilities in order to obtain and distribute switching instructions. As such, Southwestern Bell states that STPs should be included in Account 2212, Digital Electronic Switching. In addition, it claims that the elimination of STPs from the item list for Circuit Equipment and their addition to the list for Digital Electronic Switching will provide consistent accounting classification among companies subject to Part 32.

In a December 7, 1988 *ex parte* meeting in CC Docket 86-10, the United States Telephone Association (USTA) expressed "the local exchange carriers' consensus views" relative to this classification issue.¹ According to the discussion and the USTA filing on record in Docket 86-10, the local exchange carriers' consensus is, consistent with Southwestern Bell's, that STPs are classifiable to a switching account, specifically Account 2212.

Considering the views presented, we are including STPs in the item list for Account 2212 and, in the interest of uniformity in accounting for this item, deleting STPs from the list for Account 2232.

2. On July 22, 1988, the Commission amended the USOA to increase from \$200 to \$500 the limit for expensing specified individual items of equipment that, absent the expense limitation, would be recorded in certain plant accounts, including central office plant accounts.² Consistent with this change, the phrase "(Test equipment and tools which cost less than \$200 . . .)" in the item lists for the Central Office Asset Accounts³ is hereby amended to read "(Test equipment and tools which cost less than \$500 . . .)".

This letter is issued under Section 0.291 of the Commission's rules. Application for review under Section 1.115 of the Commission's rules must be filed within 30 days from the date of public notice of this letter.

If you have any questions, contact John T. Curry or Hugh L. Boyle at (202) 634-1861.

Sincerely,

Kenneth P. Moran
Chief, Accounting and Audits Division
Common Carrier Bureau

FOOTNOTES

¹ See letter from Vice President-General Counsel, USTA to Secretary, FCC CC Docket No. 86-10, December 7, 1988.

² Revision to amend Part 31, Uniform System of Accounts for Class A and Class B Telephone Companies as it relates to the treatment of certain individual items of furniture and equipment costing \$500 or less, *Report and Order*, CC Docket No. 87-135, 3 FCC Rcd 4464 (1988).

³ Central Office Asset Accounts include Account 2211, Analog Electronic Switching, Account 2212, Digital Electronic Switching, Account 2215.1, Step-by-Step Switching, Account 2215.2, Crossbar Switching, Account 2215.3, Other Electro-Mechanical Switching, Account 2220, Operator Systems, Account 2231.1, Satellite and Earth Station Facilities, Account 2231.2, Other Radio Facilities, Account 2232, Circuit Equipment.