§ 32.6535 Engineering expense.

(a) This account shall include costs incurred in the general engineering of the telecommunications plant which are not directly chargeable to an undertaking or project. This includes developing input to the fundamental planning process, performing preliminary work or advance planning in connection with potential undertakings, and performing special studies of an engineering nature.

(b) Credits shall be made to this account for amounts transferred to construction accounts. These amounts shall be computed on the basis of direct labor hours. (See § 32.2000(c)(2)(ii) of subpart C.)

§ 32.6540 Access expense.

(a) This account shall include amounts paid by interexchange carriers or other exchange carriers to another exchange carrier for the provision of carrier's carrier access.

(b) Subsidiary record categories shall be maintained in order that the entity may separately report interstate and intrastate carrier's carrier expense. Such subsidiary record categories shall be reported as required by Part 43 of this Commission's Rules and Regulations.

[52 FR 43917, Nov. 17, 1987]

§ 32.6560 Depreciation and amortization expenses.

(a) This account shall include:

(1) The depreciation expense of capitalized costs in Accounts 2112 through 2441, inclusive.

(2) The depreciation expense of capitalized costs included in Account 2002, Property held for future telecommunications use.

(3) The amortization of costs included in Accounts 2681, Capital leases, 2682, Leasehold improvements, and Account 2690, Intangibles.

(4) The amortization of costs included in Account 2005, Telecommunications plant adjustment, and lump-sum write-offs of amounts of plant acquisition adjustment as provided for in § 32.2005(b)(4).

(b) Subsidiary records shall be maintained so as to show that character of the amounts related to plant acquisition adjustments.

[67 FR 5696, Feb. 6, 2002]

§ 32.6562 Depreciation expense—property held for future telecommunications.

This account shall include the depreciation expense of capitalized costs included in Account 2002, Property Held for Future Telecommunications Use.

EFFECTIVE DATE NOTE: At 67 FR 5696, Feb. 6, 2002, § 32.6562 was removed, effective Aug. 6, 2002. At 67 FR 20052, Apr. 24, 2002, the effective date was delayed until Jan. 1, 2003. At 67 FR 77432, Dec. 18, 2002, the effective date was further delayed until July 1, 2003. At 68 FR 38641, June 30, 2003, the effective date was further delayed until Jan. 1, 2004.

§ 32.6610 Marketing.

Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6611 through 6613.

[67 FR 5696, Feb. 6, 2002]

§ 32.6611 Product management and sales.

This account shall include:

(a) Costs incurred in performing administrative activities related to marketing products and services. This includes competitive analysis, product and service identification and specification, test market planning, demand forecasting, product life cycle analysis, pricing analysis, and identification and establishment of distribution channels.

(b) Costs incurred in selling products and services. This includes determination of individual customer needs, development and presentation of customer proposals, sales order preparation and handling, and preparation of sales records.

[67 FR 5696, Feb. 6, 2002]

§ 32.6613 Product advertising.

This account shall include costs incurred in developing and implementing promotional strategies to stimulate the purchase of products and services. This excludes nonproduct-related advertising, such as corporate image, stock and bond issue and employment

advertisements, which shall be included in the appropriate functional accounts.

§ 32.6620 Services.

This account number shall be used by Class A telephone companies to summarize for reporting purposes the contents of Accounts 6621 through 6623. Class B telephone companies shall use this account for expenses of the type and character required of Class A companies in Accounts 6621 through 6623.

EFFECTIVE DATE NOTE: At 67 FR 5696, Feb. 6, 2002, § 32.6620 was revised, effective Aug. 6, 2002. At 67 FR 20052, Apr. 24, 2002, the effective date was delayed until Jan. 1, 2003. At 67 FR 77432, Dec. 18, 2002, the effective date was further delayed until July 1, 2003. At 68 FR 38641, June 30, 2003, the effective date was further delayed until Jan. 1, 2004. For the convenience of the user, the revised text is set forth as follows:

§ 32.6620 Services.

(a) This account shall include:

(1) Costs incurred in helping customers place and complete calls, except directory assistance. This includes handling and recording; intercept; quoting rates, time and charges; and all other activities involved in the manual handling of calls.

(2) Costs incurred in providing customer number and classified listings. This includes preparing or purchasing, compiling, and disseminating those listings through directory assistance or other means.

(3) Costs incurred in establishing and servicing customer accounts. This includes:

(i) Initiating customer service orders and records;

(ii) Maintaining and billing customer accounts;

(iii) Collecting and investigating customer accounts, including collecting revenues, reporting receipts, administering collection treatment, and handling contacts with customers regarding adjustments of bills;

(iv) Collecting and reporting pay station receipts; and

(v) Instructing customers in the use of products and services.

(b) This account shall also include amounts paid by interexchange carriers or other exchange carriers to another exchange carrier for billing and collection services. Subsidiary record categories shall be maintained in order that the entity may separately report interstate and intrastate amounts. Such subsidiary record categories shall be reported as required by Part 43 of this chapter.

(c) Class A companies, except mid-sized incumbent local exchange carriers, shall maintain the following subaccounts for expenses recorded in this account: 6620.1 Wholesale, 6620.2 Retail.

(1) *6620.1 Wholesale.* This subaccount shall include costs associated with telecommunications services provided for resale to other telecommunications carriers.

(2) *6620.2 Retail.* This subaccount shall include costs associated with telecommunications services provided to subscribers who are not telecommunications carriers.

§ 32.6622 Number services.

This account shall include costs incurred in providing customer number and classified listings. This includes preparing or purchasing, compiling, and disseminating those listings through directory assistance or other means.

§ 32.6720 General and administrative.

This account shall include costs incurred in the provision of general and administrative services as follows:

(a) Formulating corporate policy and in providing overall administration and management. Included are the pay, fees and expenses of boards of directors or similar policy boards and all board-designated officers of the company and their office staffs, e.g., secretaries and staff assistants.

(b) Developing and evaluating long-term courses of action for the future operations of the company. This includes performing corporate organization and integrated long-range planning, including management studies, options and contingency plans, and economic strategic analysis.

(c) Providing accounting and financial services. Accounting services include payroll and disbursements, property accounting, capital recovery, regulatory accounting (revenue requirements, separations, settlements and corollary cost accounting), non-customer billing, tax accounting, internal and external auditing, capital and operating budget analysis and control, and general accounting (accounting principles and procedures and journals, ledgers, and financial reports). Financial services include banking operations, cash management, benefit investment fund management (including