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TO: RUS Telecommunications Borrowers  
RUS Broadband Borrowers

FROM: KENNETH M. ACKERMAN *Kenneth M. Ackerman*  
Assistant Administrator  
Program Accounting and Regulatory Analysis

SUBJECT: Supplemental Information for Broadband Providers

Attached is a draft of RUS Bulletin 1770B-1, Appendix A, Supplemental Information for Use by Broadband Providers. This appendix provides an overview of the Uniform System of Accounts required for all RUS Telecommunications and Broadband borrowers along with items lists for pertinent plant, revenue and expense accounts. This appendix will be included in Bulletin 1770B-1 when it is reissued later this year.

If you have any questions, you may contact the Technical Accounting and Auditing Staff at (202) 720-5227.

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## **APPENDIX A**

### **Supplemental Information for Use by Broadband Providers**

Accounting requirements for RUS Broadband Borrowers parallel the accounting requirements for traditional telecommunications borrowers. This Uniform System of Accounts, based on the Federal Communications Commission's 47 CFR Part 32, Uniform System of Accounts, contains all of the accounts needed to account for Broadband Operations. The general instructions found in Subpart B are applicable to borrowers under the RUS Broadband Program, regardless of whether they are traditional telecommunications borrowers or borrowers for the purpose of providing broadband services only. Broadband borrowers must understand that while not every account shown in Bulletin 1770B-1 is necessary based on the size and complexity of the company, the underlying account structure is the same. Asset accounts, other than fixed assets, are numbered from 1130 to 1500. These accounts include both current and noncurrent assets. Fixed assets, both tangible and intangible, which ordinarily have a service life of more than one year, are found in Accounts 2001 through 2007, with the detailed Telecommunications Plant in Service balances found in Accounts 2100 through 2690. Accounts 3100 through 3600 contain Accumulated Depreciation and Amortization related to the fixed assets found in Accounts 2100 through 2690 along with the Retirement work in progress (RWIP). Accounts 4000 through 4199 contain Current Liability balances while Accounts 4200 through 4299 include Long-Term Debt. Accounts 4300 through 4399 are used to account for Other Long-Term Liabilities and Deferred Credits. Stockholders' Equity balances are found in Accounts 4500 through 4599. Operating revenue accounts are found in Accounts 5000 through 5302. These accounts are intended to record the results of the company's major or central operations during the accounting period. These accounts contain both regulated and non-regulated revenues. Accounts 6000 through 6790 shall be used to record the expenses associated with the company's major or central operations. Again, these accounts contain both regulated and non-regulated expenses. Accounts 7000 through 7990 are designed to reflect both operating and nonoperating income items include taxes, extraordinary items and other income and expense items not associated with the major or central operations.

Expenses within this system of accounts are accounted for on a functional basis, that is, expenses are recorded based on the function they support regardless of the type of expense. See Subpart E, Instructions for Expense Accounts, for the detailed instructions for classifying expenses. The expense accounts shall be maintained by subsidiary record categories, as appropriate to each account. The expense matrix is provided to allow a company to capture this information for management purposes.

**DRAFT**

In addition to those items described in Bulletin 1770B-1, this Appendix outlines those additional items to be included in these same accounts for other telecom companies such as Internet Service Providers, Cable TV companies, wireless companies, and any other type of entity providing broadband services. This appendix is to be used in conjunction with 47 CFR Part 32, as supplemented by 7 CFR Part 1770, in setting up and maintaining accounts of RUS telecom program borrowers.

#### 32.2112, Motor Vehicles

Examples of items to be recorded in this account include:

- Automobiles
- Tractor Trailers
- Trucks
- Vans
- Buses

#### 32.2113, Special Purpose Vehicles

Examples of items to be recorded in this account include:

- Boats and barges
- Motor scooters
- Snowmobiles

#### 32.2114, Tools and other work equipment

Examples of items to be recorded in this account include:

- Air compressors
- Backhoes
- Bulldozers
- Cable lashers
- Cable plows
- Car hoists
- Carts-cable splicers
- Concrete mixers
- Derricks
- Duct rodders
- Earth moving machines
- Fork lifts
- Garage jacks
- Gasoline pumps
- Heaters
- Hydraulic lubricated equipment
- Ladders
- Lubricating racks

Machine tools  
Metal bins  
Oil pumps  
Paint spraying equipment  
Pole-treating apparatus - chemical  
Portable motors  
Portable test equipment  
Power blowers, hammers, drills, loaders and winches  
Power take-offs  
Power tools  
Pumps (except fuel and oil)  
Storage tanks (e.g., fuel oil)  
Tamping and back-filling machines  
Tents – cable splicers  
Tire changers  
Tire racks  
Tool boxes  
Torches  
Tractors  
Trailers, special purpose  
Trenching machines  
Welding equipment  
Wheel alignment equipment  
Work benches

### 32.2122, Furniture

Examples of items to be recorded in this account include:

Antiques  
Artwork (Paintings, prints, photographs, sculptures, wall hangings, tapestry, etc.)  
Beds, cots & couches  
Bookcases  
Cabinets and filing cases  
Chairs  
Credenzas  
Desks  
Drapes, blinds, and shades  
Lamps  
Lockers and wardrobes – movable  
Modular furniture units  
Partitions – movable  
Refrigerators  
Rugs  
Sofas  
Tables

### 32.2123.1, Office Support Equipment

Examples of items to be recorded in this account include:

- Addressing machines
- Air conditioners – portable
- Audio/visual equipment
- Billing/posting machines
- CAD systems
- Calculators
- Cameras
- Check registers
- Cash registers
- Copy machines
- Humidifiers/Dehumidifiers – portable
- Display and lecture demonstrating kits
- Electric fans – portable
- Fire extinguishing equipment – portable
- Floor scrubbing and polishing machines
- Medical equipment
- Microfilm equipment
- Postage meter machines
- Radios and television sets
- Typewriters
- Vacuum cleaners
- Vending machines
- Water coolers – portable

### 32.2123.2, Company Communications Equipment

Examples of items that can be recorded in this account are:

- Data communications terminal equipment
- Distributing frames
- Fax Machines
- Fiber optic distribution systems
- Operators' headset and transmitters
- Telephone sets
- Mobile phones
- Private Branch exchange
- Switching equipment at switching or relay centers of teletypewriter systems
- Teletypewriter systems

\*Includes common equipment (power equipment, switching equipment, etc.), station equipment (usually telephones or key telephone systems), and wires connecting the common equipment and the station equipment plus the terminal boxes or cross

connector points, and the cable or wires that connect that connect the private branch exchange with the network interface.

### 32.2124, General Purpose Computers

Examples of items that can be recorded in this account are:

- Desktop and Laptop computers
- Tape drives
- Uninterrupted power supply
- Printers
- Optical scanners
- Memory units
- External drives
- Modems
- Monitors
- Keyboards
- Mouse
- Microphones
- Speakers

### RUS 2210.21, Central office switching – digital

Examples of items to be recorded in this account are:

- Digital central office switches
- Remote switches
- Next-generation switches including soft switches and IP switches
- Mobile switching offices
- Base station controllers
- Asynchronous Transfer Mode switches
- Automatic message recording equipment
- Call store equipment
- Central control and processing equipment including initial operating system software for computers classified to this account
- Controllers
- Direct memory access units
- Main distribution frames, arrestors, and protectors
- Furniture designed specifically for equipment included in this account
- Input/output devices including disk and tape drives, display and alarm units
- Plug-in units (line cards, circuit pack, line cards, etc.)
- Trunks
- Permits, privileges, and rights-of-way for installation of externally-mounted central office equipment
- Test equipment, hardwired or specifically designed and dedicated for use with a particular major switching system or component
- Power equipment (chargers, batteries, generators, etc)

Timing equipment  
Automated Line Assignment equipment

RUS 2230.11, Central office transmission – radio systems-satellite and earth station facilities

Examples of equipment that can be recorded in this account are:

Antenna systems  
Base band equipment  
Converters  
High power amplifiers  
Low power amplifiers  
Satellite receivers  
Satellites  
Satellite launch insurance premiums  
Special cost incurred in procuring launch insurance  
Transceivers  
Transmitters  
Digital or analog video headend equipment  
Test equipment hardwired or specifically designed and dedicated to be used with a particular major operator system or component

RUS 2230.12, Central office transmission – radio systems – other

Examples of equipment that can be recorded in this account are:

Base station equipment  
Microwave equipment  
Radio equipment that uses licensed or unlicensed frequencies  
Antennae  
Amplifiers  
Combiners  
Radio dispatch system with GPS  
Radio frequency amplifiers  
Receivers  
Transmitters  
Repeaters  
Waveguides  
Power equipment  
Permits, privileges, and rights-of-way for installation of externally-mounted radio facilities  
Test equipment hardwired or specifically designed and dedicated to be used with a particular major operator system or component

### RUS 2230.21, Central office transmission – circuit equipment

Examples of equipment that can be recorded in this category are:

- Digital line concentrators
- Subscriber loop carrier equipment
- Channel banks
- Cabinets
- Digital access cross-connect system
- Channel bank equipment
- SS7 signaling equipment
- Signal Transfer points
- Signal Control points
- Signal processors and distributors
- Analog to digital converters
- Echo cancellers
- Echo suppressors
- Equalizers
- Optical transmission equipment
- Optical splitter and couplers
- Digital subscriber line (DSL) cards
- Line repeaters
- Regeneration equipment
- Multiplexing equipment including Digital Subscriber Line Access Multiplexers
- Range or loop extenders
- T1 transmission equipment
- Gigabit Ethernet transmission equipment
- Power equipment including chargers, batteries, etc
- Voice grade amplifiers

### 32.2311, Station Apparatus

Examples of equipment that can be recorded in this category are:

- DSL, cable and wireless modems
- Video set-top boxes

### 32.2362, Other terminal equipment

Examples of equipment that can be recorded in this category are:

- Routers
- Optical line terminators
- Optical/coaxial network units placed on the subscriber's premises
- ADSL and VDSL gateways
- Cable modem termination system
- Middleware



### 32.2411, Poles

Examples of equipment that can be recorded in this category are:

- A and H fixtures
- Anchors
- Arms – cable, extension, guard and crossarms
- Auxiliary framework for towers
- Bolts, braces, and brackets
- Guy clamps, shields, wire or strand
- Path surveys
- Bridge fixtures
- Permits, privileges, and rights-of-way for construction
- Pins
- Pole and pole steps
- Strain insulators
- Stubs – guy or pole
- Supports – radio antennae, such as wood poles or wood pole towers
- Treating and marking poles
- Towers – aluminum, wood, or steel; guyed or free standing

### 5000, Local Network Service Revenues

Examples of revenues that can be recorded in this account include:

- Dial-Up Internet Service Revenue
- Voice-Over-IP Revenue
- xDSL Service Revenue \*\*
- Cable Modem Service Revenue
- Cable TV Service Revenue
- Wireless Internet Service Revenue
- Customer Premise Equipment (CPE) Leasing Revenue
- Any Other Internet/Data/Phone/TV Service Revenue

\*\*xDSL Revenue will only be included in this category for those entities who do not choose to participate in the NECA tariff for this service. Those entities who offer xDSL at NECA's tariffed rates will account for this revenue under Account 32.5081, End User Revenue, under Network Access Service Revenues.

### 5081, End User Revenue

Examples of revenues that can be recorded in this account include:

xDSL Service Revenue (If company participates in NECA tariff for this service)

5200, Miscellaneous Revenues

Examples of revenues that can be recorded in this account include:

Fiber Leasing Revenue  
Leasing of Local Loops Revenue (CLEC/UNE-P/Resale)  
Installation Revenue  
Equipment Sales Revenue  
Software Sales Revenue  
Miscellaneous Sales Revenue  
Network Revenue  
Mobile Radio Revenue  
Educational/Training/Help Desk Revenue  
Internet Solutions Revenue (Web Hosting, Email Accounts, Graphic Design, etc.)  
Interactive Television (ITV) Revenue  
Consulting Services Revenue  
Repair Services Revenue  
Other Miscellaneous Revenue  
Any Other Revenue Source Not Regulated by Other Accounts or Listed in the Other Accounts

6121, Land and building expense

Examples of expenses that can be recorded in this account include:

Tower lease payments if included as a part of a building

6231, Radio systems expense

Examples of expenses that can be recorded in this account include:

Expenses related to transmitters and receivers in the provision of wireless broadband service, both long haul and local transmission.

6411, Poles expense

Examples of expenses that can be recorded in this account include:

Tower lease payments

6540, Access expense

Examples of expenses that can be recorded in this account include:

T-1 access costs  
Back haul/transport costs  
Video programming expenses