

RADIO ADMINISTRATION
FCC REGULATORY INFORMATION
GENERAL CONSIDERATIONS FOR SUPPLEMENTING OF
FACILITIES UNDER SECTION 214(a) OF THE
COMMUNICATIONS ACT OF 1934, AS AMENDED

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construction is undertaken. This Practice will provide guidance for determining at what point in time construction has been undertaken. It is a companion to Practices 400-560-101, 400-560-102, and 400-560-103, which cover the preparation of Section 214 informal applications, formal applications, and continuing authority reports, respectively.

1.02 This Practice is reissued to update the information and to make minor corrections. Since the corrections are general, change arrows are omitted.

Scope

1.03 With certain exceptions, Section 214(a) of the Act and Part 63 of the Rules require that an application be approved before a carrier undertakes construction of a new interstate line or extends such a line. Section 214(a) addresses several topics:

- (a) Construction of a new line
- (b) Extension of an existing line
- (c) Rearrangement or replacement of a line
- (d) Purchase or rental of a line
- (e) Temporary or emergency service
- (f) Discontinuance, reduction, or impairment of service.

1.04 This Practice concentrates on the first three of the above topics. Information regarding the type of application required (formal, informal,

1. GENERAL

Purpose

1.01 This Practice provides general guidelines to the Bell System operating companies for determining whether a specific project will require authorization by the Federal Communications Commission (FCC) under Section 214(a) of the Communications Act of 1934, as amended (Act). These guidelines do not eliminate the need to examine each application on its individual merits and to review questions as to the need for filing with the Legal Department. If Section 214 authorization is required, it must be obtained before

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continuing, or blanket) and procedures for filling out the necessary application are dealt with in the following Practices:

PRACTICE	TITLE
400-560-101	Section 214 Informal Applications
400-560-102	Section 214 Formal Applications
400-560-103	Section 214 Continuing Authority Reports

1.05 This Practice does not cover environmental impact considerations. Refer to EL 3654 for this information. When an environmental statement is required, a formal 214(a) application is necessary.

1.06 The grant of an application under Section 214 does not include authorization for construction or operation of a microwave radio station in the Domestic Public Radio Services (Point-to-Point Radio Relay). Radio authorizations for construction (construction permits) and operation (licenses) must comply with the requirements of Title III of the Act and Part 21 of the Rules. When obtaining authorization for point-to-point radio facilities, no separate 214 authorization is required. However, when equipment is added to radio facilities to create additional interstate lines of communication, a 214 application must be filed and authority obtained.

Importance of Filing an Application

1.07 In Title V, Sections 501 and 502 of the Act provide that upon conviction, any person may be fined or imprisoned who willfully and knowingly fails to comply with the Act or any Rule or Regulation imposed by the Commission. When some question exists as to the need for filing a Section 214 application, the decision to seek authorization must be made by those departments that are most experienced and qualified to judge. Advice and guidance in these matters is readily available through the department handling FCC matters in your headquarters. This FCC group maintains a close association with legal, regulatory, and engineering both within your company and at AT&T. It is therefore strongly recommended that the FCC group be consulted. Applications involving discontinuance, reduction, or impairment of service to a community are handled by the Legal Department.

Reference List

1.08 The following references pertain to this Practice:

The Communications Act of 1934, as amended (Act)

FCC Rules and Regulations—Parts 1, 42, and 63 (Rules)

Accounting Letter M54C, Outline of Estimate Procedures

Practice 400-500-100—FCC Regulatory Information—General.

2. HIGHLIGHTS OF SECTION 214(a)

History

2.01 The historical impetus behind Section 214 lies in the public's experience with the unrestrained expansion of railroads in the latter half of the nineteenth century. Railroads eager to capture a share of the market constructed lines which largely duplicated the facilities and services offered by other railroads. The cost of this unnecessary construction was then passed on to the public. Such competition often resulted in weakening the railroads and forcing them to reduce or discontinue much-needed services to communities.

Policy

2.02 Recognizing that the public interest needed protection, Congress enacted, in the Transportation Act of 1920, Section 1(18) of the Interstate Commerce Act requiring common carriers to obtain from the Interstate Commerce Commission (ICC) a certificate of public convenience and necessity before undertaking the construction or extension of a railroad line. The language of Section 214(a) of the Communications Act of 1934 was largely taken from this section of the Interstate Commerce Act. The policy considerations underlying both are substantially the same:

By that measure [Section 1, paragraph 18] Congress undertook to develop and maintain, for the people of the United States, an adequate railway system. It recognized that preservation of the earning capacity and conservation of the financial resources of

individual carriers is a matter of national concern; that the property employed must be permitted to earn a reasonable return; that the building of unnecessary lines involves a waste of resources and that the burden of this waste may fall upon the public; that competition between carriers may result in harm to the public as well as in benefits; and that when a railroad inflicts injury upon its rival, it may be the public which ultimately bears the loss [*Texas & Pac. Ry. v. Gulf Ect. Ry.* 270 US 266, 277 (1926)].

Analysis

2.03 Section 214 of the Communications Act of 1934, as amended, consists of four subsections. Of these only the first, Section 214(a), is of direct concern in this Practice. For reference, Section 214(a) is printed below:

EXTENSION OF LINES

SEC. 214. (a) No carrier shall undertake the construction of a new line or of an extension of any line, or shall acquire or operate any line, or extension thereof, or shall engage in transmission over or by means of such additional or extended line, unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity require or will require the construction, or operation, or construction and operation, of such additional or extended line: **Provided**, that no such certificate shall be required under this section for the construction, acquisition, or operation of (1) a line within a single State unless such line constitutes part of an interstate line, (2) local, branch, or terminal lines not exceeding 10 miles in length, or (3) any line acquired under Section 221 or 222 of this Act: **Provided further**, that the Commission may, upon appropriate request being made, authorize temporary or emergency service, or the supplementing of existing facilities, without regard to the provisions of this section. No carrier shall discontinue, reduce, or impair service to a community, or part of a community, unless and until there shall first have been obtained from the Commission a certificate that neither the present nor future public convenience and necessity will be adversely affected thereby; except that the Commission may, upon appropriate request being made, authorize temporary or

emergency discontinuance, reduction, or impairment of service, or partial discontinuance, reduction, or impairment of service, without regard to the provisions of this section. As used in this section, the term "line" means any channel of communication established by the use of appropriate equipment, other than a channel of communication established by the interconnection of two or more existing channels: **Provided, however**, that nothing in this section shall be construed to require a certificate or other authorization from the Commission for any installation, replacement, or other changes in plant, operation, or equipment, other than new construction, which will not impair the adequacy or quality of service provided.

2.04 The underlying structure of Section 214(a) begins with the basic premise that the construction of any line or channel of communication requires authorization from the Commission unless one or more of the following six exceptions apply. Briefly, these six exceptions are:

- (1) A line within a single state unless such line constitutes part of an interstate line
- (2) Local, branch, or terminal lines not exceeding 10 route miles in length
- (3) Any line acquired under Section 221(a) of the Act (consolidation and merger of telephone companies)
- (4) A channel of communication established by the interconnection of two or more existing channels
- (5) Any installation, replacement, or other changes in plant, operation, or equipment—other than new construction—which will not impair the adequacy of service
- (6) Lines used for or in connection with telephone exchange service [Section 221(b)].

The extent and breadth of these exceptions have never been clearly delineated, but some guidance can be offered from an examination of past practice.

2.05 The first exception reflects the boundaries of the FCC's authority. No authorization by the Commission is required for a line or a channel of communication which is wholly within

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one state, unless it is a part of an interstate line. An example requiring authorization would be the construction of a cable dedicated to interstate use which would be permanently connected to an existing interstate cable. Before being undertaken, such construction requires approval by the Commission. However, the construction of a cable between two cities within a single state would be exempt where the projected use is strictly intrastate.

2.06 The second exception, "local, branch, or terminal lines," is interpreted as follows: Local lines are interstate lines with terminals or end points not more than 10 route miles apart which are designed for communication between such terminals as distinguished from cross-country communication. Branch lines are spurs not more than 10 route miles long connected at an intermediate point to an existing interstate line. Terminal lines are lines not more than 10 miles in length that are necessary to provide service within an existing service area. Local, branch, and terminal lines are to be distinguished from extensions. Extensions of an interstate line require authorization by the Commission before construction is undertaken (Fig. 15), while construction under the "local, branch, or terminal line" exceptions does not (Fig. 9).

2.07 The third exception, provided by Section 214(a)(3) which deals with lines acquired under Section 221(a) (merger with or purchase of another telephone company or its plant) or Section 222 (merger of telegraph carriers), is not within the scope of this Practice and will not be discussed.

2.08 The fourth exception includes the situation where an interstate channel of communication is created by back-to-back connection of two existing lines.

2.09 The fifth exception—installation, replacement, or other changes in plant, operation, or equipment, other than new construction—would apply, for example, where only a rearrangement or replacement of existing lines is contemplated.

2.10 The sixth exception—derived from Section 221(b)—applies to facilities constructed or acquired for exchange use, where the exchange is subject to regulation by a state commission. Thus, a line constructed across a state boundary for such exchange use does not require a Section 214 application.

2.11 It should be emphasized that the exceptions may not apply in particular situations. Such factors as the "dedication" or the "use" of the line for interstate communications and the interstate requirements of the customer in a private line situation may prove more important than the simple geography of the line's routing in determining whether to file a Section 214 application. Therefore, Section 214 applications should be considered on a case-by-case basis with questions referred through normal lines of organization for disposition.

3. HIGHLIGHTS OF PART 63 OF FCC RULES AND REGULATIONS

General

3.01 Part 63 of the Commission's Rules and Regulations contains information relative to the preparation and filing of applications under Section 214 for authority to construct new lines, to supplement existing facilities, and to extend lines. The following paragraphs discuss, in general, pertinent sections of Part 63.

Section 63.01—Formal Applications

3.02 Any person proposing the construction of a new line, the extension of any line, or the acquisition or operation of any line or extension thereof for which authority is required under the provisions of Section 214 of the Communications Act of 1934, as amended—when estimated costs exceed \$500,000 or annual rental exceeds \$100,000—shall request such authority by a "formal" application containing information required by Section 63.01 of the Rules. For filing procedures, see Practice 400-560-102.

Section 63.03—Special Provisions Relating to Small Projects for Supplementing of Facilities

"Informal" Applications

3.03 Section 63.03(a) of the Rules covers applications for supplementing existing facilities involving an estimated cost not exceeding \$500,000 or annual rental not exceeding \$100,000. For filing procedures, see Practice 400-560-101.

3.04 Section 63.03(d) of the Rules provides that informal applications shall be authorized by the Commission effective as of the 21st day following

the date of filing unless, on or before the 21st day, the Commission shall notify the applicant to the contrary.

"Continuing Authority"

3.05 Section 63.03(e) of the Rules states that without regard to the other requirements of that part, any carrier may request continuing authority to commence small projects for supplementing existing facilities at costs not exceeding \$35,000 for construction, installation, and acquisition or \$7,000 annual rental. Each Bell System operating company has such "continuing authority." The construction undertaken pursuant to such authority is reported to the Commission semiannually. For reporting procedures, see Practice 400-560-103.

Section 63.04—Special Provisions Relating to Temporary or Emergency Service

3.06 As defined in Section 63.04 of the Rules, temporary service means service for a period not exceeding 6 months. Emergency service means service for which there is an immediate need occasioned by conditions unforeseen by, and beyond the control of, the carrier. Special provisions relating to these services are as follows.

- (a) Requests for immediate authority may be made by letter or telegram setting forth why such temporary or emergency authority is required. See Section 63.04(b) of the Rules.
- (b) A carrier may request continuing authority to provide temporary or emergency service where construction and installation costs do not exceed \$35,000 or rentals do not exceed \$7,000 on an annual basis. See Section 63.04(e) of the Rules. Each Bell System operating company has such authority.

Section 63.05—Commencement and Completion of Construction

3.07 Section 63.05 of the Rules states that unless otherwise determined by the Commission, in the event construction shall not have begun on a project of expenditures exceeding \$500,000 within 12 months from the date of authorization, or all or part of the proposed facilities shall not have been placed in operation within 36 months of such date, the authorization shall terminate at the end of the 12- or 36-month period, as the case may be.

For projects involving expenditures of \$500,000 or less, the authorization shall terminate at the end of 9 or 18 months, as the case may be, in the event construction shall not have been commenced or all or part of the facilities placed in operation within such respective periods.

Section 63.06—Authority for Supplementing Facilities Under Approved Annual Program Plan (Blanket Authority)

3.08 Under Section 63.06 of the Rules, any carrier may submit to the Commission a procedure requesting authority to cover an annual program of projects for supplementing existing facilities. After approval of such a proposed procedure by the Commission, the carrier may request authority, in accordance with such procedure, in lieu of filing separate applications for individual projects pursuant to Sections 63.01 and 63.03 of the Rules.

3.09 An annual program procedure (blanket application) for Long Lines and certain associated Bell System companies has been approved by the Commission.

Prorating Estimated Construction Costs

3.10 Where projects involve construction of both interstate and intrastate lines, "prorating" of costs should be used to develop cost information for Section 214 applications. The objective is to establish, as accurately as possible, separation of costs for construction of only the interstate lines from the total project costs. The prorating procedure applies to facilities (e.g., L-carrier multiplex, multiconductor cables, conduit, etc.) which provide both intrastate and interstate service, but cannot be broken down into separate units assignable to specific services. As an example, a channel bank of an L-multiplex carrier system would normally be assignable to either intrastate or interstate service, but the common bay frame work and wiring might be involved in provision of both. The prorate is based on known interstate requirements and reasonable projections. Following are examples of prorating.

1. An 1800-pair underground cable is needed to provide miscellaneous local exchange services plus a large number of interstate private line circuits to a nationwide company's headquarters. Based on the best information available, it is estimated that 600 pairs will

be required for the initial and future growth of the interstate services. The installed cost of the cable is estimated to be \$1,080,000. The cable cost to be shown in the application is therefore $600/1800 \times \$1,080,000 = \$360,000$.

2. 3200 feet of 6-duct conduit is to be placed, with one duct used for a cable carrying interstate circuits. The installed cost of the conduit is \$80,000. The cost of the conduit to be shown in the application is $1/6 \times \$80,000 = \$13,333$ rounded to \$13,300.
3. A T-carrier facility is to be established for interstate use. At one terminal the cost to establish the T-carrier system is \$2,700, and at the other terminal the cost of the equipment is \$6,000. In addition, four T-carrier apparatus cases, each equipped with five repeaters, are to be placed on an existing cable route. The installed cost of the cases is \$27,500. There are no anticipated additional future interstate requirements on the route that would require use of more than one of the five repeaters. The prorated cost of the repeaters for the application is \$5,500. The total cost of the T-carrier facility for purposes of this application would be \$14,200 (\$2,700 + \$6,000 + \$5,500).

If estimated costs can be taken from the specific estimates involved in the project, they should be used in deriving the costs for the application. Otherwise, broad gauge costs may be used to develop the cost information for an application. In any event, detailed cost information must be documented and retained in the application work papers (see Accounting Letter M54C and Section 42.9, Item 43, of the Rules). Derivation of each element of the costs should be shown, including the source, i.e., from estimate work papers, broad gauge cost estimates, etc.

Application Cost Data

3.11 The cost of all equipment and plant to be included in applications is based on **gross additions** and, where applicable, the cost of removal and salvage. Cost figures will, in general, be estimates and will reflect the cost of facilities in place and ready for service. In general, the equipment costs to be included in the application

will be the toll terminal equipment plus any new physical line facilities to which the toll terminal equipment is assigned (Fig. 1, 2, and 3). The cost of common equipment such as signaling units, terminating sets, power supplies, etc., is not included in the application because this equipment is not part of the line. In the case where the broadband facility is radio, the 214 channelization application will include all facility costs up to and including the wire-line entrance link.

4. DEFINITIONS

Branch Lines

4.01 Branch lines (Fig. 9, 16, and 17) are spur lines which are connected at intermediate points to an interstate line. Branch lines are designed and constructed to bring interstate service to communities or customer locations along the line's route. For exemption under 214(a)(2) to apply, the branch line must be no more than 10 miles long.

Channel of Communication

4.02 With present-day technology, a number of messages can be sent simultaneously by high-capacity cable or radio facilities. To derive additional circuits or lines of communication, often it is not necessary to construct new wire, cable, or radio facilities but only to install appropriate multiplexing equipment along the route. By this method, new **lines (channels of communication)** can be established. The basic unit in telephone communication is the **VF** (voice frequency) 4-kHz wide channel. The single VF channel or 4-kHz channel is the reference unit in determining the capacity of a facility (e.g., a T-1 carrier system has a capacity of 24 voice channels).

Exchange Area

4.03 Section 3(r) of the Act defines telephone exchange service as "service within a telephone exchange or within a connected system of telephone exchanges within the same exchange area operated to furnish to subscribers intercommunicating service of the character ordinarily furnished by a single exchange and which is covered by the exchange service charge." The extent of a telephone exchange area is indicated in the applicable exchange tariff filed by each associated company with the appropriate state commission.

SUMMARY OF EQUIPMENT INCLUDED IN 214 APPLICATION INVOLVING NEW CONSTRUCTION, ACQUISITION, LEASE AND OPERATION OF FACILITIES FOR INTERSTATE CIRCUITS

LANDLINE FACILITIES

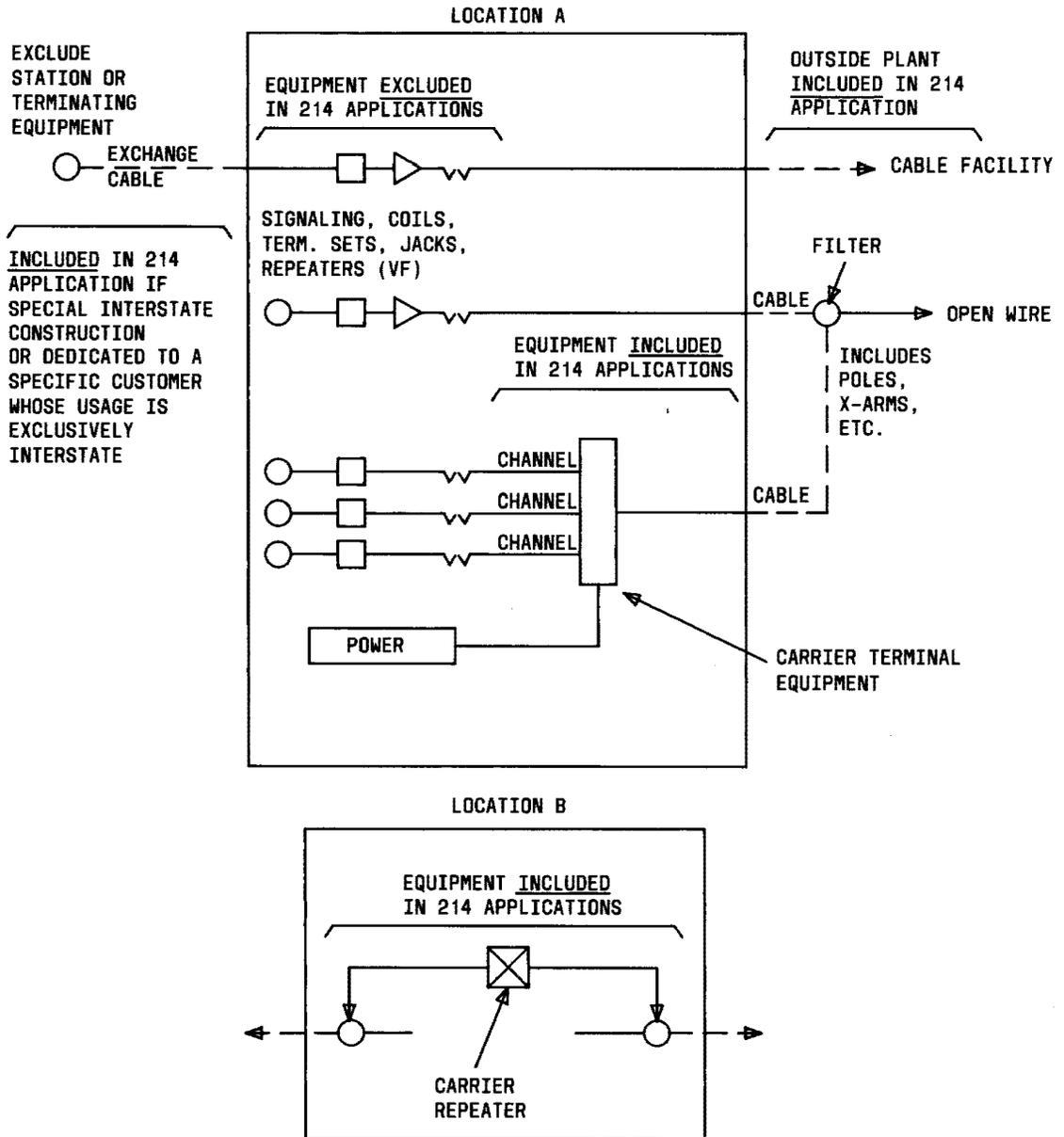


Fig. 1—Summary of Equipment Included in 214 Application (Landline Facilities)

An exchange area may include a 2-tier charge system, e.g., where there is a flat charge for calls within the inner core or zone and an additional charge in message units for calls to the outer core or zone (Fig. 8).

Experimental Lines

4.04 Experimental lines are treated in the same manner as ordinary lines for commercial use. The same regulations and exceptions apply.

SUMMARY OF EQUIPMENT INCLUDED IN 214 APPLICATION INVOLVING NEW CONSTRUCTION, ACQUISITION, LEASE AND OPERATION OF FACILITIES FOR INTERSTATE CIRCUITS

RADIO FACILITIES

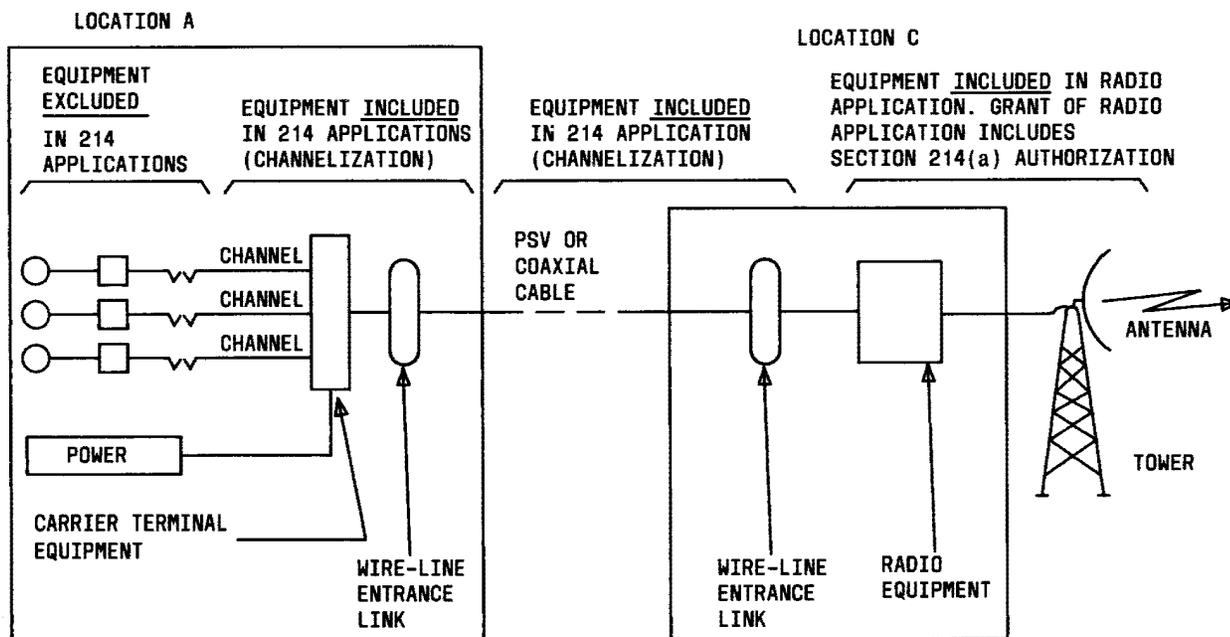


Fig. 2—Summary of Equipment Included in 214 Application (Radio Facilities)

For example, where an experimental line is being constructed entirely within one state but would eventually become part of an interstate line, a Section 214(a) application would be filed.

Interstate Line

4.05 In broad terms, an interstate line (Fig. 6) may be defined as a line which physically crosses a state boundary and is installed for interstate communication requirements. However, it is not necessary that the facility being constructed actually extend into another state to be interstate. If the line is *dedicated* to interstate requirements such as a cable for an interstate private line service, e.g., FTS, the line is considered interstate (Fig. 20). Lines carrying signals to be broadcast are regarded as interstate even though both terminals of the line lie within the same state; however, "continuing blanket authority" has been granted for lines which are less than 10 route miles in length to provide service to broadcast stations (Fig. 21) (EL 567). If a line crosses a state boundary for purposes of routing, but both ends

are located within the same state and the line is for intrastate service, a Section 214 application is not required (Fig. 13). Such a line is considered intrastate by long-established practice. The geography of the line—its physical routing—is often only a subordinate factor in determining whether it is interstate. Frequently, more important factors are the traffic, use, and tariffs applicable to the service for which the line is being constructed or acquired. The exceptions under 214(a)—local, branch, or terminal lines less than 10 route miles in length and exchange lines—are not confined to physically intrastate lines, but are equally applicable to physically interstate lines satisfying the relevant requirements.

Intrastate Line

4.06 Those lines or channels of communication determined not to be interstate are intrastate (Fig. 19). As in defining interstate, the simple geography of the line is not always the governing factor in determining whether a line is intrastate. The projected use of the line must be considered.

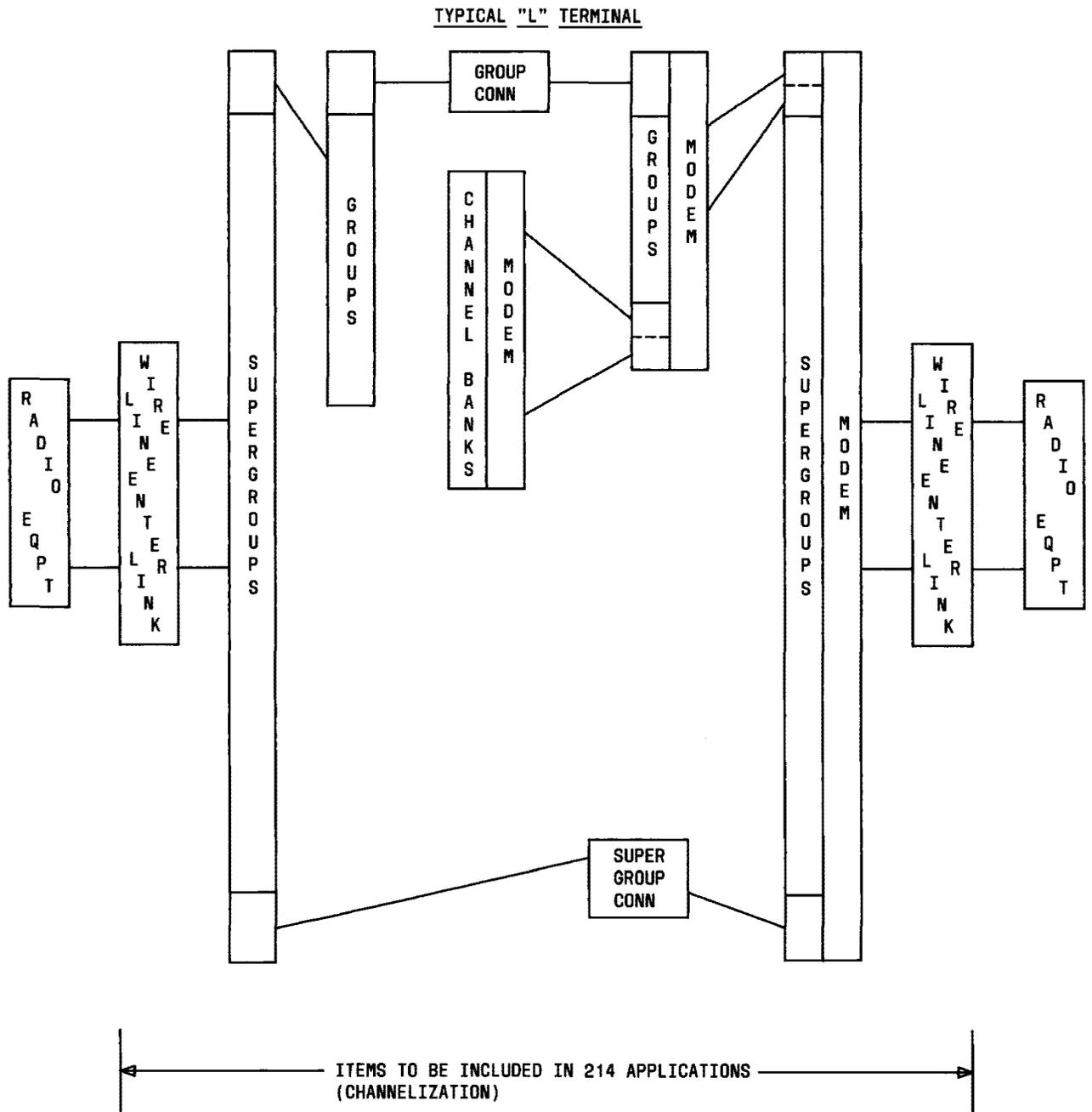


Fig. 3—Summary of Analog Equipment Included in 214 Application (Typical "L" Terminal)

4.07 When intrastate lines are being constructed for intrastate requirements, although such lines would have a capability for interstate use by virtue of switching, they do not require a Section 214 application, e.g., interoffice trunks and many intercity trunks (Fig. 23).

Line

4.08 Line and channel of communication are synonymous terms—both mean a pathway or channel over which intelligence may be transmitted. Section 214(a) defines a line as “any channel of

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communication established by the use of appropriate equipment, other than a channel of communication established by the interconnection of two or more existing channels." Thus, line does not only refer to the physical conductors over which intelligence may be transmitted but includes channels derived by means of carrier superimposed on radio, open wire, and cable.

Local Lines

4.09 Local lines referred to in Section 214(a)(2) are interstate lines with terminals not more than 10 route miles apart which are designed for communication between such terminals as distinguished from cross-country communication (Fig. 9).

New Construction

4.10 New construction includes the addition of lines or channels of communication to a route over and above those lines or channels which were previously authorized. Replacement or rearrangement of existing facilities, even though there may be installation or replacement of equipment, does not involve "new construction" under Section 214(a).

Rearrangement or Replacement

4.11 With rearrangement or replacement, no new channels of communication are added and the capacity of the route is not increased. When more efficient equipment is installed but no additional channels or lines are created, a Section 214 application is not required (Fig. 10 and 11).

Terminal Lines

4.12 Terminal lines under Section 214(a)(2) are lines required to provide service within an existing service area. In contrast, extensions or sections of an interstate line are lines which can and will be further extended, rather than terminating with completion of construction. Where the terminal line is less than 10 route miles long, a Section 214 application is not required (Fig. 9). Terminal lines are to be distinguished from extensions (Fig. 15). Extensions of an interstate line require authorization regardless of length.

Start of Construction

4.13 Section 214(a) specifies that "No carrier shall **undertake** the construction of new line

or of an extension of any line ... unless and until there shall first have been obtained from the Commission a certificate." Precisely at what point construction can be considered **undertaken** for compliance with this section of the Act is as follows.

4.14 Traditionally, the division between planning and undertaking construction has been drawn at the point paper work—including ordering of materials—ends, and actual construction work begins. The start of construction is the first day a labor charge appears against any estimate or job order in the undertaking. Field work such as surveying the route, determining the cost of and acquiring the right of way, and manufacturing equipment or shipping it to a warehouse, while involving substantial expenditure, is not the type of activity regarded as construction under Section 214(a) of the Act.

5. INDEX

5.01 Figure 4 provides a cross reference of the major subject items to specific paragraphs of the four Practices involved with 214(a) applications.

6. SUPPORTING DATA AND COORDINATED UNDERTAKINGS

Supporting Data

6.01 All information in an FCC application should be supported by adequate records in case company or FCC auditors question the basis of filing, costs, or other data. Refer to Accounting Letter M54C and company administrative procedures for specific record requirements.

Coordinated Undertakings by Bell Companies (Joint Application)

6.02 When two or more Bell System companies are involved in the construction or acquisition of facilities required for interstate lines, the FCC staff prefers that each company join in the application (be included as a party). This allows the FCC staff to judge whether the overall undertaking is **required by public interest, convenience, or necessity**. In these cases, the company preparing the application should include complete information for each company that is to be a party to the application. When the company preparing the multicompany application files it with the FCC, it is filed on behalf of all companies involved and

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Fig. 4—Cross Reference—Major Subject Items to Paragraph Numbers

each is responsible for its respective portion of the facilities to be constructed or acquired. The following is an outline of the procedure that should be followed in the preparation of a joint application.

- (1) It is determined that FCC authorization for an interstate facility is required, that two or more companies are involved, and that the time factors have been decided.
- (2) The responsible persons in the respective company FCC groups should mutually decide which company will prepare and file the application.
- (3) The company not filing should determine the pertinent information on its portion of the joint undertaking and give written authority to the company preparing the application to sign and file said application on its behalf. The letter authorizing these filings may also request the number of copies of the FCC grant that it requires.
- (4) Once the application has been prepared, a copy should be sent to each joint applicant for review and concurrence prior to filing. Once concurrence has been received, the application should be filed with the FCC.
- (5) When proper FCC authorization is received by the company filing the application, the appropriate number of copies should be sent to each joint applicant.

Coordinated Undertakings by Bell Companies (Separate Filings)

6.03 In *exceptional* cases when two or more Bell System companies are jointly involved in a project, separate applications may be filed by each company in lieu of a combined filing with the FCC. For example, when facilities are required for interstate lines from White Plains, N. Y., to Anytown, U.S.A., and the information covering the Long Lines Department requirements becomes available prior to the scheduled completion of the engineering work by the involved associated company, Long Lines might apply for FCC authorization for its portion, and the associated company for its portion, separately. However, the separate applications should be filed as closely in time as practicable, and the subsequent application should be cross-referenced to the earlier application involving the project.

Non-Bell Company Involvement

6.04 Occasionally, Bell System undertakings will involve the construction of facilities which connect with those of non-Bell companies. When these are required for interstate lines, the non-Bell company *may* or *may not* require FCC authorization for the construction or acquisition of its portion of the facilities, depending on whether it is subject to Section 214 of the Communications Act. A non-Bell company is *not* included as a party to an application covering a project of this type unless it has been established through appropriate legal departments that it is subject to Section 214 and that the non-Bell company desires to be a joint applicant. An independent telephone company operating in a single state and not providing interstate facilities generally is not subject to FCC requirements. Such a company is referred to as a connecting carrier. When a project involves a connecting carrier, the application is prepared in the normal way. However, only Bell System costs are shown, and the authorization required (informal, formal, continuing authority) is determined by these costs only. A statement regarding the facilities provided by the other carrier should be included noting that these facilities will be provided by "(Name of Company), a connecting carrier not subject to Section 214(a) of the Act." A statement of the nonsubject status of the connecting carrier shall be obtained through your Bell Independent Relations organization on the letterhead of and signed by an officer of the connecting carrier. In preparing the application, the point of interconnection should be clearly defined in the route sketch and in the statement of need.

Subject Companies

6.05 Only companies which are subject to the provisions of Section 214 of the Communications Act of 1934, as amended, may be included as parties to an application. Do not file a joint application with a non-Bell company unless an officer or duly authorized employee of the non-Bell company signs the application (see Section 1.743 of the Rules).

FCC Informal Requests for Additional Information

6.06 As stated in Section 63.51 of the FCC Rules—which applies to all applications filed under Section 214 of the Communications Act—*the applicant shall furnish any additional*

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information which the Commission may require after a preliminary examination of the application or request. Where an applicant fails to respond to official correspondence or request for additional material, the application may be dismissed without prejudice. In most cases the additional information desired by the FCC staff is for clarification and will be requested informally through AT&T. Replies not requiring formal amendments to applications are provided informally to the FCC staff.

FCC Formal Requests for Additional Information

6.07 When the FCC staff feels that an application should be formally amended or supplemented,

generally a letter is sent from the FCC to the applicant to advise that additional information is needed. If the application is an informal application (see Section 63.03 of the Rules), the letter will also state that the application will not be approved at the end of the 21-day automatic grant period. A formal amendment in answer to the FCC letter will then be necessary.

Illustrations

6.08 The remainder of this Practice contains illustrations of construction which crosses state lines or is entirely within a state. Each illustration includes a brief discussion of construction details, whether or not a 214 application is needed, and additional remarks. Figure 5 is a key to the symbols used in the illustrations.

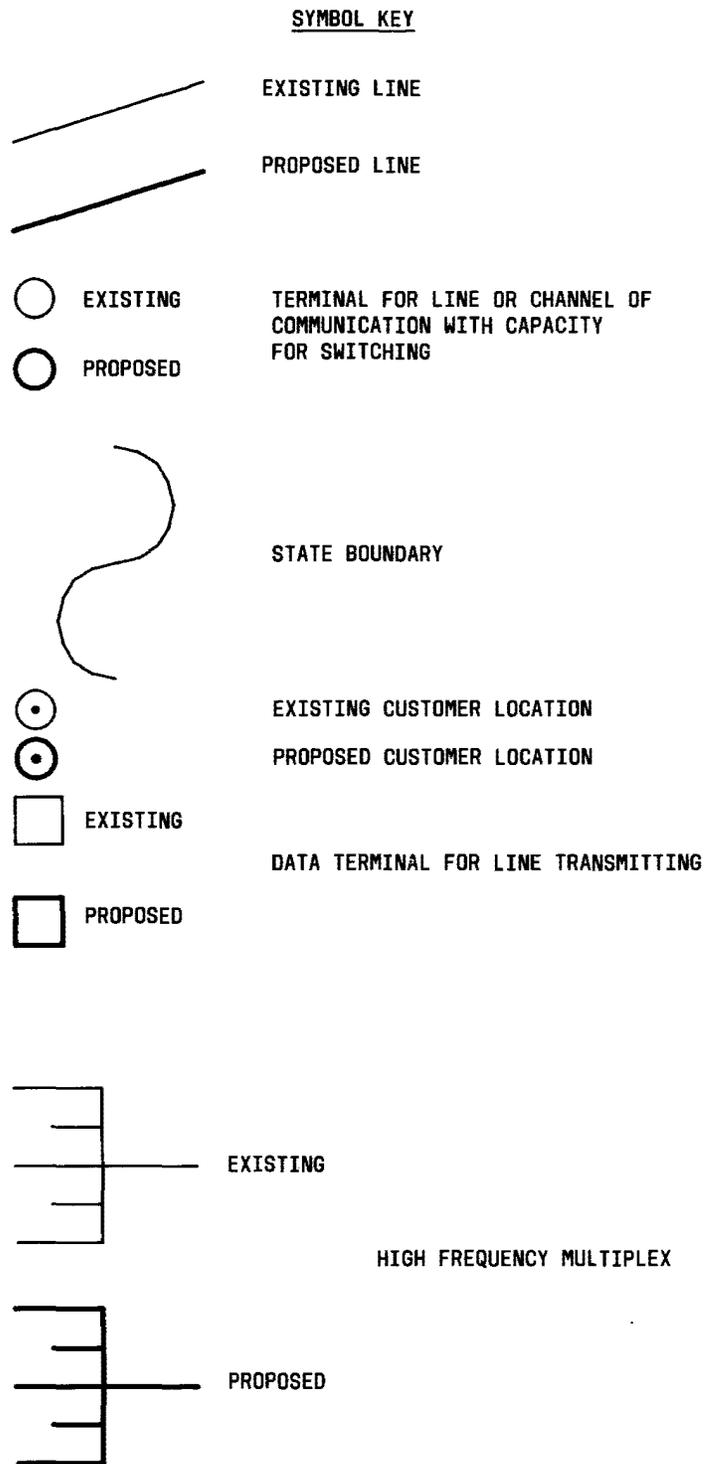


Fig. 5—Symbols

7. ILLUSTRATIONS—CONSTRUCTION PHYSICALLY CROSSING A STATE LINE

7.01 *New Interstate Line Requiring Section 214 Authorization (Fig. 6)*

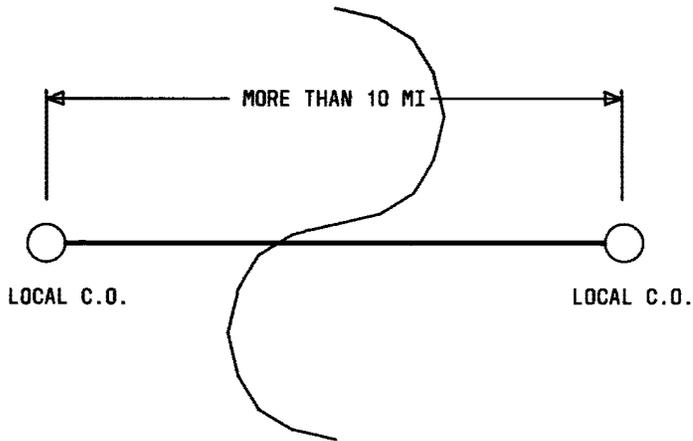


Fig. 6—New Interstate Line Requiring Section 214 Authorization

Construction Details: New interstate line (not for exchange use and more than 10 route miles long). No previously authorized line for this route.

214 Application Needed: Yes

Remarks: Commission's authorization required since line is clearly interstate and none of the exceptions apply.

7.02 New Interstate Line Supplementing an Existing Interstate Line (Fig. 7)

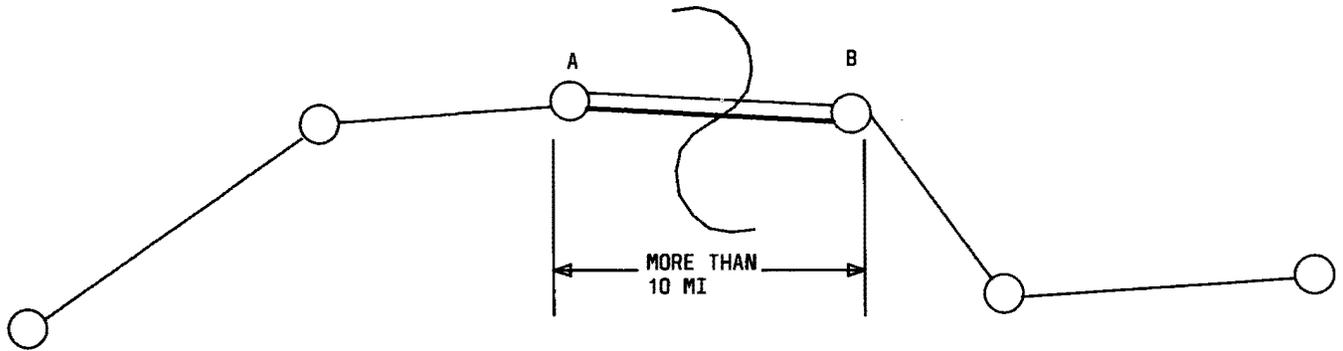


Fig. 7—New Interstate Line Supplementing an Existing Interstate Line

Construction Details: Existing interstate line from A to B. New line AB to be constructed to supplement the existing line.

214 Application Needed: Yes

Remarks: New line AB will add new channels of communication between A and B in excess of those previously authorized. No exception applies; therefore, authorization is required.

7.03 Interstate Line Within a Multitier Exchange Area (Fig. 8)

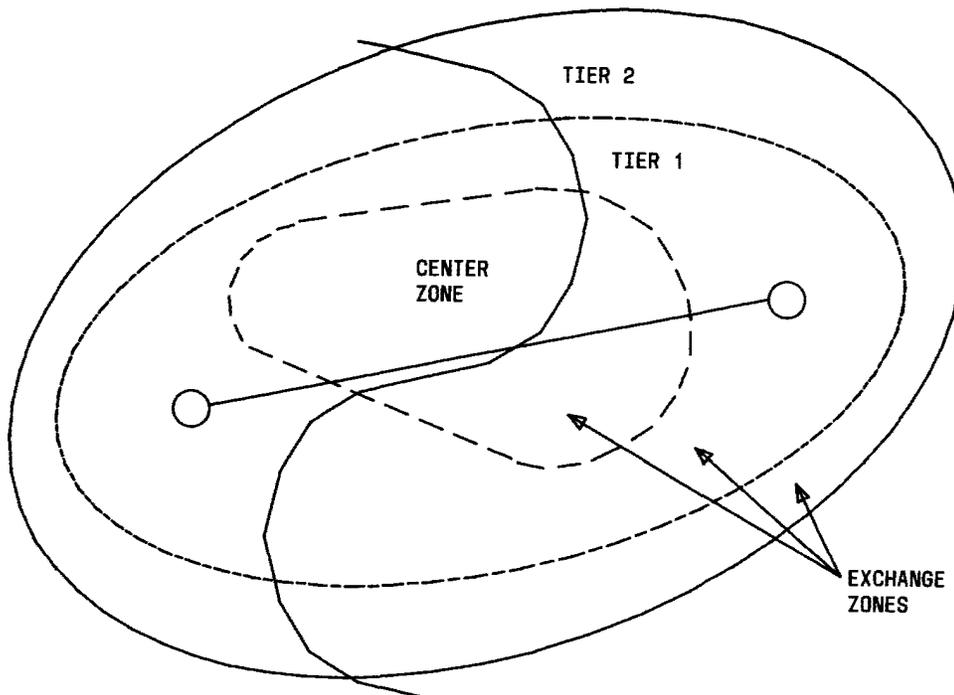


Fig. 8—Interstate Line Within a Multitier Exchange Area

Construction Details: New line, longer than 10 miles, crossing state boundaries, but entirely within a single exchange area and used for service covered in the exchange tariff. Exchange area subject to regulation by state or local governmental authority.

214 Application Needed: No

Remarks: Though line is interstate, by reason of 221(b) exemption, authorization by the FCC is not required because:

- (1) Line is entirely within a single exchange area, and
- (2) Line will be used for service covered in an exchange tariff and will be a facility for telephone exchange service regulated by state or local governmental authorities.

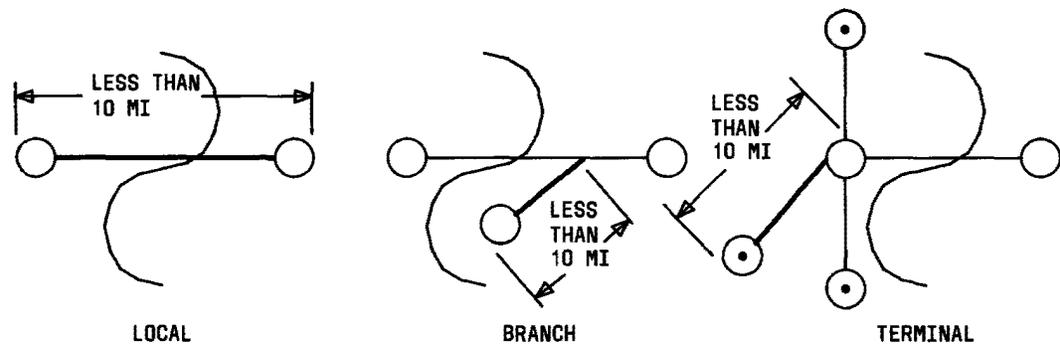
7.04 *Local, Branch, and Terminal Lines (Fig. 9)*

Fig. 9—Local, Branch, and Terminal Lines

Construction Details

Local Line: Not more than 10 route miles in length, with terminals located in different states and exchanges required for local calling.

Branch Line: A spur, not more than 10 route miles in length, connected at an intermediate point to an existing interstate line.

Terminal Line: A line not more than 10 route miles in length needed to provide service within an existing service area.

214 Application Needed: No

Remarks: Local, Branch, and Terminal lines which are not more than 10 route miles in length do not require authorization by the FCC.

7.05 Replacement (Fig. 10)

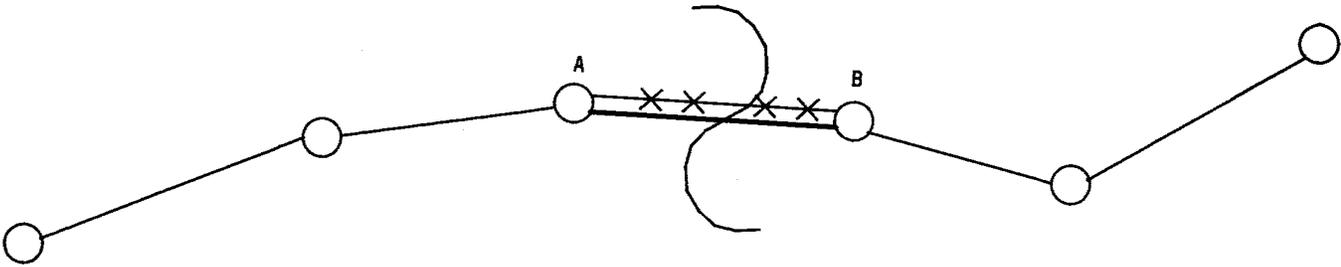


Fig. 10—Replacement of an Existing Interstate Line in the Same Route

Construction Details: Previously authorized open wire line AB is to be dismantled, and an underground cable AB having the same channel capacity is being installed on the same route. Line exceeds 10 route miles in length.

214 Application Needed: No

Remarks: Since no new lines or channels of communication are being added and only existing facilities are being replaced on the same route, FCC authorization is not required.

7.06 Rerouting (Fig. 11)

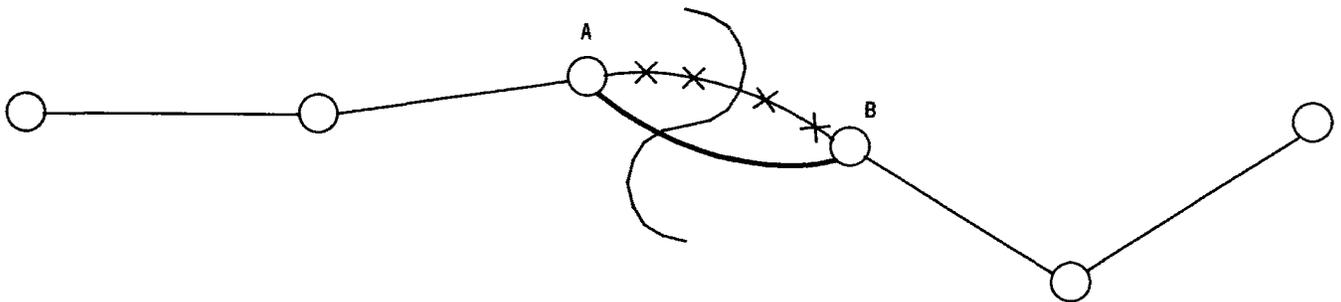


Fig. 11—Rerouting an Interstate Line Necessitated by Highway Relocation

Construction Details: Because of highway rerouting, the existing and authorized line AB will be moved and a new line AB constructed within the highway right-of-way. No new or additional lines or channels of communication will be added to those previously authorized. Line is longer than 10 route miles.

214 Application Needed: No

Remarks: Since line is only being rerouted because of new highway construction, and no new line or channels of communication are being added to those previously authorized for the route, authorization by the FCC is not required.

7.07 Superimposition of Carrier Onto Existing Cable (Fig. 12)

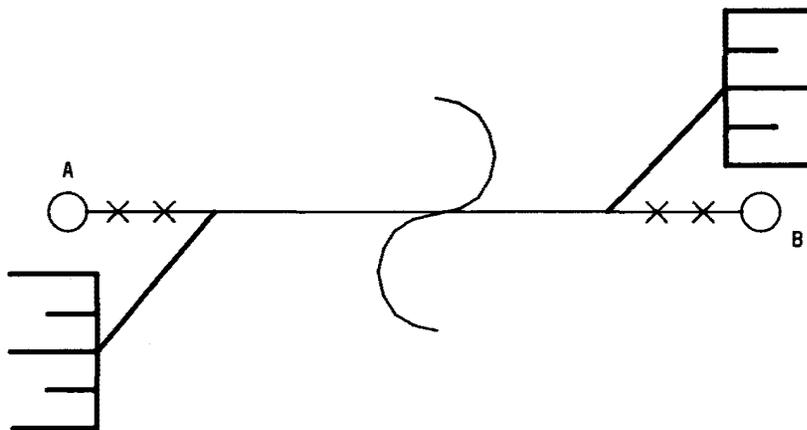
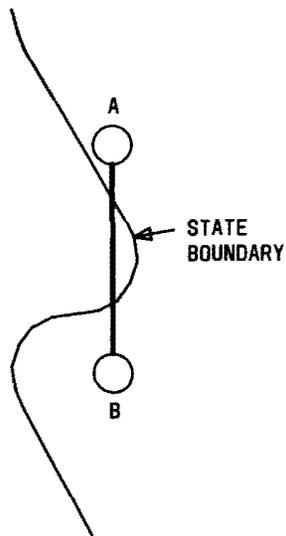


Fig. 12—Superimposition of Carrier Onto Existing Interstate Cable

Construction Details: Cable from points A to B with 240 channels authorized. Carrier equipment to be installed at the terminals will increase capacity of cable to 600 channels. Cable longer than 10 route miles.

214 Application Needed: Yes

Remarks: Since new lines—channels of communication—will be added to those previously authorized for the route, FCC authorization is required.

7.08 Line for Intrastate Communication Across State Boundary (Fig. 13)**Fig. 13—Line for Intrastate Communication Across State Boundary**

Construction Details: Cable that crosses state boundary but is required for intrastate service, both terminals in the same state.

214 Application Needed: No

Remarks: Since the line is to be used for intrastate service, authorization by the FCC is not required.

7.09 Interstate Line Used Alternately for Data or Message (No Increase in Number of Telecommunications Channels) (Fig. 14)

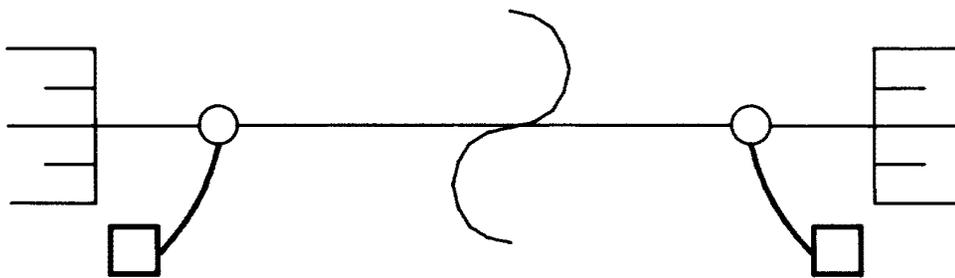


Fig. 14—Interstate Line Used Alternately for Data or Message (No Channel Increase)

Construction Details: New data terminal added at each end of existing and authorized 12 circuit channel group for alternate use of message and wideband data.

214 Application Needed: No

Remarks: Since one data channel will at times replace 12 previously authorized and existing voice channels, the number of lines or channels of communication will not be increased and no FCC authorization is required.

8. ILLUSTRATIONS—CONSTRUCTION ENTIRELY WITHIN A STATE

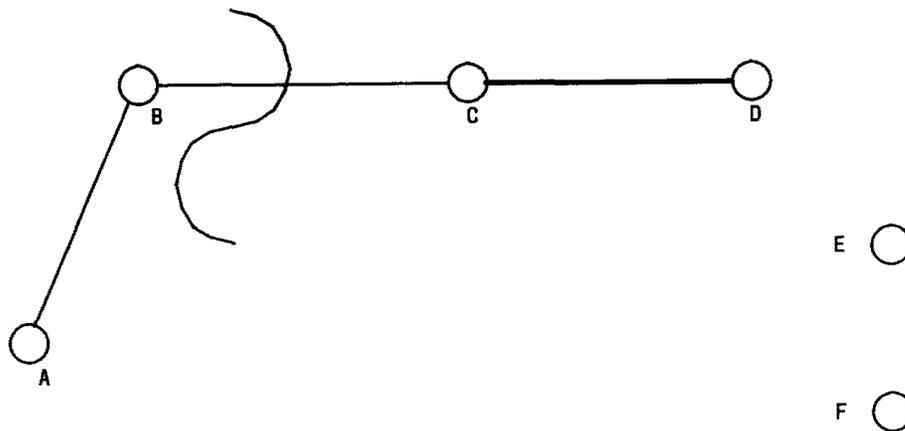
8.01 *Extension of an Interstate Line (New Construction) (Fig. 15)*

Fig. 15—Extension of an Interstate Line

Construction Details: The existing and previously authorized cable ABC will be extended to point D, and ultimately to points E and F. The whole cable, with the extensions, is part of an interstate line.

214 Application Needed: Yes

Remarks: The extension CD, while entirely in one state, is a part of an existing interstate line, and as such, it is not a terminal line. Authorization by the FCC is required regardless of the length of the extension.

8.02 Branch Line (Less Than 10 Route Miles) (Fig. 16)

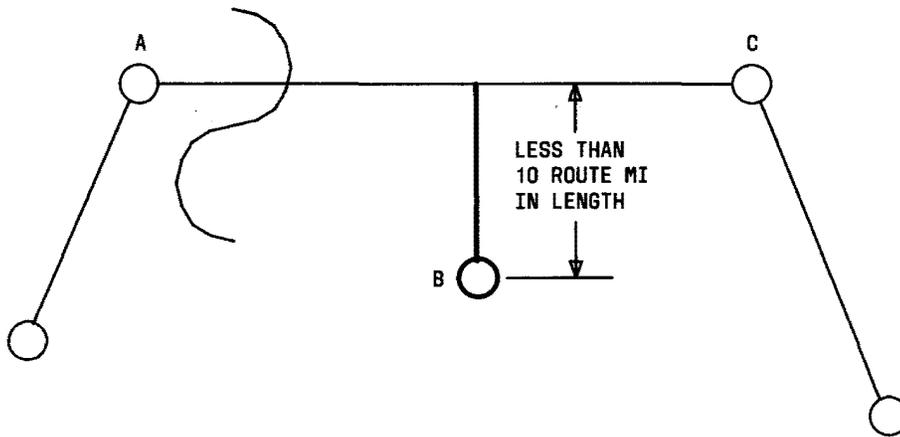


Fig. 16—Branch Line (Less Than 10 Route Miles)

Construction Details: A branch line, not more than 10 route miles in length, connected at an intermediate point of an existing interstate line, will be constructed to provide a community at point B with additional interstate lines between A and B.

214 Application Needed: No

Remarks: The branch line—since it is not more than 10 route miles in length—comes under the exception provided by Section 214(a)(2), and no authorization by the FCC is required.

8.03 Branch Line (More Than 10 Route Miles) (Fig. 17)

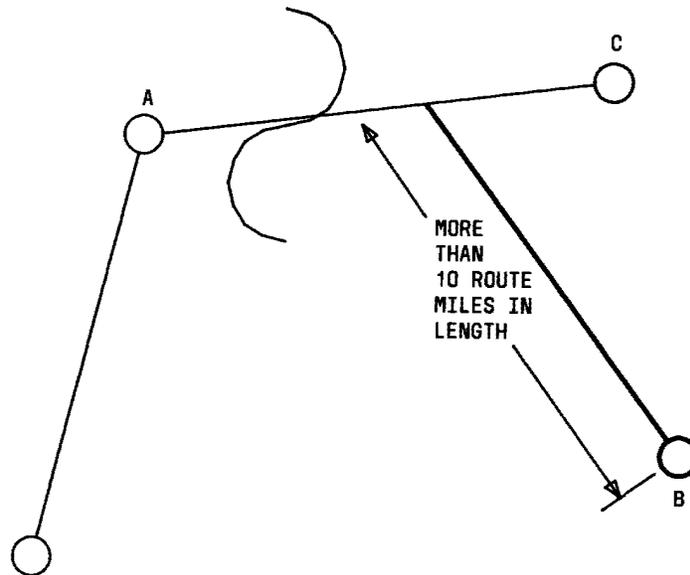


Fig. 17—Branch Line (More Than 10 Route Miles)

Construction Details: A branch line more than 10 route miles long, connected at an intermediate point of an interstate line, will be constructed to provide a community at point B with additional interstate lines between A and B.

214 Application Needed: Yes

Remarks: The branch line—since it is more than 10 route miles long—is not exempted by Section 214(a), and authorization is required.

8.04 Connection of Two Existing Lines (Fig. 18)

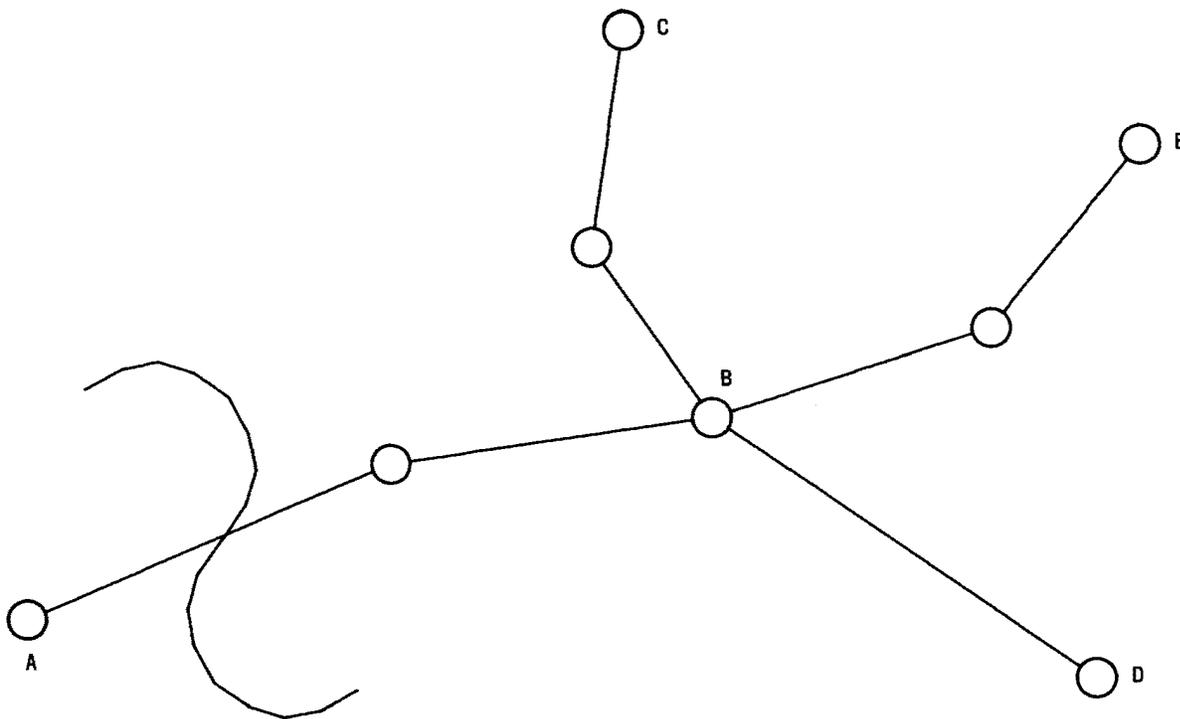


Fig. 18—Connection of Two Existing Lines

Construction Details: Existing intrastate line BC and existing interstate line AB which are both routed through the same central office will be connected by back-to-back wiring.

214 Application Needed: No

Remarks: Provision in Section 214(a) exempts the establishment of a channel of communication by the interconnection of two or more existing channels from Section 214(a) authorization by the FCC.

8.05 *Intrastate Line (Fig. 19)*

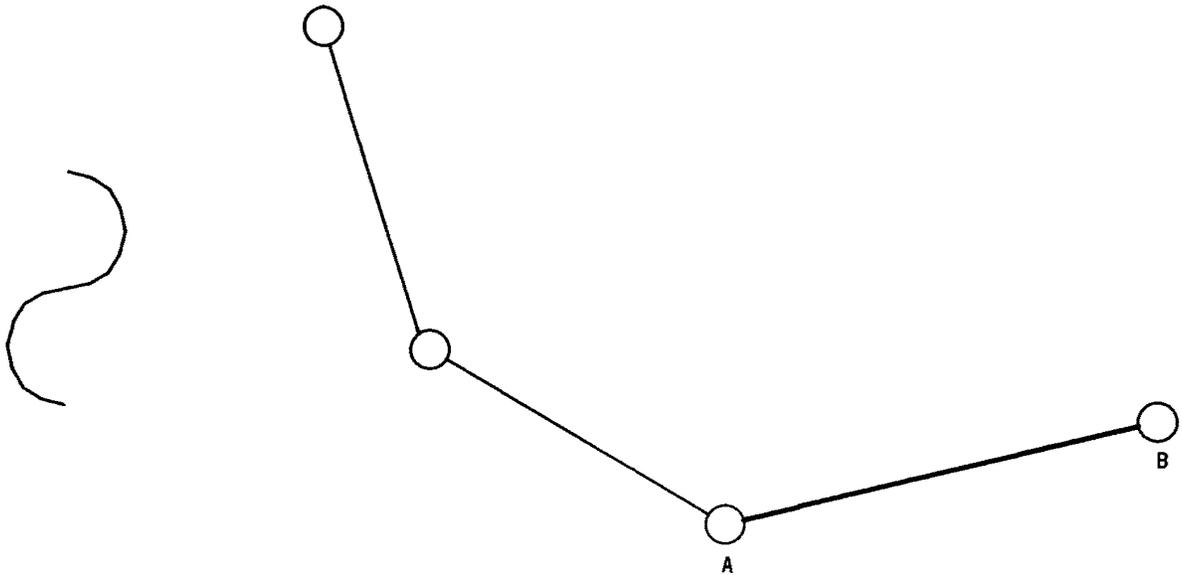


Fig. 19—Intrastate Line

Construction Details: Entirely intrastate line from points A to B to be constructed as part of the intrastate public network.

214 Application Needed: No

Remarks: Section 2(b) of the Communications Act exempts from the Commission's jurisdiction facilities required for intrastate services.

8.06 Interstate Private Line Network (Fig. 20)

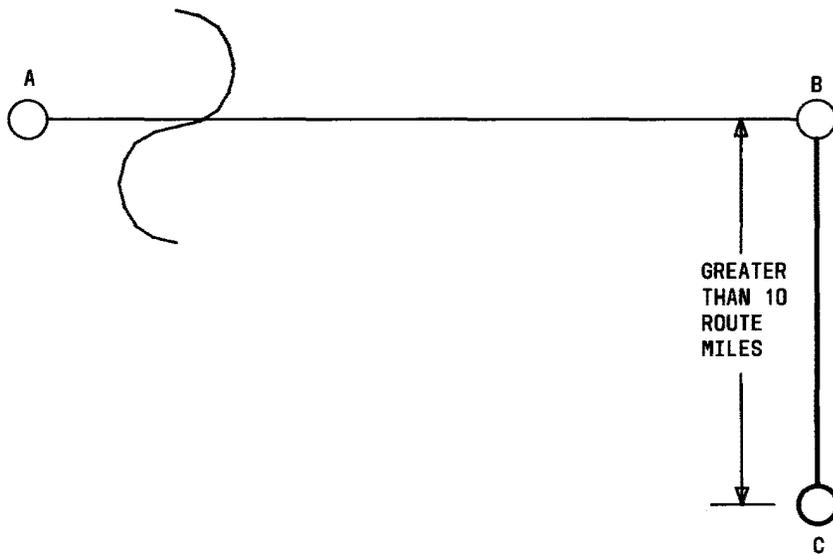


Fig. 20—Interstate Private Line Network

Construction Details: An interstate private line network is to be extended to point C to provide interstate communication between A and C.

214 Application Needed: Yes

Remarks: This new construction is an extension of an interstate private line network.

8.07 Link to Broadcast Transmitter (Less Than 10 Route Miles) (Fig. 21)

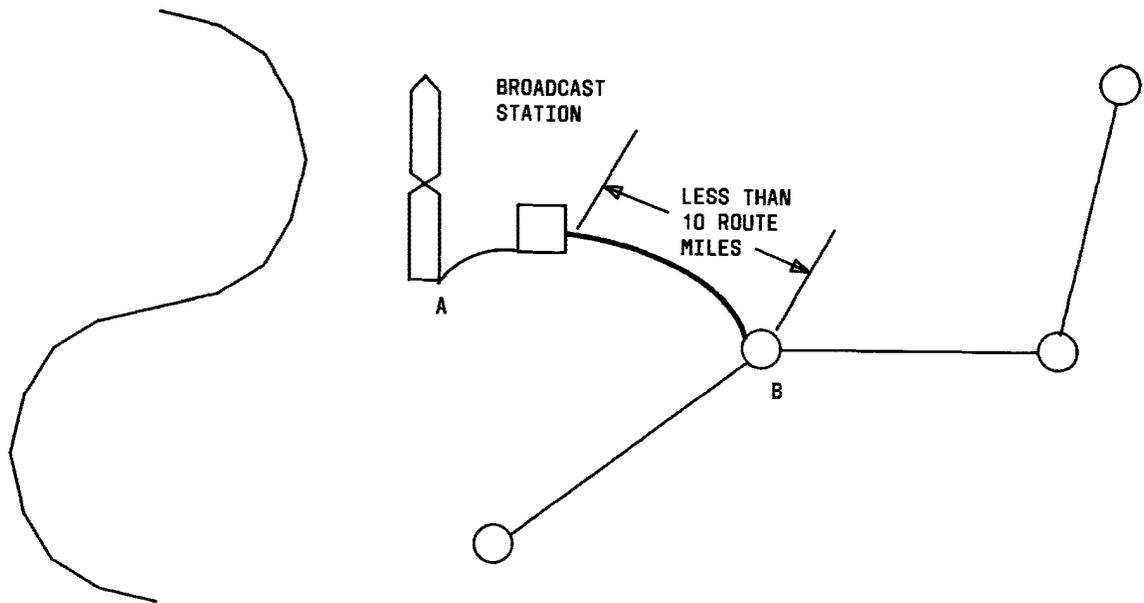


Fig. 21—Link to Broadcast Transmitter (Less Than 10 Route Miles)

Construction Details: A link to a broadcast station less than 10 route miles in length will be constructed from point B to point A for transmission of broadcast signals.

214 Application Needed: No

Remarks: Such construction is authorized pursuant to FCC Memorandum, Opinion, and Order of April 15, 1970 (continuing blanket authority) regardless of whether the facilities are interstate or intrastate (see EL 567).

8.08 *Link to Broadcast Transmitter (More Than 10 Route Miles) (Fig. 22)*

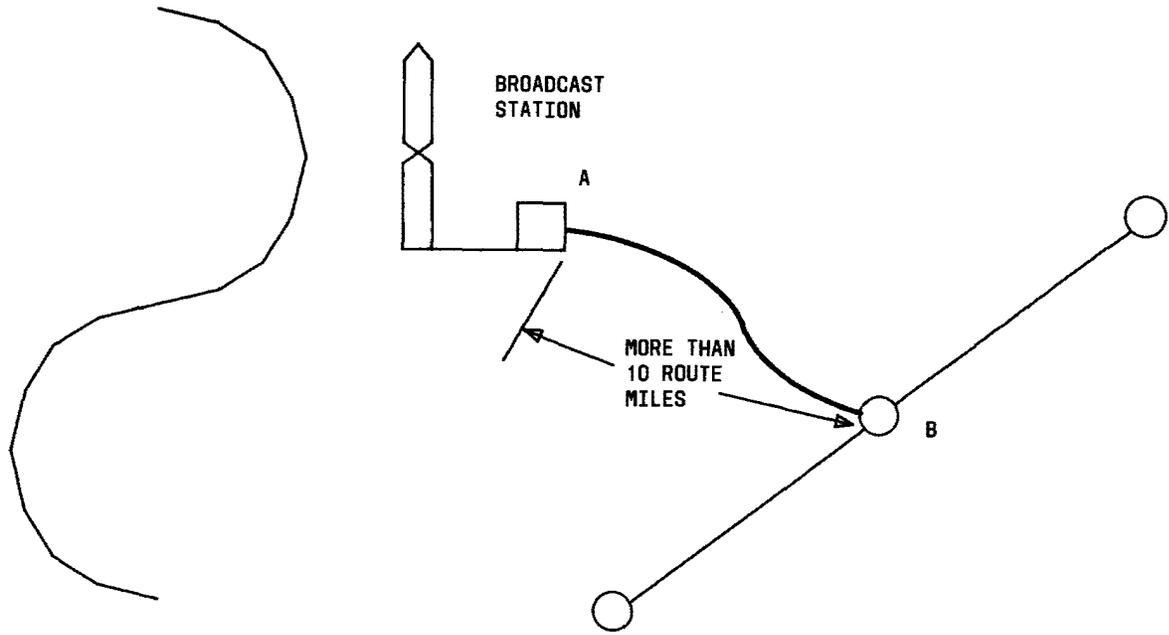
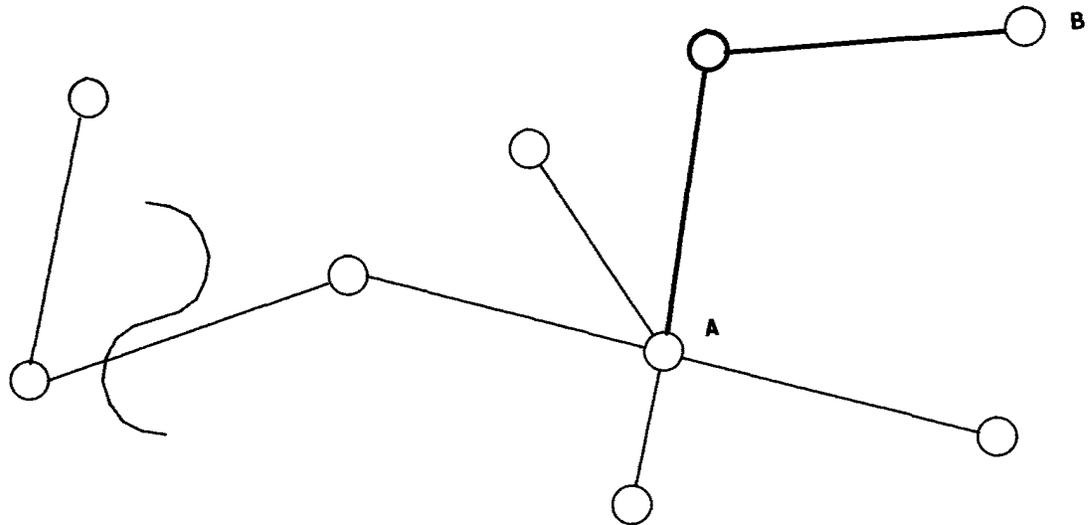


Fig. 22—Link to Broadcast Transmitter (More Than 10 Route Miles)

Construction Details: A link to a broadcast station more than 10 route miles in length is to be constructed from point B to point A for transmission of broadcast signals. All construction entirely within one state.

214 Application Needed: Yes

Remarks: Construction of a broadcast link—program channel—more than 10 route miles in length carrying signals to be broadcast requires Section 214 authorization.

8.09 Intrastate Route—Interstate Capability by Switching (Fig. 23)**Fig. 23—Intrastate Route With Interstate Capability Achieved by Switching**

Construction Details: Intrastate line to be constructed from point A to point B—a part of the message telephone network—is required for intrastate service. It will have interstate capability through switching.

214 Application Needed: No

Remarks: Since the line is entirely intrastate and is required for intrastate service, it does not require authorization by the FCC.

8.10 *Additional Channels Using Interstate Route With Both Terminals Located in the Same State (Fig. 24)*

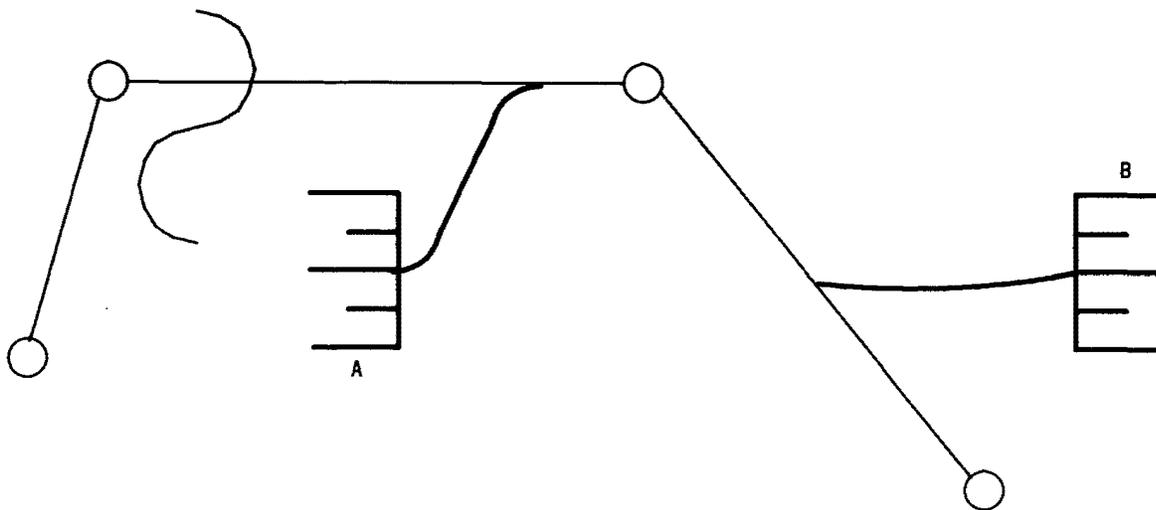


Fig. 24—Addition of Intrastate Channels on an Interstate Route

Construction Details: Lines and multiplexing equipment added at points A and B to carry intrastate traffic from A to B over existing interstate cable or wire. Additions are either part of the message telephone network or are for a private line customer who has no interstate requirements.

214 Application Needed: No

Remarks: As both terminals are to be located in the same state and since the traffic carried will be purely intrastate, no Section 214 application is required.