

CenturyLink Operating Companies

Transmittal No. 9

Fourth Quarter 2011 Universal Service Support Filing

Description and Justification

The CenturyLink Operating Companies (CLOCs) hereby submit the following information in support of the accompanying revisions to CenturyLink Operating Companies Tariff F.C.C. Nos. 1, 2, 3, 6, 7, 8 and 9.

This filing is being made on 15 days' notice under the Federal Communications Commission's streamlined filing procedures, and adjusts CenturyLink's federal universal service fund (USF) contribution factor for 4th quarter 2011 to 15.3% consistent with the requirements of the Commission's USF Order.¹

For all companies, excluding those in CLOC Tariff F.C.C. No. 9, a surcharge equal to the fourth quarter 2011 USF contribution factor of 0.153 is applied to end users being billed local exchange service (i.e., primary residential, non-primary residential, ISDN-BRI, single-line business, multi-line business, ISDN-PRI, and Centrex), switched dedicated, special access, or other interstate access services (i.e., Presubscription Change Charges). The percentage surcharge is reflected as a separate line item, clearly identified on the customer's bill. The detailed calculations for Tariff F.C.C. No. 9 are defined below.

Calculations for CenturyLink Operating Companies Tariff F.C.C. No. 9

CenturyLink adjusts their federal universal service fund (USF) end user charges to reflect its full contribution obligation, which is based on interstate end user revenues used by the Universal Service

¹ *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Public Notice (DA 11-1543) released September 13, 2011.

Administration Company (USAC) to calculate CenturyLink's fourth quarter 2011 assessment.

Consistent with the requirements of the Commission's *USF Interim Methodology Orders*,² CenturyLink recovers its federal universal service contributions through per line monthly charges assessed to end users subscribing to local exchange service (i.e., primary residential, non-primary residential, ISDN-BRI, single-line business, multi-line business, ISDN-PRI, and Centrex). Contributions for end users being billed switched dedicated, special access, or other interstate access services (i.e., Presubscription Change Charges) are recovered by applying a surcharge equal to the fourth quarter 2011 USF contribution factor of 0.153 to the total of the end user customer's interstate access charges. Both the per line charge and percentage surcharge are reflected as a separate line item, clearly identified on the customer's bill.

As detailed on Exhibit 1, Page 1, the Federal USF end user charges for primary residential, non-primary residential, ISDN-BRI and single-line business are calculated by applying the fourth quarter 2011 contribution factor of 0.153 to the sum of the charges representing the interstate portion of the customer's bill (i.e., the customer's end user common line or subscriber line charges).

Page 2 of Exhibit 1 details the calculation of the Federal USF end user charges for Centrex, ISDN-PRI and multi-line business customers. The *USF Interim Methodology Orders* allow the Federal USF end user charges for Centrex customers to be recovered using an "equivalency ratio." Initially, the Federal USF charges for Centrex, ISDN-PRI and multi-line business customers are calculated by applying the 0.153 fourth quarter 2011 contribution to the sum of the charges representing the interstate portion of the customer's bill in the same manner as outlined above. For multi-line business and ISDN-

² *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order and Second Further Notice of Proposed Rulemaking (FCC 02-329), released December 13, 2002; Order and Second Order on Reconsideration (FCC 03-58), released March 14, 2003; and Public Notice (DA 03-1909) (Collectively *USF Interim Methodology Orders*).

PRI, the Federal USF charges are calculated by first determining the difference, on a per line basis, between assessing Centrex lines based on the equivalency ratio and applying the remaining USF recovery across multi-line business and ISDN-PRI lines on an averaged basis. Once the difference is determined, a portion (\$0.50) is allocated back to Centrex, and the remainder is added to the initial multi-line business Federal USF charge to produce the Federal USF end user charge for multi-line business customers. The Federal USF end user charge for ISDN-PRI customers is calculated by multiplying the multi-line business charge by 5. The Federal USF end user charge for Payphone Service Providers is calculated by apply the 0.153 fourth quarter 2011 contribution factor to the multi-line business subscriber line charge.

The CenturyLink Operating Companies are submitting the accompanying information consistent with the requirements of the Commission's price cap regulations for local exchange carriers and in compliance with universal service decisions. The rate adjustments proposed herein are demonstrated to be just and reasonable, and are supported by detailed exhibits, where applicable, reflecting the calculation of the proposed USF end user charges using the fourth quarter 2011 contribution factor of 0.153 stipulated in the Commission's September 13, 2011 Public Notice.

CenturyLink FCC #9 - 9/16/11 Federal USF End User Surcharge Rates
(4th Qtr 2011 USF Contribution Factor 15.3% - DA 11-1543)
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Exhibit 1
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	Subscriber Line Charge - SLC Rates					Proposed 4th Qtr 2011 USF Contribution Factor (F)	Federal End User USF Surcharge						
	Residential Primary	Residential Non-Primary	ISDN BRI	Single Line Business	Multi-Line Business & ISDN-PRI & Centrex		Residential Primary	Residential Non-Primary	ISDN BRI	Single Line Business	Payphone	Multi-Line Business *	Centrex *
	TL #5	TL #5	TL #5	TL #5	TL #5		TL #9	TL #9	TL #9	TL #9	TL #9	TL #9	TL #9
	<u>7/1/2011</u>	<u>7/1/2011</u>	<u>7/1/2011</u>	<u>7/1/2011</u>	<u>7/1/2011</u>		<u>10/1/2011</u>	<u>10/1/2011</u>	<u>10/1/2011</u>	<u>10/1/2011</u>	<u>10/1/2011</u>	<u>10/1/2011</u>	<u>10/1/2011</u>
	(A)	(B)	(C)	(D)	(E)		(G)=A*F	(H)=B*F	(I)=C*F	(J)=D*F	(K)=E*F	(L)=Col H Page 2	(L)=Col I Page 2
Florida	\$ 6.15	\$ 6.15	\$ 6.15	\$ 6.15	\$ 6.65	15.3%	\$ 0.94	\$ 0.94	\$ 0.94	\$ 0.94	\$ 1.02	\$ 1.16	\$ 0.50
Indiana#	\$ 6.10	\$ 6.10	\$ 6.10	\$ 6.10	\$ 8.24	15.3%	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 1.26	\$ 1.35	\$ 0.50
Kansas	\$ 6.37	\$ 6.37	\$ 6.37	\$ 6.37	\$ 9.20	15.3%	\$ 0.97	\$ 0.97	\$ 0.97	\$ 0.97	\$ 1.41	\$ 1.43	\$ 0.50
Minnesota	\$ 6.15	\$ 6.15	\$ 6.15	\$ 6.15	\$ 8.22	15.3%	\$ 0.94	\$ 0.94	\$ 0.94	\$ 0.94	\$ 1.26	\$ 1.33	\$ 0.50
Missouri#	\$ 6.26	\$ 6.26	\$ 6.26	\$ 6.26	\$ 8.56	15.3%	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 1.31	\$ 1.58	\$ 0.50
Nebraska	\$ 2.90	\$ 2.90	\$ 2.90	\$ 2.90	\$ 3.53	15.3%	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.54	\$ 0.55	\$ 0.50
Nevada	\$ 3.58	\$ 3.58	\$ 3.58	\$ 3.58	\$ 3.66	15.3%	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.56	\$ 0.58	\$ 0.50
New Jersey	\$ 5.22	\$ 5.22	\$ 5.22	\$ 5.22	\$ 7.58	15.3%	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 1.16	\$ 1.20	\$ 0.50
North Carolina	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	\$ 5.40	15.3%	\$ 0.83	\$ 0.83	\$ 0.83	\$ 0.83	\$ 0.83	\$ 0.90	\$ 0.50
Ohio	\$ 5.30	\$ 5.30	\$ 5.30	\$ 5.30	\$ 5.95	15.3%	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.91	\$ 0.98	\$ 0.50
Oregon	\$ 5.81	\$ 5.81	\$ 5.81	\$ 5.81	\$ 9.20	15.3%	\$ 0.89	\$ 0.89	\$ 0.89	\$ 0.89	\$ 1.41	\$ 1.48	\$ 0.50
Pennsylvania	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 6.91	15.3%	\$ 0.66	\$ 0.66	\$ 0.66	\$ 0.66	\$ 1.06	\$ 1.09	\$ 0.50
South Carolina	\$ 5.09	\$ 5.09	\$ 5.09	\$ 5.09	\$ 5.15	15.3%	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.79	\$ 0.82	\$ 0.50
Tennessee	\$ 4.68	\$ 4.68	\$ 4.68	\$ 4.68	\$ 4.75	15.3%	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.73	\$ 0.82	\$ 0.50
Texas	\$ 5.90	\$ 5.90	\$ 5.90	\$ 5.90	\$ 9.20	15.3%	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.90	\$ 1.41	\$ 1.44	\$ 0.50
Virginia	\$ 3.88	\$ 3.88	\$ 3.88	\$ 3.88	\$ 3.96	15.3%	\$ 0.59	\$ 0.59	\$ 0.59	\$ 0.59	\$ 0.61	\$ 0.62	\$ 0.50
Washington	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00	\$ 8.85	15.3%	\$ 0.92	\$ 0.92	\$ 0.92	\$ 0.92	\$ 1.35	\$ 2.01	\$ 0.50
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	15.3%	\$ 0.99	\$ 1.07	\$ 1.07	\$ 0.99	\$ 1.41	\$ 1.47	\$ 0.50

* - Rates are developed on Exhibit 1 Page 2 of 2.

**CenturyLink FCC #9 - MultiLine Business, ISDN-PRI and Centrex
Federal USF End User Surcharge Rate Development
(4th Qtr 2011 USF Contribution Factor 15.3% - DA 11-1543)
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**Exhibit 1
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August 2011 Access Lines					Multi-Line Bus, ISDN-PRI & Centrex SLC Rate		Proposed 4th Qtr 2011 USF Contribution	Initial USF Charge Calculation	Proposed 10/1/2011 * MultiLine Business & ISDN-PRI USF Charge	Proposed 10/1/2011 * Centrex USF Charge	Allowable MultiLine Bus & Centrex & ISDN-PRI Revenue	PriceOut MultiLine Bus & Centrex & ISDN-PRI Revenue	
MultiLine Business (A)	Payphone (B)	ISDN PRI (5 Times) (C)	Centrex (D)	Total Multi-Line Bus & ISDN PRI & Centrex Lines (E)=A-B+C+D	TL #5 7/1/2011 (F)		Factor (G)	(H)=F*G	I=if(((E*H-D*0.50)/(A-B+C)< \$0.50,H,(E*H-D*.50)/(A-B+C))	J=Min(\$0.50,H)	K=E*H	L=(A-B+C)*I+D*J	
Florida	222,366	859	16,726	66,054	304,287	\$	6.65	15.3%	\$ 1.02	\$ 1.16	\$ 0.50	\$ 309,597	\$ 309,597
Indiana#	26,164	116	1,806	3,130	30,984	\$	8.24	15.3%	\$ 1.26	\$ 1.35	\$ 0.50	\$ 39,062	\$ 39,062
Kansas	13,641	10	442	280	14,353	\$	9.20	15.3%	\$ 1.41	\$ 1.43	\$ 0.50	\$ 20,203	\$ 20,203
Minnesota	20,470	21	1,898	2,098	24,445	\$	8.22	15.3%	\$ 1.26	\$ 1.33	\$ 0.50	\$ 30,743	\$ 30,743
Missouri#	31,224	56	1,961	11,143	44,272	\$	8.56	15.3%	\$ 1.31	\$ 1.58	\$ 0.50	\$ 57,982	\$ 57,982
Nebraska	2,443	7	150	553	3,139	\$	3.53	15.3%	\$ 0.54	\$ 0.55	\$ 0.50	\$ 1,695	\$ 1,695
Nevada	95,678	794	10,762	31,164	136,810	\$	3.66	15.3%	\$ 0.56	\$ 0.58	\$ 0.50	\$ 76,611	\$ 76,611
New Jersey	30,926	153	995	2,146	33,914	\$	7.58	15.3%	\$ 1.16	\$ 1.20	\$ 0.50	\$ 39,331	\$ 39,331
North Carolina	153,058	765	10,393	35,059	197,745	\$	5.40	15.3%	\$ 0.83	\$ 0.90	\$ 0.50	\$ 163,377	\$ 163,377
Ohio	48,351	198	4,921	8,363	61,437	\$	5.95	15.3%	\$ 0.91	\$ 0.98	\$ 0.50	\$ 55,929	\$ 55,929
Oregon	9,660	48	515	759	10,886	\$	9.20	15.3%	\$ 1.41	\$ 1.48	\$ 0.50	\$ 15,323	\$ 15,323
Pennsylvania	40,989	132	2,905	2,317	46,079	\$	6.91	15.3%	\$ 1.06	\$ 1.09	\$ 0.50	\$ 48,716	\$ 48,716
South Carolina	11,109	74	956	1,319	13,310	\$	5.15	15.3%	\$ 0.79	\$ 0.82	\$ 0.50	\$ 10,488	\$ 10,488
Tennessee	20,501	141	2,735	9,200	32,295	\$	4.75	15.3%	\$ 0.73	\$ 0.82	\$ 0.50	\$ 23,470	\$ 23,470
Texas	52,021	90	2,878	2,110	56,919	\$	9.20	15.3%	\$ 1.41	\$ 1.44	\$ 0.50	\$ 80,119	\$ 80,119
Virginia	49,353	166	3,506	4,980	57,673	\$	3.96	15.3%	\$ 0.61	\$ 0.62	\$ 0.50	\$ 34,943	\$ 34,943
Washington	10,126	37	705	8,228	19,022	\$	8.85	15.3%	\$ 1.35	\$ 2.01	\$ 0.50	\$ 25,757	\$ 25,757
Wyoming	1,167	2	40	84	1,289	\$	9.20	15.3%	\$ 1.41	\$ 1.47	\$ 0.50	\$ 1,814	\$ 1,814
	839,247	3,669	64,294	188,987	1,088,859							\$ 1,035,162	\$ 1,035,162