

## **CenturyLink Operating Companies**

### **Transmittal No. 103**

#### ***Description and Justification***

The CenturyLink Operating Companies (CLOC) hereby submits the following information in support of the accompanying revisions to CenturyLink Operating Companies Tariff F.C.C. Nos. 1, 2, 3, 6, 7, 8, 9, 10 and 11.

This filing is being filed on not less than 15 days' notice under the Federal Communications Commission's streamlined filing procedures and includes tariff changes consistent with the requirements of Sections 61.41 through 61.49 of the Federal Communications Commission's Rules. This filing adjusts CenturyLink's federal universal service fund (USF) contribution factor for 1st quarter 2019 to 20.0% consistent with the requirements of the Commission's USF Order.<sup>1</sup> CLOC Tariff F.C.C. No. 10 proposes to change the Interstate IntraLata Directory Assistance Rate. In addition, we are also removing ATM/FRS references in CLOC Tariff F.C.C. No. 11 since these services have been grandfathered in the ISG.

#### **Universal Service Fund Contribution Factor - First Quarter 2019**

For all companies, excluding those in CLOC Tariff F.C.C. No. 9 and 11, a surcharge equal to the first quarter 2019 USF contribution factor of 0.200 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 and 11 are defined below.

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<sup>1</sup> *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Public Notice (DA 18-1249) released December 12, 2018.)

## **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 Administration Company (USAC) to calculate CenturyLink's first quarter 2019 assessment.

Consistent with the requirements of the Commission's *USF Interim Methodology Orders*,<sup>2</sup> 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 first quarter 2019 USF contribution factor of 0.200 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 first quarter 2019 contribution factor of 0.200 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 0.200 first quarter 2019 contribution factor to the sum of the charges representing the interstate portion of the

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<sup>2</sup> *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*).

customer's bill in the same manner as outlined above. For multi-line business and ISDN- 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 applying the 0.200 first quarter 2019 contribution factor to the multi-line business subscriber line charge.

#### **Calculations for CenturyLink Operating Companies Tariff F.C.C. No. 11**

Consistent with the requirements of the Commission's *USF Interim Methodology Orders*,<sup>3</sup> 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 first quarter 2019 USF contribution factor of 0.200 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.

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<sup>3</sup> *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*).

As detailed on Exhibit 2, “CenturyLink QC Federal Universal Service Fund Charge Factor Development,” the Multiline Business charge factor for each study area is calculated by dividing the Multiline Business lines subject to FCC end user charges by the total number of lines subject to PICC charges pursuant to 47 C.F.R. 69.153. This ratio is multiplied by the first quarter 2019 USF Factor to determine the appropriate Multiline Business USF Charge Factor. This Multiline Business USF Charge Factor is then divided by nine to arrive at the Centrex USF Charge Factor.

### **3.0 Conclusion**

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.

**CenturyLink FCC #9 - 12/17/18 Federal USF End User Surcharge Rates**  
( 1st Qtr 2018 USF Contribution Factor 20.0% - DA 18-1249 )  
Transmittal No. 103

**Exhibit 1**  
**Page 1 of 2**

	Subscriber Line Charge - SLC Rates								Federal End User USF Surcharge						
	Residential	Residential		Single Line	Multi-Line Business &	Proposed		Residential	Residential	Single Line		Multi-Line Business *			
	Primary	Non-Primary		Business	ISDN-PRI & Centrex	1st Qtr '19		Primary	Non-Primary	Business		& ISDN-PRI	Centrex *		
	TL #102	TL #102	ISDN BRI	TL #102	TL #102	USF Contribution		TL #103	TL #103	TL #103	TL #103	TL #103	TL #103		
	10/1/2018	10/1/2018	TL #102	10/1/2018	10/1/2018	Factor		1/1/2019	1/1/2019	1/1/2019	1/1/2019	1/1/2019	1/1/2019		
	(A)	(B)	(C)	(D)	(E)	(F)		(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	\$ 6.24	\$ 6.24	\$ 6.24	\$ 6.24	\$ 6.99	20.0%	\$	1.25	\$ 1.25	\$ 1.25	\$ 1.25	\$ 1.40	\$ 1.62	\$ 0.50	
Indiana#	\$ 6.04	\$ 6.04	\$ 6.04	\$ 6.04	\$ 9.20	20.0%	\$	1.21	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.84	\$ 1.93	\$ 0.50	
Kansas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	20.0%	\$	1.30	\$ 1.40	\$ 1.40	\$ 1.30	\$ 1.84	\$ 1.85	\$ 0.50	
Minnesota	\$ 6.04	\$ 6.04	\$ 6.04	\$ 6.04	\$ 9.20	20.0%	\$	1.21	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.84	\$ 1.93	\$ 0.50	
Missouri#	\$ 6.50	\$ 6.66	\$ 6.66	\$ 6.50	\$ 9.20	20.0%	\$	1.30	\$ 1.33	\$ 1.33	\$ 1.30	\$ 1.84	\$ 2.20	\$ 0.50	
Nebraska	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80	\$ 3.96	20.0%	\$	0.56	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.79	\$ 0.84	\$ 0.50	
Nevada	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.86	20.0%	\$	0.73	\$ 0.73	\$ 0.73	\$ 0.73	\$ 0.77	\$ 0.85	\$ 0.50	
New Jersey	\$ 5.39	\$ 5.39	\$ 5.39	\$ 5.39	\$ 7.46	20.0%	\$	1.08	\$ 1.08	\$ 1.08	\$ 1.08	\$ 1.49	\$ 1.57	\$ 0.50	
North Carolina	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.70	20.0%	\$	1.10	\$ 1.10	\$ 1.10	\$ 1.10	\$ 1.14	\$ 1.27	\$ 0.50	
Ohio	\$ 5.38	\$ 5.38	\$ 5.38	\$ 5.38	\$ 6.29	20.0%	\$	1.08	\$ 1.08	\$ 1.08	\$ 1.08	\$ 1.26	\$ 1.34	\$ 0.50	
Oregon	\$ 6.06	\$ 6.06	\$ 6.06	\$ 6.06	\$ 9.20	20.0%	\$	1.21	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.84	\$ 1.90	\$ 0.50	
Pennsylvania	\$ 4.40	\$ 4.40	\$ 4.40	\$ 4.40	\$ 7.56	20.0%	\$	0.88	\$ 0.88	\$ 0.88	\$ 0.88	\$ 1.51	\$ 1.60	\$ 0.50	
South Carolina	\$ 5.29	\$ 5.29	\$ 5.29	\$ 5.29	\$ 5.46	20.0%	\$	1.06	\$ 1.06	\$ 1.06	\$ 1.06	\$ 1.09	\$ 1.13	\$ 0.50	
Tennessee	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.97	20.0%	\$	0.96	\$ 0.96	\$ 0.96	\$ 0.96	\$ 0.99	\$ 1.12	\$ 0.50	
Texas	\$ 6.31	\$ 6.31	\$ 6.31	\$ 6.31	\$ 9.20	20.0%	\$	1.26	\$ 1.26	\$ 1.26	\$ 1.26	\$ 1.84	\$ 1.88	\$ 0.50	
Virginia	\$ 4.08	\$ 4.08	\$ 4.08	\$ 4.08	\$ 4.29	20.0%	\$	0.82	\$ 0.82	\$ 0.82	\$ 0.82	\$ 0.86	\$ 0.88	\$ 0.50	
Washington	\$ 6.16	\$ 6.16	\$ 6.16	\$ 6.16	\$ 8.80	20.0%	\$	1.23	\$ 1.23	\$ 1.23	\$ 1.23	\$ 1.76	\$ 3.32	\$ 0.50	
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	20.0%	\$	1.30	\$ 1.40	\$ 1.40	\$ 1.30	\$ 1.84	\$ 1.93	\$ 0.50	

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

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**CenturyLink FCC #9 - 12/17/18 Federal USF End User Surcharge Rates**  
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Transmittal No. 103

**Exhibit 1**  
**Page 2 of 2**

MultiLine Business (A)	November, 2018 Access Lines				Total Multi-Line Bus & ISDN PRI & Centrex Lines (E)=A-B+C+D	Multi-Line Bus, ISDN-PRI & Centrex SLC Rate #REF! (F)	Proposed 1st Qtr '19 USF Contribution Factor (G)	Initial USF Charge Calculation (H)=F*G	Proposed 10/01/18 * MultiLine Business & ISDN-PRI USF Charge I=if(((E*H-D*0.50)/(A-B+C)<\$0.50,H,(E*H-D*.50)/(A-B+C))	Proposed 10/01/18 * Centrex USF Charge J=Min(\$0.50,H)	Allowable MultiLine Bus & Centrex & ISDN-PRI Revenue K=E*H	PriceOut MultiLine Bus & Centrex & ISDN-PRI Revenue L=(A-B+C)*I+D*J
	Payphone (B)	ISDN PRI ( 5 Times ) (C)	Centrex (D)									
Florida	115,762	108	11,640	31,577	158,871	\$ 6.99	20.0%	\$ 1.40	\$ 1.62	\$ 0.50	\$ 222,102	\$ 222,102
Indiana#	15,086	23	1,430	1,118	17,611	\$ 9.20	20.0%	\$ 1.84	\$ 1.93	\$ 0.50	\$ 32,404	\$ 32,404
Kansas	7,621	3	411	62	8,091	\$ 9.20	20.0%	\$ 1.84	\$ 1.85	\$ 0.50	\$ 14,887	\$ 14,887
Minnesota	11,321	3	1,241	805	13,364	\$ 9.20	20.0%	\$ 1.84	\$ 1.93	\$ 0.50	\$ 24,590	\$ 24,590
Missouri#	17,997	16	1,891	5,321	25,193	\$ 9.20	20.0%	\$ 1.84	\$ 2.20	\$ 0.50	\$ 46,355	\$ 46,355
Nebraska	1,492	2	90	281	1,861	\$ 3.96	20.0%	\$ 0.79	\$ 0.84	\$ 0.50	\$ 1,474	\$ 1,474
Nevada	53,762	161	6,395	16,844	76,840	\$ 3.86	20.0%	\$ 0.77	\$ 0.85	\$ 0.50	\$ 59,320	\$ 59,320
New Jersey	16,806	23	595	1,356	18,734	\$ 7.46	20.0%	\$ 1.49	\$ 1.57	\$ 0.50	\$ 27,951	\$ 27,951
North Carolina	87,183	48	7,803	18,552	113,490	\$ 5.70	20.0%	\$ 1.14	\$ 1.27	\$ 0.50	\$ 129,379	\$ 129,379
Ohio	28,319	27	3,540	3,267	35,099	\$ 6.29	20.0%	\$ 1.26	\$ 1.34	\$ 0.50	\$ 44,155	\$ 44,155
Oregon	5,436	11	405	256	6,086	\$ 9.20	20.0%	\$ 1.84	\$ 1.90	\$ 0.50	\$ 11,198	\$ 11,198
Pennsylvania	22,743	24	2,135	2,094	26,948	\$ 7.56	20.0%	\$ 1.51	\$ 1.60	\$ 0.50	\$ 40,745	\$ 40,745
South Carolina	7,090	1	580	478	8,147	\$ 5.46	20.0%	\$ 1.09	\$ 1.13	\$ 0.50	\$ 8,897	\$ 8,897
Tennessee	10,679	11	2,161	3,255	16,084	\$ 4.97	20.0%	\$ 0.99	\$ 1.12	\$ 0.50	\$ 15,987	\$ 15,987
Texas	31,120	8	2,276	1,098	34,486	\$ 9.20	20.0%	\$ 1.84	\$ 1.88	\$ 0.50	\$ 63,454	\$ 63,454
Virginia	29,313	18	2,390	1,858	33,543	\$ 4.29	20.0%	\$ 0.86	\$ 0.88	\$ 0.50	\$ 28,780	\$ 28,780
Washington	6,380	8	570	8,570	15,512	\$ 8.80	20.0%	\$ 1.76	\$ 3.32	\$ 0.50	\$ 27,301	\$ 27,301
Wyoming	1,055	-	45	76	1,176	\$ 9.20	20.0%	\$ 1.84	\$ 1.93	\$ 0.50	\$ 2,164	\$ 2,164
	469,165	495	45,598	96,868	611,136						\$ 801,144	\$ 801,144

**Federal Universal Service Fund Charge Factor Development**  
**NO PAYPHONE LINES INCLUDED IN MLB QUANTITY COUNTS**

State	MLB Line CALC Quantities Subject to FCC End User Charges Col. 1	MLB Line CALC Quantities Excluding Centrex Col. 2	Centrex Line CALC Quantities Col. 3	Adj Centrex Quantities Col. 4 = Col 3/"9"	Total Adjusted Quantities Col. 5 = (Cols. 2+4)	MLB Lines to Adjusted Lines Ratio Col. 6 = (Col. 1 / Col. 5)	FCC FUSF Contribution Factor Col. 7	Multi-line Bus. Charge Factor Col. 8 = Col. 7 x Col. 6	Centrex Charge Factor Col. 9 = Col. 8 / "9"
Arizona	172,615	171,113	1,502	167	171,280	1.007795	0.200000	0.201559	0.022395
Colorado	182,892	179,322	3,570	397	179,719	1.017657	0.200000	0.203531	0.022615
Idaho	48,259	45,316	2,943	327	45,643	1.057314	0.200000	0.211463	0.023496
Montana	25,872	25,497	375	42	25,539	1.013052	0.200000	0.202610	0.022512
New Mexico	62,953	61,581	1,372	152	61,733	1.019755	0.200000	0.203951	0.022661
Utah	74,510	62,671	11,839	1,315	63,986	1.164465	0.200000	0.232893	0.025877
Wyoming	29,022	28,257	765	85	28,342	1.023993	0.200000	0.204799	0.022755
Iowa	84,371	83,225	1,146	127	83,352	1.012221	0.200000	0.202444	0.022494
Minnesota	100,269	86,857	13,412	1,490	88,347	1.134942	0.200000	0.226988	0.025221
Nebraska	33,961	26,424	7,537	837	27,261	1.245752	0.200000	0.249150	0.027683
North Dakota	11,658	10,823	835	93	10,916	1.067995	0.200000	0.213599	0.023733
South Dakota	23,094	13,306	9,788	1,088	14,394	1.604468	0.200000	0.320894	0.035655
Oregon	69,292	66,988	2,304	256	67,244	1.030456	0.200000	0.206091	0.022899
Washington	155,757	134,738	21,019	2,335	137,073	1.136303	0.200000	0.227261	0.025251

Note 1: MLB CALC quantities billed in November 2018

Note 2: Lines in columns 3 - 5 are determined pursuant to 47 CFR 69.153 and 69.158

Note 3: MLB CALC quantities do not include Payphone Lines