

## **CenturyLink Operating Companies**

### **Transmittal No. 104**

#### ***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 made on at least 16 days' notice as required by Section 61.58 (2) (ii) of the Code of Federal Regulations Part 47 and includes tariff changes consistent with the requirements of Sections 61.41 through 61.49 of the FCC's Rules. This filing adjusts CenturyLink's federal universal service fund (USF) contribution factor for 2nd quarter 2019 to 18.8% consistent with the requirements of the Commission's USF Order.<sup>1</sup> The remaining portion of the filing is being made on 15 days' notice under the Commission's streamlined filing procedures. In this portion of the filing CenturyLink is revising tariff language associated with the notification of customers concerning the discontinuance of their service. With this change, customers would no longer be notified by certified mail, notification would be done by either regular mail or electronically if that is how they currently receive their bills. (CLOC F.C.C. Tariff Nos. 1, 2, 3, 6, 7, 8, 9 & 11). Additional language associated with the High Capacity Optional Rate Plan in CLOC F.C.C. Tariff No. 7 is also being removed. This plan was retired in February 1, 2002 and removed from the tariff in Transmittal No. 97, however some language was inadvertently missed in the filing. Additionally, Embarq is seeking to de-tariff services in its Tariff F.C.C. No. 10, Interstate IntraLATA Message Telecommunications Service Tariff, as allowed by the Commission pursuant to FCC Memorandum Opinion and Order No. 07-159, WC Docket No. 06-120, release August 31, 2007. Pursuant to this order, Embarq is hereby cancelling its Tariff F.C.C. No. 10. Terms and Conditions associated with

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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 19-178) released March 13, 2019.)

de-tariffed services can now be found as a Rates and Services Schedule at <http://www.centurylink.com/aboutus/legal/tariff-library.html?rid=tariffs>.

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

For all companies, excluding those in CLOC Tariff F.C.C. No. 9 and 11, a surcharge equal to the second quarter 2019 USF contribution factor of 0.188 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.

### **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 second 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 second quarter 2019 USF contribution factor of 0.188

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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*).

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 second quarter 2019 contribution factor of 0.188 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 0.188 second quarter 2019 contribution factor 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-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 0.188 second 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

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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*).

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 second quarter 2019 USF contribution factor of 0.188 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 3 for CenturyLink FCC # 11, 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 second 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 - 3/15/19 Federal USF End User Surcharge Rates**  
( 2nd Qtr 2019 USF Contribution Factor 18.8% - DA 19-178 )  
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**Exhibit 1**  
**Page 1 of 3**

	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	ISDN BRI	Business	ISDN-PRI & Centrex	2nd Qtr '19	Primary	Non-Primary	Business	Payphone	& ISDN-PRI	Centrex *			
	TL #102	TL #102	TL #102	TL #102	TL #102	USF Contribution	TL #104	TL #104	TL #104	TL #104	TL #104	TL #104			
	10/1/2018	10/1/2018	10/1/2018	10/1/2018	10/1/2018	Factor	4/1/2019	4/1/2019	4/1/2019	4/1/2019	4/1/2019	4/1/2019			
	(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	18.8%	\$ 1.17	\$ 1.17	\$ 1.17	\$ 1.17	\$ 1.31	\$ 1.52	\$ 0.50		
Indiana#	\$ 6.04	\$ 6.04	\$ 6.04	\$ 6.04	\$ 9.20	18.8%	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.73	\$ 1.81	\$ 0.50		
Kansas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	18.8%	\$ 1.22	\$ 1.32	\$ 1.32	\$ 1.22	\$ 1.73	\$ 1.74	\$ 0.50		
Minnesota	\$ 6.04	\$ 6.04	\$ 6.04	\$ 6.04	\$ 9.20	18.8%	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.73	\$ 1.81	\$ 0.50		
Missouri#	\$ 6.50	\$ 6.66	\$ 6.66	\$ 6.50	\$ 9.20	18.8%	\$ 1.22	\$ 1.25	\$ 1.25	\$ 1.22	\$ 1.73	\$ 2.07	\$ 0.50		
Nebraska	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80	\$ 3.96	18.8%	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.53	\$ 0.74	\$ 0.79	\$ 0.50		
Nevada	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.65	\$ 3.86	18.8%	\$ 0.69	\$ 0.69	\$ 0.69	\$ 0.69	\$ 0.73	\$ 0.79	\$ 0.50		
New Jersey	\$ 5.39	\$ 5.39	\$ 5.39	\$ 5.39	\$ 7.46	18.8%	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.40	\$ 1.47	\$ 0.50		
North Carolina	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.70	18.8%	\$ 1.03	\$ 1.03	\$ 1.03	\$ 1.03	\$ 1.07	\$ 1.18	\$ 0.50		
Ohio	\$ 5.38	\$ 5.38	\$ 5.38	\$ 5.38	\$ 6.29	18.8%	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.01	\$ 1.18	\$ 1.25	\$ 0.50		
Oregon	\$ 6.06	\$ 6.06	\$ 6.06	\$ 6.06	\$ 9.20	18.8%	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.14	\$ 1.73	\$ 1.78	\$ 0.50		
Pennsylvania	\$ 4.40	\$ 4.40	\$ 4.40	\$ 4.40	\$ 7.56	18.8%	\$ 0.83	\$ 0.83	\$ 0.83	\$ 0.83	\$ 1.42	\$ 1.50	\$ 0.50		
South Carolina	\$ 5.29	\$ 5.29	\$ 5.29	\$ 5.29	\$ 5.46	18.8%	\$ 0.99	\$ 0.99	\$ 0.99	\$ 0.99	\$ 1.03	\$ 1.06	\$ 0.50		
Tennessee	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.97	18.8%	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.93	\$ 1.05	\$ 0.50		
Texas	\$ 6.31	\$ 6.31	\$ 6.31	\$ 6.31	\$ 9.20	18.8%	\$ 1.19	\$ 1.19	\$ 1.19	\$ 1.19	\$ 1.73	\$ 1.77	\$ 0.50		
Virginia	\$ 4.08	\$ 4.08	\$ 4.08	\$ 4.08	\$ 4.29	18.8%	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.81	\$ 0.82	\$ 0.50		
Washington	\$ 6.16	\$ 6.16	\$ 6.16	\$ 6.16	\$ 8.80	18.8%	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.16	\$ 1.65	\$ 3.11	\$ 0.50		
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	18.8%	\$ 1.22	\$ 1.32	\$ 1.32	\$ 1.22	\$ 1.73	\$ 1.82	\$ 0.50		

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

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**CenturyLink FCC #9 - 3/15/19 Federal USF End User Surcharge Rates**  
( 2nd Qtr 2019 USF Contribution Factor 18.8% - DA 19-178 )  
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**Exhibit 1**  
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February, 2019 Access Lines					Multi-Line Bus, ISDN-PRI & Centrex SLC Rate	Proposed 2nd Qtr '19 USF Contribution	Initial USF Charge Calculation	Proposed 10/01/18 * MultiLine Business & ISDN-PRI USF Charge	Proposed 10/01/18 * 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	#REF! (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	112,648	107	11,295	31,042	154,878	\$	6.99	18.8%	\$ 1.31	\$ 1.52	\$	203,528	\$	203,528
Indiana#	14,745	22	1,390	1,043	17,156	\$	9.20	18.8%	\$ 1.73	\$ 1.81	\$	29,673	\$	29,673
Kansas	7,409	3	400	57	7,863	\$	9.20	18.8%	\$ 1.73	\$ 1.74	\$	13,600	\$	13,600
Minnesota	11,016	3	1,151	794	12,958	\$	9.20	18.8%	\$ 1.73	\$ 1.81	\$	22,412	\$	22,412
Missouri#	17,489	16	1,806	5,265	24,544	\$	9.20	18.8%	\$ 1.73	\$ 2.07	\$	42,451	\$	42,451
Nebraska	1,441	1	90	274	1,804	\$	3.96	18.8%	\$ 0.74	\$ 0.79	\$	1,343	\$	1,343
Nevada	52,541	145	6,270	16,629	75,295	\$	3.86	18.8%	\$ 0.73	\$ 0.79	\$	54,640	\$	54,640
New Jersey	16,314	23	560	1,249	18,100	\$	7.46	18.8%	\$ 1.40	\$ 1.47	\$	25,385	\$	25,385
North Carolina	84,292	41	7,703	18,190	110,144	\$	5.70	18.8%	\$ 1.07	\$ 1.18	\$	118,030	\$	118,030
Ohio	27,345	26	3,410	3,203	33,932	\$	6.29	18.8%	\$ 1.18	\$ 1.25	\$	40,125	\$	40,125
Oregon	5,338	11	400	243	5,970	\$	9.20	18.8%	\$ 1.73	\$ 1.78	\$	10,326	\$	10,326
Pennsylvania	22,311	24	2,115	2,086	26,488	\$	7.56	18.8%	\$ 1.42	\$ 1.50	\$	37,647	\$	37,647
South Carolina	6,832	1	565	456	7,852	\$	5.46	18.8%	\$ 1.03	\$ 1.06	\$	8,060	\$	8,060
Tennessee	10,370	11	2,116	3,203	15,678	\$	4.97	18.8%	\$ 0.93	\$ 1.05	\$	14,649	\$	14,649
Texas	30,457	8	2,231	1,076	33,756	\$	9.20	18.8%	\$ 1.73	\$ 1.77	\$	58,384	\$	58,384
Virginia	28,630	18	2,310	1,813	32,735	\$	4.29	18.8%	\$ 0.81	\$ 0.82	\$	26,401	\$	26,401
Washington	6,327	8	565	8,656	15,540	\$	8.80	18.8%	\$ 1.65	\$ 3.11	\$	25,709	\$	25,709
Wyoming	1,037	-	45	76	1,158	\$	9.20	18.8%	\$ 1.73	\$ 1.82	\$	2,003	\$	2,003
	456,542	468	44,422	95,355	595,851						\$	734,368	\$	734,368

**CenturyLink FCC #11 - 3/15/19 Federal USF End User Surcharge Rates**  
**( 2nd Qtr 2019 USF Contribution Factor 18.8% - DA 19-178 )**  
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**Exhibit 1**  
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**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	167,052	165,550	1,502	167	165,717	1.008057	0.188000	0.189515	0.021057
Colorado	178,163	174,671	3,492	388	175,059	1.017731	0.188000	0.191333	0.021259
Idaho	46,719	43,860	2,859	318	44,178	1.057525	0.188000	0.198815	0.022091
Montana	25,212	24,840	372	41	24,881	1.013290	0.188000	0.190498	0.021166
New Mexico	61,164	59,900	1,264	140	60,040	1.018713	0.188000	0.191518	0.021280
Utah	72,370	60,606	11,764	1,307	61,913	1.168896	0.188000	0.219752	0.024417
Wyoming	28,525	27,758	767	85	27,843	1.024486	0.188000	0.192603	0.021400
Iowa	81,933	80,807	1,126	125	80,932	1.012367	0.188000	0.190325	0.021147
Minnesota	96,863	83,524	13,339	1,482	85,006	1.139483	0.188000	0.214223	0.023803
Nebraska	32,861	25,369	7,492	832	26,201	1.254167	0.188000	0.235783	0.026198
North Dakota	11,310	10,491	819	91	10,582	1.068796	0.188000	0.200934	0.022326
South Dakota	22,392	12,845	9,547	1,061	13,906	1.610266	0.188000	0.302730	0.033637
Oregon	67,505	65,320	2,185	243	65,563	1.029624	0.188000	0.193569	0.021508
Washington	152,407	131,394	21,013	2,335	133,729	1.139672	0.188000	0.214258	0.023806

Note 1: MLB SLC quantities billed in February 2019

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

Note 3: MLB SLC quantities do not include Payphone Lines