

## **CenturyLink Operating Companies**

### **Transmittal No. 109**

#### ***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 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 2020 to 21.2% consistent with the requirements of the Commission's USF Order.<sup>1</sup>

#### **Universal Service Fund Contribution Factor - First Quarter 2020**

For all companies, excluding those in CLOC Tariff F.C.C. No. 9 and 11, a surcharge equal to the first quarter 2020 USF contribution factor of 0.212 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 19-1266) released December 12, 2019.)

## **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 2020 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 2020 USF contribution factor of 0.212 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 2020 contribution factor of 0.212 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 0.212 first quarter 2020 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 0.212 first quarter 2020 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 2020 USF contribution factor of 0.212 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 1, page 3, “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 2020 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 - 12/17/19 Federal USF End User Surcharge Rates

(1st Qtr 2020 USF Contribution Factor 21.2% - DA 19-1266)

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Exhibit 1

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Subscriber Line Charge - SLC Rates							Federal End User USF Surcharge						
Residential Primary TL #109 10/1/2019 (A)	Residential Non-Primary TL #109 10/1/2019 (B)	ISDN BRI TL #109 10/1/2019 (C)	Single Line Business TL #109 10/1/2019 (D)	Multi-Line Business & ISDN-PRI & Centrex TL #109 10/1/2019 (E)	Proposed 1/1/2020 USF Contribution (F)		Residential Primary TL #109 1/1/2020 (G)=A*F	Residential Non-Primary TL #109 1/1/2020 (H)=B*F	ISDN BRI TL #109 1/1/2020 (I)=C*F	Single Line Business TL #109 1/1/2020 (J)=D*F	Payphone TL #109 1/1/2020 (K)=E*F	Multi-Line Business * & ISDN-PRI TL #109 1/1/2020 (L)=Col H Page 2	Centrex * TL #109 1/1/2020 (L)=Col I Page 2
Florida	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 7.87	21.2%	\$ 1.38	\$ 1.38	\$ 1.38	\$ 1.38	\$ 1.67	\$ 1.96	\$ 0.50
Indiana	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	21.2%	\$ 1.38	\$ 1.48	\$ 1.48	\$ 1.38	\$ 1.95	\$ 2.04	\$ 0.50
Kansas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	21.2%	\$ 1.38	\$ 1.48	\$ 1.48	\$ 1.38	\$ 1.95	\$ 1.96	\$ 0.50
Minnesota	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	21.2%	\$ 1.38	\$ 1.48	\$ 1.48	\$ 1.38	\$ 1.95	\$ 2.04	\$ 0.50
Missouri	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	21.2%	\$ 1.38	\$ 1.48	\$ 1.48	\$ 1.38	\$ 1.95	\$ 2.34	\$ 0.50
Nebraska	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.48	21.2%	\$ 1.02	\$ 1.02	\$ 1.02	\$ 1.02	\$ 0.95	\$ 1.03	\$ 0.50
Nevada	\$ 4.15	\$ 4.15	\$ 4.15	\$ 4.15	\$ 4.15	21.2%	\$ 0.88	\$ 0.88	\$ 0.88	\$ 0.88	\$ 0.88	\$ 0.99	\$ 0.50
New Jersey	\$ 5.58	\$ 5.58	\$ 5.58	\$ 5.58	\$ 8.35	21.2%	\$ 1.18	\$ 1.18	\$ 1.18	\$ 1.18	\$ 1.77	\$ 1.82	\$ 0.50
North Carolin	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.93	21.2%	\$ 1.38	\$ 1.38	\$ 1.38	\$ 1.38	\$ 1.47	\$ 1.67	\$ 0.50
Ohio	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 7.12	21.2%	\$ 1.38	\$ 1.38	\$ 1.38	\$ 1.38	\$ 1.51	\$ 1.61	\$ 0.50
Oregon	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	21.2%	\$ 1.38	\$ 1.48	\$ 1.48	\$ 1.38	\$ 1.95	\$ 2.01	\$ 0.50
Pennsylvania	\$ 6.32	\$ 6.32	\$ 6.32	\$ 6.32	\$ 9.18	21.2%	\$ 1.34	\$ 1.34	\$ 1.34	\$ 1.34	\$ 1.95	\$ 2.02	\$ 0.50
South Carolin	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.18	21.2%	\$ 1.38	\$ 1.38	\$ 1.38	\$ 1.38	\$ 1.31	\$ 1.36	\$ 0.50
Tennessee	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.30	21.2%	\$ 1.38	\$ 1.38	\$ 1.38	\$ 1.38	\$ 1.34	\$ 1.53	\$ 0.50
Texas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	21.2%	\$ 1.38	\$ 1.48	\$ 1.48	\$ 1.38	\$ 1.95	\$ 2.00	\$ 0.50
Virginia	\$ 6.08	\$ 6.08	\$ 6.08	\$ 6.08	\$ 4.78	21.2%	\$ 1.29	\$ 1.29	\$ 1.29	\$ 1.29	\$ 1.01	\$ 1.04	\$ 0.50
Washington	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	21.2%	\$ 1.38	\$ 1.48	\$ 1.48	\$ 1.38	\$ 1.95	\$ 3.90	\$ 0.50
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	21.2%	\$ 1.38	\$ 1.48	\$ 1.48	\$ 1.38	\$ 1.95	\$ 2.05	\$ 0.50

\* - Rates are developed on Exhibit 1 Page 2 of 3.

**CenturyLink FCC #9 - 12/17/19 Federal USF End User Surcharge Rates**  
**(1st Qtr 2020 USF Contribution Factor 21.2% - DA 19-1266)**  
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**Exhibit 1**  
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MultiLine Business	November, 2019 Access Lines				Multi-Line Bus, ISDN-PRI & Centrex SLC Rate		Proposed 1/1/20 USF Contribution	Initial USF Charge	Proposed 1/1/20 * MultiLine Business & ISDN-PRI USF Charge	Proposed 1/1/20 * Centrex USF Charge	Allowable MultiLine Bus & Centrex & ISDN-PRI Revenue	PriceOut MultiLine Bus & Centrex & ISDN-PRI Revenue
	ISDN PRI	ISDN PRI	Centrex	Centrex	Total Multi-Line Bus & ISDN PRI & Centrex Lines TL #109 01/01/2020	Centrex SLC Rate	Factor	Calculation	ISDN-PRI USF Charge	Centrex USF Charge	ISDN-PRI Revenue	ISDN-PRI Revenue
	Payphone ( 5 Times )	Payphone ( 5 Times )	Payphone ( 5 Times )	Payphone ( 5 Times )	(E)=A-B+C+D	(F)	(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
	(A)	(B)	(C)	(D)	(E)=A-B+C+D	(F)	(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	103,873	59	10,605	29,037	143,456	\$ 7.87	21.2%	\$ 1.67	\$ 1.96	\$ 0.50	\$ 239,348	\$ 239,348
Indiana	13,527	11	1,225	945	15,686	\$ 9.20	21.2%	\$ 1.95	\$ 2.04	\$ 0.50	\$ 30,594	\$ 30,594
Kansas	6,778	1	365	50	7,192	\$ 9.20	21.2%	\$ 1.95	\$ 1.96	\$ 0.50	\$ 14,027	\$ 14,027
Minnesota	10,261	2	1,051	688	11,998	\$ 9.20	21.2%	\$ 1.95	\$ 2.04	\$ 0.50	\$ 23,401	\$ 23,401
Missouri	16,110	12	1,396	4,642	22,136	\$ 9.20	21.2%	\$ 1.95	\$ 2.34	\$ 0.50	\$ 43,174	\$ 43,174
Nebraska	1,293	1	80	260	1,632	\$ 4.48	21.2%	\$ 0.95	\$ 1.03	\$ 0.50	\$ 1,550	\$ 1,550
Nevada	48,631	93	5,985	16,000	70,523	\$ 4.15	21.2%	\$ 0.88	\$ 0.99	\$ 0.50	\$ 62,046	\$ 62,046
New Jersey	15,001	18	485	612	16,080	\$ 8.35	21.2%	\$ 1.77	\$ 1.82	\$ 0.50	\$ 28,465	\$ 28,465
North Carolina	76,417	28	7,073	17,293	100,755	\$ 6.93	21.2%	\$ 1.47	\$ 1.67	\$ 0.50	\$ 148,025	\$ 148,025
Ohio	24,949	2	3,100	2,924	30,971	\$ 7.12	21.2%	\$ 1.51	\$ 1.61	\$ 0.50	\$ 46,749	\$ 46,749
Oregon	4,968	11	410	221	5,588	\$ 9.20	21.2%	\$ 1.95	\$ 2.01	\$ 0.50	\$ 10,899	\$ 10,899
Pennsylvania	20,385	10	1,955	1,129	23,459	\$ 9.18	21.2%	\$ 1.95	\$ 2.02	\$ 0.50	\$ 45,655	\$ 45,655
South Carolina	6,146	1	515	401	7,061	\$ 6.18	21.2%	\$ 1.31	\$ 1.36	\$ 0.50	\$ 9,251	\$ 9,251
Tennessee	9,696	9	2,011	2,665	14,363	\$ 6.30	21.2%	\$ 1.34	\$ 1.53	\$ 0.50	\$ 19,183	\$ 19,183
Texas	28,123	1	2,106	959	31,187	\$ 9.20	21.2%	\$ 1.95	\$ 2.00	\$ 0.50	\$ 60,827	\$ 60,827
Virginia	26,651	17	2,205	1,716	30,555	\$ 4.78	21.2%	\$ 1.01	\$ 1.04	\$ 0.50	\$ 30,963	\$ 30,963
Washington	5,924	6	530	8,683	15,131	\$ 9.20	21.2%	\$ 1.95	\$ 3.90	\$ 0.50	\$ 29,512	\$ 29,512
Wyoming	1,012	-	45	69	1,126	\$ 9.20	21.2%	\$ 1.95	\$ 2.05	\$ 0.50	\$ 2,196	\$ 2,196
	419,745	282	41,142	88,294	548,899						\$ 845,865	\$ 845,865

**CenturyLink FCC #11 - 12/17/19 Federal USF End User Surcharge Rates**  
**( 1st Qtr 2020 USF Contribution Factor 21.2% - DA 19-1266 )**  
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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	152,442	151,019	1,423	158	151,177	1.008367	0.212000	0.213774	0.023753
Colorado	165,641	162,121	3,520	391	162,512	1.019253	0.212000	0.216082	0.024009
Idaho	42,047	39,380	2,667	296	39,676	1.059750	0.212000	0.224667	0.024963
Montana	22,790	22,432	358	40	22,472	1.014161	0.212000	0.215002	0.023889
New Mexico	55,367	54,224	1,143	127	54,351	1.018693	0.212000	0.215963	0.023996
Utah	65,522	54,145	11,377	1,264	55,409	1.182513	0.212000	0.250693	0.027855
Wyoming	26,256	25,546	710	79	25,625	1.024629	0.212000	0.217221	0.024136
Iowa	74,467	73,455	1,012	112	73,567	1.012228	0.212000	0.214592	0.023844
Minnesota	90,036	77,103	12,933	1,437	78,540	1.146371	0.212000	0.243031	0.027003
Nebraska	30,052	22,884	7,168	796	23,680	1.269064	0.212000	0.269042	0.029894
North Dakota	10,165	9,417	748	83	9,500	1.069987	0.212000	0.226837	0.025204
South Dakota	20,477	11,539	8,938	993	12,532	1.633963	0.212000	0.346400	0.038489
Oregon	61,551	59,517	2,034	226	59,743	1.030263	0.212000	0.218416	0.024268
Washington	141,464	120,859	20,605	2,289	123,148	1.148727	0.212000	0.243530	0.027059

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Note 1: MLB CALC quantities billed in November 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