

CenturyLink Operating Companies

Transmittal No. 111

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 2nd quarter 2020 to 19.6% consistent with the requirements of the Commission's USF Order.¹

Universal Service Fund Contribution Factor - Second Quarter 2020

For all companies, excluding those in CLOC Tariff F.C.C. No. 9 and 11, a surcharge equal to the second quarter 2020 USF contribution factor of 0.196 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.

¹ *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Public Notice (DA 20-269) released March 13, 2020.)

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 2020 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 second quarter 2020 USF contribution factor of 0.196 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 2020 contribution factor of 0.196 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 0.196 second quarter 2020 contribution factor to the sum of the charges representing the interstate portion of the

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*).

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 0.196 second 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*,³ 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 2020 USF contribution factor of 0.196 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.

³ *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 second 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 - 3/17/20 Federal USF End User Surcharge Rates

(2nd Qtr 2020 USF Contribution Factor 19.6% - DA 20-269)

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Exhibit 1

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	Subscriber Line Charge - SLC Rates						Federal End User USF Surcharge						
	Residential	Residential	Single Line	Multi-Line Business &	Proposed	USF Contribution	Residential	Residential	Single Line	Multi-Line Business *			
	Primary	Non-Primary	Business	ISDN-PRI & Centrex	4/1/2020		Primary	Non-Primary	Business	Payphone	& ISDN-PRI	Centrex *	
	TL #108	TL #108	TL #108	TL #108	TL #108	Factor	TL #111	TL #111	TL #111	TL #111	TL #111	TL #111	TL #111
10/1/2019	10/1/2019	10/1/2019	10/1/2019	10/1/2019	(F)	4/1/2020	4/1/2020	4/1/2020	4/1/2020	4/1/2020	4/1/2020	4/1/2020	
(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	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 7.87	19.6%	\$ 1.27	\$ 1.27	\$ 1.27	\$ 1.27	\$ 1.54	\$ 1.81	\$ 0.50
Indiana	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	19.6%	\$ 1.27	\$ 1.37	\$ 1.37	\$ 1.27	\$ 1.80	\$ 1.89	\$ 0.50
Kansas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	19.6%	\$ 1.27	\$ 1.37	\$ 1.37	\$ 1.27	\$ 1.80	\$ 1.81	\$ 0.50
Minnesota	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	19.6%	\$ 1.27	\$ 1.37	\$ 1.37	\$ 1.27	\$ 1.80	\$ 1.88	\$ 0.50
Missouri	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	19.6%	\$ 1.27	\$ 1.37	\$ 1.37	\$ 1.27	\$ 1.80	\$ 2.15	\$ 0.50
Nebraska	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.80	\$ 4.48	19.6%	\$ 0.94	\$ 0.94	\$ 0.94	\$ 0.94	\$ 0.88	\$ 0.95	\$ 0.50
Nevada	\$ 4.15	\$ 4.15	\$ 4.15	\$ 4.15	\$ 4.15	19.6%	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.91	\$ 0.50
New Jersey	\$ 5.58	\$ 5.58	\$ 5.58	\$ 5.58	\$ 8.35	19.6%	\$ 1.09	\$ 1.09	\$ 1.09	\$ 1.09	\$ 1.64	\$ 1.68	\$ 0.50
North Carolina	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.93	19.6%	\$ 1.27	\$ 1.27	\$ 1.27	\$ 1.27	\$ 1.36	\$ 1.54	\$ 0.50
Ohio	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 7.12	19.6%	\$ 1.27	\$ 1.27	\$ 1.27	\$ 1.27	\$ 1.40	\$ 1.49	\$ 0.50
Oregon	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	19.6%	\$ 1.27	\$ 1.37	\$ 1.37	\$ 1.27	\$ 1.80	\$ 1.86	\$ 0.50
Pennsylvania	\$ 6.32	\$ 6.32	\$ 6.32	\$ 6.32	\$ 9.18	19.6%	\$ 1.24	\$ 1.24	\$ 1.24	\$ 1.24	\$ 1.80	\$ 1.92	\$ 0.50
South Carolina	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.18	19.6%	\$ 1.27	\$ 1.27	\$ 1.27	\$ 1.27	\$ 1.21	\$ 1.26	\$ 0.50
Tennessee	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.30	19.6%	\$ 1.27	\$ 1.27	\$ 1.27	\$ 1.27	\$ 1.23	\$ 1.40	\$ 0.50
Texas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	19.6%	\$ 1.27	\$ 1.37	\$ 1.37	\$ 1.27	\$ 1.80	\$ 1.85	\$ 0.50
Virginia	\$ 6.08	\$ 6.08	\$ 6.08	\$ 6.08	\$ 4.78	19.6%	\$ 1.19	\$ 1.19	\$ 1.19	\$ 1.19	\$ 0.94	\$ 0.96	\$ 0.50
Washington	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	19.6%	\$ 1.27	\$ 1.37	\$ 1.37	\$ 1.27	\$ 1.80	\$ 3.61	\$ 0.50
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	19.6%	\$ 1.27	\$ 1.37	\$ 1.37	\$ 1.27	\$ 1.80	\$ 1.89	\$ 0.50

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

CenturyLink FCC #9 - 3/17/20 Federal USF End User Surcharge Rates
 (2nd Qtr 2020 USF Contribution Factor 19.6% - DA 20-269)
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MultiLine Business	February, 2020 Access Lines			Multi-Line Bus, ISDN-PRI & Centrex		Proposed	Initial USF Charge	Proposed 4/1/20* USF Charge	Proposed 4/1/20* USF Charge	Allowable MultiLine Bus & Centrex & ISDN-PRI Revenue	PriceOut MultiLine Bus & Centrex & ISDN-PRI Revenue	
	ISDN PRI	Centrex	Total Multi-Line Bus & ISDN PRI	Centrex SLC Rate	4/1/2020 USF Contribution							
	Payphone (5 Times)	Centrex	& Centrex Lines TL #111 04/01/2020	TL #111 04/01/2020	Factor							
	(A)	(B)	(C)	(D)	(E)=A-B+C+D	(F)						(G)
Florida	100,592	15	10,295	28,395	139,267	\$ 7.87	19.6%	\$ 1.54	\$ 1.81	\$ 0.50	\$ 214,822	\$ 214,822
Indiana	13,075	2	1,180	919	15,172	\$ 9.20	19.6%	\$ 1.80	\$ 1.89	\$ 0.50	\$ 27,358	\$ 27,358
Kansas	6,521	-	360	42	6,923	\$ 9.20	19.6%	\$ 1.80	\$ 1.81	\$ 0.50	\$ 12,484	\$ 12,484
Minnesota	9,977	-	1,036	667	11,680	\$ 9.20	19.6%	\$ 1.80	\$ 1.88	\$ 0.50	\$ 21,061	\$ 21,061
Missouri	15,535	-	1,371	4,477	21,383	\$ 9.20	19.6%	\$ 1.80	\$ 2.15	\$ 0.50	\$ 38,558	\$ 38,558
Nebraska	1,266	-	80	258	1,604	\$ 4.48	19.6%	\$ 0.88	\$ 0.95	\$ 0.50	\$ 1,408	\$ 1,408
Nevada	47,439	51	5,860	15,808	69,056	\$ 4.15	19.6%	\$ 0.81	\$ 0.91	\$ 0.50	\$ 56,170	\$ 56,170
New Jersey	14,451	-	460	586	15,497	\$ 8.35	19.6%	\$ 1.64	\$ 1.68	\$ 0.50	\$ 25,362	\$ 25,362
North Carolina	73,897	2	6,908	17,016	97,819	\$ 6.93	19.6%	\$ 1.36	\$ 1.54	\$ 0.50	\$ 132,866	\$ 132,866
Ohio	23,874	-	3,010	2,829	29,713	\$ 7.12	19.6%	\$ 1.40	\$ 1.49	\$ 0.50	\$ 41,465	\$ 41,465
Oregon	4,853	2	405	221	5,477	\$ 9.20	19.6%	\$ 1.80	\$ 1.86	\$ 0.50	\$ 9,876	\$ 9,876
Pennsylvania	19,926	-	1,965	1,981	23,872	\$ 9.18	19.6%	\$ 1.80	\$ 1.92	\$ 0.50	\$ 42,952	\$ 42,952
South Carolina	5,977	-	505	400	6,882	\$ 6.18	19.6%	\$ 1.21	\$ 1.26	\$ 0.50	\$ 8,336	\$ 8,336
Tennessee	9,443	-	2,001	2,558	14,002	\$ 6.30	19.6%	\$ 1.23	\$ 1.40	\$ 0.50	\$ 17,290	\$ 17,290
Texas	27,182	-	2,061	940	30,183	\$ 9.20	19.6%	\$ 1.80	\$ 1.85	\$ 0.50	\$ 54,426	\$ 54,426
Virginia	25,960	-	2,175	1,690	29,825	\$ 4.78	19.6%	\$ 0.94	\$ 0.96	\$ 0.50	\$ 27,942	\$ 27,942
Washington	5,767	-	520	8,719	15,006	\$ 9.20	19.6%	\$ 1.80	\$ 3.61	\$ 0.50	\$ 27,059	\$ 27,059
Wyoming	988	-	40	67	1,095	\$ 9.20	19.6%	\$ 1.80	\$ 1.89	\$ 0.50	\$ 1,975	\$ 1,975
	406,723	72	40,232	87,573	534,456					\$	\$ 761,411	\$ 761,411

CenturyLink FCC #11 - 3/17/20 Federal USF End User Surcharge Rates
 (2nd Qtr 2020 USF Contribution Factor 19.6% - DA 20-269)
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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	147,747	146,344	1,403	156	146,500	1.008513	0.196000	0.197668	0.021963
Colorado	161,254	157,703	3,551	395	158,098	1.019965	0.196000	0.199913	0.022213
Idaho	40,647	38,106	2,541	282	38,388	1.058837	0.196000	0.207532	0.023059
Montana	22,265	21,923	342	38	21,961	1.013843	0.196000	0.198713	0.022079
New Mexico	54,101	53,063	1,038	115	53,178	1.017350	0.196000	0.199401	0.022156
Utah	62,784	51,578	11,206	1,245	52,823	1.188571	0.196000	0.232960	0.025884
Wyoming	25,606	24,946	660	73	25,019	1.023449	0.196000	0.200596	0.022288
Iowa	72,528	71,552	976	108	71,660	1.012106	0.196000	0.198373	0.022041
Minnesota	88,938	76,096	12,842	1,427	77,523	1.147248	0.196000	0.224861	0.024985
Nebraska	29,337	22,270	7,067	785	23,055	1.272467	0.196000	0.249403	0.027711
North Dakota	9,810	9,093	717	80	9,173	1.069482	0.196000	0.209618	0.023291
South Dakota	19,363	11,204	8,159	907	12,111	1.598853	0.196000	0.313375	0.034819
Oregon	59,809	57,797	2,012	224	58,021	1.030824	0.196000	0.202042	0.022449
Washington	138,394	117,876	20,518	2,280	120,156	1.151788	0.196000	0.225750	0.025083

Note 1: MLB CALC quantities billed in February 2020

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