

CenturyLink Operating Companies

Transmittal No. 114

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 2021 to 31.8% consistent with the requirements of the Commission's USF Order.¹

Universal Service Fund Contribution Factor - First Quarter 2021

For all companies, excluding those in CLOC Tariff F.C.C. No. 9 and 11, a surcharge equal to the first quarter 2021 USF contribution factor of 0.318 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 20-1480) released December 14, 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 first quarter 2021 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 first quarter 2021 USF contribution factor of 0.318 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 2021 contribution factor of 0.318 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 0.318 first quarter 2021 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 0.318 first quarter 2021 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 first quarter 2021 USF contribution factor of 0.318 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 first quarter 2021 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 - 12/17/20 Federal USF End User Surcharge Rates
(1Q 2021 USF Contribution Factor 31.8% - DA20-1480)
Transmittal No. 114

	Subscriber Line Charge - SLC Rates							Federal End User USF Surcharge						
	Residential Primary TL #113	Residential Non-Primary TL #113	ISDN BRI TL #113	Single Line Business TL #113	Multi-Line Business & ISDN-PRI & Centrex TL #113	Proposed 1/1/2021 USF Contribution Factor		Residential Primary TL #114	Residential Non-Primary TL #114	ISDN BRI TL #114	Single Line Business TL #114	Payphone TL #114	Multi-Line Business * & ISDN-PRI TL #114	Centrex * TL #114
	<u>1/1/2021</u>	<u>1/1/2021</u>	<u>1/1/2021</u>	<u>1/1/2021</u>	<u>1/1/2021</u>		<u>1/1/2021</u>	<u>1/1/2021</u>	<u>1/1/2021</u>	<u>1/1/2021</u>	<u>1/1/2021</u>	<u>1/1/2021</u>	<u>1/1/2021</u>	
	(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	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	31.8%	\$ 2.07	\$ 2.23	\$ 2.23	\$ 2.07	\$ 2.93	\$ 3.54	\$ 0.50	
Indiana	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	31.8%	\$ 2.07	\$ 2.23	\$ 2.23	\$ 2.07	\$ 2.93	\$ 3.08	\$ 0.50	
Kansas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	31.8%	\$ 2.07	\$ 2.23	\$ 2.23	\$ 2.07	\$ 2.93	\$ 2.94	\$ 0.50	
Minnesota	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	31.8%	\$ 2.07	\$ 2.23	\$ 2.23	\$ 2.07	\$ 2.93	\$ 3.07	\$ 0.50	
Missouri	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	31.8%	\$ 2.07	\$ 2.23	\$ 2.23	\$ 2.07	\$ 2.93	\$ 3.58	\$ 0.50	
Nebraska	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 7.00	31.8%	\$ 2.07	\$ 2.23	\$ 2.23	\$ 2.07	\$ 2.23	\$ 2.57	\$ 0.50	
Nevada	\$ 4.74	\$ 4.74	\$ 4.74	\$ 4.74	\$ 6.70	31.8%	\$ 1.51	\$ 1.51	\$ 1.51	\$ 1.51	\$ 2.13	\$ 2.64	\$ 0.50	
New Jersey	\$ 5.78	\$ 5.78	\$ 5.78	\$ 5.78	\$ 8.48	31.8%	\$ 1.84	\$ 1.84	\$ 1.84	\$ 1.84	\$ 2.70	\$ 2.78	\$ 0.50	
North Carolina	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 8.35	31.8%	\$ 2.07	\$ 2.07	\$ 2.07	\$ 2.07	\$ 2.66	\$ 3.13	\$ 0.50	
Ohio	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 9.20	31.8%	\$ 2.07	\$ 2.07	\$ 2.07	\$ 2.07	\$ 2.93	\$ 3.19	\$ 0.50	
Oregon	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	31.8%	\$ 2.07	\$ 2.23	\$ 2.23	\$ 2.07	\$ 2.93	\$ 3.02	\$ 0.50	
Pennsylvania	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 9.20	31.8%	\$ 2.07	\$ 2.07	\$ 2.07	\$ 2.07	\$ 2.93	\$ 3.16	\$ 0.50	
South Carolina	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	31.8%	\$ 2.07	\$ 2.23	\$ 2.23	\$ 2.07	\$ 2.93	\$ 3.08	\$ 0.50	
Tennessee	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 7.51	31.8%	\$ 2.07	\$ 2.07	\$ 2.07	\$ 2.07	\$ 2.39	\$ 2.83	\$ 0.50	
Texas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	31.8%	\$ 2.07	\$ 2.23	\$ 2.23	\$ 2.07	\$ 2.93	\$ 3.01	\$ 0.50	
Virginia	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 7.00	31.8%	\$ 2.07	\$ 2.23	\$ 2.23	\$ 2.07	\$ 2.23	\$ 2.33	\$ 0.50	
Washington	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	31.8%	\$ 2.07	\$ 2.23	\$ 2.23	\$ 2.07	\$ 2.93	\$ 6.55	\$ 0.50	
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	31.8%	\$ 2.07	\$ 2.23	\$ 2.23	\$ 2.07	\$ 2.93	\$ 3.09	\$ 0.50	

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

CenturyLink FCC #9 - 12/17/20 Federal USF End User Surcharge Rates
(1Q 2021 USF Contribution Factor 31.8% - DA20-1480)
Transmittal No. 114

MultiLine Business (A)	Nov, 2020 Access Lines				Total Multi-Line Bus & Centrex Lines (E)=A-B+C+D	Multi-Line Bus, ISDN-PRI & Centrex SLC Rate TL #114 01/01/2021 (F)	Proposed 1/1/2021 USF Contribution Factor (G)	Initial USF Charge Calculation (H)=F*G	Proposed 1/1/21* 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 1/1/21* 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)	Centrex (D)								
Florida	90,395	2	9,495	25,410	125,298 \$	9.20	31.8%	\$ 2.93 \$	3.54 \$	0.50 \$	366,572 \$	366,572 \$
Indiana	11,923	2	1,095	834	13,850 \$	9.20	31.8%	\$ 2.93 \$	3.08 \$	0.50 \$	40,520 \$	40,520 \$
Kansas	6,021	-	320	35	6,376 \$	9.20	31.8%	\$ 2.93 \$	2.94 \$	0.50 \$	18,654 \$	18,654 \$
Minnesota	9,329	-	926	625	10,880 \$	9.20	31.8%	\$ 2.93 \$	3.07 \$	0.50 \$	31,831 \$	31,831 \$
Missouri	13,906	-	1,291	4,080	19,277 \$	9.20	31.8%	\$ 2.93 \$	3.58 \$	0.50 \$	56,397 \$	56,397 \$
Nebraska	1,145	-	75	245	1,465 \$	7.00	31.8%	\$ 2.23 \$	2.57 \$	0.50 \$	3,261 \$	3,261 \$
Nevada	42,886	-	5,550	15,070	63,506 \$	6.70	31.8%	\$ 2.13 \$	2.64 \$	0.50 \$	135,306 \$	135,306 \$
New Jersey	13,423	-	435	556	14,414 \$	8.48	31.8%	\$ 2.70 \$	2.78 \$	0.50 \$	38,869 \$	38,869 \$
North Carolina	66,761	1	6,416	16,080	89,256 \$	8.35	31.8%	\$ 2.66 \$	3.13 \$	0.50 \$	237,001 \$	237,001 \$
Ohio	21,562	-	2,780	2,645	26,987 \$	9.20	31.8%	\$ 2.93 \$	3.19 \$	0.50 \$	78,953 \$	78,953 \$
Oregon	4,539	-	380	199	5,118 \$	9.20	31.8%	\$ 2.93 \$	3.02 \$	0.50 \$	14,973 \$	14,973 \$
Pennsylvania	18,451	-	1,760	1,918	22,129 \$	9.20	31.8%	\$ 2.93 \$	3.16 \$	0.50 \$	64,741 \$	64,741 \$
South Carolina	5,329	-	485	373	6,187 \$	9.20	31.8%	\$ 2.93 \$	3.08 \$	0.50 \$	18,101 \$	18,101 \$
Tennessee	8,401	-	1,930	2,419	12,750 \$	7.51	31.8%	\$ 2.39 \$	2.83 \$	0.50 \$	30,449 \$	30,449 \$
Texas	24,348	-	1,921	901	27,170 \$	9.20	31.8%	\$ 2.93 \$	3.01 \$	0.50 \$	79,489 \$	79,489 \$
Virginia	23,866	-	2,050	1,525	27,441 \$	7.00	31.8%	\$ 2.23 \$	2.33 \$	0.50 \$	61,084 \$	61,084 \$
Washington	5,440	-	485	8,843	14,768 \$	9.20	31.8%	\$ 2.93 \$	6.55 \$	0.50 \$	43,205 \$	43,205 \$
Wyoming	927	-	40	65	1,032 \$	9.20	31.8%	\$ 2.93 \$	3.09 \$	0.50 \$	3,019 \$	3,019 \$
	368,652	5	37,434	81,823	487,904						\$ 1,322,424	\$ 1,322,424

CenturyLink FCC #11 - 12/17/20 Federal USF End User Surcharge Rates
(1Q 2021 USF Contribution Factor 31.8% - DA20-1480)
Transmittal No. 114

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	132,379	131,020	1,359	151	131,171	1.009209	0.318000	0.320929	0.035659
Colorado	146,830	143,270	3,560	396	143,666	1.022026	0.318000	0.325004	0.036112
Idaho	36,557	34,249	2,308	256	34,505	1.059456	0.318000	0.336907	0.037434
Montana	20,372	20,055	317	35	20,090	1.014026	0.318000	0.322460	0.035829
New Mexico	49,511	48,549	962	107	48,656	1.017575	0.318000	0.323589	0.035954
Utah	55,916	46,160	9,756	1,084	47,244	1.183558	0.318000	0.376371	0.041819
Wyoming	22,951	22,406	545	61	22,467	1.021563	0.318000	0.324857	0.036095
Iowa	65,512	64,569	943	105	64,674	1.012961	0.318000	0.322122	0.035791
Minnesota	81,829	69,365	12,464	1,385	70,750	1.156595	0.318000	0.367797	0.040866
Nebraska	25,955	19,701	6,254	695	20,396	1.272560	0.318000	0.404674	0.044964
North Dakota	8,795	8,124	671	75	8,199	1.072750	0.318000	0.341134	0.037904
South Dakota	17,029	9,852	7,177	797	10,649	1.599051	0.318000	0.508498	0.056500
Oregon	54,929	53,004	1,925	214	53,218	1.032153	0.318000	0.328225	0.036469
Washington	128,710	108,206	20,504	2,278	110,484	1.164963	0.318000	0.370458	0.041162

Note 1: MLB CALC quantities billed in November 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