

CenturyLink Operating Companies

Transmittal No. 116

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 2021 to 33.4% consistent with the requirements of the Commission's USF Order.¹ This filing also grandfathers CenturyLink Operating Companies Tariff F.C.C. No. 11 rate plans longer than 12 months (24 month, 36 month and 60 month) for Interstate Private Line Transport (DS1/DS3) Services. New circuits ordered will only have the option of 12-month or month-to-month rates. Customers under existing Rate Plans can keep those terms until the expiration of their current term. Existing Rate Plans will not be renewed. Upon expiration of current Rate Plans, plans will revert to month-to-month pricing or the customer can renew at a 12-month term at the then current rates.

Universal Service Fund Contribution Factor - Second Quarter 2021

For all companies, excluding those in CLOC Tariff F.C.C. No. 9 and 11, a surcharge equal to the second quarter 2021 USF contribution factor of 0.334 is applied to end users being billed local exchange

¹ *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Public Notice (DA 21-308) released March 12, 2021.)

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 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 second quarter 2021 USF contribution factor of 0.334 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 2021

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*).

contribution factor of 0.334 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 0.334 second quarter 2021 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 0.334 second 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

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*).

Charges) are recovered by applying a surcharge equal to the second quarter 2021 USF contribution factor of 0.334 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, "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 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 - 3/17/21 Federal USF End User Surcharge Rates
(2Q 2021 USF Contribution Factor 33.4% - DA 21-308)
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	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 4/1/2021 USF Contribution Factor		Residential Primary TL #116	Residential Non-Primary TL #116	ISDN BRI TL #116	Single Line Business TL #116	Payphone TL #116	Multi-Line Business * & ISDN-PRI TL #116	Centrex * TL #116
	<u>4/1/2021</u>	<u>4/1/2021</u>	<u>4/1/2021</u>	<u>4/1/2021</u>	<u>4/1/2021</u>		<u>4/1/2021</u>	<u>4/1/2021</u>	<u>4/1/2021</u>	<u>4/1/2021</u>	<u>4/1/2021</u>	<u>4/1/2021</u>	<u>4/1/2021</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	33.4%	\$ 2.17	\$ 2.34	\$ 2.34	\$ 2.17	\$ 3.07	\$ 3.73	\$ 0.50	
Indiana	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	33.4%	\$ 2.17	\$ 2.34	\$ 2.34	\$ 2.17	\$ 3.07	\$ 3.24	\$ 0.50	
Kansas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	33.4%	\$ 2.17	\$ 2.34	\$ 2.34	\$ 2.17	\$ 3.07	\$ 3.09	\$ 0.50	
Minnesota	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	33.4%	\$ 2.17	\$ 2.34	\$ 2.34	\$ 2.17	\$ 3.07	\$ 3.23	\$ 0.50	
Missouri	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	33.4%	\$ 2.17	\$ 2.34	\$ 2.34	\$ 2.17	\$ 3.07	\$ 3.76	\$ 0.50	
Nebraska	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 7.00	33.4%	\$ 2.17	\$ 2.34	\$ 2.34	\$ 2.17	\$ 2.34	\$ 2.71	\$ 0.50	
Nevada	\$ 4.74	\$ 4.74	\$ 4.74	\$ 4.74	\$ 6.70	33.4%	\$ 1.58	\$ 1.58	\$ 1.58	\$ 1.58	\$ 2.24	\$ 2.79	\$ 0.50	
New Jersey	\$ 5.78	\$ 5.78	\$ 5.78	\$ 5.78	\$ 8.48	33.4%	\$ 1.93	\$ 1.93	\$ 1.93	\$ 1.93	\$ 2.83	\$ 2.93	\$ 0.50	
North Carolina	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 8.35	33.4%	\$ 2.17	\$ 2.17	\$ 2.17	\$ 2.17	\$ 2.79	\$ 3.30	\$ 0.50	
Ohio	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 9.20	33.4%	\$ 2.17	\$ 2.17	\$ 2.17	\$ 2.17	\$ 3.07	\$ 3.35	\$ 0.50	
Oregon	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	33.4%	\$ 2.17	\$ 2.34	\$ 2.34	\$ 2.17	\$ 3.07	\$ 3.18	\$ 0.50	
Pennsylvania	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 9.20	33.4%	\$ 2.17	\$ 2.17	\$ 2.17	\$ 2.17	\$ 3.07	\$ 3.32	\$ 0.50	
South Carolina	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	33.4%	\$ 2.17	\$ 2.34	\$ 2.34	\$ 2.17	\$ 3.07	\$ 3.24	\$ 0.50	
Tennessee	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 7.51	33.4%	\$ 2.17	\$ 2.17	\$ 2.17	\$ 2.17	\$ 2.51	\$ 2.99	\$ 0.50	
Texas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	33.4%	\$ 2.17	\$ 2.34	\$ 2.34	\$ 2.17	\$ 3.07	\$ 3.16	\$ 0.50	
Virginia	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 7.00	33.4%	\$ 2.17	\$ 2.34	\$ 2.34	\$ 2.17	\$ 2.34	\$ 2.45	\$ 0.50	
Washington	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	33.4%	\$ 2.17	\$ 2.34	\$ 2.34	\$ 2.17	\$ 3.07	\$ 6.96	\$ 0.50	
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	33.4%	\$ 2.17	\$ 2.34	\$ 2.34	\$ 2.17	\$ 3.07	\$ 3.24	\$ 0.50	

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

CenturyLink FCC #9 - 3/17/21 Federal USF End User Surcharge Rates
(2Q 2021 USF Contribution Factor 33.4% - DA 21-308)
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MultiLine Business (A)	Feb, 2021 Access Lines			Total Multi-Line Bus & ISDN PRI & Centrex Lines (E)=A-B+C+D	Multi-Line Bus, ISDN-PRI & Centrex SLC Rate TL #116 04/01/2021 (F)	Proposed 4/1/2021 USF Contribution Factor (G)	Initial USF Charge (H)=F*G	Proposed 4/1/21* 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 4/1/21* 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)									
Florida	87,833	2	9,320	25,000	122,151 \$	9.20	33.4%	\$ 3.07 \$	3.73 \$	0.50 \$	375,346 \$	375,346 \$
Indiana	11,595	2	1,065	823	13,481 \$	9.20	33.4%	\$ 3.07 \$	3.24 \$	0.50 \$	41,424 \$	41,424 \$
Kansas	5,852	-	300	34	6,186 \$	9.20	33.4%	\$ 3.07 \$	3.09 \$	0.50 \$	19,008 \$	19,008 \$
Minnesota	9,139	-	890	616	10,645 \$	9.20	33.4%	\$ 3.07 \$	3.23 \$	0.50 \$	32,710 \$	32,710 \$
Missouri	13,444	-	1,241	3,911	18,596 \$	9.20	33.4%	\$ 3.07 \$	3.76 \$	0.50 \$	57,142 \$	57,142 \$
Nebraska	1,115	-	75	239	1,429 \$	7.00	33.4%	\$ 2.34 \$	2.71 \$	0.50 \$	3,341 \$	3,341 \$
Nevada	41,767	-	5,420	14,893	62,080 \$	6.70	33.4%	\$ 2.24 \$	2.79 \$	0.50 \$	138,923 \$	138,923 \$
New Jersey	13,066	-	425	556	14,047 \$	8.48	33.4%	\$ 2.83 \$	2.93 \$	0.50 \$	39,786 \$	39,786 \$
North Carolina	64,647	1	6,221	15,839	86,706 \$	8.35	33.4%	\$ 2.79 \$	3.30 \$	0.50 \$	241,814 \$	241,814 \$
Ohio	20,900	-	2,685	2,542	26,127 \$	9.20	33.4%	\$ 3.07 \$	3.35 \$	0.50 \$	80,283 \$	80,283 \$
Oregon	4,428	-	375	198	5,001 \$	9.20	33.4%	\$ 3.07 \$	3.18 \$	0.50 \$	15,367 \$	15,367 \$
Pennsylvania	17,908	-	1,745	1,882	21,535 \$	9.20	33.4%	\$ 3.07 \$	3.32 \$	0.50 \$	66,173 \$	66,173 \$
South Carolina	5,169	-	470	368	6,007 \$	9.20	33.4%	\$ 3.07 \$	3.24 \$	0.50 \$	18,458 \$	18,458 \$
Tennessee	8,167	-	1,875	2,396	12,438 \$	7.51	33.4%	\$ 2.51 \$	2.99 \$	0.50 \$	31,199 \$	31,199 \$
Texas	23,583	-	1,871	901	26,355 \$	9.20	33.4%	\$ 3.07 \$	3.16 \$	0.50 \$	80,984 \$	80,984 \$
Virginia	23,236	-	2,040	1,514	26,790 \$	7.00	33.4%	\$ 2.34 \$	2.45 \$	0.50 \$	62,635 \$	62,635 \$
Washington	5,347	-	480	8,803	14,630 \$	9.20	33.4%	\$ 3.07 \$	6.96 \$	0.50 \$	44,955 \$	44,955 \$
Wyoming	893	-	40	62	995 \$	9.20	33.4%	\$ 3.07 \$	3.24 \$	0.50 \$	3,057 \$	3,057 \$
	358,089	5	36,538	80,577	475,199						\$ 1,352,605	\$ 1,352,605

CenturyLink FCC #11 - 3/17/21 Federal USF End User Surcharge Rates
(2Q 2021 USF Contribution Factor 33.4% - DA 21-308)
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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	128,262	126,932	1,330	148	127,080	1.009303	0.334000	0.337107	0.037456
Colorado	141,957	138,509	3,448	383	138,892	1.022067	0.334000	0.341370	0.037930
Idaho	35,343	33,081	2,262	251	33,332	1.060322	0.334000	0.354147	0.039350
Montana	19,782	19,466	316	35	19,501	1.014404	0.334000	0.338811	0.037646
New Mexico	48,034	47,116	918	102	47,218	1.017282	0.334000	0.339772	0.037752
Utah	54,274	44,914	9,360	1,040	45,954	1.181051	0.334000	0.394471	0.043830
Wyoming	22,356	21,825	531	59	21,884	1.021568	0.334000	0.341204	0.037912
Iowa	63,093	62,199	894	99	62,298	1.012756	0.334000	0.338260	0.037584
Minnesota	79,747	67,416	12,331	1,370	68,786	1.159347	0.334000	0.387222	0.043025
Nebraska	25,193	19,098	6,095	677	19,775	1.273968	0.334000	0.425505	0.047278
North Dakota	8,501	7,864	637	71	7,935	1.071360	0.334000	0.357834	0.039759
South Dakota	16,378	9,368	7,010	779	10,147	1.614091	0.334000	0.539106	0.059901
Oregon	53,673	51,780	1,893	210	51,990	1.032365	0.334000	0.344810	0.038312
Washington	125,566	105,053	20,513	2,279	107,332	1.169882	0.334000	0.390740	0.043416

Note 1: MLB CALC quantities billed in February 2021

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