

CenturyLink Operating Companies

Transmittal No. 120

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 2022 to 25.2% consistent with the requirements of the Commission's USF Order.¹

Universal Service Fund Contribution Factor - First Quarter 2022

For all companies, excluding those in CLOC Tariff F.C.C. No. 9 and 11, a surcharge equal to the first quarter 2022 USF contribution factor of 0.252 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 221-1550) released December 13, 2021.)

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 2022 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 2022 USF contribution factor of 0.252 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 2022 contribution factor of 0.252 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 0.252 first quarter 2022 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 0.252 first quarter 2022 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 2022 USF contribution factor of 0.252 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 2022 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 - 12/17/21 Federal USF End User Surcharge Rates
(1Q 2022 USF Contribution Factor 25.2% - DA 21-1550)
Transmittal No. 120

	Subscriber Line Charge - SLC Rates							Federal End User USF Surcharge						
	Residential Primary	Residential Non-Primary	ISDN BRI	Single Line Business	Multi-Line Business & ISDN-PRI & Centrex	Proposed 1/1/2022 USF Contribution Factor	Residential Primary	Residential Non-Primary	ISDN BRI	Single Line Business	Payphone	Multi-Line Business * & ISDN-PRI	Centrex *	
	TL #119	TL #119	TL #119	TL #119	TL #119		TL #120	TL #120	TL #120	TL #120	TL #120	TL #120	TL #120	
	<u>1/1/2022</u>	<u>1/1/2022</u>	<u>1/1/2022</u>	<u>1/1/2022</u>	<u>1/1/2022</u>	<u>Factor</u>	<u>1/1/2022</u>	<u>1/1/2022</u>	<u>1/1/2022</u>	<u>1/1/2022</u>	<u>1/1/2022</u>	<u>1/1/2022</u>	<u>1/1/2022</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	25.2%	\$ 1.64	\$ 1.76	\$ 1.76	\$ 1.64	\$ 2.32	\$ 2.79	\$ 0.50	
Indiana	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	25.2%	\$ 1.64	\$ 1.76	\$ 1.76	\$ 1.64	\$ 2.32	\$ 2.43	\$ 0.50	
Kansas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	25.2%	\$ 1.64	\$ 1.76	\$ 1.76	\$ 1.64	\$ 2.32	\$ 2.33	\$ 0.50	
Minnesota	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	25.2%	\$ 1.64	\$ 1.76	\$ 1.76	\$ 1.64	\$ 2.32	\$ 2.42	\$ 0.50	
Missouri	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	25.2%	\$ 1.64	\$ 1.76	\$ 1.76	\$ 1.64	\$ 2.32	\$ 2.75	\$ 0.50	
Nebraska	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	25.2%	\$ 1.64	\$ 1.76	\$ 1.76	\$ 1.64	\$ 2.32	\$ 2.67	\$ 0.50	
Nevada	\$ 4.74	\$ 4.74	\$ 4.74	\$ 4.74	\$ 6.31	25.2%	\$ 1.19	\$ 1.19	\$ 1.19	\$ 1.19	\$ 1.59	\$ 1.95	\$ 0.50	
New Jersey	\$ 5.78	\$ 5.78	\$ 5.78	\$ 5.78	\$ 8.29	25.2%	\$ 1.46	\$ 1.46	\$ 1.46	\$ 1.46	\$ 2.09	\$ 2.16	\$ 0.50	
North Carolina	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 8.12	25.2%	\$ 1.64	\$ 1.64	\$ 1.64	\$ 1.64	\$ 2.05	\$ 2.41	\$ 0.50	
Ohio	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 9.20	25.2%	\$ 1.64	\$ 1.64	\$ 1.64	\$ 1.64	\$ 2.32	\$ 2.52	\$ 0.50	
Oregon	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	25.2%	\$ 1.64	\$ 1.76	\$ 1.76	\$ 1.64	\$ 2.32	\$ 2.39	\$ 0.50	
Pennsylvania	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 9.16	25.2%	\$ 1.64	\$ 1.64	\$ 1.64	\$ 1.64	\$ 2.31	\$ 2.49	\$ 0.50	
South Carolina	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	25.2%	\$ 1.64	\$ 1.76	\$ 1.76	\$ 1.64	\$ 2.32	\$ 2.43	\$ 0.50	
Tennessee	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 7.19	25.2%	\$ 1.64	\$ 1.64	\$ 1.64	\$ 1.64	\$ 1.81	\$ 2.13	\$ 0.50	
Texas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	25.2%	\$ 1.64	\$ 1.76	\$ 1.76	\$ 1.64	\$ 2.32	\$ 2.39	\$ 0.50	
Virginia	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	25.2%	\$ 1.64	\$ 1.76	\$ 1.76	\$ 1.64	\$ 2.32	\$ 2.43	\$ 0.50	
Washington	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	25.2%	\$ 1.64	\$ 1.76	\$ 1.76	\$ 1.64	\$ 2.32	\$ 5.24	\$ 0.50	
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	25.2%	\$ 1.64	\$ 1.76	\$ 1.76	\$ 1.64	\$ 2.32	\$ 2.46	\$ 0.50	

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

CenturyLink FCC #9 - 12/17/21 Federal USF End User Surcharge Rates
(1Q 2022 USF Contribution Factor 25.2% - DA 21-1550)
Transmittal No. 120

MultiLine Business (A)	Nov, 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 #120 01/01/2022 (F)	Proposed 1/1/2022 USF Contribution Factor (G)	Initial USF Charge Calculation (H)=F*G	Proposed 1/1/22* 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 1/1/22* 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	79,621	1	8,500	22,836	110,956	\$ 9.20	25.2%	\$ 2.32	\$ 2.79	\$ 0.50	\$ 257,240	\$ 257,240
Indiana	10,518	2	1,000	736	12,252	\$ 9.20	25.2%	\$ 2.32	\$ 2.43	\$ 0.50	\$ 28,405	\$ 28,405
Kansas	5,198	-	280	33	5,511	\$ 9.20	25.2%	\$ 2.32	\$ 2.33	\$ 0.50	\$ 12,777	\$ 12,777
Minnesota	8,394	-	775	523	9,692	\$ 9.20	25.2%	\$ 2.32	\$ 2.42	\$ 0.50	\$ 22,470	\$ 22,470
Missouri	12,329	-	1,116	3,187	16,632	\$ 9.20	25.2%	\$ 2.32	\$ 2.75	\$ 0.50	\$ 38,560	\$ 38,560
Nebraska	1,037	-	75	216	1,328	\$ 9.20	25.2%	\$ 2.32	\$ 2.67	\$ 0.50	\$ 3,079	\$ 3,079
Nevada	38,572	-	4,805	14,402	57,779	\$ 6.31	25.2%	\$ 1.59	\$ 1.95	\$ 0.50	\$ 91,876	\$ 91,876
New Jersey	11,772	-	390	513	12,675	\$ 8.29	25.2%	\$ 2.09	\$ 2.16	\$ 0.50	\$ 26,479	\$ 26,479
North Carolina	58,556	1	5,546	14,958	79,059	\$ 8.12	25.2%	\$ 2.05	\$ 2.41	\$ 0.50	\$ 161,774	\$ 161,774
Ohio	18,997	-	2,485	2,345	23,827	\$ 9.20	25.2%	\$ 2.32	\$ 2.52	\$ 0.50	\$ 55,241	\$ 55,241
Oregon	4,107	-	385	187	4,679	\$ 9.20	25.2%	\$ 2.32	\$ 2.39	\$ 0.50	\$ 10,848	\$ 10,848
Pennsylvania	16,201	-	1,585	1,782	19,568	\$ 9.16	25.2%	\$ 2.31	\$ 2.49	\$ 0.50	\$ 45,169	\$ 45,169
South Carolina	4,585	-	430	315	5,330	\$ 9.20	25.2%	\$ 2.32	\$ 2.43	\$ 0.50	\$ 12,357	\$ 12,357
Tennessee	7,363	-	1,770	2,183	11,316	\$ 7.19	25.2%	\$ 1.81	\$ 2.13	\$ 0.50	\$ 20,503	\$ 20,503
Texas	21,181	-	1,696	884	23,761	\$ 9.20	25.2%	\$ 2.32	\$ 2.39	\$ 0.50	\$ 55,088	\$ 55,088
Virginia	21,237	-	1,870	1,424	24,531	\$ 9.20	25.2%	\$ 2.32	\$ 2.43	\$ 0.50	\$ 56,873	\$ 56,873
Washington	5,010	-	445	8,770	14,225	\$ 9.20	25.2%	\$ 2.32	\$ 5.24	\$ 0.50	\$ 32,979	\$ 32,979
Wyoming	761	-	30	62	853	\$ 9.20	25.2%	\$ 2.32	\$ 2.46	\$ 0.50	\$ 1,978	\$ 1,978
	325,439	4	33,183	75,356	433,974						\$ 933,694	\$ 933,694

CenturyLink FCC #11 - 12/17/21 Federal USF End User Surcharge Rates
(1Q 2022 USF Contribution Factor 25.2% - DA 21-1550)
Transmittal No. 120

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	117,141	116,067	1,074	119	116,186	1.008217	0.252000	0.254071	0.028230
Colorado	130,021	126,777	3,244	360	127,137	1.022681	0.252000	0.257716	0.028635
Idaho	32,100	29,958	2,142	238	30,196	1.063055	0.252000	0.267890	0.029766
Montana	18,324	18,048	276	31	18,079	1.013570	0.252000	0.255420	0.028380
New Mexico	44,387	43,319	1,068	119	43,438	1.021855	0.252000	0.257507	0.028612
Utah	49,481	40,588	8,893	988	41,576	1.190131	0.252000	0.299913	0.033324
Wyoming	20,522	20,085	437	49	20,134	1.019293	0.252000	0.256862	0.028540
Iowa	56,375	55,544	831	92	55,636	1.013277	0.252000	0.255346	0.028372
Minnesota	72,840	60,971	11,869	1,319	62,290	1.169373	0.252000	0.294682	0.032742
Nebraska	22,061	16,863	5,198	578	17,441	1.264925	0.252000	0.318761	0.035418
North Dakota	7,605	7,037	568	63	7,100	1.071110	0.252000	0.269920	0.029991
South Dakota	14,904	8,324	6,580	731	9,055	1.645921	0.252000	0.414772	0.046086
Oregon	49,235	47,519	1,716	191	47,710	1.031971	0.252000	0.260057	0.028895
Washington	116,321	96,266	20,055	2,228	98,494	1.180992	0.252000	0.297610	0.033068

Note 1: MLB CALC quantities billed in November 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