

CenturyLink Operating Companies

Transmittal No. 127

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, 6, 8, 9 and 11.

This filing is being filed on at least 16 days' notice as required by Section 61.58 (2) (ii) of the Code of Federal regulations Part 47. This filing adjusts CenturyLink's federal universal service fund (USF) contribution factor for 2nd quarter 2023 to 29.0% consistent with the requirements of the Commission's USF Order.¹

Universal Service Fund Contribution Factor - Second Quarter 2023

For all companies, excluding those in CLOC Tariff F.C.C. No. 9 and 11, a surcharge equal to the second quarter 2023 USF contribution factor of 0.290 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 23-216) released March 14, 2023.)

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 2023 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 2023 USF contribution factor of 0.290 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 2023 contribution factor of 0.290 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 0.290 second quarter 2023 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 0.290 second quarter 2023 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 2023 USF contribution factor of 0.290 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 2023 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.

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 - 3/17/23 Federal USF End User Surcharge Rates
(2Q 2023 USF Contribution Factor 29.0% - DA 23-216)
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Subscriber Line Charge - SLC Rates							Federal End User USF Surcharge						
Residential Primary TL #124 4/1/2023 (A)	Residential Non-Primary TL #124 4/1/2023 (B)	ISDN BRI TL #124 4/1/2023 (C)	Single Line Business TL #124 4/1/2023 (D)	Multi-Line Business & ISDN-PRI & Centrex TL #124 4/1/2023 (E)	Proposed 4/1/2023 USF Contribution Factor (F)	Residential Primary TL #127 4/1/2023 (G)=A*F	Residential Non-Primary TL #127 4/1/2023 (H)=B*F	ISDN BRI TL #127 4/1/2023 (I)=C*F	Single Line Business TL #127 4/1/2023 (J)=D*F	Payphone TL #127 4/1/2023 (K)=E*F	Multi-Line Business * & ISDN-PRI TL #127 4/1/2023 (L)=Col H Page 2	Centrex * TL #127 4/1/2023 (L)=Col I Page 2	
Florida	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	29.0%	\$ 1.89	\$ 2.03	\$ 2.03	\$ 1.89	\$ 2.67	\$ 3.23	\$ 0.50
Minnesota	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	29.0%	\$ 1.89	\$ 2.03	\$ 2.03	\$ 1.89	\$ 2.67	\$ 2.79	\$ 0.50
Nebraska	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	29.0%	\$ 1.89	\$ 2.03	\$ 2.03	\$ 1.89	\$ 2.67	\$ 3.01	\$ 0.50
Nevada	\$ 4.74	\$ 4.74	\$ 4.74	\$ 4.74	\$ 5.77	29.0%	\$ 1.37	\$ 1.37	\$ 1.37	\$ 1.37	\$ 1.67	\$ 2.07	\$ 0.50
Oregon	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	29.0%	\$ 1.89	\$ 2.03	\$ 2.03	\$ 1.89	\$ 2.67	\$ 2.76	\$ 0.50
Washington	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	29.0%	\$ 1.89	\$ 2.03	\$ 2.03	\$ 1.89	\$ 2.67	\$ 6.22	\$ 0.50
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	29.0%	\$ 1.89	\$ 2.03	\$ 2.03	\$ 1.89	\$ 2.67	\$ 2.84	\$ 0.50

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

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CenturyLink FCC #9 - 3/17/23 Federal USF End User Surcharge Rates
(2Q 2023 USF Contribution Factor 29.0% - DA 23-216)
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	Feb, 2022 Access Lines				Multi-Line Bus, ISDN-PRI & Centrex SLC Rate		Proposed 4/1/2023 USF Contribution	Initial USF Charge Calculation	Proposed 4/1/23* MultiLine Business & ISDN-PRI USF Charge	Proposed 4/1/23* Centrex USF Charge	Allowable MultiLine Bus & Centrex & ISDN-PRI Revenue	PriceOut MultiLine Bus & Centrex & ISDN-PRI Revenue
	MultiLine Business (A)	Payphone (B)	ISDN PRI (5 Times) (C)	Centrex (D)	Total Multi-Line Bus & ISDN PRI & Centrex Lines (E)=A-B+C+D	TL #124 04/01/2023 (F)	Factor (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	77,254	1	8,375	22,335	107,963	\$	9.20	\$ 2.67	\$ 3.23	\$ 0.50	\$ 288,045	\$ 288,045
Minnesota	8,220	-	720	505	9,445	\$	9.20	\$ 2.67	\$ 2.79	\$ 0.50	\$ 25,199	\$ 25,199
Nebraska	1,017	-	75	174	1,266	\$	9.20	\$ 2.67	\$ 3.01	\$ 0.50	\$ 3,378	\$ 3,378
Nevada	37,808	-	4,725	14,200	56,733	\$	5.77	\$ 1.67	\$ 2.07	\$ 0.50	\$ 94,931	\$ 94,931
Oregon	4,055	-	365	182	4,602	\$	9.20	\$ 2.67	\$ 2.76	\$ 0.50	\$ 12,278	\$ 12,278
Washington	4,918	-	445	8,783	14,146	\$	9.20	\$ 2.67	\$ 6.22	\$ 0.50	\$ 37,742	\$ 37,742
Wyoming	732	-	30	62	824	\$	9.20	\$ 2.67	\$ 2.84	\$ 0.50	\$ 2,198	\$ 2,198
	134,004	1	14,735	46,241	194,979						\$ 463,772	\$ 463,772

CenturyLink FCC #11 - 3/17/23 Federal USF End User Surcharge Rates
(2Q 2023 USF Contribution Factor 29.0% - DA 23-216)
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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	95,474	94,662	812	90	94,752	1.007618	0.290000	0.292209	0.032468
Colorado	108,294	105,472	2,822	314	105,786	1.023713	0.290000	0.296877	0.032986
Idaho	25,476	23,486	1,990	221	23,707	1.074614	0.290000	0.311638	0.034626
Montana	15,080	14,911	169	19	14,930	1.010062	0.290000	0.292918	0.032546
New Mexico	37,572	36,672	900	100	36,772	1.021756	0.290000	0.296309	0.032923
Utah	41,885	33,541	8,344	927	34,468	1.215181	0.290000	0.352403	0.039156
Wyoming	16,837	16,468	369	41	16,509	1.019868	0.290000	0.295762	0.032862
Iowa	43,712	43,031	681	76	43,107	1.014043	0.290000	0.294072	0.032675
Minnesota	59,289	48,616	10,673	1,186	49,802	1.190497	0.290000	0.345244	0.038360
Nebraska	16,266	12,989	3,277	364	13,353	1.218143	0.290000	0.353261	0.039251
North Dakota	6,125	5,709	416	46	5,755	1.064251	0.290000	0.308633	0.034293
South Dakota	11,101	6,659	4,442	494	7,153	1.552033	0.290000	0.450089	0.050010
Oregon	39,778	38,333	1,445	161	38,494	1.033368	0.290000	0.299677	0.033297
Washington	98,440	79,180	19,260	2,140	81,320	1.210526	0.290000	0.351053	0.039006

Note 1: MLB CALC quantities billed in February 2023

Note 2: Lines in columns 3 - 5 are determined pursuant to 47 CFR 69.153 and 69.158

Note 3: MLB CALC quantities do not include Payphone Lines