

Brightspeed Local Operating Companies

Transmittal No. 3

Description and Justification

The Brightspeed Local Operating Companies (BLOC) hereby submits the following information in support of the accompanying revisions to Brightspeed Local Operating Companies Tariff F.C.C. Nos. 1, 2, 3, 4, 6, 7, and 8.

This filing is made on 15 days' notice under the 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 Brightspeed'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 BLOC Tariff F.C.C. No. 4, 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. 4 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 Brightspeed Operating Companies Tariff F.C.C. No. 4

Brightspeed adjusts the 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 Brightspeed's second quarter 2023 assessment. Consistent with the requirements of the Commission's *USF Interim Methodology Orders*,² Brightspeed 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).

Exhibit 1, Page 2 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.

Conclusion

The Brightspeed Local 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.

Brightspeed FCC #4 - 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	Residential		Single Line	Multi-Line Business &	Proposed	Residential	Residential		Single Line		Multi-Line Business *		
	Primary	Non-Primary	ISDN BRI	Business	ISDN-PRI & Centrex	4/1/2023	Primary	Non-Primary	ISDN BRI	Business	Payphone	& ISDN-PRI	Centrex *	
	TL #2	TL #2	TL #2	TL #2	TL #2	USF Contribution	TL #3	TL #3	TL #3	TL #3	TL #3	TL #3	TL #3	
	<u>4/1/2023</u>	<u>4/1/2023</u>	<u>4/1/2023</u>	<u>4/1/2023</u>	<u>4/1/2023</u>	<u>Factor</u>	<u>4/1/2023</u>	<u>4/1/2023</u>	<u>4/1/2023</u>	<u>4/1/2023</u>	<u>4/1/2023</u>	<u>4/1/2023</u>	<u>4/1/2023</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	
Indiana	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	29.0%	\$ 1.89	\$ 2.03	\$ 2.03	\$ 1.89	\$ 2.67	\$ 2.81	\$ 0.50	
Kansas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	29.0%	\$ 1.89	\$ 2.03	\$ 2.03	\$ 1.89	\$ 2.67	\$ 2.68	\$ 0.50	
Missouri	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	29.0%	\$ 1.89	\$ 2.03	\$ 2.03	\$ 1.89	\$ 2.67	\$ 3.15	\$ 0.50	
New Jersey	\$ 5.78	\$ 5.78	\$ 5.78	\$ 5.78	\$ 7.96	29.0%	\$ 1.68	\$ 1.68	\$ 1.68	\$ 1.68	\$ 2.31	\$ 2.39	\$ 0.50	
North Carolina	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 7.74	29.0%	\$ 1.89	\$ 1.89	\$ 1.89	\$ 1.89	\$ 2.24	\$ 2.69	\$ 0.50	
Ohio	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 9.06	29.0%	\$ 1.89	\$ 1.89	\$ 1.89	\$ 1.89	\$ 2.63	\$ 2.87	\$ 0.50	
Pennsylvania	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 8.91	29.0%	\$ 1.89	\$ 1.89	\$ 1.89	\$ 1.89	\$ 2.58	\$ 2.81	\$ 0.50	
South Carolina	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.05	29.0%	\$ 1.89	\$ 2.03	\$ 2.03	\$ 1.89	\$ 2.62	\$ 2.78	\$ 0.50	
Tennessee	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.50	\$ 6.72	29.0%	\$ 1.89	\$ 1.89	\$ 1.89	\$ 1.89	\$ 1.95	\$ 2.32	\$ 0.50	
Texas	\$ 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	
Virginia	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	29.0%	\$ 1.89	\$ 2.03	\$ 2.03	\$ 1.89	\$ 2.67	\$ 2.80	\$ 0.50	

* - Rates are developed on Exhibit 1 Page 2.

**Brightspeed FCC #4 - 3/17/23 Federal USF End User Surcharge Rates
(2Q 2023 USF Contribution Factor 29.0% - DA 23-216)
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Feb, 2023 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 #2 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	
Indiana	8,582	2	855	638	10,073	\$	9.20	29.0%	\$ 2.67	\$ 2.81	\$ 0.50	\$ 26,875	\$ 26,875
Kansas	4,310	-	245	30	4,585	\$	9.20	29.0%	\$ 2.67	\$ 2.68	\$ 0.50	\$ 12,233	\$ 12,233
Missouri	9,841	-	886	2,405	13,132	\$	9.20	29.0%	\$ 2.67	\$ 3.15	\$ 0.50	\$ 35,036	\$ 35,036
New Jersey	9,938	-	340	466	10,744	\$	7.96	29.0%	\$ 2.31	\$ 2.39	\$ 0.50	\$ 24,801	\$ 24,801
North Carolina	48,849	1	4,751	13,730	67,329	\$	7.74	29.0%	\$ 2.24	\$ 2.69	\$ 0.50	\$ 151,127	\$ 151,127
Ohio	16,043	-	2,150	2,039	20,232	\$	9.06	29.0%	\$ 2.63	\$ 2.87	\$ 0.50	\$ 53,158	\$ 53,158
Pennsylvania	13,981	-	1,380	1,630	16,991	\$	8.91	29.0%	\$ 2.58	\$ 2.81	\$ 0.50	\$ 43,903	\$ 43,903
South Carolina	3,772	-	365	306	4,443	\$	9.05	29.0%	\$ 2.62	\$ 2.78	\$ 0.50	\$ 11,661	\$ 11,661
Tennessee	6,191	-	1,530	1,963	9,684	\$	6.72	29.0%	\$ 1.95	\$ 2.32	\$ 0.50	\$ 18,872	\$ 18,872
Texas	17,393	-	1,541	836	19,770	\$	9.20	29.0%	\$ 2.67	\$ 2.76	\$ 0.50	\$ 52,746	\$ 52,746
Virginia	18,340	-	1,575	1,254	21,169	\$	9.20	29.0%	\$ 2.67	\$ 2.80	\$ 0.50	\$ 56,479	\$ 56,479
	157,240	3	15,618	25,297	198,152						\$	\$ 486,891	\$ 486,891