

## **CenturyLink Operating Companies**

### **Transmittal No. 130**

#### ***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 1st quarter 2024 to 34.6% consistent with the requirements of the Commission's USF Order.<sup>1</sup>

#### **Universal Service Fund Contribution Factor - First Quarter 2024**

For all companies, excluding those in CLOC Tariff F.C.C. No. 9 and 11, a surcharge equal to the first quarter 2024 USF contribution factor of 0.346 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.

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<sup>1</sup> *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Public Notice (DA 23-1156) released December 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 first quarter 2024 assessment. Consistent with the requirements of the Commission's *USF Interim Methodology Orders*,<sup>2</sup> 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 2024 USF contribution factor of 0.346 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 2024 contribution factor of 0.346 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 0.346 first quarter 2024 contribution factor to the sum of the charges representing the interstate portion of the

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<sup>2</sup> *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 0.346 first quarter 2024 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*,<sup>3</sup> 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 2024 USF contribution factor of 0.346 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.

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<sup>3</sup> *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 2024 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 - 12/15/23 Federal USF End User Surcharge Rates  
(1Q 2024 USF Contribution Factor 34.6% - DA 23-1156)  
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	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 1/1/2024 USF Contribution Factor	Residential Primary	Residential Non-Primary	ISDN BRI	Single Line Business	Payphone	Multi-Line Business * & ISDN-PRI	Centrex *
	TL #129	TL #129	TL #129	TL #129	TL #129		TL #130	TL #130	TL #130	TL #130	TL #130	TL #130	TL #130
	1/1/2024 (A)	1/1/2024 (B)	1/1/2024 (C)	1/1/2024 (D)	1/1/2024 (E)	Factor (F)	1/1/2024 (G)=A*F	1/1/2024 (H)=B*F	1/1/2024 (I)=C*F	1/1/2024 (J)=D*F	1/1/2024 (K)=E*F	1/1/2024 (L)=Col H Page 2	1/1/2024 (L)=Col I Page 2
Florida	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	34.6%	\$ 2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.18	\$ 4.02	\$ 0.50
Minnesota	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	34.6%	\$ 2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.18	\$ 3.30	\$ 0.50
Nebraska	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	34.6%	\$ 2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.18	\$ 3.59	\$ 0.50
Nevada	\$ 6.14	\$ 6.14	\$ 6.14	\$ 6.14	\$ 6.15	34.6%	\$ 2.12	\$ 2.12	\$ 2.12	\$ 2.12	\$ 2.13	\$ 2.74	\$ 0.50
Oregon	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	34.6%	\$ 2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.18	\$ 3.31	\$ 0.50
Washington	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	34.6%	\$ 2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.18	\$ 8.38	\$ 0.50
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	34.6%	\$ 2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.18	\$ 3.47	\$ 0.50

\* - Rates are developed on Exhibit 10 Page 2 of 3.

CenturyLink FCC #9 - 12/15/23 Federal USF End User Surcharge Rates  
(1Q 2024 USF Contribution Factor 34.6% - DA 23-1156)  
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	Nov, 2023 Access Lines				Total Multi-Line Bus & ISDN PRI & Centrex Lines (E)=A-B+C+D	Multi-Line Bus, ISDN-PRI & Centrex SLC Rate TL #129 01/01/2024 (F)	Proposed 1/1/2024 USF Contribution Factor (G)	Initial USF Charge Calculation (H)=F*G	Proposed 1/1/24* 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 1/1/24* 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
	MultiLine Business (A)	Payphone (B)	ISDN PRI ( 5 Times ) (C)	Centrex (D)								
Florida	54,371	1	6,332	18,880	79,582	\$ 9.20	34.6%	\$ 3.18	\$ 4.02	\$ 0.50	\$ 253,325	\$ 253,325
Minnesota	6,480	-	480	296	7,256	\$ 9.20	34.6%	\$ 3.18	\$ 3.30	\$ 0.50	\$ 23,097	\$ 23,097
Nebraska	776	-	65	128	969	\$ 9.20	34.6%	\$ 3.18	\$ 3.59	\$ 0.50	\$ 3,085	\$ 3,085
Nevada	29,913	-	3,900	12,719	46,532	\$ 6.15	34.6%	\$ 2.13	\$ 2.74	\$ 0.50	\$ 99,015	\$ 99,015
Oregon	3,460	-	330	174	3,964	\$ 9.20	34.6%	\$ 3.18	\$ 3.31	\$ 0.50	\$ 12,618	\$ 12,618
Washington	4,214	-	330	8,808	13,352	\$ 9.20	34.6%	\$ 3.18	\$ 8.38	\$ 0.50	\$ 42,502	\$ 42,502
Wyoming	418	-	25	47	490	\$ 9.20	34.6%	\$ 3.18	\$ 3.47	\$ 0.50	\$ 1,560	\$ 1,560
	99,632	1	11,462	41,052	152,145						\$ 435,203	\$ 435,203

**CenturyLink FCC #11 - 12/15/23 Federal USF End User Surcharge Rates  
(1Q 2024 USF Contribution Factor 34.6% - DA 23-1156)  
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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	77,574	76,818	756	84	76,902	1.008738	0.346000	0.349023	0.038780
Colorado	84,144	81,491	2,653	295	81,786	1.028834	0.346000	0.355977	0.039553
Idaho	18,562	16,784	1,778	198	16,982	1.093068	0.346000	0.378202	0.042022
Montana	11,735	11,593	142	16	11,609	1.010873	0.346000	0.349762	0.038862
New Mexico	29,716	28,965	751	83	29,048	1.022981	0.346000	0.353951	0.039328
Utah	35,018	27,298	7,720	858	28,156	1.243723	0.346000	0.430328	0.047814
Wyoming	13,244	12,923	321	36	12,959	1.022019	0.346000	0.353618	0.039291
Iowa	32,259	31,710	549	61	31,771	1.015360	0.346000	0.351315	0.039035
Minnesota	47,200	37,134	10,066	1,118	38,252	1.233908	0.346000	0.426932	0.047437
Nebraska	12,641	9,722	2,919	324	10,046	1.258270	0.346000	0.435361	0.048373
North Dakota	4,806	4,467	339	38	4,505	1.066894	0.346000	0.369145	0.041016
South Dakota	8,678	5,382	3,296	366	5,748	1.509684	0.346000	0.522351	0.058039
Oregon	31,649	30,270	1,379	153	30,423	1.040291	0.346000	0.359941	0.039993
Washington	82,111	63,368	18,743	2,083	65,451	1.254550	0.346000	0.434074	0.048230

Note 1: MLB CALC quantities billed in November 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