

Brightspeed Local Operating Companies

Transmittal No. 7

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 at least 16 days' notice as required by Section 61.58 (2) (ii) of the Code of Federal Regulations Part 47 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 1st quarter 2024 to 34.6% consistent with the requirements of the Commission's USF Order.¹

Universal Service Fund Contribution Factor - First Quarter 2024

For all companies, excluding those in BLOC Tariff F.C.C. No. 4, 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. 4 are defined below.

¹ *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Public Notice (DA 23-1156) released December 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 first quarter 2024 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 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).

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 0.346 first quarter 2024 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 0.346 first quarter 2024 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 - 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	Residential		Single Line	Multi-Line Business &	Proposed		Residential	Residential		Single Line		Multi-Line Business *	
	Primary	Non-Primary	ISDN BRI	Business	ISDN-PRI & Centrex	1/1/2024		Primary	Non-Primary	ISDN BRI	Business	Payphone	& ISDN-PRI	Centrex *
	TL #6	TL #6	TL #6	TL #6	TL #6	USF Contribution		TL #7	TL #7	TL #7	TL #7	TL #7	TL #7	TL #7
	<u>1/1/2024</u>	<u>1/1/2024</u>	<u>1/1/2024</u>	<u>1/1/2024</u>	<u>1/1/2024</u>	<u>Factor</u>		<u>1/1/2024</u>	<u>1/1/2024</u>	<u>1/1/2024</u>	<u>1/1/2024</u>	<u>1/1/2024</u>	<u>1/1/2024</u>	<u>1/1/2024</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	34.6%	\$	2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.18	\$ 3.37	\$ 0.50
Kansas	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	34.6%	\$	2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.18	\$ 3.20	\$ 0.50
Missouri	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	34.6%	\$	2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.18	\$ 3.65	\$ 0.50
New Jersey	\$ 5.75	\$ 5.75	\$ 5.75	\$ 5.75	\$ 8.96	34.6%	\$	1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 3.10	\$ 3.21	\$ 0.50
North Carolina	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 8.91	34.6%	\$	2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.08	\$ 3.79	\$ 0.50
Ohio	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	34.6%	\$	2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.18	\$ 3.51	\$ 0.50
Pennsylvania	\$ 6.50	\$ 6.56	\$ 6.56	\$ 6.50	\$ 9.20	34.6%	\$	2.25	\$ 2.27	\$ 2.27	\$ 2.25	\$ 3.18	\$ 3.48	\$ 0.50
South Carolina	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	34.6%	\$	2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.18	\$ 3.40	\$ 0.50
Tennessee	\$ 6.09	\$ 6.09	\$ 6.09	\$ 6.09	\$ 8.76	34.6%	\$	2.11	\$ 2.11	\$ 2.11	\$ 2.11	\$ 3.03	\$ 3.73	\$ 0.50
Texas	\$ 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
Virginia	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	34.6%	\$	2.25	\$ 2.42	\$ 2.42	\$ 2.25	\$ 3.18	\$ 3.35	\$ 0.50

* - Rates are developed on Exhibit 1 Page 2.

Brightspeed FCC #4 - 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				Multi-Line Bus, ISDN-PRI & Centrex SLC Rate		Proposed 1/1/2024 USF Contribution	Initial USF Charge Calculation	Proposed 1/1/24* MultiLine Business & ISDN-PRI USF Charge	Proposed 1/1/24* 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 #6 01/01/2024 (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	7,454	2	700	561	8,713	\$ 9.20	34.6%	\$ 3.18	\$ 3.37	\$ 0.50	\$ 27,735	\$ 27,735
Kansas	3,807	-	245	22	4,074	\$ 9.20	34.6%	\$ 3.18	\$ 3.20	\$ 0.50	\$ 12,968	\$ 12,968
Missouri	8,641	-	716	1,619	10,976	\$ 9.20	34.6%	\$ 3.18	\$ 3.65	\$ 0.50	\$ 34,939	\$ 34,939
New Jersey	8,820	-	330	402	9,552	\$ 8.96	34.6%	\$ 3.10	\$ 3.21	\$ 0.50	\$ 29,613	\$ 29,613
North Carolina	42,650	1	4,311	12,916	59,876	\$ 8.91	34.6%	\$ 3.08	\$ 3.79	\$ 0.50	\$ 184,589	\$ 184,589
Ohio	14,102	-	1,895	1,924	17,921	\$ 9.20	34.6%	\$ 3.18	\$ 3.51	\$ 0.50	\$ 57,046	\$ 57,046
Pennsylvania	12,559	-	1,275	1,556	15,390	\$ 9.20	34.6%	\$ 3.18	\$ 3.48	\$ 0.50	\$ 48,989	\$ 48,989
South Carolina	3,213	-	290	284	3,787	\$ 9.20	34.6%	\$ 3.18	\$ 3.40	\$ 0.50	\$ 12,055	\$ 12,055
Tennessee	5,420	-	1,300	1,850	8,570	\$ 8.76	34.6%	\$ 3.03	\$ 3.73	\$ 0.50	\$ 25,975	\$ 25,975
Texas	14,984	-	1,276	792	17,052	\$ 9.20	34.6%	\$ 3.18	\$ 3.31	\$ 0.50	\$ 54,280	\$ 54,280
Virginia	16,474	-	1,375	1,084	18,933	\$ 9.20	34.6%	\$ 3.18	\$ 3.35	\$ 0.50	\$ 60,268	\$ 60,268
	138,124	3	13,713	23,010	174,844						\$ 548,458	\$ 548,458