

CenturyLink Operating Companies

Transmittal No. 131

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 2024 to 32.8% consistent with the requirements of the Commission's USF Order.¹ This filing also grandfathers CenturyLink Operating Companies Tariff F.C.C. No. 11 Interstate Private Line Transport Services (DS1/DS3) 12 month rate plans. New circuits ordered will only have the option of month-to-month rates. Customers under existing Rate Plans can keep those terms until the expiration of their current term. Existing Rate Plans will not be renewed. Upon expiration of current Rate Plans, plans will revert to month-to-month pricing at the then current rate.

Universal Service Fund Contribution Factor - Second Quarter 2024

For all companies, excluding those in CLOC Tariff F.C.C. No. 9 and 11, a surcharge equal to the second quarter 2024 USF contribution factor of 0.328 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 24-257) released March 14, 2024.)

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 2024 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 2024 USF contribution factor of 0.328 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 2024 contribution factor of 0.328 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 0.328 second 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 0.328 second 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*,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 2024 USF contribution factor of 0.328 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 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 - 3/15/24 Federal USF End User Surcharge Rates
(2Q 2024 USF Contribution Factor 32.8% - DA 24-257)
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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 4/1/2024 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	Factor	TL #131	TL #131	TL #131	TL #131	TL #131	TL #131	TL #131
	4/1/2024 (A)	4/1/2024 (B)	4/1/2024 (C)	4/1/2024 (D)	4/1/2024 (E)	(F)	4/1/2024 (G)=A*F	4/1/2024 (H)=B*F	4/1/2024 (I)=C*F	4/1/2024 (J)=D*F	4/1/2024 (K)=E*F	4/1/2024 (L)=Col H Page 2	4/1/2024 (L)=Col I Page 2
Florida	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	32.8%	\$ 2.13	\$ 2.30	\$ 2.30	\$ 2.13	\$ 3.02	\$ 3.83	\$ 0.50
Minnesota	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	32.8%	\$ 2.13	\$ 2.30	\$ 2.30	\$ 2.13	\$ 3.02	\$ 3.13	\$ 0.50
Nebraska	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	32.8%	\$ 2.13	\$ 2.30	\$ 2.30	\$ 2.13	\$ 3.02	\$ 3.42	\$ 0.50
Nevada	\$ 6.14	\$ 6.14	\$ 6.14	\$ 6.14	\$ 6.15	32.8%	\$ 2.01	\$ 2.01	\$ 2.01	\$ 2.01	\$ 2.02	\$ 2.60	\$ 0.50
Oregon	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	32.8%	\$ 2.13	\$ 2.30	\$ 2.30	\$ 2.13	\$ 3.02	\$ 3.14	\$ 0.50
Washington	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	32.8%	\$ 2.13	\$ 2.30	\$ 2.30	\$ 2.13	\$ 3.02	\$ 7.99	\$ 0.50
Wyoming	\$ 6.50	\$ 7.00	\$ 7.00	\$ 6.50	\$ 9.20	32.8%	\$ 2.13	\$ 2.30	\$ 2.30	\$ 2.13	\$ 3.02	\$ 3.29	\$ 0.50

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

CenturyLink FCC #9 - 3/15/24 Federal USF End User Surcharge Rates
(2Q 2024 USF Contribution Factor 32.8% - DA 24-257)
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	Feb, 2024 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 04/01/2024 (F)	Proposed 4/1/2024 USF Contribution Factor (G)	Initial USF Charge Calculation (H)=F*G	Proposed 4/1/24* 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 4/1/24* 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	51,707	1	5,972	18,544	76,222	\$ 9.20	32.8%	\$ 3.02	\$ 3.83	\$ 0.50	\$ 230,008	\$ 230,008
Minnesota	6,213	-	430	290	6,933	\$ 9.20	32.8%	\$ 3.02	\$ 3.13	\$ 0.50	\$ 20,921	\$ 20,921
Nebraska	726	-	65	126	917	\$ 9.20	32.8%	\$ 3.02	\$ 3.42	\$ 0.50	\$ 2,767	\$ 2,767
Nevada	28,773	-	3,760	12,526	45,059	\$ 6.15	32.8%	\$ 2.02	\$ 2.60	\$ 0.50	\$ 90,893	\$ 90,893
Oregon	3,349	-	300	173	3,822	\$ 9.20	32.8%	\$ 3.02	\$ 3.14	\$ 0.50	\$ 11,533	\$ 11,533
Washington	4,127	-	330	8,794	13,251	\$ 9.20	32.8%	\$ 3.02	\$ 7.99	\$ 0.50	\$ 39,986	\$ 39,986
Wyoming	405	-	15	45	465	\$ 9.20	32.8%	\$ 3.02	\$ 3.29	\$ 0.50	\$ 1,403	\$ 1,403
	95,300	1	10,872	40,498	146,669						\$ 397,511	\$ 397,511

CenturyLink FCC #11 - 3/15/24 Federal USF End User Surcharge Rates
(2Q 2024 USF Contribution Factor 32.8% - DA 24-257)
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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	63,400	62,680	720	80	62,760	1.010198	0.328000	0.331345	0.036816
Colorado	68,135	65,579	2,556	284	65,863	1.034496	0.328000	0.339315	0.037702
Idaho	14,874	13,194	1,680	187	13,381	1.111604	0.328000	0.364606	0.040512
Montana	9,234	9,108	126	14	9,122	1.012278	0.328000	0.332027	0.036892
New Mexico	24,632	23,992	640	71	24,063	1.023642	0.328000	0.335754	0.037306
Utah	31,176	23,609	7,567	841	24,450	1.275104	0.328000	0.418234	0.046470
Wyoming	10,975	10,661	314	35	10,696	1.026095	0.328000	0.336559	0.037395
Iowa	26,704	26,174	530	59	26,233	1.017959	0.328000	0.333890	0.037099
Minnesota	40,852	30,818	10,034	1,115	31,933	1.279308	0.328000	0.419613	0.046624
Nebraska	10,607	7,763	2,844	316	8,079	1.312910	0.328000	0.430634	0.047848
North Dakota	3,985	3,669	316	35	3,704	1.075832	0.328000	0.352873	0.039208
South Dakota	7,708	4,646	3,062	340	4,986	1.545860	0.328000	0.507042	0.056338
Oregon	30,540	29,224	1,316	146	29,370	1.039829	0.328000	0.341064	0.037896
Washington	79,461	60,746	18,715	2,079	62,825	1.264790	0.328000	0.414851	0.046095

Note 1: MLB CALC quantities billed in February 2024

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