



June 2, 2017

Ms. Amy Green
Secretary of the Commission
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604-4027

**Re: Docket No 17-GIMT-426-GIT
Statement on Required FCC Documentation and Substitute Tariff Filing from May 17, 2017**

Dear Ms. Amy Green:

United Telephone Company of Kansas d/b/a CenturyLink has enclosed for filing revisions to its Access Service Tariff with a proposed effective date of July 1, 2017. The following tariff revisions are included in this filing:

Section 6 Fourth Revised Page 148

This filing proposes a revision to the May 17, 2017 tariff filing. The Tandem Switched Transmission – Termination rate on Page 148 has been revised. The factors used to determine the Terminating 3rd Party demand were revised resulting in the Terminating End Office rates to change slightly. These newly revised rates will be filed in the CenturyLink Operating Companies F.C.C. No. 9 tariff on June 16, 2017

Enclosed as a revised Attachment A, please find supporting documentation for the proposed rate reductions. All information included in Attachment A, other than existing and proposed rates, is being filed as CONFIDENTIAL as it contains market/product-specific information relating to the services offered by the Company. As described in the narrative description in Attachment B, CenturyLink's supporting documentation demonstrates this filing is the sixth step in implementing the Terminating Switched End Office Intrastate Access Service reductions mandated by the FCC. This information includes company-specific calculations that are presented using the "Access Reduction Spreadsheet" template released by the Federal Communications Commission ("FCC") on April 24, 2017. The FCC has mandated that carriers like CenturyLink utilize this template for calculation of the July 2017 access reductions, and use of this template will keep the mandated access reduction calculations consistent with the FCC's requirements.

CenturyLink filed the certification certifying that CenturyLink is not seeking duplicative recovery in the state jurisdiction for any Eligible Recovery subject to the recovery mechanism established by the Transformation Order with its May 17, 2017 filing. The Baseline and Eligible Recovery worksheet and certification will be filed on June 30, 2017.

If you have any questions regarding this filing, please feel free to call me at 913-353-7070.

Sincerely,

A handwritten signature in dark ink that reads "Christina L. Chushuk".

Christina L. Chushuk
Manager, Regulatory Operations

Attachments

cc: John Idoux

KS17-03A

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ATTACHMENT A

Attachment A includes:

1. **FCC ICC/USF Compliance Filing Rates Decreases (Terminating Switched End Office Intrastate Access Service) and Narrative Description of Methodology.**

**The Information that follows this page is considered
CONFIDENTIAL**

CONFIDENTIAL

CenturyLink submits the enclosed trade secret, confidential and/or financial information.

Trade secret, confidential and/or financial information designation is pursuant to K.A.R. 66-1220a. This confidential information, if disclosed, would likely result in harm to CenturyLink or another party's economic or competitive interest, or would result in harm to the public interest generally, and is not otherwise available from public sources for the following reasons:

- ☐ Contains information relating directly to specific customers
- ☐ Contains employee-sensitive information
- ☒ Contain marketing analysis or other market-specific information relating to services offered in competition with others
- ☐ Contains reports, work papers or other documentation related to work produced by internal auditors or consultants
- ☐ Contains strategies employed, to be employed or under consideration
- ☐ Contains contract negotiations
- ☐ Contains information concerning trade secrets as well as private technical, financial and business information
- ☒ Contains information which has been designated as trade secret or confidential commercial information by another party

**United Telephone Companies of Kansas d/b/a CenturyLink
CenturyLink-Kansas 2017
FCC ICC/USF Compliance Filing Rates Decreases**

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NARRATIVE DESCRIPTION OF ACCESS RATE REDUCTION

The following narrative describes the methodology and supporting calculations utilized by CenturyLink to implement the process of reducing terminating switched end office rates to bill-and-keep (not to exceed \$0.0000/MOU) and terminating traffic traversing a tandem switch. When a CenturyLink Price Cap ILEC owns the tandem and a CenturyLink Price Cap ILEC owns the terminating End Office Switch, the tandem switched rates will be considered "Tandem-to-End Office" and will transition to \$0.0007/MOU as required by 47 C.F.R. §51.907(g)¹, which addresses changes beginning July 1, 2017. All other tandem traffic that traverses a CenturyLink Price Cap ILEC-owned tandem and does not terminate to an end user served by a CenturyLink Price Cap ILEC end office will be considered "Tandem-to- 3rd Party" and will continue to be billed at the current Interstate rates, including tandem traffic traversing a CenturyLink Price-Cap ILEC-owned tandem to an affiliated CenturyLink CLEC end office. Tandem-Switched Transport charges associated with traffic traversing a non-CenturyLink Price Cap ILEC-owned tandem, but terminating to a CenturyLink-owned end office will also remain at current Interstate rates. CenturyLink's supporting calculations utilize the "Access Reduction Spreadsheet" template released by the Federal Communications Commission ("FCC") on April 24, 2017 for calculating the July 1, 2017 Interstate and Intrastate access rate changes.

The FCC spreadsheet template also provides the methodology for calculating the rate changes and identifies, in detail, the Interstate access rates that are required to be changed consistent with the FCC rules. Step 6 of the USF ICC Transformation Order adjusts Interstate Terminating End Office Access rates down to the target composite rate of \$0.0000/MOU and Tandem-Switched Transport to the target composite rates as discussed above. The Interstate rates will be mirrored on the Intrastate side so that rates will remain in parity.

Section 51.907(g) of the FCC rules required the Access Reduction Spreadsheet to be modified to reflect rate reductions for July 1, 2017. For Price Cap carriers that file Interstate tariffs assessing a single rate applicable in different states, the Interstate demand utilized shall be the sum of the demand for all of the states included in the tariff, rather than making separate state-by-state calculations. For companies with a single rate in multiple states, the calculations are done at the regional level and the regional rates are mirrored in each study area². For individual study areas, the calculations are done at the study area level. An overview of the steps and methodology used to reduce terminating End Office and Tandem-Switched Transport access rates are as follows:

1. Lower the terminating End Office Switched Access Rates to bring the 2017 composite rate to zero.
2. Establish the 2011 Baseline Composite Terminating Tandem-Switched Transport Access Rate by splitting the Tandem- Switched Transport demand between various traffic scenarios. Tandem-to-End Office traffic is the affiliate-terminated traffic that the Order requires for further transitions/reductions. This traffic was identified by using a relationship of 2016 traffic and applied to the demand already loaded in the model. Dedicated Tandem Trunk Ports are not part of the transition per Rule 51.903(i) that expressly excludes rate elements in Part 69.111.
3. Calculate the 2017 Target Composite Terminating Tandem-Switched Transport Access Rate for Tandem-to-End Office by reducing the 2011 Baseline Composite Terminating Tandem-Switched Rate to not exceed \$0.0007/MOU.
4. Calculate the individual Interstate Terminating Tandem-Switched Access Tandem-to-End Office rate levels such that the reduced rates and demand will equal the 2017 Target Composite Terminating Tandem-Switched Access Rate.
5. Set Intrastate Terminating End Office and Tandem-Switched Transport Access rates equal to their functionally equivalent Interstate rates.
6. Prepare Intrastate and Interstate tariff documents as required by each tariff jurisdiction.

¹ Per guidance from FCC Staff.

² See footnote No. 27 in clarification order: Connect America Fund, et al., DA 14-434, WC Docket No. 10-90 et al.

ACCESS SERVICE

6. Switched Access Service (Cont'd)

6.8 Rates and Charges (Cont'd)

6.8.2 Switched Transport (Cont'd)

(C) Tandem-Switched Transport

<u>Rate Per Access Minute</u>				
	<u>Originating</u>	<u>Terminating 3rd Party</u>	<u>Terminating End Office</u>	(T)
(1) Tandem-Switched Transmission				(T)
(a) Facility (Per Mile)				
Zone 3	\$0.000025	\$0.000023	\$0.000000 (R)	
Zone 4	\$0.000025	\$0.000025	\$0.000000 (R)	
(a) Termination (Fixed)				
Zone 3	\$0.000278	\$0.000245	\$0.000107 (R)	
Zone 4	\$0.000278	\$0.000278	\$0.000109 (R)	
(2) Tandem Switching				
Zone 3	\$0.000425	\$0.000381	\$0.000381	
Zone 4	\$0.000425	\$0.000425	\$0.000425	
(3) Common Transport Multiplexing				
Zone 3	\$0.000277	\$0.000254	\$0.000000 (R)	
Zone 4	\$0.000277	\$0.000277	\$0.000000 (R)	
(4) Dedicated Trunk Port			<u>Monthly Rates</u>	
(a) Per DS0			\$3.66	
(b) Per DS1			\$93.40	