Description of Methodology

The following narrative describes the methodology and supporting calculations utilized by CenturyLink to implement the Transitional Intrastate Access Service reductions required by 47 C.F.R. §51.907(c) which addresses changes beginning July 2013. CenturyLink's supporting calculations utilize the "ICC-Access Reduction" template released by the Federal Communications Commission ("FCC") on April 19, 2013, for calculating the July 2, 2013 intrastate access rate changes.

The FCC spreadsheet template also provides the methodology for calculating the rate changes and identifies in detail the intrastate access rates that are required to be changed consistent with the rules. Step 2 of the USF ICC Transformation Order brings Transitional Intrastate Access Services[1] rates and structure in parity with the functionally equivalent interstate rates and structure. This means that some intrastate rates may increase while other intrastate rates may decrease; some new intrastate rate elements, including originating, may be introduced to meet the interstate functionality equivalent access structure.

Section 51.907(c) of the FCC Rules continues with the same spreadsheet template as used to meet the 51.907(b) steps (which addressed changes beginning in July 2012) in calculating the rate for Transitional Intrastate Access Service that was effective July 3, 2012.

1. Compare functionally equivalent rate elements for Transitional Intrastate Access Services between intrastate and interstate.
2. Identify where structure differences will require establishing new intrastate rate elements.
3. Where applicable, separate switched access elements into originating and terminating.
4. Set Transitional Intrastate Access Services rates equal to their functionally equivalent interstate rates.
5. Prepare intrastate and interstate tariff filing documents as required by each tariff jurisdiction.

For Qwest Corporation d/b/a CenturyLink QC, the current rate structure of intrastate common/shared & dedicated port and common/shared multiplexing services varies significantly from the current rate structure of interstate common/shared & dedicated port and common/shared multiplexing services. Specifically, the intrastate services have not undergone Access Reform Restructure. To simplify the calculations to determine the required reductions, CenturyLink has completed revenue neutral calculations for the

[1] Definition at 51.903 (j) Transitional Intrastate Access Service. A Transitional Intrastate Access Service means terminating End Office Access Service that was subject to intrastate access rates as of December 31, 2011; terminating Tandem-Switched Transport Access Service that was subject to intrastate access rates as of December 31, 2011; and originating and terminating Dedicated Transport Access Service that was subject to intrastate access rates as of December 31, 2011.

affected rate elements to synchronize intrastate and interstate rate structures for port and multiplexing services. These calculations can be found in the second spreadsheet tab labeled "Access Reform" and are performed as follows:

1. Calculate intrastate and interstate switching MOU percentage splits using the Fiscal Year 2011 demand.
2. Calculate surrogate intrastate demand for End Office shared/common trunk port service based on relationships to Local Switching intrastate demand to Interstate demand as noted in 1 above.
3. Calculate surrogate intrastate demand for Tandem shared/common multiplexing service based on relationships to Tandem Switching intrastate demand to Interstate demand as noted in 1 above.
4. Calculate surrogate Intrastate demand for the dedicated trunk port elements based on interstate dedicated trunk port usage along with the PIU (percent Interstate usage) factor. Intrastate demand was determined based on the inverse of the interstate PIU currently utilized for that element.
5. Price out restructured intrastate shared/common trunk port, shared/common multiplexing and dedicated trunk port revenues by applying interstate rates to calculated intrastate demand from Step 2, 3, & 4 for each new element.
6. Existing Local Switching and Tandem Switched rates are then reduced by the additional amount of revenue calculated in Step 5. New Local Switching and Tandem Switched rates are determined to reflect this adjusted revenue. In total the filing is revenue neutral.

The restructured intrastate rates for the common/shared trunk port, shared/common multiplexing and dedicated trunk port elements from the "Access Reform" tab are then carried forward to column (B) of the FCC template spreadsheet; the tab is denoted by the company name. The rates in column (B) of the spreadsheet are then used to calculate the revenue at existing intrastate access described above which becomes that basis for determining the require parity that would have been produced using interstate rates and the Fiscal Year 2011 demand. The resulting proposed rates can be found in column (K).