# **Texas USF Settlement**



## Large Company USF Settlement (2013-2017)

Large Company Reductions

AT&T	(\$30.6M)
Verizon	(\$40.0M)
CenturyLink	(\$8.7M)
Windstream	<u>(\$17.2M</u> )
Total	(\$96.5M)

•Reductions will be phased in over four years

•VZ/AT&T elected to reduce support to zero after four years

•Reasonable rate range established - \$23.50 - \$24.00

•Allows rate rebalancing up to the reasonable rate over four years. Maximum yearly increase of \$2.00

Source: PUC staff witness Dr. Mark Bryant testimony filed in Docket 40521.

# **Texas USF Funding Levels**



### Current USF Support

### Large Company

#### Impact of Settlement

Large Company

- AT&T	\$30.6M	- AT&T	\$0
- Verizon	\$40.0M	- Verizon	\$0
- CenturyLink	\$36.1M	- CenturyLink	\$27.4M
- Windstream	<u>\$72.3M</u>	- Windstream	<u>\$55.1M</u>
Total	\$179.0M	Total	\$82.5M
Small Company	\$102.5M	Small Company	\$102.5M
Social Services	\$76.0M	Social Services	\$76.0M
Administrative	<u>\$5.5M</u>	Administrative	<u>\$5.5M</u>
Total USF	\$363.0M	Total USF	\$266.5M

PUC approved a customer surcharge increase from 3.4% to 4.3% effective 1/1/12 Verizon/AT&T have 73% of the overall reductions in the Settlement Agreement The Large Company Settlement Agreement reduced the fund size by 27%

Source: Large Company data from PUC staff witness Dr. Mark Bryant testimony filed in Docket 40521. Data for the other TUSF components reflects 2012 projected levels as shown in Staff memo dated Oct 20, 2011 to the Commissioners in Docket 21208.