



# Texas USF Settlement

## Large Company USF Settlement (2013-2017)

### Large Company Reductions

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

- 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



# Texas USF Funding Levels

## Current USF Support

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

## Impact of Settlement

<b>Large Company</b>	
- AT&T	\$0
- Verizon	\$0
- CenturyLink	\$27.4M
- Windstream	<u>\$55.1M</u>
<b>Total</b>	<b>\$82.5M</b>
<b>Small Company</b>	<b>\$102.5M</b>
<b>Social Services</b>	<b>\$76.0M</b>
<b>Administrative</b>	<b><u>\$5.5M</u></b>
<b>Total USF</b>	<b>\$266.5M</b>

**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%**