



Expanding Broadband Access Across California

Level 3 EON BTOP Project Overview

May 6, 2010



Level 3 Today

- : Headquarters: Broomfield, CO
- : 2009 Annual Revenue: \$3.7B
- : Fortune 600 company
- : Employees: 5,300



Strong and Growing

- : Consistently ranked as world's most connected Internet Service Providers (ISPs)
- : Network handles more than 2 billion calls per month
- : Since January 1, 2008 the Level 3 CDN has handled 14 trillion requests for content and delivered over 525PB of content



Overview of Level 3

Our assets and experience make Level 3's network an ideal middle mile solution to extend broadband services to underserved communities

- ❑ **We operate one of the largest broadband networks in the nation**
 - Deep fiber network footprint in 116 metro markets in North America
 - Broad national fiber backbone covering 42,000 route miles in North America, with an ability to access the network using fiber

- ❑ **Our network already borders many underserved areas**

- ❑ **We have a history of flexibly partnering to reach rural areas**
 - BUILD TO US: partners can come to Level 3 using fiber and wireless
 - WE CAN BUILD TO YOU: Level 3 can reach partners with fiber optic cable

- ❑ **Our product portfolio includes the breadth of broadband capabilities required by the market**
 - High speed Internet access
 - Private Networking (Virtual Private Networks, Ethernet, point to point dedicated networks, multi-cast video)
 - Voice over IP
 - Content Delivery

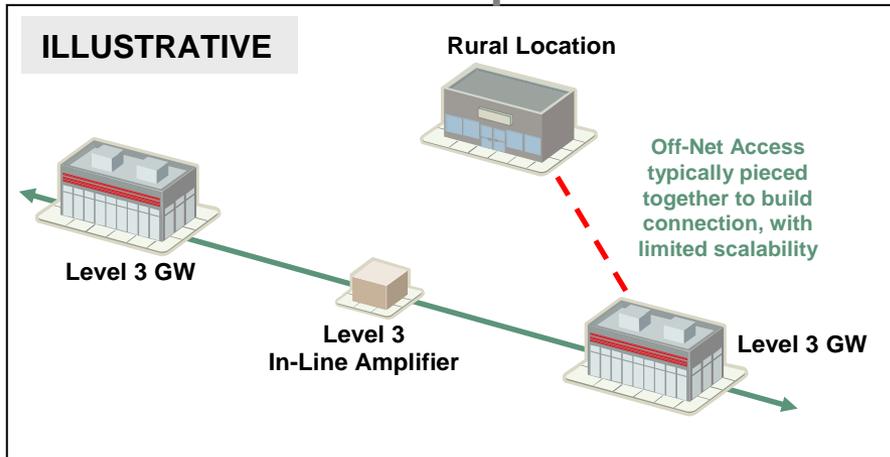
Level 3 BTOP Project in California

- ❖ **\$3.3 million** broadband infrastructure grant with an additional \$1.1 million applicant-provided match to build 11 new access points on Level 3's existing broadband network.
 - Tulelake
 - Burney
 - Palo Cedro
 - Colusa
 - Hanford
 - Corning
 - Merced
 - Sandrini
 - Button Willow
 - Monolith
 - Pine Valley
- ❖ These additional points of interconnection enable Internet service providers to provide enhanced broadband capabilities to as many as 240,000 households, 9,900 businesses, and 240 anchor institutions, including schools, government agencies, and healthcare providers
- ❖ Funding will cover the capital costs required to open up the access points and offer bandwidths of 50Mbps to 10Gbps, with ability to scale to 40Gbps
- ❖ The project is scheduled to be completed by January, 2013
- ❖ Based on the definitions listed by the White House OMB, Level 3 calculated that this project will create a total of 39 total job-years; with 25 direct and indirect job years, 22 FTE/yr, and 14 induced job years

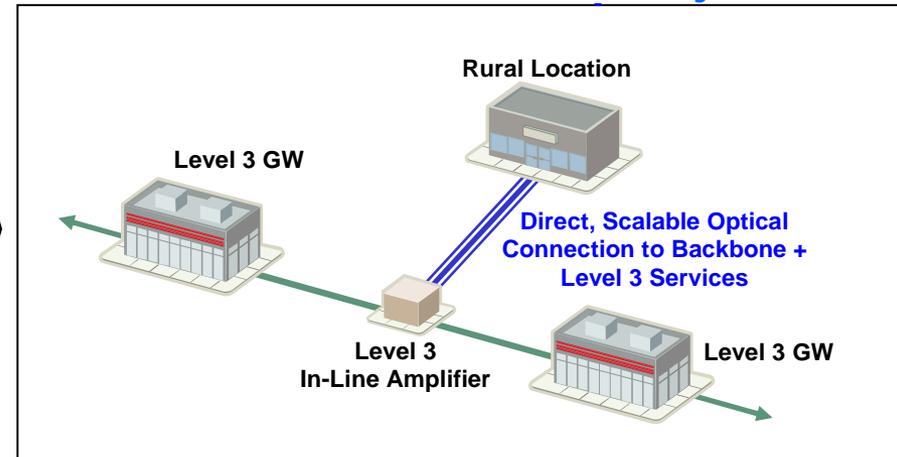
Level 3 BTOP Project Approach

- ❖ For many underserved communities, the quality of last mile facilities is not the barrier to high quality broadband service: access to middle mile facilities which connect communities to the internet is a challenge
- ❖ Today, communities that are not near a major network point-of-presence may lack access to affordable broadband, have capacity limitations which constrain the number of possible broadband users or rely upon a single-vendor, with a very costly backhaul solution.

Current Option



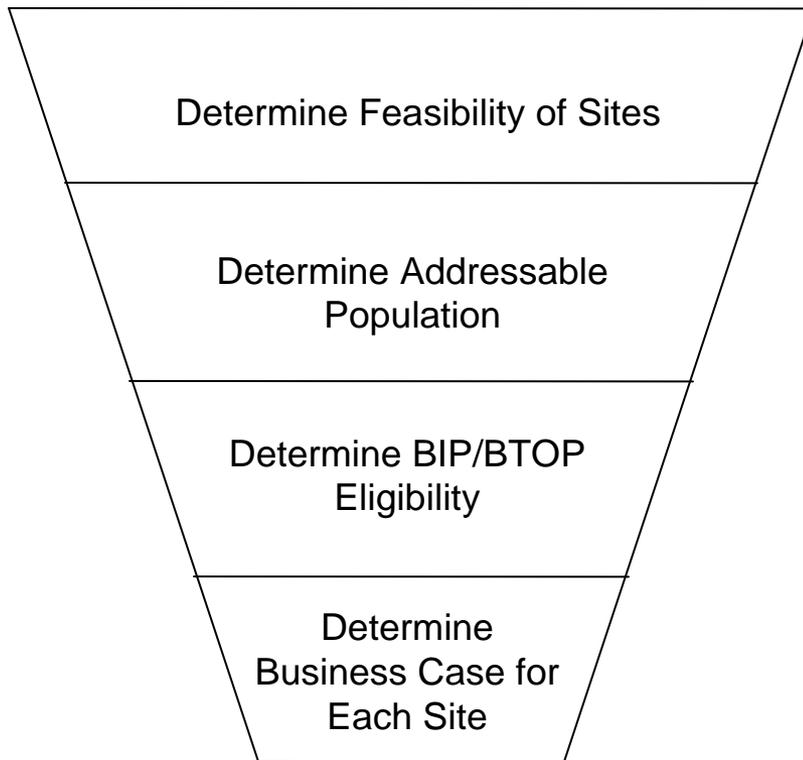
Level 3 EON BTOP Project



Level 3's project leverage the existing in-line amplifiers (ILA) to provide a lower cost, high bandwidth backhaul option for communities in underserved areas located near the ILA sites in the communities listed on page 3.

Process to select target sites

To determine the target sites, the following process was used

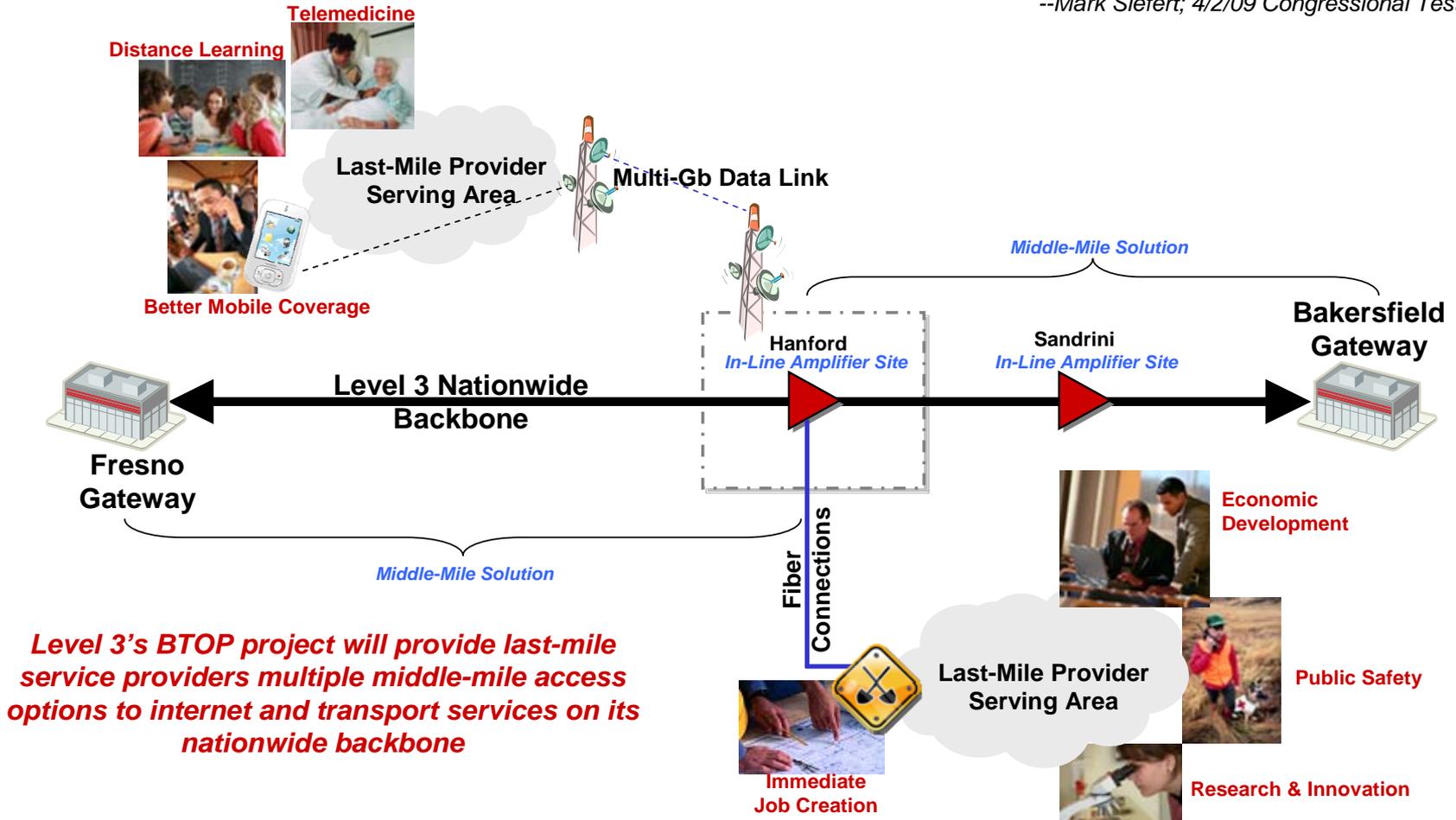


- Determine which ILA sites can support technical requirements and estimate costs
- Determine the demand (population) that can be addressed within a 25-mile radius of site
- Determine which sites are eligible for BIP and BTOP under rural and underserved requirements as described in the NOFA
- Evaluate business case for Level 3 match

Building the Broadband Eco-System

“We want to begin to close the broadband gap in America. We, therefore, want to extend high-capacity pipes closer to users in rural, remote, and underserved communities.”

--Mark Siefert; 4/2/09 Congressional Testimony





Other Level 3 Middle-Mile Alternatives in California

Middle Mile connectivity from Level 3 is not limited to the eleven sites included in our BTOP grant.

∴ Extended On-net service available in twenty additional sites

- Barstow
- Baker
- Corona
- Emigrant Gap
- Escondido (2 sites)
- Fremont
- Laguna Nigel
- Little Rock
- Los Angeles Teleport
- Niland
- Oceanside
- Pomona
- San Ardo
- Soledad
- Stockton
- Suisun City
- Sun City
- Tracy

∴ Approximately 500 meg minimum bandwidth needed to make these sites viable

A Partner That Can Make It Happen

"With access to broadband and the skills to use it effectively, Americans will be better able to compete, succeed, and lead in the 21st century's knowledge-based economy"

--Mark Siefert; 4/2/09 Congressional Testimony

- Level 3 has the network and the product set to enable last mile providers to meet your state's broadband expansion objectives
- We have the experience working with last mile providers to implement high impact projects
- Through these projects, we can get Americans back to work now and enable local economic sustainability for the future

Level 3 – A network partner you can believe in

