

Broadband USA Applications Database

Applicant Name: PacTex Communications, LLC

Public Notice Submissions

-----**Service Area:** Arizona

Submitter: Cox Communications Inc.

Comment: Cox Communications, Inc.(Cox) is a broadband communications and entertainment company, providing advanced digital video, Internet, telephone and wireless services over its nationwide IP network. The third-largest U.S. cable TV company, Cox serves over 6.2 million residences and businesses.

Cox operates in hundreds of communities in 18 states and has invested over \$16 billion in private capital in its network over the last ten years. Cox provides its customers in Arizona with 21st century infrastructure that provides advanced broadband, video and telephone services. More than 99.5 percent of the households in our service areas have access to Cox high-speed Internet, at some of the fastest broadband speeds available in the nation.

Cox supports the goals of the American Recovery and Reinvestment Act to extend broadband to parts of the country that are unserved or underserved. We appreciate the efforts of the Rural Utilities Service and the National Telecommunications and Information Administration in making sure that the limited amount of broadband stimulus funding available under the ARRA is targeted toward those consumers in greatest need, rather than to areas that already have access to broadband service.

To assist your agencies in ensuring that ARRA funds are directed to truly unserved and underserved areas, Cox is providing supplemental information that demonstrates, for the above-referenced application, the following: the location of Cox's broadband infrastructure; broadband service levels provided; number of customers served; pricing for each service tier; and marketing materials which demonstrate service availability. Consistent with the statutory requirement to expend funds only for projects in eligible areas, we trust that your agencies will use this information -- along with information from other broadband providers -- to obtain a clear picture of service availability in the area covered by the application. We encourage the use of independent due diligence to determine the extent of other

broadband service offerings in the proposed funded service area covered by this submission, if other providers fail to submit information prior to the submission deadline.

We request that this data be treated as confidential and proprietary. Much of the information provided with this letter constitutes trade secrets or commercial information that is privileged and confidential and therefore exempt from public disclosure under 5 U.S.C. § 552(b)(4). Cox does not disclose this information to the public, and release of this information could cause competitive harm, by enabling other broadband providers to tailor their business strategies to unfairly compete with Cox.

Thank you for the opportunity to submit this information. We trust that it will be helpful in your analysis, and will inform your final decision concerning the application.

Submitter: Level 3 EON, LLC

Comment: Level 3 EON, LLC is filing this challenge based on the network services provided by Level 3 Communications, LLC. ("Level 3")

The overlapping service areas are drawn via the mapping tool. Level 3's fiber optic network infrastructure can support low speeds to support today's lower bandwidth needs and can scale to 40G and 100G to meet future bandwidth demands.

Absent some demonstrable cost or technology advantages, government funds should not be used to build along the same routes, and to the same communities, as existing and operating fiber optic networks. In the course of evaluating these projects, the Agencies should determine what other known network assets are already in place and operating, and should require applicants to take advantage of such networks. Level 3 has identified where its network is capable of delivering all or some significant portion of the connectivity that the applicant proposes to deliver for a fraction of the cost proposed by the applicant.

Applicants should be required to demonstrate that they have exhausted commercial options involving use of existing infrastructure or services. In this regard, Level 3 notes that the Agencies' rules make it clear that a capitalized capacity lease is eligible for funding under BTOP and BIP. The capital costs of deploying fiber is only a fraction of the total network cost. Deploying, operating and maintaining

electronic gear makes up the bulk of cost associated with operating a new fiber optic network. Capitalized capacity leases allow multiple last-mile and middle mile providers to share these significant expenses on a flexible, scalable basis.

Using a capitalized capacity lease, a last mile provider could procure precisely the capacity it needs when needed to serve its community. This option is scalable and allows service providers to secure smaller amounts of capacity as an initial matter, adding to the capacity only when demands require. It also adds to project sustainability by reducing both operating and maintenance costs. In addition, as long as Level 3's network is in proximity, affordable hybrid fiber-microwave technologies can be used to establish interconnects back to the capitalized capacity leases. Multiple BTOP and BIP applicants can use identified capacity on a specific system, but capture the lower costs associated with the sharing of transport expenses.