

Broadband USA Applications Database

Applicant Name: American Fiber Systems, Inc.

Public Notice Submissions

-----**Service Area:** AFS - Nashville, TN

Submitter: Level 3 EON, LLC

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

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 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 capacity IRUs. 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.