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COMMISSIONER

DATE: 07/12/01

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYO)

FROM: DIVISION OF APPEALS (BROWN) *MCB DS*  
DIVISION OF COMPETITIVE SERVICES (CATER) *SAE*  
DIVISION OF REGULATORY OVERSIGHT (VANDIVER) *WJ*

RE: DOCKET NO. 010650-TX - PETITION FOR DECLARATORY STATEMENT BY LEVEL 3 COMMUNICATIONS, LLC, THAT COLLOCATION REVENUES REPORTED BY LEVEL 3 SHOULD NOT BE INCLUDED AS "GROSS OPERATING REVENUES DERIVED FROM INTRASTATE BUSINESS" AS CONTEMPLATED BY RULE 25-4.0161, F.A.C., AND SECTIONS 350.113(3)(B) AND 364.336, F.S., FOR PURPOSES OF CALCULATING REGULATORY ASSESSMENT FEE FOR CALENDAR YEAR 1999.

AGENDA: 07/24/01 - REGULAR AGENDA - DECISION ON DECLARATORY STATEMENT - PARTIES MAY PARTICIPATE AT THE COMMISSION'S DISCRETION

CRITICAL DATES: 08/13/01 - ORDER MUST BE ISSUED BY THIS DATE

SPECIAL INSTRUCTIONS: SHOULD NOT BE DEFERRED

FILE NAME AND LOCATION: S:\PSC\APP\WP\010650.RCM

CASE BACKGROUND

Level 3 Communications, .LLC (Level 3) is a certificated Alternative Local Exchange (ALEC) and Interexchange (IXC) telecommunications service provider in Florida. On May 1, 2001, Level 3 filed a Petition for Declaratory Statement pursuant to section 120.565, Florida Statutes, and Rule 28-105.002, Florida Administrative Code. In its petition, Level 3 asks the Commission to declare that it is not required to pay regulatory assessment fees on the revenues it receives from offering collocation in its "Gateways" telecommunications facilities in Florida. This is staff's recommendation to issue a declaratory statement that under the provisions of section 364.336, Florida Statutes, Level 3 is required to pay regulatory assessment fees on those revenues.

DOCUMENT NUMBER-DATE

08511 JUL 12 01

FPSC-RECORDS/REPORTING

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission issue a declaratory statement that Level 3 is not required to pay regulatory assessment fees on the revenues it receives from collocation in its Florida facilities?

**RECOMMENDATION:** No. The Commission should issue a declaratory statement that Level 3 is required to pay regulatory assessment fees on the revenues it receives from collocation in its Florida facilities.

**STAFF ANALYSIS:**

**Threshold Declaratory Statement Requirements**

Level 3 states that this request for a declaratory statement arises from an audit of its 1999 Alternative Local Exchange Company regulatory assessment fee filing, in which the Commission staff took exception to Level 3's exclusion of \$381,342.00 in collocation revenues from its assessment fee calculation.<sup>1</sup> Level 3 asserts that it does not owe assessment fees on its collocation revenues, because they are not "gross operating revenues derived from intrastate business" contemplated by sections 350.113(3)(b) and 364.336, Florida Statutes. Level 3 states that it is substantially affected by the audit staff's interpretation of the regulatory assessment fee statute and requests a declaratory statement from the Commission that revenue an ALEC generates from collocation should be excluded from the fee calculation.

Section 120.565, Florida Statutes, governs the issuance of a declaratory statement by an agency. In pertinent part it provides:

(1) Any substantially affected person may seek a declaratory statement regarding an agency's opinion as to the applicability of a statutory provision, or of any rule or order of the agency, as it applies to the petitioner's particular set of circumstances.

(2) The petition seeking a declaratory statement shall state with particularity the petitioner's set of circumstances and shall specify the statutory provision, rule or order that the petitioner believes may apply to the set of circumstances.

Level 3's petition meets the statutory requirements for a declaratory statement. Level 3 does not believe that the regulatory assessment fee statute applies to its collocation

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<sup>1</sup> At the current assessment fee rate of 0.0015, the amount in dispute is \$572.01.

revenues, but will be required to pay the additional fee under the staff's interpretation. Level 3's substantial interests are affected by this disagreement, and therefore the Commission should issue the statement to resolve it. On the substantive question, however, the Commission should not issue the declaratory statement Level 3 requests. Level 3's collocation revenues should be included in its regulatory assessment fee calculations.

### Level 3's Petition

The facts of this case, gleaned from Level 3's petition, its May 30, 2001, letter to staff, and marketing information that it publishes on its website, indicate that Level 3 leases space in its Florida Gateways telecommunications facilities to other communications providers for the collocation of their communications equipment. (See attachments 1, 2, and 3 to this recommendation.) Level 3 describes its Gateways facilities as "sophisticated technology centers where customers can physically locate their equipment in order to connect directly to Level 3's and other service providers' networks." (Letter to staff, attachment 2, p.1) As Level 3 explains on its website, collocation in Level 3's Gateways centers provides "direct access to Level 3's Network services," "an open facility - many other carriers are able to deliver service to customers directly within the Level 3 facility, enabling diverse routing and easy communications supplier-choice and support service," and a variety of other services, like air conditioning, power supplies, and the like. (Website; [www.level3.com](http://www.level3.com), attachment 3, pps.1-4)

Level 3 states that a collocation space typically houses customer equipment that is used for the provision of telecommunications and/or information services. (Petition, attachment 1, p. 3) It contends, however, that a lease of collocation space does not necessarily mean that Level 3 is supplying that entity with network facilities. "It is possible to use Level 3's collocation space as a place to locate equipment that is connected to other carriers' networks and thus is not necessarily solely associated with using Level 3's backbone network." (Letter, attachment 2, p.3)

Level 3 also explains that its collocation customers may provide interstate services, and most of the equipment that is placed in Level 3's Gateways is used for the provision of Internet-related services. (Letter, attachment 2, p.2) Level 3 states that it does not have much information on the type of services its customers provide through the use of its facilities, and Level 3 believes that it would be difficult to determine whether its customers are using collocation to ultimately provide regulated or unregulated services. (Petition, attachment 1, p. 3; Letter to staff, attachment 2, p.2)

Contending that its collocation revenues "represent nothing more than lease payments for occupying space in Level 3's facilities," Level 3 characterizes collocation as a "simple real property transaction" that does not involve the provision of telecommunications services by Level 3. Level 3 argues that because collocation is neither a telecommunications service, nor a service required in conjunction with the provision of telecommunications service, collocation revenues should be excluded from its gross operating revenues for regulatory fee calculations.

Level 3 relies upon the Commission's recent declaratory statement that Verizon is required to pay regulatory assessment fees on the directory advertising revenues of its affiliate, Docket No. 001556-TL, Order No. PSC-01-0097-DS-TL, issued January 11, 2001. Although the Commission found that Verizon was required to pay assessment fees on directory publishing revenues, Level 3 argues that it did so because Verizon's directory affiliate was providing a service Verizon is required to provide as a certificated local telecommunications company. Level 3 contends that since its collocation revenues are generated from a service that it is not required to provide, those revenues should be excluded from the fee calculation. "The final order in the Verizon Declaratory Statement proceeding makes it clear that Sections 350.113(b) and 364.336, Florida Statutes, were never intended to impose a regulatory assessment fee on the revenues of a regulated telecommunications company that are not derived from a required component of the telecommunications company's communications service." (Petition, attachment 1, p.4)

### Analysis

Section 364.336, Florida Statutes, requires each telecommunications company licensed or operating in Florida to pay a regulatory assessment fee based on "its gross operating revenues derived from intrastate business." The statute further provides that any amount paid to another telecommunications company for the use of any telecommunications network shall be deducted from the gross operating revenues for purposes of computing the fee due.<sup>2</sup> Section 350.113(3), Florida Statutes, provides that the fees collected shall to the extent practicable, be related to the cost of regulation.

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<sup>2</sup> Under that provision, any telecommunications provider leasing collocation space or other network facilities from Level 3 would be entitled to exclude amounts paid to Level 3 from their regulatory fee calculation.

Thus there are only two statutory limitations on the inclusion of a telecommunications company's gross operating revenues for regulatory assessment fee purposes in Florida. The revenues must be intrastate revenues, and they may exclude any amounts paid to another telecommunications company for the use of its facilities. The statutes make no other provision for the deduction or exclusion of operating revenues from the fee calculation. Nor do they limit the obligation to pay the fee to revenue acquired either from telecommunications service or services "derived from a required component of the telecommunications company's communications service."<sup>3</sup>

In fact, the regulatory assessment fee statutes do not tie the fees to services of any particular kind, but to a regulated company's "intrastate business," a term that is clearly more inclusive than what Level 3 proposes. That is because the Commission regulates the telecommunications company and the business it conducts, not only the specific services that it provides, and the breadth of the regulatory fee statutes reflects the breadth of the Commission's regulation.

There are limits to the scope of the regulatory assessment fee statutes, and they are prescribed by the statutes themselves. They do not apply to a company's interstate business. They do not apply to business unrelated to the company's regulated business. One could argue, for example, that if Level 3 leased space on the sidewalk outside its facilities to a hot dog vendor, that would be a "simple real estate transaction" and that revenue would not be subject to the assessment fee statutes. Here, however, the revenues in question derive from collocation, which is, despite Level 3's assertions to the contrary, directly related to the business of a regulated telecommunications company and the use of telecommunications facilities. But for the access to communications networks and facilities, providers would not collocate in Level 3's Gateways facilities. Section 364.02(13), Florida Statutes, provides that a telecommunications facility "includes real estate, easements, apparatus, property, and routes used and operated to provide two-way telecommunications service to the public for hire within this state."

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<sup>3</sup> Level 3's reliance upon the Verizon declaratory statement is misplaced. In that case the Commission was addressing the imputation of advertising revenues generated by Verizon's affiliate publishing company to Verizon for regulatory assessment fee purposes, given the consideration that Verizon's affiliate was not a telecommunications company. Here there is no question that Level 3 is a telecommunications company and the collocation revenues are its own revenues.

Level 3 does acknowledge that Incumbent Local Exchange Telecommunications companies (ILECs) are required to provide collocation to competitive telecommunications carriers under the local competition provisions of the Telecommunications Act of 1996, as implemented by this Commission and the FCC. Under the Uniform System of Accounts, ILECs record that collocation revenue as rent revenue in account 5240. That revenue is appropriately included in the companies' regulatory assessment fee calculation.

Collocation revenue is rent revenue connected with the provision of telecommunications and the use of telecommunications facilities, like revenue from the lease of space on telephone poles and in telecommunications vaults and conduits. Revenue derived from the lease of that space has traditionally been included in telephone company assessment fee calculations, and there is nothing new or different here. According to Level 3's argument, ILECs would pay assessment fees on the revenues they collect from collocation, because they are required to provide it, but ALECs would not. The regulatory assessment statutes do not contemplate such dissimilar treatment of the same revenues.

There is no legal justification to adopt Level 3's narrow reading of the Commission's regulatory assessment fee statutes, and there is no good policy reason to do so. Level 3's proposed interpretation would not limit the amount of regulatory assessment fees the Commission would collect. It would limit the base of revenue upon which the Commission could assess the fees, placing a greater burden on other telecommunications providers and their customers. For this policy reason, and for the other reasons explained above, staff recommends that the Commission declare Level 3's collocation revenues subject to regulatory assessment fees.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes. If the Commission votes to dispose of the petition for declaratory statement, the docket should be closed.

**STAFF ANALYSIS:** A declaratory statement is issued as a final order and the docket may be closed.

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Level 3 Communications, LLC's )  
 Petition for Declaratory Statement )  
 \_\_\_\_\_)

Docket No. 010650-TX  
 Filed: May 1, 2001

**LEVEL 3 COMMUNICATIONS, LLC'S  
PETITION FOR DECLARATORY STATEMENT**

Level 3 Communications, LLC ("Level 3"), by and through its undersigned counsel, and pursuant Section 120.565, Florida Statutes, and Rule 28-105.002, Florida Administrative Code, hereby files this Petition for Declaratory Statement which seeks a determination from the Commission that the collocation revenues reported by Level 3 should not be included as "gross operating revenues derived from intrastate business" as contemplated by Rule 25-4.0161, Florida Administrative Code, and Sections 350.113(3)(b) and 364.336, Florida Statutes, for purposes of calculating the regulatory assessment fee ("RAF") for calendar year 1999. In support of this Petition, Level 3 states as follows:

1. The name, address, telephone number and facsimile number of the Petitioner is as follows:

Level 3 Communications, LLC  
 Gregory Rogers, Esq.  
 1025 Eldorado Boulevard  
 Broomfield, Colorado, 80021.  
 (720) 888-2512 (Telephone)  
 (720) 888-5134 (Facsimile)

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 LEGAL COUNSEL  
 DIVISION OF REVENUES

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2. The name, address, telephone number and facsimile number of Level 3's counsel in this docket is as follows:

Kenneth A. Hoffman, Esq.  
Rutledge, Ecenia, Purnell & Hoffman, P.A.  
P. O . Box 551  
Tallahassee, FL 32301  
(850) 681-6788 (telephone)  
(850) 681-6515 (telecopier)

### **BACKGROUND**

3. Level 3 seeks a declaratory statement regarding the application of Rule 25-4.0161, Florida Administrative Code, and Sections 350.113(3)(b) and 364.336, Florida Statutes, to Level 3's particular set of circumstances as outlined below.

4. Level 3 is an alternative local exchange telecommunications company ("ALEC") authorized by the Florida Public Service Commission ("Commission") to provide local exchange services pursuant to ALEC Certificate No. 5725. As a regulated ALEC in the state of Florida, Level 3 is required to pay an annual RAF of 0.0015 of "its gross operating revenues derived from intrastate business" pursuant to Rules 25-4.0161, and 25-24.835 F.A.C., and Sections 350.113(3)(b) and 364.336 of the Florida Statutes. On August 9, 2000 Level 3 was informed by the Auditing Services division of the Commission that it had been randomly selected to have its 1999 RAF filing audited. A result of the audit of Level 3's 1999 RAF filing was that Commission staff concluded that Level 3 should include revenues from collocation in 1999 in the amount of \$381,342.00 as part of its "gross operating revenues derived from intrastate business" to calculate the RAF due.<sup>1</sup> Level

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<sup>1</sup>By letter dated April 9, 2001, Staff has agreed to withhold sending the results of its audit to the Division of Administration for billing of Level 3's 1999 RAF until this Petition is resolved.



3 is substantially affected by the Staff's interpretation of Rule 25-4.0161, F.A.C. and Sections 350.113(3)(b) and 364.336, Florida Statutes. Therefore, it requests a declaratory statement from the Commission determining that said rule and statutes do not include revenues an ALEC generates from collocation for the purpose of calculating the annual RAF.

### ARGUMENT

5. The primary issue raised in this Petition is whether revenues realized from the provision of collocation space should be considered "gross operating revenues derived from intrastate business" under the aforementioned rule and statutes for purposes of calculating the RAF. Collocation revenues represent nothing more than lease payments for occupying space in Level 3's Gateway facilities. In other words, collocation is a simple real property transaction. While the collocation space typically houses customers' equipment which is used for the provision of telecommunications and/or information services, collocation in and of itself does not involve the provision of telecommunications services by Level 3. In fact, it would be extremely difficult to determine whether the collocation space that is leased is ultimately being used to provide regulated or unregulated services. Because collocation is not a regulated telecommunications service, Level 3 maintains that collocation revenues should not be included as part of Level 3's gross operating revenues used to determine the annual RAF it must pay as a regulated ALEC in Florida.

6. Level 3's position is supported by the recent declaratory statement issued by the Commission in Docket No. 001556-TL. In that docket, Verizon Florida, Inc. ("Verizon") filed a petition with the Commission seeking a declaration that it is not required to pay regulatory assessment fees on directory advertising revenues. By Order No. PSC-01-0097-DS-TL issued January 11, 2001, the Commission determined that Verizon is required to pay regulatory assessment

fees on the directory advertising revenues of its directory affiliate (Verizon Directories Corp.).

However, in reaching its conclusion, the Commission emphasized:

Verizon's directory affiliate may not itself meet the terms of a definition of a telecommunications company if it does not offer "two-way telecommunications service". Nevertheless, it is providing a service that Verizon is required to provide by virtue of Verizon being certificated to provide basic local telecommunications service, defined to include an alphabetical directory listing. §364.02(2), Fla. Stat. (2000).<sup>2</sup>

7. The rationale for the Commission's decision in the Verizon declaratory statement proceeding underscores Level 3's position that collocation revenue is not subject to regulatory assessment fees. First, in contrast to the "service" that Verizon is "required" to provide (either directly or through its affiliate), Level 3 is under absolutely no legal obligation to provide collocation to other carriers. That is an obligation strictly limited by federal law to incumbent local exchange companies.<sup>3</sup> The final order in the Verizon Declaratory Statement proceeding makes it clear that Sections 350.113(3)(b) and 364.336, Florida Statutes, were never intended to impose a regulatory assessment fee on the revenues of a regulated telecommunications company that are not derived from a required component of that telecommunications company's communications service. Taken to its logical conclusion, the staff position would subject optional, non-telecommunications services and revenues such as collocation or, for that matter, the sale of customer premises equipment, to the RAF. Clearly, the two statutes at issue were never intended to capture such revenues in calculating the RAF.

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<sup>2</sup>Order No. PSC-01-0097-DS-TL, at 4. (Emphasis supplied).

<sup>3</sup>See 47 U.S.C. §251(c)(6).

8. Second, the collocation provided by Level 3 is not a "two-way telecommunications service." While that term, or the term "telecommunications service," is not defined under Chapter 364, Florida Statutes, relevant definitions are found in the Federal Telecommunications Act of 1996. Specifically, under 47 U.S.C. §153(43), the term "telecommunications" is defined to mean:

... the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

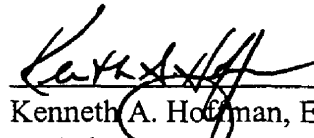
Similarly, under 47 U.S.C. §153(46), the term "telecommunications service" is defined to mean:

... the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

9. Clearly, Level 3's leasing of real property to other carriers or entities does not fit within the four corners of the federal statutory definitions of the terms "telecommunications" or "telecommunications service". Accordingly, under the rationale employed by the Commission in the Verizon Declaratory Statement proceeding, collocation revenues should not be construed to be part and parcel of "two-way telecommunications service" and, therefore, not subject to regulatory assessment fees.

WHEREFORE, for the foregoing reasons, Level 3 requests the Commission to issue a declaratory statement determining that Level 3's collocation revenues are not "gross operating revenues derived from intrastate business" under Sections 350.113(3)(b) and 364.336, Florida Statutes, and Rule 25-4.0161, F.A.C., and that such collocation revenues should be excluded from the calculation of Level 3's regulatory assessment fee due for calendar year 1999.

Respectfully submitted,



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May 30, 2001

Martha Carter-Brown, Esquire  
Division of Appeals  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850RE: Docket No. 010650-TX  
Level 3 Communications, LLC's Petition for Declaratory Statement

Dear Martha:

On May 16, we discussed a few questions you raised regarding the petition for declaratory statement filed by Level 3 Communications, LLC ("Level 3"). As you know, Level 3 takes the position in its petition that its collocation revenues are not "gross operating revenues derived from intrastate business" under Sections 350.113(3)(b) and 364.336, Florida Statutes, and Rule 25-4.0161, Florida Administrative Code, and therefore, such collocation revenues should be excluded from the calculation of Level 3's regulatory assessment fee ("RAF") due for calendar year 1999 and all subsequent years. I will address each of the questions that you raised below.

(1) You first asked whether the petition contemplates a situation where Level 3 leases collocation space from an incumbent local exchange company and then subleases part or all of that space to another entity. The answer is no. The collocation revenue at issue is derived from Level 3's lease of collocation space in Level 3's Gateways facilities. Level 3's Gateway facilities are sophisticated technology centers where customers can physically locate their equipment in order to connect directly to Level 3's and other service providers' networks.

(2) The next question concerned the nature or use of services provided in conjunction with the facilities leased by Level 3 to other entities. I must first reiterate that Level 3's position is that the specific use of Level 3's Gateways by a leasing entity does not change the basic fact that the

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lease of collocation space itself is not a “telecommunications service” as defined by the FCC.<sup>1</sup> It is not appropriate to regulate a real property transaction involving an ALEC simply because that real property may or may not be used in connection with certain regulated telecommunications services. If the Commission were to take the position that real property that is leased in conjunction with the provision of telecommunication services somehow transforms that real property into a telecommunications service itself, an analysis along this path would require Level 3 to investigate and attempt to determine the nature of specific services offered by a leasing entity and whether those services are subject to the jurisdiction of the Florida Public Service Commission. This would be an extremely difficult determination for Level 3 to make.

With that said, Level 3 believes that the majority of its leasing customers purchase collocation space for the use of services that are not subject to regulation. Most of the equipment that is placed in Level 3’s Gateways is used for the provision of Internet-related services. Further, even if Level 3 could determine that a leasing entity is offering voice services, it is possible that the voice service is being positioned as an enhanced service that is not subject to standard regulatory treatment given that Level 3 is an IP packet-based network. Moreover, just because a leasing entity purchases collocation space from Level 3 does not necessarily mean that Level 3 is supplying that entity with network facilities. It is possible to use Level 3’s collocation space as a place to locate equipment that is connected to other carriers’ networks and thus is not necessarily solely associated with using Level 3’s backbone network. Finally, it is highly likely that collocators use Level 3’s network to provide interstate services which would not be subject to the Commission’s jurisdiction.

(3) Your final question concerned the relevancy of the Verizon Declaratory Statement (Order No. PSC 01-0097-DS-TL) as discussed in Level 3’s petition. The point Level 3 makes by referencing the Verizon Declaratory Statement is not that RAFs should only be assessed on services that are required to be offered, but rather, that RAFs should be assessed only on regulated services. In the Verizon Declaratory Statement, the Commission noted that while the service in question is clearly not a telecommunications service, it is a service subject to the Commission’s regulatory authority because Verizon is required to provide the service. Thus, because it was a regulated service, it was subject to the RAF. In the case of Level 3’s rental of collocation space, collocation is neither a telecommunications service nor a required service. Accordingly, it should not be subject to the RAF.

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<sup>1</sup>47 U.S.C. § 153(46) defines the term “telecommunication service,” in pertinent part, as: “...the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.” 47 U.S.C. §153(43) defines “telecommunications” as: “...the transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent and received.”

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Simply put, Level 3 maintains that the analysis articulated in the Verizon Declaratory Statement to determine whether revenue is subject to the RAF is to first determine whether the revenue is derived from a telecommunications service. If not, the revenue may still be subject to the RAF if it is derived from a required service. In the case of Level 3's collocation revenue, the revenue is derived neither from a telecommunications service nor from a required service. Accordingly, Level 3's collocation revenue should not be subject to the RAF.

I hope these responses were helpful. Please let me know if you have any further questions.

Sincerely,



Kenneth A. Hoffman

KAH/knb

cc: Gregory Rogers, Esquire.

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**(3)CENTER<sup>SM</sup> COLOCATION**

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(3)Center Colocation services enable you to use our world-class facilities, network, and support services, rather than investing in your own. (3)Center Colocation provides the guaranteed performance and reliability so crucial to IP-centric companies such as:

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- ASPs
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- Would your business be more competitive if the capital costs associated with building facilities and network architecture could be re-allocated to profit-generating business practices?

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Take a Virtual Tour Of A  
(3)Center Colocation Site

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Expand your business footprint quickly and cost-effectively. Penetrate new markets in less time for less money.

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### World-Class Facilities □

Level 3 Gateways provide highly reliable and secure environments for your server and network infrastructure. Features include:

- Closely coupled to the core of Level 3's advanced Global Network
- **Climate-controlled space** (state-of-the-art air flow technology)
- Closed-circuit video surveillance
- Access cards and palm scan identification
- Unescorted access for authorized users 24 x 7
- Uninterrupted power source
- 24 x 7 network monitoring
- Customer work areas and equipment staging areas for easy installation and maintenance
- Equipment receiving and storage controls for tracking and securing customer equipment

Level 3 Gateways offer storage and connectivity via two options: full cabinets and private suites. Included with the standard cabinet configuration are:

- Direct access to Level 3 Network services
- **Open facility** — many other carriers are able to deliver service to customers directly within the Level 3 facility, enabling diverse routing and easy communications supplier choice
- AC and/or DC power
- Grounding to main buss bar
- Overhead cable ladder
- Shared UPS for power failure

### Unmatched Service and Support □

### *Service*

Level 3 provides customers with one-call resolution of any issue, guaranteeing a 30-minute response time and two-hour mean time to resolve issues reported by the customer. Billing is simplified with all-in-one flat rate port pricing, and a single, easy-to-read bill for all services purchased from Level 3.

### *Support*

Level 3 technicians facilitate all network-related colocation installation issues:

- Cabinet preparation
- Private room build-outs
- Additional field support hours (can be purchased in advance)

### **Expansion Potential**

Today, the demand for world-class colocation space is growing at an unprecedented rate, exceeding the current supply. Level 3 is a major player in the expanding market for colocation services, with more than 5.5 million square feet of technical space around the world — more than any other communications company.

Level 3 is building a state-of-the-art global network that sets new standards for the industry. This network is the first international network optimized end-to-end for IP technology. Our network is continuously upgradeable, featuring more spare conduits in place for future fiber installations than any other company in the world. We grow with your business and can easily and economically accommodate network traffic demands.

The Level 3 Network will include:

- Local networks in more than 50 cities across the U.S., interconnected with a long-distance network nearly 16,000

- miles long
- International expansion to 21 cities in Europe and Asia
- Approximately 4,750-mile intercity European network

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### **Superior Performance**

Level 3 facilities are serviced by multiple, diversely routed connections for highly-redundant connectivity. Connections servicing each facility are routed to diverse locations on the Level 3 backbone.

Level 3 offers cross connection into the colocation area for all types of customer needs such as:

- POTS
- DS-3
- OC-3
- OC-12
- OC-48
- Ethernet
- E-1
- STM-1
- STM-4
- STM-16

Level 3 offers large, carrier-grade space in major European, International, and North American markets, allowing you to be located as close to your end users as possible. You are able to react to your customers' needs within minutes.

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