Public Notice Submission

Provider Name: 360networks (USA) inc.

Summary: 360networks (USA) inc.urges the NTIA to reject all CCI applications that propose to duplicate its existing fiber optic routes, which can be determined by linking the Points of Presence (POP) included on this form. 360networks is a full service, competitive wholesale carrier, offering a comprehensive range of infrastructure services on its fiber optic backbone to carriers, ISPs, and cable companies, as well as small, medium and large businesses. 360networks' services include IP Transit, Ethernet, Private Line, Collocation, Local Access and VoIP. Its facilities-based network spans over 17,200 miles to over 75 western U.S. markets in 17 states. BTOP specifically is meant to, among other purposes, provide broadband access to unserved areas and improve broadband access in underserved areas. Funding overbuilds defeats these purposes. If the limited amount of money that is available is spent on duplicate facilities, money will not be available to bring service to unserved areas. Moreover, it will make it more difficult for existing providers to operate their businesses in the face of a government subsidized competitor. Thus, rather than encourage the deployment of infrastructure and create sustainable jobs, overbuilding discourages private investment, harms deployment and costs jobs. Particularly in high cost, sparsely populated areas, where existing providers have difficulty covering cost, splitting subscribers while subsidizing a new competitor will only make it harder for all carriers to recover broadband investments, putting jobs in jeopardy and leading ultimately to a burden on the consumer, states and the country. For these reasons, the analysis of the level of need is a critical element of a CCI application. During a Congressional Oversight Hearing, Assistant Secretary Strickling, summarized the standard of review of CCI applications on this point, as one to ensure that "overbuild is minimal and it is justified only when the facilities in the area are currently inadequate." Moreover, fiber is not an Eligible Cost and thus, will not be funded when it is ""excessive additional capacity"" to support the services proposed in the application. In other words, if the middle mile services proposed by the project may be provided using existing carriers' fiber and/or transport services, the cost of fiber to build a new route is not eligible for funding through BTOP. One example of a CCI application that should not be granted because it fails the level of need test is the XO ""Northern Lights"" proposal. XO asks the NTIA for a grant of $206,464,795 to build a 2,227 mile, 144 fiber cable route serving Washington, Idaho, Montana, North Dakota, Minnesota, Wisconsin, Illinois and Iowa. It offers to provide middle mile services to last mile providers and communities along its route including IP Transit, Ethernet, private line, peering arrangements and dark fiber at $10 per MB. This proposal is a significant duplication of existing infrastructure. The facilities in the area are currently more than adequate to meet the foreseeable broadband needs of the communities along the route now and into the future. As is demonstrated by the attached POP descriptions, the fiber route proposed to be built with over $200 million of taxpayer funds is virtually contiguous to 360networks' existing fiber cable route. Rather than overbuild an existing route, a more efficient use of taxpayer money would be to use services and infrastructure currently available, or which can be upgraded at costs less than a build, to satisfy any

middle mile broadband needs of these communities. Today, as a middle mile provider, 360networks offers IP Transit, Ethernet, private line and peering arrangements to last mile providers and communities along XO's proposed route. 360networks' private line backhaul offerings range in speeds from 1.544 Mps to 10 Gps and IP Transit is available in increments of 1.5 Mps up to 1000 MBs or higher. 360networks competes with AT&T, Qwest and smaller providers along various sections of the route. Pricing is based on a per MB basis and is currently competitive to similar services of the competitors. 360networks can offer services in the $8 to $10 per MB range. 360networks' current capabilities are 40 10Gigabit channels for 400 Gigabits worth of capacity along this route and it is considering increasing the capacity to an 80 channel system for a capacity of 800 Gigabits with the capability to move to 160 channels or 1.6 Terabit per system. Advancements in optronics enable carriers to expand exponentially available capacity on a single fiber strand without having to install new fiber strands. Today, through additional investment in optronics, in a matter of days, 360networks' fiber could reasonably support up to 4800 Gigabits. The next generation of optronics is expected to increase the capacity of a single fiber to 8 Terabits, which is 5 times the capacity that is supported today. And, although 360networks' agreements may limit its sale of dark fiber to third parties, 360networks may light additional dark fiber and understands that other providers have dark fiber along this route. 360networks' existing POPs enable other carriers to collocate and interconnect to its fiber backbone. In addition, amplification and regeneration ("Amp/Regen") sites are located every 40 to 50 miles. As necessary, these Amp/Regen sites could be transformed into additional POPs by the deployment of optronics equipment and wireless towers at the locations. 360networks' platform allows for add/drop capability and it has an excellent track record of building out its network to provide off and on ramp capability to its POPs. XO has failed to demonstrate that the communities along the route have a need to be filled and will, in fact, consume the services XO will offer. Rather, XO has taken an "if we build it, they will come" approach, which does not comport with the "comprehensive communities" policy rationale of the 2nd round NOFA. This failure will also make it difficult for XO to satisfy the requirement that its project is sustainable. 360networks promotes, markets and sells its services along this route, and actively seeks out business opportunities to expand its customer base and service offerings on this route. Accordingly, 360networks has a first-hand, thorough working knowledge of service needs along this route, and contrary to XO's assertions, 360networks is unaware of any significant pent-up demand for services. This application does not appear to be aimed to bring broadband to unserved and underserved communities along the route but instead to fill an obvious hole in XO's nationwide broadband network. This observation is buttressed by the fact that prior to XO's filing of its application, 360networks offered to provide XO services along the route as an alternative to an overbuild. XO did not pursue this alternative. This is just one example of a CCI application that seeks significant grant money to build what is already there. Through 360networks' services and similar services of other carriers with fiber, high speed, affordable carrier grade services are available to community anchors, local governments, public safety institutions, wired and wireless last mile providers, without the need to invest hundreds of millions of taxpayer dollars to build excessive additional middle mile fiber. Rather than fund new infrastructure, to the extent these communities need improved broadband services, the government should focus its efforts to build coalitions of existing carriers and community leaders who can work together to solve the problem efficiently. 360networks is willing to participate in such a coalition.