

RECIPIENT NAME:Level 3 EON, LLC

AWARD NUMBER: NT10BIX5570038

DATE: 01/30/2013

OMB CONTROL NUMBER: 0660-0037

EXPIRATION DATE: 12/31/2013

ANNUAL PERFORMANCE PROGRESS REPORT FOR BROADBAND INFRASTRUCTURE PROJECTS

General Information

| | | |
|---|--|------------------------------------|
| 1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration | 2. Award Identification Number NT10BIX5570038 | 3. DUNS Number 831201483 |
| 4. Recipient Organization Level 3 EON, LLC 1025 Eldorado Blvd, Broomfield, CO 80021 | | |
| 5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2012 | 6. Is this the last Annual Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No | |
| 7. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents. | | |
| 7a. Typed or Printed Name and Title of Certifying Official Jeff Ary | 7c. Telephone (area code, number and extension) 7208882776 | |
| | 7d. Email Address jeff.ary@level3.com | |
| 7b. Signature of Certifying Official Submitted Electronically | 7e. Date Report Submitted (MM/DD/YYYY): 01-30-2013 | |

OVERALL PROJECT PERFORMANCE INDICATORS

1. Please provide the following average cost figures for your project. Please review the instructions to determine how to calculate these figures. Write "0" in the second column and "N/A" in the third column if your project does not yet have this information. Depending on whether your project contains Middle Mile and/or Last Mile components, some metrics may not apply. Please provide a narrative description if the total is different from the target provided in your baseline plan (600 words or less).

| Cost Indicator | Average Cost / Speed | Narrative (describe your reasons for any variance from the baseline plan or any other relevant information) |
|--|----------------------|---|
| Average cost per new mile (Middle Mile) | 0 | N/A |
| Average cost per household passed (Last Mile) | 0 | N/A |
| Average cost per subscriber (Last Mile) | 0 | N/A |
| Maximum broadband speed advertised (Middle Mile) | 10Gps | N/A |
| Maximum broadband speed advertised (Last Mile) | 0 | N/A |
| Average broadband speed provided (Middle Mile) | 50M-10Gps | N/A |
| Average broadband speed provided (Last Mile) | 0 | N/A |

2. Please provide each facility name and type, the county where the facility is located, and census tract information for any facilities funded by your project during this annual reporting period. Report only facilities for which construction has been completed.

| Facility Identifier / Name | Facility Type | County | Census Tracts |
|----------------------------|-----------------------|------------|---------------|
| BRUCE | In-Line Amplifier Hut | Holmes | 950501 |
| CHIEFLAND | In-Line Amplifier Hut | Levy | 970302 |
| CLARKSVILLE | In-Line Amplifier Hut | Calhoun | 10300 |
| DEFUNIAK SPRINGS | In-Line Amplifier Hut | Walton | 950101 |
| HOSFORD | In-Line Amplifier Hut | Liberty | 950100 |
| OKEECHOBEE | In-Line Amplifier Hut | Okeechobee | 910401 |
| ZOLFO SPRINGS | In-Line Amplifier Hut | Hardee | 970400 |

Add Facility

Remove Facility

3. Please identify (1) the total number of interconnection, peering, and/or transit agreements entered into during this annual reporting period; (2) the total number of agreements of each type that you are currently negotiating; and (3) whether you have denied any request for interconnection and if so, why. If you have not entered into any agreements, please write "N/A."

Interconnection Agreements (600 words or less)

(1) 2 interconnection agreements
 (2) 0 interconnection agreement
 (3) N/A

Peering and Transit Agreements (600 words or less)

N/A

CAPACITY, UTILIZATION, AND CAPABILITY INDICATORS

4. Community Anchor Institutions: In the chart below, please provide information on the types of community anchor institutions capable of receiving service (i.e., anchor institutions connected to your network plus those passed by your network) as a result of BTOP funds.

| Type of Community Anchor Institution | Total Number Within Service Area | Type of Community Anchor Institution | Total Number Within Service Area |
|--------------------------------------|----------------------------------|--|----------------------------------|
| Schools (K-12) | 0 | Public Housing | 0 |
| Libraries | 0 | Other Institutions of Higher Education | 0 |
| Medical and Healthcare Providers | 0 | Other Community Support Organizations | 0 |
| Public Safety Entities | 0 | Other Government Facilities | 0 |
| Community Colleges | 0 | Total Community Anchor Institutions | |

5. Please indicate the average increase in broadband speed provided to the community anchor institution customers as a result of your project, including a description of how this increase was calculated (600 words or less).

Level 3 EON project will provide options for speeds of 50Mbps to 10Gbps to the last mile provider.

6. What retail services are being provided by this project? Please describe below. (600 words or less). As an attachment to this report, please provide pricing plans (in \$ per month) associated with each retail service. Retail services description:

N/A

7a. What network management policies (e.g., bandwidth limitations, traffic prioritization) are in place for the services provided by your project? 7b. Have you ever limited or blocked consumers from accessing any lawful content, service, service provider, or application, or prevented any consumers from attaching any legal device to the network? If so, please explain why (300 words or less)?

For the Level 3 EON BTOP project, Level 3 commits that it will follow the Nondiscrimination and Interconnection Obligations of the NOFA. Specifically, Level 3 will continue to: (a) adhere to the principles contained in the FCC's Internet Policy Statement (FCC 05-151, adopted August 5, 2005). Level 3 follows these principles in its day-to-day operations; (b) Not favor any lawful Internet applications and content over others. As a transport provider and especially in the role of providing those services in the middle mile, Level 3 does not monitor content on its network and investigates all allegations of unlawful content; (c) connect to the public internet directly or indirectly, such that the project is not a private closed network. Level 3 operates a significant backbone network within the United States, and can provide connectivity to the global Internet to any customers requesting such connectivity; (d) offer interconnection where technically feasible on the networks constructed by BTOP funds without exceeding current or reasonable anticipated capacity limitations on reasonable rates and terms to be negotiated with requesting parties.

8. If applicable, please provide the total number and the percentage of subscribers who have dropped the broadband service provided through this project (total number of households and/or businesses and the "churn rate") and the subscribers' reasons for discontinuing their service (600 words or less).

N/A

9. Please provide the following information regarding the number of fiber strand-miles:

| Total Number of Strand-miles | Total Number of Active Fiber Strand-miles Used by Recipient | Total Number of Leased Fiber Strand-miles | Total Number of Dark Fiber Strand-miles | Total Number of Strand-miles Being Built | | |
|------------------------------|---|---|---|--|--------|------|
| | | | | Active | Leased | Dark |
| 1 | 1 | 0 | 0 | 0 | 0 | 0 |

10. If you wholesale dark fiber, please list your wholesale customers and the number of fiber miles you currently are leasing to those customers:
[Please note under 9, it's actually < 1mile.]

N/A

11. Please provide the following information regarding the facility collocation capacity:

| Total Facility (total square feet for all facilities) | Number of Square Feet Used by Recipient | Number of Square Feet Leased | Number of Square Feet Available |
|---|---|------------------------------|---------------------------------|
| 0 | 0 | 0 | 0 |

12. If you do not own collocation space, please describe how and where other network providers and/or customers interconnect with your network (600 words or less).
Level 3 will construct single or diverse fiber entrance duct systems, cable, and customer access manhole. The customer access manhole will be placed on Level 3's side of the property line. Customers will bring their own metro/regional fiber to the manhole at the Level 3 property line, for the purpose of interconnecting with Level 3's middle mile services.

13. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities (150 words or less).
1 - Byers Engineering

14. Please describe any best practices/lessons learned that can be shared with other similar BTOP projects (900 words or less).
For recipients managing multiple awards, they may find it helpful to set up a standing, cross-functional core team within the organization to ensure consistency of implementation across all of the awards.

15. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide an updated list of Community Anchor Institutions (CAIs) that you have connected and plan to connect to your network.

16. Using the Excel spreadsheet template titled "Annual PPR CCI Addendum", please provide a list of community pairs that are receiving new or improved broadband service as a result of BTOP grant funds.

17. Please provide up-to-date network route maps in a single file, in a Google Earth compatible format (e.g., KMZ file).