



EMBARQ®

Advanced Broadband Services

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Overview of EMBARQ

▶ NATIONAL

- Communications provider in 18 states
- Approximately 6 million customers
- Fortune 500 company
- Headquartered in Overland Park, Kansas

▶ PENNSYLVANIA

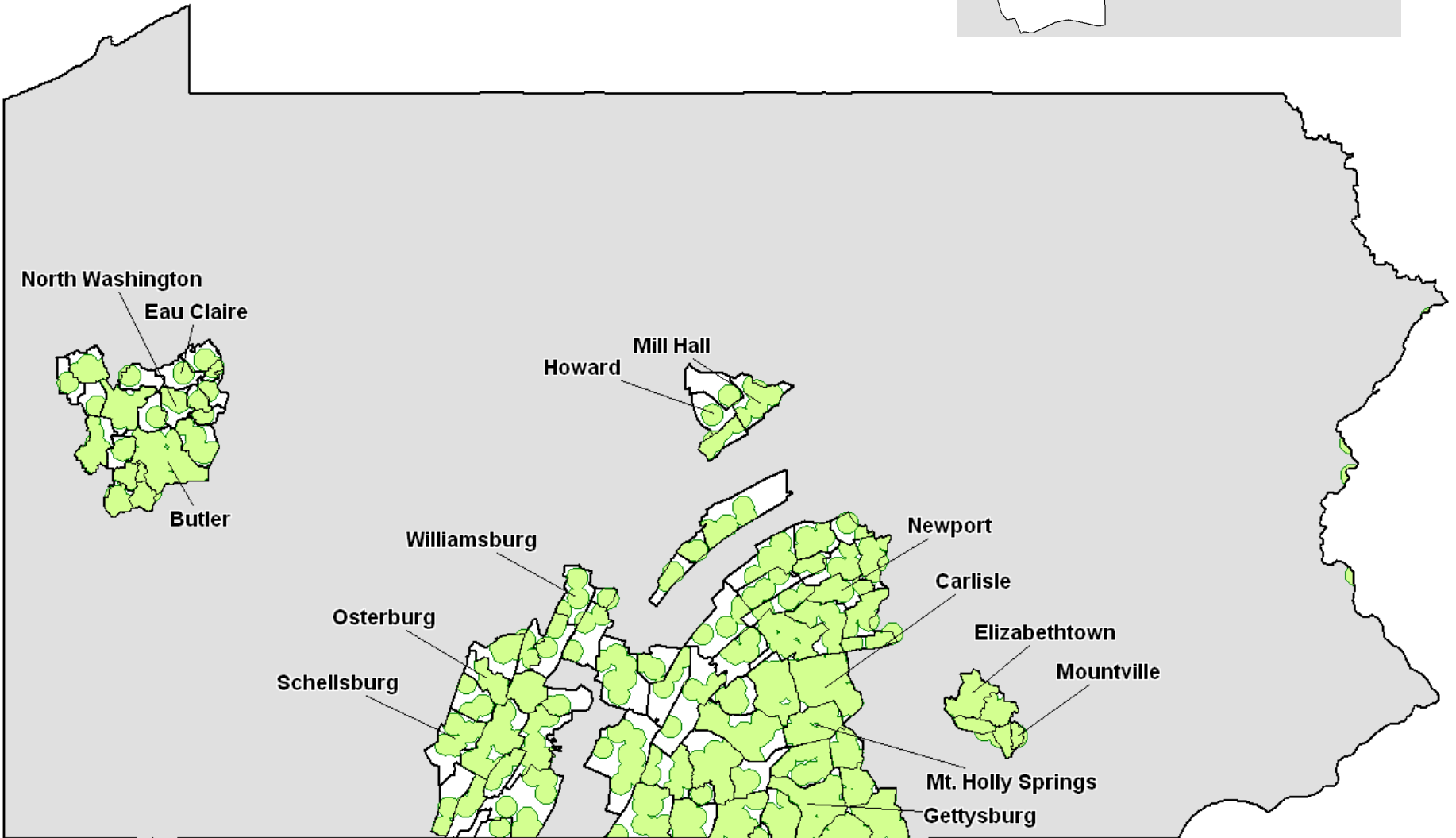
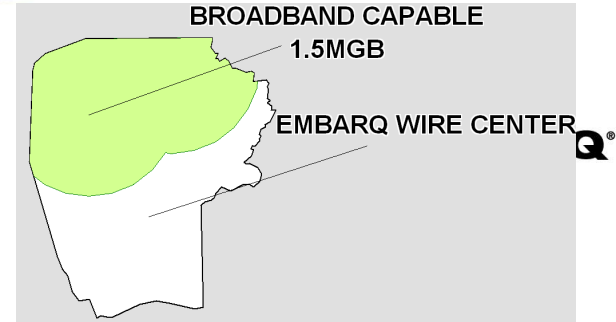
- Operates in all or part of 25 mainly rural counties
- Approximately 360,000 access lines
- Larger communities include: Carlisle, Chambersburg, Gettysburg, Butler and Elizabethtown
- Smaller communities include: State Line, Everett, Columbia, Zion and Littlestown



Broadband Deployment Obligations Under Act 183 of 2004

- ▶ Availability to 100% of retail access lines by December 31, 2013
- ▶ Interim target of 80% by December 31, 2010
- ▶ Accelerated interim target of 85% by December 31, 2010 as a result of settlement in separation from Sprint Nextel in 2006
- ▶ EMBARQ is meeting or exceeding all of its network modernization requirements
- ▶ In 2008, EMBARQ spent more than \$26M in Pennsylvania to maintain and upgrade its network

PENNSYLVANIA





Embarq® High-Speed Internet - Residential

768 kbps	1.5 mbps	3.0 mbps	5.0 mbps	10.0 mbps
<p>Basic Internet access</p> <p>Check e-mail and casually browse the web</p>	<p>Balance of speed and price</p> <p>Check e-mail, send pictures, shop on-line and trade stocks</p>	<p>Recommended speed for multiple computers and heavy Internet usage</p> <p>Set up wireless home networking, download music, share pictures and play on-line games</p>	<p>Most popular speed for heavy Internet users</p> <p>Download videos, share pictures, on-line gaming and surf Internet at a premium speed</p>	<p>Answers the need for speed</p> <p>Ultimate speed for multi-media applications</p>



EMBARQ® Data Services - Business

- ▶ Services to meet the needs of small, mid-size and large business customers
- ▶ Business class DSL up to GigE connections
- ▶ Connections available virtually anywhere in EMBARQ's service territory
- ▶ Most dominant business service today is dedicated Internet access or IP services



EMBARQ® Dedicated Internet Access

- ▶ Direct, full-time connection to the Internet
- ▶ Scalable to meet current and future business needs
- ▶ Secure, always-on connection
- ▶ Reliability = 99.9%
- ▶ Constant monitoring and support = 24x7 service
- ▶ **FAST, FAST, FAST**.....GigE connections can reach speeds up to 1000 megabits/second.



Challenges to Broadband Rollout

- ▶ EMBARQ's PA service territory very rural = low density
- ▶ Broadband deployment is VERY capital intensive
- ▶ State Policy issues impacting deployment:
 - No broadband deployment funding (e.g. E-NC)
 - Threat of switched access reductions without a reliable revenue replacement mechanism
 - Expand scope of PA Universal Service Fund (USF) to include broadband
 - ILEC voice COLR obligation without sufficient USF/access funding - diverts funding that could potentially be used for broadband
 - Economic development programs need to recognize broadband as critical infrastructure



Summary

- ▶ EMBARQ is exceeding its Act 183 broadband deployment commitments in Pennsylvania
- ▶ EMBARQ offers a wide array of data services for both residential and business customers
- ▶ Customers in EMBARQ's primarily rural territory have access to many of the same innovative services and technologies that are available in urban environments
- ▶ The deployment of broadband in rural areas of Pennsylvania is very capital intensive
- ▶ If the General Assembly continues to be committed to universal broadband availability, Pennsylvania's public policy needs to ensure that companies have the financial means to meet this goal