

MARKETING PLAN

Level 3 will work closely with DIR, the appropriate eligible agencies, institutions and political subdivisions located across Texas to market and identify specific needs focusing on efforts to provide solutions. Level 3 will commit to deploy the necessary staff and resources to support all aspects of providing the State with the best value and level of service. Level 3 will accomplish these tasks with a mixture of resources from the Texas DIR Program Management Team, local sales resources available across Texas and elsewhere in the United States, as well as resources available to these Texas-based teams from Level 3's corporate headquarters. Provided below is an overview of Level 3's proposed marketing efforts aimed at Texas DIR's eligible customers. While certain marketing activities are not described with definitive timeframes and budgeted resources, it is envisioned that the Level 3 marketing activities will be based first and foremost on available shared resources developing over time into a dedicated-resource model based on the successes of this model in support of Texas DIR. Primary point of contact resources will be in Austin, TX Level 3 offices in support of Texas DIR, which are further enveloped into the Level 3 Dallas and Houston regional offices for Level 3.

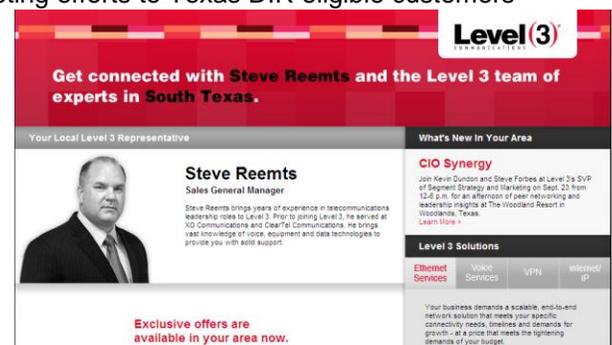
The overall marketing plan and sales strategy for Texas DIR will encompass a number of coordinated initiatives by a number of different resources at Level 3. These are each described below and would be accomplished in a coordinated fashion across Texas. Level 3 will communicate its marketing efforts via monthly email to grace.windbigler@dir.texas.gov as requested.

Level 3 Development of a Listing of Eligible Purchasers Across Texas

As an initial step towards an overall marketing effort, Level 3 proposes to collaborate with Texas DIR for the development of a roster of eligible purchasers for further targeting efforts. Should Texas DIR have a complete listing of eligible purchasers, Level 3 can utilize this listing for further development and enhancements. Alternatively, Level 3 can augment any details or listing provided by Texas DIR by referencing such customers with commercially available databases used by Level 3 for general marketing and customer targeting initiatives. This roster of eligible purchasers would be used as a general reference database for all other marketing initiatives by Level 3 in support of Texas DIR.

Level 3's Current Marketing Strategies

For specific eligible purchasers, Level 3 will incorporate marketing efforts to Texas DIR eligible customers into Level 3's current and ongoing marketing initiatives for defined geographic regions and industry segments. Currently, Level 3 supports customers in the Houston and Dallas areas with a Local Market initiative approach. Under this program commercial enterprises are supplied with locally focused customer service and greater access to Level 3's voice, Internet and data services. Specifically in Houston and Dallas Level 3 has added and is adding capacity to the metropolitan network in these cities, and will continue to increase the number of business offices and buildings that are directly connected to Level 3's network.



Level 3's local sales and customer support team provide consultative expertise to assist customers such as the DIR navigate the changing communications landscape. Level 3 customers are witnessing fundamental changes in the way employees use video and collaborative communications software; as a result IT organizations are centralizing the delivery of applications to increase efficiency and better facilitate business continuity and disaster recovery. Both trends drive opportunities for Level 3 to provide

a competitive alternative for Houston and Dallas enterprises and allow them to “Link Globally and Connect Locally”.

As part of this increased local focus, Level 3 realigned its workforce in the Houston and Dallas areas to create an outstanding service experience by leveraging local marketplace knowledge and creating greater communications with customers. Level 3 has also redirected support resources to focus specifically on the customer experience in the Houston and Dallas areas through increased focus on the customer needs as well as a realignment of the traditional local field operations teams in these cities. Texas DIR eligible purchasers in these geographic markets would be afforded the same sales and customer support capabilities as part of their experience with Level 3.

Additionally, Level 3’s corporate-level marketing programs also include support for defined industry segments, including healthcare and the research and higher education segments. Level 3 has deep knowledge and experience in supporting a myriad of customers involved in these segments and understands the unique networking challenges that face these customers and their respective mandates for services. In so far as a Texas DIR eligible customer is also involved in the higher education (a regional college or university, for example) and healthcare (a county-wide hospital district, for instance), Level 3 will also bring to bear the defined marketing programs and support to these customers under the auspices of a Texas DIR TEX-AN NG Communications Technology Services Agreement.

Level 3 New Marketing Segments

Building upon Level 3’s existing program of support defined industry verticals, Level 3 will also build a defined marketing segment around the needs of Texas DIR eligible purchasers. Level 3 has begun this support of new marketing plan of DIR by joining Texas Association of State Systems For Computing and Communications (TASSCC). We plan to actively participate in additional organizations in support of DIR after contract award.



Level 3 will create a repository of white papers, sales and marketing resources, and other materials geared specifically to the Texas DIR eligible purchasers. This data will be gathered by collecting the unique challenges encountered by eligible purchasers in regards to unique network designs, procurement processes, and geographic locations that can then be used for sales and marketing programs for other similar eligible purchasers in the future. For example, a network design, requested services, and procurement

schedule required by a rural school district in one part of Texas will likely be faced by in a similar fashion by a rural school district in other parts of the State. Drawing on Level 3’s experiences in servicing this type of customer, consulting with our clients and researching other eligible purchasers from the listing of eligible purchasers, Level 3 will be able to present a comprehensive package of services and sales approach specific for that type of eligible purchaser across the entire State.

Level 3 Sales Activities for Texas DIR

In addition to the day-to-day support provided by Level 3’s sales teams to existing customers, Level 3’s sales teams would also include in their sales efforts eligible purchasers identified by Level 3 and/or Texas DIR. Building upon the Local Market sales and marketing initiatives, these sales activities would encompass the traditional sales role of interfacing with eligible customers on a regular basis.

In addition to these regular sales activities, Level 3 would also propose on-going and regular sales initiatives to market and sell Texas DIR services to eligible customers. Among the possible activities would include an annual or semi-annual sales reach-out program involving all sales teams across Texas. This activity could be timed to coincide with an eligible purchaser’s budgeting and procurement process

and would entail all active Texas-based sales professionals reviewing and reaching out to identified eligible purchasers as part of a defined sales campaign. Also taking part in this initiative, Level 3's Inside Sales Team could also be used to contact eligible purchasers for pre-screening, lead generation, general outreach, or direct sales performed via phone contact.

Level 3 General Marketing Activities for Texas DIR

From a corporate perspective, Level 3's marketing department would also be instrumental in supporting the needs of sales activities in relation to Texas DIR and their eligible customers. Such activities are presently performed on a regional basis across the U.S., but could include specifically for Texas any or all of the following activities:

- Press releases and other notifications in a local market or trade journal
- Support and participation in regular conferences and trade shows, based on anticipated schedules and speaker presentation opportunities afforded to Level 3
- Targeted direct or e-mail initiatives based on the listing of identified eligible purchasers

Level 3 Resources Dedicated to TEX-AN NG Marketing Function

Level 3's current resource for field marketing functions across the Central United States is provided out of Level 3's corporate headquarters in Broomfield, Colorado. Specifically, Dawn Young from Level 3's marketing department is instrumental in developing targeted marketing materials for all of Level 3's local marketing efforts across the region. Past efforts have included the development of marketing materials and programs in support of Level 3's local market initiatives in Dallas and Houston and South Texas, as well as on-going support for marketing initiatives, such as speaking arrangements at leadership events available through technology and client targeting. Additional marketing activities could be coordinated with the Texas DIR Program Management team for timing, scheduling and coordination across each of the teams.



Number of Level 3 Resources Dedicated to TEX-AN NG Sales Function

Dedicated to TEX-AN NG sales function will be the core members of the program and customer relationship management team as defined in the other submitted plans. This would consist from the sales team Robert Nussbaum and Marty Weidenbach based in Austin as lead contacts for sales opportunities. These resources in the program management office would coordinate additional sales efforts state-wide across the entirety of Level 3's sales resources.

Other resources will be used in a non-dedicated, part-time manner to reach out to local eligible purchasers across the State. These resources would include sales personnel in the Level 3 Houston, Austin, and Dallas area sales offices which today consist of nine additional sales resources based in the Greater Houston area, eight sales professionals in the Dallas area as well as a minimum of four individuals in Level 3's Inside Sales teams located in Tulsa, Oklahoma.



This listing of resources is a description of Level 3 resources at this time and is subject to growth within the respective territories with future sales function staff augmented as needed for specific geographies and sales success with eligible purchasers.

Each of the teams described above are also supported by Level 3's Sales Engineering organization with Sales Engineering representatives available in each of the offices listed above. (Snapshots of Account Directors Rob Nussbaum and Marty Weidenbach shown.)



Number of Sales Offices Related to TEX-AN NG Program

At this time, Level 3 operates three sales offices across the State with supplemental coverage provided by our Inside Sales team based in Tulsa, Oklahoma. The Dallas location is responsible for customers across north Texas, while the Houston sales office is responsible for customers across south Texas, including the Austin area. The Inside Sales team assists the local sales teams and covers the entire state.

Number of Planned Annual Marketing Efforts by TEX-AN NG Market Segment

The final number of definitive planned marketing efforts would vary based upon the type of activity (as described above). Many of these activities would be considered to be on-going activities performed as part of the normal activities of any sales office. Other activities, such as a direct mail campaign or a coordinated out-reach program to market directly to eligible customers would be timed to take advantage of sales and end-customer availability. Other activities would be determined based upon the demands and schedule of upcoming events, such as speaking engagements at Texas DIR functions. It is envisioned that each activity would be success-based, would incorporate best practices and lessons learned over time, and would effectively address the needs of Texas DIR and the eligible purchasers.