

**VIA ECFS**

***EX PARTE***

June 27, 2008

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

**Re: *Petitions of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Denver, Minneapolis-St. Paul, Phoenix, and Seattle Metropolitan Statistical Areas, WC Docket No. 07-97***

Dear Ms. Dortch:

Yesterday, Jim Geiger, Chairman and CEO, Bill Weber, Chief Administrative Officer, and Julia Strow, Co-founder, of Cbeyond, Inc. ("Cbeyond"), Kevin Joseph, representing Cbeyond, and the undersigned, met first with Commissioner Jonathan Adelstein and Scott Bergmann, Legal Advisor, and then separately with Commissioner Tate, Wayne Leighton, Special Advisor, and Ashley Pyle, Intern, regarding the above-captioned proceeding.

Mr. Geiger and Mr. Weber provided an overview of Cbeyond's business, explained how consumers and small businesses would be harmed if Qwest's forbearance petitions were granted, and urged the Commission to deny the petitions. A copy of the presentation document distributed at both meetings is attached.

Please do not hesitate to contact me if you have any questions or concerns about this submission.

June 27, 2008

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Respectfully submitted,

/s/ Thomas Jones  
Thomas Jones

*Counsel for Cbeyond, Inc.*

cc (via email): Commissioner Adelstein  
Commissioner Tate  
Scott Bergmann  
Wayne Leighton  
Ashley Pyle



*The Last Communications Company  
A Small Business Will Ever Need.™*

*Jim Geiger – Chairman and CEO*

*June 26, 2008*

# **Cbeyond Company Overview**

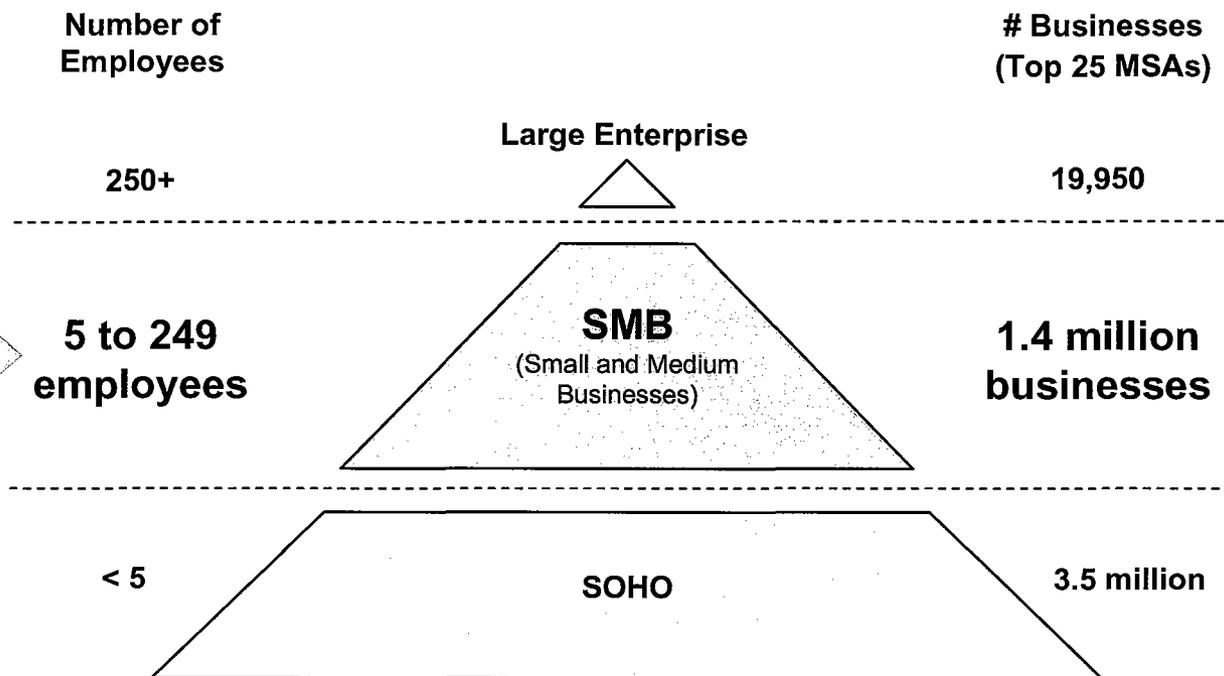
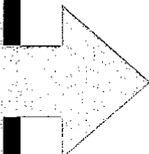
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- **2007 revenue of \$280M/ 2008 revenue projection of \$355M**
- **Fully funded business plan and debt free**
- **30% annual revenue growth**
- **36,674 customers**
- **1200 employees**

# Our Target Market

**Cbeyond's Customer Profile**

- ~\$748 monthly ARPU
- 8 voice lines
- 12 employees
- 6.4 applications
- 3 year contract
- No telecom/IT dept.
- 70% previously used the ILEC for voice



**Focused on the large, underserved small business market, which spends over \$22.5 billion annually on communications and IT services.**

Source: Dun & Bradstreet

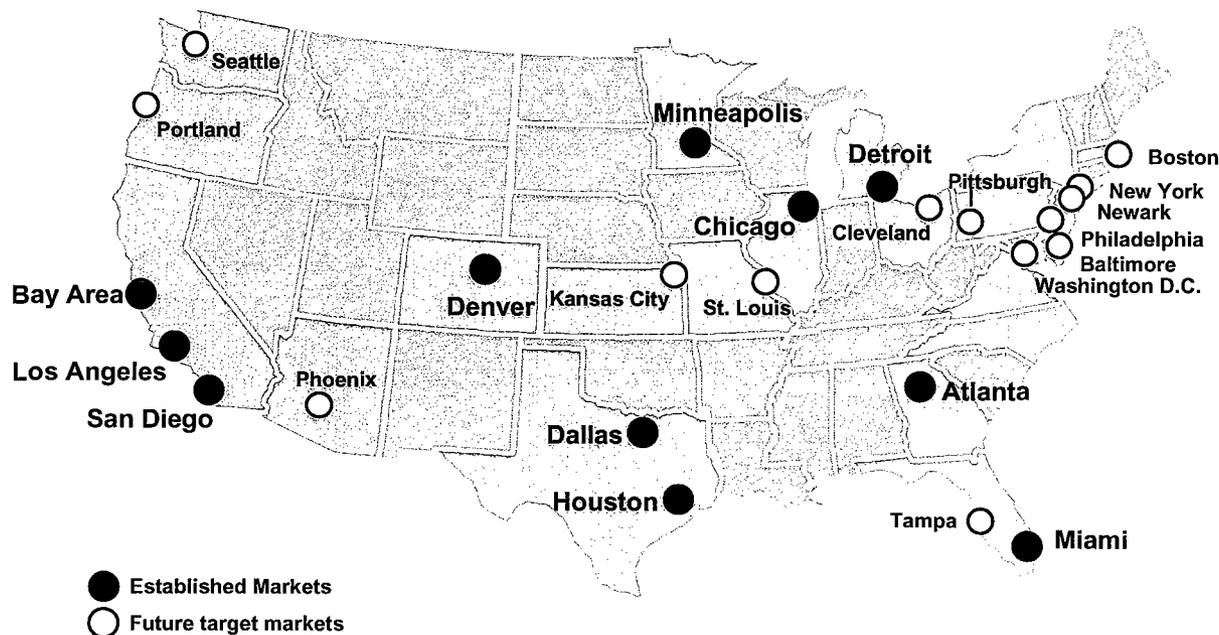
## Managed Services – Core Offering

- Ⓢ End-to-end management and integration
- Ⓢ High level of customer service
- Ⓢ Bundled packages, competitively priced
- Ⓢ Connect with existing legacy key systems or next generation IP-PBXs (SIPconnect)
- Ⓢ CbeyondOnline for web-based account management

BeyondVoice	I	II	III
<b>Target Market</b>	<b>4 to 30 employees</b>	<b>30 to 100 employees</b>	<b>100 to 200 employees</b>
<b>Monthly Price *</b>	<b>\$495</b>	<b>\$895</b>	<b>\$1,695</b>
<b>T-1 Circuits</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Local Phone Lines</b>	<b>6</b>	<b>16</b>	<b>36</b>
<b>Domestic Long Distance and Mobile</b>	<b>1,500 minutes</b>	<b>3,000 minutes</b>	<b>9,000 minutes</b>
<b>Broadband Internet</b>	<b>1.5 Mbps</b>	<b>3.0 Mbps</b>	<b>4.5 Mbps</b>
<i>* Pricing may vary depending upon contract length</i>			
<b>Applications “Seeded” in Each Package</b>	<ul style="list-style-type: none"> <li>◦ 1 Voicemail Box</li> <li>◦ Email For Business</li> <li>◦ 1 Fax-to-Email Number</li> </ul>	<ul style="list-style-type: none"> <li>◦ 1.5 GB Web Hosting</li> <li>◦ 100 MB Back-up Storage</li> <li>◦ 1 Toll Free Number</li> </ul>	<ul style="list-style-type: none"> <li>◦ 60 Conference Calling Minutes</li> <li>◦ 1 VPN Remote User Account</li> </ul>
<b>Additional Lines and Minutes</b>	<ul style="list-style-type: none"> <li>◦ <b>Additional Local Lines or Mobile Phones</b> (additional 500 minutes per line) <b>\$40 per line</b></li> <li>◦ <b>Mobile Data</b> (Blackberry and LG supported) <b>\$40 per device</b></li> <li>◦ <b>Long Distance and Mobile Overage</b> <b>6¢ per minute</b></li> </ul>		

# Geographic Expansion

## Cbeyond's Current and Future Markets



- Cbeyond currently serves eleven markets
- Cbeyond's first eleven markets cover 55% of the 1.4 million SMBs in the top 25 U.S. cities
- Cbeyond's marketshare is:
  - 13% in earliest four markets
  - 10% in earliest five markets
- Cbeyond expects to enter three new markets per year

Top 25 markets in the U.S. have 1.4 million small businesses (5 to 249 employees).

# Qwest MSA Forbearance Petitions

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- **Cbeyond has operations in Denver and Minneapolis**
- **Cbeyond churn data demonstrates that there is little, if any, competition from cable operators or wireless companies**
- **Cable company product offerings are not designed to serve the business market**
- **Wireless company products are not a substitute for the products and services provided by Cbeyond**
- **Cbeyond is solely reliant upon Qwest facilities to serve customers**
- **Consumers, and particularly small businesses, will be harmed if Qwest petitions are granted**



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small business will ever need.™*