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May 28, 2010

VIA ELECTRONIC MAIL
VIA FIRST CLASS MAIL

Jeffrey D. Kuhn, Esq.
Dewey & LeBoeuf LLP
99 Washington Avenue, Suite 2020
Albany, New York 12210-2820

Re: *Payment Obligations of Level 3 Communications, LLC ("Level 3")*

Dear Mr. Kuhn:

Returned herewith is Level 3's check in the amount of \$9,861.43, which was mailed by John Ryan, Esq. on May 7, 2010 to my client in bad faith pretense of compliance with the contract. A copy of Mr. Ryan's letter is enclosed. Level 3 incorrectly calculated the sums owed to NYSTA through use of an inapplicable policy; therefore, the payment does not satisfy Level 3's outstanding obligations to NYSTA. The full amount owed by Level 3 is outlined in our amended complaint filed in the Northern District of New York.

As more fully outlined in our pleadings and motion papers, pursuant to the Riders to Occupancy and Use Permits, negotiated during the latter half of 2000 and the first quarter of 2001, Level 3's predecessor in interest, Williams Communications, Inc. ("Williams") agreed to payment of certain sums for the right to construct and connect into NYSTA's fiber optic conduit nine new regeneration facilities, three combined regeneration/access point facilities and four new access points. The Policy on Fees for Thruway Occupancy Permits ("Policy") referenced in Mr. Ryan's letter is inapplicable because it only covers access to rights-of-way and not the full scope of rights NYSTA conveyed to Williams. In recognition of the fact that the Policy was inapplicable to the transactions Williams desired to consummate, Williams engaged NYSTA in contract negotiations through knowledgeable and experienced outside counsel, and reached agreement on terms closely approximating those proposed by Williams.

As more fully outlined in our pleadings and motion papers, Williams made timely payments on the Riders for six years until being acquired by Level 3 at which time Level 3 decided to ignore

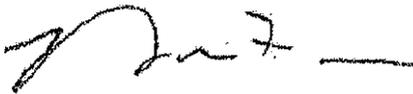
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the contractual obligations it assumed under the Riders. Issues regarding applicability of Section 253 of the Communications Act to this purely contractual dispute were only raised after the State of New York formally demanded payment of the outstanding amount owed, which is now in excess of nine million dollars.

As more fully outlined in our pleadings and motion papers, Section 253 of the Communications Act was never intended to invalidate properly negotiated contracts that affect the interests of only one service provider ten years after contract formation and following six years of full performance under the contract terms. Such use of Section 253 would create an unacceptable level of uncertainty surrounding governmental decisions to enter into contracts with telecommunications service providers, and would certainly discourage governments owning fiber optic infrastructure from agreeing to share that resource with private service providers. As Level 3 is well aware, all these issues, including the contractual obligations of the parties, are pending before the United States District Court for the Northern District of New York. NYSTA believes the Court is the appropriate forum for Level 3 to make any arguments supporting its apparent belief that its contractual obligations to NYSTA under the Riders, freely negotiated between the parties and providing for a release of claims acknowledging settlement of any disputed issues, should be invalidated.

Very truly yours,

BOND, SCHOENECK & KING, PLLC



Ryan M. Finn
RMF
Enclosures

cc: John Ryan, Esq. (w/o enclosures)



John M. Ryan
Asst. Chief Legal Officer

TEL: (720) 888-6150
FAX: (720) 888-5134
John.Ryan@Level3.com

May 7, 2010

VIA OVERNIGHT MAIL

Ms. Edna Goldsmith
Assistant Counsel
New York State Thruway Authority
200 Southern Blvd.
Albany, NY 12209

RE: Level 3 Communications, LLC ("Level 3")

Dear Ms. Goldsmith:

In accordance with what we believe to be the Authority's current Policy on Fees for Thruway Occupancy Permits dated as of January 14, 1997 (the "Policy"), we have completed a calculation of the principal amount of "annual fees" that should have been assessed (assuming application of the Policy) against Level 3 for each of the 17 disputed connections to the Level 3 backbone network along the Authority's rights-of-way. Based upon our reading and application of the Policy, we believe that the amount due for all 17 disputed interconnections (for all periods through the date of this letter) would be \$9,861.43.

Accordingly, we are enclosing a check in the amount of \$9,861.43, which Level 3 believes represents the full, nondiscriminatory and reasonable annual fees for the use of the Authority's rights-of-way for all of the 17 disputed connections to the Level 3 backbone network, in accordance with the Policy. If you wish to discuss how we calculated the amounts that would be due under the Policy, or you believe that we have incorrectly applied the terms of the Policy, please contact me and we can discuss the issue.

Level 3 reserves all of its rights under prevailing laws, including its rights under Section 253 of the 1996 Telecommunications Act.

If you have any questions, please call me.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Ryan", written over a horizontal line.

John M. Ryan
Assistant Chief Legal Officer

