



May 13, 2007

Dear Steve,

Thank you for the opportunity to provide additional information in response to the following questions posed to the PNWGP in the April 6, 2007 MOU. Those questions were:

1. Would the bandwidth provided by an advanced network supplant commodity services to some degree or would it be an add-on?

Since the PNWGP can provide full commodity Internet services at any of its points of presence (POPs), each connector to an advanced, high-capacity regional optical network that would carry their traffic to a PNWGP POP would have a choice whether to replace all, some, or none of their current ISP connectivity.

Even if a connector chose not to subscribe to PNWGP's commodity Internet service, connection to the R&E networks; e.g., Internet2, National LambdaRail (NLR), or PNWGP's IntraGigapop service will reduce (in some cases significantly) the amount of traffic that would otherwise traverse a connector's existing commodity Internet link(s). As an example, connecting to PNWGP's InterGigapop service (currently priced at \$750/month) allows the connector direct access to the PNWGP peers thereby avoiding their commodity Internet path to reach those sites. A significant advantage to the InterGigapop service is the recent addition of TransitRail, a national R&E initiative led by PNWGP, CENIC and NLR to recruit settlement-free peers across the country. Recent connectors to TransitRail have seen immediate reductions of 40-60% in their commodity Internet traffic. This trend is expected to accelerate (and the subsequent percentage of paid, commodity Internet use to decrease) as more commercial peers and R&E subscribers connect to TransitRail. Again, the TransitRail service is included in the IntraGigapop service and does not require separate subscription.

Finally, access to an advanced, regional optical network also provides additional capabilities often missing in commercial networks. An example of this is support for 'jumbo frames'. PNWGP, NLR, and Internet2 all support the transmission of jumbo frames necessary for many of the newer, high-capacity applications that researchers are asking for or developing.

2. What on-going services would NWACC members receive from PNWGP and at what cost?

All current on-going PNWGP services would continue and attached we have included PNWGP's pricing as a separate attachment. Worth noting is that this price-card will be revised within the next 6 months, as the PNWGP implements a multi-million dollar upgrade of its routing and

switching capacity in its POPs. As a result of these upgrades, services options will be significantly enhanced. It is our goal to make all of these services as cost-effective for our participants as possible. Since there are many permutations of service types and charges, please feel free to forward additional questions regarding pricing and/or services to me at eveleth@pnw-gigapop.net

3. Would on-going service charges be constrained to keep them below private sector or government pricing?

A primary purpose of PNWGP is to provide to the R&E community services that are not readily available in the public sector or over government networks. As such, there is rarely a situation in which our services (and associated prices) can be directly compared with services provided by other entities. However, we are acutely sensitive to the needs of the R&E community to have both cost-effective and state-of-the-art networking services. As such, our fees are designed to recover the costs of operations and upgrades while providing the best possible networking services in support of R&E. Additionally, along with our partners in CENIC and NLR, we are leading efforts to find methods of cost reductions for our R&E constituencies, such as the TransitRail initiative described earlier.

Please let us know Steve, if we can provide additional information to you to further augment the NWACC Network Report. We appreciate this opportunity to provide you and the NWACC board with this information, and are hopeful that you will find it useful in your deliberations.

Sincerely,



Jan Eveleth
Managing Director

Cc: Marty Ringle

Encl. Pacific Northwest Gigapop Catalog of Services