

1. PROJECT OVERVIEW

1.1 PROJECT BACKGROUND

Level (3) Communications, LLC [Level (3)], a U.S. telecommunications company, is building an international fiber optic network optimized for Internet technology. The company is currently connecting various city pairs in the United States by constructing a national 15,000-mile long-haul network mainly located within existing utility right-of-way (ROW) for the transmission of voice and data services. Approximately 2,000 miles of this network will be located in California (Figure 1). The California portion of the network, herein referenced as the Level 3 Communications Infrastructure Project (project, or network), is the subject of this environmental review.

In Decision No. 98-03-066, issued March 26, 1998 (Decision), the California Public Utilities Commission (CPUC or Commission) granted Level (3) a Certificate of Public Convenience and Necessity (CPCN) to provide services to the public as a facilities-based, competitive local exchange carrier. The Commission's Decision allows Level (3) to construct underground innerduct and cable installation and support facilities (e.g., emergency power supply) within existing utility ROWS, subject to certain conditions and the "Environmental Mitigation Measures" specified in the Commission's Negative Declaration IX (Appendix D of the subject decision).

In issuing the Decision, the Commission concluded that implementation of the mitigation measures specified in Negative Declaration IX would ensure that impacts associated with the project would be less than significant. According to the measures specified under "All Environmental Factors," a Petition to Modify (or "Application for Modification of") the CPCN must be filed to obtain approval for activities outside of existing ROWS.

To address the Commission's requirements for proposed off-ROW work, Level (3) prepared and submitted a Proponent's Environmental Assessment (PEA) on May 21, 1999, as part of its filing of an Application for Modification of its CPCN.

The May 21 submittal included environmental checklists for 31 vacant and largely undeveloped sites for the construction of In-Line Amplification Units (ILAs), Regeneration Units (3Rs), and Distribution Nodes (D-Nodes), as well as three Workarounds (fiber optic line re-routes). These checklists followed the format and criteria required for preliminary review under the California Environmental Quality Act (CEQA).

On June 15, 1999 Level (3) submitted an addendum to its PEA. The addendum included checklists for two additional vacant sites. The CPUC provided review comments on these two submittals on June 18 and June 28. These comments led Level (3) to reevaluate its off-ROW system needs due to potential

Placeholder for Figure 1 Level 3 Comm. LLC California Statewide Network

environmental impacts. As a result, Level (3) reduced both the number of (off-ROW) project elements (sites) and the potential for environmental impacts associated with those selected for inclusion in the network. A revised PEA, which included CEQA checklists for 25 off-ROW project elements (22 facilities and three workarounds), was subsequently submitted to CPUC on October 1, 1999.

The CPUC conducted a preliminary review of Level (3)'s October 1 submittal and, on October 14, 1999, provided 12 "threshold comments" to which responses were needed before the October 1 submittal could be fully evaluated. On November 11, as part of Level (3)'s response to these threshold comments, five additional CEQA checklists (four facilities and one Workaround) were submitted to the CPUC, and five other October 1 off-ROW project elements were dropped. In addition, 12 on-ROW station facilities were identified which are not the subject of this supplemental CEQA review (for more information, please see Section 2.2.) Since the November 11 submittal, one additional facility (Escondido ILA) has been relocated to existing ROW, and the CEQA checklist for that site has been dropped. This change reduced the suite of off-ROW project elements for which CEQA checklists were required to 24 (20 facilities and four Workarounds). These 24 project elements were the subject of Level (3)'s January 4, 2000, Draft Final PEA.

Subsequent to the January 4 submittal, Level (3) dropped the Irvine D-Node site from the network, and submitted a Final PEA on January 24, 2000. On March 15, 2000 (letter dated March 13, 2000), Level (3) informed the CPUC that two of the proposed off-ROW workarounds in Santa Barbara County (the Gaviota and Refugio workarounds, sites 12 and 13, respectively) had been rerouted. The reroutes allow placement of the fiber optic cable within the existing Union Pacific ROW. Consequently, these two sites have also been dropped from review; 21 project elements are now proposed for CPUC environmental review and approval, as follows:

- Nine Facilities within existing structures on developed sites
- Five Facilities on the existing foundations of demolished or removed structures on developed sites
- Two Facilities on vacant developed sites
- Three Facilities on disturbed undeveloped sites
- Two workarounds.

The locations of these elements are depicted regionally in Figure 2. Site-specific vicinity maps and plot plans for each element are provided in each of the checklists provided in Appendix A of the Initial Study that was circulated for public and agency review on April 10, 2000.

1.2 PURPOSE AND SCOPE OF THE INITIAL STUDIES

As described above, Level (3) has submitted a Final PEA to accompany its Application for Modification to its CPCN. As specified in CPUC Rule 17. 1, the Final PEA was designed to enable the Commission to quickly focus on project impacts that may be of concern, and may also be used as

Placeholder for Figure 2..... Network Elements

an aid in preparing the Commission's Initial Study to evaluate potential environmental impacts, as required by CEQA. Initial Studies for each of the above-referenced sites have been prepared to determine if their construction or operation may have a significant effect on the environment. These checklists are provided as Appendix A of the Initial Study dated April 10, 2000. In addition, a summary Initial Study checklist has been prepared to assess the overall effect of the proposed off-ROW work sites, including Mandatory Findings of Significance (see Section 4.3).

The checklists presented in Appendix A of the Initial Study dated April 10, 2000 address the question of whether the CPUC should allow Level (3) to construct and operate the project's 21 off-ROW elements. Preparation of the Initial Study checklists was primarily based upon comprehensive, resource-specific technical reviews and evaluations of the checklists found in Appendix A of the Final PEA. In those instances where the information and/or conclusions contained in the Final PEA checklists were determined to be in need of either expansion or updating, additional data collection and analyses were conducted, and appropriate revisions made.

Effectively, the checklists of the Final PEA are the primary source documents for the Initial Study checklists presented in Appendix A of the Initial Study dated April 10, 2000. CEQA recognizes the use of source documents and encourages their incorporation into an environmental review document by reference (CEQA guidelines Section 15150). This allows the environmental review document to be kept to a manageable size, while still providing for accountability and accuracy.

Throughout the Initial Study checklists, citations to the Final PEA are made using the following format:

PEA, 2000, p. X-Z

In this format the "X" denotes a given project element's site number, and the Z denotes the page number of its corresponding Final PEA checklist. For example, the citation PEA, 2000, p. 48 references page 8 of the Final PEA checklist for the Corning ILA (site 4). A similar scheme is used for referencing figures and tables from the PEA, with "Z" denoting the figure or table number. New references exclusive to the Initial Study checklists contained herein are specifically identified.

The Final PEA can be accessed at:

<http://www.cpuc.ca.gov/divisions/energy/environmental/info/aspn/level3/level3.htm>

As specified by the CEQA Guidelines, should an Initial Study conclude that some or all of a proposed project will result in a significant effect on the environment, an Environmental Impact Report (EIR) must be prepared to address these effects. However, if an Initial Study demonstrates that a proposed action will not create a significant environmental effect, a Negative Declaration or Mitigated Negative

Declaration may be prepared and circulated for public and agency review. This Determination may be found in Section 5 herein.

1.3 OVERVIEW OF THE INITIAL STUDY FINALIZATION PROCESS

Following completion of the Initial Study, the document, and its corresponding Subsequent Mitigated Negative Declaration (SMND), were circulated for public review and comment. The comment period extended from April 10, 2000 through May 19, 2000. The document and SMND were transmitted to responsible agencies, and made available to the public and other interested regulatory agencies via local libraries and the Internet. Following closure of the comment period, comments received were reviewed and responses developed. Per CEQA Guidelines Section 15132, the environmental review process for this Initial Study has been finalized via inclusion of (1) all comments received; (2) the CPUC's responses to these comments; and, (3) the text revisions necessary to reflect those comments that triggered a modification to the document.

Received comments and the CPUC's responses to them are provided herein as Appendix A. In some instances, received comments prompted the need to make revisions to the Initial Study and its Appendices. The responses to such comments note whether a change to the text has been made; text of the site-specific Initial Studies that have been modified are provided in Section 4.4 of this document. Changes to the text of this final Initial Study are indicated with a vertical line in the right-hand margin. This document is intended to be used in conjunction with the April 10, 2000 SMND and Initial Study for site specific detail and general reference.

2. PROJECT DESCRIPTION

This section provides an overview of the Level 3 Communications Infrastructure Project and its elements. The Final PEA, dated January 24, 2000 is herein cross-referenced as an additional source of information for project detail.

2.1 INTRODUCTION

Level (3)'s stated purpose for this project is to provide businesses and communities in California with expanded telecommunications services, and specifically provide end users with competitive price choices, faster and more reliable data transmission, and increased diversification to enhance Internet access, phone calls, taxes, and other telecommunication needs.

Level (3)'s design seeks to provide sufficient capacity, bandwidth, and speed to meet rapidly expanding consumer demand. The project will provide Gigabit Ethernet as a standard option for directly connecting customer server and network equipment. Interconnection of the California network with