

INTERVIEW TRANSCRIPT

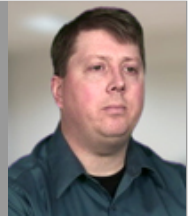
Interview on behalf of Qwest

Mark Finstrom

Highline Public Schools

Director Technology Services

Last updated: 2008 Jul 29



Product(s): CPE: Cisco , CPE: Cisco IP Tel, GeoMax, QMOE: QC
Industry: Education

1. Business need

"Well, I started at Highline two years ago. When I came, Highline was a T1 environment, and rich applications just don't work in a T1 environment. So what we did was we looked for a solution that was going to allow our teachers to be able to enhance their education, so we started looking for products, services, opportunities where we could deliver high-bandwidth tools.

We needed to head down the road of a new voice over IP solution. In addition, we had a new student information system, a new data warehouse, several other tools that were going to be used by our teachers that are coming through that are applications designed for instruction. And with voice over IP, we needed--the bandwidth was gonna start to be a concern for us. With a rich application such as streaming video, streaming audio, and online classes, we knew that we were also going to be faced with forcing a large chunk of information down a small pipe."

2. Evaluation & selection

"Our selection process for Qwest, as for any other vendor, was we first had to do an analysis of our needs, so we hired a consultancy agency to come in. Basically, their job was to look at our service, look at our needs; they came back and said 'You have these options.' We then talked with three or four different companies--wireless, cable companies; we talked with telecommunication companies; construction companies to build our own fiber. And as we went through the process, we developed an RFP that we were able to use to be able to secure the service.

It was important for us that we had a 24x7 support agency; somebody to manage the fiber instead of having us manage the fiber. We could've done our own buildout service, but with that service, we would have then had to contract with another agency to be able to support the equipment, and with Qwest, they're already providing a service to us through T1s, DS3s, and now with the GeoMax, they're providing that same service. A 24x7 shop, if I have a problem, I just call the service agency and they come and fix it. So as we wrote our RFP, it was important that we wrote in the 24x7 manageability, the--if you want to call it an SLA for our service--to be able to make sure that our clients were served no matter what happened.

An RFP process consists of a number of unique circumstances for school districts. We typically have to go out for a service contract, one that is yearly with--or multi-year that has yearly executables on it. And as we wrote our RFP, we had to make sure that, one, we were covering the school district for [the] long term. We needed to make sure that we could provide for our telecommunication needs, our video needs, our audio needs--but we needed to make sure that also it was the best price. We needed to make sure that the service that was coming in was the best service that we could get, so as we worked with Qwest to come up with the components from theirs, we worked with their competitors as well. We provided a guideline to them that they then supplied back.

We have a unique circumstance; we're right in the middle--or excuse me, Sea-Tac is right in the middle of our school district--the airport. So one of the providers was talking about wireless, and to get regulation exposure and to shoot wireless across the runways at Sea-Tac Airport was not a solution that we could have, so we sought after another vendor. Another vendor was a cable company, and the cable company just did not have the bandwidth in the neighborhood to be able to supply our needs--and Qwest was able to come through on that.

Our process of selecting finally came down to a process of using a state contract. I did not have to officially release an RFP, as we had a state contract that was a buying vehicle for us to be able to secure the service.

We have a legacy system of phone systems in our school district. We had 24 different phone systems inside 33

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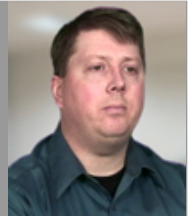
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buildings. In that process of identifying a phone system, we went to look at four different players--major players in the voice over IP area--and it came down to two vendors that we needed to really investigate and go through.

And again, what it came down to is there was a nice vehicle for me to purchase the product off of; the product was what we were looking for; it integrated well with our other components such as [Microsoft] Exchange for voice-mail, identification in my messaging system, and so we used the state contract to secure Cisco voice over IP through Qwest."

3. Why Qwest?

"I would have to say that the main reason that Qwest has been a vendor of Highline is the sales account management. We have an account manager who works with me very closely; explores opportunities for me to save money, which is unique from a vendor perspective; is offering me the opportunity to improve service at a lower cost, which often could mean that the company that she's working for is receiving less revenue from me. But furthermore, it is an opportunity for me to enhance the service and I'm buying additional services that I wouldn't have necessarily bought.

Qwest is a reputable company. Qwest has a longstanding relationship with Highline School District; many years of service--dependable service, quality service. And to be able to provide that service through another vendor is unparalleled. You can't provide a service where the contractor or the vendor comes in and supplies good service all the time, so it was important for me to stay with that good service--[a] reputable agency.

Well, the Qwest and Cisco team together are a unique group. They have a--they have the ability to provide a one-stop shop to a school district; they have the ability to talk network; they have the ability to talk telecommunications, to blend in the messaging system to provide a unified component to the school district. So having, again, the knowledge and the expertise coming from the Cisco representatives, as well as having the Qwest technicians who knew the Cisco gear in and out coming into the school district and being able to install and configure, test, do QA, and then turn over a working solution was important.

Another reason we chose Qwest was their eligibility to apply eRate services. As a school district, eRate is very important to me. It's a funding source for my telecommunications. It also allows me to provide more service[s] at a reduced rate, so the qualification of eRate was very important to me."

4. The implementation/installation

"Highline School District is a district of 17,500 students that are in 33 facilities. We have 40 campuses, if you want to put it that way; some of those are operational locations. We had an opportunity to enhance our network. We currently have fiber in some of our buildings, but in order to meet the needs of the other buildings we had to put in a new backbone to those sites. So we sought after a solution to bring on 19 additional sites onto fiber and two sites into what is called QMOE. Those are non-fiber sites, but sites that offer a high bandwidth. Currently, all sites are going to be receiving at least 1-gig service with the potential to go up to 10-gig service.

The scope of that project lasted a little over a year and a half; it is now finished on the installation of the GeoMax; it is in the final stages of setting up each individual school into GeoMax; and our voice over IP has started down the path of installation with about one-third of our schools converted.

Cisco and Qwest came in for a series of meetings with us--design meetings, architectural meetings, configuration--where we sat and we identified from our network where we were, what we needed to do, and from that point we threw out what we had and decided that we needed to redesign the network from a complete standpoint--starting standpoint. We had to put in the GeoMax, we had to make sure that the voice over IP was running in its own VLAN. So having Qwest come in with architects who were able to design the network closets, who

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were able to configure the architecture of the T1s, the PRI lines, the GeoMax configurations, and know that we were going to be able to move off of our T1s into a true PRI over our GeoMax was very important to me. So my staff worked with them side by side throughout the process. We've had a number of meetings where the staff have been with us; where they have given us pointers in terms of direction that we need to go outside of the Qwest network to be able to make sure that my network is running more optimally."

5. Overview of solution

"Highline uses a variety of services from Qwest. We have GeoMax--that goes into 19 sites; we have QMOE, which goes into three sites; we still have a series of T1 lines--we had 39 T1s, we're down to now 15; we have DS3 services, three of those, and we just are in the process of disconnecting the first of the three with the impact of all three going to be disconnected. We have some DSL services because we have two unique schools--we have a marine tech school which is down near Puget Sound, and the only way to get service there was DSL residential service. We have 10 PRI lines--with the conversion over to our voice over IP, we're now starting to pass down emergency information, room information, and so we wanted to have a service that was going to be able to handle that. So the PRI is a great product to provide incoming line identification as well as outgoing information. We have muxed T1 lines; we have some Centrex; we have ISDNs. We have a variety of services that come to us.

Cisco's solution to us through Qwest is the provision of a Call Manager and Unity system, which is a subscriber and a publisher; so we have two sites, one that is the subscribing site that hosts five T1--PRI lines, excuse me. Then we have another site, which is the subscribing site, that has three PRI lines. And then we have our ERAC distribution center, which is basically the administration center, and there are two PRI lines that come into that facility.

When we're all done with the setup of the Qwest voice over IP, we're gonna have four-digit dialing across 5,000 DID in the district with 5,000 DIDs set up for emergency response, as well, so that we're able to know, down to the phone, which room it is, where it is, to be E911 compliant according to state and federal guidelines.

School districts have a unique responsibility. We have 17,500 students; out of those 17,500 students, we may have nearly 50,000 parental units. Parents want to know what's going on with their children; schools need to know where their children are, and if we have an emergency, it's very important that we know exactly where that emergency is.

Having Cisco and the emergency responding unit in our environment allows us to be able to identify, to a phone, where a problem might be. If I need to direct emergency services such as an EMT, sheriff, any other--fire--I can direct them directly to a building and to a room and they know exactly where to go.

But in addition to that, I'm able to combine all my services together. So from a teacher component, they don't have to necessarily pick up the phone anymore to listen to their voice-mails; they can get their phone through their e-mail at home, on the road. It allows them to be able to stay current with communication with the parents, their students, and with the administration."

6. Disaster recovery

"Highline is trying to provide a very redundant backup solution service for our clients, but it's also business continuity. If we were to have a disaster, it is very important that we be able to recover from that disaster quickly.

Mt. Rainier, one of our high schools, a brand new high school, resides in a GeoMax site. We have 1-gig service going into there and we have racks set aside for us to be able to put in our services. With the new student information system, a new data warehouse, a finance system--all of these systems require 100 percent uptime. I

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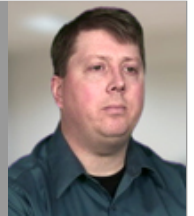
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never know when a service is going to be needed by administration, by the superintendent, by a school principal. We don't know if we're going to be required to provide some information to authorities in the case of an emergency. That doesn't necessarily happen during the school day; it happens outside of our environment, so we built a solution where we've been able to replicate our servers, replicate our storage at another site. While we haven't finished or built out that site to do it, we are in the process of putting in servers right now to be able to handle that capacity.

Because redundancy is so important, Highline also has initiated several other things. We have two central offices for our phone system--or phone company; those two central offices also reside in two separate power grids. So the two power grids, the two phone COs allow us to have coverage in case that there would be an emergency that would shut down one CO or shut down one power company and we can fail over.

With the publisher and the subscriber on our Cisco side, there's failover, so our publisher is the primary agent, but if that site happens to have a problem or we lose a PRI line between there, the subscriber takes over. In addition, we have Centrex lines that are going into each of the buildings--FBs that, basically, what they do is they provide a central line to that school, and it's the main line, and we have tied that into our Cisco VoIP so that it funnels into the voice over IP system. But it's also used for elevators, it's used for the 'bat phone', which we call it, which is just a red hot phone in case of an emergency."

7. Customer service

"Customer service has been stellar from Qwest. We have technicians who will call just to check in on us, to make sure that things are going well. My account representative will call me monthly, and I often call her weekly just to touch base. It's a very personal relationship, too--it's not [just] a business relationship. They have a vested interest in making sure that we're doing what we can do. So, knowing that they care about our schools, knowing that they care about our environment and that they're helping to drive down costs makes it even easier for me to make sure that when I call in, I'm not angry about something; I'm able to say 'You know, we've got a service that's down. Can you get on that? Can you make sure it works?' But often, before I even call I'll get a call saying 'We've got a service that shows a flashing red light. What's up? Do you have a power outage on your site?' So there's some preemptive work also on Qwest's side."

8. Non-financial benefits

"Qwest has been able to provide me an opportunity to consolidate services. With the new solutions--GeoMax, voice over IP--I'm able to standardize on hardware, standardize on some software; I'm able to pull things back from remote locations--[and that] allows me to save additional staff time.

We're implementing a new student information system. Our current system is a distributed model; [which] resides [on] one server in each location. Underneath this new model, I'm gonna have one server sitting back at the central location that houses all that; allows me to be able to provide real-time data-driven decisions to administrators; allow[s] them to be able to make decisions that are driving instruction, improving our students' scores, our achievement levels, and making sure that our parents feel that we are actually addressing the needs of our clientele.

But further, what we're able to do is we're able to provide a one-stop location for our messaging. While it's nice to be able to call a teacher and get directly to their classroom, teachers don't necessarily want to be interrupted during their instruction, but yet they want to know that they've received a voice-mail. So to be able to go into an office environment when they have a break and be able to check their e-mail and see in their e-mail that they have three voice-mail messages; know exactly what number that voice-mail message came from and who the person is. They may have been trying to get ahold of a parent for quite some time and now this is the opportunity, the parent returned the call.

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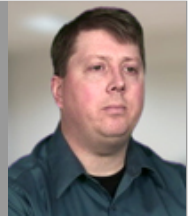
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So they have that insight or that vision into that--so exposure to our clientele has been vast, and the ability for us to provide something that hasn't been provided to the school district before, which is E911 compliance. We have to be compliant with federal regulations, state regulations related to knowing where a fire would be or where an emergency would be and to be able to provide emergency services, direct access to a space and know that they are getting to there.

So I'm tying all this together, and I'm tying it together not only with the phone system and with the Qwest GeoMax, but services that are running over GeoMax such as video. All of our campuses are getting to the point where we're putting in video cameras; in our recent schools, we're putting in the video services where now I'm going to be providing to our local agencies--fire, police--access to our cameras through an HTTPS website.

Another benefit is teachers are able to do more. They're able to stream audio, stream video, show lessons that are over the Discovery Channel. They're able to provide rich Internet applications to their students and we're able to tie our curriculum into Internet, tie our curriculum into technology. So instructional technology becomes more of a play in the education environment.

If you were to consider how we did things before, running in a T1 environment, 1.5-meg, versus now 1-gig service, it's hard for us to provide that same level of service in a 1.5-meg environment. We're able to now stream three, four, ten, a lab of computers of video back to the district office where we then have a service that is capable of handling that out to the Internet and be able to provide that back to the teachers. So our students can be in a lab environment and they can all be watching streaming video of a frog dissection or some other educational tool."

9. Measurable benefits

"One major measurable that I have noticed is our ability to reduce services. Current services are 15 T1s where we had 31. We're starting to reduce those. We're now in the process of releasing one DS3 of our three DS3s. We're able to mux services to reduce additional T1 lines. Within a year, we are basically going to be residing solely on our GeoMax service, providing services through that for voice over IP, Internet service; we're gonna be able to provide to our clientele the Internet access that they need.

We use the K-20 environment--K-20 is the network provided service from the Office of the Superintendent of Public Instruction to public schools; it's a reduced service. So with that, tying in our eRate service, and Qwest has been able to provide a consultancy opportunity for us as well on eRate, which has been able to help us maximize our benefit in terms of how we apply for eRate services, how we use those eRate services, and what exactly we're going to do in the future. So there's a lot of planning that goes into that, and with that planning we're able to determine whether or not we're going to increase a level of service, or decrease a level of service, and know that it's not going to impact business operations.

With the consolidation of services underneath GeoMax, I've been able to reassign staff in some areas. I've been able to reduce server maintenance, annual maintenance costs. I've been able to bring services back into the district area where I can have higher qualified technicians supporting the equipment with better uptime.

I no longer have to drive around the district to be able to swap tapes; I can now do backups locally and I can make sure that I have disaster recovery and business continuity there. With over 30 sites, a server at every site or multiple servers at every site, it can sometimes be a burden for your technicians to be able to administer; they have to go visit the servers occasionally. This situation, using GeoMax, allows me to bring as many of those services back into the house as I can where my data center is, so my data center is able to manage that environment. It's cooling controlled, heating controlled, humidity controlled; it's tied in with my other services such as the voice over IP, so I now know when I have adequate space or if I need to put additional hardware or storage to a solution.

Another aspect of our service is uptime. With GeoMax, we're able to provide new equipment, new service, new

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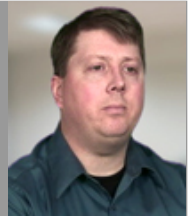
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opportunities. A lot of our equipment was getting older, starting to fail, and with T1 services, you have multiple routers sitting out there. There are no routers out there in the environment now; it's switches. It's managed locally at our administration building. So my team at the administration building can apply services, adjust a VLAN if necessary for voice over IP--so they're able to keep things running 100 percent of the time. With Qwest technicians on the back side, we don't have any problems with that; we're able to meet the needs of our clientele 100 percent of the time.

Another positive impact to our support structure is I have one vendor instead of multiple vendors. While I'm using Cisco voice over IP, I'm really using Qwest--Qwest services. So Qwest is the intermediary with Cisco, so I don't have to have a Cisco, I don't have to have a Qwest and a Sprint and a Comcast and a--and a-- I can consolidate my services now in a [and have one] throat to choke. I can come to Qwest and say 'You're my provider; you're my service entity,' and in that situation they are the person or the team that I go to to get things done.

It also comes back to my financially because I'm going through one vendor and I'm able to leverage the costs. I'm able to work with them to drive down some additional costs and make sure that I'm getting the best deal for the dollar."

10. Areas for improvement

"Qwest is still operating in a deregulated regulated world. One of the things they could really improve upon is a lot of the work between the field technicians and service staff. As we've gone down our process, I've learned that there are still some areas where people don't necessarily always talk face to face with each other, and we've been able to bridge some of that gap through our process and we've been able to improve upon the communication."

11. Future plans

"As I think to the future, Qwest is going to become more and more a critical player for Highline School District. We're gonna have all of our sites on voice over IP by [the] summer of 2009. We will have all of our sites on [a] minimum [of] 1-gig if not 10-gig by that time--being able to handle the services that are coming.

We're working with Qwest right now to come up with a redundant Internet service, so not only are we providing a service from the K-20 to us, but we're also providing another service for business continuity.

Furthermore, Qwest has become a partner or a player in our community. We've talked about doing services for our free and reduced families, providing DSL services out to the community at a reduced rate; leveraging the eRate dollars, the eRate eligibility to be able to further our service offerings not only to the teachers, but also to our families. So I think Qwest is going to become more and more of a player in my environment.

Furthermore, with our student information system, there's the ability for us to tie in our Cisco phones to do attendance. Now we haven't gone down that path yet, but we are exploring the opportunity to be able to take attendance directly over the phone in the classroom, which is another way to eliminate, not necessarily the computer in the classroom, but the need to be in front of a computer where the teacher is able to walk up, push a series of buttons, and their attendance is done."

12. Recommendations and advice

"It's very important for my peers to know that as they work through a situation of determining whether GeoMax, QMOE, fiber, wireless, or any other solution works in their environment, that they look at all aspects. What are the buildout costs? What are the support costs? Do I own it? Do I lease it? Do I rent it? Who is the eventual [one] throat to choke?"

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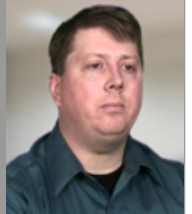
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And I looked at that and I had to come back and I had to say, as a school district that does not have a lot of revenue, does not have a huge coffer of money to go against, I came back and said 'Qwest offers the best solution to me at the least cost but is sustainable and growable.'

I can actually take this from a hub-and-spoke environment to a star environment for a fiber network; I can take it from a 1-gig to a 10-gig or more if I need to; I have the ability to feed it with PRI lines; I have the ability to tie [it] in my Cisco system; I have the ability to use services that are not necessarily inside my school district through relationships that Qwest has with other neighboring districts.

There may be a point in time where my disaster recovery and business continuity does not reside in my own district; it resides in another district that Qwest services, and what I have is a dedicated connection to a set of servers in another location that I can manage and control but know that I have an opportunity in the case of another earthquake, or other natural disaster, where my data is safe and I can call upon it in a moment's notice."