

DENNIS C. LINKEN, Partner
dlinken@scarincihollenbeck.com
Phone: 201-806-3426 | Direct Fax: 201-806-3454

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December 30, 2013

COMMUNICATIONS SECTION

Via FedEx Overnight

Kristi Izzo, Secretary
NJ Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Trenton, NJ 08625

TF13121229

Re: **In the Matter of the Verified Petition of Level 3 Communications, LLC, for
Approval to Participate in a Financing Arrangement
Our File No. 41004.6000**

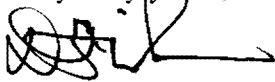
Dear Secretary Izzo:

Enclosed herewith, on behalf of Petitioner Level 3 Communications, LLC, please find the original and 11 copies of a Petition in connection with the above-captioned matter.

It would be appreciated if you would kindly date stamp the extra copy of this letter and said Petition as "FILED" and return same in the self-addressed, stamped envelope enclosed for your convenience.

As always, should you require any further information, please do not hesitate to contact me.

Very truly yours,



Dennis C. Linken
For the Firm
DCL/dp
enc.

CMS
Beslow(2)
DAG
RPA
A. Centrella
M. Beyer
B. Wojciak

J. Murphy
TELEC(2)

- cc: Mark C. Beyer, Chief Economist (w/enc. via FedEx overnight)
- Robert Wojciak, Supervising Accountant (w/enc. via FedEx overnight)
- Anthony B. Centrella, Director (w/enc. via FedEx overnight)
- James F. Murphy, Chief (w/enc. via FedEx overnight)
- Christopher J. White, Deputy Public Advocate (w/enc. via first class mail)

**BEFORE THE
NEW JERSEY BOARD OF PUBLIC UTILITIES**

In the Matter of the Verified Petition of)	
)	
Level 3 Communications, LLC)	BPU Docket No. TF _____
)	
for Approval to Participate in a)	
Financing Arrangement)	
)	

VERIFIED PETITION

TO THE HONORABLE COMMISSIONERS OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES:

Level 3 Communications, LLC (“Level 3 LLC” or “Petitioner”), by its undersigned counsel and pursuant to N.J.S.A. 48:3-9 and 48:3-7, requests approval from the New Jersey Board of Public Utilities (“Board”) to participate in a financing arrangement in connection with the issuance of Senior Notes by its immediate parent company, Level 3 Financing, Inc. (“Financing”). Specifically, Petitioner seeks approval to act as a guarantor for \$640 million in 6.125% Senior Notes due 2021. As described herein, this financing arrangement allowed Level 3 Communications, Inc. (“Level 3”) and Financing to redeem all \$640 million of Financing’s outstanding 10% Senior Notes due 2018 and thereby extend the maturity date, lower the interest rate, and significantly reduce Level 3’s annual interest expense for this debt. The total amount of debt for which Level 3 LLC has provided a guarantee will not change as a result of this Petition. Petitioner therefore requests Board approval to act as a guarantor in support of the financing arrangement. In addition, Level 3 LLC requests approval for two intercompany demand notes issued to Financing, as described herein, to remain unpaid for more than 12 months from the date of issuance.

In support of this Joint Petition, Petitioner states:

I. DESCRIPTION OF THE PETITIONER

Level 3 is a publicly traded (NYSE: LVLT) Delaware corporation with principal offices located at 1025 Eldorado Boulevard, Broomfield, CO 80021. Level 3 provides high-quality voice and data services to carriers, internet service providers (“ISPs”), and other business customers over its IP-based network through its wholly owned indirect subsidiaries, including Petitioner and other regulated subsidiaries.¹

Level 3 LLC, a Delaware limited liability company, is a non-dominant carrier authorized to provide resold and/or facilities-based telecommunications services nationwide pursuant to certification, registration or tariff requirements, or on a deregulated basis. Level 3 LLC is also authorized by the Federal Communications Commission to provide international and domestic interstate services as a non-dominant carrier. In New Jersey, Level 3 LLC is authorized to provide resold and facilities-based local exchange and interexchange telecommunications services pursuant to authority granted by the Board in Docket No. TE97120913 on October 20, 1998.²

II. DESIGNATED CONTACTS

Inquiries or copies of any correspondence, orders, or other materials pertaining to this Petition should be directed to:

Dennis C. Linken
Scarinci & Hollenbeck, LLC
1100 Valley Brook Avenue

¹ The regulated subsidiaries in New Jersey are: Broadwing Communications, LLC, WiTel Communications, LLC, TelCove Operations, LLC, and Global Crossing Telecommunications, Inc. Other than Level 3 LLC, none of these regulated subsidiaries will participate in the financing arrangement described herein.

² Level 3 LLC is also authorized to provide resold services in New Jersey pursuant to its Authorized Resale Carrier Letter of Acknowledgement, filed with and accepted by Bell Atlantic - New Jersey, Inc. on January 6, 1998.

Lyndhurst, NJ 07071-0790
Tel: 201-896-4100
Fax: 201-806-3454
Email: dlinken@scarincihollenbeck.com

and

Catherine Wang
Danielle C. Burt
Bingham McCutchen LLP
2020 K Street, NW
Washington, DC 20006
Tel: (202) 373-6000
Fax: (202) 373-6001
Email: catherine.wang@bingham.com
danielle.burt@bingham.com

with a copy to:

Michael J. Shortley, III
Vice President - Legal
Level 3 Communications, LLC
225 Kenneth Drive
Rochester, New York 14623
Tel: (585) 255-1429
Fax: (585) 334-0201
Email: michael.shortley@level3.com

III. REQUEST FOR APPROVAL TO PARTICIPATE IN A FINANCING ARRANGEMENT

Financing has issued \$640 million in 6.125% Senior Notes due 2021 (the "Senior Notes") in a private offering to qualified institutional buyers that is exempt from registration under U.S. Federal securities laws. Financing has lent the net proceeds it received in the offering of the notes plus available cash to its subsidiary, Level 3 LLC, in return for an intercompany demand note issued by Level 3 LLC to Level 3 Financing. The proceeds along with cash on hand were ultimately used to redeem all of Financing's outstanding 10% Senior Notes due 2018 and to pay

the expenses of the offering.³ Level 3 LLC requests approval from the Board to act as a guarantor of the \$640 million Senior Notes issued by Financing.

In addition, Level 3 LLC requests approval for the intercompany demand note issued to Financing, in connection with the proceeds of the \$640 million in Senior Notes, to remain unpaid for more than 12 months from the date of issuance. Level 3 LLC also requests approval for another intercompany demand note issued to Financing to remain unpaid for more than 12 months from the date of issuance. The latter intercompany demand note was issued in connection with a recent financing arrangement whereby Financing issued \$300 million in Floating Rate Senior Notes due 2018 in a private offering to qualified institutional buyers.⁴

Petitioner emphasizes that guaranty obligations in support of the \$640 million Senior Notes will not be effective until all required regulatory approvals are obtained. Petitioner's participation in the new financing arrangement will not result in a change in Level 3 LLC's management or in its day-to-day operations in New Jersey, nor will it adversely affect Level 3 LLC's current or proposed operations in New Jersey. The financing arrangement that is the subject of this request will enable the parent company to take advantage of lower interest rates and more favorable maturity terms thereby significantly reducing interest expenses. The financing arrangement will provide Financing with financial flexibility to maintain and expand Petitioner's networks and services. This improved financial arrangement will enable Petitioner to continue delivering services to new markets, thus allowing more consumers to benefit from its competitive services. Accordingly, and to the extent required, Petitioner requests that the Board approve the participation of Level 3 LLC in the financing arrangement described herein.

³ The Board previously granted approval on February 17, 2010 for Petitioner to guarantee the 10% notes due 2018. *See* Docket No. TF10010008.

⁴ The Board previously granted approval on October 23, 2012, for Petitioner to participate as a guarantor in the \$300 million financing arrangement. *See* Docket No. TF12090825.

IV. PUBLIC INTEREST CONSIDERATIONS

Approval of the financing arrangement described herein will serve the public interest. The financing arrangement enables Petitioner and its parent to refinance their obligations to extend the maturity dates of certain obligations at better interest rates, thus reducing the future refinancing risks associated with the scheduled maturities described herein. This step is a part of the companies' ongoing efforts to manage their maturity profile and continue to strengthen their overall credit profile. By eliminating risk associated with the uncertainties of future credit markets, it is expected that the capital markets will view this step on the part of the companies favorably. As such, Petitioner expects the financing arrangement will provide greater access to capital, which will yield both financial benefits and operational flexibility that will ultimately inure to the benefit of Level 3 LLC's New Jersey customers and that existing and future customers will have a more favorable view of Level 3 LLC's financial health. Furthermore, the financing arrangement will be conducted in a manner that will be transparent to customers, and will not result in a change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers. Following consummation of the financing arrangement, Petitioner will continue to provide high-quality communications services to its customers without interruption and without immediate change in rates, terms or conditions.

V. CONCLUSION

For the reasons stated above, Petitioner submits that the public interest, convenience and necessity will be furthered by expeditious Board approval of Petitioner's participation in the financing arrangements described herein.

Respectfully submitted,



Catherine Wang
Danielle C. Burt
Bingham McCutchen LLP
2020 K Street, NW,
Washington, DC 20006
Tel: (202) 373-6000
Fax: (202) 373-6001
Email: catherine.wang@bingham.com
danielle.burt@bingham.com

Dennis C. Linken
Scarinci & Hollenbeck, LLC
1100 Valley Brook Avenue
Lyndhurst, NJ 07071-0790
Tel: 201-896-4100
Fax: 201-806-3454
Email: dlinken@scarincihollenbeck.com

Counsel for Petitioner

Date: December 30, 2013

VERIFICATION

STATE OF NEW YORK §
 §
COUNTY OF MONROE §

I, Michael J. Shortley, III, state that I am Vice President - Legal for Level 3 Communications, LLC; that I am authorized to make this Verification on behalf of Level 3 Communications, LLC; that the foregoing filing was prepared under my direction and supervision; and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.

Michael J. Shortley, III
Name: Michael J. Shortley, III
Title: Vice President - Legal
Level 3 Communications, LLC

SWORN TO AND SUBSCRIBED before me on the 20th day of December, 2013.

R. Edward Price
Notary Public

My commission expires: 10/7/17

R. EDWARD PRICE
NOTARY PUBLIC-STATE OF NEW YORK
No. 02PR6290436
Qualified in Monroe County
My Commission Expires October 07, 2017