

May 18, 2011

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Via Overnight Courier

MAY 19 2011

Elizabeth O'Donnell, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-8294

PUBLIC SERVICE
COMMISSION

Re: Notice of Transaction Involving Level 3 Communications, Inc., Level 3 Communications, LLC, Broadwing Communications, LLC, WilTel Communications, LLC), TelCove Operations, LLC, Global Crossing North America, Inc., Global Crossing Telecommunications, Inc. and Global Crossing Local Services, Inc.

Dear Ms. O'Donnell:

Level 3 Communications, Inc. ("Level 3"), Level 3 Communications, LLC ("Level 3 LLC"), Broadwing Communications, LLC ("Broadwing"), WilTel Communications, LLC ("WilTel"), and TelCove Operations, LLC ("TelCove"), Global Crossing North America, Inc. ("Global Crossing"), Global Crossing Telecommunications, Inc. ("GC Telecommunications") and Global Crossing Local Services, Inc. ("GC Local") (collectively, the "Parties"), through undersigned counsel and pursuant to the Orders issued in Admin. Case No. 359 on June 21, 1996 and No. 370 on January 8, 1998 and 807 KAR 5:011, Section 11, hereby notify the Commission that the Parties plan to consummate a transaction whereby Level 3 will acquire indirect control of GC Telecommunications and GC Local (together the "GC Companies"). As a part of that transaction, an indirect minority ownership interest in Level 3's indirect subsidiaries, including Level 3 LLC, Broadwing, WilTel, and TelCove (collectively the "Level 3 Companies"), will be transferred.

It is the Parties' understanding that Commission approval is not required to complete the transactions described herein. Accordingly, the Parties submit this letter for informational purposes only to ensure the continuing accuracy of the Commission's records.

In support of this filing, the Parties state:

I. DESCRIPTION OF THE PARTIES

A. Level 3

Level 3 is a publicly traded (NASDAQ: LVLT) Delaware corporation with principal offices located at 1025 Eldorado Boulevard, Broomfield, CO 80021. Apollo Amalgamation Sub, Ltd. ("Apollo Sub"), a Bermuda exempted limited liability company and wholly owned subsidiary of Level 3, was recently formed for the purpose of accomplishing the proposed transaction. Level 3 provides high-quality voice and data

- Boston
- Frankfurt
- Hartford
- Hong Kong
- London
- Los Angeles
- New York
- Orange County
- San Francisco
- Santa Monica
- Silicon Valley
- Tokyo
- Washington

Bingham McCutchen LLP
2020 K Street NW
Washington, DC
20006-1806

T +1.202.373.6000
F +1.202.373.6001
bingham.com

services to carriers, ISPs, and other business customers over its IP-based network through its wholly owned indirect subsidiaries, the Level 3 Companies. The Level 3 Companies are non-dominant carriers that are authorized to provide resold and/or facilities-based telecommunications services nationwide pursuant to certification, registration or tariff requirements, or on a deregulated basis. The Level 3 Companies are also authorized by the Federal Communications Commission ("FCC") to provide international and domestic interstate services as non-dominant carriers.

In Kentucky, Level 3 LLC is authorized to provide local exchange communications and resold intrastate interexchange telecommunications services under Utility ID Nos. 22250094 & 5009400, pursuant to registration and tariffs granted by the Commission on October 3, 1998. Broadwing is authorized to provide interexchange telecommunications services pursuant to registration and tariff authority granted by the Commission under Utility ID No. 5167700. TelCove is authorized to provide local exchange and interexchange telecommunications services under Utility ID No. 5019900, pursuant to registration and tariff authority granted by the Commission on October 16, 1998. WilTel is authorized to provide interexchange telecommunications services and operator services under Utility ID Nos. 22251436 & 5143600, pursuant to registration and tariff authority granted by the Commission on February 18, 1999.

Level 3 has the technical, managerial, and financial qualifications to acquire control of the GC Companies. Level 3, through its operating subsidiaries, is a leading global communications company, operating one of the world's newest and most advanced telecommunications platforms. The Level 3 network spans over 27,000 route miles and delivers services to customers in major markets across the United States and Europe. It serves a substantial number of the world's largest and most sophisticated communications companies, including interexchange carriers, local phone companies, European PTTs, cable operators, ISPs, wireless companies, and Internet content providers. In 2010, Level 3 had worldwide communications revenues of \$3.591 billion and total revenues of \$3.651 billion. In addition, Level 3 is operated by a highly qualified management team, all of whom have extensive backgrounds in telecommunications. Information concerning the legal, technical, managerial and financial qualifications of Level 3 was submitted with the various applications filed with the Commission, and is, therefore, already a matter of record.

B. Global Crossing and the GC Companies

Global Crossing, a New York corporation, is headquartered at 225 Kenneth Drive, Rochester, New York 14623. Global Crossing's indirect operating subsidiaries, the GC Companies, together with its other U.S. and international affiliates, provide telecommunications solutions over the world's first integrated global IP-based network. Its core network connects more than 300 major cities in thirty countries worldwide, and delivers services to more than 600 cities in sixty countries and six continents around the globe. The GC Companies and their affiliates offer a full range of managed data and voice products to enterprise customers, carriers, mobile operators and ISPs.

Elizabeth O'Donnell, Executive Director
May 18, 2011
Page 3

The GC Companies are Michigan corporations and wholly owned indirect subsidiaries of Global Crossing. The GC Companies are authorized to provide telecommunications services as competitive, nondominant carriers pursuant to certification, registration or tariff requirements, or on a deregulated basis in all fifty states and the District of Columbia. The GC Companies operate as nondominant domestic interstate telecommunications carriers under the FCC's blanket authority. GC Telecommunications also operates as an international telecommunications carrier through FCC authority held by Global Crossing. In Kentucky, GC Telecommunications is authorized to provide intrastate telecommunications services pursuant to authority granted by the Commission in CPCN Case No. 9031 on November 21, 1984. GC Local is authorized to provide intrastate telecommunications services pursuant to authority granted by the Commission in Case No. 61-0254 on April 2, 2000.

II. CONTACT INFORMATION

For the purposes of this filing, contacts for the Parties are as follows:

For Level 3:

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

For Global Crossing and the GC
Companies:

Matthew Brill
Brian Murray
Latham & Watkins LLP
555 Eleventh Street, NW
Suite 1000
Washington, DC 20004-1304
Tel: (202) 637-2200
Fax: (202) 637-2201
Email: matthew.brill@lw.com
brian.murray@lw.com

and:

Richard E. Thayer
Senior Counsel
Level 3 Communications, Inc.
1025 Eldorado Boulevard
Broomfield, CO 80021
Tel: (720) 888-2516
Fax: (720) 888-5134

and:

Paul Kouroupas
Vice President Regulatory Affairs
Global Crossing
200 Park Avenue
Florham Park, NJ 07932-0680
Tel: (973) 937-0243
Fax: (973) 360-0694

III. TRANSFER OF CONTROL AND RELATED TRANSACTIONS

On April 11, 2011, Level 3, Apollo Sub, and Global Crossing's indirect parent company, Global Crossing Limited ("GCL"), entered into an Agreement and Plan of Amalgamation (the "Agreement") whereby Apollo Sub and GCL will be amalgamated

under Bermuda Law, which is essentially the same type of transaction as a merger under U.S. law. Pursuant to the Agreement, each issued and outstanding common share and convertible preferred stock of GCL (other than any shares owned by Level 3, GCL, or their respective subsidiaries and any dissenting shares) will be exchanged for shares of common stock of Level 3. In total, Level 3 currently expects to issue approximately 1.3 billion shares. Following the transaction between GCL and Apollo Sub, the separate corporate existence of Apollo Sub and GCL will cease, and the combined company, renamed Level 3 GC Limited, will exist as a wholly owned subsidiary of Level 3 Financing and ultimately a wholly owned subsidiary of Level 3 LLC.¹ As a result of the transaction, Level 3 will indirectly control the GC Companies.

In addition, as a result of the exchange of shares in connection with the merger, STT Crossing Ltd, a current direct shareholder in GCL and an indirect shareholder in Global Crossing and the GC Companies, will obtain a minority interest of approximately 24% in Level 3, and indirectly in the Level 3 Companies, at closing.² In addition, Southeastern Asset Management, Inc., which is currently the largest Level 3 stockholder with an approximate 30% beneficial ownership interest, will beneficially own approximately 15% of Level 3. Other than STT Crossing Ltd. and Southeastern Asset Management, Inc., no other individual or entity is expected to hold 10% or more of Level 3. The majority of the Level 3 stock will continue to be held by current investors.

Following consummation of the transaction, the GC Companies will continue to operate their facilities and provide service to their customers at the same rates, terms, and conditions, ensuring a seamless transition of ownership. For the Commission's convenience, pre- and post-transaction organizational charts are provided as Exhibit A. A copy of the Agreement is included in the SEC Form 8-K filed by Level 3 and is available at <http://lvl.client.shareholder.com/sec.cfm>.

IV. PUBLIC INTEREST CONSIDERATIONS

The Parties submit that the transactions described herein will serve the public interest. The Parties expect that the merger will enable the combined entity to better meet the local, national and global needs of enterprises, wholesale buyers, and other customers. The transaction will bring together two successful carrier organizations that have proven

¹ Immediately following the merger, Level 3 GC Limited will be a direct subsidiary of Level 3 Financing. Thereafter, Level 3 expects to complete a *pro forma* intracorporate transaction whereby Level 3 GC Limited will become a direct subsidiary of Level 3 LLC.

² Pursuant to a separate stockholder rights agreement, any future share acquisitions by STT Crossing Ltd would be subject to a limitation on its interest in Level 3 of 34.5%.

Elizabeth O'Donnell, Executive Director
May 18, 2011
Page 5

themselves in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization's respective strengths. Operation as an integrated company will allow each of the operating companies to be more competitive and to deliver greater value and variety of services to their customers than they do individually.

Moreover, the transaction will be conducted in a manner that will be largely transparent to customers of the Level 3 Companies and the GC Companies. The transaction 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 transaction, the Level 3 Companies and the GC Companies will continue to provide high-quality communications services to their customers without interruption and without immediate change in rates, terms or conditions.

For various important business, tax and financial reasons, the Parties require that the transaction be closed as quickly as possible. Delay in the regulatory process – and thus in the ability of the Parties to move forward promptly with the integration process – risks creating uncertainty and competitive harm. In particular, the competitive telecommunications marketplace continues to be a very challenging business environment. The proposed transaction is aimed at strengthening the competitive position of the combined entities and, therefore, delay in the regulatory approval process prevents the parties from realizing the economic benefits of integration of the carriers' networks or offering the expanded combined network footprint to customers as quickly as the parties otherwise could. As stated above, it is the Parties' understanding that Commission approval is not required to complete the transactions described herein. If the Commission believes that any additional information or actions are required, the Parties urge it to address such concerns expeditiously.

Elizabeth O'Donnell, Executive Director
May 18, 2011
Page 6

V. **CONCLUSION**

For the reasons stated above, the Parties respectfully submit that the public interest, convenience, and necessity would be furthered by the transfer of control and related transactions.

An original and four (4) copies of this letter are enclosed for filing. Please date-stamp the extra copy and return it in the envelope provided. If there are any questions regarding this matter, please feel free to contact the undersigned.

Respectfully submitted,



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

Matthew Brill
Brian Murray
Latham & Watkins LLP
555 Eleventh Street, NW
Suite 1000
Washington, DC 20004-1304
Tel: (202) 637-2200
Fax: (202) 637-2201
Email: matthew.brill@lw.com
brian.murray@lw.com

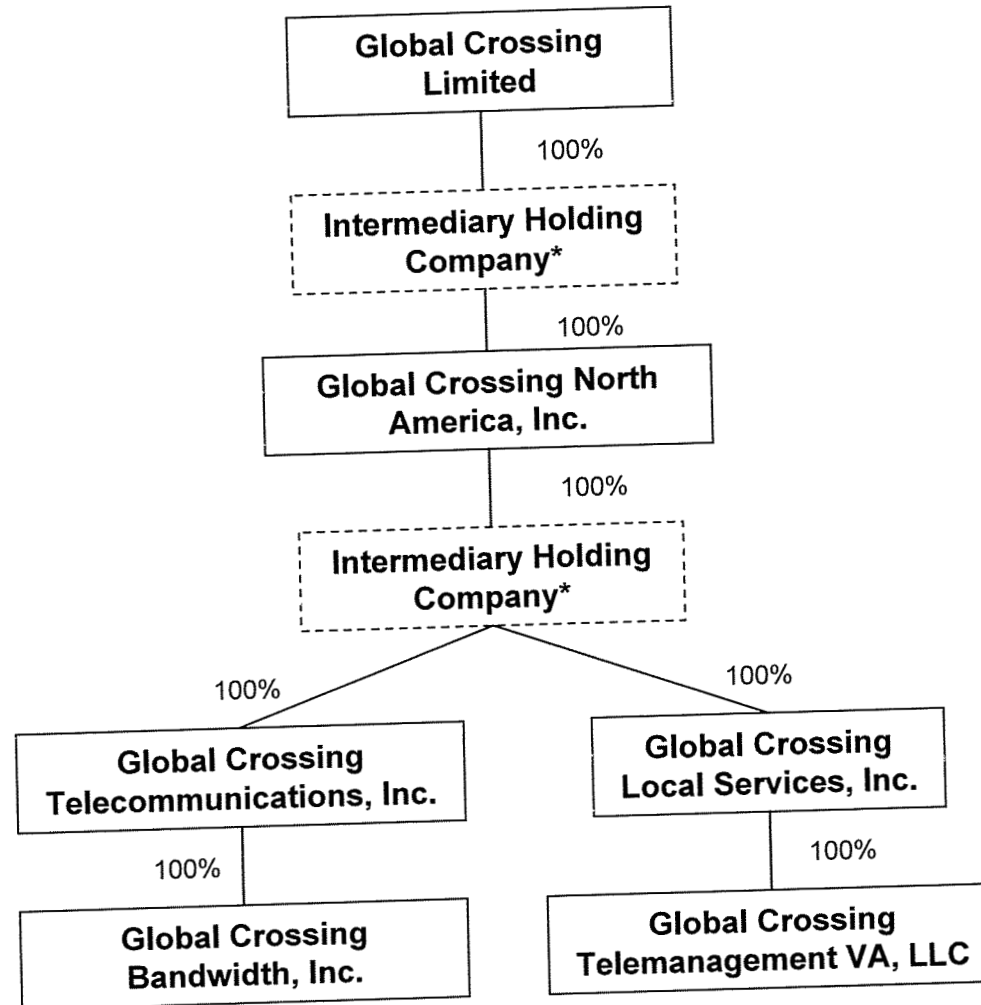
Counsel for Level 3 Communications, Inc.,
Level 3 Communications, LLC, Broadwing
Communications, LLC, WilTel
Communications, LLC, and TelCove
Operations, LLC

Counsel for Global Crossing North
America, Inc., Global Crossing
Telecommunications, Inc. and Global
Crossing Local Services, Inc.

EXHIBIT A

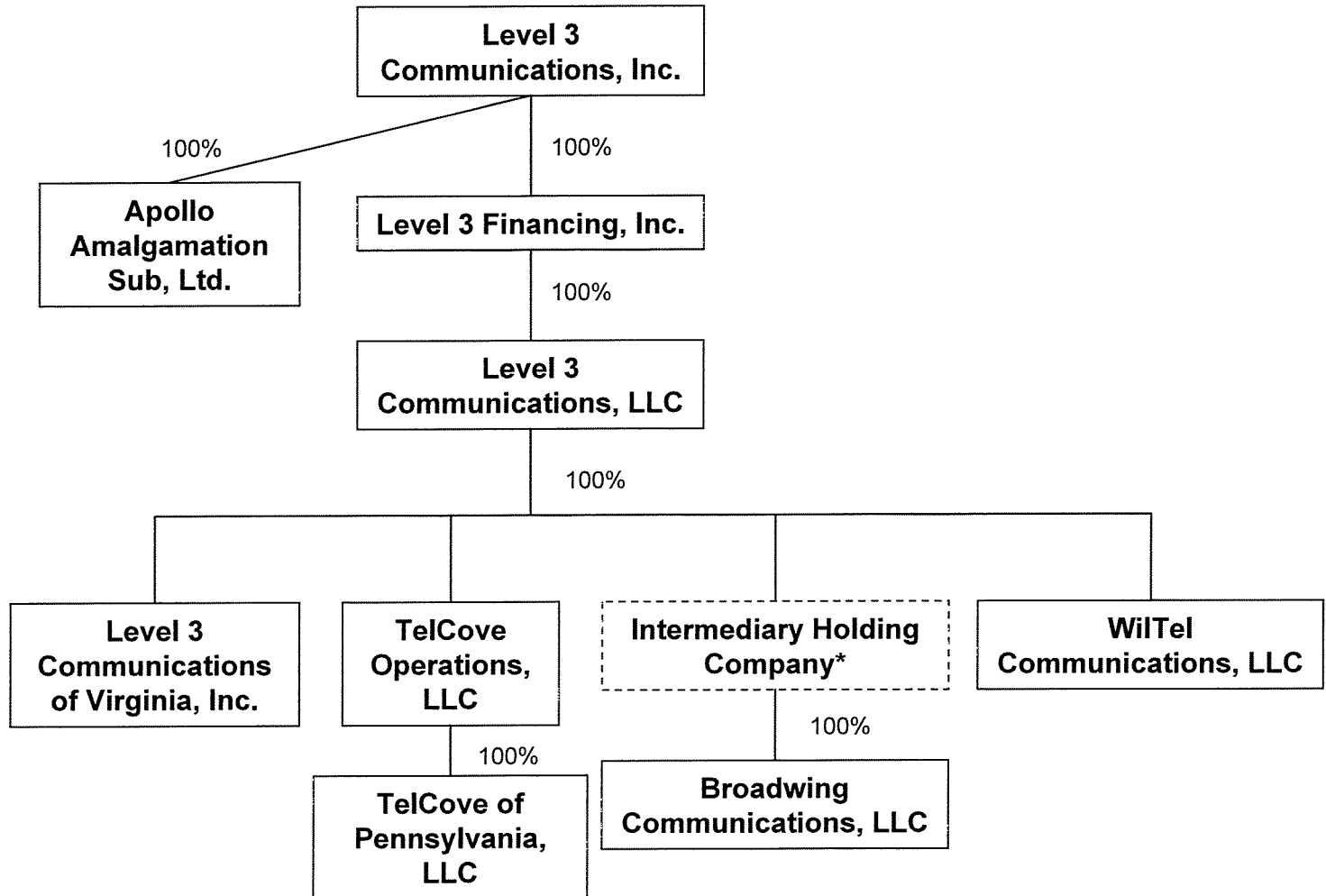
Pre- and Post-Transaction Organizational Charts

Pre-Transaction Global Crossing Corporate Structure



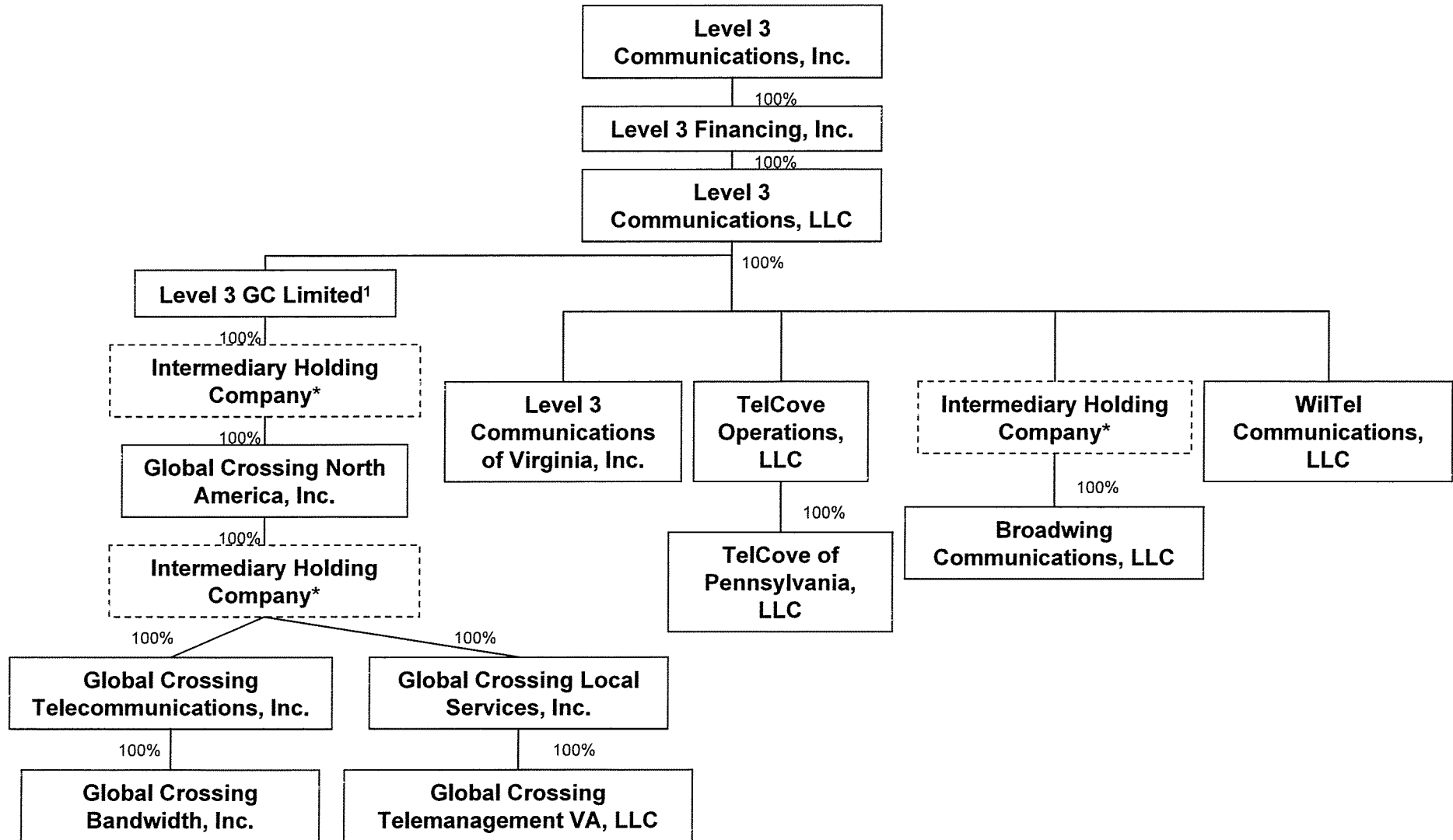
*Intermediary holding companies omitted for purposes of clarity--none are certificated telecommunications service providers.

Pre-Transaction Level 3 Corporate Structure



*Intermediary holding companies omitted for purposes of clarity--none are certificated telecommunications service providers. Broadwing Communications, LLC is 100% *indirectly* owned by Level 3 Communications, LLC. Level 3 Communications of Virginia, Inc., Telcove Operations, LLC and WiTel Communications, LLC are each 100% *directly* held by Level 3 Communications, LLC.

Post-Transaction Level 3 Corporate Structure



*Intermediary holding companies omitted for purposes of clarity--none are certificated telecommunications service providers. Broadwing Communications, LLC is 100% *indirectly* owned by Level 3 Communications, LLC. Level 3 Communications of Virginia, Inc., Telcove Operations, LLC and WiTel Communications, LLC are each 100% *directly* held by Level 3 Communications, LLC.

¹ Immediately following the merger, Level 3 GC Limited (the new company formed upon completion of the combination of Apollo Amalgamation Sub Ltd. and Global Crossing Limited) will be 100% directly held by Level 3 Financing, Inc., and ultimately will become a wholly owned subsidiary of Level 3 Communications, LLC.

VERIFICATION

I, Paul Kouroupas, state that I am the Vice President Regulatory Affairs of Global Crossing North America, Inc. and its operating subsidiaries; that I am authorized to make this Verification on behalf of Global Crossing North America, Inc. and its operating subsidiaries; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to Global Crossing North America, Inc. and its operating subsidiaries are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 17 day of May, 2011.



Paul Kouroupas
Vice President Regulatory Affairs
Global Crossing North America, Inc.

VERIFICATION

I, Richard E. Thayer, state that I am Senior Counsel of Level 3 Communications, LLC and its subsidiaries; that I am authorized to make this Verification on behalf of Level 3 Communications, LLC and its subsidiaries; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to Level 3 Communications, LLC and its subsidiaries are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this

11th day of May, 2011.



Richard E. Thayer
Senior Counsel
Level 3 Communications, LLC