



**DOUGLAS F. BRENT**  
DIRECT DIAL: (502) 568-5734  
DIRECT FAX: (502) 562-0934  
Douglas.Brent@skofirm.com

2000 PNC PLAZA  
500 WEST JEFFERSON STREET  
LOUISVILLE, KY 40202-2828  
MAIN: (502) 333-6000  
FAX: (502) 333-6099

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January 12, 2017

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PUBLIC SERVICE  
COMMISSION

Ms. Talina Mathews  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 660  
Frankfort, KY 40601

**RE: Notice Regarding the Transfer of Indirect Control of Level 3 Communications, LLC, Broadwing Communications, LLC, WilTel Communications, LLC, Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc., TelCove Operations, LLC, and Level 3 Telecom of Kentucky, LLC to CenturyLink, Inc. ("Notice")**

Dear Ms. Mathews:

CenturyLink, Inc. ("CenturyLink") and Level 3 Communications, Inc. ("Level 3") (the "Parties") notify the Kentucky Public Service Commission ("Kentucky Commission" or "Commission") that the Parties plan to consummate a parent-level merger transaction whereby CenturyLink will acquire indirect control of the following telecommunications carriers from Level 3 (the "Transaction"): Level 3 Communications, LLC, Broadwing Communications, LLC, WilTel Communications, LLC, Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc., TelCove Operations, LLC and Level 3 Telecom of Kentucky, LLC ("Level 3 OpCos"). The Level 3 OpCos are utilities authorized to provide competitive telecommunications services in Kentucky.

Pursuant to the Orders issued in Admin. Case No. 359 on June 21, 1996 and Admin. Case No. 370 on January 8, 1998 and 807 KAR 5:011, Section 11, CenturyLink and Level 3 understand that Commission approval is not required to complete the transaction described herein, and no Commission action is requested. The Parties provide this Notice to inform the Commission about the Transaction well in advance of closing, for the Commission's record keeping purposes. The Parties intend to close the Transaction by September 30, 2017. The Parties will inform the Commission upon closing or other termination of the Transaction.

## DESCRIPTION OF THE PARTIES

### A. Level 3 and the Level 3 OpCos

Level 3 is a publicly traded (NYSE: LVLT) Delaware corporation with principal offices located at 1025 Eldorado Boulevard, Broomfield, Colorado 80021. Through its operating subsidiaries, Level 3 offers a wide range of communications services over its broadband fiber-optic network in North and South America, Europe, and Asia, including IP-based services, broadband transport, collocation services, and patented Softswitch-based voice services to enterprise and government customers. The Level 3 operating subsidiaries, including the Level 3 OpCos, are non-dominant carriers that are authorized to provide telecommunications services pursuant to certification, registration, or tariff requirements, or on a deregulated basis. None of the Level 3 OpCos are incumbent local exchange carriers (ILECs).

Below is a brief description of the Kentucky authority held by each of the Level 3 OpCos:

1. Level 3 Communications, LLC is authorized to provide resold local exchange and interexchange telecommunications services under Utility ID Nos. 2250094 & 500400, pursuant to its registration and tariffs accepted by the Commission effective October 3, 1998.
2. Broadwing Communications, LLC is authorized to provide interexchange telecommunications services under Utility ID No. 5167700, pursuant to its registration and tariff on file with the Commission.
3. Global Crossing Telecommunications, Inc. is authorized to provide long distance services under Utility ID No. 5129500, pursuant to its CPCN issued in Case 9031 on November 21, 1984.
4. Global Crossing Local Services, Inc. is authorized to provide competitive local exchange services under Utility ID 5051440, pursuant to registration filed on March 3, 2000.
5. WilTel Communications, LLC is authorized to provide operator services and interexchange telecommunications services under Utility ID Nos. 2251436 and 5143600, pursuant to its registration and tariff filings accepted by the Commission on February 18, 1999.
6. Level 3 Telecom of Kentucky, LLC is authorized to provide competitive local exchange services in certain parts of the state of Kentucky under Utility ID Nos. 5056040 and 5177200, pursuant to its registration and tariff filed with the Commission.
7. TelCove Operations, LLC is authorized to provide competitive local exchange and long distance telecommunications services under Utility ID

No. 5019900, pursuant to its registration and tariff filings with the Commission on October 16, 1998.

## **B. CenturyLink and the CenturyLink OpCos**

CenturyLink is a publicly traded (NYSE: CTL) Louisiana corporation with headquarters at 100 CenturyLink Drive, Monroe, Louisiana. CenturyLink's operating entities offer communications services, including local and long-distance voice, local network access, high-speed internet, and information, entertainment, and fiber transport services through copper and fiber networks, to consumers and businesses in 50 states. CenturyLink's operating entities also provide high-speed internet access services and data transmission services. In certain local and regional markets, CenturyLink's operating entities provide telecommunications services as a competitive local exchange carrier ("CLEC"), offer security monitoring, and provide other communications, professional, business, and information services.

As of December 31, 2015, CenturyLink operating entities provided high-speed internet access services to over six million customers and had approximately 11.7 million access lines. CenturyLink entities operate a state-of-the-art fiber transport system, which provides fiber-based transport services to its customers.

CenturyLink is the ultimate parent of various operating subsidiaries, of which the following two entities are registered as telecommunications carriers with the Commission: CenturyLink Communications LLC, and CenturyLink Public Communications, Inc. ("CenturyLink OpCos").

Below is a brief description of the Kentucky-registered CenturyLink OpCos' telecommunications services and authorizations:

1. CenturyLink Communications LLC is authorized to provide competitive interexchange telecommunications services (IXC), and competitive local exchange services pursuant to its registration with the Commission.
2. CenturyLink Public Communications, Inc. is authorized to provide specialized, non-basic services to correctional facilities including interexchange service pursuant to its registration with the Commission.

## **DESCRIPTION OF THE TRANSACTION**

On October 31, 2016, CenturyLink entered into an Agreement and Plan of Merger (the "Merger Agreement") with Level 3, Wildcat Merger Sub 1 LLC, a Delaware limited liability company and an indirect wholly-owned subsidiary of CenturyLink ("Merger Sub 1"), and WWG

Merger Sub LLC, a Delaware limited liability company and an indirect wholly-owned subsidiary of CenturyLink (“Merger Sub 2”).

In connection with entering into the Merger Agreement, CenturyLink, Inc. created a direct subsidiary, Wildcat Holdco LLC, a Delaware limited liability company (“Holdco”), which in turn created two direct subsidiaries of its own, Merger Sub 1 and Merger Sub 2. The Merger Agreement provides, among other things, that subject to the satisfaction or waiver of the conditions set forth therein (i) Merger Sub 1 will merge with and into Level 3, with Level 3 surviving (the “Initial Merger”), and (ii) immediately thereafter, Level 3 will merge with and into Merger Sub 2, with Merger Sub 2 surviving (the “Subsequent Merger” and, together with the Initial Merger, the “Combination”). Following the Combination, Merger Sub 2 (the successor to Level 3) will be a direct wholly-owned subsidiary of Holdco, and Holdco will be a wholly-owned direct subsidiary of CenturyLink, Inc. Merger Sub 2 will survive the Subsequent Merger as an indirect wholly-owned subsidiary of CenturyLink. As a result of the Combination, the Level 3 OpCos will be indirect, wholly owned subsidiaries of CenturyLink.

Under the Merger Agreement, at the effective time of the Initial Merger, each outstanding share of Level 3 common stock, par value \$0.01 per share (the “Level 3 Common Stock”), other than shares held by holders who properly exercise appraisal rights, will be converted into the right to receive \$26.50 in cash, without interest, and 1.4286 shares of CenturyLink common stock, par value \$1.00 per share (the “CenturyLink Common Stock”).<sup>1</sup> The Combination is subject to (i) the approval and adoption of the Merger Agreement by the stockholders of Level 3 and (ii) the approval by the shareholders of CenturyLink of the issuance of the CenturyLink Common Stock in the Initial Merger. The Combination also is subject to other customary closing conditions, including federal and state commission approvals as may be required.

Upon the closing the Transaction, CenturyLink shareholders will own approximately 51 percent and Level 3 shareholders will own approximately 49 percent of the combined company. The Transaction is explained in greater detail, in CenturyLink’s SEC Form 8-K report filed October 31, 2016.<sup>2</sup>

For the Commission’s reference, pre- and post-Transaction organization charts are provided as Exhibit A. The charts demonstrate the indirect transfer of control of the Level 3 OpCos from Level 3 to CenturyLink, with unregulated and non-Kentucky jurisdictional entities

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<sup>1</sup> No fractional shares of CenturyLink will be issued in the Initial Merger, and Level 3 stockholders who would otherwise have been entitled to receive a fraction of a share (after taking into account all Level 3 shares exchanged by such holder) will receive cash in lieu of any fractional shares.

<sup>2</sup> <http://ir.centurylink.com/Cache/36548388.pdf?IID=4057179&FID=36548388&O=3&OSID=9>.

removed except those intermediate non-carrier holding companies between the OpCos and the ultimate parent companies.<sup>3</sup>

### CONTACT INFORMATION

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

<b>For Level 3</b>	<b>For CenturyLink</b>
<p>Catherine Wang, Esq. Danielle Burt, Esq. Morgan, Lewis &amp; Bockius LLP 2020 K Street, N.W. Washington, DC 20006 Phone: (202) 373-6000 Fax: (202) 373-6001 E-mail: <a href="mailto:catherine.wang@morganlewis.com">catherine.wang@morganlewis.com</a> <a href="mailto:danielle.burt@morganlewis.com">danielle.burt@morganlewis.com</a></p> <p>with a copy to:</p> <p>Carolyn Ridley Senior Director of State Public Policy Level 3 Communications 2078 Quail Run Drive Bowling Green, KY 42104 Phone: (615) 584-7372 E-mail: <a href="mailto:carolyn.ridley@level3.com">carolyn.ridley@level3.com</a></p>	<p>Thomas M. Dethlefs CenturyLink 1801 California St., 10<sup>th</sup> Floor Denver, CO 80202 Phone: (303) 992-5791 Fax: (303) 383-8468 E-mail: <a href="mailto:thomas.dethlefs@CenturyLink.com">thomas.dethlefs@CenturyLink.com</a></p>

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<sup>3</sup> The Level 3 organization chart reflects that in 2012, Level 3 eliminated a holding company that was a subsidiary of Global Crossing North America, Inc. and parent of Global Crossing Telecommunications, Inc. and Global Crossing Local Services, Inc. This change was entirely pro forma in nature and did not result in a change to the ultimate ownership or management of the certificated companies, the services provided to consumers or the names of the certificated service providers operating in the state. Please note also that Global Crossing North American Holdings, Inc. ("GCNAH") is a direct subsidiary of Level 3 Communications, LLC ("Level 3 LLC"). In a prior filing in 2014 relating to Level 3's acquisition of the former tw telecom companies, the post-closing organization chart mistakenly indicated that GCNAH was a direct subsidiary of another company called Level 3 GC Limited, which, like Level 3 LLC, is a direct subsidiary of Level 3 Financing, Inc.

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If there are any questions concerning this matter, please feel free to contact the undersigned or the persons noted above.

Respectfully submitted,



Douglas F. Brent  
Counsel to CenturyLink

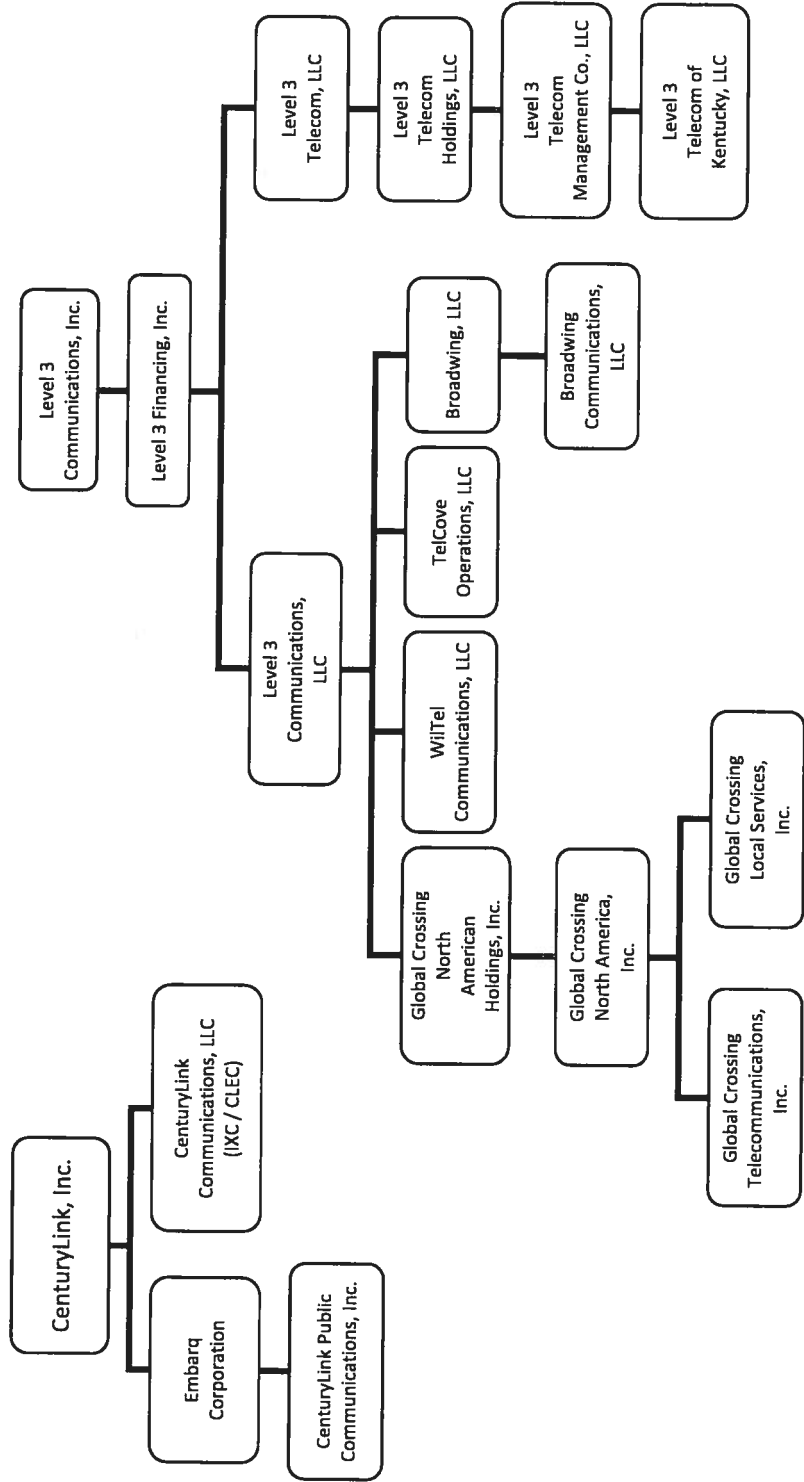
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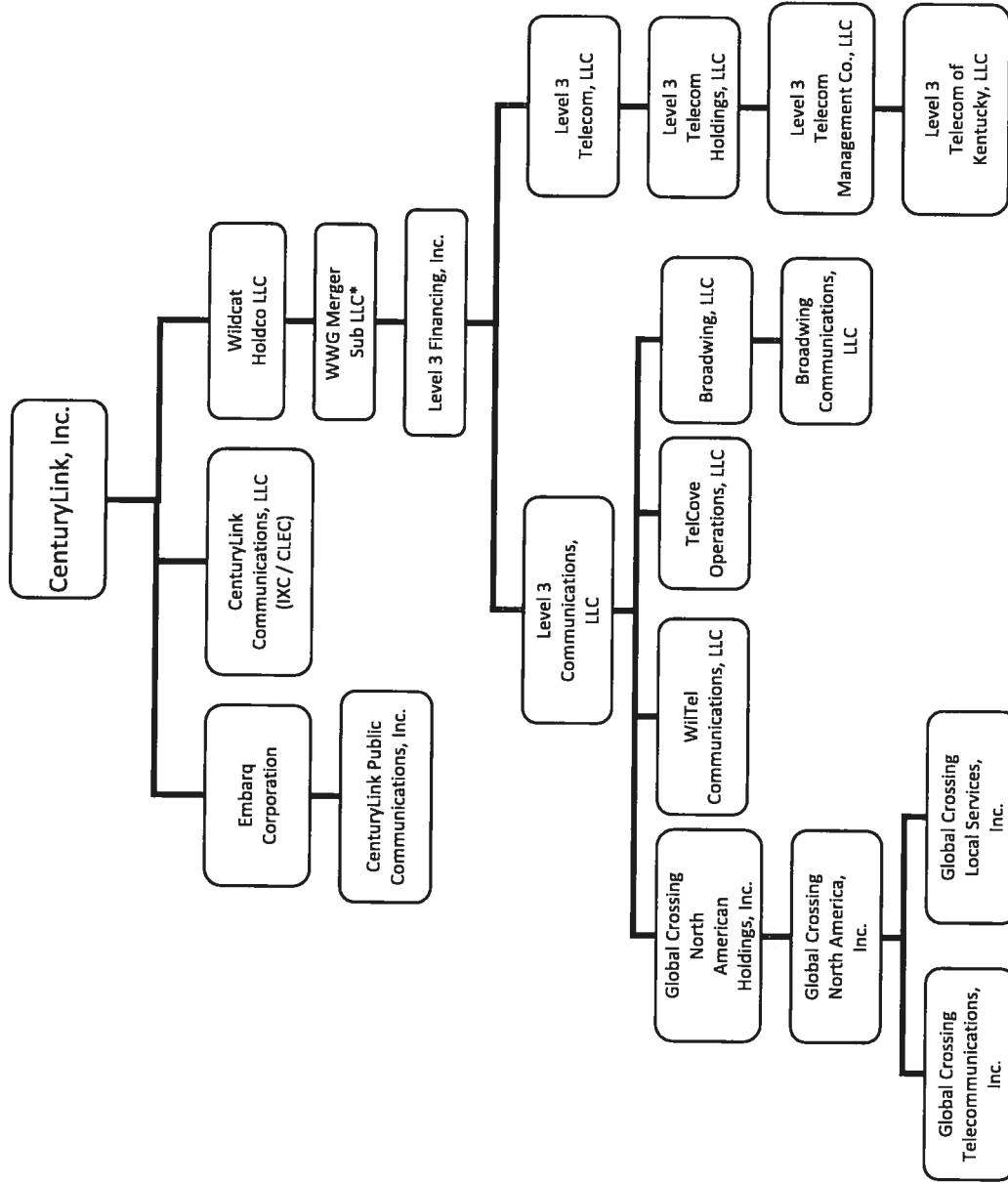
# KENTUCKY

## Pre-Merger Corporate Structure



KENTUCKY

Post-Merger Corporate Structure



\*Surviving entity after merging with Level 3 Communications, Inc.