

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

Petition of)
Level 3 Communications, LLC)
Broadwing Communications, LLC,)
TelCove Operations, LLC,)
TelCove of Nashville, LP. and)
WilTel Communications, LLC)
for Approval to Participate in a)
Financing Arrangement)

Docket No. 09-00048

PETITION

I. INTRODUCTION

Level 3 Communications, LLC (“Level 3 LLC”), Broadwing Communications, LLC (“Broadwing”), TelCove Operations, LLC (“TelCove”), TelCove of Nashville, L.P. (“Telcove Nashville”) and WilTel Communications, LLC (“WilTel” and collectively, “Petitioners”), request approval, to the extent that such is necessary, from the Tennessee Regulatory Authority (“Authority”) to incur additional debt obligations of up to \$500 million and to secure the debt by liens on Petitioners’ assets.¹ To enable the Petitioners to secure the full benefit of this additional funding, Petitioners request that the Authority grant its approval, as necessary, for this borrowing no later than 60 days from the date of this filing.

Specifically, Level 3 Financing, Inc. (“Financing”), the immediate corporate parent of Level 3 LLC, anticipates that the financing arrangement will involve additional long-term loans under the accordion provision of the existing Credit Facility that was approved by the Authority (hereinafter “2007 Financing”).² Petitioners will incur debt either as co-borrowers or guarantors of Financing’s debt and that debt will be secured by liens on Petitioners’ assets and/or a pledge

¹ This Petition is being filed pursuant to Section 65-4-109 of the Tennessee Code and other regulations deemed applicable.

² See Order, Docket No. 07-00051 (Sept. 21, 2007). The 2007 Financing documents incorporated an “accordion” provision that enables Financing to obtain additional debt funding as its operating income grows. Under the approved agreement, Financing is able to borrow the greater of \$ 1.4 billion or the dollar amount that results from an approximation of the operating income of the business as defined in the Credit Facility being multiplied by 1.5.

of the capital stock of Petitioners held by their respective immediate corporate parents. In addition, the proceeds from the Credit Agreement will be advanced to Level 3 LLC for an intercompany demand note.

In support, Petitioners state:

II. PETITIONERS

A. Level 3 Communications, LLC

Level 3 LLC is a Delaware limited liability company and is a wholly owned subsidiary of Financing, which, in turn, is a wholly owned subsidiary of Level 3 Communications, Inc. (“Parent”). All three have principal offices located at 1025 Eldorado Boulevard, Broomfield, CO 80021. Level 3 LLC provides high-quality voice and data services to carriers, ISPs, and other business customers over its IP-based network. Level 3 LLC 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 Tennessee, Level 3 LLC is authorized to provide facilities-based and resold local exchange and interexchange telecommunications service pursuant to certificates granted by the TRA in Docket No. 98-00610 on November 24, 1998, as amended in Docket No. 02-00230 on June 28, 2002.

B. Broadwing Communications, LLC

Broadwing, a subsidiary of Level 3 LLC, is a telecommunications provider that is authorized to provide telecommunications service in forty-nine states and the District of Columbia; Broadwing is authorized to provide local exchange telecommunications services in 19 states and the District of Columbia. Broadwing is also authorized to provide interstate and international telecommunications services pursuant to Section 214 authorization granted by the

Federal Communications Commission. In Tennessee, Broadwing is authorized to provide intrastate interexchange telecommunications services pursuant to a certificate of public convenience and necessity granted by the TRA in Docket No. 03-00240 on July 3, 2003.³

C. TelCove Operations, LLC and TelCove of Nashville, LP.

TelCove and TelCove Nashville, subsidiaries of Level 3 LLC, offer local and long-distance voice, dedicated data, ATM, frame relay, and Internet services and is focused on serving communications-intensive end users. In Tennessee, TelCove is authorized to provide local exchange and interexchange telecommunications services pursuant to TRA approval in Docket NO. 98-00732, as amended by Docket Nos. 00-00271 and 03-00458. TelCove Nashville, is authorized in Tennessee to provide resold local exchange and interexchange telecommunications services pursuant to TRA approval in Docket No. 94-00661, as amended by Docket Nos. 00-00958 and 03-00458.

D. WilTel Communications, LLC

WilTel operates and manages a technologically advanced, fully operational, next-generation fiber-optic broadband network that spans approximately 30,000 route-miles connection 118 cities in the United States and extends to Europe, Mexico and the Pacific Rim. In Tennessee, WilTel is authorized to provide resold and facilities-based local exchange, interexchange and exchange access telecommunications services pursuant to a certificate granted by the TRA in Docket No. 99-00398 on October 13, 1999 and is authorized to provide service as a reseller and operator service provider pursuant to a certificate granted by the TRA in Docket No. 99-00034 on April 6, 1999.⁴

³ The authorization was originally granted to C III Communications Operations, LLC, which changed its name to Broadwing. See Docket No. 03-0559 (February 19, 2004).

⁴ The certificates were originally granted to Williams Communications, Inc. d/b/a Vyvx, Inc. On February 27, 2001, the TRA was notified of the name change to WilTel Communications, LLC d/b/a Vyvx, Inc. The TRA approved the name change to WilTel Communications, LLC in Docket No. 04-0448 on July 28, 2005.

III. DESIGNATED CONTACTS

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

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IV. DESCRIPTION OF TRANSACTION

Petitioners request Authority approval to participate in a financing arrangement whereby Petitioners will incur additional debt obligations of up to 1.5 times the approximate operating income of Financing and its subsidiaries. Based on that formula, the Petitioners will raise an

additional \$220 million.⁵ In addition to the immediate request to raise \$220 million, the Petitioners seek approval to engage in further borrowing up to an additional \$280 million as allowed by the provisions of the 2007 Financing for a total of an additional \$500 million. The immediate financing arrangement will involve long-term loans under the accordion provision of the existing Credit Facility that was approved by the Authority. The accordion provision allows Financing to increase the amount of debt based on a modified version of the company's earnings before interest, taxes, depreciation, and amortization (EBITDA). Parent and its subsidiaries, including Petitioners, on a consolidated basis were free cash flow positive for the fourth quarter 2008 and expect to be free cash flow positive for the all of 2009. It is as a result of Financing's and Petitioners' improving financial performance through the fourth quarter 2008 that Financing is able to seek additional debt funding under the 2007 Financing. Petitioners will incur this debt either as co-borrowers or guarantors of Financing's debt.

Consistent with the terms of the approved 2007 Financing, Applicants will grant a security interest in their assets and their capital stock or membership interests will be pledged. Petitioners emphasize that all of the jurisdictional assets, capital stock and/or membership interests were pledged in the 2007 Financing. No new jurisdictional assets are pledged. Tennessee jurisdictional assets will not be encumbered as collateral with respect to the incremental borrowing until state regulatory approval is received. The funds from the loan may be used for working capital and for other general corporate purposes, including debt repurchases. In addition, the proceeds from the increased borrowing under the Credit Agreement will be advanced to Level 3 LLC in exchange for an intercompany demand note.

Petitioners' support for Financing's exercise of the accordion provision of the 2007 Financing arrangements will not result in a change in Petitioners' management or in its day-to-

⁵ Financing anticipates that it will receive approximately \$215 million, after fees, expenses and discounts, as proceeds from the immediate \$220 million borrowing. A press release about the transaction is attached as Exhibit A.

day operations; nor will it adversely affect Petitioners' operations in Tennessee. The financing arrangements will enable Petitioners to bring services to new markets and allow more consumers to benefit from its competitive services more quickly and efficiently. Accordingly, and to the extent required, Petitioners request that the Authority approve the participation of Petitioners in the financial arrangements described herein.

V. PUBLIC INTEREST CONSIDERATIONS

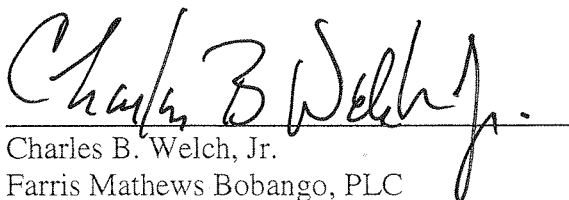
The proposed financing arrangement described herein is consistent with the public interest and will not impair the ability of Petitioners to perform services to the public. The financing arrangement will be transparent to consumers and will not alter the rates, terms and conditions under which Petitioners provides service in Tennessee. Also, the financing arrangements will not cause a change in the control of Petitioners.

Approval of Petitioners' participation in the proposed financing arrangements will serve the public interest in promoting competition among telecommunications carriers by providing Petitioners with the opportunity to strengthen their financial position. Petitioners believe that the financial arrangements described herein provide important financial benefits to the companies by improving and expanding the terms of credit under which the companies operate. As a result, the proposed transactions are expected to yield financial benefits that ultimately inure to the benefit of Petitioners' customers. Furthermore, by increasing the breadth and scope of telecommunications services made available through the Petitioners' ongoing operations, this financing transaction will ultimately benefit Tennessee consumers. In sum, greater access to capital strengthens Petitioners' ability to bring competitive telecommunications services to consumers in the State of Tennessee and is, therefore, in the public interest.

VI. CONCLUSION

For the reasons stated above, Petitioners submit that the public interest, convenience and necessity will be furthered by expeditious Authority approval of their participation in the financing arrangements described herein.

Respectfully submitted,



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Counsel for Petitioners

Date: April 7, 2009

VERIFICATION

STATE OF COLORADO

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COUNTY OF BROOMFIELD

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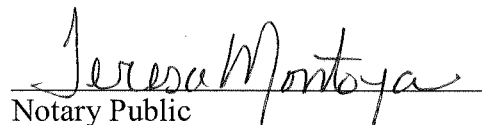
I, William P. Hunt, state that I am Vice President Public Policy for Level 3 Communications, LLC; that I am authorized to make this Verification on behalf of Level 3 Communications, LLC and its subsidiaries; that the foregoing filing was prepared under my direction and supervision; and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.



Name: William P. Hunt

Title: Vice President Public Policy
Level 3 Communications, LLC

SWORN TO AND SUBSCRIBED before me on the 2ND day of April, 2009.



Notary Public

My commission expires: 10-11-2010



EXHIBIT A

Press Release



Level 3 Financing Announces \$220 Million Tranche B Term Loan

Level 3 Financing Receives Commitments to Expand Credit Agreement Borrowings by \$220 million

BROOMFIELD, Colo., April 6, 2009 — Level 3 Communications, Inc. (NASDAQ: LVLT) today announced that its wholly owned subsidiary, Level 3 Financing, Inc., has received commitments from lenders to increase the borrowings under its existing \$1.4 billion senior secured credit facility through the creation of a \$220 million Tranche B Term Loan.

Level 3 Financing will amend and restate its existing senior secured credit facility to include a new \$220 million Tranche B Term Loan, which will mature along with the original \$1.4 billion term loan on March 13, 2014. Interest on the Tranche B Term Loan will be equal to LIBOR plus 850 bps with LIBOR set at a minimum of 3.00 percent. No changes will be made to any of the restrictive covenants contained in the existing senior secured credit facility.

The expected net proceeds of approximately \$214 million will be used for general corporate purposes. Level 3 Financing expects to complete the transaction by mid April, subject to customary closing conditions.

Banc of America Securities LLC is acting as Sole Lead Arranger and Sole Bookrunner. Willkie Farr & Gallagher LLP is acting as counsel to Level 3 and Cravath Swaine & Moore LLP is acting as counsel to Banc of America Securities LLC.

About Level 3 Communications

Level 3 Communications, Inc. (NASDAQ: LVLT) is a leading international provider of fiber-based communications services. Enterprise, content, wholesale and government customers rely on Level 3 to deliver services with an industry-leading combination of scalability and value over an end-to-end fiber network. Level 3 offers a portfolio of metro and long-haul services, including transport, data, Internet, content delivery and voice. For more information, visit www.Level3.com.

Level 3 Communications, Level 3, the red 3D brackets and the Level 3 Communications logo are registered service marks of Level 3 Communications, LLC and/or its affiliates in the United States and/or other countries. Level 3 services are provided by wholly owned subsidiaries of Level 3 Communications, Inc. Any other service, product or company names recited herein are trademarks or service marks of their respective owners.

Forward-Looking Statement

Some of the statements made in this press release are forward looking in nature. These statements are based on management's current expectations or beliefs. These forward looking statements are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside Level 3's control, which

could cause actual events to differ materially from those expressed or implied by the statements. The most important factors that could prevent Level 3 from achieving its stated goals include, but are not limited to, the current uncertainty in the global financial markets and the global economy; disruptions in the financial markets that could affect Level 3's ability to obtain additional financing; as well as the company's ability to: successfully integrate acquisitions; increase the volume of traffic on the network; defend intellectual property and proprietary rights; develop effective business support systems; manage system and network failures or disruptions; develop new services that meet customer demands and generate acceptable margins; attract and retain qualified management and other personnel; and meet all of the terms and conditions of debt obligations. Additional information concerning these and other important factors can be found within Level 3's filings with the Securities and Exchange Commission. Statements in this press release should be evaluated in light of these important factors. Level 3 is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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