

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

February 24, 2012

IN RE:

**JOINT PETITION OF LEVEL 3
COMMUNICATIONS, LLC, BROADWING
COMMUNICATIONS, LLC, WILTEL
COMMUNICATIONS, LLC, TELCOVE
OPERATIONS, LLC, GLOBAL CROSSING
TELECOMMUNICATIONS, INC. AND GLOBAL
CROSSING LOCAL SERVICES, INC. FOR
APPROVAL TO ENTER INTO CERTAIN
FINANCING ARRANGEMENT**

**DOCKET NO.
11-00204**

ORDER APPROVING FINANCING TRANSACTION

This matter came before the Tennessee Regulatory Authority (the "Authority" or "TRA") at a regularly scheduled Authority Conference held on January 9, 2012 for consideration of the *Verified Joint Petition* ("Joint Petition") filed by Level 3 Communications, LLC ("Level 3 LLC"), Broadwing Communications, LLC ("Broadwing"), Wiltel Communications, LLC ("WilTel"), Telcove Operations, LLC ("TelCove"), Global Crossing Telecommunications, Inc. ("GC Telecommunications") and Global Crossing Local Services, Inc. ("GC Local") (collectively the "Petitioners") for approval to enter into certain financing arrangements pursuant to Tenn. Code Ann. § 65-4-109 (2004).

Level 3 Communications, Inc. ("Level 3") is a publicly traded Delaware corporation. Level 3 provides voice and data services to carriers, Internet Service Providers, and other business customers over its Internet Protocol based network through its wholly-owned subsidiaries, including the Petitioners. The Petitioners 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 Petitioners are also authorized by the Federal Communications Commission ("FCC") to provide international and domestic interstate services as non-dominant carriers.

In Tennessee, the Petitioners hold the following authorizations:

- 1) Level 3 LLC is authorized to provide facilities-based and resold local exchange and interexchange telecommunications services pursuant to Authority Order in Docket No. 98-00610 issued on November 24, 1998, as amended in Docket No. 02-00230 on June 28, 2002.
- 2) Broadwing is authorized to provide intrastate interexchange telecommunications services pursuant to Authority Order in Docket No. 03-00240 issued on July 3, 2003.
- 3) TelCove is authorized to provide local and interexchange telecommunications services pursuant to Authority Order in Docket No. 98-00732, as amended by Docket Nos. 00-00271 and 03-00458.
- 4) WilTel is authorized to provide facilities-based and resold local exchange, interexchange, exchange access telecommunications services and operator services pursuant to Authority Order in Docket No. 99-00398 issued on October 13, 1999 and Docket No. 99-00034 issued on April 6, 1999.
- 5) GC Telecommunications is authorized to provide interexchange telecommunications services pursuant to authority granted by the Tennessee Public Service Commission in Docket U-84-7325 issued on September 25, 1985.
- 6) GC Local is authorized to provide intrastate telecommunications services pursuant to Authority Order granted in Docket No. 99-00120 issued on November 18, 1999.

The Joint Petition

Level 3 Financing, Inc. ("Level 3 Financing"), a wholly-owned unregulated non-carrier subsidiary of Level 3, has entered into a \$550 million term loan ("Term Loan") with a maturity of up to seven (7) years. Level 3 Financing loaned the net proceeds it received to its subsidiary, Level 3 LLC, in return for an intercompany demand note. According to the *Joint Petition*, the Petitioners will pledge their assets and act as guarantors in support of the \$550 million Term Loan. The *Joint Petition* states the terms

of the Term Loan are the same as the term loan approved by Authority Order in Docket No. 11-00054 on October 5, 2011. Following consummation of the financing, Petitioners will continue to provide communications services to their customers without interruption and without immediate change in rates, terms, or conditions. The *Joint Petition* states that the Petitioners' participation in the proposed financing as guarantors will not result in a change in their ownership or in their day-to-day operations, and the transaction will be transparent to their customers.

The January 9, 2012 Authority Conference

Tenn. Code Ann. § 65-4-109 (2004) states:

No public utility shall issue any stocks, stock certificates, bonds, debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the authority for such proposed issue. It shall be the duty of the authority after hearing to approve any such proposed issue maturing more than one (1) year from the date thereof upon being satisfied that the proposed issue, sale and delivery is to be made in accordance with law and the purpose of such be approved by the authority.

At a regularly scheduled Authority Conference held on January 9, 2012, the panel voted unanimously to approve the *Joint Petition* based on the facts asserted therein and the responses to Data Requests and made the following findings:

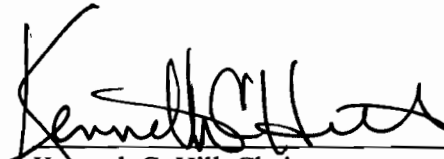
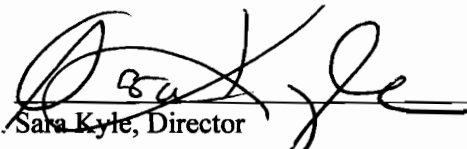
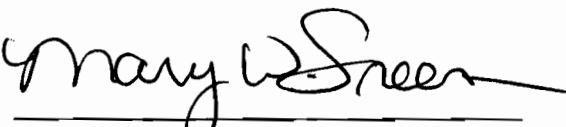
1. The proposed transaction is subject to approval pursuant to Tenn. Code Ann. § 65-4-109 (2004);
2. The proposed transaction is being made in accordance with the laws enforceable by the Authority; and
3. The purpose of the transaction is in the public interest because the transaction will strengthen the Petitioners' competitive position through access to greater financial resources.

IT IS THEREFORE ORDERED THAT:

1. Level 3 Communications, LLC, Broadwing Communications, LLC, Wiltel Communications, LLC, Telcove Operations, LLC, Global Crossing Telecommunications, Inc. and Global Crossing Local Services, Inc. are authorized to enter into the financing transaction as described in the *Verified Joint Petition* and discussed herein.

2. The authorization and approval given hereby shall not be used by any party, including, but not limited to, any lending party, for the purpose of inferring an analysis or assessment of the risks involved.

3. This decision is not intended to create any liability on the part of the Tennessee Regulatory Authority, the State of Tennessee or any political subdivision thereof.


Kenneth C. Hill, Chairman
Sara Kyle, Director
Mary W. Freeman, Director