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February 10, 2012

Via Overnight Courier and Electronic Mail

Chairman Kenneth C. Hill
c/o Sharla Dillon, Dockets and Records Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243
sharla.dillon@tn.gov

**Re: Petition of Level 3 Communications, LLC for Approval to Participate in a
Financing Arrangement**

Dear Chairman Hill:

On behalf of Level 3 Communications, LLC ("Petitioner"), enclosed please find an original and four (4) copies of the above-referenced Petition for filing with the Authority. Also enclosed is a check in the amount of \$25.00 to cover the requisite filing fee. A copy of this filing in PDF format is also being submitted via electronic mail.

Please date-stamp the enclosed extra copy of this filing and return it in the self-addressed, stamped envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,



Catherine Wang
Danielle Burt

Counsel for Petitioner

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

Level 3 Communications, LLC (“Level 3 LLC” or “Petitioner”), through its undersigned counsel, submits this Petition pursuant to Section 65-4-109 of the Tennessee Code. Petitioner herein requests Tennessee Regulatory Authority (“TRA”) approval, or such authority as may be necessary or required, authorizing the Petitioner to participate in certain financing arrangements made in connection with the issuance of Senior Notes as further described herein (the “Financing”).

I. DESCRIPTION OF THE PARTIES: Level 3 Communications, Inc., Level 3 Financing, Inc. and Level 3 Communications, LLC

1 The regulated subsidiaries in Tennessee are: Broadwing Communications, LLC, WiTel Communications, LLC, TelCove Operations, LLC, Global Crossing Telecommunications, Inc., and Global Crossing Local Services, Inc. Other than Level 3 LLC, none of these regulated subsidiaries plan to participate in the Financing. To the extent the regulated entities seek to participate in the Financing in the future, they will separately request TRA approval as applicable.

Level 3 provides high-quality voice and data services to carriers, ISPs, and other business customers over its IP-based network through its wholly owned indirect subsidiaries, including Level 3 LLC. 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 Tennessee, Level 3 LLC is authorized to provide facilities-based and resold local exchange and interexchange telecommunications services pursuant to the TRA authorization in Docket No. 98-00610 on November 24, 1998, as amended in Docket No. 02-00230 on June 28, 2002.

II. DESIGNATED CONTACTS

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

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III. REQUEST FOR APPROVAL TO PARTICIPATE IN A FINANCING ARRANGEMENT

Level 3 Financing has issued \$900 million in 8.625% Senior Notes due 2020 in a private offering to qualified institutional buyers that is exempt from registration under U.S. Federal securities laws. Level 3 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. Approximately \$867 million of the proceeds will be used to redeem all of Level 3 Financing's outstanding 9.25% Senior Notes due 2014 and to pay the expenses of the offering.² The remaining proceeds will be used to fund the cost of construction, installation, acquisition, lease, development or improvement of any telecommunications assets. Level 3 LLC requests approval from the TRA to act as a guarantor of the \$900 million Senior Notes issued by Level 3 Financing. Level 3 LLC will enter into the guarantee in support of the \$900 million Senior Notes upon receipt of all required regulatory approvals.

Petitioner emphasizes that participation in the Financing will not result in a change in Level 3 LLC's management or in its day-to-day operations in Tennessee; nor will it adversely

² The TRA previously granted approval to Petitioner to guarantee \$500 million in 9.375% Senior Notes due 2019, the proceeds of which were used to repurchase a portion of the 9.25% notes due 2014. *See* Order issued in Docket No. 11-00038 on May 4, 2011.

affect Level 3 LLC's operations in Tennessee. The Financing will enable Level 3 LLC to bring services to new markets and allow more consumers to benefit from its competitive services as a result of its parent company being able to successfully refinance its 9.25% Senior Notes. Accordingly, and to the extent required, Petitioner requests that the TRA approve the participation of Level 3 LLC in the Financing described herein.

IV. PUBLIC INTEREST CONSIDERATIONS

Approval of the Financing described herein will serve the public interest. The Financing enables Petitioner and its parent to refinance their obligations now allowing them to extend significantly the maturity dates of certain obligations at reasonable terms thus reducing the future refinancing risks associated with the 2014 scheduled maturities. 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 companies favorably. As such, Petitioner expects the Financing 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 Tennessee customers. The Financing will strengthen Level 3 LLC's financial position and its ability to bring competitive telecommunications services to consumers in the State of Tennessee. Furthermore, the Financing will be conducted in a manner that will be largely 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, Petitioner will continue to provide high-quality communications services to its customers without interruption and without immediate change in rates, terms or conditions.

The public interest will also be served by expeditious consideration and approval of the transaction. For various important business and financial reasons, Petitioner requires that the approval of the Financing be obtained as quickly as possible. Delay in the regulatory approval process – and thus in the ability of the Petitioner to move forward promptly with completing all elements of the Financing – 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 Petitioner, and therefore, delay in the regulatory approval process prevents the parties from realizing the certainty of note redemption associated with the Financing described herein.

V. CONCLUSION

For the reasons stated above, Petitioner submits that the public interest, convenience and necessity will be furthered by expeditious TRA approval of this Petition.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Catherine Wang", is written over a horizontal line.

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Counsel for Level 3 Communications, LLC

Date: February 10, 2012

VERIFICATION

STATE OF COLORADO


§

§

COUNTY OF BROOMFIELD

§

I, Richard E. Thayer, state that I am Senior Counsel 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: Richard E. Thayer

Title: Senior Counsel

Level 3 Communications, LLC

SWORN TO AND SUBSCRIBED before me on the 8th day of ~~January~~ ^{February}, 2012.


Notary Public

My commission expires: 11/12/13

