



Agenda Date: 3/12/12  
Agenda Item: IVA

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF ) ORDER  
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 )  
ARRANGEMENTS ) DOCKET NO. TF11120852

Parties of Record:

**Dennis C. Linken, Esq.**, Scarinci & Hollenbeck, LLC  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On December 2, 2011, Level 3 Communications, LLC ("Level 3 LLC"), Broadwing Communications, LLC ("Broadwing"), WilTel Communications, LLC ("WilTel"), TelCove Operations, LLC ("TelCove Operations"), Global Crossing Telecommunications, Inc. ("GC Telecommunications") and Global Crossing Local Services, Inc. ("GC Local") (collectively, "Petitioners") filed a petition pursuant to N.J.S.A. 48:3-9 and N.J.S.A. 48:3-7 requesting approval from the New Jersey Board of Public Utilities ("Board"), to the extent necessary, to participate in a financing arrangement.

Level 3 Financing, Inc. ("Level 3 Financing"), a wholly-owned subsidiary of Level 3 Communications, Inc. ("Level 3"), entered into a \$550 million term loan with a maturity of up to seven years. Level 3 Financing has lent the net proceeds it received to its subsidiary, Level 3 LLC, in return for an inter-company demand note issued by Level 3 LLC to Level 3 Financing. Petitioners seek approval to pledge their assets and act as guarantors in support of the \$550 million Term Loan

Level 3 is a publicly traded Delaware corporation with principal offices located in Broomfield, Colorado. Level 3 Financing is a Delaware corporation and is the direct parent of Level 3 LLC. According to the Petition, Level 3 provides voice and data services to carriers, ISPs, and other business over its network through its wholly owned indirect subsidiaries, including the

Petitioners. The Petitioners are non-dominant carriers that are authorized to provide resold and/or facilities-based telecommunications services throughout the United States. In New Jersey, Level 3 has six operating subsidiaries that are certified by the Board: Broadwing Communications, LLC; Level 3 Communications, LLC; WiTel Communications, LLC; TelCove Operations, LLC; Global Crossing Telecommunications, Inc.; and Global Crossing Local Services, Inc.

Petitioners assert that the proposed transaction is in the public interest because the terms are the same as those of another financing transaction that the Board determined was in the public interest.<sup>1</sup> Furthermore, Petitioners' customers will continue to receive their existing services under the same facilities and at the same rates, terms and conditions that they received prior to the transaction. The proposed transaction will be transparent to the Petitioners' customers. Moreover, Petitioners state that the transaction will not result in the discontinuance, reduction, loss or impairment of service to customers.

The Division of Rate Counsel has reviewed this matter and, by letter dated December 20, 2011 does not object to the Board's approval of this petition.

After careful review of this matter, the Board FINDS that the transaction will have no negative impact on competition, on the rates of current customers, or on employees. Therefore, the Board after investigation, having considered the record and exhibits submitted in this proceeding, FINDS that the loan transaction is in accordance with law and in the public interest, and HEREBY AUTHORIZES Petitioners to participate in the financing arrangements described herein.

This Order is issued subject to the following provisions:

1. This Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs of service, franchises, service, financing, accounting, capitalization, depreciation, or any other matters affecting Petitioners.
2. Petitioners shall notify the Board, within five business days, of any material changes in the proposed financing, and shall provide complete details of such transactions, including any anticipated effects upon service in New Jersey.
3. Petitioners shall notify the Board of any material default in the terms of the notes within five business days of such occurrence.
4. Notwithstanding anything to the contrary in the documents executed pursuant to the financing transactions or other supporting documents, a default or assignment under such agreement does not constitute an automatic transfer of Petitioners' assets. Board approval must be sought pursuant to N.J.S.A. 48:1-1 et seq. where applicable.
5. This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by Petitioners.

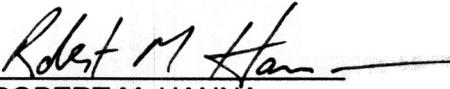
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<sup>1</sup> See Order issued in Docket No. TF11040246 on July 14, 2011

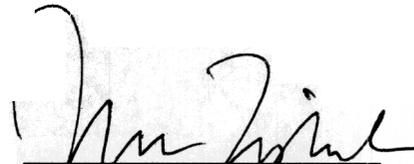
This Order shall be effective on March 22, 2012.

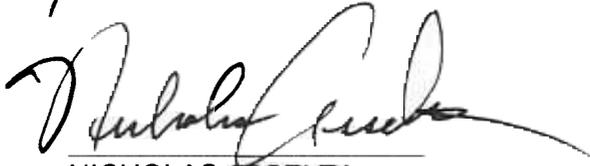
DATED: 3/12/2012

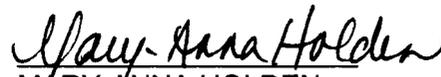
BOARD OF PUBLIC UTILITIES  
BY:

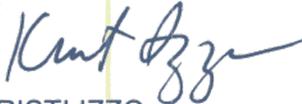
  
ROBERT M. HANNA  
PRESIDENT

  
JEANNE M. FOX  
COMMISSIONER

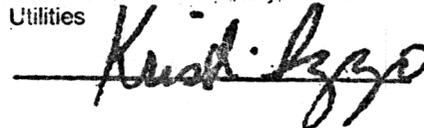
  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
NICHOLAS ASSELTA  
COMMISSIONER

  
MARY-ANNA HOLDEN  
COMMISSIONER

ATTEST:  
  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
Utilities



**SERVICE LIST**

**In the Matter of the Verified Petition  
of Level 3 Communications, LLC  
For Approval to Participate in a Financing Agreement**

**Docket No. TF11120852**

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