



Agenda Date: 8/13/25

Agenda Item: IVA

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF CENTURYLINK ) ORDER  
COMMUNICATIONS, LLC, LEVEL 3 COMMUNICATIONS, LLC, )  
BROADWING COMMUNICATIONS, LLC, GLOBAL CROSSING )  
TELECOMMUNICATIONS, INC., GLOBAL CROSSING LOCAL )  
SERVICES, INC., LEVEL 3 TELECOM OF NEW JERSEY, LP, )  
TELCOVE OPERATIONS, LLC AND WILTEL )  
COMMUNICATIONS, LLC FOR APPROVAL TO PARTICIPATE )  
IN FINANCING ARRANGEMENTS ) DOCKET NO. TF25030125

**Parties of Record:**

**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel  
**Colleen A. Foley, Esq.**, Saul Ewing LLP, on behalf of Petitioners

**BY THE BOARD:**

On March 19, 2025, CenturyLink Communications, LLC ("CenturyLink"), together with Level 3 Communications, LLC ("Level 3 LLC"), Broadwing Communications, LLC ("Broadwing"), Global Crossing Telecommunications, Inc. ("GC Telecommunications"), Global Crossing Local Services, Inc. ("GC Local"), Level 3 Telecom of New Jersey, LP ("Level 3 Telecom of New Jersey"), TelCove Operations, LLC ("TelCove"), and WilTel Communications, LLC ("WilTel") (collectively, "Level 3 Petitioners" and, together with CenturyLink, "Petitioners"), filed a petition pursuant to N.J.S.A. 48:3-7 and N.J.S.A. 48:3-9, requesting approval from the New Jersey Board of Public Utilities ("Board") to participate in certain financing arrangements ("Petition").

**BACKGROUND**

The Petitioners are subsidiaries of Lumen Technologies, Inc. ("Lumen" or "Company"). CenturyLink is authorized to provide local exchange and interexchange telecommunications services in New Jersey.<sup>1</sup>

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<sup>1</sup> CenturyLink operates in New Jersey pursuant to Board authority originally granted to Qwest Communications Corporation. In re the Petition for an Order Authorizing Qwest Communications Corporation to Provide Local Exchange Telecommunications Service Throughout the State of New Jersey, BPU Docket No. TE98121421, Order dated June 29, 2001.

Level 3 LLC is a wholly owned, direct subsidiary of Level 3 Financing, Inc. (“Level 3 Financing”), which in turn is a wholly owned, direct subsidiary of Level 3 Parent, LLC (“Level 3 Parent”). Level 3 Parent is a Delaware limited liability company and is an indirect, wholly owned subsidiary of Lumen. Level 3 LLC is authorized to provide resold and/or facilities-based local exchange and interexchange telecommunications services throughout the State of New Jersey.<sup>2</sup>

Broadwing,<sup>3</sup> GC Telecommunications,<sup>4</sup> GC Local,<sup>5</sup> Level 3 Telecom of New Jersey,<sup>6</sup> TelCove,<sup>7</sup> and WilTel<sup>8</sup> are each wholly owned subsidiaries of Level 3, LLC, authorized to provide

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<sup>2</sup> In re the Petition of Level 3 Communications, LLC for Authority to Provide Switched and Dedicated, Resold and Facilities-Based, Local Exchange and Interexchange Telecommunications Service Throughout New Jersey, BPU Docket No. TE97120913, Order dated October 20, 1998.

<sup>3</sup> Broadwing operates in New Jersey pursuant to Board authority originally granted to IXC Communications Services, Inc. In re the Application of IXC Communications Services, Inc., for Approval to Provide Facilities-Based Long Distance Services, BPU Docket No. TE99030202, Order dated June 10, 1999. This authority was subsequently transferred to Broadwing. In re the Joint Petition of Corvis Corporation, on Behalf of Itself and Its Subsidiaries, Focal Communications Corporation of New Jersey and Broadwing Communications, LLC, for Approval of the Transfer of Assets and Customers and for Other Relief, BPU Docket No. TM04080767, Order dated November 10, 2004.

<sup>4</sup> GC Telecommunications operates in New Jersey pursuant to Board authority originally granted to RCI Corporation. In re the Initial Tariff Filed by RCI Corporation, BPU Docket No. TE85030250, Order Approving Initial Tariff, dated April 12, 1985. This authority was ultimately transferred to GC Telecommunications. In re the Verified Petition for Approval of Internal Corporate Reorganization and Transfer of Operating Authority of Global Crossing North American Networks, Inc. into Global Crossing Telecommunications, Inc. and Separately Global Crossing Telemanagement, into Global Crossing Local Services, Inc., BPU Docket No. TM10060393, Order dated September 16, 2010.

<sup>5</sup> GC Local operates in New Jersey pursuant to Board authority originally granted to Frontier Local Services, Inc. In re the Application of Frontier Local Services Inc. for Approval to Provide Local Exchange Services and Exchange Access Services, BPU Docket No. TE99030204, Order dated October 15, 1999. The Board was notified of Frontier Local Services, Inc.’s name change to GC Local on January 7, 2000.

<sup>6</sup> Level 3 Telecom of New Jersey operates in New Jersey pursuant to Board authority originally granted to Time Warner Telecom of New Jersey, L.P. In re the Application of Time Warner Telecom of New Jersey, L.P., for Authority to Provide Local Exchange Telecommunications Services within the State of New Jersey, BPU Docket No. TE98121438, Order dated July 28, 1999. The Board was notified of Time Warner Telecom of New Jersey, L.P.’s name change to Level 3 Telecom on April 19, 2016. TW Telecom of New Jersey L.P. – Name Change to Level 3 Telecom of New Jersey L.P., BPU Docket No. TT16040311.

<sup>7</sup> TelCove operates in New Jersey pursuant to Board authority originally granted to Hyperion Telecommunications of New Jersey Inc. In re the Petition of Hyperion Telecommunications of New Jersey Inc. for Approval of an Initial Tariff and the Authority to Provide Competitive Local Exchange and Interexchange Telecommunications Services, BPU Docket No. TE97050370, Order dated July 30, 1997; In re the Joint Application of Hyperion Telecommunications of New Jersey Inc., CCC-NJFT, Inc., TKR Cable Company, and Sutton Capital Associates, Inc. for Approval of a Transfer of Partnership Interests in New Jersey Fiber Technologies, Including Authority to Provide Telecommunications Services in New Jersey, to Hyperion Telecommunications of Central New Jersey, Inc., BPU Docket No. TM97110843, Order dated February 4, 1998. Following a series of name changes with the required Board approvals, TelCove became the owner of this authority. In re the Joint Petition of Telcove Operations, LLC and Telcove Investment, LLC for Grant of the Authority to Complete an Internal Reorganization and Assignment of Assets and Customers, BPU Docket No. TM06120889, Order dated March 2, 2007.

<sup>8</sup> WilTel operates in New Jersey pursuant to Board authority originally granted to Williams Communications, Inc. d/b/a VYVX, Inc. In re the Petition of Williams Communications, Inc. D/B/A VYVX, Inc. to Provide Interexchange Telecommunications Services, BPU Docket No. TE98080699, Order dated January 14,

telecommunications services in New Jersey.

By Order dated September 25, 2024, the Board granted the Petitioners authority to participate in certain financing arrangements ("2024 Financing").<sup>9</sup> The debt financing arrangements approved in the 2024 Financing Order resulted from a restructuring process with creditors holding over \$15 billion of outstanding indebtedness of Lumen and its subsidiaries, including certain amounts guaranteed and collateralized by the Petitioners. The Petitioners completed the debt financing arrangements authorized by the 2024 Financing Order on October 31, 2024.

By the Petition, the Petitioners currently seek Board approval to: i) to act as guarantors; and ii) have their respective assets and equity pledged in support of the debt-for-debt exchanges of debt with near term maturity dates which were not refinanced pursuant to the approval granted in the 2024 Financing Order ("Financing Arrangements"). The Financing Arrangements consist of debt-for-debt exchanges and subsequent all cash debt repurchases and will enable Lumen to: i) strengthen its balance sheet and overall liquidity position; ii) further reduce near-term refinancing risk associated with the notes tendered in the exchanges; and iii) have more time to execute Lumen's business transformation.

The Petitioners noted that Lumen's debt financings have historically been structured across different silos which track Lumen's acquisition history; however, the Petitioners have combined their requests into a single application for approval of the Financing Arrangements because they are tied to the combined approval granted by the 2024 Financing Order. The silos are comprised of debt issued by Lumen ("Lumen Debt"), portions of which are guaranteed and collateralized by various legacy entities of Lumen, including CenturyLink, and debt issued by Level 3 Financing ("Level 3 Debt"), portions of which are guaranteed and collateralized by various direct and indirect subsidiaries of Level 3 Financing, including the Level 3 Petitioners.

The Petitioners clarified that CenturyLink is not seeking approval to act as guarantors or asset pledgors or to have their equity pledged as collateral to support the Level 3 Debt financing. Similarly, the Level 3 Petitioners are not seeking approval to act as guarantors or asset pledgors or to have their equity pledged as collateral to support the Lumen Debt financing.

As part of the Financing Arrangements, Lumen has agreed to exchange newly-issued superpriority senior secured notes for certain of its outstanding unsecured senior notes ("Lumen Note Exchange"), and Level 3 Financing has agreed to exchange newly-issued second lien secured notes for certain of its outstanding unsecured senior notes ("Level 3 Note Exchange" and together with the Lumen Note Exchange, "Note Exchanges"). The Petitioners state that the Note Exchanges are on similar terms (taken as a whole) to the bond debt approved by the Board in the 2024 Financing Order. The Lumen Debt financing and Level 3 Debt financing are further summarized below.

### **Lumen Debt Financing**

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1999. The company notified the Board of its conversion to an LLC and its name change on April 27, 2001 and November 13, 2002, respectively.

<sup>9</sup> In re the Verified Petition of CenturyLink Communications, LLC, Level 3 Communications, LLC, Broadwing Communications, LLC, Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc., Level 3 Telecom of New Jersey, LP, TelCove Operations, LLC, and WiTel Communications, LLC for Approval to Participate in a Financing Arrangements, BPU Docket No. TF24040241, Order dated September 25, 2024 ("2024 Financing Order").

CenturyLink seeks Board approval to: i) act as a guarantor; and ii) to have its assets and equity pledged by Lumen in support of a financing arrangement involving the issuance of \$438,769,670 aggregate principal amount of the 10.000% Secured Notes due 2032 ("New 2032 Lumen Notes"). The Petitioners stated the New 2032 Lumen Notes were issued pursuant to an indenture to facilitate overall debt reduction in a debt-for-debt exchange for validly tendered (and not validly withdrawn) outstanding Lumen unsecured senior notes with an aggregate principal value of \$491,368,000 ("Old Lumen Notes") and payment of approximately \$13.7 million in cash consideration.<sup>10</sup> The Old Lumen Notes, cancelled in exchange for the New 2032 Lumen Notes and cash consideration, consisted of: i) \$137,166,000 aggregate principal amount of the 5.125% Senior Notes due 2026; ii) \$187,976,000 aggregate principal amount of the 4.000% Senior Secured Notes due 2027; iii) \$80,606,000 aggregate principal amount of the 6.875% Debentures, Series G, due 2028; and iv) \$85,620,000 aggregate principal amount of the 4.500% Senior Notes due 2029.

By exchanging the Old Lumen Notes with an aggregate principal amount of \$491,368,000 for the New 2032 Lumen Notes with an aggregate principal amount of \$438,769,670 and approximately \$13.7 million in cash consideration, Lumen was able to reduce the overall Lumen Debt by \$52,598,330. The Lumen Note Exchange also enabled Lumen to extend the maturity dates for the Lumen Debt, as the Old Lumen Notes were set to mature between 2026 and 2029, and the New 2032 Lumen Notes have a more favorable maturity date of 2032.

### **Level 3 Debt Financing**

As described in the Petition, the Level 3 Petitioners seek Board approval to: i) act as guarantors; and ii) to have their assets and equity pledged in support of financing arrangements by their parent company, Level 3 Financing, involving the issuance of \$349,999,160 aggregate principal amount of newly issued 10.000% second lien notes due 2032 ("New 2032 Level 3 Notes"). The Petitioners stated the New 2032 Level 3 Notes were issued pursuant to an indenture to facilitate overall debt reduction in a debt-for-debt exchange for validly tendered (and not validly withdrawn) outstanding unsecured senior indebtedness of Level 3 Financing. The debt repurchased through the exchange of the New 2032 Level 3 Notes represented an aggregate principal amount of \$357,142,000 and consisted of: i) the 3.400% senior secured notes due 2027 (unsecured); ii) the 4.625% senior notes due 2027; and iii) the 4.250% senior notes due 2028 (collectively, "Old Level 3 Notes"). The New 2032 Level 3 Notes mature in 2032 and replaced the Old Level 3 Notes tendered in the exchange which were set to mature between 2027 and 2028.

By exchanging the Old Level 3 Notes with an aggregate principal amount of \$357,142,000 for the New 2032 Level 3 Notes with an aggregate principal amount of \$349,999,160, Level 3 Financing reduced the principal outstanding on the Level 3 Debt by \$7,142,840.

As part of the Level 3 Debt financing, Level 3 LLC also amended and restated its previously issued intercompany loan proceeds demand note approved by the Board in the 2024 Financing Order to reflect the change in the amount of secured and collateralized debt of Level 3 LLC resulting from the issuance of the New 2032 Level 3 Notes in exchange for the Old Level 3 Notes.

In addition, the Petitioners stated that in order to reinstate the guarantees of the Level 3 Petitioners which had been released as part of the 2024 Financing, Level 3 Parent, Level 3 Financing, and Level 3 LLC entered into further amendments to the indentures governing: i) each of the Old Level 3 Notes; ii) Level 3 Financing's existing 3.625% senior notes due 2029; iii) Level 3

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<sup>10</sup> The Old Lumen Notes were not a part of the 2024 Financing approved by the 2024 Financing Order.

Financing's existing 3.750% sustainability-linked senior notes due 2029; and iv) Level 3 Financing's 3.875% Senior Secured Notes due 2029. Finally, the Petitioners advised the Board that in order to help streamline financial reporting for the Level 3 Petitioners, GC Local and Level 3 Telecom of New Jersey intend to act as guarantors of the 2024 Financing as well as the New 2032 Level 3 Notes.<sup>11</sup>

### **Additional Details**

The Petitioners stated that the Financing Arrangements will allow Lumen and Level 3 Financing to extend the overall portfolio maturity dates and decrease Lumen's overall debt levels by nearly \$60 million and thereby provide Lumen and its subsidiaries with greater financial flexibility and eliminating the near-term refinancing risks facing Lumen and its subsidiaries. The Financing Arrangements, as described above, should provide the Company with an improved ability to maintain and expand its networks and services. Further, the Petitioners stated that capital markets will look favorably on these steps as part of the Company's ongoing efforts to manage the maturity profile of its debt and to continue to strengthen its overall credit profile. The Petitioners also stated the Financing Arrangements will provide additional time to execute on its business transformation, which includes a focus on improving the customer experience.

The Petitioners further stated that the Financing Arrangements will be conducted in a manner that will be 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 completion of the Financing Arrangements, the Petitioners asserted that they will continue to provide high-quality communications services to their customers without interruption and without immediate change in rates, terms, or conditions.

The New Jersey Division of Rate Counsel ("Rate Counsel") reviewed this matter and, by letter dated May 28, 2025, acknowledged that the Petitioners have provided information required under the statute and the Board's regulations and have also provided additional information in reply to Board Staff's discovery requests in support of the Petitioners' assertion that the financing contemplated is not contrary to the public interest and will serve a beneficial purpose for New Jersey customers. Rate Counsel concluded by stating that it does not oppose the Board's grant of the petitioned requests.

### **DISCUSSION AND FINDINGS**

After careful review of this matter, the Board, having considered the Petition, and the comments of Rate Counsel and Board Staff, **HEREBY FINDS** that the Petitioners' participation in the Financing Arrangements is in accordance with law, in the public interest and will have no negative impact on the company, rates, customers or New Jersey employees. The Board, pursuant to N.J.A.C. 14:1-5.9A and N.J.S.A. 48:3-9, approving of the purposes of the Financing Arrangements, **HEREBY AUTHORIZES** Petitioners to participate in the above-described financing arrangements.

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

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<sup>11</sup> Following completion of the Note Exchanges described herein, Lumen and Level 3 LLC each completed all cash tender offers to further reduce Lumen and Level 3 LLC's outstanding debt which was not included in the 2024 Financing or in the Financing Arrangements described herein.

- 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 the Petitioners.
2. The Petitioners shall notify the Board within five (5) business days of any material changes in the proposed Financing Arrangements and shall provide complete details of such changes including any anticipated effects upon service in New Jersey.
  3. The Petitioners shall notify the Board of any material default in the terms of the proposed Financing Arrangements within five (5) business days of such occurrence.
  4. Notwithstanding anything to the contrary in the documents executed pursuant to the Financing Arrangements or other supporting documents, a default or assignment under such agreement does not constitute an automatic transfer of the Petitioners' assets located in the State of New Jersey and no party to such Financing Arrangements or other supporting document shall take any action under such documents or exercise any remedies that would constitute or result in the transfer or assignment of any assets of the Petitioners located in the State of New Jersey or a change of control of any Petitioner prior to obtaining Board approval 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 the Petitioners.
  6. Beginning April 15, 2026, and annually thereafter, the Petitioners shall submit to the Board Secretary, and provide a copy to the Chief Economist, a letter report detailing each debt issuance, term loan, and use of revolving credit opened or concluded in the prior twelve months, along with copies of executed indentures associated with the authorization contained in this Order. The reports shall include the name of the issuing entity, issue date, amount of debt issued, the term in years, final maturity date, coupon rate, price to public, underwriters discount, net proceeds after expenses, gross proceeds before expenses, breakdown of estimated issuance costs (including, but not limited to, information such as the underwriting fees, underwriting expenses, legal fees and expenses, recordation taxes and fees, trustee fees, etc.) and any other material provision with respect to the terms and conditions of the new issuance.

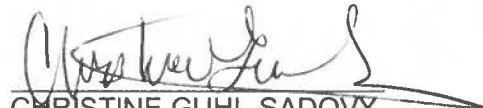
This Order shall become effective on August 20, 2025.

DATED: August 13, 2025

BOARD OF PUBLIC UTILITIES  
BY:



DR. ZENON CHRISTODOULOU  
COMMISSIONER



CHRISTINE GUHL-SADOVY  
PRESIDENT



MICHAEL BANGE  
COMMISSIONER

ATTEST:



SHERRI L. LEWIS  
BOARD SECRETARY

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

IN THE MATTER OF THE PETITION OF CENTURYLINK COMMUNICATIONS, LLC, LEVEL 3 COMMUNICATIONS, LLC, BROADWING COMMUNICATIONS, LLC, GLOBAL CROSSING TELECOMMUNICATIONS, INC., GLOBAL CROSSING LOCAL SERVICES, INC., LEVEL 3 TELECOM OF NEW JERSEY, LP, TELCOVE OPERATIONS, LLC AND WILTEL COMMUNICATIONS, LLC FOR APPROVAL TO PARTICIPATE IN FINANCING ARRANGEMENTS

DOCKET NO. TF25030125

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