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Wendie C. Stabler  
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April 5, 2016

**HAND DELIVERED**

Ms. Alisa Bentley  
Secretary  
Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, DE 19904

RECEIVED  
2016 APR 5 PM 3 43  
DELAWARE P.S.C.

**RE: In The Matter of the Application of Level 3 Communications, LLC  
For Approval to Participate in a Financing Arrangement**

Dear Ms. Bentley:

Enclosed please find the original and ten (10) copies of the above Application for filing with the Public Service Commission. Also enclosed please find this firm's check payable to the State of Delaware in the amount of \$350.00 representing the filing fee.

Should you have any questions, please feel free to contact me.

Respectfully submitted,

Wendie C. Stabler

Enclosures

cc: Danielle Burt, Esq.

**BEFORE THE  
DELAWARE PUBLIC SERVICE COMMISSION**

\_\_\_\_\_  
In the Matter of the Application of \_\_\_\_\_  
\_\_\_\_\_  
**Level 3 Communications, LLC** \_\_\_\_\_  
\_\_\_\_\_  
for Approval to Participate in a \_\_\_\_\_  
Financing Arrangement \_\_\_\_\_  
\_\_\_\_\_

Docket No. \_\_\_\_\_

RECEIVED  
2016 APR 5 PM 3 43  
DELAWARE P.S.C.

**APPLICATION FOR APPROVAL TO  
PARTICIPATE IN FINANCING ARRANGEMENT**

This Application is being filed on behalf  
of Level 3 Communications, LLC by:

Wendie Stabler  
Saul Ewing LLP  
222 Delaware Avenue, Ste. 1200  
P. O. Box 1266  
Wilmington, DE 19801  
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DE ID#2220

R. Edward Price  
Associate General Counsel  
Level 3 Communications, LLC  
200 Meridian Centre Boulevard, Suite 130  
Rochester, NY 14618  
Tel: (585) 255-1227  
Email: ted.price@level3.com

**BEFORE THE  
DELAWARE PUBLIC SERVICE COMMISSION**

\_\_\_\_\_) )  
In the Matter of the Application of ) )  
 ) )  
**Level 3 Communications, LLC** ) Docket No. \_\_\_\_\_ )  
 ) )  
for Approval to Participate in a ) )  
Financing Arrangement ) )  
\_\_\_\_\_) )

**APPLICATION**

Level 3 Communications, LLC (“Level 3 LLC” or “Applicant”), by its undersigned counsel and pursuant to 26 *Del. C.* §215 and any other regulations deemed applicable, requests approval from the Delaware Public Service Commission (“Commission”) to participate in a financing arrangement in connection with the issuance of \$775 million aggregate principal amount of 5.25% Senior Notes due 2026 by its immediate parent company, Level 3 Financing, Inc. (“Financing”). Specifically, Applicant seeks approval to act as a guarantor for the Senior Notes. This financing arrangement will allow Financing to redeem all \$775 million aggregate principal amount of Financing’s outstanding 7% Senior Notes due 2020, which were issued in 2012. As a result, annual interest expense will be reduced by approximately \$13.6 million and the maturity date with respect to the \$775 million will be extended by approximately six (6) years. The total amount of debt for which Level 3 LLC has provided a guarantee will not change as a result of this Application. Applicant therefore requests Commission approval to act as a guarantor in support of this updated financing arrangement.

In support of this Application, Applicant states:

**I. DESCRIPTION OF THE APPLICANT**

Level 3 Communications, Inc. (“Level 3”) is a publicly traded (NYSE: LVLT) Delaware corporation with principal offices located at 1025 Eldorado Boulevard, Broomfield, CO 80021. Level 3 provides high-quality voice and data services to enterprise, government, wholesale and carrier customers over its IP-based network through its wholly owned indirect subsidiaries, including Applicant and other regulated subsidiaries.<sup>1</sup>

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 Delaware, Level 3 LLC is authorized to provide interexchange telecommunications services and competitive local exchange telecommunications services pursuant to authority granted by the Commission in Order No. 4969 issued in Docket No. 98-114.

**II. DESIGNATED CONTACTS**

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

Wendie Stabler  
Saul Ewing LLP  
222 Delaware Avenue, Ste. 1200  
P. O. Box 1266  
Wilmington, DE 19801

with a copy to:

R. Edward Price  
Associate General Counsel  
Level 3 Communications, LLC  
200 Meridian Centre Boulevard, Suite 130  
Rochester, NY 14618

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<sup>1</sup> The regulated subsidiaries in Delaware are: Broadwing Communications, LLC, WilTel Communications, LLC, TelCove Operations, LLC, Global Crossing Telecommunications, Inc., and Level 3 Telecom Data Services, LLC. Other than Level 3 LLC, none of these regulated subsidiaries will participate in the financing arrangement described herein.

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Email: [ted.price@level3.com](mailto:ted.price@level3.com)

### **III. REQUEST FOR APPROVAL TO PARTICIPATE IN A FINANCING ARRANGEMENT**

Financing has issued \$775 million aggregate principal amount of its 5.25% Senior Notes due 2026 (the "Senior Notes") in a private offering to qualified institutional buyers that is exempt from registration under U.S. Federal securities laws. Financing has lent the net proceeds it received in the offering of the Senior Notes plus available cash to its subsidiary, Level 3 LLC, in return for an intercompany demand note issued by Level 3 LLC to Financing in the aggregate amount of \$775 million. The net effect of the generation of these proceeds, along with cash on hand, will be the redemption of all of Financing's outstanding \$775 million aggregate principal amount of its 7% Senior Notes due 2020 and the payment of expenses of the offering.<sup>2</sup> The redemption of the 7% Senior Notes due 2020 is scheduled to occur on April 21, 2016, with the redemption payment to be made on that date. Level 3 LLC requests approval from the Commission to act as a guarantor of the Senior Notes issued by Financing.

Applicant emphasizes that guaranty obligations in support of the Senior Notes will not be effective until all required regulatory approvals are obtained. Applicant's participation in the new financing arrangement will not result in a change in Level 3 LLC's management or in its day-to-day operations in Delaware, nor will it adversely affect Level 3 LLC's current or proposed operations in Delaware. The financing arrangement that is the subject of this request will enable the parent company to take advantage of lower interest rates and more favorable maturity terms, thereby significantly reducing interest expenses. The financing arrangement will provide Financing with financial flexibility to maintain and expand Applicant's networks and

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<sup>2</sup> The Commission previously granted approval on September 18, 2012 for Applicant to guarantee the 7% notes due 2020. *See* Docket No. 12-411.

services. This improved financial arrangement will enable Applicant to continue delivering services to new markets, thus allowing more consumers to benefit from its competitive services. Accordingly, and to the extent required, Applicant requests that the Commission approve the participation of Level 3 LLC in the financing arrangement described herein.

#### **IV. PUBLIC INTEREST CONSIDERATIONS**

Approval of the financing arrangement described herein will serve the public interest. The financing arrangement enables Applicant and its parent to refinance their obligations to extend the maturity dates of certain obligations at better interest rates, thus reducing the companies interest expense and the future refinancing risks associated with the scheduled maturities described herein. This step is a part of the companies' ongoing efforts to manage their maturity profile and continue to strengthen their overall credit profile. Applicant and its parent expect that the capital markets will look favorably upon these steps. As such, Applicant expects the financing arrangement 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 Delaware customers. In addition, existing and future customers will have a more favorable view of Level 3 LLC's financial health.

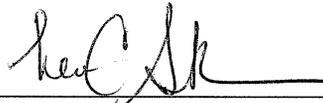
Furthermore, the financing arrangement will be conducted in a manner that will be transparent to customers, and will not result in a change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers. Following consummation of the financing arrangement, Applicant will continue to provide high-quality communications services to its customers without interruption and without immediate change in rates, terms or conditions. Thus, this

transaction is made in accordance with the law, for a proper purpose, and is consistent with the public interest. *See 26 Del. C. §215(d).*

V. **CONCLUSION**

For the reasons stated above, Applicant submits that this Application for approval of the proposed transaction is in accordance with the law, for a proper purpose, and is consistent with the public interest. *Id.* The Commission should therefore expeditiously approve Applicant's participation in the financing arrangements described herein or allow it to proceed by operation of law within thirty (30) days.

Respectfully submitted,



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Wendie Stabler  
Saul Ewing LLP  
222 Delaware Avenue, Ste. 1200  
P. O. Box 1266  
Wilmington, DE 19801  
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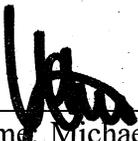
Counsel for Level 3 Communications, LLC

Date: April 5, 2016

**VERIFICATION**

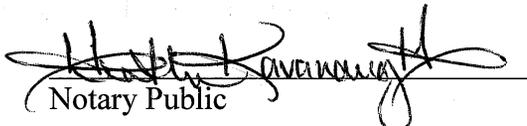
STATE OF COLORADO           §  
  §  
COUNTY OF BROOMFIELD   §

I, Michael Mooney, state that I am a Senior Vice President for Level 3 Communications, LLC; that I am authorized to make this Verification on behalf of Level 3 Communications, LLC; 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: Michael Mooney  
Title: Senior Vice President  
Level 3 Communications, LLC

SWORN TO AND SUBSCRIBED before me on the 30<sup>th</sup> day of March, 2016.

HEATHER DIANE KAVANAUGH  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20124071845  
MY COMMISSION EXPIRES 11/07/2016

  
\_\_\_\_\_  
Notary Public

My commission expires: 11/7/2016