

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE JOINT APPLICATION OF)
LEVEL 3 COMMUNICATIONS, LLC, BROADWING)
COMMUNICATIONS, LLC, WILTEL COMMUNICATIONS,)
LLC, TELECOVE OPERATIONS, LLC AND) PSC DOCKET NO. 11-536
GLOBAL CROSSING TELECOMMUNICATIONS, INC.)
FOR APPROVAL TO PARTICIPATE IN FINANCING)
ARRANGEMENTS (FILED DECEMBER 9, 2011))

ORDER NO. 8115

AND NOW, this 6th day of March, 2012, the Commission determines and Orders the following:

WHEREAS, on December 9, 2011, Level 3 Communications, LLC ("Level 3 LLC"), Broadwing Communications, LLC ("Broadwing"), TelCove Operations, LLC ("TelCove"), WilTel Communications, LLC ("WilTel"), and Global Crossing Telecommunications, Inc. ("GC Telecommunications, Inc.") (collectively, "Applicants"), filed an application ("Application") seeking Commission approval, to the extent necessary, for a financing arrangement that occurred with Level 3 Financing, Inc. ("Level 3 Financing"); and

WHEREAS, Applicants, who are all either directly or indirectly held by Level 3 Financing, are all authorized to provide competitive intrastate interexchange telecommunications services in Delaware; and

WHEREAS, at the May 10, 2011 Commission Meeting, the Commission allowed to go into effect, without action, the application filed by the Applicants in PSC Docket No. 11-219 seeking, among other things, approval of certain transactions (the "Financing Arrangement") whereby: 1) Level 3 Financing would issue \$1.1 billion in senior notes in a private placement, 2) Level 3 Financing would lend the net proceeds of the

issuance to its subsidiary, Level 3 LLC, in return for an intercompany demand note, and Level 3 LLC would in turn lend the net proceeds to another affiliate, Level 3 GC Limited, in return for an intercompany demand note, and 3) the Applicants would act as guarantors for the issued senior notes; and

WHEREAS, when the issuance was undertaken by Level 3 Financing, the market conditions were more favorable than initially anticipated and it became clear that the market would support a larger note issuance than originally planned. Accordingly, Level 3 Financing completed an issuance of \$1.2 billion in senior notes rather than the \$1.1 billion originally planned; and

WHEREAS, the Applicants now request authority, to the extent necessary, to act as guarantors for the full amount of the issued senior notes, which is \$100 million more in financing ("Additional Financing") than initially anticipated; and

WHEREAS, Applicants state that: (1) all of the terms of the Financing Arrangement, which the Commission reviewed earlier, remain otherwise unchanged; (2) their participation in the Additional Financing as guarantors will not result in a change in their ownership or in their day-to-day operations; (3) the Additional Financing is expected to further enable the Applicants to bring services to new markets and allow more consumers to benefit from their competitive services; and (4) the proceeds for the senior notes will be used for working capital and for other permissible general corporate purposes; and

WHEREAS, the Applicants assert that the public interest will be served because the Additional Financing will promote competition between

telecommunications carriers by providing the Applicants with the opportunity to strengthen their financial position; and

WHEREAS, applications seeking financing approval by large multi-state resellers for competitive intrastate telecommunications services technically come under the provisions of 26 Del. C. §215 because the companies are deemed to be public utilities; and

WHEREAS, Staff reviewed the Application, found that the Additional Financing is in accordance with law, for a proper purpose, and consistent with the public interest and therefore recommends approval, to the extent necessary, of the Additional Financing of \$100 million.

**NOW, THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE VOTE OF NOT
FEWER THAN THREE COMMISSIONERS:**

1. That pursuant to 26 Del. C. §215, approval is hereby granted to the Applicants, to the extent necessary, for the Additional Financing as described above and in the Application filed on December 9, 2011.

2. That, based upon Staff's recommendation and for the reasons discussed above, this docket may be closed without any further action of the Commission.

3. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary