

ORIGINAL



0000132418

BEFORE THE ARIZONA CORPORATE COMMISSION

COMMISSIONERS
GARY PIERCE- CHAIRMAN
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

RECEIVED

2012 APR 16 P 4:44

AZ CORP COMMISSION
DOCKET CONTROL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

In the Matter of the Joint Application of)
(1) Level 3 Communications, LLC, Global)
Crossing Telecommunications, Inc. and)
Global Crossing Local Services, Inc. for a Limited)
Waiver of the Public Utility Holding)
Companies and Affiliated Interest Rules)
(A.A.C. R14-2-801 et seq.) or, in the alternative,)
Approval of Transfer of Control of Global Crossing)
Telecommunications, Inc. and Global Crossing)
Local Services, Inc. under A.A.C. R14-2-803;)
(2) Level 3 Communications, LLC for a)
Limited Waiver of the Public Utility Holding)
Companies and Affiliated Interest Rules)
(A.A.C. R14-2-801 et seq.) or, in the alternative,)
Approval of Guarantee under A.A.C. R14-2-804;)
and)
(3) Level 3 Communications, LLC, Broadwing)
Communications, LLC, WilTel Communications,)
LLC, Global Crossing Telecommunications, Inc.)
and Global Crossing Local Services, Inc. for)
Authorization to Encumber and/or Mortgage)
their Assets.)

DOCKET NO. T-03654A-11-0167
T-02438B-11-0167
T-03658A-11-0167
T-04176A-11-0167
T-03708A-11-0167

NOTICE OF COMPLIANCE

Arizona Corporation Commission
DOCKETED

APR 16 2012

DOCKETED BY *mm*

Level 3 Communications, LLC, through undersigned counsel, hereby submits the attached letter in compliance with Decision No. 72431.

ROSHKA DEWULF & PATTEN, PLC
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET - SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

RESPECTFULLY SUBMITTED this 16th day of April 2012.

ROSHKA DEWULF & PATTEN, PLC

By 
Michael W. Patten
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004

Original and 13 copies of the foregoing
filed this 16th day of April 2012 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copy of the foregoing hand-delivered/mailed
this 16th day of April 2012 to:

Brian Bozzo
Compliance, Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

By 

April 12, 2012

Docket Control Center
Arizona Corporation Commission
1200 West Washington St.
Phoenix, AZ 85007

Re: Docket Nos: T-03654A-11-0167
T-02438B-11-0167
T-03658A-11-0167
T-04176A-11-0167
T-03708A-11-0167

Decision 72431
Required Updates

To the Arizona Commission:

In compliance with required updates in connection the above referenced dockets, Level 3, on behalf of itself and affiliate companies as reflected in the above referenced dockets, provides the following:

1. Status of plan related to the transaction to increase employees and investment in Arizona:

Response: Level 3 is continuing to effect merger related activities for the purpose of fully integrating Level 3 and Global Crossing. As a part of these activities, and Level 3's overall business, plan, Level 3 is looking at those areas where network and operations can be combined more efficiently, at the same time analyzing opportunities to extend and deepen Level 3's network in Arizona. As part of Level 3's strategic initiative, Level 3 anticipates an increase in buildings and enterprises in Arizona that Level 3 will bring onto its network. The activities involved in bringing buildings and enterprises on to the Level 3 network will, when successful, necessarily increase the investment and employment in Arizona inasmuch as such efforts require construction activities, network activities and network operations.

2. Any changes in the status of Debt Financing.

Level 3 is committed to improving the credit profile of the company and continues to work on this objective. As stated publicly, the goal of Level 3 is to have a leverage level between 3-5x. To this end, Level 3 continues to work on its balance sheet, recently decreasing its debt load by over \$100 million by the early conversion of convertible debt into equity. This is the

second transaction of this type over the last 12 months. On an aggregate basis, these transactions have decreased the company's debt burden by over \$225 million. Additionally, Level 3 has refinanced part of its debt at lower rates. An example of this is the refinancing Level 3 Financing's 9.25% unsecured bonds via new 8.625% notes. This transaction also extended the maturity profile of the company.

In short, Level 3 continues to work on extending its maturities and lowering its cost of capital as a way to improve its credit profile.

Should the Commission have any question as to the preceding, please don't hesitate to get in contact.



Richard E. Thayer
Senior Corporate Counsel
Level 3 Communications, LLC
720-888-2620
Rick.thayer@level3.com