



Norman G. Curtright
Associate General Counsel
20 East Thomas Road - 1st Floor
Phoenix, Arizona 85012



Office: (602) 630-2187
Fax: (602) 630-5337
Norm.curtright@centurylink.com

T-03654A-17-0014

T-04176A-17-0014

T-03708A-17-0014

January 12, 2017

T-02438B-17-0014

T-03658A-17-0014

T-03943A-17-0014

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007-2996

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL
2017 JAN 12 P 3:09

RE: Notice Regarding the Transfer of Indirect Control of:
Level 3 Communications, LLC - T-03654A
Broadwing Communications, LLC - T-04176A
WilTel Communications, LLC - T-03708A
Global Crossing Telecommunications, Inc. - T-02438B
Global Crossing Local Services, Inc. - T-03658A
and
Level 3 Telecom of Arizona, LLC Communications, Inc. - T-03943A
to
CenturyLink, Inc. ("Notice")

Arizona Corporation Commission

DOCKETED

JAN 12 2017

DOCKETED BY

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Dear Sir/Madam:

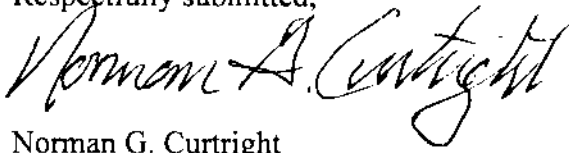
Enclosed please find an original and thirteen copies of this transmittal letter and the attached Notice Regarding Transfer of Indirect Control of Level 3 Communications, LLC, Broadwing Communications, LLC, WilTel Communications, LLC, Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc. and Level 3 Telecom of Arizona, LLC Communications, Inc to CenturyLink, Inc. The attached Notice has been delivered to the addressees this day.

Please file stamp and return one copy for our records.

Docket Control
January 12, 2017
Page 2

Thank you.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Norman G. Curtright". The signature is written in a cursive style with a large, prominent initial "N".

Norman G. Curtright

NGC/bardm

Enclosure:

Norman G. Curtright
Associate General Counsel
20 East Thomas Road - 1st Floor
Phoenix, Arizona 85012

Office: (602) 630-2187
Fax: (602) 630-5337
Norm.curtright@centurylink.com



January 12, 2017

Commissioner Tom Forese – Chairman
Commissioner Bob Burns
Commissioner Doug Little
Commissioner Andy Tobin
Commissioner Boyd W. Dunn
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007-2996

RE: Notice Regarding the Transfer of Indirect Control of Level 3 Communications, LLC, Broadwing Communications, LLC, WilTel Communications, LLC, Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc., and Level 3 Telecom of Arizona, LLC Communications, Inc. to CenturyLink, Inc. (“Notice”)

To the Arizona Corporation Commission:

CenturyLink, Inc. (“CenturyLink”) and Level 3 Communications, Inc. (“Level 3”) (the “Parties”) notify the Arizona Corporation Commission (“Arizona Commission” or “Commission”) that the Parties plan to consummate a parent-level merger transaction whereby CenturyLink will acquire indirect control of the following Arizona Commission-certificated telecommunications carriers from Level 3 (the “Transaction”): Level 3 Communications, LLC, Broadwing Communications, LLC, WilTel Communications, LLC, Global Crossing Telecommunications, Inc., and Level 3 Telecom Data Services, LLC (“Level 3 OpCos”). The Level 3 OpCos are authorized to provide facilities-based and resold competitive local exchange and interexchange telecommunications services in Arizona.

CenturyLink and Level 3 understand that Commission approval is not required to complete the transaction described herein, and no Commission action is requested. The Parties provide this Notice to inform the Commission about the Transaction well in advance of closing, for the Commission’s record keeping purposes. The Parties intend to

close the Transaction by September 30, 2017. The Parties will inform the Commission upon closing or other termination of the Transaction.

DESCRIPTION OF THE PARTIES

A. Level 3 and the Level 3 OpCos

1. Level 3 is a publicly traded (NYSE: LVLT) Delaware corporation with principal offices located at 1025 Eldorado Boulevard, Broomfield, Colorado 80021. Through its operating subsidiaries, Level 3 offers a wide range of communications services over its broadband fiber-optic network in North and South America, Europe, and Asia, including IP-based services, broadband transport, collocation services, and patented Softswitch-based voice services to enterprise and government customers. The Level 3 operating subsidiaries, including the Level 3 OpCos, are non-dominant carriers that are authorized to provide resold and facilities-based telecommunications services pursuant to certification, registration, or tariff requirements, or on a deregulated basis. None of the Level 3 OpCos are incumbent local exchange carriers (ILECs).

Below is a brief description of the Arizona authority held by each of the Level 3 OpCos:

1. Level 3 Communications, LLC holds a certificate of Convenience and Necessity ("CCN") to provide competitive resold and facilities-based local exchange and interexchange telecommunications services in Arizona. Decision No. 61737 (June 4, 1999).
2. Broadwing Communications, LLC¹ holds a CCN to provide competitive resold and facilities-based interexchange telecommunications services in Arizona. Decision No. 66105 (July 25, 2003).
3. Global Crossing Telecommunications, Inc.² holds a CCN to provide competitive interexchange telecommunications in Arizona. Decision No. 54505 (April 29, 1985) and Decision No. 60501 (November 25, 1997).
4. Global Crossing Local Services, Inc.³ holds a CCN to provide competitive facilities-based local exchange services in Arizona. Decision No. 61622 (April 1, 1999).

¹ At the time the CCN was issued, Broadwing Communications, Inc. was named C III Communications Operations, LLC.

² At the time the CCN was issued, Global Crossing Telecommunications, Inc. was named Allnet Communications Services, Inc.

³ At the time the CCN was issued, Global Crossing Local Services, Inc. was named Frontier Local Services, Inc.

5. WilTel Communications, LLC⁴ holds a CCN to provide competitive resold and facilities-based local exchange and interexchange telecommunications services in Arizona. Decision No. 62025 (November 2, 1999).
6. Level 3 Telecom of Arizona, LLC⁵ holds a CCN to provide competitive telecommunications services in Arizona. Decision No. 63262 (December 14, 2000).

B. CenturyLink and the CenturyLink OpCos

CenturyLink is a publicly traded (NYSE: CTL) Louisiana corporation with headquarters at 100 CenturyLink Drive, Monroe, Louisiana. CenturyLink's operating entities offer communications services, including local and long-distance voice, local network access, high-speed internet, and information, entertainment, and fiber transport services through copper and fiber networks, to consumers and businesses in 50 states. CenturyLink's operating entities also provide high-speed internet access services and data transmission services. In certain local and regional markets, CenturyLink's operating entities provide telecommunications services as a competitive local exchange carrier ("CLEC"), offer security monitoring, and provide other communications, professional, business, and information services.

As of December 31, 2015, CenturyLink operating entities provided high-speed internet access services to over six million customers and had approximately 11.7 million access lines. CenturyLink entities operate a state-of-the-art fiber transport system, which provides fiber-based transport services to its customers.

CenturyLink itself does not offer services in Arizona and is not certificated by this Commission. CenturyLink is the ultimate parent of various operating subsidiaries, of which the following three entities are certificated as telecommunications carriers by the Commission: Qwest Corporation d/b/a CenturyLink QC, CenturyLink Communications LLC, and CenturyLink Public Communications, Inc. ("CenturyLink OpCos").

Below is a brief description of the Arizona-certificated CenturyLink OpCos' telecommunications services and authorizations:

1. Qwest Corporation d/b/a CenturyLink QC operates as an incumbent local exchange carrier ("ILEC") and provides intrastate interexchange services; it

⁴ At the time the CCN was issued, WilTel Communications, LLC was named Williams Communications, Inc.

⁵ At the time the CCN was issued, Level 3 Telecom of Arizona, LLC was named Time Warner Telecom of Arizona LLC.

is defined as a Bell Operating Company under 47 U.S.C. § 153. All of the retail telecommunications services are classified as competitive or are deregulated. Decision No. 73351 (August 21, 2012).

2. CenturyLink Communications LLC⁶ is authorized to provide statewide competitive interexchange telecommunications services (IXC), and statewide competitive local exchange services. Decision Nos. 66612 and 68447 (December 12, 2003, and February 2, 2006, respectively).
3. CenturyLink Public Communications, Inc.⁷ is authorized to provide competitive customer owned pay telephone service. Decision No. 61049 (August 6, 1998).

DESCRIPTION OF THE TRANSACTION

On October 31, 2016, CenturyLink entered into an Agreement and Plan of Merger (the "Merger Agreement") with Level 3, Wildcat Merger Sub 1 LLC, a Delaware limited liability company and an indirect wholly-owned subsidiary of CenturyLink ("Merger Sub 1"), and WWG Merger Sub LLC, a Delaware limited liability company and an indirect wholly-owned subsidiary of CenturyLink ("Merger Sub 2").

In connection with entering into the Merger Agreement, CenturyLink, Inc. created a direct subsidiary, Wildcat Holdco LLC, a Delaware limited liability company ("Holdco"), which in turn created two direct subsidiaries of its own, Merger Sub 1 and Merger Sub 2. The Merger Agreement provides, among other things, that subject to the satisfaction or waiver of the conditions set forth therein (i) Merger Sub 1 will merge with and into Level 3, with Level 3 surviving (the "Initial Merger"), and (ii) immediately thereafter, Level 3 will merge with and into Merger Sub 2, with Merger Sub 2 surviving (the "Subsequent Merger" and, together with the Initial Merger, the "Combination"). Following the Combination, Merger Sub 2 (the successor to Level 3) will be a direct wholly-owned subsidiary of Holdco, and Holdco will be a wholly-owned direct subsidiary of CenturyLink, Inc. Merger Sub 2 will survive the Subsequent Merger as an indirect wholly-owned subsidiary of CenturyLink.

Under the Merger Agreement, at the effective time of the Initial Merger, each outstanding share of Level 3 common stock, par value \$0.01 per share (the "Level 3 Common Stock"), other than shares held by holders who properly exercise appraisal rights, will be converted into the right to receive \$26.50 in cash, without interest, and

⁶ At the time the CCN was issued, CenturyLink Communications LLC was named Qwest Communications Corporation.

⁷ At the time the CCN was issued, CenturyLink Public Communications, Inc. was named Sprint Payphone Services, Inc.

1.4286 shares of CenturyLink common stock, par value \$1.00 per share (the "CenturyLink Common Stock").⁸ The Combination is subject to (i) the approval and adoption of the Merger Agreement by the stockholders of Level 3 and (ii) the approval by the shareholders of CenturyLink of the issuance of the CenturyLink Common Stock in the Initial Merger. The Combination also is subject to other customary closing conditions, including federal and state commission approvals as may be required.

Upon the closing of the Transaction, CenturyLink shareholders will own approximately 51 percent and Level 3 shareholders will own approximately 49 percent of the combined company. The Transaction is explained in greater detail, in CenturyLink's SEC Form 8-K report filed October 31, 2016.⁹

For the Commission's reference, pre- and post-Transaction organization charts are provided as Exhibit A. The charts demonstrate the indirect transfer of control of the Level 3 OpCos from Level 3 to CenturyLink, with unregulated and non-Arizona jurisdictional entities removed except those intermediate non-carrier holding companies between the OpCos and the ultimate parent companies.¹⁰

NON-APPLICABILITY OF A.R.S. §40-285 and A.A.C. R14-2-801 et seq.

The requirements of A.R.S. §40-285 for Commission approval of encumbrances on utility property, disposition of plant, mergers, and acquisition of the stock of a utility do not apply to telecommunications corporations whose retail telecommunications services are all classified as competitive by the Commission. A.R.S. §40-285(F). The requirements of the Commission's rules for public utility holding companies and affiliated interests, A.A.C. R14-801 through R14-8-6, likewise do not apply to telecommunications utilities whose retail telecommunications services have been classified as competitive by the Commission. As described in Section B, above, the retail telecommunications services of each of the Level 3 OpCos and each of the CenturyLink OpCos are classified as competitive.

⁸ No fractional shares of CenturyLink will be issued in the Initial Merger, and Level 3 stockholders who would otherwise have been entitled to receive a fraction of a share (after taking into account all Level 3 shares exchanged by such holder) will receive cash in lieu of any fractional shares.

⁹ <http://ir.centurylink.com/Cache/36548388.pdf?IID=4057179&FID=36548388&O=3&OSID=9>.

¹⁰ The Level 3 organization chart reflects that in 2012, Level 3 eliminated a holding company that was a subsidiary of Global Crossing North America, Inc. and parent of Global Crossing Telecommunications, Inc. and Global Crossing Local Services, Inc. This change was entirely pro forma in nature and did not result in a change to the ultimate ownership or management of the certificated companies, the services provided to consumers or the names of the certificated service providers operating in the state. Please note also that Global Crossing North American Holdings, Inc. ("GCNAH") is a direct subsidiary of Level 3 Communications, LLC ("Level 3 LLC"). In a prior filing in 2014 relating to Level 3's acquisition of the former tw telecom companies, the post-closing organization chart mistakenly indicated that GCNAH was a direct subsidiary of another company called Level 3 GC Limited, which, like Level 3 LLC, is a direct subsidiary of Level 3 Financing, Inc.

TRANSACTION BENEFITS

The Transaction will enable the Parties to combine their complementary capabilities to offer enterprise customers a broader and more complementary range of services and solutions than they currently provide, reduce dependence on competitors' fiber facilities, and enhance the combined company's financial profile. The proposed Transaction thus will allow the combined company not only to provide greater service to its base of enterprise customers but also to serve as a stronger competitor to compete successfully for these customers. By combining resources, services and solutions, the proposed Transaction will enable the combined company to become a more viable, more effective competitor in an increasingly contested market.

Competing in the enterprise business and government market increasingly demands a broader array of facilities-based service offerings on a national scale, and new technologies that provide high transmission capacities. Service providers must possess robust and far-reaching network infrastructure and have the financial wherewithal and technical expertise to make additional prudent investments in their networks. The combination of CenturyLink and Level 3 forces will foster the resources necessary to compete more effectively in this environment.

The ability of CenturyLink and Level 3 to continue to compete effectively in key market segments is challenged by the presence of numerous highly effective providers. As the needs of enterprise customers have grown, both CenturyLink and Level 3 compete in an environment populated by larger, better-capitalized competitors. Although the Parties have strived to compete in this environment, the resources and scale of their most formidable competitors have only increased. By combining their network resources, services and solutions, the Transaction will enable the combined CenturyLink and Level 3 to become a more viable, better-resourced competitor.

The markets relevant to the Transaction are vibrant and competitive and will remain so after the Transaction is consummated. Indeed, by bolstering the combined company's ability to compete with larger, better-capitalized enterprise service providers, the Transaction will enhance the quality of competition in these markets, and enterprise and large government customers will reap resulting benefits.

Moreover, because the Transaction results in no direct change to Level 3 OpCos' operations, it is transparent to customers. The Transaction will not interrupt service or affect existing regulatory and contractual obligations between the Applicants and their enterprise customers. Service to those customers will continue to be governed by the relevant contractual terms and applicable tariffs once the Transaction closes with no change in services or rates as a result of the Transaction. The Parties will continue to abide by their ongoing obligations under existing interconnection agreements, as well as

under applicable law, including those set forth in Sections 251 and 252 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 251 *et seq.*

The Transaction will not affect CenturyLink's regulatory obligations toward residential subscribers, or any pending commitments or obligations CenturyLink may have in connection with those subscribers. Level 3 does not serve residential subscribers. Nothing about the Transaction will affect CenturyLink's operations that are directed at the consumer segment. The Transaction's focus is on enhancing the ability of the combined company to compete vigorously for enterprise customers.

In summary, the Transaction will bring an array of benefits, enabling the Parties to more effectively compete in the enterprise market, without any countervailing drawbacks to customers or competition.

CONTACT INFORMATION

For the purposes of this Notice, contacts for the Parties are as follows:

For Level 3	For CenturyLink
<p>Catherine Wang, Esq. Danielle Burt, Esq. Morgan, Lewis & Bockius LLP 2020 K Street, N.W. Washington, DC 20006 Phone: (202) 373-6000 Fax: (202) 373-6001 E-mail: catherine.wang@morganlewis.com danielle.burt@morganlewis.com</p> <p>with a copy to:</p> <p>Kristie Ince Vice President State Regulatory and Legislative Affairs Level 3 6801 Gaylord Pkwy, Suite 300 Frisco, TX 75034-1892 E-mail: Kristie.ince@level3.com</p>	<p>Norman Curtright CenturyLink 20 E. Thomas Rd., First Floor Phoenix, Arizona 85012</p>

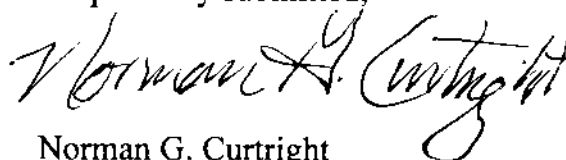
Arizona Corporation Commission

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January 12, 2017

If there are any questions concerning this matter, please feel free to contact the undersigned or the persons noted above. The Parties will file this Notice with the Commission's Docket Control.

Respectfully submitted,

A handwritten signature in black ink that reads "Norman G. Curtright". The signature is written in a cursive style with a large, prominent "N" and "C".

Norman G. Curtright

Copies:

Ted Vogt
Executive Director
Arizona Corporation Commission

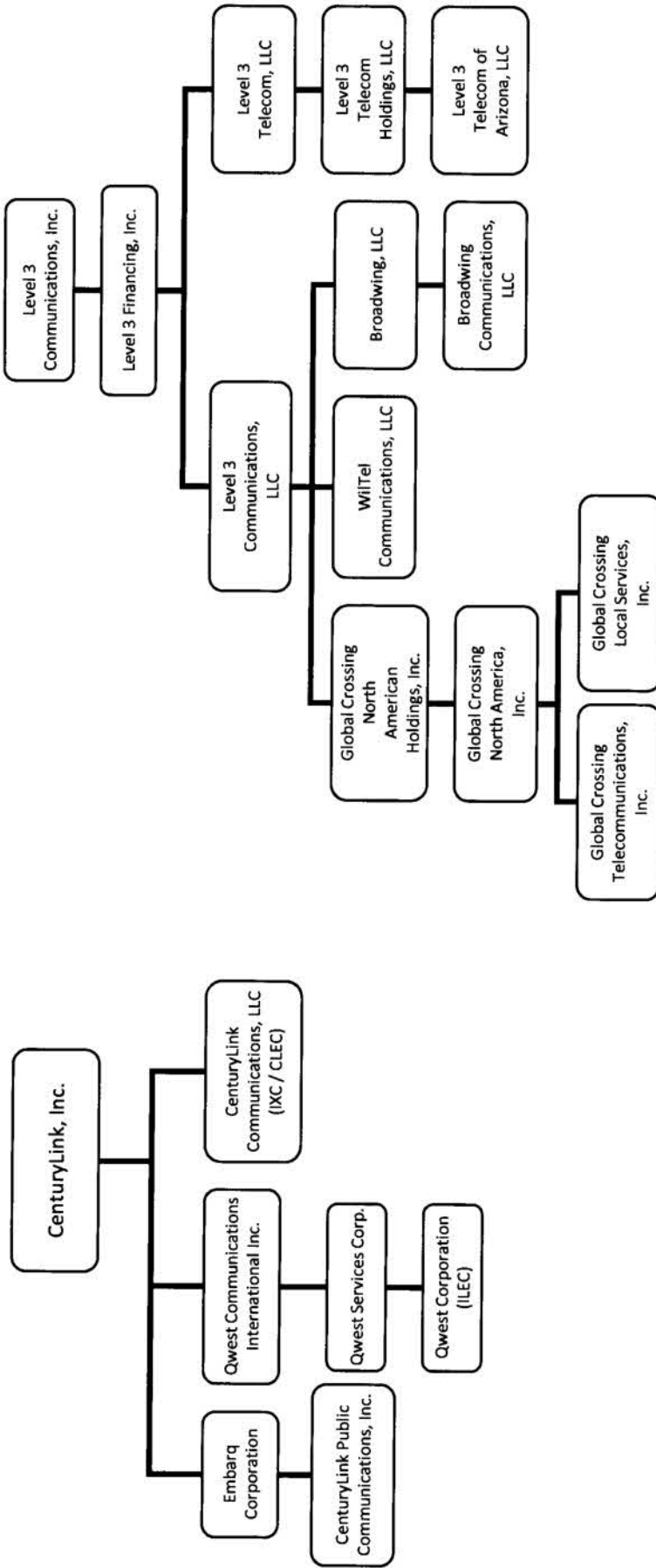
Elijah Abinah
Acting Director - Utilities Division
Arizona Corporation Commission

Timothy La Sota
Legal Division Acting Director

Exhibit A

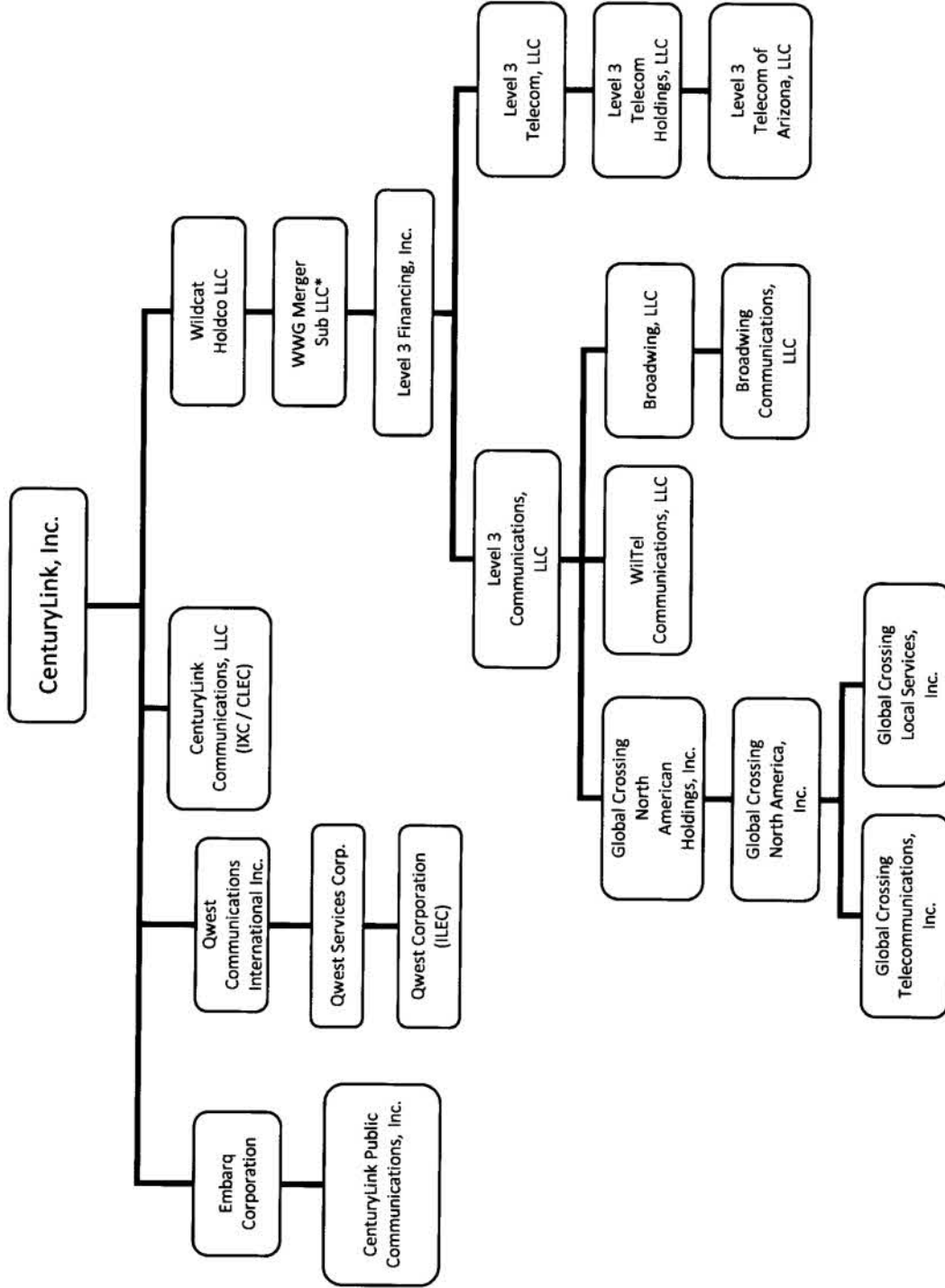
ARIZONA

Pre-Merger Corporate Structure



ARIZONA

Post-Merger Corporate Structure



*Surviving entity after merging with Level 3 Communications, Inc.