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June 1, 2023

VIA E-FILING

Reece McAlister
Executive Secretary
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, Georgia 30334-9052

Re: *Application of Level 3 Communications, LLC, Broadwing Communications, LLC, Global Crossing Telecommunications, Inc., TelCove Operations, LLC, and WilTel Communications, LLC for Approval to Participate in a Financing Arrangement*

Dear Mr. McAlister:

Enclosed for filing please find attached an application by Level 3 Communications, LLC, Broadwing Communications, LLC, Global Crossing Telecommunications, Inc., TelCove Operations, LLC, and WilTel Communications, LLC (collectively the "Petitioners") authority to participate in the financing arrangement herein.

If there are any questions, please do not hesitate to contact the undersigned. Thank you for your assistance.

Respectfully submitted,

/s/ Clete D. Johnson

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Counsel for Applicants

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF GEORGIA

In the Matter of the Application of	)	
Level 3 Communications, LLC **Broadwing Communications, LLC** **Global Crossing Telecommunications, Inc.** **TelCove Operations, LLC, and** **WilTel Communications, LLC**	)	Docket No. _____
for Approval to Participate in a Financing Arrangement	)	

APPLICATION

Level 3 Communications, LLC ("Level 3 LLC"), Broadwing Communications, LLC ("Broadwing"), Global Crossing Telecommunications, Inc. ("GC Telecommunications"), TelCove Operations, LLC ("TelCove"), and WilTel Communications, LLC ("WilTel") (collectively the "Applicants"),[1] by their undersigned counsel and pursuant to O.G.C.A. § 46-2-28 and any other statutes and regulations deemed applicable, hereby request approval from the Georgia Public Service Commission ("Commission") (to the extent required) to participate in a financing arrangement in connection with the issuance of $924,522,000 aggregate principal amount of 10.500% Senior Secured Notes due 2030 (the "New Senior Secured Notes") by their parent company, Level 3 Financing, Inc. ("Financing"). Specifically, Applicants seek approval upon receipt of the required regulatory approvals (1) to act as a guarantor for the New Senior

[1] As described in further detail below, Lumen Technologies, Inc. is the ultimate corporate parent of the Applicants as well as three additional entities authorized to provide telecommunications services in the state of Georgia: Global Crossing Local Services, Inc., CenturyLink Communications, LLC, and Level 3 Telecom of Georgia, L.P. Please note, however, that Global Crossing Local Services, Inc., CenturyLink Communications, LLC, d/b/a Lumen and Level 3 Telecom of Georgia, L.P. will not be secured guarantors of the financing arrangement described herein and so have not been included in the relief sought in this Application.

Secured Notes and (2) for their equity and other assets to be pledged in support of the New Senior Secured Notes.[2] Additionally, Level 3 LLC has amended and restated the existing intercompany demand note issued to Financing as part of its prior financing arrangement which the Commission deemed exempt from the prior approval requirement in O.C.G.A. § 46-2-28 in 2020.[3] The Applicants also seek approval to permit the amended and restated intercompany demand note issued in exchange for the proceeds of the New Senior Secured Notes (and prior exempted financings) to remain unpaid for more than twelve months from the date of issuance.

The New Senior Secured 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 senior indebtedness of Financing's ultimate parent company, Lumen Technologies, Inc. (NYSE: LUMN) ("Lumen") ("Lumen Notes"). The Lumen Notes which were repurchased through the exchange of the New Senior Secured Notes represented an aggregate principal amount of $1,554,060,000 and consisted of (i) 5.625% Senior Notes, Series X due 2025, (ii) 7.200% Senior Notes, Series D, due 2025, (iii) 5.125% Senior Notes due 2026, (iv) 6.875% Debentures, Series G, due 2028, (v) 5.375% Senior Notes due 2029, (vi) 4.500% Senior Notes due 2029, (vii) 7.600% Senior Notes, Series P, due 2039 and (viii) 7.650% Senior Notes, Series U, due 2042.

By exchanging Lumen Notes with an aggregate principal amount of $1,554,060,000 for

[2] Pursuant to O.G.C.A. § 46-2-28(g), local exchange companies are exempt from the approval provisions of O.G.C.A. § 46-2-28 when a debt transaction is interstate in nature. The Applicants respectfully submit that the financing arrangement described herein is a multistate transaction that involves their parent companies, which, along with the Applicants, are organized and headquartered outside of Georgia. The debt transaction described herein will provide greater access to capital, which will yield both financial benefits and operational flexibility that will inure to the benefit of Applicants' customers in Georgia and other states in which they operate. Accordingly, the Applicants respectfully request that the Commission exempt this interstate debt transaction from the approval provisions of Section 46-2-28. If the Commission decides not to exempt the Applicant from the approval requirements, the Applicant requests approval herein.

[3] *See* Letter of Authorization from Leon E. Bowles, Director of Telecommunications, Georgia Public Service Commission, to Newton Galloway, Counsel to Applicants, Docket Nos. 12978, 10049, 7511, 8558, 10466, and 8180 (March 3, 2020) ("2020 Financing").

New Senior Secured Notes with an aggregate principal amount of $924,522,000, Applicants were able to reduce Lumen's overall debt by $629,538,000. The financing is also enabling Lumen to extend the maturity date for the Lumen Notes (taken as a whole) to more a favorable term.

In support of this Application, the Applicants provide the following information:

I. DESCRIPTION OF THE APPLICANTS

Level 3 Parent, LLC ("Level 3 Parent"), the immediate parent of Financing, is a Delaware limited liability company with principal offices located at 1025 Eldorado Boulevard, Broomfield, CO 80021 and an indirect, wholly owned subsidiary of Lumen. Level 3 Parent 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 the Applicants. Applicants are non-dominant carriers that are authorized to provide resold and/or facilities-based telecommunications services pursuant to certification, registration or tariff requirements, or on a deregulated basis. In the state of Georgia, Applicants hold the following authorizations:

- Level 3 LLC is authorized to provide interexchange services pursuant to Certificate No. R-516 issued in Docket No. 8729-U on May 4, 1998 and Certificate No. X-0993 issued in Docket No. 11419-U on December 7, 1999, and is authorized to provide competitive local exchange services pursuant to Certificate No. L-081 issued in Docket No. 8558-U on May 19, 1998, as amended on March 19, 2002.

- Broadwing is authorized to provide interexchange services pursuant to Certificate No. R-903 issued in Docket No. 16770-U on April 20, 2004 and Certificate No. X-989 issued in Docket No. 10467-U on July 23, 1999. It is also authorized to provide competitive local exchange services pursuant to Certificate No. L-0143 issued in Docket No. 10466-U on August 17, 1999.

- GC Telecommunications is authorized to provide interexchange services pursuant to Certificate No. R-028 issued in Docket No. 6215-U on January 6, 1987.

- TelCove is authorized to provide interexchange services pursuant to Certificate No. X-0991 issued in Docket No. 10085-U on August 17, 1999 and amended on July 6, 2004, and competitive local exchange services pursuant to Certificate No. L-130 issued in Docket No. 10049-U on May 18, 1999 and amended on July 6, 2004.

- WilTel is authorized to provide interexchange services pursuant to Certificate No. X-959 issued in Docket No. 75511 on July 17, 1997.

II. DESIGNATED CONTACTS

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

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III. REQUEST FOR APPROVAL TO PARTICIPATE IN A FINANCING ARRANGEMENT

Applicants request Commission approval to participate in a new financing arrangement in the aggregate principal amount of $924,522,000. The new financing arrangement consists of the following components. First, Financing has issued $924,522,000 aggregate principal amount of its New Senior Secured Notes in a private offering that was not registered under the Securities Act of 1933 ("Securities Act"). The New Senior Secured Notes were offered and sold only to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A of the Securities Act and to non-U.S. persons outside of the United States in accordance with Regulation S under the Securities Act. The New Senior Secured Notes were issued in exchange for validly

tendered and not withdrawn Lumen Notes in an aggregate principal amount of $1,554,060,000. The New Senior Secured Notes mature in 2030 and replace Lumen Notes which were set to mature between 2025 and 2042.[4]

Second, to the extent required, Applicants hereby also request approval from the Commission to pursuant to *O.G.C.A. § 46-2-28* and any other laws or regulations deemed applicable, (1) to act as guarantors of the New Senior Secured Notes and (2) for their equity and other assets to be pledged in support of the New Senior Secured Notes. Applicants respectfully submit that their guaranties and the pledge of their equity and other assets will not be effective until all required regulatory approvals are obtained.

Third, Financing has lent funds equal to the $924,522,000 net aggregate proceeds from the New Senior Secured Notes to Level 3 LLC in return for Level 3 LLC's execution of an amended and restated version of a previously issued intercompany demand note in the amount of $4,835,522,000. Other the note balance, the amended and restated intercompany demand note is in substantially the same form as the note utilized for the 2020 Financing (and earlier financings), which was deemed exempt from the Commission's prior approval requirements, including the parties to the note (Level 3 LLC and Financing), and the assets pledged by Level 3 LLC as security in support of the note (the tangible assets of Level 3 LLC), and the note continues to be payable on demand.[5]

Accordingly, to the extent required, Level 3 LLC also requests authority from the Commission pursuant to O.C.G.A. § 46-2-28 in the event the amended and restated intercompany demand note

[4] Of the more than $1.5B Lumen Notes repurchased, only about $300M have maturity dates which extend past the maturity date for the New Senior Secured Notes.

[5] The aggregate principal balance of the intercompany demand note executed as part of the 2020 Financing ("2020 Intercompany Note") was $4,610,500,000. The note amount for new amended and restated intercompany demand note includes the outstanding balance of the 2020 Intercompany Note and the proceeds from the New Senior Secured Notes financing.

issued by Level 3 LLC to Financing remains unpaid for more than 12 months from the date of issuance. Since the intercompany demand note is payable on demand, and thus is neither indebtedness payable later than 12 months after the date of the original instrument, nor expressly payable within 12 months, the applicability of O.C.G.A. § 46-2-28. is unclear. Out of an abundance of caution, therefore, Level 3 LLC seeks Commission approval pursuant to O.C.G.A. § 46-2-28 (to the extent required) in the event the intercompany demand note was to remain unpaid for more than 12 months from the date of issuance.

As explained herein, the instant financing arrangement qualifies for exemption from the approval provisions of O.G.C.A. § 46-2-28(g) because it is interstate in nature. Should the Commission nevertheless determine not to exempt the instant financing arrangement, Applicants hereby request approval from the Commission pursuant to O.C.G.A. § 46-2-28 and any other laws or regulations deemed applicable, (1) to act as guarantors of the New Senior Secured Notes and (2) for their equity and other assets to be pledged in support of the New Senior Secured Notes. Applicants respectfully submit that their guaranties and the pledge of their equity and other assets will not be effective until all required regulatory approvals are obtained. In addition, and to the extent required, Level 3 LLC seeks Commission approval pursuant to O.C.G.A. § 46-2-28, and any other applicable regulations and statutes, in the event the amended and restated intercompany demand note remains unpaid for more than 12 months from the date of issuance, as more fully addressed above.

Applicants' participation in the new financing arrangement will not result in a change in Applicants' management or in Applicants' day-to-day operations in Georgia, nor will the financing arrangement adversely affect Applicants' current or proposed operations in Georgia. The financing arrangement will provide Applicants with financial flexibility to maintain and expand their networks

and services and will enable Applicants to continue delivering services to new markets, thus allowing more consumers to benefit from their competitive services. Accordingly, and to the extent required, Applicants request Commission approval to participate in the financing arrangement discussed herein.

IV. PUBLIC INTEREST CONSIDERATIONS

Approval of the financing arrangement described herein will serve the public interest. The financing arrangement allows Lumen, Financing and Level 3 Parent to execute a debt-for-debt exchange of certain unsecured notes trading at below par value and to extend the overall portfolio maturity date (taken as a whole), thereby reducing Lumen's overall debt by over $629 million. It also provides Lumen with greater financial flexibility and reduced future refinancing risks associated with the earlier maturity dates described herein. The exchange also has a positive impact on free cash flow due to the deleveraging aspect of the debt exchange. The financing arrangement also provides Applicants, Financing, and Level 3 Parent with greater financial flexibility to maintain and expand Applicants' networks and services. The improved financial arrangement enables Applicants to continue delivering services to new markets, thus allowing more consumers to benefit from their competitive services. Applicants, Financing, and Level 3 Parent also expect that the capital markets will look favorably upon these steps as part of their ongoing efforts to manage the maturity profile of their debt and to continue to strengthen their overall credit profile. As such, they expect the financing arrangement will provide greater access to capital in the future, which will yield both financial benefits and operational flexibility that will ultimately inure to the benefit of Applicants' Georgia customers. In addition, existing and future customers will have a more favorable view of the Applicants' 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. In no event will it result in the discontinuance, reduction, loss, or impairment

of service to customers. Following consummation of the financing arrangement, Applicants will continue to provide high-quality communications services to its customers without interruption and without immediate change in rates, terms, or conditions.

V. CONCLUSION

For the reasons set forth herein, Applicants submit that the public interest, convenience, and necessity will be furthered by expeditious Commission approval of their participation in the financing arrangement described herein.

Respectfully submitted,

/s/ Clete D. Johnson
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Counsel for Applicants

June 1, 2023

VERIFICATION

STATE OF CALIFORNIA)
)
COUNTY OF ALAMEDA)

I, Joshua S. Trauner, state that I am Associate General Counsel of Lumen Technologies, Inc.; that I am authorized to make this Verification on behalf of its certified operating subsidiaries, including Broadwing Communications, LLC; Global Crossing Telecommunications, Inc.; Level 3 Communications, LLC; TelCove Operations, LLC; and WilTel 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.

Joshua S. Trauner
Associate General Counsel
Lumen Technologies, Inc.

SWORN TO AND SUBSCRIBED before me on the 31st day of May, 2023.

Notary Public

My commission expires: JUL 11 2024

SUNGSOO HAN
COMM. #2329637
Notary Public - California
Alameda County
My Comm. Expires July 11, 2024

GA