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December 13, 2006

RECEIVED

DEC 13 2006

EXECUTIVE SECRETARY
G.P.S.C.

Mr. Reece McAllister
Executive Secretary
Georgia Public Service Commission
244 Washington Street
Atlanta, GA 30334-5701

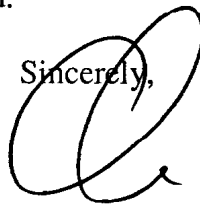
RE: Petition of Level 3 Communications, Inc. for Rulemaking to Add Rules to Streamline
Commission Review of CLEC Merger and Financing Applications

Dear Reece:

Enclosed please find an original and fifteen (15) copies, as well as diskette, of the
Petition of Level 3 Communications, Inc. for Rulemaking to Add Rules to Streamline
Commission Review of CLEC Merger and Financing Applications.

If you should have any questions regarding this matter, please do not hesitate to call me.
Thank you for your assistance in this regard.

Sincerely,



Charles F. Palmer

CFP/tam
Enclosures

cc: Consumers' Utility Counsel
Mr. Leon Bowles
Ms. Meredith Mays
Mr. John P. Silk

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF GEORGIA

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DEC 13 2006

EXECUTIVE SECRETARY
G.P.S.C.

IN RE:)
)
PETITION OF LEVEL 3)
COMMUNICATIONS, INC. FOR)
RULEMAKING TO ADD RULES)
TO STREAMLINE COMMISSION)
REVIEW OF CLEC MERGER AND)
FINANCING APPLICATIONS)

DOCKET NO. _____

PETITION OF LEVEL 3 COMMUNICATIONS, INC.
FOR RULEMAKING TO ADD RULES TO STREAMLINE COMMISSION REVIEW OF
CLEC MERGER AND FINANCING APPLICATIONS

COMES NOW Level 3 Communications, Inc. (“Level 3”), and pursuant to O.C.G.A. § 50-13-9 and Georgia Public Service Commission (“Commission”) Rule 515-2-1-.11, files this Petition for Rulemaking seeking the addition of new Commission Rules to streamline Commission review of Competing Local Exchange Carrier (“CLEC”) merger and financing applications.

A. Name and Address of Petitioner

Level 3 Communications, LLC is a Delaware limited liability corporation with its principal offices located at 1025 Eldorado Boulevard, Broomfield, CO 80021. Level 3 provides high-quality voice and data services to carriers, ISPs, and other business customers over its IP-based network. Level 3 is a CLEC authorized to provide resold and facilities-based telecommunications services nationwide pursuant to certification and registration or tariff requirements or on a deregulated basis. Level 3 is also authorized by the Federal Communications Commission (“FCC”) to provide international and domestic interstate services as a non-dominant carrier.

In Georgia, Level 3 is authorized to provide resold and facilities-based local exchange and interexchange service pursuant to Commission authorization in Docket No. 8558-U, order dated May 19, 1998, Docket No. 8729-U, order dated May 4, 1999, and Docket No. 11419-U, order dated October 15, 1999.

B. Reason for Requested New Rule

The Commission's processes for the approval of merger and financing applications were enacted when a single local exchange carrier was the exclusive provider of service in its designated franchise territory. In that market structure, extensive government regulation was necessary to protect captive ratepayers who consumed services provided by a monopoly. Local competition has dramatically changed the telecommunications market, and now consumers can choose freely among non-dominant carriers offering competitive services. Today, CLECs are motivated by robust competition for customers and need to complete corporate acquisition and financing transactions quickly. Under Commission rules, however, CLECs remain constrained by pre-approval requirements and cannot react quickly to meet their business needs.

The pre-approval requirements are problematic for transactions involving multiple jurisdictions. In some cases, consummation of a merger or financing transaction already approved by federal agencies and states with streamlined procedures is delayed as the parties await the completion of the Commission approval process. Most carriers operating in multiple jurisdictions hold authority from the FCC to operate as interstate common carriers. Under federal rules, such carriers are required to obtain prior FCC approval before completing mergers or financing transactions.

However, the FCC has amended its rules to adopt streamlined approval procedures applicable to these transactions. Specifically, FCC rules provide that applications for approval that qualify for streamlined treatment are granted within 31 days of publication of the filing unless the FCC notifies an applicant that its application is being removed from the streamlined processing. In contrast, by requiring a weeks-long process of pre-approval for merger and financing transactions, the Commission wastes its own resources and unnecessarily impedes the FCC's expeditious system.

While Georgia's Commission has a good track record of processing merger and financing transactions efficiently, its national reputation as a leader in telecommunications makes it appropriate for this Commission to adopt rules streamlining the review process. Two other Southern states, North Carolina and Louisiana, have adopted streamlining rules following similar proposals by Level 3. A copy of the action taken by the North Carolina Commission and a copy of the Staff's Final Recommendation to the Louisiana Commission (which has been adopted but has not yet been published in Order form) are attached as Exhibits A and B. In addition, Vermont replaced its prior approval process with a ten-day post-closing notice procedure. A copy of that rule is attached as Exhibit C.

In light of the above, Level 3 proposes that the Commission streamline its administrative processes for approval of merger and financing transactions by adopting new Rules 515-6-1-.20 and 515-6-1-.21. Under these new rules, the Commission would retain post-closing jurisdiction over the surviving entities to make inquiries of the parties and, if necessary, to take action to protect consumer interests, commence proceedings, or impose conditions, including reporting requirements, on the CLEC's certificate(s).

C. Full Text of Requested New Rules

Level 3 proposes the Commission adopt new Rules 515-6-1-.20 and 515-6-1-.21 reading as follows:

515-6-1-.20 Commission Review of CLEC Merger Applications

This rule applies to competing local exchange carriers filing merger applications with the Federal Communications Commission (“FCC”) for domestic Section 214 license transfers pursuant to 47 C.F.R. § 63.03 and, if necessary, any Hart-Scott-Rodino applications with the United States Department of Justice (“DOJ”).

- (a) Within fourteen days of filing a merger application at the FCC and/or DOJ, the parties shall file a Notice with the Commission that includes:
 - (1) Information identifying the parties;
 - (2) A summary description of the transaction;
 - (3) A statement of the compliance status of the person(s) with respect to the Commission’s compliance filings; and
 - (4) A copy of the application filed at the FCC.

During the pendency of the FCC and DOJ proceedings, the parties will file copies of all procedural motions, responses to discovery, and orders with the Commission. The parties will also supplement the Notice filing with the FCC Public Notice once it becomes available.

- (b) Upon filing of the Notice described in subsection (a), the Notice will be deemed approved.
- (c) At any time following filing of the Notice, the Commission may make inquiries of the parties and, if necessary, take action to protect consumer interests, initiate proceedings, and/or impose conditions on the carrier’s certificate(s), including reporting requirements that address consumer interests.
- (d) Upon receipt of FCC and, if necessary, DOJ approval, and upon filing of same with the Commission, the parties will be free to close their transfer transaction.

- (e) Issuance of the FCC and DOJ orders and closing of the transaction pursuant to subsection (d) above shall neither end nor terminate any Commission proceeding or investigation nor shall it preclude the imposition of conditions on a carrier's certificate(s) as described in subsection (c) on a post-closing basis.
- (f) Existing Commission customer notification requirements shall remain in effect.

515-6-1-.21 Commission Review of CLEC Financing Applications

This rule applies to competing local exchange carriers consummating certain financing transactions and other *pro forma* changes.

- (a) Within seven days of consummation of a financing transaction, a person shall file a Notice with the Commission that includes:
 - (1) Information identifying the person(s) involved;
 - (2) A summary description of the transaction; and
 - (3) A statement identifying any issues raised by the United States Securities and Exchange Commission ("SEC") with respect to the transaction.

The Notice must include, and be supplemented with, to the extent it becomes available, any correspondence from the SEC pertaining to the transaction. "Financing transaction" as used in this subparagraph shall mean issuances of stock, issuances of securities, loans, guarantees, pledges, and liens on property.

- (b) Within thirty days of consummation of a *pro forma* change, including but not limited to a corporate restructuring, internal transfer, or other change in form which does not result in a change of the ultimate ownership or control of the person or its assets, said person shall file a Notice with the Commission, consistent with the FCC's post-transaction notice requirement under 47 C.F.R. § 63.03(d).

WHEREFORE, Level 3 prays that:

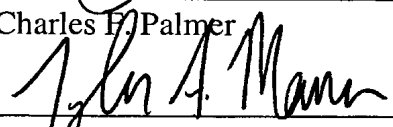
- a. Its Petition for Rulemaking be read and considered;
- b. This Commission initiate the rulemaking requested herein; and
- c. The proposed new Rules 515-6-1-.20 and 515-6-1-.21 be adopted.

This 13th day of December 2006.

Respectfully submitted,



Charles F. Palmer



Tyler A. Mann
Trotman Sanders LLP
600 Peachtree Street, NE
Suite 5200
Atlanta, GA 30308
(404) 885-3402 telephone
(404) 962-6647 facsimile

Greg Rogers, Esq.
Level 3 Communications, LLC
1025 Eldorado Boulevard
Broomfield, CO 80021

Counsel for Level 3 Communications, LLC

VERIFICATION

STATE OF GEORGIA

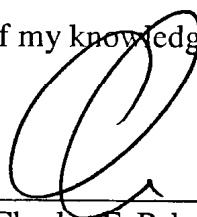
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COUNTY OF FULTON

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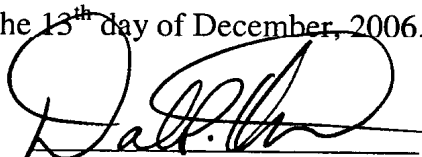
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I, Charles F. Palmer, state that I am Counsel for Level 3 Communications, LLC, that I am authorized to make this Verification on behalf of Level 3 Communications, LLC, that the foregoing filing was prepared under my direction and supervision, and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.



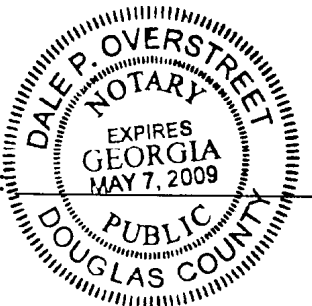
Charles F. Palmer
Counsel for Level 3 Communications, Inc.

SWORN TO AND SUBSCRIBED before me on the 13th day of December, 2006.



Notary Public

My commission expires:



CERTIFICATE OF SERVICE

I certify that I have this day served a copy of the foregoing PETITION OF LEVEL 3 COMMUNICATIONS, INC. FOR RULEMAKING TO ADD RULES TO STREAMLINE COMMISSION REVIEW OF CLEC MERGER AND FINANCING APPLICATIONS upon the following persons by causing copies of the same to be placed in an envelope with adequate postage affixed thereon and deposited in the United States Mail addressed as follows:

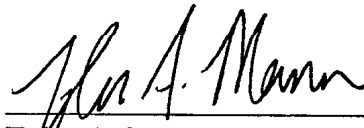
Consumers' Utility Counsel
2 Martin Luther King Boulevard
Suite 356, East Tower
Atlanta, GA 30334

Mr. Leon Bowles
Georgia Public Service Commission
244 Washington Street, First Floor
Atlanta, Georgia 30334

Ms. Meredith Mays
BellSouth Telecommunications, Inc.
675 West Peachtree Street
Suite 4300
Atlanta, Georgia 30375

Mr. John P. Silk
Executive Vice-President
Georgia Telephone Association
1900 Century Blvd., Ste. 8
Atlanta, GA 30345

This 13th day of December 2006.



Tyler A. Mann

Counsel for
Level 3 Communications, Inc.