

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Joint Application of)
Level 3 Communications, Inc., Apollo) DOCKET NO. 11-2266-01
Amalgamation Sub, Ltd., Level 3)
Communications, LLC, Broadwing)
Communications, LLC, WilTel) DOCKET NO. 11-2246-01
Communication, LLC, and Global Crossing)
North America, Inc., Global Crossing)
Telecommunications, Inc., Global Crossing) REPORT AND ORDER
Local Services, Inc. for Approval of the)
Transfer of Control and Related Transactions)

ISSUED: June 20, 2011

By The Commission:

This matter is before the Commission on the Joint Application of Level 3 Communications, Inc. (Level 3), Apollo Amalgamation Sub, Ltd. (Apollo Sub), Level 3 Communications, LLC (Level 3 LLC), Broadwing Communications, LLC (Broadwing), WilTel Communication, LLC (WilTel) (collectively, WilTel, Level 3 LLC, and Broadwing are the Level 3 Companies) and Global Crossing North America, Inc. (Global Crossing), Global Crossing Telecommunications, Inc. (GC Telecommunications) , Global Crossing Local Services, Inc. (GC Local) (collectively, GC Local, GC Telecommunications are the GC Companies) for Approval of the Transfer of Control and Related Transactions.

The Application was filed on April 21, 2011. Through the transaction, Level 3—Apollo Subs' parent will acquire indirect control of the GC Companies. An indirect minority ownership interest in the Level 3 Companies will be transferred. *See Joint Application,p.2.* Additionally, the Joint Applicants will enter into new financing arrangements needed to complete the acquisition of the GC Companies and include the GC Companies as participants in

existing financing arrangements that now include Level 3's subsidiary, Level 3 Financing. *Id.* The Level 3 Companies and GC Companies are competitive telecommunications carriers with authority to provide intrastate telecommunications services, and also competitive local exchange service in Utah. *Id.* The Joint Applicants stated that they "will continue to serve their existing customers in Utah pursuant to their respective authorizations under the same rates, terms, and conditions." *Id.*

On May 4, 2011, the Commission issued a public notice of the Joint Application, and notice of hearing for May 24, 2011. The notice allowed for the submission of comments by any interested party regarding the Application. The hearing was continued to June 9, 2011.

There were no objections lodged against the Joint Application.

The Division of Public Utilities (Division) submitted its recommendation on May 23, 2011. It recommended the approval of the Joint Application and found that granting it would be in the public interest.

Pursuant to Utah Admin. Code R746-349-7.A.2, the administrative law judge of the Commission held a hearing on June 9, 2011. William Evans was counsel for the Joint Applicants. Paul Kouroupas was witness for Global Crossing and appeared telephonically. Rick Thayer was witness for Level 3 and appeared telephonically. Patricia Schmid, assistant attorney general, represented the Division. Bill Duncan was witness for the Division. No one appeared at the hearing objecting to the Application. The Division proffered that its recommendation at the hearing would remain the same as submitted in its written recommendation. The Joint Applicants

proffered that the allegations and information contained in their verified Joint Application, together with all subsequent supplementary filings, remained the same.

Pursuant to Utah Admin. Code R746-349-7.A.3, there being no objection lodged against the Joint Application, the Commission will presume the approval of the transaction is in the public interest for the reasons set forth in the Joint Application and in the Division's recommendation.

ORDER

The Application for the approval of the transfer of control is granted.

Pursuant to Sections 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of Sections 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 20th day of June, 2011.

/s/ Ruben H. Arredondo
Administrative Law Judge

DOCKET NOS. 11-2266-01 AND 11-2246-01

- 4 -

Approved and confirmed this 20th day of June, 2011, as the Report and Order of
the Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
D#207374