

SUPPLEMENTAL EXHIBIT 1

To Joint Application

(Docket No. 14-2351-01)

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.

*In the Matter of*

**tw telecom inc.**,  
*Transferor,*

**Level 3 Communications, Inc.**,  
*Transferee,*

Application for Consent to Transfer Control  
of Authority to Provide Global Facilities-  
Based and Global Resale International  
Telecommunications Services and of Domestic  
Common Carrier Transmission Lines Pursuant  
to Section 214 of the Communications Act of  
1934, as Amended

WC Docket No. 14-\_\_\_\_\_  
File No. ITC-T/C-20140707-\_\_\_\_\_

**CONSOLIDATED APPLICATION —  
STREAMLINED PROCESSING REQUESTED**

Pursuant to 47 U.S.C. § 214 and 47 C.F.R. §§ 63.04 and 63.24(e), tw telecom inc. (“TWT Parent”) (FRN No. 0015338122) and Level 3 Communications, Inc. (“Level 3 Parent”) (FRN No. 0005868732), request that the Commission consent to the transfer of control to Level 3 Parent of TWT Parent operating subsidiaries holding international Section 214 authority and/or relying on blanket domestic Section 214 authority in 47 C.F.R. § 63.01 (collectively, with TWT Parent and Level 3 Parent, “Applicants”). Level 3 Parent and its special-purpose subsidiaries, Saturn Merger Sub 1, LLC (“Merger Sub 1”), and Saturn Merger Sub 2, LLC (“Merger Sub 2”), have entered into an agreement to acquire TWT Parent in a stock- and cash-based transaction that will result in Level 3 Parent controlling TWT Parent’s operating subsidiaries (the “Proposed

Transaction”).<sup>1</sup> The Applicants seek to consummate the Proposed Transaction by early October 2014.

Level 3 Parent’s acquisition of TWT Parent’s operating subsidiaries (“TWT Subsidiaries”) will serve the public interest, convenience, and necessity by joining two complementary, non-dominant providers and greatly strengthening their ability to compete with larger incumbents—particularly AT&T, Verizon Business, and CenturyLink—and with other competitive carriers in the enterprise market. Global customers of Level 3 Parent’s operating subsidiaries (“Level 3 Subsidiaries”) will benefit from the TWT Subsidiaries’ deep metropolitan footprint and buildings connected to the network, enabling a higher quality and more reliable on-net experience for customers doing business in North America. The TWT Subsidiaries’ customers will benefit from the Level 3 Subsidiaries’ extensive local-to-global footprint, with owned network and data centers in more than 60 countries and significant global subsea networks. Existing and prospective customers of both companies will benefit from the combined product portfolio, targeted at helping enterprises and carriers manage their growth in an efficient and secure manner.

As Level 3 Parent will issue a significant number of shares to TWT Parent’s existing (and overwhelmingly U.S.) shareholders as partial consideration for the Proposed Transaction, consummation thereof will significantly dilute aggregate foreign ownership in Level 3 Parent. Level 3 Parent commits to extend the national security, law enforcement, and public safety commitments made in the September 26, 2011, network security agreement (the “Level 3 NSA”)

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<sup>1</sup> Concurrent with this application, the Applicants and their affiliates have filed one other application with the Commission in connection with the Proposed Transaction—an application to transfer control to Level 3 Parent of a cable landing license for the Hawaiian Islands Fiber Network. Level 3 Parent will not acquire control of any Title III radiocommunication licenses as a consequence of the Proposed Transaction.

by and among the U.S. Departments of Defense, Homeland Security, and Justice (collectively, “Team Telecom”), that was executed in connection with Level 3 Parent’s acquisition of Global Crossing Ltd. in 2011 and requests that the Commission condition its consent to the Proposed Transaction upon Level 3 Parent’s continuing compliance with the Level 3 NSA.<sup>2</sup>

The Proposed Transaction raises no public-interest concerns that would warrant an extended review or transaction-specific conditions for consent (other than the Team Telecom condition requested in part V below). Indeed, this consolidated application qualifies for presumptive streamlined processing under 47 C.F.R. §§ 63.03(b)(2)(i) and 63.12, and the Applicants therefore request such treatment.

## **I. BACKGROUND**

### **A. Parties to the Proposed Transaction**

#### **1. Transferor-Related Entities**

##### **a. TWT Parent**

TWT Parent, together with the TWT Subsidiaries, is a leading U.S. provider of managed network services. It is a Delaware corporation headquartered in Littleton, Colorado. Through its operating subsidiaries, TWT Parent specializes in offering business Ethernet, data networking, converged, IP-Based virtual private network, Internet access, voice, voice over Internet protocol, and network services to enterprise customers and carriers, in competition with the large ILECs, particularly AT&T, Verizon Business, and CenturyLink. These operating subsidiaries serve 76 U.S. metropolitan markets with local fiber networks connected to regional fiber facilities and a national IP backbone. Its operating subsidiaries operate a fiber network spanning more than

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<sup>2</sup> *Applications Filed by Global Crossing Ltd. & Level 3 Communications, Inc. for Consent to Transfer Control*, Memorandum Opinion and Order and Declaratory Ruling, 26 FCC Rcd. 14,056, 14,081 ¶ 68 (Wireline Comp. and Int’l Burs. 2011) (“*Level 3-GCL Order*”).

24,300 route miles with direct connections to more than 20,000 buildings, including 550 third-party data centers. TWT Parent was originally founded as a division of Time Warner Cable, which was in turn owned by Time Warner Inc. TWT Parent was later known as Time Warner Communications and then Time Warner Telecom Inc. Time Warner Inc. sold its ownership stake in TWT Parent in 2006, and neither Time Warner Inc. nor Time Warner Cable currently holds any ownership interest in TWT Parent. TWT Parent is a publicly-traded company listed on the NASDAQ Stock Market (symbol: TWTC). Exhibit A to this application shows TWT Parent’s current ownership. Exhibit B to this application shows the ownership structure of TWT Parent and its operating subsidiaries.

**b. tw telecom holdings inc. (“TWTH”)**

TWTH (FRN 0014942668) is a Delaware corporation and a direct subsidiary of TWT Parent. TWTH functions as a holding company for the TWT operating subsidiaries, and it is the direct or indirect parent of TWT Parent’s operating subsidiaries. TWTH holds a single international Section 214 authorization for global facilities-based and global resale services.

**c. Other TWT Subsidiaries**

As listed in Table 1 below, 35 TWT Subsidiaries other than TWTH currently provide interstate and international services in 46 states and the District of Columbia<sup>3</sup>:

<b>Table 1: TWT Subsidiaries</b>	
<b>Subsidiary</b>	<b>FRN</b>
tw telecom of alabama llc	0017347972
tw telecom of arizona llc	0004352274

<sup>3</sup> In addition to the 46 states in which the TWT Subsidiaries currently provide interstate and international services, tw telecom data services llc has state authorization applications pending before state commissions in Delaware, Maine, and Wyoming. Moreover, tw telecom of iowa llc has a state authorization application to expand its scope of service pending before the Iowa Utilities Board.

<b>Subsidiary</b>	<b>FRN</b>
tw telecom of arkansas llc	0017348012
tw telecom of california l.p.	0004351110
tw telecom of colorado llc	0004351086
tw telecom of d.c. llc	0017348038
tw telecom data services llc	0017348145
tw telecom of florida l.p.	0004351466
tw telecom of georgia l.p.	0004351383
tw telecom of hawaii l.p.	0004351169
tw telecom of idaho llc	0004352266
tw telecom of illinois llc	0004352308
tw telecom of indiana l.p.	0004351276
tw telecom of iowa llc	NA
tw telecom of kansas city llc	0017348061
tw telecom of kentucky llc	0017348087
tw telecom of louisiana llc	0017348111
tw telecom of maryland llc	0017348202
tw telecom of minnesota llc	0004352290
tw telecom of mississippi llc	0017348210
tw telecom of nevada llc	0004352258
tw telecom of new jersey l.p.	0004351409
tw telecom of new mexico llc	0004351417
tw telecom of new york l.p.	0004351425
tw telecom of north carolina l.p.	0004351474
tw telecom of ohio llc	0004351482
tw telecom of oklahoma llc	0017348269
tw telecom of oregon llc	0004351573
tw telecom of south carolina llc	0004352282
tw telecom of tennessee llc	0004351458
tw telecom of texas llc	0004351128
tw telecom of utah llc	0004351557
tw telecom of virginia llc	0017348590
tw telecom of washington llc	0004351532
tw telecom of wisconsin l.p.	0004351318

All of the TWT Subsidiaries are organized under Delaware law as limited-liability companies or limited partnerships, except for tw telecom of virginia llc, which is a Virginia limited-liability company. These subsidiaries also provide intrastate telecommunications services in particular states. In providing domestic interstate telecommunications services, the TWT Subsidiaries operate under the blanket domestic Section 214 authorization in 47 C.F.R. § 63.01. In providing

U.S.-international services, the TWT Subsidiaries operate under TWTH's international Section 214 authorization pursuant to 47 C.F.R. § 63.21(h).

**2. Transferee Entities**

**a. Level 3 Parent**

Level 3 Parent is a global telecommunications and information services company. It is a Delaware corporation headquartered in Broomfield, Colorado. Through its operating subsidiaries, Level 3 Parent offers a wide range of communications services over its extensive broadband fiber-optic network in North America, Europe, and Asia, including IP-based services, broadband transport, collocation services, and patented Softswitch-based voice services. Level 3 Parent's operating subsidiaries hold numerous Commission authorizations for international telecommunications services, undersea cable facilities, satellite earth stations, and terrestrial wireless facilities, and they rely on blanket authority to provide domestic telecommunications services. Level 3 Parent is a publicly-traded company listed on the New York Stock Exchange (symbol: LVLN). Exhibit C to this application shows Level 3 Parent's current ownership. Exhibit D to this application shows the ownership structure of Level 3 Parent's relevant U.S. operating subsidiaries.

**b. Merger Sub 1**

Merger Sub 1 is a Delaware limited-liability company and a wholly-owned, direct subsidiary of Level 3 Parent, which created Merger Sub 1 solely for the purpose of effecting the Proposed Transaction. In the first step of a two-step merger, Merger Sub 1 will merge into TWT Parent, with TWT Parent surviving.

**c. Merger Sub 2**

Merger Sub 2 is a Delaware limited-liability company and a wholly-owned, direct subsidiary of Level 3 Parent, which created Merger Sub 2 solely for the purpose of effecting the Proposed Transaction. In the second step of a two-step merger, Merger Sub 2 will merge into TWT Parent, with Merger Sub 2 surviving and renamed as tw telecom llc.

**B. The Proposed Transaction**

On June 15, 2014, TWT Parent, Level 3 Parent, Merger Sub 1, and Merger Sub 2 executed an Agreement and Plan of Merger (“Merger Agreement”) whereby Level 3 Parent will, following the receipt of necessary stockholder and regulatory approvals, acquire all of the issued and outstanding stock of TWT Parent. The merger is structured as a double reverse triangular merger in order to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. In the first step of the merger, Merger Sub 1 will merge into TWT Parent, with TWT Parent surviving. In the second step, Merger Sub 2 will merge into TWT Parent, with Merger Sub 2 surviving as a wholly-owned, direct subsidiary of Level 3 Parent and renamed as tw telecom llc. Thereafter, TWT and the TWT Subsidiaries will be direct or indirect subsidiaries of tw telecom llc, as shown in the diagram in Exhibit E to this application.

Pursuant to the Merger Agreement, all TWT Parent common shares (excluding shares held by dissenting shareholders) will be cancelled and cease to exist. As consideration, TWT Parent shareholders (excluding dissenting shareholders) will receive 0.7 shares of Level 3 Parent common stock and US \$10.00 for each share of TWT Parent common stock owned at closing (the “Merger Consideration”). The common shares of dissenting shareholders that perfect a right of appraisal for such shares under Delaware law will receive value for their shares pursuant to the procedures established under Delaware law. Those dissenting shareholders failing to perfect



a right of appraisal for their shares will receive Merger Consideration for their common shares in TWT Parent. Level 3 Parent's issuance of approximately 98 million shares of common stock as part of the Merger Consideration will dilute Level 3 Parent's existing shareholders, including its existing foreign shareholders.

Consummation of the Proposed Transaction will dilute the ownership interest of Level 3 Parent's largest foreign shareholder, STT Crossing Ltd, from approximately 23.4 percent to 16.3 percent. Moreover, the Proposed Transaction will not affect the Stockholder Rights Agreement executed by Level 3 Parent and STT Crossing Ltd (last amended on November 28, 2011), which defines STT Crossing Ltd's rights and caps the percentage of shares it may own (34.5 percent) without the written consent of Level 3 Parent's board of directors (excluding directors designated by STT Crossing).

The Proposed Transaction values TWT Parent at US \$40.86 for each TWT Parent common share, or a total of approximately US \$5.7 billion.<sup>4</sup> Taken with TWT Parent's net debt of approximately US \$1.6 billion, consideration for the Proposed Transaction is valued at US \$7.3 billion.

## **II. PUBLIC INTEREST STATEMENT AND MARKET ANALYSIS**

### **A. The Proposed Transaction Will Create a More Robust Competitor in Enterprise and Carrier Markets**

Level 3 Parent's acquisition of TWT Parent's operating subsidiaries will serve the public interest, convenience, and necessity by joining two complementary, non-dominant providers and greatly strengthening their ability to compete with larger incumbents—particularly AT&T, Verizon Business, and CenturyLink—and with other competitive carriers in the enterprise market. Existing and prospective customers of both companies will benefit from the combined

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<sup>4</sup> The value may vary depending on market prices of TWT Parent and Level 3 Parent shares.

product portfolio, targeted at helping enterprise customers and carriers manage their growth in an efficient and secure manner.

The Level 3 Subsidiaries' global customers will benefit from the TWT Subsidiaries' deep metropolitan footprint and network-connected buildings, enabling a higher-quality and more reliable on-net experience for customers doing business in North America. The TWT Subsidiaries' customers will benefit from the Level 3 Subsidiaries' extensive local-to-global footprint, with owned network and data centers in more than 60 countries and significant global subsea networks. Existing and prospective customers of both companies will benefit from their combined product portfolio, targeted to help enterprises and carriers manage efficient and secure growth. Both companies have developed strategies and commitments to delivering an excellent customer experience, which will be a key pillar of the combined company.

As discussed below, the operating subsidiaries of Level 3 Parent and TWT Parent are competitive carriers and small participants in local, exchange access, interstate interexchange, and international telecommunications services markets, and both compete vigorously with larger and incumbent carriers for enterprise and carrier customers. The Commission has previously found the continued operation of such competitive carriers under common control, even in markets where they overlap, "furthers competition rather than curtailing it" in the states where such competitive carriers operate.<sup>5</sup>

The Proposed Transaction raises no public-interest concerns that would warrant an extended review or transaction-specific conditions for consent (other than the Team Telecom

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<sup>5</sup> *In re Applications of XO Communications, Inc.*, Memorandum Opinion, Order and Authorization, 17 FCC Rcd. 19,212, 19,226 ¶ 30 (Int'l, Wireless Tel., and Wireline Comp. Bureaus 2002).

condition requested in part V below). The Applicants request that the Commission grant its consent accordingly.

## **B. Market Analysis**

### **1. Local Exchange and Exchange Access Services**

The Proposed Transaction will have a negligible impact on any participant's share of the local-exchange and exchange-access market segments, as the operating subsidiaries of both TWT Parent and Level 3 Parent are small participants in the local-exchange and exchange-access markets, where they compete with unaffiliated dominant local exchange carriers ("LECs"), as well as many other unaffiliated non-dominant competitive LECs, in their respective geographic markets. No operating subsidiary of Level 3 Parent or TWT Parent is regulated as dominant in the provision of any local exchange or exchange access service. The Proposed Transaction will have a negligible impact on the local-exchange and exchange-access markets, particularly given the presence of dominant incumbent LECs. Neither the Level 3 Subsidiaries nor the TWT Subsidiaries are participants in the local exchange and exchange access market with respect to mass-market services.

With respect to enterprise services, to date the TWT Subsidiaries and the Level 3 Subsidiaries have focused on different parts of the enterprise market, with Level 3 primarily serving larger enterprises and TWT primarily serving small and medium-sized enterprises. In seeking to serve larger, particularly national and global, enterprises, Level 3 competes principally against AT&T, Verizon Business, and CenturyLink, and also against other competitive local-exchange carriers ("CLECs"). TWT also competes against AT&T, Verizon Business, and CenturyLink for small and medium-sized enterprise customers, and—depending on the market—against other CLECs such as XO, Earthlink, Windstream, CBeyond, TDS

Metrocom, Sprint, and many others. To some extent, cable companies are beginning to offer guaranteed-quality enterprise services, although such competition is in only the earliest stage.

In the local geographies in which they provide service, both Level 3 and TWT (like all other enterprise-focused CLECs) provide service through a combination of “on-net” and “off-net” last-mile facilities or services. “On-net” last-mile facilities consist of fibers that are owned, held as indefeasible rights of use, or leased on a long-term basis and that are lit and managed by the CLEC to reach an end-user customer’s building. “Off-net” last-mile services—such as DS1s, DS3s, UNE loops, or Ethernet connections—are purchased from another provider, usually the incumbent LEC, and then combined with a CLEC’s metro or intercity network facilities to provide service to a particular customer location. The ability to connect to a customer location using “on-net” facilities therefore provides the CLEC with a significant advantage in terms of control of the service, service quality, and the ability to control the recurring costs of providing service. The Proposed Transaction will allow Level 3 Parent to reach a greater number of on-net buildings.

Following the consummation of the Proposed Transaction, Level 3 estimates that it will have approximately 30,600 on-net buildings in the United States. Only a fraction of those buildings (approximately 1,735) are buildings currently served by both a Level 3 Subsidiary and a TWT Subsidiary. In the Applicants’ analysis, in every one of those overlap buildings, at least one facilities-based competitor other than Level 3 or TWT Subsidiaries also competes to offer business-class services. In fewer than 500 of those overlap buildings, the combined company would face one other facilities-based competitor. In every one of the remaining overlap buildings, the combined company would face two or more facilities-based competitors. These overlap buildings represent a tiny percentage of the overall buildings involved in the Proposed

Transaction. To maximize additional CLEC competition in these buildings, the Commission should reduce competitive barriers that the incumbent LECs erect in the special access markets, such as by using exclusionary terms and conditions that lock new entrants out of access to significant amounts of customer demand, even when the new entrant can offer a superior product at a lower price.

On balance, the Proposed Transaction will significantly improve competition in the enterprise local exchange and exchange access markets.

## **2. Interstate Interexchange Services**

The Proposed Transaction will have a negligible impact on any participant's share of the interstate interexchange market segment, as the TWT Subsidiaries and the Level 3 Subsidiaries are, collectively, insignificant participants in the market for interstate interexchange services. In 2012—the most recent year for which Commission toll revenue data are publicly available—total nationwide interstate toll revenues from both sales to other carriers as well as sales to end users was US \$44.927 billion.<sup>6</sup> For calendar year 2012—the most recent calendar year for which the Commission has released industry-wide data—TWT Parent's operating subsidiaries reported combined interstate toll revenues totaling less than 0.57 percent of nationwide interstate toll revenues.<sup>7</sup> Similarly, for calendar year 2012, Level 3 LLC reported interstate toll revenues totaling just over two percent of nationwide interstate toll revenues.<sup>8</sup> Thus, the combined interexchange revenues would amount to less than three percent of total industry-wide interstate

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<sup>6</sup> FCC, UNIVERSAL SERVICE MONITORING REPORT 2013, Table 1.1 (providing preliminary 2012 data), [www.fcc.gov/Bureaus/Common\\_Carrier/Reports/FCC-State\\_Link/Monitor/2013\\_Monitoring\\_Report.pdf](http://www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/Monitor/2013_Monitoring_Report.pdf).

<sup>7</sup> See TWTH 2013 Form 499-A.

<sup>8</sup> See Level 3 Communications, LLC 2013 Form 499-A.

toll revenues. Neither TWT Parent nor Level 3 Parent nor any affiliate of TWT Parent or Level 3 Parent is regulated as dominant for the provision of any domestic interstate service.

### **3. Facilities-Based International Telecommunications Services**

The Proposed Transaction will have a negligible impact on any participant's share of the international telecommunications services market.<sup>9</sup> Neither the subsidiaries of TWT Parent nor the subsidiaries of Level 3 Parent are major participants in the U.S. markets for international pure resale or facilities-based services. Similarly, for facilities-based and facilities-resale services, Level 3 LLC's billed revenues totaled approximately US \$110 million (representing 2.5-percent market share) in 2012, whereas the combined billed revenues of TWTH were so small that the Commission did not break them out separately.<sup>10</sup> For pure resale (*i.e.*, International Message Telephone Resale Service), where the Commission did break out revenues for TWTH, the billed revenues of TWTH totaled approximately US \$7.3 million (representing 0.14-percent market share) in 2012.<sup>11</sup>

Following the consummation of the Proposed Transaction, as described in part III(*l*) below, neither Level 3 Parent nor any of its post-consummation subsidiaries will have an affiliation with a foreign carrier with market power sufficient to affect competition adversely in the U.S. market, and the Applicants have therefore requested non-dominant treatment on all international routes and made the necessary showings to support that request. Neither TWT

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<sup>9</sup> The Applicants have explained in their separately-filed application seeking consent to the transfer of control of a cable landing license for the Hawaiian Islands Fiber Network that the Proposed Transaction creates no new combinations that would adversely affect competition in any geographic market for undersea cable capacity. The Applicants hereby incorporate that discussion by reference.

<sup>10</sup> FCC, 2012 INTERNATIONAL TELECOMMUNICATIONS DATA, Table 5 2012 U.S. Billed Revenues for Facilities-Based and Facilities-Resale Services, p. 41 (April 2014), *available at* [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-326545A2.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-326545A2.pdf).

<sup>11</sup> *Id.*, Table D.

Parent nor any of its subsidiaries is presently regulated as dominant on any international route. Level 3 Parent’s subsidiaries holding international Section 214 authority have been regulated as dominant on a single route—the U.S.-Singapore route—since 2012.<sup>12</sup> Those subsidiaries, however, have petitioned the Commission to reclassify them as non-dominant on that route due to the absence of a foreign affiliate with market power in Singapore.<sup>13</sup> STT Crossing Ltd’s ownership in Level 3 Parent (which had previously given rise to the affiliation with a foreign carrier with market power in Singapore) has already fallen below the 25-percent threshold for foreign affiliation, to approximately 23.0 percent. Moreover that investment will be diluted far below a 25-percent interest—to approximately 16.3 percent—following consummation of the Proposed Transaction.

### III. INFORMATION REQUIRED BY 47 C.F.R. § 63.18

Pursuant to 47 C.F.R. § 63.18, the Applicants provide the following information in support of their request for consent to transfer control of TWTH’s international Section 214 authorization to Level 3 Parent:

- (a) The name, address, and telephone number of the transferor and transferee are:

**Transferor**

**tw telecom inc.**  
10475 Park Meadows Drive  
Littleton, Colorado 80124  
+1 303 566 1000 tel

**Transferee**

**Level 3 Communications, Inc.**  
1025 Eldorado Boulevard  
Broomfield, Colorado 80021  
+1 720 888 2538 tel

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<sup>12</sup> See *Foreign Carrier Affiliation Notification*, Public Notice, 27 FCC Rcd. 15,196 (2012) (“2012 Level 3 FCN Notice”).

<sup>13</sup> Joint Petition for Declaratory Ruling of Level 3 Communications, LLC, Level 3 International, Inc., Global Crossing Americas Solutions, Inc., and Global Crossing North America, Inc., FCC File No. ISP-PDR-20140707-\_\_\_\_\_ (filed July 7, 2014) (“Level 3 Reclassification Petition”).

**Authorization Holder**

**tw telecom holdings inc.**  
10475 Park Meadows Drive  
Littleton, Colorado 80124  
+1 303 566 1000 tel

Each of the TWT Subsidiaries shares the same address and telephone number as TWT Parent.

(b) The Applicants' places of organization or incorporation are described in part II.A above.

(c) Correspondence concerning this application should be sent to:

**Transferor/Authorization Holder**

Rochelle Jones  
Vice President Regulatory  
**tw telecom inc.**  
10475 Park Meadows Drive  
Littleton, Colorado 80124  
Tel: +1 212 364 7319 tel  
*rochelle.jones@twtelecom.com*

**Transferee**

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General Counsel, Regulatory Policy  
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*Counsel for Level 3 Communications, Inc. and its subsidiaries*



(d) TWTH holds international Section 214 authority to provide global facilities-based and global resale services between the United States and international points.<sup>14</sup> The TWT Subsidiaries, as described in part I.A.1.c above, each rely on this authority pursuant to 47 C.F.R. § 63.21(h). Four indirect subsidiaries of Level 3 Parent currently hold international Section 214 authority from the Commission: Level 3 LLC; Level 3 International, Inc.; Global Crossing Americas Solutions, Inc. (“GCAS”); and Global Crossing North America, Inc. (“GCNA”).<sup>15</sup> As noted in part II.C above, the Commission has regulated these Level 3 Parent subsidiaries as dominant for the provision of services on the U.S.-Singapore route,<sup>16</sup> but those subsidiaries have petitioned the Commission to reclassify them as non-dominant on this route due the absence of affiliation with a foreign carrier with market power in the destination market.<sup>17</sup>

(e)(3) The Applicants seek Commission consent to transfer control of TWTH’s international Section 214 authorization, as listed in part III(d) above, from TWT Parent to Level 3 Parent.

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<sup>14</sup> See FCC File Nos. ITC-214-20000927-00570 (granting TWTH authority to provide global facilities-based and global resale services pursuant to 47 C.F.R. §§ 63.18(e)(1), (2)); ITC-ASG-20091120-00498.

<sup>15</sup> See FCC File Nos. ITC-214-19971229-00821 (old File No. ITC-98-016) (granting Level 3 LLC authority to provide global facilities-based and global resale authority pursuant to 47 C.F.R. §§ 63.18(e)(1), (2)); ITC-214-19981214-00867 (granting Level 3 International, Inc., authority to provide global facilities-based and global resale authority pursuant to 47 C.F.R. §§ 63.18(e)(1), (2)); ITC-214-19950717-00062 (old File No. ITC-95-434) (granting GCAS authority to provide certain common-carrier services using satellite facilities); ITC-214-19950831-00047 (old File No. ITC-95-485) (granting GCAS authority to provide global resale services pursuant to 47 C.F.R. § 63.18(e)(2)); ITC-214-19970703-00372 (old File No. ITC-97-399) (granting GCAS authority to provide global facilities-based and global resale services pursuant to 47 C.F.R. §§ 63.18(e)(1), (2)); ITC-214-19980430-00286 (old File Nos. ITC-98-342 and -342A) (granting GCAS and other owners joint authority to provide individual facilities-based service on the Americas-II undersea cable system); and ITC-214-19980520-00334 (granting GCNA authority to provide global facilities-based and global resale services pursuant to 47 C.F.R. §§ 63.18(e)(1), (2)).

<sup>16</sup> See *2012 Level 3 FCN Notice*, 27 FCC Rcd. at 15,196.

<sup>17</sup> See *Level 3 Reclassification Petition*.

- (f) No response is required.
- (g) No response is required.
- (h) Upon consummation of the Proposed Transaction, TWT Parent will be merged into Merger Sub 2, with Merger Sub 2 surviving and renamed as tw telecom llc, as described in parts I.A and I.B above. TWTH and the TWT Subsidiaries will therefore have the following ten-percent-or-greater direct or indirect interest holders:

**tw telecom holdings II llc (“TWTH II”)**

*Address:* 10475 Park Meadows Drive, Littleton, Colorado 80124

*Citizenship:* Delaware, USA

*Principal Business:* telecommunications

*Relationship:* TWTH II owns 99 percent of each the following entities:

- tw telecom of california l.p.
- tw telecom of florida l.p.
- tw telecom of georgia l.p.
- tw telecom of hawaii l.p.
- tw telecom of indiana l.p.
- tw telecom of new york l.p.
- tw telecom of new jersey l.p.
- tw telecom of north carolina l.p.
- tw telecom of wisconsin l.p.

**tw telecom management co llc (“TWTM”)**

*Address:* 10475 Park Meadows Drive, Littleton, Colorado 80124

*Citizenship:* Delaware, USA (except tw telecom of virginia llc, which is a Virginia limited-liability company)

*Principal Business:* telecommunications

*Relationship:* TWTM owns 100 percent of each the following entities:

- tw telecom of alabama llc
- tw telecom of arkansas llc
- tw telecom of d.c. llc
- tw telecom of kansas city llc
- tw telecom of kentucky llc
- tw telecom of louisiana llc
- tw telecom of maryland llc
- tw telecom of mississippi llc
- tw telecom of nevada llc
- tw telecom of oklahoma llc
- tw telecom of virginia llc

**tw telecom holdings inc. (“TWTH”)**

*Address:* 10475 Park Meadows Drive, Littleton, Colorado 80124

*Citizenship:* Delaware, USA

*Principal Business:* telecommunications

*Relationship:* TWTH owns 100 percent each of the following entities:

- TWTH II
- TWTM
- tw telecom of arizona llc
- tw telecom of colorado llc
- tw telecom of idaho llc
- tw telecom of illinois llc
- tw telecom of iowa llc
- tw telecom of ohio llc
- tw telecom of oregon llc
- tw telecom of minnesota llc
- tw telecom of new mexico llc
- tw telecom of south carolina llc
- tw telecom of tennessee llc
- tw telecom of texas llc
- tw telecom of utah llc
- tw telecom of washington llc
- tw telecom data services llc

**tw telecom llc f/k/a Saturn Merger Sub 2, LLC**

*Address:* 1025 Eldorado Blvd., Broomfield, Colorado 80021

*Citizenship:* Delaware, USA

*Principal Business:* telecommunications

*Relationship:* Post-consummation, tw telecom llc will own 100 percent of TWTH.

**Level 3 Communications, Inc. (“Level 3 Parent”)**

*Address:* 1025 Eldorado Blvd., Broomfield, Colorado 80021

*Citizenship:* Delaware, USA

*Principal Business:* telecommunications

*Relationship:* Level 3 Parent owns 100 percent of tw telecom llc.

**Southeastern Asset Management, Inc. (“SAM”)**

*Address:* 6410 Poplar Avenue, Suite 900, Memphis, Tennessee 38119

*Citizenship:* Tennessee, USA

*Principal Business:* investment advisory services

*Relationship/Interest:* Post-consummation, SAM will hold sole or shared voting rights for approximately 16.5 percent of outstanding shares of Level 3 Parent that are otherwise owned by other entities for whom SAM acts as an investment advisor. None of SAM’s owners holds a ten-percent-or-greater direct or indirect interest in Level 3 Parent.

**STT Crossing Ltd (“STT Crossing”)**

*Address:* Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius

*Citizenship:* Mauritius

*Principal Business:* holding company

*Relationship:* Post consummation, STT Crossing will own approximately 16.3 percent of Level 3 Parent.

**STT Communications Ltd (“STT Communications”)**

*Address:* 1 Temasek Avenue, #33-01 Millenia Tower, Singapore 039192

*Citizenship:* Singapore

*Principal Business:* information communications

*Relationship:* STT Communications owns 100 percent of STT Crossing.

**Singapore Technologies Telemedia Pte Ltd (“ST Telemedia”)**

*Address:* 1 Temasek Avenue, #33-01 Millenia Tower, Singapore 039192

*Citizenship:* Singapore

*Principal Business:* investment holding company

*Relationship:* ST Telemedia owns 100 percent of STT Communications.

**Temasek Holdings (Private) Limited (“Temasek”)**

*Address:* 60B Orchard Road #06-18, The Atrium@Orchard, Singapore 238891

*Citizenship:* Singapore

*Principal Business:* investment holding company

*Relationship:* Temasek owns 100 percent of ST Telemedia.

Temasek is wholly owned by the Government of Singapore through the Minister for Finance.

Following the consummation of the Proposed Transaction, Level 3 Parent will have the following interlocking directorates with foreign carriers:

- Neil Eckstein, who is Senior Vice President, Assistant General Counsel & Assistant Secretary of Level 3 Parent, is also: Senior Vice President, Assistant General Counsel & Assistant Secretary of Level 3 Communications Australia Pty Ltd; a Director, Assistant General Counsel & Assistant Secretary of PAC Panama Ltd.; Senior Vice President, Assistant General Counsel & Assistant Secretary of Global Crossing Telecommunications Canada, Ltd.; Senior Vice President, Assistant General Counsel & Assistant Secretary of Level 3 Communications Hong Kong Limited; Vice President,

Assistant General Counsel & Assistant Secretary of Level 3 Communications Canada Co.; and Senior Vice President, Assistant General Counsel & Assistant Secretary of Level 3 Communications Singapore Pte. Ltd.

- Rafael Martinez Chapman, who is Senior Vice President and Treasurer of Level 3 Parent, is also: Vice President and Treasurer of Level 3 Communications Australia Pty Ltd; Vice President and Assistant Treasurer of Global Crossing Telecommunications Canada, Ltd.; Vice President and Treasurer of Level 3 Communications Hong Kong Limited; Vice President and Assistant Treasurer of Level 3 Communications Canada Co.; and Vice President and Treasurer of Level 3 Communications Singapore Pte. Ltd.
- Eric Mortensen, who is Senior Vice President and Controller of Level 3 Parent, is also: Senior Vice President and Controller of Level 3 Communications Australia Pty Ltd; Senior Vice President and Chief Financial Officer of Global Crossing Telecommunications Canada, Ltd.; Senior Vice President and Controller of Level 3 Communications Hong Kong Limited; Senior Vice President and Chief Financial Officer of Level 3 Communications Canada Co.; and Senior Vice President and Controller of Level 3 Communications Singapore Pte. Ltd.
- Sunit Patel, who is Executive Vice President and Chief Financial Officer of Level 3 Parent, is also: Executive Vice President & Chief Financial Officer of Level 3 Communications Australia Pty Ltd; Executive Vice President of Global Crossing Telecommunications Canada, Ltd.; Executive Vice President & Chief Financial Officer of Level 3 Communications Hong Kong Limited; Executive Vice President of Level 3 Communications Canada Co.; and Executive Vice President & Chief Financial Officer of Level 3 Communications Singapore Pte. Ltd.

- Douglas Richards, who is Senior Vice President – Tax of Level 3 Parent, is also: Senior Vice President – Tax of Level 3 Communications Australia Pty Ltd; Senior Vice President of Global Crossing Telecommunications Canada, Ltd.; Senior Vice President – Tax of Level 3 Communications Hong Kong Limited; Senior Vice President of Level 3 Communications Canada Co.; and Senior Vice President – Tax of Level 3 Communications Singapore Pte. Ltd.
- John Ryan, who is Executive Vice President, Chief Legal Officer, and Secretary of Level 3 Parent, is also: a Director, Executive Vice President, Chief Legal Officer, and Secretary of Level 3 Communications Australia Pty Ltd; a Director, Senior Vice President, and Secretary of PAC Panama Ltd.; Executive Vice President, Chief Legal Officer, and Secretary of Global Crossing Telecommunications Canada, Ltd.; a Director, Executive Vice President, Chief Legal Officer, and Secretary of Level 3 Communications Hong Kong Limited; a Director of Level 3 Communications Japan K.K.; a Director and President of Level 3 Communications Canada Co.; and a Director, Executive Vice President, Chief Legal Officer, and Secretary of Level 3 Communications Singapore Pte. Ltd.
- Jeffrey K. Storey, who is President and Chief Executive Officer of Level 3 Parent, is also: President of Global Crossing Telecommunications Canada, Ltd.; a Director and President of Level 3 Communications Hong Kong Limited; a Director of Level 3 Communications Japan K.K.; a Director and President of Level 3 Communications Singapore Pte. Ltd.

(i) By the signature below, Level 3 Parent certifies that it is not a foreign carrier and that it is affiliated with foreign carriers in Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, Colombia, Costa Rica, Croatia the Czech Republic, Denmark, Ecuador,

Estonia, Finland, France, Germany, Hong Kong, Hungary, Ireland, Italy, Japan, Luxembourg, Mexico, the Netherlands, Norway, Panama, Peru, Poland, Romania, Russia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, Ukraine, the United Kingdom, Uruguay, and Venezuela. Because STT Crossing Ltd no longer holds a greater-than-25-percent interest in Level 3 Parent, Level 3 Parent is no longer affiliated with foreign carriers in India, Indonesia, Korea, Malaysia, the Philippines, Sri Lanka, or Taiwan and is no longer affiliated with a foreign carrier with market power in Singapore.<sup>18</sup>

(j) By the signature below, Level 3 Parent certifies that it seeks to provide international telecommunications services between the United States and the destination countries listed in Paragraph (i) above in which Level 3 Parent controls a foreign carrier (see Table 2 below). Level 3 Parent will not acquire an affiliation with any foreign carrier as a consequence of the Proposed Transaction, as TWT Parent currently has no foreign-carrier affiliates.

<b>Table 2: Level 3 Parent Foreign Affiliates</b>	
<b>Destination Country</b>	<b>Foreign Affiliate(s)</b>
Argentina	GC SAC Argentina S.R.L.
	Level 3 Argentina S.A.
Australia	Level 3 Communications Australia Pty. Limited
Austria	Vienna branch office of Level 3 Communications (Austria) Limited
	Level 3 Communications PEC GmbH
Belgium	Level 3 Communications S.A.
	Level 3 Communications PEC België b.v.b.a.
Brazil	Level 3 Comunicacoes Brasil Ltda.
Bulgaria	Level 3 Communications EOOD
Canada	Level 3 Communications Canada Co.
	Global Crossing Telecommunications Canada Ltd.
Chile	Level 3 Chile S.A.
Colombia	Level 3 Colombia S.A.

<sup>18</sup> See 2012 Level 3 FCN Notice, 27 FCC Rcd. at 15,196.

<b>Destination Country</b>	<b>Foreign Affiliate(s)</b>
Costa Rica	Level Three Costa Rica, SRL
Croatia	Level 3 Komunikacijske Usluge d.o.o.
Czech Republic	Level 3 Communications s.r.o.
	Level 3 PEC Czech s.r.o.
Denmark	Hellerup branch office of Level 3 Communications (Denmark) Limited
	Global Crossing PEC Danmark ApS
Ecuador	Level 3 Ecuador LVL T S.A.
Estonia	Level 3 Communications Estonia OÜ
Finland	Level 3 Communications Oy
France	Level 3 Communications S.A.S.
Germany	Level 3 Communications GmbH
Hong Kong	Level 3 Communications Hong Kong Limited
Hungary	Level 3 Communications Távközlési Kft.
Ireland	Level 3 Communications Limited
	Level 3 Communications (Ireland) Limited
	Level 3 Communications PEC Ireland Limited
Italy	Level 3 Communications Italia s.r.l.
Japan	Level 3 Communications Japan K.K.
Luxembourg	Level 3 Communications S.a.r.l.
Mexico	Level 3 Mexico, S. de R.L. de C.V.
	Level 3 Mexico Landing, S. de R.L.
The Netherlands	Level 3 Communications B.V.
	Level 3 Communications PEC Nederland B.V.
Norway	Level 3 Communications Norway AS
	Global Crossing PEC Norge AS
Panama	Level 3 Panama Inc.
	PAC Panama Ltd. (Bermuda) (Panama Branch)
	SAC Panamá S.A.
Peru	Level 3 Peru S.A.
	SAC Peru S.R.L.
	Telecom Infrastructure Hardware S.R.L.
Poland	Warsaw branch office of Level 3 Communications GmbH
	Level 3 Communications Sp. z.o.o.
Romania	Level 3 Communications S.R.L.
Russia	OOO "Level 3 Communications"
Serbia	Level 3 Communications RS d.o.o.
Singapore	Level 3 Communications Singapore Pte. Ltd.
Slovakia	Level 3 Communications spol. s.r.o.
Slovenia	Level 3 telekomunikacijske storitve d.o.o.
South Africa	Level 3 Communications South Africa (Pty) Limited
Spain	Level 3 Communications España S.A.
Sweden	Level 3 Communications AB
Switzerland	Level 3 Communications AG



Destination Country	Foreign Affiliate(s)
	Level 3 Communications Switzerland AG
Turkey	Level 3 Communications Telekomünikasyon Hizmetleri Limited Şirketi
United Kingdom	Level 3 Communications Limited
	Level 3 Communications UK Limited
	Level 3 Communications (Servecast) Limited
	GC Pan European Crossing UK Ltd.
Ukraine	Level 3 Communications PEC Ukraine LLC
Uruguay	GC SAC Argentina S.R.L. (Uruguay Branch)
Venezuela	Level 3 Venezuela S.A.

(k) By the signature below, Level 3 Parent certifies that other than Serbia, the destination foreign countries listed in Paragraph (i) above are all WTO Members.<sup>19</sup> On routes between the United States and the foreign countries identified in Paragraph (i) above, the foreign carrier affiliates identified in Tables 1 and 2 above each satisfy the requirement of 47 C.F.R. § 63.10(a)(3).<sup>20</sup> These foreign-carrier affiliates each hold significantly less than a 50-percent market share in the international transport and local access markets in its respective country. Moreover, none of these foreign-carrier affiliates has any ability to discriminate against unaffiliated U.S. international carriers through the control of bottleneck services or facilities in its respective international market. None of these foreign-carrier affiliates appears on the Commission’s list of foreign telecommunications carriers presumed to possess market power in foreign telecommunications markets.<sup>21</sup> Accordingly, these foreign-carrier affiliates are each

<sup>19</sup> See World Trade Organization, *Accessions – Serbia*, [www.wto.org/english/thewto\\_e/acc\\_e/a1\\_serbia\\_e.htm](http://www.wto.org/english/thewto_e/acc_e/a1_serbia_e.htm) (last visited June 14, 2014). Serbia has nearly concluded its WTO accession negotiations but is not yet a WTO member.

<sup>20</sup> See 47 C.F.R. § 63.10(a)(3).

<sup>21</sup> See *International Bureau Revises and Reissues the Commission’s List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets*, Public Notice, 22 FCC Rcd. 945 (Int’l Bur. 2007) (“*Presumed Market Power List*”).

presumed to lack sufficient market power on the international end of the route to affect competition adversely in the U.S. market.

(l) [Reserved by the Commission]

(m) Level 3 Parent's post-consummation operating subsidiaries qualify for non-dominant status for all foreign routes based upon the information set forth in Paragraph (l) above. As noted in part III(d) above, Level 3 LLC, Level 3 International, GCAS, and GCNA have petitioned the Commission to reclassify them as non-dominant on the U.S.-Singapore route. The Applicants ask that post-consummation, TWTH be classified as non-dominant on the U.S.-Singapore route due to the absence of any affiliation with a foreign carrier with market power in Singapore.

(n) By the signature below, Level 3 Parent certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into any such agreements in the future.

(o) By the signature below, Level 3 Parent certifies that no party to this application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.<sup>22</sup>

(p) The Applicants seek streamlined processing of this request for consent to transfer control of TWTH's international Section 214 authorization pursuant to 47 C.F.R. § 63.12

because: (1) the destination markets (other than Serbia) of the foreign-carrier affiliates listed in

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<sup>22</sup> See 21 U.S.C. § 862(a). Pub L. No. 100-690, title V, Section 5301 (Nov. 18, 1988), 102 Stat. 4310, which related to denial of Federal benefits to drug traffickers and possessors—previously codified at 21 U.S.C. § 853(a)—was renumbered Section 421 of the Controlled Substances Act by Public Law 101-647, title X, Section 1002(d)(1) (Nov. 29, 1990), 104 Stat. 4827, and has been recodified as 21 U.S.C. § 862(a). 47 C.F.R. § 63.18(o) does not reflect this recodification.

Table 2 above are all WTO member countries; (2) the Applicants qualify for a presumption of non-dominance with respect to the U.S.-Serbia route, where Level 3 Parent has established a new subsidiary that started with zero market share in all markets;<sup>23</sup> (3) the foreign-carrier affiliates listed in Table 2 above each lack sufficient market power to affect competition adversely in the U.S. market; and (4) neither Level 3 Parent nor TWTH is affiliated with a dominant U.S. carrier.

#### **IV. INFORMATION REQUIRED BY 47 C.F.R. § 63.04 OF THE COMMISSION'S RULES**

The Applicants submit the following information, pursuant to 47 C.F.R. § 63.04, in support of their request for consent to transfer control to Level 3 Parent of the domestic common-carrier transmission lines of the TWT Subsidiaries:

(a)(1) See response to part III(a) above for the Applicants' names and the address and telephone number of Level 3 Parent. Each of the TWT Subsidiaries shares the same address and telephone number as TWT Parent and TWTH, as stated in part III(a) above.

(a)(2) See response to part I.A above for the state laws under which the TWT Subsidiaries, and Level 3 Parent are organized.

(a)(3) See response to part III(c) above for the contact information to whom correspondence concerning this application should be addressed.

(a)(4) See response to part III(h) above for a list of persons or entities that directly or indirectly own at least 10 percent of the equity of Level 3 Parent, and the percentage of equity owned by each of those entities.

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<sup>23</sup> See *Foreign Carrier Affiliation Notifications*, Public Notice, 29 FCC Rcd. 3717 (2014) (notifying for GCAS and GCNA); *Foreign Carrier Affiliation Notifications*, Public Notice, 29 FCC Rcd. 1954 (2013) (notifying for Level 3 LLC and Level 3 International, Inc.).

(a)(5) By the attached signature, Level 3 Parent certifies that no party to this application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.

(a)(6) The Applicants set forth a complete description of the Proposed Transaction in part I.B above.

(a)(7) TWTH and the TWTH State Subsidiaries each provide domestic interstate, intrastate, and local exchange service and international telecommunications and information services in 46 states and the District of Columbia, as described in part I.A above. Level 3 Parent's operating subsidiaries provide domestic interstate, intrastate, and local exchange services throughout the United States, as well as international telecommunications and information services throughout the United States. To the extent Level 3 Parent's operating subsidiaries offer domestic interstate common carrier services (including private line services), they do so pursuant to their blanket domestic Section 214 authorization under 47 C.F.R. § 63.01.

(a)(8) The request for consent to transfer control to Level 3 Parent of the domestic common-carrier transmission lines of TWTH and the TWTH State Subsidiaries qualifies for presumptive streamlined processing pursuant to 47 C.F.R. § 63.03(b)(2)(i) because the Proposed Transaction will not create any acquisition-specific effects in any local-exchange, exchange access, or interexchange market, as further explained in part II.B above. Following consummation of the Proposed Transaction, Level 3 Parent's operating subsidiaries will continue to have an aggregate market share in the interstate interexchange market of less than ten percent.<sup>24</sup> Although Level 3 Parent's operating subsidiaries provide exchange access services in the areas served by TWTH and the TWTH Subsidiaries, the geographic areas in which Level 3

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<sup>24</sup> See 47 C.F.R. § 63.03(b)(2).

Parent and TWTH and/or a TWTH Subsidiary each provide such services are served by a dominant LEC that is not a party to the Proposed Transaction.<sup>25</sup> Neither TWTH nor Level 3 Parent or any of their affiliates or subsidiaries is regulated as dominant with respect to any domestic service.<sup>26</sup>

(a)(9) Concurrent with the request in part III of this application, the Applicants have applied for Commission consent to transfer control of TWTH's international Section 214 authorization to Level 3 Parent. They have also applied for Commission consent to transfer control of a cable landing license for the Hawaiian Island Fiber Network.

(a)(10) The Applicants request expedited consideration of this application to allow for consummation of the Proposed Transaction in the fourth quarter of 2014.

(a)(11) The Applicants have not requested any waivers relating to this application.

(a)(12) Regarding the public-interest benefits of the Proposed Transaction, see part II above.

## **V. TEAM TELECOM CONDITION**

Level 3 Parent commits to extend the national security, law enforcement, and public safety commitments made in the Level 3 NSA to all TWT Parent subsidiaries (including TWT Hawaii) upon consummation of the Proposed Transaction. Consummation of the Proposed Transaction will dilute Level 3 Parent's existing foreign ownership and will not add international network infrastructure to Level 3's existing network infrastructure. The Applicants have already consulted with Team Telecom in this matter.

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<sup>25</sup> *See id.*

<sup>26</sup> *See id.*, § 63.03(b)(2)(i).

Consistent with Section 5.2 of the Level 3 NSA,<sup>27</sup> the Applicants request that the Commission condition its consent to the Proposed Transaction upon Level 3 Parent's compliance with the following condition extending to TWT Parent's businesses and subsidiaries the obligations in the Level 3 NSA:

IT IS FURTHER ORDERED that, pursuant to sections 4(i)–(j), 214, 309, and 310(b) and (d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i)–(j), 214, 309, 310(b), 310(d), that grant of the applications and associated petition for declaratory ruling IS CONDITIONED UPON compliance by Level 3 with the provisions of the Agreement between the Department of Justice, and the Federal Bureau of Investigation, the Department of Defense, and the Department of Homeland Security, dated September 26, 2011, which is publicly available on the Commission's website.

The same condition already exists in the 2011 consent to Level 3 Parent's acquisition of Global Crossing Ltd.<sup>28</sup>

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<sup>27</sup> See Level 3 NSA § 5.2 (stating that “Level 3 agrees that in any application or petition to the FCC for licensing or other authority related to Domestic Communications Infrastructure or to any Cable System filed with or granted by the FCC after the execution of this Agreement, except with respect to *pro forma* assignments or *pro forma* transfers of control, Level 3 shall request that the FCC condition the grant of such licensing or other authority on compliance with the terms of this Agreement.”).

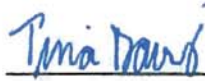
<sup>28</sup> *Level 3-GCL Order*, 26 FCC Rcd. at 14,081 ¶ 68.

## CONCLUSION

The Applicants respectfully request that the Commission grant this application for consent to transfer control to Level 3 Parent of the international Section 214 authorizations and domestic common-carrier transmission lines of TWT Parent's operating subsidiaries.

Respectfully submitted,

**tw telecom inc.**



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**Level 3 Communications, Inc.**



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*Counsel for Level 3 Communications, Inc.  
and its subsidiaries*

7 July 2014

Attachments

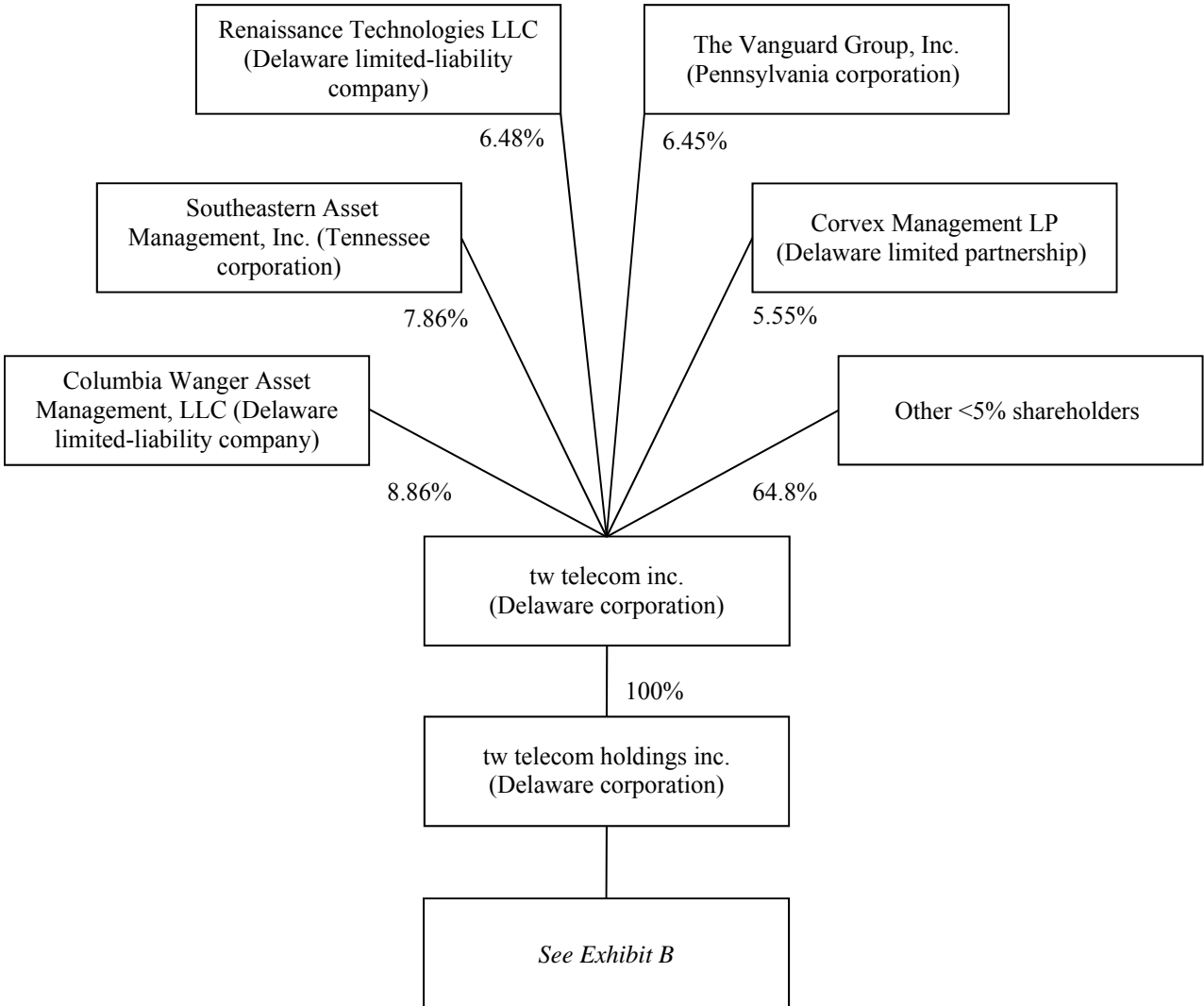


## **LIST OF EXHIBITS**

- Exhibit A:** Pre-Consummation Ownership Structure of tw telecom inc.
- Exhibit B:** Ownership Structure of tw telecom inc.'s Operating Subsidiaries
- Exhibit C:** Pre-Consummation Ownership Structure of Level 3 Communications, Inc.
- Exhibit D:** Ownership Structure of the Relevant U.S. Operating Subsidiaries of Level 3 Communications, Inc.
- Exhibit E:** Post-Consummation Ownership Structure of Level 3 Communications, Inc., and tw telecom holdings inc.

**Exhibit A:**

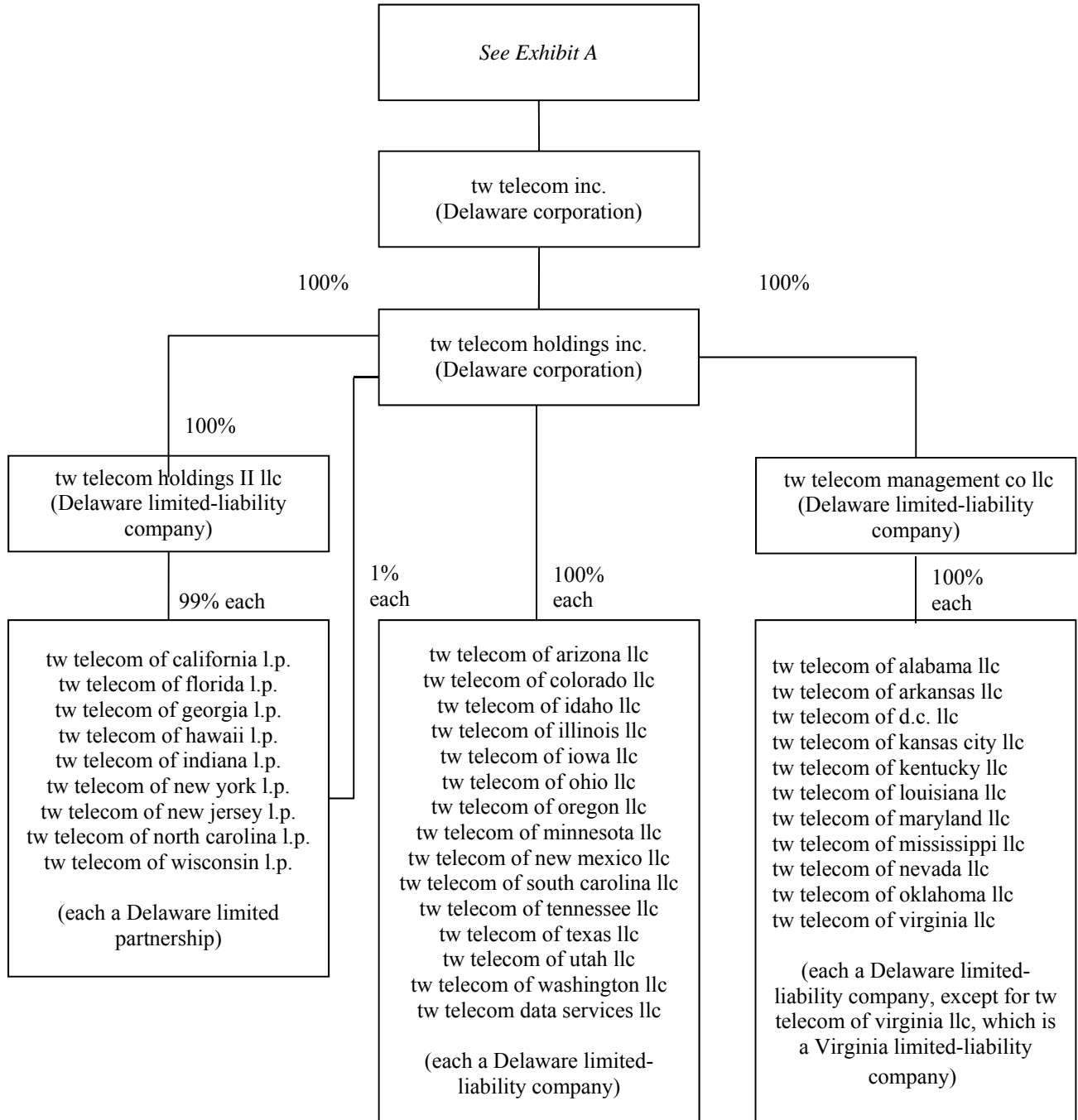
**Pre-Consummation Ownership of tw telecom inc.<sup>1</sup>**



<sup>1</sup> This information is based on Form 13F filings by TWT Parent shareholders on March 31, 2014, with the U.S. Securities and Exchange Commission.

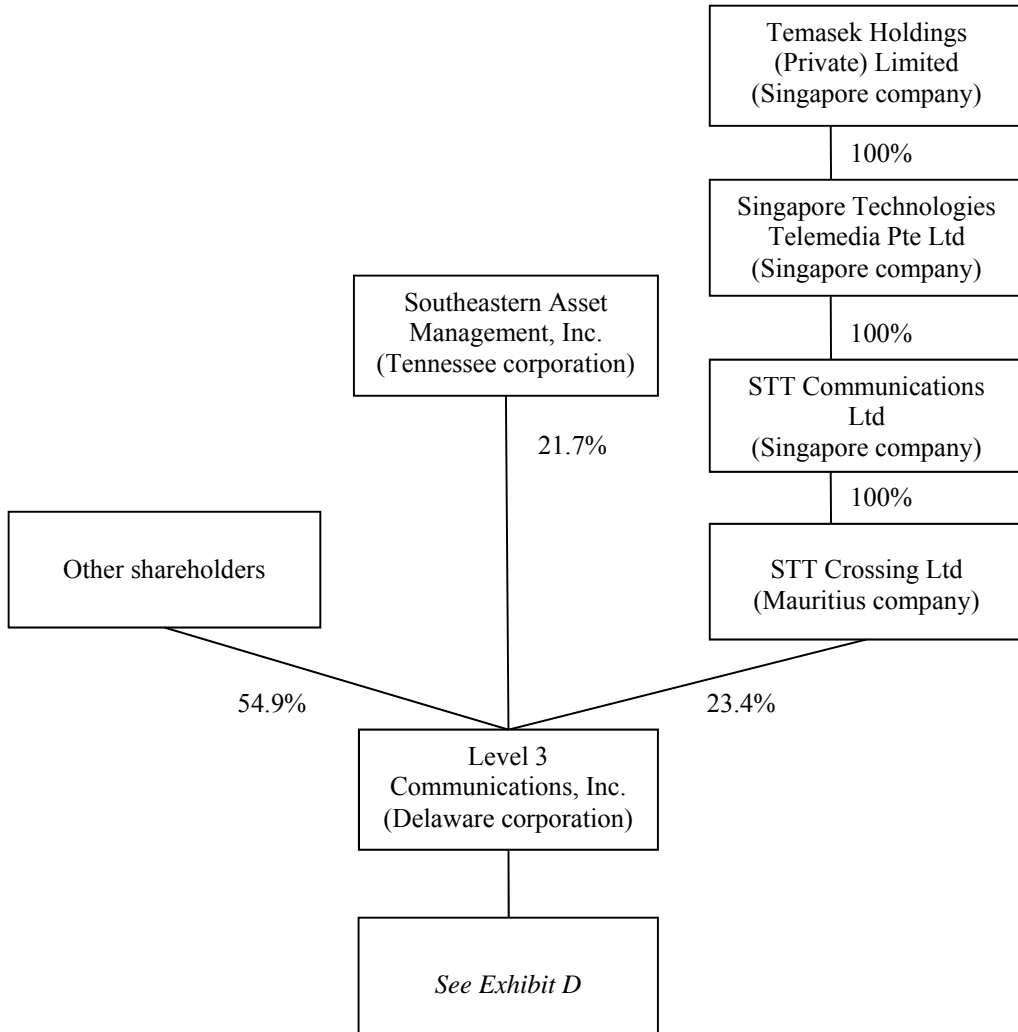
**Exhibit B:**

**Ownership Structure of tw telecom inc.'s Operating Subsidiaries**



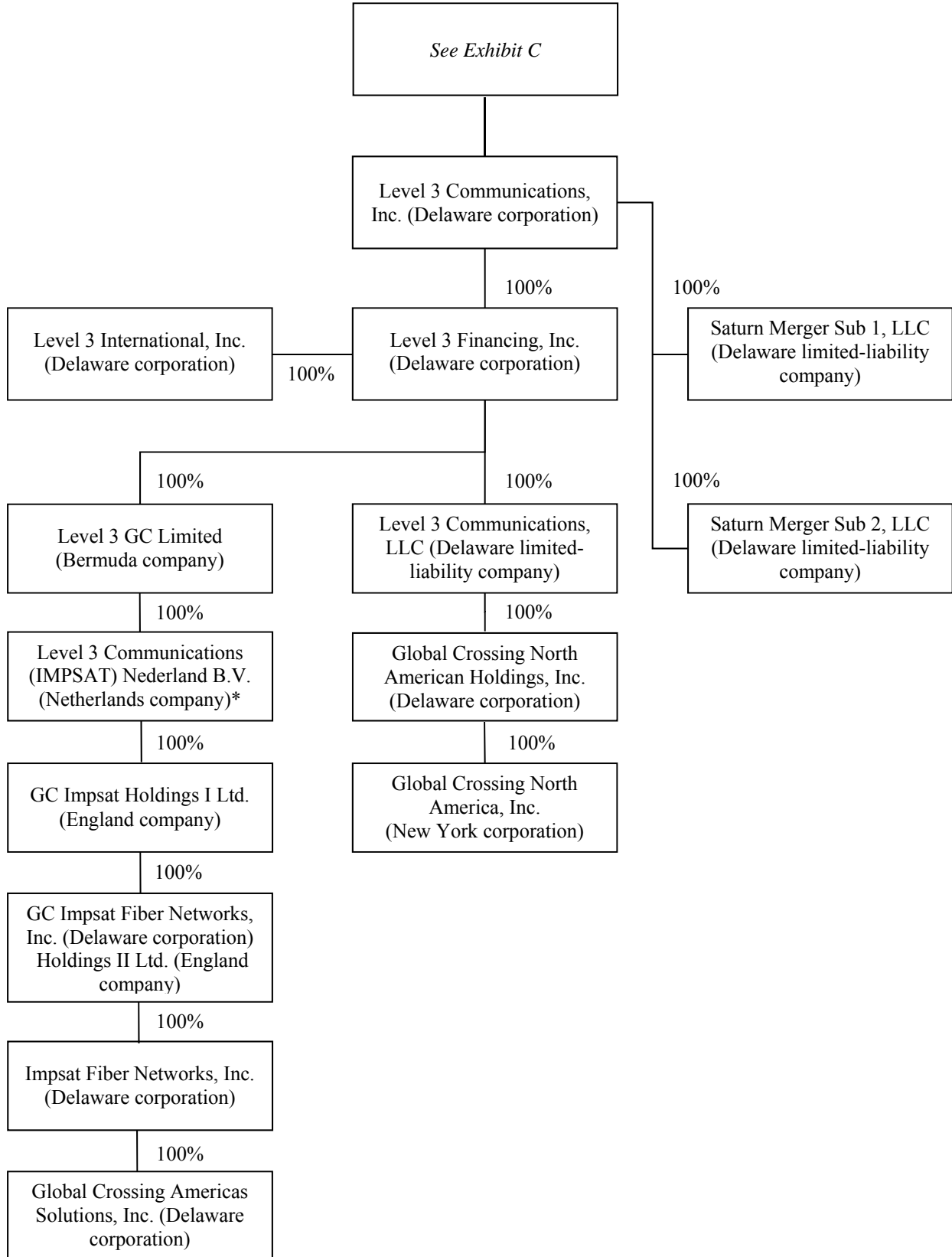
**Exhibit C:**

**Pre-Consummation Ownership of Level 3 Communications, Inc.**



**Exhibit D:**

**Ownership Structure of Level 3 Communications Inc. and Its Relevant U.S. Operating Subsidiaries**



**Exhibit E:**

**Post-Consummation Ownership of Level 3 Communications, Inc.  
and tw telecom holdings inc.**

