

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Joint Application of  
Level 3 Communications, Inc. and  
CenturyLink, Inc. for Approval to Transfer  
Level 3 Communications, Inc. and all Level  
3 Operating Entities to CenturyLink, Inc.

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DOCKET NOS. 16-2266-01, 16-2246-  
01, 16-2271-01, and 16-2351-02

ORDER APPROVING JOINT  
APPLICATION

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ISSUED: February 9, 2017

This matter is before the Public Service Commission of Utah (PSC) on a joint application filed by Level 3 Communications, Inc. (Level 3) and CenturyLink, Inc. (CenturyLink) for approval to transfer indirect control of Level 3 and all Level 3 operating entities to CenturyLink. Level 3's operating entities are Broadwing Communications, LLC; WilTel Communications, LLC; Global Crossing Telecommunications, Inc.; Global Crossing Local Services, Inc.; and Level 3 Telecom of Utah, LLC.

On January 18, 2017, in response to a PSC action request, the Division of Public Utilities (Division) recommended that the application be approved. In recommending approval, the Division stated:

The transaction will enable the Applicants to combine their complementary fiber networks to offer customers of enterprise services a broader range of on-net services and solutions than they currently can obtain from the Applicants individually, reduce the combined company's dependence on leased fiber facilities, and, by enhancing the combined company's reach and financial profile, strengthen its ability to invest and compete for the long term. In doing so, the proposed [t]ransaction will allow the combined company not only to provide better service and a fuller suite of solutions to its base of enterprise customers, but also to serve as a stronger competitor to compete successfully for these customers.

The PSC issued notices of filing, comment period, and hearing on December 22, 2016.

The Administrative Law Judge for the PSC held a hearing on February 9, 2017. Torry R.

Summers appeared as counsel for CenturyLink, joined by Jeremy Ferkin, CenturyLink's vice president of operations for Utah, Nevada, and California. William J. Evans appeared as counsel for Level 3, joined telephonically by Kristie Ince, Level 3's vice president of state, regulatory, and legislative affairs. Assistant Attorney General Justin Jetter appeared for the Division, joined by William Duncan, manager of the Division's telecommunications section.

At hearing, the joint application, including all exhibits, and the Division's written comments (DPU Exhibit 1) were entered into the record, as were the following supplemental exhibits:

Level 3's Supplemental Exhibit 1: Consolidated Application of Level 3 Communications, Inc. and CenturyLink, Inc. to Transfer Control of Domestic and International Section 214 Authorizations (FCC Consolidated Application), filed with the Federal Communications Commission (FCC) on December 12, 2016, along with a Supplement thereto, filed with the FCC on December 19, 2016.

Level 3's Supplemental Exhibit 2: Public Notice issued by the FCC establishing a pleading cycle for the FCC Consolidated Application, dated December 21, 2016.

Level 3's Supplemental Exhibit 3: Joint Application of CenturyLink, Inc. and Level 3 Communications, Inc. for Approval to Transfer Control of Level 3 Communications, LLC; Broadwing Communications, LLC; WilTel Communications, LLC; Global Crossing Telecommunications, Inc.; Global Crossing Local Services, Inc.; TelCove Operations, LLC; and Level 3 Telecom of Maryland, LLC, and Notification of Financing Arrangements, filed with the Public Service Commission of Maryland, dated January 30, 2017.

Level 3's Supplemental Exhibit 4: Staff Memorandum in the Matter of the Application of CenturyLink, Inc.; Wildcat Merger Sub 1, LLC; WWG Merger Sub LLC; Wildcat Hold Co LLC; and Level 3 Communications, Inc. for Approvals Under the Provision of 26 Del. C. § 215, filed with the Public Service Commission of Delaware, dated January 24, 2017.

Level 3's Supplemental Exhibit 5: Letter from Tammy Cordova, Nevada Public Utilities Commission Staff Counsel, to Trisha Osborne, Assistant Commission Secretary, in Nevada PUC Docket No. 16-12036, dated January 30, 2017, Re: Notice by Level 3

Communications, Inc. and CenturyLink, Inc. of a transaction that will result in a transfer of control of telecommunications companies.

Level 3's Supplemental Exhibit 6: Review and Recommendations Submitted on Behalf of the Staff of the Public Utilities Commission of Ohio, in the Matter of the Application for Approval of Transfer of Indirect Control of Level 3 Communications, LLC; Broadwing Communications, LLC; Global Crossing Telecommunications, Inc.; Global Crossing Local Service Inc.; TelCove Operations, Inc.; WiTel Communications, LLC; and Level 3 Telecom of Ohio, LLC to CenturyLink, Inc., Case No. 17-0044-TP-ACO, filed with the Public Utilities Commission of Ohio on February 8, 2017.

CenturyLink's Hearing Exhibit A: Jeremy Ferkin summary of proposed transaction.

Ms. Ince testified that interested persons in Pennsylvania and California have filed protests to the proposed transaction, and that a shareholder-initiated lawsuit is proceeding in Colorado. The Applicants are actively addressing the protests and the lawsuit, and they anticipate resolving them and obtaining all necessary approvals by the third quarter of 2017. Ms. Ince further testified that interested persons have filed comments in the FCC docket. The Applicants are in the process of reviewing and responding to those comments.

Mr. Duncan testified on behalf of the Division that the transaction described in the application appears to be in the public interest and that the Division's recommendation to approve the transaction is not affected by the protests, the lawsuit, or the comments Ms. Ince described in her testimony.

No one appeared at the hearing to object to the application. No one has filed comments opposing the Utah application.

Pursuant to Utah Admin. Code R746-349-7(A)(3):

If no objection to the proposed transaction is submitted in any filed comments or reply comments, the Commission will presume that approval of the transaction is in the public interest and use the

information contained in the application and accompanying documents as evidence to support a Commission order.

There is no objection to the granting of the application. Therefore, under Utah Admin. Code R746-349-7(A)(3) and in light of the comments and testimony of record, the PSC presumes the application to be in the public interest.

### ORDER

Given the foregoing, the Public Service Commission of Utah approves Level 3 Communications, Inc. and CenturyLink, Inc. to transfer to CenturyLink, Inc. indirect control of Level 3 Communications, Inc. and the following operating entities:

- Broadwing Communications, LLC
- WiTel Communications, LLC
- Global Crossing Telecommunications, Inc.
- Global Crossing Local Services, Inc.
- Level 3 Telecom of Utah, LLC.

DATED at Salt Lake City, Utah, February 9, 2017.

/s/ Jennie T. Jonsson  
Administrative Law Judge

Approved and confirmed February 9, 2017 as the Order of the Public Service  
Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
Commission Secretary  
DW#291634

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the 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 fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, 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 Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on February 9, 2017, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Torry R. Somers ([torry.r.somers@centurylink.com](mailto:torry.r.somers@centurylink.com))  
James Farr ([james.farr@centurylink.com](mailto:james.farr@centurylink.com))  
*CenturyLink*

William J. Evans ([bevans@parsonsbehle.com](mailto:bevans@parsonsbehle.com))  
Catherine Wang ([catherine.wang@morganlewis.com](mailto:catherine.wang@morganlewis.com))  
Danielle Burt ([danielle.burt@morganlewis.com](mailto:danielle.burt@morganlewis.com))  
Kristie Ince ([kristie.ince@level3.com](mailto:kristie.ince@level3.com))  
*Level 3*

Brett N. Anderson ([bretta@blackburn-stoll.com](mailto:bretta@blackburn-stoll.com))

Vicki Baldwin ([vbaldwin@parsonsbehle.com](mailto:vbaldwin@parsonsbehle.com))

Sharon Bertelsen ([bertelsens@ballardspahr.com](mailto:bertelsens@ballardspahr.com))

Larry Bowman ([larry.bowman@charter.com](mailto:larry.bowman@charter.com))

Brian W. Burnett ([bburnett@kmclaw.com](mailto:bburnett@kmclaw.com))

([cflregulatory@chartercom.com](mailto:cflregulatory@chartercom.com))

Eddie L. Cox ([ecox@cut.net](mailto:ecox@cut.net))

Amy Gross ([agross@tminc.com](mailto:agross@tminc.com))

Alan Haslem ([ahaslem@mleainc.com](mailto:ahaslem@mleainc.com))

Ray Hendershot ([ray.hendershot@beehive.net](mailto:ray.hendershot@beehive.net))

William Huber ([William.huber@questar.com](mailto:William.huber@questar.com))

Bill Hunt ([williamp.hunt@dish.com](mailto:williamp.hunt@dish.com))

David R. Irvine ([Drirvine@aol.com](mailto:Drirvine@aol.com))

Kristin L. Jacobson ([Kristin.l.jacobson@sprint.com](mailto:Kristin.l.jacobson@sprint.com))

Brock Johansen ([bjohansen@emerytelcom.com](mailto:bjohansen@emerytelcom.com))

Dawn Kubota ([kubotad@ballardspahr.com](mailto:kubotad@ballardspahr.com))

Jasen Lee ([jlee@desnews.com](mailto:jlee@desnews.com))

Kirk Lee ([kirk.lee@ftr.com](mailto:kirk.lee@ftr.com))

Shirley Malouf ([srmalouf@stoel.com](mailto:srmalouf@stoel.com))

Jennifer H. Martin ([jhmartin@stoel.com](mailto:jhmartin@stoel.com))

Steve Mecham ([sfmecham@gmail.com](mailto:sfmecham@gmail.com))

Roger Moffitt ([roger.moffitt@att.com](mailto:roger.moffitt@att.com))

Gregory Monson ([gbmonson@stoel.com](mailto:gbmonson@stoel.com))

Sharon Mullin ([slmullin@att.com](mailto:slmullin@att.com))

Thorvald Nelson ([tnelson@hollandhart.com](mailto:tnelson@hollandhart.com))

Janice Ono ([Janice.ono@att.com](mailto:Janice.ono@att.com))

Sheila Page ([spage@utah.gov](mailto:spage@utah.gov))

Mike Peterson ([mpeterson@utahcooperatives.org](mailto:mpeterson@utahcooperatives.org))

Pam Pittenger ([pam.pittenger@ftr.com](mailto:pam.pittenger@ftr.com))

Jenny Prescott ([jenny.prescott@allwest.com](mailto:jenny.prescott@allwest.com))

Bruce Rigby ([bruce@ucmc-usa.com](mailto:bruce@ucmc-usa.com))

Gary Sackett ([gsackett@joneswaldo.com](mailto:gsackett@joneswaldo.com))

Kira Slawson ([kiram@blackburn-stoll.com](mailto:kiram@blackburn-stoll.com))

Alan L. Smith ([alanakaed@aol.com](mailto:alanakaed@aol.com))

Ted D. Smith ([tsmithlaw@earthlink.net](mailto:tsmithlaw@earthlink.net))

Kendra Thomas ([kthomas@kfrservices.com](mailto:kthomas@kfrservices.com))

Bruce H. Todd ([btodd@stratanetworks.com](mailto:btodd@stratanetworks.com))

Jake Warner ([jakew@beehive.net](mailto:jakew@beehive.net))

James H. Woody ([jwoody@union-tel.com](mailto:jwoody@union-tel.com))

John Woody ([jwoody@union-tel.com](mailto:jwoody@union-tel.com))

Union Telephone Company

Patricia Schmid ([pschmid@utah.gov](mailto:pschmid@utah.gov))

Justin Jetter ([jjetter@utah.gov](mailto:jjetter@utah.gov))

Steven Snarr ([ssnarr@utah.gov](mailto:ssnarr@utah.gov))

Robert Moore ([rmoore@utah.gov](mailto:rmoore@utah.gov))

Assistant Utah Attorneys General

Erika Tedder ([etedder@utah.gov](mailto:etedder@utah.gov))

Division of Public Utilities

By Hand-Delivery:

Office of Consumer Services  
160 East 300 South, 2<sup>nd</sup> Floor  
Salt Lake City, Utah 84111

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Administrative Assistant