



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 1<sup>ST</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED PETITION OF ) ORDER  
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 ) DOCKET NO. TF23050297

**Parties of Record:**

**Colleen A. Foley, Esq.**, Saul Ewing LLP on behalf of Petitioners  
**Brian O. Lipman, Esq., Director**, New Jersey Division of Rate Counsel

BY THE BOARD:

On May 19, 2023, 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 “Petitioners”), filed a petition, pursuant to N.J.S.A. 48:3-7 and N.J.S.A. 48:3-9, requesting approval from the New Jersey Board of Public Utilities (“Board” or “BPU”) to participate in financing arrangements in connection with the issuance of \$924,522,000 aggregate principal amount of 10.500% Senior Notes due 2030 (“New Senior Notes”) by their parent company, Level 3 Financing, Inc. (“Financing”).

Specifically, Petitioners request approval: 1) to act as guarantors for the New Senior Notes upon receipt of the required regulatory approvals, including that from the Board; and 2) for their equity and other assets to be pledged in support of the New Senior Notes. Additionally, Level 3 LLC has entered into an Amended Intercompany Demand Note (“Amended Intercompany Demand Note”) which amends and restates the intercompany demand note issued to Financing as part of its prior 2020 financing arrangement (“2020 Intercompany Demand Note”) which was previously approved by the Board.<sup>1</sup> As it is unclear whether the Amended Intercompany

---

<sup>1</sup> In re the Petition of Level 3 Communications, LLC, Broadwing Communications, LLC, Global Crossing Telecommunications, Inc., Global Crossing Local Services, Inc., Level 3 Telecom of New Jersey, LP, TelCove Operations, LLC and WilTel Communications, LLC for Approval to Participate in Certain Financing Arrangements, BPU Docket No. TF19121510, Order Dated February 19, 2020.

Demand Note will be payable more than 12 months from the date of issuance, Petitioners also request approval, pursuant to N.J.S.A. 48:3-9, to permit the Amended Intercompany Demand Note to remain unpaid for more than 12 months from the date of issuance.

## **BACKGROUND**

Level 3 LLC is a wholly-owned subsidiary of Financing, which in turn is a subsidiary of Level 3 Parent, LLC (“Level 3 Parent”). Level 3 Parent is a Delaware limited liability company with principal offices located at 1025 Eldorado Boulevard, Broomfield, CO 80021, and is an indirect, wholly-owned subsidiary of Lumen Technologies, Inc. (“Lumen”).

Level 3 LLC is a non-dominant carrier that is authorized to provide resold and/or facilities-based local exchange and interexchange telecommunications services throughout the State of New Jersey pursuant to Board order dated October 20, 1998 in BPU Docket No. TE97120913.

Broadwing is authorized to provide local exchange and interexchange telecommunications services in New Jersey pursuant to authority granted by the Board in BPU Docket Nos. TE99030202 and TM04080767.

GC Telecommunications is authorized to provide facilities-based interexchange telecommunications services in New Jersey pursuant to authority granted in BPU Docket Nos. TE85030250 and TM10060393. The authority originally granted in BPU Docket No. TE85030250 was granted to RCI Corp., which subsequently operated as Frontier Communications International, Inc. and then as Global Crossing North American Networks, Inc. The Board approved the transfer of the facilities-based authority to Global Crossing Telecommunications, Inc. in BPU Docket No. TM10060393.

TelCove is authorized to provide competitive local exchange and interexchange telecommunications services in New Jersey by virtue of authority originally granted to Adelpia Business Solutions Investment, LLC in BPU Docket Nos. TM97110843, TE9705037, TM98101156, and TM00040275. Adelpia Business Solutions Investment, LLC changed its name to TelCove Investment, LLC after receiving the requisite Board approvals. The Board approved the transfer of that authority to TelCove Operations, LLC on March 2, 2007 in BPU Docket No. TM06120889.

WilTel is authorized to provide interexchange telecommunications services in New Jersey pursuant to a certificate granted by the Board in BPU Docket No. TE98080699, on September 4, 1998. This authority was originally granted to Williams Communications, Inc. d/b/a Vyvx, Inc. The company notified the Board of its conversion to an LLC and its name change on April 27, 2001 and November 13, 2002, respectively.

Additional information concerning the Petitioners’ legal, technical, managerial and financial qualifications was submitted to the Board with various prior submissions with respect to the Petitioners’ certifications and various transactions, including those listed above, and is therefore a matter of public record. The Board therefore takes official notice of these descriptions of Petitioners’ qualifications and incorporates them herein by reference.

Petitioners requested Board approval to participate in a debt financing arrangement, comprised of the New Senior Notes and the Amended Intercompany Demand Note (“Financing Arrangement”) as addressed and described in greater detail in the petition. Financing has issued \$924,522,000 aggregate principal amount of its New Senior Notes in a private offering

that was not registered under the Securities Act of 1933. The New Senior 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 Notes mature in 2030 and replace Lumen notes which were set to mature between 2025 and 2042. Financing has lent funds equal to the \$924,522,000 net aggregate proceeds of the New Senior Notes to Level 3 LLC in return for Level 3 LLC's execution of the Amended Intercompany Demand Note in the amount of \$4,835,562,000.<sup>2</sup> Other than the note balance, Petitioners stated that the Amended Intercompany Demand Note is in substantially the same form as the 2020 Intercompany Demand Note, 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). Additionally, the note continues to be payable on demand.

Upon receipt of the requisite regulatory approvals pursuant to N.J.S.A. 48:3-7, and any other laws or regulations deemed applicable, Petitioners requested approval from the Board to act as guarantors of the New Senior Notes and for their equity and other assets to be pledged in support of the New Senior Notes. Petitioners stated that their guaranty obligations in support of the New Senior Notes will not be effective until all required regulatory approvals are received, including approval from the Board.

Petitioners also requested authority from the Board, to the extent required, for the issuance of the Amended Intercompany Demand Note to Financing pursuant to N.J.S.A. 48:3-9. Petitioners asserted that the Amended Intercompany Demand Note is payable on demand, and since it is neither indebtedness "payable later than 12 months after the date of the original instrument," nor expressly payable within 12 months, the applicability of N.J.S.A. 48:3-9 is unclear. Petitioners stated that, in an abundance of caution, they seek Board approval pursuant to N.J.S.A. 48:3-9 in the event the Amended Intercompany Demand Note were to remain unpaid for more than 12 months from the date of issuance.

According to the Petitioners, participation in the new Financing Arrangement will not result in a change in their management or in their day-to-day operations in New Jersey, nor will it adversely affect the Petitioners' current or proposed operations in New Jersey. The Petitioners also asserted that the Financing Arrangement will have no impact on their ability to fulfill their pension obligations.

Petitioners stated that the Financing Arrangement will enable Financing and Level 3 Parent to reduce Lumen's overall debt by over \$629 million and to extend the overall debt portfolio maturity date (taken as a whole). According to the petition, the Financing Arrangement will also provide Petitioners with greater financial flexibility to maintain and expand their networks and services. Petitioners further assert that the Financing Arrangement will enable them to continue delivering services to new markets, thus allowing more consumers to benefit from their competitive services. Petitioners also asserted that capital markets will look favorably on Petitioners' efforts to strengthen their overall credit profile, which will yield both financial benefits and operational flexibility that will ultimately inure to the benefit of Petitioners' New Jersey customers.

Petitioners also stated that 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

---

<sup>2</sup> The aggregate principal balance of the 2020 Intercompany Demand Note was \$4,610,500,000. The note amount for the new Amended Intercompany Demand Note is \$4,835,562,000, and includes the outstanding balance of the 2020 Intercompany Demand Note and the proceeds from the New Senior Notes financing.

assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers. Following completion of the Financing Arrangement, Petitioners assert they will continue to provide high-quality communications services to their customers without interruption and without immediate change in rates, terms, or conditions.

The New Jersey Division of Rate Counsel (“Rate Counsel”) reviewed this matter and, by letter dated July 27, 2023, stated that it did not oppose the Board’s grant of the petitioned requests. Rate Counsel, however, did express concern regarding the pledging of Petitioners’ New Jersey assets and the need for safeguards applicable to New Jersey assets. The Petitioners, Board Staff, and Rate Counsel met on August 22, 2023 to discuss these concerns and the safeguards included in this order reflect those discussions.

### **DISCUSSION AND FINDINGS**

The Board, after investigation, and having considered the Petition and exhibits, as well as the comments of Rate Counsel and the recommendations of Board Staff, **HEREBY FINDS** that the proposed Financing Arrangement is consistent with applicable law. The Board **HEREBY AUTHORIZES** Petitioners to 1) participate in the Financing Arrangement as described herein and in the petition, and 2) permit the Amended Intercompany Demand Note to remain unpaid for more than 12 months from the date of issuance.

This Order is issued subject to the following provisions:

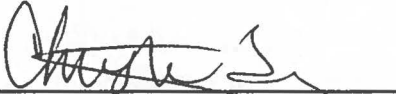
1. This Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs of service, franchises, service, financing, accounting, capitalization, depreciation or any other matters affecting the Petitioners.
2. Petitioners shall notify the Board, within five (5) business days, of any material changes in the proposed Financing Arrangement and shall provide complete details of such changes including any anticipated effects upon service in New Jersey.
3. Petitioners shall notify the Board of any material default in the terms of the proposed financing within five (5) business days of such occurrence.
4. Notwithstanding anything to the contrary in the documents executed pursuant to the Financing Arrangement or other supporting documents, a default or assignment under such agreement does not constitute an automatic transfer of Petitioners’ assets located in the State of New Jersey and no party to such Financing Arrangement or other supporting document shall take any action under such documents or exercise any remedies that would constitute or result in the transfer or assignment of any assets of Petitioners located in the State of New Jersey or a change of control of any Petitioner prior to obtaining Board approval pursuant to N.J.S.A. 48:1-1 et seq. where applicable. Any such filing would include reference to the docket number in this matter.
5. This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by the Petitioners.
6. Beginning January 15, 2024, and every six (6) months thereafter, Petitioners shall submit to the Board Secretary, and provide a copy to the Chief Economist, a letter report detailing

each debt issuance, term loan, and use of revolving credit opened or concluded in the prior six months, along with copies of executed indentures associated with the authorization contained in this order. The reports shall include the name of the issuing entity, issue date, amount of debt issued, the term in years, final maturity date, coupon rate, price to public, underwriters discount, net proceeds after expenses, gross proceeds before expenses, breakdown of estimated issuance costs (including, but not limited to, information such as the underwriting fees, underwriting expenses, legal fees and expenses, recordation taxes and fees, trustee fees, etc.) and any other material provision with respect to the terms and conditions of the new issuance.

This Order shall become effective on October 18, 2023.


DATED: October 11, 2023

BOARD OF PUBLIC UTILITIES  
BY:

  
CHRISTINE GUHL-SADOWY  
PRESIDENT

  
MARY-ANNA HOLDEN  
COMMISSIONER

  
DR. ZENON CHRISTODOULOU  
COMMISSIONER

  
MARIAN ABDOU  
COMMISSIONER

ATTEST:   
SHERRIL L. GOLDEN  
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities.

IN THE MATTER OF THE VERIFIED PETITION OF LEVEL 3 COMMUNICATIONS, LLC, BROADWING COMMUNICATIONS, LLC, GLOBAL CROSSING TELECOMMUNICATIONS, INC., TELCOVE OPERATIONS, LLC AND WITEL COMMUNICATIONS, LLC FOR APPROVAL TO PARTICIPATE IN A FINANCING ARRANGEMENT

DOCKET NO. TF23050297

SERVICE LIST

**Board of Public Utilities**

44 South Clinton Avenue, 1st Floor  
P.O. Box 350  
Trenton, NJ 08625

Sherri L. Golden, Board Secretary  
[board.secretary@bpu.nj.gov](mailto:board.secretary@bpu.nj.gov)

Stacy Peterson, Deputy Executive Director  
[stacy.peterson@bpu.nj.gov](mailto:stacy.peterson@bpu.nj.gov)

Benjamin Witherell, Ph.D., Chief Economist  
[benjamin.witherell@bpu.nj.gov](mailto:benjamin.witherell@bpu.nj.gov)

Carol Artale, Deputy General Counsel  
[carol.artale@bpu.nj.gov](mailto:carol.artale@bpu.nj.gov)

Lawanda R. Gilbert, Director  
[lawanda.gilbert@bpu.nj.gov](mailto:lawanda.gilbert@bpu.nj.gov)

Christine Lin  
[christine.lin@bpu.nj.gov](mailto:christine.lin@bpu.nj.gov)

Rocco Della Serra  
[rocco.dellaserra@bpu.nj.gov](mailto:rocco.dellaserra@bpu.nj.gov)

Farhana Rahman  
[farhana.rahman@bpu.nj.gov](mailto:farhana.rahman@bpu.nj.gov)

Steven Athanassopoulos, Legal Specialist  
[steven.athanassopoulos@bpu.nj.gov](mailto:steven.athanassopoulos@bpu.nj.gov)

**Division of Rate Counsel**

140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625-0003

Brian O. Lipman, Esq., Director  
[blipman@rpa.nj.gov](mailto:blipman@rpa.nj.gov)

Emily Smithman, Esq.  
[esmithman@rpa.nj.gov](mailto:esmithman@rpa.nj.gov)

Robert Glover, Esq.  
[rglover@rpa.nj.gov](mailto:rglover@rpa.nj.gov)

**Division of Law**

R.J. Hughes Justice Complex  
25 Market Street  
P.O. Box 112  
Trenton, NJ 08625

Pamela Owen, DAG, Assistant Section Chief  
[pamela.owen@law.njoag.gov](mailto:pamela.owen@law.njoag.gov)

Steven A. Chaplar, DAG  
[steven.chaplar@law.njoag.gov](mailto:steven.chaplar@law.njoag.gov)

Terel Klein, DAG  
[terel.klein@law.njoag.gov](mailto:terel.klein@law.njoag.gov)

**Petitioner**

Colleen Foley, Esq.  
Saul Ewing Arnstein & Lehr LLP  
One Riverfront Plaza  
Suite 1520  
1037 Raymond Blvd.  
Newark, NJ 07102  
[colleen.foley@saul.com](mailto:colleen.foley@saul.com)

Joshua S. Trauner  
Associate General Counsel  
Lumen Technologies, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203  
[joshua.trauner@lumen.com](mailto:joshua.trauner@lumen.com)