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April 13, 2017

**VIA HAND DELIVERY AND ECFS**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

**Re: *CenturyLink, Inc. and Level 3 Communications, Inc. Consolidated Applications for Consent to Transfer Control of Domestic and International Authorizations Pursuant to Section 214 of the Communications Act of 1934, As Amended, WC Docket No. 16-403***

Dear Ms. Dortch:

Level 3 Communications, Inc. hereby provides this response to the Wireline Competition Bureau's Information and Document Requests issued in the above-referenced docket.<sup>1</sup>

Level 3's narrative response and supporting documents contain Confidential and Highly Confidential Information. Consistent with the instructions in the Protective Order in this docket, these Confidential and Highly Confidential materials are being delivered to the Office of the Secretary, and copies are being provided to Michael Ray. Level 3's redacted submission is being filed electronically in the Commission's Electronic Comment Filing System.

Copies of Confidential and Highly Confidential materials will be made available to third parties pursuant to the terms of the Protective Order.

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<sup>1</sup> *Applications Filed for the Transfer of Control of Level 3 Communications, Inc. to CenturyLink, Inc.*, Letter from Madeleine Findley, Wireline Competition Bureau, to Thomas Jones *et al.*, Counsel for Level 3 Communications, Inc., and Yaron Dori *et al.*, Counsel for CenturyLink, Inc., WC Docket No. 16-403, DA 17-296 (Mar. 30, 2017) ("Request").

**REDACTED – FOR PUBLIC INSPECTION**

Marlene H. Dortch  
April 13, 2017  
Page 2

Please contact the undersigned with any questions regarding this submission.

Respectfully submitted,

*/s/ Thomas Jones*

*/s/ Mia Guizzetti Hayes*

Thomas Jones

Mia Guizzetti Hayes

*Counsel for Level 3 Communications, Inc.*

Attachments

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**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

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In the Matter of )  
 )  
CenturyLink, Inc. )  
 )  
and ) WC Docket No. 16-403  
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Level 3 Communications, Inc. )  
 )  
Consolidated Applications for Consent to )  
Transfer Control of Domestic and International )  
Authorizations Pursuant to Section 214 of the )  
Communications Act of 1934, As Amended )  

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**RESPONSE OF LEVEL 3 COMMUNICATIONS, INC.  
TO INFORMATION AND DOCUMENT REQUESTS**

Level 3 Communications, Inc. (“Level 3”) hereby provides this response to the Wireline Competition Bureau’s Information and Document Requests issued in the above-referenced docket on March 30, 2017, to CenturyLink, Inc. (“CenturyLink,” and together with Level 3, the “Applicants”) and Level 3.<sup>1</sup> This Response, and the documents produced herewith, reflect the

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<sup>1</sup> *Applications Filed for the Transfer of Control of Level 3 Communications, Inc. to CenturyLink, Inc.*, Letter from Madeleine Findley, Wireline Competition Bureau, to Thomas Jones *et al.*, Counsel for Level 3 Communications, Inc., and Yaron Dori *et al.*, Counsel for CenturyLink, Inc., WC Docket No. 16-403, DA 17-296 (Mar. 30, 2017) (“RFI”). Unless indicated otherwise, this Joint Response incorporates by reference the defined terms in Section I of the Appendix to the Attachment to the RFI. The Applicants filed their initial joint response to Request Number 3 on April 7, 2017.

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responses of Level 3 only. CenturyLink is concurrently filing a separate response under separate cover regarding information and documents specific to CenturyLink,<sup>2</sup> and the Applicants are concurrently filing a joint response under separate cover addressing common issues and documents.<sup>3</sup> In addition, the Applicants responded to Request Number 3 in their initial joint response filed in this docket on April 7, 2017.<sup>4</sup>

### REQUESTS AND RESPONSES

1. *For each of the following services – business Internet Access service, BDS, lit fiber services, dark fiber services, long-haul fiber, and metro fiber:*
  - a. *Provide for each Applicant a description of the service, a description of each customer class and geographic areas for which sales reports are compiled for that service, the average price charged for each service, and total aggregate revenues for each service (broken down for each quarter beginning January 1, 2015 by the geographic areas and customer classes where the Applicants compete);*

Level 3 offers each relevant service to retail and wholesale customers, including businesses, government, and other carriers, on a nationwide basis. A description of each relevant service, as well as pricing and revenue information for each relevant service, is set forth below and in the referenced attachments. Level 3 is not able to provide data on the “average price charged” for these services because it does not track such data in the ordinary course of business, and it would be extremely difficult to obtain such data after the fact. To supply the Commission

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<sup>2</sup> CenturyLink, Inc., Response of CenturyLink, Inc. to Information and Document Requests, WC Docket No. 16-403 (filed Apr. 13, 2017) (“CenturyLink Individual Response”).

<sup>3</sup> See Further Joint Response of CenturyLink, Inc. and Level 3 Communications, Inc. to Information and Document Requests, WC Docket No. 16-403 (filed Apr. 13, 2017) (“Further Joint Response”).

<sup>4</sup> Initial Joint Response of CenturyLink, Inc. and Level 3 Communications, Inc. to Information and Document Requests, WC Docket No. 16-403 (filed Apr. 7, 2017) (“Initial Joint Response”).

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with data regarding sales prices for Level 3 services that is more meaningful than average price charged, Level 3 provides [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END

**HIGHLY CONFIDENTIAL]** Level 3 provides aggregate revenues for each of its relevant services. As described below, Level 3 maintains these data on a North America regional basis in the ordinary course of business. Given the nature of its services and its global footprint, Level 3 has not found a business need to regularly report such data at a more disaggregated level.

**1. Business Data Services**

**a. Ethernet**

**i. Service Description**

Level 3 Ethernet Service provides secure, high-performance network solutions that enable voice, video, and data applications.

*E-Line Service* offers point-to-point and point-to-multipoint private Ethernet connectivity with scalable, dynamic bandwidth, providing high-speed connections among sites across 198 markets around the world. E-Line is a Layer 2 service that offers port speeds of 100 Mbps, 1 Gbps, and 10 Gbps with bandwidth increments of 2 Mbps to 6 Gbps. E-Line services are available in three classes of service—basic, enhanced, and dedicated—with 99.999 percent service level agreement (“SLA”) availability and available latency guarantees. E-Line offers end-to-end Ethernet testing and monitoring, site readiness and inside wiring, and Level 3’s Advanced Technical Services.

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E-Access Service offers point-to-point and point-to-multipoint Ethernet connectivity via a Metro Ethernet Forum-certified 1 Gbps or 10 Gbps external network-to-network interface, giving carriers and application, data center, and solution providers a single point of access into Level 3's Ethernet footprint. E-Access includes a set of advanced features to deliver a reliable Ethernet interconnection scalable up to 1,000 Ethernet connections from the same hub port.

Ethernet Private Line Service provides dedicated, point-to-point Ethernet connectivity at speeds between 3 Mbps and 1 Gbps with full transparency regarding how customers' packets are handled on Level 3's network. Ethernet Private Line is well-suited for smaller bandwidth applications that still require the highest levels of availability and performance.

**ii. Pricing**

[BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL]

**iii. Revenue**

Recurring revenue sales and monthly revenue data for Ethernet services are submitted herewith as LVLT-000004. [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL] This dataset also

includes recurring revenue sales and monthly revenue data for Wavelength and Private Line services. As mentioned above, Level 3 tracks these data by global region in the normal course of business. In addition to North America (“NA” in the dataset), which includes the U.S. and Canada, the dataset provides revenue information for Europe, the Middle East, and Africa (“EMEA”) and Latin America (“Latam”), which includes Mexico. The dataset also provides global totals.

**b. Wavelengths**

**i. Service Description**

Level 3 Wavelength services deliver a customized, fully transparent, end-to-end transport solution for enterprise wide area networks. Wavelength services are provided via Level 3’s global fiber-optic network that includes more than 200,000 fiber miles in North America,

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Europe, Latin America, and Asia. Level 3 Wavelength services offer protected (i.e., with back-up bandwidth on a logically and/or physically separate route) and unprotected (i.e., without back-up bandwidth), point-to-point configurations including flexible SONET/SDH, Ethernet, FICON, and Fibre Channel protocol support, with available low-latency guarantees. Available speeds for Wavelength services include 1 GigE, 2.5 Gbps, 10 Gbps, 10 GigE, 40 Gbps, and 100 GigE. OTU speeds include OTU 1, 2, 2e, 3, and 4.

**ii. Pricing**

[BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL]

**iii. Revenue**

Recurring revenue sales and monthly revenue data for Wavelength services are submitted herewith as LVLT-000004. As mentioned above, this dataset also includes recurring revenue sales and monthly revenue data for Ethernet and Private Line services. As also mentioned above, Level 3 tracks these data by global region in the normal course of business. In addition to North America (“NA” in the dataset), which includes the U.S. and Canada, the dataset provides

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revenue information for Europe, the Middle East, and Africa (“EMEA”) and Latin America (“Latam”), which includes Mexico. The dataset also provides global totals.

**c. Private Line Service**

**i. Service Description**

Level 3 Private Line services offer dedicated bandwidth for high-priority business applications, such as voice and video traffic, using SONET and SDH architectures. Level 3 Private Line architecture provides fully diverse paths for transport and immediate restoration in case of outages. Offered in private dedicated rings with diversity, latency, and custom routing options, Private Line services offer multiple configurations, including point-to-point and hub and endlink. Private Line services are protocol independent and can carry IP, voice, data and video as Layer 2 or Layer 3 traffic. Offered speeds, which may vary by region, include: E-1, E-3, T-1, DS-1, DS-3, OC-3, OC-12, OC-48, STM-1, STM-4, and STM-16.

**ii. Pricing**

**[BEGIN HIGHLY CONFIDENTIAL]** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] **[END HIGHLY**

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**iii. Revenue**

Recurring revenue sales and monthly revenue data for Private Line services are submitted herewith as LVLT-000004. As mentioned above, Level 3 tracks these data by global region in



█ [REDACTED]

█ [REDACTED]

█ [REDACTED] [END HIGHLY CONFIDENTIAL]

## 2. Internet Access Services

### a. Service Description

Level 3 provides Internet access service through its Dedicated Internet Access (“DIA”) service offering and its High Speed Internet Protocol (“HSIP”) service offering. These offerings provide fundamentally the same business Internet access service. The differing names reflect a legacy marketing categorization based on customer class: DIA service for medium to large enterprises, HSIP for ISPs and enterprises with very significant purchases of Internet service.

Level 3’s Internet access service provides scalable, enterprise-grade, high-speed dedicated Internet access and transit across Level 3’s IP backbone serving over 500 global markets along with expansive peering capacity of more than 21Tbps at 66 unique locations globally, and connectivity to over 4,200 Autonomous Systems globally. Internet access service includes a comprehensive suite of high-quality, high-speed full and fractional port interfaces: DS1, DS3, or Ethernet connections from 10/100 Mbps ports to 10Gbps ports and—where available—100GE, with packet over SONET/SDH (POS) OC3/STM1, OC12/ STM4, OC48/STM16, and OC192/STM64. The service provides access options through cross connects; backhaul; metro and long-haul TDM Private Line service; metro Ethernet Private Line service; metro and long-haul 2.5 Gbps and 10 Gbps Wavelength services; and Level 3 Dark Fiber extensions. Internet access service features fixed-rate monthly recurring charges (“MRCs”) for a port, or usage-based billing with a flat rate MRC with a committed data rate (“CDR”) plus burst

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charges based on usage above CDR. The service also includes network security features such as temporary IP filtering through null routes and limited ACL filtering upon request, as well as support for IP addressing, IPv4 and IPv4/IPv6 dual-stack, DNS, BGP, or static routing.

**b. Pricing**

[BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL]

**c. Revenue**

Submitted herewith as LVLT-000007 is data regarding monthly revenue for Internet services, where most enterprise revenue is described in the dataset as “Internet access” and revenue from wholesale and very large enterprise customers is described as “IP transit services.”

**3. Dark Fiber and Managed Dedicated Fiber**

**a. Service Description**

Level 3 provides Dark Fiber access to certain customers over 54,000 inter-city route miles in North America connecting more than 150 cities and 26,000 metro route miles in North America. When Level 3 offers Dark Fiber to a customer, it does so as raw, unlit fiber on both the inter-city and metro networks. Dark Fiber is controlled by, and connected, to the Level 3 network only in that it is part of the conduit and cable system along Level 3’s routes. For Dark Fiber, however, Level 3’s control and responsibility ends at the physical layer of the fiber. The customer is able to control, and is responsible for, every aspect beyond that layer, including optronics, network planning, network operations, and any other aspect of managed services or to make the fiber functional.

b. Pricing

[BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

**[END HIGHLY CONFIDENTIAL]**

**c. Revenue**

An Excel spreadsheet that shows Level 3’s long-haul and metro Dark Fiber revenue during the relevant time period is submitted herewith as LVLT-000008. **[BEGIN HIGHLY**

**CONFIDENTIAL]** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END HIGHLY

CONFIDENTIAL]

- b. *Describe, and provide documents sufficient to show, the extent to which the Applicants compete with each other in the provision of each service;*

[BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL]

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Please see the CenturyLink Individual Response for additional narrative and document responses.

- c. Describe and provide documents sufficient to show the extent to which the Transaction will affect the Applicants’ plans and offerings for each service, both within and outside of CenturyLink’s incumbent local exchange carrier (LEC) footprint, including any steps the combined company will take post-Transaction to change existing service offers and/or terms and conditions to business consumers both inside of and outside of CenturyLink’s incumbent LEC footprint, including customers location on Tribal lands; and*

For the Applicants’ response to this question, please see the CenturyLink Individual Response.

- d. Describe and provide documents sufficient to show the extent to which Level 3 has altered its pricing strategies for BDS services, lit fiber services, Dark Fiber services, long-haul fiber, and metro fiber since January 1, 2016.*

**[BEGIN HIGHLY CONFIDENTIAL]** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] **[END HIGHLY CONFIDENTIAL]**

\* \* \*

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2. *Provide the competitive analysis identified on page B-18 of the Applicants’ Public Interest Statement and on page 2 of the December 19, 2016 Supplement regarding the long-haul fiber and metro fiber markets served by the Applicants. Explain all assumptions used to produce the analysis and provide the underlying documents and spreadsheets used for this analysis.*

For the Applicants’ response to this question, please see the Further Joint Response.

\* \* \*

3. *Explain Applicants’ competitive analysis identified on pages 3-9 of their February 7, 2017 Joint Reply Comments in this proceeding regarding the provision of BDS to locations capable of being served by the Applicants’ fiber facilities both within CenturyLink’s region and outside of CenturyLink’s region (include any subsequent changes or amendments to the competitive analysis resulting from Applicants’ “continuing to investigate and refine their building assessment” as noted on page 7 and a description of the procedures used in any such further investigation and refinement). The explanation should include: all assumptions used to produce the analysis, including whether the definition of BDS included or excluded certain technologies and whether the definition of BDS required or considered the option of service level agreements; Applicants’ definition of an overlap building (including whether the overlap determination was based on address match or distance proximity); and the underlying data and documents used for the competitive analysis, sufficient to enable the Commission to replicate the Applicants’ competitive analysis. Rather than providing the underlying data for Applicants’ competitive analysis, Applicants instead can provide the data requested in Templates A, B, C, and D attached hereto.*

For the Applicants’ response to this question, please see the Initial Joint Response.

\* \* \*

4. *Applicants state that they currently “compete against some of the largest Tier 1 backbone providers in the provision of transit services” and that “the combination of CenturyLink and Level 3 will have little impact on the overall level of competition for IP transit services.” (Public Interest Statement at B- 16 and B-17). Describe, and provide and identify supporting documents showing, each Applicant’s position, rank, and competitive strategy in the North American Transit Services market, and how each Applicant compares to competing Transit Service providers in this market. For each Applicant, submit documents created after January 1, 2015 sufficient to show each Applicant’s plans relating to Transit Services, including all documents discussing how Level 3’s Transit Service business will be merged into CenturyLink’s Transit Service business.*

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For the Applicants' response to this question, please see the Further Joint Response.

[BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END CONFIDENTIAL] Level 3's

responsive documents are submitted herewith. See LVLТ-000065- LVLТ-000130.

\* \* \*

5. *Provide a detailed explanation with supporting documentation and documents sufficient to show the basis for, and derivation of, Applicants' claimed public interest benefits, efficiencies, and synergies resulting from the proposed Transaction (as set forth in pages B-4 through B-14 of the Public Interest Statement), and for each provide:*
  - a. *A description and the underlying assumptions of the steps Applicants will take to achieve the claimed cost savings, efficiencies, synergies, and other benefits; the costs Applicants will incur to achieve these effects; the risks Applicants face in realizing these effects; the breakdown between savings in fixed costs and marginal costs; and the time required to achieve these effects (including whether they are primarily short-term or long-term); and*

For the Applicants' response to this question, please see the CenturyLink Individual Response. Level 3's responsive documents are submitted herewith. See LVLТ-000131- LVLТ-000154.

- b. *Applicants' plans to pass through any cost savings from the Transaction to consumers and the extent to which Applicants have passed through past cost savings to consumers from prior transactions (including the magnitude and time horizon for these pass-through cost savings to consumers).*

For the Applicants' response to this question, please see the CenturyLink Individual Response.

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Respectfully submitted,

**LEVEL 3 COMMUNICATIONS, INC.**

/s/ Thomas Jones\_\_\_\_\_.

Thomas Jones

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Documents produced at LVLT-000001 through LVLT-000100 and LVLT-000131 through LVLT-000154 are Highly Confidential in their entirety.

Documents produced at LVLT-000101 through LVLT-000130 are Confidential in their entirety.