

Question II.F.10 -- Response of Level 3 Communications, LLC

As stated in the response to II.F.8, Level 3 Communications, LLC (“Level 3”) frequently pays shortfall penalties related to ILEC tariff plans or incurs the cost of continuing to pay the ILEC for circuits no longer in use to avoid shortfall penalties. Level 3’s liability for such circuits is approximately [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] per month. While exact amounts vary from month to month, the overall impact of buying unnecessary services from the ILECs exceeded [BEGIN HIGHLY CONFIDENTIAL]

[END HIGHLY CONFIDENTIAL] for the 2 year period beginning January 1, 2013. The following example is provided for two ILEC plans under which Level 3 paid for unused circuits during 2013 in order to avoid shortfall penalties. There are multiple other examples as well.

- (a) The name of the *Provider* providing the circuits at issue:

Answer: [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL]

- (b) A description of the *Prior Purchase-Based Commitment*:

Answer: [BEGIN HIGHLY CONFIDENTIAL]

[END HIGHLY CONFIDENTIAL]

- (c) The Tariff and section number(s) of the specific terms and conditions described:

Answer: [BEGIN HIGHLY CONFIDENTIAL]

[END HIGHLY CONFIDENTIAL]

- (d) The number of circuits you would not have purchased but for the *Prior Purchase-Based Commitment* requirement to receive a discount or *Non-Rate Benefit*:

Answer: [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL]

- (i) Of the circuits reported in II.F.10.d, how many did you not use at all?

Answer: **[BEGIN HIGHLY CONFIDENTIAL]**
[END HIGHLY CONFIDENTIAL]

- (e) A comparison of the dollar amount of the unnecessary circuit(s) purchased versus the dollar amount of penalties your company would have had to pay under the Prior Purchase-Based Commitment had it not purchased and/or maintained the circuit(s), and a description of how that comparison was calculated.

Answer: **[BEGIN HIGHLY CONFIDENTIAL]**

[END HIGHLY CONFIDENTIAL]

- (f) How many circuits were activated under the identified *Tariff* plan and not used when you initially entered into the plan? What were these unused circuits as a percent of the total circuits currently purchased under this *Tariff* plan? Indicate the percent of the total circuits currently purchased under this *Tariff* plan that exceed your *Prior Purchase-Based Commitment*.

Answer: **[BEGIN HIGHLY CONFIDENTIAL]**

[END HIGHLY

CONFIDENTIAL]

- (g) For the *Prior Purchase-Based Commitment*, indicate whether you are able to buy any *DS1s* or *DS3s* from the *Provider* outside of the identified *Tariff* plan, or are you required to make all purchases from the *Provider* pursuant to the identified *Tariff* plan?

Answer: **[BEGIN HIGHLY CONFIDENTIAL]**

[END HIGHLY CONFIDENTIAL]