

Question II.A.8 -- Response of Level 3 Communications, LLC

Level 3 Communications, LLC (“Level 3”) has a process and rules in place for determining whether to build out its network to new locations. Potential build-out opportunities are examined with respect to the estimated capital expenditure that would be necessary and the expected revenue that would result from the build-out. Level 3’s model looks at the **[BEGIN HIGHLY CONFIDENTIAL]**

[END HIGHLY CONFIDENTIAL].

Level 3 will generally build out its network in response to a particular sales opportunity where the company’s overall budget and priorities allow for the capital expenditure, in the discretion of the relevant decision-makers and internal organizations, and where the financial metrics for the build-out are as follows:

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[END HIGHLY CONFIDENTIAL]

Level 3 may also build to a particular location without a specific sales opportunity if, based on the potential for sales to that location, in Level 3's judgment there could be **[BEGIN HIGHLY CONFIDENTIAL]**

[END HIGHLY CONFIDENTIAL]

There are also factors that could prevent Level 3 from building to a location. For example, **[BEGIN HIGHLY CONFIDENTIAL]**

[END HIGHLY CONFIDENTIAL]

Level 3's business model for determining when and where to build has proven successful recently in the **[BEGIN HIGHLY CONFIDENTIAL]**

[END HIGHLY CONFIDENTIAL] markets. Markets that have seen underperformance following build-outs include **[BEGIN HIGHLY**

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[END HIGHLY

CONFIDENTIAL]. These results could be attributable to several factors, including the performance of Level 3's sales teams in the markets, the level of competition, Level 3's overall network footprint in the area, number of target customers and construction restrictions.