Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of LEVEL 3 COMMUNICATIONS, INC. Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended	 IB Docket No. 11-78 File No. ISP-PDR-2011-____

PETITION FOR DECLARATORY RULING

Pursuant to 47 U.S.C. § 310(b)(4) ("Section 310(b)(4)") and the Commission's implementing rules and policies therefor, Level 3 Communications, Inc. ("Level 3 Parent") (FRN 0005868732), hereby petitions the Commission for a declaratory ruling that it would serve the public interest to permit the direct foreign ownership of Level 3 Parent, and thus the indirect foreign ownership of Level 3 Parent's Title III-licensed subsidiaries TelCove FWL, Inc. ("TelCove") (FRN 0014359079), and Vyvx, LLC ("Vyvx") (FRN 0010597771), in excess of the 25-percent foreign-ownership benchmark in Section 310(b)(4). TelCove holds 193 Local Multipoint Distribution Service ("LMDS") licenses and 177 39 GHz licenses. Vyvx holds fifteen common-carrier satellite earth station authorizations.

Level 3 Parent has entered into an agreement to acquire Global Crossing Limited ("GCL") through an amalgamation under Bermuda law, a transaction that will return GCL and its subsidiaries to U.S. management control and predominantly U.S. ownership at closing (the "Proposed Transaction"). GCL is currently indirectly majority-owned and controlled by Singapore Technologies Telemedia Pte Ltd ("ST Telemedia"). ST Telemedia, a Singapore investment holding company, indirectly holds a majority interest in GCL of approximately 59.9

percent. As consideration for the Proposed Transaction, GCL's existing shareholders—including ST Telemedia's wholly-owned subsidiary, STT Crossing Ltd ("STT Crossing")—will receive stock in Level 3 Parent in exchange for cancellation of their GCL shares, thereby decreasing the foreign ownership in GCL's operating subsidiaries but increasing the aggregate indirect foreign ownership of TelCove and Vyvx.

Level 3 Parent therefore petitions the Commission for a declaratory ruling allowing aggregate indirect foreign ownership in TelCove and Vyvx in excess of 25 percent—specifically, 46.11 percent at closing, consisting of: (i) an approximate 24.47-percent indirect equity-and-voting interest to be acquired by STT Crossing (a foreign investor from Singapore, a World Trade Organization ("WTO") Member country), (ii) an aggregate approximate 11.42-percent indirect equity-and-voting interests that are held or will be acquired by other investors from WTO Member countries, and (iii) an aggregate approximate 10.22 percent indirect equity-and-voting interests to be acquired by retail investors of unknown nationality (and one known investor arguably from a non-WTO Member country).[1]

Level 3 Parent also requests that, consistent with Commission precedent, the Commission permit Level 3 Parent to accept an additional aggregate 25-percent indirect equity and/or voting interests from foreign investors without seeking prior Commission approval under Section 310(b)(4). This additional aggregate 25-percent interest would consist of (i) potential additional ownership by ST Telemedia (through STT Crossing) up to 34.5 percent (*i.e.*, up to an additional 10.03 percent interest), consistent with the limitations under a Stockholder Rights Agreement by

[1] Concurrently with this petition, Level 3 and its subsidiaries and GCL and its subsidiaries have filed applications to transfer control of: (1) transmit-receive non-common carrier satellite earth station authorizations held by Global Crossing Americas Solutions, Inc. ("GCAS"); (2) cable landing licenses held by GT Landing II Corp. and GCAS; and (3) domestic and international Section 214 authorizations held by various GCL subsidiaries.

and between Level 3 Parent and STT Crossing, and (ii) potential ownership by other foreign investors accounting for the remaining balance (*i.e.*, 14.97 percent). This margin would also accommodate potential fluctuations in ownership in publicly traded Level 3 Parent stock. Level 3 Parent requests that the Commission accept this additional aggregate foreign ownership provided that (1) no more than 25 percent of Level 3 Parent's total ownership is attributable to entities from non-WTO countries and/or (2) no more than 25 percent is attributable to a single previously unidentified entity from a WTO Member country.[2]

For the reasons set forth below, the Commission should grant the requested declaratory ruling.

I. BACKGROUND

A. Parties to the Proposed Transaction

1. GCL

GCL is a global telecommunications company. It is organized as a Bermuda exempted limited-liability company with its principal executive offices in Hamilton, Bermuda, and its principal administrative offices in Florham Park, New Jersey. GCL is a publicly-traded company listed on NASDAQ (symbol: GLBC). Through its subsidiaries, GCL owns and operates a global Internet Protocol ("IP")-based fiber optic network directly connecting more than 300 cities in 30 countries. GCL uses this network to provide telecommunications services and data and IP-based services to corporations, government agencies, and telecommunications carriers. GCL's U.S. operating subsidiaries hold numerous Commission authorizations for international telecommunications services, undersea cable facilities, and non-common-carrier

[2] *See*, *e.g.*, *Robert M. Franklin*, *Transferor Inmarsat*, *Plc*, *Transferee,* Memorandum Opinion and Order and Declaratory Ruling, 24 FCC Rcd. 449, 480 ¶ 70 (Int'l Bur. 2009); *TelCove, Inc.*, Order and Declaratory Ruling, 21 FCC Rcd. 3982, 3984 ¶ 3 (Int'l Bur. 2006).

satellite earth stations, and some of them rely on blanket authority to provide domestic telecommunications services.[3] GCL is currently majority-owned and controlled by ST Telemedia. As described below, following the consummation of the Proposed Transaction, GCL will be amalgamated with Level 3 Parent's special-purpose subsidiary, Apollo Amalgamation Sub, Ltd. ("Amalgamation Sub"), and continue as Level 3 GC Limited, itself a wholly-owned, direct subsidiary of Level 3 Parent.

2. ST Telemedia

ST Telemedia is a Singapore investment holding company, with investments in various information communications companies. It is organized as a private limited company under the laws of the Republic of Singapore. Following receipt of U.S. Government and other approvals, including Commission consents, ST Telemedia acquired control of GCL in December 2003.[4] Through STT Crossing and another intermediate holding company, ST Telemedia indirectly holds a majority interest in GCL of approximately 59.9 percent, via 29,342,431 shares of GCL common stock and 18,000,000 shares of convertible preferred stock.[5] ST Telemedia is wholly owned by Temasek Holdings (Private) Limited ("Temasek"), a Singapore-based investment holding company which in turn is wholly owned by the Government of Singapore through the Minister for Finance.

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[3] GCL's operating subsidiaries no longer hold any Commission wireless licenses.

[4] *Global Crossing Ltd. (Debtor in Possession), Transferor, and GC Acquisition Limited, Transferee, Applications for Consent to Transfer Control of Various FCC Licenses*, Order and Authorization, 18 FCC Rcd. 20,301, 20,346-47 (IB, WCB, and WTB 2003) ("*GCL Transfer Order*"); *see also International Authorizations Granted*, Public Notice, 22 FCC Rcd. 12,888, 12,889 (2007) (approving increase in ST Telemedia's indirect ownership from 61.5 percent as authorized in the *GCL Transfer Order* to 66.25 percent).

[5] GCL preferred stock converts on a 1:1 basis to GCL common stock and votes on an as-converted basis with GCL common stock. GCL preferred stock has class voting rights only with respect to amendments to the terms of the preferred stock.

3. STT Crossing

STT Crossing is a holding company organized as a Mauritius private limited company. At present, STT Crossing holds a majority interest in GCL of approximately 59.9 percent. Following the consummation of the Proposed Transaction, STT Crossing will become a minority shareholder of Level 3 Parent. STT Crossing has entered into a Stockholder Rights Agreement with Level 3 Parent (specifying its rights and capping the percentage of shares it may own without the written consent of Level 3 Parent's board of directors) and a voting agreement (whereby STT Crossing agrees to vote in favor of the amalgamation of GCL and Amalgamation Sub as contemplated in the Amalgamation Agreement).

4. Level 3 Parent

Level 3 Parent is a global telecommunications and information services company. It is a Delaware corporation headquartered in Broomfield, Colorado. Through its operating subsidiaries, Level 3 Parent offers a wide range of communications services over its extensive broadband fiber-optic network in North America, Europe, and Asia, including IP-based services, broadband transport, collocation services, and patented Softswitch-based managed modem and voice services. Level 3 Parent is a publicly-traded company listed on NASDAQ (symbol: LVLT). It has issued a single class of voting stock.

5. Amalgamation Sub

Amalgamation Sub is a Bermuda exempted limited-liability company established by Level 3 for the purpose of amalgamating with GCL. It has no operations and owns no infrastructure. Amalgamation Sub is a wholly-owned, direct subsidiary of Level 3 Parent. Following the consummation of the Proposed Transaction, Amalgamation Sub will be amalgamated with GCL into Level 3 GC Limited, itself a wholly-owned, direct subsidiary of Level 3 Parent.

6. Level 3 GC Limited

Level 3 GC Limited will be a Bermuda exempted limited-liability company established as a consequence of the amalgamation of GCL and Amalgamation Sub. The assets and liabilities of GCL and Amalgamation Sub—as described above—will become those of Level 3 GC Limited.

7. TelCove

TelCove is a Delaware corporation and is a wholly-owned, indirect subsidiary of Level 3 Parent. TelCove is a holding company through which Level 3 Parent holds 193 LMDS licenses and 177 39 GHz licenses. None of these licenses have been built out.

8. Vyvx

Vyvx is a Delaware limited-liability company and is a wholly-owned, indirect subsidiary of Level 3 Parent. Vyvx provides interstate interexchange and international media transmission services. Through Vyvx, Level 3 Parent holds fifteen common-carrier satellite earth station authorizations.

B. The Proposed Transaction

On April 10, 2011, GCL, Level 3 Parent, and Amalgamation Sub executed an Agreement and Plan of Amalgamation ("Amalgamation Agreement") whereby GCL and Amalgamation Sub will, following the receipt of necessary stockholder and regulatory approvals, amalgamate pursuant to the Companies Act 1981 of Bermuda ("Companies Act") and continue their existence as a single company, to be known as Level 3 GC Limited. An amalgamation under Bermuda law differs from a merger under the corporate laws of a U.S. state (*e.g.*, Delaware) in that there is no surviving corporation. Instead, the assets and liabilities of the amalgamating companies (here, GCL and Amalgamation Sub) become those of the amalgamated company (here, Level 3 GC Limited), and the certificate of amalgamation is equivalent to the certificate of incorporation of the amalgamated entity.

Pursuant to the Amalgamation Agreement, all GCL common shares and convertible preferred shares (excluding shares held by dissenting shareholders) will be cancelled and cease to exist. As consideration, existing shareholders of GCL (excluding dissenting shareholders) will receive shares in Level 3 Parent from an Exchange Fund established pursuant to the Amalgamation Agreement, with each GCL common or convertible preferred share to be exchanged for sixteen shares of Level 3 Parent common stock. The shares of dissenting shareholders will be cancelled, and dissenting shareholders will receive the right to payment of fair value pursuant to the Companies Act. As a consequence of the Proposed Transaction, Level 3 GC Limited will be a wholly-owned, direct subsidiary of Level 3 Parent.

As a result of the Amalgamation Agreement, ST Telemedia, through STT Crossing, will acquire 757,478,896 shares of Level 3 Parent common stock in exchange for 29,342,431 shares of GCL common stock and 18,000,000 shares of GCL convertible preferred stock. The shares of Level 3 Parent's common stock being issued to STT Crossing represent approximately 24.47 percent of Level 3 Parent's issued and outstanding shares of common stock following the closing of the Proposed Transaction.

A Stockholder Rights Agreement by and between Level 3 Parent and STT Crossing, executed simultaneously with the Amalgamation Agreement, limits ST Telemedia's ability to make any share acquisitions unless, after giving effect to such share acquisitions, ST Telemedia's interest in Level 3 Parent is less than 34.5 percent absent written consent by a majority of Level 3 Parent's board of directors (excluding directors designated by STT Crossing). The Stockholder Rights Agreement also grants to STT Crossing the right to designate a set number of directors on Level 3 Parent's board of directors as of closing, depending on the overall size of the board at closing. STT Crossing will have the right to designate 3 directors for a board of 13 or fewer members, 4 directors for a board of 14 to 16 members, and 5 directors for a board of 17 or more members. Thereafter, STT Crossing has the right to nominate such number of designees to the board that is proportionate to its shareholding in Level 3 Parent. By contrast, STT Crossing currently has the right to appoint 8 of the 10 directors on GCL's board.

II. CHANGES IN OWNERSHIP AS A CONSEQUENCE OF THE PROPOSED TRANSACTION

The Proposed Transaction will have the effect of diluting the current ownership of Level 3 Parent, resulting in Level 3 Parent's existing shareholders owning approximately 55.22 percent of the shares of the post-consummation Level 3 Parent, and GCL's existing shareholders owning approximately 44.78 percent of the shares of the post-consummation Level 3 Parent.

In determining whether foreign investors are based in WTO Member countries, the Commission undertakes an analysis of the investor's principal place of business to determine the nationality or "home market" of that entity.[6] That analysis considers five factors: (1) the country of the investor's incorporation, organization, or charter; (2) the nationality of all investment principals, officers, and directors; (3) the country in which its world headquarters is located; (4) the country in which the majority of its tangible property is located; and (5) the country from which it derives the greatest sales and revenues from its operations.[7]

To address these factors, Level 3 Parent and GCL have surveyed the Securities and Exchange Commission ("SEC") filings and other publicly-available materials (such as annual reports) issued by their shareholders. Level 3 Parent also instructed its transfer agent to survey

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6 *See Foreign Ownership Guidelines for FCC Common Carrier and Aeronautical Radio Licenses*, 19 FCC Rcd. 22,612, 22,621 (2004).

7 *Id.* at 11-12.

the addresses of all of its registered shareholders. GCL requested a survey of its institutional investors and of other shareholder data from NASDAQ, which provided GCL with data compiled by FactSet Research Systems, Inc.

For the purposes of this petition, Level 3 Parent has counted as foreign-owned those institutional investors in both Level 3 Parent and GCL that are either organized *or* have their principal place of business outside the United States. In determining whether those foreign-owned investors are based in WTO Member countries, Level 3 Parent has also considered the nationality of their investors, directors, and officers; the location of the majority of their tangible property (if any); and the country from which they derive their greatest sales and/or revenue.

Furthermore, for the purposes of this petition, Level 3 Parent has assumed that there will be no dissenting GCL shareholders who will elect to receive fair-value compensation in lieu of Level 3 Parent shares as consideration for the amalgamation. Level 3 Parent and GCL have no way of knowing in advance whether any of GCL's shareholders will dissent or whether the net effect of dissent would increase or decrease Level 3 Parent's post-consummation aggregate foreign ownership.

Accounting for the dilution factors and assuming that there will be no dissenting shareholders, upon consummation of the Proposed Transaction, Level 3 Parent anticipates that it will have a total known foreign ownership of approximately 35.89 percent. Two investors will hold most of those foreign-owned shares:

(1) ***ST Telemedia***: As described in part I.A above, ST Telemedia, through its wholly-owned subsidiary STT Crossing, will own approximately 24.47 percent of Level 3 Parent's issued and outstanding common stock following the consummation of the Proposed Transaction. Five out of ST Telemedia's eight directors are Singapore citizens, and two

out of its five senior management members are Singapore citizens. ST Telemedia's headquarters is located in Singapore. The majority of ST Telemedia's tangible property, operations, and personnel are located in Singapore. The Commission previously has found that ST Telemedia's home market is Singapore.[8]

(2) ***Fairfax Financial Holdings Limited*** ("Fairfax"): Fairfax is a Canadian financial holding company headquartered in Toronto, Ontario, where most of its tangible property is also located. After the closing of the Proposed Transaction, Fairfax will hold approximately 8.16 percent of Level 3 Parent stock.[9] Fairfax's directors and officers are of Canadian and U.S. citizenship. In 2010, 48.5 percent of its revenue was generated in the United States and 25.6 percent in Canada.

In addition to the foreign ownership represented by ST Telemedia (through STT Crossing) and Fairfax, Level 3 Parent also anticipates that it will have additional known direct and indirect foreign ownership of approximately 3.26 percent. Level 3 Parent anticipates that it will have only one known arguably non-WTO foreign investor following consummation of the Proposed Transaction, a very small shareholder organized under the laws of, and headquartered in, the Bailiwick of Jersey (although it is ultimately owned by a Canadian financial services company). In Exhibit A, Level 3 Parent lists its anticipated post-consummation foreign shareholders and

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8 *See GCL Transfer Order*, 18 FCC Rcd. at 20,323-24 ¶ 27. The Commission likewise found that the home market of ST Telemedia's direct parent, Temasek, is Singapore. *See id.*

9 Fairfax will hold that stock jointly with V. Prem Watsa, an individual and Canadian citizen, and three holding companies: 1109519 Ontario Limited ("1109519"), an Ontario corporation; The Sixty Two Investment Company Limited ("Sixty Two"), a British Columbia corporation; 810679 Ontario Limited ("810679"), an Ontario corporation. In addition, Fairfax manages a portion of its Level 3 Parent shares for Odyssey America Reinsurance Corporation ("Odyssey"), a Connecticut corporation. Fairfax, Mr. Watsa, 1109519, Sixty Two, and 810679 will share voting and dispositive power to all of the Level 3 Parent common stock held by Fairfax. Odyssey will hold voting and dispositive power for 2.72 percent of post-consummation Level 3 Parent stock.

provides data addressing the Commission's home-market analysis to determine the WTO status of its investors. In addition, approximately 10.22 percent of anticipated post-consummation Level 3 Parent shareholders are retail investors whose names and nationalities are unknown.

Of its U.S. investors, Level 3 Parent anticipates it will have only one shareholder with a greater-than-10-percent interest: Southeastern Asset Management, Inc. ("SAM"). SAM is a corporation organized and headquartered in Tennessee. SAM's principal business is providing investment advisory services and it is the investment advisor to the Longleaf Partners Funds, a Massachusetts business trust. Upon consummation of the Proposed Transaction, SAM will hold approximately 17.37 percent of Level 3 Parent's shares. SAM is an independent, employee-owned corporation. Approximately 85 percent of its shares are owned by U.S. investors. All of SAM's tangible property is located in the United States. SAM's directors and officers are of U.S. citizenship and each has a business address at SAM's principal executive offices, 6410 Poplar Avenue, Suite 900, Memphis, TN 38119.

In addition to SAM's interest, Level 3 Parent anticipates additional U.S. equity-and-voting interests of approximately 32.42 percent upon consummation of the Proposed Transaction. Level 3 Parent also expects that approximately 4.10 percent of its post-close issued and outstanding shares will be held by Level 3 Parent and GCL employees pursuant to RSUs, options, and warrants offered by each company.[10]

[10] This number represents shares issuable pursuant to RSUs that have been issued by Level 3 Parent to its employees and the employees of its subsidiaries as well as RSUs, options, and warrants issued by GCL to its employees. Transfer restrictions on Level 3 Parent's RSUs are expected to lapse between the date of this Petition and the closing date; similarly, GCL employees whose RSUs, options, and warrants will vest during that time period will be issued shares of Level 3 Parent common stock.

III. REQUEST FOR PUBLIC INTEREST DETERMINATION

Level 3 Parent petitions the Commission for a determination that the indirect foreign ownership in TelCove and Vyvx of approximately 46.11 percent at closing, as detailed in part II above and the attached Exhibit A, would serve the public interest. Level 3 Parent further petitions the Commission to authorize additional margins of an aggregate of 25 percent of foreign equity and/or voting rights, in order first to accommodate the ability of STT Crossing to acquire further shares in Level 3 Parent of up to a limit of 34.5 percent of Level 3 Parent's outstanding shares pursuant to a Stockholder Rights Agreement by and between Level 3 Parent and STT Crossing, with the balance being used to accommodate other foreign shareholders as well as potential fluctuations in stock ownership in publicly traded Level 3 Parent stock.

Section 310(b)(4) establishes a 25-percent limitation on indirect, attributable foreign investment in U.S. common carrier radio licenses.[11] Nevertheless, Section 310(b)(4) also authorizes the Commission to permit higher levels of foreign ownership if doing so is not inconsistent with the public interest.[12] In its *Foreign Participation Order*, the Commission determined that it would promote competition in the United States and serve the public interest to allow indirect foreign ownership beyond the 25-percent benchmark established by Section 310(b)(4). Specifically, under the open entry policy, a presumption exists that investment from WTO Member countries is consistent with the public interest.[13]

Level 3 Parent therefore petitions the Commission for a declaratory ruling permitting indirect foreign ownership of TelCove and Vyvx by:

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[11] 47 U.S.C. § 310(b)(4).

[12] *Id.*

[13] *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd. 23,891 ¶ 9 (1997).

(1) ST Telemedia (covering both the approximate 24.47-percent equity-and-voting interest to be acquired upon consummation of the Proposed Transaction and the potential acquisition of additional equity-and-voting interests, up to an aggregate amount of 34.5 percent);

(2) the other foreign investors named in Exhibit A (including approximately 11.42-percent voting-and-equity interests held by investors from WTO Member countries, an approximate 0.0000021-percent voting-and-equity interest held by an investor arguably from a non-WTO Member country, and approximately 10.22-percent voting-and-equity interests held by retail investors of unknown nationality and therefore treated as investors from non-WTO Member countries according to Commission practice); and

(3) other foreign investors (up to the remaining balance of an additional, aggregate 25-percent equity and/or voting interest, after taking into account any potential additional acquisitions by ST Telemedia, as described above), without seeking further Commission approval under Section 310(b)(4).

The instant petition seeks approval of direct investment in Level 3 Parent, and therefore indirect investment in TelCove and Vyvx, by individuals and entities from WTO Member countries as set forth in Exhibit A. Post-consummation, Level 3 Parent expects the indirect foreign ownership in TelCove and Vyvx to break down as shown in Table 1 below:

Table 1: Summary of Indirect Foreign Investment by Investor Home Market	
Country	***Percentage Ownership***
Singapore	24.50[14]
Canada	8.55
United Kingdom	1.25
Bermuda	0.85
Other WTO	0.74
Other Non-WTO	<0.01
Unknown nationality	10.22

Other investors from WTO-Member countries—each with equity-and-voting interests less than 0.40 percent—are located in Argentina, Australia, Austria, Belgium, Denmark, France, Germany, Ireland, Japan, Kenya, Luxembourg, New Zealand, Norway, South Africa, Spain, Sweden, Switzerland, and The Netherlands. The only known potential investor from a non-WTO-Member country is expected to be RBC Investment Solutions (CI) Limited, located in the Bailiwick of Jersey, Channel Islands, a U.K. crown dependency that is not covered by U.K. WTO commitments. That entity—a Jersey subsidiary of a Canadian financial institution—is expected to hold approximately 0.0000021 percent of Level 3 Parent stock following consummation of the Proposed Transaction.

In addition to the known shareholders, approximately 10.22 percent of Level 3 Parent investors are retail (rather than institutional) shareholders of unknown nationality. Consequently, Level 3 Parent also seeks authority to accept additional foreign investment beyond that identified herein, in order to accommodate those unknown investors as well as potential fluctuations in the ownership of its publicly-traded stock. This investment is consistent

[14] Of this amount, approximately 0.03% is attributable to Singaporean investors other than ST Telemedia.

with the Commission's open entry policy, and should be presumed to be in the public interest. There is no evidence to rebut that presumption.

The Proposed Transaction will serve the public interest by offering customers an expanded suite of services—globally-delivered transport, Internet protocol-based, data, content delivery, data center, collocation, and voice services—and more extensive geographic reach in North America, Latin America, Europe, and Asia with a combination of intercity and metro networks and undersea cable facilities. The Proposed Transaction will enhance growth opportunities by combining Level 3 Parent's premier position with wholesale and content customers with GCL's expertise serving national and multinational corporations as well as carrier customers. The Proposed Transaction will also join two competitive and complementary providers and greatly strengthen their ability to compete with larger competitors in the U.S. market, such as AT&T and Verizon Business. Consummation of the Proposed Transaction is expected to improve Level 3 Parent's credit profile and significantly strengthen its balance sheet. Level 3 Parent also expects its improved cash flow will permit further domestic and international network expansion. The Proposed Transaction will also return GCL and its businesses to U.S. management control and predominantly U.S. ownership at closing. As described above, ST Telemedia's majority interest (through STT Crossing) in GCL will be replaced by a minority interest initially of approximately 24.47 percent in Level 3 Parent. Whereas STT Crossing currently appoints 8 out of 10 directors on GCL's board, approves the appointment and replacement of GCL's chief executive officer, and retains other veto rights, STT Crossing will have—following the consummation of the Proposed Transaction—the ability only to designate a minority of Level 3 Parent's directors and will not have any ability to approve appointment or replacement of Level 3 Parent’s CEO or veto other actions by Level 3 Parent’s management or board of directors.

CONCLUSION

For the foregoing reasons, Level 3 Parent requests that the Commission issue a declaratory ruling that indirect foreign investment in TelCove and Vyvx is consistent with the public interest under Section 310(b)(4) of the Communications Act, as amended, and the Commission's *Foreign Participation Order*.

Respectfully submitted,

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12 May 2011

LIST OF EXHIBITS

Exhibit A: **Table Listing Post-Close Foreign Ownership Interests**

Exhibit B: **Diagram Showing Pre-Close Direct and Indirect Ownership of TelCove FWL, Inc., and Vyvx, LLC**

Exhibit C: **Diagram Showing Post-Close Direct and Indirect Ownership of TelCove FWL, Inc., and Vyvx, LLC**

EXHIBIT A

Post-Consummation Foreign Ownership Interests

EXHIBIT B:

Pre-Close Ownership of TelCove FWL, Inc. and Vyvx, LLC

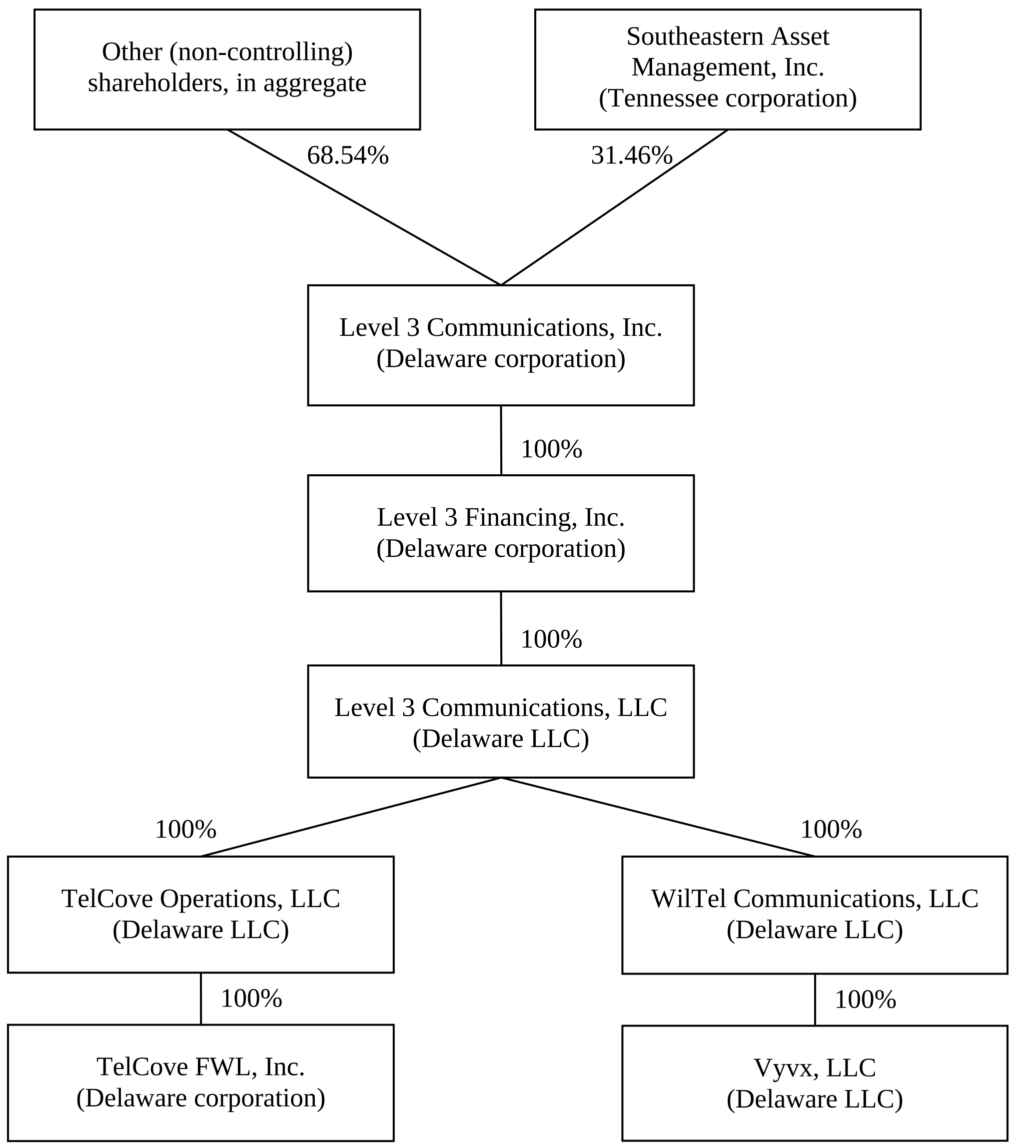

EXHIBIT C:

Post-Close Ownership of Telcove FWL, Inc. and Vyvx, LLC