

LEVEL 3 COMMUNICATIONS INC

Filed by
STEELHEAD PARTNERS LLC

FORM SC 13G/A

(Amended Statement of Ownership)

Filed 06/26/09

Address	1025 ELDORADO BOULEVARD BLDG 2000 BROOMFIELD, CO 80021
Telephone	7208881000
CIK	0000794323
Symbol	LVLT
SIC Code	4813 - Telephone Communications, Except Radiotelephone
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No. 1)*

Level 3 Communications, Inc.
(Name of Issuer)

Common Stock, \$.01 par value per share
(Title of Class of Securities)

52729N100
(CUSIP Number)

December 31, 2008
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- ☒ Rule 13d-1(b)
☒ Rule 13d-1(c)
☐ Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(1)	Names of Reporting Persons.	STEELHEAD PARTNERS, LLC
		(a) <input checked="" type="radio"/>
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(b) <input checked="" type="radio"/>
(3)	SEC Use Only	
(4)	Citizenship or Place of Organization	Delaware
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(5) Sole Voting Power 91,747,837
		(6) Shared Voting Power 0
		(7) Sole Dispositive Power 91,747,837
		(8) Shared Dispositive Power 0
(9)	Aggregate Amount Beneficially Owned by Each Reporting Person	91,747,837
(10)	Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)	<input checked="" type="radio"/>
(11)	Percent of Class Represented by Amount in Row (9)	5.7 %
(12)	Type of Reporting Person (See Instructions)	IA

(1)	Names of Reporting Persons.	JAMES MICHAEL JOHNSTON
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) <input checked="" type="radio"/> (b) <input checked="" type="radio"/>
(3)	SEC Use Only	
(4)	Citizenship or Place of Organization	United States
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(5) Sole Voting Power 0 (6) Shared Voting Power 91,747,837 (7) Sole Dispositive Power 0 (8) Shared Dispositive Power 91,747,837
(9)	Aggregate Amount Beneficially Owned by Each Reporting Person	91,747,837
(10)	Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)	<input checked="" type="radio"/>
(11)	Percent of Class Represented by Amount in Row (9)	5.7%
(12)	Type of Reporting Person (See Instructions)	IN/HC

(1)	Names of Reporting Persons.	BRIAN KATZ KLEIN
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) <input checked="" type="radio"/> (b) <input checked="" type="radio"/>
(3)	SEC Use Only	
(4)	Citizenship or Place of Organization	United States
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	(5) Sole Voting Power 0 (6) Shared Voting Power 91,747,837 (7) Sole Dispositive Power 0 (8) Shared Dispositive Power 91,747,837
(9)	Aggregate Amount Beneficially Owned by Each Reporting Person	91,747,837
(10)	Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)	<input checked="" type="radio"/>
(11)	Percent of Class Represented by Amount in Row (9)	5.7 %
(12)	Type of Reporting Person (See Instructions)	IN/HC

(1)	Names of Reporting Persons.	STEELHEAD NAVIGATOR MASTER, L.P.
		(a) <input checked="" type="radio"/>
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(b) <input checked="" type="radio"/>
(3)	SEC Use Only	
(4)	Citizenship or Place of Organization	Bermuda
	NUMBER OF	(5) Sole Voting Power
	SHARES	87,914,514
	BENEFICIALLY	(6) Shared Voting Power
	OWNED BY EACH	0
	REPORTING	(7) Sole Dispositive Power
	PERSON WITH	87,914,514
		(8) Shared Dispositive Power
		0
(9)	Aggregate Amount Beneficially Owned by Each Reporting Person	87,914,514
(10)	Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)	<input checked="" type="radio"/>
(11)	Percent of Class Represented by Amount in Row (9)	5.4 %
(12)	Type of Reporting Person (See Instructions)	PN

Item 1(a). Name of Issuer:

Level 3 Communications, Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:

1025 Eldorado Boulevard, Building 2000
Broomfield, CO 80021

Item 2(a). Names of Persons Filing:

Steelhead Partners, LLC ("Steelhead")
James Michael Johnston
Brian Katz Klein
Steelhead Navigator Master, L.P. ("Navigator")

Item 2(b). Address of Principal Business Office or, if none, Residence:

The business office of each reporting person is:

1301 First Avenue, Suite 201
Seattle, WA 98101

Item 2(c). Citizenship:

Reference is made to Item 4 of pages 2, 3, 4 and 5 of this Schedule 13G (this "Schedule"), which Items are incorporated by reference herein.

Item 2(d). Title of Class of Securities:

Common Stock, \$.01 par value per share.

Item 2(e). CUSIP Number:

52729N100

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- ☐ (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- ☐ (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- ☐ (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- ☐ (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).
- ☒ (e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E) .
- ☐ (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F) .
- ☒ (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G) .
- ☐ (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813) .
- ☐ (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3) .
- ☐ (j) Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Reference is hereby made to Items 5-9 and 11 of pages 2, 3, 4 and 5 of this Schedule, which Items are incorporated by reference herein.

The securities reported on this Schedule as beneficially owned by Steelhead (the "Securities") are held by or for the benefit of Navigator and certain other client accounts. Steelhead, as the investment manager of Navigator, the general partner and/or investment manager of those other client accounts, and as the sole member of Navigator's general partner, and each of J. Michael Johnson and Brian K. Klein, as the member-managers of Steelhead, may be deemed to beneficially own the Securities held by Navigator and such other client accounts for the purposes of Rule 13d-3 under the Securities Exchange Act of 1934 (the "Act"), insofar as they may be deemed to have the power to direct the voting or disposition of those Securities.

Neither the filing of this Schedule nor any of its contents shall be deemed to constitute an admission that any of Steelhead, Mr. Johnson or Mr. Klein is, for any other purpose, the beneficial owner of any of the Securities, and each of Steelhead, Mr. Johnson and Mr. Klein disclaims beneficial ownership as to the Securities, except to the extent of his or its pecuniary interests therein.

Under the definition of "beneficial ownership" in the Act, it is also possible that the individual general partners, executive officers, and members of the foregoing entities might be deemed the "beneficial owners" of some or all of the Securities insofar as they may be deemed to share the power to direct the voting or disposition of such Securities. Neither the filing of this Schedule nor any of its contents shall be deemed to constitute an admission that any of such individuals is, for any purpose, the beneficial owner of any of the Securities, and such beneficial ownership is expressly disclaimed.

The calculation of percentage of beneficial ownership in Item 11 of pages 2, 3, 4 and 5 was derived from the Issuer's Form 10-Q filed with the Securities and Exchange Commission on November 10, 2008, in which the Issuer stated that the number of shares of its Common Stock outstanding as of October 31, 2008 was 1,611,053,938 shares.

Item 5. Ownership of Five Percent or Less of a Class

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

Not applicable.

Item 8. Identification and Classification of Members of the Group

Not applicable.

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification

By signing below the undersigned certify that, to the best of their knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: June 26, 2009

STEELHEAD PARTNERS, LLC

By: /s/ James Michael Johnston
James Michael Johnston
Its Member-Manager

JAMES MICHAEL JOHNSTON

/s/ James Michael Johnston
James Michael Johnston

BRIAN KATZ KLEIN

/s/ Brian Katz Klein
Brian Katz Klein

By signing below the undersigned certifies that, to the best of its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Signature

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: June 26, 2009

STEELHEAD NAVIGATOR MASTER, L.P.
By: Steelhead Partners, LLC, its Investment Manager

By: /s/ James Michael Johnston
James Michael Johnston
Its Member Manager

EXHIBITS LIST

Exhibit A

Joint Filing Undertaking

Page 10

EXHIBIT A

JOINT FILING UNDERTAKING

The undersigned, being authorized thereunto, hereby execute this agreement as an exhibit to this Schedule 13G to evidence the agreement of the below-named parties, in accordance with rules promulgated pursuant to the Securities Exchange Act of 1934, to file this Schedule, as it may be amended, jointly on behalf of each of such parties.

Dated: June 26, 2009

STEELHEAD PARTNERS, LLC

By: /s/ James Michael Johnston
James Michael Johnston
Its Member-Manager

STEELHEAD NAVIGATOR MASTER, L.P.

By: Steelhead Partners, LLC, its Investment Manager

By: /s/ James Michael Johnston
James Michael Johnston
Its Member Manager

JAMES MICHAEL JOHNSTON

/s/ James Michael Johnston
James Michael Johnston

BRIAN KATZ KLEIN

/s/ Brian Katz Klein
Brian Katz Klein

