

LEVEL 3 COMMUNICATIONS INC

Reported by
1109519 ONTARIO LTD

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 12/24/08 for the Period Ending 12/24/08

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

FORM 4

[] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public
Utility Holding Company Act of 1935 or Section 30(f) of the
Investment Company Act of 1940

1. Name and Address of Reporting Person *	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
FAIRFAX FINANCIAL HOLDINGS LTD/ CAN	LEVEL 3 COMMUNICATIONS INC [LVLTL]	<input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner
(Last) (First) (Middle)	3. Date of Earliest Transaction (MM/DD/YYYY)	<input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)
95 WELLINGTON STREET WEST, SUITE 800	12/24/2008	
(Street)	4. If Amendment, Date Original Filed (MM/DD/YYYY)	6. Individual or Joint/Group Filing (Check Applicable Line)
TORONTO, ONTARIO, CANADA, M5J 2N7		<input type="checkbox"/> Form filed by One Reporting Person
(City) (State) (Zip)		<input checked="" type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	6. Date Exercisable and Expiration Date	7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code V	(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares				
15% Convertible Senior Notes due 2013 (?Notes?)	(1)	12/24/2008		P	\$100062000	12/24/2008 (2)	Common Stock, \$0.01 par value (? Shares?)	55590000 \$100062000	\$100062000	I	See Footnote (3)

Explanation of Responses:

- (1) The Notes are convertible into Shares based on an initial conversion price of \$1.80 per Share (equivalent to an initial conversion rate of 555.5556 Shares per \$1,000 principal amount of Notes), subject to adjustment under certain circumstances.
- (2) The Notes are convertible into Shares at the option of the holder thereof at any time prior to the close of business on January 15, 2013, the maturity date of the Notes, unless the Notes are earlier purchased by the issuer or automatically converted.
- (3) \$45 million aggregate principal amount of Notes is held by Odyssey America Reinsurance Corporation, \$30 million aggregate principal amount of Notes is held by North River Insurance Company, \$20.062 million aggregate principal amount of Notes is held by Fairfax (Barbados) International Corp. and \$5 million aggregate principal amount of Notes is held by Falcon Insurance Company (Hong Kong) Limited.

Reporting Owners

Relationships

Reporting Owner Name / Address	Director	10% Owner	Officer	Other
FAIRFAX FINANCIAL HOLDINGS LTD/ CAN 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7		X		
WATSA V PREM ET AL 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7		X		
1109519 ONTARIO LTD 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7		X		
SIXTY TWO INVESTMENT CO LTD 1600 CATHEDRAL PLACE 925 WEST GEORGIA ST. VANCOUVER, BC, CANADA V6C 3L3		X		
810679 ONTARIO LTD 95 WELLINGTON STREET WEST SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7		X		
NORTH RIVER INSURANCE CO 305 MADISON AVENUE MORRISTOWN, NJ 07962		X		
Fairfax (Barbados) International Corp. C/O FAIRFAX FINANCIAL HOLDINGS LIMITED 95 WELLINGTON STREET WEST, SUITE 800 TORONTO, ONTARIO, CANADA M5J 2N7		X		
ODYSSEY RE HOLDINGS CORP 300 FIRST STAMFORD PLACE STAMFORD, CT 06902		X		
ODYSSEY AMERICA REINSURANCE CORP 300 FIRST STAMFORD PLACE STAMFORD, CT 06902		X		
Falcon Insurance Co (Hong Kong) Ltd 6/F., DCH COMMERCIAL CENTRE 25 WESTLANDS ROAD, QUARRY BAY HONG KONG		X		

Signatures

/s/ Paul Rivett, Vice President

****** Signature of Reporting Person

12/24/2008

Date

/s/ V. Prem Watsa

****** Signature of Reporting Person

12/24/2008

Date

/s/ V. Prem Watsa, President

****** Signature of Reporting Person

12/24/2008

Date

/s/ V. Prem Watsa, President

****** Signature of Reporting Person

12/24/2008

Date

/s/ V. Prem Watsa, President

****** Signature of Reporting Person

12/24/2008

Date

/s/ Paul Bassaline, Vice President

****** Signature of Reporting Person

12/24/2008

Date

/s/ Ronald Schokking, Chairman

****** Signature of Reporting Person

12/24/2008

Date

/s/ Donald L. Smith, Senior Vice President

****** Signature of Reporting Person

12/24/2008

Date

/s/ Donald L. Smith, Senior Vice President

** Signature of Reporting Person

12/24/2008

Date

/s/ Sammy Chan, Director

** Signature of Reporting Person

12/24/2008

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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