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LEVEL 3 COMMUNICATIONS INC  
Form SC 13G  
February 23, 2005

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

Level 3 Communications, Inc.  
-----

(Name of Issuer)

Common Stock  
-----

(Title of Class of Securities)

52729N100  
-----

(CUSIP Number)

FEBRUARY 24, 2004  
-----

(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).

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1 Names of Reporting Person/I.R.S. Identification Nos. of Above Persons  
(Entities Only)

V. PREM WATSA

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b) [X]

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

CANADIAN

5 SOLE VOTING POWER  
NUMBER OF SHARES

6 SHARED VOTING POWER  
BENEFICIALLY

48,041,523  
OWNED BY EACH

7 SOLE DISPOSITIVE POWER  
REPORTING

8 SHARED DISPOSITIVE POWER  
PERSON WITH

48,041,523

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

48,041,523

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES [ ]

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

6.6%

12 TYPE OF REPORTING PERSON

IN

2

Cusip No. 52729N100

13G

Page 3 of 16 Pages

1 Names of Reporting Person/I.R.S. Identification Nos. of Above Persons  
(Entities Only)

1109519 ONTARIO LIMITED

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b) [X]

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3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

ONTARIO, CANADA

NUMBER OF SHARES 5 SOLE VOTING POWER

BENEFICIALLY 6 SHARED VOTING POWER

OWNED BY EACH 48,041,523

REPORTING 7 SOLE DISPOSITIVE POWER

PERSON WITH 8 SHARED DISPOSITIVE POWER  
48,041,523

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

48,041,523

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES [ ]

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

6.6%

12 TYPE OF REPORTING PERSON

CO

3

Cusip No. 52729N100

13G

Page 4 of 16 Pages

1 Names of Reporting Person/I.R.S. Identification Nos. of Above Persons  
(Entities Only)

THE SIXTY TWO INVESTMENT COMPANY LIMITED

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b) [X]

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

BRITISH COLUMBIA, CANADA

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NUMBER OF SHARES	5	SOLE VOTING POWER
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	6	SHARED VOTING POWER
	48,041,523	
	7	SOLE DISPOSITIVE POWER
	8	SHARED DISPOSITIVE POWER
	48,041,523	

---

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
48,041,523

---

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES [ ]

---

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
6.6%

---

12 TYPE OF REPORTING PERSON  
CO

---

4

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Cusip No. 52729N100	13G	Page 5 of 16 Pages
1	Names of Reporting Person/I.R.S. Identification Nos. of Above Persons (Entities Only)	
	810679 ONTARIO LIMITED	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) [ ] (b) [X]
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION	
	ONTARIO, CANADA	

---

NUMBER OF SHARES	5	SOLE VOTING POWER
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	6	SHARED VOTING POWER
	48,041,523	
	7	SOLE DISPOSITIVE POWER

---

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PERSON WITH -----  
8 SHARED DISPOSITIVE POWER  
48,041,523  
-----  
9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
48,041,523  
-----  
10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES [ ]  
-----  
11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
6.6%  
-----  
12 TYPE OF REPORTING PERSON  
CO  
-----

5

-----  
Cusip No. 52729N100 13G Page 6 of 16 Pages  
-----

1 Names of Reporting Person/I.R.S. Identification Nos. of Above Persons  
(Entities Only)  
FAIRFAX FINANCIAL HOLDINGS LIMITED  
-----  
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b) [X]  
-----  
3 SEC USE ONLY  
-----  
4 CITIZENSHIP OR PLACE OF ORGANIZATION  
CANADA  
-----

5 SOLE VOTING POWER  
NUMBER OF SHARES  
-----  
6 SHARED VOTING POWER  
BENEFICIALLY 48,041,523  
OWNED BY EACH  
-----  
7 SOLE DISPOSITIVE POWER  
REPORTING  
-----  
8 SHARED DISPOSITIVE POWER  
PERSON WITH 48,041,523  
-----  
9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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48,041,523

-----  
10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES [ ]

-----  
11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

6.6%

-----  
12 TYPE OF REPORTING PERSON

CO  
-----

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ITEM 1.(a) NAME OF ISSUER:

Level 3 Communications, Inc.

ITEM 1(b) ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

1025 Eldorado Blvd., Broomfield, CO 80021

ITEM 2.(a) NAME OF PERSON FILING:

This statement is being jointly filed by the following persons (collectively, the "Reporting Persons"):

1. V. Prem Watsa, an individual;
2. 1109519 Ontario Limited ("1109519"), a corporation incorporated under the laws of Ontario;
3. The Sixty Two Investment Company Limited ("Sixty Two"), a corporation incorporated under the laws of British Columbia;
4. 810679 Ontario Limited ("810679"), a corporation incorporated under the laws of Ontario; and
5. Fairfax Financial Holdings Limited ("Fairfax"), a corporation incorporated under the laws of Canada.

ITEM 2(b) ADDRESS OF PRINCIPAL BUSINESS OFFICE:

The addresses of the Reporting Persons are as follows:

1. Mr. Watsa's business address is 95 Wellington Street West, Suite 800, Toronto, Ontario M5J 2N7;
2. The principal business address and principal office address of 1109519 is 95 Wellington Street West, Suite 800, Toronto, Ontario M5J 2N7;
3. The principal business address and principal office address of Sixty Two is 1600 Cathedral Place, 925 West Georgia St., Vancouver, British Columbia V6C 3L3;

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4. The principal business address and principal office address of 810679 is 95 Wellington Street West, Suite 800, Toronto, Ontario M5J 2N7; and
5. The principal business address and principal office address of Fairfax is 95 Wellington Street West, Suite 800, Toronto, Ontario M5J 2N7.

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ITEM 2(c) CITIZENSHIP:

V. Prem Watsa is a citizen of Canada.

ITEM 2(d) TITLE OF CLASS OF SECURITIES:

Common Stock

ITEM 2(e) CUSIP NUMBER:

52729N100

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13d-1(b), OR 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)  An 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 Section 240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person, in accordance with Section 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 Section 240.13d-1(b)(1)(ii)(J).

ITEM 4. OWNERSHIP.

Based on the most recent information available, the aggregate number and percentage of the shares of common stock (the "Shares") of Level 3

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Communications, Inc. that are beneficially owned by each of the Reporting Persons is set forth in boxes 9 and 11 of the second part of the cover page to this Schedule 13G, and such information is incorporated herein by reference.

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The number of Shares as to which each of the Reporting Persons has sole voting power, shared voting power, sole dispositive power and shared dispositive power is set forth in boxes 5, 6, 7 and 8, respectively, on the second part of the cover page to this Schedule 13G, and such information is incorporated herein by reference.

Shares reported as beneficially owned include Shares issuable upon conversion of certain convertible debt securities.

Neither the filing of this Schedule 13G nor the information contained herein shall be deemed to constitute an affirmation by V. Prem Watsa, 1109519, Sixty Two, 810679 or Fairfax that such person is the beneficial owner of the Shares referred to herein for purposes of Section 13(d) or 13(g) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed.

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.

Certain of the Shares (and/or the convertible debt securities that are convertible into Shares) beneficially owned by the Reporting Persons are held by subsidiaries of Fairfax, which subsidiaries have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities. No such interest of a subsidiary relates to more than 5% of the class of Shares.

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.

See attached Exhibit No. 1.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP.

Not applicable

ITEM 10. CERTIFICATION.

By signing below I certify that, to the best of my 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.

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SIGNATURE

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

Dated: February 22, 2005

V. Prem Watsa

/s/ V. Prem Watsa  
-----

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SIGNATURE

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

Dated: February 22, 2005

1109519 Ontario Limited

By: /s/ V. Prem Watsa  
-----

Name: V. Prem Watsa  
Title: President

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SIGNATURE

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

Dated: February 22, 2005

The Sixty Two Investment Company Limited

By: /s/ V. Prem Watsa  
-----

Name: V. Prem Watsa  
Title: President

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SIGNATURE

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

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Dated: February 22, 2005

810679 Ontario Limited

By: /s/ V. Prem Watsa

-----  
Name: V. Prem Watsa

Title: President

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SIGNATURE

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

Dated: February 22, 2005

Fairfax Financial Holdings Limited

By: /s/ Paul Rivett

-----  
Name: Paul Rivett

Title: Vice President

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EXHIBIT INDEX

EXHIBIT NO. -----	DESCRIPTION -----
1	Members of filing group.
2	Joint Filing Agreement dated as of February 22, 2005 among V. Prem Watsa, 1109519 Ontario Limited, The Sixty Two Investment Company Limited, 810679 Ontario Limited and Fairfax Financial Holdings Limited.

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