

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of	)	IB Docket No. 02-286
	)	File Nos. ISP-PDR-20020822-0029;
GLOBAL CROSSING, LTD.	)	ITC-T/C-20020822-00406
(Debtor-in-Possession),	)	ITC-T/C-20020822-00443
	)	ITC-T/C-20020822-00444
Transferor,	)	ITC-T/C-20020822-00445
	)	ITC-T/C-20020822-00446
and	)	ITC-T/C-20020822-00447
	)	ITC-T/C-20020822-00449
	)	ITC-T/C-20020822-00448
GC ACQUISITION LIMITED,	)	SLC-T/C-20020822-00068
	)	SLC-T/C-20020822-00070
Transferee	)	SLC-T/C-20020822-00071
	)	SLC-T/C-20020822-00072
Application for Consent to Transfer	)	SLC-T/C-20020822-00077
Control and Petition for Declaratory	)	SLC-T/C-20020822-00073
Ruling	)	SLC-T/C-20020822-00074
	)	SLC-T/C-20020822-00075
	)	0001001014

**GLOBALAXXESS' RESPONSE TO APPLICANTS' RESPONSE TO
OBJECTION TO TRANSFER OF CONTROL AND DECLARATORY
RULING**

The Washington, DC counsel that has been retained by the Applicants evidently has not been involved in the Global Crossing Chapter 11 bankruptcy. The Response filed by the Applicant's counsel is replete with misrepresentations of fact, in all probability because they are basing their pleadings on what they are being told by the Applicants without independent verification of the facts.

This Commission is being asked to **assume** [emphasis added] that everything has been on the up and up in the Global Crossing Chapter 11 bankruptcy. However, nothing could be further from the truth.

The Commission should contact Mr. Michael Conway, 212-758-9300, an attorney in New York City that represents that Ad Hoc Former Employees of Global Crossing. There have been RICO level issues presented to the U.S. Bankruptcy Court, SDNY and the matter was deferred to the Creditor's Committee as to whether or not to pursue.

The financial advisor to the Debtor, Blackstone Group, carved two assets out of Global Crossing before bankruptcy was filed and now assumes a role of suppression of due diligence and discovery.

Some of those same creditors will be named defendants in the RICO action and why they do not want inquiry into Global Crossing business affairs is “material and relevant”, notwithstanding Applicant’s counsel being led to plead the Applicant’s cause before this Commission by “information management”.

The Applicants are attempting to “paint a picture” that is factually incorrect and misrepresents material facts.

GlobalAxxess represents close to 100,000,000 shares of Global Crossing stock where shareholders have aligned with GlobalAxxess. The actions being brought are not class action stock fraud lawsuits in the typical sense. The actions are being brought under the civil section of RICO, 18 USC § 1964(c) for the conduct goes way beyond stock fraud.

From the GX response:

I. INTRODUCTION

On August 22, 2002, Global Crossing Ltd., Debtor-in-Possession (“Global Crossing”), and GC Acquisition Limited (“New GX” and, with Global Crossing, the “Applicants”) filed an application for Commission consent to transfer control of the radio licenses, cable landing licenses, and certificates of named subsidiaries of Global Crossing Ltd. to GC Acquisition Limited (“New GX”) and a petition for declaratory ruling that the proposed indirect ownership in

Page 3 of 71 of Applicants Response:

I. The Lack of Comments Shows That There is No Impediment to The Commission’s Grant of the Application.

The few comments that were timely filed make two principal claims: (1) That better offers were presented to and rejected by GCL or that other offers are currently available; and (2) that the proposed foreign ownership interests in New GC threaten the National Security of the United States.

1. *The transfer of control and investments are part of a transaction by which Hutchison Telecom and ST Telemedia each will invest \$125 million in New GC in return for equity and voting stakes of 30.75% each (the "Proposed Transaction"). The Proposed Transaction is discussed in greater detail in the Application.*
2. *The comments of GlobalAxxess should be dismissed as those of an unsuccessful bidder for GCL's assets. Many of the individual comments were not timely filed and, in any event, they do no more than repeat the misleading and irrelevant claims made by GlobalAxxess.*
3. *Comments of GlobalAxxess (Oct. 19, 2002) (GlobalAxxess Cmts.); Comments of Lyle R. Little (Oct. 25, 2002); Comments of Anthony Mareta (Oct. 29, 2002).*
4. *See, infra, note 9. Several commenters also assert that the Commission should deny the Application because of private litigation and governmental investigations involving GCL. Comments of Edward M. Killalea (Oct. 25, 2002); Comments of Communications Workers of America (Oct. 21, 2002) ("CWA Cmts."). Those matters will be resolved in the appropriate fora and should not affect the Commission's analysis of whether the Proposed Transaction is in the public interest.*

GlobalAxxess will not be lured by Applicant's counsel into disclosing RICO evidence or factual issues that will be brought under suit by GlobalAxxess' counsel on behalf of GlobalAxxess and parties harmed by Global Crossing. If the federal investigators wish to know more, they are more than welcome to contact us and discuss in detail.

Refer to Transcript page 40 of the August 9, 2002 Bankruptcy Court hearing. By their own words, none of the bidders were ever allowed a shot at acquiring the assets, therefore, the word "unsuccessful bidder" may well be substituted with "one of the many jerked around bidders". The testimony of Mr. Arthur B. Newman makes it abundantly clear that Hutchison and ST Telemedia did not want to be challenged by the bidding procedures, however, the U.S. Bankruptcy Court clearly ordered the auction process and that was in fact undermined by Debtor Global Crossing and their financial advisors Blackstone Group, the Applicants and many of the creditors.

The bidding procedures order was dated March 25, 2002, and the bidding procedures were not in process since July 11 as represented in the Applicant's Response. Proposed transferees Hutchison Whampoa and ST Telemedia were instructed by the Court to increase their bid by May 21, 2002, and both announced within hours that they were not going to increase their bids.

From the testimony of August 9, 2002, it is apparent that Hutchison and ST Telemedia consider themselves above the directions of the U.S. Bankruptcy Court and it is apparent that the Debtor, financial advisor and creditors undermined the entire § 363 bidding process to facilitate that attitude.

GlobalAxxess reminds the FCC Commission that Global Crossing is a company that is under investigation for wrongdoing and that investigation has been undermined at all levels by a resistance and refusal to comply with due diligence. Hutchison and ST Telemedia have agreed to do a deal without due diligence and that fact alone should set off multiple warnings at the federal level that there is much that the parties do not wish anyone to discover and due diligence is a **discovery process** [emphasis added].

Page 4 of 71 of Applicant's Response:

The first claim is contradicted by the record of the Bankruptcy Court. GCL engaged in an extensive search for new investment following its Chapter 11 filings under the supervision of the Bankruptcy Court. The Proposed Transaction with Hutchison Telecom and ST Telemedia emerged as the "highest and otherwise best" offer made to GCL. The Bankruptcy Court stated, based in its review of the record and oral testimony, that "the management of this company and its professionals engaged in all of the effort one hopes and expects that they would engage in to try and maximize the value on behalf of the stakeholders." The commenters offer no new facts to support their claims to the contrary. Therefore, their allegations should be rejected.

Actually, all bids were to be presented to Debtor's Counsel Weil Gotshal & Manges by July 11, 2002, not to the U.S. Bankruptcy Court. It is erroneous to state and is to mislead FCC into assuming that the Court was in fact "monitoring" the process inside of Debtor's counsels office. The Court ordered § 363 bids and all such bids were rejected just before the deadline for presenting them to the Court and the Debtor and Creditors came to the Court to announce their acceptance of the Hutchison Whampoa and ST Telemedia offer at one-third of what had already been rejected by the Creditors Committee.

This "low ball" offer is a continuation of the cover up at Global Crossing and suppression of inquiry and due diligence into misconduct. See page 40 of the August 9, 2002 transcript, testimony of Arthur B. Newman.

Finally, it is unlikely that GCL will receive a better offer if the Proposed Transaction does not close. Conditions in the telecommunications sector have worsened since the Proposed Transaction was announced. Numerous other carriers have filed for protection from

their creditors. Tellingly, GCL has received no interest from other potential investors since the

The foregoing statement is factually inaccurate and an attempt to scare FCC into approving the Application to transfer control.

The following is an email that was sent back and forth between Mr. John Biedermann, Global Crossing Creditor's Committee counsel and GlobalAxxess Chairman Karl W. B. Schwarz. The U.S. Trustee was copied on this email by GlobalAxxess.

-----Original Message-----

From: *KWB.Schwarz [mailto:KW.Schwarz@worldnet.att.net]*

Sent: *Friday, September 06, 2002 7:55 AM*

To: *Biedermann, John P.*

Cc: *Michael Conway; John Hovel; Mary.Tom@usdoj.gov; Carolyn.S.Schwartz@usdoj.gov; Pamela.Lustrin@usdoj.gov*

Subject: *RE: Update*

Sensitivity: *Confidential*

Hello John,

It is good to hear that you do recognize and support such fiduciary responsibilities.

First, we are prepared to offer \$450 million and put into place a working plan (non-debtor supported) that would impair the creditors less. How the HW offer is preferable to that, I would love to hear your rationale on the comparative merits.

Additionally, we would open the process to due diligence to get to the bottom of the GC issues and resolve them. I trust you can well imagine how unfashionable that would be with some.

Are you aware that there are approximately 50 class action ROW lawsuits that could represent a huge liability to WCG and GC for they are named in most of them? Additionally, are you aware that those same lawsuits and the telecom defendants were heavily sanctioned for FORUM SHOPPING while they were in bankruptcy? See US Dist Ct Portland, Judge Anne Aiken.

The offer on the table for WCG is \$330 million and we have been prepared since March 2002 to offer \$400 million. Again, a question of best interest of ALL CREDITORS.

Second, have you verified if HW is or is not an insider, is or is not still a creditor of GC or has this evolved into a minority shareholder takeover with preference?

COMPANY DATA:

COMPANY CONFORMED NAME: GLOBAL CROSSING LTD
CENTRAL INDEX KEY:
0001061322
STANDARD INDUSTRIAL CLASSIFICATION:
TELEPHONE COMMUNICATIONS
(NO RADIO TELEPHONE) [4813]

IRS NUMBER: 980189783
FISCAL YEAR END: 1231

FILING VALUES:

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BUSINESS ADDRESS:

STREET 1: WESSEX HOUSE 45 REID
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CITY: BERMUDA
STATE: D0
ZIP: HM12
BUSINESS PHONE: 4412968600

MAIL ADDRESS:

STREET 1: WESSEX HOUSE 45 REID
STREET
STREET 2: HAMILTON HM12
CITY: BERMUDA

POS AM
POST-EFFECTIVE AMENDMENT NO.1 TO FORM S-3
As filed with the Securities and Exchange
Commission on May 16, 2000
Registration No. 333-94805

*D. RHETT BRANDON, ESQ. **JAMES C. GORTON, ESQ.***
[emphasis added, see below]
Simpson Thacher & Bartlett

(a) \$500 million of our 7% cumulative convertible preferred stock which we issued in a private placement on December 15, 1999 and **(b) \$400 million of our 6 3/8% cumulative convertible preferred stock, series B, which we issued to Hutchison Whampoa Limited upon completion of the transaction described in the second paragraph under "-- Selected historical financial information" on page 5; and**

I see the potential for numerous conflicts. We are well aware of the relationships between Simpson Thacher Bartlett and Blackstone. The ST&B web site is full of such relationships. It has been a while since I have seen a Rule

2004 examination of a creditors committee or a financial advisor.

As for responding to the rest of your inquiry, we will reserve that for actions we intend to take on behalf of ourselves and other interested parties. We do not wish to give them time to bury facts even deeper.

In talking to other 363 bidders it is becoming increasingly clear that HIGHER AND BETTER offers are being hidden from view or consideration.

regards,
Karl W. B. Schwarz
Chairman, CEO

-----Original Message-----

From: Biedermann, John P. [mailto:jbiedermann@brbilaw.com]

Sent: Thursday, September 05, 2002 2:37 PM

To: 'KWB.Schwarz'

Cc: Michael Conway; John Hovel

Subject: RE: Update

Sensitivity: Confidential

Thank you for your email. The Committee recognizes its fiduciary responsibilities to all unsecured creditors and therefore has agreed to support the Hutchison/Singapore transaction because the Committee believes that it provides unsecured creditors with the best recoveries under current conditions. If you have any verifiable information or evidence of the improprieties that you allege surround the Hutchison/Singapore transaction in particular and the bidding process in general, please provide us with such information or evidence and we will review same.

-----Original Message-----

From: KWB.Schwarz [mailto:KW.Schwarz@worldnet.att.net]

Sent: Wednesday, September 04, 2002 11:36 AM

To: John P. Biedermann

Cc: Michael Conway; John Hovel; Mary.F.Tom@usdoj.gov;

Carolyn.S.Schwartz@usdoj.gov; Pamela.Lustrin@usdoj.gov

Subject: Update

Sensitivity: Confidential

Hello John,

I personally cannot believe that you and your creditor clients would look the other way on the games that Blackstone, GC, HW and STT have been playing with you and all other parties.

Does your committee not have a fiduciary responsibility to all creditors regardless of size to get the best deal for the creditors?

I advised you long ago that we were in direct contact with STT, Soon Eng-Kek, Theng Kiat Lee and others through their parent Singapore Technologies. Do you not find it incredible that STT would remain loyal to this STT-HW bid solely because of Stephen Green, a Clinton appointee as ambassador to Singapore, a Winnick and Legere friend and now defendant in the ERISA fraud actions lodged against GC?

I have always believed that bankruptcy is not a haven from fraud, but the actions I have seen over the past 60 days in the GC and WCG bankruptcy cases have changed my mind on that matter. In fact, my faith in the system from initial venture capital to IPO to bankruptcy is suspect.

As of yesterday, I have given our attorneys limited permission to disclose all that we know to the US House Financial Service Committee investigation regarding Global Crossing, HW and Li Ka-shing and what we have been provided by parent ST.

By way of this email, I am notifying Pamela Lustrin, Asst U.S. Trustee that the WCG bankruptcy information, witnesses and evidence has also been made available to the US House committee if they wish to look into that matter as well.

We have been approached by one of the GC bidders that was not announced in the media. They are reluctant to move forward with us on a better deal for you and your clients until they get some form of written commitment from you and the US Trustee that they are not standing up alone against the undermining Blackstone and GC did to the 363 bid process.

They share our concerns that the E-room provided by Global Crossing and Blackstone was woefully insufficient on information to prepare a proper bid and analyze how to remedy the cash flow and operating problems at GC. If the bid process was legitimate John, why was the e-room deficient of information for bidders?

I frankly think all bidders should petition the court and demand a refund of the expenses incurred in what was obviously a sham auction process.

The private equity partners that came to me did sign the Confidentiality Agreement and are NOW being instructed that they CANNOT come forward with a restructured bid as it would violate the confidentiality provisions. That is exactly why we did not sign the document for it attempts to control HOW one would bid on the matter. It attempts to suppress rather than shed light on the problems.

I have provided you a copy of the Blackstone Confidentiality Agreement that we refused to sign, why we refused to sign it, [emphasis added, See Attachments A.2 and A.3, GlobalAxxess Comments filed October 21, 2002] a detailed list of documentation that we know is prudent to conduct due

diligence on a telecom and Blackstone refused to sign off on our request for documentation.

If you and your clients wish to entertain a higher and better offer for all parties to consider, we need written commitments from you and from the US Trustee that such a higher offer will be considered, notwithstanding GC and Blackstone's desire to undermine due diligence on behalf of their client and affiliates of that client that are also affiliates of Blackstone.

We are providing copies of this to the media as well.

I am available if you wish to discuss the matter in detail. Otherwise, if you are willing to stand up and get a better deal, both our group and our private equity backers will require written assurance that the US Trustee concerns and those of your firm and clients will outweigh Blackstone and GC desires to suppress full due diligence.

I await your response or a similar response from the US Trustee's office. We are prepared to make a better offer. Whether or not that matters is up to you.

regards,

Karl W. B. Schwarz

Chairman, CEO

GlobalAxxess

*(501) 663-4959, US Central
Time Zone, GMT -6 hrs*

The Commission should note that Mr. James C. Gorton, Esq. (Jim Gorton) listed above in a March 2000 Global Crossing deal later became the General Counsel of Applicant Global Crossing.

Mr. Gorton appeared before the US House Energy & Commerce Committee October 1, 2002 with Mr. Winnick and was not questioned on this matter even though the US House committee majority counsel was notified of this matter in detail.

GlobalAxxess has been approached by a former GC management level person who informs that Mr. Gorton allegedly sold all of his shares of GC stock while still in the employ of the Applicant and so that this sale would not be recorded as an insider trade his departure date from Global Crossing was altered / falsified.

In re Global Crossing Ltd, et al, Chapter 11 Case Nos. 02-40817 (REG) et al., Transcript of August 9, 2002, Hearing ("Hrg. Trans.") at 58. A copy of the hearing transcript, which includes the testimony regarding the efforts of GCL to find an investor, is appended hereto as Attachment A.

Simply put, none § 363 bidders were notified of or invited to the August 9, 2002 hearing that the Applicants point to in their latest response. Unchallenged testimony when the hearing limited who was invited, notified or allowed to speak is not evidence. They are mere words that are still subject to cross-examination against facts by someone other than an insider or a hired gun for the Applicants.

National media outlets have reported that Global Crossing shredded documents that were being sought by state and federal investigators.

It is in the mutual interests of Global Crossing, Hutchison, ST Telemedia and Blackstone, and some of the creditors that a corrupt management team remains in place to continue the cover up against any and all investigations.

Most of the § 363 bidders clearly recognized that the corrupt management team had to go and was an additional reason for undermining the bidding procedures.

The Commission or federal investigators should verify the ownership of The L'Ermitage Hotel in Beverly Hills, CA and determine exactly when Mr. Gary Winnick and Singapore Technologies became co-owners, and who paid for what in that real estate transaction for their relative holdings in that investment. GlobalAxxess has been guided by a former Global Crossing person as to where to find apparent "bribes" that may have been made to Mr. Winnick.

The Commission or federal investigators should also verify the ownership of Playa Vista real estate development near Los Angeles and determine exactly when Global Crossing creditor Goldman Sachs became involved and on what basis, and then cut Mr. Winnick's Pacific Capital Group in and on what basis.

The Commission or federal investigators should also verify the ownership of Patronis Partners and its recent real estate investment outside of Boston with Gary Winnick and verify the source of all funds involved in that deal and relative ownership interests held therein.

Insider deal [emphasis added] has been the name of the Global Crossing, Blackstone, Hutchison and ST Telemedia game to the detriment of all others.

Proposed Transaction was approved by the Bankruptcy Court. While GCL would endeavor to arrange an alternative restructuring if the Proposed Transaction were not consummated, there is no assurance that it would be successful. There is a very real risk that if the Proposed Transaction is not consummated GCL would be forced to cease operations, discontinue service to its 85,000 business customers and carrier customers, terminate its 5,000 remaining employees, and liquidate its assets. Such a result would not be in the public interest.

The Applicants and their counsel fail to mention the tens of thousands if not hundreds of thousands of Main Street investors from all over that have been systematically abused, lied to and improperly deprived of billions of their investment dollars by a telecom that was set up more as a trading scam than as a telecom.

GlobalAxxess points out to the FCC that the recent Statement in Support of the GlobalAxxess and CWA objections brings to bear an issue that FCC does need to address. It appears from records we have available that Global Crossing failed to notify SEC and FCC of its investment into ACN. We have extensive records of Global Crossing business dealing and no mention of any deal with ACN.

The foregoing is a mere scare tactic and is not factually accurate.

GlobalAxxess claims in its comments that it recently made an offer to the United States Trustee and to counsel for the Official Unsecured Creditors Committee. GlobalAxxess Cmts, at 3. Applicants are not aware of any such offer. Moreover, as discussed above, the Bankruptcy Court concluded that the Proposed Transaction represents the best offer to GCL and issued a Sale Order approving the Proposed Transaction. Issues regarding other bids are properly directed to the Bankruptcy Court, not the Commission.

Actually, this matter should be referred to the federal authorities and the U.S. Courts in a forum that is not under such close scrutiny to limit who has a say and what information is presented before the U.S. Bankruptcy Court.

The email between John P. Biedermann and Karl W. B. Schwarz above addresses this issue. Applicants are aware but for their selective memory and desire to cover up fraud within Global Crossing. There were multiple bidders prepared to pay more than Hutchison and ST Telemedia are offering for Global Crossing.

The parties seeking the bankruptcy approval and the transfer of control all wish to evade due diligence. GlobalAxxess does not utilize due diligence as a reason for walking away from a deal. Rather, we use it to purge companies of fraud and misconduct and get rid of those matters that are producing losses.

Page 11, Transcript of August 9, 2002 hearing in U.S. Bankruptcy Court, SDNY

As Mr. Newman will make clear in his testimony, the debtors with the support of the committee and the banks have determined to cancel the public portion of the auctions, primarily because we have been in auction mode for some time, ever since July 11th, and seek the approval of the agreement with Hutchison Telecommunications and Singapore Technologies.

The § 363 bids were a sham and much higher offers were put on the table and undermined by Global Crossing, Blackstone, certain creditors who do not want this matter inquired into, and the proposed Transferees.

Page 40

By his own admission, a Locked Up and Locked Out deal from the outset:

Newman – Direct – Walsh

Q, continued Did not want – “they” being the principals and the investors today – expressed an interest in consummating a transaction, but did not want to be or refused to be a part of the bidding process.

So based on these ongoing discussions, we had some sense from their advisors that a potentially a way transaction could occur. We invited the principals to come to New York and sit down and have extensive discussions with ourselves and both sets of creditors.

Q. The end product of those discussions was?

A The product of those discussions is the agreement before the Court today.

Note that Blackstone did not disclose to the Court that before the Chapter 11 petition was filed they carved out Frontier Communications via Blackstone controlled

Citizens Communications, and CampusLinks was carved out of Global Crossing via Blackstone controlled PaeTec Communications.

Pages 40 & 41 of August 9, 2002 Transcript:

Page 40:

Q Even though they were not part of the bidding process, the debtors and creditors certainly had an opportunity to see the terms of that and compare themselves against what was available in the auction process?

A Absolutely.

Q In your view, and based upon your experience as a financial advisor, is the agreement, that is being proposed today between the company Hutch-Sing and supported by the

Page 41:

Newman – Direct – Walsh

Creditors, the best alternative for the debtors in those cases?

A Yes.

Q Why?

A I think it provided the highest and best value under a contract which has no due diligence and no financing outs. It is consensual with both sets of creditors, susceptible to a fairly rapid, as these things go, confirmation. The nature of the investors is such that they bring a great deal of credibility to the company and its ongoing and future business. I think that was not only the company's conclusion and Blackstone's conclusion, but clearly it is the conclusion of both sets of creditors as well.

Q Ultimately, the debtors decided to cancel the public auction. Why did they do that?

A Well, in effect, we had an auction. One might call it a private auction. We scoured the world for potential bidders and investors, and buyers for the company. We came up with a limited number. We negotiated with those people and tried to get a better deal from them. As I

No DUE DILIGENCE and no financing outs for a deal that is one-third the original Hutchison – ST Telemedia bid. This in a nutshell is the issue; **suppress due diligence**. [emphasis added]

Page 42:

Newman – Direct – Walsh

describe the process, in my judgment we had an auction. I think the second reason was, as I said before, these investors said they did not want to participate in a public auction and would not be willing to enter into this contract, if it were subject to a public auction. I think we all collectively – ourselves being the creditors' representatives – felt that we had conducted an auction, actually quite a thorough one, and we would accept this proposal and cancel the public auction.

Mr. Walsh: Your Honor, that concludes my direct.

The federal investigators should inquire into how much business certain creditors like Goldman Sachs, JP Morgan Chase, CIBC and others have lined up with China in exchange for agreeing to a Global Crossing deal that is not in the best interest of any party except the insiders.

GlobalAxxess and all others bidders were denied full access to perform due diligence. That is a fact. Only a bidder that will forego due diligence is desired or allowed into the process and that should be a warning sign to FCC in and of itself.

Our Company was denied the right to perform due diligence through the bankruptcy process, but with the assistance of former Global Crossing employees we have been made aware of many things that are RICO activity and are relevant and material.

In the absence of the opportunity to perform due diligence through the bankruptcy process in a fair and unimpeded auction process, and the August 9, 2002 testimony clearly shows **never happened [emphasis added]**, we have elected to team up with harmed parties and bring RICO litigation against certain parties.

We concur that it is not the job or mandate of the FCC to second guess the courts, nor should it rubber stamp to a fraud.

This application for change of control should be denied with prejudice for it is neither in the public's best interest or in the interest of National Security. This carefully

managed process has only been in the best interest of parties who have plundered Global Crossing and wish to continue to do so. Nor should the FCC assume a role of aiding and abetting RICO once it has been notified that actions are being taken and filed in the U.S. Courts.

What the Applicants have demonstrated is a proclivity to run over all parties, all bidders, all shareholders and even most of the creditors to get this deal done “on the cheap” and without due diligence. The entire process has been managed to suppress inquiry and “paint a picture” that somehow Global Crossing is the victim, not its many victims.

The Executive Agencies cannot get to the bottom of any factual issues with an Applicant / Debtor that has been totally resistant to due diligence, dishonest with all parties except insiders, and totally unresponsive to inquiry into Global Crossing misconduct that has led to this fiasco. To suggest otherwise is bordering on ludicrous.

To weigh “public interest” in the Global Crossing matter the FCC needs to also weigh the tens of billions of investment dollars that Main Street investors have been defrauded out of by Global Crossing and their band of compatriots.

To weigh National Security, the FCC needs to weigh that Hutchison Whampoa and Mr. Li Ka-shing are exactly what the intelligence agencies in the U.S. and Canada say they are, that is a risk.

Respectfully submitted,

Karl W. B. Schwarz
Chairman, Chief Executive
501-663-4959

Dated: November 11, 2002

CERTIFICATE OF SERVICE

I, Karl. W. B. Schwarz, hereby certify that on this 11th day of November, 2002, I caused a true and correct copy of the foregoing Response to Applicant's Response to be served on the following parties in the manner indicated:

Qualex International
By E-mail: qualexint@aol.com

J. Breck Blalock
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