

**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

**COMMAXXESS' SUPPLEMENTAL RESPONSE
IN OPPOSITION TO COMMENTS FILED BY THE ORGANIZATION FOR
INTERNATIONAL INVESTMENT SUGGESTING THAT A FREE TRADE TREATY
AND WTO MATTERS OVERRIDE NATIONAL SECURITY MATTERS.**

COMMAXXESS provides the following in response to the June 16, 2003 filing submitted by the Organization for International Investment, "OFII".

The OFII filing was shared with a very influential person in Houston, TX upon receipt by this Respondent and this is a direct quote from his response after reading the OFII comments:

"What it says . . . and wants is for the US government to relinquish all control . . . no matter what . . . to "treaty wording". I particularly liked the part where they said that nothing in the treaty was in no way conflicted with US laws.

Unfortunately, this is the type of tripe which will give people an excuse for not doing their job".

That in a nutshell pretty well sums up the OFII filing with this Commission and what the OFII is suggesting that this Commission do. Notwithstanding serious fraud, national security, a complete financial annihilation of GX investors when fraud has been made known and underhanded business dealings with all parties by GX and their comrades, the OFII is suggesting that this Commission “look to the treaty” and commit an act of malfeasance or misfeasance towards the United States citizens. Condone the fraud and breach the mandate to protect national security.

This Commission should not attempt to draw a conclusion that the remedy for the shareholders is an insurable loss, a Directors and Officers insurance¹ collectible matter. The Commission, DOJ or FBI should not assume that the shareholders have a remedy just by continuing with the class action lawsuits. Under RICO, the terms of the D&O policy would be voided under the termination of coverage provisions. The battle lines are drawn exactly where this Respondent has described them to this Commission.

If this Commission does not think America is watching, it should appreciate that the eyes of America are upon this Commission and the SDNY Bankruptcy Court right now. Americans all over this nation are waking up to what has been done to them and by whom. They are also waking up to the reality that no one in Washington, DC seems to care about the financial rape of the citizens of this great nation by persons who intended to do just that knowing all they would get is a slap on the wrist and a fine amounting to pennies on the dollar for fraud. The plunderers got fined lightly and still able to enjoy their ill-gotten gains while many of their victims are suffering and hanging on for a remedy, restitution, and justice.

Our capital markets are now down well over \$1 trillion in market capitalization. That value was not lost in the sense of vanished or disappeared. Rather than disappear, it was transferred to others. Some of it was market driven but far too much of it was deceit, fraud and intent to inflict financial harm on investors. That is why this Respondent refers to them as **financial terrorist** for that is exactly what they are.

However, absolutely nothing binds this Commission or CFIUS from clearly and properly recognizing what these dishonest persons are truly up to and that is a “**reverse roll up**” of:

- 1.) Asia Global Crossing (Step 1 accomplished in the transfer of Asia Global Crossing away from Global Crossing and to China Netcom; dba: Asia Netcom and co-owned through CICC by the Government of Singapore, but for RICO disgorgement); and
- 2.) Step 2 approved by the Bankruptcy Court in a complete vacuum on June 5, 2003 with the approval for the sale of Pacific Crossing Ltd to Pivotal Private Equity without knowing the ties of that group with Goldman Sachs and Citigroup or their “China Ambitions”; and

¹ GlobalAxxess Response to Third Application, pages 32 and 33.

- 3.) Step 3 put before this Commission for its blessings on a complete breakdown of national security and the final stage of the fraud.

To wit, OFII Comments, page i:

SUMMARY

The Organization for International Investment (“OFII”) submits these comments with respect to the proposed investment in GC Acquisition Limited (“New GX”) by Singapore Technologies Telemedia Pte Ltd (“ST Telemedia”) because it is critically important that the Commission uphold the United States’ commitments made in the WTO Basic Telecommunications Agreement and the Singapore Free Trade Agreement. At stake is the United States’ credibility as a good faith trade negotiator, and its ability to negotiate future agreements, including upcoming services agreements. Trade agreements like the Basic Telecom Agreement and the Singapore Free Trade Agreement create a hospitable climate for foreign investment, which produces enormous benefits for U.S. consumers. [emphasis added]

The American investors are also “U.S. consumers” that have been literally bilked of billions upon billions of their investments. Many losing their retirements, severance, benefits, homes, marriages, having to file bankruptcy, etc. all so we can honor a treaty. This Respondent thinks not and suggests that some persons may be bordering on treason to get this deal done and couching such behind cleverly crafted wording, circular arguments of “fairness”, and “color of law”. They are certainly engaged in an ongoing pattern of fraud, deceit, attempts to cover up the fraud and wanting us all to overlook their despicable conduct.

In all due respect to the OFII, the only thing “*enormous*” about the STT – Global Crossing merger is: i.) the enormity of the fraud; and ii.) the enormity of the losses being inflicted upon investors with known fraud laying right before the eyes for all to see; and iii.) the enormity of the risk to national security.

For those in Washington, DC that do not know how Steven J. Green and Norman Brownstein work and other paid lobbyist for Global Crossing, they need to learn for the above paragraph from the OFII has their fingerprints on it. Say anything that sounds good or authoritative, but do not dare to tell the whole truth and nothing but the truth.

How many threats have we all heard now?

- “*If this HW-STT application is not approved, the Debtor cannot find another investor after searching so hard all over the world to find this one*”. In a word, that threat is total hogwash.
- “*If this HW-STT application is not approved, the Debtor will be forced to convert to Chapter 7*”. That too is rubbish. There have always been other buyers. There have always been “closed doors” to those buyers so they could cover up the fraud and conceal their real objectives.

- *“We cannot consider other bids due to the delays that will create”*. This Debtor has been in bankruptcy since January 28, 2002, over 17 months, and the only thing they have accomplished is the expenditure of over \$40 million in professional fees to cover up a fraud and still nowhere close to getting that exculpation they all so desperately desire.
- *“STT is the only bid that is binding.”* Their words are as junk as their junk bonds. IDT, XO and this Respondent are more than willing to be “binding”. They (STT, debtor and certain creditors) are terrified to open the door because some of us will not hold our nose on the fraud. Some of us would hold certain parties accountable for their fraudulent conduct. The **“reverse roll up”** of Asia Global Crossing, Pacific Crossing and Global Crossing cannot be done if another buyer is allowed into the deal and gets it done. That would bust up this “spin off” and “roll up” sham.
- *“If this STT standalone application is not approved, the Debtor will be forced to break up the network and thus lose “value.”*” Again, utter garbage coming from these people hoping we will all think it is a bouquet of roses. They are the ones that broke up the network with the “spin offs” so they could pocket more money.
- *“If this “deal” is not approved, the Debtor’s estate will suffer irreparable harm”*. Again, garbage in and garbage out. Nothing has done any more harm to the valuation of the Debtor estate than the debtor’s self-inflicted wounds to destroy the value of the company and then pretending it is the victim. No, it is the predator and it has many victims.
- If the Commission does not approve the fraud and the Application, *the U.S. will lose “enormous benefits” and “significant benefits”* that otherwise will be lost according to OFII. Mendacity and Global Crossing are rapidly becoming synonymous in their attempts to deceive us all.
- *“The United States will not be honoring “it’s word” and it’s treaties if this application is denied.”* The United States is under no duty, or word of honor, or commitment to inflict treason upon itself and endanger every man, woman or child in this nation just to put a stamp of approval on the fraud that is named Global Crossing.

There are more such threats but there has been so much deceit and nonsense stated by Global Crossing this Respondent cannot remember all of the falsehoods they have uttered.

There is nothing in any Trade Agreement that mandates that the United States government or any agency thereof must subrogate its responsibilities and must approve a deal that is a travesty in the first instance and a massive attempt to undermine U.S. national security in the second instance. To even suggest that any U.S. government agency is under such a “honor bound commitment” is at best ludicrous.

OFII Comments, page i:

When the United States made its WTO offer, it expressly stated that there would be “no limits on indirect ownership of such licenses by foreign corporations (including government-owned corporations).” After the conclusion of the Basic Telecom Agreement, the Commission adopted rules to implement the U.S. WTO commitments in its Foreign Participation Order, which established a strong presumption of entry of companies, such as ST Telemedia, that are from WTO-member countries.

The FCC has correctly and repeatedly held that Section 310 of the Communications Act permits up to 100 percent indirect foreign ownership by firms from WTO-member countries of companies that hold Title III licenses. In the context of the New GX/ST Telemedia merger, which involves Title II common carrier and cable landing authorizations, but also some Title III licenses, the Commission must affirm the basic principle of unlimited indirect foreign ownership and thereby fulfill U.S. trade commitments under the WTO and Singapore Free Trade Agreement. Failure to maintain a hospitable climate for foreign investment in the U.S. telecom market will harm U.S. consumers and undermine U.S. leadership in trade liberalization. This Commission thus should implement the binding trade commitments that the United States – along with approximately seventy-five other WTO Members – has undertaken. The proposed investment in New GX by ST Telemedia is precisely the kind of transaction that Basic Telecom Agreement was intended to permit as it promises significant benefits to U.S. consumers. Accordingly, the FCC should uphold the U.S. Government’s trade commitments and deliver to U.S. consumers the benefit of increased competition.

This Respondent questions how long it would take for such “*significant benefits to U.S. consumers*” to reach the billions upon billions of dollars in fraud that has been inflicted upon U.S. investors / consumers for the sake of this “**reverse roll up**” deal primarily under Singapore and PRC Chinese control? This Respondent does not personally believe that many of us will still be around for this to be a justifiable “break even” financial reason to approve the fraud that is Global Crossing. The public interest reason is not the alleged “*significant benefits*”. The public interest reasons are two-fold in something being done about the fraud and a remedy for that abuse to the people who are entitled to restitution and secondly, making absolutely certain that national security comes first so we can all be around to enjoy such purported “*significant benefits*”.

As for “honoring” WTO and the Singapore Free Trade Agreement as being a reason to subrogate National Security of every man, woman and child in the United States, this Respondent and millions upon millions of U.S. citizens say “no way”.

This Commission has already been advised that part of the ownership of Asia Netcom is CICC² and CICC is in part owned by Goldman Sachs, the Government of Singapore and “unnamed parties”.

This Commission has already been advised of the links between Pivotal Private Equity³, Goldman Sachs and Citigroup and the “Pacific Crossing Ltd deal”. For the

² CommAxxess Supplemental Response, June 6, 2003, page 15 of 35 .

³ CommAxxess Supplemental Response, June 6, 2003, pages 1-5.

uninitiated, that is the middle leg of this “reverse roll up” of Asia Global Crossing, Pacific Crossing and Global Crossing.

This Commission has already been advised that there is \$600,000,000 of Frontier debt left on Global Crossing books after the sale of Frontier to Citizens Communications. If they can so easily breach “bond financing” contracts and show that no one should have “faith” in the words or contracts of Global Crossing, one can only wonder the contempt and cavalier attitude they have for stockholders and their money.

This Commission has been shown how they contrived numbers⁴ to keep the shareholders out of the process so they could paint this pretty picture, call it a pretty deal for this Commission and now, according to the OFII, one that we are “honor bound” to let it happen due to a treaty. What a travesty they even suggest.

This is a “**reverse roll up**” under Singapore and Chinese PRC control for anyone with a brain to figure out what these various parties are covering up and what they are trying to accomplish. With China Netcom already controlling Asia Global Crossing and the Singapore Government as a co-owner, someone at either this Commission or CFIUS needs to see this proposed deal for what it really is.

There is not a U.S. citizen that I am aware of that owes Goldman Sachs and Citigroup the right to plunder us here, do a deceitful “reverse roll up” in collaboration with Global Crossing, former Milken co-defendants, and STT to ingratiate themselves with the PRC to get business in China, and leave us all exposed so they can go make a lot of money or go loot the Chinese next.

It is way past time that Wall Street and their insider buddies learn the lesson: **no one in this nation is above the law and this Respondent is literal; no one.**

Another Global Crossing / ST Telemedia Lobbyist

The following Statement of Interest makes two things abundantly clear. First, that the OFII is yet another paid lobbyist on behalf of Global Crossing and STT, and secondly that there may be more than one foreign party that might benefit from Commission approval of this transfer of control; one that has already been denied for cause.

OFII Comments, page 5 of 13:

1. STATEMENT OF INTEREST

OFII is a membership association representing U.S. subsidiaries of foreign parent companies. OFII's constituents range from medium-sized enterprises to some of the largest firms in the United States, and they are involved in industry and services

⁴ GlobalAxxess Response to Third Application, May 26, 2003, pages 12, 13.

ranging from telecommunications, biotechnology, and financial services to a multitude of consumer products. OFII's members employ millions of Americans throughout the nation. OFII's mandate is to educate the public about its members' essential role in the U.S. economy and to ensure that U.S. subsidiaries receive nondiscriminatory treatment under U.S. law.

OFII's members have a strong interest in U.S. trade policies, and in market access conditions in the United States. OFII's members would be adversely affected by Commission action that would unilaterally abrogate U.S. WTO commitments.

We can all probably presume this plural reference to “members” is in reference to China and possibly includes our “globalist bankers” Goldman Sachs and Citigroup. Also, it might be referring to China and Li Ka-shing, a known front for the PRC.

The OFII Reliance is all upon Pre-September 11, 2001 matters. We are not “honor bound” to subordinate national security for anyone based on 1992-1997 decisions.

OFII Comments, page 6 of 13 [page 2]:

II. ANALYSIS

A. **The Commission Should Affirm its Established Interpretation that the Communications Act Allows Unlimited Indirect Foreign Investment.**

The FCC has interpreted Section 310 of the Communications Act to allow unlimited indirect foreign ownership by firms from WTO-member countries of companies holding common carrier radio licenses. The interpretation of Section 310 is not only clearly correct as a matter of law, it was also crucial to the successful conclusion of the WTO Basic Telecom Agreement. Based on this settled understanding of the law, the United States made binding commitments in the WTO to allow foreign companies to own indirectly up to 100 percent of a U.S. company that holds common carrier radio licenses. As the Commission is well aware, the United States did not schedule any limitations on this commitment of market access.

This is not 1996 or 1997, this is not the Clinton Administration FCC Commission, nor is this a matter about “market access”. It is a matter of national security and parties who are trying to undermine that, put into effect a “**reverse roll up**” of Global Crossing, Pacific Crossing and Asia Global Crossing under Singapore and PRC Chinese control.

Many companies have to fend off hack attacks from Chinese and Russian hackers every day attempting to conduct espionage or access records they are not entitled to have. Yes, lets give them the infrastructure so they can be more efficient in their attempts at unlawfully gaining information, conducting industrial, technological and military espionage, accessing trade secrets, undermining national security, etc.

Our “word as a nation” is suggested to be more important than national security, notwithstanding that the word of some of the Applicants and advisors can easily be proven to be dirt. That is fundamentally what the OFII is suggesting. Let us all look the other way for the sake of Free Trade and globalization. Let us compromise national security for sake of the treaty and be oblivious to the realities that this is not a safe world or anywhere near to it.

OFII Comments, page 2, [6 of 13]:

When the United States makes commitments in international trade agreements, it puts its national credibility on the line.

As does the Government of Singapore by allowing a wholly-owned subsidiary to be party to a fraud, for aiding and abetting fraud, in every appearance of being party to the fraud, and attempting to defraud American investors to the tune of billions and billions of dollars. As does the government of China for collaborating, inducing or otherwise influencing any party to work to conceive this “reverse roll up” of Asia Global Crossing, Pacific Crossing and Global Crossing. This Respondent has seen deceit in his lifetime, but this one is rising to the top of the heap.

This Commission need not be reminded that Hutchison and Li Ka-shing, a known front for the PRC⁵, was embedded in these matters since June 25, 2001 and before this Commission since August, 2002. Now that the fate of Asia Global Crossing and the identity of the new owners is known, the proposed fate of Pacific Crossing is known and the proposed fate Global Crossing is known, the math is really quite easy to do. All that is needed is to turn the lights on and put a little clarity on the matter.

This Congressional Report should be required reading:

HOUSE REPORT 105-851⁶
REPORT
OF THE
SELECT COMMITTEE ON
U.S. NATIONAL SECURITY AND
MILITARY/COMMERCIAL CONCERNS WITH
THE PEOPLE'S REPUBLIC OF CHINA
SUBMITTED BY
MR. COX OF CALIFORNIA, CHAIRMAN

⁵ GlobalAxxess Objection to Transfer of Control, October 21, 2002, Attachment 1 and Attachment 2.

⁶ <http://www.access.gpo.gov/congress/house/hr105851/index.html>;

“The PRC’s appetite for information and technology appears to be insatiable, and the energy devoted to the task enormous. While only a portion of the PRC’s overall technology collection activities targeted at the United States if of national security concern, the impact on our national security⁷ could be huge.”

“It is extremely difficult to meet the challenge of the PRC’s technology acquisition efforts in the United States with traditional counterintelligence techniques that were applied to the Soviet Union. Whereas Russians were severely restricted in their ability to enter the United States or to travel within it, visiting PRC nationals, most of whom come to pursue lawful objectives, are not so restricted. Yet the PRC employs all types of people, organizations, and collection operations to acquire sensitive technology; threats to national security can come from PRC scientists, students, business people, or bureaucrats, in addition to professional civilian and military intelligence operations.”

OFII Comments, page 2, [6 of 13]:

footnote 2, page 2: On May 6, 2003, President Bush and Singaporean Prime Minister Goh signed the U.S.-Singapore Free Trade Agreement, the first such agreement between the United States and an Asian country. As part of the agreement, the Singapore Government executed a side letter stating that it will establish a plan to divest its majority share in ST Telemedia.

As a matter of chronological fact, President Bush had no way of knowing on May 6, 2003 what events have unfolded before this Commission and within the SDNY bankruptcy of Global Crossing since May 22, 2003 to this date. Based on what this Commission now knows, this statement put forth by OFII is superfluous and has not a single thing to do with the matters before the Commission.

The issue is not one of the Singapore Government divesting themselves from STT. The Singapore Government has attempted an end run on national security and has clearly gotten into bed with the PRC in China Netcom⁸, dba: Asia Netcom and its part owners being Goldman Sachs and the Singapore Government via CICC⁹.

footnote 4, page 3: Before the Basic Telecom Agreement was finalized, in response to a written question from Sen. Bob Kerrey, the United States Trade Representative stated that:

Section 310(b)(4) explicitly allows indirect ownership by all three – a foreign government or its representative, an alien or its representative or a foreign corporation, unless the FCC determines that such ownership is not in the public interest. This is also reflected in the U.S. offer.....

105 Cong. Rec. S1963 (1997)

⁷ <http://www.access.gpo.gov/congress/house/hr105851/VI-05-Chap1.pdf>

⁸ CommAxxess Supplemental Response, June 6, 2003, page 15 of 35

⁹ CommAxxess Supplemental Response, June 6, 2003, page 15 of 35

Again, this Respondent points out that this is not 1997. The world is quite different now.

The Foreign Participation Order and U.S. WTO Commitments are not matters that mandate we subordinate national security or look the other way on Fraud.
Very High-Risk to Competition is not the Issue.
VERY HIGH RISK TO NATIONAL SECURITY IS THE ISSUE.

OFII Comments, page 9 of 13 [page 5]:

B. The Commission's Foreign Participation Order, Consistent with U.S. WTO Commitments, Precludes Examination of Foreign Market Conditions in the Absence of a Very High Risk to U.S. Competition.

OFII also strongly supports the Commission's legal framework for reviewing foreign ownership and investment in U.S. telecommunications firms, as enunciated in the Commission's Foreign Participation Order and decisions applying that Order. That order implements, and is consistent with, U.S. international obligations. It provides a clear path for the Commission's review of the pending applications.

To implement the U.S. WTO commitment there would be no limitation on indirect foreign ownership, the Commission in the Foreign Participation Order removed its previous Effective Competitive Opportunities ("ECO") test for foreign carrier entry for carriers from WTO Member countries and replaced it with a "strong presumption that no competitive concerns are raised by ... indirect foreign investment from WTO Member countries." The presumption may be rebutted, and entry conditioned or denied, only in the "exceptional case" that as unrestricted grant of an application would pose "a very high risk" to competition in the U.S. market. The Commission further observed that it is "highly unlikely that a carrier from a WTO Member country Could pose a very high risk to competition." Thus, those wishing to challenge this transaction based upon market condition upon market conditions outside the United States must, under the Foreign Participation Order, demonstrate that this transaction presents an extremely high danger to U.S. competition, not competition in a foreign market.

Competition is not the issue. Alleged "significant benefits" that could be produced in many other ways is not the fact issue. National Security is the issue and absolutely nothing "precludes" this Commission from saying "NO" to the ST Telemedia and GX application for cause.

The comments of the OFII rely heavily on 1997 matters and in all due respect, this is now post-September 11, 2001. In all due respect, national security is now more important than the "clear path" suggested by the OFII based on 1996 and 1997 matters.

OFFI Comments, page 6:

Abandonment of the Foreign Participation Order would be harmful to U.S. trade interests. As the Commission has recognized, the United States derives substantial

benefits from being seen as an “example” with respect to trade matters in the telecom industry. Indeed, in implementing the foreign-entry presumption, the Commission noted:

The success of the WTO Basic Telecom Agreement depends on implementation of the market-opening commitments of our trading partners. The United States must lead the way in prompt, effective implementation of our commitments. If the United States is perceived as failing to implement its commitments, other countries would likely limit implementation of their own commitments. We find such a result would deny the benefits of open global markets and increased competition to U.S. carriers and consumers, and is not in the public interest.

The United States should not allow it to be perceived around the world as backing away from its trade commitments.

There is a big difference in “*abandonment of the Foreign Participation Order*” and using sound discretion to protect American interests.

The *Foreign Participation Order* that the OFII repeatedly refers to is 12 FCC Rcd. at 23893-’94. In all due respect, the United States leadership in telecom deregulation is a circumstance of “*been there, done that*”. We are now well past \$1 trillion in high-yield bond debt (\$672 billion in 1998, 1999, 2000 alone with \$165 billion, \$165 billion and \$342 billion respectively for each year), and the balance in private equity investments. This does not factor in over \$1 trillion in funds that have been lured from private investors who invested in the stocks of the 3,400 or so new CLEC and IP networks created as a result of deregulation.

We have already opened all “telecom” doors that can be opened and yet to be addressed is the multi-billion dollar rip off of American investors and holding Global Crossing accountable. This is just an observation by this Respondent, but when \$1 trillion in debt financing and over \$1 trillion in equity funds are headed towards a “market sector” all of the Commissioners can rely that the “predators” invited themselves to the feeding frenzy. Two trillion dollars is just too much of an enticement for the greedy to contain themselves. Think former Milken co-defendants.

WorldCom, Tyco, Adelphia, Enron including their “fiber optic” ambitions, WCG, Global Crossing, need we say more for there are many more?

Footnote 10, page 5 [9 of 13]: Foreign Participation Order, 12 FCC Rcd. at 23913. The Order also allows the Commission to deny foreign entry based on national security concerns. See id. at 23918-19. Singapore and the United States have an extremely strong history of close military and economic cooperation, which includes joint military exchanges and exercises, Singaporean investment in the United States that is the second largest in Asia, and Singapore is the largest export market for American electronics, machinery and equipment.

Another reference to 1996 and 1997 history and not current day realities regarding the national security of the United States. With a population of only 3.5 million, the statistic regarding that “*Singapore is the largest export market for American electronics, machinery and equipment*” is suspect at best. Maybe for purchase and resale, but not in sheer demographics.

Deny this Application on national security issues is exactly what this Commission’s mandate is and that is its only mandate.

Enforcement of the Anti-Drug Act is an FCC Requirement.

Singapore still has a problem under FCC Commission regulations and U.S. law in meeting the requirements of the Anti-Drug Act¹⁰ in the active co-investment by certain parties in Singapore with the drug lords of Myanmar. This Respondent brought that to the Commission’s attention in its May 26, 2003 filing via ECFS, actually with the help of Steven J. Green with his name being in that article.

**STT is not the only Party interested in acquiring GX.
They are the only party even given a chance to acquire GX.**

OFII Comments, page 10 of 13 [page 6]:

C. *The Proposed Investment will Produce Strong Public Interest Benefits.*

The proposed investment, rather than provoking actions that could harm U.S. trade interests, should serve as an example of the many benefits that foreign investment brings to the United States. Foreign companies, through their U.S. subsidiaries, play a tremendous role in the stability and growth of the U.S. economy. In 2001 international companies invested \$157.9 billion in new and existing American companies. Much of this investment comes from new global investment – like that proposed by ST Telemedia in New GX – which have been made possible by the pro-competitive and market-opening commitments of trade agreements such as the Basic Telecom Agreement.

This huge influx in international investment is essential to our continued economic growth. It carries with it substantial benefits to American consumers and American companies. The U.S. subsidiaries of international companies support 6.4 million American jobs – jobs that are high-skill and high-pay. These workers, in turn, produce goods accounting for more than 21% of U.S. exports. The investments of their parent corporations allow these U.S. subsidiaries access to new markets internationally, while providing additional sources of capital for expansion and innovation domestically.

As has happened in other industries when international companies enter and compete in the United States, this merger will also benefit American consumers. As ST Telemedia’s investment in New GX helps the company to prosper, New GX will push all

¹⁰ GlobalAxxess Response to Third Applications, May 26, 2003, page 37 of 69.

other U.S. companies to compete. This merger, like other foreign investment in the United States, thus directly benefits American workers and American consumers.

As has been pointed out to this Commission by various parties including this Respondent, ST Telemedia is not the only entity interested in acquiring Global Crossing. IDT has made its intentions known, but is already a competitor in the market place. Icahn and XO have made their intentions known, but are already a competitor in the market place. This Respondent, with a totally different approach and business plan, is the only “new entity” the truly meets the test of providing “new competition” that would benefit American workers and American consumers.

In all due respect, the \$250,000,000 from ST Telemedia to walk off with \$12.4 billion in assets financed largely in our markets by our citizens, not to mention that the market capitalization topped \$50 billion on the stock shares alone, Singapore and STT are not doing Americans any favor by coming in to take Global Crossing off the hands of America. There are other “American” bidders and there are other ways to do a deal on GX assets that is far more equitable to all classes of creditors.

Additionally, this Respondent is the only party interested in acquiring GX who does not intend to wipe out the shareholders¹¹. Our bid is only conditioned on the fact that we are not going to hold our nose as GX, Blackstone and certain creditors wish. We would clean up the mess, regardless of who needs to be held accountable. Our offer would also commence a remedy for the many persons who lost their retirements and severance due to GX misconduct and they are many.

There are multiple parties quite capable of doing the deal right and doing it better. However, that would not be consistent with the fraud they wish to cover up or the objective of a “reverse roll up” to ingratiate themselves with the PRC and mainland China.

It still might help the Commission to think of it in another way. It is not a bankruptcy; it is a “transfer of wealth” strategy and a trading strategy. It is all about money and national security is not a concern of these greedy people.

Goldman Sachs stands to gain the following:

- i.) Significant underwriting business in China; and
- ii.) Significant profits from Asia Netcom now that the assets have been transferred to Asia Netcom debt free and Goldman Sachs is a co-owner in that entity [along with CICC and the Government of Singapore]. Just consider their part of the \$325 million as the cost of admission to China; and

¹¹ <http://www.prweb.com/releases/?68846>

- iii.) IPC Information Systems for \$300 million, probably far less than it is worth, and Global Crossing contracts for transport that are decidedly not in the best interest of Global Crossing; and
- iv.) The “value add” of having the free gift of Asia IPC and Asia IXNet to add value to their deal with Asia Netcom; and
- v.) Probably co-ownership in the Pacific Crossing, Ltd asset purchase by Pivotal Private Equity and quite possibly the source for all or part of the \$63 million being used to acquire that asset.

CitiGroup / Smith Barney stand to gain the following:

- i.) Significant underwriting business in China; and
- ii.) Significant profits from Pacific Crossing Ltd and probably co-ownership in the Pacific Crossing, Ltd asset purchase by Pivotal Private Equity and quite possibly the source for all or part of the \$63 million being used to acquire that asset; and
- iii.) IPC Information Systems for \$300 million, probably far less than it is worth, and Global Crossing contracts for transport that are decidedly not in the best interest of Global Crossing; and
- iv.) Probably co-ownership in the Pacific Crossing, Ltd asset purchase by Pivotal Private Equity and quite possibly the source for all or part of the \$63 million being used to acquire that asset; and
- v.) No inquiry into the true nature of the Cable Holding Systems and Global Crossing relationship.

We reiterate that these people have gone to considerable lengths to defraud their investors and mislead this Commission, circumvent national security and even prudent regulatory oversight by this Commission and CFIUS.

The Singapore Government divesting itself of control of STT is not the issue. The Singapore Government inserted itself as a co-owner in CICC and Asia Netcom with interests in mainland China. That is an issue of considerable importance to national security because if this Commission grants the transfer of control it will have enabled them to do the “reverse roll up”, laugh at our lack of regulatory will, and compromise the security of the United States.

From the famous Shakespearean quote, "To thine own self, be true."

That would be sound wisdom for this Commission at this time. As a representative of the U.S. Government, entrusted with regulating telecom matters in the U.S., be true to the United States and its citizens first and foremost on the real issue; i.e. national security.

In the alternative, it is the duty of CFIUS as a “required regulatory consent” and as representatives of the federal government in whose hands the American people entrust our safety and regulations to curb such abuses and say “NO” to the Applicants and specifically STT being granted consent to transfer control and finalize this deceitful “reverse roll up”. This Respondent respectfully submits that such is the duty of every member of CFIUS as regulators, as representatives of the United States government, but more importantly as United States citizens.

This should be extended to also say “NO” to the purchase and transfer of control of Pacific Crossing Ltd as well and possibly a full investigation of Global Crossing, Asia Global Crossing and Pacific Crossing and all parties involved in this charade.

Ladies and Gentlemen of the Commission, this really is about right and wrong. The Applicants are trying every maneuver imaginable to get this Commission to do the wrong thing. Wrong for America, wrong for its citizens and wrong for our national security. The only “right” in this matter is not one of “right versus wrong” but rather right as being defined as an expectation to an entitlement these parties wish to have to get major revenues from China at the expense of national security. This contrivance of all of the benefits of the “STT Deal” that would accrue to American citizens is to cloud the real issue. This Respondent submits that such is not an excusable or just reason for approving the Application before this Commission.

In closing, the person in Houston had an interesting insight in his review of this document before it was finalized and filed via ECFS and widely distributed:

“In the Federalist Papers I believe the original wording was Life, Liberty and Property. At the time, I think that they took out Property because that was a given. Now, when the bankruptcy courts takes away the property of the shareholders (owners) and gives it to the manager (hired help) . . . it makes one wonder. Stewards who do not exhibit stewardship have always been a problem. Still are it seems”.

That is the word that has been escaping this Respondent. Global Crossing has proven beyond a shadow of a doubt that they are not good stewards. They have proven their words cannot be trusted but more importantly they have demonstrated that they cannot be trusted with other people’s money due to their own conduct and actions irrespective of what they say.

Now they come before this Commission asking you to be bad stewards of America and its citizens. They are asking you to look at their prowess with “procedures” and words and overlook the fraud and the inherent threat their charade presents to every man, woman and child in this nation. If this country never did another \$1 worth of trade with China or Singapore, the United States would still be the greatest nation on earth unless deals like the Global Crossing application are approved by an unwatchful government as the norm rather than the exception.

We trust that you can see through their deceit and do not approve their mockery as to what is right and what is wrong in this matter. Or endorse their attempts to diminish this nation and its people and endanger every one of us so they can go to China and make money. I have a hard time calling them Americans when they do such hateful and despicable things to other Americans. When their greed causes so many to lose all they have. I cannot say for this Commission, but that is where this Respondent draws the line. Americans have had enough of the “high flying investment bankers and their insider buddies” that are nothing but mere thugs.

As some say, “*those that fail to learn from history are doomed to repeat it*”.

Most Americans are not aware that when Clinton ran for president, the largest newspaper in Arkansas did not endorse him for president. The chief editorial voice of the *Arkansas Democrat Gazette* is Paul Greenberg¹², a man who covered Clinton’s career and coined the term “Slick Willie”¹³.

Paul Greenberg. ... “it is not the compromises, and there are many, that Clinton has made that trouble so much as the unavoidable suspicion that he has no principles to compromise.” -- **Arkansas Democrat-Gazette, Oct. 28, 1992**

Behold Global Crossing for that [no principles] is exactly what this Commission is looking at and exactly what has come before you with this application.

Our thanks for posting the public comments on the FCC website addressing GX matters. Yet to be posted however are what was filed May 26, May 30 and June 4, 2003. It would be helpful if the public could also see the Senators Burns and Hollings letter to the Commission. Thank you.

Respectfully submitted,

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

Dated: June 18, 2003

¹²www.jewishworldreview.com/cols/greenberg080398.html; dead link probably because it told the truth.

¹³ <http://conservativechronicle.com/columnists/greenberg.htm>; *A thoughtful essayist who can also be a devastating critic, Greenberg describes himself as an "ideologically unreliable conservative." A frequent critic of Bill Clinton when the president was governor of Arkansas, Greenberg coined the phrase, "Slick Willie."*

CERTIFICATE OF SERVICE

I, Karl W. B. Schwarz, hereby certify that on this 18th day of June, 2003, I caused a true and correct copy of the foregoing Supplemental Response In Support of National Security Issues to be served on the following parties in the manner indicated:

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