

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

In the Matter of	)	
	)	
Global Crossing Ltd. (Debtor-in-Possession), Transferor,	)	
	)	IB Docket No. 02-286
and	)	
	)	
GC Acquisition Limited, Transferee,	)	
	)	
Applications for Consent to Transfer Control of Submarine Cable Landing Licenses, International and Domestic Section 214 Authorizations, and Common Carrier and Non-Common Carrier Radio Licenses, and Petition for Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act	)	

To: The International Bureau, Wireless Telecommunications Bureau, and Wireline Competition Bureau

**REPLY TO OPPOSITION**

PC Landing Corp. (Debtor-in-Possession) (“PC Landing”), by its attorneys and pursuant to Section 1.106(h) of the Commission’s rules,<sup>1</sup> hereby responds to the Opposition of Global Crossing Ltd. (“GCL”) and GC Acquisition Limited (“New GX”)<sup>2</sup> to PC Landing’s Petition for Reconsideration of the *Order and Authorization* issued on October 8, 2003 in the above-captioned proceeding.<sup>3</sup> For the reasons discussed below, the arguments set forth in GCL and New GX’s Opposition should be rejected.

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<sup>1</sup> 47 C.F.R. §§ 1.106(h).

<sup>2</sup> See Opposition of GCL and New GX to Petition for Reconsideration, IB Docket No. 02-286 (filed Nov. 17, 2003) (“Opposition”).

<sup>3</sup> See *Order and Authorization*, IB Docket No. 02-286, DA 03-3121 (rel. Oct. 8, 2003) (“*Order and Authorization*”).

GCL and New GX oppose PC Landing's Petition for Reconsideration primarily on procedural grounds, but they have failed to refute PC Landing's showing that, absent a grant of the Petition for Reconsideration, PC Landing's submarine cable landing license will end up in the wrong hands. In particular, GCL and New GX assert that PC Landing is a "non-party" to this proceeding, and therefore in order to seek reconsideration of the *Order and Authorization*, PC Landing "must show how it has been adversely affected by the Commission's action and must demonstrate why it could not participate in the earlier stages of the proceeding."<sup>4</sup>

PC Landing, however, is a party to this proceeding, and its interests have been adversely affected. PC Landing is an indirect licensee subsidiary of GCL and, more importantly, is the holder of the U.S. submarine cable landing license for the Pacific Crossing cable system ("PC-1"), control of which the Commission authorized to be transferred to New GX in the *Order and Authorization*. Hence, PC Landing has standing to petition for reconsideration of the *Order and Authorization*.<sup>5</sup>

PC Landing's interests are adversely affected by the *Order and Authorization* because: (1) consummation of the transfer of control of PC Landing from GCL to New GX as currently authorized will place a cloud over the PC-1 license due to possible competing claims for control of the PC-1 license; and (2) the *Order and Authorization* explicitly conditions the PC-1 license on its holder's compliance with the New GX/Executive Branch Agreement.<sup>6</sup>

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<sup>4</sup> Opposition at 1-2.

<sup>5</sup> See 47 C.F.R. § 1.106(b)(1).

<sup>6</sup> In their Opposition, GCL and New GX suggest, without any support, that "the main goal of [PC Landing's] Petition [for Reconsideration] may be to advance PC Landing's position in ongoing discussions between GCL and PC Landing regarding ownership of certain property associated with the cable landing station for the Pacific Crossing 1 cable." Opposition at n.6. GCL and New GX's suggestion is pure speculation and obviously incorrect in light of the serious harms that will be visited upon PC Landing if the PC-1 license is transferred to New GX.

The *Order and Authorization* lists PC Landing among the FCC-Licensed Subsidiaries of GCL approved to be transferred to New GX,<sup>7</sup> despite the fact that GCL already had been divested of control of PC Landing on June 13, 2003 by virtue of the appointment of a Chapter 7 trustee to manage and dispose of the property of the Asia Global Crossing Ltd. (“AGC”) bankruptcy estate, including AGC’s indirect interest in PC Landing and the PC-1 license.<sup>8</sup> As the result of the consummation of the GCL and New GX’s transaction as currently authorized in the *Order and Authorization*, New GX could attempt to assert control of PC Landing and the PC-1 license, and PC Landing, which is currently in its own Chapter 11 proceeding, will be adversely affected by the ensuing dispute over control of the PC-1 license.

Thus, if the GCL and New GX’s transaction closes, PC Landing will be required to seek further administrative relief from the Commission to clear title to the PC-1 license before dealing with a future buyer. In short, consummation of the transaction as authorized will place a cloud over the PC-1 license due to competing claims from New GX and PC Landing, thereby hindering PC Landing’s ability to sell its assets.

Moreover, PC Landing is adversely affected by the *Order and Authorization* because it explicitly conditions the grant of GCL’s Application to Transfer Control of Submarine Cable Landing Licensees,<sup>9</sup> including PC Landing, on compliance with the New GX/Executive Branch Agreement.<sup>10</sup> Thus, following the closing of the transaction, PC Landing’s license for the PC-1 system will bear the condition that its

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<sup>7</sup> See *Order and Authorization* at Appendix B (listing PC Landing’s submarine cable landing license among the authorizations to be transferred to New GX (File No. SCL-T/C-20020822-00077)).

<sup>8</sup> See *In re Asia Global Crossing Ltd.*, Order Appointing Interim Trustee, Chap. 7 Case No. 02-B-15749 (Bankr. S.D.N.Y., June 13, 2003).

<sup>9</sup> File Nos. SCL-T/C-20020822-00068 et al. (filed Aug. 22, 2002).

<sup>10</sup> See *Order and Authorization* at ¶ 61; see also *id.* at ¶ 51 and n.1 (“[W]e condition our grant of the Applications on compliance with the New GX/Executive Branch Agreement.”; as the term “Applications” is defined in footnote 1 of the *Order and Authorization*, it includes GCL’s application for consent to transfer control of PC Landing to New GX.).

holder must comply with the complex and costly terms of the New GX/Executive Branch Agreement, which will further disadvantage PC Landing in finding a buyer.

GCL and New GX assert that the New GX/Executive Branch Agreement does not apply to PC Landing.<sup>11</sup> If that is the case, then GCL simply should withdraw its application to transfer control of the PC-1 license to New GX, which it has not done. Even so, GCL and New GX's assertion that the New GX/Executive Branch agreement could not apply to PC Landing is belied by the terms of the agreement itself and GCL and New GX's own prior representations to the Commission.<sup>12</sup>

The New GX/Executive Branch Agreement applies to "Domestic Communications Carriers," which are defined as:

[A]ll those subsidiaries, divisions, departments, branches, other components of New GX and any other entity over which New GX has *de facto* or *de jure* control that provide Domestic Communications. If any subsidiary, division, department, branch, other component of New GX or any other entity over which New GX has *de facto* or *de jure* control provides Domestic Communications Services after the date that all the Parties execute this agreement, then such entity shall be deemed to be a Domestic Communications Company.<sup>13</sup>

In the event control of PC Landing is transferred to New GX as currently authorized, it is as yet unclear whether PC Landing would fit the definition of a "Domestic Communication Carrier" under the agreement, but that is one possible interpretation.

In addition, prior to the issuance of the *Order and Authorization*, GCL and New GX continued to insist that Commission approval remained necessary for the transfer of control of PC Landing from GCL to New GX, notwithstanding the ongoing Chapter

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<sup>11</sup> See Opposition at n.6.

<sup>12</sup> See *id.*

<sup>13</sup> New GX/Executive Branch Agreement at § 1.10.

11 and Chapter 7 bankruptcy cases affecting PC Landing.<sup>14</sup> Thus, GCL and New GX have asserted that control of PC Landing would be transferred to New GX, thereby possibly subjecting PC Landing to the New GX/Executive Branch Agreement.

At bottom, GCL quite simply could resolve the issues that PC Landing raised in its Petition for Reconsideration by ceasing to assert that PC Landing and the PC-1 license must be subject to the above-referenced application and stating unequivocally that it has no *de jure* or *de facto* control over PC Landing. Until it does so, PC Landing has no choice but to prosecute its Petition for Reconsideration.

For these reasons, PC Landing respectfully requests that PC Landing's Petition for Reconsideration be granted.

Respectfully submitted,

PC LANDING CORP.  
(DEBTOR-IN-POSSESSION)



By: \_\_\_\_\_  
Henry Goldberg

Goldberg, Godles, Wiener & Wright  
1229 Nineteenth Street, N.W.  
Washington, DC 20036  
(202) 429-4900

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<sup>14</sup> See Reply Comments of Global Crossing Ltd. and GC Acquisition Limited, IB Docket No. 02-286 (filed July 3, 2003) at 4-5; Letter from Jean Kiddoo, Counsel for Global Crossing Ltd. and GC Acquisition Limited, to Marlene H. Dortch, Secretary, FCC, IB Docket 02-286 (filed July 18, 2003) at 2-3.

Its Attorneys

November 24, 2003

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Reply to Opposition was sent by facsimile, this 24th day of November 2003, to each of the following:

Andrew D. Lipman \*  
Jean L. Kiddoo  
Paul O. Gagnier  
Swidler Berlin Shereff Friedman, LLP  
3000 K Street, NW  
Suite 300  
Washington, DC 20007  
*Counsel for Global Crossing Ltd. and  
GC Acquisition Limited*

James Ball \*  
Federal Communications Commission  
International Bureau  
445 12th Street, SW  
Room 6B-722  
Washington, DC 20554

/s/ Candace Gentry  
Candace Gentry

\* Courtesy copy sent via e-mail.