

Before the
Federal Communications Commission
Washington, D.C. 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)	

ORDER AND AUTHORIZATION

Adopted: October 8, 2003

Released: October 8, 2003

By the Chief, International Bureau, Chief, Wireless Telecommunications Bureau, and Chief, Wireline Competition Bureau:

Table of Contents

I.	INTRODUCTION	1
II.	BACKGROUND	2
	A. Transferor	2
	B. Transferee	3
	C. The Proposed Transaction	4
	1. Terms of the Transaction	4
	2. The Proposed Shareholders of New GX	7
	3. Public Comment	9
	4. Bankruptcy Court Action	15
III.	PUBLIC INTEREST ANALYSIS	16
	A. Framework for Analysis	16
	B. Qualifications of Applicants	18
	C. Foreign Ownership Review	19
	1. Legal Standard for Foreign Ownership of Radio Licenses	21
	2. Attribution of Foreign Ownership Interests	25
	D. Competitive Effects	36

E	Dominant Carrier Safeguards	42
F	National Security, Law Enforcement, Foreign Policy and Trade Policy Concerns	46
G	Other Issues	52
	1. ACNJ	52
	2. Pending Applications	55
IV	CONCLUSION	56
V.	ORDERING CLAUSES	59
	Appendix A: List of Parties and Record Documents	
	Appendix B: List of File Numbers	
	Appendix C: Organizational Charts	
	Appendix D: New GX/Executive Branch Agreement	

I. INTRODUCTION

1 We grant, subject to certain conditions, the Applications of Global Crossing Ltd. (Debtor-in-Possession) (“Global Crossing”) and GC Acquisition Limited (“New GX” and, with Global Crossing, the “Applicants”) to transfer control, from Global Crossing to New GX, of authorizations and licenses held by subsidiaries of Global Crossing (collectively, the “FCC-Licensed Subsidiaries”).¹ As discussed below, we conclude, pursuant to our review under sections 214(a) and 310(d) of the Communications Act of 1934, as amended (the “Communications Act” or “Act”), and under section 2 of the Cable Landing License Act, that approval of the Applications will serve the public interest, convenience, and necessity.² In addition, subject to the limitations specified herein, we grant the Applicants’ petition for a declaratory ruling that the public interest would not be served by prohibiting the proposed indirect foreign ownership of Global Crossing’s common carrier wireless licensees in excess of the 25 percent benchmark set by

¹ See Application for Consent to Transfer Control and Petition for Declaratory Ruling, File No. ISP-PDR-20020822-00029 (“Petition for Declaratory Ruling”) (filed Aug. 22, 2002); Application to Transfer Control of International and Domestic Section 214 Subsidiaries, File Nos. ITC-T/C-20020822-00406 *et al* (“Section 214 Application”) (filed Aug. 22, 2002), Application to Transfer Control of Submarine Cable Landing Licensees, File Nos. SCL-T/C-20020822-00068 *et al* (“Submarine Cable Application”) (filed Aug. 22, 2002); Application for Transfer of Control ULS File No. 0001001014 (“Radio License Application”) (filed Aug. 22, 2002), Amendment to Application for Consent to Transfer Control and Petition for Declaratory Ruling (filed Feb. 13, 2003) (“First Amendment”), Third Amendment to Application for Consent to Transfer Control and Petition for Declaratory Ruling (filed May 13, 2003) (“Third Amendment”), and Fourth Amendment to Application for Consent to Transfer Control and Petition for Declaratory Ruling, ULS File No. 0001366194 (filed June 30, 2003) (“Fourth Amendment” and, together with Third Amendment, First Amendment, Radio License Application, Submarine Cable Application, Section 214 Application, and Petition for Declaratory Ruling, the “Applications”). Appendix B to this Order and Authorization provides a detailed list of the licenses and authorizations held by the FCC-Licensed Subsidiaries, whereas Appendix C to this Order and Authorization provides the post-closing ownership structure.

² See 47 U.S.C. §§ 214(a) and 310(d) of the Communications Act of 1934, 47 U.S.C. §§ 151 *et al*. The Telecommunications Act of 1996 amended the Communications Act of 1934. See Pub. Law No. 104-104, § 202, 110 Stat. 56 (1996). See also An Act Relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39 (“Cable Landing License Act”), at § 35. Hereinafter, all citations to the Communications Act, as amended, and the Cable Landing License Act will be to the relevant section of the United States Code unless otherwise noted.

section 310(b)(4) of the Act.³

II. BACKGROUND

A. Transferor

2 Global Crossing is a telecommunications company organized under the laws of Bermuda, with its principal offices in Madison, New Jersey.⁴ Through its subsidiaries, including the FCC-Licensed Subsidiaries, Global Crossing owns and operates a global fiber optic network that reaches five continents, 27 countries, and more than 200 major cities.⁵ Global Crossing's operating subsidiaries use this network to provide integrated telecommunications services, including a full range of managed data, voice, and Internet services, to large corporations, government agencies, and telecommunications carriers.⁶ Global Crossing's U S subsidiaries, including the FCC-Licensed Subsidiaries, own and operate the U S portion of the global network.⁷ On January 28, 2002, Global Crossing and certain of its subsidiaries, including most of the FCC-Licensed Subsidiaries, filed voluntary petitions under Chapter 11 of the U S Bankruptcy Code.⁸ According to the Applicants, Global Crossing and the FCC-Licensed Subsidiaries retain possession of their property and business and intend to continue their operations throughout the bankruptcy process.⁹

³ 47 U S C § 310(b)(4)

⁴ See Petition for Declaratory Ruling, *supra* note 1, at 3

⁵ See *id*

⁶ See *id* at 3-4.

⁷ See *id* at 4. The FCC-Licensed Subsidiaries hold international section 214 authorizations, blanket domestic section 214 authority, common carrier wireless licenses, a non-common carrier wireless license, and interests in submarine cable licenses. In addition, according to the Applicants, public utility commissions in all fifty states and the District of Columbia have authorized five of the FCC-Licensed Subsidiaries to provide telecommunications services. See *id*, see also note 148, *infra*

⁸ See *In re Global Crossing Ltd, et al*, Chap. 11 Case Nos. 02-40187 – 02-40241 (REG) (Bankr S D N Y, Jan. 28, 2002). The same day, Global Crossing and certain of its Bermuda-incorporated subsidiaries filed petitions for the appointment of Joint Provisional Liquidators in the Supreme Court of Bermuda. See Petition for Declaratory Ruling, *supra* note 1, at 4 n.7. On December 26, 2002, the U S Bankruptcy Court for the Southern District of New York approved Global Crossing's plan of reorganization. See *In re Global Crossing Ltd, et al, Order Pursuant to Section 1129(a) of the Bankruptcy Code and Rule 3020 of the Federal Rules of Bankruptcy Procedure Confirming Debtors' Joint Plan of Reorganization*, Chap. 11 Case No. 02-40188 (REG) (Bankr S D N Y, Dec. 26, 2002) ("Confirmation Order"). PC Landing Corp. (Debtor-in-Possession) ("PC Landing"), a submarine cable licensee in which Global Crossing holds an indirect controlling interest, subsequently filed separately for bankruptcy. See *infra* ¶ 15.

⁹ See Petition for Declaratory Ruling, *supra* note 1, at 4-5. Following the Chapter 11 filings, the affected FCC-Licensed Subsidiaries assigned their respective licenses and authorizations on a *pro forma* basis to themselves as debtors-in-possession. See *Global Crossing Ltd, et al., Application for Authority for a Pro Forma Assignment of Cable Landing Licenses*, File Nos. SCL-ASG-20020214-00005 through SCL-ASG-20020214-00011 (filed Feb. 14, 2002, granted June 6, 2002), Letter from Jean L. Kiddoo, Helen E. Disenhaus and Paul O. Gagnier, Special Counsel for Global Crossing Ltd (Debtor-in-Possession), to Acting Secretary, Federal Communications Commission re Notice of *Pro Forma* Assignments Involving Certain Subsidiaries of Global

(continued)

B. Transferee

3 According to the Applicants, New GX is a company formed under the laws of Bermuda for purposes of carrying out the reorganization of Global Crossing under Chapter 11 of the U.S. Bankruptcy Code and Bermuda insolvency law.¹⁰ Applicants state that Global Crossing will be the sole shareholder of New GX until consummation of the proposed transaction.¹¹

C. The Proposed Transaction

1. Terms of the Transaction

4 The proposed transaction, as amended, contemplates that: (1) Global Crossing will transfer substantially all of its assets and operations, including its ownership interests in the FCC-Licensed Subsidiaries, to New GX; (2) Singapore Technologies Telemedia Pte Ltd. ("ST Telemedia") will invest \$250 million in New GX in exchange for which Global Crossing will relinquish all of its equity and voting interest in New GX and ST Telemedia will obtain common and preferred stock equal to a controlling interest of 61.5 percent of New GX's equity and voting interests; and (3) certain creditors of Global Crossing ("Creditor Shareholders") will receive New GX common stock in an aggregate amount of 38.5 percent of New GX's equity and voting interests, as well as \$200 million in senior secured notes of New GX and \$300 million in cash.¹² The proposed transaction also contemplates the issuance of stock options to the future management of New GX in an aggregate amount of eight percent of New GX's fully diluted equity, with the holdings of Singapore Telemedia and the Creditor Shareholders diluted upon the exercise of the issued management options.¹³ These arrangements are set out in an amended Purchase

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Crossing Ltd (filed Feb. 14, 2002), Application of Global Crossing North American Networks, Inc. for *Pro Forma* Assignment of Authorization, ULS File No. 0000788919 (filed Feb. 27, 2002, granted July 2, 2002), PC Landing Corp. Application for Authority for a *Pro Forma* Assignment of a Cable Landing License, File No. SCL-ASG-20020913-00076 (filed Sept. 13, 2002, granted Oct. 22, 2002)

¹⁰ See Petition for Declaratory Ruling, *supra* note 1, at 5, see also Letter from Andrew D. Lipman, Jean L. Kiddoo, and Paul O. Gagnier, Counsel for Applicants, to Secretary, Federal Communications Commission (filed Dec. 18, 2002) ("December 18 Letter"), at 4. New GX will hold its interests in the FCC-Licensed Subsidiaries through a newly formed Bermuda subsidiary, GC Holdings Limited ("GC Holdings"). GC Holdings is a holding company that is not expected to engage in commercial operations. Following consummation of the proposed transaction, GC Holdings will be an indirect, intermediate parent company of the FCC-Licensed Subsidiaries. See Letter from Jean L. Kiddoo and Paul O. Gagnier, Counsel for Applicants, to Secretary, Federal Communications Commission (filed Sept. 18, 2003) ("September 18 Letter"), at 1.

¹¹ See Petition for Declaratory Ruling, *supra* note 1, at 5.

¹² See *id.* at 2 & 6; see also Third Amendment, *supra* note 1, at 4. Six percent of the common stock will issue to bank creditors and 32.5% will issue to other creditors. See Petition for Declaratory Ruling, *supra* note 1, at 6. This amended transaction reflects the withdrawal of Hutchison Telecommunications Ltd. as an investor, as described *infra* at note 14.

¹³ See Petition for Declaratory Ruling, *supra* note 1, at 5-7, Third Amendment, *supra* note 1, at 4. The proposed capitalization of New GX would result in the creation of 25,478,261 common shares and 18 million preferred shares and the following share ownership by the various investment holders: (1) ST Telemedia would hold 6.6 million common shares and 18 million convertible preferred shares, representing 61.5% of share capital at closing before giving effect to options issued to management, 58.42% of share capital after giving effect to options issued to management, or 56.58% of share capital after giving effect to exercise of all options issuable to management; (2) the Creditor Shareholders would hold 15.4 million common shares, representing 38.5% of share

(continued)

Agreement that reflects the withdrawal of Hutchison Telecommunications Ltd as an investor.¹⁴

5 The Applicants state that the Purchase Agreement, as amended, sets out the proposed corporate governance of New GX.¹⁵ The Purchase Agreement provides that the board of directors of New GX ("Board") will be comprised of ten directors and that ST Telemedia will nominate eight directors.¹⁶ The Official Committee of Unsecured Creditors of the Global Crossing Debtors will nominate the remaining two directors, each of whom must satisfy the independent director requirements of the New York Stock Exchange.¹⁷ The Board will make decisions by simple majority vote.¹⁸ ST Telemedia will vote the new preferred stock of New GX on an as-converted basis with New GX's

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capital as of closing before giving effect to options issued to management, 36.58% of share capital after giving effect to options issued to management, or 35.42% of share capital after giving effect to exercise of all options issuable to management, and (3) management would hold no shares as of closing before giving effect to options issued to management, but would hold 3,478,261 common shares representing 5% of share capital as of closing after giving effect to options issued to management, or 8% of share capital after giving effect to exercise of all options issuable to management. See Petition for Declaratory Ruling, *supra* note 1, at 7, Third Amendment, *supra* note 1, at Attachment F (confirming that ST Telemedia will double its investment interests over those stated in the Petition for Declaratory Ruling). Share ownership is calculated on a fully-diluted and as-converted basis, assuming (1) full conversion of all preferred stock of New GX into common stock, and (2) exercise of all options issued to New GX's management. See Petition for Declaratory Ruling, *supra* note 1, at 7, Third Amendment, *supra* note 1, at Attachment F.

¹⁴ ST Telemedia and Hutchison Telecommunications Ltd originally contemplated a joint purchase of the 61.5% interests. See Purchase Agreement Dated As of August 9, 2002 Among Global Crossing Ltd and Global Crossing Holdings Ltd, Debtors and Debtors in Possession, Joint Provisional Liquidators of Global Crossing Ltd and Global Crossing Holdings Ltd, Singapore Technologies Telemedia PTE Ltd, and Hutchison Telecommunications Limited ("Purchase Agreement"), at Exhibit B. Global Crossing, New GX, Hutchison Telecommunications Ltd and ST Telemedia subsequently entered into an amendment that made a number of technical modifications to the Purchase Agreement. See Letter from Jean L. Kiddoo and Paul O. Gagnier, Counsel for Applicants, to Secretary, Federal Communications Commission (filed Jan. 16, 2003) at 2. On April 30, 2003, Hutchison Telecommunications Ltd withdrew from the Purchase Agreement and ST Telemedia agreed to assume the rights and obligations of Hutchison Telecommunications Ltd under the Purchase Agreement. See Letter from Jean L. Kiddoo and Paul O. Gagnier, Counsel for Applicants, to Secretary, Federal Communications Commission (filed Apr. 30, 2003), at 1-2, *see also* Third Amendment, *supra* note 1, at 3-4. On July 1, 2003, the bankruptcy court approved a second amendment to the Purchase Agreement reflecting the withdrawal of Hutchison Telecommunications Ltd. See Reply Comments of Global Crossing Ltd and GC Acquisition Limited, IB Docket No. 02-286 (filed July 3, 2003) ("Global Crossing Reply to XO Comments"). As a result of Hutchison Telecommunications Ltd's withdrawal, a prior amendment to the Applications (the "Second Amendment") filed on April 7, 2003 became moot. See Third Amendment, *supra* note 1, at 3 n.5.

¹⁵ See Petition for Declaratory Ruling, *supra* note 1, at 7-8, Third Amendment, *supra* note 1, at 4-5. The shareholder agreement between ST Telemedia and Hutchison Telecommunications Ltd, originally filed with the Petition for Declaratory Ruling, has been terminated. See Third Amendment, *supra* note 1, at 5 n.8.

¹⁶ See Petition for Declaratory Ruling, *supra* note 1, at 8, Third Amendment, *supra* note 1, at 4.

¹⁷ See *id*.

¹⁸ See Petition for Declaratory Ruling, *supra* note 1, at 8. Neither the chairman of the Board nor the chairman of any committee of the Board has a "casting vote" or other special voting rights in the event of a deadlock. See *id*.

common stock on all matters subject to a vote of the shareholders.¹⁵

6 The Applicants state that, through the proposed transaction, New GX will acquire the knowledge and expertise of Global Crossing's management and personnel in constructing and operating telecommunications networks and providing telecommunications services, as well as the benefit of ST Telemedia's telecommunications and management experience.²⁰ The Applicants assert that the proposed transaction will enhance competition by strengthening the financial and competitive position of the FCC-Licensed Subsidiaries.²¹ The Applicants state that the FCC-Licensed Subsidiaries are important competitors in the U.S. international and domestic telecommunications market, as well as major providers of telecommunications facilities and services to other telecommunications carriers and service providers.²² They contend, therefore, that Commission approval of the proposed transaction will serve the public interest by ensuring the continued viability of the Global Crossing network, including the operations of the FCC-Licensed Subsidiaries.²³ The Applicants further contend that the continued viability of the FCC-Licensed Subsidiaries will benefit consumers, businesses and carriers by ensuring reasonable market prices and will benefit competition by ensuring that the FCC-Licensed Subsidiaries continue to provide carrier services.²⁴ They state that, should the proposed transaction not be consummated, Global Crossing might be forced to reduce operations, discontinue services and terminate additional employees.²⁵ Finally, they allege that the proposed transaction will not cause anti-competitive

¹⁹ See Petition for Declaratory Ruling, *supra* note 1, at 8; Third Amendment, *supra* note 1, at 4-5.

²⁰ See Petition for Declaratory Ruling, *supra* note 1, at 14, Third Amendment, *supra* note 1, at 6.

²¹ See Petition for Declaratory Ruling, *supra* note 1, at 14-15, Third Amendment, *supra* note 1, at 6-7. The FCC-Licensed Subsidiaries are (1) Budget Call Long Distance, Inc. (Debtor-in-Possession) ("Budget Call"), (2) Equal Access Networks, LLC (Debtor-in-Possession) ("EAN"), (3) Global Crossing Bandwidth, Inc. (Debtor-in-Possession) ("GC Bandwidth"), (4) Global Crossing Government Markets USA, Inc. (Debtor-in-Possession) ("Global Crossing Government Markets"), (5) Global Crossing Holdings USA, Inc. (Debtor-in-Possession) ("Global Crossing Holdings USA"), (6) Global Crossing Latin America & Caribbean Co. (Debtor-in-Possession) ("Global Crossing Latin America & Caribbean"), (7) Global Crossing Local Services, Inc. (Debtor-in-Possession) ("Global Crossing Local Services"), (8) Global Crossing North American Networks, Inc. (Debtor-in-Possession) ("GCNAN"), (9) Global Crossing Telecommunications, Inc. (Debtor-in-Possession) ("Global Crossing Telecommunications"), (10) GC Pacific Landing Corp. (Debtor-in-Possession) ("GC Pacific Landing"); (11) GT Landing Corp. (Debtor-in-Possession) ("GT Landing"), (12) GT Landing II Corp. (Debtor-in-Possession) ("GT Landing II"), (13) International Optical Networks, LLC; (14) MAC Landing Corp. (Debtor-in-Possession) ("MAC Landing"), (15) PAC Landing Corp. (Debtor-in-Possession) ("PAC Landing"); (16) PC Landing; and (17) Racial Telecommunications, Inc. All of the FCC-Licensed Subsidiaries, with the exception of PC Landing and EAN, are wholly-owned indirect subsidiaries of Global Crossing; Global Crossing holds a 49.77% indirect equity interest in PC Landing and an 86.7% indirect equity interest in EAN.

²² See Petition for Declaratory Ruling, *supra* note 1, at 21.

²³ See *id.* The Applicants state that Global Crossing is a key player in the submarine cable capacity global services market introducing competitive pricing and practices to a sector that previously had been the province of incumbent national carriers. See *id.*

²⁴ See *id.* at 22.

²⁵ See *id.*

effects or result in the aggregation of market power.²⁶

2. The Proposed Shareholders of New GX

7. *ST Telemedia*. ST Telemedia is a Singapore telecommunications and information technologies company that, through its subsidiaries, provides fixed and mobile telecommunications, data, and Internet services as well as telephone equipment distribution, managed hosting, teleport, broadband cable and video, and e-business software development services.²⁷ Singapore Technologies Pte Ltd. ("Singapore Technologies") wholly owns ST Telemedia and itself is wholly owned by Temasek Holdings [Private] Limited ("Temasek"), an investment holding company wholly owned by the Government of Singapore.²⁸ ST Telemedia, Singapore Technologies and Temasek are organized under the laws of the Republic of Singapore.²⁹ Temasek, through a 67.56 percent equity holding, also controls Singapore Telecommunications Limited ("SingTel"), the dominant provider of domestic and international telecommunications services, including cable landing station capacity, in Singapore.³⁰ The Applicants state that SingTel and ST Telemedia, although under common control, are legally separate and operate independently of each other.³¹ In December 2002, ST Telemedia acquired, through its subsidiary Indonesian Communications Limited, a 41.94 percent controlling stake in PT Indonesian Satellite Corporation ("Indosat"), the dominant provider of telecommunications services in Indonesia.³²

²⁶ See *id*

²⁷ See *id* at 11-12. see also Third Amendment, *supra* note 1, at 6. ST Telemedia will hold its interests in New GX through two intermediate subsidiaries. STT Communications Limited, a Singapore holding company, is a direct 98.91% subsidiary of ST Telemedia, with the remainder of its shares held by its management. STT Communications Limited has established a new wholly-owned Mauritius subsidiary, STT Crossing Ltd., to directly hold ST Telemedia's interest in New GX. See December 18 Letter, *supra* note 10, at 6 n 8, September 18 Letter, *supra* note 10, at 1.

²⁸ See Petition for Declaratory Ruling, *supra* note 1, at 12.

²⁹ See *id*

³⁰ See *id* at 12-13, December 18 Letter, *supra* note 10, at 11. SingTel also holds interests in a number of other Singapore telecommunications providers of Internet access, mobile wireless, cable, and other services, and SingTel subsidiaries provide various telecommunications services in Australia, Hong Kong, India, Japan, Korea, Malaysia, Mauritius, Sri Lanka, Taiwan, and the United Kingdom. See Petition for Declaratory Ruling, *supra* note 1, at 13, Third Amendment, *supra* note 1, at Attachment G, 2-3.

³¹ See Petition for Declaratory Ruling, *supra* note 1, at 24. In addition, ST Telemedia holds approximately 50.37% of the equity of StarHub Pte Ltd. ("StarHub"), which the Applicants characterize as the largest non-incumbent telecommunications carrier in Singapore. See Petition for Declaratory Ruling, *supra* note 1, at 12. The Applicants state that StarHub does not have market power in any relevant Singapore telecommunications market, and enjoys no legal or practical advantage over other competitive carriers in obtaining interconnection and related services from SingTel. See *id* at 12 & 24. StarHub's wholly-owned affiliate StarHub, Inc. holds international section 214 authorizations under which it provides "carrier's carrier" services on the U.S.-Singapore route. See *id* at 12.

³² See Letter from Jean L. Kiddoo and Paul O. Gagnier, Counsel for Applicants, to Secretary, Federal Communications Commission (filed Jan. 30, 2003) ("January 30 Letter"), at 1-2, First Amendment, *supra* note 1, at 1-2.

8 Creditor Shareholders Applicants state that Global Crossing's creditors, the majority of which are U S persons, include a variety of banks, bondholders, other communications carriers, equipment vendors, and other secured and unsecured creditors of the Global Crossing debtors.³³ The Applicants further state that they do not expect any Creditor Shareholder to hold a ten-percent-or-greater direct ownership interest in New GX immediately following the consummation of the proposed transaction.³⁴

3. Public Comment

9 On September 19, 2002, we issued a consolidated public notice in IB Docket No. 02-286, announcing the acceptability for filing of the Petition for Declaratory Ruling, Section 214 Application, Submarine Cable Application and Radio License Application and establishing a three-round pleading cycle to permit interested parties an opportunity to comment.³⁵ The Communications Workers of America ("CWA") opposed the applications, making this a restricted *ex parte* proceeding.³⁶ In addition, the U S Department of Justice and the Federal Bureau of Investigation (the "DOJ/FBI") filed a motion asking the Commission to defer dispositive action on the Applications until the Department of Defense or the DOJ/FBI had notified the Commission that the national security, law enforcement, and public safety issues under review by the Executive Branch agencies had or had not been resolved and appropriate action had been requested of the Commission.³⁷ On November 5, 2002, the Applicants filed a response to the initial round of comments.³⁸ In addition, on November 5, 2002, American Communications Network, Inc. ("ACNI") filed a pleading that we treat as a second-round comment, and, on November 18,

³³ See Petition for Declaratory Ruling, *supra* note 1 at 14

³⁴ See Section 214 Application, *supra* note 1, at 6, Petition for Declaratory Ruling, *supra* note 1, at 14. See also ¶ 33, below

³⁵ Public Notice, *Global Crossing Ltd. and GC Acquisition Limited Seek FCC Consent to Transfer Control of Subsidiaries Holding Submarine Cable Landing Licenses, Wireless Licenses and Section 214 Authorizations, and Request Declaratory Ruling Allowing Indirect Foreign Ownership* IB Docket No. 02-286, DA 02-2299, 17 FCC Rcd 17206 (Int'l Bur. 2002) (providing the following filing dates: October 21, 2002 for first-round petitions/comments, November 5, 2002 for second-round oppositions/responses, and November 18, 2002 for third-round replies) See also 47 C.F.R. § 1.45 (pleadings and filing periods)

³⁶ Comments of Communications Workers of America, IB Docket No. 02-286 (filed Oct. 21, 2002) ("CWA Comments") CWA, which represents employees and retirees of the Frontier companies that formerly were owned by Global Crossing, argues that the Applicants have failed to demonstrate the public interest benefits of the proposed transaction, and therefore asks the Commission to deny the transfers of control and petition for declaratory ruling. See *id.* at 5. See also 47 C.F.R. §§ 1.1200(a), 1.1208 (once a petition to deny is filed against an application for authority under Title III, the proceeding becomes a restricted *ex parte* proceeding in which *ex parte* presentations to the Commission generally are prohibited)

³⁷ Motion for Continued Deferral, IB Docket No. 02-286 (filed Oct. 21, 2002) ("DOJ/FBI Motion") On September 26, 2003, the DOJ/FBI filed a pleading requesting that the Commission condition grant of the Applications on compliance with a network security agreement. See *infra* ¶ 46

³⁸ Response of Global Crossing Ltd. and GC Acquisition Limited, IB Docket No. 02-286 (filed Nov. 5, 2002)

2002, the Applicants responded to the ACNI pleading³⁹

10 The Commission received additional pleadings outside of the initial three-round pleading cycle. ACNI sought an extension of time to file third-round comments, and the Applicants opposed ACNI's request.⁴⁰ We did not grant ACNI's request to extend the third-round comment date because ACNI, not having been a first-round petitioner, did not have a formal right to file a third-round reply.⁴¹ ACNI nonetheless subsequently filed further comments.⁴² The Commission also received correspondence and pleadings on behalf of Newbridge Capital, a bidder for the assets of Pacific Crossing Ltd., the indirect parent of submarine cable licensee PC Landing, asking the Commission to take administrative notice of the various U.S. bankruptcy court proceedings involving Global Crossing and its subsidiaries.⁴³ The Newbridge Capital pleadings are now moot.⁴⁴

³⁹ Statement in Support of Objections to Applicants' Petition for Declaratory Ruling, IB Docket No. 02-286 (filed Nov. 5, 2002) ("ACNI Statement"). Response of Global Crossing Ltd. and GC Acquisition Limited, IB Docket No. 02-286 (filed Nov. 18, 2002) ("Global Crossing Response to ACNI"). The ACNI Statement argues that ACNI would be adversely impacted by approval of the proposed transaction because Global Crossing's indirect subsidiary GC Bandwidth is an ACNI investor and, should that investment pass to New GX, ACNI's future viability and opportunity to compete would be seriously compromised. See ACNI Statement at 5. ACNI states that the Applicants have failed to offer to ACNI, prior to the closing under the plan of reorganization, the opportunity to repurchase the ACNI shares held by Global Crossing under the provisions of a shareholder agreement giving ACNI a right of first refusal in the event that GC Bandwidth seeks to sell its interests in ACNI pursuant to a *bona fide* offer from a third party. See *id.* at 5-6. ACNI argues that the agreements it has signed with GC Bandwidth constrain ACNI's ability to compete freely and, therefore, that the dispute over ACNI's right of first refusal is not merely a contractual issue. See *id.* at 5. Applicants respond that even if ACNI's claims had merit, the courts would be the proper *forum* for their resolution. See Global Crossing Response to ACNI at 2.

⁴⁰ Letter from Gerard Lavery Lederer, Attorney for ACNI, to Secretary, Federal Communications Commission (filed Nov. 18, 2002). Letter from Andrew D. Lipman, Jean L. Kiddoo, and Paul O. Gagner, Counsel for Applicants, to Secretary, Federal Communications Commission (filed Nov. 22, 2002).

⁴¹ See 47 C.F.R. § 1.45(c) (person who filed original pleading may reply to oppositions). In addition, it appears that ACNI's November 18, 2002 letter is a prohibited *ex parte* filing pursuant to sections 1.1202(b) and (d) and 1.1208 of the rules because the letter fails to attach a service list and, although copying CWA, fails to copy the Applicants. See 47 C.F.R. § 1.1202(b), (d) (written presentations not served on the parties to the proceeding are *ex parte* presentations and a person filing an application is a party), 47 C.F.R. § 1.1208 (*ex parte* presentations are prohibited in restricted proceedings). As we note below, see notes 50, 54 and 216, ACNI filed a number of pleadings that, from the face of the pleadings, ACNI apparently did not serve on various parties. Because we deny the relief sought by ACNI in its pleadings, all of which are available through the Commission's Electronic Comment Filing System, we find that ACNI's prohibited *ex parte* filings caused no harm. However, we caution ACNI, in the future, to ensure that it serves all parties to any proceeding in which it files pleadings.

⁴² See *infra* ¶ 11 and note 46.

⁴³ See Letter from Juhan P. Gehman to Secretary, Federal Communications Commission (filed Dec. 3, 2002), at 1 & 2 (asking the Commission to clarify that Commission approval of the Applications would not give Global Crossing any new control over PC Landing beyond the control Global Crossing currently exercises through its equity interests in PC Landing and to await an order of the U.S. Bankruptcy Court for the District of Delaware before acting on the transfer of control of the assets of PC Landing). Motion to Accept Late-Filed Pleading Submitted by Newbridge Capital and Petition to Deny with Respect to PC Landing Corp. Submitted by Newbridge Capital, File No. ISP-PDR-20020822-00029 (filed Jan. 28, 2003). See also the Applicants' Opposition to Motion to Accept Late-Filed Pleading and to Petition to Deny with Respect to PC Landing Corp., IB Docket No. 02-286 (continued)

11 On February 20, 2003, we issued a public notice announcing the acceptability for filing of a minor amendment to the Section 214 Application and Submarine Cable Application and establishing an abbreviated pleading cycle to permit an opportunity to comment on this First Amendment.⁴⁵ On March 6, 2003, ACNI filed comments.⁴⁶ On March 13, 2003, the Applicants and IDT Corporation ("IDT") each filed a reply.⁴⁷

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(filed Feb 7, 2003), Reply of Newbridge Capital to Opposition to Motion to Accept Late Filed Pleading and Petition to Deny with Respect to PC Landing Corp., IB Docket No. 02-286 (filed Feb 26, 2003).

⁴⁴ See Letter from Julian P. Gehman, Counsel for Newbridge Capital, to Secretary, Federal Communications Commission (filed June 9, 2003) (stating that the bankruptcy judge in the PC Landing bankruptcy proceeding acted on June 3, 2003 and thus Newbridge Capital no longer considers itself to be a party in interest in the Commission's proceeding). We treat the June 9, 2003 letter as a request to withdraw the December 3, 2002, January 28, 2003, and February 26, 2003 pleadings filed by and on behalf of Newbridge Capital, and we dismiss the pleadings, with prejudice.

⁴⁵ *Public Notice, Global Crossing Ltd. and GC Acquisition Limited File Amendment to Application*, IB Docket No. 02-286, DA 03-465, 18 FCC Rcd 2464 (Int'l Bur., 2003) (providing the following comment dates: March 6, 2003 for first-round comments, March 13, 2003 for second-round reply comments); see also First Amendment, *supra* note 1.

⁴⁶ Further Comments of ACNI in Opposition to Applicants' Petition for Declaratory Ruling, IB Docket No. 02-286 (filed Mar. 6, 2003) ("ACNI Further Comments"). These comments, however, do not address the minor amendment that we placed on public notice on February 20, 2003, and essentially are late-filed comments in response to the September 19, 2002 consolidated public notice. See *infra* note 214. During the period of March 18, 2003 to May 16, 2003, ACNI filed five additional pleadings in the form of letters unaccompanied by motions to accept late-filed pleadings. On March 18, 2003, ACNI filed a letter "to bring to the Commission's attention what appear to be significant developments in the United States Bankruptcy Court and the Committee on Foreign Investment in the United States (CFIUS) affecting the pending application." See Letter from William Malone, Gerard Lavery Lederer and James R. Hobson, Counsel for ACNI, to Secretary, Federal Communications Commission (filed Mar. 18, 2003) ("ACNI Letter"), at 1. *but see* Letter from Jean L. Kiddoo and Paul O. Gagnier, Counsel for Applicants, to Secretary, Federal Communications Commission (filed Mar. 25, 2003) ("Global Crossing Reply to ACNI Letter") (confirming no material change to information provided to Commission). On March 24, 2003, ACNI filed a supplement to the ACNI letter. See Letter from William Malone, Gerard Lavery Lederer and James R. Hobson, Counsel for ACNI, to Secretary, Federal Communications Commission (filed Mar. 24, 2003) ("ACNI Supplement to Letter"). On April 16, 2003, ACNI filed a letter arguing that the Second Amendment, now moot, see *supra* note 14 and *infra* note 215, was a major amendment that required the Commission to provide ACNI further opportunity to comment. See Letter from William Malone, Gerard Lavery Lederer and James R. Hobson, Counsel for ACNI, to Secretary, Federal Communications Commission (filed Apr. 16, 2003) ("ACNI Second Supplemental Letter"). On April 18, 2003, ACNI filed a letter enclosing a press release it found on the website of Congressman Frank Wolf. See Letter from William Malone, Gerard Lavery Lederer and James R. Hobson, Counsel for ACNI, to Secretary, Federal Communications Commission (filed Apr. 18, 2003) ("ACNI Third Supplemental Letter"). On May 16, 2003, ACNI filed a letter opposing any abbreviated public notice period for the Third Amendment, see *supra* note 1, that Applicants had filed May 13, 2003. See Letter from William Malone and Gerard Lavery Lederer, Attorneys for ACNI, to Secretary, Federal Communications Commission (filed May 16, 2003) ("ACNI Fourth Supplemental Letter").

⁴⁷ Reply of Global Crossing Limited and GC Acquisition Limited to Further Comments of ACNI, IB Docket No. 02-286 (filed Mar. 13, 2003) ("Global Crossing Further Reply to ACNI"), Reply Comments of IDT Corporation, IB Docket No. 02-286 (filed Mar. 13, 2003) ("IDT Reply"). The IDT Reply does not respond to the Commission's February 20, 2003 public notice seeking comment on the foreign affiliations set out in the First Amendment but rather untimely comments generally on the Applications. See IDT Reply at 1-2 and Exhibit A (in (continued))

12. On May 16, 2003, we issued a consolidated public notice announcing the acceptability for filing of a major amendment to the Applications and establishing a three-round pleading cycle to permit interested parties an opportunity to comment on this Third Amendment.⁴⁸ On June 16, 2003, IDT filed a petition to deny the Third Amendment, including an opposition to the petition for declaratory ruling, as amended.⁴⁹ ACNI filed a petition to deny.⁵⁰ The Organization for International Investment ("OII") filed comments in support of the Third Amendment.⁵¹ On June 26, 2003, Applicants filed a second-round opposition to the petitions to deny the Third Amendment.⁵² XO Communications, Inc. ("XO") filed a late-filed petition to deny the Third Amendment, which it styles as comments opposing the Third

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two-page reply and attached press release about IDT's intention to submit bankruptcy bid, IDT generally states support for comments filed by ACNI and alleges that foreign control of Global Crossing's assets would not be in the public interest. It also appears that the IDT Reply is a prohibited *ex parte* filing because the service list included only Commission staff and not Applicants and other parties. IDT filed a second pleading that, from the face of the pleading, IDT apparently did not serve on various parties. See *infra* note 56. Because we deny the relief sought in the two IDT filings, which are available on the Commission's Electronic Comment Filing System, we find that IDT's prohibited *ex parte* filings caused no harm. We caution IDT, in the future, to ensure that it serves all parties to any proceeding in which it files pleadings. Finally, during the period of April 22, 2003 to May 14, 2003, counsel for IDT submitted three additional letters, unaccompanied by requests to accept late-filed pleadings. See Letter from David Albalah and Kirk S. Burgee, Counsel for IDT Corporation, to Secretary, Federal Communications Commission (filed April 22, 2003), at 1 (asking the Commission not to act on the Second Amendment, now moot, see *supra* note 14, prior to an Executive Branch determination on national security issues and an opportunity for public comment). Letter from Mark J. Tauber and E. Ashton Johnston, Counsel for IDT, to Secretary, Federal Communications Commission (filed May 7, 2003) at 2 (urging the Commission to make the Third Amendment, when filed, available for public review and comment), Letter from E. Ashton Johnston and Mark J. Tauber, Counsel for IDT, to Secretary, Federal Communications Commission (filed May 14, 2003) (asking the Commission to issue a public notice on the Third Amendment).

⁴⁸ *Public Notice, Global Crossing Ltd and GC Acquisition Limited Amend Their Applications to Transfer Control of Subsidiaries Holding Submarine Cable Landing Licenses, Wireless Licenses and Section 214 Authorizations, and Their Request for Declaratory Ruling Allowing Indirect Foreign Ownership*, IB Docket No. 02-286, DA 03-1724, 18 FCC Rcd 10447 (Int'l Bur. 2003) (providing the following filing dates: June 16, 2003 for first-round petitions, June 26, 2003 for second-round oppositions, and July 3, 2003 for third-round replies). See also 47 C.F.R. §§ 1.45 (pleadings and filing periods), 1.939(e) (petition to deny a major amendment may raise only matters directly related to the major amendment). As discussed above, the filing of the Third Amendment, reflecting ST Telemedia's assumption of the rights and obligations of Hutchison Telecommunications Ltd, in addition to the continuation of ST Telemedia's own rights and obligations under the Purchase Agreement, mooted the Second Amendment that Applicants had filed earlier. See *supra* note 14.

⁴⁹ *Petition to Dismiss or Deny and Opposition to Petition for Declaratory Ruling*, IB Docket No. 02-286 (filed June 16, 2003) ("IDT Petition to Deny Third Amendment").

⁵⁰ *Objections to Amended Applications and Petition for Declaratory Ruling*, IB Docket No. 02-286 (filed June 16, 2003) ("ACNI Objections to Third Amendment"). It appears, from the service list attached to the pleading, that ACNI did not serve all of the parties. See *supra* note 41.

⁵¹ *Comments of the Organization for International Investment*, IB Docket No. 02-286 (filed June 16, 2003) ("OII Comments"). OII is a membership organization representing U.S. subsidiaries of foreign parent companies that, according to OII, employ millions of Americans. See OII Comments at 1.

⁵² *Consolidated Response of Global Crossing Ltd and GC Acquisition Limited to Comments on Third Amendment*, IB Docket No. 02-286 (filed June 26, 2003) ("Global Crossing Opposition to Petitions to Deny Third Amendment").

Amendment.⁵³ ACNI filed a "supplement" to its petition to deny the Third Amendment, restating its arguments from its November 5, 2002, March 6, 2003, March 24, 2003, April 9, 2003, April 18, 2003, and June 16, 2003 pleadings.⁵⁴ On July 3, 2003, Applicants filed a response to XO's late-filed pleading.⁵⁵ IDT filed a third-round reply.⁵⁶

13 On July 2, 2003, we issued a consolidated public notice announcing the acceptability for filing of a major amendment to the Radio License Application and Petition for Declaratory Ruling and establishing a three-round pleading cycle to permit interested parties an opportunity to comment on this

⁵³ Comments of XO Communications, Inc., IB Docket No. 02-286 (filed June 26, 2003) ("XO Comments"), at 1 (XO, a competing bidder for the Global Crossing assets, opposes the transfer of control of New GX to ST Telemedia and the resulting foreign ownership by ST Telemedia). XO also filed an earlier letter to "correct the record with respect to the nature of its bid." See XO Comments at 1, see also Letter from Brian D. Oliver, Executive Vice President, Strategy and Corporate Development, and Douglas W. Kinkoph, Vice President, Regulatory and External Affairs, XO Communications, Inc. (filed June 12, 2003) ("XO Letter"). The XO Letter responds to an *ex parte* letter from the Official Committee of Unsecured Creditors in the Global Crossing bankruptcy proceeding addressed to the Department of Justice and the Committee on Foreign Investment in the United States ("CFIUS") and copied to IB Docket No. 02-286. See Letter from Thomas J. Weber, Special Counsel to the Official Committee of Unsecured Creditors, to U.S. Department of Justice and Committee on Foreign Investment in the United States (dated June 9, 2002). We do not consider the letter from the unsecured creditors or the XO Letter as the position of creditors and alternative bidders in the bankruptcy proceeding is not relevant to our decision in this docket, which considers only the bid approved by the bankruptcy court and before us in the Applications. Neither the unsecured creditors nor XO becomes a party as a result of these filings. See 47 C.F.R. § 1.1202(d) (a party is a person filing a written submission *referencing and regarding* a pending filing and serving the written submission on the filer). We caution the Special Counsel, in the future, to ensure that he serves all parties to any Commission proceeding in which he files a letter or pleading.

⁵⁴ Opposition to Amended Applications and Petition for Declaratory Ruling, IB Docket No. 02-286 (filed June 26, 2003) ("ACNI Reply to Third Amendment") at 1 n.2. It appears, from the service list attached to the pleading, that ACNI did not serve all parties. See *supra* note 41. The ACNI Reply to Third Amendment merely states that pleadings filed in the U.S. Bankruptcy Court for the Southern District of New York "put into question whether the Commission has only a hypothetical proposal before it," and attaches copies of the pleadings. See ACNI Reply to Third Amendment at 1. In fact, the bankruptcy court denied the relief sought in the pleadings and approved the extension of the exclusivity period. See *infra* ¶ 15 and note 60. We disagree with ACNI that the Applications are a "hypothetical proposal." Rather, as discussed *infra*, the Applications reflect the transaction approved by the bankruptcy court.

⁵⁵ Global Crossing Reply to XO Comments, *supra* note 14. Applicants also filed, on May 23, 2003, a letter of clarification in response to some of the general public correspondence associated with the record. See Letter from Jean L. Kiddoo and Paul O. Gagnier, Counsel for Applicants, to Secretary, Federal Communications Commission (filed May 23, 2003) ("May 23 Letter"). See also *infra* note 59 (general public correspondence). The May 23 Letter states that ST Telemedia does not own a significant stake in Asia Global Crossing, expects to lose its 0.14% share once Asia Global Crossing completes its restructuring, and has no equity or voting interest in Asia Netcom, the entity acquiring the assets of Asia Global Crossing. See May 23, 2003 Letter at 2.

⁵⁶ Reply of IDT Corporation, IB Docket No. 02-286 (filed July 3, 2003) ("IDT Reply to Third Amendment"). As noted, see *supra* note 47, the IDT Reply to Third Amendment appears to be a prohibited *ex parte* filing that in any case causes no harm because we deny the relief sought.

Fourth Amendment⁵⁷ We received no record comments in response to the public notice.

14 Appendix A to this Order and Authorization lists the parties and the record in this proceeding, including five letters from Members of the U.S. Congress.⁵⁸ In addition to the record filings, the Commission has received approximately 170 pieces of correspondence from the general public.⁵⁹

4. Bankruptcy Court Action

15 On December 26, 2002, the U.S. Bankruptcy Court for the Southern District of New York approved Global Crossing's plan of reorganization, which, among other things, includes the proposed transaction involving ST Telemedia and the Creditor Shareholders that is the subject of the Applications.⁶⁰ Two related bankruptcy cases, involving PC Landing and Asia Global Crossing, Ltd.

⁵⁷ Public Notice, *Global Crossing Ltd and GC Acquisition Limited File June 30, 2003 Amendment to Applications*, IB Docket No. 02-286, DA 03-2179, 18 FCC Rcd 13075 (Int'l Bur. 2003) (providing the following filing dates: August 1, 2003 for first-round petitions, August 11, 2003 for second-round oppositions; and August 18, 2003 for third-round replies), Fourth Amendment, *supra* note 1 (requesting transfer of control of wireless licensee EAN). See also 47 C.F.R. §§ 1.45, 1.939(e).

⁵⁸ See Letter from Frank R. Wolf, U.S. House of Representatives (dated Apr. 8, 2003) ("Cong. Wolf *Ex Parte*") (stating concern about national security implications of Hutchison Telecommunications Ltd. investment); Letter from Mark Dayton, United States Senate (dated Apr. 22, 2003) ("Sen. Dayton *Ex Parte*") (stating concern about national security); Letter from Conrad Burns and Ernest F. Hollings, United States Senate (dated May 15, 2003) ("Sen. Burns and Sen. Hollings *Ex Parte*") (stating serious concern about sale to companies owned and controlled by foreign governments); Letter from Curt Weldon, U.S. House of Representatives (dated June 12, 2003) ("Cong. Weldon *Ex Parte*") (urging strict scrutiny review of foreign government ownership); Letter from Charles Schumer, U.S. Senate (dated June 24, 2003) ("Sen. Schumer *Ex Parte*") (supporting transfer to maintain over 1000 U.S. jobs). See also Letter from Dana Rohrabacher, U.S. House of Representatives (dated Feb. 19, 2002) (requesting, in letter dated prior to initiation of IB Docket No. 02-286, stringent review of economic and national security ramifications of joint investment by ST Telemedia and Hutchison Whampoa's subsidiary Hutchison Telecommunications Ltd.).

⁵⁹ This *ex parte* public correspondence, primarily from individual shareholders and former or current employees of Global Crossing, is available for public review through the Commission's Electronic Comment Filing System. See 47 C.F.R. § 1.1212(h). Most of the public correspondence is in the form of emails and form letters. One shareholder, Karl Schwarz of CommAccess filed multiple rounds of informal comments, and various other members of the general public filed more than once. The public correspondence, by and large, raises concerns about the post-transaction value of shareholder and employee investments in Global Crossing and about the national security implications of foreign ownership, although it also includes correspondence from companies that use the services of Global Crossing and support the proposed transaction. We note that complaints about shareholder or employee investments more appropriately are addressed in other fora, such as at the U.S. Securities and Exchange Commission or in shareholder lawsuits. See, e.g., *Application of XO Communications, Inc. for Consent to Transfer Control of Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Petition for Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act*, Memorandum Opinion, Order and Authorization, IB Docket 02-50, DA 02-2512, 17 FCC Rcd 19212, 19215 n.31 (Int'l Bur. WTB & WCB 2002). We address national security and foreign ownership issues, also raised by the parties, in our public interest analysis, *infra* at Section III of this Order and Authorization.

⁶⁰ See Confirmation Order, *supra* note 8. See also *In re Global Crossing Ltd., et al., Bench Decision on Motion for Authority to Amend Purchase Agreement, for Authority to Grant Releases, and for Extension of Exclusivity*, Chap. 11 Case No. 02-401888 (REG) (Bankr. S.D.N.Y., July 1, 2003).

(Debtor-in-Possession) ("Asia Global Crossing"), will affect Global Crossing assets: (1) on July 19, 2002 submarine cable licensee PC Landing and certain of its affiliates commenced voluntary proceedings under Chapter 11 in the U S Bankruptcy Court for the District of Delaware,⁶¹ and (2) on November 17, 2002, Global Crossing's majority-owned subsidiary Asia Global Crossing, an indirect majority owner of licensee PC Landing, and one of its subsidiaries filed voluntary petitions under Chapter 11 in the U S Bankruptcy Court for the Southern District of New York.⁶² Although the Applicants expect that the two bankruptcy proceedings eventually will eliminate Global Crossing's equity interests in Commission licensee PC Landing, they continue to seek authority to transfer control of their interests in the Pacific Crossing-1 ("PC-1") cable landing license because these interests have not yet been extinguished⁶³

⁶¹ See *In re PC Landing Corp., et al.*, Chap 11 Case No 02-12086 (PJW) (Bankr. D.Del., July 19, 2002) PC Landing is one of the FCC-Licensed Subsidiaries See *supra* note 21; see also Appendix C to this Order and Authorization for a chart that sets out PC Landing's ownership structure On June 3, 2003, the U.S. Bankruptcy Court for the District of Delaware approved the sale of substantially all of the assets of PC Landing to Pivotal Telecom, LLC ("Pivotal") See *In re PC Landing Corp., et al., Order Authorizing (1) Sale of Substantially All of the Debtors' Assets Free and Clear of Certain Liens, Claims, Rights, Interests and Encumbrances, (2) Authorizing the Assumption and Assignment of Certain Executory Contracts and Leases and the Transfer of Certain Licenses and Permits, (3) Determining That the Sale Will be Subject to Bankruptcy Code § 1164, and (4) Granting Related Relief*, Chap 11 Case No 02-12086 (PJW) (Bankr. D Del., June 3, 2003). On August 19, 2003, PC Landing filed an application to assign PC Landing's cable landing license to Pivotal. See *Pivotal Telecom, LLC, Assignment*, File No SCL-ASG-20030819-00024, Public Notice, Non Streamlined International Applications Accepted for Filing, Report No TEL-00714NS (Int'l Bur. rel. Sept 22, 2003).

⁶² See *In re Asia Global Crossing Ltd., et al.*, Chap. 11 Case Nos 02-15749 through 02-15750 (SMB) (Bankr. S.D.N.Y., Nov 17, 2002) On December 17, 2002, attorneys for PC Landing notified the Commission of the *pro forma* transfer of control, to Asia Global Crossing as debtor-in-possession, of Asia Global Crossing's interest in PC Landing's submarine cable landing license. See Letter from Martin Stern, Attorney for PC Landing to Secretary, Federal Communications Commission (filed Dec 17, 2002) On January 29, 2003, the U S Bankruptcy Court for the Southern District of New York approved the sale of substantially all of Asia Global Crossing's assets, but excluding the equity interest indirectly held by Asia Global Crossing in PC Landing, to Asia Netcom See Letter from Jean L. Kiddoo and Paul O. Gagnier, Counsel for Applicants, to Secretary, Federal Communications Commission (filed Feb 6, 2003) ("February 6 Letter"), at 10, see also *In re Asia Global Crossing Ltd., et al., Order Pursuant to Sections 105(a), 363(b), (f) and (m), 365 and 1146(c) of the Bankruptcy Code and Fed. R. Bankr. P. 6004 and 6006, (1) Approving the Terms and Conditions of Agreement Providing for the Sale of Substantially All of the Debtor's Assets Free and Clear of Liens, Claims, Encumbrances and Other Interests, (2) Authorizing and Approving the Assumption and Assignment of Related Executory Contracts, (3) Authorizing Debtor to Consummate the Transactions Contemplated in Sale Agreement and (4) Determining that Sale is Exempt from Stamp Taxes and Section 1146(c) of the Bankruptcy Code*, Chap 11 Case Nos. 02-15749 through 02-15750 (SMB) (Bankr. S.D.N.Y. Jan 29, 2003) Applicants advise that following the sale to Asia Netcom, Asia Global Crossing's Chapter 11 reorganization converted to a Chapter 7 liquidation, which will result in the sale of the remaining assets and distribution of proceeds to Asia Global Crossing's creditors See Letter from Jean L. Kiddoo and Paul O. Gagnier, Counsel for Applicants, to Secretary, Federal Communications Commission (filed Aug 18, 2003) ("August 18 Letter"), at 2

⁶³ In December 2002, Applicants stated that, upon completion of Asia Global Crossing's reorganization pursuant to the Chapter 11 proceeding, and upon PC Landing's successful restructuring under its bankruptcy proceeding, they expect the equity interests currently held by Global Crossing in Asia Global Crossing and PC Landing to be eliminated See December 18 Letter, *supra* note 10, at 3 See also February 6 Letter, *supra* note 62 at 10-11 Applicants asked the Commission to approve the transfer to New GX of Global Crossing's indirect interests in the PC-1 submarine cable license held by PC Landing, advising that appropriate application (continued)