
In the Matter of the Application of GLOBAL CROSSING LTD. (Debtor-in-Possession) and GC ACQUISITION LIMITED for Approval of the Transfer of Control of Global Crossing Ltd. (Debtor-in-Possession)'s Utah Operating Subsidiaries to GC Acquisition Limited)	<p style="text-align: center;"><u>DOCKET NO. 02-2397-01</u></p> <p style="text-align: center;"><u>REPORT AND ORDER</u></p>
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ISSUED: November 27, 2002

SYNOPSIS

The proposed transfer of control of Global Crossing Telemanagement, Inc., appearing to be in the public interest, the Commission approved the same.

By the Commission:

On September 23, 2002, Global Crossing Ltd. ("GCL") and GC Acquisition Limited ("New GX"), together filed an application requesting Commission approval, pursuant to Sections 54-4-28 and 54-4-29, *Utah Code Ann.* for the transfer of control of GCL's Utah-Licensed subsidiaries from GCL to New GX. Approval is sought with respect to the following subsidiaries of GCL: Budget Call Long Distance, Inc. (Debtor-in-Possession), Global Crossing North American Networks, Inc. (Debtor-in-Possession), Global Crossing Telecommunications, Inc. (Debtor-in-Possession), and Global Crossing Telemanagement, Inc. (Debtor-in-Possession) (collectively, the "Utah-Licensed Subsidiaries").

The Application is made in furtherance of a transaction (the "Proposed Transaction") intended to facilitate the reorganization of GCL and the Utah-Licensed Subsidiaries under Chapter 11 of the United States Bankruptcy Code and Bermuda insolvency law. As part of the Proposed Transaction, GCL's assets, including the Utah-Licensed Subsidiaries, will be transferred indirectly to New GX. New GX will receive investments from two major investors that will each obtain 30.75% of New GX's equity and voting power. Creditors of GCL and its debtor subsidiaries will obtain the remainder of New GX's equity and voting power. The details of the Proposed Transaction are set forth more fully in the Application. The United States Bankruptcy Court for the Southern District of New York and the Supreme Court of Bermuda have authorized GCL to enter into the intended transaction.

The Applicants assert that the Proposed Transaction is in the public interest because it will enhance competition in Utah by allowing the Utah-based subsidiaries to emerge from their bankruptcy status as stronger and more viable competitors. The Applicants also assert that the Proposed Transaction is not expected to affect day-to-day operations in Utah, and will be transparent to customers in Utah.

The Division of Public Utilities has filed two memoranda with the Commission regarding this Application. The Division states that it has no record of the Utah-Licensed Subsidiaries except for

Global Crossing Telemanagement, Inc. ("GCTI"), which has been authorized to provide resold competitive local exchange services in Utah. The Division recommends approval of the transfer of GCTI from GCL to New GX, as contemplated in the Proposed Transaction.

DISCUSSION

The Applicants have provided detailed business plans and other documents to establish the pertinent facts of the matter. The Commission finds that this petition can reasonably be expect to be unopposed and that this matter may be adjudicated informally under Utah Admin. Code R746-110.

Since GCTI is the only company currently under the regulatory umbrella of this Commission, we will limit our order to the transfer of control of that company. By strengthening GCTI and its parent company's ability to compete in the Utah local exchange market, the proposed transaction appears to offer the prospect of a positive step towards competition in Utah. Accordingly, the approval of the transfer of control appears to be in the public interest.

CONCLUSIONS OF LAW

The proposed transfer of control of Global Crossing Telemanagement, Inc. to GC Acquisition Limited, as part of the proposed restructuring and refinancing, should be approved.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The Application of Global Crossing Ltd. and GC Acquisition Limited for approval of the transfer of control of Global Crossing Telemanagement, Inc. is approved.
2. This Order is issued pursuant to *Utah Admin. Code* R746-110, and shall become effective 20 days after issuance unless prior to that date a meritorious protest is filed with this Commission.
3. Review or appeal of this Order may be obtained pursuant to the provisions of Utah Code 54-7-15, 63-46b-12 through 18 and the *Utah Rules of Appellate Procedure*.

DATED at Salt Lake City, Utah, this 27th day of November, 2002.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Richard M. Campbell, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary

G#31713