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September 29, 2003

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COMMISSION CLERK

Chief Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL. 32399-0850

Re: WilTel Communications, LLC and WilTel Local Network, LLC

Dear Chief Clerk:

This correspondence is being sent to notify the Florida Public Service Commission ("Commission") of a proposed transaction involving the parent company of two telecommunications carriers certified to provide telecommunications services in Florida. Based upon our review of the applicable state statutes and administrative regulations, it appears a formal pleading seeking Commission approval of the transaction need not be filed. However, in the interest of full disclosure, we hereby submit this document identifying the parties to, and describing the details of, the proposed transaction.

WilTel Communications, LLC ("WCL")[1] is a Delaware limited liability company and provides intrastate service within the State of Florida.[2] WCL, directly or through a subsidiary[3], has authority to provide intrastate services in all other states in which it operates. By Order No.

[1] WCL was previously known as Williams Communications, LLC. (See, Order No. PSC-03-0790A-FOF-T1 entered in Docket No. 030484-T1 on July 9, 2003).

[2] Almost all of WCL's intrastate revenues are from the provision of intrastate toll services.

[3] In Virginia, WCL's wholly owned subsidiary, WilTel Communications of Virginia, Inc., provides intrastate services. In all other states, WCL provides intrastate services directly.

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PSC-98-1141-FOF-TI entered in Docket No. 980697-TI on September 15, 1998, the Commission granted WCL authority pursuant to Sections 364.337(3), Florida Statutes, to provide interexchange telecommunications services in Florida.

WilTel Local Network, LLC ("WLN")[4] is also a Delaware limited liability company and is a wholly owned subsidiary of WCL. WLN was formed to provide local telecommunications services over the facilities of other carriers, including WCL. WLN provides such services in the State of Florida. By Order No. PSC-99-2316-PAA-TX dated December 29, 1999, the Commission granted WLN authority to provide alternative local exchange telecommunications service in Florida pursuant to Section 364.337, Florida Statutes.

WilTel Communications Group, Inc. ("WilTel"), a publicly traded Nevada corporation, is the ultimate parent of both WLN and WCL. WilTel, through its wholly-owned operating subsidiary WCL, operates or manages a technologically advanced, fully operational, next-generation fiber-optic broadband network that spans over 30,000 route-miles connecting 125 cities in the United States and extends to Asia, Europe, Mexico and the Pacific Rim.

Leucadia National Corporation ("Leucadia"), a publicly traded New York corporation, is a diversified financial services holding company engaged through its subsidiaries in a variety of businesses, including commercial and personal lines of property and casualty insurance, banking and lending, manufacturing, winery operations, real estate activities, and precious metals mining. Under its current Chairman and President, Leucadia's shareholders' equity has grown from a deficit of $7.7 million as of December 31, 1978 to a positive shareholders' equity of over $1.5

[4] WLN was previously known as Williams Local Network, LLC. (See, Order No. PSC-03-0297-FOF-TX entered in Docket No. 021163-TX on March 4, 2003.

billion as of December 31, 2002. Leucadia's Securities and Exchange Commission filings for the past eight years are set forth at:

http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000096223.

Leucadia is not engaged in the telecommunications business and its investment in WilTel is its first significant telecommunications investment. Leucadia is not a public utility in the State of Florida nor does it control any such public utility.

Ian M. Cumming is Chairman of the Board of Leucadia and Joseph S. Steinberg is President of Leucadia. As of August 25, 2003, Messrs. Cumming and Steinberg together beneficially owned approximately 32% of the outstanding shares of Leucadia.[5]

Leucadia made its initial investment in WilTel in 2002 as part of the plan of reorganization ("POR") approved by the United States Bankruptcy Court for the Southern District of New York (Case No. 02-119577). In addition to its ownership of approximately 47.4% of WilTel's common stock, Leucadia also obtained the right to designate four of WilTel's nine directors. With the infusion of capital made by Leucadia, WilTel was able to continue to provide competitive telecommunications services through its successful reorganization.

WilTel and Leucadia have expressed an intent to enter into a transaction that will result in Leucadia increasing its current ownership interest in WilTel. Consummation of the planned transaction will permit Leucadia to acquire in excess of fifty percent of WilTel's voting common

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[5] The planned transaction described below will dilute their ownership levels because shares of Leucadia will be exchanged for shares of WilTel.

stock. As a result, Leucadia will become the majority owner of WilTel and, indirectly, WilTel's subsidiaries WCL and WLN. The transaction is expected to close in November 2003.

Grant of the requested transfer of control will permit consummation of an exchange offer of stock that has been approved by the Boards of Directors of WilTel and Leucadia (the "Offer"). Leucadia currently is the beneficial owner of approximately 47.4 percent of WilTel's stock and seeks to acquire shares through the Offer that will increase its ownership to more than fifty percent.

By the terms of the Offer, Leucadia will not acquire any shares of WilTel common stock in the offer unless WilTel stockholders (other than Leucadia and its affiliates) have validly tendered a majority of the shares of WilTel common stock not owned by Leucadia and its affiliates. As part of the Offer, Leucadia may have a wholly owned subsidiary, Wrangler Acquisition Corp. ("Wrangler"), temporarily hold its shares of WilTel, pending the merger of Wrangler into WilTel. The number of public shareholders of WilTel that subscribe to the Offer will determine the temporary role of Wrangler. If the Offer is successful, Leucadia intends to acquire up to 100% of the stock of WilTel. WilTel will still hold all of the stock of WCL and WCL will continue to hold all the stock of WLN.

The Offer is being made pursuant to relevant securities laws and regulations. The parties have filed applications for approval of the change of control with the Federal Communications Commission.

This transaction, if consummated will serve the public interest, convenience, and necessity by allowing WilTel to continue to recover from bankruptcy, to continue to stabilize the management and operations of WCL and WLN, and to return to a condition from which it can continue to be a dynamic competitor in the provision of telecommunications services. In addition, the transaction, if consummated, will not impair or jeopardize WCL's or WLN's provision of service to the public nor will it have an effect on their rates. The long-run effect should be to reduce rates by preserving WCL and WLN as viable competitors in the Florida telecommunications market.

As noted above, based upon our review of the laws and regulations applicable to telecommunications carriers, the proposed transaction does not appear to fall into the category of those actions requiring Commission approval. However, if our assumptions are incorrect and Commission approval is required, we will promptly file the requisite pleadings. Please feel free to contact me at the number shown above if you have any questions.

Sincerely,

G. Darryl Reed

G. Darryl Reed

GDR:gdr

cc: Telecommunications Division