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September 13, 2002

VIA OVERNIGHT DELIVERY

Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

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020985-TP

Re: Letter 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 Florida Operating Subsidiaries to GC Acquisition Limited

Dear Ms. Bayo:

Global Crossing Ltd. (Debtor-in-Possession) ("GCL") and GC Acquisition Limited ("New GX" and, together with GCL, the "Applicants"), pursuant to Florida Statutes Chapter 366.02, FL. STAT. ch. 366.02, and Rule 25-4.004 of the Rules of the Florida Public Service Commission ("Commission"), hereby request approval from the Commission to transfer control of GCL's Florida-Licensed subsidiaries from GCL to New GX.¹ Applicants respectfully request that this Application be granted expeditiously in order to permit Applicants to complete the transaction described herein as soon as possible.

¹ Approval is sought with respect to the following subsidiaries of GCL: Budget Call Long Distance, Inc. (Debtor-in-Possession), Global Crossing Local Services, 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 "Florida-Licensed Subsidiaries").

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I. INTRODUCTION

This Application is in furtherance of a transaction intended to facilitate the reorganization of GCL and the Florida-Licensed Subsidiaries under Chapter 11 of the United States Bankruptcy Code and Bermuda insolvency law (the "Proposed Transaction"). The Proposed Transaction contemplates that GCL's assets and operations, including its ownership interests in the Florida-Licensed Subsidiaries, will be transferred indirectly to New GX. Hutchison Telecommunications Limited ("Hutchison Telecom") and Singapore Technologies Telemedia Pte Ltd ("ST Telemedia") each will invest \$125 million in New GX; in exchange, each will obtain 30.75% of New GX's equity and voting power. Creditors of GCL and its debtor subsidiaries will obtain 38.5% of New GX's equity and voting power. New GX also intends to issue \$200 million in senior secured notes and \$300 million in cash to those creditors. The notes are to be secured by the assets of various GCL subsidiaries, including the Florida-Licensed Subsidiaries.

The terms of the Proposed Transaction have been agreed upon by GCL, Hutchison Telecom, and ST Telemedia. Furthermore, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") and the Supreme Court of Bermuda have authorized GCL to enter into the Proposed Transaction.

II. DESIGNATED CONTACTS

For the purposes of this Application, contacts for the Applicants are as follows:

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III. DESCRIPTION OF THE APPLICANTS

A. GCL

GCL is a global telecommunications company organized under the laws of Bermuda. Through its subsidiaries, including the Florida-Licensed Subsidiaries, GCL owns and operates a global Internet Protocol-based fiber optic network that spans approximately 75,800 route miles, five continents, 27 countries, and more than 200 major cities (the “Global Crossing Network”). The Global Crossing Network took four years, multiple acquisitions and partnerships, and nearly \$15 billion to reach its current size. It is used by GCL’s operating subsidiaries to provide integrated telecommunications services to some of the world’s largest corporations, government agencies, and telecommunications carriers, including a full range of managed data, voice, and Internet services.²

In the United States, GCL’s operating subsidiaries, including the Florida-Licensed Subsidiaries, provide intrastate, interstate, and international services. GCL’s subsidiaries are authorized to provide telecommunications services by the Federal Communications Commission and the public utility commissions of all 50 states and the District of Columbia. In Florida, the Florida-Licensed Subsidiaries hold the authorizations and provide the intrastate services described in Section III.C.

On January 28, 2002, GCL and certain of its subsidiaries, including the Florida-Licensed Subsidiaries, filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code.³ GCL and the Florida-Licensed Subsidiaries have retained possession of their property and businesses during the reorganization process, and they have adequate funds to finance their operations during that process. There have been no significant changes in the management of GCL or the Florida-Licensed Subsidiaries as a result of the Chapter 11 petitions.

B. New GX

New GX is a newly-formed company organized under the laws of Bermuda for the purpose of carrying out the Proposed Transaction. Currently, GCL is the sole shareholder of New GX. Immediately following consummation of the Proposed Transaction, Hutchison Telecom and ST Telemedia each will hold 30.75% of the equity and voting power of New GX. The remaining 38.5% equity and voting power in New GX will be held by creditors of GCL and its debtor subsidiaries. The Proposed Transaction also contemplates the issuance of stock options to the future management of New GX in an aggregate amount of up to 8% of New GX’s fully diluted equity. The holdings of Hutchison Telecom, ST Telemedia, and the creditors will be diluted upon exercise of those stock options.

² Additional information about GCL and the Global Crossing Network is available on GCL’s web site: <http://www.globalcrossing.com>.

³ *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, GCL and its Bermuda subsidiaries filed a petition for the appointment of joint provisional liquidators with the Supreme Court of Bermuda.

C. GCL's Florida-Licensed Subsidiaries

1. Budget Call Long Distance, Inc. (Debtor-in-Possession)

Budget Call Long Distance, Inc. (Debtor-in-Possession) ("Budget Call") is a Delaware corporation with its principal office in Pittsford, New York. Budget Call is an indirect wholly-owned subsidiary of GCL. Budget Call has authority to provide telecommunications services in 45 states, including Florida. In Florida, Budget Call is authorized to provide intrastate long distance services on a resale basis.⁴

2. Global Crossing Local Services, Inc. (Debtor-in-Possession)

Global Crossing Local Services, Inc. (Debtor-in-Possession) ("GCLS") is a Michigan corporation with its principal office in Pittsford, New York. GCLS is an indirect wholly-owned subsidiary of GCL. GCLS has authority to provide telecommunications services in 26 states, including Florida. In Florida, GCLS is authorized to provide facilities-based competitive local exchange services.⁵

3. Global Crossing North American Networks, Inc. (Debtor-in-Possession)

Global Crossing North American Networks, Inc. (Debtor-in-Possession) ("GCNAN") is a Delaware corporation with its principal office in Pittsford, New York. GCNAN is an indirect wholly-owned subsidiary of GCL. GCNAN has authority to provide telecommunications services in all 50 states, including Florida. In Florida, GCNAN is authorized to provide facilities-based intrastate long distance service.⁶

4. Global Crossing Telecommunications, Inc. (Debtor-in-Possession)

Global Crossing Telecommunications, Inc. (Debtor-in-Possession) ("GCTI") is a Wisconsin corporation with its principal office in Pittsford, New York. GCTI is an indirect wholly-owned subsidiary of GCL. GCTI has authority to provide telecommunications services in all 50 states, including Florida. In Florida, GCTI is authorized to provide resold intrastate long distance services.⁷

⁴ Budget Call was authorized to provide resold interexchange service in Florida by Order in Docket No. 9409-TI (CPCN 3995) (Dec. 23, 1994).

⁵ GCLS (formerly known as Frontier Local Services, Inc.) was authorized to provide facilities-based alternative local exchange services in Florida by Order in Docket No. 971598-TX (Feb. 7, 1998).

⁶ GCNAN (formerly known as Frontier Communications International, Inc. formerly known as RCI Long Distance) was authorized to provide facilities-based interexchange services in Florida by Order in Docket No. 94030-TI7 (CPCN 3558) (June 15, 1994).

⁷ GCTI (formerly known as Allnet Communications Services, Inc. d/b/a Frontier Communications Services) was authorized to provide resold interexchange service by Order in Docket No. 950550-TS (CPCN 0063) (Aug. 17, 1995).

5. Global Crossing Telemanagement, Inc. (Debtor-in-Possession)

Global Crossing Telemanagement, Inc. (Debtor-in-Possession) (“GC Telemanagement”) is a Delaware corporation with its principal office in Green Bay, Wisconsin. GC Telemanagement is an indirect wholly-owned subsidiary of GCL. GC Telemanagement has authority to provide telecommunications services in 36 states and the District of Columbia. In Florida, GC Telemanagement is authorized to provide resold competitive local exchange services.⁸

IV. DESCRIPTION OF THE PROPOSED TRANSACTION

A. Terms of the Proposed Transaction

On August 9, 2002, the Bankruptcy Court authorized GCL to enter into a Purchase Agreement to effectuate the Proposed Transaction.⁹ In furtherance of the Proposed Transaction, GCL will transfer substantially all its assets, including its interests in the Florida-Licensed Subsidiaries, to New GX. Upon consummation of the Proposed Transaction, GCL will relinquish all of its equity and voting power in New GX. New GX will become the new ultimate parent of the Florida-Licensed Subsidiaries.¹⁰

Pursuant to the Proposed Transaction, Hutchison Telecom and ST Telemedia each will invest \$125 million in cash in New GX. In return, Hutchison Telecom and ST Telemedia each will obtain common and preferred stock equal to 30.75% of the equity and voting power of New GX. Creditors of GCL and its debtor subsidiaries will be issued New GX common stock in an aggregate amount of up to 38.5% of New GX’s equity and voting power, as well as \$200 million in senior secured notes of New GX and \$300 million in cash.¹¹ Finally, the Proposed Transaction contemplates the issuance of stock options to New GX’s management in an aggregate amount of up to 8% of the fully diluted equity of New GX. The equity and voting power of Hutchison Telecom, ST Telemedia, and the creditors will be diluted if those options are exercised.

⁸ GC Telemanagement (formerly known as Frontier Telemanagement, Inc.) was authorized to provide resold alternative local exchange services in Florida by Order in Docket No. 971274-TX (CPCN 5308) (Jan. 13, 1998).

⁹ A copy of the Purchase Agreement is available on GCL’s web site: <http://www.globalcrossing.com/pdf/news/G155368642K.pdf>. The Supreme Court of Bermuda authorized GCL to enter into the Proposed Transaction on August 12, 2002.

¹⁰ Attached hereto as Exhibit A is an illustrative chart depicting the corporate structure of GCL and New GX and the Florida-Licensed Subsidiaries prior to and immediately following consummation of the Proposed Transaction.

¹¹ The notes will be secured by the assets of various subsidiaries, including the Florida-Licensed Subsidiaries, and will mature three years after issuance. These assets may also be subject to liens to secure a working capital facility. Additional details regarding the notes are contained in Exhibit A-3 to the Purchase Agreement.

B. Description of the Proposed Ownership of New GX

1. Hutchison Telecom

Hutchison Telecom is a Hong Kong company that holds worldwide telecommunications interests through a variety of operating subsidiaries. Those interests include mobile telephone and paging operators in various countries in Asia, Africa, Europe, and South America, as well as a fixed line and international direct dialing operator in Hong Kong.

Hutchison Telecom is indirectly wholly owned by Hutchison Whampoa Limited (“HWL”), which is a diversified Hong Kong holding company. HWL’s shares are listed and publicly traded on The Stock Exchange of Hong Kong Limited (“Hong Kong Exchange”) and are publicly traded on the London Stock Exchange. As of August 9, 2002, HWL had an equity market capitalization of HK\$220.6 billion (US \$28.28 billion), making it the third largest company by market capitalization on the Hong Kong Exchange.¹²

Hutchison Telecom and its operating subsidiaries do not provide telecommunications services in Florida or in any other U.S. jurisdiction. Hutchison Telecom holds indirect minority interests of less than 5% in the following U.S. wireless carriers: VoiceStream Wireless Corp., Verizon Wireless, and Western Wireless, Inc.

2. ST Telemedia

ST Telemedia is a Singapore telecommunications and information technologies company. Through its subsidiaries, ST Telemedia provides fixed and mobile telecommunications, data, and Internet services, telephone equipment distribution, managed hosting, teleport, broadband cable and video, and e-business software development services in Singapore.¹³

ST Telemedia does not operate directly in the United States. ST Telemedia’s subsidiary, StarHub, Inc., holds authority under Section 214 of the Communications Act of 1934, as amended (the “Communications Act”), to provide international services in the United States. Pursuant to that authority, StarHub, Inc. provides “carrier’s carrier” services on the U.S.-Singapore route. ST Telemedia and its subsidiaries do not provide intrastate services in Florida.

ST Telemedia also is under indirect common ownership with Singapore Telecommunications Limited (“SingTel”). SingTel directly provides a variety of domestic and international telecommunications services in Singapore and holds interests in a number of other Singapore telecommunications providers. Outside of Singapore, SingTel subsidiaries provide

¹² Additional information about HTL is available on its web site: <http://www.hutchison-whampoa.com>.

¹³ ST Telemedia is a wholly-owned subsidiary of Singapore Technologies Pte Ltd, which, in turn, is a wholly-owned subsidiary of Temasek Holdings [Private] Limited. ST Telemedia and its parent companies are organized under the laws of Singapore. Additional information about ST Telemedia is available at ST Telemedia’s web site: <http://www.stt.st.com.sg>.

cellular, paging, fixed and mobile wireless, Internet access, and data services in various countries in Asia and Europe. Subsidiaries of SingTel are authorized to provide international services in the United States pursuant to Section 214 of the Communications Act. SingTel and its subsidiaries do not provide intrastate services in Florida.

3. Creditors

As discussed above, creditors of GCL and its debtor subsidiaries will obtain an aggregate amount of 38.5% of New GX's equity and voting power. The creditors consist of a variety of banks, bondholders, other communications carriers, equipment vendors, and other secured and unsecured creditors. Because GCL's reorganization plan has not yet been approved by the Bankruptcy Court, it is not yet known which creditors will become shareholders of New GX common stock. Applicants do not expect that any single creditor will obtain a 10% or greater interest in New GX.

V. THE COMMISSION SHOULD APPROVE THE TRANSFER OF CONTROL OF THE FLORIDA-LICENSED SUBSIDIARIES FROM GCL TO NEW GX

The Proposed Transaction is in the public interest. The Proposed Transaction will enhance competition in Florida by strengthening the financial and competitive position of the Florida-Licensed Subsidiaries by enabling them to emerge from their current status in bankruptcy as stronger and more viable competitors. Moreover, the Proposed Transaction is not expected to affect the day-to-day operations of the Florida-Licensed Subsidiaries and will be transparent to the Florida-Licensed Subsidiaries' customers in Florida. Finally, the Proposed Transaction will not negatively affect competition in the Florida telecommunications market. Therefore, the Commission should approve the transfer of control of the Florida-Licensed Subsidiaries from GCL to New GX.

A. The Proposed Transaction Will Enhance Competition by Ensuring the Continued Viability of the Florida-Licensed Subsidiaries

Commission approval of the Proposed Transaction will serve the public interest by ensuring the continued viability of an important competitive provider of telecommunications services in Florida. As the Commission is no doubt aware, in the last 18 months numerous competitive carriers have exited the market as a result of liquidation or acquisition. This has resulted in fewer competitive choices for consumers and businesses. GCL's Florida-Licensed Subsidiaries (together with GCL's other operating subsidiaries) are major providers of telecommunications facilities and services to other carriers and service providers. The success of GCL and the Florida-Licensed Subsidiaries thus is critical to maintaining a competitive market for transmission capacity and wholesale telecommunications services in Florida.

Since commencing commercial operations in 1998, GCL has become a key player in the carriers' carrier market. GCL has been a leader in introducing competitive pricing and practices in this sector. A consequence of this increased competition has been dramatically falling costs for domestic and international transmission capacity and, hence, lower prices for the

telecommunications services provided using that capacity. GCL's Florida-Licensed Subsidiaries also provide a variety of retail interexchange telecommunications services to residents of Florida.

Despite its successes, GCL has been unable to avoid the problems affecting the competitive telecommunications market. Like other carriers, GCL has found that the changed expectations of investors have restricted its access to the capital necessary to implement its business plans. As a provider of both carrier and end-user services, GCL has been particularly affected by this downturn. GCL's carrier business has been affected by the perceived excess of transmission capacity and the resulting drop in prices. Many of GCL's carrier customers have gone out of business or cut back their demand for capacity, while reduced spending by enterprise customers has slowed the growth of GCL's services business.

GCL's current financial position effectively precludes the Florida-Licensed Subsidiaries from remaining effective competitors for new customers, and the uncertainty attendant to their bankruptcy status has been detrimental to their ability to retain existing customers. By restructuring its capital structure, the Proposed Transaction will help remedy the financial and operational problems that GCL and the Florida-Licensed Subsidiaries face and enable them to continue to offer alternative high-quality, competitively priced telecommunications facilities and services. This will benefit customers by ensuring reasonable market prices. Existing customers, in particular, will realize significant public interest benefits from the Proposed Transaction, as it will ensure that GCL's Florida-Licensed Subsidiaries will be able to continue to offer innovative and competitively-priced services to existing and new subscribers in Florida.

B. New GX Is Qualified to Obtain Control of the Florida-Licensed Subsidiaries

The Florida-Licensed Subsidiaries have previously obtained certificates from the Commission and have a long operating history in Florida. Thus, their qualifications to provide telecommunications services are a matter of public record. New GX, in addition to obtaining the assets and operations of the Florida-Licensed Subsidiaries, will acquire much of the substantial knowledge and expertise of the Florida-Licensed Subsidiaries in constructing and operating telecommunications networks and providing telecommunications services. At the same time, the Proposed Transaction will give New GX and the Florida-Licensed Subsidiaries an improved capital structure that will ensure that New GX and the Florida-Licensed Subsidiaries can continue to compete effectively in Florida.¹⁴

C. The Proposed Transaction Will Not Adversely Affect the Customers or Operations of the Florida-Licensed Subsidiaries

The Proposed Transaction will result in an indirect transfer of control of the Florida-Licensed Subsidiaries from GCL to New GX. The direct shareholding of the Florida-Licensed Subsidiaries will not change and those companies will have the same relationship with

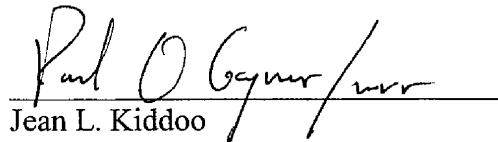
¹⁴ Because New GX is a newly-formed entity, it has no historical financial statements. *Pro forma* financial information for New GX is will be provided upon Commission request.

New GX as they currently have with GCL. Applicants do not expect that the current management and personnel of the Florida-Licensed Subsidiaries will change substantially upon closing of the Proposed Transaction. Applicants expect that upon closing the Florida-Licensed Subsidiaries' customers will continue to be served by qualified customer representatives and will continue to receive telecommunications services at the same rates, terms and conditions offered by the Florida-Licensed Subsidiaries prior to closing. In short, Applicants do not anticipate any immediate changes in the day-to-day operations of the Florida-Licensed Subsidiaries in Florida as a result of the Proposed Transaction. The Proposed Transaction therefore will be transparent to the Florida-Licensed Subsidiaries' customers and will not adversely affect the provision of telecommunications services in Florida.

VI. CONCLUSION

For the reasons set forth above, the Applicants urge the Commission to grant this Application for approval of the transfer of control of Budget Call Long Distance, Inc. (Debtor-in-Possession), Global Crossing Local Services, 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) on an expedited basis and grant such other relief as appropriate. An original and six (6) copies of this Application are enclosed. Please date-stamp the enclosed extra copy of this filing and return it in the attached self-addressed, stamped envelope.

Respectfully submitted,



Jean L. Kiddoo
Paul O. Gagnier
Michael P. Donahue
Swidler Berlin Shereff Friedman, LLP
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Washington, D.C. 20007-5116
Tel: (202) 424-7500
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Counsel for Global Crossing Ltd. (Debtor-in-Possession) and GC Acquisition Limited

Dated: September 13, 2002

Attachments

cc: Paul Kouroupas
Diane Peters
Thomas Williams

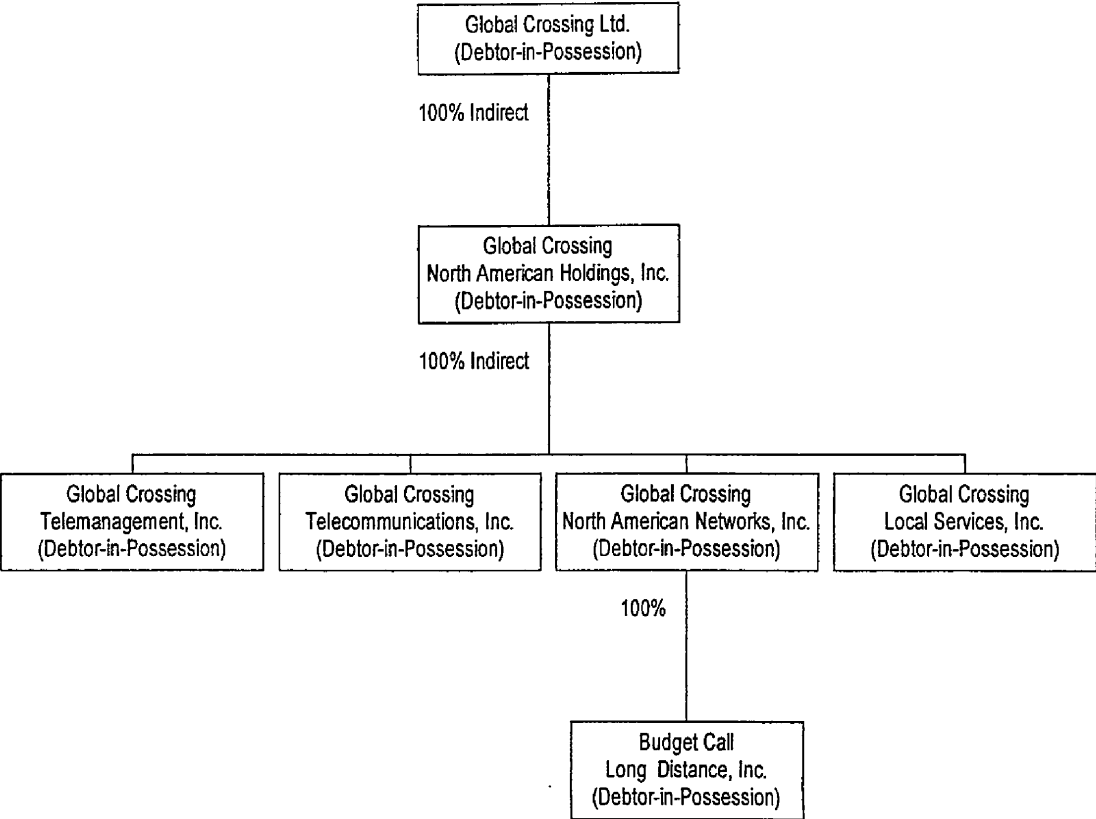
INDEX OF EXHIBITS

Exhibit A Current and Post-Transaction Organizational Charts
Verifications

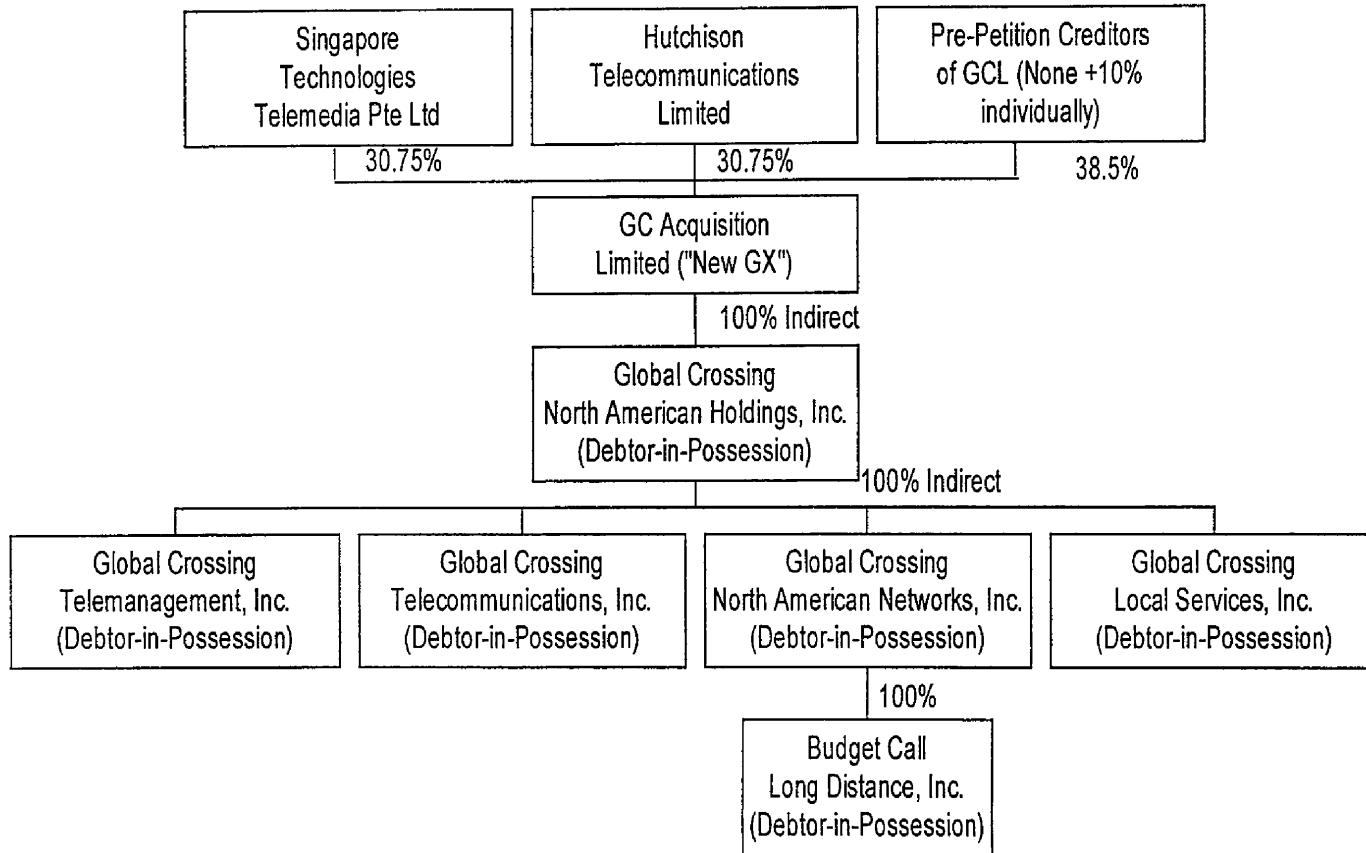
EXHIBIT A

Current and Post-Transaction Organizational Charts

PRE-TRANSACTION CORPORATE STRUCTURE



POST-TRANSACTION CORPORATE STRUCTURE



VERIFICATIONS

DISTRICT OF COLUMBIA

VERIFICATION

I, Michael J. Shortley, III, hereby declare under penalty of perjury, that I am General Counsel – North America of Global Crossing Ltd. (Debtor-in-Possession), the Applicant in this proceeding; that I am authorized to make this verification on the Applicant's behalf; that I have read the foregoing application and exhibits; and that the facts stated therein are true and correct to the best of my knowledge, information and belief. In addition, I hereby declare that the Applicant agrees to adhere to all state laws and all commission policies, rules and orders.

Michael J. Shortley, III
Michael J. Shortley, III
General Counsel – North America
Global Crossing Ltd. (Debtor-in-Possession)

Subscribed and sworn to before me this 27th day of August, 2002.

James Michael Knox
Notary Public

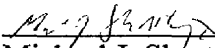
JAMES MICHAEL KNOX
Notary Public District of Columbia
My Commission Expires: 02/28/2005

My Commission expires: _____

DISTRICT OF COLUMBIA

VERIFICATION

I, Michael J. Shortley, III, hereby declare under penalty of perjury, that I am an Authorized Representative of GC Acquisition Limited, the Applicant in this proceeding; that I am authorized to make this verification on the Applicant's behalf; that I have read the foregoing petition and exhibits; and that the facts stated therein are true and correct to the best of my knowledge, information and belief. In addition, I hereby declare that the Applicant agrees to adhere to all state laws and all commission policies, rules and orders.



Michael J. Shortley, III
Authorized Representative
GC Acquisition Limited

Subscribed and sworn to before me this 27th day of August, 2002.



Notary Public

JAMES MICHAEL KNOX
Notary Public District of Columbia
My Commission Expires: 02/28/2005

My Commission expires: _____