PUBLIC NOTICE

Federal Communications Commission
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DA 03-373
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DOMESTIC SECTION 214 APPLICATION FILED FOR CONSENT TO TRANSFER OF CONTROL OF TELEGLOBE USA

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 03-33

On January 9, 2003, Teleglobe USA Inc. (Debtor-in-Possession) ("Old Teleglobe"), Teleglobe Inc. (Debtor-in-Possession), Teleglobe USA LLC ("New Teleglobe"), and TLGB Corporation ("TLGB") (collectively, the "Applicants") filed an application, pursuant to section 63.04 of the Commission's rules,[1] for approval of the sale of Old Teleglobe's telecommunications business out of bankruptcy to TLGB.[2]

Applicants assert that this application is subject to streamlined processing under section 63.03(b)(1)(ii) of the Commission's rules because TLGB, the transferee, is not itself a telecommunications provider. In addition, Applicants assert that this application is eligible for streamlined treatment under section 63.03(b)(2)(i) because TLGB will have a market share in the interstate, interexchange market of substantially less than 10 percent, and neither applicant is dominant with respect to any domestic service.[3]

Old Teleglobe is a Delaware corporation providing both facilities-based and resold telecommunications services to customers in the United States. Old Teleglobe is an indirect wholly-owned subsidiary of Teleglobe Inc., a provider of international telecommunications services in Canada and around the world.

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1 Applicants have also filed applications to transfer control of Old Teleglobe's international section 214 authorizations and cable landing license to TLGB. Any action on this domestic 214 application is without prejudice to Commission action on other related pending applications.

2 The proposed transaction is intended to facilitate the restructuring of Teleglobe and Old Teleglobe under Chapter 11 of the United States Bankruptcy Code. The proposed transaction has been approved by the U.S. Bankruptcy Court for the District of Delaware.

3 47 C.F.R. §§ 63.03(b)(1)(ii), 63.03(b)(2)(i).

New Teleglobe is a newly formed limited liability company organized under the laws of Delaware for the purpose of carrying out the transaction described herein. Initially, New Teleglobe will exist as a wholly subsidiary of Old Teleglobe. Following consummation of the proposed transaction, New Teleglobe will exist as a wholly owned subsidiary of TLGB.

TLGB is a Delaware holding company that, after consummation of the proposed transaction, will be the direct parent company of New Teleglobe. TLGB is an indirect wholly-owned subsidiary of Teleglobe International Holdings Ltd. ("TIH"), a newly formed Bermuda operation. The majority owners of TIH are four investment funds that are affiliated with Cerberus Capital Management, L.P. ("Cerberus"). Cerberus is a private equity fund manager based in New York that manages over $8 billion in assets, including investments in the technology and telecommunications sectors.

On May 28, 2002, Old Teleglobe and Teleglobe Inc.'s other U.S. subsidiaries filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, in the United States Bankruptcy Court for the District of Delaware. Teleglobe's U.S. subsidiaries' Chapter 11 cases (the "U.S. Chapter 11 Proceedings" and together with Canadian bankruptcy proceedings, the "Bankruptcy Proceedings") have been consolidated for procedural purposes and are being administered jointly. As part of the Bankruptcy Proceedings, Teleglobe Inc., and Old Teleglobe and all their affiliates are undergoing a reorganization (the "Teleglobe Reorganization") which, among other steps, involves the transfer and sale of Old Teleglobe's telecommunications assets and businesses in the United States. On October 10, 2002, the Bankruptcy Court entered an Order holding that TLGB's affiliate, TLGB Acquisition LLC, had submitted the highest and best offer for the U.S. assets of Teleglobe, Inc. and its U.S. debtor subsidiaries. The Bankruptcy Court authorized Teleglobe Inc. and its U.S. subsidiaries, including Old Teleglobe, to consummate the transaction described below.

In furtherance of the Teleglobe Reorganization, on September 19, 2002, Teleglobe Inc., together with certain of its subsidiaries, including Old Teleglobe, (collectively "Sellers"), and TLGB's affiliate, TLGB Acquisition LLC, executed a purchase agreement and certain ancillary agreements (collectively, the "proposed transaction"). Pursuant to the proposed transaction, Old Teleglobe formed a limited liability company under the laws of Delaware (*i.e.,* New Teleglobe) as a wholly-owned subsidiary of Old Teleglobe. Immediately prior to the closing of the proposed transaction, Old Teleglobe will assign substantially all of its assets, including its international and domestic section 214 authorizations, to New Teleglobe. At closing, Old Teleglobe will then transfer 100% of the stock of New Teleglobe to TLGB. As a result of the sale, New Teleglobe will succeed to the current business and operations of Old Teleglobe and will exist as a wholly-owned subsidiary of TLGB.

Applicants state that grant of this application will serve the public interest because it will lead to the re-emergence of stronger and better-financed competitors in the market for telecommunications services in the continental United States and international points. According to the Applicants, under TLGB's ownership, New Teleglobe will be able to operate in a more efficient and economical manner and will have better access to capital needed to maintain and grow New Teleglobe's competitive telecommunications business. Applicants state that TLGB's acquisition of Old Teleglobe's business will permit New Teleglobe to continue to provide high quality services that Old Teleglobe currently offers to U.S. consumers Applicants assert that this will enhance competition and thus serve the public interest.

GENERAL INFORMATION

The transfer of control application identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments within 14 days** and **reply comments within 21 days** of this notice.[4] Unless otherwise notified by the Commission, an applicant is permitted to transfer control of the domestic lines or authorization to operate on the 31st day after the date of this notice.[5] Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov/e-file/ecfs.html>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appear in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Vistronix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this

[4] *See* 47 C.F.R. § 63.03(a).

[5] Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

(1) the Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893.

(2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: twilson@fcc.gov, and

(3) William Dever, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room , 5-C266, Washington, D.C. 20554; e-mail: wdever@fcc.gov; and

(4) Imani Ellis-Cheek, Telecommunications Division, International Bureau, 445 12th Street, S.W., Room 6-A739, Washington, D.C. 20554; email: iellis@fcc.gov; and

(5) Nandan Joshi, Office of General Counsel, 445 12th Street, S.W., Room 8-A820, Washington, D.C. 20554; e-mail: njoshi@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com.

For further information, please contact Tracey Wilson, at (202) 418-1394 or Dennis Johnson, Competition Policy, Wireline Competition Bureau at (202) 418-0809.

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