



PUBLIC NOTICE

Federal Communications Commission
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DA 06-2470
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**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF
CONTROL OF IMPSAT USA, INC. FROM IMPSAT FIBER NETWORKS, INC.
TO GLOBAL CROSSING LIMITED**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 06-215

Comments Due: December 19, 2006
Reply Comments Due: December 26, 2006

On November 28, 2006, Global Crossing Limited (“GCL”), and Impsat Fiber Networks, Inc. (“Impsat”) (collectively, the “Applicants”), filed an application, pursuant to section 63.04 of the Commission’s rules,¹ requesting authority to transfer control of Impsat’s wholly owned subsidiary, Impsat USA, Inc. (“Impsat USA”), to GCL.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment, pursuant to section 63.03(b)(2)(i) of the Commission’s rules, because the proposed transaction would result in: (1) GCL, as the transferee, having less than a 10 percent (10%) market share in the interstate, interexchange market; (2) GCL, as the transferee, providing competitive telephone exchange services or exchange access services exclusively in geographic areas already served by a dominant local exchange carrier that is not a party to this transaction, (3) and neither GCL nor Impsat (nor any affiliate of either) being dominant with respect to any domestic service.

Impsat is a Delaware holding company based in Buenos Aires, Argentina that provides broadband and voice retail and wholesale services to business customers and carriers in South America. Impsat’s U.S. subsidiary, Impsat USA, a Delaware corporation based in Florida, provides satellite and submarine cable-based international services between the United States and Latin America and provides interstate telecommunications services that are incidental to its international services. The jurisdictions in which Impsat USA currently provides domestic interstate telecommunications service are California, Colorado,

¹ 47 C.F.R. § 63.04; *see* 47 U.S.C. § 214.

² Applicants have also filed an application for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications.

District of Columbia, Florida, Georgia, Illinois, Indiana, Michigan, New Jersey, New York, Ohio, Pennsylvania, Puerto Rico, Tennessee, Texas, and Wisconsin.³ Applicants state that nearly half of Impsat's stock is held by the following U.S.-based investment firms: Morgan Stanley & Co. (26.4 percent); UBS Securities LLC (19 percent); York Capital Management (12.7 percent), and SDS Capital Partners (5.3 percent), while the remainder is held by management and public stockholders.

GCL is a publicly traded global telecommunications company organized under the laws of Bermuda, with its principal administrative offices in Florham Park, New Jersey. Through its U.S. subsidiaries, GCL provides domestic resold and facilities-based interstate telecommunications services on a retail and wholesale basis nationwide. Applicants state that Singapore Technologies Telemedia Pte Ltd ("ST Telemedia"), an investment holding company organized under the laws of the Republic of Singapore with holdings in various telecommunications and information technology companies, controls GCL through an indirect 56.5 percent equity and voting interest. ST Telemedia is wholly-owned by Temasek Holdings (Private) Limited ("Temasek"), an investment holding company organized under the laws of the Republic of Singapore, which is, in turn, wholly-owned by the Minister of Finance of Singapore.⁴

The following entities will directly or indirectly own at least 10 % of the equity of Impsat and Impsat USA upon consummation of the proposed transaction: U.K. Holdco 2 (United Kingdom Citizenship, 100% owner of Impsat); U.K. Holdco 1 (United Kingdom Citizenship, 100% owner of U.K. Holdco 2); GC International Networks Ltd. (Bermuda Citizenship, 100% owner of U.K. Holdco 1); South American Crossing Holdings Limited (Bermuda Citizenship, 100% owner of GC International Networks Ltd.); Global Crossing Holdings Limited (Bermuda Citizenship, 100% owner of South American Crossing Holdings Limited); GCL (Bermuda Citizenship, 100% owner of Global Crossing Holdings Limited); STT Crossing Ltd. (Mauritius Citizenship, 56.5% owner of GCL); Fidelity Management & Research Co. (U.S. Citizenship, 10% owner of GCL); STT Communications Ltd. (Singapore Citizenship, 100 percent owner of STT Crossing Ltd.); ST Telemedia (99.99% owner of STT Communications Ltd.); Temasek (100% owner of ST Telemedia). Applicants state that GCL has no other ten percent or greater shareholders.⁵

Pursuant to an October 25, 2006 Agreement and Plan of Merger, GCL, GC Crystal Acquisition, Inc. ("GC Crystal Acquisition"), a newly established Delaware corporation and an indirect wholly owned subsidiary of GCL, and Impsat agreed that U.K. Holdco 2, a company to be established under United

³ Applicants assert that revenues from Impsat USA's provision of such domestic interstate telecommunications services represent less than 1 percent of Impsat USA's total domestic and international telecommunications revenues.

⁴ Temasek also controls Singapore Telecommunications Limited, the dominant provider of domestic and international telecommunications services in Singapore.

⁵ Applicants state that other individuals and entities hold equity and voting interests of less than 10 percent in GCL, including Richard Rainwater, a U.S. citizen (approximately 5.9 percent) and Carlos Slim Helu, a Mexican citizen (approximately 4 percent), as well as a number of other U.S.-based investment firms and senior officers and directors of GCL. Applicants further assert that three current directors of GCL are also directors of foreign carriers. Specifically, Robert Jay Sachs, Peter Seah Lim Huat, and Lee Theng Kiat are each directors of StarHub Ltd ("StarHub"), a Singapore telecommunications carrier, and Peter Seah Lim Huat, and Lee Theng Kiat are each commissioners of PT Indosat Tbk ("Indosat"), an Indonesian telecommunications carrier.

Kingdom law and the direct parent of GC Crystal Acquisition and an indirect, wholly-owned subsidiary of GCL, will acquire, in exchange for cash and the assumption, refinance, and/or repayment of debt, all of the issued and outstanding shares of common stock of Impsat, constituting all of the voting and equity interest in Impsat. Furthermore, Applicants state that the acquisition will be effectuated through a merger of GC Crystal Acquisition with and into Impsat, with Impsat continuing as the surviving corporation under its existing name. Following the consummation of the proposed transaction, GCL thus will become the indirect parent of Impsat USA.

Applicants state that the proposed transaction will serve the public interest because the transaction will provide Impsat with backing by an entity (GCL) with significant telecommunications experience and financial resources, and thereby strengthen Impsat's financial viability and ability to compete in the U.S. telecommunications market. They further assert that the transaction will be transparent to Impsat USA's customers, who will continue to receive service on the same general terms and who will also benefit from the increase in choices among competitive services.

GENERAL INFORMATION

The transfer of control 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. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before December 19, 2006** and **reply comments on or before December 26, 2006**.⁶ Unless otherwise notified by the Commission, Applicants are permitted to transfer control on the 31st day after the date of this notice.⁷ Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers 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, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.

⁶ See 47 C.F.R. § 63.03(a).

⁷ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

- Paper Filers: 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 appears in the caption of this proceeding, filers 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). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor 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 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, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

You may submit comments, identified by the above noted docket number, by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: (202) 418-0530 or TTY: (202) 418-0432.

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

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpweb.com; telephone: (202) 488-5300, fax: (202) 488-5563;
- (2) Cecilia Seppings, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C230, Washington, D.C. 20554; email: cecilia.seppings@fcc.gov;
- (3) Jodie May, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C225, Washington, D.C. 20554; e-mail: jodie.may@fcc.gov;
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: jim.bird@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, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail: www.bcpiweb.com.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (tty).

For further information, please contact Cecilia Seppings at (202) 418-1588 or Jodie May at (202) 418-0913.

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