



PUBLIC NOTICE

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APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF GLOBAL CROSSING LIMITED TO LEVEL 3 COMMUNICATIONS, INC.

PLEADING CYCLE ESTABLISHED

IB Docket No. 11-78

Petitions/Comments Due: July 11, 2011

Oppositions Due: July 21, 2011

Replies Due: July 28, 2011

Global Crossing Limited (GCL) and Level 3 Communications, Inc. (Level 3 Parent, and together with GCL, the Applicants) filed a series of applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Communications Act),¹ and the Cable Landing License Act of 1921,² seeking approval for the transfer of control of GCL and its subsidiaries.³ Specifically, Applicants seek approval to transfer control of domestic and international section 214 authorizations, cable landing licenses, and satellite earth station licenses held by various subsidiaries of GCL⁴ to Level 3 Parent. Level 3 Parent also filed a petition pursuant to section 310(b)(4) of the Communications Act,⁵ requesting a declaratory ruling that indirect foreign ownership of certain common carrier wireless licenses held by two of its subsidiaries is in the public interest.

GCL is a Bermuda exempted limited-liability company, which through its operating subsidiaries owns and operates a global Internet Protocol (IP)-based fiber network directly connecting more than 300 cities in 30 countries. GCL provides telecommunications services, data and IP-based services over its

¹ 47 U.S.C. § 214, 310(d).

² 47 U.S.C. §§ 34-39.

³ Global Crossing Limited and Level 3 Communications, Inc., Application for Consent to Transfer Control of Authority to Provide Global Facilities-Based and Global Resale International Telecommunications Services and of Domestic Common Carrier Transmission Lines, Pursuant to Section 214 of the Communications Act, as Amended, IB Docket No. 11-78 (filed May 13, 2011) (Applications). The applications for transfer of control of cable landing licenses and 214 authorizations are jointly filed by the Applicants; the application for transfer of control of non-common carrier satellite earth station authorization is filed by Global Crossing Americas Solutions, Inc., a subsidiary of GCL. Applicants filed supplements to their applications on May 27 and 31, 2011.

⁴ The GCL subsidiaries are and will be wholly owned through its subsidiary Global Crossing Holdings Limited (GCHL). Several are and will, in turn, be held through GCHL's subsidiary Global Crossing North America Holdings Inc. These licensees and authorization holders are: Global Crossing North America, Inc., Global Crossing Local Services, Inc., Global Crossing Telecommunications, Inc. and Global Crossing Bandwidth, Inc.

⁵ 47 U.S.C. § 310(b)(4).

network to corporations, government agencies, and telecommunications carriers. GCL's U.S. operating subsidiaries hold numerous Commission authorizations for international telecommunications services, undersea cable facilities, and non-common carrier satellite earth stations.⁶ In addition, the GCL domestic operating companies, Global Crossing Americas Solutions, Inc. (GCAS), Global Crossing Bandwidth, Inc. (GCBI), Global Crossing Local Services, Inc. (GCLS), and Global Crossing Telecommunications, Inc. (GCTI), each provide domestic interstate, intrastate and local exchange service and international telecommunications and information services in all 50 states and the District of Columbia.

GCAS, a Delaware corporation and a wholly owned, indirect subsidiary of GCL, principally provides private-line voice, data, video and business telecommunications services between the United States and Latin America and is an incidental provider of interstate interexchange services.⁷ GCAS holds international section 214 authority and blanket domestic section 214 authority. GCAS is also a joint cable landing licensee for the Americas-II undersea cable system.

GCBI, a California corporation and a wholly owned, indirect subsidiary of GCL, principally provides domestic interexchange services. GCBI provides services under blanket domestic section 214 authority and through the international section 214 authority of its parent, Global Crossing North America, Inc. (GCNA). GCLS, a Michigan corporation and wholly owned, indirect subsidiary of GCL, provides competitive access and competitive local exchange services. GCNA, a New York holding company with international 214 authorization, is a wholly owned, indirect subsidiary of GCL. GCTI, a Michigan corporation and wholly owned, indirect subsidiary of GCL, principally provides toll resale and facilities based services.

GT Landing II Corp., a Delaware corporation and a wholly owned, indirect subsidiary of GCL, principally owns and operates the U.S. territory portions of the following undersea cable systems, for which it holds cable landing licenses: Atlantic Crossing-1, a non-common carrier system connecting Brookhaven Township, New York, with Sylt, Germany, Beverwijk, the Netherlands and Whitesands, United Kingdom; Atlantic Crossing-2, GT Landing II's half-interest in a non-common carrier system connecting Brookhaven, New York with Bude, United Kingdom;⁸ Mid-Atlantic Crossing, a non-common carrier system connecting Brookhaven, New York, Hollywood, Florida and St. Croix, U.S. Virgin Islands; Pan American Crossing, a non-common carrier system connecting Grover Beach, California, Tijuana and Mazatlan, Mexico, Jaco, Costa Rica, Fort Amador and Ambush Range, Panama, Puerto Viejo, Venezuela, and St. Croix, U.S. Virgin Islands; South American Crossing, a non-common carrier system connecting St. Croix, U.S. Virgin Islands, with Fortaleza, Rio De Janeiro and Santos, Brazil, Las Toninas, Argentina, Valparaiso, Chile, Lurin, Peru and Fort Amador, Panama.

GCL is controlled by STT Crossing, a Mauritius private limited-liability company. STT Crossing is wholly owned by STT Communications Ltd, a Singapore company, which is wholly owned by Singapore Technologies Telemedia Pte Ltd (ST Telemedia), a Singapore holding company. ST Telemedia is wholly owned by Temasek Holdings (Private) Limited (Temasek), a Singapore-based investment holding company, which is wholly owned by the Government of Singapore through the Minister for Finance.

⁶ Applicants state that GCL's operating subsidiaries no longer hold any wireless licenses authorized by the Commission.

⁷ GCAS is wholly owned by Impsat Fiber Networks, Inc., a Delaware holding corporation, which is wholly owned by GC Impsat Holdings II Ltd., a United Kingdom holding company, which is wholly owned by GC Impsat Holdings I Ltd., a United Kingdom holding company. GC Impsat Holdings I Ltd. is wholly owned by GC Impsat Holdings Nederlands B.V., a Netherlands holding company, which is wholly owned by Global Crossing Holdings Limited, a Bermuda holding company, which is wholly owned by GCL.

⁸ Level 3 Communications, LLC is the other half-interest holder and joint cable landing licensee. Level 3's interest is called the Yellow system.

Level 3 Parent, a publicly traded Delaware corporation, provides global telecommunications and information services. Through its operating subsidiaries, Level 3 Parent offers communications services over its broadband fiber-optic network in North America, Europe, and Asia, including IP-based services, broadband transport, collocation services, and managed modem and voice services. Level 3's operating subsidiaries hold numerous Commission authorizations for international telecommunications services, undersea cable facilities, satellite earth stations, and terrestrial wireless facilities, and they rely on blanket section 214 authority to provide domestic telecommunications services throughout the United States. Level 3 Parent's operating subsidiaries provide domestic interstate, intrastate, and local exchange services, international telecommunications and information services throughout the United States. Level 3 Parent's operating subsidiaries provide exchange access services in the areas served by GCAS, GCBI, GCLS, and GCTI. Apollo Amalgamation Sub, Ltd. (Amalgamation Sub), a Bermuda exempted limited-liability company and direct subsidiary of Level 3 Parent, has no operations or infrastructure and was established for the purpose of amalgamating with GCL. Southeastern Asset Management, Inc. (SAM), a Tennessee corporation, holds a 31.46 percent interest in Level 3 Parent. The remaining 68.54 percent is widely held.

On April 10, 2011, GCL, Level 3 Parent and Amalgamation Sub executed an Agreement and Plan of Amalgamation whereby GCL and Amalgamation Sub will, subsequent to the receipt of stockholder and regulatory approvals, amalgamate pursuant to the Companies Act 1981 of Bermuda and form a single company, Level 3 GC Limited (Level 3 GC, a Bermuda entity).⁹ Thus, upon consummation of the proposed transaction, GCL and all of its subsidiaries will be wholly owned by Level 3 GC, which will be wholly owned by Level 3 Parent, which will be owned by STT Crossing Ltd. (24.47 percent) and its parents, SAM (17.37 percent) and by other non-controlling shareholders (58.16 percent). Applicants state that none of SAM's owners hold a ten percent or greater interest in Level 3 Parent. In connection with the amalgamation, Level 3 Parent and STT Crossing Ltd also entered into a Stockholder Rights Agreement whereby the ability of ST Telemedia to influence or to obtain additional ownership of Level 3 Parent is subject to various conditions.¹⁰

The Applicants state that grant of their requests is in the public interest because the acquisition of GCL and its subsidiaries would allow the combined company to offer an expanded suite of services, including globally-delivered transport, IP-based, data, content delivery, data center, collocation and voice services. Applicants contend that the proposed transaction will also provide the amalgamated company greater geographic reach in North America, Latin America, Europe and Asia with a combination of intercity and metro networks and undersea cable facilities and thus enabling it to better address the needs of enterprises, content providers, carriers and governments. The Applicants further claim that the acquisition will create a stronger competitor to large domestic carriers, including AT&T and Verizon Business.

⁹ The applications and petition to the Commission are brought in connection with the Applicants' agreement that Level 3 Parent acquire GCL through an amalgamation, a merger-like transaction governed by the Companies Act 1981 of Bermuda whereby Level 3 Parent's wholly owned, special purpose, direct subsidiary, Apollo Amalgamation Sub Ltd. (Amalgamation Sub, a Bermuda limited-liability company), will be amalgamated with GCL and continue existence as a single entity to be known as Level 3 GC Limited.

¹⁰ According to the Applicants, the Stockholder Rights Agreement (Agreement) limits ST Telemedia's ability to make any share acquisitions unless, after giving effect to such share acquisitions, ST Telemedia's interest in Level 3 Parent is less than 34.5 percent, absent written consent by a majority of Level 3 Parent's board of directors (excluding directors designated by STT Crossing). The Agreement also grants to STT Crossing the right to designate a set number of directors on Level 3 Parent's board of directors as of closing, depending on the overall size of the board at closing. STT Crossing will have the right to designate three directors for a board of 13 or fewer members, four directors for a board of 14 to 16 members, and five directors for a board of 17 or more members. Thereafter, STT Crossing has the right to nominate such number of designees to the board that is proportionate to its shareholding in Level 3. STT Crossing currently has the right to appoint eight of the ten directors on GCL's board.

SECTION 214 AUTHORIZATIONS

A. International

The Applicants seek consent to the transfer of control of certain international section 214 authorizations from GCL to Level 3 Parent. The authorizations have been assigned the file numbers listed below.

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20110513-00133	Global Crossing Americas Solutions, Inc. (CGAS)	ITC-214-19950717-00062 ITC-214-19950831-00047 ITC-214-19970703-00372 ITC-214-19980430-00286
ITC-T/C-20110516-00136	Global Crossing North America, Inc. (GCNA)	ITC-214-19980520-00334

Applicants request that GCAS, GCNA and Level 3 Communications, LLC be accorded non-dominant status on the U.S.-Laos and U.S.-Singapore routes on the basis that GCAS and GCNA (now regulated as dominant in the provision of international telecommunications services on these routes due to affiliations with foreign carriers with market power in those markets) will no longer have foreign affiliations in Laos or Singapore upon consummation of the proposed transaction.

B. Domestic

The Applicants filed an application to transfer control of domestic section 214 authority in connection with the proposed transaction.¹¹

CABLE LANDING LICENSE APPLICATIONS

The applications for consent to the transfer of control of certain cable landing licenses for the Atlantic Crossing-1, Mid-Atlantic Crossing, Pan American Crossing and South American Crossing and interests in the Atlantic Crossing-2 and Americas-II cables from GCL to Level 3 Parent have been assigned the file numbers listed below.

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
SCL-T/C-20110512-00014	Global Crossing Americas Solutions, Inc.	SCL-LIC-19980429-00019
SCL-T/C-20110512-00015	GT Landing II Corp.	SCL-LIC-19981010-00023 SCL-MOD-20020415-00035
SCL-T/C-20110512-00016	GT Landing II Corp.	SCL-LIC-19970506-00003 SCL-MOD-20020415-00033
SCL-T/C-20110512-00017	GT Landing II Corp.	SCL-MOD-20000511-00018
SCL-T/C-20110512-00018	GT Landing II Corp.	SCL-LIC-19981103-00022 SCL-MOD-20020415-00036
SCL-T/C-20110512-00019	GT Landing II Corp.	SCL-LIC-19990823-00015 SCL-MOD-20020415-00054

¹¹ Applications, *supra* note 3.

SATELLITE EARTH STATION APPLICATIONS

Global Crossing Americas Solutions, Inc., a subsidiary of GCL, seeks consent to transfer control to Level 3 Parent of non-common-carrier satellite earth station authorizations. This application has been assigned File No. SES-T/C-20110513-00579 (Lead Call Sign: E010051).

PETITION FOR DECLARATORY RULING UNDER SECTION 310(b)(4)

Level 3 Parent wholly owns Level 3 Financing, Inc., a Delaware organized entity, which in turn wholly owns Level 3 Communications, LLC, a Delaware organized entity, which in turn wholly owns TelCove Operations, LLC and Wiltel Communications, LLC, also Delaware organized entities. TelCove Operations, LLC wholly owns TelCove, FWL, Inc. (TelCove), a Delaware organized entity, which holds 193 Local Multipoint Distribution Service (LMDS) licenses and 177 39 GHz licenses. WilTel Communications, LLC wholly owns Vyvx, LLC (Vyvx), also a Delaware organized entity, which holds 15 common-carrier satellite earth station authorizations.

Level 3 Parent has filed a petition for declaratory ruling pursuant to section 310(b)(4) of the Act, 47 U.S.C. § 310(b)(4), and the Commission's *Foreign Participation Order*,¹² asserting that it is in the public interest to permit a greater than 25 percent indirect foreign ownership interest via Level 3 GC in TelCove and Vyvx. Specifically, the petition seeks authority for 46.11 percent foreign ownership consisting of: approximately 24.47 percent indirect equity-and-voting interest to be acquired by STT Crossing; an aggregate of approximately 11.42 percent indirect equity-and-voting interest by other investors from WTO-member countries, including 8.16 percent held jointly by Fairfax Financial Holdings Limited, a Canadian entity, an individual Canadian citizen, and three Canadian holding companies; and an aggregate of approximately 10.22 percent indirect equity-and-voting interests to be acquired by retail investors of unknown nationality (and one known investor arguably a citizen of a non-WTO country as it is headquartered in the Bailiwick of Jersey, a non-WTO-member). The other Level 3 GC interests will be held by other shareholders of U.S. nationality (approximately 32.42 percent) and by Level 3 Parent and GCL employees pursuant to Restricted Stock Units, options and warrants (approximately 4.10 percent).

Level 3 Parent also requests that the Commission permit it, Level 3 Parent, to accept an additional aggregate 25-percent indirect equity and/or voting interests from foreign investors without seeking prior Commission approval under section 310(b)(4). This additional aggregate 25-percent interest would consist of potential additional ownership by ST Telemedia (through STT Crossing) up to 34.5 percent (*i.e.*, up to an additional 10.03 percent interest) consistent with the limitations under the Stockholder Rights Agreement between Level 3 Parent and STT Crossing and potential ownership by other foreign investors accounting for the remaining balance (*i.e.*, up to an additional 14.97 percent). Level 3 Parent states that this margin would also accommodate potential fluctuations in ownership in publicly traded Level 3 Parent stock.

Level 3 Parent requests that the Commission accept this additional aggregate foreign ownership provided that no more than 25 percent of Level 3 Parent's total ownership is attributable to entities from non-WTO countries and/or no more than 25 percent is attributable to a single previously unidentified entity from a WTO-member country.

The Petition for Declaratory Ruling has been assigned File No. ISP-PDR-20110513-00004.

¹² *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, IB Docket Nos. 97-142 and 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997), Order on Reconsideration, 15 FCC Rcd 18158 (2000).

EX PARTE STATUS OF THIS PROCEEDING

This proceeding shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules.¹³ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (*e.g.*, .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

GENERAL INFORMATION

The Applications have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission’s rules or policies. Final action on these Applications will not be taken earlier than thirty-one days following the date of this Public Notice.¹⁴ Although applicants request streamlined treatment for its Applications under various sections of the Commission’s rules,¹⁵ in light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, the Applications are not subject to streamlined treatment.¹⁶

Interested parties must file petitions to deny or comments no later than **July 11, 2011**. Persons and entities that timely file comments or petitions to deny may participate fully in the proceeding. Oppositions to petitions must be filed no later than **July 21, 2011**. Replies must be filed no later than **July 28, 2011**. All filings concerning matters referenced in this Public Notice should refer to **DA 11-1019** and **IB Docket No. 11-78**, as well as the specific file numbers of the individual applications or other matters to which the filings pertain.

Under the Commission’s procedures for the submission of filings and other documents, submissions in this matter may be filed electronically (*i.e.*, through ECFS) or by hand delivery.

¹³ 47 C.F.R. §§ 1.1200 *et seq.*

¹⁴ *See* 47 U.S.C. § 309(b).

¹⁵ 47 C.F.R. § 1.767(k)(2), § 63.03(b)(2)(i), and § 63.12.

¹⁶ *See* 47 C.F.R. § 1.767(i), § 63.03(c)(1) and § 63.12(c)(3).

- Electronic Filers: Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) at <http://fjallfoss.fcc.gov/ecfs2/>. See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).
- Paper Filers: Parties who choose to file by paper must file an original and one copy 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. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes 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 must be addressed to 445 12th Street, SW, Washington DC 20554.

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).

Additionally, filers must deliver courtesy copies by email or facsimile to the following Commission staff:

- 1) Carrie-Lee Early, Policy Division, International Bureau, at carrielee.early@fcc.gov or (202) 418-2824 (facsimile);
- 2) Jim Bird, Office of General Counsel, at jim.bird@fcc.gov or (202) 418-1234 (facsimile).
- 3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, at dennis.johnson@fcc.gov or (202) 418-0809 (facsimile); and
- 4) 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; phone: (202) 488-5300 fax: (202) 488-5563.

For further information, contact Carrie-Lee Early, Policy Division, International Bureau, at (202) 418-2776; or Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, at (202) 418-0809.

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