

Categories of Services for 214 Applications
(Streamline/Non-streamline)

- ASSIGNMENT OF LICENSE
- GLOBAL FACILITIES-BASED SERVICE
- GLOBAL FACILITIES-BASED/GLOBAL RESALE SERVICE
- GLOBAL RESALE SERVICE
- INDIVIDUAL FACILITIES-BASED SERVICE
- INTERCONNECTED PRIVATE LINE RESALE SERVICE
- LIMITED GLOBAL FACILITIES-BASED SERVICE/LIMITED GLOBAL RESALE SERVICE
- LIMITED GLOBAL FACILITIES-BASED SERVICE
- LIMITED GLOBAL RESALE SERVICE
- INMARSAT AND MOBILE SATELLITE SERVICE
- SWITCHED RESALE SERVICE
- TRANSFER OF CONTROL
- SUBMARINE CABLE LANDING LICENSE
- INTERNATIONAL SPECIAL PROJECT

Description of Application: _____

FBI

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of:

Global Crossing Marketing USA Inc.

File No. ITC-214-199904 12-00202

Application for Global Authority
Pursuant to Section 214 of the
Communications Act of 1934,
as Amended, to Operate as an
International Facilities-Based and
Resale Carrier

REGISTRATION APR 12 1999

APPLICATION

Global Crossing Marketing USA Inc. (the "Applicant") hereby requests global authority pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.18 of the Commission's Rules, 47 C.F.R. § 63.18, to provide international telecommunications services between the United States and various international points on a facilities and resale basis.

I. BACKGROUND

The Applicant is a corporation organized and existing under the laws of the State of Delaware. The Applicant is an indirect wholly owned subsidiary of Global Crossing Ltd. ("Global Crossing").¹

¹ Global Crossing is a Bermuda company that is majority-owned by U.S. interests. In August 1998, Global Crossing completed its initial public offering of stock in the company, which represents approximately 12% of its outstanding shares.

Global Crossing is developing an independent, global fiber-optic telecommunications network through the deployment of a series of interconnected undersea and terrestrial systems.² As discussed more fully below, several of Global Crossing's systems give rise to foreign affiliations with the Applicant under the Commission's Rules. Specifically, Global Crossing, through a joint venture company known as Global Access Ltd., is constructing a terrestrial network in Japan that will connect three Japanese cities with Global Crossing's Pacific Crossing undersea cable system. In addition, Global Crossing is constructing a terrestrial network in Europe known as Pan European Crossing ("PEC"), which will connect cities in at least 10 European countries with its Atlantic Crossing undersea cable system. The Applicant is also affiliated with the landing parties for the Atlantic Crossing submarine cable system, which are indirect wholly owned subsidiaries of Global Crossing, and which have authority to land and operate the Atlantic Crossing cable system in the United Kingdom, Germany, and the Netherlands, respectively. To the extent that any or all of these entities are deemed foreign carriers within the Commission's Rules, none have market power in their respective markets. Thus, the Applicant's affiliation with these foreign entities raises no competitive issues.

Consistent with the Commission's policy goals to promote effective competition in the

² In addition, Global Crossing has announced a proposed merger with Frontier Corporation, an integrated provider of local, long distance, cellular, paging, data, and Internet services. Frontier also has under construction a nationwide fiber optic network, which is scheduled for completion in 1999. The Frontier transaction is subject to approval by shareholders of both companies, expiration of the Hart-Scott-Rodino waiting period, and various regulatory approvals, and is expected to be completed in the third quarter 1999.

market for international telecommunications services,³ grant of this Application will facilitate the entry of a new facilities-based and resale carrier in this market. Accordingly, grant of this Application is in the public interest.

II. INFORMATION SUBMITTED PURSUANT TO SECTION 63.18

Pursuant to Section 63.18 of the Commission's Rules, 47 C.F.R. § 63.18, the Applicant submits the following information in support of this Application:

- (a) The name, address and telephone number of the Applicant are:
- Global Crossing Marketing USA Inc.
150 El Camino Drive, Suite 204
Beverly Hills, CA 90212
310-385-5200
- (b) The Applicant is a corporation organized and existing under the laws of the State of Delaware.
- (c) Correspondence regarding this Application should be addressed to:

Sherri L. Cook, Vice President
Global Crossing Marketing USA Inc.
150 El Camino Drive, Suite 204
Beverly Hills, CA 90212
Phone: 310-385-5200
Fax: 310-281-8057

with copies to:
Martin L. Stern
Lisa L. Friedlander
Preston Gates Ellis & Rouvelas Meeds LLP
1735 New York Avenue, N.W., Suite 500
Washington, D.C. 20006
Phone: 202-628-1700
Fax: 202-331-1024

³ Order and Notice of Proposed Rulemaking, *Matter of Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, 12 FCC Rcd 7847 ¶ 4 (1997)(“*Foreign Participation Order*”); Report and Order, *Matter of Market Entry and Regulation of Foreign-Affiliated Entities*, 11 FCC Rcd 3873, 3877 (1995).

(d) The Applicant has not previously received authority under Section 214 of the Communications Act.

(e) The Applicant hereby requests four types of authority, all of which are eligible for streamlined processing.⁴ Specifically Applicant requests (1) global facilities-based authority pursuant to Section 63.18(e)(1) of the Commission's Rules, 47 C.F.R. § 63.18(e)(1), to acquire interests in United States-authorized facilities, necessary connecting facilities, and non-U.S. licensed undersea cable systems,⁵ to provide international telecommunications services between the United States and all international points except those countries excluded by the Exclusion List for facilities-based services; (2) global authority pursuant to Section 63.18(e)(2) of the Commission's Rules, 47 C.F.R. § 63.18(e)(2), to resell the international switched services of all United States-authorized carriers, other than those affiliated carriers with market power on a particular route, to provide international switched services between the United States and all international points served by those carriers; (3) global authority pursuant to Section 63.18(e)(2) of the Commission's Rules, 47 C.F.R. § 63.18(e)(2), to resell international private lines to provide international non-interconnected private lines services between the United States and all international points; and (4) authority pursuant to Section 63.18(e)(2) of the Commission's Rules, 47 C.F.R. § 63.18(e)(2), to resell international private lines interconnected to the public

⁴ See Report and Order, *Matter of 1998 Biennial Regulatory Review – Review of International Common Carrier Regulations*, FCC 99-51, IB Docket No 98-118 (rel. Mar. 23, 1999) (“*Biennial Review Report and Order*”) (reducing waiting period for granting streamlined applications from 35 to 14 days and expanding class of applications eligible for streamlined processing). Report and Order, *Matter of Streamlining the International Section 214 Authorization Process and Tariff Requirements*, 11 FCC Rcd 12884 (1996) (adopting streamlined processing procedures for certain international resale applications) (“*Streamlining Order*”); 47 C.F.R. §63.12 (1996); see also *Foreign Participation Order* at ¶¶ 21, 322-29.

⁵ Such authority shall become effective upon the effective date of the *Biennial Review Report and Order*. See *Biennial Review Report and Order* at ¶¶ 56-62.

switched network ("PSN") at one or both ends to provide international switched services on all international routes on which the Commission permits such services to be provided.⁶

(f) The Applicant seeks no other authorization available under Section 63.18(e) at this time.

(g) The authority requested in this Application is categorically excluded from environmental processing as defined by Section 1.1306 of the Commission's Rules, 47 C.F.R. § 1.1306. As such, an environmental assessment is not required for purposes of this Application.

(h) The Applicant, as a wholly owned indirect subsidiary of Global Crossing, is affiliated, within the meaning of 47 C.F.R. § 63.18(h)(1), with a Japanese foreign carrier, Global Access Ltd., through Global Crossing's 49 percent minority investment in Global Access.

Global Access is a start-up Japanese venture which was recently granted a Japan Type-1 Telecommunications License. In addition, the Applicant is also affiliated with the landing parties for the Atlantic Crossing submarine cable system in, respectively, the United Kingdom, the Netherlands, and Germany (collectively, the "Atlantic Crossing European Landing Entities"). Finally, Global Crossing is constructing a terrestrial fiber optic network in Europe known as Pan European Crossing ("PEC"), which will directly connect 24 European cities with Atlantic Crossing. Necessary applications to construct and operate PEC have been filed or will shortly be filed by the respective PEC subsidiaries in Belgium, France, Germany, Netherlands, the United Kingdom, Austria, Spain, Italy, and Switzerland.⁷

⁶ The FCC will automatically amend all Section 214 authorizations to permit carriers to resell international private lines to provide international switched services between the United States and other countries as the provision of such services becomes permitted by the Commission. See *Streamlining Order* at ¶ 34; Public Notice, *Commencement of Streamlined Section 214 Procedures and Tariff Requirements*, 11 FCC Rd 12219, 12221-22 (1996).

⁷ Denmark, one of the countries that will also be served by PEC, does not require a filing to be made. To date, the applications in Germany, France, the U.K., and the Netherlands have been approved. The Belgium application has

As a start-up, Global Access lacks 50 percent market share in the international transport and local access markets in Japan and thus raises no competitive or foreign affiliation concerns. See *PC Landing Corp.*, File No. SCL-98-006, DA 98-2351 ¶ 12 (rel. Nov. 23, 1998)(noting that Global Crossing's affiliation with Global Access does not raise foreign affiliation concerns as Global Access does not control bottleneck facilities or have the ability to discriminate against U.S. carriers on that route). The same holds true for the PEC subsidiaries and the Atlantic Crossing European Landing Entities in the respective European countries where they operate.

Exhibit A attached hereto contains the relevant Section 63.18(h)(2) information.

(i) By the attached certification, the Applicant certifies that it has not agreed and will not agree in the future to accept any direct or indirect special concessions, as defined in the Commission's Rules, from a foreign carrier or administration with regard to traffic or revenue flows on any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to effect competition adversely in the U.S. market.

(j) By the attached certification, the Applicant certifies that no party to this Application has been denied federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(k) The Applicant is eligible for global authority and streamlined processing of its Application pursuant to Sections 63.10 and 63.12 of the Commission's Rules. See 47 C.F.R. §§ 63.10, 63.12. Except for Global Access on the U.S.-Japan route, the PEC subsidiaries and the three Atlantic Crossing European Landing Entities on the U.S.-Europe routes, the Applicant is not affiliated with a foreign carrier in any other destination market it intends to serve. Therefore,

been preliminarily approved by the Belgium regulatory authority (BIPF), and final grant is expected shortly. Some or all of the remaining PEC applications may be approved during the pendency of this application.

the Applicant is presumptively considered non-dominant for the provision of international communications to markets other than Japan and Europe.⁸ As to the Applicant's affiliation with Global Access, the PEC subsidiaries, and the Atlantic Crossing European Landing Entities, the Commission's Rules contemplate that an applicant with foreign carrier affiliations in a destination market is still eligible for streamlining if it qualifies for a presumption of non-dominance under Section 63.10(a)(3), as is the case here. See section (h) above. See 47 C.F.R. §§ 63.12(c)(1)(i), 63.10(a)(3).⁹

Accordingly, the Applicant, as a non-dominant carrier, is eligible for global Section 214 authority and streamlined processing in every destination market it intends to serve. See 47 C.F.R. §§ 63.10(a)(1); 63.12(a).

⁸ See Order, Authorization and Certificate, *Bell Atlantic Communications, Inc.*, 12 FCC Red 1880 ¶ 12 (1997)(a U.S. carrier having no affiliation with, and that itself is not, a foreign carrier in the destination market is presumptively non-dominant for that route).

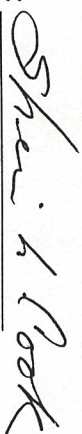
⁹ Furthermore, as stated by the Commission in its order establishing streamlined processing for Section 214 authority, foreign-affiliated U.S. carriers should be treated no differently than non-affiliated U.S. carriers to the extent that the foreign carrier does not possess market power on the routes served. See *Streamlining Order* at ¶ 12.

III. CONCLUSION

The Applicant is legally, financially, and technically qualified to provide the services for which it requests authority. For the reasons stated above, the Applicant submits that the public interest, convenience, and necessity would be furthered by a grant of this Section 214 application.

Respectfully submitted,

Global Crossing Marketing USA Inc.

By: 

Sherri L. Cook, Vice President
Global Crossing Marketing USA Inc.
150 El Camino Drive, Suite 204
Beverly Hills, CA 90212
310-385-5200

Dated: April 9, 1999

EXHIBIT A

Information Submitted Pursuant to Section 63.18(h)(2)

The name, address, citizenship and principal business of Global Crossing Marketing U.S., Inc.'s 10% or greater shareholder is as follows:

<u>Shareholder Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
Global Crossing Holdings U.K. Ltd. ("GC Holdings UK") Washington House, 4 th Floor 40-41 Conduit Street London W1R 9FB England	100	United Kingdom	Holding Company

The name, address, citizenship and principal business of GC Holdings UK's single 100% or greater shareholder is as follows:

<u>Shareholder Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
Global Crossing International Ltd. ("GC International") Wessex House 45 Reid Street Hamilton HM12, Bermuda	100	Bermuda	Holding Company

The name, address, citizenship and principal business of GC International's single 10% or greater shareholder is as follows:

<u>Shareholder Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
Global Crossing Holdings Ltd. ("GC Holdings") Wessex House 45 Reid Street Hamilton HM12, Bermuda	100	Bermuda	Holding Company

The name, address, citizenship and principal business of GC Holdings' single 10% or greater shareholder is as follows:

<u>Shareholder Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
Global Crossing Ltd. ("Global Crossing") Wessex House 45 Reid Street Hamilton HM12, Bermuda	100 ¹	Bermuda	Telecommunications

The name, address, citizenship and principal business of Global Crossing's 10% or greater shareholders are as follows:

<u>Shareholder Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
Pacific Capital Group, Inc. ("PCG") 150 El Camino Drive Beverly Hills, CA 90212	22.80 ²	United States	Investment Company
Global Crossing Ltd., LDC ("GCLL") Wessex House 45 Reid Street Hamilton HM12, Bermuda	23.66	Cayman Islands	Holding Company

The name, address, citizenship and principal business of PCG's single 10% or greater shareholder is as follows:

¹ Percent held is of voting common stock. GC Holdings has completed an unregistered offering for \$500,000,000 aggregate principal amount of 10.50% Senior Exchangeable Preferred Stock due 2008. The preferred stock is non-voting and is not convertible to common stock. In addition, it is held by a broad range of institutional investors, with no single investor holding greater than 10% of the preferred shares.

² Includes the holdings of GKW Unified Holdings, LLC, a company formed for the benefit of Gary Winnick and members of his family, which is managed by PCG. As discussed below, Gary Winnick, as owner and trustee, is the single 100% shareholder of PCG. PCG's percentage held also includes its interest in common stock issuable upon the exercise of certain warrants.

<u>Shareholder Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
Gary Winnick (as owner and trustee) 150 El Camino Drive Beverly Hills, CA 90212	100	United States	Investments

The name, address, citizenship and principal business of GCLL's single 10% or greater shareholder is as follows:

<u>Shareholder Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
CIBC Wood Gundy Capital (SFC) Inc. ("CIBC WG") 161 Bay Street, 8 th Floor BCE Place, P.P. Box 500 M5J2S8 Toronto, Canada	100	Canada	Investment Company

The name, address, citizenship and principal business of CIBC WG's single 10% or greater shareholder is as follows:

<u>Shareholder Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
Canadian Imperial Bank of Commerce ("CIBC") 161 Bay Street, 8 th Floor BCE Place, P.P. Box 500 M5J2S8 Toronto, Canada	100	Canada	Banking

CIBC is a Canadian corporation publicly traded on, inter alia, the Toronto, New York and London stock exchanges, whose shares are widely held.

With the exception of certain commonly-owned entities, Global Crossing Marketing

USA Inc. does not have interlocking directorates as that term is defined in Section 62.2 of the Commission's rules, 47 C.F.R. § 62.2.

CERTIFICATIONS OF APPLICANT

Global Crossing Marketing USA certifies that it is not subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. Global Crossing Marketing USA certifies, as set forth more fully in the foregoing Application, that it is affiliated, within the meaning of 47 C.F.R. § 63.18(h)(1), with entities that are presently authorized to provide international telecommunications services, or whose authorization to provide such services is expected imminently, in the following countries: Denmark, Germany, France, the U.K., the Netherlands, Belgium, and Japan.

Global Crossing Marketing USA has not agreed to accept nor shall it accept in the future any special concessions, as defined by the Commission's Rules, directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flows on any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market.

Global Crossing Marketing USA Inc.

By: 

Sherri L. Cook, Vice President
Global Crossing Marketing USA Inc.
150 El Camino Drive, Suite 204
Beverly Hills, CA 90212
310-385-5200

Dated: April 9, 1999

REMITTANCE ADVICE

(1) LOCKBOX # 358115

PAGE NO. 1 OF 1

SECTION A - PAYER INFORMATION

Preston Gates Ellis & Rouvelas Meeds LLP

1735 New York Avenue, N.W.

Suite 500

(2) TOTAL AMOUNT PAID (Lessors and cards) \$ 780.00

(8) CITY

Washington

(7) STATE D.C.

(4) ZIP CODE 20006

(9) PAYMENT TELEPHONE NUMBER (Include area code) (202) 628-1700

(10) COUNTRY CODE (if not in USA)

IF PAYER NAME AND THE PROGRAM NAME ARE DIFFERENT, COMPLETE SECTION B FOR MORE INFORMATION ON INDUSTRY SHEETS FOR PAYER'S

SECTION B - APPLICANT INFORMATION

(11) APPLICANT NUMBER (if credit card, enter name entity as it appears on your card) Global Crossing Marketing USA Inc.

(12) STREET ADDRESS LINE NO. 1 150 El Camino Drive

(13) STREET ADDRESS LINE NO. 2 Suite 204

(14) CITY

Beverly Hills

(15) PAYMENT TELEPHONE NUMBER (include area code) (310) 385-5200

(16) STATE CA

(14) ZIP CODE 90212

SECTION C - PAYMENT INFORMATION

(18) POC CALL SIGN/ITER ID

(18A) PAYMENT TYPE CODE (PTC)

(18B) QUANTITY

(18C) FREE DUE FOR (PTC) IN BLOCK 28C \$780.00

(18D) POC CODE 1

(19) POC CALL SIGN/ITER ID

(19A) PAYMENT TYPE CODE (PTC)

(19B) QUANTITY

(19C) FREE DUE FOR (PTC) IN BLOCK 28C

(19D) POC CODE 2

(20) POC CALL SIGN/ITER ID

(20A) PAYMENT TYPE CODE (PTC)

(20B) QUANTITY

(20C) FREE DUE FOR (PTC) IN BLOCK 28C

(20D) POC CODE 3

(21) POC CALL SIGN/ITER ID

(21A) PAYMENT TYPE CODE (PTC)

(21B) QUANTITY

(21C) FREE DUE FOR (PTC) IN BLOCK 28C

(21D) POC CODE 4

(22) POC CALL SIGN/ITER ID

(22A) PAYMENT TYPE CODE (PTC)

(22B) QUANTITY

(22C) FREE DUE FOR (PTC) IN BLOCK 28C

(22D) POC CODE 5

SECTION D - PAYER INFORMATION REQUIRED

PAYER TIN 0910534064

APPLICANT TIN 0954670978

(23) SIGNATURE STATEMENT: I, SAKERI, A. Pook

PRINT NAME

Certify under penalty of perjury that the foregoing and supporting information are true and correct to the best of my knowledge, information and belief. SIGNATURE Sakeri A. Pook

SECTION F - CREDIT CARD PAYMENT INFORMATION

MATRICARD NUMBER

AUTHORIZED SIGNATURE

EDUCATION DATE MONTH YEAR

SEE PUBLIC BURDEN ESTIMATE ON REVERSE



PRESTON GATES ELLIS &
ROUVELAS MEEDS LLP
ATTORNEYS
1735 NEW YORK AVE, NW
WASHINGTON, DC 20006

CITIBANK, F.S.B.
WASHINGTON, D.C. 20006
15-7011-2540

00010842

10842

SEVEN HUNDRED EIGHTY AND XX / 100 DOLLARS

DATE
04/09/99

AMOUNT
*****\$780.00

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TO THE
ORDER
OF
FED. COMMUNICATIONS COMM.

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Katherine Kent

MP

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1990 M. St., N.W., Washington, D.C. 20036, Suite 740 -- 202-293-4964

23787

FROM:

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Martin L. Stern Company	(202) 662-8468	
Street Address		
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City	State	ZIP
Washington,	DC	20006

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