

APPLICATION FOR CABLE LANDING LICENSE—
STREAMLINED PROCESSING REQUESTED

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

In the Matter of Application of)
)
Williams Communications, LLC,)
)
Shareholders of WilTel Communications Group, Inc.)
)
And) File No.
)
Leucadia National Corporation)
)
for Approval of Transfer of Control of)
Submarine Cable Landing Licenses)

Attention: International Bureau

**APPLICATION FOR TRANSFER OF CONTROL OF INTERESTS
IN CABLE LANDING LICENSES**

Williams Communications, LLC (“WCL”), the Shareholders of WilTel Communications Group, Inc. (“WilTel”), and Leucadia National Corporation (“Leucadia”)¹ hereby request authority under the Submarine Cable Landing License Act for Commission consent to the transfer of control of WCL from WilTel to Leucadia. The Applicants seek FCC consent to the proposed transfer of control with respect to small interests in the Japan-U.S. Cable Network² and

¹ WCL, WilTel, and Leucadia are collectively referred to herein as the “Parties” or the “Applicants.” WCL, which was named Williams Communications, LLC, and has been renamed WilTel Communications, LLC, also holds satellite earth station licenses, domestic and international Section 214 authority, and microwave licenses. The Parties are filing appropriate applications for consent to the transfer of control of those licenses and authorizations.

² See AT&T Corp. et al, *Cable Landing License*, 14 FCC Rcd 13,066, FCC 99-167, File No. SCL-LIC-19981117-00025 (rel. July 9, 1999) (*Japan-U.S. Cable Landing License*).

the China-U.S. Cable Network.³ Grant of the instant application will allow the parties to consummate an exchange offer for shares of WilTel stock in an amount that will increase Leucadia's ownership of WilTel from under fifty percent to ownership of WilTel to more than fifty percent (majority control).

As discussed below, the application qualifies for streamlined treatment pursuant to Section 1.767(k) of the Commission's rules.

Background

Leucadia made its initial investment in WilTel in 2002 as part of the plan of reorganization ("POR") approved by the United States Bankruptcy Court for the Southern District of New York (Case No. 02-1195700). In the POR, WilTel was formed as a new corporation for which new publicly-traded common stock was issued to Leucadia and the unsecured creditors of the predecessor to WilTel. Leucadia currently owns approximately 47.4 percent of WilTel's stock; the remaining 52.6 percent is widely held among public shareholders. WilTel owns 100% of WCL.

WilTel and Leucadia have entered into an agreement that contemplates the initiation and consummation of an exchange offer through which Leucadia will, if successful, increase its ownership to exceed fifty percent ("Offer"). In order to permit the consummation of the Offer, the Parties request approval of the instant application.

³ See AT&T Corp. et al, *Cable Landing License*, 13 FCC Rcd 16,232, DA 98-1711, File NO. SCL-LIC-199880309-00005 (Int'l Bur., Telecom. Div. rel. Aug. 28, 1998) (*China-U.S. Cable Landing License*).

Transfer of Control

The applicants submit the following information pursuant to the relevant provisions of Section 1.767(a) of the Commission’s rules with respect to the transfer of control of WCL from WiTel to Leucadia:

(1 and 2) The names, addresses, and telephone numbers of the applicants, and the State under the laws of which each corporate or partnership applicant is organized:

	(1) Names, addresses, and telephone numbers:	(2) Jurisdictions:
Licensee:	Williams Communications, LLC ⁴ One Technology Center, TC 15 Tulsa, OK 74103 (918) 547-6000	Delaware
Transferor:	Shareholders of WiTel Communications Group, Inc. WiTel Communications Group, Inc. One Technology Center, TC 15 Tulsa, OK 74103 (918) 547-6000	Nevada
Transferee:	Leucadia National Corporation 315 Park Avenue South New York, NY 10010 (212) 460-1900	New York

(3) Correspondence concerning this application should be addressed to the following:

Candice Cheeseman, Esq.
WiTel Communications Group, Inc.
One Technology Center
Tulsa, OK 74103

Leucadia National Corporation
c/o Joseph Orlando, Chief Financial Officer, Vice President
315 Park Avenue South
New York, NY 10010

⁴ The name of Williams Communications, LLC has been changed to WiTel Communications, LLC.

Mark D. Schneider, Esq.
Sidley Austin Brown & Wood LLP
1501 K Street, N.W.
Washington, DC 20005

(4) & (5) A complete description of the Japan-U.S. and China-U.S. submarine cable systems can be found in the Commission's files. *See* File Nos. SCL-LIC-19981117-00025 (Japan-U.S.) and SCL-LIC-19980309-00005 (China-U.S.) No change is sought here.

(6) Both the Japan-U.S. Cable Network and the China-U.S. Cable Network are licensed as non-common carrier cable systems. This application does not seek to change the regulatory classification of either of those cable systems.

(7) WCL, through assignment, is a joint licensee of the Japan-U.S. Cable Network and the China-U.S. Cable Network. WCL holds an investment share and voting interest of approximately 3.5 percent in the Japan-U.S. Cable Network. In the China-U.S. Cable Network, WCL holds an investment share of approximately 5.41 percent and a voting interest of approximately 6.67 percent. The levels of these interests would not change as a result of the transfer of control of WCL to Leucadia for which approval is sought.

(8) WCL will continue to be affiliated with non-dominant foreign carriers in Japan, the United Kingdom, Canada, and Hong Kong. More specifically, WCL will be affiliated with the following non-dominant foreign carriers:

Williams Communications K.K.
Country of Affiliation: Japan

Williams Communications UK Limited
Country of Affiliation: United Kingdom

Williams Communications Networks, Inc.
Country of Affiliation: Canada

Williams Communications (Hong Kong) Limited
Country of Affiliation: Hong Kong

Pursuant to Section 1.767(a)(8), WCL provides the following information and certifications required in Sections 63.18(h) through (k), as appropriate:

63.18(h): The following are the names, addresses, citizenship, and principal businesses of any person or entity that will directly or indirectly own at least ten percent of the equity of the authorized carrier following the proposed transaction.

Leucadia National Corporation
315 Park Avenue South
New York, NY 10010
(212) 460-1900
Citizenship: USA (New York Corporation)

Principal Business: Holding company engaged in telecommunications, banking and lending, and other businesses.

Ian M. Cumming⁵
529 East South Temple
Salt Lake City, Utah 84102
Citizenship: USA

Joseph S. Steinberg⁶
315 Park Avenue South
New York, NY 10010
Citizenship: USA

⁵ Ian M. Cumming is Chairman of the Board of Leucadia.

⁶ Joseph S. Steinberg is President of Leucadia.

Following the proposed transaction, Leucadia will hold more than fifty percent of WilTel's stock, thus requiring the FCC's prior consent.⁷ As of August 25, 2003, Ian Cumming beneficially owned approximately 15.3% of the outstanding shares of Leucadia, and Joseph Steinberg beneficially owned approximately 16.8% of the outstanding shares of Leucadia (in each case including shares owned by charitable trusts or trusts for the benefit of Mr. Steinberg's children over which Mr. Steinberg does not have voting or dispositive power). Messrs. Cumming and Steinberg have an oral agreement pursuant to which they will consult with each other as to the election of a mutually acceptable Board of Directors of Leucadia. The Offer will dilute the ownership levels of Mr. Cumming and Mr. Steinberg because shares of Leucadia will be exchanged for shares of WilTel as part of the Offer.

WilTel still will hold all of the stock of WCL. No other owner of Leucadia's stock will directly or indirectly own ten percent or more of WilTel's or WCL's stock.

Interlocking directorates with foreign carriers. To the Parties' knowledge, none of the directors of Leucadia is an officer or director of a foreign carrier.

] **§ 63.18(i):** WCL is affiliated with the following non-dominant foreign carriers and will retain those affiliates subsequent to the proposed transfer of control. Specifically, WCL will be affiliated with the following non-dominant foreign carriers:

Williams Communications K.K.
Country of Affiliation: Japan

Williams Communications UK Limited
Country of Affiliation: United Kingdom

Williams Communications Networks, Inc.
Country of Affiliation: Canada

Williams Communications (Hong Kong) Limited
Country of Affiliation: Hong Kong

⁷ As part of the Offer, Leucadia may have a wholly-owned subsidiary, Wrangler Acquisition Corp. ("Wrangler"), temporarily hold its shares of WilTel, pending the merger of Wrangler into WilTel. The temporary role of Wrangler will be determined by the number of public shareholders of WilTel that subscribe to the Offer. If the Offer is successful, Leucadia intends to acquire up to 100% of the stock of WilTel.

§ 63.18(j): Neither the Japan-U.S. Cable Network nor the China-U.S. Cable Network lands in Australia, the United Kingdom, Canada, or Hong Kong. The Japan-U.S. Cable Network lands in Japan, but WCL's affiliate in Japan has less than 1 percent market share and lacks market power there. The transaction for which authorization is sought would not change any of the licensee's affiliations.

§ 63.18(k): WCL hereby certifies that all of the markets referenced in Section (j) of this application are Members of the World Trade Organization ("WTO") and the WCL's affiliates in those markets lack market power.

§63.18(o): Pursuant to Sections 1.2001-2003 of the Commission's rules, the applicants certify that no party to this application is subject to a denial of Federal benefits pursuant to sections 5301 of the Anti-Drug Abuse Act of 1988.

(9) WCL hereby certifies that it accepts and will abide by the routine conditions specified in Sections 1.767(g) of the Commission's rules that apply to the cable licenses WCL holds.

Eligibility for Streamlined Processing

As required by Section 1.767(k) of the Commission's rules, the applicants hereby demonstrate that they are eligible for streamlined processing. Specifically, the applicants qualify, pursuant to Section 63.12(c)(1)(ii), for a presumption of non-dominance under Section 63.10(a)(3), because WCL's affiliate in Japan has less than 1% market share. In addition, the applicants certify that Japan, the destination market where the applicant has an affiliation with a

foreign carrier, is a Member of the WTO, and the applicants agree to accept and abide by the reporting requirements set out in Section 1.767(1) to the extent applicable.

Conclusion

For the reasons discussed herein, the applicants respectfully request that the Commission grant authority for the transfer of control of WCL from WilTel to Leucadia.

Respectfully submitted,

Shareholders of WilTel Communications
Group, Inc.

Leucadia National Corporation

By: _____
Jeff Storey, Chief Executive Officer
& President

By: _____
Joseph Orlando, Chief Financial Officer
& Vice President

Williams Communications, LLC

By: _____
Candace Cheeseman, General Counsel & Secretary