

Global Crossing Telecommunications, Inc., Budget Call Long Distance, Inc., Global Crossing North America Networks, Inc., Global Crossing Local Services, Inc. and Global Crossing Telemangement, Inc. are wholly-owned subsidiaries of Global Crossing North America, Inc. (“Parent”) a Delaware corporation which is in turn a wholly-owned subsidiary of Global Crossing Limited (“Global Crossing”), a company organized under the laws of Bermuda. Global Crossing’s core network connects more than 300 major cities in 29 countries worldwide and delivers services to more than 600

cities in 60 countries and six continents. The Petitioners are authorized to provide telecommunications services in all 50 states and the District of Columbia.

In Tennessee, Global Crossing Telecommunications, Inc. has approximately 413 customers and was authorized to provide resold intrastate interexchange services by Order dated September 25, 1985 in Tennessee Public Service Commission ("TPSC") Case No. U-84-7325. Budget Call Long Distance, Inc. was authorized to provide resold interexchange services in Tennessee by Order dated August 2, 1995 in TPSC Case No. 95-02731. Global Crossing North American Networks, Inc. was authorized to provide facilities-based intrastate interexchange services by Order dated August 23, 1985 in TPSC Case No. 95-02845. Global Crossing Local Services, formerly known as Frontier Local Services, Inc. was authorized to provide facilities-based competitive local exchange services by Authority Order dated November 18, 1999 in Docket No. 99-00120. In Tennessee, Global Crossing Telemanagement, Inc. has approximately 47 customers and was authorized to provide resold competitive local exchange services by Authority Order dated April 21, 1998 in Docket No. 97-07531. The Petitioners are also authorized to provide interstate telecommunications services by the Federal Communications Commission ("FCC"). In addition, Global Crossing Telecommunications, Inc., Budget Call Long Distance, Inc., and Global Crossing North American Networks, Inc. are authorized to provide international telecommunications service by the FCC.

The Petition

On May 26, 2006, the Petitioners filed their *Petition* requesting Authority approval to provide security in connection with financing. Specifically, the Petitioners request approval to serve as a co-borrower and to provide a guarantee for financing of up to \$200 million being arranged for by Parent. Currently, the proposed financing includes a \$55 million revolving senior credit facility from a commercial bank. The exact amount or terms of each financing, which may be completed in multiple tranches, will not be finalized until the specific arrangement(s) have been completed and will reflect the market conditions then existing. Terms, such as the interest rate may fluctuate during the term of the financing depending on changes in market conditions and the performance of the borrower. Financing providers may be banks, financial institutions,

private lending institutions, private individuals and /or other institutions, either individually or a consortium.

According to the Petitioner, some of the proceeds from the financing transaction will be available for general corporate purposes, capital expenses and working capital. Other proceeds will be used to fund the acquisition of other telecommunications companies and/or telecommunication assets. Where money is to be provided to the Petitioners for the acquisition of such assets, the Petitioners will execute an inter-company note for that amount to Parent.

Petitioners assert that the public interest is best served by assuring the presence of numerous telecommunications competitors in Tennessee. As a result, it is important to provide such competitors with the flexibility to arrange financing in the manner they deem most appropriate to carry on business so long as there is no adverse effect on the public. According to the Petitioner, to deny such flexibility would discourage new competitors from entering the state and would encourage existing competitors in the state to seek a more favorable regulatory environment, neither of which would enhance public interest.

The August 7, 2006 Authority Conference

Tenn. Code Ann. § 65-4-109 (2004) states:

No public utility shall issue any stocks, stock certificates, bonds, debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the authority for such proposed issue. It shall be the duty of the authority after hearing to approve any such proposed issue maturing more than one (1) year from the date thereof upon being satisfied that the proposed issue, sale and delivery is to be made in accordance with law and the purpose of such be approved by the authority.


At a regularly scheduled Authority Conference held on August 7, 2006, the panel voted unanimously to approve the *Petition* and made the following findings:


1. That the proposed financing agreement is subject to Authority approval pursuant to Tenn. Code Ann. § 65-4-109 (2004);
2. That the transaction is being made in accordance with laws enforceable by this agency; and
3. The purpose of this transaction is in the public interest because it will enhance the ability of the Petitioners to grow and compete in the highly competitive markets for telecommunications services in Tennessee and nationwide.

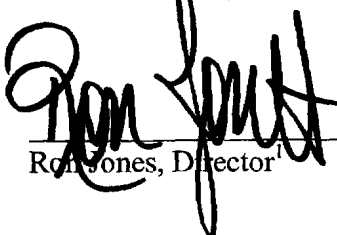
IT IS THEREFORE ORDERED THAT:

1. Global Crossing Telecommunications, Inc., Budget Call Long Distance, Inc., Global Crossing North America Networks, Inc., Global Crossing Local Services, Inc., and Global Crossing Telemanagement, Inc. are authorized to enter into the financing transaction as described in the *Petition* and discussed herein.

2. The authorization and approval given hereby shall not be used by any party, including, but not limited to, any lending party, for the purpose of inferring an analysis or assessment of the risks involved. Nothing contained herein creates or is intended to create any liability on the part of the Tennessee Regulatory Authority, the State of Tennessee or any political subdivision thereof.


Sara Kyle, Chairman


Eddie Roberson, Director


Ron Jones, Director¹

¹ In addition to the findings provided herein for approval, Director Jones also finds as follows:

1. The proposed financing transaction is expected to affect the Tennessee assets of a Tennessee certificated entity.
2. Petitioners are in the process of filing similar petitions or notices in other states and have not filed for approval with any federal agency, but intend to notice the Securities Exchange Commission as required.
3. Tennessee has a legitimate interest in monitoring the integrity of the competitive marketplace which includes obtaining information on the financial transactions and fitness of certificated telecommunications carriers.
4. The burden of compliance with Tenn. Code Ann. §65-4-109 (2004) is minimal as such compliance should be perfunctory given the telecommunications industry's movement to a competitive environment.