

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
GLOBAL CROSSING LTD.)
(DEBTOR-IN-POSSESSION) and)
GQ ACQUISITION LIMITED)
For Approval of the Transfer of)
Control of Global Crossing Ltd.)
(Debtor-in-Possession)'s)
Hawaii Operating Subsidiaries to)
GC Acquisition Limited.)
_____)

DOCKET NO. 02-0351

ORDER NO. 20222

DIV. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

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RECEIVED

Filed June 2, 2003
At 2:00 o'clock P.M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

K. Higashi

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of)
GLOBAL CROSSING LTD.)
(DEBTOR-IN-POSSESSION) and)
GQ ACQUISITION LIMITED) Docket No. 02-0351
For Approval of the Transfer of) Order No. 20222
Control of Global Crossing Ltd.)
(Debtor-in-Possession)'s)
Hawaii Operating Subsidiaries to)
GC Acquisition Limited.)

ORDER AMENDING DECISION AND ORDER NO. 19945

I.

By Decision and Order No. 19945 filed on December 31, 2002 (Decision and Order), the commission approved the petition, filed on September 20, 2002, by GLOBAL CROSSING LTD (GCL) and GC ACQUISITION LIMITED (GX) (collectively, Petitioners) to approve the transfer of control of GCL's Hawaii-licensed subsidiaries from GCL to GX, and to encumber the Hawaii-licensed subsidiaries' assets as part of a proposed transaction (Transaction).

By letters filed on May 14, 2003, and May 16, 2003, Petitioners request that the commission approve certain changes to the Transaction, specifically, to the proposed shareholding of GX, as it was approved in the Decision and Order (request to approve a change of investors).

II.

Pursuant to the terms of the original agreement approved in the Decision and Order, Hutchison Telecommunications Limited (Hutchison) and Singapore Technologies Telemedia Pte Ltd. (STT) each invested \$125 million in GX, in exchange of obtaining common and preferred stock equal to 30.75 per cent of the equity and voting power of GX.

Since issuance of the Decision and Order, the proposed shareholding of GX has been modified. Specifically, Hutchison exercised its right to terminate its participation in the Transaction, while STT, the other original proposed investor, agreed to assume Hutchison's ongoing rights and obligations. As a result of the proposed change in investors, STT now proposes to increase its investment in GX from \$125 million to \$250 million, and its ownership interest in GX from 30.75 per cent to 61.5 per cent.

Petitioners note that the change in investors does not materially alter the Transaction as the commission approved it in the Decision and Order. Moreover, the proposed change in investors will be transparent to the Hawaii-licensed subsidiaries' customers. Those customers will continue to be served by qualified customer service representatives and receive telecommunications services in accordance with applicable Hawaii statutes and regulations.

Based upon a review of the record, particularly Petitioners' representations relating to the change of investors, the commission finds that other than to increase STT's ownership

interest, there will be no material change to the Transaction as it was approved by the Decision and Order. The Hawaii-licensed subsidiaries' customers will enjoy the same quality of service, and day-to-day operations will not be affected. In addition, approving the proposed change of investors will strengthen the Hawaii-licensed subsidiaries financial position in the telecommunications market, thus promoting competition. Accordingly, the commission concludes that Petitioners' request to approve a change of investors should be granted.

III.

THE COMMISSION ORDERS:

1. Petitioners' request, filed on May 14 and 16, 2003, to approve a change of investors, as approved in Decision and Order No. 19945, filed on December 31, 2002, is granted.

2. Decision and Order No. 19945 shall be modified in the following manner:

A. The last sentence of the last paragraph of Section II.A of Decision and Order No. 19945 shall be revised to read as follows:

Subsequent to the proposed transaction, Singapore Technologies Telemedia Pte Ltd. (STT) will invest \$250 million in GX in exchange for having 61.5 percent of GX's equity and voting power.

B. Footnote 2 of Decision and Order No. 19945 shall read as follows:

STT is a Singapore telecommunications and information technologies company. It does not provide telecommunications services in Hawaii.

C. The first sentence of the last paragraph of Section II.B shall be revised as follows:


As noted above, pursuant to the proposed transfer of control, STT will invest \$250 million in GX, and in exchange obtain common and preferred stock equal to 61.5 per cent of the equity and voting power of GX.

3. Except as modified by this order, Decision and Order No. 19945, filed on December 31, 2002, shall remain unchanged in all other respects, and is affirmed.

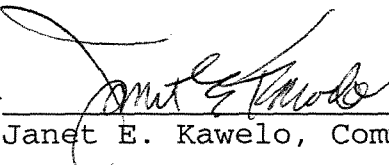
DONE at Honolulu, Hawaii this 2nd day of June, 2003.

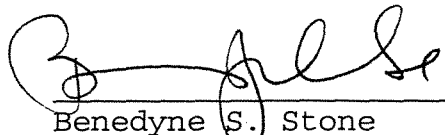
PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
Wayne H. Kimura, Commissioner

APPROVED AS TO FORM:

By 
Janet E. Kawelo, Commissioner


Benedyne S. Stone
Commission Counsel

02-0351.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 20222 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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DATED: June 2, 2003