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February 11, 2003

VIA OVERNIGHT DELIVER

Thomas Dorman, Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Re: Notification of Teleglobe USA Inc., Teleglobe USA LLC, and TLGB Corporation

Dear Mr. Dorman:

Teleglobe USA Inc. ("Old Teleglobe"), Teleglobe USA LLC ("New Teleglobe"), and TLGB Corporation ("TLGB," and together with Old Teleglobe and New Teleglobe, the "Parties"), through their undersigned counsel hereby advise the Public Service Commission of Kentucky (the "Commission") of a series of transactions whereby Old Teleglobe's telecommunications business will be sold out of bankruptcy to TLGB. The Parties specifically notify the Commission of the *pro forma* assignment of Old Teleglobe's Kentucky assets, including its authority granted by the Commission to provide telecommunications services in Kentucky, to New Teleglobe, and the subsequent transfer of control of New Teleglobe to TLGB. As described in greater detail below, New Teleglobe intends to operate the Old Teleglobe assets pursuant to the same rates, terms and conditions as Old Teleglobe.¹ Accordingly, this transaction will be transparent to Old Teleglobe's customers.

Based on a review of Kentucky law, the Parties believe that Commission approval is not required to complete the transaction described herein. Given the need for rapid completion of the proposed transaction, the Parties intend to consummate this transaction as soon as possible. Accordingly, the Parties respectfully request that the Commission notify the Parties within thirty (30) days if it believes further filings are required with respect to the proposed transaction.

¹ In accordance with 807 KAR 5:011, Section 11, New Teleglobe hereby files as Exhibit A an adoption notice in order to adopt (without change) the tariffs Old Teleglobe currently has on file with the Commission.

Description of the Parties

A. Old Teleglobe

Old Teleglobe is a Delaware corporation located at 11495 Commerce Park Drive, Reston, Virginia, 20191, that provides international facilities-based and resold telecommunications services on a wholesale and retail basis throughout the United States. In Kentucky, Old Teleglobe is authorized to provide telecommunications services pursuant to authority granted by the Commission. Old Teleglobe, however, does not currently provide intrastate service to customers in Kentucky. Old Teleglobe is an indirect, wholly-owned subsidiary of Teleglobe Inc., a provider of international telecommunications services in Canada and various other countries. Teleglobe Inc. is a corporation organized under the laws of Ontario, Canada.

On May 15, 2002, Teleglobe Inc. and certain of its affiliates, including Old Teleglobe (collectively, the "Canadian Debtors"), applied for an order in the Ontario Superior Court of Justice pursuant to the Companies' Creditors Arrangement Act of Canada ("CCAA"), R.S.C. 1985, c. C-36, commencing a restructuring proceeding and providing Teleglobe Inc. and its subsidiaries protection against creditor actions while they formulate a restructuring plan.

On May 28, 2002, Old Teleglobe and Teleglobe Inc.'s other U.S. subsidiaries filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. 101-1330, in the U.S. Bankruptcy Court for the District of Delaware.² Old Teleglobe's and the other U.S. subsidiaries of Teleglobe Inc.'s Chapter 11 cases (the "US Chapter 11 Proceedings" and together with the CCAA Proceedings, the "Bankruptcy Proceedings") have been consolidated for procedural purposes and are being administered jointly.

As part of the Bankruptcy Proceedings, Teleglobe Inc., Old Teleglobe, and their affiliates are undergoing a reorganization (the "Teleglobe Reorganization") which, among other steps, involves the transfer and sale of Old Teleglobe's telecommunications assets and businesses in the United States. On October 10, 2002, the Bankruptcy Court entered an Order finding that TLGB's affiliates had submitted the highest and best offer for the U.S. assets of Teleglobe Inc. and its U.S. debtor subsidiaries (the "Sale Order"). The Sale Order also authorized Teleglobe Inc. and its U.S. subsidiaries, including Old Teleglobe, to consummate the transaction subject to receipt of regulatory approvals.

B. New Teleglobe

New Teleglobe is a newly-formed limited liability company organized under the laws of the State of Delaware for the purpose of carrying out the transaction described herein. Currently, New Teleglobe is a wholly-owned subsidiary of Old Teleglobe. Following consummation of the proposed transaction, New Teleglobe will be a wholly-owned subsidiary of TLGB (TLGB's ownership is discussed in subsection C below). New Teleglobe, as the successor of Old Teleglobe, will acquire substantially all of Old Teleglobe's assets, as well as much of the

² *In re Teleglobe Communications Corp., et. al.*, Chap. 11 Case No. 02-11518 (MFW) (Bankr. Del., May 28, 2002).

experience of its senior personnel in providing telecommunications services. New Teleglobe's principal place of business will be 1000 de la Gauchetiere West, Montreal, Quebec H3B 4X5, Canada.

C. TLGB

TLGB is a Delaware holding company that, after consummation of the proposed transaction, will be the direct parent company of New Teleglobe. TLGB is an indirect wholly-owned subsidiary of Teleglobe International Holding Ltd. ("TIH"), a newly-formed Bermuda corporation.

The majority owners of TIH are four investment funds that are affiliated with Cerberus Capital Management, LP ("Cerberus"). Cerberus is a private equity fund based in New York that manages over \$8 billion in assets, including investments in the technology and telecommunications sectors. The Cerberus funds are controlled by Stephen Feinberg, a U.S. citizen who is CEO of Cerberus.

Each of the four Cerberus funds will have at least a 10%, but less than a 50%, ownership interest in TIH. The precise ownership interests of each of the funds will not be known until shortly before closing of the proposed transaction. Collectively, however, the funds will have a greater than 50% ownership interest in TIH, and therefore will be the majority owners and controlling entities with respect to TIH.

Contact Information

Questions or any correspondence, orders, or other materials pertaining to this notification should be directed to:

For Old Teleglobe and New Teleglobe:

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Thomas Dorman, Executive Director
February 11, 2003
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with a copy to:

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For TLGB:

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with a copy to:

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Description of the Transaction

In furtherance of the Teleglobe Reorganization, on September 19, 2002, Teleglobe, together with certain of its subsidiaries, including Old Teleglobe, (collectively "Sellers") and TLGB's affiliate, TLGB Acquisition LLC, executed a purchase agreement (the "Purchase Agreement") and certain ancillary agreements.³ Pursuant to those agreements, Old Teleglobe formed a limited liability company under the laws of Delaware, New Teleglobe, as a wholly-owned subsidiary of Old Teleglobe. Immediately prior to the closing of the proposed transaction, Old Teleglobe will assign to New Teleglobe substantially all of its assets, including

³ A copy of the Purchase Agreement will be provided upon request.

its Kentucky operating assets and authorization. At closing, Old Teleglobe will then transfer 100% of the stock of New Teleglobe to TLGB. As a result of the transaction, New Teleglobe will succeed to the current business and operations of Old Teleglobe and will exist as a wholly-owned subsidiary of TLGB. An illustrative chart of the Teleglobe Reorganization, including the pre- and post-reorganization corporate structure, is attached as Exhibit B.

Public Interest Considerations

The proposed transaction is in the public interest because it will lead to the emergence of a stronger and better-financed competitor in the Kentucky telecommunications market. Under TLGB's ownership, New Teleglobe will be able to operate in a more efficient and economical manner and will have better access to capital needed to maintain and grow New Teleglobe's competitive telecommunications business. TLGB's acquisition of Teleglobe's business will permit New Teleglobe to continue to provide the high quality services that Old Teleglobe currently offers to its customers throughout the United States. This will enhance competition and serve the public interest. Moreover, the transaction will not adversely affect Kentucky consumers.

Thomas Dorman, Executive Director

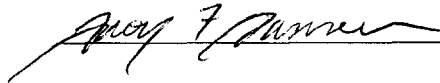
February 11, 2003

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Conclusion

An original and ten (10) copies of this letter are enclosed. Kindly date stamp and return the enclosed extra copy of this letter. The Parties hope to close the transaction described as soon as possible after receipt of necessary approvals. Therefore, the Parties respectfully request that the Commission notify the Parties promptly if it has any questions regarding the proposed transaction or believes that further action is required.

Respectfully submitted,



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**Counsel to Teleglobe USA Inc.
and New Teleglobe, LLC**

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Counsel to TLGB Corporation

LIST OF EXHIBITS

Exhibit A

Adoption Notice

Exhibit B

Illustrative Chart of Transaction

EXHIBIT A

Adoption Notice

ADOPTION SUPPLEMENT

Teleglobe USA LLC hereby adopts, ratifies, and in every respect makes its own, as if the same had been originally filed by it, Kentucky PSC Tariff No. 1 filed with the Public Service Commission, Commonwealth of Kentucky, by Teleglobe USA Inc.

Issued: February 12, 2003

Effective: March 31, 2003

By:

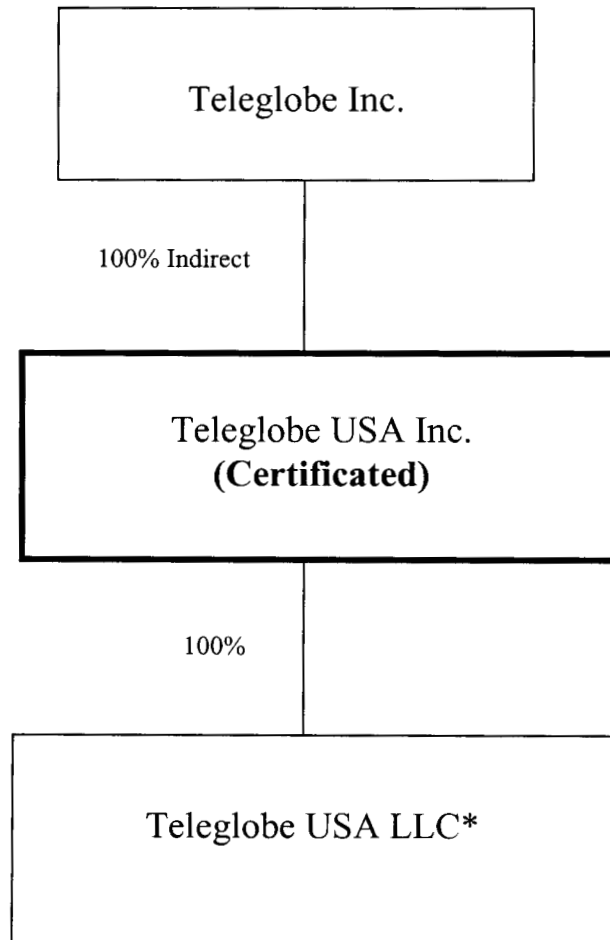
Lilian C. Opdam, General Counsel
Teleglobe USA LLC
1000 de la Gauchetiere West
Montreal, Quebec H3B 4X5, Canada

EXHIBIT B

Illustrative Chart of Transaction

Illustrative Chart of Reorganization

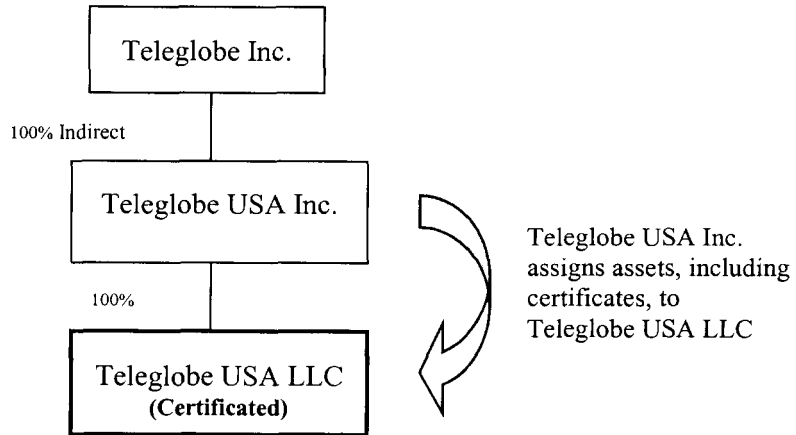
Current Structure



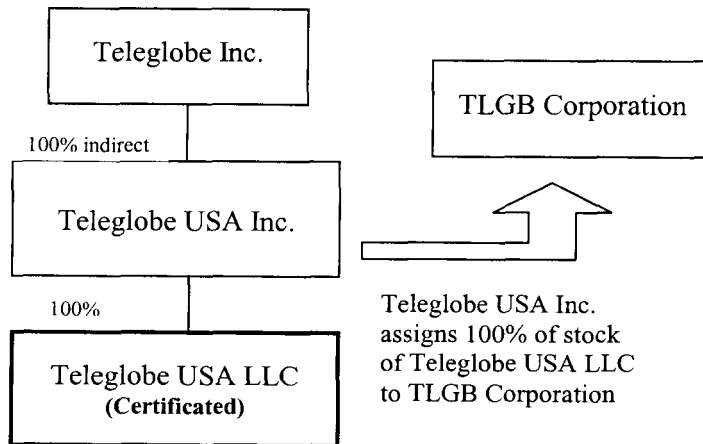
* Teleglobe USA LLC was recently created for the purposes of the reorganization.

Illustrative Chart of Reorganization

STEP 1: Transfer of Assets to New Teleglobe

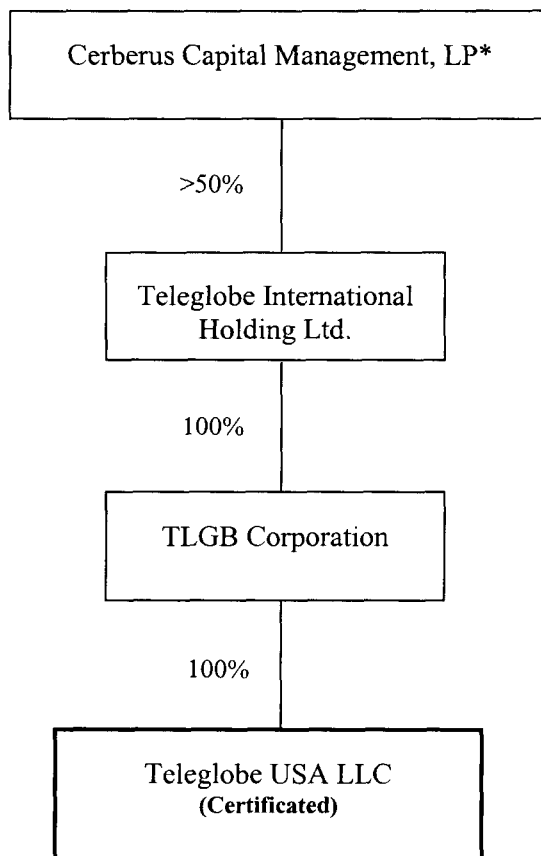


STEP 2: Transfer of Control of New Teleglobe



Illustrative Chart of Reorganization

Post-Reorganization Structure



* Cerberus Capital Management LP's interest will be held through four investment funds: Cerberus Institutional Partners, L.P., Cerberus Institutional Partners (America), L.P., Cerberus Partners, L.P., and Cerberus International, Ltd. Each of the funds will hold at least a 10% interest, but less than a 50% interest, in Teleglobe International Holding Ltd. ("TIH"). Collectively, the funds will have a greater than 50% controlling interest in TIH and, thus, in TLGB Corporation and Teleglobe USA LLC. The Cerberus funds are controlled by Mr. Stephen Feinberg.