

ORIGINAL

BEFORE THE ARIZONA CORPORATION CO



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SUSAN BITTER SMITH  
Chairman  
BOB STUMP  
Commissioner  
BOB BURNS  
Commissioner  
DOUG LITTLE  
Commissioner  
TOM FORESE  
Commissioner

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AZ CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION ) DOCKET NOS. T-02438B-15-0365  
OF GLOBAL CROSSING LOCAL ) T-03658A-15-0365  
SERVICES, INC. AND GLOBAL CROSSING )  
TELECOMMUNICATIONS, INC. TO )  
CANCEL BOND REQUIREMENT )

Arizona Corporation Commission

DOCKETED

NOV 03 2015

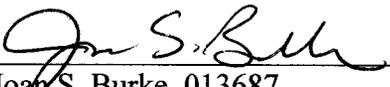
DOCKETED BY

**SUPPLEMENT TO APPLICATION**

On October 28, 2015, Global Crossing Local Services, Inc. ("GCLS"), Global Crossing Telecommunications, Inc. ("GCTI") and Level 3 Communications, Inc. filed an application requesting cancellation of the bond requirement contained in Arizona Corporation Commission ("Commission") Decision Nos. 65653, 69345 and 71324. Attached to that Application was a Notice of Compliance which appended an escrow agreement. The Application should have also appended a second Notice of Compliance which attached a revised escrow agreement. This second escrow agreement, which reflects input from the Commission Legal Division, was filed on May 21, 2003, and governed how the escrow account would be established, maintained and, ultimately, closed. As stated in the attached Notice Filing, the escrow agreement filed on May 21, 2003, "replaces and supersedes the Escrow Agreement filed by Global Crossing on April 30,

2003.” *Notice of Compliance* p. 2. All references to the Escrow Agreement in the Application filed October 28, 2015, refers to the Escrow Agreement filed with the Commission on May 21, 2003.

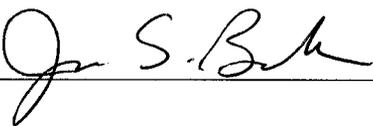
RESPECTFULLY SUBMITTED this 3<sup>rd</sup> day of November 2015.

By:   
Joan S. Burke, 013687  
LAW OFFICE OF JOAN S. BURKE, P.C.  
1650 North First Avenue  
Phoenix, Arizona 85003  
Telephone: (602) 535-0396  
[Joan@jsburkelaw.com](mailto:Joan@jsburkelaw.com)

Attorney for: Global Crossing Local Services, Inc.,  
Global Crossing Telecommunications, Inc. and  
Level 3 Communications, Inc.

**ORIGINAL** and thirteen (13) copies of the foregoing  
filed this 3<sup>rd</sup> day of November 2015 with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

  
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# Exhibit A

ORIGINAL



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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

2003 MAY 21 P 4: 33

MARC SPITZER  
Chairman

JIM IRVIN  
Commissioner

WILLIAM A. MUNDELL  
Commissioner

JEFF HATCH-MILLER  
Commissioner

MIKE GLEASON  
Commissioner

Arizona Corporation Commission  
DOCKETED

AZ CORP COMMISSION  
DOCUMENT CONTROL

MAY 21 2003

DOCKETED BY *CM*

IN THE MATTER OF THE APPLICATION FOR )	DOCKET NOS. T-04139A-02-0727
APPROVAL OF THE TRANSFER OF CONTROL )	T-02438B-02-0727
OF GLOBAL CROSSING LTD. (DEBTOR-IN- )	T-02761B-02-0727
POSSESSION)'S ARIZONA OPERATING )	T-03539A-02-0727
SUBSIDIARIES TO GC ACQUISITION LIMITED )	T-03658A-02-0727

NOTICE OF COMPLIANCE FILING

Global Crossing Ltd. (Debtor-in-Possession) ("GCL") and GC Acquisition Limited ("New GX" and, together with GCL, "GC") hereby submit proof of segregated security in the amount of Two Hundred Thirty-Five Thousand and 00/100 Dollars (\$235,000.00), an amount sufficient to cover customer prepayments, deposits, and costs caused by any future discontinuance of service in Arizona.

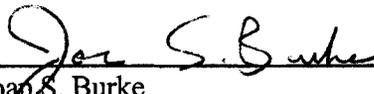
The attached Escrow Agreement, which has been revised with the assistance of the ACC Legal Division, evidences the creation of the segregated account and the deposit of the funds required by Decision No. 65653.<sup>1</sup> These funds will be released by the Escrow Agent to the Arizona Corporation Commission, upon order from the Arizona Corporation Commission, for

<sup>1</sup> Decision No. 65653 directed GC to secure a performance bond of \$235,000.00 to cover customer prepayments and deposits in Arizona. Because GC has not yet completed its restructuring and has not emerged from bankruptcy, insurance companies were unwilling to

purposes of repaying customer prepayments, deposits or costs associated with transferring Arizona customers. The attached Escrow Agreement replaces and supersedes the Escrow Agreement filed by Global Crossing on April 30, 2003. The account created by this Escrow Agreement will be replaced by a performance bond as soon as GCL emerges from bankruptcy and such a bond can be secured.

Dated this 21<sup>st</sup> day of May, 2003.

OSBORN MALEDON, P.A.

By   
Joan S. Burke  
2929 North Central Avenue, Suite 2100  
Phoenix, Arizona 85012-2794  
(602) 640-9356  
(602) 640-6074 (Fax)

Counsel for Global Crossing Ltd. (Debtor-in-Possession) and GC Acquisition Limited

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underwrite that bond. In consultation with Commission Staff and legal counsel, GC proposed this segregated escrow account as an interim measure until a bond could be obtained.

CERTIFICATE OF SERVICE

I certify that the original and 21 copies of Notice of Compliance Filing regarding Docket Nos. T-04139A-02-0727, T-02438B-02-0727, T-02761B-02-0727, T-03539A-02-0727, and T-03658A-02-0727 were hand delivered this 21<sup>st</sup> day of May, 2003, to:

Arizona Corporation Commission  
Docket Control – Utilities Division  
1200 West Washington Street  
Phoenix, Arizona 85007

and that a copy of the foregoing was hand delivered this 21<sup>st</sup> day of May, 2003, to the following:

Marta Kalleberg  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Tim Sabo  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Brenda Wendt

## ESCROW AGREEMENT

This ESCROW AGREEMENT (the "Agreement"), dated as of 21 April 2003, is made and between Global Crossing North America, Inc. (the "Company") and HSBC BANK USA, a banking corporation and trust company organized and existing under the laws of the State of New York, as escrow agent (the "Escrow Agent").

### WITNESSETH:

WHEREAS, the Company desires to establish an escrow account with the Escrow Agent into which certain funds will be deposited by the Company to be held and distributed in accordance with the terms and conditions set forth herein, and the Escrow Agent is willing to establish such an account and to accept such funds in accordance with the terms hereinafter set forth; and

WHEREAS, the Company desires to deposit certain funds into an escrow account with the Escrow Agent, such account to be held in trust for the Arizona Corporation Commission for the benefit of Company's Arizona customers for any necessary future reimbursement of lost deposits, prepayments, advances or other costs associated with transferring the Company's Arizona customers to another provider in the event of a discontinuance of service by the Company; and

WHEREAS, the Company represents and warrants to the Escrow Agent that it has not stated to any individual or entity that the Escrow Agent's duties will include anything other than those duties stated in this Agreement;

### AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

**Section 1. Appointment of Escrow Agent.** The Company hereby appoints the Escrow Agent to act as Escrow Agent for the Escrow Account (as defined below) under the terms hereof. The Escrow Agent hereby accepts such appointment and agrees to act as escrow agent for the Escrow Account in accordance with the term hereof.

**Section 2. Establishment of Escrow Account.**

The Escrow Agent shall establish and maintain on behalf of the Company, a non-interest bearing trust account (the "Escrow Account") to which there shall be immediately credited and held all funds received by the Escrow Agent from the Company in accordance with Section 3 hereof (the "Escrow Funds"). The Escrow Funds credited to the Escrow Account shall be applied and disbursed only as provided herein. The Escrow Agent shall, to the extent required by law, segregate the Escrow Funds from other funds as an agent or in trust and from other funds received from the Company.

Section 3. Deposits to the Escrow Account. From time to time the Company shall deliver to the Escrow Agent for deposit in the Escrow Account Escrow Funds required to be placed in escrow.

(a) All Escrow Funds shall be transferred to the Escrow Agent by wire transfer of immediately available funds to the following account (or to such other account as the Escrow Agent shall notify the Company in writing):

(b) The Escrow Agent shall confirm in writing to the Company each deposit of Escrow Funds received by the Escrow Agent pursuant to this Section 3 and the amount of each such deposit. Upon request from time to time, the Escrow Agent shall notify the Company or the Arizona Corporation Commission of the amount of the Escrow Funds then held in the Escrow Account.

Section 4. Distributions from Escrow Account. Escrow Funds on deposit in the Escrow Account shall be withdrawn by the Escrow Agent and transferred only in accordance with this Section 4. At various times up to and including the Termination Date (as hereinafter defined), the Company may deliver to the Escrow Agent a signed order, duly certified, of the Arizona Corporation Commission ("Order of Release") directing that some or all of the Escrow Funds be disbursed to the Arizona Corporation Commission or to such account or accounts as the Arizona Corporation Commission shall designate in the Order of Release. The Order of Release shall specify the amount of Escrow Funds to be released, the basis for the Order or Release and the purposes to which such Escrow Funds shall be placed. Within fifteen (15) business days following the date of the Order of Release, the Escrow Agent shall disburse from the Escrow Funds an amount equal to the amount set forth in the Order of Release. The Escrow Funds shall be disbursed by the Escrow Agent to the persons or entities and to the account and by the means specified in the Order of Release, except for disbursements of Escrow Funds payable to the Escrow Account under the terms hereof. The Escrow Agent shall be entitled to rely, exclusively, on any representation made in the Order of Release in relation to the release of funds from the Escrow Account.

Section 5. Termination of Escrow Account. The Escrow Account shall be terminated only in accordance with the provisions of this Section 5.

(a) The Company shall provide a signed order of the Arizona Corporation Commission to the Escrow Agent instructing the Escrow Agent to terminate the Escrow Account (the "Termination Order"). The date of receipt of such Termination Order shall be the "Termination Date."

(b) The Company shall be entitled to terminate this Escrow Agreement by substituting a performance bond, on terms and conditions reasonably satisfactory to the Arizona Corporation Commission, for this Escrow Agreement. The Company shall notify the Arizona Corporation Commission and the Escrow Agent of the substitution of such performance bond and the Arizona Corporation Commission shall be entitled to disapprove such substitution within fifteen (15) days of receipt of such notice. If such fifteen (15) day period has elapsed and the Arizona Corporation Commission has not taken action to disapprove such substitution, this Escrow Account shall be terminated on notice from the Company to the Escrow Agent and the

Arizona Corporation Commission ("Company Termination Notice"). The date of receipt of such Company Termination Notice shall also constitute a "Termination Date".

Within fifteen (15) days of receipt of a Termination Order or Company Termination Notice, the Escrow Agent shall disburse to the Company (in accordance with instructions in the Termination Order or Company Termination Notice) the remaining Escrow Funds, less any amount designated in any Orders of Release received by Escrow Agent prior to Termination Date that have not been paid in accordance with the provisions of Section 4 of this Agreement. At such time on or following the Termination Date as all Orders of Release have been paid, the Escrow Agent shall promptly disburse any remaining Escrow Funds to the Company in accordance with the instructions in the Termination Order or Company Termination Notice, and this Agreement shall automatically terminate. The Escrow Account shall also be deemed dissolved, and this Escrow Agreement terminated upon transfer of all amounts in the Escrow Account then in the possession of the Escrow Agent by order of a court of competent jurisdiction.

Section 6. Escrow Agent.

(a) The Company agrees to pay the Escrow Agent its agreed-upon compensation, as set forth in the attached Exhibit A, for its services as Escrow Agent hereunder promptly upon request therefore, and to reimburse the Escrow Agent for all expenses of or disbursements incurred by the Escrow Agent in the performance of its duties hereunder, including the reasonable fees, expenses and disbursements of counsel to the Escrow Agent. In the event the Company fails promptly to pay any such amount, the Company shall pay such amount promptly following the request of the Escrow Agent.

(b) The Escrow Agent shall have a lien upon the Escrow Account for any costs, expenses and fees that may arise hereunder and may retain that portion of the Escrow Account equal to such unpaid amounts, until all such costs, expenses and fees have been paid.

Section 7. Rights, Duties and Immunities of Escrow Agent. Acceptance by the Escrow Agent of its duties under this Escrow Agreement is subject to the following terms and conditions, which all parties to this Escrow Agreement hereby agree shall govern and control the rights, duties and immunities of the Escrow Agent.

(a) The duties and obligations of the Escrow Agent shall be determined solely by the express provisions of this Escrow Agreement and the Escrow Agent shall not be liable except for the performance of such duties and obligations as are specifically set out in this Escrow Agreement. The Escrow Agent shall not be required to inquire as to the performance or observation of any obligation, term or condition under any agreement or arrangement by the Company. The Escrow Agent is not a party to, and is not bound by, any agreement or other document out of which this Escrow Agreement may arise. The Escrow Agent shall be under no liability to any party hereto by reason of any failure on the part of any party hereto or any maker, guarantor, endorser or other signatory of any document or any other person to perform such person's obligations under any such document. The Escrow Agent shall not be bound by any waiver, modification, termination or rescission of this Escrow Agreement or any of the terms hereof, unless evidenced by a writing delivered to the Escrow Agent signed by the proper party or parties and, if the duties or rights of the Escrow Agent are affected, unless it shall give its

prior written consent thereto. This Escrow Agreement shall not be deemed to create a fiduciary relationship between the parties hereto under state or federal law.

(b) The Escrow Agent shall not be responsible in any manner for the validity or sufficiency of this Escrow Agreement or of any property delivered hereunder, or for the value or collectibility of any note, check or other instrument, if any, so delivered, or for any representations made or obligations assumed by any party other than the Escrow Agent. Nothing herein contained shall be deemed to obligate the Escrow Agent to deliver any cash, instruments, documents or any other property referred to herein, unless the same shall have first been received by the Escrow Agent pursuant to this Escrow Agreement.

(c) The Company will reimburse and indemnify the Escrow Agent for, and hold it harmless against, any loss, liability or expense, including but not limited to counsel fees, incurred without bad faith or willful misconduct on the part of the Escrow Agent arising out of or in conjunction with its acceptance of, or the performance of its duties and obligations under, this Escrow Agreement, as well as the costs and expenses of defending against any claim or liability arising out of or relating to this Escrow Agreement.

(d) The Company shall deliver to the Escrow Agent a list of authorized signatories, as set forth in the attached Schedule A hereto, with respect to any notice, certificate, instrument, demand, request, direction, instruction, waiver, receipt, consent or other document or communication required or permitted to be furnished to the Escrow Agent hereunder, and the Escrow Agent shall be entitled to rely on such list with respect to any party until a new list is furnished by such party to the Escrow Agent. The Escrow Agent shall be fully protected in acting on and relying upon any written notice direction, request, waiver, consent, receipt or other paper or document which the Escrow Agent in good faith believes to have been signed and presented by the proper party or parties.

(e) The Escrow Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith or for any mistake in act or law, or for anything which it may do or refrain from doing in connection herewith, except its own willful misconduct.

(f) The Escrow Agent may seek the advice of legal counsel in the event of any dispute or question as to the construction of any of the provisions of this Escrow Agreement or its duties hereunder, and it shall incur no liability and shall be fully protected in respect of any action taken, omitted or suffered by it in good faith in accordance with the advice or opinion of such counsel.

(g) The parties hereto agree that should any dispute arise with respect to the payment, ownership or right of possession of the Escrow Account, the Escrow Agent is authorized and directed to retain in its possession, without liability to anyone, except for its bad faith, willful misconduct or gross negligence, all or any part of the Escrow Account until such dispute shall have been settled either by mutual agreement by the parties concerned or by the final order, decree or judgment of a court or other tribunal of competent jurisdiction in the United States of America, and a notice executed by the parties to the dispute or their authorized representatives shall have been delivered to the Escrow Agent setting forth the resolution of the

dispute. The Escrow Agent shall be under no duty whatsoever to institute, defend or partake in such proceedings.

(h) The agreements set forth in this Section 6 shall survive the resignation or removal of the Escrow Agent, the termination of this Escrow Agreement and the payment of all amounts hereunder.

Section 8. Resignation of Escrow Agent. The Escrow Agent shall have the right to resign upon 30 days written notice to the Company. In the event of such resignation, the Company shall appoint a successor escrow agent hereunder by delivering to the Escrow Agent a written notice of such appointment. Upon receipt of such notice, the Escrow Agent shall deliver to the designated successor escrow agent all money and other property held hereunder and shall thereupon be released and discharged from any and all further responsibilities whatsoever under this Escrow Agreement; provided, however, that the Escrow Agent shall not be deprived of its compensation earned prior to such time.

If no successor escrow agent shall have been designated by the date specified in the Escrow Agent's notice, all obligations of the Escrow Agent hereunder shall nevertheless cease and terminate. Its sole responsibility thereafter shall be to keep safely all property then held by it and to deliver the same to a person designated by the other parties hereto or in accordance with the direction of a final order or judgment of a court of competent jurisdiction.

Section 9. Notices. All claims, notices and other communications hereunder to be effective shall be in writing and shall be deemed to have been duly given when delivered by hand, or 10 days after being sent by registered or certified first class mail postage prepaid, or, in the case of facsimile transmission, when received and telephonically confirmed, in each case addressed to the parties at the addresses set below (or to such other person or address as the parties shall have notified each other and the Escrow Agent in writing, provided that notices of a change of address shall be effective only upon receipt thereof). All claims, notices and other communications hereunder shall be in the English language.

If to the Company:

Global Crossing North America, Inc.  
1080 Pittsford – Victor Road  
Attn: Michael J. Shortley, III  
Telephone: 585-255-1439  
Facsimile: 585-381-6781

If to the Escrow Agent:

HSBC BANK USA  
452 Fifth Avenue  
New York, New York 10018  
Attn: Issuer Services  
Telephone: (212) 525-1386  
Facsimile: (212) 525-1300

If to the Arizona Corporation Commission:

Compliance Manager  
Utilities Division  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

with a copy to:

Legal Division  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, Arizona 85007

Section 10. Binding Effect. This Escrow Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, successors and assigns.

Section 11. Amendments. This Escrow Agreement may be amended or modified at any time or from time to time in writing executed by the parties to this Escrow Agreement.

Section 12. Governing Law. This Escrow Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Arizona applicable to contracts to be performed entirely within the State of Arizona, without reference to or application of rules or principles of conflicts of law.

Section 13. Interpretation. The headings of the sections contained in this Escrow Agreement are solely for convenience or reference and shall not affect the meaning or interpretation of this Escrow Agreement.

Section 14. Counterparts. This Escrow Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 15. Consent to Jurisdiction. Each of the parties hereto hereby irrevocably agrees that any action, suit or proceedings against any of them by any of the other aforementioned parties with respect to this Escrow Agreement shall be brought before the exclusive jurisdiction of the federal or state courts located in the Borough of Manhattan in the State of New York, unless all the parties hereto agree in writing to any other jurisdiction. Each of the parties hereto hereby submits to such exclusive jurisdiction.

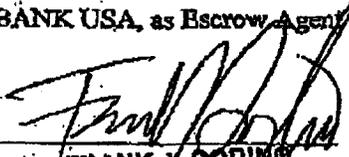
Section 16. Severability. If any provisions of this Escrow Agreement shall be declared by any court of competent jurisdiction illegal, void or unenforceable, the other provisions shall not be affected, but shall remain in full force and effect.

Section 17. Third Party Beneficiary. The parties acknowledge that this Escrow Agreement is intended into by the parties to enable the Company to comply with the

requirements of the Arizona Corporation Commission. The parties agree that the Arizona Corporation Commission is an intended third party beneficiary of this Escrow Agreement, and that the Arizona Corporation Commission is entitled to take appropriate legal action to remedy any breach of this Escrow Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date and the year first above written.

HSBC BANK USA, as Escrow Agent

By:   
Name: FRANK J. GODINO  
Title: Vice President

GLOBAL CROSSING NORTH AMERICA, INC.

By:   
Name: ERIC M. S. SMITH  
Title: VICE PRESIDENT & GENERAL COUNSEL