

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

\_\_\_\_\_) )  
In re ) )  
 ) )  
GLOBAL CROSSING LTD., et. al., ) )  
 ) Chapter 11  
 ) Case No: 02-40188 (REG) to  
Debtors. ) Case No: 02-40241 (REG)  
 ) )  
 ) (Jointly Administered)  
 ) )  
\_\_\_\_\_) )

SECOND INTERIM APPLICATION OF DELOITTE & TOUCHE LLP FOR INTERIM  
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES

Name of Applicant(s): Deloitte & Touche LLP

Authorized to Provide  
Professional Services to: Global Crossing Ltd., et. al.

Date of Retention: March 6, 2002(nunc pro tunc)

Period for which Compensation  
and Reimbursement  
is Sought: May 1, 2002 through September 30, 2002

Amount of Compensation Sought  
as Actual, Reasonable and  
Necessary: \$ 2,307,701.50

Amount of Expense Reimbursement  
Sought as Actual, Reasonable  
and Necessary: \$ 35,220.84

This is a: X Interim \_\_\_\_\_ Final Application

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SECOND INTERIM APPLICATION OF DELOITTE & TOUCHE LLP,  
ACCOUNTANTS AND RESTRUCTURING CONSULTANTS TO THE  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS,  
FOR INTERIM ALLOWANCE OF COMPENSATION FOR ACTUAL AND  
NECESSARY SERVICES RENDERED AND FOR REIMBURSEMENT  
OF ALL ACTUAL AND NECESSARY EXPENSES INCURRED DURING  
THE PERIOD MAY 1, 2002 THROUGH SEPTEMBER 30, 2002

Deloitte & Touche LLP ("D&T" or "Deloitte"), accountants and restructuring consultants to the Official Committee of Unsecured Creditors (the "Committee") of Global Crossing Ltd. and its affiliated debtors and debtors-in-possession in the above-captioned cases (collectively, "Global Crossing" or the "Debtors"), hereby submits its Second Interim application (the "Application") pursuant to 11 U.S.C. §§ 330 and 331, Rule 2016 of the Federal Rules of Bankruptcy Procedure, for an order authorizing compensation of \$2,307,701.50 for actual, reasonable and necessary professional services rendered, and \$35,220.84 for actual, reasonable and necessary expenses incurred

during the period from May 1, 2002 through September 30, 2002 (the "Second Interim Compensation Period"). D&T represents as follows:

I. INTRODUCTION

Background

1. On January 28, 2002 (the "Petition Date"), the Debtors commenced their cases under Chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as Debtors in Possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.

2. Global Crossing has constructed a worldwide fiber-optic network, spanning over 100,000 route miles and reaching five continents, 27 countries and more than 200 major cities (the "Network"). The markets in those cities represent approximately 85% of the world's international telecommunications traffic. The Network took over four years, multiple acquisitions and partnerships, and billions of dollars of capital to reach its current state of near-completion.

3. Global Crossing's Network operations and services in the Americas and Europe and across the Atlantic are owned and operated through a number of wholly owned subsidiaries incorporated in New York, Delaware, Canada, Bermuda, Venezuela, Mexico, Panama, Denmark, Spain, Switzerland, Norway, Sweden, Belgium and Germany, among other places. Services in Asia and the Pacific are provided through Global

Crossing's majority-owned subsidiary, Asia Global Crossing Ltd., as well as a number of in-country joint ventures between Asia Global Crossing and various local partners.

4. Through the Network, Global Crossing provides integrated telecommunications solutions to many of the world's largest corporations, government institutions and telecommunications carriers, including a full range of managed data and voice services over the global Internet Protocol based fiber-optic network.

5. The Debtors' principal offices are located at 7 Giralda Farms, Madison, NJ, 07940.

6. On February 7, 2002, the United States Trustee for the Southern District of New York, pursuant to section 1102 (a) of the Bankruptcy Code, appointed a thirteen (13) member Committee, which selected Brown Rudnick Berlack Israels L.L.P. ("BRBI") as counsel to represent the Committee in these Chapter 11 cases.

7. On April 15, 2002 the Committee filed an application for authority to employ Deloitte as accountants and restructuring consultants (the "Retention Application"). In addition, Deloitte has filed a Supplemental Affidavit further disclosing information relative to the firm's Retention Application.

8. On May 13, 2002, the Court authorized the employment of Deloitte as accountants and restructuring consultants nunc pro tunc as of March 6, 2002.

Jurisdiction. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This Application is made to this Court in accordance with the Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on April 19, 1995 (the "Local Guidelines") and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the "UST Guidelines" and, collectively with the Local Guidelines, the "Guidelines").

**B. Retention of D&T and Billing History**

1. The Court authorized D&T's retention as accountants and restructuring consultants to the Committee in these cases effective nunc pro tunc as of March 6, 2002, pursuant to the Order Approving Retention of D&T as accountants and restructuring consultants to the Committee (the "Retention Order") entered by the Court on April 15, 2002. The order approving D&T's retention is attached hereto as Exhibit J. The Retention Order authorizes D&T to be compensated pursuant to the procedures set forth in the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules and orders of this Court, including the Compensation Order.

2. This Application is D&T's second interim application (the "Second Application") for approval and allowance of compensation. D&T makes this Second Application for approval and allowance of compensation pursuant to section 331 of the Bankruptcy Code and the Compensation Order.

3. No prior application has been made to this or any other Court for the relief requested herein. During the Second Interim Compensation Period, Deloitte has submitted five monthly fee statements for the periods May 1, 2002 through May 31, 2002 (the "May Monthly Fee Statement" (Exhibit E)), June 1, 2002 through June 30, 2002 (the "June Monthly Fee Statement" (Exhibit F)), July 1, 2002 through July 31, 2002 (the "July Monthly Fee Statement" (Exhibit G)), August 1, 2002 through August 31, 2002 (the "August Monthly Fee Statement" (Exhibit H)) and September 1, 2002 through September 30, 2002 (the "September Monthly Fee Statement" (Exhibit I)), respectively. In the May Monthly Fee Statement, Deloitte has sought aggregate fees of \$598,707.00 and reimbursement of expenses totaling \$7,898.00. Deloitte has received a payment of \$486,864.00 in connection with the May Monthly Fee Statement. Such payment represents 80% of fees incurred plus 100% of expenses. In the June Monthly Fee Statement, Deloitte has sought aggregate fees of \$535,793.00 and reimbursement of expenses totaling \$10,071.00. Deloitte has received a payment of \$438,705.00 in connection with the June Monthly Fee Statement. Such payment represents 80% of fees incurred plus 100% of expenses. In the July Monthly Fee Statement,

Deloitte has sought aggregate fees of \$474,418.00 and reimbursement of expenses totaling \$7,215.00. Deloitte has received a payment of \$386,749.00 in connection with the July Monthly Fee Statement. Such payment represents 80% of fees incurred plus 100% of expenses. In the August Monthly Fee Statement, Deloitte has sought aggregate fees of \$346,250.00 and reimbursement of expenses totaling \$4,817.00. Deloitte has received a payment of \$281,817.00 in connection with the August Monthly Fee Statement. Such payment represents 80% of fees incurred plus 100% of expenses. In the September Monthly Fee Statement, Deloitte has sought aggregate fees of \$352,535.00 and reimbursement of expenses totaling \$5,219.00. Deloitte has not yet received a payment in connection with the September Monthly Fee Statement. See Exhibit A for a complete summary of all Deloitte billings, collections and holdbacks in these proceedings.

4. D&T has not entered into any agreement, express or implied, with any other party for the purpose of fixing or sharing fees or other compensation to be paid for professional services rendered in these cases.

5. No promises have been received by D&T or any member thereof as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code.

## **II. CASE STATUS**

6. The Debtors have filed a disclosure statement and a plan of reorganization in these cases. The court has set a hearing for

Confirmation of the Debtor's Joint Plan of Reorganization for December 4, 2002.

### **III. APPLICATION**

7. By this Second Application, D&T is seeking (a) allowance of reasonable compensation for actual and necessary professional services rendered by D&T, as accountants and restructuring consultants to the Committee, during the Second Interim Compensation Period, and (b) reimbursement of actual, reasonable and necessary expenses incurred by D&T in connection with such services during the Second Interim Compensation Period.

8. D&T seeks approval of the sum of \$2,307,701.50 for actual, reasonable and necessary professional services rendered and \$35,220.84 for reimbursement of actual, reasonable and necessary expenses incurred on behalf of the Committee during the Second Interim Compensation Period. The fees sought by the Application reflect an aggregate of 5,229.6 hours for accounting and consulting advisory time incurred and recorded in performing services for the Committee during the Second Interim Compensation Period, at a blended average hourly rate of \$441.28 for professionals.

9. D&T rendered to the Committee all services for which compensation is sought solely in connection with these cases, in furtherance of the duties and functions of the Committee.

10. D&T maintains written records of the time expended in the rendition of the professional services required by the Committee.