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August 20, 2004

RECEIVED

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PUBLIC SERVICE
COMMISSION

VIA OVERNIGHT DELIVERY

Elizabeth O'Donnell, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-8294

Re: Notification of Globalcom, Inc. Regarding Financing Transaction

Dear Ms. O'Donnell:

Globalcom, Inc. ("Globalcom" or "Company"), through its undersigned counsel, hereby notifies the Kentucky Public Service Commission ("Commission") of certain financing arrangements. Specifically, Globalcom has entered into a agreement to obtain loans in an aggregate amount of up to \$8.3 million and granted a security interest in its assets as collateral for such loans. A description of the financing transaction is set forth below in Section III of this Notification. Globalcom is a nondominant telecommunications carrier authorized to provide long distance services in Kentucky.

Based on a review of Kentucky law, it is the Company's understanding that Commission approval is not required to complete the transaction described herein. Accordingly, the Company submits this letter for informational purposes only to ensure the continuing accuracy of the Commission's records.

Globalcom submits the following information in support of its Notification:

I. Description of Company

Globalcom is an Illinois corporation with principal offices located at 333 West Wacker Dr., Chicago, Illinois, 60601-1231. Globalcom is a wholly owned subsidiary of GCI Globalcom Holdings, Inc., a privately held C corporation. Globalcom is a next generation Competitive Local Exchange Carrier (CLEC), long distance carrier and Internet Service Provider (ISP). Globalcom offers an integrated set of communication products and services using proven technology: Nortel DMS-500 Supernode digital switches, Cisco 7500 series Internet routers, and a 100% fully redundant fiber optic backbone. In Kentucky, Globalcom is authorized to provide long distance telecommunications services, including operator services pursuant to its Notice of Intent to Provide Service filed on May 2, 2000. In addition to the services provided to Kentucky

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consumers, Globalcom is authorized to provide facilities-based and/or resold interexchange telecommunications services in 31 other states, pursuant to certification, registration or tariff requirements, or on a deregulated basis. Additionally, Globalcom is currently authorized to provide competitive local exchange services in 8 states.

Further information concerning Globalcom's legal, technical, managerial and financial qualifications to provide service was submitted with its registration filed with the Commission for authorization to provide intrastate telecommunications services and is, therefore, a matter of public record. Globalcom therefore respectfully requests that the Commission take official notice of that information and incorporate it herein by reference.

II. Description of the Financing Transaction

Globalcom has entered into a Loan and Security Agreement that provides for (1) a revolving loan in an amount of up to \$5.9 million and (2) a term loan in an amount of up to \$2.4 million. The revolving loan has a maturity date of June 30, 2009, while the term loan has a maturity date of December 31, 2006. Both loans are secured by a first priority security interest in all of Globalcom's property, tangible or intangible. The interest rate on the Revolving Loan is the Prime Rate set by the lender, while the interest rate on the Term Loan is the Prime Rate set by the lender plus a margin of between 1.125% to 2.0% depending on the ratio of total debt to EBITA.

Globalcom determined that the financial needs of the business required the immediate access to capital available through this financing. Accordingly, Globalcom consummated the financial transaction on July 27, 2004. Globalcom plans to use the funds made available through the financing to fund working capital, capital expenditures, other important corporate purposes and operational expenses.

III. Public Interest Considerations

The transaction serves the public interest in promoting competition among telecommunications carriers by providing Globalcom with the opportunity to strengthen its competitive position through access to greater financial resources. Furthermore, by increasing the breadth and scope of telecommunications services made available through an increased ability to expand Globalcom's operations, greater access to capital will also strengthen Globalcom's ability to bring competitive telecommunications services to consumers in the State of Kentucky. This financing transaction was transparent to consumers and consumers will benefit from the continued receipt of quality telecommunications services that are priced competitively.

IV. Conclusion

For the reasons stated above, Globalcom submits that the public interest, convenience and necessity will be furthered by its participation in financing transaction described herein.

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An original and ten (10) copies of this letter are enclosed for filing. Kindly date stamp and return the enclosed extra copy of this letter. Questions regarding this filing may be addressed to the undersigned at (202) 424-7500.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brett P. Ferencak". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kathleen Greenan Ramsey
Brett P. Ferencak

STATE OF ILLINOIS

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COOK COUNTY

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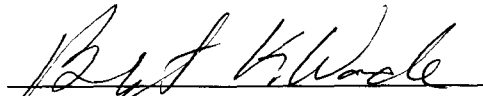
VERIFICATION

I, M. Gavin McCarty, being first duly sworn, state that I am Vice President and General of Globalcom, Inc., the Party in the foregoing Notification; that I am authorized to make this Verification on behalf of Globalcom, Inc.; that the foregoing Notification was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



M. Gavin McCarty
Vice President and General Counsel
Globalcom, Inc.

Sworn and subscribed before me this 18 day of August, 2004.


Notary Public

My commission expires 1/29/2007

