WilTel
COMMUNICATIONS

September 23, 2003

Kentucky Public Service Commission
730 Schenkel Lane
Frankfort, KY 40602

RE: Change of Control of WilTel Communications, LLC & WilTel Local Network, LLC

WilTel Communications, LLC ("WCL") and WilTel Local Network, LLC ("WLN") hereby notify and respectfully request the Kentucky Public Service Commission to approve of the transfer of ultimate ownership and control of both companies from WilTel Communications Group, Inc. ("WilTel") to Leucadia National Corporation ("Leucadia").

WilTel, through its wholly-owned operating subsidiaries, WCL and WLN, operates or manages a technologically advanced, fully operational, next-generation fiber-optic broadband network that spans over 30,000 route-miles connecting 125 cities in the United States and extends to Asia, Europe, Mexico and the Pacific Rim. WCL and WLN are certificated telecommunications provider in Kentucky. WCL and WLN are not ILECs and are not affiliated with any ILECs.

Leucadia is a publicly traded New York corporation. It is a diversified financial services holding company engaged through its subsidiaries in a variety of businesses, including commercial and personal lines of property and casualty insurance, banking and lending, manufacturing, winery operations, real estate activities, and precious metals mining.

Leucadia and WilTel propose to enter into a transaction that will result in Leucadia increasing its current ownership interest in WilTel. As a result of that transaction, Leucadia will become the majority owner of WilTel and, indirectly, WilTel's subsidiaries WCL and WLN. WilTel is a publicly traded Nevada corporation that owns 100% of WCL and WLN. Leucadia currently owns approximately 47.4 percent of WilTel's stock; the remaining 52.6 percent is widely held among public shareholders. Consummation of the planned transaction will permit Leucadia to acquire in excess of fifty percent of WilTel's voting common stock.

By the terms of the transaction, Leucadia will not acquire any shares of WilTel common stock in the offer unless WilTel stockholders (other than Leucadia and its affiliates) have validly tendered a majority of the shares of WilTel common stock not owned by Leucadia and its affiliates. As part of the transaction, Leucadia may have a wholly owned subsidiary, Wrangler Acquisition Corp. ("Wrangler"), temporarily hold its shares of WilTel, pending the merger of Wrangler into WilTel. The number of public shareholders of WilTel that subscribe to the transaction will determine the temporary role of Wrangler. If the transaction is successful, Leucadia intends to acquire up to 100% of the stock of WilTel. WilTel will still hold all of the stock of WCL and WLN.

The transaction is being made pursuant to relevant securities laws and regulations. The parties have filed applications for approval of the change of control with the Federal Communications Commission.

Approval (if required) of this transaction will serve the public interest, convenience, and necessity by allowing WilTel to continue to recover from bankruptcy, to continue to stabilize the management and operations of WCL and WLN, and to return to a condition from which it can continue to be a dynamic competitor in the provision of telecommunications services. A summary of financial information from Leucadia's most recent annual report is attached.

The transaction will not impair or jeopardize WCL's or WLN's provision of service to the public and it will have no effect on their rates or tariffs.

WilTel, WCL, and WLN will continue to maintain their financial records at One Technology Center, Tulsa, OK 74103. Leucadia maintains its financial records at 315 Park Avenue South, New York, NY 10010.

Questions and correspondence regarding this transaction should be directed to:

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Thank you,

Denise Sletten for Adam Kupetsky

Adam Kupetsky
Director of Regulatory Affairs

FINANCIAL HIGHLIGHTS FROM LEUCADIA NATIONAL CORPORATION
2002 ANNUAL REPORT TO SHAREHOLDERS

		2002	2001	2000
Revenues		$ 241,805,000	$ 374,161,000	$ 493,408,000
Net securities gains (losses)		$ (37,066,000)	$ 28,450,000	$ 124,964,000
Income (loss) from continuing operations before income taxes, minority expense of trust preferred securities and equity in income (losses) of associated companies		$ (41,525,000)	$ 73,082,000	$ 201,303,000
Income tax provision (benefit)		$ (144,865,000)	$ (11,341,000)	$ 68,216,000
Minority expense of trust preferred securities, net of taxes		$ (5,521,000)	$ (5,521,000)	$ (5,521,000)
Equity in income (losses) of associated companies, net of taxes		$ 54,712,000	$ (15,974,000)	$ 19,040,000
Income from continuing operations		$ 152,531,000	$ 62,928,000	$ 146,606,000
Income (loss) from discontinued operations, net of taxes		$ 4,580,000	$ (39,742,000)	$ (30,598,000)
Gain (loss) on disposal of discontinued operations, net of taxes		$ 4,512,000	$ (31,105,000)	$ –
Income (loss) before cumulative effect of a change in accounting principle		$ 161,623,000	$ (7,919,000)	$ 116,008,000
Cumulative effect of a change in accounting principle		$ –	$ 411,000	$ –
Net income (loss)		$ 161,623,000	$ (7,508,000)	$ 116,008,000
Earnings (loss) per common share:				
Basic:	Income from continuing operations	$ 2.74	$ 1.13	$ 2.64
	Income (loss) from discontinued operations	$ .08	$ (.72)	$ (.55)
	Gain (loss) on disposal of discontinued operations	$ .08	$ (.56)	$ –
	Cumulative effect of a change in accounting principle	$ –	$ .01	$ –
	Net income (loss)	$ 2.90	$ (.14)	$ 2.09
Diluted:	Income from continuing operations	$ 2.72	$ 1.13	$ 2.64
	Income (loss) from discontinued operations	$ .08	$ (.72)	$ (.55)
	Gain (loss) on disposal of discontinued operations	$ .08	$ (.56)	$ –
	Cumulative effect of a change in accounting principle	$ –	$ .01	$ –
	Net income (loss)	$ 2.88	$ (.14)	$ 2.09
Total assets		$ 2,541,778,000	$ 2,469,087,000	$ 2,417,783,000
Cash and investments		$ 1,043,471,000	$ 1,080,271,000	$ 998,892,000
Common shareholders' equity		$ 1,534,525,000	$ 1,195,453,000	$ 1,204,241,000
Book value per common share		$ 25.74	$ 21.61	$ 21.78
Cash dividends per common share		$ .25	$ .25	$ .25