

Level 3 to acquire Global Crossing for \$2 billion

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(AP) -- Level 3 Communications Inc. said Monday it will acquire another top long-distance Internet carrier, Global Crossing Ltd., in an all-stock transaction valued at about \$2 billion.

Both companies operate vast networks of [optical fiber](#). Combined, they would reach 70 countries on three continents.

Global Crossing shareholders would receive 16 shares of Level 3 [common stock](#) in exchange for each share of Global Crossing common or preferred stock. Level 3 will also assume \$1.1 billion of Global Crossing's debt.

After the deal was announced, shares of Global Crossing surged \$11.20, or 77 percent, to \$26 and Level 3 jumped 35 cents, or 24 percent, to \$1.79 in premarket trading.

In 2010, the companies would have had combined revenue of \$6.26 billion.

The acquisition requires regulatory and shareholder approval. The deal is expected to close before the end of the year.

Level 3 is based in Broomfield, Colo. Global Crossing is based in Bermuda, but its largest shareholder is Singapore Technologies Telemedia, which has approved the deal.

Global Crossing sought [bankruptcy protection](#) in 2002, one of many victims over overinvestment during the Internet boom.

In a separate announcement, Level 3 said it has adopted a stockholder rights plan to deter trading that would result in an ownership change. It also protects the company's ability to cite operating losses on federal tax forms.

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