

Non-Streamlined ITC-STA-20080721-00336
IB2008001773

ION HoldCo, LLC

Re: ITC-ASG-20080609-00259

* Applicants acknowledge the conditions
of STA as stated in # 2 of the
application.

ATTACHMENT 1

**Application for Special Temporary Authority to Assign the International Section 214
Authorization of Empire State Independent Network, LLC to ION HoldCo, LLC**

Pursuant to Section 63.25 of the Commission's rules,¹ ION HoldCo, LLC ("ION") and Empire State Independent Network, LLC ("Empire") request special temporary authority ("STA") for Empire to assign its international Section 214 authorization to ION. As further explained below, the Commission has before it an application filed June 9, 2008 seeking consent for ION to acquire Empire's assets, including its international Section 214 authorization (the "Joint Application").² The parties anticipate obtaining the necessary Commission approvals within the next 30 days. Empire is in bankruptcy and faces significant obstacles regarding the continued funding and operation of its network. Accordingly, the parties request that the Commission grant an STA as soon as possible, and no later than July 28, 2008, for a period of sixty (60) days. Grant of this STA request would allow the parties to close by July 31 while the Commission continues to consider the Joint Application and would ensure the continued provision of services to Empire's customers.

Answer to Question 10 (Justification of Need for STA)

As further discussed in the Joint Application, Empire filed on December 14, 2007 a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Northern District of New York (the "Bankruptcy Court"). Empire and ION entered into an Asset Purchase Agreement, executed on May 29, 2008, pursuant to which Empire agreed to sell, and ION agreed to purchase, substantially all of Empire's assets, including network assets, customers and FCC authorizations. The Bankruptcy Court issued an order on July 8, 2008 approving the sale of Empire's assets to ION. On June 9, 2008, Empire and ION filed the Joint Application seeking the Commission's consent of the acquisition under Section 214 of the Communications Act. Further information regarding the transaction, including the ownership of ION, is set forth in the Joint Application.³

As explained in the Joint Application, ION intends to acquire Empire's network and existing customers, and Empire has no plans to discontinue service to any subscribers. Empire's corporate lender, however, has stated that it does not intend to provide the company with further financing beyond July 31, 2008. In order to secure the funding necessary to continue operating the network, the parties must close the proposed transaction no later than July 31.

¹ 47 C.F.R. § 63.25.

² See Joint Application to Assign the International and Domestic Section 214 Authorizations of Empire State Independent Network, LLC to ION HoldCo, LLC, WC Docket No. 08-89, File No. ITC-ASG-20080609-00259 (filed June 9, 2008, supplemented July 9, 2008 and July 10, 2008) ("Joint Application").

³ See *id.*

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| Granted 22 2008 | |
| Policy Division International Bureau | |
| date: <u>EXPIRE: SEPT. 20, 2008</u> | authorized by: <u>Chief, Policy Div IB</u> |
| <u>James L. Ball</u> signature | |

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Policy Division

*cc Dave
Susan
Susan*

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DATE: 7/23/08

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SPECIAL INSTRUCTIONS: 1TC-STA-20080721-00336

Re 1TC-ASG-20080609-00259

Empire to IOV