

Categories of Services for 214 Applications
(Streamline/Non-streamline)

- LIMITED/GLOBAL RESALE SERVICE
- LIMITED/GLOBAL FACILITIES-BASED SERVICE
- LIMITED/GLOBAL FACILITIES-BASED/RESALE SERVICE
- INDIVIDUAL FACILITIES-BASED SERVICE
- INTERCONNECTED PRIVATE LINE RESALE SERVICE
- INMARSAT AND MOBILE SATELLITE SERVICE
- INTERNATIONAL SPECIAL PROJECT
- SWITCHED RESALE SERVICE
- TRANSFER OF CONTROL
- ASSIGNMENT OF LICENSE
- PRO FORMA TRANSFER/ASSIGNMENT
- SPECIAL TEMPORARY AUTHORITY
- SUBMARINE CABLE LANDING LICENSE

Description of Application: _____

COPY

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

JOEL DEJESUS
DIRECT Dial (202) 424-7565
jdejesus@swidlalaw.com

DEC 23 1999

3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7643
WWW.SWIDLAW.COM

NEW YORK OFFICE
919 THIRD AVENUE
NEW YORK, NY 10022-9998
(212) 758-9500 FAX (212) 758-9526

December 23, 1999

VIA MESSENGER

Federal Communications Commission
International Bureau Telecommunications Division
P.O. Box 358115
Pittsburgh, PA 15251-5115
Attn: Rebecca Arbogast, Division Chief

Re: Application for Authority Pursuant to Section 214 of the Communications Act of
1934, as Amended, To Transfer Control of an Authorized International Carrier

Dear Sir or Madam:

On behalf of SIGECOM, LLC ("SIGECOM"), UtiliCom Networks, Inc ("UtiliCom"), and Blackstone UC Management Associates L.L.C. (as General Partner for Blackstone UC Capital Partners L.P., Blackstone UC Offshore Capital Partners L.P., and Blackstone Family UC Investment Partnership L.P.) (collectively, "BLACKSTONE") (SIGECOM, UtiliCom, and BLACKSTONE collectively, "Applicants"), enclosed for filing are an original and six (6) copies of the above-referenced application.

Please note that certain confidential information has been transmitted directly to Breck Blacklock under separate sealed cover. Please note that the signed certification of BLACKSTONE is a facsimile copy, and the original signature will follow shortly. As required by the Commission's Rules, a check in the amount of \$780.00 is enclosed to cover the filing fee.

Federal Communications Commission
December 23, 1999
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Please date-stamp the enclosed extra copy of this application and return it in the self-addressed, postage paid envelope provided. Should you have any questions concerning this application, please do not hesitate to contact Joel deJesus at (202) 424-7565.

Respectfully submitted,


Joel deJesus

Counsel to UtiliCom Networks, Inc. and
SIGECOM, LLC

And on Behalf of Blackstone UC Management
Associates L.L.C. (as General Partner for
Blackstone UC Capital Partners L.P.,
Blackstone UCC Offshore Capital Partners L.P.,
and Blackstone Family UC Investment
Partnership L.P.)

Enclosures

cc: Breck Blalock (FCC)
Brett P. Ferenchak

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
))
SIGECOM, LLC,))
UTILICOM NETWORKS, INC.,))
))
and))

BLACKSTONE UC MANAGEMENT))
ASSOCIATES L.L.C.))
(as General Partner for))
 Blackstone UC Capital Partners L.P.,))
 Blackstone UC Offshore Capital))
 Partners L.P., and))
 Blackstone Family UC Investment))
 Partnership L.P.)))

File No. ITC-T/C-1999-_____

Joint Application for authority pursuant to))
Section 214 Communications Act of 1934,))
as amended, to transfer control of))
an authorized international carrier))

JOINT APPLICATION

SIGECOM, LLC ("SIGECOM"), UtiliCom Networks, Inc ("UtiliCom"), and Blackstone UC Management Associates L.L.C. (as General Partner for Blackstone UC Capital Partners L.P., Blackstone UC Offshore Capital Partners L.P., and Blackstone Family UC Investment Partnership L.P.) (collectively, "BLACKSTONE") (SIGECOM, UtiliCom, and BLACKSTONE collectively, "Applicants") by their undersigned counsel, hereby request approval, pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.18 of the Commission's Rules, 47 C.F.R. § 63.18, of a series of equity financing transactions whereby UtiliCom ultimately will transfer majority beneficial ownership of SIGECOM, a nondominant common carrier holding international 214 authorization, to BLACKSTONE.

The Applicants respectfully request expedited treatment of this Application in order to permit them to consummate the proposed transactions as soon as possible.^{1/} In support of this request, the Applicants note that this Application is eligible for streamlined processing pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12, for the reasons stated below.

In support of this Application, Applicants submit the following information:

I. THE PARTIES

A. UtiliCom Networks, Inc.

UtiliCom is a privately held Delaware corporation whose principal offices are located in Franklin, Massachusetts. UtiliCom holds 51 percent of SIGECOM.

B. SIGECOM, LLC

SIGECOM is an Indiana limited liability company owned 51 percent by UtiliCom and 49 percent by SIGECO Advanced Communications, Inc. ("SIGECO"), an Indiana corporation. On November 19, 1999, SIGECOM received from the Federal Communications Commission authority to provide global facilities-based and global resale telecommunications service under Section 214 of the Communications Act of 1934. FCC File No. ITC-214-19991026-00677, Public Notice, Rep. No. TEL -00162 (rel. Nov. 30, 1999, effective Nov. 19, 1999).

C. BLACKSTONE

BLACKSTONE consists of three special purpose investment vehicles – Blackstone UC Capital Partners L.P. ("Blackstone Capital"), Blackstone UC Offshore Capital Partners L.P.

^{1/} Concurrently with this application, Applicants are submitting with the International Bureau a request for special temporary authority pursuant to 47 C.F.R. § 63.25 to consummate the proposed transactions as soon as possible.

("Blackstone Offshore"), and Blackstone Family UC Investment Partnership L.P. ("Blackstone Family") – that share a general partner, Blackstone UC Management Associates L.L.C. ("Blackstone Management"). Blackstone Capital and Blackstone Family are Delaware limited partnerships. Blackstone Offshore is a Cayman Islands exempted limited partnership. Blackstone Management is a Delaware limited liability company. As general partner, Blackstone Management manages Blackstone Capital, Blackstone Offshore² and Blackstone Family.

II. THE TRANSACTION

UtiliCom and its operating subsidiaries have determined that they will realize significant economic and marketing efficiencies by establishing SIGECOM as an indirect majority owned subsidiary of BLACKSTONE. The proposed transaction is structured as a series of equity financings between BLACKSTONE and UtiliCom. The equity financings will consist of multiple tranches in an aggregate amount of up to \$100 million.

To prepare for the first equity financing UtiliCom will complete a corporate restructuring which will interpose a holding company ("Holding LLC") to hold a 100 percent interest in UtiliCom. The shareholders of UtiliCom will exchange their shares in UtiliCom for a proportionate number of units in Holding LLC. UtiliCom will also change its name to Sigecom Holdings, Inc. This restructuring and name change constitute *pro forma* assignments under 47 C.F.R. §§ 63.24(a)(4) and (a)(5).

Immediately after the corporate restructuring, which is currently scheduled to take place sometime at the end of 1999 or the beginning of the new year, Blackstone will make its initial

² Blackstone Offshore has two general partners, Blackstone Management and Blackstone UC Services (Cayman) LDC.

investment of approximately \$30 million in Holding LLC in exchange for approximately 7.5 million Class B Units in Holding LLC. Although this initial draw down will provide BLACKSTONE approximately ¹³⁰⁻⁴⁰ 45 percent ownership in Holding LLC on a fully diluted basis, this initial draw down will give BLACKSTONE approximately 70 percent voting control over Holding LLC and the right to nominate a majority of Holding LLC's Board of Managers. The allocation of the BLACKSTONE investment in Holding LLC is anticipated to be approximately as follows: Blackstone Capital - 79 percent; Blackstone Offshore - 15 percent; and Blackstone Family - 6 percent. As general partner of these investment vehicles, Blackstone Management will hold the combined voting control of Holding LLC. Shortly after BLACKSTONE's investment into Holding LLC, Holding LLC will contribute all or part of the approximately \$30 million investment to Sigecom Holdings, Inc *f/k/a* UtiliCom.

At approximately the same time as BLACKSTONE's initial investment in Holding LLC, there will be a roll-up of a portion of SIGECO's interest in SIGECOM, under which most of SIGECO's direct interest in SIGECOM will be transferred to Holding LLC in exchange for convertible debt securities in Holding LLC, and the remainder will be contributed to Sigecom Holdings, Inc. *f/k/a* UtiliCom in exchange for approximately 19 percent ownership of Sigecom Holdings, Inc. *f/k/a* UtiliCom. Because the roll-up and contribution merely transfers a direct minority ownership interest in SIGECOM for an indirect minority ownership interest and debt in higher tiers of the corporate structure, the roll-up will not change the fact that Sigecom Holdings, Inc. *f/k/a* UtiliCom will remain the direct majority owner of SIGECOM, and the roll up and the contribution of SIGECO's interests in SIGECOM constitute *pro forma* assignments under 47 C.F.R. § 63.24(a)(2). Upon completion of this *pro forma* transaction the direct ownership of SIGECOM

will be allocated approximately 74 percent to Sigecom Holdings, Inc. f/k/a UtiliCom and 26 percent to Holding LLC.^{3/}

When Holding LLC has drawn fully down the first \$50 million, BLACKSTONE will have received approximately 12.5 million Class B Units in Holding LLC, or approximately ⁴⁷59 percent ~~indirect~~ ownership in Sigecom Holdings, Inc. f/k/a UtiliCom on a fully diluted basis, and 79 percent on the basis of outstanding units.

Sometime after the closing date, Sigecom Holdings, Inc. f/k/a UtiliCom, through Holding LLC, will receive one or more draw downs of up to an additional \$50 million in exchange for providing BLACKSTONE additional units in Holding LLC. Once this transaction is fully effectuated, BLACKSTONE will have a total of approximately ⁶⁴72 percent ~~indirect~~ ownership in Sigecom Holdings, Inc. f/k/a UtiliCom on a fully diluted basis, and 88 percent on the basis of outstanding units.

Although the proposed transaction will transfer indirect ownership and control of SIGECOM to BLACKSTONE, it will not involve a change in the manner in which SIGECOM provides service to its customers. Immediately following the transaction, SIGECOM will continue to provide high quality telecommunications services to its customers pursuant to its authorization granted by the Commission, with no change in the rates or terms and conditions of service currently enjoyed by its existing customers. The transfer of control, therefore, will be virtually transparent to SIGECOM's customers in terms of the international services that they receive.

^{3/} The Parties are exploring an alternative structure in which Holding, LLC would contribute its direct interests in SIGECOM, LLC to Sigecom Holdings, Inc. f/k/a UtiliCom, in which case, Sigecom Holdings, Inc. f/k/a UtiliCom would own 100 percent of SIGECOM, LLC.

III. INFORMATION REQUIRED BY SECTION 63.18

(a) Name, address, and telephone number of Applicants:

Transferee: Blackstone UC Management Associates L.L.C.
(as General Partner for Blackstone UC Capital Partners L.P.,
Blackstone UC Offshore Capital Partners L.P., and
Blackstone Family UC Investment Partnership L.P.)
345 Park Avenue
New York, NY 10154
(212) 583-5000 (Telephone)
(212) 583-5712 (Facsimile)

Transferor: UtiliCom Networks, Inc.
124 Washington Street, Suite 201
Foxboro, MA 02035
(812) 469-0345 (Telephone)
(812) 469-0317 (Facsimile)

(b) Transferee: Blackstone Management is a Delaware limited liability company.
Blackstone Capital and Blackstone Family are Delaware limited
partnerships. Blackstone Offshore is a Cayman Islands exempted
limited partnership.

Transferor: UtiliCom is a corporation organized under the laws of the State of
Delaware.

(c) Correspondence concerning this Application should be sent to:

Joel deJesus, Esq.
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
202/424-7500 (Telephone)
202/424-7643 (Facsimile)

with a copy to :

Mike Angi, Chief Operating Officer
UtiliCom Networks, Inc.
124 Washington Street, Suite 201
Foxboro, MA 02035

(d) **Transferee:** Blackstone Management, Blackstone Capital, Blackstone Offshore, and Blackstone Family do not hold a Section 214 authorization.

Transferor: UtiliCom holds a majority interest in SIGECOM, a company which holds Section 214 authorization to provide global facilities-based and resale telecommunications services. See FCC File No. ITC-214-19991026-00677, Public Notice, Rep. No. TEL-00162 (rel. Nov. 30, 1999, effective Nov. 19, 1999).

(e)(3) By this application, Applicants seek authority to transfer of control of SIGECOM, a nondominant common carrier holding international Section 214 authorization, to BLACKSTONE not holding any international Section 214 authorizations.

(h) After completion of the transactions, the following persons or entities hold a ten percent (10%) or greater, direct or indirect, ownership in SIGECOM, LLC⁴:

<u>Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
UtiliCom Networks, Inc. 124 Washington Street, Suite 201 Foxboro, MA 02035	74%	U.S.	Holding Company
"Holding LLC" To be formed	26%	U.S.	Holding Company

The following persons or entities will hold a ten percent (10%) or greater, direct or indirect, ownership in UtiliCom Networks, Inc. (to be known as Sigecom Holdings, Inc.):

<u>Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
"Holding LLC" To be formed	81%	U.S.	Holding Company
SIGECO Advanced Communications, Inc. 20 N.W. Fourth Street, P.O. Box 569 Evansville, IN 47741	19%	U.S.	Holding Company

⁴ In the alternative, per footnote 3, UtiliCom (which will be known as Sigecom Holdings, Inc.) may own 100 percent of SIGECOM, LLC

The following persons or entities will hold a ten percent (10%) or greater, direct or indirect, ownership in "Holding LLC":

<u>Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
Blackstone UC Management Associates L.L.C. (as General Partner for Blackstone UC Capital Partners L.P., Blackstone UC Offshore Capital Partners L.P., and Blackstone Family UC Investment Partnership L.P.) ^{5/} 345 Park Avenue New York, NY 10154	88%	U.S.	Investment Fund

Information regarding the persons or entities that will hold a ten percent (10%) or greater, direct or indirect, ownership in **Blackstone UC Management Associates L.L.C.** has been submitted separately under confidential cover.

The following persons or entities will hold a ten percent (10%) or greater, direct or indirect, ownership in **SIGECO Advanced Communications, Inc.:**

<u>Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
SIGCORP, Inc. 20 N.W. Fourth Street, P.O. Box 569 Evansville, IN 47741	100%	U.S.	Holding Company

Blackstone Management, Blackstone Capital, Blackstone Offshore, and Blackstone Family have no interlocking directorates with a foreign carrier.^{6/}

^{5/} The following is the beneficial ownership percentages of the 69 percent controlled by Blackstone Management: Blackstone Capital - 79 percent; Blackstone Offshore - 15 percent; and Blackstone Family - 6 percent. Blackstone Offshore has two general partners, Blackstone Management and Blackstone UC Services (Cayman) LDC.

^{6/} A senior managing director and a managing director in an affiliate of BLACKSTONE sit on the Board of Directors of Centennial Cellular Corporation. Centennial Cellular Corp owns Centennial de Puerto Rico, which in turn wholly owns Lambda CLEC, a competitive local exchange carrier in Puerto Rico. However, because 47 U.S.C. § 153(51) defines "United States" to include territories and possessions of the United States, including Puerto Rico, Lambda is a domestic carrier.

- (i) BLACKSTONE certifies that it is not affiliated within the meaning of Section 63.09(e) of the Commission's Rules, with a foreign carrier, as defined in Section 63.09(d) of the Commission's Rules.
- (j) BLACKSTONE certifies that it does not seek to provide international telecommunications services to any destination country where:
 - (1) BLACKSTONE is a foreign carrier in that country; or
 - (2) BLACKSTONE controls a foreign carrier in that country; or
 - (3) Any entity that owns more than 25 percent of BLACKSTONE, or that controls BLACKSTONE, controls a foreign carrier in that country.
 - (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of BLACKSTONE and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing or international basic telecommunications services in the United States.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.
- (n) BLACKSTONE certifies that it has not agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's Rules, directly or indirectly from any foreign carrier, as defined in Section 63.09(d) of the Commission's Rules, with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market, and will not enter into such agreements in the future.
- (o) BLACKSTONE certifies that no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) BLACKSTONE requests streamlined processing of this application pursuant to Section 63.12 of the Commission's Rules. This application qualifies for streamlined processing because BLACKSTONE has no affiliations with foreign carriers, has no affiliation with a dominant U.S. carrier whose international switched or private line services BLACKSTONE seeks authority to resell, and does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of such services.

CONCLUSION

For the reasons stated herein, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this application for consent to the indirect transfer of control of SIGECOM to BLACKSTONE.

Respectfully submitted,

SIGECOM, LLC
UTILICOM NETWORKS, INC.
BLACKSTONE UC MANAGEMENT
ASSOCIATES L.L.C. (as General Partner
for Blackstone UC Capital Partners
L.P., Blackstone UC Offshore Capital Partners
L.P., and Blackstone Family UC Investment
Partnership L.P.)

By:


Joel de Jesus
SWIDLER BERLIN SHREFFL FRIEDMAN, LLP

3000 K Street, N.W., Suite 300
Washington, D.C. 20007
202/424-7500

Counsel for UtiliCom Networks, Inc. and
SIGECOM, LLC

And on Behalf of

Blackstone UC Management Associates
L.L.C. (as General Partner for Blackstone UC
Capital Partners L.P., Blackstone UC Offshore
Capital Partners L.P., and Blackstone Family
UC Investment Partnership L.P.)

Dated: December 22, 1999

CERTIFICATION OF TRANSFEREE

On behalf of Blackstone UC Management Associates L.L.C. (as General Partner for Blackstone UC Capital Partners L.P., Blackstone UC Offshore Capital Partners L.P., and Blackstone Family UC Investment Partnership L.P.), I hereby certify that the statements in the foregoing Joint Application for Authority to Transfer Control of an Authorized International Carrier are true, complete, and correct to the best of my knowledge and are made in good faith.

By: Mark T. Galloely

Name: 

Title: Senior Managing Director

Date: 12/23/99