Mikelle Morra

From: Kishiyama, Lonnie [Lonnie.Kishiyama@dhs.gov]
Sent: Tuesday, January 23, 2007 4:27 PM
To: Kishiyama, Lonnie; George Li; Susan OConnell; Mikelle Morra; Joann Ekblad; David Krech
Cc: James Ball
Subject: FCC application status update for week of 1/22/07

Good afternoon,

Please be advised that based on the information in its FCC application and discussions with the company, the DOJ, FBI, and DHS have NO COMMENT on the following application:

1. Top Communications - ITC-214-20060905-00417 2. BP Exporation - SLC-LIC-20061115-00010

Please be advised that DOJ, FBI and DHS request that the following applications be REMOVED from streamline:

1. Bingo Consulting LLC - ITC-214-20070103-00003
2. Flint Telecom, Inc. - ITC-214-20070102-00002
3. South American-1 Cable Network (SAm-1) held by Telefonica Int. Wholesale Services USA, Inc. and TI Wholesale Services PR Inc. - SCL-T/C-20061117-00014
4. Arrival Communications / U.S. Telepacific Corp. - ITC-T/C-20061211-00554 (Letter to Defer will be filed on 1/25/07)

Please contact me or Amy Jabloner if you have any questions.

Thank you,

Lonnie Kishiyama
DHS

Mikelle Morra

From: Mikelle Morra
Sent: Friday, January 26, 2007 12:25 PM
To: 'mmulkey@arrival.com'; 'Burt, Danielle'
Cc: George Li; David Krech; Susan OConnell; Joann Ekblad; Janeese Parker; Veronica Garcia-Ulloa; Mikelle Morra; 'agmrsald@ic.fbi.gov'; 'Kishiyama, Lonnie'; 'Amy.Jabloner@usdoj.gov'; 'joseph.springsteen@usdoj.gov'; 'Louis.brenner@dhs.gov'
Subject: FCC Section 214 Removed from Streamlined
Attachments: DOC-269800A1[1].pdf

Arrival Communications, Inc.
ITC-T/C-20061211-00554

The above referenced application was placed on Public Notice on January 19, 2007 for streamlined processing. Since the Public Notice was released, the Commission has been requested by the Executive Branch agencies of the United States that we remove the subject applications from streamlined processing because of foreign ownership issues. Therefore, pursuant to Section 63.12(c)(3) of the Commission's Rules, we have removed the application from streamlined processing.

Please be advised that your company may not commence operations until the Section 214 authorization is granted. See Section 63.12(d) of the rules, 47 C.F.R. Section 63.12(d). The Executive Branch will contact you or the "Contact" listed on your application directly for further information. You can be assured that your application will be processed expeditiously upon completion of Executive Branch's review. We will notify you by e-mail when your application is granted.

The Public Notice Report No. TEL-01110S (released January 26, 2007), is attached. If you have any questions, please email: Mikelle.Morra@fcc.gov, JoAnn.Ekblad@fcc.gov, Susan.Oconnell@fcc.gov, David.Krech@fcc.gov, and George.Li@fcc.gov or fax to 202-418-2824.

Thank you,

Mikelle Morra
Federal Communications Commission
International Bureau/ Policy Division
202-418-7151

Mikelle Morra

From: David Krech
Sent: Monday, February 12, 2007 11:22 AM
To: Mikelle Morra
Cc: George Li; Joann Ekblad
Subject: FW: Arrival-Telepacific FCC Filing
Attachments: Arrival-Telepacific Deferral Withdraw ECFS Comment Submission CONFIRMATION.htm; Letter to withdraw deferral - Arrival-Telepacific.doc

Please upload into IBFS. And grant the application effective today. Thanks.

*** Non-Public: For Internal Use Only ***

From: Kishiyama, Lonnie [mailto:Lonnie.Kishiyama@dhs.gov]
Sent: Friday, February 09, 2007 2:31 PM
To: Kishiyama, Lonnie; George Li; Susan OConnell; Mikelle Morra; Joann Ekblad; David Krech; Myrva Charles; Gail Cohen; Kiddoo, Jean L.; mmulkey@arrival.com; danielle.burt@bingham.com
Cc: James Ball
Subject: Arrival-Telepacific FCC Filing

Good afternoon,

Please be advised that the attached Letter to Withdraw the Deferral was filed with the FCC this afternoon regarding the Arrival / Telepacific matter, WC Docket Number 06232, DA 07-56. I have attached the filed letter and the FCC filing confirmation.

Please let me know if you have any questions.

Thank you,

Lonnie Kishiyama
DHS

Mikelle Morra

From: Mikelle Morra
Sent: Thursday, February 15, 2007 3:21 PM
To: 'mmulkey@arrival.com'; 'Burt, Danielle'
Cc: George Li; David Krech; Susan OConnell; Joann Ekblad; Mikelle Morra; Janeese Parker; 'Kishiyama, Lonnie'; 'AmyM@softmed.com'; 'jpifer@leo.gov'; 'joseph.springsteen@usdoj.gov'; 'Louis.brenner@dhs.gov'
Subject: FCC Section 214 Granted
Attachments: DA-07-676A1[1].pdf

Arrival Communications, Inc,
ITC-T/C-20061211-00554

The above listed application has been granted by Public Notice released February 15, 2007; Report No. TEL-01116, DA 07-676 (attached).

Thank you,

Mikelle Morra
Mikelle.Morra@fcc.gov
International Bureau/ Policy Division
202-418-7151

U.S. Department of Homeland Security
Washington, DC 20528

Ms. Marlene H. Dortch
Federal Communications Commission
445 12th St. SW, Room TW-B204
Washington, DC 20554

January 25, 2007

Re: Arrival Communications, Inc. / U.S. TelePacific Corp.
ITC-T/C-20061211-00554

Dear Ms. Dortch:

The Department of Homeland Security ("DHS") with the concurrence of the Department of Justice, including the Federal Bureau of Investigation ("FBI"), request that the Federal Communications Commission ("Commission") defer action in the above-captioned matter to transfer control of Arrival Communications, Inc. ("Arrival") to U.S. TelePacific Corp. Arrival holds a domestic and international section 214 authorizations. DHS, DOJ and FBI ("the agencies") are currently reviewing such matter for any national security, law enforcement, and public safety issues, but have not yet completed that effort. See generally, In the matter of Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, 12 F.C.C. Rcd. 23,891, ¶ 63 (November 26, 1997). We are therefore requesting that the Commission defer action until such time as the agencies notify the Commission of the completion of their review and, based on the results of such review, request appropriate action by the Commission.

DHS, DOJ and FBI will advise the Commission promptly upon completion of our review.

Thank you for your consideration.

Sincerely,

/s/ BRANDT PASCO

Brandt Pasco
Deputy Director
Foreign Financial and Investment Issues
United States Department of Homeland Security

cc: Cecilia Seppings
Gail Cohen
Susan O'Connell
James Bird
George Li
Doane F. Kiechel
Lonnie Kishiyama

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION

REMITTANCE ADVICE

Approved by OMB
3060-0589

(1) LOCKBOX #		SPECIAL USE ONLY
358115	FCC/MELLON DEC 08 2006	FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Bingham McCutchen LLP	(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) $965.00
(4) STREET ADDRESS LINE NO. 1 c/o Danielle Burt	
(5) STREET ADDRESS LINE NO. 2 3000 K Street, N.W., Suite 300	
(6) CITY Washington	(7) STATE DC / (8) ZIP CODE 20007-5116
(9) DAYTIME TELEPHONE NUMBER (include area code) 202-424-7530	(10) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) REQUIRED

(11) PAYER (FRN) 0004-3539-00	(12) FCC USE ONLY

IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)
COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(13) APPLICANT NAME Arrival Communications, Inc.	
(14) STREET ADDRESS LINE NO. 1 1807 19th Street	
(15) STREET ADDRESS LINE NO. 2	
(16) CITY Bakersfield	(17) STATE CA / (18) ZIP CODE 93301
(19) DAYTIME TELEPHONE NUMBER (include area code) 661-716-6002	(20) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) REQUIRED

(21) APPLICANT (FRN) 0003-7745-36	(22) FCC USE ONLY

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1
(26A) FEE DUE FOR (PTC) $965.00	(27A) TOTAL FEE $965.00	FCC USE ONLY
(28A) FCC CODE I	(29A) FCC CODE 2 IB2006003258	
(23b) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE I	(29B) FCC CODE 2	

SECTION D - CERTIFICATION

CERTIFICATION STATEMENT

I, Danielle C. Burt, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.

SIGNATURE Danielle Burt DATE 12/08/2006

SECTION E - CREDIT CARD PAYMENT INFORMATION

MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____

ACCOUNT NUMBER _____ EXPIRATION DATE _____

I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.

SIGNATURE _____ DATE _____

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

In the Matter of the Joint Application of	)	
ARRIVAL COMMUNICATIONS, INC., Transferor,	)	File No. ITC-T/C-2006 _____
and	)	WC Docket No. 06-_____
U.S. TELEPACIFIC CORP. Transferee	)	
For Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, and Sections 63.04 and 63.24 of the Commission's Rules to Complete a Transfer of Control of an Authorized Domestic and International Section 214 Carrier	)	

JOINT APPLICATION

I. INTRODUCTION

A. Summary of Transaction

Arrival Communications, Inc. ("Arrival") and U.S. TelePacific Corp. ("TelePacific") (together, the "Applicants"), through their counsel and pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C. § 214, and Sections 63.04 and 63.24 of the Commission's Rules, 47 C.F.R. §§ 63.04, 63.24, respectfully request authority to transfer control of Arrival to TelePacific. TelePacific has entered into an agreement to acquire the stock of Arrival for cash. Under the terms of the agreement, Arrival will be merged with TPAC Merger Corp. ("TPAC Merger"), a wholly-owned subsidiary of TelePacific created for this transaction,

with Arrival being the surviving corporation. As a result, following the transaction, Arrival will be a direct-wholly owned subsidiary of TelePacific.

B. Request for Expedited Consideration

As set forth below, TelePacific has significant financial resources and substantial experience operating as a regulated telecommunications provider. As a result, the proposed transaction is structured to ensure that existing Arrival customers will continue to enjoy uninterrupted service, and immediately following the proposed transaction, customers of Arrival will continue to receive services under the same rates, terms and conditions as those services are presently provided. In light of the substantial benefits that the Applicants expect from the proposed transaction, Applicants seek expedited approval to allow Applicants to complete the proposed transaction as soon as possible.

C. Request for Streamlined Processing

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03 & 63.12. With respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions, (1) Applicants and their affiliates, as defined in Section 3(1) of the Communications Act ("Affiliates") combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which is a party to the proposed transactions) and; (3) none of the Applicants or their Affiliates is dominant with respect to any service.

With respect to international authority, this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants is a foreign carrier, or

is affiliated with any foreign carriers and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c), applies.

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

II. DESCRIPTION OF THE APPLICANTS

A. Arrival Communications, Inc. (Transferor)

Arrival is a privately-held Delaware corporation with its headquarters located at 1800 19th Street, Bakersfield, California 93301. Arrival is a facilities-based communications provider offering an integrated bundle of voice and data services to business customers. Arrival delivers a full range of telephone, high-speed data, and Web hosting solutions to customers in central California.

B. U.S. TelePacific Corp. (Transferee)

TelePacific is a California corporation with its headquarters located at 515 S. Flower Street, 47th Floor, Los Angeles, CA 90071-2201. TelePacific provides facilities-based business communications services, including local, long distance, data and Internet services to small-to-medium sized businesses in Nevada and California. It also serves customers in Illinois through its affiliate, Mpower Communications Corp. With thousands of customers, TelePacific is one of the largest telecommunications companies headquartered in California.

III. DESCRIPTION OF THE TRANSACTION

Applicants propose to complete a transaction through which Arrival will become a wholly owned subsidiary of TelePacific. In particular, TelePacific and Arrival have entered into an Agreement, dated December 1, 2006, for TelePacific to acquire 100 percent of the stock of Arrival for cash. Under the terms of the agreement, Arrival will be merged with TPAC Merger, a wholly-owned subsidiary of TelePacific created for this transaction, with Arrival being the

surviving corporation. As a result, following the transaction, Arrival will be a direct-wholly owned subsidiary of TelePacific.

Following the proposed transaction, Arrival's customers will continue to receive services under the same rates, terms and conditions as those services are currently provided to them. Applicants therefore expect that the proposed transaction will be virtually transparent to Arrival's customers in terms of the services that those customers receive. TelePacific is already well qualified to control the continuing operations of Arrival.

A chart illustrating the "before and after" corporate organization of the merged entities is attached as Exhibit A.

IV. PUBLIC INTEREST STATEMENT

The proposed transaction described above serves the public interest in promoting competition among telecommunications providers. In particular, the proposed transaction will combine the strengths of TelePacific and Arrival which the Applicants believe will allow the combined companies to compete more effectively against incumbent carriers and larger competitive carriers which have substantial resources and can offer a wide range of facilities-based service offerings.

The operations of Applicants are highly complementary. Applicants believe the proposed transaction will enhance the ability of the entities to expand their respective operations both in terms of service area coverage and through the ability of each entity to offer customers an expanded line of products and services. In addition, Applicants expect that the proposed transaction will yield substantial operational and financial benefits to the combined companies.

Moreover, the fitness of TelePacific to offer domestic and international telecommunications services was recently confirmed by the Commission in connection with 2006 acquisition of Mpower Communications Corp. by U.S. TelePacific Holdings Corp.

("Company"), the parent of TelePacific.[1] In the context of that proceeding, TelePacific disclosed that certain foreign investors hold a greater than 10 percent indirect interest in the Company and, in separate discussions with the Department of Justice, including the Federal Bureau of Investigation, and the Department of Homeland Security, the Company made specific commitments that addressed national security issues with respect to location of and access to billing records and other subscriber information and other law enforcement concerns. The investors who were disclosed in that application still hold interests in TelePacific and are disclosed below,[2] and TelePacific readily agrees to extend its earlier commitments to include the Arrival operations following the transaction closing.

Given the increasingly competitive nature of the telecommunications market, Applicants are seeking to complete the proposed transaction as soon as possible to ensure that customers can obtain rapidly the benefits of the proposed transaction. Accordingly, Applicants respectfully request that the Commission process, consider, and approve this Application as expeditiously as possible.

V. INFORMATION REQUIRED BY SECTION 63.24(e)

Pursuant to Section 63.24(e)(3) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

---

1 *See* In the Matter of the Joint Application of Mpower Holding Corporation, Transferor, and U.S. TelePacific Holdings Corp., Transferee, for authority pursuant to Section 214 of the Communications Act of 1934, as amended, for the transfer of control of an authorized U.S. domestic and international Section 214 carrier, Docket No. WC 06-107.

2 The only changes in the ownership of the foreign investors are that Investcorp S.A.'s aggregate holdings in TelePacific are now 42% instead of 45%, and some of the individual ownership percentages of intermediate Investcorp S.A. investment companies have changed and a new intermediate investment company, Investcorp Properties Limited, a Cayman Islands entity, now holds 2%. In addition, Clarity Partners, L.P., and two related investment funds, all U.S. entities, holds an aggregate interest of 22.75% in TelePacific. The ownership of all entities with more than 10% ownership are disclosed in response to §63.18(h) below.

63.18 (a) **Name, address and telephone number of each Applicant:**

Arrival Communications, Inc.
1800 19th Street
Bakersfield, CA 93301
(661) 716-2100 (Tel)

U.S. TelePacific Corp.
515 S. Flower Street, 47th Floor
Los Angeles, CA 90071-2201
(213) 213-3000 (Tel)

63.18 (b) **Jurisdiction of Organizations:**

Arrival is a corporation formed under the laws of the State of Delaware. TelePacific is a corporation formed under the laws of the State of California.

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

Jean L. Kiddoo
Danielle C. Burt
BINGHAM MCCUTCHEN LLP
3000 K Street, N.W., Suite 300
Washington, DC 20007
(202) 424-7500 (Tel)
(202) 424-7647 (Fax)
jean.kiddoo@bingham.com
danielle.burt@bingham.com

63.18 (d) Arrival holds international Section 214 authority granted in File No. ITC-T/C-20000310-00195 and holds blanket domestic Section 214 authority. TelePacific holds international Section 214 authority granted in File No. ITC-214-19970828-00514 and holds blanket domestic Section 214 authority.

63.18 (h) In accordance with 63.24(e)(3), items (h)-(p) are provided for the transferee.

1) The following entity owns or controls 10% or more of **U.S. TelePacific Corp.**

Name:	U.S. TelePacific Holdings Corp.
Address:	515 S. Flower Street, 47th Floor Los Angeles, California 90071-2201
Citizenship:	U.S.
Principal Business:	Holding Company
% Equity:	100%

2) The following entities own or control 10% or more of **U.S. TelePacific Holdings Corp.**

Name:	Investcorp S.A.[3]
Address:	6 rue Aldolph Fischer L-1520 Luxembourg
Citizenship:	Luxembourg
Principal Business:	Investing
% Equity:	42%

Name:	Clarity Partners, L.P.[4]
Address:	100 North Crescent Drive, Suite 300 Beverly Hills, CA 90210
Citizenship:	U.S.
Principal Business:	Investing
% Equity:	22.75%

3a) The following entity owns or controls 25% or more of **Investcorp S.A.**

Name:	Investcorp Holdings Limited
Address:	c/o Paget Brown & Company Limited P.O. Box 1111, West Wind Building, Harbour Drive George Town, Grand Cayman, Cayman Islands
Citizenship:	Cayman Islands
Principal Business:	Holding Company
% Equity:	100%

3b) The following entity owns or controls 25% or more of **Clarity Partners, L.P.**

Name:	Clarity GenPar, LLC
Address:	100 North Crescent Drive, Suite 300

[3] Investcorp S.A. does not hold a direct interest in U.S. TelePacific Holdings Corp. Instead, Investcorp S.A.'s interest is held indirectly through control of various corporations. Of these corporations, only TelePacific Equity Limited individually owns or controls more than 10% of U.S. TelePacific Holdings Corp. All of the intermediate corporations and the approximate magnitudes of their interests are as follows: Aguanga Limited (4%); Cahuilla Limited (4%); Fallbrook Limited (4%); Palmas Limited (4%); Investcorp Properties Limited (2%); TelePacific Holdings Limited (1%), TelePacific Equity Limited (16%) and New TelePacific IIP Limited (1%). In addition, Investcorp S.A. owns 100% of TelePacific Investments Limited, the general partner of Investcorp TPC Limited Partnership. Investcorp TPC Limited Partnership owns approximately 8% of U.S. TelePacific Holdings Corp. All of these entities are Cayman Islands companies, with the exception of Investcorp TPC Limited Partnership, which is a Cayman Islands exempted limited partnership, and all of them can be reached at c/o Paget Brown Trust Company Limited, P.O. Box 1111, West Wind Building, Harbour Drive, George Town, Grand Cayman, Cayman Islands, except for Aguanga Limited, Cahuilla Limited, Fallbrook Limited and Palmas Limited, which can be reached at: c/o Martonemere Services Ltd., P.O. Box 2197, West Wind Building, Harbour Drive, George Town, Grand Cayman, Cayman Islands.

[4] Clarity Partners, L.P.'s interest is held through three entities: Clarity Partners, L.P. (14.56%), Clarity TPAC, GP (5.86%), Clarity Advisors, L.P. (2.14%), and Clarity Associates, L.P. (0.20%). All of these entities are can be reached at 100 North Crescent Drive, Suite 300, Beverly Hills, CA 90210.

	Beverly Hills, CA 90210
Citizenship:	U.S.
Principal Business:	Investing
% Equity:	0.034% (General Partner)

Name:	Pennsylvania Public School Employees' Retirement System
Address:	5 North Fifth Street
	Harrisburg, PA 17101-199
Citizenship:	U.S.
Principal Business:	Investing
% Equity:	29.029%

4) The following entities own or control 25% or more of **Investcorp Holdings Limited**

Name:	Investcorp Bank B.S.C.
Address:	Investcorp House
	P.O. Box 5430
	Manama, Bahrain
Citizenship:	Bahrain
Principal Business:	Investment Bank
% Equity:	100% of equity (20% voting control)

Name:	CP Holdings Limited
Address:	c/o Paget Brown & Company Limited
	P.O. Box 1111, West Wind Building, Harbour Drive
	George Town, Grand Cayman, Cayman Islands
Citizenship:	Cayman Islands
Principal Business:	Investing
% Equity:	80% voting control

5a) The following entities own or control 25% or more of **Clarity GenPar, LLC**

Name:	Barry Porter
Address:	100 North Crescent Drive, Suite 300
	Beverly Hills, CA 90210
Citizenship:	U.S.
Principal Business:	Individual
Ownership Interest:	Managing Member

Name:	Stephen P. Rader
Address:	100 North Crescent Drive, Suite 300
	Beverly Hills, CA 90210
Citizenship:	U.S.
Principal Business:	Individual
Ownership Interest:	Managing Member

Name:	R. Rudolph Reinfrank
Address:	100 North Crescent Drive, Suite 300 Beverly Hills, CA 90210
Citizenship:	U.S.
Principal Business:	Individual
Ownership Interest:	Managing Member

Name:	David Lee
Address:	100 North Crescent Drive, Suite 300 Beverly Hills, CA 90210
Citizenship:	U.S.
Principal Business:	Individual
Ownership Interest:	Managing Member

5b) No entity owns or controls a majority interest in **Pennsylvania Public School Employees' Retirement System**.

6a) The following entity owns or controls more than 25% of **Investcorp Bank B.S.C.**[5]

Name:	Ownership Holdings Limited
Address:	c/o Paget Brown & Company Limited P.O. Box 1111, West Wind Building, Harbour Drive George Town, Grand Cayman, Cayman Islands
Citizenship:	Cayman Islands
Principal Business:	Holding Company
% Equity:	46%

Name:	CP Holdings Limited
Address:	c/o Paget Brown & Company Limited P.O. Box 1111, West Wind Building, Harbour Drive George Town, Grand Cayman, Cayman Islands
Citizenship:	Cayman Islands
Principal Business:	Investing
% Equity:	28%

6b) The following entities own or control more than 25% of **CP Holdings Limited**:

Name:	Ownership Holdings Limited
Address:	c/o Paget Brown & Company Limited P.O. Box 1111, West Wind Building, Harbour Drive George Town, Grand Cayman, Cayman Islands

[5] As a result of a recent securities transaction, the precise percentage ownership amounts may vary slightly from the percentage amounts indicated in 6a), 6b), and 8 in this filing. Applicant is in the process of verifying the exact correct amounts, and will provide such corrected percentages as soon as practicable. No new 25% shareholders were created as a result of the referenced transaction.

Citizenship:	Cayman Islands
Principal Business:	Holding Company
% Equity:	67%

Name:	Investors Holdings Limited
Address:	c/o Paget Brown & Company Limited P.O. Box 1111, West Wind Building, Harbour Drive George Town, Grand Cayman, Cayman Islands
Citizenship:	Cayman Islands
Principal Business:	Holding Company
% Equity:	33%

7) No entity owns or controls more than 25% of **Investors Holdings Limited**.

8) The following entity owns or controls more than 25% of **Ownership Holdings Limited**:

Name:	SIPCO Limited
Address:	c/o Paget Brown & Company Limited P.O. Box 1111, West Wind Building, Harbour Drive George Town, Grand Cayman, Cayman Islands
Citizenship:	Cayman Islands
Principal Business:	Holding Company
% Equity:	62%

9) No entity owns or controls more than 25% of **SIPCO Limited**. No other entity owns or controls more than 10% directly or indirectly of **U.S. TelePacific Corp**.

63.18 (i) Applicants certify that they are not foreign carriers, nor are they affiliated with foreign carriers, nor will they become affiliated with foreign carriers as a result of this transaction.

63.18 (j) Applicants certify that they do not seek to provide international telecommunications services to any destination country where:

(1) An Applicant is a foreign carrier in that country; or

(2) An Applicant controls a foreign carrier in that country; or

(3) Any entity that owns more than 25 percent of TelePacific or Arrival, or that controls TelePacific or Arrival, controls a foreign carrier in that country; or

(4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of TelePacific or Arrival 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.

63.18 (k) Not applicable.

63.18 (l) Not applicable.

63.18 (m) Not applicable.

63.18 (n) Applicants certify that they have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

63.18 (o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a. *See also* 47 C.F.R. §§ 1.2001-1.2003.

63.18 (p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants is or is affiliated with any foreign carriers and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c), applies.

VI. INFORMATION REQUIRED BY SECTION 63.04

In lieu of an attachment, pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b) Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12), 47 C.F.R. § 63.04(a)(6)-(12):

(a)(6) A description of the proposed Transaction is set forth in **Section III** above.

(a)(7) Arrival is authorized to provide competitive local and long distance telecommunications services as well as competitive access service in California. Arrival has no affiliated companies that provide telecommunications services. All of the services provided by Arrival are competitive in nature and neither Arrival nor any affiliated company holds a dominant position in any market.

TelePacific provides business communications services, including local, long distance, data and Internet services to thousands of small-to-medium sized businesses in Nevada and California. TelePacific is affiliated with Mpower Communications Corp., which provides telecommunications services in California, Illinois, and Nevada. All of TelePacific's and Mpower's services are competitive and neither TelePacific nor any affiliate holds a dominant position in any market.

(a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction, (1) Applicants and their affiliates (as defined in Section 3(1) of the Communications Act – ("Affiliates") combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which is a party to the proposed transaction) and; (3) none of the Applicants or their Affiliates is dominant with respect to any service.

(a)(9) By this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)). No other applications are being filed with the Commission with respect to this transaction.

(a)(10) Prompt completion of the proposed transaction is critical to ensure that Applicants can obtain the benefits described in the foregoing application. Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously in order to allow Applicants to consummate the proposed transaction as soon as possible.

(a)(11) Not applicable.

(a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section IV** above.

VI. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application. Applicants therefore respectfully request that the Commission consider and approve this Application expeditiously to permit Applicants to consummate the proposed transaction as soon as possible.

Respectfully submitted,

Danielle Burt

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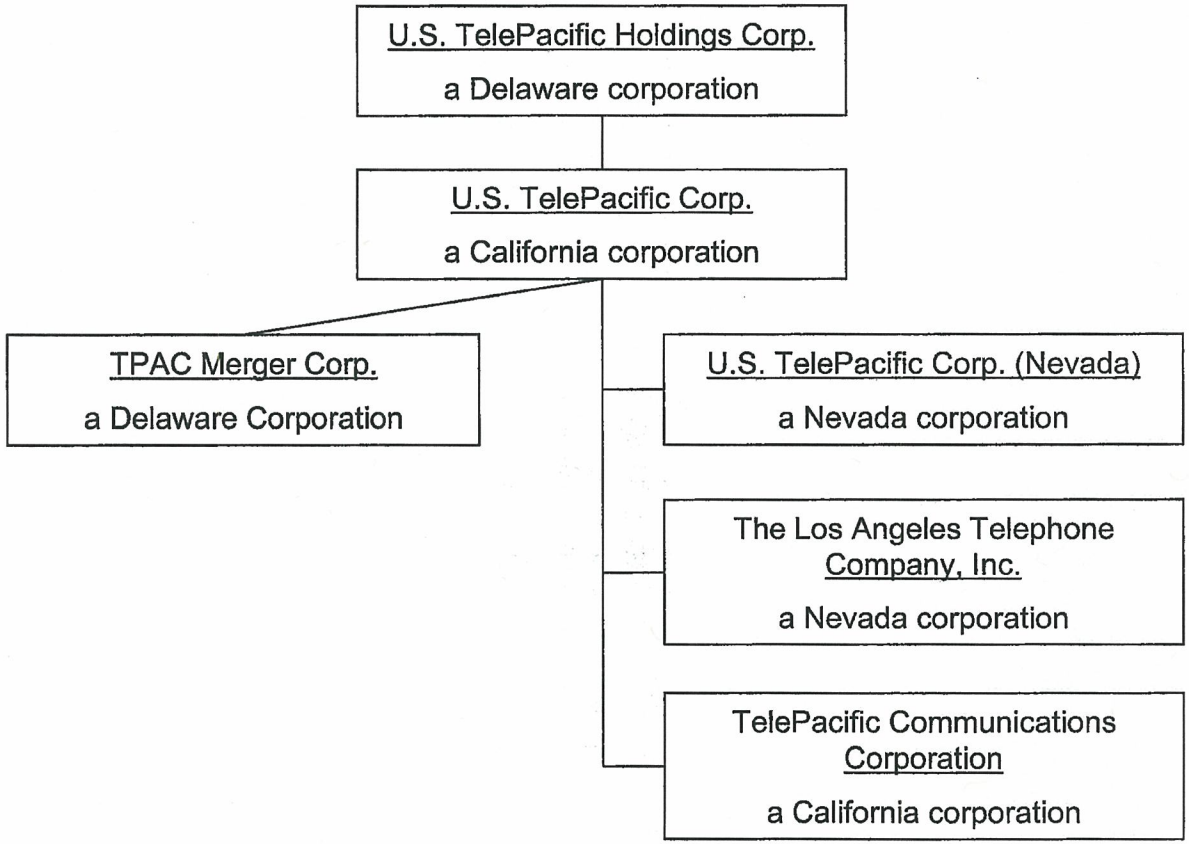
Dated: December 8, 2006

EXHIBIT A

Corporate Organization Charts

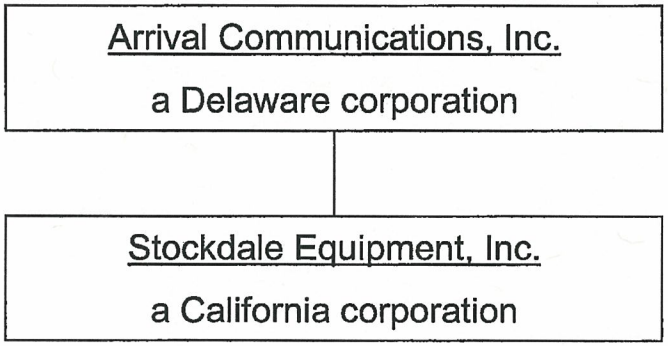
TelePacific

Before Merger

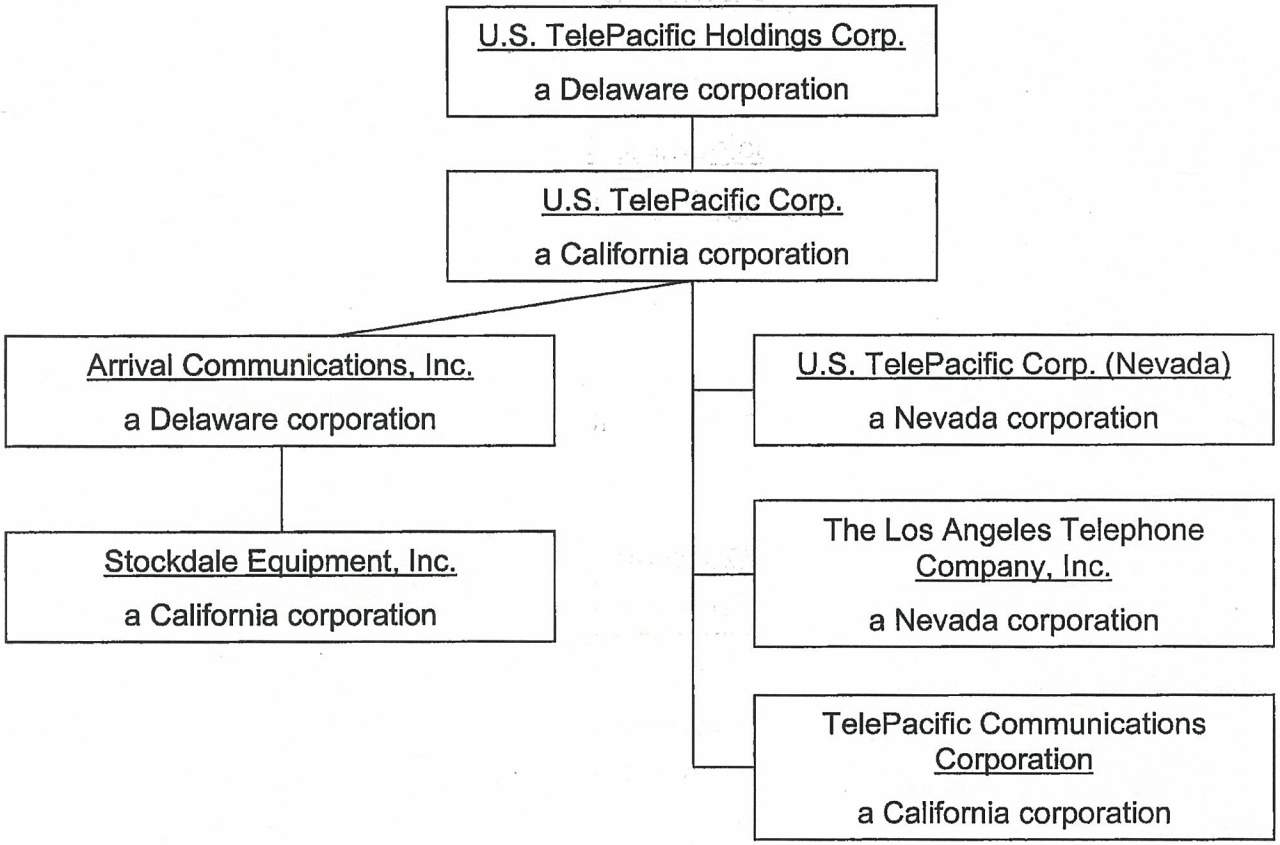


Arrival

Before Merger



After Merger



VERIFICATION

I, Erich E. Everbach, state that I am Secretary fo · U.S. TelePacific Corp., an Applicant in the foregoing Application; that I am authorized to make this Verification on behalf of U.S. TelePacific Corp.; that the foregoing Application was pı epared under my direction and supervision; and that the statements in the foregoing doc ument with respect to U.S. TelePacific Corp. are true and correct to the best of my knowledge, nformation, and belief.

I declare under penalty of perjury that the forego ing is true and correct.

Executed on December 7, 2006, at Los Angeles, California.

Name: Eri h E. Everbach
Title: Sec etary
U.S. TelePacific Corp.

VERIFICATION

I, Geoffrey Whynot, state that I am Chief Financial Officer for Arrival Communications, Inc., an Applicant in the foregoing Application; that I am authorized to make this Verification on behalf of Arrival Communications, Inc.; that the foregoing Application was prepared under my direction and supervision; and that the statements in the foregoing document with respect to Arrival Communications, Inc. are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 8, 2006, at Bakersfield, California.

Name: Geoffrey Whynot
Title: Chief Financial Officer
Arrival Communications, Inc.