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January 25, 2007

VIA IBFS

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Marlene H. Dortch, Secretary
Federal Communications Commission
International Bureau – Policy
P.O. Box 358115
Pittsburgh, PA 15251-5115

Re: Joint Application of Sage Telecom, Inc., Sage Telecom of Texas, LP, and SP Sage LLC for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934 and Sections 63.04 and 63.24 of the Commission’s Rules to Transfer Control of Sage Telecom, Inc. and Sage Telecom of Texas, LP Domestic and International Carriers, to SP Sage LLC


Dear Ms. Dortch:

On behalf of Sage Telecom, Inc. (“Sage”), Sage Telecom of Texas, LP (“Sage-TX”) (Sage and Sage-TX together, “Company”), and SP Sage LLC (“Transferee”) (collectively, “Applicants”), enclosed please find an application for Section 214 authority to transfer of control the Company to Transferee. Pursuant to Section 63.04(b) of the Commission’s rules, Applicants submit this filing as a combined international section 214 transfer of control application and domestic section 214 transfer of control application (“Combined Application”).

This filing and the applicable credit card payment in the amount of \$965.00, which satisfies the filing fee required for this application under line 2.b of Section 1.1105 of the Commission’s rules, are being submitted electronically through the MyIBFS. Applicants are simultaneously filing the Combined Application with the Wireline Competition Bureau, in accordance with the Commission’s rules.

Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,



Patrick J. Whittle
Brett P. Ferenchak

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

_____)
Joint Application of)
)
Sage Telecom, Inc.,) ITC-T/C-2007- _____
Sage Telecom of Texas, LP)
)
and) WC Docket No. _____
)
SP Sage LLC)
)
For Grant of Authority Pursuant to)
Section 214 of the Communications Act of)
1934 and Sections 63.04 and 63.24 of the)
Commission's Rules to Transfer Control of)
Sage Telecom, Inc. and Sage Telecom of)
Texas, LP Domestic and International)
Carriers, to SP Sage LLC)
_____)

APPLICATION

I. INTRODUCTION

A. Summary of the Transaction

Sage Telecom, Inc. ("Sage" or "Transferor"), Sage Telecom of Texas, LP ("Sage-TX") (Sage and Sage-TX together, "Licensees" or the "Company"), and SP Sage LLC ("Transferee") (the Company and Transferee collectively, "Applicants"), through their undersigned 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, request approval from the Federal Communications Commission ("Commission") for a transaction that will result in the transfer of control of the Company to Transferee. Sage is a non-dominant carrier that holds Section 214 authority to provide interstate and international telecommunications services. Sage-

TX is a non-dominant carrier that holds Section 214 authority to provide interstate telecommunications service and operates under the international Section 214 authorization of Sage, Sage-TX's parent company.

Although the transaction will result in a change in the ownership of Licensees, no transfer of certificates, assets, or customers will occur at this time. Licensees will continue to provide service to their customers pursuant to those authorizations under the same rates, terms, and conditions. This transaction, therefore, will be transparent to the customers of Licensees.

B. Application Eligible for Streamlined Processing

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03 and 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, 47 U.S.C. § 153(1)) together 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 are parties to the proposed transactions); and (3) none of the Applicants or their Affiliates is dominant with respect to any service that they provide.

This Application is also eligible for streamlined processing with respect to international Section 214 authority pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b), because none of the exceptions set forth in Section 63.12(c) applies. Specifically, Section 63.12(c)(1) is inapplicable because Applicants are not affiliated with any entity that is authorized or registered to provide regulated telecommunications services in a foreign

destination market. Furthermore, none of the scenarios outlined in Section 63.12(c)(2)-(4) applies to any of the Applicants.

In support of this Application, Applicants state as follows:

II. DESCRIPTION OF THE APPLICANTS

A. Sage Telecom, Inc. and Sage of Texas, LP

Sage Telecom, Inc. is a corporation organized under the laws of the State of Texas. Sage Telecom of Texas, LP, a wholly owned subsidiary of Sage, is a limited partnership organized under the laws of the State of Texas. Sage and Sage-TX have principal offices at 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789. The Company is a competitive provider of local and long distance phone services and Internet access in twelve states. The Company provides approximately 450,000 local telephone service lines in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Ohio, Oklahoma, Texas and Wisconsin.

Sage and Sage-TX are authorized to provide interstate service by virtue of blanket domestic Section 214 authority. Sage is authorized to provide global resold and facilities-based services pursuant to international Section 214 authorization granted in IB File No. ITC-214-19980415-00257 (old File No. ITC-98-304).¹ Sage-TX operates under the international Section 214 authorization of Sage.²

B. SP Sage LLC

SP Sage LLC is a limited liability company organized under the laws of the State of Delaware. Transferee is part of a family of entities that engage in credit-related investment

¹ The international Section 214 authorization was granted to U.S. Telephone Holding, Inc., which subsequently changed its name to Sage Telecom, Inc. Notice of the name change was filed on January 9, 2007.

² Pursuant to 47 CFR § 63.21(i), the Company notified the Commission that Sage-TX operates under Sage's international Section 214 authorization on January 9, 2007.

activity and that have a principal place of business at Two Greenwich Plaza, Greenwich, Connecticut 06830. Ultimately, Edward Mulé, Robert O'Shea, and Michael Gatto manage and control Transferee as further detailed below.

III. DESCRIPTION OF THE TRANSACTION

Sage, Silver Point Capital Fund, L.P. ("SPCF") and Christopher Williams (as the representative of the shareholders of Sage) have entered into an Agreement and Plan of Merger (the "Agreement") dated as of December 31, 2006. SPCF intends to assign its rights and interest in the Agreement to its affiliate, Transferee, at or prior to closing. Pursuant to the Agreement, a subsidiary of Transferee formed specifically for this transaction ("Merger Sub") will be merged with and into Sage with Sage surviving the merger. As a result, control of the Company will be transferred to Transferee; Sage and Sage-TX will be wholly-owned subsidiaries of Transferee. For the Commission's convenience, pre- and post-transaction corporate organizational charts are provided as Exhibit A.

Applicants emphasize that the transfer of control will not involve a change in the name under which the Company currently operates nor a change in the manner in which the Company currently offers service. Immediately following the transfer of control, the Company will continue to offer the services it currently offers with no change in the rates or terms and conditions of service. The transfer of control of the Company, therefore, will be seamless and transparent to consumers.

IV. PUBLIC INTEREST STATEMENT

Applicants believe that the transaction will serve the public interest. The transaction will provide the Company with access to working capital needed to execute its business plan. In addition, the Company's management team may be supplemented with management selected by Transferee for their telecommunications expertise. These benefits are expected to strengthen the

Company's ability to provide high quality, advanced services to its customer base. Therefore, Applicants expect that the transaction will enable the Company to strengthen its competitive position to the benefit of consumers.

Further, as stated above, the transaction will be conducted in a manner that will be transparent to the Company's customers. The transfer of control of the Company will not result in a change of carrier for customers or any transfer of authorizations. Following consummation of the transaction, the Company will continue to provide high-quality communications services to its customers without interruption and without immediate change in rates, terms or conditions. The transfer of control of the Company therefore will be seamless and transparent to consumers in terms of the services they receive.

V. INFORMATION REQUIRED BY SECTION 63.24(e)

Pursuant to Section 63.24(e)(2) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a) through (d), and (h) through (p), for Applicants.

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

Sage:

Sage Telecom, Inc. **FRN: 0003715984**
805 Central Expressway South
Suite 100
Allen, TX 75013-2789
Tel: (214) 495-4700

Sage-TX:

Sage Telecom of Texas, LP **FRN: 0015938475**
805 Central Expressway South
Suite 100
Allen, TX 75013-2789
Tel: (214) 495-4700

Transferee:

SP Sage LLC
Two Greenwich Plaza
Greenwich, CT 06830
Tel: (203) 542-4000

FRN: 0016011793

(b) Jurisdiction of Organizations:

Sage:

Sage Telecom, Inc. is a corporation formed under the laws of the State of Texas.

Sage-TX:

Sage Telecom of Texas, LP is a limited partnership formed under the laws of the State of Texas.

Transferee:

SP Sage LLC is a limited liability company formed under the laws of the State of Delaware.

(c) (Answer to Question 10) Correspondence concerning this Application should be sent to:

For the Company:

Lawrence J. Movshin
Robert Morse
Wilkinson Barker Knauer, LLP
2300 N Street, NW, Suite 700
Washington, DC 20037
Tel: (202) 783-4141
Fax: (202) 784-5851
Email: lmovshin@wbklaw.com
rmorse@wbklaw.com

For Transferee:

Patrick J. Whittle
Brett P. Ferenchak
Bingham McCutchen LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116
Tel: (202) 424-7500
Fax: (202) 424-7647
Email: patrick.whittle@bingham.com
brett.ferenchak@bingham.com

with a copy to:

Robert W. McCausland
Vice President, Regulatory Affairs
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, TX 75013-2789
Tel: (214) 495-4704
Fax: (214) 495-4790
E-Mail: RMcCausland@sagetelecom.net

with a copy to:

Frederick H. Fogel
General Counsel
Silver Point Capital
Two Greenwich Plaza
Greenwich, CT 06830
Tel: (203) 542-4000
Fax: (203) 542-4100
Email: ffogel@silverpointcapital.com

- (d) Sage is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. 47 C.F.R. § 63.01. Sage is authorized to provide global facilities-based and resale services pursuant to international Section 214 authorization granted in IB File No. ITC-214-19980415-00257 (Old File No. ITC-98-304).³

Sage-TX is authorized to provide interstate service by virtue of blanket domestic 214 authority. 47 C.F.R. § 63.01. Sage-TX also operates under the international Section 214 authority of Sage.⁴

Transferee does not hold international or domestic Section 214 authority and does not control 10% or more of the equity of any other telecommunications company that holds Section 214 authority. Transferee is affiliated, through its owners and managers, with iPCS, Inc.,⁵ which is the Sprint PCS Affiliate of Sprint Nextel with the exclusive right to sell wireless mobility communications network products and services under the Sprint brand in portions of Illinois, Michigan, Pennsylvania, Indiana, Iowa, Ohio and Tennessee. Although iPCS, Inc. does not hold any FCC licenses itself, iPCS, Inc. owns Horizon Personal Communications, Inc., which holds certain wireless licenses.

³ This international Section 214 authorization was granted to U.S. Telephone Holdings, Inc., which subsequently changed its name to Sage Telecom, Inc. Sage notified the Commission of the name change by letter dated January 9, 2007.

⁴ Pursuant to 47 CFR § 63.21(i), the Company notified the Commission that Sage-TX operates under Sage's international Section 214 authorization on January 9, 2007.

⁵ Certain investment funds affiliated with Transferee own approximately 17% of the stock of iPCS, Inc.

- (h) ***(Answer to Questions 11 & 12)*** The following entities own directly or indirectly 10% or more of Applicants as calculated pursuant to the Commission ownership attribution rules for wireline and international telecommunications carriers:⁶

Pre-Transaction Ownership of the Company:

The following entities currently hold a ten percent (10%) or greater, direct or indirect, interest in Sage Telecom of Texas, LP:

Name: Sage Telecom of Nevada LLC (“Sage-NV”)
Address: Wilmington Trust SP Services (Nevada, Inc.)
3993 Howard Hughes Pkwy, Suite 250
Las Vegas, NV 89169
Citizenship: U.S.
Interest Held: 99% (directly held in Sage-TX)
Principal Business: Holding Company

Name: Sage Telecom, Inc.
Address: 805 Central Expressway South, Suite 100
Allen, TX 75013-2789
Citizenship: U.S.
Interest Held: 100% (directly (1%) held in Sage-TX and indirectly (99%) as the sole member of Sage-NV)
Principal Business: Telecommunications

The following persons and entities currently hold a ten percent (10%) or greater, direct or indirect, interest in Sage Telecom, Inc. (and, therefore, an indirect interest in Sage Telecom of Texas, LP in the same percentage):

Name: Dennis M. Houlihan
Address: 4 Saint Andrews Court
Frisco, TX 75034-6822
Citizenship: U.S.
Interest Held: 19.4% (directly held in Sage)
Principal Business: Individual

⁶ While the Commission’s rules for combined domestic and international applications require this information only for the assignee/transferee, see 47 C.F.R. §§ 63.04(b), 63.24(3)(2), Applicants are providing ownership information for both parties.

Name: Bruce S. Johnson⁷ and Beth E. Johnson
Address: 1818 F.M. 1376
Boerne, TX 78006
Citizenship: U.S.
Interest Held: 14.2% (directly held in Sage)
Principal Business: Individuals

Name: Norman N. Green
Address: 10340 Strait Lane
Dallas TX 75229-6534
Citizenship: Canadian
Interest Held: 12.5% (directly held in Sage)
Principal Business: Individual

Name: The Walden Group, Inc.
Address: 4950 Westgrove Dr., Suite 100
Dallas, TX 75248-1948
Citizenship: U.S.
Interest Held: 16.1% (directly held in Sage)
Principal Business: Holding Company

Name: Don R. Daseke
Address: 4950 Westgrove Dr., Suite 100
Dallas, TX 75248-1948
Citizenship: U.S.
Interest Held: 20.5% (directly held in Sage (4.4%) and indirectly through
The Walden Group, Inc.)
Principal Business: Individual

Name: Barbara Daseke
Address: 4950 Westgrove Dr., Suite 100
Dallas, TX 75248-1948
Citizenship: U.S.
Interest Held: 17.3% (directly held in Sage (1.2%) and indirectly through
The Walden Group, Inc. (16.1%))
Principal Business: Individual

No other entities currently hold a ten percent (10%) or greater, direct or indirect, interest in the Company.

⁷ Bruce S. Johnson also controls approximately an additional 0.6% of the Company as the Trustee of various trusts.

Post-Transaction Ownership of the Company:

The following entities will continue hold a ten percent (10%) or greater, direct or indirect, interest in Sage Telecom of Texas, LP:⁸

Name: Sage Telecom of Nevada LLC (“Sage-NV”)
Address: Wilmington Trust SP Services (Nevada, Inc.
3993 Howard Hughes Pkwy, Suite 250
Las Vegas, NV 89169
Citizenship: U.S.
Interest Held: 99% (directly held in Sage-TX)
Principal Business: Holding Company

Name: Sage Telecom, Inc.
Address: 805 Central Expressway South, Suite 100
Allen, TX 75013-2789
Citizenship: U.S.
Interest Held: 100% (directly (1%) held in Sage and indirectly (99%) as the
sole member of Sage-NV)
Principal Business: Telecommunications

The following entity will hold a ten percent (10%) or greater, direct or indirect, interest in Sage Telecom, Inc. (and, therefore, an indirect interest in Sage Telecom of Texas, LP in the same percentage):

Name: SP Sage LLC
Address: Two Greenwich Plaza
Greenwich, CT 06830
Citizenship: U.S.
Interest Held: 100% (directly held in Sage)
Principal Business: Investment Fund

⁸ This ownership structure is summarized in a chart found in Exhibit A hereto.

Ownership of Transferee:

The following entities and individuals will hold a ten percent (10%) or greater direct or indirect interest in SP Sage LLC:⁹

Name: SP Sage Holdco 1 LLC (“SPSH”)
Address: Two Greenwich Plaza
Greenwich, CT 06830
Citizenship: U.S.
Est. Interest Held: 85.1% (as a non-voting member of Transferee)
Principal Business: Holding Company

Name: SP Sage Investments LLC (“SPSI”)
Address: Two Greenwich Plaza
Greenwich, CT 06830
Citizenship: U.S.
Est. Interest Held: 100% (as Member and Manager of Transferee)¹⁰
Principal Business: Manager of Transferee

Name: Silver Point Capital Fund, L.P. (“SPCF”)¹¹
Address: Two Greenwich Plaza
Greenwich, CT 06830
Citizenship: U.S.
Est. Interest Held: 85.1% (as a non-voting member of SPSH with 99.9% equity in SPSH)
Principal Business: Private Investment Fund

No limited partner of SPCF holds a 10% or greater interest in SPCF.

Name: Silver Point Capital General Partner, LLC (“SPCGP”)
Address: Two Greenwich Plaza
Greenwich, CT 06830
Citizenship: U.S.
Est. Interest Held: 85.1% (as General Partner of SPCF)
Principal Business: Investment Management

⁹ As the managers of the funds that will directly own Transferee are in the process of determining the allocation of ownership interests in Transferee among the investment entities they manage, the exact ownership percentages of the entities that will directly or indirectly own or control 10% or more of the equity of SP Sage LLC is not yet known. Therefore, Transferee has provided the estimated interest held by these entities and certain of their owners. Transferee, however, has identified herein all potential entities that will own or control 10% of the equity of Transferee directly or indirectly through Transferee’s direct owners.

¹⁰ No other member of SP Sage LLC has voting or controlling rights.

¹¹ Through a contractual relationship, Silver Point Capital, L.P. (“SPCLP”) manages the investments of SPCF, but SPCLP has no direct or indirect ownership interest in Transferee. SPCLP’s general partner is Silver Point Capital Management, LLC (“SPCM”). Mr. Mulé, Mr. O’Shea, and Mr. Gatto are the only persons with ownership interests in SPCM or SPCLP.

The following are intervening entities (the “Intervening Entities”) between SPCGP and Edward Mulé and/or Robert O’Shea:

Name: Silver Point Capital Holdings, LLC
Silver Point Partners, LLC
Mulé Associates, LLC
Address: Two Greenwich Plaza
Greenwich, CT 06830
Est. Interest Held: 85.1% (through SPCGP)
Citizenship: U.S.
Principal Business: Investment Related Activity

None of the Intervening Entities has any owners, members, general partners, or limited partners that would own or control a 10% or greater interest in Transferee (as calculated by the FCC attribution rules) that is not either (1) one of these Intervening Entities or (2) Edward Mulé or Robert O’Shea.

Name: Edward Mulé
Address: Two Greenwich Plaza
Greenwich, CT 06830
Interest Held: 100% (as a member and manager of SPSI, and as a member and manager of SPSH and one or more other affiliated entities that hold the remaining non-voting membership interests in Transferee,¹² and as a member of certain of the Intervening Entities)
Citizenship: U.S.
Principal Business: Individual

Name: Robert O’Shea
Address: Two Greenwich Plaza
Greenwich, CT 06830
Interest Held: 100% (as a member and manager of SPSI, and as a member and manager of SPSH and one or more other affiliated entities that hold the remaining non-voting membership interests in Transferee, and as a member of certain Intervening Entities)¹³
Citizenship: U.S.
Principal Business: Individual

¹² None of the other entities that hold the remaining non-voting membership interests in Transferee, own or control 10% or more of Transferee.

¹³ See *supra* note 12.

Name: Michael Gatto
Address: Two Greenwich Plaza
Greenwich, CT 06830
Interest Held: 100% (as a member and manager of SPSI, and as a member and manager of SPSH and one or more other affiliated entities that hold the remaining non-voting membership interests in Transferee)¹⁴
Citizenship: U.S.
Principal Business: Individual

While Transferee does not hold a 10% or greater direct or indirect equity interest in any other telecommunications carriers, Transferee is affiliated, through its owners and managers, with iPCS, Inc.,¹⁵ which is the Sprint PCS Affiliate of Sprint Nextel with the exclusive right to sell wireless mobility communications network products and services under the Sprint brand in portions of Illinois, Michigan, Pennsylvania, Indiana, Iowa, Ohio and Tennessee. Although iPCS, Inc. does not hold any FCC licenses itself, iPCS, Inc. owns Horizon Personal Communications, Inc., which holds certain wireless licenses.

Upon completion of the transaction, neither the Company nor SPCF will have any interlocking directorates with a foreign carrier.

- (i) **(Answer to Question 14)** Transferee certifies that it is not a foreign carrier or affiliated with a foreign carrier.
- (j) **(Answer to Question 15)** Transferee certifies that it does 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 an Applicant, or that controls an Applicant, 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 an Applicant and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.

¹⁴ See *supra* note 12.

¹⁵ Certain investment funds affiliated with Transferee own approximately 17% of the stock of iPCS, Inc.

- (n) Transferee certifies that it has 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.
- (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.
- (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 are or are 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), apply.

VI. INFORMATION REQUIRED BY SECTION 63.04

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):

- (a)(6) A description of the proposed transaction is set forth in **Section III.** above.
- (a)(7) The Company is a competitive provider of local and long distance phone services and Internet access services in twelve states. Sage provides telecommunications services in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Ohio, Oklahoma, and Wisconsin. Sage-TX provides telecommunications services in Texas.

Transferee does not provide telecommunications services or own any telecommunications companies. Transferee is affiliated, through its owners and managers, with iPCS, Inc.,¹⁶ which is the Sprint PCS Affiliate of Sprint Nextel with the exclusive right to sell wireless mobility communications network products and services under the Sprint brand in portions of Illinois, Michigan, Pennsylvania, Indiana, Iowa, Ohio and Tennessee. Although iPCS, Inc. does not hold any FCC licenses itself, iPCS, Inc. owns Horizon Personal Communications, Inc., which holds certain wireless licenses.

- (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, because, immediately following the transactions, (1) Applicants and their Affiliates (as defined in Section 3(1) of the Communications Act) together will hold less than a ten percent (10%) share of the interstate, interexchange

¹⁶ Certain investment funds affiliated with Transferee own approximately 17% of the stock of iPCS, Inc.

market; (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which are parties to the proposed transactions) and; (3) none of the Applicants or their Affiliates is dominant with respect to any service that they provide.

- (a)(9) Through 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)).
- (a)(10) For various important business and financial reasons, Applicants require that the transaction be closed as quickly as possible. Delay in the regulatory approval process would prevent the Applicants from realizing the economic and operational benefits expected from the transaction or delivering expanded services as quickly as they otherwise would. Accordingly, Applicants request that the Commission promptly commence its examination of the proposed transaction and issue its public notice so that it can be in a position to approve the 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.

VII. 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 respectfully request streamlined treatment to permit Applicants to complete the transactions as soon as possible.

Respectfully submitted,

Lawrence J. Movshin
Robert Morse
Wilkinson Barker Knauer, LLP
2300 N Street, NW, Suite 700
Washington, DC 20037
Tel: (202) 783-4141
Fax: (202) 784-5851
Email: lmovshin@wbklaw.com
rmorse@wbklaw.com

COUNSEL FOR THE COMPANY

Dated: January 24, 2007

By: 

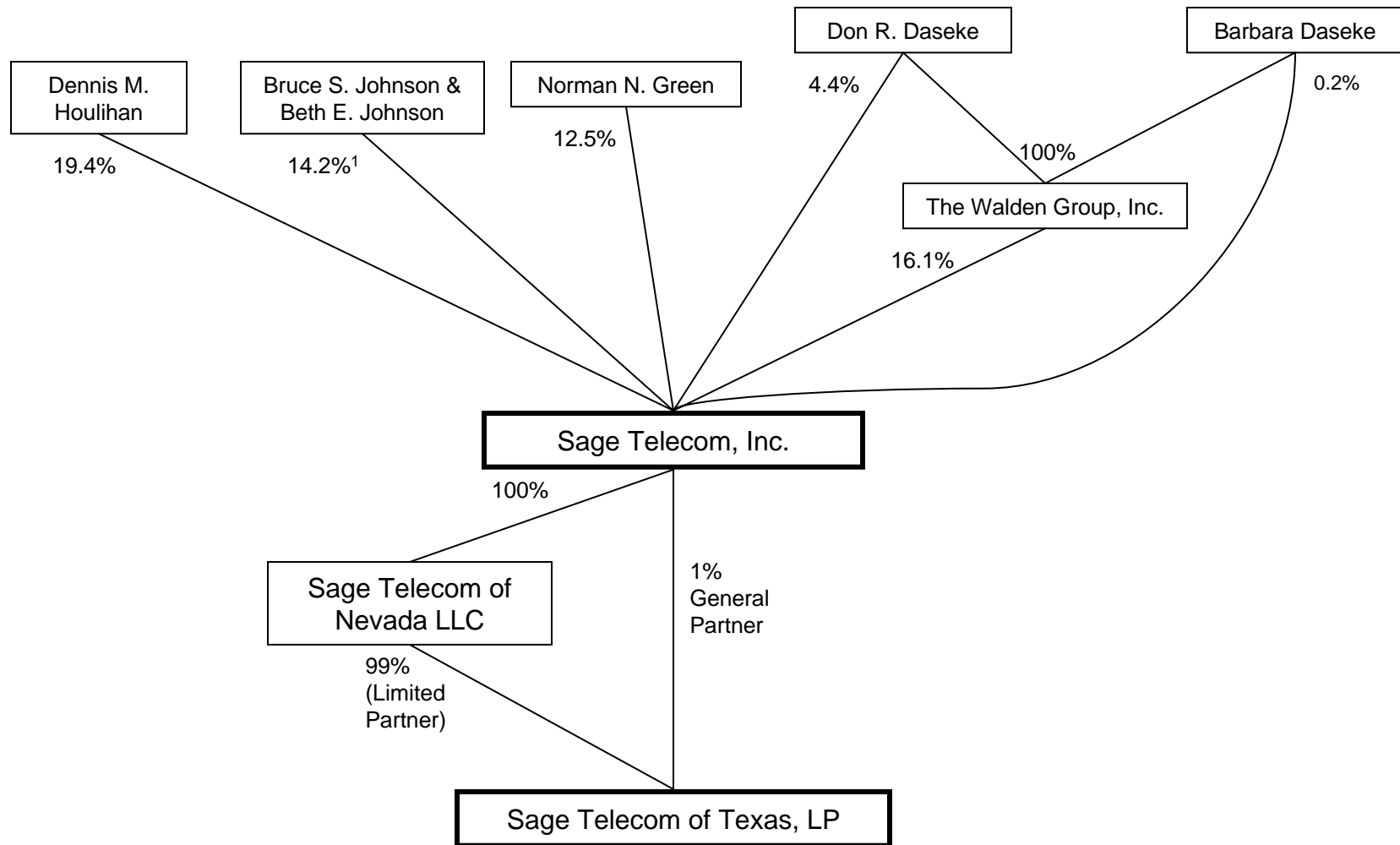
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COUNSEL FOR THE TRANSFEREE

EXHIBIT A

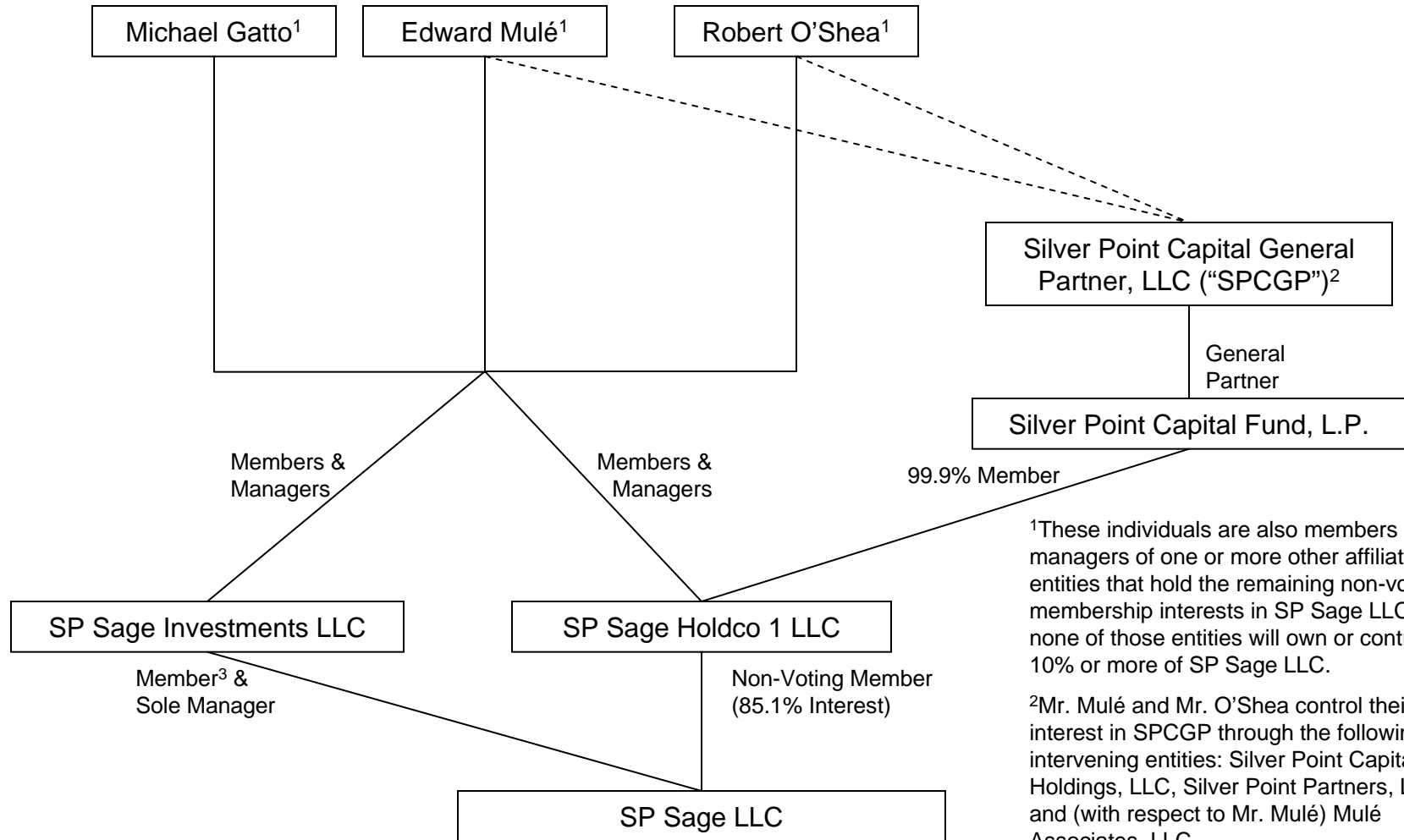
Pre- and Post-Transaction Corporate Organizational Charts

Pre-Transaction Structure of the Company



¹ Bruce S. Johnson also control approximately an additional 0.6% of the Company as the Trustee of various trusts.

Ownership of Transferee

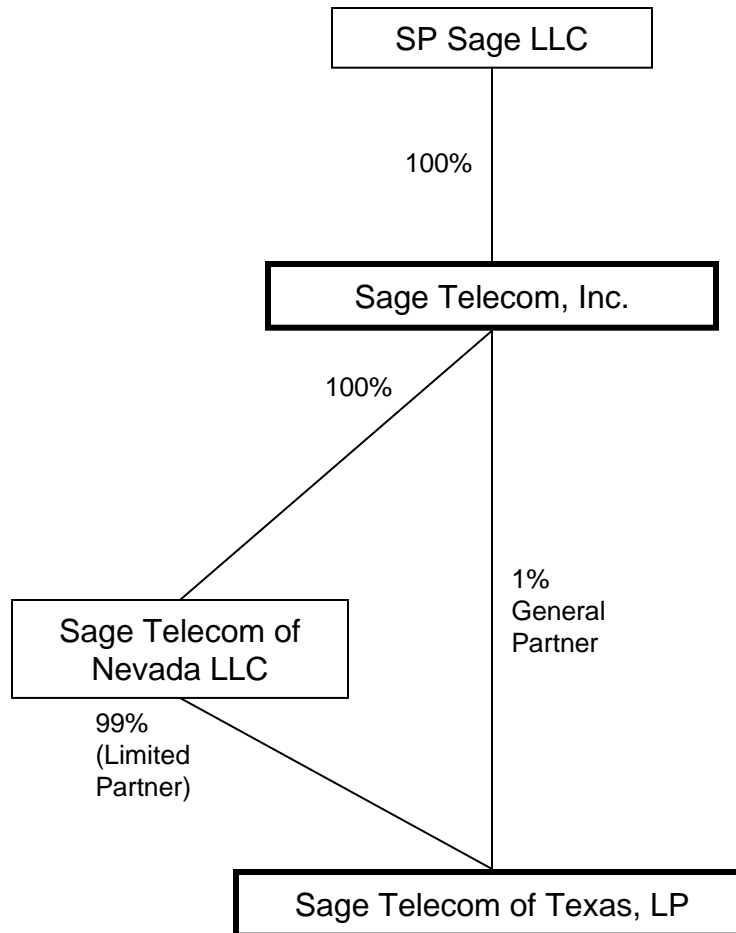


¹These individuals are also members and managers of one or more other affiliated entities that hold the remaining non-voting membership interests in SP Sage LLC, but none of those entities will own or control 10% or more of SP Sage LLC.

²Mr. Mulé and Mr. O'Shea control their interest in SPCGP through the following intervening entities: Silver Point Capital Holdings, LLC, Silver Point Partners, LLC, and (with respect to Mr. Mulé) Mulé Associates, LLC.

³No other member of SP Sage LLC has voting or controlling rights.

Post-Transaction Structure of the Company



Verification

STATE OF TEXAS
COUNTY OF COLLIN

§
§
§

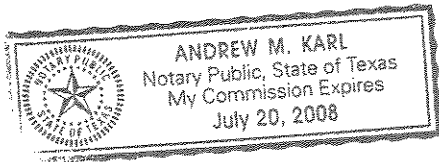
VERIFICATION

I, Robert W. McCausland, state that I am Vice President of Regulatory Affairs of Sage Telecom, Inc. and Sage Telecom of Texas, LP, Applicants to the foregoing Application; that I am authorized to make this Verification on behalf of Sage Telecom, Inc. and Sage Telecom of Texas, LP; that the foregoing Application was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Robert W. McCausland
Vice President of Regulatory Affairs
Sage Telecom, Inc./Sage Telecom of Texas, LP

Sworn and subscribed before me this 8th day of January, 2007.


Notary Public

My commission expires July 20, 2008

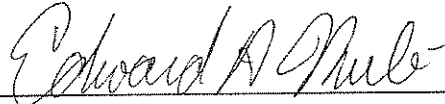
STATE OF CONNECTICUT
COUNTY OF FAIRFIELD

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Greenwich -

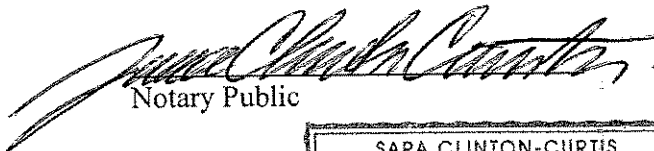
VERIFICATION

I, Edward Mulé, state that I am authorized to make this Verification on behalf of the Transferee in the foregoing Application; that Transferee is an affiliate of Silver Point Capital, L.P.; that the foregoing Application was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Edward Mulé
Silver Point Capital, L.P.

Sworn and subscribed before me this 24th day of January, 2007.



Notary Public

My commission expires 8/31/11

