

ATTACHMENT 1 TO REQUEST FOR SPECIAL TEMPORARY AUTHORITY

IWL Communications, Inc. d/b/a CapRock Services Corp. (“IWL”) and CapRock Holdings, Inc. (“CapRock Holdings”) (collectively, the “Parties”), by their undersigned counsel and pursuant to Section 25.120 of the Commission’s Rules, 47 C.F.R. § 25.120, hereby request Special Temporary Authority (“STA”) to permit the Parties to consummate a transaction whereby control of IWL will be transferred to CapRock Holdings.¹ On March 13, 2002, the Parties filed applications on FCC Form 312 for authority to transfer control of IWL and its four,

¹ IWL’s ultimate parent company is McLeodUSA Incorporated (Debtor-In-Possession) (“McLeodUSA”), a publicly held Delaware company, focused on providing competitive telecommunications services including primarily landline competitive local exchange carrier (“CLEC”) services. IWL was indirectly acquired by McLeodUSA as a part of a larger December 2000 transaction in which McLeodUSA acquired Caprock Communications Corporation. At that time, Caprock Communications Corporation owned operating companies that provided wireline facilities-based competitive local exchange and other interstate and intrastate services in addition to the IWL subsidiary providing specialized services to the oil and gas industry.

On January 31, 2002, McLeodUSA, filed a voluntary petition for protection under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. *In re McLeodUSA Incorporated*, Case No. 02-10288 (Bankr.D.Del.). IWL is not a party to McLeodUSA’s bankruptcy petition, and IWL has not filed for protection in bankruptcy on its own behalf. IWL continues to operate in the ordinary course. On February 11, 2002, IWL filed an FCC Form 312 for an involuntary *pro forma* transfer of control to reflect McLeodUSA’s debtor-in-possession status (FCC File No. SES-T/C-20020211-00168, granted February 15, 2002, PN 28867, Report No. SES-00369). On February 21, 2002, IWL filed an FCC Form 312 for a voluntary transfer of control from McLeodUSA to Forstmann Little & Co. Equity Partnership-VII, L.P. and its affiliates in order to complete a Plan of Reorganization that would enable McLeodUSA to emerge from bankruptcy (FCC File No. SES-T/C-20020225-00222, placed on Public Notice on March 1, 2002, DA 02-503) (“IWL-Forstmann Application”). This application is currently pending.

If the Commission grants the Parties regular authority to consummate the proposed transfer of control of IWL to CapRock Holdings described in FCC Form 312, IB Submission No. IB2002000347 before the Commission acts on the above-referenced IWL-Forstmann Application, then IWL will withdraw the IWL-Forstmann Application.

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non-common carrier earth stations, call signs E860151, E960242, E960243, E990073. (IB Submission ID IB2002000347.) STA is necessary to allow the Parties to close the proposed transfer of control on an expedited basis to assure continuity of service to IWL's customers.

IWL holds various private and common carrier fixed and private land mobile licenses, as well as fixed earth station and VSAT network authorizations. IWL primarily serves oil and gas enterprise customers in the Gulf of Mexico region. IWL's communications network encompasses many remote, high-risk environments, including oil and gas drilling platforms in the Gulf of Mexico. IWL uses its FCC-licensed facilities, including the subject licenses, to provide its customers critical connectivity needed to transmit important operational data, as well as emergency communications to ensure the health and safety of those operating the oil and gas facilities and in the surrounding communities.

The Parties have determined for urgent financial and other business reasons to transfer ownership of IWL to CapRock Holdings. CapRock Holdings is owned by a group of well-established investment companies led by 2000 Riverside Capital Appreciation Fund, L.P. and Genesis Park, L.P., and their respective affiliates. The proposed new ownership will provide immediate and long-term access to much needed capital, as well as additional management expertise focused on supporting and enhancing IWL's specialized services and customers.

The Parties have entered into a stock purchase agreement whereby CapRock Holdings, a newly formed Delaware corporation, will acquire stock ownership of IWL and IWL, as well as its subsidiaries, will become wholly owned subsidiaries of CapRock Holdings. The transaction will be accomplished via an acquisition subsidiary ("Acquisition Subsidiary"), formed for the purposes of this transaction, that will be directly wholly owned by CapRock Holdings. The Acquisition Subsidiary will merge with and into IWL, with IWL as the surviving corporation. As a result, once the transaction is consummated, CapRock Holdings will hold ownership of IWL. However, IWL will continue its day-to-day operations of its stations and use of its licenses as it had previously. Upon completion of the proposed transaction, many of the existing management and operations staff will continue to oversee the day-to-day operations of IWL's business. The Parties anticipate that the company will continue to operate in the same manner as it currently operates. Accordingly, the proposed transaction will not cause inconvenience or confusion to IWL's current customers. The Parties have filed applications with the Commission seeking approval to transfer control of the various private land mobile, common carrier fixed and private operational point to point microwave, fixed earth station, and VSAT network authorizations held by IWL and its subsidiaries to CapRock Holdings.

The STA requested herein is necessary to obtain access to critical financing that will ensure continued availability of service to IWL's existing customers. Without immediate access

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to additional capital, IWL is not in a position to be able to assure continuity of service. Seamless, reliable communications are essential to IWL's oil and gas company customers. The proposed change in ownership will meet IWL's compelling need to secure additional financial support immediately, as well as on a longer-term basis. By enabling continued provision of high quality telecommunications services, the proposed transaction also will promote competition in the telecommunications services marketplace and, thereby, benefit the public interest. Accordingly, for both immediate and long-term compelling business and operational reasons, the Parties respectfully request that the Commission grant an STA so that they may proceed to complete the proposed transaction.

The Parties acknowledge that grant of this request will not prejudice action by the Commission on the Parties' pending transfer application and that any authority granted pursuant to this request is subject to cancellation or modification upon notice, but without a hearing.