



# PUBLIC NOTICE

Federal Communications Commission  
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**DA 07-733**  
**Released: February 16, 2007**

## **DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF SAGE TELECOM OF TEXAS, LP TO SAGE TELECOM INC., AND SP SAGE LLC**

### **STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 07-25**

**Comments Due: March 2, 2007**  
**Reply Comments Due: March 9, 2007**

On January 25, 2007, Sage Telecom, Inc. ("Sage"), Sage Telecom of Texas, LP ("Sage-TX") (Sage and Sage-TX together, "Licensees" or the "Company"), and SP Sage LLC ("Sage LLC") (the Company and Sage LLC collectively, "Applicants"), filed an application, pursuant to section 63.04 of the Commission's rules,<sup>1</sup> requesting authority to transfer control of the Company to Sage LLC.<sup>2</sup>

Applicants assert that this transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission's rules because, upon completion of the proposed transaction, (1) Sage LLC will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Sage LLC will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic area served by a dominant local exchange carriers that is not a party to the transaction; and (3) neither of the Applicants are dominant with respect to any service that they provide.<sup>3</sup>

Sage, a Texas corporation, is a non-dominant carrier that holds Section 214 authority to provide interstate telecommunications services. Sage-TX, a Texas limited partnership, is a wholly-owned subsidiary of Sage. Sage-TX is a non-dominant carrier that holds Section 214 authority to provide interstate telecommunications service. The Company is a competitive provider of local and long distance

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<sup>1</sup> 47 C.F.R. §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

<sup>2</sup> Applicants are also filing applications for transfer of control associated with authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications.

<sup>3</sup> 47 C.F.R. § 63.03(b)(2)(i).

phone service 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 LLC, a Delaware limited liability company, does not provide telecommunications services or own any telecommunications companies. Sage LLC is part of a family of entities that engage in credit-related investment activity.<sup>4</sup> The following entities and individuals are U.S. Citizens and will hold a ten percent (10%) or greater direct or indirect interest in Sage LLC:<sup>5</sup> SP Sage Holdco 1 LLC (SPSH) (85.1% equity interest as a non-voting member of Sage LLC); Silver Point Capital Fund, L.P. (“SPCF”),<sup>6</sup> (85.1% equity interest as a non-voting member of SPSH with 99.9% equity in SPSH). No limited partner of SPFC holds a 10% or greater interest in SPFC. Silver Point Capital General Partner (“SPCGP”) holds an 85.1% interest as a General Partner of SPCF. Silver Point Capital Holdings, LLC, Silver Point Partners, LLC, and Mulé Associates, LLC (together, holding an 85.1% through SPCGP) are U.S. intervening entities (the “Intervening Entities”) between SPCGP and Edward Mulé and/or Robert O’Shea. The following U.S. Citizens own a 100% interest share as members and managers of SPSI, and as members and managers of SPSH and one or more other affiliated entities that hold the remaining non-voting membership interests in Sage LLC: Edward Mulé, Robert O’Shea and Michael Gatto.

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, Sage LLC, at or prior to closing. Pursuant to the Agreement, a subsidiary of Sage LLC 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 Sage LLC; Sage and Sage-TX will be wholly-owned subsidiaries of Sage LLC.

Applicants assert that the proposed transaction will serve the public interest. Applicants state that the proposed transaction will provide the Company with access to working capital needed to execute its business plan. Applicants state 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

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<sup>4</sup> Sage LLC is affiliated, through its owners and managers, with iPCS, Inc., 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.

<sup>5</sup> Applicants indicate that as the managers of the funds that will directly own Sage LLC are in the process of determining the allocation of ownership interests in Sage LLC 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, Sage LLC has provided the estimated interest held by these entities and certain of their owners. Sage LLC states they have identified herein all potential entities that will own or control 10% of the equity of Sage LLC directly or indirectly through Sage LLC’s direct owners. SP Sage Investments LLC (“SPSI”) holds 100% of the voting interest of Sage LLC.

<sup>6</sup> 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 Sage LLC. SPCLP’s general partner is Silver Point Capital Management, LLC (“SPCM”). Mr. Mule, Mr. O’Shea, and Mr. Gatto are the only persons with ownership interest in SPCM or SPCLP.

service. Applicants maintain that following the proposed 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.

## **GENERAL INFORMATION**

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before March 2, 2007** and **reply comments on or before March 9, 2007** Otherwise notified by the Commission, Applicants are permitted to transfer the assets and related control on the 31<sup>st</sup> day after the date of this notice.<sup>7</sup> Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East

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<sup>7</sup> Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

**You may submit comments, identified by the above noted docket number, by any of the following methods:**

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: [FCC504@fcc.gov](mailto:FCC504@fcc.gov) or phone: 202-418-0530 or TTY: 202-418-0432.

**In addition, one copy of each pleading must be sent to each of the following:**

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, [www.bcpiweb.com](http://www.bcpiweb.com); phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-A103, Washington, D.C. 20554; email: [tracey.wilson-parker@fcc.gov](mailto:tracey.wilson-parker@fcc.gov);
- (3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-B135, Washington, D.C. 20554; e-mail: [dennis.johnson@fcc.gov](mailto:dennis.johnson@fcc.gov);
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: [susan.o'connell@fcc.gov](mailto:susan.o'connell@fcc.gov); and
- (5) Jim Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: [jim.bird@fcc.gov](mailto:jim.bird@fcc.gov).

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CYB402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail [www.bcpiweb.com](http://www.bcpiweb.com).

For further information, please contact Tracey Wilson at (202) 418-1384, or Dennis Johnson at (202) 418-0809.

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