

DOCKET FILE COPY ORIGINAL

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|---------|---|--|
| FCC 603 | FCC Wireless Telecommunications Bureau Application for Assignments of Authorization and Transfers of Control | Approved by OMB 3060 - 0800 See instructions for public burden estimate |
| |  02-501 | Previewed 02/21/2002 at 01:39PM File Number: 0000753828 |

| | |
|--|-------------|
| 1) Application Purpose: Transfer of Control | |
| 2a) If this request is for an Amendment or Withdrawal, enter the File Number of the pending application currently on file with the FCC | File Number |
| 2b) File numbers of related pending applications currently on file with the FCC | |

Type of Transaction

| |
|--|
| 3a) Is this a <i>pro forma</i> assignment of authorization or transfer of control? No |
| 3b) If the answer to Item 3a is 'Yes', is this a notification of a <i>pro forma</i> transaction being filed under the Commission's forbearance procedures for telecommunications licenses? |
| 4) For assignment of authorization only, is this a partition and/or disaggregation? |
| 5a) Does this filing request a waiver of the Commission rules? If 'Yes', attach an exhibit providing the rule numbers and explaining circumstances No |
| 5b) If a feeable waiver request is attached, multiply the number of stations (call signs) times the number of rule sections and enter the result. |
| 6) Are attachments being filed with this application? Yes |
| 7a) Does the transaction that is the subject of this application also involve transfer or assignment of other wireless licenses held by the assignor/transferee or affiliates of the assignor/transferee (e.g., parents, subsidiaries, or commonly controlled entities) that are not included on this form and for which Commission approval is required? Yes |
| 7b) Does the transaction that is the subject of this application also involve transfer or assignment of non-wireless licenses that are not included on this form and for which Commission approval is required? Yes |

Transaction Information

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| 8) How will assignment of authorization or transfer of control be accomplished? Sale or other assignment or transfer of stock If required by applicable rule, attach as an exhibit a statement on how control is to be assigned or transferred, along with copies of any pertinent contracts, agreements, instruments, certified copies of Court Orders, etc. |
| 9) The assignment of authorization or transfer of control of license is Voluntary |

Licensee/Assignor Information

| | | |
|---|-------------------------------|---|
| 10a) Taxpayer Identification Number: 912008276 | 10b) SGIN: 000 | 10c) FCC Registration Number (FRN): 0001564962 |
| 11) First Name (if individual): | MI: | Last Name |
| 12) Entity Name (if not an individual): XO LMDS Holdings No. I, Inc. | | |
| 13) Attention To: Cathy Massey | | |
| 14) P.O. Box: | And / Or | 15) Street Address: 11111 Sunset Hills Rd. |
| 16) City: Raeton | 17) State: VA | 18) Zip: 20190 |
| 19) Telephone Number: (703)547-2000 | 20) FAX: (703)547-2881 | |
| 21) E-Mail Address: | | |

22) Race, Ethnicity, Gender of Assignor/Licensee (Optional)

| | | | | | |
|-------------------|-----------------------------------|-------------------------|----------------------------|--|--------|
| Race: | American Indian or Alaska Native: | Asian: | Black or African-American: | Native Hawaiian or Other Pacific Islander: | White: |
| Ethnicity: | Hispanic or Latino: | Not Hispanic or Latino: | | | |
| Gender: | Female: | Male: | | | |

Transferor Information (for transfers of control only)

| | | |
|--|-----------------------|---|
| 23a) Taxpayer Identification Number: 541983517 | 23b) SGIN: 000 | 23c) FCC Registration Number (FRN): 0006275945 |
| 24) First Name (if individual): | MI: | Last Name |
| 25) Entity Name (if not an individual): Current Shareholders of XO Communications, Inc. | | |
| 26) P.O. Box | And / Or | 27) Street Address: 11111 Sunset Hills Rd. |

| | |
|-------------------------------------|------------------------|
| 31) Telephone Number: (703)547-2000 | 32) FAX: (703)547-2881 |
| 33) E-Mail Address: | |

Name of Transferor Contact Representative (if other than Transferor) (for transfers of control only)

| | | | |
|---|------------------------|--|---------|
| 34) First Name: Cathy | MI: | Last Name: Massey | Suffix: |
| 35) Company Name: XO Communications, Inc. | | | |
| 36) P.O. Box: | And / Or | 37) Street Address: 1730 Rhode Island Ave., NW | |
| 38) City: Washington | 39) State: DC | 40) Zip: 20036 | |
| 41) Telephone Number: (202)721-0983 | 42) FAX: (202)721-0995 | | |
| 43) E-Mail Address: cathy.massey@xo.com | | | |

Assignee/Transferee Information

| | | |
|---|------------------------|--|
| 44) The Assignee is a(n): Corporation | | |
| 45a) Taxpayer Identification Number: 541983517 | 45b) SGIN: 000 | 45c) FCC Registration Number (FRN): 0006275945 |
| 46) First Name (if individual): | MI: | Last Name: |
| 47) Entity Name (if other than individual): New Shareholders of XO Communications, Inc. | | |
| 48) Name of Real Party in Interest: | 49) TIN: | |
| 50) Attention To: Cathy Massey | | |
| 51) P.O. Box: | And / Or | 52) Street Address: 11111 Sunset Hills Rd. |
| 53) City: Reston | 54) State: VA | 55) Zip: 20190 |
| 56) Telephone Number: (703)547-2000 | 57) FAX: (703)547-2881 | |
| 58) E-Mail Address: | | |

Name of Assignee/Transferee Contact Representative (if other than Assignee/Transferee)

| | | | |
|---|------------------------|---|---------|
| 59) First Name: Cathy | MI: | Last Name: Massey | Suffix: |
| 60) Company Name: XO Communications, Inc. | | | |
| 61) P.O. Box: | And / Or | 62) Street Address: 1730 Rhode Island Ave. NW | |
| 63) City: Washington | 64) State: DC | 65) Zip: 20036 | |
| 66) Telephone Number: (202)721-0983 | 67) FAX: (202)721-0995 | | |
| 68) E-Mail Address: cathy.massey@xo.com | | | |

Alien Ownership Questions

| | |
|---|-----|
| 69) Is the Assignee or Transferee a foreign government or the representative of any foreign government? | No |
| 70) Is the Assignee or Transferee an alien or the representative of an alien? | No |
| 71) Is the Assignee or Transferee a corporation organized under the laws of any foreign government? | No |
| 72) Is the Assignee or Transferee a corporation of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country? | No |
| 73) Is the Assignee or Transferee directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country? If 'Yes', attach exhibit explaining nature and extent of alien or foreign ownership or control | Yes |

Basic Qualification Questions

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|---|----|
| 74) Has the Assignee or Transferee or any party to this application had any FCC station authorization, license or construction permit revoked or had any application for an initial, modification or renewal of FCC station authorization, license, construction permit denied by the Commission? If 'Yes', attach exhibit explaining circumstances. | No |
| 75) Has the Assignee or Transferee or any party to this application, or any party directly or indirectly controlling the Assignee or Transferee, or any party to this application ever been convicted of a felony by any state or federal court? If 'Yes', attach exhibit explaining circumstances. | No |
| 76) Has any court finally adjudged the Assignee or Transferee, or any party directly or indirectly controlling the Assignee or Transferee guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement, or any other means or unfair methods of competition? If 'Yes', attach exhibit explaining circumstances. | No |
| 77) Is the Assignee or Transferee, or any party directly or indirectly controlling the Assignee or Transferee currently a party in any pending matter referred to in the preceding two items? If 'Yes', attach exhibit explaining circumstances. | No |

78) Race, Ethnicity, Gender of Assignee/Transferee (Optional)

| | | | | | |
|-------------------|-----------------------------------|--------|----------------------------|--|--------|
| Race: | American Indian or Alaska Native: | Asian: | Black or African-American: | Native Hawaiian or Other Pacific Islander: | White: |
| Ethnicity: | Hispanic or Latino: | | Not Hispanic or Latino: | | |
| Gender: | Female: | | Male: | | |

Assignor/Transferor Certification Statements

1) The Assignor or Transferor certifies either (1) that the authorization will not be assigned or that control of the license will not be transferred until the consent of the Federal Communications Commission has been given, or (2) that prior Commission consent is not required because the transaction is subject to streamlined notification procedures for *pro forma* assignments and transfers by telecommunications carriers. See *Memorandum Opinion and Order*, 13 FCC Rcd. 6293(1998).

2) The Assignor or Transferor certifies that all statements made in this application and in the exhibits, attachments, or in documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith.

79) Typed or Printed Name of Party Authorized to Sign

| | | | |
|-----------------------|----|--------------------|--------|
| First Name: R. Gerard | MI | Last Name: Salemmé | Suffix |
|-----------------------|----|--------------------|--------|

80) Title: Sr. Vice President - External Affairs

| | |
|------------------------------|--------------------|
| Signature: R. Gerard Salemmé | 81) Date: 01/30/02 |
|------------------------------|--------------------|

Assignee/Transferee Certification Statements

1) The Assignee or Transferee certifies either (1) that the authorization will not be assigned or that control of the license will not be transferred until the consent of the Federal Communications Commission has been given, or (2) that prior Commission consent is not required because the transaction is subject to streamlined notification procedures for *pro forma* assignments and transfers by telecommunications carriers. See *Memorandum Opinion and Order*, 13 FCC Rcd. 6293(1998).

2) The Assignee or Transferee waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application.

3) The Assignee or Transferee certifies that grant of this application would not cause the Assignee or Transferee to be in violation of any pertinent cross-ownership, attribution, or spectrum cap rule.
 *If the applicant has sought a waiver of any such rule in connection with this application, it may make this certification subject to the outcome of the waiver request.

4) The Assignee or Transferee agrees to assume all obligations and abide by all conditions imposed on the Assignor or Transferor under the subject authorization(s), unless the Federal Communications Commission pursuant to a request made herein otherwise allows, except for liability for any act done by, or any right accrued by, or any suit or proceeding had or commenced against the Assignor or Transferor prior to this assignment.

5) The Assignee or Transferee certifies that all statements made in this application and in the exhibits, attachments, or in documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith.

6) The Assignee or Transferee certifies that neither it nor any other party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998, 21 U.S.C. § 862, because of a conviction for possession or distribution of a controlled substance. See Section 1.2002(b) of the rules, 47 CFR § 1.2002(b), for the definition of "party to the application" as used in this certification.

7) The applicant certifies that it either (1) has an updated Form 602 on file with the Commission, (2) is filing an updated Form 602 simultaneously with this application, or (3) is not required to file Form 602 under the Commission's Rules.

82) Typed or Printed Name of Party Authorized to Sign

| | | | |
|-----------------------|----|--------------------|--------|
| First Name: R. Gerard | MI | Last Name: Salemmé | Suffix |
|-----------------------|----|--------------------|--------|

83) Title: Sr. Vice President - External Affairs

| | |
|------------------------------|--------------------|
| Signature: R. Gerard Salemmé | 84) Date: 01/30/02 |
|------------------------------|--------------------|

WILLFUL FALSE STATEMENTS MADE ON THIS FORM OR ANY ATTACHMENTS ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001) AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).

Authorizations To Be Assigned or Transferred

| 85) Call Sign | 86) Radio Service | 87) Location Number | 88) Path Number (Microwave only) | 89) Lower or Center Frequency (MHz) | 90) Upper Frequency (MHz) | 91) Constructed Yes / No |
|---------------|-------------------|---------------------|----------------------------------|-------------------------------------|---------------------------|--------------------------|
| WPOL286 | AL | | | | | No |
| WPLM400 | AL | | | | | No |
| WPLM401 | AL | | | | | No |
| WPLM402 | AL | | | | | No |
| WPLM403 | AL | | | | | No |
| WPLM404 | AL | | | | | No |
| WPLM405 | AL | | | | | No |
| WPLM429 | AL | | | | | No |
| WPLM430 | AL | | | | | No |
| WPLM431 | AL | | | | | No |
| WPLM432 | AL | | | | | No |
| WPLM433 | AL | | | | | No |
| WPOH682 | AL | | | | | No |
| WPOH683 | AL | | | | | No |
| WPOH953 | AL | | | | | No |
| WPOH954 | AL | | | | | No |

| | | |
|---------|----|----|
| WPOH879 | AL | No |
| WPOH884 | AL | No |
| WPOH885 | AL | No |
| WPOH947 | AL | No |
| WPOH948 | AL | No |
| WPOH949 | AL | No |
| WPOH950 | AL | No |
| WPOH951 | AL | No |
| WPOH952 | AL | No |
| WPLM434 | AL | No |
| WPLM435 | AL | No |
| WPLM436 | AL | No |
| WPLM437 | AL | No |
| WPLM438 | AL | No |
| WPLM424 | AL | No |
| WPLM425 | AL | No |
| WPLM426 | AL | No |
| WPLM427 | AL | No |
| WPLM428 | AL | No |

| | | |
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| FCC Form 603 Schedule A | Schedule for Assignments of Authorization and Transfers of Control in Auctioned Services | Approved by OMB 3060 - 0800 See instructions for public burden estimate |
|------------------------------------|---|--|

Assignments of Authorization

1) Assignee Eligibility for Installment Payments (for assignments of authorization only)

Is the Assignee claiming the same category or a smaller category of eligibility for installment payments as the Assignor (as determined by the applicable rules governing the licenses issued to the Assignor)?

If 'Yes', is the Assignee applying for installment payments?

2) Gross Revenues and Total Assets Information (if required) (for assignments of authorization only)

Refer to applicable auction rules for method to determine required gross revenues and total assets information

| | | | |
|---------------------------------|-----------------------|-----------------------|--------------|
| Year 1 Gross Revenues (current) | Year 2 Gross Revenues | Year 3 Gross Revenues | Total Assets |
|---------------------------------|-----------------------|-----------------------|--------------|

3) Certification Statements

For Assignees Claiming Eligibility as an Entrepreneur Under the General Rule

Assignee certifies that they are eligible to obtain the licenses for which they apply

For Assignees Claiming Eligibility as a Publicly Traded Corporation

Assignee certifies that they are eligible to obtain the licenses for which they apply and that they comply with the definition of a Publicly Traded Corporation, as set out in the applicable FCC rules

For Assignees Claiming Eligibility Using a Control Group Structure

Assignee certifies that they are eligible to obtain the licenses for which they apply.

Assignee certifies that the applicant's sole control group member is a pre-existing entity, if applicable.

For Assignees Claiming Eligibility as a Very Small Business, Very Small Business Consortium, Small Business, or as a Small Business Consortium

Assignee certifies that they are eligible to obtain the licenses for which they apply

Assignee certifies that the applicant's sole control group member is a pre-existing entity, if applicable

For Assignees Claiming Eligibility as a Rural Telephone Company

Assignee certifies that they meet the definition of a Rural Telephone Company as set out in the applicable FCC rules, and must disclose all parties to agreement(s) to partition licenses won in this auction. See applicable FCC rules

Transfers of Control

4) Licensee Eligibility (for transfers of control only)

| | |
|--|----|
| As a result of transfer of control, must the licensee now claim a larger or higher category of eligibility than was originally declared? | No |
| If 'Yes', the new category of eligibility of the licensee is. | |

Certification Statement for Transferees

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|--|
| Transferee certifies that the answers provided in Item 4 are true and correct. |
|--|

Attachment List

| Attachment Type | Date | Description | Contents |
|-----------------|----------|-------------------------------|-------------------------------|
| Ownership | 02/21/02 | Alien Ownership | Not Available |
| Other | 02/21/02 | Transaction Information | Not Available |
| Other | 02/21/02 | Section 101.55(c) Information | 0177289958838336390782035.pdf |

By this Application, XO Communications, Inc. (“XO” or “Company”), pursuant to Section 1.948 of the Commission’s Rules,¹ hereby requests authority to transfer control of XO’s wholly-owned subsidiary, XO LMDS Holdings No. 1, Inc., (“XO LMDS”), from Craig O. McCaw and the existing shareholders of XO to the new shareholders of XO, which will include, as 10 percent or greater shareholders, Forstmann Little & Co. Equity Partnership-VII, L.P. (“Forstmann Little Equity VII”), and Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership-VIII, L.P. (“Forstmann Little MBO VIII”) (Forstmann Little Equity VII and Forstmann Little MBO VIII, collectively “Forstmann Little”) and an indirect wholly-owned subsidiary of Teléfonos de México, S.A. de C.V. (“Telmex”). XO LMDS currently holds licenses in the LMDS bands.

As set forth in the *Application and Petition for Declaratory Ruling*, filed simultaneously with this Application, this transfer of control will occur as a result of a restructuring of XO, which will include the issuance of additional voting common stock in XO to Telmex and Forstmann Little in exchange for a total aggregate investment in XO of \$800 million. Telmex is a foreign carrier from Mexico and is affiliated under the Commission’s Rules with foreign carriers from Guatemala and Argentina. Forstmann Little Equity VII and Forstmann Little MBO VIII are affiliated with Forstmann Little & Co., a private equity firm that was formed in 1978 and that has made numerous acquisitions and significant equity investments through several limited partnerships that

¹ 47 C.F.R. § 1.948 (2000).

are ultimately controlled by individual general partners. Upon completion of this transaction, Telmex and Forstmann Little each will hold a non-controlling minority interest in 40 percent of the outstanding equity in XO. No single shareholder will control XO, and it is not anticipated that any other shareholder will hold more than a 10 percent interest in the Company. Because Mr. McCaw currently controls (primarily through control of Eagle River Investments LLC) or has rights to vote shares of common stock that in the aggregate represent more than 50 percent of the voting power of XO common stock, the proposed transaction will result in a transfer of control of XO from Mr. McCaw to the new shareholders of XO.²

This investment in XO is critical to the Company's financial survival. Funds received from this investment will support the continued development of XO's network and for general working capital purposes. Consummation of this transaction is subject to regulatory approval and to the successful restructuring of XO's existing balance sheet.³ Further detail regarding the transaction, including a public interest statement and a copy of the relevant agreements between the parties, are provided in the *Application and Petition for Declaratory Ruling*.

² XO believes that, to the extent Mr. McCaw holds any equity interest in XO following consummation of the transactions contemplated by the Purchase Agreement, such interest will represent a very small percentage of its voting power (less than 10 percent), and Mr. McCaw will have neither control of XO's Board of Directors nor the right to elect any of its directors.

³ XO expects that it will file for bankruptcy under Chapter 11 of the Bankruptcy Code in order to effectuate any agreement reached with its creditors regarding XO's balance sheet restructuring or if it cannot reach agreement with its creditors. Should XO file for bankruptcy, XO will at that time file the appropriate *pro forma* applications with the Commission to transfer control of XO to XO as debtor-in-possession and make appropriate amendments to the pending transfer of control applications.

Forstmann Little Equity VII, which proposes to hold 25 percent of the voting stock of XO, and Forstmann Little MBO VIII, which proposes to hold 15 percent of the voting stock of XO, are each Delaware limited partnerships. The general partner of Forstmann Little Equity VII is FLC XXXII Partnership, L.P., a New York limited partnership. The general partner of Forstmann Little MBO VIII is FLC XXXIII Partnership, L.P., a New York limited partnership. The general partners of both of those entities are: Theodore J. Forstmann, Sandra J. Horbach, Winston W. Hutchins, Thomas H. Lister, Jamie C. Nicholls, and Gordon A. Holmes. With the exception of Mr. Holmes, who is a citizen of the Republic of Ireland, all of the general partners are U. S. citizens. Mr. Holmes's indirect interest in XO and its subsidiaries will be held as follows: FLC XXXII Partnership, L.P. holds a 2.56 percent interest in Forstmann Little Equity VII,¹ while FLC XXXIII Partnership holds a less than one percent interest in Forstmann Little MBO VIII.² Mr. Holmes' partnership interest in both FLC XXXII Partnership, L.P. and FLC XXXIII Partnership, L.P. is less than 20 percent.

Telmex is a Mexican corporation that is controlled by Carso Global Telecom, S.A. de C.V., a Mexican holding company, through an approximate 31 percent stockholding (total capital stock). Approximately 67 percent of the shares of CGT are held in trust for investment purposes for Carlos Slim Helú and his family members, all of whom are Mexican citizens. Through intermediate holding companies, Telmex wholly

¹ Based on percentage of capital contribution. FLC XXXII also has certain profit sharing incentives that reach 21.25 percent of partnership profits.

² Based on both percentage of capital contribution and participation in profits.

owns 100% of the capital stock of Teninver, S.A. de C.V., the Mexican entity through which Telmex proposes to make its investment in XO.

As such, XO seeks a declaratory ruling pursuant to Section 310(b)(4) that it will not serve the public interest to prohibit the proposed indirect foreign ownership of XO's wireless licenses in excess of the statutory 25 percent foreign ownership benchmark.³

Details regarding XO's petition for declaratory ruling are provided in the *Application and Petition for Declaratory Ruling* being filed simultaneously with this Application.

³ 47 U.S.C. § 310(b)(4).

As is clear from the information provided in the *Application and Petition for Declaratory Ruling* being filed simultaneously with this Application, the principal purpose of the proposed transfer of control is public service rather than profitable sale. The proposed transfer of control will occur as a result of a restructuring of XO, which will include the issuance of additional voting common stock in XO to Telmex and Forstmann Little in exchange for a total aggregate investment in XO of \$800 million. The proposed transaction will provide critical funding for XO and a substantial reduction in its debt that will preserve and strengthen the Company. XO will use the proceeds of the investment to fund on-going business operations and the continued development of its broadband telecommunications networks, and to complete the balance sheet restructuring. Once the investment and restructuring are complete, XO expects to have a fully funded business plan. As a result, the proposed transaction will preserve and strengthen competition in the telecommunications industry, to the ultimate benefit of the public.

The required affidavit is attached to this Exhibit.

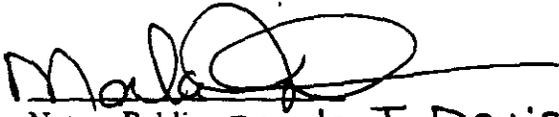
AFFIDAVIT

I, R. Gerard Salemm, am authorized to represent XO Communications, Inc. and to make this Affidavit on its behalf. Except as otherwise specifically attributed, the statements in the foregoing document relating to XO are true of my own knowledge, other than as to matters that are stated therein on information or belief, and as to those matters, I believe them to be true. I declare under penalty of perjury that the foregoing is true and correct.



R. Gerard Salemm
Senior Vice President - External Affairs
XO Communications, Inc.

Subscribed and sworn to before me this 19th day of February, 2002.



Notary Public, Marla J. Davis
Washington, DC

My Commission expires: Oct. 31, 2002 .