

January 31, 2007

**VIA ECFS AND IBFS**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, D.C. 20554

**Re: WC Docket No. 07-11;  
IB File No. ITC-ASG-20070124-00033  
Joint Application of Telco Group, Inc. and STi Prepaid, LLC for Consent to  
Assignment of International Authorization and Blanket Domestic  
Authorization**

Dear Secretary Dortch:

Pursuant to Sections 1.744, 63.50, and 63.51 of the rules and regulations of the Federal Communications Commission (“Commission”), 47 C.F.R. §§ 1.744, 63.50, 63.51, Telco Group, Inc. (“TGI”) and STi Prepaid, LLC (“STi Prepaid”) (collectively, “Applicants”), by their attorneys, hereby amend and supplement the above-referenced application (“Application”), which was filed with the International Bureau (via IBFS) and the Wireline Competition Bureau (via courier to Pittsburgh) on January 24, 2007. In addition, this letter provides supplemental information pursuant to a request from the Wireline Competition Bureau (“WCB”).

The purpose of the amendment is to (1) change all references to “Phicorp, Inc.” in the Application to “Phlcorp, Inc.” and (2) correct the ownership interest information provided for ST Finance, LLC. Accordingly, enclosed is an Amended Application<sup>1/</sup> replacing all references to “Phicorp, Inc.” with “Phlcorp, Inc.” and replacing the paragraph beginning with “ST Finance, LLC” on page 8 of the Application with the paragraph set forth below.

*ST Finance, LLC.* ST Finance, a Delaware limited liability company whose principal business is securities holdings, will own a twenty-five percent (25%) interest in STi Prepaid after consummation of the Transaction. Samer Tawfik, a United States citizen, will indirectly own a one hundred percent (100%) membership interest in ST Finance through seven holding

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<sup>1/</sup> The enclosed Amended Joint Application also reflects an amendment filed by the Applicants on January 25, 2007 to reflect changes to the ownership information previously provided for BEI Prepaid, LLC.

**Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.**

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companies, all of which are Delaware entities. The seven holding companies are: Telco Group, Inc., STi Phonecard Inc., Dialaround Enterprises Inc., STi Mobile Inc., Phonecard Enterprises Inc., VOIP Enterprises Inc., and STi PCS, LLC. Thus, Samer Tawfik will hold a twenty-five percent (25%) indirect interest in STi Prepaid after consummation of the proposed Transaction. After consummation of the Transaction, the address for ST Finance, Samer Tawfik, Telco Group, Inc., STi Phonecard Inc., Dialaround Enterprises Inc., STi Mobile Inc., Phonecard Enterprises Inc., VOIP Enterprises Inc., and STi PCS, LLC is 23 Shorewood Drive, Port Washington, NY 11050.

The Applicants also provide supplemental information regarding their Application as requested by WCB staff:

(1) STi Prepaid does not provide telecommunications services at this time.

(2) Entities that will hold a ten percent (10%) or greater direct or indirect ownership interest in STi Prepaid after consummation of the transaction described in the Application hold the following direct or indirect interests in telecommunications-related entities that are not part of this transaction:

The following ten percent (10%) or greater direct or indirect owners of STi Prepaid do not hold any interests in telecommunications-related entities: BEI Prepaid, LLC; BEI Prepaid Holdings, LLC; Baldwin Enterprises Inc.; Phlcorp, Inc.; Leucadia National Corporation;<sup>2/</sup> ST Finance, LLC; David Larsen; Ian Cumming; and Joseph Steinberg.

Samer Tawfik holds a passive investment in PAETEC Communications, Inc., which offers voice and data services in 29 markets throughout the United States<sup>3/</sup> and is in the process of completing a merger with US LEC Corp., which is a publicly-traded company offering voice and data services throughout sixteen (16) eastern states and the District of Columbia, selected voice services in twenty-seven (27) additional states, and enhanced data and Internet services nationwide.<sup>4/</sup> Samer Tawfik also owns a one hundred percent (100%) interest in the following entities: (1) TGI, which currently provides interstate and international interexchange telecommunications services; (2) Dialaround Enterprises Inc. ("DEI"), which currently provides interstate, international, and intrastate interexchange telecommunications services; and (3) VOIP Enterprises Inc. ("VEI"), which currently provides international telecommunications services. After consummation of the Transaction, however, TGI, DEI, and VEI will no longer provide any type of telecommunications service.

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<sup>2/</sup> As described in the Application, Leucadia is affiliated with Antilles Crossing, LP and Antilles Crossing (St. Lucia) Limited, which are cable systems licensed in the Barbados and St. Lucia, respectively.

<sup>3/</sup> More information about PAETEC's network can be found at [http://www.paetec.com/2\\_1/2\\_1\\_5\\_\\_2.html](http://www.paetec.com/2_1/2_1_5__2.html).

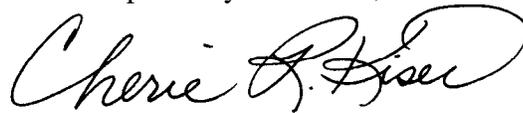
<sup>4/</sup> More information about US LEC's network can be found at: <http://www.uslec.com/networks.aspx>.

(3) Other than stated in the Application, no other person or entity owns a ten percent (10%) or greater direct or indirect ownership interest in STi Prepaid.

(4) DEI and VEI are incorporated in Delaware. DEI is authorized to provide interstate, international, and intrastate interexchange services at the federal level and in all states except Alaska, Delaware, and Tennessee.

Please contact the undersigned counsel if you have additional questions regarding this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Cherie R. Kiser". The signature is fluid and cursive, with a large loop at the end.

Chérie R. Kiser

Enclosure

cc: Jodie May (via e-mail)  
Sumita Mukhoty (via e-mail)

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

<b>In the Matter of</b>	)	
	)	
<b>TELCO GROUP, INC.</b>	)	<b>WC Docket No. 07-11</b>
	)	
<b>and</b>	)	
	)	
<b>STi PREPAID, LLC</b>	)	<b>File No. ITC-ASG-20070124-00033</b>
	)	
<b>Application for Consent to Assign</b>	)	
<b>International Authorization and Blanket</b>	)	
<b>Domestic Authorization pursuant to</b>	)	
<b>Section 214 of the Communications Act</b>	)	
<b>of 1934, as Amended</b>	)	
	)	

**AMENDED  
JOINT APPLICATION**

STi Prepaid, LLC (“STi Prepaid”) and Telco Group, Inc. (“TGI”) (collectively, the “Applicants”), by their attorneys, hereby request authority from the Federal Communications Commission (“Commission”) pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 214, and Sections 1.763, 63.03, 63.04, 63.18, and 63.24(e) of the Commission’s rules, 47 C.F.R. §§ 1.763, 63.03, 63.04, 63.18, and 63.24(e), to assign certain of TGI’s assets and liabilities, including TGI’s international and blanket domestic authorizations, to STi Prepaid.

**I. REQUEST FOR STREAMLINED TREATMENT OF APPLICATION**

Under Section 63.04(b) of the Commission’s rules, the Applicants are filing a combined domestic and international application for the assignment of TGI’s assets to STi Prepaid. The Applicants respectfully request streamlined treatment of this Application pursuant to Sections 63.03 and 63.12 of the Commission’s rules. This Application is eligible for streamlined

processing pursuant to Section 63.03(b)(2) of the Commission's rules because: (1) the proposed transaction will result in STi Prepaid, the entity holding the international and blanket domestic authorizations after consummation of the transaction, having a market share in the interstate interexchange market of less than ten percent (10%); (2) STi Prepaid will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (3) neither the Applicants nor any of their affiliates are regulated as dominant with respect to any service. This Application also qualifies for streamlined treatment under Section 63.12 of the Commission's rules because: (1) STi Prepaid is not affiliated with a dominant foreign carrier; (2) as a result of the transaction, STi Prepaid will not be affiliated with any foreign carrier; and (3) none of the other scenarios outlined in Section 63.12(c) of the Commission's rules apply.<sup>1/</sup>

## **II. APPLICANTS AND LICENSEES**

### **A. STi Prepaid, LLC (FRN: 0016004731)**

STi Prepaid, a Delaware limited liability company, is an indirect wholly-owned subsidiary of Leucadia National Corporation ("Leucadia"), a New York corporation. STi Prepaid is a newly formed entity that will hold the international and blanket domestic authorizations to provide telecommunications services previously held by TGI. STi Prepaid will hold authority to provide international facilities-based and resale services as a result of the assignment of TGI's license that is the subject of this Application, and is separately completing registration for blanket domestic Section 214 with the Commission.

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<sup>1/</sup> The Commission's rules define "foreign carrier" as an entity that is authorized within a foreign country to engage in the provision of international telecommunications services offered to the public in that country. 47 C.F.R. § 63.09(d). As explained in more detail below, STi Prepaid is affiliated with cable systems licensed in foreign countries and certain other foreign entities, none of which are considered "foreign carriers" under the Commission's rules.

**B. Telco Group, Inc. (FRN: 0004292850)**

TGI is a privately held Delaware corporation with headquarters at 30-50 Whitestone Expressway, 4<sup>th</sup> Floor, Flushing, New York 11354. Samer Tawfik, a United States citizen, is the sole owner of TGI. TGI has authority to provide interstate and international telecommunications services from the Commission, and currently provides services to prepaid calling card consumers throughout the United States.

**III. DESCRIPTION OF THE TRANSACTION**

On January 23, 2007, TGI and certain of its affiliates (collectively, “Sellers”) entered into an Asset Purchase and Contribution Agreement (“Agreement”) with STi Prepaid and certain of its affiliates pursuant to which Sellers agreed to transfer all or substantially all of their assets and liabilities to STi Prepaid, including the authorizations held by TGI to provide domestic and international telecommunications services (the “Transaction”). Consummation of the Transaction is contingent on, among other things, receipt of all necessary regulatory approvals.

Pursuant to the terms of the Agreement,<sup>2/</sup> STi Prepaid will purchase seventy-five percent (75%) of the assets and assume seventy-five percent (75%) of the liabilities of the Sellers. The assets to be transferred by the Sellers to STi Prepaid include the international and domestic authorizations currently held by TGI. At the completion of the Transaction, STi Prepaid will hold the international and domestic authorizations to provide telecommunications services currently held by TGI.

The remaining twenty-five percent (25%) of STi Prepaid will be held by Samer Tawfik through a new limited liability company, ST Finance, LLC (“ST Finance”), which will be

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<sup>2/</sup> As a part of the Transaction, the assets of certain other entities owned by Samer Tawfik that are organized under the laws of the Dominican Republic also will be transferred to newly formed subsidiaries of STi Prepaid (“Other Entities”). The Other Entities are organized under the laws of the Dominican Republic and hold no U.S.

formed at or prior to the consummation of the Transaction. Samer Tawfik will hold one hundred percent (100%) of the membership interests in ST Finance. Samer Tawfik will capitalize ST Finance by contributing the remaining twenty-five percent (25%) of Sellers' assets and liabilities to ST Finance (other than assets and liabilities excluded from the Transaction pursuant to the Agreement). ST Finance will then contribute the twenty-five percent (25%) share of the assets and liabilities it received from Sam Tawfik and Sellers to STi Prepaid in exchange for ST Finance holding a twenty-five percent (25%) membership interest in STi Prepaid.

TGI currently provides telecommunications services to prepaid calling card consumers. This Transaction also involves two other entities that hold authorizations from the Commission - Dialaround Enterprises Inc. ("DEI")<sup>3/</sup> and VOIP Enterprises Inc. ("VEI").<sup>4/</sup> The operations of TGI, DEI, and VEI are being combined into one entity - STi Prepaid, which only needs to hold one international authorization and one blanket domestic authorization. Once the transfer of TGI's assets, including its telecommunications authorizations, to STi Prepaid is consummated, STi Prepaid will have the requisite authority to provide domestic and international interexchange services, and will not require the authorizations held by DEI and VEI. Thus, after consummation of the Transaction, DEI and VEI will make the necessary filings to discontinue and surrender their existing authorizations consistent with the Commission's rules.<sup>5/</sup>

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state or federal telecommunications licenses. Nor are the Other Entities considered "foreign carriers" under the Commission's rules.

<sup>3/</sup> DEI holds blanket domestic interexchange authority and international global facilities-based and resale authority granted on July 19, 2001 in ITC-214-20010618-00348.

<sup>4/</sup> VEI holds international global facilities-based and resale authority granted on July 5, 2002 in ITC-214-20020531-00293.

<sup>5/</sup> The Applicants recognize the Commission's view that "sales of assets where no customers will lose service or have their service impaired as the result of the transaction should be treated as transfers of control rather than discontinuances." *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, 17 FCC Rcd. 5517, ¶ 59 (2002) ("*Streamlining Order*"). After consummation of the Transaction, all of the customers utilizing the dial-around and prepaid calling card services currently provided by DEI and VEI will be served by STi Prepaid who, under this Application, will be the holder of the authorizations currently held by TGI. Therefore,

#### IV. PUBLIC INTEREST STATEMENT

The proposed Transaction furthers the public interest, convenience, and necessity. The assignment of TGI's assets to STi Prepaid will benefit consumers by ensuring that consumers continue to have a wide range of telecommunications choices in the prepaid calling card market. As an affiliate of Leucadia, a publicly traded company, STi Prepaid will have access to the public capital markets that can provide support for the expansion of the services currently offered by TGI. STi Prepaid will benefit from TGI's experience providing telecommunications services, which will be further enhanced through STi Prepaid's access to the telecommunications expertise of Leucadia, which currently manages numerous other providers of telecommunications services through various subsidiaries. The combination of existing technical experience at TGI and the financial backing of Leucadia will enhance STi Prepaid's ability to efficiently provide and expand its services.

The proposed Transaction does not present any anticompetitive issues. STi Prepaid's total market share after consummation of the Transaction will be less than ten percent (10%). Furthermore, there are a number of other interexchange carriers and prepaid calling card service providers operating on a nationwide basis.

In addition, the Transaction will not impact consumers utilizing TGI's prepaid calling cards. STi Prepaid will operate under the fictitious name of TGI, and thus the Transaction will be transparent to any consumers still holding prepaid calling cards listing TGI as the service provider. Any consumers holding prepaid calling cards previously issued will continue to receive high-quality telecommunications services without interruption and without change in rates, terms, or conditions. Customer notice is not required in this case because TGI does not

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discontinuance is the appropriate procedure under the FCC's *Streamlining Order* because STi Prepaid does not need the authorizations held by DEI and VEI and those entities will no longer be providing service after consummation of

have a dedicated customer base. TGI's prepaid calling card services can be used by any person at any time after purchasing the calling card from a retailer. TGI has no knowledge of the identity of the persons that utilize its services, and has no direct relationship with the person utilizing the prepaid calling card. Accordingly, customer notification of this Transaction is unnecessary and would be almost impossible.<sup>6/</sup>

**V. INFORMATION REQUIRED BY SECTION 63.24(e) OF THE COMMISSION'S RULES FOR ASSIGNMENT OF INTERNATIONAL AUTHORIZATION**

In support of this Application, the Applicants submit the following information pursuant to Section 63.24(e) of the Commission's rules, which is the information requested in paragraphs (a)-(d) of Section 63.18 for both Applicants and the information requested in paragraphs (h)-(p) of Section 63.18 for STi Prepaid.

(a) Name, address, and telephone number of Applicants:

Telco Group, Inc.  
30-50 Whitestone Expressway, 4th Floor  
Flushing, NY 11354  
Telephone: 718-358-5390  
FRN: 0004292850

STi Prepaid, LLC  
30-50 Whitestone Expressway, 4th Floor  
Flushing, NY 11354  
718-358-5390 (telephone)  
FRN: 0016004731

(b) TGI is a corporation organized under the laws of Delaware. STi Prepaid is a limited liability company organized under the laws of Delaware.

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the Transaction.

<sup>6/</sup> *Comments Invited on Application of Transcommunications Incorporated to Discontinue Domestic Telecommunications Services*, WC Docket No. 05-161, Public Notice, DA 05-999 (rel. Apr. 4, 2005) (granting discontinuance of prepaid calling card services without comment based on statements that the calling card provider could not provide customer notice because it did not know the identity and address of the end users of its calling cards and thus it would be effectively impossible to provide written notice of the discontinuance of service to each affected cardholder).

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

<b>For TGI and STi Prepaid:</b>
Samer Tawfik Chief Executive Officer 30-50 Whitestone Expressway, 4th Floor Flushing, NY 11354 718-358-5390 (telephone) 718-732-7751 (facsimile)
Cherie R. Kiser Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. 701 Pennsylvania Avenue, NW, Suite 900 Washington, D.C. 20004 202-434-7300 (telephone) 202-434-7400 (facsimile) crkiser@mintz.com

(d) TGI holds blanket domestic Section 214 authority and global Section 214 authority to provide international facilities-based and resale services, which was granted on March 15, 2001 in IB File No. ITC-214-20010220-0085. STi Prepaid does not presently hold any Commission international authorizations, but will be assigned TGI's authority under this Application. Separately, STi Prepaid will hold domestic Section 214 authority by virtue of registration with the Commission, which is being completed separately.

(h) The following entities and individuals will hold a ten percent (10%) or greater interest in STi Prepaid after consummation of the Transaction:

*BEI Prepaid, LLC.* BEI Prepaid, LLC ("BEI Prepaid"), a Delaware limited liability company will own a seventy-five percent (75%) interest in STi Prepaid after consummation of the Transaction. BEI Prepaid's principal business is telecommunications holdings. David Larsen, a United States citizen, holds a ten percent (10%) non-voting membership interest in BEI Prepaid. BEI Prepaid Holdings, LLC, a Delaware limited liability company whose principal business is telecommunications holdings, owns a ninety percent (90%) membership interest and a one hundred

percent (100%) voting interest in BEI Prepaid. BEI Prepaid Holdings, LLC is a wholly-owned subsidiary of Baldwin Enterprises Inc. (“Baldwin”), a Colorado corporation whose principal business is investment. Baldwin is a wholly-owned subsidiary of Phlcorp, Inc., a Pennsylvania corporation whose principal business is investment holdings. Phlcorp, Inc. is a wholly-owned subsidiary of Leucadia, a publicly-traded New York corporation whose principal business is investment. Ian Cumming and Joseph Steinberg, both of which are United States citizens, each hold a thirteen percent (13%) interest in Leucadia. The business address for David Larsen is 529 East South Temple, Salt Lake City, UT 84102. The address for Ian Cumming is 529 East South Temple, Salt Lake City, UT 84102. The address for Joseph Steinberg, BEI Prepaid, BEI Prepaid Holdings, LLC, Baldwin, Phlcorp, Inc., and Leucadia is 315 Park Avenue South, New York, NY 10010.

*ST Finance, LLC.* ST Finance, a Delaware limited liability company whose principal business is securities holdings, will own a twenty-five percent (25%) interest in STi Prepaid after consummation of the Transaction. Samer Tawfik, a United States citizen, will indirectly own a one hundred percent (100%) membership interest in ST Finance through seven holding companies, all of which are Delaware entities. The seven holding companies are: Telco Group, Inc., STi Phonocard Inc., Dialaround Enterprises Inc., STi Mobile Inc., Phonocard Enterprises Inc., VOIP Enterprises Inc., and STi PCS, LLC. Thus, Samer Tawfik will hold a twenty-five percent (25%) indirect interest in STi Prepaid after consummation of the proposed Transaction. After consummation of the Transaction, the address for ST Finance, Samer Tawfik, Telco Group, Inc., STi Phonocard Inc., Dialaround Enterprises Inc., STi Mobile Inc., Phonocard Enterprises Inc., VOIP Enterprises Inc., and STi PCS, LLC is 23 Shorewood Drive, Port Washington, NY 11050.

The Applicants state that following consummation of the Transaction, no officer or director of STi Prepaid will also be an officer or director of any foreign carrier as defined by 47 C.F.R. § 63.09(d). STi Prepaid, through Leucadia, is affiliated with Antilles Crossing, LP and Antilles Crossing (St. Lucia) Limited, which are cable systems licensed in Barbados and St. Lucia, respectively, and therefore do not qualify as foreign carriers under the Commission's rules. STi Prepaid also is affiliated with Other Entities organized under the laws of the Dominican Republic, none of which qualify as foreign carriers under the Commission's rules.

(i) As evidenced by the signatures to this Application, STi Prepaid certifies that post-close, it will not be a foreign carrier and will not be affiliated with foreign carriers. STi Prepaid, through Leucadia, is affiliated with Antilles Crossing, LP and Antilles Crossing (St. Lucia) Limited, which are cable systems licensed in Barbados and St. Lucia, respectively, and therefore do not qualify as foreign carriers under the Commission's rules. STi Prepaid also is affiliated with Other Entities organized under the laws of the Dominican Republic, none of which qualify as foreign carriers under the Commission's rules.

(j) As evidenced by the signatures to this Application, STi Prepaid certifies that post-close, it will not provide international telecommunications services to any destination country in which: (1) STi Prepaid is a foreign carrier in the destination market; (2) STi Prepaid controls a foreign carrier in the destination market; (3) any entity that will hold a controlling interest in STi Prepaid controls a foreign carrier; and (4) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than twenty-five percent (25%) of STi Prepaid and are not parties to, or the beneficiaries of, a contractual relationship affecting the provision or marketing of international basic telecommunications services in the United States. STi Prepaid, through Leucadia, is affiliated with Antilles Crossing, LP and Antilles Crossing (St. Lucia)

Limited, which are cable systems licensed in Barbados and St. Lucia, respectively, and therefore do not qualify as foreign carriers under the Commission's rules. STi Prepaid also is affiliated with Other Entities organized under the laws of the Dominican Republic, none of which qualify as foreign carriers under the Commission's rules.

(k) Not applicable.

(l) STi Prepaid does not propose to resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to a country where it is a foreign carrier or affiliated with a foreign carrier.

(m) STi Prepaid is not affiliated with any foreign carrier on any of the routes on which it proposes to provide services. STi Prepaid, through Leucadia, is affiliated with Antilles Crossing, LP and Antilles Crossing (St. Lucia) Limited, which are cable systems licensed in Barbados and St. Lucia, respectively, and therefore do not qualify as foreign carriers under the Commission's rules. STi Prepaid also is affiliated with Other Entities organized under the laws of the Dominican Republic, none of which qualify as foreign carriers under the Commission's rules.

(n) As evidenced by the signatures to this Application, STi Prepaid 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 sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future. STi Prepaid, through Leucadia, is affiliated with Antilles Crossing, LP and Antilles Crossing (St. Lucia) Limited, which are cable systems licensed in Barbados and St. Lucia, respectively, and therefore do not qualify as foreign carriers under the Commission's

rules. STi Prepaid also is affiliated with Other Entities organized under the laws of the Dominican Republic, none of which qualify as foreign carriers under the Commission's rules.

(o) As evidenced by the signatures to this Application, the Applicants certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that they are not subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(p) Applicants request streamlined processing of this Application pursuant to Section 63.12 of the Commission's rules. This Application qualifies for streamlined treatment under Section 63.12 because: (1) STi Prepaid is not affiliated with a foreign carrier on any route for which authority is sought; (2) STi Prepaid is not affiliated with any dominant U.S. carrier whose international switched or private lines services it seeks to resell; and (3) STi Prepaid is not requesting authority to provide switched service over private lines to countries not previously authorized for service by the Commission. STi Prepaid, through Leucadia, is affiliated with Antilles Crossing, LP and Antilles Crossing (St. Lucia) Limited, which are cable systems licensed in Barbados and St. Lucia, respectively, and therefore do not qualify as foreign carriers under the Commission's rules. STi Prepaid also is affiliated with Other Entities organized under the laws of the Dominican Republic, none of which qualify as foreign carriers under the Commission's rules.

## **VI. INFORMATION REQUIRED BY SECTION 63.04(b) OF THE COMMISSION'S RULES FOR ASSIGNMENT OF BLANKET DOMESTIC AUTHORIZATION**

In accordance with the requirements of Section 63.04(b) of the Commission's rules, the additional information required for the assignment of TGI's domestic Section 214 authority is provided in **Exhibit A**.

## VII. CONCLUSION

Based on the foregoing, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this Application.

Respectfully submitted,

**TELCO GROUP, INC.**  
**and**  
**STi PREPAID, LLC**

/s/ Samer Tawfik

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Samer Tawfik  
Chief Executive Officer  
30-50 Whitestone Expressway, 4<sup>th</sup> Floor  
Flushing, NY 11354  
718-358-5390 (telephone)  
718-732-7751 (facsimile)

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202-434-7400 (facsimile)  
crkiser@mintz.com

Dated: January 31, 2007

## Exhibit A

### INFORMATION FOR ASSIGNMENT OF DOMESTIC SECTION 214 AUTHORITY

In accordance with the requirements of Section 63.04(b) of the Commission's rules, the Applicants provide the following information in support of their request for authority to assign TGI's domestic Section 214 authorization to STi Prepaid:

**63.04(a)(6): Description of the Transaction**

The Transaction is described in Section III of the Application.

**63.04(a)(7): Description of Geographic Service Area and Services in Each Area**

A description of the geographic service areas and services provided in each area is described in Section II of the Application.

**63.04(a)(8): Presumption of Non-Dominance and Qualification for Streamlining**

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2) of the Commission's rules because: (1) the proposed transaction will result STi Prepaid having a market share in the interstate interexchange market of less than ten percent (10%); (2) STi Prepaid will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (3) neither the Applicants nor any of their affiliates are regulated as dominant with respect to any service.

**63.04(a)(9): Other Pending Commission Applications Concerning the Proposed Transaction**

STi Prepaid has submitted an application for authority to provide international facilities-based and resold telecommunications services concurrently with this Application.

**63.04(a)(10): Special Considerations**

None.

**63.04(a)(11): Waiver Requests (If Any)**

None.

**63.04(a)(12): Public Interest Statement**

The Transaction is in the public interest for the reasons detailed in Section IV of the Application.