

WC 07-68

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0385
Page 1 of 2

(1) LOCKBOX # 358145	FCC/MELLON MAR 26 2007	SPECIAL USE ONLY FCC USE ONLY
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SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Bingham McCutchen LLP	(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$965.00
(4) STREET ADDRESS LINE NO. 1 2020 K Street, N.W.	
(5) STREET ADDRESS LINE NO. 2 10th Floor	
(6) CITY Washington	(7) STATE DC
	(8) ZIP CODE 20006
(9) DAYTIME TELEPHONE NUMBER (include area code) (202) 373-6000	(10) COUNTRY CODE (if not in U.S.A.) USA

FCC REGISTRATION NUMBER (FRN) REQUIRED

(11) PAYER (FRN) 0004353900	(12) FCC USE ONLY
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IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)
COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(13) APPLICANT NAME Mpower Communications Corp.		
(14) STREET ADDRESS LINE NO. 1 515 South Flower Street		
(15) STREET ADDRESS LINE NO. 2 47th Floor		
(16) CITY Los Angeles	(17) STATE CA	(18) ZIP CODE 90071
(19) DAYTIME TELEPHONE NUMBER (include area code) (213) 213-3690	(20) COUNTRY CODE (if not in U.S.A.)	

FCC REGISTRATION NUMBER (FRN) REQUIRED

(21) APPLICANT (FRN) 0003733102	(22) FCC USE ONLY
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COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1
(26A) FEE DUE FOR (PTC) \$965.00	(27A) TOTAL FEE \$965.00	FCC USE ONLY
(28A) FCC CODE 1	(29A) FCC CODE 2	
(23b) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1	(29B) FCC CODE 2	

SECTION D - CERTIFICATION

CERTIFICATION STATEMENT
I, Eliot J. Greenwald, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.

SIGNATURE [Signature] DATE 03/26/2007

SECTION E - CREDIT CARD PAYMENT INFORMATION

MASTERCARD _____ VISA _____ AMEX DISCOVER _____

FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE (CONTINUATION SHEET) Page No <u>2</u> of <u>2</u>		SPECIAL USE FCC ONLY
USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT SECTION BB - ADDITIONAL APPLICANT INFORMATION		
(13) APPLICANT NAME McLeodUSA Telecommunications Services, Inc.		
(14) STREET ADDRESS LINE NO. 1 One Martha's Way		
(15) STREET ADDRESS LINE NO. 2		
(16) CITY Hiawatha		(17) STATE IA
		(18) ZIP CODE 52233
(19) DAYTIME TELEPHONE NUMBER (include area code) 1.800.593.1177		(20) COUNTRY CODE (if not in U.S.A.)
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN) 0003716073		(22) FCC USE ONLY
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1		(29A) FCC CODE 2
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1		(29B) FCC CODE 2
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1		(29C) FCC CODE 2
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1		(29D) FCC CODE 2
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1		(29E) FCC CODE 2
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1		(29F) FCC CODE 2

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

In the Matter of the Application of)	
)	
Mpower Communications Corp.,)	ITC-ASG-2007 _____
Assignor)	
)	
and)	WC Docket No. 07- _____
)	
McLeodUSA Telecommunications Services, Inc.,)	
Assignee)	
)	
For Grant of Authority Pursuant to)	
Section 214 of the Communications Act of)	
of 1934 and Section 63.04 and 63.24 of the)	
Commission's Rules to Complete an)	
Assignment of Assets Between)	
Domestic and International)	
Communications Common Carriers)	

JOINT APPLICATION

I. INTRODUCTION

A. Summary of Transaction

Mpower Communications Corp. ("Mpower" or "Assignor") and McLeodUSA Telecommunications Services, Inc. ("McLeodUSA" or "Assignee") (collectively, the "Applicants"), 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, respectfully request authority to assign certain customer accounts and assets of Mpower located in the Chicago, Illinois market to McLeodUSA, as more fully described below. Mpower is not assigning or transferring control of its international and domestic Section 214 authorizations, and will retain them post-closing in order to continue operating its telecommunications

business. However, **the** Applicants **are** filing this application as a joint international and domestic Section 214 assignment application because certain customers being assigned from Mpower to McLeodUSA do receive domestic and international services **from** Mpower, and post-closing are expected to continue to receive such services from McLeodUSA.

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 & 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** transaction, (1) Applicants and their Affiliates (**as** defined in Section 3(1) of the Communications Act – "Affiliates") combined will hold **less** than a ten percent (10%) **share** of the interstate, interexchange **market**; and (2) none of the Applicants or **their** Affiliates is dominant with respect to any service. With respect to international authority, 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 is 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), applies.

In support of this Application, Applicants provide the following information:

II. THE APPLICANTS

A. Mpower Communications Corp. ("Mpower")

Mpower is a Nevada corporation with its headquarters located at 515 S. Flower Street, 47th Floor, **Los** Angeles, CA 90071-2201. Mpower is a facilities-based communications provider offering an integrated bundle of broadband data and voice

communication services to business customers. Founded in 1996, Mpower delivers a full range of telephone, high-speed data, Internet access, and Web hosting solutions to customers in California, Nevada, and Illinois. Mpower is a wholly owned subsidiary of Mpower Holding Corporation, a Delaware corporation, which, in turn, is a wholly owned subsidiary of U.S. TelePacific Holdings Corp., a Delaware corporation. Mpower provides its domestic interstate services pursuant to blanket domestic Section 214 authority, and provides international services pursuant to international Section 214 authorizations ITC-214-19970731-00440 and ITC-214-19980508-00305(ITC-T/C-20040721-00320).

B. McLeodUSA Telecommunications Services, Inc. (“McLeodUSA”)

McLeodUSA is an Iowa corporation with principal offices located at One Martha’s Way, Hiawatha, Iowa 52233-2402. McLeodUSA provides integrated communications services, including local services, primarily in 25 Midwest, Southwest, Northwest, and Rocky Mountain states. McLeodUSA is a wholly owned subsidiary of McLeodUSA Holdings, Inc. which, in turn, is a wholly owned subsidiary of McLeodUSA Incorporated. McLeodUSA provides its domestic interstate services pursuant to blanket domestic Section 214 authority, and provides international services pursuant to international Section 214 authorization ITC-214-19930827-00153.

III. DESCRIPTION OF THE TRANSACTIONS (Answer to Question 13)

Mpower proposes to assign its customers and related assets in the Chicago, Illinois market to McLeodUSA, subject to the receipt of all required regulatory approvals, including the consent of the Commission. Upon completion of the transaction, both Mpower and McLeodUSA will continue to serve their other preexisting customers pursuant to their respective current Section 214 authorizations, and McLeodUSA will serve the new customers that it acquires from Mpower

pursuant to McLeodUSA's current Section 214 authorizations. All of the customers that McLeodUSA acquires from Mpower will receive notice in compliance with **the** Commission's rules.'

IV. PUBLIC INTEREST STATEMENT

The transaction described above serve the public interest because it will enhance the ability of McLeodUSA to provide high quality telecommunications services in the Chicago, Illinois market, which should invigorate competition and thereby benefit consumers of interstate and international telecommunications services. Customers of Mpower being assigned to McLeodUSA are expected to continue to receive high quality telecommunications services and customer care. The transaction is anticipated to be accomplished in a **seamless** manner.

Given **the** increasingly competitive nature of the interstate and international telecommunications markets, Applicants are seeking to complete **the** proposed transaction as soon as possible in order to ensure that Applicants can rapidly obtain the benefits of **the** proposed transaction. Accordingly, Applicants respectfully request that the Commission process, consider and approve this Application as expeditiously as possible.

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) for both Mpower and McLeodUSA, and Section 63.18 (h) through (p) for assignee McLeodUSA.

¹ The Applicants will **file** the required certification of compliance with Section 64.1120(e) of **the rules** under separate cover.

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

Mpower Communications Corp. **FRN: 0003733102**
515 S. Flower Street
47th Floor
Los Angeles, CA 90071-2201
Tel: (213) 213-3690
Fax: (213) 213-3691

McLeodUSA Telecommunications Services, Inc. **FRN: 0003716073**
One Martha's Way
Hiawatha, Iowa 52233-2402
Tel: (800) 593-1177
Fax: (319) 790-7901

(b) **Jurisdiction of Organizations:**

Mpower is a corporation formed under the laws of the State of Nevada.

McLeodUSA is a corporation formed under the laws of the State of Iowa.

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

Jean L. Kiddoo
Eliot J. Greenwald
Bingham McCutchen LLP
2020 K Street, N.W.
Washington, DC 20006-1806
Tel: (202) 373-6000
Fax: (202) 373-6001
jean.kiddoo@bingham.com
eliot.greenwald@bingham.com

(d) Mpower holds Section 214 authority to provide international telecommunications services on a resold basis pursuant to FCC File Nos. ITC-214-19970731-00440 and on a facilities-based and resold basis pursuant to ITC-214-19980508-00305 (ITC-T/C-20040721-00320).

McLeodUSA holds Section 214 authority to provide international switched telecommunications services on a resold basis pursuant to FCC File No. ITC-214-19930827-00153.

Mpower and McLeodUSA each hold blanket domestic interstate Section 214 authority.

(h) (Answer to Questions 11 & 12)

Direct and Indirect Ownership:

- 1) **The following entities own or control ten percent (10%) or more of the equity/voting interest in McLeodUSA Telecommunications Services, Inc.**

Name: McLeodUSA Holdings, Inc.
Address: One Martha's Way
Hiawatha, Iowa 52233-2402
Citizenship: United States
Equity/Voting Interest: 100%
Principal Business: Holding Company

- 2) **The following entities own or control ten percent (10%) or more of the equity/voting interest in McLeodUSA Holdings, Inc.**

(i) **Name:** McLeodUSA Incorporated
Address: One Martha's Way
Hiawatha, Iowa 52233-2402
Citizenship: United States
Equity/Voting Interest: 100%
Principal Business: Telecommunications

- 3) **The following entities own or control ten percent (10%) or more of the equity/voting interest in McLeodUSA Incorporated**

Name: Wayzata Investment Partners LLC
Address: 701 East Lake Street, Suite 300
Wayzata, MN 55391
Citizenship: United States
Approx. Equity/Voting Interest: 28.7%
Principal Business: Investment

The 28.7% interest held by **Wayzata Investment Partners LLC** is held under several individual investment funds, none of which holds or control an indirect 10% or greater interest in McLeodUSA.

Name: Fidelity Investments
Address: 82 Devonshire Street, E31C
Boston, MA 02109
Citizenship: United States
Approx. Equity/Voting Interest: 30.5%
Principal Business: Investment

The 30.5% interest held by **Fidelity Investments** is held by several

individual investment funds. **Fidelity Adv Ser II:Adv.High Income Advtg** holds approximately a 16.38% indirect interest in McLeodUSA. No other investment funds hold or control an indirect 10% or greater interest in McLeodUSA. No entity owns or controls an interest in **Fidelity Adv Ser II:Adv.High Income Advtg** that gives them an indirect 10% or greater interest in McLeodUSA.

- 4) No other entity owns or controls directly or indirectly ten percent (10%) or more of the equity/voting interests in assignee McLeodUSA:

Interlocking directorates:

McLeodUSA does not **have** any interlocking directorates with a foreign carrier.

- (i) **(Answer to Question 14)** Applicants certify that none of Applicants is a foreign carrier or affiliated with a foreign carrier.
- (j) **(Answer to Question 15)** Applicants certify that they do 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.
- (n) Applicants certify that they have 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

In lieu of an attachment, 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 Transactions is set forth in **Section III.** above.
- (a)(7) Mpower provides competitive local and/or long distance telecommunications services as well as competitive access service in California, Illinois and Nevada. In addition, Mpower's sister company, U.S. TelePacific Corp., a California corporation and also a subsidiary of U.S. TelePacific Holdings Corp., provides business communications services, including local, long distance, data and Internet services, to small-to-medium sized businesses in Nevada and California. All of the services provided by Mpower and its affiliated companies are competitive in nature, and neither Mpower nor any affiliated company holds a dominant position in any market.

McLeodUSA provides competitive local and/or long distance telecommunications services as well as competitive access service in all states except for Alaska and Hawaii. All of the services provided by McLeod and its affiliated companies are competitive in nature, and none of them hold a dominant position in any market.
- (a)(8) Applicants respectfully submit that **this** Application is eligible for streamlined processing pursuant to Section 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following **the** transaction, (1) Applicants and their affiliates (**as** defined in Section 3(1) of the Communications Act - "Affiliates") combined 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 are dominant with respect to any service.

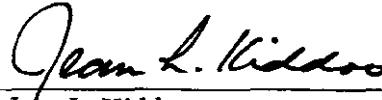
- (a)(9) Through this Application, Applicants seek authority with respect to **both** international and domestic Section **214** authorizations (this Application is being separately and concurrently filed with respect to both **types** of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)). No other applications **are** being filed with the Commission with respect to the transaction described herein.
- (a)(10) Prompt completion of **the** proposed transactions is critical to **ensuring** that Applicants can obtain the benefits described in **the** foregoing application. Accordingly, Applicants respectfully **request** that the Commission approve this Application **expeditiously** in order to allow Applicants to consummate the proposed 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.

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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 consummate the proposed transaction as soon as possible.

Respectfully submitted,



Jean L. Kiddoo
Eliot J. Greenwald
Bingham McCutchen LLP
2020 K Street, N.W.
Washington, DC 20007
(202) 373-6000 (Tel)
(202) 373-6001 (Fax)
jean.kiddoo@bingham.com (Email)
eliot.greenwald@bingham.com (Email)

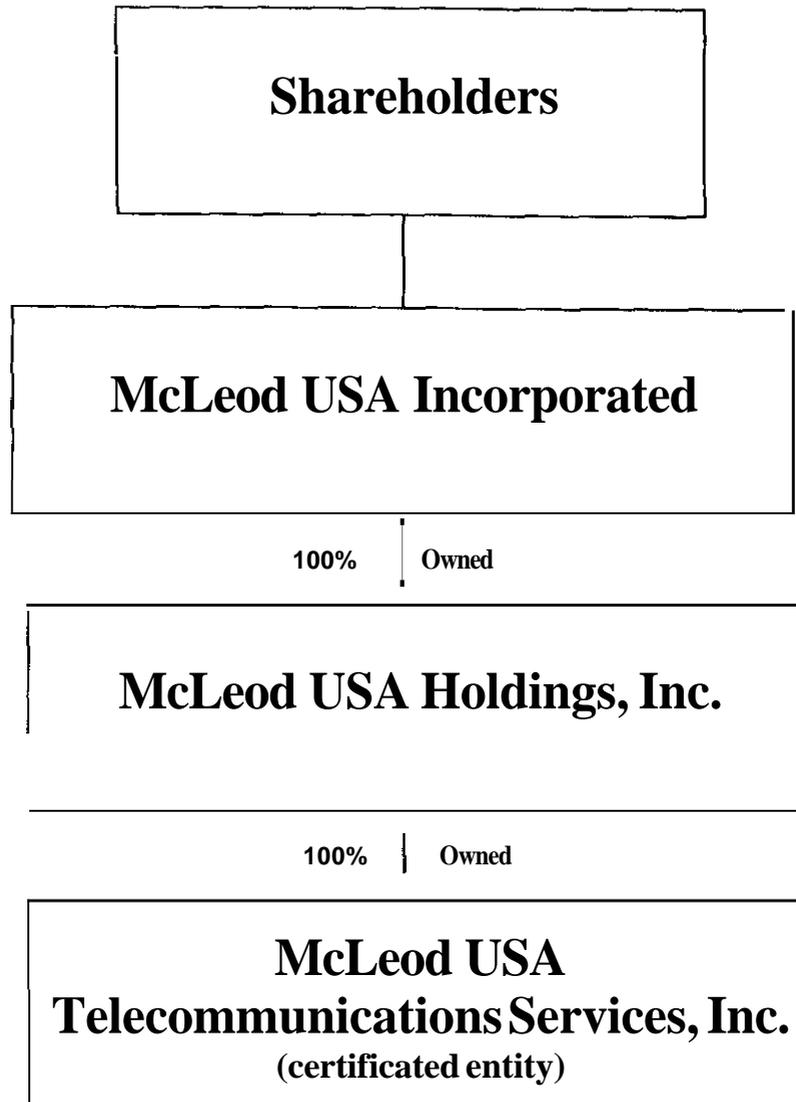
Counsel for Applicants

Dated: March 26,2007

Exhibit A

McLeodUSA Ownership Information

McLeodUSA Corporate Structure

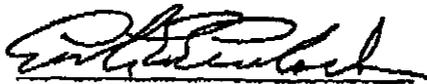


Verifications

VERIFICATION

I, Erich E. Everbach, state that I am Secretary and General Counsel of Mpower Communications Corp. ("Mpower"), an Applicant in the foregoing Application; that I am authorized to make this Verification on behalf of Mpower; that the foregoing Application was prepared under my direction and supervision; and that the statements in the foregoing document with respect to Mpower are true and correct to the best of my knowledge, information and belief.

I verify under penalty of perjury that the foregoing is true and correct.



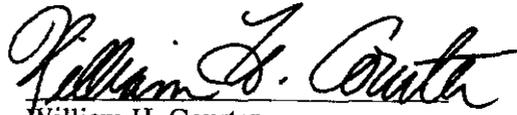
Erich E. Everbach
Secretary and General Counsel

Executed on March 26, 2007

VERIFICATION

I, William H. Courter, state that I **am** Associate General Counsel for McLeodUSA Telecommunications Services, Inc. ("McLeodUSA"), **an** Applicant in the foregoing Application; that I am authorized to make this Verification on behalf of McLeodUSA; that the foregoing Application was prepared under my direction and supervision; and that the statements in the foregoing document with respect to McLeodUSA are **true** and correct to the best of my knowledge, information and belief.

I verify under penalty of perjury that the foregoing is **true and** correct


William H. Courter
Associate General Counsel

Executed on March 26, 2007