

LEGAL INSIGHT. BUSINESS INSTINCT.

Catherine Wang
Brett P. Ferenchak
Scott D. Woods

catherine.wang@bingham.com
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August 14, 2007

VIA OVERNIGHT DELIVERY

Ms. Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

RECEIVED

2007 AUG 15 A 9:24
IDAHO PUBLIC UTILITIES COMMISSION

SEE-7-07-01

Re: Sage Telecom, Inc. - Application for a Certificate of Public Convenience and Necessity to Provide Local Exchange Telecommunications Services

Dear Secretary Jewell:

Sage Telecom, Inc. ("Sage"), by its undersigned counsel, hereby submits an original and three (3) copies of its Application for a Certificate of Public Convenience and Necessity to provide local exchange services in the State of Idaho ("Application").

Please note that the information provided in Exhibit C is proprietary and confidential as it contains sensitive financial information. As a result, Sage respectfully requests confidential treatment of this information by the Commission and has filed this information under seal. Confidential treatment of the information contained in Exhibit C is necessary to avoid commercial and a competitive injury.

A copy of Sage's illustrative local exchange tariff attached as Exhibit D to the Application is also enclosed on a diskette in Microsoft Word format. Please date stamp the enclosed extra copy of this filing and return it in the self-addressed, postage paid envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned at (202) 373-6000.

Respectfully submitted,


Catherine Wang
Brett P. Ferenchak
Scott D. Woods

Counsel for Sage Telecom, Inc.

- Boston
- Hartford
- Hong Kong
- London
- Los Angeles
- New York
- Orange County
- San Francisco
- Santa Monica
- Silicon Valley
- Tokyo
- Walnut Creek
- Washington

Bingham McCutchen LLP
2020 K Street NW
Washington, DC
20006-1806

T 202.373.6000
F 202.373.6001
bingham.com

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

In the Matter of the Application of)
)
Sage Telecom, Inc.)
)
For a Certificate of Public Convenience)
and Necessity to Provide Local Exchange)
and Exchange Access Services)

Docket No. _____

RECEIVED

2007 AUG 15 10:24

IDAHO PUBLIC
UTILITIES COMMISSION

SGE # 07-01

APPLICATION OF SAGE TELECOM, INC.

Sage Telecom, Inc. ("Sage" or "Applicant"), by its undersigned attorneys, and pursuant to Idaho Code §§61-526-528, IDAPA 31.01.01.111, and Procedural Order No. 26665, hereby applies to the Idaho Public Utilities Commission ("Commission") for a Certificate of Public Convenience and Necessity to authorize Sage to provide facilities-based and resold local exchange telecommunications service in the State of Idaho.

In support of its application, Sage provides the following:

I. Proposed Services

1. Sage seeks authority to provide facilities-based and resold local exchange telecommunications services to and from all points in the State of Idaho.

2. Sage will offer basic local exchange services, custom calling features, and interexchange toll services, including toll free services, to business and residential customers. Facilities-based local exchange service will be provided via (1) commercial wholesale agreements with incumbents, (2) Sage's own facilities, or (3) a combination thereof. Sage, however, seeks the full range of resold and facilities-based local exchange authority so that it can have flexibility in provisioning its services in the future. Sage will continuously monitor and maintain a high level of control over its network on a 24-hours-a-day, 7-days-a-week basis.

3. Sage is currently in the process of developing its marketing strategy for the State of Idaho. Sage will utilize a professionally trained sales force to market its services and will comply with all Commission rules and regulations in marketing its services in the State of Idaho.

II. Form of Business

1. Sage is a competitive provider of local and long distance phone services and Internet access services throughout the former territory of SBC. Sage currently is authorized to provide such services in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Montana, Nevada, North Dakota, Ohio, Oklahoma, Oregon and Wisconsin.

2. Sage Telecom, Inc. is a corporation organized under the laws of the State of Texas.

3. Sage may be reached at its principal place of business:

Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789
(214) 495-4700 (Tel)
(214) 495-4795 (Fax)
www.sagetelecom.net

Sage does not have a principal business address in Idaho.

4. A copy of its Amended and Restated Articles of Incorporation is attached hereto as **Exhibit A**.

5. Sage's authority to transact business as a foreign corporation in Idaho is attached hereto as **Exhibit B**.

6. Sage's registered agent for service in Idaho is:

National Registered Agents, Inc.
1423 Tyrell Lane
Boise, ID 83706

7. The sole stockholder of Sage is SP Sage LLC. SP Sage LLC's address is Two Greenwich Plaza, Greenwich, Connecticut 06830.

8. The Officers and Directors of Sage are:

Officers

Brian Kushner, President and CEO
John Debus, Senior Vice President, CFO and Treasurer
Jeff Seiden, Senior Vice President and COO
Robert W. McCausland, Vice President and Secretary

Directors

Ara Lovitt
Rich Parisi
Brian Kushner
Nicholas Vantzelfde
An additional Director will be appointed in the near future.

9. The name and address of the only entity holding a 5% or greater ownership or a management interest in the applicant is:

SP Sage LLC
Two Greenwich Plaza
Greenwich, Connecticut 06830

10. Sage's subsidiary, Sage Telecom of Texas, LP ("Sage-TX"), is competitive provider of local and long distance phone services and Internet access services in Texas. Sage-TX has the same principal address as Sage.

11. Correspondence pertaining to this Application should be directed to Sage's counsel:

Catherine Wang
Brett Ferenchak
Scott D. Woods
Bingham McCutchen LLP
2020 K Street, NW
Washington, DC 20006
(202) 373-6000 (Tel)
(202) 373-6001 (Fax)
catherine.wang@bingham.com
brett.ferenchak@bingham.com
scott.woods@bingham.com

with a copy to:

Robert W. McCausland
Vice President and Secretary
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789
(214) 495-4704 (Tel)
(214) 495-4790 (Fax)
RMcCausland@sagetelecom.net

III. Telecommunications Service

1. Sage intends to begin providing service in Idaho shortly after it obtains authorization to do so and has entered into the appropriate interconnection and service arrangements with Qwest Corporation ("Qwest").

2. Sage proposes to provide resold and facilities-based local exchange telecommunications services to both business and residential customers in the State of Idaho. Sage's services will include basic local exchange service and custom calling features.

IV. Service Territory

1. Sage intends to provide service throughout the State of Idaho. Sage intends to provide service in the areas served by Qwest and does not plan to provide service in areas of any

small or rural local exchange carriers. However, Sage seeks statewide authority so that it may expand into other service areas as market conditions warrant and as additional service areas become open to competition.

2. Sage will offer basic local exchange services and custom calling features to business and residential customers. Facilities-based local exchange service will be provided via (1) commercial wholesale agreements with incumbents, (2) Sage's own facilities, or (3) a combination thereof. Sage, however, seeks the full range of resold and facilities-based local exchange authority so that it can have flexibility in provisioning its services in the future.

3. Sage will compete directly with Qwest Corporation for the provision of local exchange telecommunications services.

4. Sage does not currently own facilities or property in Idaho.

IV. Financial Information

Sage's success in developing innovative products and services and in expanding its geographic reach has translated into impressive growth in recent years, and as such Sage is extremely well-qualified financially to operate and expand its business. Financial information demonstrating Sage's financial qualifications is provided *under seal* as **Exhibit C**. As shown in the attached information, Sage is financially qualified to operate within the State of Idaho.

V. "Illustrative" Tariff Filings

Sage's proposed initial local exchange and access tariffs (setting forth rates, rules, terms, and regulations applicable to contemplated service) are attached as **Exhibits D and E**, respectively.

VI. Customer Contacts

1. For purposes of consumer inquiries, the contact information will be:

Sage Telecom, Inc.
Attn: Customer Relations
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789
Fax: (214) 495-4788

2. The toll-free numbers for customer contacts are as follows:

1-888-449-4940 (residential customers)
1-877-619-3969 (business customers)

3. The contact for the Commission Staff for resolving complaints are as follows:

All complaints should be directed to the following email address below.

Email address for complaints: complaint@sagetelecom.net

Pam Stroud (972) 747-4534 Email: pstroud@sagetelecom.net

Crystal Ridgely (972) 747-4485 Email: cridgely@sagetelecom.net

Cassandra Milligan (214) 495-3045 Email: cmilligan@sagetelecom.net

Supervisor

Sommer Mapp (972) 747-4458 Email: smapp@sagetelecom.net

Executive Director, Customer Relationship Management

Bruce Reynolds (214) 547-7158 Email: breynolds@sagetelecom.net

4. The contact for the Commission Staff for resolving matters concerning rates and price

lists or tariffs are as follows:

Andrew Karl
Regulatory Compliance Manager
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789
(214) 495-4878 (Tel)
(214) 495-4795 (Fax)
akarl@sagetelecom.net

5. The contact for the Commission Staff for general business and regulatory matters of

Sage following certification should be directed to:

Robert W. McCausland

Vice President and Secretary
Sage Telecom, Inc.
805 Central Expressway South, Suite 100
Allen, Texas 75013-2789
(214) 495-4704 (Tel)
(214) 495-4790 (Fax)
RMcCausland@sagetelecom.net

VIII. Interconnection Agreements

Sage has contacted Qwest Corporation to request interconnection and/or to enter into a commercial wholesale agreement. Sage has not contacted any other incumbent local exchange carriers for interconnection. Once Sage has conducted negotiations and reached agreements either by negotiation or arbitration, Sage will file copies of them with the Commission for its approval.

IX. Compliance with Commission Rules

Attached hereto is a sworn verification executed by Applicant stating that the Applicant agrees to comply with all Idaho laws and Commission rules and regulation.

X. Escrow Account or Security Bond

Should Sage decide to require advance deposits from its customers, it will enter into an escrow agreement with a bonded escrow agent prior to offering telecommunications services in Idaho. Sage will comply with all applicable Idaho laws and Commission rules and regulations regarding advance customer deposits. Should Sage decide to require advance deposits, Sage will file a copy of its escrow agreement upon commission's request.

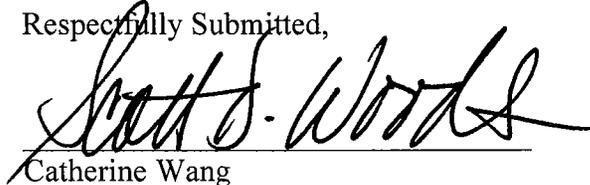
XI. Conclusion

As demonstrated by this application and pursuant to Idaho Code §§61-526-528, IDAPA 31.01.01.111, and Procedural Order No. 26665, Sage's expertise in the telecommunications sector will permit it to select the most economic and efficient services, thereby providing customers with an excellent combination of price, quality, and customer service. Accordingly,

Sage anticipates its proposed service will increase consumer choice of innovative, diversified, and reliable service offerings. The provision of more affordable and available local telecommunications services will promote the health, welfare and economic well-being of the citizens of Idaho. Sage respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Application for the authority to provide all types of facilities-based and resold local telecommunications services.

WHEREFORE, Sage Telecom, Inc., respectfully requests that the Idaho Public Utilities Commission issue a Certificate of Public Convenience and Necessity authorizing Sage to provide resold and facilities-based local exchange telecommunications services within the State of Idaho.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Scott D. Woods", is written over a horizontal line.

Catherine Wang
Brett P. Ferenchak
Scott D. Woods
BINGHAM MCCUTCHEN, LLP
2020 K Street, NW
Washington, DC 20006
(202) 373-6000 (Tel)
(202) 373-6001 (Fax)
catherine.wang@bingham.com
brett.ferenchak@bingham.com
scott.woods@bingham.com

Counsel for Sage Telecom, Inc.

Dated: August 14, 2007

EXHIBITS

- Exhibit A Amended and Restated Articles of Incorporation
- Exhibit B Authority to Transact Business as a Foreign Corporation
- Exhibit C Financial Statements
[CONFIDENTIAL - Submitted Under Seal]
- Exhibit D Illustrative Local Exchange Tariff
- Exhibit E Illustrative Access Tariff
- Verification

EXHIBIT A

Amended and Restated Articles of Incorporation

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Roger Williams
Secretary of State

Office of the Secretary of State

May 30, 2007

CT Corporation System
701 Brazos, Ste. 360
Austin, TX 78701 USA

RE: SAGE TELECOM, INC.
File Number: 140742400

It has been our pleasure to file the restated articles for the referenced entity. Enclosed is the certificate evidencing filing. Payment of the filing fee is acknowledged by this letter.

If we may be of further service at any time, please let us know.

Sincerely,

Corporations Section
Statutory Filings Division
(512) 463-5555

Enclosure



Office of the Secretary of State

**CERTIFICATE OF RESTATED ARTICLES
OF**

**SAGE TELECOM, INC.
140742400**

The undersigned, as Secretary of State of Texas, hereby certifies that the Restated Articles for the above named entity have been received in this office and have been found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Restated Articles.

Dated: 05/30/2007

Effective: 05/30/2007



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams
Secretary of State

**SECOND AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
SAGE TELECOM, INC.**

FILED
In the Office of the
Secretary of State of Texas
MAY 30 2007
Corporations Section

Pursuant to the provisions of Article 4.07 of the Texas Business Corporation Act (the "Act"), the undersigned, an officer of Sage Telecom, Inc. (the "Corporation"), hereby certifies as follows:

1. The name of the Corporation is Sage Telecom, Inc.
2. The Articles of Incorporation of the Corporation, as amended, are hereby amended by striking each Article thereof and by substituting in lieu thereof the Second Amended and Restated Articles of Incorporation hereinafter provided for.
3. This certificate accurately copies the Articles of Incorporation and all amendments thereto that are in effect to date and as further amended hereby and this certificate contains no other change in any provision of the Articles of Incorporation, as amended.
4. Each such amendment has been effected in conformity with the provisions of the Act and by the Corporation's constituent documents.
5. The Articles of Incorporation of the Corporation, as amended and restated herein, were adopted by the Corporation's sole shareholder in accordance with the Act on May 30, 2007 and shall upon the effective date of these Second Amended and Restated Articles of Incorporation, read as follows:

ARTICLE ONE

The entity being formed is a business corporation. The name of the corporation is Sage Telecom, Inc. (the "*Corporation*").

ARTICLE TWO

The purpose for which the Corporation is organized is the transaction of any and all lawful purposes for which a for-profit corporation may be organized under the Texas Business Corporation Act.

ARTICLE THREE

The business address of the registered office of the Corporation is 800 Brazos, Suite 400, Austin, Texas 78701, and the name of the registered agent at such address is National Corporate Research, Ltd.

ARTICLE FOUR

The Board of Directors is currently comprised of one director, and the name and address of such person is as follows:

Name:

Brian Kushner

Address:

805 Central Expressway South
Suite #100
Allen, Texas 75013

ARTICLE FIVE

The aggregate number of shares of capital stock that the Corporation will have authority to issue is 1,000, all of which will be shares of Common Stock, having no par value.

ARTICLE SIX

No shareholder of the Corporation will, solely by reason of holding shares of any class, have any preemptive or preferential right to purchase or subscribe for any shares of the Corporation, now or hereafter to be authorized, or any notes, debentures, bonds or other securities convertible into or carrying warrants, rights or options to purchase shares of any class, now or hereafter to be authorized, whether or not the issuance of any such shares or such notes, debentures, bonds or other securities would adversely affect the dividend, voting or any other rights of such shareholder. The Board of Directors may authorize the issuance of, and the Corporation may issue, shares of any class of the Corporation, or any notes, debentures, bonds or other securities convertible into or carrying warrants, rights or options to purchase any such shares, without offering any shares of any class to the existing holders of any class of stock of the Corporation.

ARTICLE SEVEN

Shareholders of the Corporation will not have the right of cumulative voting for the election of directors or for any other purpose.

ARTICLE EIGHT

Any action that under the provisions of the Texas Business Corporation Act would, but for this Article, be required to be authorized by the affirmative vote of the holders of any specified portion of the shares of the Corporation will require the approval of the holders of a majority of the shares of the Corporation entitled to vote on that matter, notwithstanding the vote required by the Texas Business Corporation Act.

ARTICLE NINE

The Board of Directors is expressly authorized to alter, amend or repeal the Bylaws of the Corporation or to adopt new Bylaws.

ARTICLE TEN

Any action required or permitted by law, these Second Amended and Restated Articles of Incorporation, or the Bylaws of the Corporation to be taken at a meeting of the shareholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall have been signed and dated by the holder or holders of shares having not less than the minimum number of votes that would be necessary to take such action at a meeting at which the holders of all shares entitled to vote on the action were present and voted. Prompt notice of the taking of any action by shareholders without a meeting by less than unanimous written consent shall be given to those shareholders who did not consent in writing to the action.

ARTICLE ELEVEN

The Corporation will, to the fullest extent permitted by the Texas Business Corporation Act, as the same exists or may hereafter be amended, indemnify any and all persons who are or were serving as director or officer of the Corporation, or who are or were serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee or employee of another corporation, partnership, limited liability company, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, from and against any and all of the expenses, liabilities or other matters referred to in or covered by the Texas Business Corporation Act. Such indemnification may be provided pursuant to any Bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in the capacity of director or officer and as to action in another capacity while holding such office, will continue as to a person who has ceased to be a director or officer and inure to the benefit of the heirs, executors and administrators of such a person.

If a claim under this Article is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant will be entitled to be paid also the expense of prosecuting such claim. It will be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct that make it permissible under the laws of the State of Texas for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense will be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the laws of the State of Texas nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) that the claimant has not met such applicable standard of conduct, will be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

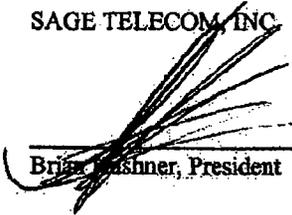
ARTICLE TWELVE

To the fullest extent permitted by the laws of the State of Texas as the same exist or may hereafter be amended, a director of the Corporation will not be liable to the Corporation or its shareholders for monetary damages for an act or omission in the director's capacity as a director. Any repeal or modification of this Article will not increase the personal liability of any director of the Corporation for any act or occurrence taking place before such repeal or modification, or adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification. The provisions of this Article shall not be deemed to limit or preclude indemnification of a director by the Corporation for any liability of a director that has not been eliminated by the provisions of this Article.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 30th day of
May, 2007.

SAGE TELECOM, INC.



Brian Cashner, President

DALLAS: 578612.00004: 1598989v1

EXHIBIT B

Authority to Transact Business as a Foreign Corporation

State of Idaho

Office of the Secretary of State

**CERTIFICATE OF AUTHORITY
OF
SAGE TELECOM, INC.**

File Number C 173565

I, BEN YSURSA, Secretary of State of the State of Idaho, hereby certify that an Application for Certificate of Authority, duly executed pursuant to the provisions of the Idaho Business Corporation Act, has been received in this office and is found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Authority to transact business in this State and attach hereto a duplicate of the application for such certificate.

Dated: June 12, 2007



Ben Yursa

SECRETARY OF STATE

By

[Signature]



APPLICATION FOR CERTIFICATE OF AUTHORITY (For Profit)

(Instructions on Back of Application)

07 JUN 12 PM 3:07

The undersigned Corporation applies for a Certificate of Authority and states as follows:

SECRETARY OF STATE
STATE OF IDAHO

- The name of the corporation is:
SAGE TELECOM, INC.
- The name which it shall use in Idaho is: SAGE TELECOM, INC.
- It is incorporated under the laws of: TEXAS
- Its date of incorporation is: JULY 18, 1996
- The address of its principal office is:
805 CENTRAL EXPRESSWAY SOUTH, SUITE 100, ALLEN, TX, 75013
- The address to which correspondence should be addressed, if different from item 5, is:

- The street address of its registered office in Idaho is: 1423 TYRELL LANE, BOISE, ID, 83706
and its registered agent in Idaho at that address is: NATIONAL REGISTERED AGENTS, INC.
- The names and respective business addresses of its directors and officers are:

Name	Office Held	Business Address
PLEASE SEE ATTACHED		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dated: 6-8-07

Signature: Robert W. McCausland

Typed Name: ROBERT W. MCCAUSLAND

Capacity: VICE PRESIDENT AND SECRETARY
[The signer must be a director or an officer of the corporation.]

Customer Acct # : _____
(if using pre-paid account)

Secretary of State use only

id\corp\lms\corp
forms\app\corcard\authority_apr07.cfm#1
Revised: 06/20/05

IDAHO SECRETARY OF STATE
06/12/2007 05:00
CK: 8336 CT: 19533 BH: 1059555
1 @ 100.00 = 100.00 AUTH PRO # 2
1 @ 20.00 = 20.00 EXPEDITE C # 3

0173565

EXHIBIT C

Financial Statements
[CONFIDENTIAL - Submitted Under Seal]

VERIFICATION

I, Robert W. McCausland, being duly sworn, state that I am Vice President and Secretary of Sage Telecom, Inc., the Applicant in the subject proceeding, and that I am authorized to make this statement on the Applicant's behalf.

As required by Idaho Code §61-406 and by the Commission's Order in the case of *In the Matter of Procedural Requirements for Approval of Certificates of Public Convenience and Necessity for Telecommunications Providers Desiring to Provide Local Service in Idaho*, Case No. GNR-T-96-4, Procedural Order No. 26665 (November 7, 1996), the Applicant agrees to adhere to all state laws and all Commission policies, rules and orders.

I have read the foregoing paragraph, Sage's application and exhibits and hereby declare that the same are true and correct to the best of my knowledge, information, or belief.

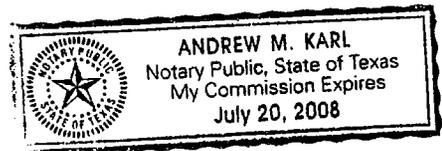
By: *Robert W. McCausland*
Robert W. McCausland
Vice President and Secretary
Sage Telecom, Inc.

Sworn and subscribed to me on this 9th day of August 2007.

Andrew M. Karl
Signature of Notary

Seal:

Andrew M. Karl
Name of Notary (printed or typed)



My commission expires: July 20, 2008