

LEGAL INSIGHT. BUSINESS INSTINCT.

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February 9, 2009

Via FedEx

Ms. Ann Cole, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Notification of Americatel Corporation and Startec Global Operating Company of an Internal Reorganization

Petition for Waiver of Rule 25-4.118, Florida Administrative Code

Dear Ms. Cole:

Americatel Corporation ("Americatel") and its wholly owned subsidiary, Startec Global Operating Company ("Startec") (together the "Parties"), through undersigned counsel, hereby notify the Commission of a proposed internal reorganization whereby Startec, an interexchange carrier and subsidiary of Americatel, will merge with and into Americatel, with Americatel surviving. Following the reorganization, Startec will cease to exist and Americatel will assume Startec's operations. The Parties emphasize that the proposed reorganization involves no change in the ultimate ownership or control of Americatel's operations. In addition, Startec's customers will continue to receive the same services that they currently receive without any immediate changes to the service offerings, rates, or terms and conditions.

In addition, attached as Exhibit A hereto is a petition requesting a waiver of Rule 25-4.118, Florida Administrative Code, to allow Startec to transfer its customers to Americatel without first obtaining each customer's authorization and verification. The Parties request expedited review and approval of the waiver petition in order to permit them to consummate the proposed transaction no later than March 30, 2009. Based upon a review of the Florida Statutes and Commission rules, the Parties understand that no other Commission action is required with respect to the proposed transaction.

In support, the Parties submit the following information:

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DOCUMENT NUMBER-DATE
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I. Description of the Parties

A. Americatel Corporation

Americatel is a Delaware corporation with principal offices located at 7361 Calhoun Place, Suite 650, Rockville, Maryland 20855. Serving the needs of United States customers with connections to Latin America and the Caribbean, Americatel provides international and domestic facilities-based and resold long distance services, including "dial around" casual calling (i.e., 1010XXX) service and presubscribed 1+ calling services, in each of the 48 contiguous states. In Florida, Americatel is authorized to provide resold interexchange telecommunications service pursuant to authority granted in Docket No. 971387-TI on February 7, 1997.

B. Startec Global Operating Company

Startec is a Delaware corporation with its principal place of business located at 7361 Calhoun Place, Suite 650, Rockville, Maryland 20855. Startec is a wholly owned direct subsidiary of Startec Global Communications Corporation ("SGCC"), also a Delaware corporation, which in turn is owned by Americatel. Startec provides long distance, Internet, and other communications services to persons and businesses residing in 49 states (all except Alaska) and the District of Columbia, and through affiliates, in Canada. In Florida, Startec is authorized to provide is authorized to provide resold interexchange telecommunications service pursuant to authority granted in Docket No. 060040-TI on January 18, 2006. Startec provides its services primarily to customers who place a significant number of calls to international destinations.

II. Designated Contacts

The designated contacts for questions concerning this filing are:

Russell M. Blau
Brett P. Ferenchak
Jeffrey R. Strenkowski
Bingham McCutchen LLP
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Washington, DC 20006
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Email: russell.blau@bingham.com
brett.ferenchak@bingham.com
jeffrey.strenkowski@bingham.com

and:

Aurora Ares
Assistant General Counsel
Americatel Corporation and
Startec Global Operating Company
7361 Calhoun Place, Suite 650
Rockville, Maryland 20855
Tel: (301) 610-4339
Fax: (240) 314-4219
Email: aares@americatel.com

III. Description of the Proposed Transaction

For internal corporate reasons, Americatel and Startec have determined that the proposed reorganization will improve the operational efficiency of the companies. The consolidation of the Parties' technical and managerial resources will enable Americatel to reduce its operating expenses and realize operational and management efficiencies and other corporate benefits that ultimately will inure to the benefit of both Americatel's and Startec's existing customers. Specifically, the Parties propose to merge Startec and SGCC with and into Americatel, with Americatel surviving (SGCC and Startec are currently subsidiaries of Americatel).¹ Following the merger, Startec will cease to exist and Americatel will assume Startec's operations and will provide continuous, high-quality telecommunications services to Startec's customers under the Startec brand name. Therefore, Startec is also seeking to cancel its Certificate of Public Convenience and Necessity following consummation of the merger. Attached hereto as Exhibit B is a chart illustrating the corporate structure of the Parties prior to and immediately following consummation of the proposed reorganization.

The proposed transaction will not result in a change in the services, operations or service quality provided to Startec's customers. Upon consummation of the internal reorganization, Americatel will maintain a tariff that duplicates the service offerings, rates, terms and conditions as filed in the current Startec tariff. Thus, the former customers of Startec will continue to receive the same services that they presently receive at the same tariffed rates. In addition, customer notification of the reorganization has been provided to Startec's customers in compliance with the rules of the Federal Communications Commission.² Attached hereto as Exhibit C is a sample customer notice letter.

¹ Because this transaction is an internal reorganization, the transaction terms and conditions have not been set forth in writing.

² See 47 C.F.R. § 64.1120(e).

IV. Public Interest Statement

The proposed transaction will serve the public interest by enabling Americatel, Startec, and their owners to improve the operational and cost efficiencies of Americatel's and Startec's businesses. The internal reorganization will allow telecommunications operations to be managed more efficiently, thereby enhancing the overall operational flexibility, efficiency and financial viability of the companies in Florida. The Parties' customers will also benefit from the reorganization as the companies will be in a better position to offer services more cost-efficiently. The proposed transaction will therefore benefit Florida consumers by facilitating the continued provision of innovative, high-quality telecommunications services to the public and thereby promoting competition in the Florida telecommunications service market.

Following consummation of the proposed reorganization, Americatel will continue to provide high quality and innovative telecommunications services. Moreover, Startec's current customers will continue to receive service at the same rate, terms and conditions immediately following consummation of the proposed transaction. Accordingly, the proposed transaction will ensure that Startec's customers continue to receive high-quality services.

V. Conclusion

For the reasons stated herein, the Parties respectfully submit that the transaction will serve the public interest, convenience, and necessity. The Parties request that approval, to the extent required, be granted no later than March 30, 2009. An original and fifteen (15) copies of this filing are enclosed. Please date-stamp the enclosed extra copy and return it in the attached self-addressed, stamped envelope.

If there are any questions regarding this filing, please contact Jeffrey Strenkowski at (202) 373-6002.

Respectfully submitted,



Russell M. Blau
Brett P. Ferenchak
Jeffrey R. Strenkowski ✓

Counsel to the Parties

EXHIBITS

- Exhibit A - Petition for Waiver of Rule 25-4.118
- Exhibit B - Illustrative Chart of Proposed Reorganization
- Exhibit C - Sample Customer Notice Letter

EXHIBIT A
Petition for Waiver

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

Joint Petition of)	
)	
Americatel Corporation and)	
Startec Global Operating Company)	Docket No. _____
)	
For Waiver of Rule 25-4.118, F.A.C., Local, Local)	
Toll or Toll Provider Selection Regarding)	
Authorization and Verification of Changes in)	
Telecommunications Providers and Other Such)	
Relief as Proper and Necessary)	

WAIVER REQUEST

I. INTRODUCTION

Americatel Corporation (“Americatel”) and its wholly owned subsidiary Startec Global Operating Company (“Startec”) (collectively, “Petitioners”), by their undersigned counsel, request a waiver from the Florida Public Service Commission (“Commission”) of Rule 25-4.118 and any other regulations deemed applicable, regarding authorization and verification of changes in telecommunications providers. This Waiver Request is made in connection with an internal corporate restructuring and resulting transfers of assets, including Florida customers and associated customer account information, from Startec to Americatel.³ Pursuant to the planned reorganization, Startec, a reseller of interexchange telecommunications services, which is currently a subsidiary of Americatel, will merge with and into Americatel, with Americatel surviving. Following

³ Petitioners previously obtained Commission approval for the waiver of Rule 25-4.118, but due to a delay in the closing of the planned transaction, the Commission vacated that order on October 24, 2008, Docket No. 080137-TI, Order no. PSC-08-0708-FOF-TI.

the reorganization, Startec will cease to exist and Americatel will assume Startec's operations. The Petitioners emphasize that the planned reorganization involves no change in the ultimate ownership or control of Americatel's or Startec's operations. In addition, Americatel will adopt Startec's existing tariffs or file revised tariff sheets incorporating Startec's current rates, so that these customers will continue to receive the same services that they currently receive without any immediate changes to the service offerings, rates, or terms and conditions.

Petitioners respectfully request expedited treatment and consideration of this Waiver Request. Expeditious approval of this Waiver Request will allow Americatel to promptly assume responsibility for the provision of telephone services to Startec's customers and thereby more speedily permit it to offer the acquired subscribers a full bundle of telecommunications services. Further, the merger is expected to reduce administrative costs, which will ultimately inure to the benefit of the Petitioners' subscribers. Therefore the Petitioners respectfully request that approval of this Waiver Request be granted on an expedited basis and not later than March 30, 2009.

In support of this Waiver Request, Petitioners state:

I. DESCRIPTION OF THE PETITIONERS

A. Americatel Corporation

Americatel is a Delaware corporation with principal offices located at 7361 Calhoun Place, Suite 650, Rockville, Maryland 20855. Serving the needs of United States customers with connections to Latin America and the Caribbean, Americatel provides international and domestic facilities-based and resold long distance services, including “dial around” casual calling (i.e., 1010XXX) service and presubscribed 1+ calling services, in each of the 48 contiguous states. In Florida, Americatel is authorized to provide resold interexchange telecommunications service pursuant to authority granted in Docket No. 971387-TI on February 7, 1997.

B. Startec Global Operating Company

Startec is a Delaware corporation with its principal place of business located at 7361 Calhoun Place, Suite 650, Rockville, Maryland 20855. Startec is a wholly owned direct subsidiary of Startec Global Communications Corporation (“SGCC”), also a Delaware corporation, which in turn is owned by Americatel. Startec provides long distance, Internet, and other communications services to persons and businesses residing in 49 states (all except Alaska) and the District of Columbia, and through affiliates, in Canada. In Florida, Startec is authorized to provide is authorized to provide resold interexchange telecommunications service pursuant to authority granted in Docket No. 060040-TI on January 18, 2006. Startec provides its services primarily to customers who place a significant number of calls to international destinations.

II. CONTACT INFORMATION

For the purposes of this Application, questions or any correspondence, orders, or other materials should be directed to the following contacts:

Russell M. Blau
Brett P. Ferenchak
Jeffrey R. Strenkowski

Bingham McCutchen LLP
2020 K Street, NW
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Email: russell.blau@bingham.com
brett.ferenchak@bingham.com
jeffrey.strenkowski@bingham.com

and:

Aurora Ares
Assistant General Counsel
Americatel Corporation and
Startec Global Operating Company
7361 Calhoun Place, Suite 650
Rockville, Maryland 20855
Tel: (301) 610-4339
Fax: (240) 314-4219
Email: aares@americatel.com

III. REQUEST FOR WAIVER

Pursuant to Rule 25-4.118, Florida Administrative Code, a customer's interexchange telecommunications service provider shall not be changed without the customer's authorization. To make such a change, the carrier must either: (1) obtain a letter of agency from the customer requesting the change; (2) obtain confirmation from the subscriber via a customer-initiated call; or (3) utilize an independent third party to verify the subscriber's order. The requirements of Rule 25-4.118 are applicable to interexchange carriers through incorporation by reference in Rule 25-24.490. Petitioners respectfully request an expedited waiver of Rule 25-4.118 to allow the transfer of Startec's customers to Americatel without Americatel obtaining individual authorization and verification from each customer.

Petitioners respectfully request a waiver of Rule 25-4.118 so that Startec may transfer to Americatel its customer accounts in Florida without securing authorization and verification from each customer. Obtaining the authorization and verification from each of the affected customers

would be a burdensome process and impose an undue hardship on Petitioners. This transfer of customers will result from a planned *pro forma* corporate reorganization in which Startec and SGCC will be merged with and into Americatel, with Americatel surviving (currently, SGCC and Startec are subsidiaries of Americatel). As a result of the merger, Startec will cease to exist and Americatel will become the operating telecommunications service provider in Florida, serving all Americatel and Startec customers. An illustrative chart describing this *pro forma* reorganization is attached hereto as Exhibit B.

Applicants have complied with the Federal Communication Commission's rules governing the sale of a carrier's customer base. 47 C.F.R. § 64.1120(e). These rules require that every affected subscriber of Startec receive 30 days prior written notice of the proposed transfer to Americatel; and that Americatel certify to the FCC that it has provided at least 30 days' written notice to each subscriber affected by this transaction. 47 C.F.R. § 64.1120(e)(1-3). A copy of the customer notice letter is provided as Exhibit C. Affected customers have been notified in writing of the transfer of their service to Americatel and of their right to choose a different carrier pursuant to the applicable rule of the FCC.⁴ The legal rights of affected customers, therefore, will not be prejudiced by a waiver of the rule because Petitioners have complied with the FCC's rules governing this type of transaction, which are specifically designed to protect the rights of customers.

Following closing, the Customers will continue to receive service at the same rates and charges that they currently receive from Startec. As a result, the proposed intra-corporate merger will be virtually transparent to the customers in terms of the rates and terms and conditions of

⁴ 47 C.F.R. § 64.1120(e).

service that these customers currently receive. The Petitioners also expect to continue to provide service to existing Startec customers under the Startec brand name. No existing service will be discontinued, reduced, or impaired as a result of the merger. Further, there will be no change in the ultimate ownership or control of Americatel, which will remain a subsidiary of Platinum Equity, LLC, the same entity that ultimately indirectly owns and controls Startec. Thus, the planned intra-corporate merger will cause no interruption in service to customers.

Because the merger of Startec into Americatel is *pro forma* in nature, and will result from an internal corporate restructuring, no agreement has been executed between the Petitioners in connection with the merger. Americatel will serve Startec's customers using the same rates, terms and conditions that currently apply under Startec. Americatel intends to adopt Startec's tariff or file revised tariff sheets incorporating Startec's current rates, terms and conditions of service after the consummation of the transaction or as may be otherwise directed by the Commission.

IV. REQUEST TO RELINQUISH STARTEC'S OPERATING AUTHORITY

In connection with the planned *pro forma* restructuring, the Petitioners also request that the Commission cancel Startec's Certificate of Public Convenience and Necessity upon the Petitioners' consummation of the aforementioned restructuring. Americatel and Startec both hold authority to provide resold interexchange telecommunications services in Florida. As discussed above, in connection with the *pro forma* restructuring, Startec will be merged into Americatel, with Americatel surviving and Startec ceasing to exist and As a result of the intra-corporate merger, Americatel will assume the customers and operations of Startec. Americatel will provide service to all of its customers, including those served under the Startec brand name, pursuant to Americatel's operating authority in Florida, thereby making Startec's operating authority

unnecessary. Accordingly, Petitioners hereby request that the Commission cancel Startec's Certificate of Public Convenience and Necessity as of the date of closing of the proposed *pro forma* restructuring. The Petitioners will notify the Commission when the transaction has been consummated.

V. PUBLIC INTEREST CONSIDERATIONS

The basis for granting a waiver for interexchange carriers is set forth in Rule 25-24.455(4), Florida Administrative Code. Under that rule, the Commission may consider whether the petition is in the public interest, whether market forces obviate the need for the provision in a particular instance, and whether reasonable alternative regulatory methods may service the same purpose.

In the circumstance described in this Petition, it is in the public interest to waive the carrier selection requirements of Rule 24-4.118, Florida Administrative Code. Rule 25-4.118 does not prescribe any means of authorizing a carrier change that is necessitated by a mass migration of customers as part of an asset transfer. It would be unfair to hold Americatel to requirements that plainly do not address its particular situation and with which it cannot reasonably comply. Petitioners have provided for a seamless transition while ensuring that customers understand available choices with the least amount of disruption and confusion; thus, the requirements of the rule are satisfied. The customers have received notice of the transfer and have been afforded the opportunity not to participate. Petitioners believe that if prior authorization is required in this case, customers may fail to respond to a request for authorization, neglect to select another carrier, and thus lose their service.

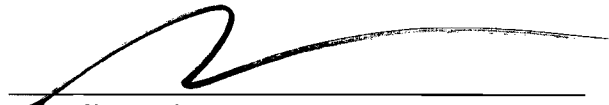
Grant of this Waiver Request will serve the public interest by ensuring that the affected Startec customers enjoy continuity of high-quality telecommunications service. As discussed

above, the customers have been given prior written notice of the transfer of their account to Americatel, in compliance with the FCC's customer notice rules. Following the intra-corporate merger, the Customers will continue to receive services which will be consistent with the quality of services currently provided by Startec and which will be supported by Americatel's experienced and well-qualified management team, which will include many of the existing management and operational personnel now running Startec's operations. As a result, the proposed intra-corporate merger will be virtually transparent to customers in terms of the rates and terms and conditions of service that these customers currently receive. The public interest therefore will be served by approval of this Waiver Request.

Finally, expedited consideration of this Waiver Request will serve the public interest by permitting Petitioners to more speedily transfer the affected customers, which will result in operational cost savings and efficiencies, which are expected to inure to the benefit of Americatel's customers. Therefore, in consideration of the foregoing, the Petitioners respectfully request expedited consideration and approval of this Waiver Request no later than March 30, 2009, so that the Petitioners may consummate the planned merger prior to the end of the first fiscal quarter of 2009.

WHEREFORE, Americatel and Startec request that the Commission grant their request for a waiver of Rule 25-4.118 on an expedited basis and no later than March 30, 2009, cancel Startec's Certificate of Public Convenience and Necessity upon the consummation of the planned *pro forma* corporate restructuring, and grant additional relief as may be proper and necessary under the circumstances.

Respectfully submitted,



Russell M. Blau

Brett P. Ferenchak

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jeffrey.strenkowski@bingham.com

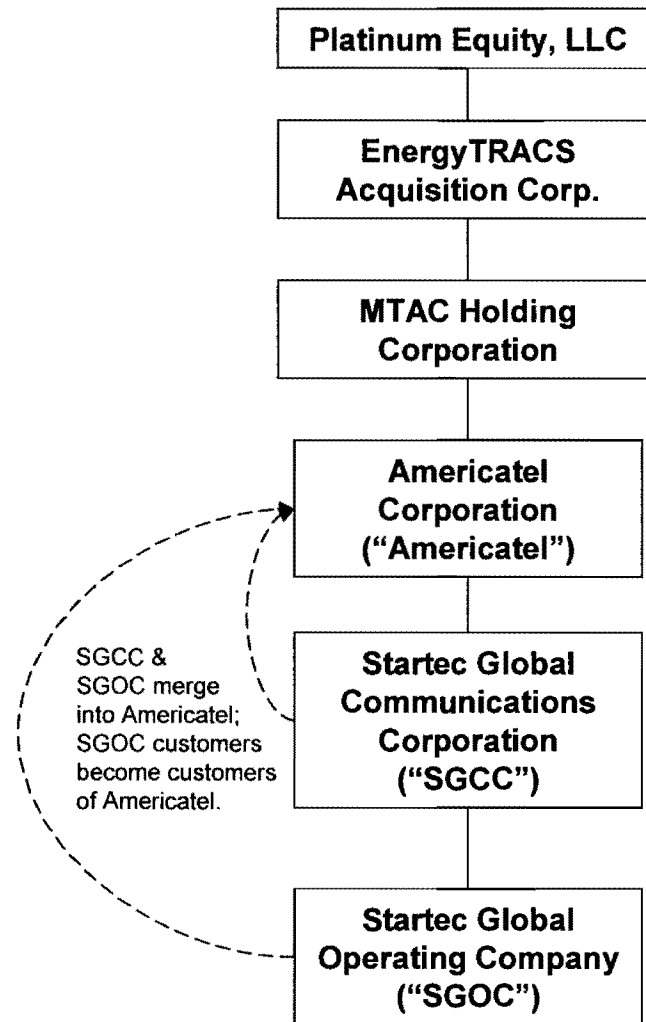
Counsel for Americatel Corporation and Startec
Global Operating Company

Date: February 9, 2009

EXHIBIT B

Illustrative Chart of Planned Reorganization

Pre-Transaction Corporate Structure



Post-Transaction Corporate Structure

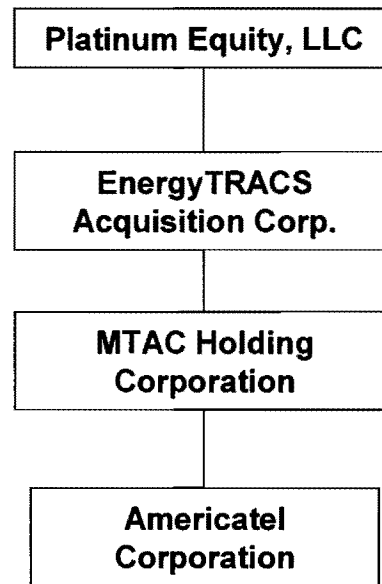


EXHIBIT C

Sample Customer Notice Letter



Charles G. Taylor, Jr.
President and Chief Executive Officer

February 9, 2009
Startec Global Operating Company
P.O. Box 7266
Gaithersburg MD 20898-7266

**An Important Notice from Startec Global Operating Company and Americatel Corporation
About Your Long Distance Telephone Service**

Dear Valued Customer:

Startec Global Operating Company ("Startec") and Americatel Corporation ("Americatel") are pleased to announce that Startec and Americatel are merging their businesses. As a result of the merger, Americatel will now provide your long distance service using the same great Startec name that you know and trust. The anticipated date for the merger of Startec into Americatel is March 31, 2009, or as soon thereafter as Startec and Americatel obtain the necessary regulatory approvals.

To retain your current service, you need do nothing. This merger will not result in any cost to you because Americatel will be responsible for any carrier change charges resulting from the merger, nor will it change your current calling plan or your rates, service features or terms and conditions. There will no be service interruption nor will your telephone number(s) change as a result of the merger. You will simply continue to receive the same services and rates that you enjoy today under your Startec plan. Additionally, although no change in your service is contemplated, you will be notified of any future changes to the rates, terms and conditions of your services in same manner as you always have--in your bill, by mail, or through other lawful means.

If you have placed a preferred carrier freeze on your account, the freeze will remain in place following the merger. We are required by law to inform you that you have the right to select a different preferred long distance carrier, provided one is available and subject to the terms of your contract(s) with Startec. If you choose to switch carriers, you may incur associated carrier change charges.

As always, for help with any customer service, billing issue or complaint, we will continue to assist you at our Customer Service toll-free number 1.800.827.3374, before, during and after the merger.

Sincerely,

Charles G. Taylor, Jr.
President and Chief Executive Officer
Americatel Corp. Startec Global Communications

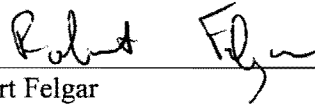
STATE OF MARYLAND
MONTGOMERY COUNTY

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VERIFICATION

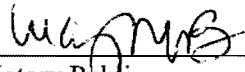
I, Robert Felgar, state that I am General Counsel of Americatel Corporation and Startec Global Operating Company; that I am authorized to provide this Verification on behalf of Americatel Corporation and Startec Global Operating Company; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to Americatel Corporation and Startec Global Operating Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 26 day of January, 2009.



Robert Felgar
General Counsel
Americatel Corporation and Startec Global Operating Company

Sworn and subscribed before me this 26 day of January, 2009.



Notary Public

My commission expires _____

