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Public Utilities Commission of Ohio  
Attention: Docketing Division  
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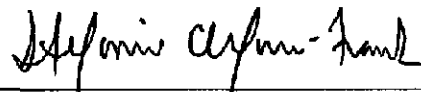
**Re: Application of Startec Global Operating Company and Americatel Corporation for Approval of *Pro Forma* Change in Ownership**

Dear Sir or Madam:

Enclosed herein for filing on behalf of Startec Global Operating Company ("Startec") and Americatel Corporation ("Americatel," together with Startec, the "Applicants") please find the original and seven (7) copies of an Application seeking the Commission's approval of a minor corporate reorganization resulting in a *pro forma* change of control of Startec as set forth in the Application.

Please stamp and return to me in the enclosed envelope the copy provided for that purpose. Should you have any questions regarding this filing, please do not hesitate to contact me at (202) 637-1020.

Very truly yours,



Stefanie Alfonso-Frank  
Counsel for Applicants

Attachment

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
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**The Public Utilities Commission of Ohio**  
**TELECOMMUNICATIONS APPLICATION FORM for ROUTINE PROCEEDINGS**  
 (Effective: 09/19/2007)  
 (Pursuant to Case No. 06-1345-TP-ORD)

In the Matter of the Application of Startec Global Operating Company and Americatele Corporation for Approval of *Pro Forma* Change in Ownership )

TRF Docket No. 90-\_\_\_\_\_

Case No. **07 - 1070 - TP - CIO**

NOTE: Unless you have reserved a Case # or are filing a Contract, leave the "Case No" fields BLANK.

Name of Registrant(s) Startec Global Operating Company

DBA(s) of Registrant(s) \_\_\_\_\_

Address of Registrant(s) 7361 Calhoun Place, Suite 650, Rockville, MD 20855

Company Web Address http://www.startec.com

Regulatory Contact Person(s) Robert Felgar, General Counsel

Phone 301-610-4646

Fax 240-314-4219

Regulatory Contact Person's Email Address Robert.Felgar@startec.com

Contact Person for Annual Report \_\_\_\_\_

Phone \_\_\_\_\_

Address (if different from above) \_\_\_\_\_

Consumer Contact Information \_\_\_\_\_

Phone \_\_\_\_\_

Address (if different from above) \_\_\_\_\_

Motion for protective order included with filing? ☐ Yes ☒ No

Motion for waiver(s) filed affecting this case? ☐ Yes ☒ No [Note: Waivers may toll any automatic timeframe.]

**Section I – Pursuant to Chapter 4901:11-6 OAC – Part I – Please indicate the Carrier Type and the reason for submitting this form by checking the boxes below. CMRS providers: Please see the bottom of Section II.**

NOTES: (1) For requirements for various applications, see the identified section of Ohio Administrative Code Section 4901 and/or the supplemental application form noted.

(2) Information regarding the number of copies required by the Commission may be obtained from the Commission's web site at [www.puco.ohio.gov](http://www.puco.ohio.gov) under the docketing information system section, by calling the docketing division at 614-466-4095, or by visiting the docketing division at the offices of the Commission.

Carrier Type <input type="checkbox"/> Other (explain below)	<input type="checkbox"/> ILEC	<input type="checkbox"/> CLEC	<input checked="" type="checkbox"/> CTS	<input type="checkbox"/> AOS/IOS
<b>Tier 1 Regulatory Treatment</b>				
Change Rates within approved Range	<input type="checkbox"/> TRF 1-6-04(B) (0 day Notice)	<input type="checkbox"/> TRF 1-6-04(B) (0 day Notice)		
New Service, expanded local calling area,	<input type="checkbox"/> ZTA 1-6-04(B) (0 day Notice)	<input type="checkbox"/> ZTA 1-6-04(B) (0 day Notice)		
Change Terms and Conditions, Introduce non-recurring service charges	<input type="checkbox"/> ATA 1-6-04(B) (Auto 30 days)	<input type="checkbox"/> ATA 1-6-04(B) (Auto 30 days)		
Introduce or Increase Late Payment or Returned Check Charge	<input type="checkbox"/> ATA 1-6-04(B) (Auto 30 days)	<input type="checkbox"/> ATA 1-6-04(B) (Auto 30 days)		
Business Contract	<input type="checkbox"/> CTR 1-6-17 (0 day Notice)	<input type="checkbox"/> CTR 1-6-17 (0 day Notice)		
Withdrawal	<input type="checkbox"/> ATW 1-6-12(A) (Non-Auto)	<input type="checkbox"/> ATW 1-6-12(A) (Auto 30 days)		
Raise the Ceiling of a Rate	Not Applicable	<input type="checkbox"/> SLF 1-6-04(B) (Auto 30 days)		
<b>Tier 2 Regulatory Treatment</b>				
Residential - Introduce non-recurring service charges	<input type="checkbox"/> TRF 1-6-05(E) (0 day Notice)	<input type="checkbox"/> TRF 1-6-05(E) (0 day Notice)		
Residential - Introduce New Tariffed Tier 2 Service(s)	<input type="checkbox"/> TRF 1-6-05(C) (0 day Notice)	<input type="checkbox"/> TRF 1-6-05(C) (0 day Notice)	<input type="checkbox"/> TRF 1-6-05(C) (0 day Notice)	
Residential - Change Rates, Terms and Conditions, Promotions, or Withdrawal	<input type="checkbox"/> TRF 1-6-05(E) (0 day Notice)	<input type="checkbox"/> TRF 1-6-05(E) (0 day Notice)	<input type="checkbox"/> TRF 1-6-05(E) (0 day Notice)	
Residential - Tier 2 Service Contracts	<input type="checkbox"/> CTR 1-6-17 (0 day Notice)	<input type="checkbox"/> CTR 1-6-17 (0 day Notice)	<input type="checkbox"/> CTR 1-6-17 (0 day Notice)	
Commercial (Business) Contracts	Not Filed	Not Filed	Not Filed	
Business Services (see "Other" below)	Detariffed	Detariffed	Detariffed	
Residential & Business Toll Services (see "Other" below)	Detariffed	Detariffed	Detariffed	

<b>Certificate Status</b>	<b>ILEC</b>	<b>CLEC</b>	<b>CTS</b>	<b>AOS/IOS</b>
<b>Certification (See Supplemental ACE form)</b>		<input type="checkbox"/> ACE 1-6-10 (Auto 30 days)	<input type="checkbox"/> ACE 1-6-10 (Auto 30 days)	<input type="checkbox"/> ACE 1-6-10 (Auto 30 days)
<b>Add Exchanges to Certificate</b>	<input type="checkbox"/> ATA 1-6-09(C) (Auto 30 days)	<input type="checkbox"/> AAC 1-6-09 (0 day Notice)	<input type="checkbox"/> ACE 1-6-10 (Auto 30 days)	
<b>Abandon all Services - With Customers</b>	<input type="checkbox"/> ABN 1-6-11(A) (Non-Auto)	<input type="checkbox"/> ABN 1-6-11(A) (Auto 90 day)	<input type="checkbox"/> ABN 1-6-11(B) (Auto 14 day)	<input type="checkbox"/> ABN 1-6-11(B) (Auto 14 day)
<b>Abandon all Services - Without Customers</b>		<input type="checkbox"/> ABN 1-6-11(A) (Auto 30 days)	<input type="checkbox"/> ABN 1-6-11(B) (Auto 14 day)	<input type="checkbox"/> ABN 1-6-11(B) (Auto 14 day)
<b>Change of Official Name</b>	<input type="checkbox"/> ACN 1-6-14(B) (Auto 30 days)	<input type="checkbox"/> ACN 1-6-14(B) (Auto 30 days)	<input type="checkbox"/> CIO 1-6-14(A) (0 day Notice)	<input type="checkbox"/> CIO 1-6-14(A) (0 day Notice)
<b>Change in Ownership</b>	<input type="checkbox"/> ACO 1-6-14(B) (Auto 30 days)	<input type="checkbox"/> ACO 1-6-14(B) (Auto 30 days)	<input checked="" type="checkbox"/> CIO 1-6-14(A) (0 day Notice)	<input type="checkbox"/> CIO 1-6-14(A) (0 day Notice)
<b>Merger</b>	<input type="checkbox"/> AMT 1-6-14(B) (Auto 30 days)	<input type="checkbox"/> AMT 1-6-14(B) (Auto 30 days)	<input type="checkbox"/> CIO 1-6-14(A) (0 day Notice)	<input type="checkbox"/> CIO 1-6-14(A) (0 day Notice)
<b>Transfer a Certificate</b>	<input type="checkbox"/> ATC 1-6-14(B) (Auto 30 days)	<input type="checkbox"/> ATC 1-6-14(B) (Auto 30 days)	<input type="checkbox"/> CIO 1-6-14(A) (0 day Notice)	<input type="checkbox"/> CIO 1-6-14(A) (0 day Notice)
<b>Transaction for transfer or lease of property, plant or business</b>	<input type="checkbox"/> ATR 1-6-14(B) (Auto 30 days)	<input type="checkbox"/> ATR 1-6-14(B) (Auto 30 days)	<input type="checkbox"/> CIO 1-6-14(A) (0 day Notice)	<input type="checkbox"/> CIO 1-6-14(A) (0 day Notice)
<b>Procedural</b>				
<b>Designation of Process Agent(s)</b>	<input type="checkbox"/> TRF (0 day Notice)	<input type="checkbox"/> TRF (0 day Notice)	<input type="checkbox"/> TRF (0 day Notice)	<input type="checkbox"/> TRF (0 day Notice)

### Section I – Part II – Certificate Status and Procedural

All Section I applications that result in a change to one or more tariff pages require, at a minimum, the following exhibits. Other exhibits may be required under the applicable rule(s).

Exhibit	Description:
A	The tariff pages subject to the proposed change(s) as they exist before the change(s)
B	The Tariff pages subject to the proposed change(s), reflecting the change, with the change(s) marked in the right margin.
C	A short description of the nature of the change(s), the intent of the change(s), and the customers affected.
D	A copy of the notice provided to customers, along with an affidavit that the notice was provided according to the applicable rule(s).

### Section II – Carrier to Carrier (Pursuant to 95-845-TP-COI), CMRS and Other

<b>Carrier to Carrier</b>	<b>ILEC</b>	<b>CLEC</b>		
<b>Interconnection agreement, or amendment to an approved agreement</b>	<input type="checkbox"/> NAG (Auto 90 day)	<input type="checkbox"/> NAG (Auto 90 day)		
<b>Request for Arbitration</b>	<input type="checkbox"/> ARB (Non-Auto)	<input type="checkbox"/> ARB (Non-Auto)		
<b>Introduce or change c-t-c service tariffs,</b>		<input type="checkbox"/> ATA (Auto 30 day)		
<b>Introduce or change access service pursuant to 07-464-TP-COI</b>	<input type="checkbox"/> ATA (Auto 30 day)			
<b>Request rural carrier exemption, rural carrier suspension or modification</b>	<input type="checkbox"/> UNC (Non-Auto)	<input type="checkbox"/> UNC (Non-Auto)		
<b>Pole attachment changes in terms and conditions and price changes.</b>	<input type="checkbox"/> UNC (Non-Auto)	<input type="checkbox"/> UNC (Non-Auto)		
<b>CMRS Providers</b> See 4901:1-6-15	<input type="checkbox"/> RCC [Registration & Change in Operations] (0 day)		<input type="checkbox"/> NAG [Interconnection Agreement or Amendment] (Auto 90 days)	
<b>Other*</b> (explain) _____				

\*NOTE: During the interim period between the effective date of the rules and an Applicant's Detariffing Filing, changes to existing business Tier 2 and all toll services, including the addition of new business Tier 2 and all new toll services, will be processed as 0-day TRF filings, and briefly described in the "Other" section above.

**Section III. – Attestation**

**Registrant hereby attests to its compliance with pertinent entries and orders issued by the Commission.**

**AFFIDAVIT**

***Compliance with Commission Rules and Service Standards***

I am an officer/agent of the applicant corporation, Robert Felgar, and am authorized to make this statement on its behalf.  
(Name)

I attest that these tariffs comply with all applicable rules, including the Minimum Telephone Service Standards (MTSS) Pursuant to Chapter 4901:1-5 OAC for the state of Ohio. I understand that tariff notification filings do not imply Commission approval and that the Commission's rules, including the Minimum Telephone Service Standards, as modified and clarified from time to time, supersede any contradictory provisions in our tariff. We will fully comply with the rules of the state of Ohio and understand that noncompliance can result in various penalties, including the suspension of our certificate to operate within the state of Ohio.

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

Executed on (Date) 9/24/07 at (Location) 23161 Calhoun Place Rockville MD  
\*(Signature and Title) Robert Felgar General Counsel (Date) 9/24/07

- This affidavit is required for every tariff-affecting filing. It may be signed by counsel or an officer of the applicant, or an authorized agent of the applicant.

**VERIFICATION**

I, Robert Felgar, General Counsel of Startec Global Operating Company,

verify that I have utilized the Telecommunications Application Form for Routine Proceedings provided by the Commission and that all of the information submitted here, and all additional information submitted in connection with this case, is true and correct to the best of my knowledge.

\*(Signature and Title) Robert Felgar General Counsel (Date) 9/24/07

*\*Verification is required for every filing. It may be signed by counsel or an officer of the applicant, or an authorized agent of the applicant.*

**Send your completed Application Form, including all required attachments as well as the required number of copies, to:**

**Public Utilities Commission of Ohio  
Attention: Docketing Division  
180 East Broad Street, Columbus, OH 43215-3793**

**Or**

**Make such filing electronically as directed in Case No 06-900-AU-WVR**

**Section III. – Attestation**

Registrant hereby attests to its compliance with pertinent entries and orders issued by the Commission.

**AFFIDAVIT**

***Compliance with Commission Rules and Service Standards***

I am an officer/agent of the applicant corporation, \_\_\_\_\_, and am authorized to make this statement on its behalf.  
(Name)

I attest that these tariffs comply with all applicable rules, including the Minimum Telephone Service Standards (MTSS) Pursuant to Chapter 4901:1-5 OAC for the state of Ohio. I understand that tariff notification filings do not imply Commission approval and that the Commission's rules, including the Minimum Telephone Service Standards, as modified and clarified from time to time, supersede any contradictory provisions in our tariff. We will fully comply with the rules of the state of Ohio and understand that noncompliance can result in various penalties, including the suspension of our certificate to operate within the state of Ohio.

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

Executed on (Date) \_\_\_\_\_ at (Location) \_\_\_\_\_

\*(Signature and Title) \_\_\_\_\_ (Date) \_\_\_\_\_

- This affidavit is required for every tariff-affecting filing. It may be signed by counsel or an officer of the applicant, or an authorized agent of the applicant.

**VERIFICATION**

I, Victor A. Lago, Vice President & General Counsel of Americatel Corporation,  
verify that I have utilized the Telecommunications Application Form for Routine Proceedings provided by the Commission and that all of the information submitted here, and all additional information submitted in connection with this case, is true and correct to the best of my knowledge.

\*(Signature and Title) Victor A. Lago VP & General Counsel (Date) 9/20/07

...\*Verification is required for every filing. It may be signed by counsel or an officer of the applicant, or an authorized agent of the applicant.

***Send your completed Application Form, including all required attachments as well as the required number of copies, to:***

**Public Utilities Commission of Ohio  
Attention: Docketing Division  
180 East Broad Street, Columbus, OH 43215-3793**

***Or***

***Make such filing electronically as directed in Case No 06-900-AU-WVR***

## **EXHIBITS**

**Exhibit A – Description of Transaction**

**Exhibit B – Pre- and Post-Transaction Organizational Charts**

## **EXHIBIT A**

### **DESCRIPTION OF TRANSACTION**

Startec Global Operating Company ("Startec") and Americatel Corporation ("Americatel," together with Startec, the "Applicants"), by their attorneys, hereby respectfully request that the Public Utilities Commission of Ohio ("Commission") grant expedited approval under Chapter 4901:1-6 of the Ohio Administrative Code, to the extent it may be necessary, as well as any other applicable statutes or rules, of the *pro forma* transfer of control described herein.

Startec and Americatel are currently borrowers under separate credit agreements with PCRL III Investments L.P. and/or HBK Investments L.P. and/or one of its affiliates (including PCRL III Investments L.P.) ("Lender"). In preparation for a new financing arrangement with Lender, the Applicants will engage in a minor corporate reorganization, resulting in a *pro forma* transfer of control of Startec. Specifically, Startec's immediate parent company, Startec Global Communications Corporation ("SGCC"), will become a direct subsidiary of Americatel, and all of SGCC's current subsidiaries, including Startec, will become indirect subsidiaries of Americatel. This reorganization is depicted in the organizational charts contained in Exhibit B. Ultimate control of Startec by Platinum Equity, LLC ("Platinum Equity") will not change as a result of this minor corporate reorganization. Both Startec and Americatel will continue to provide competitive telecommunications services following the proposed transfer, and the transfer will be transparent to customers.

## **I. THE APPLICANTS**

### **A. Startec**

Startec is a Delaware corporation with its principal place of business located at 7361 Calhoun Place, Suite 650, Rockville, Maryland 20855, tel. (301) 610-4300. Startec is a wholly owned direct subsidiary of SGCC, also a Delaware corporation. 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, as well as Canada. In Ohio, Startec holds a Certificate of Public Convenience and Necessity to provide competitive telecommunications services.<sup>1</sup> Startec provides its services primarily to customers who place a significant number of calls to international destinations.

### **B. Americatel**

Americatel is a Delaware corporation with principal offices located at 4045 NW 97th Avenue, Miami, Florida 33178, tel. (305) 717-0200. 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 Ohio, Americatel holds a Certificate of Public Convenience and Necessity to provide competitive telecommunications services pursuant to Certificate No. 90-5797. *See* Case No. 97-1710-CT-ACE (Feb. 3, 1998).

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<sup>1</sup> In Case No. 97-184-CT-ACE (Mar. 28, 1997), a predecessor of Startec received authority to provide competitive telecommunications services. This certificate was reissued to Startec Global Licensing Company ("SGLC"), a former sister company of Startec, in Case No. 98-1316-CT-ATR on November 2, 1998. As a result of a *pro forma* merger of Startec and SGLC on December 27, 2006, which Startec survived, Startec now holds this certificate. In anticipation of the restructuring, Startec filed amended tariffs, which reflected the minor change in name since the restructuring was otherwise entirely transparent to customers. The Commission reissued the certificate in the name of Startec in Case No. 05-1592-TP-CIO on March 27, 2006. The Commission approved the *pro forma* merger and reissued a certificate in Startec's name in Case No. 07-0340-TP-CIO on April 10, 2007.



**C. Applicants' Affiliate – Matrix Telecom, Inc.**

Matrix Telecom, Inc. ("Matrix") is a Texas corporation with principal offices located at 7171 Forest Lane, Suite 700, Dallas, Texas 75230, tel. (214) 432-1447. Established in 1991, Matrix is a competitive provider of integrated communications services including local, 1+ long distance and toll-free voice services plus a wide range of data services, such as dedicated Internet access, frame relay and point-to-point transmission services, chiefly to enterprise customers. Matrix is authorized to provide service in all 50 states and the District of Columbia. In Ohio, Matrix holds a Certificate of Public Convenience and Necessity to provide resold local exchange and interexchange telecommunications services. *See* Certificate No. 90-9309, Case No. 05-443-TP-ACE (May 5, 2005). Matrix is also authorized to provide facilities-based and/or resold interexchange and/or competitive local exchange telecommunications services across the nation.

**II. OWNERSHIP OF THE APPLICANTS**

Platinum Equity, a limited liability company formed under the laws of Delaware and headquartered in Beverly Hills, California, has indirectly held 95 percent of the equity in Americatel since July 2006. In addition, Platinum Equity has indirectly held 100 percent of the equity in Matrix since 1999. Platinum Equity is a global firm specializing in the merger, acquisition and operation of companies that provide services and solutions to customers in a broad range of business markets, including information technology, telecommunications, and logistics, manufacturing, and entertainment distribution. Since its founding in 1995, Platinum Equity has acquired more than 60 businesses with more than \$12 billion in aggregate revenue at the time of acquisition. Platinum Equity currently holds its interest in Americatel through its wholly-owned subsidiary, MTAC Holding Corporation ("MTAC").

Platinum Equity acquired indirect control of Startec on July 12, 2007, when it acquired indirect ownership of 100 percent of the equity in Startec. Platinum Equity holds this interest

through two wholly owned holding subsidiaries, EnergyTRACS Acquisition Corp.

("EnergyTRACS"), a Delaware corporation, and SGCC, which is a direct subsidiary of EnergyTRACS.

### **III. DESIGNATED CONTACTS**

Inquiries or copies of any correspondence, orders, or other materials pertaining to this application should be directed to:

Richard R. Cameron  
Stefanie Alfonso-Frank  
LATHAM & WATKINS LLP  
555 11th Street, N.W., Suite 1000  
Washington, D.C. 20004  
(202) 637-2200 (Tel)  
(202) 637-2201 (Fax)  
richard.cameron@lw.com  
stefanie.alfonso-frank@lw.com

Copies of any correspondence should also be sent to the following designated representatives of Startec and Americatel, respectively:

Robert Felgar  
General Counsel  
Startec Global Operating Company  
7361 Calhoun Place, Suite 650  
Rockville, MD 20855  
(301) 610-4646 (Tel)  
(240) 314-4219 (Fax)  
Robert.Felgar@startec.com

Victor A. Lago  
Vice President & General Counsel  
Americatel Corporation  
4045 N.W. 97th Avenue  
Miami, Florida 33178  
(305) 717-0299 (Tel)  
(305) 716-8833 (Fax)  
vlago@americatel.net

#### **IV. DESCRIPTION OF THE PROPOSED TRANSACTION**

The parties seek authority to implement a minor corporate reorganization under which Startec's immediate parent, SGCC, will become a direct subsidiary of Americatel and SGCC's current subsidiaries, including Startec, will become indirect subsidiaries of Americatel, without affecting ultimate control of Startec by Platinum Equity. This reorganization is depicted in the organizational charts contained in Exhibit B. The proposed transaction will be transparent to customers, and will not result in any modification of the tariffs of Startec, Americatel, or Matrix.

The proposed *pro forma* transfer of control is required as a condition of certain debt financing arrangements, pursuant to a Commitment Letter and Term Sheet (together, "Loan Documents") dated September 6, 2007, among Startec, Americatel, Matrix, MTAC, Matrix Telecom of Virginia, Inc., Trinsic Communications of Virginia, Inc., SGCC, Startec Global Canadian Holding Company, EnergyTRACS, and Lender.

Under the Loan Documents, Startec, Americatel, and Matrix will refinance an existing credit agreement with an amended and restated credit agreement anticipated by the Loan Documents ("A&R Credit Agreement") payable at a period more than twelve months after the date thereof. The amended and restated credit facility will keep in place the existing obligations of Matrix and Americatel under their current credit agreement and provide additional term loans to permit Startec and certain of its affiliates to refinance their current obligations under their existing term loan. Collectively, the total loans under the A&R Credit Agreement will equal in total dollars the existing credit facilities of Startec, Americatel, and Matrix, but these parties will all become jointly and severally liable co-borrowers under the amended and restated arrangement – the effectiveness of which will be conditioned upon, among other things, receipt all of the necessary regulatory approvals. Startec, Americatel, and Matrix (and certain of their affiliates) will pledge their assets as collateral for the debt. Additionally, the parents of Startec,

Americatel, and Matrix will pledge the stock of these parties to secure their and their subsidiaries' obligations in connection with the A&R Credit Agreement and related Loan Documents. In addition, MTAC and all of MTAC's present and future indirect and direct subsidiaries that are not borrowers under the Loan Documents, and SGCC and all of SGCC's present and future indirect and direct subsidiaries that are not borrowers under the Loan Documents, will guarantee the debt.<sup>2</sup>

## **V. PUBLIC INTEREST ANALYSIS**

The proposed transfer will serve the public interest by enabling the Applicants to better utilize their available funds, to introduce new services, to expand into new markets, and to allow more consumers to benefit from competitive services more quickly and efficiently. Further, the proposed transfer will promote competition among telecommunications carriers because the Applicants will have the opportunity to strengthen their competitive position through access to greater financial resources. The Applicants will have a greater ability to bring high-quality competitive telecommunications services to consumers in Ohio.

Startec and Americatel compete in Ohio and other markets with numerous other interexchange carriers and enhanced service providers as well as the incumbent local exchange carrier and other competitive local exchange carriers. The parties are non-dominant carriers, and are not subject to rate of return regulation. In addition, because of the highly competitive environment in which all of the companies operate, the rates charged to customers are subject to market discipline and the services offered generally are available from numerous other carriers. As a result, the structure of Startec and Americatel has little effect on customers in Ohio or elsewhere. In the unlikely event that this becomes too costly and rates rise, customers may

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<sup>2</sup> Prior approval of this financing arrangement is not required pursuant to OAC § 4901:1-6-09(d), which permits CLECs and providers of competitive telecommunication services to enter into such financing arrangements without Commission approval.

simply migrate to other carriers with preferred rates. Thus, any adverse consequences resulting from the proposed transaction and the related financing impact shareholders, not customers, and any favorable consequences benefit both its shareholders and consumers through higher profits, lower rates, and better services.

Moreover, because the public interest is best served by assuring the presence of numerous telecommunications competitors in Ohio, it is important to provide such competitors with the flexibility to arrange their structures and finances in the manner they deem most appropriate to carry on business so long as there is no adverse impact on the public. To deny such flexibility would discourage new competitors from entering the state and would encourage existing competitors in the state to seek a more favorable regulatory environment elsewhere, neither of which would enhance the public interest. Given the challenges facing competitive telecommunications carriers, the availability of funds to the Applicants in this manner would benefit consumers in Ohio.

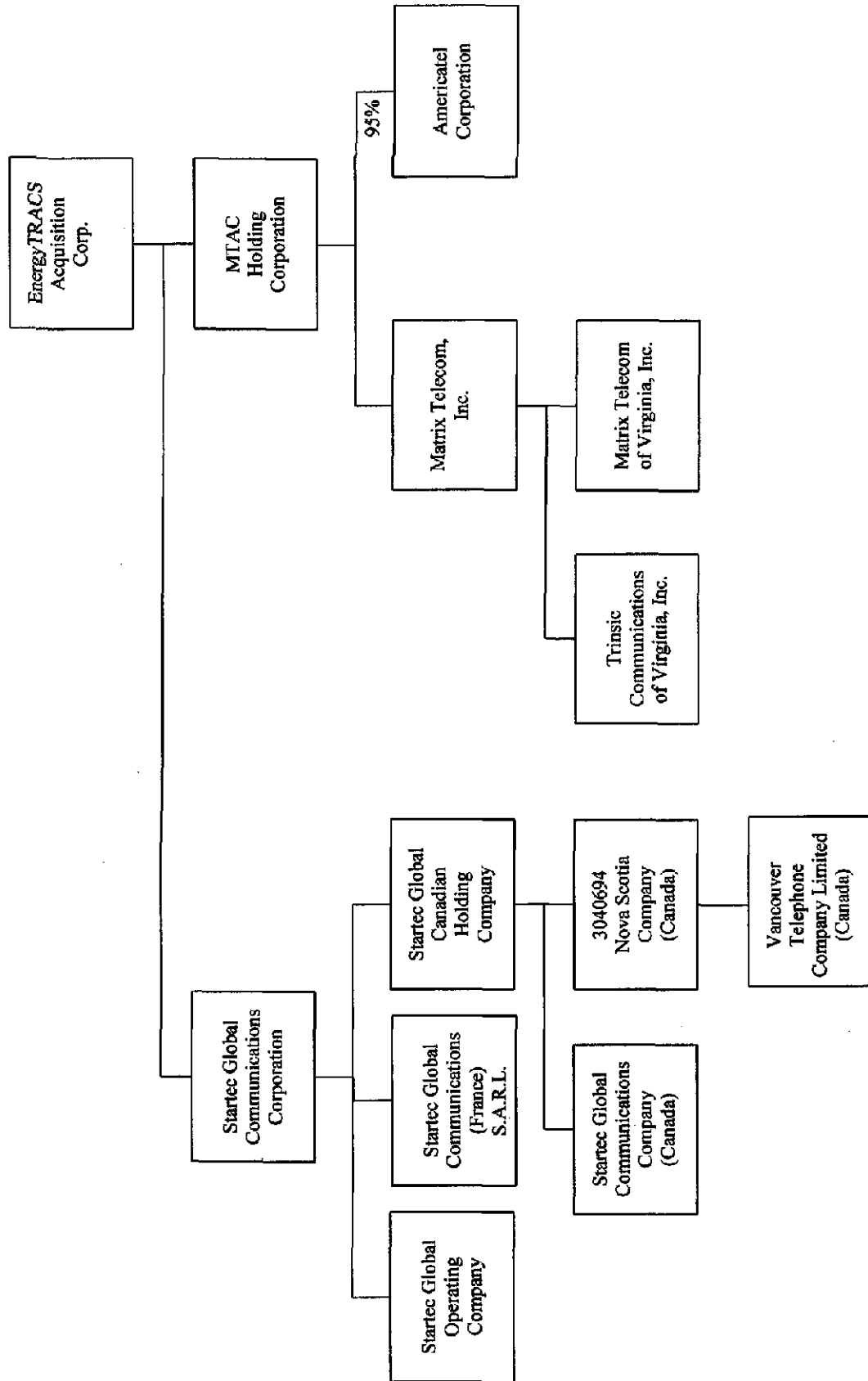
Finally, the proposed transfer will be transparent to consumers and consumers will benefit from the continued receipt of quality telecommunications services that are priced competitively. The proposed transfer of control and related financing will not change the Applicants' ownership, management or day-to-day operations in Ohio. Startec and Americatel will continue to provide competitive resold telecommunications services to their customers in Ohio, and the *pro forma* transfer will not require or result in any changes in rates, terms, conditions of service as a result of the proposed transaction. Platinum Equity will maintain ultimate control over the Applicants.

## **VI. CONCLUSION**

For the reasons stated above, the Applicants respectfully submit that the public interest, convenience and necessity would be furthered by approval of the proposed transaction.

## EXHIBIT B

### Pre-Transaction Corporation Structure of Startec



## Post-Transaction Corporate Structure of Startec

