

**BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION**

Application of)	
)	
)	
Americatel Corporation,)	
Matrix Telecom, Inc., and)	
Startec Global Operating Company)	Docket No. _____
)	
For Approval to Participate in Certain)	
Financing Arrangements)	
)	

APPLICATION

I. INTRODUCTION

Americatel Corporation (“Americatel”), Matrix Telecom, Inc. (“Matrix”) and Startec Global Operating Company (“Startec”) (Americatel, Matrix and Startec collectively “Applicants”), by their undersigned counsel and pursuant to Ga. Code § 46-2-28 and any other regulations deemed applicable, request approval, to the extent necessary, from the Georgia Public Service Commission (“Commission”) to participate in certain financing arrangements whereby the Applicants will incur long-term debt obligations consisting of a senior secured second lien facility and a senior secured third lien facility. In addition to borrowing under these facilities, the Applicants intend to guarantee these obligations and to grant a security interest in their assets to secure the financing arrangements, as further described below. In support of this Application, Applicants state:

I. DESCRIPTION OF THE APPLICANTS

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 Georgia, Americatel is authorized to operate as a reseller of interexchange telecommunications services pursuant to Resale Certificate No. R-502, issued in Docket No. 8557-U, Order No. 20009 on February 4, 1999, as amended on August 22, 2001.

B. Matrix Telecom, Inc.

Matrix is a Texas corporation with principal offices located at 7171 Forest Lane, Suite 700, Dallas, Texas 75230. 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 facilities-based and/or resold interexchange and/or competitive local exchange telecommunications services in all 50 states and the District of Columbia. In Georgia, Matrix is authorized to provide (i) resold and facilities-based local exchange telecommunications services pursuant to CLEC Certificate No. L-0388 granted issued in Docket No. 20457-U on May 5, 2007, as amended on February 19, 2007 and December 2, 2008, and (ii) resold interexchange telecommunications service pursuant to Resale Certificate No. R-067 issued on October 6, 1992, as amended December 2, 2008.

C. 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 Georgia, Startec is authorized to provide resold interexchange telecommunications services pursuant to holds Resale Certificate No. R-0577 granted in Docket No. 7616 on January 18, 2000, as amended on December 20, 2005 and alternative operator services pursuant to AOS Certificate No. A-0159 granted in Docket No. 7616 on January 18, 2000 as amended on December 20, 2005.¹ 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. Ferencak
Jeffrey R. Strenkowski
Bingham McCutchen LLP
2020 K Street, NW
Washington, DC 20006
Tel: (202) 373-6000
Fax: (202) 373-6001
Email: russell.blau@bingham.com
brett.ferencak@bingham.com
jeffrey.strenkowski@bingham.com

¹ These certificates were originally granted to Startec, Inc. The certificates were subsequently transferred to Startec Global Licensing Company ("SGLC"), a former sister company of Startec. Through a *pro forma* restructuring by which Startec and SGLC merged with Startec surviving, Startec became the holder of the certificates.

III. REQUEST FOR APPROVAL TO PARTICIPATE IN CERTAIN FINANCING ARRANGEMENTS

The Applicants have executed several credit agreements and related transaction documents that will establish long-term financing arrangements to provide working capital, finance capital expenditures, refinance existing indebtedness, and other general corporate purposes. The borrowers in these financing arrangements are expected to include the Applicants, SGCC, Startec Global Canadian Holding Company (“SGCHC”), a Delaware Corporation and subsidiary of SGCC that does not hold authorizations to provide telecommunications services in any state, and MTAC Holding Corporation (“MTAC”), a Delaware corporation, and the corporate parent of SGCC, Matrix and Americatel (Applicants, SGCC, SGCHC, and MTAC collectively “Borrowers”). The financing arrangements are expected to consist of:

- 1) A senior secured second lien facility in an aggregate principal amount to be determined based on market conditions, currently expected to be up to \$40 million (the “Second Facility”). The proceeds of loans under the Second Facility will be used by the Borrowers to refinance certain existing indebtedness of the Borrowers and their subsidiaries, and for other permissible general corporate purposes.
- 2) A senior secured third lien facility in an aggregate principal amount to be determined based on market conditions, currently expected to be up to \$40 million (the “Third Facility”). The proceeds of loans under the Third Facility will be used by the Borrowers to refinance certain existing indebtedness of the Borrowers and their subsidiaries, and for other permissible general corporate purposes.

The Second Facility and Third Facility are each expected to mature within five (5) years after their respective closing dates.

All obligations of Borrowers under the Second and Third Facilities will be guaranteed by the Applicants, subject to certain exceptions to be determined. The Second and Third Facilities will also be secured by substantially all the assets of the Applicants, subject to certain exceptions to be determined.² The Applicants emphasize that the long-term borrowing, the pledging of jurisdictional assets and the long-term guarantee obligations described herein will not be consummated until required regulatory approvals are received under the terms of the credit agreements and related transaction documents.

The Applicants' participation in these financing arrangements will not result in a change in the Applicants' management or in their day-to-day operations; nor will it adversely affect the Applicants' current or expected operations in Georgia.

V. PUBLIC INTEREST CONSIDERATIONS

The financing arrangements described herein are consistent with the public interest and will not impair the ability of the Applicants to perform services to the public. The financing arrangements will enable the Borrowers to refinance existing obligations, will provide additional capital for capital expenditures and other corporate purposes, will be entirely transparent to Georgia consumers, and will not alter the rates, terms and conditions under which the Applicants provide service in Georgia. The financing arrangement will not cause a change in the control of the Applicants.

The financing arrangements described herein, including the requirement that the Applicants become guarantors and pledge any jurisdictional assets in support of the financing, serve the public interest in promoting competition among telecommunications carriers by providing

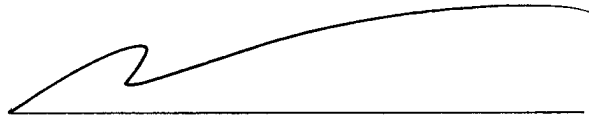
² The Second and Third Facility and related guarantees will be secured on a second- and third-priority basis to an existing Senior First Lien Facility for which the Applicants have previously obtained Commission approval, respectively. See Letter Order, Docket Nos. 7616, 8557 & 20457 (Dec. 5, 2007).

the Applicants with the opportunity to strengthen their financial position. The Applicants believe that the financing arrangements will also provide important financial benefits to the companies by improving the terms of credit under which the companies operate. As a result, the financing arrangements are expected to continue to yield financial benefits that ultimately inure to the benefit of the Applicants' customers. Furthermore, greater access to capital strengthens the Applicants' ability to bring competitive telecommunications services to consumers in Georgia and is, therefore, in the public interest.

VI. CONCLUSION

For the reasons stated above, the Applicants submit that the public interest, convenience and necessity will be furthered by expeditious Commission approval of the Applicants' participation in the financing arrangements described herein.

Respectfully submitted,



Russell M. Blau
Brett P. Ferencak
Jeffrey R. Strenkowski ✓
Bingham McCutchen LLP
2020 K Street, NW
Washington, DC 20006
Tel: (202) 373-6000
Fax: (202) 373-6001
Email: russell.blau@bingham.com
brett.ferencak@bingham.com
jeffrey.strenkowski@bingham.com

Counsel for Applicants

Date: January 15, 2009

VERIFICATIONS

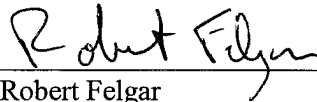
STATE OF MARYLAND
MONTGOMERY COUNTY

§
§
§

VERIFICATION

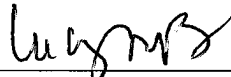
I, Robert Felgar, state that I am General Counsel of Americatel Corporation and Startec Global Operating Company; that I am authorized to provide this Verification on behalf of Americatel Corporation and Startec Global Operating Company; that the foregoing filing was prepared under my direction and supervision; 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 12th day of January, 2009.



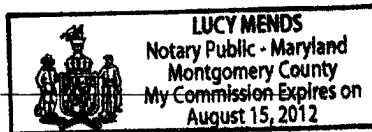
Robert Felgar
General Counsel
Americatel Corporation and Startec Global Operating Company

Sworn and subscribed before me this 12th day of January, 2009.



Notary Public

My commission expires _____



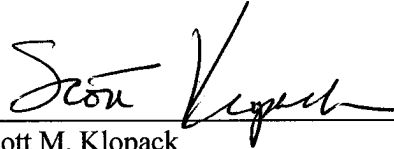
STATE OF TEXAS
CITY OF DALLAS

§
§
§

VERIFICATION

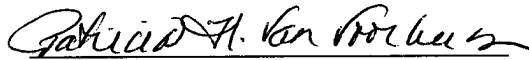
I, Scott M. Klopach, state that I am Vice-President of Regulatory Affairs and General Counsel of Matrix Telecom, Inc.; that I am authorized to provide this Verification on behalf of Matrix Telecom, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to Matrix Telecom, Inc. 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 12 day of January, 2009.



Scott M. Klopach
Vice-President of Regulatory Affairs and
General Counsel
Matrix Telecom, Inc.

Sworn and subscribed before me this 15th day of January, 2009.



Notary Public

My commission expires 01-25-2010

