

FEB 10 2009

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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February 9, 2009

VIA OVERNIGHT DELIVERY

Patricia Van Gerpen, Executive Director
 South Dakota Public Utilities Commission
 500 E. Capitol Avenue
 Capitol Building, 1st Floor
 Pierre, SD 57501-5070

**Re: Notification of Americatel Corporation and Startec Global Operating
 Company of a Pro Forma Reorganization and Transfer of Customer Base**

Dear Ms. Van Gerpen:

Americatel Corporation ("Americatel") and its wholly owned subsidiary, Startec Global Operating Company ("Startec") (collectively, "Parties"), by their undersigned counsel, and pursuant to S.D. Admin. R. 20:10:34:02.02, hereby notify the South Dakota Public Utilities Commission ("Commission") of a material change with respect to the pro forma merger of the Parties and customer transfer. The Parties previously notified the Commission of the proposed transaction by letter dated February 28, 2008 whereby the Parties informed the Commission of the proposed merger on or about March 31, 2008 of Startec with and into Americatel, with Americatel surviving, and the transfer of Startec's customer base to Americatel. The Parties were delayed in consummating that transaction, and now intend to complete the merger on or about March 31, 2008, or after all necessary regulatory approvals are obtained. Out of abundance of caution, the Parties file this Notice to ensure that the proposed transaction will not violate any South Dakota anti-slamming requirements, and to notify the Commission of the change of anticipated closing date of the transaction.

To ensure the accuracy of the Commission's records, the Parties provide the following details concerning the pro forma transaction and transfer of customer base:

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 the reorganization, Startec will cease to exist and Americatel will assume Startec's operations. The Parties 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 for service to Startec's customers, 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.

It is the Parties understanding that no approval of this transaction is required pursuant to

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S.D. Admin. R. 20:10:34:02 *et seq.* To the extent the Commission determines that approval and/or a waiver of any applicable anti-slamming regulations is necessary, the Parties hereby request expedited treatment and consideration of the aforementioned transactions. Expeditious approval of these transactions 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 Parties' subscribers. Therefore the Parties respectfully request that such approval or waiver be granted on an expedited basis and not later than March 30, 2009.

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 South Dakota, Americatel is authorized to provide resold interexchange telecommunications services pursuant to authority granted in Docket No. TC98-013 on March 28, 1998.

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 South Dakota, Startec is authorized to provide resold interexchange telecommunications services pursuant to authority granted on May 7, 2003.¹ 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 Request, questions or any correspondence, orders, or other materials should be directed to the following contacts:

¹ The Certificate was originally granted to Startec Global Licensing Company ("SGLC"), a former sister company of Startec, in Docket No. TC02-167 on May 7, 2003. In anticipation of a *pro forma* reorganization, SGLC and Startec filed a replacement tariff to change the name on the Certificate and tariff to Startec. See Notice of Startec to the Commission dated April 9, 2007.

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and:

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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. NOTIFICATION AND REQUEST FOR WAIVER, IF REQUIRED

Pursuant to S.D. Admin. R. 20:10:34:02.02, the Parties hereby supplement the Notice Letter filed with the Commission dated February 28, 2008. To the extent required, the Parties respectfully request a waiver of the S.D. Admin. R. 20:10:34:02 so that Startec may transfer to Americatel its customer accounts in South Dakota 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 the Parties. 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 South Dakota, serving all Americatel and Startec customers. An illustrative chart describing this *pro forma* reorganization is attached hereto as Exhibit A.

The Parties 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 B. 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.² The legal rights of affected customers, therefore, will not be prejudiced by a waiver of the rule because Parties 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 service that these customers currently receive. The Parties 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 Parties 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 Parties also request that the Commission cancel Startec's Certificate of Public Convenience and Necessity upon the Parties' consummation of the aforementioned restructuring. Americatel and Startec both hold authority to provide resold interexchange telecommunications services in South Dakota. 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 South Dakota, thereby making Startec's operating authority unnecessary. Accordingly, the Parties 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 Parties will notify the Commission when the transaction has been consummated.

V. PUBLIC INTEREST CONSIDERATIONS

To the extent required, Commission approval of the transaction and transfer of customers will serve the public interest by ensuring that the affected Startec customers enjoy continuity of high-quality telecommunications service. As discussed above, the

² 47 C.F.R. § 64.1120(e).

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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 the aforementioned transactions.

Finally, expedited consideration of the transactions will serve the public interest by permitting the Parties 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 Parties respectfully request expedited consideration of this Notice so that the Parties may complete the merger and transfer of customers by March 30, 2009, so that the Parties may consummate the planned merger prior to the end of the first fiscal quarter of 2009.

WHEREFORE, Americatel and Startec request that, to the extent necessary, the Commission grant their request for a waiver of S.D. Admin. R. 20:10:34:02 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. An original and ten (10) copies of this notice are enclosed. Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Should you have any questions regarding this filing, please do not hesitate to contact Jeffrey Strenkowski at (202) 373-6002.

Respectfully submitted,



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Counsel for Americatel Corporation and
Startec Global Operating Company

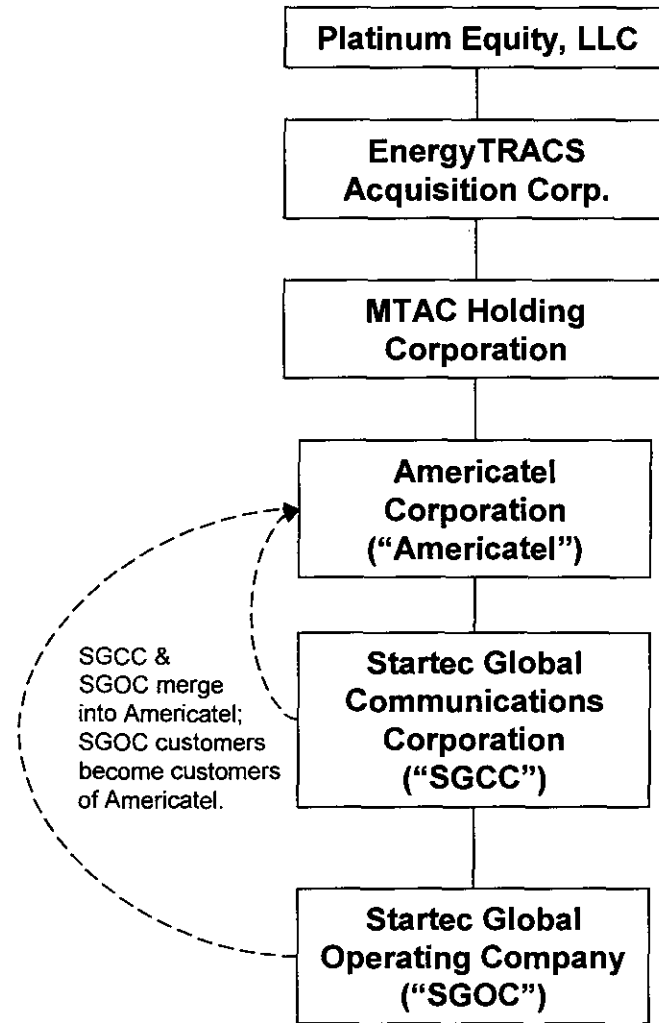
LIST OF EXHIBITS

Exhibit A	Pre- and Post-Transaction Organizational Charts
Exhibit B	Sample Customer Notice
Verification	

Exhibit A

Pre- and Post-Transaction Organizational Charts

Pre-Transaction Corporate Structure



Post-Transaction Corporate Structure

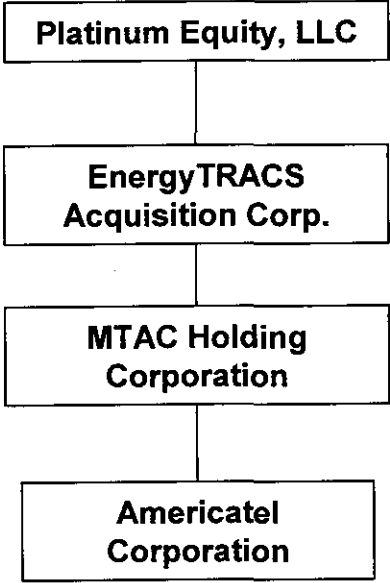


Exhibit B

Sample Customer Notice



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

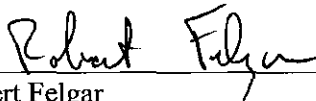
STATE OF MARYLAND
MONTGOMERY COUNTY

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VERIFICATION

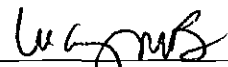
I, Robert Felgar, state that I am General Counsel of Americatel Corporation and Startec Global Operating Company; that I am authorized to provide this Verification on behalf of Americatel Corporation and Startec Global Operating Company; that the foregoing filing was prepared under my direction and supervision; 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 30 day of January, 2009.



Robert Felgar
General Counsel
Americatel Corporation and Startec Global Operating
Company

Sworn and subscribed before me this 30 day of January, 2009.



Notary Public

My commission expires _____

