

PENDING PETITION MEMO

Date: 3/28/2007

TO : OT  
OGC  
A&F

FROM: CENTRAL OPERATIONS

UTILITY: STARTEC GLOBAL COMMUNICATIONS CORP.

SUBJECT: 07-C-0362

Joint Petition of Startec Global Communications Corp. Startec Global Operating Company and Platinum Equity, LLC for the Indirect Transfer of Control of Startec Global Operating Company to Platinum Equity, LLC

2007 MAR 28 AM 9: 29

Catherine Wang  
Brett P. Ferenchak  
Jasbir K. Bawa  
Phone: (202) 373-6000  
Fax: (202) 373-6001  
catherine.wang@bingham.com  
brett.ferenchak@bingham.com  
jasbir.bawa@bingham.com

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

202.373.6000  
202.373.6001 fax

bingham.com

Boston  
Hartford  
London  
Los Angeles  
New York

Orange County  
San Francisco  
Silicon Valley  
Tokyo  
Walnut Creek  
Washington

March 27, 2007

**Via FedEx**

Honorable Jaclyn A. Brillling, Secretary  
New York Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350


**Re: Joint Petition of Startec Global Communications Corporation, Startec Global Operating Company and Platinum Equity, LLC for Approval of an Indirect Transfer of Control of Startec Global Operating Company to Platinum Equity, LLC.**

Dear Ms. Brillling:

On behalf of Startec Global Communications Corporation, Startec Global Operating Company and Platinum Equity, LLC ("Petitioners"), enclosed for filing with the Commission are an original and four (4) copies of the above-referenced Petition.

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Should you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,



Catherine Wang  
Brett P. Ferenchak  
- Jasbir K. Bawa

**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

\_\_\_\_\_)  
Joint Petition of \_\_\_\_\_)  
\_\_\_\_\_)  
**STARTEC GLOBAL COMMUNICATIONS** \_\_\_\_\_)  
**CORPORATION,** \_\_\_\_\_)  
**STARTEC GLOBAL OPERATING COMPANY** \_\_\_\_\_)  
\_\_\_\_\_)  
and \_\_\_\_\_)  
\_\_\_\_\_)  
**PLATINUM EQUITY, LLC** \_\_\_\_\_)  
\_\_\_\_\_)  
For the Indirect Transfer of Control of \_\_\_\_\_)  
Startec Global Operating Company to \_\_\_\_\_)  
Platinum Equity, LLC \_\_\_\_\_)  
\_\_\_\_\_)

Case No. \_\_\_\_\_

**JOINT PETITION**

**I. INTRODUCTION**

Startec Global Communications Corporation (“SGCC”), Startec Global Operating Company (“Startec”) and Platinum Equity, LLC (“Platinum”) (collectively, “Petitioners”), pursuant to Section 100 of the Public Service Laws of New York and the rules of the New York Public Service Commission (“Commission”), respectfully request Commission approval for a transaction that will result in the indirect transfer of control of Startec, a subsidiary of SGCC, to Platinum.<sup>1</sup>

Petitioners request that the Commission act expeditiously to grant the approval requested no later than the Commission’s Session scheduled for May 16, 2007, so that Petitioners can timely consummate the proposed transaction and meet important business objectives.

---

<sup>1</sup> In addition, and to the extent necessary, Startec also requests approval, *nunc pro tunc*, of a *pro forma* corporate restructuring completed December 27, 2006. See footnotes 2 and 3.

In support of this Petition, Petitioners provide the following information:

## II. DESCRIPTION OF THE PETITIONERS

### A. **Startec Global Communications Corporation and Startec Global Operating Company**

Startec Global Operating Company 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 subsidiary of Startec Global Communications Corporation, a Delaware corporation whose principal business is telecommunications. Startec provides long distance, Internet, and other communications services in over 45 states and internationally. In New York, Startec is authorized to operate as a facilities-based common carrier and reseller of interexchange services.<sup>2</sup> Startec provides its services primarily to customers who place a significant number of calls to international destinations.

### B. **Platinum Equity, LLC**

Platinum Equity, LLC is a privately held Delaware limited liability company with offices located at 360 North Crescent Drive, Beverly Hills, California 90210. Platinum 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, logistics, manufacturing, and entertainment distribution. EnergyTRACS Acquisition Corp. ("Buyer") is a Delaware corporation and a wholly owned subsidiary of Platinum that has agreed to acquire SGCC. For the purpose of accomplishing this

---

<sup>2</sup> In Case No. 95-03432 (May 29, 1996), a predecessor of Startec received authority to resell telecommunications services. This authority was subsequently transferred to Startec Global Licensing Company ("SGLC"), a sister company of Startec, in Case No. 98-C-1812 (January 27, 1999). SGLC received authority to amend its status and operate as both a facilities-based carrier and a reseller in Case No. 98-C-1813 (January 27, 1999). As a result of the merger of Startec and SGLC on December 27, 2006, which Startec survived, Startec now holds the Certificate. Startec filed a Tariff Adoption Supplement on May 22, 2006, which reflected the minor change in name since the restructuring was otherwise entirely transparent to customers. According to the Commission's letter dated June 28, 2006 in Case No. 06-C-0635, the Tariff Adoption Supplement became effective on May 24, 2006.

transaction, Buyer has created a new merger subsidiary, Soap Merger Corporation, a Delaware corporation and direct wholly-owned subsidiary of the Buyer ("Merger Sub").

Buyer and Platinum indirectly control two other telecommunications carriers: Americatel Corporation ("Americatel") and Matrix Telecom, Inc. ("Matrix") through a direct, wholly-owned subsidiary of Buyer, MTAC Holding Corporation. Buyer and Platinum have held 100 percent of the equity of Matrix since 1999, and 95 percent of the equity of Americatel since July 2006. Matrix is authorized to provide competitive telecommunications services across the nation on a resale or facilities basis. Matrix provides 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. 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, with a particular emphasis on serving the needs of United States customers with connections to Latin America and the Caribbean. Through their ownership of these two companies, Buyer and Platinum have demonstrated their qualifications to obtain control of Startec.

### **III. CONTACTS**

Questions or any correspondence, orders, or other materials pertaining to this Petition should be directed to the following.

#### **For Startec:**

Catherine Wang  
Brett P. Ferenchak  
Bingham McCutchen LLP  
2020 K Street, N.W.  
Washington, DC 20006  
(202) 373-6000 (Tel)  
(202) 373-6001 (Fax)  
catherine.wang@bingham.com  
brett.ferenchak@bingham.com

#### **With copies to:**

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

#### **For Buyer:**

Richard R. Cameron  
Latham & Watkins LLP  
555 Eleventh Street, NW  
Suite 1000  
Washington, DC 20004-1304  
(202) 637-2225 (Tel)  
(202) 637-2201 (Fax)  
richard.cameron@lw.com

#### **With copies to:**

Eva Kalawski  
Executive Vice President, General Counsel  
and Secretary  
Platinum Equity, LLC  
360 North Crescent Drive, South Building  
Beverly Hills, CA 90210  
(310) 712-1850 (Tel)  
(310) 712-1863 (Fax)  
ekalawski@platinumequity.com

### **IV. DESCRIPTION OF THE TRANSACTIONS**

SGCC and Buyer entered into an Agreement and Plan of Merger dated as of March 5, 2007 (the "Agreement") whereby Merger Sub will merge with SGCC, with SGCC surviving. As a result, Buyer will acquire indirect control of Startec. For the Commission's convenience, pre- and post-transaction corporate structure charts are provided as Exhibit A. Petitioners therefore request authority for the indirect transfer of control of Startec to Buyer, and ultimately to Platinum.

Immediately following the consummation of the proposed transaction, Startec will continue to offer service with no change in the rates or terms and conditions of service. Further, Startec will continue to provide service to its customers under the same name, and will

continue to be led by an experienced management team.. Therefore, the transfer of control of Startec will be seamless and transparent to consumers in the State of New York.<sup>3</sup>

**V. PUBLIC INTEREST STATEMENT**

Petitioners submit that the transaction will serve the public interest. Under new ownership, Startec will continue to provide high-quality telecommunications services to consumers, while gaining critically important access to the additional resources and operational expertise of Platinum. This transfer of control, therefore, will give Startec the ability to become a stronger competitor, to the ultimate benefit of consumers. Further, Startec will not change its name or its rates, terms or conditions of service as an immediate result of the transfer of control. The transfer of control, therefore, will be transparent to consumers. Moreover, as discussed above, Buyer, through its parent, is financially qualified to acquire control of Startec and continue and expand its operations.

The public interest will also be served by expeditious consideration and approval of the transaction. For various important business and financial reasons, Petitioners require that the transfer of control be closed as quickly as possible. Startec and Buyer anticipate that this transaction will allow Startec and Buyer's affiliated telecommunications carriers to realize significant cost savings and operational benefits. Such savings may result from network integration, lower international termination costs as a result of larger traffic volumes, synergies

---

<sup>3</sup> In addition, and to the extent necessary, Startec also requests approval, *nunc pro tunc*, of a *pro forma* corporate restructuring completed December 27, 2007 in which Startec Global Licensing Company ("SGLC"), an entity also 100% owned by SGCC and which originally held the Certificate of Public Convenience and Necessity granted by the Commission, was merged with and into Startec, with Startec surviving. As a result of the *pro forma* restructuring, Startec acquired all of the assets and operations of SGLC including SGLC's Certificate. On advice of its outside consultants, Startec characterized this transaction as a change in carrier name and filed a Tariff Adoption Supplement on May 22, 2006. According to the Commission's letter dated June 28, 2006 in Case No. 06-C-0635, the Tariff Adoption Supplement, and hence the name change, became effective on May 24, 2006. This *pro forma* restructuring was undertaken to streamline and eliminate inefficiencies from the business and administrative operations of SGLC and Startec. This *pro forma* change has not resulted in confusion or inconvenience to its customers or any change in the services that they receive.

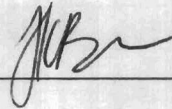
from information systems integration, and other sources. These cost savings and benefits will cause Startec to become a stronger competitor in the marketplace and will allow it to continue to provide high quality and low cost telecommunications services to thousands of New York residents. Moreover, the transaction will also put Startec in a better position to expand its service offerings, to the ultimate benefit of its customers. Delay in the regulatory approval process will prevent the parties from realizing these economic and operational benefits and delivering expanded customer services as quickly as the parties otherwise would.

Petitioners emphasize that the proposed indirect transfer of control will be seamless and completely transparent to the customers of Startec, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers. Accordingly, Petitioners request that the Commission commence its examination of the Petition as soon as possible and complete its review so that it will be considered and approved on an expedited basis but no later than the Commission's Session scheduled for May 16, 2007.

**VI. CONCLUSION**

For the reasons stated above, Petitioners submit that the public interest, convenience, and necessity would be furthered by a grant of this Petition. Petitioners therefore respectfully request that the Commission consider and approve this Petition expeditiously to permit Petitioners to consummate the proposed transfer of control as soon as possible.

Respectfully submitted,



Richard R. Cameron  
Latham & Watkins LLP  
555 Eleventh Street, NW  
Suite 1000  
Washington, DC 20004-1304  
(202) 637-2225 (Tel)  
(202) 637-2201 (Fax)  
richard.cameron@lw.com  
  
Counsel for Platinum Equity, LLC

Catherine Wang  
Brett P. Ferenchak  
—Jasbir K. Bawa  
Bingham McCutchen LLP  
2020 K Street, N.W.  
Washington, DC 20007  
(202) 373-6000 (Tel)  
(202) 373-6001 (Fax)  
catherine.wang@bingham.com  
brett.ferenchak@bingham.com  
jasbir.bawa@bingham.com

Counsel for SGCC and Startec

Dated: March 27, 2007

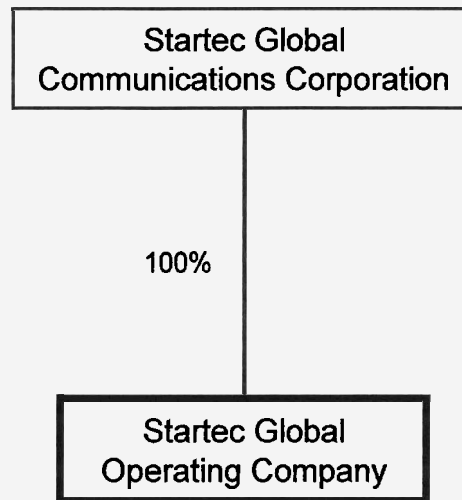
**LIST OF EXHIBITS**

Exhibit A                      Pre- and Post-Transaction Corporate Structure Charts  
Verification

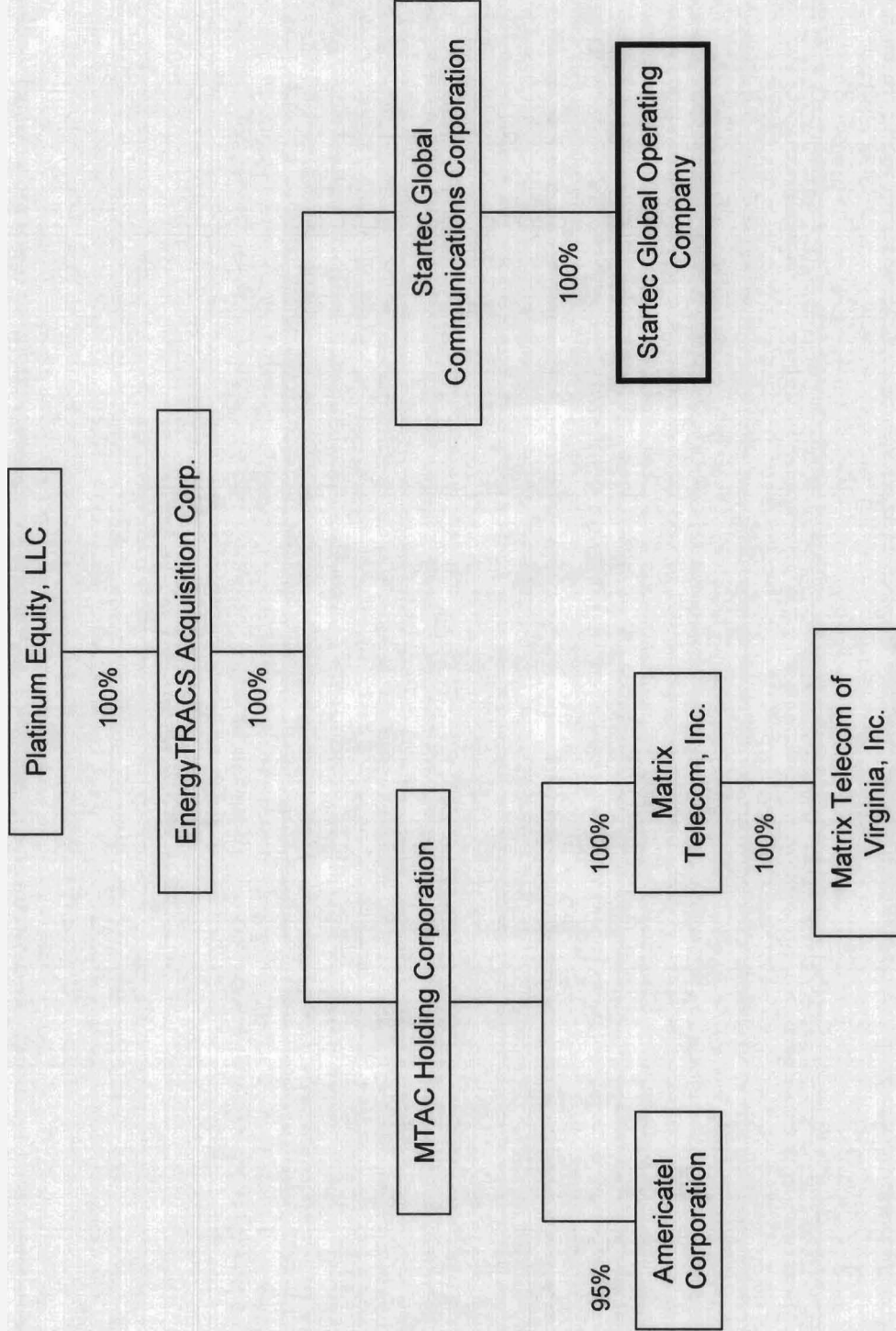
**EXHIBIT A**

**Pre- and Post-Transaction Corporate Structure Charts**

## Pre-Transaction Corporate Structure of Startec



# Post-Transaction Corporate Structure of Startec



STATE OF MARYLAND

§

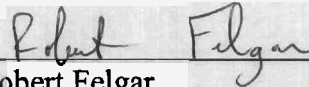
COUNTY OF MONTGOMERY

§

§

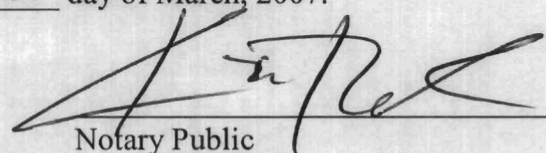
**VERIFICATION**

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



Robert Felgar  
General Counsel & Secretary  
Startec Global Operating Company

Sworn and subscribed before me this 15<sup>th</sup> day of March, 2007.



Notary Public

My commission expires

6/18/07

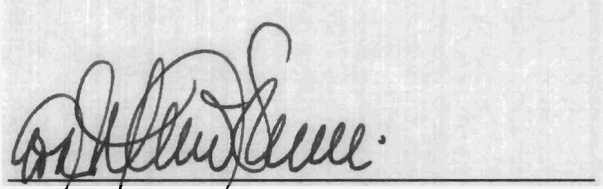


STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

§  
§  
§

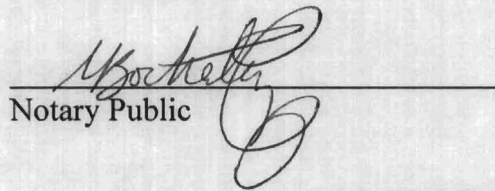
**VERIFICATION**

I, Eva M. Kalawski, state that I am Executive Vice President, General Counsel and Secretary of Platinum Equity, LLC; that I am authorized to make this Verification on behalf of Platinum Equity, LLC; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Eva M. Kalawski  
Executive Vice President, General Counsel &  
Secretary  
Platinum Equity, LLC

Sworn and subscribed before me this 23 day of March, 2007.



Notary Public

My commission expires April 25, 2010

