

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

June 28, 2006

IN RE:

**PETITION OF AMERICATEL CORPORATION
D/B/A 1010 123 AMERICATEL, AMETEX, AMETEL
AND 1 800 3030 123 AMERICATEL COLLECT TO
COMPLETE A TRANSFER OF CONTROL OF AN
AUTHORIZED CARRIER**

**DOCKET NO.
06-00120**

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Chairman Ron Jones, Director Pat Miller and Director Sara Kyle of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on June 12, 2006 for consideration of the *Petition* filed on April 21, 2006 by Americatel Corporation, d/b/a 1010 123 Americatel, Ametex, Amextel, and 1 800 3030 123 Americatel Collect (“Americatel” or “Petitioner”).

The *Petition*

In March, 2005, Almendral, SA (“Almendral”), a corporation organized under the laws of Chile, acquired 54.76 percent controlling interest in Empresa Nacional de Telecomunicaciones S.A. (“ENTEL”), thus becoming the ultimate parent of Americatel. ENTEL, a corporation organized under the laws of Chile, with headquarters in Santiago, Chile, is one of the largest carriers in that nation and is a pioneer in the privatization of Latin America’s telecommunications industry. ENTEL provides mobile and long distance, local telephony, data and Internet services in Chile. In addition to its United States presence through Americatel, ENTEL also has operations in Central America, Venezuela and Peru. ENTEL holds a 100 percent ownership interest in ENTEL International B.V.I. Corporation (“BVI”), a corporation organized under the laws of the British Virgin Islands. BVI, in

turn, holds an 80 percent ownership interest in the Petitioner. BVI is simply an intermediate holding company for Americatel and does not have any assets, operations or customers.

Americatel is a corporation organized under the laws of the State of Delaware, with its principal headquarters in Miami, Florida. Serving the needs of its Tennessee customers to the Latin America and Caribbean regions, the Petitioner provides international and domestic long distance services, including “dial around” casual calling (i.e., 1010XXX”) service and presubscribed 1 + calling services. In Tennessee, Americatel currently has approximately 1,965 customers and is authorized to provide operator services and/or resell telecommunications services pursuant to Authority Order issued in Docket No. 98-00065 on February 2, 1999. In addition to its operations in Tennessee, Americatel is also authorized to provide interstate and intrastate long distance services throughout the contiguous United States.

Platinum Equity is a limited liability company formed under the laws of Delaware, and is headquartered in Beverly Hills, California. Platinum Equity specializes 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. 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. Since 1999, Platinum Equity has indirectly held 100 percent of the equity of Matrix Telecom, Inc. (“Matrix”), 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 throughout the United States. Matrix was authorized to provide and/or resell local and interexchange telecommunications in Tennessee pursuant to certification by the Tennessee Public Service Commission in Docket No. 95-03215. In 2005, Matrix completed the acquisition of certain assets from Global Crossing Telecommunications, Inc. (“GC”) primarily consisting of the customer base of GC’s Small Business Group. In addition, Platinum

Equity indirectly holds 51 percent of the equity of Operator Service Company, LLC, a provider of operator services, directory assistance, interactive voice response, and customer relationship management services. Operator Service Company, LLC was authorized as an interexchange telecommunications reseller and/or an operator service provider by the Tennessee Public Service Commission in Docket No. 95-03128 on September 12, 1995.

The *Petition* was filed on April 21, 2006, which requests Authority approval of the proposed transfer of control of Americatel to Platinum Equity. In this transaction, Platinum Equity will acquire Almendral, ENTEL and its subsidiary BVI, through a stock purchase agreement (the “Stock Purchase Agreement”), thereby acquiring 80 percent of the equity of and a controlling interest in Americatel. Americatel asked that the Authority process the Petition as expeditiously as possible, in order to allow Americatel to consummate the (“Transaction”) within 120 days after the execution of the Stock Purchase Agreement on March 23, 2006. Americatel currently has a Domestic and International Section 214 Application pending before the FCC for consent to the transfer of control of Americatel Corporation from Almendral, S.A., et al to Platinum Equity, LLC in WC Docket No. 06-98.

The *Petition* avers that the proposed Transaction will be completed at the holding company level, will not change the rates, terms or conditions of Americatel’s service, and will be transparent to customers of Americatel receiving service in Tennessee. Although Americatel’s parent will change, the Petition asserts that immediately following the Transaction, Americatel expects to continue to conduct its operations in substantially the same manner in which those operations are currently conducted. The parties intend to close the Transaction within 120 days after the date the Stock Purchase Agreement was executed. The consummation of the Transaction will not result in any transfer of assignment of the operating authority held by Americatel or its customers or result in a name change by Americatel. The Petition indicated that it is possible Platinum Equity may acquire

the Americatel shares through an intermediate wholly-owned subsidiary. In such a case, the *Petition* asserts that Platinum Equity would remain the controlling party.

This transaction serves the public interest of utility customers in Tennessee. The *Petition* states Platinum Equity is financially well qualified to continue and expand the operations of Americatel, and the proposed transaction will ensure that Americatel has access to sufficient financial resources from Platinum Equity. According to the *Petition*, under the new Platinum Equity ownership, day-to-day operations of Americatel will continue to provide high-quality services to customers. The *Petition* asserts the transaction will serve the public interest by enabling Americatel to continue to offer its existing services and to provide Americatel with access to additional resources that will better allow Americatel to implement its business strategies going forward. In addition, the *Petition* certifies that the transaction will be completely transparent to Americatel's customers, and the proposed transaction will enable Americatel to continue to provide high-quality telecommunications services, which should invigorate competition and, thereby, benefit consumers of telecommunications services in Tennessee.

June 12, 2006 Authority Conference

Tenn. Code Ann. § 65-4-113 (2004) requires a public utility to obtain TRA approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) (2004) provides:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

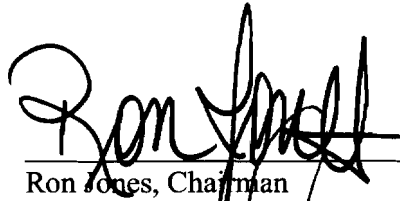
Tenn. Code Ann. § 65-4-113(b) (2004) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.


At the regularly scheduled Authority Conference held on June 12, 2006, the voting panel assigned to this docket considered the indirect transfer of authority requested in the *Petition*. The panel found that Tenn. Code Ann. § 65-4-113 (2004) applies to this transaction. Thereafter, based upon the evidentiary and administrative record as a whole and relying on the legal standard set forth in Tenn. Code Ann. § 65-4-113 (2004), the panel determined that the transfer furthers the public interest and voted unanimously to grant approval of the *Petition*.

IT IS THEREFORE ORDERED THAT:

The indirect transfer of authority of Americatel Telecom, LLC as described in the *Petition* and discussed herein is approved.



Ron Jones, Chairman



Pat Miller, Director



Sara Kyle, Director