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April 11, 2007

VIA OVERNIGHT MAIL

Sharla Dillon, Docket Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

filed electronically in docket office on 04/12/07

Dear Ms. Dillon:

Enclosed herein for filing on behalf of Trinsic Communications, Inc. ("Trinsic Communications"), Touch 1 Communications, Inc. ("Touch 1"), and any successor in interest of either, including a Chapter 7 bankruptcy trustee (collectively, "Trinsic"), and Matrix Telecom, Inc. ("Matrix") (and, together with Trinsic, the "Petitioners"), please find the original and four (4) copies of a Joint Petition seeking the Authority's *expedited* approval, to the extent necessary, to transfer control of Trinsic's assets used to provide local and long distance telecommunications services to Matrix, as more fully set forth in the Petition. The required filing fee of \$25 is enclosed.

Trinsic and Matrix urgently request that the Authority approve the proposed sale before June 4, 2007. Approval before this date is required under the terms of the Asset Purchase Agreement entered into by the Petitioners and, because Trinsic has filed for bankruptcy, approval is necessary to ensure the continuation of service to Trinsic's customers.

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.

Very truly yours,



Matthew A. Brill
Richard R. Cameron
Attorneys for Matrix Telecom, Inc.

Enclosures

**Before the
TENNESSEE REGULATORY AUTHORITY**

In the Matter of)	
)	
Trinsic Communications, Inc.,)	No. _____
Touch 1 Communications, Inc., and)	
any Successor in Interest, Including a)	
Chapter 7 Bankruptcy Trustee)	
)	
AND)	
)	
Matrix Telecom, Inc.)	
)	
Joint Petition for Approval of a Transfer)	
of Assets)	
)	

JOINT PETITION FOR APPROVAL OF A TRANSFER OF ASSETS

Trinsic Communications, Inc. ("Trinsic Communications"), Touch 1 Communications, Inc. ("Touch 1"), and any successor in interest of either, including a Chapter 7 bankruptcy trustee (collectively, "Trinsic"), and Matrix Telecom, Inc. ("Matrix") (and, together with Trinsic, the "Petitioners"), by their undersigned counsel and pursuant to Tenn. Code Ann. § 65-4-113 hereby request approval from the Tennessee Regulatory Authority ("Authority") to transfer control of Trinsic's assets used to provide local and long distance telecommunications services to Matrix.

On March 21, 2007, Trinsic and Tide Acquisition Corporation ("Tide") entered into an Asset Purchase Agreement,¹ (the "APA") under which Tide would acquire the assets of Trinsic used to provide telecommunications services, as well as Trinsic's customer accounts across the nation, including in Tennessee. Tide subsequently assigned its rights under the APA

¹ Asset Purchase Agreement by and among Tide Acquisition Corporation, as Purchaser, and Trinsic, Inc., Trinsic Communications, Inc., Touch 1 Communications, Inc., Z-Tel Network Services, Inc., and Z-Tel Consumer Services, LLC, as Sellers, dated as of March 21, 2007.

to Matrix. The proposed transaction will cause no interruption in service to customers. No existing service will be discontinued, reduced, or impaired as an immediate result of the sale of these assets. Furthermore, this transaction will have no immediate impact on the rates for any services Trinsic currently provides to any customer.

Trinsic and Matrix urgently request that the Authority approve the proposed sale before June 4, 2007. On February 7, 2007, Trinsic and its affiliates filed a petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Alabama (the “Bankruptcy Court”). Trinsic ultimately determined that a successful business reorganization would not be possible and, following a Court-supervised auction, entered into the APA, which, prior to the assignment to Matrix, provided for the sale of its assets to Tide. The APA requires the sale to be complete on or before June 4, 2007, and this deadline has been approved by the Bankruptcy Court. Accordingly, the Petitioners, respectfully request that the Authority approve this application as expeditiously as possible in advance of that date in order to allow them to meet their contractual obligations.

To accomplish this sale, the Petitioners further request that the Authority grant a waiver of the Authority’s regulations governing the changes to a customer’s telecommunications provider, Tenn. Comp. R. & Regs. § 1220-4-2.56(2), to the extent those rules are inconsistent with Federal Communications Commission’s (“FCC’s”) rules governing the sale of a carrier’s customer base, 47 C.F.R. § 64.1120(e). The Petitioners will comply with the FCC’s notice and certification requirements applicable to transfers of carrier customer bases. This FCC rule ensures that all customers receive advance notice of the planned transfer and any potential impact (none in this case) on their telecommunications services. In addition, Matrix will comply with any notice requirements contained in Trinsic’s contracts with its customers. Thus, as

discussed in greater detail below, compliance with state rules is unnecessary in this case and would cause customers to receive additional, redundant notices that could cause customer confusion.

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

I. Description of the Petitioners

A. Trinsic

Trinsic Communications, a Delaware corporation, and Touch 1, an Alabama corporation, are both wholly owned subsidiaries of Trinsic, Inc., a Delaware corporation, which was founded in January 1998 as Z-Tel Technologies, Inc. Trinsic provides circuit-switched local and long-distance telephony services in 49 states and the District of Columbia. In Tennessee, Trinsic holds Authority-issued authority to provide resold local exchange and interexchange services.²

Trinsic provides residential and business local and long distance telecommunications services in combination with enhanced communications features accessible through the telephone, the Internet, and certain personal digital assistants. These Trinsic services include a suite of proprietary Internet-based and voice-activated functions called “Trinsic Center,” which feature voicemail, “Find Me,” “Notify Me,” caller identification, call forwarding, three-way calling, call waiting, and speed dialing services, as well as a “Personal Voice Assistant,” which utilizes voice-recognition technology so that users can access secure, online personal address books from any phone using simple voice commands in order to send voice e-mails, find contact information and dial numbers, among other things.

² The Authority granted Trinsic Communications authority to provide local exchange service in Docket Number No. 00-2257-02 on March 22, 2001, and to provide interexchange service in Case Number No. 98-00410 on September 14, 1998. The Authority granted Touch 1 authority to provide interexchange service in Case Number No. 95-02456 on September 14, 1998.

At the end of 2006, Trinsic served approximately 150,000 residential and business customers, in addition to approximately 23,000 stand-alone presubscribed long distance customers, primarily by reselling wholesale long distance services and “local wholesale” services purchased from the Bell Operating Companies and other large incumbent local exchange carriers (“ILECs”). In addition, in 2004, Trinsic began offering “voice over Internet protocol,” or “VoIP” services as an alternative to its other traditional circuit-switched service offerings.

As a result of changes to its cost structure resulting from, among other factors, the elimination of ILEC unbundled network element platform (“UNE-P”) offerings, Trinsic was forced to seek relief from the Bankruptcy Court on February 7, 2007. The proposed sale of its assets to Matrix provides an opportunity to ensure continuity of service to Trinsic’s customers.

B. Matrix

Since 1999, Matrix, a Texas corporation, has been an indirect wholly owned subsidiary of Platinum Equity, LLC (“Platinum Equity”), a Delaware limited liability company headquartered in Beverly Hills, California. 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 telecommunications, information technology, 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.

Matrix provides competitive integrated communications services, including local, 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 throughout the United States. Matrix holds Authority-issued authority to provide

resold local exchange and resold interexchange services in Tennessee.³ 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.

Matrix also is affiliated with Americatel Corporation (“Americatel”) and soon will be affiliated with Startec Global Operating Company (“Startec”), both Delaware corporations. Platinum Equity has indirectly controlled Americatel since it acquired indirect ownership of 95 percent of its equity in July 2006. 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. In addition, Platinum Equity will soon obtain indirect control of Startec, which provides long distance, Internet, and other communications services in over 45 states and internationally. The parties expect the Startec merger to close later this year, following receipt of necessary regulatory approvals. Platinum Equity, through its ownership of these companies, and Matrix, based on its history of successful operation, have amply demonstrated their qualifications to purchase and operate Trinsic’s assets.

³ The Authority authorized Matrix to provide resold local exchange services in Docket Number No. 05-00083 on June 30, 2005 and to provide resold interexchange service in Case Number 95-03215 on October 13, 1995. Matrix filed an application for facilities-based authority in Docket No. 07-00003 on December 29, 2006.

C. Contact Information for the Petitioners:

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

For Trinsic:

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and Legal Affairs
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For Matrix:

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Vice-President of Regulatory Affairs and
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Tel: (214) 432-1468
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With copies to:

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and Secretary
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II. Description of Transaction

On February 7, 2007, as described above, Trinsic and its affiliates sought relief from creditors before the Bankruptcy Court. During the Bankruptcy Court proceedings, Trinsic ultimately determined that a successful business reorganization would not be possible. Tide, a newly formed subsidiary of Platinum Equity, was the winning bidder in an auction conducted under the supervision of the Bankruptcy Court, and entered into the APA with Trinsic on March

21, 2007. Tide subsequently assigned its rights and obligations under the APA to Matrix. The APA requires the sale to be completed within 75 days, or on or before June 4, 2007, and has been approved by the Bankruptcy Court.

The Petitioners anticipate that this sale will be seamless and transparent to Trinsic's customers. Under the terms of the APA, Matrix will acquire Trinsic's entire local and long distance customer base, together with its rights and responsibilities under contracts necessary to operate Trinsic's business, Trinsic's real and personal property, equipment, fixtures, intellectual property, trademarks, and most other Trinsic assets. Thus, the proposed sale of Trinsic's assets to Matrix will cause no interruption in service to customers. No existing service will be discontinued, reduced, or impaired as a result of the sale of these assets. Furthermore, this transaction will not affect rates for, or terms or conditions of, any service being provided by Trinsic to customers in Tennessee. Further, Matrix will continue to provide service to these customers using the Trinsic names, possibly on a co-branded basis.

III. Public Interest Statement

The proposed transaction will serve the public interest in Tennessee. *First*, the sale of Trinsic's assets to Matrix will ensure that Trinsic's customers continue to receive high-quality telecommunications services without interruption or disruption that would otherwise be caused by their originally chosen carrier's bankruptcy. Trinsic is in liquidation, and can no longer continue to provide service to its customers. In the absence of a sale of its assets and customer base to another carrier, such as Matrix, each Trinsic customer would lose service and be forced to seek out a carrier independently that can replicate its existing services.

Second, the transaction will strengthen competition in Tennessee by helping Matrix's business to grow. As Matrix's presence in Tennessee expands, Matrix will be better able to achieve economies of scale and scope, which will permit it to offer lower prices, maintain

and improve service quality, and launch new services. As a result, Matrix will become a stronger competitor, bringing more of the well-recognized benefits of vigorous competition to telecommunications customers throughout Tennessee.

Third, the transaction will benefit customers by permitting Matrix to integrate Trinsic's proprietary technologies, described above, into its own services to create new, "best-of-class" offerings. In this way, the sale will ensure that the benefits Trinsic's customers currently enjoy remain available to them, and also may become available to Matrix's existing customers, benefiting the entire merged customer base.

IV. Request for Waiver of Rules Governing Changes to Customer Telecommunications Providers

In addition to approval of the sale of assets, Petitioners request that the Authority grant a waiver of the Authority's rules governing changes to a customer's telecommunications carriers, Tenn. Comp. R. & Regs. § 1220-4-2.56(2), to the extent those rules are inconsistent with the FCC's rules governing the sale of a carrier's customer base. The Petitioners will comply with FCC rules requiring Matrix to certify to the FCC that it has provided at least 30 days' written notice to each customer affected by this transaction, 47 C.F.R. § 64.1120(e)(1-3), specifically including notice of:

- (i) the date on which the acquiring carrier will become the subscriber's new provider of telecommunications service;
- (ii) the rates, terms, and conditions of the service(s) to be provided by the acquiring carrier upon the subscriber's transfer to the acquiring carrier, and the means by which the acquiring carrier will notify the subscriber of any change(s) to these rates, terms, and conditions;
- (iii) the fact that the acquiring carrier will be responsible for any carrier change charges associated with the transfer;
- (iv) the subscriber's right to select a different preferred carrier for the telecommunications service(s) at issue, if an alternative carrier is available;

- (v) the fact that all subscribers receiving the notice, even those who have arranged preferred carrier freezes through their local service providers on the service(s) involved in the transfer, will be transferred to the acquiring carrier, unless they have selected a different carrier before the transfer date; existing preferred carrier freezes on the service(s) involved in the transfer will be lifted; and the subscribers must contact their local service providers to arrange a new freeze;
- (vi) the identity of the carrier that carrier will be responsible for handling any complaints filed, or otherwise raised, prior to or during the transfer against the selling or transferring carrier; and
- (vii) The toll-free customer service telephone number of the acquiring carrier.

In addition, all of Trinsic's customers will receive notice of the transaction required under their service contract with Trinsic, if they have one.

A waiver of inconsistent or additional Authority rules governing customer notices in this context will serve the public interest because, without such a waiver, customers would receive multiple redundant (and potentially inconsistent) notices that could cause them confusion. Further, following the sale, Matrix intends to provide Trinsic's former customers with quality telecommunications services, without interruption or change to the rates, terms, and conditions applicable to the services they receive resulting from the acquisition.

Further, compliance with Tennessee's rules governing changes to a customer's telecommunications carrier in the context of this transaction is not necessary to achieve the purpose of those rules and to ensure that all customers receive ample actual notice of the transaction, because each and every customer will receive the notice prescribed under the FCC's rules. Finally, if the Petitioners are unable to achieve compliance with the state notice requirements governing sales of customer bases prior to closing, individual customers could be at risk for interruption to their telecommunications services.

* * * * *

For the foregoing reasons, the Petitioners respectfully request that the Authority approve the proposed sale of assets from Trinsic to Matrix. The Petitioners further request that the Authority grant a waiver of its rules governing changes to a customer's telecommunications carrier, to the extent those rules are inconsistent with the FCC's rules governing the sale of a carrier's customer base. Finally, the Petitioners respectfully request that the Authority grant this relief before June 4, 2007, to permit them to meet their contractual obligations under the APA, as approved by the Bankruptcy Court.


Respectfully Submitted,

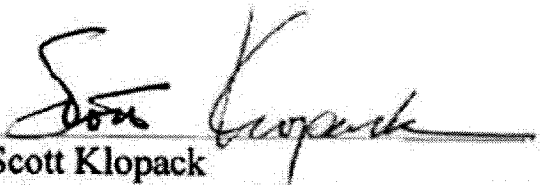
TRINSIC COMMUNICATIONS, INC.,
TOUCH 1 COMMUNICATIONS, INC.,

MATRIX TELECOM, INC.

By:

By:


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STATE OF TEXAS)
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COUNTY OF DALLAS)

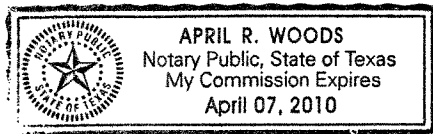
VERIFICATION

I am authorized to represent Matrix Telecom, Inc. and to make this verification on their behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are herein stated on information and belief, and as to those matters, I believe them to be true.



Scott Klopach
Vice-President of Regulatory Affairs
and General Counsel
Matrix Telecom, Inc.
7171 Forest Lane, Suite 700
Dallas, Texas 75230

Sworn and subscribed before me this 5 day of April, 2007.


Notary Public

My commission expires April 7th 2010