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January 15, 2009

Via Overnight Courier

Chairman Tre Hargett
c/o Sharla Dillon, Docket Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

DOCKET
09-00010


Re: Petition of Americatel Corporation, Matrix Telecom, Inc., and Startec Global Operating Company For Approval to Participate in Certain Financing Arrangements

Dear Chairman Hargett:

On behalf of Americatel Corporation, Matrix Telecom, Inc. and Startec Global Operating Company ("Petitioners"), please find enclosed for filing an original and thirteen (13) copies of the above-referenced Petition. Also enclosed is a check in the amount of \$75.00 to cover the filing fee.

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 Jeffrey Strenkowski at (202) 373-6002.

Respectfully submitted,


Russell M. Blau
Brett P. Ferenchak
Jeffrey R. Strenkowski

Counsel for Petitioners

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BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

January 15, 2009

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| In re: Petition of |) | |
| |) | |
| Americatel Corporation, |) | |
| Matrix Telecom, Inc., and |) | |
| Startec Global Operating Company |) | Docket No. _____ |
| |) | |
| For Approval to Participate in Certain |) | |
| Financing Arrangements and to Encumber Utility |) | |
| Property |) | |
| |) | |

PETITION

I. INTRODUCTION

Americatel Corporation (“Americatel”), Matrix Telecom, Inc. (“Matrix”) and Startec Global Operating Company (“Startec”) (Americatel, Matrix and Startec collectively “Petitioners”), by their undersigned counsel and pursuant to Section 65-4-109 of the Tennessee Code and any other laws or regulations deemed applicable, request approval, to the extent necessary, from the Tennessee Regulatory Authority (“Authority”) to participate in certain financing arrangements whereby the Petitioners will grant a security interest in their assets to secure certain long-term debt obligations consisting of a senior secured second lien facility and a senior secured third lien facility. In addition to granting a security interest under these facilities, the Petitioners intend borrower under guarantee these obligations, as further described below. In support of this Petition, Petitioners state:

I. DESCRIPTION OF THE PETITIONERS

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 Tennessee, Americatel is authorized to operate as a reseller of telecommunications services pursuant to authorization issued in Docket No. 98-00065 on February 2, 1999.

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 Tennessee, Matrix is authorized to provide facilities-based and resold competitive local exchange telecommunications service by action of the Authority in Docket No. 07-00003 on May 22, 2007 and Docket No. 05-00083 on June 30, 2005, respectively, and resold interexchange telecommunications service by action of the Authority in Docket No. 95-03215 on October 13, 1995.

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 Tennessee, Startec is authorized to provide resold telecommunications service by action of the Authority in Docket No. 07-00104 (June 25, 2007). 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:

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III. REQUEST FOR APPROVAL TO PARTICIPATE IN CERTAIN FINANCING ARRANGEMENTS

The Petitioners 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 Petitioners, 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 Petitioners, subject to certain exceptions to be determined. The Second and Third Facilities will also be secured by substantially all the assets of the Petitioners, subject to certain exceptions

to be determined.¹ The Petitioners 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 Petitioners' participation in these financing arrangements will not result in a change in the Petitioners' management or in their day-to-day operations; nor will it adversely affect the Petitioners' current or expected operations in Tennessee.

V. PUBLIC INTEREST CONSIDERATIONS

The financing arrangements described herein are consistent with the public interest and will not impair the ability of the Petitioners 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 Tennessee consumers, and will not alter the rates, terms and conditions under which the Petitioners provide service in Tennessee. The financing arrangement will not cause a change in the control of the Petitioners.

The financing arrangements described herein, including the requirement that the Petitioners become guarantors and pledge any jurisdictional assets in support of the financing, serve the public interest in promoting competition among telecommunications carriers by providing the Petitioners with the opportunity to strengthen their financial position. The Petitioners 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

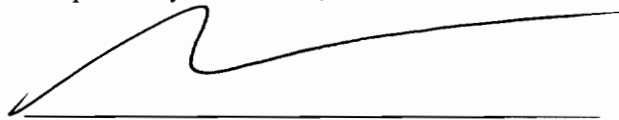
¹ The Second and Third Facility and related guarantees will be secured on a second- and third-priority basis to an existing Senior First Lien Facility for which the Petitioners have previously obtained Authority approval, respectively. *See* Docket No. 07-00213 (Dec. 6, 2007).

arrangements are expected to continue to yield financial benefits that ultimately inure to the benefit of the Petitioners' customers. Furthermore, greater access to capital strengthens the Petitioners' ability to bring competitive telecommunications services to consumers in Tennessee and is, therefore, in the public interest.

VI. CONCLUSION

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

Respectfully submitted,



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Counsel for Americatel Corporation, Matrix
Telecom, Inc., and Startec Global Operating
Company

Date: January 15, 2009

VERIFICATIONS

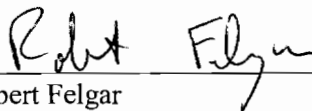
STATE OF MARYLAND
MONTGOMERY COUNTY

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VERIFICATION

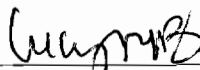
I, Robert Felgar, state that I am General Counsel of Americatel Corporation and Startec Global Operating Company; that I am authorized to provide this Verification on behalf of Americatel Corporation and Startec Global Operating Company; that the foregoing filing was prepared under my direction and supervision;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



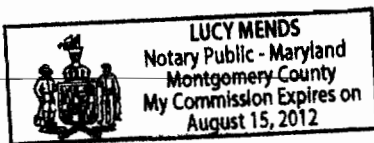
Robert Felgar
General Counsel
Americatel Corporation and Startec Global Operating
Company

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



Notary Public

My commission expires _____



STATE OF TEXAS
CITY OF DALLAS

§
§
§

VERIFICATION

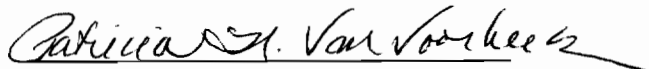
I, Scott M. Klopach, state that I am Vice-President of Regulatory Affairs and General Counsel of Matrix Telecom, Inc.; that I am authorized to provide this Verification on behalf of Matrix Telecom, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the contents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


Notary Public

My commission expires 01-25-2010

