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T.R.A. DOCKET ROOM

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November 13, 2009

Via Overnight Delivery

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

Re: Petition of Primus Telecommunications, Inc. for Approval to Participate in a Financing Arrangement

Dear Chairman Hargett:

On behalf of Primus Telecommunications, Inc. ("Petitioner"), enclosed for filing with the TRA are an original and thirteen (13) copies of the above-referenced Petition. Also enclosed is a check in the amount of \$25.00 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 Danielle Burt at (202) 373-6039.

Respectfully submitted,

Catherine Wang Danielle C. Burt

Counsel for Petitioner

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A/73210541.1

BEFORE THE TENNESSEE REGULATORY AUTHORITY

In the Matter of the Petition of		
Primus Telecommunications, Inc.)	
) Docket No	
)	
for Approval to Participate in a)	
Financing Arrangement)	
)	

PETITION

I. <u>INTRODUCTION</u>

Primus Telecommunications, Inc. ("PTI or "Petitioner"), by its undersigned counsel and pursuant to Section 65-4-109 of the Tennessee Code and other regulations deemed applicable, requests approval, to the extent that such is necessary, from the Tennessee Regulatory Authority ("TRA") to participate in a debt arrangement of up to \$275 million. Petitioner respectfully requests that the TRA approve this Petition expeditiously in order to grant the authority requested herein prior to, but no later than, December 3, 2009.

Specifically, Primus Telecommunications Holdings, Inc. ("PTHI"), the corporate parent of Petitioner proposes to issue secured notes ("Notes"). Petitioner will participate in this debt arrangement as a guarantor of these Notes and the Notes will be secured by liens on Petitioner's assets and a pledge of the capital stock of Petitioner held by its corporate parent.

In support Petitioner states:

II. <u>PETITIONER</u>

A. Primus Telecommunications, Inc.

PTI is a corporation organized pursuant to the laws of the State of Delaware. PTI maintains its principal offices at 7901 Jones Branch Drive, Suite 900, McLean, Virginia 22102.

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PTI is authorized to provide telecommunications services in 49 states and the District of Columbia pursuant to certification, registration or tariff requirements, or on a deregulated basis. PTI is also authorized by the Federal Communications Commission ("FCC") to provide interstate and international services as a non-dominant carrier.

In Tennessee, PTI is authorized to provide interexchange telecommunications services pursuant to Case No. 95-03981, issued on February 20, 1996. Information regarding PTI's legal, technical, managerial and financial qualifications have previously been submitted to the TRA and is therefore a matter of public record, and the Petitioner requests that it be incorporated herein by reference.

III. <u>DESIGNATED CONTACTS</u>

Inquiries or copies of any correspondence, orders, or other materials pertaining to this Petition should be directed to:

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2020 K Street, NW
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Tel: (202) 373-6000 Fax: (202) 373-6001

Email: catherine.wang@bingham.com Email: danielle.burt@bingham.com With copies to:

Tel: (703) 902-2800

Legal Department c/o John DePodesta Primus Telecommunications, Inc. 7901 Jones Branch Drive, Suite 900 McLean, Virginia 22102

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IV. <u>DESCRIPTION OF TRANSACTION</u>

Petitioner requests TRA approval to participate in a financing arrangement whereby Petitioner will act as a guarantor for up to \$275 million and secure the debt by liens on its assets. PTHI proposes to issue secured Notes in one or more rounds to raise up to \$275 million. The Notes have a term of seven years. The funds from the Notes will be used to replace and/or retire existing debt arrangements and for other general corporate purposes. Petitioner will act as a guarantor of the Notes and the Notes will be secured by liens on Petitioner's assets and a pledge of the capital stock of Petitioner held by its corporate parent.

Petitioner's participation in the financing arrangement will not result in a change in Petitioner's management or in its day-to-day operations; nor will it adversely affect Petitioner's operations in Tennessee. The financing arrangement will enable Petitioner to bring competitive services and allow more consumers to benefit from such competitive services more quickly and efficiently. Accordingly, and to the extent required, Petitioner requests that the TRA approve the participation of Petitioner in the financial arrangement described herein.

V. PUBLIC INTEREST CONSIDERATIONS

The proposed financing arrangement described herein is consistent with the public interest and will not impair the ability of Petitioner to perform services to the public. The financing arrangement will be entirely transparent to consumers and will not alter the rates, terms and conditions under which Petitioner provides service in Tennessee. Also, the financing arrangement will not cause a change in the control of Petitioner.

Approval of Petitioner's participation in the proposed financing arrangement will serve the public interest in promoting competition among telecommunications carriers by providing Petitioner with the opportunity to strengthen its financial position. Petitioner believes that the

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financial arrangement described herein provides important financial benefits to the companies by

reducing expenses from existing indebtedness that was previously secured by Petitioner. As a

result, the proposed transaction is expected to yield financial benefits that ultimately inure to the

benefit of Petitioner's customers, including Tennessee consumers. In sum, greater access to

capital strengthens Petitioner's ability to bring competitive telecommunications services to

consumers in the State of Tennessee and is, therefore, in the public interest.

VI. **CONCLUSION**

For the reasons stated above, Petitioner submits that the public interest, convenience and

necessity will be furthered by expeditious TRA approval of its participation in the financing

arrangement described herein.

Respectfully submitted,

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Dated: November 13, 2009

VERIFICATION

VERIFICATION

COMMONWEALTH OF VIRGINIA	§
COUNTY OF FAIRFAX	

I, Thomas R. Kloster, state that I am Chief Financial Officer of Primus

Telecommunications Group, Incorporated, the parent of Primus Telecommunications, Inc.; that I

am authorized to make this Verification on behalf of Primus Telecommunications Group,

Incorporated and its subsidiaries; that the foregoing filing was prepared under my direction and supervision; and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.

Name: Thomas R. Kloster Title: Chief Financial Officer

Primus Telecommunications Group, Incorporated

SWORN TO AND SUBSCRIBED before me on the 12th day of November, 2009.

Notary Public

My commission expires:

