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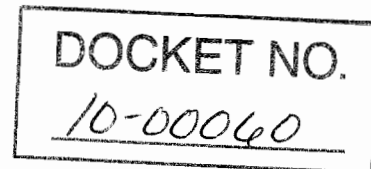
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April 9, 2010

Via Overnight Courier

Sharla Dillon, Docket Room Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243



Re: Joint Application of Comtel Telecom Assets LP, Matrix Telecom, Inc. and Americatel Corporation for Approval (1) of the Transfer of Customers from Comtel Telecom Assets LP to Matrix Telecom, Inc. and (2) for Matrix Telecom, Inc. and Americatel Corporation to Participate in Certain Financing Arrangements

Dear Ms. Dillon:

On behalf of Matrix Telecom, Inc. ("Matrix"), Americatel Corporation ("Americatel") and Comtel Telecom Assets LP ("Comtel" and collectively with Matrix and Americatel, "Applicants"), enclosed please find an original and thirteen (13) copies of the above-referenced Joint Application. 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 attached self-addressed, postage prepaid envelope provided. Should you have any questions, please do not hesitate to contact Jeff Strenkowski at (202) 373-6002.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "R. Blau". To the right of the signature, the letters "PTV" are handwritten.

Russell M. Blau
Tamar E. Finn
Jeffrey Strenkowski ✓

Counsel for the Applicants

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A/73337105.1

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Joint Application of	:	
	:	
Comtel Telecom Assets LP,	:	
Matrix Telecom, Inc.	:	
and	:	
Americatel Corporation	:	TRA Docket No.
	:	
for Approval (1) of the Transfer of Cus-	:	
tomers from Comtel Telecom Assets LP to	:	
Matrix Telecom, Inc. and (2) for Matrix	:	
Telecom, Inc. and Americatel Corporation	:	
to Participate in Certain Financing Ar-	:	
rangements	:	
	:	

**JOINT APPLICATION FOR APPROVAL OF
CUSTOMER BASE TRANSFER AND
PARTICIPATION IN FINANCING ARRANGEMENTS**

Comtel Telecom Assets LP (“Comtel”), Matrix Telecom, Inc. (“Matrix”) and Americatel Corporation (“Americatel,” and together with Comtel and Matrix, the “Applicants”), pursuant to Tenn. Code Ann. §§ 65-4-112 and 65-4-109 and Tenn. Comp. R. & Regs. 1220-4-2-.56(d), respectfully request that the Tennessee Regulatory Authority (“Authority”), to the extent required, grant approval for (1) Comtel to transfer its Tennessee customer base to Matrix (the “Transfer”), including pre-approval of the customer notice letter and (2) Matrix and Americatel to enter into certain financing arrangements (the “Financing”). As a result of the Transfer, Comtel’s current customers and the assets to support the provision of services to those customers will be transferred to Matrix, which will become the service provider for those customers. As described below, because the rates, terms or conditions of the services being received by customers will not change as a result of the assignment, the proposed Transfer will be virtually transparent to customers of Comtel in terms of the services that those customers receive. Since Matrix already holds a certificate of public convenience and necessity (“Certificate”), the Certificate of Comtel is not being transferred to Matrix and, therefore, requests that its Certifi-

cate and tariffs be cancelled upon notification by Applicants that the Transfer was completed. No assets or customers will be transferred to Americatel through the proposed transaction.

In support of this filing, Applicants provide the following information:

I. DESCRIPTION OF THE APPLICANTS

A. Comtel Telecom Assets LP

Comtel is a limited partnership organized under the laws of the State of Texas. The principal office for Comtel is located at 433 Las Colinas Blvd. E., Suite 1300, Irving, TX 75039. Comtel is majority owned by Comtel Assets Corp., which in turn is wholly owned by Denham Commodity Partners Fund III LP, a private equity fund.

Comtel completed the acquisition of substantially all of the assets of VarTec Telecom, Inc. and certain of its subsidiaries in June 2006 and continues to operate those assets. Comtel provides intrastate, interstate and international long distance services throughout the continental United States and local exchange services in the District of Columbia and all states except Alaska, Connecticut, Hawaii and Rhode Island. Comtel is authorized to provide interexchange telecommunications services in every state and local exchange and exchange access telecommunications services in the District of Columbia and every state except Alaska, Hawaii, and Virginia (in Virginia, Comtel's affiliate, Comtel Virginia LLC is authorized to provide telecommunications services). In Tennessee, Comtel is authorized to provide facilities-based and resold local exchange and interexchange telecommunications services pursuant to authority granted in Docket No. 05-00287 on April 19, 2006. Comtel is also authorized by the FCC to provide interstate and international telecommunications services.

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 telecommunications service in all 50 states and the District of Columbia. In Tennessee, Matrix is authorized to resell local telecommunications pursuant to authority granted in Docket No. 05-00083 on June 30, 2005. Matrix is also authorized to resell interexchange telecommunications service pursuant to authority granted in Docket No. 95-03125 on October 13, 1995. Matrix is also authorized by the FCC to provide interstate and international long distance services.

C. 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. Through common parent holding company ownership, Americatel and Matrix are affiliated service providers. In Tennessee, Americatel is authorized to operate as a reseller of telecommunications services pursuant to authority granted by in Case No. 98-00065, on February 2, 1999.

II. CONTACTS

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

For Applicants:

Russell M. Blau
Tamar E. Finn
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tamar.finn@bingham.com
jeffrey.strenkowski@bingham.com

With copies to:

Scott M. Klopach
General Counsel
Matrix Telecom, Inc.
7171 Forest Lane, Suite 700
Dallas, TX 75230
Fax: 214-432-1576
sklopach@matrixbt.com

and:

Jonathan Dennis
Senior Vice President, General
Counsel and Secretary
Comtel Assets Inc., the G.P. of
Comtel Telcom Assets LP
d/b/a Excel Telecommunications
433 E. Las Colinas Boulevard
Suite 1300
Irving, Texas 75039
Fax: 866-418-9749
jdennis@excel.com

III. DESCRIPTION OF TRANSFER OF ASSETS AND CUSTOMERS

Pursuant to an Asset Purchase Agreement (“Agreement”) dated as of March 13, 2010, between Matrix and Comtel, Applicants propose to complete a transaction (“Transaction”) through which Matrix will acquire certain assets of Comtel, including Comtel’s customer bases and substantially all of the assets used in Comtel’s provision of telecommunications services. As a result of the proposed Transaction, Matrix will replace Comtel as the service provider in

Tennessee. Subject to receipt of the required regulatory approvals, the Transaction is expected to close in the second quarter of this year (the "Closing Date").

Applicants emphasize that although the proposed Transaction will involve a transfer of customers, immediately following the proposed Transaction, all of those customers will continue to receive service from Matrix under the same rates, terms and conditions as the services currently provided, and under the same applicable brand name. As a result, the proposed Transaction will be almost seamless and virtually transparent to customers served by Comtel in terms of the services that they currently receive. All of the affected customers will receive notice at least 30 days prior to the anticipated closing date in compliance with Tenn. Comp. R. & Regs. 1220-4-2-.56(d) and § 64.1120(e) of the Federal Communications Commission's Rules.¹ A sample of the notice that will be sent to customers is provided as Exhibit A. Moreover, because Matrix is acquiring substantially all of the assets of Comtel necessary to provide service to the transferred customers, Matrix will have all of the assets required to continue to provide high-quality services to the customers it acquires.

Matrix is well-qualified to provide service to Comtel's customers. Matrix currently provides local and long distances telecommunications services in all states except Alaska, and in the District of Columbia.² Matrix's operations will be overseen by a well-qualified management team with substantial telecommunications experience and technical expertise.

IV. DESCRIPTION OF FINANCING ARRANGEMENT

In order to finance part of the consideration for the Transaction, the Applicants expect that Matrix will obtain seller financing from Comtel for which Americatel would act as a co-

¹ 47 C.F.R. § 64.1120(e).

² In Virginia, intrastate telecommunications services are provided by Matrix's subsidiary, Matrix Telecom of Virginia, Inc.

guarantor and pledge certain assets as security as described below. The financing is expected to consist of a secured promissory note in the initial principal amount of up to \$17 million (the “Seller Note”). The Seller Note would be subordinated only to Matrix’s and Americatel’s current senior lender under their existing credit facility (the “Senior Credit Facility”), which will remain in place.³ The Seller Note will be secured by a second priority lien on all collateral pledged under the Senior Credit Facility, which is substantially all of the assets of Matrix and Americatel. The Seller Note is expected to have a maturity of the earlier of (a) twenty-four (24) months from closing of the Transaction and (b) the payment in full, in cash, of the Senior Credit Facility. The interest rate is expected to be ten percent per year.

V. PUBLIC INTEREST CONSIDERATIONS

The proposed Transaction described above will serve the public interest by ensuring that the assigned customers enjoy continuity of high-quality telecommunications service. In particular, the assignment of Comtel’s customers, together with the transfer of other assets required to serve those customers, will ensure that the customers continue to receive uninterrupted interstate and international services. The customers will be served by carriers with significant technical, managerial and financial resources.

Given the increasingly complex and competitive nature of the telecommunications and capital markets and for other business reasons, Applicants seek to complete the proposed Transaction as soon as possible. Accordingly, Applicants respectfully request that the Authority process, consider, and approve this Application as expeditiously as possible.

³ Matrix and Americatel obtained approval for the Senior Credit Facility in Docket No. 07-00213 (Dec. 6, 2007).

VI. REQUEST TO CANCEL COMTEL CERTIFICATION AND ASSOCIATED TARIFFS

Following the Transaction, Matrix will hold Comtel's assets and assume Comtel's telecommunications operations in Tennessee. Therefore, Comtel requests that, upon notification from the Applicants that the Transaction has been completed, the Authority cancel Comtel's authority to provide telecommunications services.

VI. CONCLUSION

WHEREFORE, for the reasons set forth above, Applicants request the Authority grant all authority necessary for (1) Comtel to transfer substantially all of its assets and customers to Matrix, including pre-approval of its customer notice letter, and (2) Matrix and Americatel to enter into certain financing arrangements described herein. In addition, Comtel requests that, upon notification from the Applicants that the Transaction has been completed, the Authority cancel Comtel's authority to provide telecommunications services.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. Blau', with a small 'RTV' mark to the right.

Russell M. Blau
Tamar E. Finn
Jeffrey R. Strenkowski ✓
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Counsel for Applicants

Dated: April 9, 2010

EXHIBIT A

Sample Customer Notice

IMPORTANT INFORMATION ABOUT YOUR SERVICE

Dear Excel Telecommunications, VarTec Telecom or Clear Choice Communications Customer,

Excel Telecommunications, VarTec Telecom and Clear Choice Communications (the "Companies") and Matrix Telecom, Inc. ("Matrix") are pleased to advise you that Matrix will acquire certain assets and customers of Companies' telecommunications business in your area. Following completion of the transaction, the service you currently receive from Excel Telecommunications, VarTec Telecom or Clear Choice Communications will continue under their brand names, which were acquired by Matrix. Matrix prides itself on its ability to build long-term relationships with its customers and looks forward to serving you.

Subject to approval by the Federal Communications Commission and state regulators, the transaction is expected to be completed **on or after [DATE]**, at which time Matrix will assume ownership of the Excel Telecommunications, VarTec Telecom and Clear Choice Communications brands and will become your service provider as described above. **Please note that you are not required to do anything to continue receiving the high-quality service you have come to expect at the same competitive rates you currently pay, and your telephone number will not change as a result of the transfer.** In addition, Matrix will pay any carrier change charges associated with the transfer of your account to Matrix. If you have arranged a preferred carrier freeze through your local carrier with respect to any services involved in this transfer, this freeze will be removed in order to transition the services to Matrix; following the transfer, you must contact your local carrier or, if Excel Telecommunications or VarTec Telecom is your local carrier, Matrix to reinstate the freeze. Matrix will provide 30-days written notice of any rate increase that may affect your service up to 90 days from the date of the transfer. Notice of any future changes in rates, terms and conditions of service will be provided to you by mail or in your bill, or as otherwise provided in your service contract, if you have one.

Matrix is dedicated to earning and keeping your business. We are confident that this transaction will strengthen the quality of services that you receive from the Companies today. We recognize that you have the right to change providers at any time provided another service provider is available, and subject to the terms of your service contract, if you have one. We hope, however, that you choose to remain a customer with Matrix doing business as Excel Telecommunications, VarTec Telecom and Clear Choice Communications, and thereby continue to enjoy under Matrix the same high-quality communications services you currently receive from the Companies. If you do want to select another provider, you should contact that provider directly. Assuming you do not transfer your service to a different provider by [DATE], Matrix will become your service provider on or after [DATE].

Prior to and after the actual transfer date, Excel Telecommunications, VarTec Telecom or Clear Choice Communications will continue to be responsible for all customer service inquiries, complaints, billing issues and service questions, and you should contact the Companies' customer services representatives at the following numbers:

Excel Local: 1-877-668-0808

VarTec Local: 1-800-708-7395

Excel Long Distance: 1-800-875-9235

VarTec Long Distance: 1-800-583-6767

Clear Choice Support: 1-800-668-4872

Please continue to use these customer service contacts following the transfer.

Excel Telecommunications, VarTec Telecom and Clear Choice Communications thank you for your business and Matrix looks forward to providing you with superior products and services for many years to come.

Sincerely,

Excel Telecommunications
VarTec Telecom
Clear Choice Communications
Matrix Telecom, Inc.

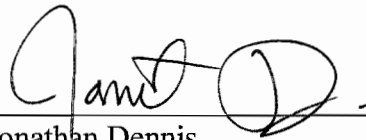
VERIFICATION

STATE OF TEXAS :

: SS.

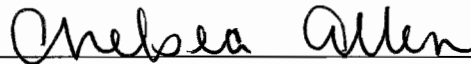
COUNTY OF DALLAS :

I, Jonathan Dennis, state that I am Senior Vice President, General Counsel, and Secretary of Comtel Assets Inc., sole general partner of Comtel Telcom Assets LP ("Comtel"), a party to the foregoing filing; that I am authorized to make this Verification on behalf of Comtel; that the foregoing filing was prepared under my direction and supervision; and that the statements in the foregoing document with respect to Comtel are true and correct to the best of my knowledge, information, and belief.



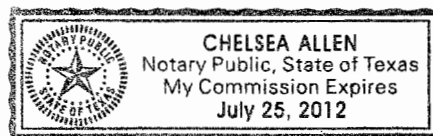
Jonathan Dennis
Senior Vice President, General Counsel, and
Secretary
Comtel Assets Inc., General Partner of
Comtel Telcom Assets LP

Sworn and subscribed before me this 18 day of March, 2010.



Notary Public


My commission expires: 7/25/2012



VERIFICATION

STATE OF TEXAS :
 :
 : SS.
COUNTY OF DALLAS :

I, Scott M. Klopach, state that I am General Counsel of Matrix Telecom, Inc. (“Matrix”), and Americatel Corporation (“Americatel”), parties to the foregoing filing; that I am authorized to make this Verification on behalf of Matrix and Americatel; that the foregoing filing was prepared under my direction and supervision; and that the statements in the foregoing document with respect to Matrix and Americatel are true and correct to the best of my knowledge, information, and belief.


Scott M. Klopach
General Counsel
Matrix Telecom, Inc.
Americatel Corporation

Sworn and subscribed before me this 22 day of March, 2010.

Christy Song
Notary Public

My commission expires:

