

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application ) Application No. C-3698  
of the Joint Petition of Matrix )  
Telecom, Inc., Dallas, Texas and )  
Americatel Corporation, Miami, ) APPROVED  
Florida, seeking approval of )  
Certain Debt Financing )  
Arrangements and a pro forma )  
transfer of control. ) Entered: October 31, 2006

BY THE COMMISSION:

On September 25, 2006, a joint application was filed by Matrix Telecom, Inc. ("Matrix"), Dallas, Texas, and Americatel Corporation ("Americatel"), Miami, Florida, (collectively "Applicants") seeking approval to participate in certain debt financing arrangements and a pro forma transfer of control. Notice of the application was published in The Daily Record, Omaha, Nebraska, on September 29, 2006. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

O P I N I O N   A N D   F I N D I N G S

Upon consideration of the application, the evidence submitted, and being fully advised, the Commission is of the opinion and finds:

Matrix is a Texas corporation with its principal office located in Dallas, Texas. Matrix is a non-facilities based reseller of local exchange and interexchange services in Nebraska. Matrix was issued Certificates of Public Convenience and Necessity in Application No. C-3397 on June 28, 2005 and in Application No. C-865 on February 19, 1991. Further, Matrix is authorized to provide facilities based and/or resold local exchange service and interexchange service across the United States. Matrix is a wholly owned subsidiary of Platinum Equity, LLC ("Platinum Equity"), a limited liability company headquartered in California.

Americatel is a Delaware corporation headquartered in Miami, Florida. Americatel provides international and domestic facilities-based and resold long distance services in the 48 contiguous states. In Nebraska, Americatel provides resold interexchange services pursuant to its Certificate of Public Convenience and Necessity issued in Application No. C-1719 on February 18, 1998. Americatel is 95% owned by Platinum Equity.

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

Application No. C-3698

Page 2

Matrix and Americatel seek approval and authority to implement certain debt financing arrangements payable at a term of more than one year, to pledge their assets as collateral for the debt, and to have their stock pledged as further collateral pursuant to Neb. Rev. Stat. § 75-148, which states in pertinent part,

A common carrier may issue stock, bonds, notes, or other evidence of indebtedness, payable at periods of more than twelve months after the date thereof, when necessary for the acquisition of property, the construction, completion, extension or improvement of facilities, the improvement or maintenance of its service, or the discharge or lawful refunding of its obligations if the common carrier first secures from the Commission an order authorizing such issue and the amount thereof and stating that in the opinion of the Commission the use of the capital to be secured by the issue of such stock, bonds, notes, or other evidence of indebtedness is reasonably required for the purposes of the carrier.

The Credit Agreement proposed by the Applicants is structured in two phases. During phase one, Applicants will be jointly and severally liable co-borrowers for a debt obligation of up to \$90 million. None of the Applicant's stock or assets are being used to secure the debt in the first phase and the first phase will only last a maximum of 364 days, or less than twelve months. In the second phase, Applicants will pledge all of their assets as collateral for the indebtedness and will have their stock pledged as further collateral. As jointly and severally liable, Matrix and Americatel share mutual and reciprocal obligations under the Credit Agreement and neither will be given any undue advantage over the other.

In preparation for phase two, and as required by the lender, PCRL III Investments L.P., EnergyTRACS Acquisition Corporation ("EnergyTRACS"), the immediate parent of the Applicants and the wholly owned subsidiary of Platinum Equity, will transfer the stock of the Applicants to MTAC Holding Corporation ("MTAC"). MTAC is a Delaware corporation and a newly-formed, wholly-owned subsidiary of EnergyTRACS. Ultimate

control of the Applicants will not change as a result of the pro forma corporate reorganization.

The Applicants plan to use the proceeds of the financing arrangement to introduce new services, expand into new markets and to refinance existing indebtedness. Applicants state that the public interest will be served by allowing the Applicants to better utilize their available funds and allow more consumers to benefit from competitive services more quickly and efficiently. Further, the arrangement and the benefits to the Applicants will promote competition among telecommunications carriers because Applicants will have the opportunity to strengthen their competitive position and have a greater ability to bring high-quality competitive telecommunications services to Nebraskans.

Based upon the above information, the Commission finds the application to be in the public interest and to be reasonably required for the purpose of Matrix Telecom, Inc. and Americatel Corporation. Therefore, the application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3698 be, and is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 31<sup>st</sup> day of October, 2006.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:



//s// Lowell C. Johnson

//s// Frank E. Landis



Chairman

ATTEST:



Executive Director