

**BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION**

<p>Application of) Startec Global Operating Company) For Approval of the Merger with Startec) Global Licensing Company and the Resulting) Transfer of Missouri Customer Assets;) Waiver of Commission Rule 4 CSR 240-33.150;) and to Cancel the Certificate of Service Authority) of Startec Global Licensing Company to) Provide Telecommunications Services in Missouri)</p>	Case No. TM-2007-0367
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APPLICATION

Startec Global Operating Company (“Startec” or “Applicant”) through undersigned counsel and pursuant to Section 392.300 RSMo and the Rules of the Missouri Public Service Commission (“Commission”) including 4 CSR 240-2.060 and 4 CSR 240-3.520 through 3.535, hereby requests Missouri Public Service Commission (“Commission”) authorization for the merger of Applicant and Startec Global Licensing Company (“SGLC”) and the resulting transfer of SGLC’s Missouri long distance customer base and associated customer account information (collectively, “Customer Assets”) to Startec. Applicant also requests a waiver of Commission Rule 4 CSR 240-33.150 requiring authorization and verification of changes in telecommunications providers.

In addition, Startec respectfully requests the cancellation of SGLC’s Certificate of Service Authority to provide interexchange telecommunications services in Missouri (the “Certificate”), which was granted in Case No. TA-99-226 (Order issued February 3, 1999, effective February 13, 1999).

This Application is made in connection with a separate application by Startec, filed contemporaneously herewith, requesting a Certificate of Service Authority to

provide intrastate interexchange telecommunications services, for competitive classification, and for approval of Startec's adoption of SGLC's approved tariffs and amendments on file with the Commission.

Applicant respectfully requests expedited treatment and consideration of this Application so that approval of this Application can be granted *no later than May 6, 2007* (effective *no later than May 16, 2007*). Therefore, Applicant is filing a Motion for Expedited Treatment with this Application.

A. Description

1. Startec Global Operating Company 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 subsidiary of Startec Global Communications Corporation ("SGCC"), a Delaware corporation whose principal business is telecommunications. Startec provides long distance, Internet, and other communications services in over 45 states and internationally. Startec provides its services primarily to customers who place a significant number of calls to international destinations. Startec's Certificate of Good Standing from the Missouri Secretary of State is provided in **Attachment A** to this Application.

2. Currently, SGCC is owned by Allied Capital Corporation (NYSE:ALD),¹ and NTFC Capital Corporation. NTFC Capital Corporation is, in turn, ultimately owned by General Electric Company (NYSE: GE).² SGCC and EnergyTRACS Acquisition Corp. ("EnergyTRACS") entered into an Agreement and Plan of Merger dated March 5, 2007

¹ Allied Capital Corporation is located at 1919 Pennsylvania Avenue, NW, Washington, D.C. 20006.

² General Electric Company is located at 3135 Easton Turnpike, Fairfield, CT 06431.

that will result in EnergyTRACS becoming affiliated with Startec. A notification concerning the resulting proposed transfer of control of Startec is being filed separately.

3. For the purposes of this Application, contacts for the Applicant are as follows:

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B. Background Information

4. The filing of this Application is one step arising out of (1) a *pro forma* corporate restructuring; and (2) the proposed transfer of control of Startec and SGCC as a result of the transaction with EnergyTRACS.

5. On December 27, 2006, SGLC, an entity that was also 100% owned by Startec's parent company, SGCC, and which held a Certificate of Service Authority granted by the Commission,³ was merged with and into Startec, with Startec surviving.⁴ As a result of the merger, Startec became the operating telecommunications service provider in Missouri (SGLC ceased to exist following the merger). All the telecommunications assets of SGLC were transferred to Startec as a result of the merger. Upon completion of this *pro forma* corporate restructuring, Startec also assumed the customers and operations of SGLC. The Certificate of Merger from the State of Delaware reflecting the changes effected by this *pro forma* restructuring is attached to this Application as **Attachment B**. A chart depicting the changes effected by this *pro forma* restructuring is attached to this Application as **Attachment C**.

6. On advice of its outside consultants, Startec characterized this transaction as a change in carrier name. The Applicants now understand that Commission approval was required for the merger between SGLC and Applicant, the transfer of Customer Assets, waiver of the Commission's anti-slamming rules, and relinquishment of SGLC's Certification. Therefore, Applicant has endeavored to file this Application as soon as possible after learning that Commission authorization is required for Startec to provide telecommunications services in Missouri. Startec regrets not realizing sooner that Missouri PSC approval was required for this transaction, and apologizes to the Commission for its oversight.

³ The Commission granted SGLC a Certificate to provide intrastate interexchange telecommunications services in Case No. TA-99-226 (Order issued February 3, 1999, effective February 13, 1999).

⁴ A copy of the Certificate of Merger is provided as Exhibit A.

7. Startec emphasizes that the *pro forma* restructuring has not resulted in confusion or inconvenience to its customers or any change in the services that they receive. The change was undertaken to streamline and eliminate inefficiencies from the business and administrative operations of SGLC and Startec. The transaction, which resulted in a change in the entity authorized to provide telecommunications service in Missouri, was strictly *pro forma* in nature and did not adversely affect the provision of telecommunications services in Missouri. There was no change in the ultimate ownership or control nor in the management or day-to-day operations in Missouri as a result of the restructuring. SGLC had officers and directors that were identical to those of Startec. Service is provided using the same network, billing systems and customer service operations used by SGLC. All of SGLC's employees continue to be employees of Startec, and thus, Startec's highly qualified management team will continue to manage the provision of service to customers.

8. To maintain the seamless transition that occurred as a result, Applicant seeks approval of the merger between Startec and SGLC and the resulting transfer of Customer Assets. Applicant further seeks a waiver of the Commission's rule requiring authorization and verification of changes in telecommunications providers, 4 CSR 240-33.150.

9. The services that the Missouri customers received from SGLC are provided by Startec under the same rates, terms, and conditions as provided by SGLC under SGLC's tariffs and amendments on file with the Commission. An application requesting Startec certification and adoption of SGLC's tariffs has been filed contemporaneously

herewith. As a result, the restructuring was virtually transparent to Missouri customers in terms of the rates and terms and conditions of service.

10. Startec hereby informs the Commission that SGLC had no outstanding obligations to any Missouri customers, in the form of deposits or pre-payments for services that have not been or will not be provided by Startec. Accordingly, the cancellation of SGLC's Certificate will be transparent to Missouri customers.

11. Grant of this Application will serve the public interest by enhancing competitive choices for Missouri consumers. The *pro forma* restructuring was undertaken to streamline and eliminate inefficiencies from the business and administrative operations of SGLC and Startec. For various important business and financial reasons, Applicants require that the Application be approved as quickly as possible in order to complete the anticipated transfer of control of Startec, which will provide further benefits to Startec. Startec anticipates that this transaction will allow Startec and its purchaser's affiliated telecommunications carriers to realize significant cost savings and operational benefits. Such savings may result from network integration, lower international termination costs as a result of larger traffic volumes, synergies from information systems integration, and other sources. These cost savings and benefits will cause Startec to become a stronger competitor in the marketplace and will allow it to continue to provide high quality and low cost telecommunications services to hundreds of Missouri residents. Moreover, the transaction will also put Startec in a better position to expand its service offerings, to the ultimate benefit of its customers. Delay in the regulatory approval process will prevent the parties from realizing these economic and operational benefits or delivering expanded customer services as quickly as the parties otherwise would.

12. Following the restructuring, SGLC's customers continue to receive services that are consistent with the quality of services provided by SGLC and which are supported by Startec's experienced and well-qualified management team. As a result, the restructuring was virtually transparent to Missouri customers in terms of the rates and terms and conditions of service that these customers receive. The public interest therefore will be served by approval of this Application.

13. In light of the fact that SGLC no longer provides telecommunications services to any consumers within Missouri and its corporate existence was terminated as a result of the *pro forma* restructuring, and the fact that SGLC had no outstanding obligations to any Missouri customers, the cancellation of SGLC's Certificate will not adversely affect the public interest of the State of Missouri.

14. Finally, expedited consideration of this Application will serve the public interest by permitting Applicants to more speedily bring about the competitive benefits that will inure from permitting Startec to strengthen its presence in the State of Missouri. Applicants therefore respectfully request that the Commission grant approval of this Application as soon as possible, but *no later than May 6, 2007 (effective no later than May 16, 2007)*.

WHEREFORE, Applicant respectfully requests that the Commission grant this Application and approve the merger of SGLC and Startec and the resulting transfer of Missouri Customer Assets to Startec, as described herein. Applicant also requests a waiver of Commission Rule 4 CSR 240-33.150, requiring authorization and verification of changes in telecommunications providers. In addition, Startec respectfully requests cancellation of SGLC's Missouri Certificate upon authorization for the transfer of customers to Startec and grant of Startec's certificate of service authority to provide interexchange telecommunications services in Missouri. Applicants further respectfully request that approval of this Application be granted on an expedited basis and *no later than May 6, 2007 (effective no later than May 16, 2007)*.

Respectfully submitted,

/s/ William D. Steinmeier

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Attorneys for Startec Global Operating
Company

Dated: March 29, 2007

Attachments

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document has been served electronically on the General Counsel's Office and the Office of the Public Counsel this 29th day of March 2007.

/s/ William D. Steinmeier

William D. Steinmeier

LIST OF ATTACHMENTS

Attachment A	Certificate of Good Standing (Missouri Secretary of State)
Attachment B	Certificate of Merger
Attachment C	<i>Pro Forma</i> Corporate Restructuring Structure Charts
Verification	

ATTACHMENT A

Certificate of Good Standing

Missouri Secretary of State

STATE OF MISSOURI



Robin Carnahan
Secretary of State

CORPORATION DIVISION
CERTIFICATE OF GOOD STANDING

I, ROBIN CARNAHAN, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

STARTEC GLOBAL OPERATING COMPANY

using in Missouri the name

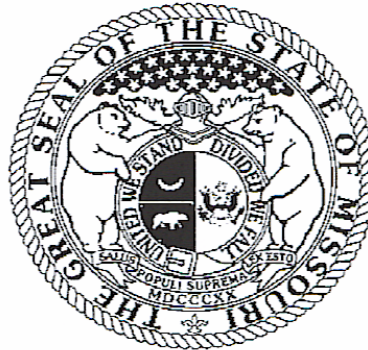
**STARTEC GLOBAL OPERATING COMPANY
F00458025**

a DELAWARE entity was created under the laws of this State on the 13th day of July, 1998, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 16th day of March, 2007

A handwritten signature in cursive script that reads "Robin Carnahan".

Secretary of State



Certification Number: 9526646-1 Reference:
Verify this certificate online at <http://www.sos.mo.gov/businessentity/verification>

ATTACHMENT B

Certificate of Merger

Corporate Gov.
Operating Mgmt

Delaware

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The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"STARTEC GLOBAL LICENSING COMPANY", A DELAWARE CORPORATION, WITH AND INTO "STARTEC GLOBAL OPERATING COMPANY" UNDER THE NAME OF "STARTEC GLOBAL OPERATING COMPANY", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE TWENTY-SEVENTH DAY OF DECEMBER, A.D. 2006, AT 3:10 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

2886470 8100M

061190831



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 5335904

DATE: 01-08-07

CERTIFICATE OF MERGER
OF
STARTEC GLOBAL LICENSING COMPANY
INTO
STARTEC GLOBAL OPERATING COMPANY

The undersigned corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,
DOES HEREBY CERTIFY:

FIRST: That the name and state of incorporation of each of the constituent corporations of the merger is as follows:

Name	State of Incorporation
Startec Global Operating Company	Delaware
Startec Global Licensing Company	Delaware

SECOND: That an Agreement of Merger between the parties to the merger has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with the requirements of Section 251 of the General Corporation Law of the State of Delaware.

THIRD: That the name of the surviving corporation of the merger is Startec Global Operating Company ("Startec Operating").


FOURTH: That the certificate of incorporation of Startec Operating, a Delaware corporation, the surviving corporation, shall be the certificate of incorporation of the surviving corporation.

FIFTH: That the executed agreement of merger is on file at the principal place of business of the surviving corporation. The address of the principal place of business of the surviving corporation is 7361 Calhoun Place, Rockville, MD 20855.

SIXTH: That a copy of the Agreement of Merger will be furnished by the surviving corporation, on request and without cost to any stockholder of any constituent corporation.

IN WITNESS WHEREOF, Startec Global Operating Company has caused the Certificate to be signed by Howard Kamerer, its authorized officer, this 19th day of December 2006.

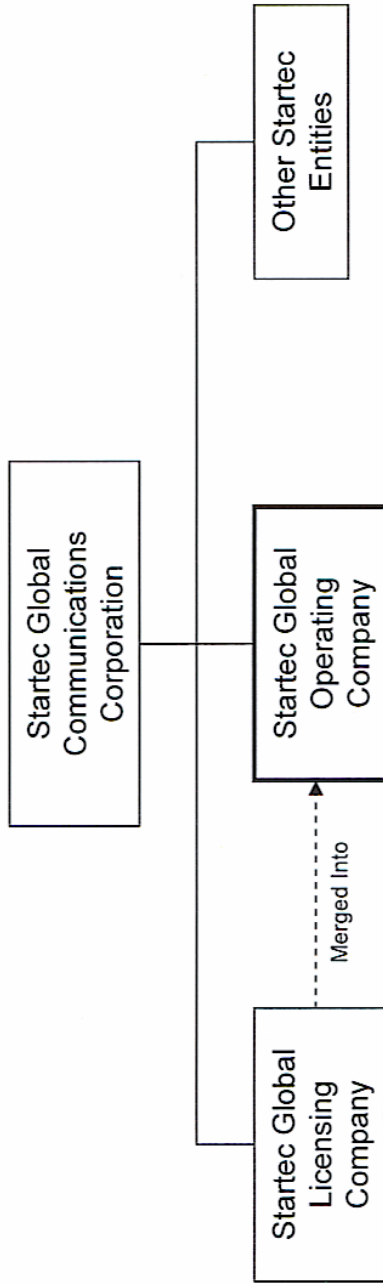
STARTEC GLOBAL OPERATING
COMPANY

By: 
Name: Howard Kamerer
Title: President

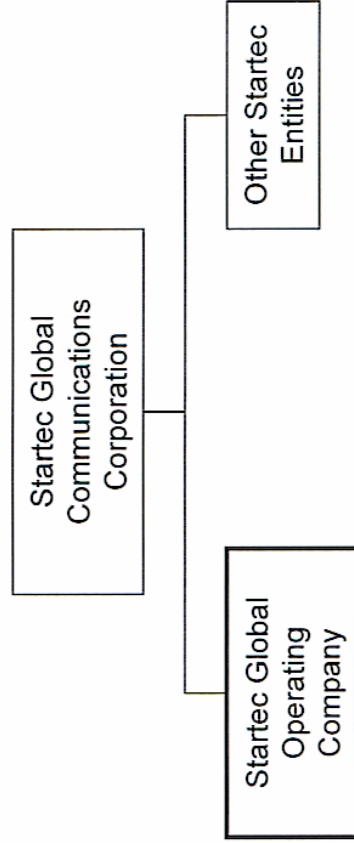
ATTACHMENT C

Pro Forma Corporate Restructuring Structure Charts

Pre-Pro Forma Restructuring of Startec



Post-Pro Forma Restructuring of Startec



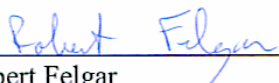
Verification

STATE OF MARYLAND
COUNTY OF MONTGOMERY

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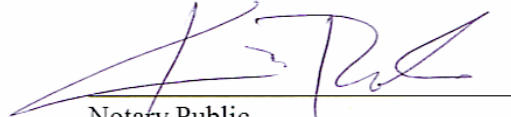
VERIFICATION

I, Robert Felgar, state that I am General Counsel and Secretary of Startec Global Operating Company; that I am authorized to make this Verification on behalf of Startec Global Operating Company; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



Robert Felgar
General Counsel & Secretary
Startec Global Operating Company

Sworn and subscribed before me this 23rd day of March, 2007.



Notary Public

My commission expires 6/18/07

MO