

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint) Application No. C-3783
Application of Startec Global)
Communications Corporation and)
Startec Global Operating) GRANTED
Company, Rockville, Maryland,)
seeking authority Nunc Pro)
Tunc for a Pro Forma Corporate)
Restructuring.)
) Entered: May 1, 2007

BY THE COMMISSION:

On March 23, 2007, an application was jointly filed by Startec Global Communications Corporation ("SGCC") of Rockville, Maryland, and Startec Global Operating Company, ("Startec") of Rockville, Maryland, (together "Applicants") seeking approval of a Nunc Pro Tunc pro forma corporate restructuring involving Startec Global Licensing Company ("SGLC"). Notice of the application was published in The Daily Record, Omaha, Nebraska, on March 28, 2007. 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

The Parties:

Startec is a Delaware corporation with its principal offices located in Rockville, Maryland. Startec provides long distance, Internet, and other communications services in over forty-five (45) states and internationally. Startec provides resold interexchange telecommunications services in the State of Nebraska under and by virtue of authority heretofore granted by this Commission¹. The Certificate was originally granted to SGLC, a wholly owned subsidiary of SGCC. SGCC is a Delaware corporation whose principal business is telecommunications. Startec is also a wholly owned subsidiary of SGCC.

¹See Application No. C-3258, *In the Matter of the Application of Startec Global Licensing Company, Potomac, Maryland, seeking a certificate of public convenience and necessity to transact the business of a reseller of interexchange telecommunication services and for approval of its initial tariff.*, Granted (November 3, 2004).

Description of the Restructuring:

The Applicants request approval *nunc pro tunc* of a pro forma restructuring completed on December 27, 2006 in which two wholly owned subsidiaries of SGCC, SGLC and Startec, merged, with Startec surviving. As a result of the merger, all telecommunications assets of SGLC, including its Certificate, were transferred to Startec. Startec assumed the customers and operations of SGLC. The Applicants state that the pro forma change was undertaken to streamline and eliminate inefficiencies from both the administrative and business operations of Startec and SGLC. After consummation of the transaction, Startec continues to provide telecommunication services in Nebraska pursuant to its telecommunications authorization with no change in rates, terms or conditions of service. There was no change in either the ultimate ownership or control of SGLC or in the management and day-to-day operations in Nebraska as a result of the transaction. Startec has the same officers and directors as SGLC and all SGLC's employees continue in the employ of Startec, including the management team.

The parties submit that the public interest is served because the transaction is intended to streamline and create more efficiency in Startec and SGLC. Further, the Applicants state that the transaction may allow Startec and its affiliated telecommunications carriers to realize significant cost savings and operational benefits. Such savings will most likely result from network integration, lower international termination costs as a result of larger traffic volumes, synergies from information systems integration, and other sources. The Applicants finally submit that the transaction will strengthen Startec's competitive position in the Nebraska marketplace and allow Startec to expand its service offerings to the benefit of Nebraska consumers.

Based on the evidence, we find the application to be fair and reasonable and in the public interest. The application should be granted.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3783 be, and it is hereby, approved.

MADE AND ENTERED at Lincoln, Nebraska, this 1st day of May, 2007.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director