BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Joint)	Application No. C-3794
Application of Trinsic)	
Communications, Inc., Touch 1)	
Communications, Inc., Tampa,)	
Florida, and any Successor in)	GRANTED
Interest, including a Chapter 7)	
Bankruptcy Trustee and Matrix)	
Telecom, Inc., Dallas, Texas,)	
seeking approval of a transfer)	
of assets.)	Entered: May 23, 2007

BY THE COMMISSION:

On April 10, 2007, an application was filed by Trinsic Communications, Inc. ("Trinsic Communications"), Touch 1 Communications, Inc. ("Touch 1"), of Tampa, Florida, and any other successor in interest of either, including a Chapter 7 bankruptcy trustee (collectively "Trinsic"), and Matrix Telecom, Inc. ("Matrix")(together with Trinsic, the "Applicants") seeking approval of a transfer of control of Trinsic's assets. Notice of the application was published in The Daily Record, Omaha, Nebraska, on April 12, 2007. No protests were filed; therefore, this application is processed pursuant to the Commission's Rule of Modified Procedure.

OPINION AND FINDINGS

The Parties:

Trinsic Communications is a Delaware corporation and Touch 1, an Alabama corporation are both wholly owned subsidiaries of Trinsic, Inc., a Delaware corporation founded in 1998 under the name Z-Tel Technologies, Inc. Trinsic provides circuit-switched local and long distance telecommunications services in 49 states and the District of Columbia. In Nebraska, Trinsic provides resold local exchange and interexchange telecommunications services under and by virtue of authority heretofore granted by this Commission. 1

¹ See Application No. C-2522, In the Matter of the Application of Z-Tel Communications, Inc., Tampa, Florida, seeking authority to provide facilities-based local exchange service within the state of Nebraska. Granted (August 7, 2001); Application No. C-2205, In the Matter of the Application of Z-Tel Communications, Inc. of Tampa, Florida, seeking authority to operate as a resale carrier of intrastate interLATA and intraLATA telecommunications services within the state of Nebraska. Granted (February 29, 2000); Touch 1 was granted authority to provide interexchange services in Nebraska in Application No. C-1104, Granted (September 8, 1994).

Matrix states that it is a corporation duly organized and existing under and by virtue of the laws of the state of Texas, with its principal place of business located in Dallas, Texas. Matrix is an indirect wholly owned subsidiary of Platinum Equity, LLC, a Delaware limited liability company headquartered in Beverly Hills, California. Matrix provides competitive integrated communications services, including local exchange and interexchange telecommunications services and data United States. Nebraska, throughout the In Matrix authorized to provide resold local exchange and interexchange services under and by virtue of authority heretofore granted by this Commission.²

Description of the Transaction:

According to the application, on March 21, 2007, Trinsic and Tide Acquisition Corporation ("Tide") entered into an Asset Purchase Agreement ("APA") in which Tide would acquire the assets of Trinsic used to provide telecommunications services as well as Trinsic's customer accounts, including Nebraska customer Tide subsequently assigned all its rights under the APA to Matrix. On Feburary 7, 2007, Trinsic and its affiliates filed a petition for Chapter 11 bankruptcy in the United States Bankruptcy Court for the Southern District of Alabama. bankruptcy proceedings, Trinsic determined reorganization of the business was not possible. Tide, a newly formed subsidiary of Platinum Equity, LLC, was the winning bidder at the auction conducted under the supervision of the Bankruptcy Court. Tide subsequently entered into the APA with Trinsic as described above. The sale under the APA was approved by the Bankruptcy Court.

The Applicants anticipate a seamless transition and the transaction will be transparent to Trinsic's customers. The transaction will cause no interruption of service and no existing service will be discontinued, reduced, or impaired as a result of the sale of assets. The Applicants further state that the transaction will not affect the rates, terms or conditions of any service currently being provided by Trinsic to customers in Nebraska. Finally, Matrix will continue to provide services to Trinsic customers using the Trinsic names.

² See Application No. C-3397, In the Matter of the Application of Matrix Telecom, Inc., Oklahoma City, Oklahoma, seeking a Certificate of Public Convenience and Necessity to Operate as a Reseller of Local Exchange Telecommunications Services within the state of Nebraska. Granted (June 28, 2005).

The Applicants state that the transaction is in the public interest because the sale of Trinsic's assets to Matrix will ensure that Trinsic's customers continue to receive quality telecommunications services without interruption or disruption, since Trinsic is in liquidation, and can no longer provide service to its customers. Further, the Applicants state the transaction will strengthen competition in Nebraska by expanding Matrix's presence in Nebraska allowing them to better achieve economies of scale and scope, allowing Matrix to offer lower prices, maintain and improve service quality, and launch new Finally, the Applicants hold that the sale will ensure that the benefits Trinsic's customers currently receive will remain available to them and may become available to Matrix's customers as well. Matrix has agreed to send written notice to each customer affected by the transaction. Applicants provided a draft of the letter they propose to send with their Application. The information provided to customers will assure customers that their telephone service will continue uninterrupted during the transition of control. the telephone numbers for customer service assistance will be provided to all customers for questions and concerns.

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

ORDER

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that Application No. C-3794 be, and it is hereby, granted.

MADE AND ENTERED at Lincoln, Nebraska, this 23rd day of May, 2007.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director