



State of Utah  
Department of Commerce  
Division of Public Utilities

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PHILIP J. POWLICK  
*Director, Division of Public Utilities*

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**MEMORANDUM**

**To:** Public Service Commission

**From:** Division of Public Utilities  
Philip Powlick, Director  
Bill Duncan, Telecommunications / Water Manager  
Ron Slusher, Utility Technical Consultant

**Date:** May 06, 2010

**Re:** In the Matter of the Joint Application of Comtel Telecom Assets, LP and Matrix Telecom, Inc. for Waiver of Utah Code Ann. § 54-8b-18 and Commission Rule R746-349-5. Docket No. 10-2452-01.

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**RECOMMENDATION (Approve):**

The Division has reviewed the joint application submitted by Comtel Telecom Assets, LP (“Comtel”) and Matrix Telecom, Inc. (“Matrix”) and believes that the public interest will be promoted by allowing this transfer of customers from Comtel to Matrix.

In their joint application Comtel Telecom has requested that their CPCN certification be cancelled upon approval of the Transfer of Control to Matrix Telecom. At this time the Division sees no reason to deny this request.

**EXPLANATION:**

On April 12, 2010, Comtel and Matrix filed a joint application for the transfer of customers from Comtel to Matrix. The Division reviewed the application and found the following:

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 completed the acquisition of substantially all of the assets of VarTec Telecom, Inc., Excel Telecommunications, and Clear Choice Communications 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 Utah, Comtel is authorized to provide public telecommunications services within the state of Utah, excluding those local exchanges of less than 5,000 access lines of incumbent telephone corporation with fewer than 30,000 access lines in the state, pursuant to a Certificate issued in Docket No. 05-2463-01 on January 27, 2006.

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 Utah, Matrix is authorized to provide public telecommunications services within the state of Utah, excluding those local exchanges of less than 5,000 access lines of incumbent telephone corporation with fewer than 30,000 access lines in the state, pursuant to an order issued on December 15, 2005 in Docket No. 05-2452-01. Matrix is also authorized by the FCC to provide interstate and international long distance services.

The applicants submit that the transaction described herein will serve the public interest and that the proposed transaction will provide Comtel's customers a 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.

The companies are asking that the application be approved on or before June 20, 2010 so they can start providing service under this request as soon as possible. With the following transaction Matrix will hold the assets of Comtel and assume all the telecommunications operations in Utah. With that, Comtel requests that their CPCN be cancelled when this application has been granted.

Matrix states that there will no change in the rates to customers and that the transfer of control will be transparent to them. They also state that they will adopt the tariff and price list that Comtel currently has in place. The companies have drafted a letter which they will send out to the customers once the transfer has been approved (see attached). Matrix also informs the customers in this letter that they may choose another local and/or long distance carrier either before or after the transfer. The Division believes that having choice in providers offers the consumer adequate protection, and therefore recommends approval of the application.

cc: Russell M. Blau, Counsel for Applicants, Bingham McCutchen LLP.  
Tamar E. Finn, Counsel for Applicants, Bingham McCutchen LLP.  
Brett P. Ferenczak, Counsel for Applicants, Bingham McCutchen LLP.  
Scott M. Klopach, General Counsel, Matrix Telecom, Inc.  
Jonathan Dennis, Senior VP – General Counsel, Comtel Telecom Assets, LP  
Michael Ginsberg, Assistant Attorney General, State of Utah