

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Joint Application of)
Comtel Telcom Assets, LP and Matrix) DOCKET NO. 10-2452-01
Telecom, Inc. for Waiver of Utah Code Ann. §)
54-8b-18 and Commission Rule R746-349-5) REPORT AND ORDER

ISSUED: May 20, 2010

By The Commission:

This matter is before the Commission on the verified Joint Application of Comtel Telcom Assets, LP and Matrix Telecom, Inc. for Waiver of Utah Code Ann. § 54-8b-18 and Utah Admin. Rule 746-349-5 (Application). The application was filed on April 13, 2010. The applicants request that this matter be converted to an informal proceeding, that the waiver be granted no later than June 20, 2010, that the 20-day tentative period of R746-110-2 be waived.

Comtel is a limited partnership organized under the laws of the state of Texas and is headquartered in Texas. Comtel provides intrastate, interstate and international long distance service throughout much of the United States. In Utah, it provides public telecommunications services in all of Utah, excluding those local exchanges of less than 5,000 access lines of incumbent telephone corporation with less than 30,000 access lines. It was granted a certificate in Docket No. 05-2436-01 on January 27, 2006. It provides interstate and international telecommunications services pursuant to authority of the FCC.

Matrix is a Texas corporation headquartered in Texas. It provides integrated communications services including 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 mainly to enterprise customers. It is authorized to provide service nationwide. It is

authorized to provide local exchange services in Utah pursuant to a certificate granted on November 18, 2005 in Docket No. 05-2451-01. It provides interstate and international telecommunications services pursuant to authority of the FCC.

Pursuant to an asset purchase agreement dated March 13, 2010 between the joint applicants, Matrix will acquire assets of Comtel, including its customer bases and substantially all of the assets Comtel uses to provide telecommunications services. Matrix will replace Comtel as the service provider in Utah. Although the customers will transfer from Comtel to Matrix, the customers will receive service under the same rates, terms, and conditions as the services currently provided. Matrix will adopt the tariff and price list Comtel currently uses. The applicants state that the transaction will be almost seamless and practically transparent to the customers. The customers will additionally receive notice of the transfer and the applicants provided a sample of that notice of transfer with the application. The letter provides customers notice that they may choose another local and/or long distance carrier, before or after the transfer.

Matrix is acquiring almost all of Comtel's assets, required to provide service to transferred customers. Therefore it will continue to have the assets required to provide high-quality services to Comtel's former customers. Matrix current management team is experienced in providing services to its own customers, and has substantial telecommunications experience and technical expertise.

The applicants affirm the transaction will serve the public interest as follows:

The proposed Transaction described above will serve the public interest by ensuring that the assigned customers enjoy 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.

Joint Application, p. 5.

The applicants request the Commission waive the provisions of Utah Code § 54-8b-18 (unauthorized change of telecommunications provider, procedures for verification, penalties, etc.), Commission Rule 746-349-5 (change of service provider), and waive the 20-day tentative period of R746-110-2 so the transaction can occur. The Commission finds the waiver of the provisions of the statute and two rules cited is in the public interest, as it will allow the transaction to proceed efficiently, timely, and allow the transfer of customers and service to occur as seamlessly as possible. The applicants have shown good cause for waiving the 20-day tentative period.

They also request the Commission cancel Comtel's certificate once they give the Commission notice that the transaction has been completed.

This matter can be reasonably expected to be unopposed and uncontested. There was no opposition to the application.

The Division of Public Utilities (Division) submitted their recommendation on May 6, 2010 recommending approval of the joint application's request. They also found the transaction is in the public interest.

ORDER

For the foregoing reasons, the following is the order of the Commission:

1. This matter is converted to an informal matter;
2. Utah Code § 54-8b-18 is waived as is Utah Admin. Rule 746-349-5;
3. The 20-day tentative period of R746-110-2 is waived and this order shall constitute a final order;
4. Once the transaction is completed, either of the applicants shall notify the Commission of the consummation of the transaction, and notify the Commission that Comtel's certificate may be cancelled;
5. Pursuant to Sections 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of Sections 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

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DATED at Salt Lake City, Utah, this 20th day of May, 2010

/s/ Ruben H. Arredondo
Administrative Law Judge

Approved and confirmed this 20th day of May, as the Report and Order of the
Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#66820