



State of Utah  
Department of Commerce  
Division of Public Utilities

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**MEMORANDUM**

**To:** Public Service Commission

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

**Date:** March 18, 2013

**Re:** In the Matter of the Joint Application of Application AmericaTel Corporation, Matrix Telecom, Inc., and Impact Telecom, Inc. for Approval of the Transfer of Control of AmericaTel Corporation and Matrix Telecom, Inc. to Impact Telecom, Inc. Docket Number 13-2452-01 and 13-2474-01.

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**RECOMMENDATION (Approve):**

The Division has reviewed the joint application between Impact Telecom, Inc., AmericaTel Corporation and Matrix Telecom, Inc. and believes that the transfer of control is in the public interest. As a result of the acquisition, the Companies should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

**EXPLANATION:**

On or about February 26, 2013, Impact Telecom, Inc. (“Impact”) and AmericaTel Corporation (“AmericaTel”) and Matrix Telecom, Inc. (“Matrix”)(together the “Applicants”) notified the Commission of a transaction, which will result in a transfer of control of AmericaTel and Matrix to Impact.

Impact Telecom, Inc. is a Nevada corporation with principal offices located at 9250 East Costilla Ave., Suite 400, Greenwood Village, Colorado 80112. In Utah, Impact is authorized to provide resold local exchange and resold intrastate interexchange telecommunications services pursuant to a Certificate of Public Convenience and Necessity issued by the Commission in Docket No. 06-2474-01 on February 8, 2007. Impact also holds FCC authority to provide interstate and international telecommunications services.

AmericaTel Corporation is a Delaware corporation with principal offices located at 433 E. Las Colinas Blvd, Suite 400, Irving, Texas 75039 and is a subsidiary of MTAC Holding Corporation. In Utah, AmericaTel is authorized to provide interexchange and wireless resale telecommunications services. AmericaTel also holds Federal Communications Commission authority to provide interstate and international telecommunications services.

Matrix Telecom, Inc., is a Texas corporation with principal offices located at 433 E. Las Colinas Blvd, Suite 400, Irving, Texas 75039 and is a subsidiary of MTAC Holding Corporation. In Utah, Matrix is authorized to provide local exchange telecommunications services pursuant to an order issued on November 18, 2005 in Docket No. 05-2451-01. Matrix also holds FCC authority to provide interstate and international telecommunications services.

On February 15, 2013, Impact entered into an agreement whereby Impact will purchase stock in MTAC Holding Corporation (“MTAC”) that will give them control in MTAC, the parent company of AmericaTel and Matrix. As a result of this purchase AmericaTel and Matrix will become indirect subsidiaries of Impact.

The Applicants submit that the transaction described herein will serve the public interest. The Applicants expect that the merger will enable the combined entities to better meet the needs of enterprises, wholesale buyers, and other customers. The transaction will bring together two successful carrier organizations that have proven themselves in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization’s respective strengths. Operating as an integrated company will allow each of the operating companies to be more competitive and to deliver greater value and variety of services to their customers than they do individually.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent their customers. The proposed transaction will not involve a change in any of the Applicants operating authority in Utah and that AmericaTel and Matrix will continue to provide service to its customers under the same names. The Applicants also state that customers will continue to receive service under the same rates, terms and conditions of service as they do today.

The Division has reviewed the joint application between Impact Telecom, Inc., AmericaTel Corporation and Matrix Telecom, Inc. and believes that the transfer of control is in the public interest. As a result of the acquisition, the Companies should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

Cc. Judith A. Riley, Regulatory Counsel, Impact Telecom, Inc.  
Aurora Ares, Assistant General Counsel, AmericaTel Corporation and Matrix Telecom, Inc.  
Justin Jetter, Assistant Attorney General, State of Utah  
Patricia Schmid, Assistant Attorney General, State of Utah