

DISCUSSION, FINDINGS, AND CONCLUSIONS

Trinsic, formerly known as Z-Tel Communications, Inc., received its Certificate of Public Convenience and Necessity (“CPCN”) in Docket No. 98-2257-01 on January 11, 1999. Matrix received its CPCN in Docket No. 05-2452-01 on December 15, 2005. Touch 1 is an interexchange carrier only and, therefore, does not require a CPCN.

On February 7, 2007, Trinsic and its affiliates filed a petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Alabama. Trinsic ultimately determined that successful business reorganization would not be possible and, following a Court-supervised auction, on March 21, 2007, Trinsic and Tide Acquisition Corporation (“Tide”) entered into an asset purchase agreement (“APA”) under which Tide would acquire the assets of Trinsic used to provide telecommunications services, as well as Trinsic’s customer accounts across the nation, including Utah. Tide subsequently assigned its rights under the APA to Matrix. The APA requires the sale to be complete on or before June 4, 2007, and this date has been approved by the Bankruptcy Court.

To accomplish this sale, the Applicants further request that the Commission grant a waiver of the Commission’s regulations governing the changes to a customer’s telecommunications provider in *Utah Code Annotated* § 54-8b-18 to the extent that those rules are inconsistent with the FCC’s rules governing the sale of a carrier’s customer base in 47 C.F.R. § 64.1120(e). The Applicants state that they will comply with the FCC’s notice and certification requirements applicable to transfers of carrier customer bases. This FCC rule ensures that all

customers receive advance notice of the planned transfer and any potential impact on their telecommunications services. In addition, Matrix will comply with any notice requirements contained in Trinsic's contracts with its customers.

Applicants assert that the proposed transaction will cause no interruption in service to customers, nor will any existing service be discontinued, reduced, or impaired as an immediate result of the sale of these assets. Furthermore, this transaction will have no immediate impact on the rates for any services Trinsic currently provides to any customer. The transaction, therefore, will be seamless and transparent to consumers in Utah.

The Division concludes the transfer of control is in the public interest and recommends the Commission approve it expeditiously so that the transaction may be consummated before June 4, 2007, pursuant to the Bankruptcy Court's order. The Division also recommends the Commission grant a waiver governing the changes to a customer's telecommunications provider so that customers may be transferred smoothly from Trinsic to Matrix.

Utah Administrative Code Rule 746-110-1, authorizes the Commission to adjudicate a matter informally under *Utah Code Ann.* § 63-46b-5 when the Commission "determines that the matter can reasonably be expected to be unopposed and uncontested." We note that in the weeks since filing of the Application no party has sought intervention in this matter. We therefore view this matter as unopposed and uncontested and conclude it is in the public interest to proceed informally without hearing. Pursuant to Rule 746-110-2, we conclude

good cause exists to waive the 20-day tentative period for an order issued in an informally adjudicated proceeding. Accordingly, this order will become effective on the date of issuance.

Based upon the evidence submitted by Applicants, as well as the Division's recommendation, and pursuant to *Utah Code Ann.* §§ 54-4-30, we find and conclude that the proposed transfer of control will not harm and can provide benefits to the State of Utah, its citizens, or to Applicants' Utah customers and is in the public interest. We further find and conclude that in order to facilitate the proposed transfer of control by the June 4, 2007, deadline, waiver of the requirements of UCA § 54-8b-18 is reasonable to the extent said requirements conflict with the relevant rules of the Federal Communications Commission, so long as Applicants abide by the requirements of 47 C.F.R. § 64.1120(e).

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. This matter be, and it is, converted to an informal proceeding pursuant to §63-46b-4(3), UCA 1953, as amended.
2. The proposed transfer of control of the assets of Trinsic Communications, Inc., is approved.
3. The requirements of *Utah Code Annotated* § 54-8b-18 are hereby waived, provided Trinsic Communications, Inc., and Matrix Telecom, Inc., abide by the customer the requirements of 47 C.F.R. § 64.1120(e).
4. The approval granted herein is effective as of the date of this Order.

DOCKET NO. 07-2452-01

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Pursuant to Utah Code §§63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the effective date of the 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 fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, 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 Utah Code §§63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 8th day of May, 2007.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#53286