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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  P.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE** |

August 23, 2013

A-2013-2368611

Michael Gruin

STEVENS & LEE, PC

17 North Second Street, 16th Floor

Harrisburg, PA 17101

Re: Joint Application of Primus Telecommunications, Inc. and PTUS, Inc. for approval of the transfer of control of Primus Telecommunications, Inc. to PTUS, Inc.

Dear Mr. Gruin:

On June 7, 2013, Primus Telecommunications, Inc. (Primus) and PTUS, Inc. (“PTUS” and together with Primus “Joint Applicants”) filed a joint application pursuant to Chapter 11 of the Pennsylvania Public Utility Code at 66 Pa. C.S. §§ 1102(a), the Commission’s Policy Statement under 52 Pa. Code § 69.901 and Commission regulations at 52 Pa. Code §§ 63.321-63.325, seeking approval of the transfer of control of Primus to PTUS, a company newly formed for the purposes of completing this transaction.

Pursuant to 52 Pa. Code § 5.14, relating to applications requiring notice, a notice of the application for merger was published on June 29, 2013, in Volume 43 of the *Pennsylvania Bulletin* (43 *Pa.B.* 3650), with a protest period ending July 15, 2013. Additionally, copies of the application were served upon the Bureau of Investigation and Enforcement, Office of Small Business Advocate and the Office of Consumer Advocate. Further notice was not required and no protests or comments have been received.

Primus, a Delaware corporation with principal offices at 460 Herndon Parkway, Suite 150, Herndon, VA 20170, is a wholly owned subsidiary of Primus Telecommunications Holdings, Inc. (Holdings), which in turn is a wholly owned subsidiary of Primus Telecommunications Group, Inc. (PTGI). In Pennsylvania, Primus is authorized to provide telecommunications services as an IXC reseller and as a CLEC pursuant to Certificates of Public Convenience issued by the Commission on April 13, 1995 (Docket No. A‑310269) and June 6, 2000 (Docket No. A‑310269F0004), respectively.

PTUS is a newly formed Delaware corporation created for the purposes of this transaction with offices located at 805 Wright Brothers Blvd., Suite 101, Cedar Rapids, Iowa 52404. PTUS is wholly owned by York Capital Management, a private investment firm who manages over $15 billion in investments in private companies, publicly traded debt, and equity securities throughout the world.

On May 10, 2013, PTUS, PTGI, and some of their respective subsidiaries entered into an Equity Purchase Agreement whereby PTUS will acquire all of the stock of Primus from PTGI’s wholly owned subsidiary Holdings. The completion of the stock sale is conditioned upon obtaining the necessary federal and state regulatory approvals, hence the Joint Applicants seeking Commission authorization for the transfer of control of Primus to PTUS. The Joint Applicants state that the transaction will not result in any changes to the day-to-day operations of Primus, nor will it adversely affect Primus’s current operations in Pennsylvania.

The Joint Applicants submit that the transfer of control is in the public interest. Because the transaction will occur at the holding company level, the transaction will be transparent to the current customers. That is, Primus will continue to provide high quality telecommunication services without interruption and customers will continue to receive service under the same rates, terms and conditions as they do today.

The Joint Applicants aver that they do not have eligible telecommunications carrier status under Federal or State law, are not subject to any broadband deployment commitment under Federal or State law, and the proposed transaction complies with the prohibition against cross-subsidization imposed under Federal and State law.

As required by Section 63.324(k)(1) of our rules, the Commission finds that the record sufficiently supports the Joint Applicants’ claim that the proposed transfer of control, whereby the ownership of Primus is being obtained in full by PTUS, will benefit customers by strengthening the Joint Applicants’ competitive position in Pennsylvania. Furthermore, we conclude that the record provides substantial evidence of affirmative public benefits sufficient to warrant approval of the proposed transaction under *City of York v. Pennsylvania Public Utility Commission*, 295 A.2d 825 (Pa. 1972) and *Irwin A. Popowsky v.* *Pa. PUC,* 937 A.2d 1040 (Pa. 2007).

The Commission finds that the transaction is necessary for the service, accommodation, convenience, or safety of the public and the Commission will issue a certificate of public convenience authorizing this transaction as required by 66 Pa.C.S. §§ 1102(a) and 1103 and 52 Pa. Code § 63.324(k)(2).

Finally, based upon the information provided in the joint application, the Commission finds that the transaction does not harm competition. Consequently, the Commission’s approval will enhance the Joint Applicants’ ability to compete in Pennsylvania without harm to consumers or Pennsylvania markets as required by Section 63.324(k)(3) of our rules.

The Commission has determined that Primus is current with its annual financial and Security Planning and Readiness Self Certification Form report filing requirements, and there are no outstanding Commission fines or assessments against them.

In summary, we find that the application should be approved as a General Rule transaction under Section 63.324 of the Commission’s rules as requested, and, that a certificate of public convenience be issued to Primus Telecommunications, Inc. evidencing our approval of the proposed transfer of control of Primus Telecommunications, Inc. to PTUS, Inc.

Therefore, the Commission directs Primus Telecommunications, Inc. to file notice with this Commission within 30 days of the transfer of control of Primus Telecommunications, Inc. to PTUS, Inc. If Primus Telecommunications, Inc. determines that the proposed transaction will not take place, Primus Telecommunications, Inc. shall promptly so notify this Commission.



BY THE COMMISSION,

Rosemary Chiavetta

Secretary

cc: Catherine Wang, Esquire

Danielle Burt, Esquire

Tom Davidson, Esquire

Richard Ramlall, Primus Telecommunications, Inc.

Joshua Ratner, PTUS, Inc.