

# BINGHAM

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November 28, 2007

### Via FedEx and E-mail

Carole J. Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive, S.W.  
Olympia, WA 98504  
records@wutc.wa.gov

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OF THE STATE OF WASHINGTON  
COMMUNICATIONS SECTION

### Re: Notification of Primus Telecommunications, Inc. and Least Cost Routing, Inc. of an Internal Reorganization

Dear Ms. Washburn:

Primus Telecommunications, Inc. ("PTI") and Least Cost Routing, Inc. ("LCR," together the "Parties"), through undersigned counsel, hereby notify the Commission of a proposed internal reorganization whereby LCR, an interexchange carrier and affiliate of PTI, will merge with and into PTI, with PTI surviving. Following the reorganization, LCR will cease to exist and PTI will assume LCR's operations. The Parties emphasize that the proposed reorganization involves no change in the ultimate ownership or control of PTI's operations. In addition, LCR's customers will continue to receive the same services that they currently receive without any immediate changes to the service offerings, rates, or terms and conditions.

In support, the Parties submit the following information:

### I. Description of the Parties

#### A. **Primus Telecommunications, Inc.**

PTI is a corporation organized pursuant to the laws of the State of Delaware and maintains its principal offices at 7901 Jones Branch Drive, Suite 900, McLean, Virginia 22102. PTI is a wholly owned subsidiary of Primus Telecommunications Holdings, Inc. ("PTHI") which in turn is a wholly owned subsidiary of Primus Telecommunications Group, Incorporated ("PTGI"), a Delaware Corporation that is publicly traded over the counter under the symbol "OTCBB:PRTL." Neither PTHI nor PTGI hold any regulatory license from this or any other regulatory commission.

PTI is authorized to provide interexchange telecommunications services in 50 states and the District of Columbia pursuant to certification, registration or tariff requirements, or on

- Boston
- Hartford
- Hong Kong
- London
- Los Angeles
- New York
- Orange County
- San Francisco
- Santa Monica
- Silicon Valley
- Tokyo
- Walnut Creek
- Washington

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Carole J. Washburn, Executive Secretary  
November 28, 2007  
Page 2

a deregulated basis. In addition, PTI holds competitive local exchange carrier authority in 8 states and the Commonwealth of Puerto Rico. PTI is also authorized by the Federal Communications Commission ("FCC") to provide interstate and international services as a non-dominant carrier.

In Washington, PTI is authorized to provide interexchange telecommunications services pursuant to Docket No. UT-951213, issued on November 8, 1995. Information regarding PTI's legal, technical, managerial and financial qualifications have previously been submitted to the Commission and is therefore a matter of public record, and the Parties request that it be incorporated herein by reference.

#### **B. Least Cost Routing, Inc.**

LCR is a Florida corporation that maintains its principal offices at 7901 Jones Branch Drive, Suite 900, McLean, Virginia 22102. LCR is authorized to provide interexchange services in numerous states throughout the continental United States and is authorized by the FCC to provide interstate and international services as a nondominant carrier. LCR is a wholly owned subsidiary of TresCom International, Inc., a Florida corporation with the sole purpose of serving as a telecommunications holding company ("TresCom"). TresCom, in turn, is wholly owned by PTHI.

In Washington, LCR is authorized to provide competitive interexchange telecommunications services pursuant to Docket Nos. UT-951208 and UT-951209, issued on November 8, 1995 and September 4, 1996 respectively. Further information regarding LCR and the services it provides has previously been submitted to the Commission and is therefore a matter of public record, and the Parties request that it be incorporated herein by reference.

#### **II. Designated Contacts**

The designated contacts for questions concerning this filing are:

Catherine Wang  
Danielle Burt  
Bingham McCutchen LLP  
2020 K Street, NW  
Washington, D.C. 20006  
Tel.: (202) 373-6000  
Fax: (202) 373-6001  
Email: catherine.wang@bingham.com  
danielle.burt@bingham.com

with a copy to:

Kathleen Kerr Lawrence  
Assistant General Counsel

Carole J. Washburn, Executive Secretary  
November 28, 2007  
Page 3

Primus Telecommunications, Inc.  
7901 Jones Branch Drive, Suite 900  
McLean, VA 22102  
Tel.: (703) 394-4503  
Fax: (703) 902-2814  
Email: klawrence@primustel.com

### **III. Description of the Proposed Transaction**

For internal corporate reasons, PTI and LCR have determined that the proposed reorganization will improve the operational efficiency of the companies. The consolidation of the Parties' technical and managerial resources will enable PTI to reduce its operating expenses and realize operational and management efficiencies and other corporate benefits that ultimately will inure to the benefit of both PTI's and LCR's existing customers. Specifically, the Parties propose to merge LCR with and into PTI, with PTI surviving.<sup>1</sup> Following the merger, LCR will cease to exist and PTI will assume LCR's operations and will provide continuous, high-quality telecommunications services to LCR's customers.<sup>2</sup> Therefore, LCR is also seeking to cancel its Certificate of Public Convenience and Necessity following consummation of the merger. Attached hereto as Exhibit A is a chart illustrating the corporate structure of the Parties prior to and immediately following consummation of the proposed reorganization.

The proposed transaction will not result in a change in the services, operations or service quality provided to LCR's customers. Upon consummation of the internal reorganization, PTI will maintain a tariff that duplicates the service offerings, rates, terms and conditions as filed in the current LCR tariff. Thus, the former customers of LCR will continue to receive the same services that they presently receive at the same tariffed rates. In addition, customer notification of the reorganization will be provided to LCR's customers prior to consummation of the transaction, in compliance with the rules of the Federal Communications Commission.<sup>3</sup> Attached hereto as Exhibit B is a sample customer notice letter.

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<sup>1</sup> Because this transaction is an internal reorganization, the transaction terms and conditions have not yet been set forth in writing. The transaction documents will be created prior to closing.

<sup>2</sup> PTI intends to assume the fictitious name "Least Cost Routing" principally for legacy LCR customers, and accordingly requests Commission approval, to the extent necessary, to utilize the name when assumed.

<sup>3</sup> See 47 C.F.R. § 64.1120(e).

**IV. Public Interest Statement**

The proposed transaction will serve the public interest by enabling PTI, LCR, and their owners to improve the operational and cost efficiencies of PTI's and LCR's businesses. The internal reorganization will allow telecommunications operations to be managed more efficiently, thereby enhancing the overall operational flexibility, efficiency and financial viability of the companies in Washington. The Parties' customers will also benefit from the reorganization as the companies will be in a better position to offer services more cost-efficiently. The proposed transaction will therefore benefit Washington consumers by facilitating the continued provision of innovative, high-quality telecommunications services to the public and thereby promoting competition in the Washington telecommunications service market.

In addition, PTI has a long operating history in Washington and its qualifications to provide telecommunications services are a matter of public record. Following consummation of the proposed reorganization, PTI will continue to provide high quality and innovative telecommunications services. Moreover, LCR's current customers will continue to receive service at the same rate, terms and conditions immediately following consummation of the proposed transaction. Accordingly, the proposed transaction will ensure that LCR's customers continue to receive high-quality services.

**V. Conclusion**

For the reasons stated herein, the Parties respectfully submit that the transaction will serve the public interest, convenience, and necessity. An original and one (1) copy of this letter are enclosed for filing. This letter is also being filed via email. Please date-stamp the enclosed extra copy and return it in the attached self-addressed, stamped envelope.

If there are any questions regarding this filing, please contact the undersigned at (202) 373-6039.

Respectfully submitted,



Catherine Wang  
Danielle Burt

Counsel to the Parties

cc: Kathleen Lawrence

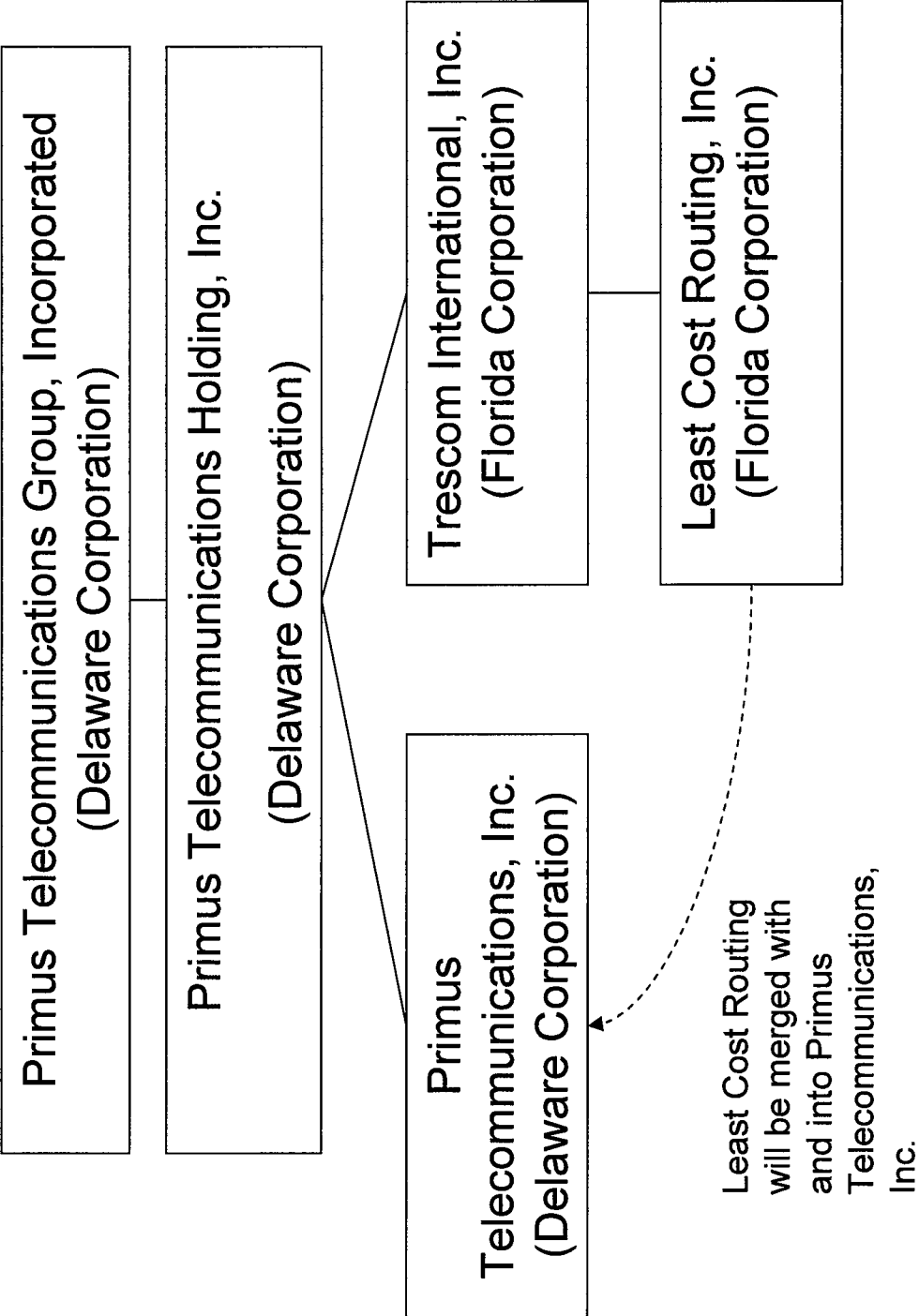
## **EXHIBITS**

- Exhibit A - Illustrative Chart of Proposed Reorganization
- Exhibit B - Sample Customer Notice Letter
- Verification

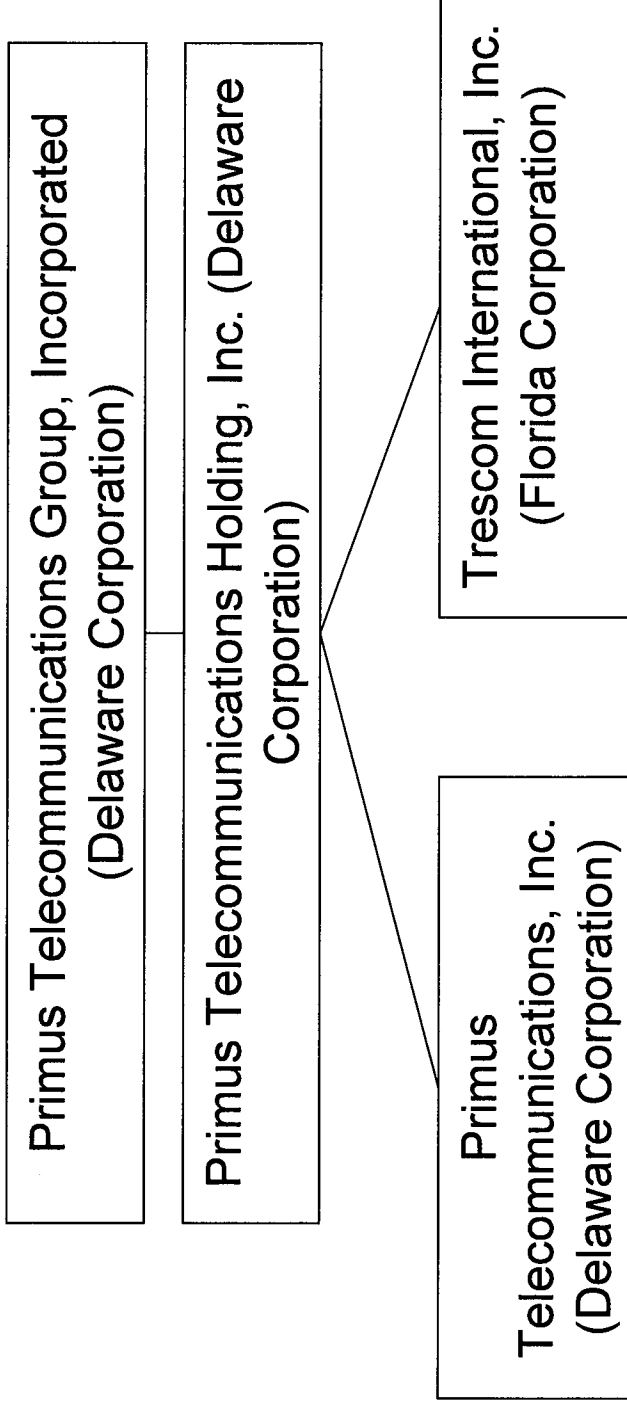
**EXHIBIT A**

**Illustrative Chart of Proposed Reorganization**

**Corporate Structure Prior to Reorganization**



## Corporate Structure After Reorganization





**EXHIBIT B**

**Sample Customer Notice Letter**

## **DRAFT CUSTOMER NOTICE TO LEAST COST ROUTING, INC. CUSTOMERS**

Dear Valued Customer:

Least Cost Routing, Inc. ("LCR"), your long distance provider, and its sister company Primus Telecommunications, Inc. ("Primus") are pleased to announce that LCR will merge with and into its affiliate Primus on or about December 31, 2007. Following the merger, you will continue to enjoy the same high quality services you currently receive from LCR and will continue to receive services with the same rates, features, terms and conditions as the service you currently enjoy. You will therefore not notice any significant change in the bills that you currently receive for long distance service or in the company's customer service procedures.

We realize you have a choice of telecommunications carriers, and we appreciate your business. Please note that if you are a customer of LCR on the date of the transfer and you have not informed LCR that you have made arrangements on your own to switch to a long-distance telephone company other than Primus, your account will automatically be transferred and your contract assigned to Primus, even if you have previously arranged for a preferred carrier freeze through your local phone company. You should not be charged any carrier-change charges levied by your local telephone company. If, however, such a charge does appear on the bill from your local telephone company as a result of this transfer, please call the customer service department toll-free at 888-877-4687 and they will reimburse you or credit your account accordingly.

We look forward to continuing to provide you with quality service for many years to come. In the meantime, if you have specific questions about this notice, please contact us at 888-877-4687.

Sincerely,

Least Cost Routing, Inc. and Primus Telecommunications, Inc.

STATE of VIRGINIA     )  
  )  
COUNTY of FAIRFAX    )     ss:

**VERIFICATION**

I, Kathleen Lawrence, state that I am Assistant General Counsel of Primus Telecommunications, Inc.; that I am authorized to make this Verification on behalf of Primus Telecommunications, Inc. and Least Cost Routing, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

Kathleen Lawrence  
Kathleen Lawrence  
Assistant General Counsel  
Primus Telecommunications, Inc. & Acting on behalf of Least Cost Routing, Inc.

Sworn and subscribed before me this 21<sup>st</sup> day of November, 2007.

Kari Abernathy Kowalski  
Notary Public

My commission expires 8/31/2010

