

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of the Joint Application of)
)
Arbinet Corporation,)
Transferor and Licensee,)
)
Arbinet Carrier Services, Inc.,)
Licensee,)
)
and)
)
Primus Telecommunications Group,)
Incorporated, Transferee,)
)
For Authority Pursuant to Section)
214 of the Communications Act of 1934,)
as Amended, for the Transfer of Control of)
Authorized U.S. International)
Communications Common Carriers)
)

File No. ITC-T/C-2010_____

APPLICATION

Arbinet Corporation (“Arbinet”), Arbinet Carrier Services, Inc. (“Arbinet Carrier Services”), and Primus Telecommunications Group, Incorporated (“PTGI” and collectively with Arbinet and Arbinet Carrier Services, “Applicants”), through undersigned counsel and pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C.A. § 214, and Sections 63.24(e) of the Commission’s Rules, 47 C.F.R. § 63.24(e), hereby respectfully request Commission approval for the transfer of control of Arbinet and Arbinet Carrier Services, nondominant international services carriers holding Commission authorization, to PTGI. Although the proposed transaction will result in a change in the ultimate ownership of Arbinet and Arbinet Carrier Services, no assignment of authorizations, assets or customers will occur as an immediate consequence of the

proposed transaction.¹ Immediately following the transaction, Arbinet Carrier Services will continue to provide service to its existing customers pursuant to its authorizations under the same rates, terms and conditions. Accordingly, this transaction will have no immediate effect on the rates, terms and conditions of service of the customers of Arbinet Carrier Services.

In support of the Application, Applicants state as follows:

I. REQUEST FOR STREAMLINED PROCESSING

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. § 63.12(a)-(b). In particular, none of the exclusionary criteria set forth in Section 63.12(c) applies as described more fully in Section V below. Accordingly, this Application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's Rules.

II. DESCRIPTION OF APPLICANTS

A. Arbinet Corporation and Arbinet Carrier Services, Inc.

Arbinet is a publicly traded Delaware corporation (NASDAQ: ARBX) with principal offices located at 460 Herndon Parkway, Suite 150, Herndon, Virginia 20170. Arbinet holds international Section 214 authority pursuant to File No. ITC-214-19970131-00057 granted on May 8, 1997, but does not provide telecommunications services. Arbinet's wholly owned subsidiary Arbinet Carrier Services provides international voice, data and managed

¹ Arbinet, under its former name Arbinet Holdings, Inc., obtained international Section 214 authority under the name of one of its wholly owned subsidiaries, ABNT, INC., pursuant to File No. ITC-214-19970131-00057 granted on May 8, 1997, and subsequently notified the Commission that it planned to provide international telecommunications services through its wholly owned subsidiary, Arbinet Communications, Inc., which was published in DA No. 99-2747 on December 9, 1999. Currently, neither Arbinet nor Arbinet Communications, Inc. provide telecommunications services pursuant to such international Section 214 authority.

communications services for fixed, mobile and wholesale carriers. Arbinet Carrier Services, a Delaware corporation, holds international Section 214 authority pursuant to File No. ITC-214-20080131-00042 granted on January 15, 2009.

B. Primus Telecommunications Group, Incorporated

PTGI is a publicly traded Delaware corporation (OTCBB: PMUG) with its principal offices at 7901 Jones Branch Drive, Suite 900, McLean, Virginia 22102. Through its various indirect operating subsidiaries, PTGI is a leading provider of advanced communication solutions, including, traditional and IP voice, data, mobile services, broadband Internet, collocation, hosting, and outsourced managed services to business and residential customers in the United States. PTGI's regulated operating subsidiaries include Primus Telecommunications, Inc., The St. Thomas and San Juan Telephone Company, Inc., and STSJ Overseas Telephone Company, Inc.

III. DESCRIPTION OF THE TRANSACTION

On November 10, 2010, PTGI and Arbinet entered into an Agreement and Plan of Merger ("Merger Agreement") whereby PTG Investments, Inc., a wholly owned subsidiary of PTGI created for purposes of the transaction, will merge with and into Arbinet, with Arbinet surviving ("Transaction").² As a result, Arbinet will become a wholly owned subsidiary of PTGI, and PTGI will become the ultimate parent of Arbinet and Arbinet Carrier Services. For the Commission's convenience, diagrams depicting the pre- and post-Transaction corporate structure of the companies are attached hereto as Exhibit A.

² Following the merger, PTGI plans to contribute Arbinet to its wholly owned subsidiary, Primus Telecommunications Holdings, Inc. ("PTHI"). As a result of this pro forma step, PTHI will be the direct parent of Arbinet and PTGI will be the ultimate parent of Arbinet and Arbinet Carrier Services.

PTGI is managerially, technically, and financially well-qualified to become the new ultimate owner of Arbinet and Arbinet Carrier Services. As noted above, indirect operating subsidiaries of PTGI currently provide telecommunications services. For additional detail on the financial and managerial qualifications of PTGI, please see www.primustel.com. Arbinet and Arbinet Carrier Services will therefore continue to have the managerial, technical and financial qualifications to provide high-quality telecommunications services supported by experienced PTGI management. Arbinet and Arbinet Carrier Services will also be supported by the financial resources of PTGI.

IV. PUBLIC INTEREST CONSIDERATIONS

Applicants submit that the Transaction described herein will serve the public interest. The transfer of control of Arbinet and Arbinet Carrier Services to PTGI will allow Arbinet Carrier Services to strengthen its ability to compete and the opportunity to offer a greater variety of telecommunications services. Following the Transaction, Arbinet and Arbinet Carrier Services will have the managerial and financial support of PTGI. In addition, after the Transaction is consummated, Arbinet Carrier Services will provide the same high-quality telecommunications services as are currently offered. The Transaction will not result in a change of carrier for any customer or any assignment of existing Commission authorizations. Further, Arbinet Carrier Services' customers will continue to receive the same services that they currently receive without any immediate changes to the rates, terms and conditions following the Transaction. The Transaction will not cause an interruption of customer service or change in rates, terms or conditions. Accordingly, the Transaction will be virtually transparent to customers, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers.

V. INFORMATION REQUIRED BY SECTION 63.24(e)

Pursuant to Section 63.24(e) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

(a) Name, address and telephone number of each Applicant:

Transferor/Licensee:

Arbinet Corporation **FRN: 0010870913**
460 Herndon Parkway, Suite 150
Herndon, Virginia 20170
Tel: (703) 456-4100

Licensee:

Arbinet Carrier Services, Inc. **FRN: 0017385816**
460 Herndon Parkway, Suite 150
Herndon, Virginia 20170
Tel: (703) 456-4100

Transferee:

Primus Telecommunications Group, Incorporated **FRN: 0009832866**
7901 Jones Branch Drive, Suite 900
McLean, Virginia 22102
Tel: (703) 902-2800

(b) Jurisdiction of Applicants:

Transferor/Licensee: Arbinet is a Delaware corporation.

Licensee: Arbinet Carrier Services is a Delaware corporation.

Transferee: PTGI is organized under the laws of Delaware.

(c) Correspondence concerning this Application should be sent to:

For PTGI:

Catherine Wang
Danielle Burt
Bingham McCutchen LLP

With a Copy to:

Thomas Hickey, General Counsel
Primus Telecommunications Group,
Incorporated

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For Arbinet:

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Mintz, Levin, Cohn, Ferris, Glovsky
and Popeo, P.C.
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KHawa@mintz.com

With a Copy to:

Christie A. Hill, General Counsel
Arbinet Corporation
460 Herndon Parkway, Suite 150
Herndon, Virginia 20170
(703) 650-4240 (Tel.)
(703) 650-9275 (Fax)
chill@arbinet.com

(d) Section 214 Authorizations Held

Transferor/Licensee: Arbinet holds international Section 214 authority pursuant to File No. ITC-214-19970131-00057 granted on May 8, 1997 but does not provide telecommunications services. It does not hold any domestic Section 214 authority. Also, it controls Arbinet Carrier Services, which holds international Section 214 authority.

Licensee: Arbinet Carrier Services holds international Section 214 authority pursuant to File No. ITC-214-20080131-00042 granted on January 15, 2009. Arbinet Carrier Services does not hold any domestic Section 214 authority.

Transferee: PTGI does not hold any domestic or international Section 214 authority, but ultimately controls the following entities which hold such authorizations:

Primus Telecommunications, Inc. holds domestic Section 214 authority by virtue of blanket authorization and holds international Section 214 authority pursuant to File Nos. ITC-214-19960705-00299,³ ITC-214-19951015-

³ The old file number was ITC-96-374.

00041⁴, and ITC-214-19960215-00015,⁵ as well as the authorizations consolidated under File Nos. ITC-97-638-TC and ITC-98-202-TC.

The St. Thomas and San Juan Telephone Company, Inc. holds domestic Section 214 authority by virtue of blanket authorization and holds international Section 214 authority pursuant to File No. ITC-214-19941018-00324. In addition, STSJ Telephone holds international authorizations to acquire capacity in and operate submarine cable systems pursuant to File Nos. ITC-93-030 (associated with SCL-LIC-19921110-00002), ITC-98-342 (associated with SCL-LIC-19980101-00036), ITC-95-580 (associated with SCL-LIC-19951013-00002), ITC-96-234 (associated with SCL-LIC-19960329-00128 and SCL-LIC-19960329-00130), ITC-93-029 (associated with SCL-LIC-19921110-00004), ITC-98-437 (associated with SCL-LIC-19980527-00007 and SCL-MOD-20040521-00016), ITC-97-221 (associated with SCL-LIC-19970421-00002 and SCL-MOD-20040521-00016), and ITC-92-106 (associated with SCL-LIC-19920107-00005).

STSJ Overseas Telephone Company, Inc. holds domestic Section 214 authority by virtue of blanket authorization and provides international services pursuant to 47 C.F.R. § 63.21(h).

(h) Pre-Transaction Ownership of Arbinet Carrier Services:

The following entity currently holds a ten percent (10%) or greater interest in **Arbinet Carrier Services, Inc.:**

Name:	Arbinet Corporation
Address:	460 Herndon Parkway, Suite 150 Herndon, Virginia 20170
Citizenship:	U.S.
Interest Held:	100%
Principal Business:	Holding Company

The following entities currently hold a ten percent (10%) or greater interest in **Arbinet Corporation:**

Name:	Singer Children's Management Trust
Address:	212 Vaccaro Drive Cresskill, New Jersey 07626
Citizenship:	U.S.
Interest Held:	23.2%
Principal Business:	Investment

⁴ The old file number was ITC-95-631.

⁵ The old file number was ITC-96-075.

The trustee of the Singer Children's Management Trust is Karen Singer, a United States citizen whose principal business is managing the trust. Her address is the same as the address of the trust.

Pre and Post-Transaction Ownership of Primus Telecommunications Group, Inc. and Arbinet Corporation:

No entity currently holds a 10% or greater interest in PTGI.

Following the consummation of the Transaction, the following entity will hold a ten percent (10%) or greater interest in PTGI:

Name:	Singer Children's Management Trust
Address:	212 Vaccaro Drive Cresskill, New Jersey 07626
Citizenship:	U.S.
Interest Held:	12.71%
Principal Business:	Investment

The trustee of the Singer Children's Management Trust is Karen Singer, a United States citizen whose principal business is managing the trust. Her address is the same as the address of the trust.

Following consummation of the Transaction, PTGI will own 100% of Arbinet Corporation and, indirectly, Arbinet Carrier Services.

PTGI will not have any interlocking directorates with a foreign carrier.

- (i) The Transferee certifies that following consummation of the Transaction, (i) it will not be a foreign carrier within the meaning of 63.09(d) of the Commission's Rules, 47 C.F.R. §63.09(d); and (ii) it will become affiliated, within the meaning of the Commission's Rules, with Arbinet-thexchange Hong Kong Limited, a nondominant foreign carrier providing service in Hong Kong. Arbinet - theexchange Hong Kong Limited holds a Services-Based Operator Licence in Hong Kong.
- (j) The Transferee certifies that through the acquisition of control of Arbinet and Arbinet Carrier Services, it does not seek to provide international telecommunications services to any country where (i) PTGI is a foreign carrier; (ii) PTGI controls a foreign carrier, except in Hong Kong, where PTGI will control Arbinet-thexchange Hong Kong Limited, and in Australia, where PTGI controls Primus Telecommunications Pty Ltd., which provides service in Australia, in Canada where PTGI controls Primus Telecommunications Canada, Inc., which provides service in Canada, and in Brazil where PTGI controls

Netglobalis do Brasil Telecomunicacoes Ltda, which provides service in Brazil. (iii) any entity that owns more than 25% of PTGI, or controls PTGI, controls a foreign carrier in that country; or (iv) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25% of PTGI and are parties to, or the beneficiaries of, a contractual relationship affecting the provision or marketing of international basic telecommunications services in the United States.

- (k) Hong Kong as well as Australia, Canada, and Brazil are members of the World Trade Organization.
- (l) See response to item (m), below.
- (m) PTGI qualifies for a presumption of non-dominant treatment on the US-Hong Kong route following consummation of the Transaction pursuant to Section 63.10(a)(3) of the Commission's Rules because its foreign carrier affiliate in Hong Kong, Arbinet-thexchange Hong Kong Limited, lacks 50 percent market share in the international transport and local access markets on the foreign end of the route and thus lacks sufficient market power on the foreign end to adversely affect competition in the U.S. market. (PTGI's affiliates operating in Australia, Canada and Brazil also lack 50 percent market share in their respective international transport and local access markets on the foreign end of those routes and thus lack sufficient market power on the foreign end to adversely affect competition in the U.S. market.)
- (n) The Transferee certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a. *See also* 47 C.F.R. §§ 1.2001-1.2003.
- (p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b). Following consummation of the Transaction, PTGI will be affiliated with a foreign carrier in Hong Kong, but as demonstrated in item (m) above, PTGI qualifies for a presumption of non-dominance under Section 63.10(a)(3) on this route. Also PTGI is not affiliated with any dominant U.S. carrier.

VII. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application.

Respectfully submitted,



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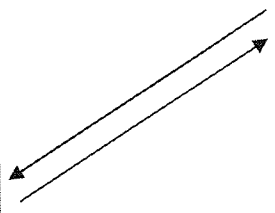
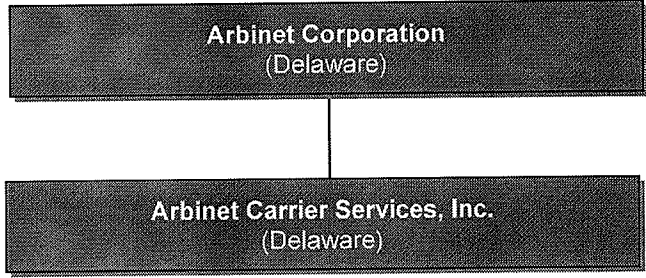
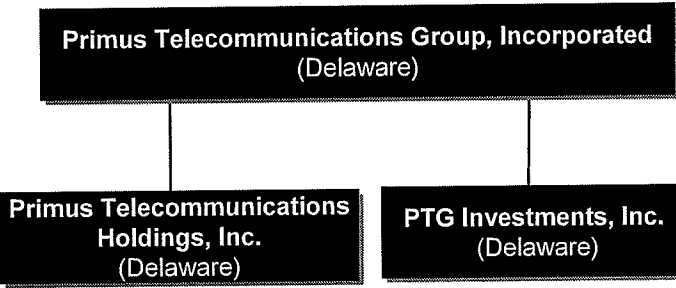
Counsel for Primus Telecommunications Group,
Incorporated

Dated: November 24, 2010

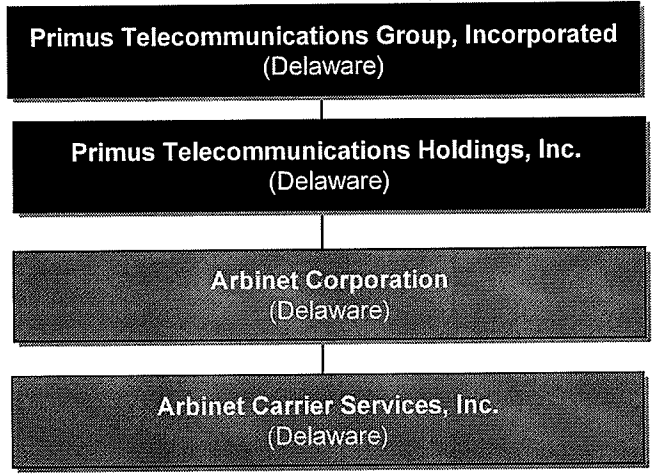
Exhibit A

Illustrative Pre- and Post-Transaction Corporate Charts

PRE-MERGER



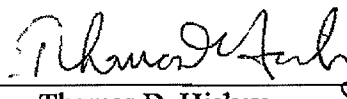
POST-MERGER



Verification

I, Thomas D. Hickey, state that I am General Counsel of Primus Telecommunications Group, Incorporated; 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.

Executed this 23 day of November, 2010.



Name: Thomas D. Hickey

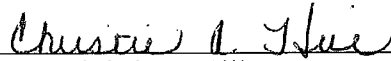
Title: General Counsel

Primus Telecommunications Group, Incorporated

Verification

I, Christie A. Hill, state that I am Secretary of Arbinet Corporation and Arbinet Carrier Services, Inc.; that the foregoing filing was prepared under my direction and supervision; and I declare under penalty of perjury that the contents of the foregoing filing are true and correct to the best of my knowledge, information, and belief.

Executed this 24th day of November, 2010.



Name: Christie A. Hill

Title: Secretary

Arbinet Corporation and Arbinet
Carrier Services, Inc.