

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

_____)
In the Matter of)
)
Primus Telecommunications Group,)
Incorporated, Debtor-in-Possession)
)
and)
)
The St. Thomas and San Juan)
Telephone Company, Inc.)
(Licensee))
)
for Approval of Assignment of an Interest in a)
U.S. Submarine Cable Landing License Held)
_____)

File No. SCL-ASG _____

APPLICATION

**JOINT APPLICATION FOR ASSIGNMENT OF INTEREST IN A SUBMARINE
CABLE LANDING LICENSE– STREAMLINED PROCESSING REQUESTED**

The St. Thomas and San Juan Telephone Company, Inc. (“STSJ Telephone” or “Licensee”) along with its ultimate parent company, Primus Telecommunications Group, Incorporated, Debtor-in-Possession (“PTGI”; together with Licensee, “Applicants”), through undersigned counsel and pursuant to an Act Relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39 (1994), Executive Order No. 10530, and Section 1.767 of the Commission’s Rules, 47 C.F.R. § 1.767, respectfully request that the Commission, to the extent that it deems that an indirect transfer of control of Licensees will occur and such authority is necessary, grant requisite authority in connection with a planned consensual financial restructuring (“Restructuring”) of PTGI under Chapter 11 of the Bankruptcy Code. Pursuant to the Restructuring, it is contemplated that approximately \$315 million, or over 50%, of the outstanding principal debt obligations of PTGI and affiliated non-

operating holding companies, including Primus Telecommunications Holding, Inc. (“PTHI”), will be reduced.¹ In addition, interest payments will be reduced by over 50% and certain debt maturities will be extended. The combination of these outcomes will dramatically improve the liquidity of the affected entities.

Currently, equity ownership of PTGI is widely dispersed so that no entity wields legal (*de jure*) or actual (*de facto*) control of PTGI. At the completion of the Restructuring, Applicants do not expect that any single entity or group of entities will obtain or hold a majority interest or the ability to exercise actual working control in PTGI (or, indirectly, in the Licensee).² This purely financial Restructuring, in which the existing equity in PTGI will be extinguished and certain note holders will exchange their debt for equity in the restructured PTGI, will enable the Licensee’s current operations to continue without interruption or any changes to the rates, terms and conditions of the services that their customers currently receive. The Restructuring only involves non-operating holding companies and will therefore be entirely transparent with respect to services provided to the Licensee’s customers.

The Applicants respectfully request streamlined, expedited treatment of this Application pursuant to Section 1.767(j) and (k) of the Commission’s Rules, 47 C.F.R. § 1.767(j) and (k). This Application qualifies for streamlined treatment because none of the Applicants is affiliated with any foreign telecommunications carriers, and none of the scenarios outlined in Section 63.12(c)(2)-(4) of the Commission’s Rules applies.

¹ On April 14, 2009, Applicants notified the Commission that PTGI, the ultimate parent of Licensee, and PTHI, the direct parent of PTI and the indirect parent of STSJ Telephone, each filed a petition with the United States Bankruptcy Court for the District of Delaware to reorganize under Chapter 11. The Chapter 11 cases are being jointly administered under the caption *In Re: Primus Telecommunications Group, Incorporated, et al., Debtors* Case No. 09-10867 (KG).

² The precise distribution of equity ownership of PTGI will not be known until PTGI emerges from bankruptcy. Upon emergence, the new equity will be predominantly owned by note holders who will exchange their debt for stock.

I. APPLICANT ST. THOMAS AND SAN JUAN TELEPHONE COMPANY, INC.

The St. Thomas and San Juan Telephone Company, Inc. (“STSJ Telephone”) is organized under the laws of the U.S. Virgin Islands and maintains its principal offices at 7901 Jones Branch Drive, Suite 900, McLean, Virginia 22102. STSJ Telephone is authorized to provide interexchange services in the U.S. Virgin Islands and is authorized by the Commission to provide interstate and international services as a nondominant carrier.

II. DESCRIPTION OF THE TRANSACTION

On March 16, 2009, PTGI and certain of its non-operating holding company affiliates (not including Licensee) filed petitions with the Bankruptcy Court to reorganize under Chapter 11 (hereinafter, PTGI and the other Debtors will be referred to as the “Debtors”).³ The Debtors, along with certain secured creditors and note holders, have agreed on a proposed Plan, which, among other things, will materially improve the capital structure and liquidity of the company in order to ensure that its operating subsidiaries, including the Licensee, will have access to sufficient financial resources needed to meet their working capital, debt service and capital expenditure needs. The financial Restructuring and consummation of the Plan will allow the Debtors to emerge from bankruptcy and eliminate approximately \$315 million of debt. Among other things, the Plan provides that (1) the common stock now held by the equity holders of PTGI will be extinguished as of the effective date of the Plan and (2) certain note holders will receive substantially all the new common stock of the reorganized PTGI in exchange for releasing their claims. Currently, the equity ownership of PTGI (and, indirectly, of Licensee) is widely held such that no entity wields legal, majority control or exercises actual working control over PTGI’s voting stock. Following consummation of the Plan, it is

³ See Primus Telecommunications Group Incorporated, *et. al.*, Debtors, Case Nos. 09-10867 (KG) through 09-10970 (KG), U.S. Bankruptcy Court (DE filed Mar. 16, 2009).

expected that reorganized PTGI's equity will also be held by diverse and unaffiliated entities, such that after the Plan is consummated, no entity is expected to hold legal majority control or actual working control of PTGI's voting stock. Accordingly, Applicants respectfully request authority, to the extent required, to transfer indirect control of the Licensee in connection with a planned consensual Restructuring that will change the capital structure of PTGI.

Given that the proposed transaction only involves non-operating holding company entities, Licensee expect that the proposed transaction will be entirely transparent to its customers. The proposed transaction will not result in any transfer of Licensee's operating authority, change Licensee's managerial and technical capabilities to provide service, or change the day-to-day operations of the cable systems.

III. The Proposed Transaction Will Serve the Public Interest

Applicants submit that the financial Restructuring serves the public interest. In particular: (1) the Restructuring will enhance the financial strength of PTGI and therefore of Licensee and (2) the Restructuring will benefit competition in the federal telecommunications market by ensuring that the Licensee remains a viable competitor.

The Restructuring is primarily related to the capital structure and ultimate ownership of PTGI and will not affect Licensee's operations. The company that emerges from bankruptcy will be much stronger financially with significantly reduced debt. In addition, PTGI's improved financial position is expected to benefit the operations of Licensee. The continued vitality of PTGI and its operating companies after the completion of the bankruptcy will assure that the Licensee will be positioned to continue to offer competitive services to the ultimate benefit of consumers.

Moreover, the Restructuring will not adversely impact Licensee's customers because the Restructuring is not expected to adversely affect Licensee's managerial or technical

capabilities or qualifications to provide service. Licensee's rates, terms and conditions of services will be unaffected by the Restructuring. Therefore, the Restructuring is expected to be transparent to the Licensee's customers.

IV. Information Required by Section 1.767 of the Commission's Rules

In support of this Application, the Applicants submit the following information pursuant to Section 1.767 of the Commission's Rules:

- (1) Name, address and telephone number of Applicants:

The St. Thomas and San Juan Telephone Company, Inc. **FRN: 0007719180**
7901 Jones Branch Drive, Suite 900
McLean, Virginia 22102
Tel: (703) 902-2800

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

- (2) **Jurisdiction of Applicants:**

The St. Thomas and San Juan Telephone Company, Inc. is organized under the laws of the U.S. Virgin Islands.

Primus Telecommunications Group, Incorporated is organized under the laws of Delaware.

- (3) Correspondence concerning this Application should be sent to:

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

with copies to:

Legal Department
c/o John DePodesta
Primus Telecommunications, Inc.
7901 Jones Branch Drive, Suite 900
McLean, Virginia 22102
Tel: (703) 902-2800

- (4) STSJ Telephone holds an interest in the AMERICAS-I Cable System, FCC File No. SCL-LIC-19921110-00002.⁴ A description of this system is on file with the Commission and is incorporated by reference herein.

STSJ Telephone holds an interest in the AMERICAS-II Cable System, FCC File No. SCL-LIC-19980101-00036.⁵ A description of this system is on file with the Commission and is incorporated by reference herein.

STSJ Telephone holds an interest in the ANTILLAS I Cable System, FCC File No. SCL-LIC-19951013-00002.⁶ A description of this system is on file with the Commission and is incorporated by reference herein.

STSJ Telephone holds an interest in the BAHAMAS II Cable System, FCC File No. SCL-LIC-19960329-00128⁷ and FCC File No. SCL-LIC-19960329-00130.⁸ A description of this system is on file with the Commission and is incorporated by reference herein.

STSJ Telephone holds an interest in the COLUMBUS II Cable System, FCC File No. SCL-LIC-19921110-00004.⁹ A description of this system is on file with the Commission and is incorporated by reference herein.

STSJ Telephone holds an interest in the COLUMBUS-III Cable System, FCC File No. SCL-LIC-19980527-00007.¹⁰ A description of this system is on file with the Commission and is incorporated by reference herein.

STSJ Telephone holds an interest in the Pan American Cable System, FCC File No. SCL-LIC-19970421-00002.¹¹ A description of this system is on file with the Commission and is incorporated by reference herein.

⁴ Old File No. SCL-93-002.

⁵ Old File No. SCL-98-003.

⁶ Old File No. SCL-95-012.

⁷ Old File No. SCL-96-003.

⁸ Old File No. ITC-96-234.

⁹ Old File No. SCL-93-001.

¹⁰ Old File No. SCL-98-005.

¹¹ Old File No. SCL-97-001.

STJS Telephone holds an interest in the TAINO-CARIB cable system, FCC File No. SCL-LIC-19920107-00005.¹² A description of this system is on file with the Commission and is incorporated by reference herein.

(5) A general description of the cable landing locations for the above referenced cable systems are already on file with the Commission in the original license files and are thus incorporated by reference herein.

(6) The AMERICAS-I Cable System is operated on a common carrier basis.

The AMERICAS-II Cable System is operated on a common carrier basis.

The ANTILLAS I Cable System is operated on a common carrier basis.

The BAHAMAS II Cable System is operated on a common carrier basis.

The COLUMBUS II Cable System is operated on a common carrier basis.

The COLUMBUS-III Cable System is operated on a common carrier basis.

The Pan-American Cable System is operated on a common carrier basis.

The TAINO-CARIB cable system is operated on a common carrier basis.

(7) As a result of the proposed transaction, STSJ's ownership interest in the above referenced cable systems will remain with PTI. The ultimate ownership of PTI, and thus indirectly PTI's interest in the above referenced cable systems, will be transferred to PTGI. The ownership interests other entities hold in the above referenced cable systems will not change as a result of the proposed transaction.

(8) Certification and Ownership Information Required by Section 63.18(h)-(o) of the Commission's Rules:

(h) Pre-restructuring Ownership:

The following entity currently holds ten percent (10%) or more interest **STJS Overseas Telephone Company, Inc.:**

Name:	The St. Thomas and San Juan Telephone Company, Inc.
Address:	7901 Jones Branch Drive, Suite 900 McLean, VA 22102
Citizenship:	U.S. Virgin Islands, U.S.
Interest Held:	100%
Principal Business:	Telecommunications

¹² Old File No. SCL-92-002.

The following entity currently holds ten percent (10%) or more interest in **Least Cost Routing, Inc.** and **The St. Thomas and San Juan Telephone Company, Inc.:**

Name: Trescom International, Inc.
Address: 7901 Jones Branch Drive, Suite 900
McLean, VA 22102
Citizenship: Florida, U.S.
Interest Held: 100%
Principal Business: Telecommunications

The following entity currently holds ten percent (10%) or more interest in **Primus Telecommunications, Inc.** and **Trescom International, Inc.:**

Name: Primus Telecommunications Holding, Inc.,
Debtor-in-Possession
Address: 7901 Jones Branch Drive, Suite 900
McLean, VA 22102
Citizenship: Delaware, U.S.
Interest Held: 100%
Principal Business: Telecommunications

The following entity currently holds ten percent (10%) or more interest in **Primus Telecommunications Holding, Inc., Debtor-in-Possession:**

Name: Primus Telecommunications Group,
Incorporated, Debtor-in-Possession
Address: 7901 Jones Branch Drive, Suite 900
McLean, VA 22102
Citizenship: Delaware, U.S.
Interest Held: 100%
Principal Business: Telecommunications

The following entity currently holds ten percent (10%) or more interest in **Primus Telecommunications Group, Incorporated, Debtor-in-Possession:**

Name: American International Group, Inc.
Address: 70 Pine Street
New York, NY 10270
Citizenship: U.S.
Interest Held: 13.12%
Principal Business: Investment

No other person or entity, directly or indirectly, currently owns or controls ten percent (10%) or more of the Primus Telecommunications Group, Incorporated, Debtor-in-Possession.

Post-restructuring Ownership:

The following entity will hold ten percent (10%) or more interest in **STSJ Overseas Telephone Company, Inc.:**

Name: The St. Thomas and San Juan Telephone Company, Inc.
Address: 7901 Jones Branch Drive, Suite 900
McLean, VA 22102
Citizenship: U.S. Virgin Islands, U.S.
Interest Held: 100%
Principal Business: Telecommunications

The following entity will hold ten percent (10%) or more interest in **Least Cost Routing, Inc. and The St. Thomas and San Juan Telephone Company, Inc.:**

Name: Trescom International, Inc.
Address: 7901 Jones Branch Drive, Suite 900
McLean, VA 22102
Citizenship: Florida, U.S.
Interest Held: 100%
Principal Business: Telecommunications

The following entity will hold ten percent (10%) or more interest in **Primus Telecommunications, Inc. and Trescom International, Inc.:**

Name: Primus Telecommunications Holding, Inc.
Address: 7901 Jones Branch Drive, Suite 900
McLean, VA 22102
Citizenship: Delaware, U.S.
Interest Held: 100%
Principal Business: Telecommunications

The following entity will hold ten percent (10%) or more interest in **Primus Telecommunications Holding, Inc.:**

Name: Primus Telecommunications Group, Inc.
Address: 7901 Jones Branch Drive, Suite 900
McLean, VA 22102
Citizenship: Delaware, U.S.
Interest Held: 100%
Principal Business: Telecommunications

Following the Restructuring, no entity is expected to hold more than ten percent (10%) of **Primus Telecommunications Group, Incorporated.**

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

- (i) Applicants certify that they are not foreign carriers, nor are they affiliated with a foreign carrier, nor will Applicants be affiliated with a foreign carrier as a result of the Restructuring.
 - (j) Applicants certify that they do not seek to provide international telecommunications services to any destination country where:
 - (1) An Applicant is a foreign carrier in that country; or
 - (2) An Applicant controls a foreign carrier in that country; or
 - (3) Any entity that owns more than 25 percent of an Applicant, controls a foreign carrier in that country; or
 - (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of the Applicants and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.
 - (k) Not applicable.
 - (l) Not applicable.
 - (m) Not applicable.
 - (n) Applicants certify that they have 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). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants are or are affiliated with any foreign carriers and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c), apply.
- (9) Applicants certify that they accept and will abide by the routine conditions set forth in Section 1.767(g) of the Commission's Rules, 47 C.F.R. § 1.767(g).
- (10) This Application qualifies for streamlined processing under Section 1.767(j) and (k) of the Commission's Rules, 47 C.F.R. § 1.767(j) and (k) because PTGI is not a foreign carrier or affiliated with a foreign carrier in any of the cable's destination markets.

VI. CONCLUSION

Based on the foregoing, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application.

Respectfully submitted,

By: /s/ Danielle Burt

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

Counsel to Applicants

Dated: June 15, 2009

VERIFICATION