

February 2, 2005

**BY OVERNIGHT MAIL**

Thomas Dorman, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602-8294

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MAIL ROOM

**Re: Informational Filing – Notification of Primus Telecommunications,  
Inc. for Approval of Incurring Debt and Financing Obligations**

Dear Mr. Dorman:

Primus Telecommunications, Inc. (“Primus” or “Company”), by its undersigned counsel, hereby notifies the Kentucky Public Service Commission (“Commission”) of Company’s participation in certain debt and debt-related financing arrangements described more fully below. Specifically, Company intends to participate in certain financing arrangements entered into by Company’s immediate corporate parent, Primus Telecommunications Holding, Inc. (“Parent”), in an arrangement whereby Company will pledge its assets as collateral and act as guarantor with respect to a Term Loan Facility entered into by Parent in the aggregate principal amount of up to \$100 million.

It is Company’s understanding that Commission approval is not required in connection with the financing arrangements described herein. Accordingly, this letter is filed for informational purposes only to ensure the continuing accuracy of the Commission’s records.

In support of this Notification, Primus states as follows:

**Description of Primus Telecommunications, Inc.**

Primus, a Delaware corporation, is a wholly owned subsidiary of Parent which is, in turn, a wholly owned subsidiary of Primus Telecommunications Group, Incorporated (“PTGI”), a publicly traded Delaware corporation. All three companies maintain their principal place of business at 7901 Jones Branch Drive, Suite 900, McLean, Virginia 22102. Primus is authorized to provide resold intrastate interexchange telecommunications services within the State of Kentucky pursuant to an Order dated February 7, 1996, in Docket No. 95442. Further information regarding Company’s legal, technical, managerial, and financial qualifications to provide service was submitted with its certification and other filings submitted to the

Commission. Such information, therefore, is already a matter of public record, and Primus requests that it be incorporated herein by reference. In addition to the authority it holds in Kentucky, Primus is authorized to provide resold and/or facilities-based telecommunications services nationwide pursuant to certification, registration or tariff requirements, or on a deregulated basis. Primus is also authorized by the Federal Communications Commission to provide international and domestic interstate services as a non-dominant carrier.

**Designated Contacts**

Inquiries or copies of any correspondence, orders, or other materials pertaining to this Notification should be directed to:

Catherine Wang  
Douglas D. Orvis II  
Swidler Berlin LLP  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007  
Tel: 202/424-7500  
Fax: 202/424-7645  
Email: cwang@swidlaw.com  
ddorvis@swidlaw.com

with a copy to:

Walter Stone  
General Counsel  
Primus Telecommunications Group  
7901 Jones Branch Drive, Suite 900  
McLean, Virginia 22102

**Description of Financing Arrangements**

Parent intends to sign a loan agreement which would allow it to borrow up to \$100 million. The term of this loan will be six years, and it shall be repaid in quarterly installment payments. Parent and its affiliates will use the proceeds from this loan for general corporate purposes. Primus emphasizes, however, that none of the obligations described herein will apply to Primus until required regulatory approvals are obtained. As part of the Term Loan Facility, Primus contemplates granting a security interest in all of its assets, tangible and intangible, including a pledge of any stock owned by Primus, and guarantying the Term Loan Facility after obtaining required regulatory approval. As a result, Primus notifies the Commission of the security interest and guarantying arrangements. Primus emphasizes that a portion of the proceeds from the Term Loan Facility will be used to increase Primus's competitive offerings, and thus improve Primus's competitive standing in the industry. Furthermore, the completion of the Term Loan Facility and the security interest in assets and the

Thomas Dorman (KY PSC)

February 2, 2005

Page 3

guarantee now contemplated, will be entirely transparent to consumers, will not cause a change in the officers or directors of Primus. Also the issuance of Term Loan Facility will not result in any change in the control of the Parent or Primus.

**Public Interest Considerations**

Primus's participation in the proposed financing arrangements described herein will serve the public interest in promoting competition among telecommunications carriers by providing Primus and Parent with the opportunity to strengthen their financial position. Primus and Parent believe that the financial arrangements described herein provide important benefits to the companies by improving and expanding the terms of credit under which the companies operate. As a result, the proposed transactions are expected to continue to yield financial benefits that will ultimately inure to the benefit of Primus's customers.

The financing arrangements described above are necessary and appropriate, are consistent with the performance by Primus of its services to the public, will not impair the ability of Primus to perform such services, and will promote a lawful objective within the corporate purposes of Primus. Furthermore, by increasing the breadth and scope of telecommunications services made available through Primus's ongoing operations, this financing transaction will ultimately benefit Kentucky consumers. In sum, greater access to capital strengthens Primus's ability to bring competitive telecommunications services to consumers in the State of Kentucky and is, therefore, in the public interest.

**Conclusion**

Primus Telecommunications, Inc. submits that the public interest, convenience, and necessity will be furthered by Primus's participation in the financing arrangements described herein.

An original and ten (10) copies of this letter are enclosed for filing. Please date stamp the extra copy and return it in the self-addressed, stamped envelope provided. Questions concerning this matter may be addressed to the undersigned at 202/424-7500.

Respectfully submitted,



Catherine Wang  
Douglas D. Orvis II

Counsel for Primus Telecommunications, Inc.

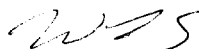
Enclosure

**VERIFICATION**

I, Walter Stone, hereby declare that I am Vice President and General Counsel of Primus Telecommunications, Inc.; that I am authorized to make this verification on the Primus Telecommunications, Inc.'s behalf; that I have read the foregoing filing and know the contents thereof; and that the same are true of my own knowledge, except as to the matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on \_\_\_\_\_, 2004, at \_\_\_\_\_.



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Walter Stone  
Vice President and General Counsel  
Primus Telecommunications, Inc.