

PRIMUS TELECOMMUNICATIONS GROUP INC
Form 8-K
June 03, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 2, 2008

PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

0-29092
(Commission File No.)

54-1708481
(IRS Employer Identification No.)

7901 Jones Branch Drive, McLean, VA 22102

(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (703) 902-2800

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

Item 8.01. Other Events

PRIMUS Telecommunications Group, Incorporated (OTCBB: PRTL), an integrated communications services provider, received a refund as a consequence of excessive rates previously charged by Telstra Corporation. The refund resulted from the Final Determination (FD) of the Australian Competition and Consumer Commission (ACCC) concerning access disputes between Primus Australia (Primus), an indirectly wholly-owned subsidiary, and Telstra for unconditioned local loop (ULLS) connection, managed network and call diversion charges. These services are key components of high speed broadband services offered by Primus.

The FD pricing directives were retroactively applied to services procured by Primus from Telstra from June 10, 2004 for connection and managed network charges and from May 10, 2005 for call diversion charges. As a result, Primus has received refunds from Telstra of certain excessive charges of Aus\$6.5 million plus interest of Aus\$1.3 million. Although Telstra cannot directly appeal the Final Determination, it has sought judicial review of the ACCC s decision challenging whether the ACCC has the authority to make a ruling on the call diversion component. Both the ACCC and Primus are contesting that challenge. The effectiveness of this FD expires on June 30, 2008. With respect to the charges, it is expected that ACCC will publish indicative prices to provide a basis for pricing beyond June 30, 2008. Absent changed circumstances, it is expected that such indicative prices will be similar to the FD pricing, but there can be no assurances of that outcome.

Statements in this Current Report on Form 8-K concerning future indicative pricing related to the FDs constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements are based on current expectations, and are not strictly historical statements. Factors and risks that could cause actual results or circumstances to differ materially from those set forth or contemplated in forward-looking statements include, without limitation: judicial review of the ACCC s FD decision, or certain risks and uncertainties, including those described under Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Short and Long-Term Liquidity Considerations and Risks ; and Special Note Regarding Forward-Looking Statements contained in our annual report on Form 10-K and quarterly reports on Form 10-Q, as filed with the Securities and Exchange Commission.

Item 9.01. Exhibits

| Exhibit No. | Description |
|-------------|---|
| 99.1 | Press release dated June 2, 2008. |
| 99.2 | Final Determination under Section 152CP of the Trade Practices Act 1974 of the ACCESS DISPUTE BETWEEN PRIMUS TELECOMMUNICATIONS PTY LTD (ACCESS SEEKER) AND TELSTRA CORPORATION LIMITED (ACCESS PROVIDER) regarding UNCONDITIONED LOCAL LOOP SERVICE (ULLS) as Notified under subsection 152CM(1) of the Trade Practices Act 1974 on 3 June 2005. |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PRIMUS TELECOMMUNICATIONS GROUP,

INCORPORATED

Dated: June 3, 2008

By: /s/ THOMAS R. KLOSTER
Name: Thomas R. Kloster
Title: Chief Financial Officer

INDEX TO EXHIBITS

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