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JOSEPH J. BURGIE
(1926 - 1992)

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October 4, 2002

Helen Helton, Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RE: Application for Authority to Transfer Ownership or Control of Startec Global Communications Corporation to Allied Capital Corporation

Dear Ms. Helton:

Startec Global Communications Corporation ("Startec"), its wholly owned subsidiaries Startec Global Operating Company ("Startec Operating"), and Startec Global Licensing Company ("Startec Licensing") hereby notifies the Commission of the proposed transfer of control of Startec from its current shareholder to Allied Capital Corporation ("Allied"). It is our understanding that under the circumstances set forth below, no formal approval of the Commission is required for this transaction.

Startec is a Delaware corporation. Through its subsidiaries Startec Operating and Startec Licensing, Startec provides domestic and international long distance services, striving, in particular, to meet the needs of select ethnic businesses and residential communities located in major metropolitan areas. The Commission authorized Startec Licensing to provide service on June 4, 1999.

Allied is a publicly owned Maryland corporation headquartered in Washington, D.C. Allied provides investment capital (in the form of both debt and equity securities) to private and undervalued public companies. Allied is currently the largest business development company in the United States.

On December 14, 2001, Startec and its wholly owned subsidiaries Startec Operating and Startec Licensing filed for bankruptcy under Chapter 11 of Title 11 of the U.S. Code in the U.S. Bankruptcy Court for the District of Maryland (Greenbelt Division)¹.

¹ *In re Startec Global Communications Corp., et al.*, Case No. 001-25013 (DK).

The transfer of control of Startec from its current shareholder to Allied is in the public interest as it will provide Startec, Startec Operating and Startec Licensing with the best opportunity to continue providing domestic services to customers in the State of Kentucky. Serving select ethnic and linguistic communities, in particular, Startec and its subsidiaries play a vital role in an important niche market. After the transaction, Startec will retain all key personnel, including certain senior management personnel. Thus, the transfer of ownership or control will be transparent to, and have no adverse impact upon, Startec customers.

Under the terms of a Debtors' Joint Plan of Reorganization filed with the Bankruptcy Court on June 14, 2002, Startec, Startec Operating and Startec Licensing will be reorganized and reincorporated as new Delaware corporations, with the reorganized Startec Operating and Startec Licensing continuing to be wholly-owned subsidiaries of Startec. Among the three reorganized debtors, Startec Licensing will provide all intrastate and interstate domestic services and will hold the licenses and authorizations required for those services.

Startec and its subsidiaries will be headquartered at:

1151 Seven Locks Road
Potomac, MD 20854

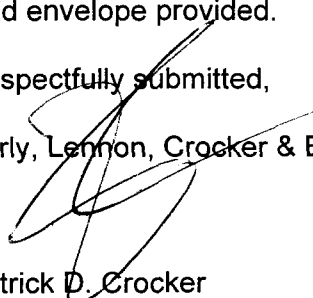
Questions concerning this matter should be directed to:

Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, MI 49007
(269) 381-8844

Finally, please stamp the enclosed duplicate copy of this letter and return it to our firm using the postage-paid envelope provided.

Respectfully submitted,

Early, Lennon, Crocker & Bartosiewicz, P.L.C.



Patrick D. Crocker

PDC/bmr