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Via FedEx

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Chairman Sandra Kyle
c/o Sharla Dillon, Dockets and Record Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

DOCKET NO.
07-00033

Re: Petition of Global Tel*Link Corporation for Approval of Issuance of Debt and Related Financing Transactions

Dear Chairman Kyle:

On behalf of Global Tel*Link Corporation ("GTL"), enclosed for filing are an original and thirteen (13) copies of the above-referenced Petition. Also enclosed is a check in the amount of \$25.00 to cover the filing fee.

Please date-stamp the enclosed extra copy of this filing and return it in envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact Brett Ferenczak at (202) 373-6697.

Respectfully submitted,

Brett P. Ferenczak

Jean L. Kiddoo
Brett P. Ferenczak

Counsel for Global Tel*Link Corporation

cc: Lance J.M. Steinhart (Counsel for GTL)

Enclosures

2007 JAN 19 PM 4:51

PAID T.R.A.	
Chk #	<u>70011486</u>
Amount	<u>25.00</u>
Rcvd By	<u>SS</u>
Date	<u>1/19/07</u>

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

Petition of)	
)	
GLOBAL TEL*LINK CORPORATION)	Docket No. _____
)	
For Approval of Issuance of Debt)	
And Related Financing Transactions)	

PETITION

Global Tel*Link Corporation (“GTL” or “Petitioner”), through its undersigned counsel and pursuant to Tenn. Code Ann. § 65-4-109 and the rules of the Tennessee Regulatory Authority (“Authority”), hereby request such Authority approval as may be necessary for GTL to participate in certain debt issuance financing arrangements. Specifically, GTL seeks approval to act as a borrower on certain secured credit facilities and term loan agreements in the aggregate amount of up to \$220 million (the “Transactions”). In addition, GTL requests approval to grant a security interest in substantially all of its assets in support of the Transactions.

Petitioner emphasizes that the Transactions and pledge for which approval is sought are all financial in nature and that none of those Transactions will affect the technical or managerial qualifications of GTL or directly affect GTL’s services to customers in Tennessee. Furthermore, the Transactions will not involve the issuance of stock and the existing GTL owners will continue to hold their existing ownership interests. As financial transactions, the Transactions will not affect the day-to-day operations of GTL or change any of the rates, terms or conditions under which GTL provides service.

The public interest will be best served by the expeditious approval of this Petition. The additional financing which GTL will receive as a result of the Transactions will reinforce the financial strength of GTL, allow GTL to retire its previous borrowing, allow GTL to obtain financing on favorable terms and allow GTL to pursue significant expansion of its business operations. Important business considerations require that the Transactions described herein be completed as soon as possible. Accordingly, Petitioner respectfully requests that the Authority approve this Petition on an expedited emergency basis at a Conference Meeting prior to February 16, 2007.

In support of this Petition, Petitioner further states as follows:

I. Description of the Petitioner

GTL is a Delaware corporation with offices located at 2609 Cameron Street, Mobile, AL 36607. GTL is authorized to provide interstate and international services pursuant to authority granted by the Federal Communications Commission ("FCC") and holds authority to provide competitive telecommunications services throughout most of the continental United States. In particular, GTL specializes in, and a substantial portion of its business consists of, the provision of payphone and inmate only services. In Tennessee, GTL is authorized to provide operator services, resold interexchange telecommunications services and COCOT services pursuant to orders issued in Case Nos. 94-01256 and 95-03925, on June 9, 1994 and April 26, 1996, respectively. Further information regarding GTL and the services it provides have previously been submitted to the Authority, are therefore a matter of public record, and are incorporated herein by reference.

GTL is a wholly owned direct subsidiary of GTEL Holdings, Inc. ("Holdings"), a privately-held Delaware corporation. Holdings is owned by (a) three Delaware limited partnerships that compromise a private equity fund managed by The Gores Group, LLC ("Gores Group"), a

preeminent private investment firm which focuses its investments on opportunities in the technology and telecommunications sectors and (b) a group of private equity funds managed by Goldman Sachs.

II. Contact Information

Correspondence concerning this Petition may be directed to:

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III. Description of the Transactions

Petitioner seeks approval to participate in a series of debt financing Transactions. Specifically, Petitioner seeks approval to act as a borrower in certain new senior secured long term debt arrangements in the aggregate amount of up to \$220 million. The proposed financing arrangements are expected to include both revolving long-term credit arrangement and term loan components. In connection with the proposed Transactions, Petitioner will also grant a security interest in its assets.

The proposed indebtedness will replace Petitioner outstanding credit facilities and thereby allow Petitioner to obtain long term credit on favorable terms. In addition, Petitioner expects that

the proposed issuance will (a) substantially increase the ability of Petitioner to substantially expand its operations in Tennessee, (b) allow a one time distribution by the Petitioner to Holdings in an aggregate amount equal to \$25,500,000, the proceeds of which are applied by Holdings (i) to pay a deferred redemption amount on Holdings preferred stock, (ii) to pay a dividend on Holdings common stock, and (iii) to contribute to the Petitioner's equity incentive bonus plan an amount equal to approximately \$543,000, which shall be paid by the Petitioner to the eligible employees participating in the plan through normal payroll procedures, (c) fund potential acquisitions,¹ and (d) provide Petitioner with the financial resources necessary to compete effectively with other service providers in Tennessee.

The proposed financing has not been completed. However, for urgent business reasons, Petitioner anticipates the proposed Transactions will need to be completed on a highly expedited basis. Petitioner therefore respectfully requests that the Authority grant such approval as may be available to allow the Transactions to proceed on an expedited basis.

IV. Public Interest Considerations

Petitioner respectfully submits that the Transactions described in this Petition will serve the public interest. In particular, Petitioner submits that: (1) the Transactions increase competition in the Tennessee telecommunications market by reinforcing Petitioner's status as a viable competitor and ensuring that Petitioner can continue to provide service on an uninterrupted basis; (2) the contemplated Transactions will allow Petitioner to significantly expand its operations, including in Tennessee, and (3) the proposed Transactions for which approval is sought are solely financial arrangements that will not affect the day-to-day operations of Petitioner and will be entirely transparent to its customers.

¹ Petitioner will make any filings required for those potential acquisitions.

The Transactions are expected to support competition in Tennessee. In particular, the financing Transactions described above will provide GTL with substantial additional capital that will allow the company to continue to compete effectively as a leading provider of payphone and inmate-only payphone services. The additional financing provided by the financing Transactions will also allow GTL to continue to execute the company's business plan and offer alternative high-quality, competitively priced services to a substantial number of potential customers in its operating areas.

At the same time, the financing Transactions will be entirely transparent to existing GTL customers. The proposed Transactions do not create any new owners of GTL and will not affect the day-to-day management of GTL or the services that GTL provides. Because the Transactions are financial in nature and will not affect the rates, terms and conditions under which GTL operates, the financing Transactions will be entirely transparent to customers of GTL in terms of the services those customers receive.

V. Conclusion

For the reasons stated above, Petitioner respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Petition on an expedited, emergency basis.

Respectfully submitted,

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COUNSEL FOR PETITIONER

Dated: January 18, 2007

Verification

STATE OF ALABAMA

§

CITY OF MOBILE

§

§

VERIFICATION

I, David Silverman, state that I am Senior Vice President and General Counsel of Global Tel*Link Corporation; that I am authorized to make this Verification on behalf of Global Tel*Link Corporation; that the foregoing Petition was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.



David Silverman
Senior Vice President and General Counsel
Global Tel*Link Corporation

Sworn and subscribed before me this 17th day of January, 2007.


Notary Public

My commission expires: October 25, 2009

BEVERLY F. SHUMOCK
Notary Public
Alabama
State At Large
My Commission Expires October 25, 2009