

Lance J.M. Steinhart, P.C.

Attorney At Law
1720 Windward Concourse
Suite 115
Alpharetta, Georgia 30005

Also Admitted in New York
and Maryland

Telephone: (770) 232-9200

Facsimile: (770) 232-9208

Email: lsteinhart@telecomcounsel.com

September 12, 2008

**VIA ELECTRONICALLY &
VIA OVERNIGHT DELIVERY**

Honorable Jones, Chairman
Attn: Sharla Dillon, Dockets
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-9021
(615) 741-3939

filed electronically in docket office on 09/12/08

Docket No. 08-00174

Re: Global Tel*Link Corporation

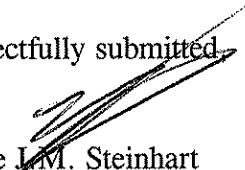
Dear Ms. Dillon:

Enclosed please find for filing an original and four (4) copies of the Joint Petition of Global Tel*Link Corporation and GTEL Holdings, Inc. for Approval of Merger and Transfer of Control to GTEL Acquisition Corp., and for Approval of Issuance of Debt and Related Financing Transactions. I have also enclosed a check in the amount of \$50.00 payable to the "Tennessee Regulatory Authority" for the filing fee.

APPLICANT HAS ALSO ENCLOSED ONE COPY OF AGREEMENT AND PLAN OF MERGER IN A SEPARATE ENVELOPE MARKED "CONFIDENTIAL AND PROPRIETARY" AND RESPECTFULLY REQUESTS CONFIDENTIAL TREATMENT OF THE ENCLOSED INFORMATION. APPLICANT EXPECTS THAT THIS INFORMATION WILL BE RESTRICTED TO COUNSEL, AGENTS AND EMPLOYEES WHO ARE SPECIFICALLY ASSIGNED TO THIS APPLICATION BY THE COMMISSION.

I have also enclosed an extra copy of this letter to be date-stamped and returned to me in the enclosed preaddressed, postage prepaid envelope. If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Respectfully submitted,


Lance J.M. Steinhart
Attorney for Global Tel*Link Corporation

Enclosures

cc: Mr. David Silverman
Mr. Carlos Black, via email: carlos.black@state.tn.us

**BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION
NASHVILLE, TENNESSEE**

Joint Petition of Global Tel*Link Corporation)	
And GTEL Holdings, Inc.)	Docket No.
For Approval of Merger)	
And Transfer of Control)	
To GTEL Acquisition Corp.)	
And)	
For Approval of Issuance of Debt)	
And Related Financing Transactions)	

**JOINT PETITION FOR APPROVAL OF MERGER AND
TRANSFER OF CONTROL AND**

**FOR APPROVAL OF ISSUANCE OF DEBT
AND RELATED FINANCING TRANSACTIONS**

Global Tel*Link Corporation (“Global”), GTEL Holdings, Inc. (“GTEL Holdings”), and GTEL Acquisition Corp. (Global, GTEL Holdings, and GTEL Acquisition Corp. hereinafter collectively referred to as the “Petitioners”), by their attorneys, hereby respectfully request that the Tennessee Regulatory Authority (“TRA”) issue an Order, pursuant to T.C.A. § 65-4-112 and 65-4-113, authorizing GTEL Holdings to consummate a Merger and Transfer of Control of Global to GTEL Acquisition Corp. as described herein, and issue an Order authorizing the issuance of debt and related financing transactions as described herein. Petitioners are in the process of obtaining all required approvals for the Merger from both the Federal Communications Commission (“FCC”) and all applicable state regulatory authorities, including the TRA. In support of this Petition, Petitioners provide the following information:

I. The Parties

A. Global Tel*Link Corporation

Global is a privately-held Delaware corporation whose principal offices are located at 2609 Cameron Street, Mobile, Alabama 36607. Global is a wholly-owned subsidiary of GTEL Holdings, Inc. Global is engaged in the business of providing managed telecommunications services to inmates of state and county departments of corrections and in owning and operating prison payphones and public payphones. These services enable inmates to communicate with friends, family members, legal counsel and other approved parties outside the correctional facilities. Global provides these services throughout most of the continental United States. Global Tel*Link Corporation: (1) was issued a Certificate of Authority to Provide Customer Owned Coin Operated Telephone Service in Tennessee in Case No. 04-01256 issued on June 9, 1994; and (2) was issued a Certificate of Convenience and Necessity as an interexchange telecommunications reseller and/or operator service provider in Tennessee in Case No. 95-03925 issued on April 26, 1996. Global currently provides managed inmate services in the State of Tennessee.

B. GTEL Holdings, Inc.

GTEL Holdings, Inc. is a privately held Delaware corporation whose principal offices are located at 2609 Cameron Street, Mobile, Alabama 36607. GTEL Holdings is a holding company, whose only business activities are conducted through Global.

C. GTEL Acquisition Corp.

GTEL Acquisition Corp. is a privately held Delaware corporation whose principal offices are located at 590 Madison Avenue, 41st Floor, New York, New York 10022. GTEL Acquisition Corp. is not currently providing telecommunications in any state. GTEL Acquisition Corp. is a privately held Delaware corporation whose principal offices are located at 590 Madison Avenue, 41st Floor, New York, New York 10022. GTEL Acquisition Corp. is not currently providing telecommunications in any state. GTEL Acquisition Corp. is wholly owned by GTEL Holding LLC, a Delaware limited liability company. GTEL Holding LLC is controlled by a board of managers including the CEO of Global and managers appointed by The Veritas Capital Fund III, L.P. and GS Direct, L.L.C. The ownership of GTEL Acquisition Corp. is outlined on Exhibit A, Post Closing Holding Structure.

The Veritas Capital Fund III, L.P. is a private equity investment partnership managed by its sole general partner, Veritas Capital Partners III, L.L.C., a Delaware limited liability company. Veritas Capital Partners III, L.L.C. is controlled by its managing member, Robert B. McKeon, the managing member of Veritas Capital Fund Management, L.L.C., d/b/a Veritas Capital. Veritas Capital is a private equity investment firm headquartered in New York. Founded in 1992, Veritas Capital invests in a broad range of companies through buyouts, growth capital investments, and leveraged recapitalizations. The firm's primary objective is to partner with experienced management teams to develop leading companies in their respective markets. In addition to providing long-term capital, the firm works closely with its management partners in

creating and executing a well-defined strategic plan that exploits a company's core competencies as well as attractive industry dynamics. Principals at Veritas Capital bring long term investing experience through a variety of economic conditions allowing the firm to apply its skills and capital to a broad spectrum of industries. However, Veritas Capital has developed specific expertise in the defense, aerospace, government services, media/telecommunications, consumer products, and specialty manufacturing industries.

The Goldman Sachs Group, Inc. owns all of the equity interests in GS Direct, L.L.C., including the right to replace Goldman Sachs & Co., the sole manager of GS Direct, L.L.C. All of the limited partner equity interests in Goldman, Sachs & Co. are held directly or indirectly by The Goldman Sachs Group, Inc., and The Goldman, Sachs & Co. L.L.C. controls Goldman, Sachs & Co. as its sole general partner. All of the equity interests (voting and non-voting) in The Goldman, Sachs & Co. L.L.C. are held by The Goldman Sachs Group, Inc., which is a public company listed on the New York Stock Exchange. GS Direct, L.L.C. invests capital primarily alongside corporate and sponsor clients in situations in which access to its or its affiliates' capital, relationships or advisory services can enhance the value of the investment. The Goldman Sachs Group, Inc. provides investment banking, securities, and investment management services primarily to corporations, financial institutions, governments, and high-net-worth individuals worldwide.

D. GTEL Merger Corp.

GTEL Merger Corp. is a privately held Delaware corporation and a wholly-owned subsidiary of GTEL Acquisition Corp.. GTEL Merger Corp. was organized solely for the purpose of entering into the Merger Agreement with GTEL Holdings and completing the Merger, and has not conducted any business operations.

II. Designated Contacts

The designated contacts for questions concerning this Petition are:

Lance J.M. Steinhart
Attorney at Law
Lance J.M. Steinhart, PC
1720 Windward Concourse
Suite 115
Alpharetta, GA 30005
(770) 232-9200 (Telephone)
(770) 232-9208 (Facsimile)
lsteinhart@telecomcounsel.com (E-Mail)

Attorney for Global Tel*Link Corporation & GTEL Holdings, Inc.

Bennett Ross
Attorney at Law
Wiley Rein LLP
1776 K Street, NW
Washington, DC 20006
(202) 719-7524 (Telephone)
(202) 719-7049 (Facsimile)
bross@wileyrein.com (E-Mail)

Attorney for GTEL Acquisition Corp.

III. Description of Transfer of Control

GTEL Acquisition Corp. ("Acquiror"), GTEL Merger Corp. ("Merger Sub"), and GTEL Holdings, have entered into an Agreement and Plan of Merger dated as of September 11, 2008. Pursuant to the terms of the Agreement and Plan of Merger, at the Effective Time of the Merger, Merger Sub shall be merged with and into GTEL Holdings, whereupon the separate existence of Merger Sub shall cease, and GTEL Holdings shall be the surviving corporation. Upon consummation of the Merger, Acquiror will own one hundred percent (100%) of the issued and outstanding capital stock of GTEL Holdings, which will remain as the 100% Shareholder of Global Tel*Link Corporation.

The proposed transaction will provide Global Tel*Link Corporation with greater operating flexibility to pursue operating purposes, including, without limitation, (a) expansion of its telecommunications infrastructure; (b) improvement of customer service, billing, financial reporting and other management information systems; and (c) possible acquisitions, future investments or strategic alliances. Global Tel*Link Corporation will continue to provide services pursuant to the terms and conditions set forth in Global Tel*Link Corporation's tariff which is on file with the TRA.

There is no plan to notify customers. There will be no impact on customers because the proposed transfer of control will be completed at the holding company level, and thus the transaction will be entirely transparent to Global's customers and will have no effect on the services those customers currently receive. There will be no change in the name of Global Tel*Link Corporation, and the company will continue to provide services pursuant to the terms and conditions of its tariff on file with the TRA.

Organizational charts, showing the current ownership structure, and the ownership structure after the transfer is completed, are attached hereto as Exhibit A.

A copy of the Agreement and Plan of Merger, Exhibit B, is being filed in a separate sealed envelope marked "**CONFIDENTIAL AND PROPRIETARY**" under which Petitioners are requesting **CONFIDENTIAL TREATMENT**.

IV. Description of Issuance of Debt and Related Financing Transactions

Immediately following the closing of the Merger (the "Closing"), (i) Acquiror will be wholly owned by GTEL Holdings LLC (the "Company"), which in turn will be owned by investors (the "Investors") consisting of The Veritas Capital Fund III, L.P., GS Direct, L.L.C. (a Goldman Sachs investment entity) and certain other investors and (ii) Global will be a wholly owned subsidiary of the Company.

The transaction will be funded and capitalized with proceeds of (x) borrowings under a \$235,000,000 Senior Secured Credit Facility (the "Senior Credit Facility"), (y) issuance of \$105,000,000 unsecured senior subordinated notes (the "Notes") and (z) \$153,000,000 of equity contributed by the Investors. The Senior Credit Facility consists of a (x) 5-year \$25,000,000 revolving loan facility and (y) a six-year \$210,000,000 term loan facility, which includes a \$45,000,000 letter of credit sub-facility. The Senior Credit Facility will be secured by substantially all assets and properties of Acquiror, the Company and Global and a first-priority pledge of all of the equity of the Company and Global. The Notes are unsecured and have a maturity date of seven years from the Closing.

The table below summarizes the expected capitalization of the Company as of the Closing Date.

Summary Capitalization at Close

	Funded Amount @ Close	% of Total
Term Loan B	\$165,000,000	39.0
Senior Subordinated Notes	105,000,000	24.8
Total Debt	\$270,000,000	63.8
Total Common Equity	\$153,000,000	36.2
Total Sources of Funds	\$423,000,000	100.0

V. Public Interest Analysis

Approval of this Petition is in the public interest because it will enhance Global Tel*Link Corporation's ability to compete in the market for telecommunications services in Tennessee. The proposed transfer of control will strengthen Global as a competitor by providing access to financial resources necessary for Global to expand its customer base and develop new products and services to meet the evolving communications needs of authorities in Tennessee that operate correctional institutions and other confinement facilities.

The transaction will have no adverse effect upon customers. The transaction will not result in any changes to Global Tel*Link Corporation's provision of service to its current customers. Global's corporate officers and management team responsible for its day-to-day operations are expected to remain essentially the same immediately following the merger. The proposed transaction will not have an adverse effect on non-management employees of Global, and no staff reductions are presently contemplated. In addition, the contact points for customers and TRA inquiries will remain the same after the transfer of control. Nor does the proposed transfer of control raise any competitive concerns. GTEL Acquisition Corp. holds no investments in the type of telecommunications authorizations held by or services offered by Global, and thus the proposed transaction will not result in any consolidation in the market for telecommunications services to the corrections industry in Tennessee. The only impact of the proposed transaction is financial in that Global will obtain access to increased resources necessary to become an even more effective competitor.

VI. Expedited Treatment Requested


Petitioners hereby respectfully request that this Petition is considered on an expedited basis by October 10, 2008. Petitioners believe that expedited treatment is appropriate since the Parties desire to close the transaction promptly, for various important business, tax and financial reasons, and because rapid approval will ensure the public-interest benefits of the transaction, as previously discussed, will accrue at the earliest possible date. This filing is one of a number of applications/notifications to be submitted to federal and/or state regulatory bodies with respect to the Merger. Specifically, approval is being sought from several states including, without limitation, California, Georgia, Minnesota, Mississippi, New York, Pennsylvania, Tennessee, and West Virginia, along with the FCC. Accordingly, it is critical that the Parties obtain expedited approval of the transaction, to permit a timely completion and coordination of all aspects of this Merger.

WHEREFORE, Petitioners respectfully request that the TRA approve this Petition and issue an Order authorizing Global Tel*Link Corporation to consummate the proposed Merger and Transfer Control, and the issuance of debt and related financing transactions, as described herein. Petitioners hereby respectfully request expedited treatment to permit Petitioners to complete the transaction no later than October 10, 2008.

Respectfully Submitted,

Global Tel*Link Corporation
GTEL Holdings, Inc.

By:

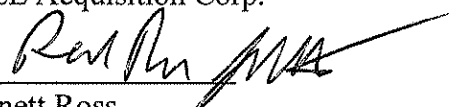


Lance J.M. Steinhart
Attorney at Law
Lance J.M. Steinhart, PC
1720 Windward Concourse
Suite 115
Alpharetta, GA 30005
(770) 232-9200 (Telephone)
(770) 232-9208 (Facsimile)
lsteinhart@telecomcounsel.com (E-Mail)

Their Attorney

GTEL Acquisition Corp.

By:



Bennett Ross
Attorney at Law
Wiley Rein LLP
1776 K Street, NW
Washington, DC 20006
(202) 719-7524 (Telephone)
(202) 719-7049 (Facsimile)
bross@wileyrein.com (E-Mail)

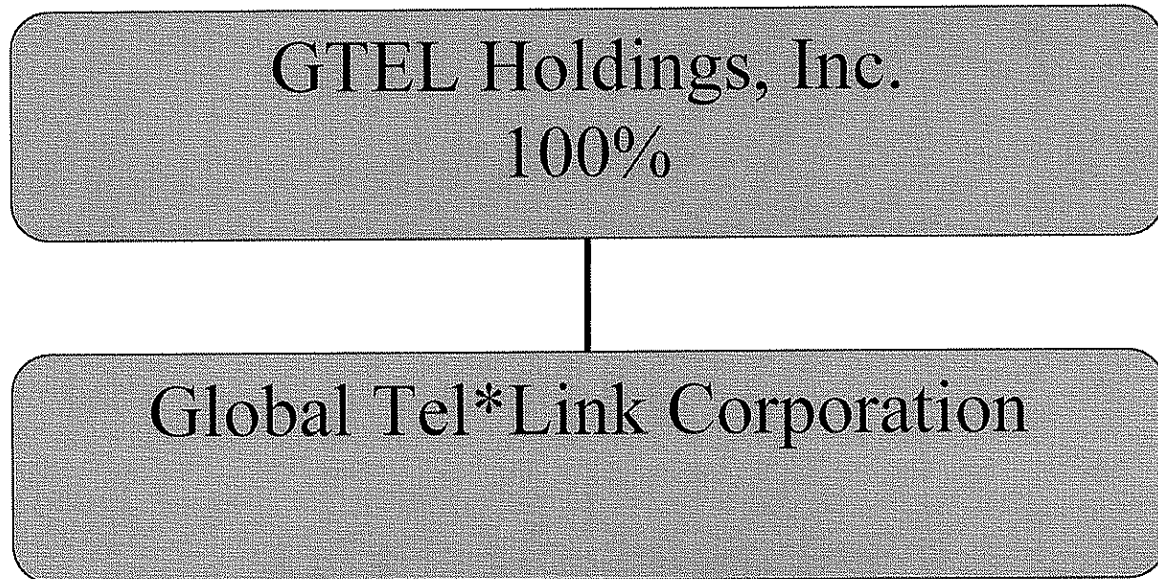
Its Attorney

9/12/08

EXHIBIT A

Organizational Charts

Pre Closing Holding Structure



Global Tel*Link Corporation
Post Closing Holding Structure
(all percentage interests are such entity's attributable voting interests in
Global Tel*Link Corporation)

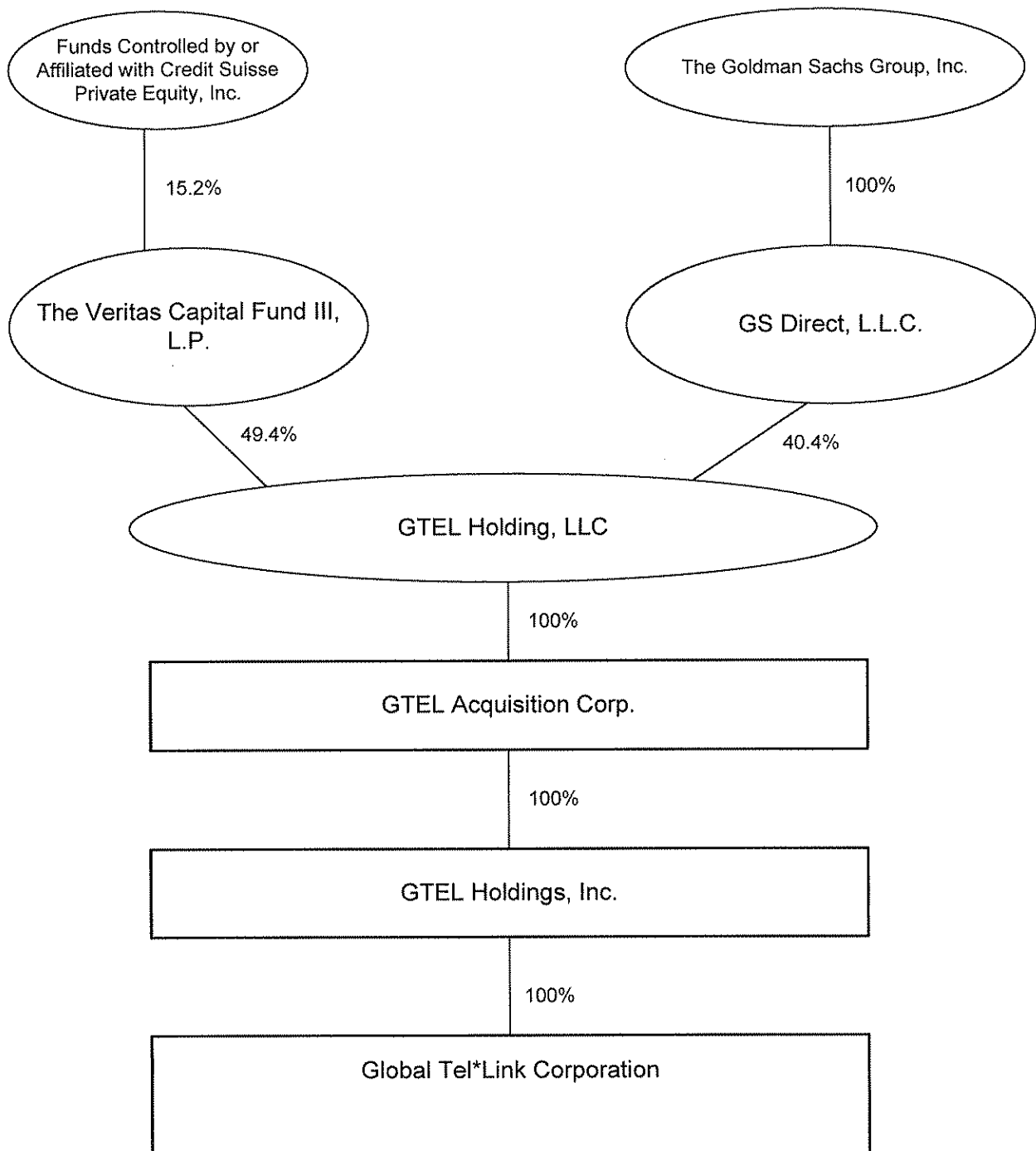


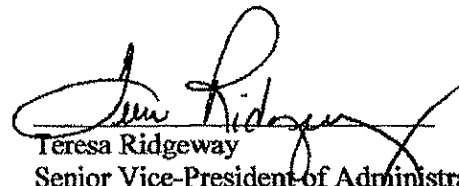
EXHIBIT B

A copy of the Agreement and Plan of Merger

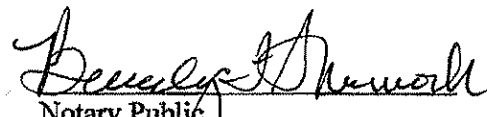
State of Alabama)
)
County of Mobile)

VERIFICATION

I am authorized to represent Global Tel*Link Corporation and to make this verification on their behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are herein stated on information and belief, and as to those matters, I believe them to be true.


Teresa Ridgeway
Senior Vice-President of Administration

The foregoing instrument was acknowledged before me this 11th day September 2008.


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

Tennessee

State of New York)
)
County of New York)

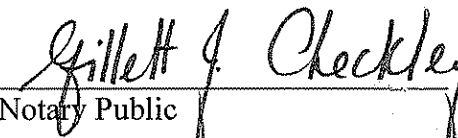
VERIFICATION

I am authorized to represent GTEL Acquisition Corp. and to make this verification on their behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are herein stated on information and belief, and as to those matters, I believe them to be true.



Robert B. McKeon
President

The foregoing instrument was acknowledged before me this 11th day September 2008.



Notary Public

Tennessee

GILLET J. CHECKLEY
NOTARY PUBLIC, State of New York
No. 01CH8045362
Qualified in Queens County
Certificate Filed in New York County
Commission Expires Sept 18, 2016