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February 15, 2010

VIA OVERNIGHT MAIL

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

FILED ELECTRONICALLY IM DOCKET OFFICE ON 02/16/10
DOCKET NO. 10-00025

Re: Global Tel*Link Corporation

Dear Ms. Dillon:

Enclosed please find for filing an original and four (4) copies of Global Tel*Link Corporation's Application for Approval of Issuance of Debt and Related Financing Transactions. I have also enclosed a check in the amount of \$25.00 payable to the "Tennessee Regulatory Authority" for the filing fee. This filing has also been sent via e-mail to sharla.dillon@state.tn.us on February 15, 2010.

APPLICANT HAS ALSO ENCLOSED ONE COPY OF EXHIBIT A IN A SEPARATE ENVELOPE AND HEREBY RESPECTFULLY REQUESTS CONFIDENTIAL TREATMENT OF THE ENCLOSED INFORMATION THAT CONTAINS CONFIDENTIAL AND PROPRIETARY 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, self-addressed, 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. Thank you.

Respectfully submitted,


Lance J.M. Steinhart

Attorney for Global Tel*Link Corporation

Enclosures

cc: David Silverman (w/enc)

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

Application of Global Tel*Link Corporation)	
)	Docket No.
For Approval of Issuance of Debt and)	
Related Financing Transactions)	

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

Global Tel*Link Corporation (“GTL” or “Applicant”), by its attorney, hereby respectfully requests that the Tennessee Regulatory Authority (the "Commission") issue an Order, pursuant to T.C.A. § 65-4-112 and 65-4-113 of the rules of the Public Service, authorizing GTL to participate in certain debt issuance financing arrangements. Specifically, GTL seeks approval to act as a borrower on certain secured credit facilities as described in Exhibit A¹ (the “Transactions”). In addition, GTL requests approval to grant a security interest in substantially all of its assets in support of the Transactions.

Applicant emphasizes that the Transactions and pledge for which approval is sought are all financial in nature and replace the Applicant’s existing credit facilities with new facilities on more favorable terms, a portion of which will be used to fund acquisitions. 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

¹ The initial financing arrangements are not subject to Commission approval since there is no evidence of indebtedness which is payable more than 12 months. The Applicant does have the option to extend the term of the indebtedness beyond 12 months if all relevant regulatory approvals for incurring such long term debt are obtained. Applicant does intend to exercise its option to extend the term of the indebtedness beyond 12 months and, therefore, is requesting approval for the extension of the initial financing arrangements.

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.

In support of this Application, Applicant further states as follows:

I. Description of the Applicant

A. Global Tel*Link Corporation

GTL is a privately-held Delaware corporation whose principal offices are located at 2609 Cameron Street, Mobile, Alabama 36607. GTL is a wholly-owned direct subsidiary of GTEL Holdings, Inc. GTL 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. GTL provides these services throughout most of the continental United States. GTL 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. GTL 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 GTL. GTEL Holdings is a wholly owned direct subsidiary of GTEL Acquisition Corp.

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 a holding company, whose only business activities are conducted through GTL. GTEL Acquisition Corp. is wholly owned by GTEL Holding LLC, a privately held Delaware limited liability company whose principal offices are located at 590 Madison Avenue, 41st Floor, New York, New York 10022.

D. GTEL Holding LLC

GTEL Holding LLC is controlled by a board of managers including the CEO of GTL and other managers appointed by The Veritas Capital Fund III, L.P. and GS Direct, L.L.C. 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. 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., a bank holding company, provides investment banking, securities, and investment management services primarily to corporations, financial institutions, governments, and high-net-worth individuals worldwide.

II. Contact Information

Questions and correspondence concerning this Application may be addressed to:

Lance J.M. Steinhart
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1720 Windward Concourse, Suite 115
Alpharetta, Georgia 30005
(770) 232-9200 (Tel)
(770) 232-9208 (Fax)
lsteinhart@telecomcounsel.com (E-Mail)

III. Description of the Transactions

Applicant seeks approval to participate in a series of debt financing Transactions. Specifically, Applicant seeks approval to act as a borrower in certain new senior secured long term debt arrangements as described in Exhibit A. The proposed financing arrangements are expected to include letter of credit, revolving credit, and term loan components. In connection with the proposed Transactions, Applicant will also grant a security interest in substantially all of its assets.

The purpose of proposed indebtedness is to replace Applicant's outstanding credit facilities and thereby allow Applicant to obtain long term credit on more favorable terms. The use of proceeds, comparing the Existing Credit Facilities to the Proposed Credit Facilities is set forth in Exhibit A which is attached hereto. The expected date of closing for the initial transaction involving debt for a term of less than twelve months is February 22, 2010. Applicant asserts that the information contained in Exhibit A is confidential and proprietary and is being filed in a separate sealed envelope marked "**CONFIDENTIAL AND PROPRIETARY**" under which Applicant is requesting **CONFIDENTIAL TREATMENT**.

In addition, Applicant expects that the proposed credit facilities will: (a) substantially increase the ability of Applicant to expand its operations, including in the State of Tennessee; (b) fund potential acquisitions; and (c) provide Applicant with the financial resources necessary to complete effectively with other service providers in Tennessee.

IV. Public Interest Considerations

Applicant respectfully submits that the Transactions described in this Application will serve the public interest. The proposed Transactions will not adversely affect the operation of GTL. In particular, Applicant submits that: (1) the Transactions increase competition in the Tennessee telecommunications market by reinforcing Applicant's status as a viable competitor and ensuring that Applicant can continue to provide service on an uninterrupted basis; (2) the contemplated Transactions will allow Applicant 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 Applicant and will be entirely transparent to its customers.

The Transactions are expected to support competition in Tennessee. In particular, the financing Transactions described above will provide GTL with 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, Applicant respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Application.

Respectfully submitted,

By: 

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COUNSEL FOR APPLICANT

Dated: February 15, 2010

List of Exhibits

Exhibit A - Description of Existing & Proposed Credit Facilities

Exhibit A – Description of Existing & Proposed Credit Facilities

Filed in a separate sealed envelope marked “CONFIDENTIAL AND PROPRIETARY”

Verification

