

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

May 27, 2011

VIA OVERNIGHT MAIL

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

Re: Global Tel*Link Corporation, Public Communications Services, Inc.
and DSI-ITI, LLC

Dear Ms. Dillon:

Enclosed please find for filing an original and four (4) copies of Global Tel*Link Corporation, Public Communications Services, Inc. and DSI-ITI, LLC's Application for Approval to Amend Issuance of Debt and Related Financing Transactions for processing, along with a check in the amount of \$25.00 payable to the "Tennessee Regulatory Authority" representing the application filing fee. This filing has also been sent via e-mail to Sharla.Dillon@tn.gov on May 27, 2011.

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.

A self-addressed, postage-prepaid envelope along with an extra copy of this letter to be date stamped and returned to our office is also enclosed.

If you have any questions or additional information is necessary, please do not hesitate to contact Angela Janssen via phone or e-mail at (678) 775-2253 or ajanssen@telecomcounsel.com.

Respectfully submitted,


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

Enclosures

cc: David Silverman, Esq.

GLOBAL TEL * LINK
2609 CAMERON ST., MOBILE, AL 36607

TE148

Tennessee Regulatory

273810

Voucher	Invoice	Gross Amount	Discount	Net Amount
159946	030411CKREQ	25.00	0.00	25.00
		25.00	0.00	25.00

GTL

2609 Cameron Street
Mobile, Alabama 36607

WELLS FARGO BANK, OHIO, NA

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273810

CHECK NO.
273810

DATE

03/04/11 USD *****25.00

CHECK AMOUNT

AMOUNT

Twenty-Five Dollars And No Cents

GLOBAL TEL * LINK

TO THE
ORDER
OF

Tennessee Regulatory
Authority
460 James Robertson Pkwy.
Nashville, TN 37219-8709

Steve R. Legway

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

Application of Global Tel*Link Corporation, Public)	
Communications Services, Inc. and DSI-ITI, LLC)	Docket No.
)	
For Approval to Amend Issuance of Debt and)	
Related Financing Transactions)	

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

Global Tel*Link Corporation (“GTL”), Public Communications Services, Inc. (“PCS”) and DSI-ITI, LLC (GTL, PCS and DSI are hereinafter collectively referred to as “Applicants,” or individually as an “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, authorizing the Applicants to amend debt issuance and financing arrangements that was filed in Docket No. 10-00230 on December 17, 2010 (“Current Debt Facility”). Specifically, the Applicants seek approval to amend the Current Debt Facility as described in Exhibit “A”¹ (the “Transactions”).

The Applicants emphasize that the Transactions 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 the Applicants or directly affect the Applicants’ services to customers in Tennessee. Furthermore, the Transactions will not

¹ The initial financing arrangements are not subject to Commission approval since there is no evidence of indebtedness which is payable for 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.

involve the issuance of stock and the current owners will continue to hold their existing ownership interests. As financial transactions, the Transactions will not affect the day-to-day operations of the Applicants or change any of the rates, terms or conditions under which the Applicants provide service.

The Applicants have made similar filings in Hawaii, Nebraska, New Hampshire, New York, Pennsylvania and West Virginia and have been approved in Georgia. Most other states will be provided a notice of financing.

In support of this Application, the Applicants further state as follows:

I. Description of the Applicants

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 holds the following authorizations in the State of Tennessee: 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; and Certificate to Provide Customer Owned Coin (or Coinless) Operated Telephone Service In Tennessee. 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., and GC Direct, L.L.C.'s sole manager is Goldman, Sachs & Co. 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.

E. DSI-ITI, LLC

DSI is a privately-held Delaware limited liability company whose principal offices are located at 107 St. Francis Street, 33rd Floor, Mobile, Alabama 36602. DSI is a wholly-owned direct subsidiary of GTL, which is the sole managing member of DSI. DSI will be 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. PCS provides these services throughout most of the continental United States. PCS currently holds the following authorization in the State of Tennessee: Certificate of Authority to Provide Operator Services and Resell Interexchange Long Distance Telecommunication Services (Docket No. 10-00052 granted on June 11, 2010) and Certificate of Authority to Provide Customer Owned Coin or Coinless Operated Telephone Services (Docket No. 10-00109 granted on June 21, 2010).

F. Public Communications Services, Inc.

PCS is a privately-held California corporation whose principal offices are located at 107 St. Francis Street, 33rd Floor, Mobile, Alabama 36602. PCS is a wholly-owned direct subsidiary of GTL, which is the sole managing member of PCS. PCS 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. PCS provides these services throughout most of the continental United States. PCS currently holds the following authorization in the State of Tennessee: Certificate of Authority to Provide Operator Services and Resell Interexchange Long Distance Telecommunication Services (Docket No. 05-00082 granted on June 13, 2005).

II. Contact Information

Questions and correspondence concerning this Application may be addressed to:

Lance J.M. Steinhart, Esq.
Lance J.M. Steinhart, P.C.
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

The Applicants seek approval to Amend its Current Debt Facility. Specifically, the Applicants seek approval to increase its current debt amount by \$50 million, and to restructure the payments terms (including the interest rate) of the Current Debt Facility which will result in a substantial reduction in interests costs to the Applicants, which will save the Applicants millions of dollars over the term of the debt. These cost savings can be used for research and development to develop new products, upgrades to infrastructure, and improve software applications to process transactions, that will all benefit the State of Tennessee and the end users of the Applicants service offerings. The terms of the proposed Transactions are generally described in, including sources and uses of funds, Exhibit "A," which is attached hereto. The Applicants assert 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**.

The proposed indebtedness will replace the Applicants outstanding credit facilities and thereby allow the Applicants to obtain long term credit on favorable terms. In addition, the Applicants expect that the proposed issuance will: (a) substantially increase the ability of the

Applicants to expand its operations in the State of Tennessee; (b) fund potential acquisitions; and (c) provide the Applicants with the financial resources necessary to compete more effectively with other service providers in Tennessee.

IV. Public Interest Considerations

The Applicants respectfully submits that the Transactions described in this Application will serve the public interest. The proposed Transactions will not adversely affect the operation of the Applicants. In particular, the Applicants submit that: (1) the Transactions increase competition in the Tennessee telecommunications market by reinforcing the Applicants status as a viable competitor and ensuring that the Applicants can continue to provide service on an uninterrupted basis; (2) the contemplated Transactions will allow the Applicants 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 the Applicants 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 the Applicants 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 the Applicants 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 and PCS customers. The proposed Transactions do not create any new owners of the Applicants and will not affect the day-to-day management of the Applicants or the services that the Applicants provide. Because the Transactions are financial in nature and will not affect the rates, terms and conditions under which the Applicants operate, the financing Transactions will be entirely transparent to customers of the Applicants in terms of the services those customers receive.

V. Conclusion

For the reasons stated above, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application.

Respectfully submitted,

By: 

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

COUNSEL FOR THE APPLICANTS

Dated: May 27, 2011

List of Exhibits

Exhibit A - Term Sheet, including Sources and Uses of Funds

Exhibit A – Term Sheet, including Sources and Uses of Funds

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

Verification

