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May 17, 2013

**VIA records@wutc.wa.gov**

State of Washington  
Utilities and Transportation Commission  
1300 S. Evergreen Park Dr., SW  
Olympia, WA 98504

Re: Global Tel\*Link Corporation, Value-Added Communications, Inc., DSI-ITI, LLC,  
and Public Communications Services, Inc.  
Financing Transactions

Dear Sir/Madam:

Please be advised that Global Tel\*Link Corporation, Value-Added Communications, Inc., DSI-ITI, LLC, and Public Communications Services, Inc. (the "Service Providers") will be participating in certain debt issuance financing arrangements. Specifically, the Service Providers will act as borrower on certain secured credit facilities (the "Financing") as described herein, which will include the Service Providers granting a security interest in substantially all of their assets.

In connection therewith, we provide the following information:

**I. The Service Providers and Affiliates**

**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 subsidiary of GTEL Holdings, Inc., a Delaware corporation (“Holdings”). 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 currently holds the following authorizations in Washington: Registration as a Telecommunications Company (Docket No. UT-9I0397 granted on May 8, 1991) and Name Change (granted on October 24, 1996). Following the Financing, GTL will continue to provide services at the same or similar rates, terms and conditions without any immediate changes.

**B. GTEL Holdings, Inc.**

Holdings is a privately-held Delaware corporation whose principal offices are located at 2609 Cameron Street, Mobile, Alabama 36607. Holdings is a holding company, whose only business activities are conducted through the Service Providers. 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 the Service Providers. GTEL Acquisition Corp. is wholly-owned by ASP GTEL Holdco, LLC.

**D. ASP GTEL Holdco, LLC**

ASP GTEL Holdco, LLC ("ASP GTL") is a privately-held Delaware limited liability company whose principal offices are located at 299 Park Avenue, 34<sup>th</sup> Floor, New York, New York 10171. ASP GTL is not currently providing telecommunications in any state. ASP GTEL Investco, LLC ("ASP Investco"), a Delaware limited liability company, owns more than 90% of ASP GTL, with the remainder owned by current management of GTL. ASP Investco in turn is controlled by American Securities Partners VI, LP ("ASP VI"), a Delaware limited partnership. The general partner of ASP VI is American Securities Associates VI, LLC ("ASA VI"), a Delaware limited liability company. The Managing Members of ASA VI are Michael G. Fisch and David Horing. ASA VI is a leading middle-market private equity firm with a consistent track record of building and sustaining enduring businesses. ASA VI undertakes long term, up to 25 years, investments in stable demand industries. It seeks companies with proven management who become its business partners. ASA VI makes available to management a resources group of functional experts, all of whom are employed by ASA VI. This group is available at management's request to provide expert advice and guidance to help improve operations and to make sound strategic, technological and financial decisions.

**E. Value-Added Communications, Inc.**

VAC is a privately-held Delaware corporation whose principal offices are located at 3801 E. Plano Parkway, Suite 100, Plano, Texas 75074. VAC is a wholly-owned subsidiary of VAC Holding, Inc., a Texas corporation, which is in turn a direct subsidiary of GTL. VAC 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. VAC provides these services throughout most of the continental United States. VAC currently holds the following authorizations in Washington: Order Authorizing Registration of Applicant as a Telecommunications Company Docket No. UT-901050, Oct. 17, 1990 Registered as Inmate Services Provider. Following the Financing, VAC will continue to provide services at the same or similar rates, terms and conditions without any immediate changes.

**F. Public Communications Services, Inc.**

PCS is a privately-held California corporation whose principal offices are located at 107 St. Francis Street, 33<sup>rd</sup> Floor, Mobile, Alabama 36602. PCS is a wholly-owned direct subsidiary of GTL. 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 authorizations in Washington: Registration as a Telecommunications Company and Classification as a Competitive Telecommunications Company (Docket No. UT-02051 0 granted on May 24, 2002). Following the Financing, PCS will continue to provide services at the same or similar rates, terms and conditions without any immediate changes.

**G. DSI-ITI, LLC**

DSI is a privately-held Delaware limited liability company whose principal offices are located at 107 St. Francis Street, 33<sup>rd</sup> Floor, Mobile, Alabama 36602. DSI is a wholly-owned direct subsidiary of GTL, which is the sole managing member of DSI. DSI 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. DSI currently holds the following authorizations in Washington: Registration as a Competitive Telecommunications Company (Docket No. UT-I00582 granted on May 12, 2010). Following the Financing, DSI will continue to provide services at the same or similar rates, terms and conditions without any immediate changes.

## **II. Designated Contact**

The designated contact for questions concerning this Notice is:

Lance J.M. Steinhart, Esq.  
Lance J.M. Steinhart, P.C.  
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Attorneys for Global Tel\*Link Corporation,

## **III. Description of the Financing**

The Service Providers will participate in a series of debt financing transactions. The Service Providers will enter into (a) a first lien credit facility, consisting of (x) a term facility of up to \$590 million (7-year maturity from the Closing Date); (y) a revolving credit facility of \$50 million (5-year maturity from the Closing Date); and (z) an incremental term and/or revolver facility of at least \$100 million; and (b) a second lien credit facility of up to \$255 million (7.5-year maturity from the Closing Date), and an incremental term and/or revolver facility of at least \$50 million, in each case, as such amounts may be modified in accordance with market conditions. The Service Providers will retire approximately \$554 million of debt (secured by substantially all of the assets and property of GTEL Holdings, Inc., and its subsidiaries, including the Service Providers) at the time of closing. Additional credit, not to exceed \$150 million, may be obtained post-closing by the Service Providers. The expected date of closing is no later than May 23, 2013.


The proposed indebtedness will replace the Service Providers outstanding credit facilities and thereby allow the Service Providers to obtain long-term credit on favorable terms. In addition, the Service Providers expect that the proposed issuance will: (a) substantially increase the ability of the Service Providers to expand their operations in Washington; (b) pay a dividend on Holdings common stock; (c) fund potential acquisitions; and (d) provide the Service Providers with the financial resources necessary to compete more effectively with other service providers in Washington.

**IV. Public Interest Considerations**

The Service Providers submit that the Financing described in this Notice will serve the public interest. The Financing will not adversely affect the operation of the Service Providers. In particular, the Service Providers submit that: (1) the Financing increases competition in the Washington telecommunications market by reinforcing the Service Providers' status as a viable competitor and ensuring that the Service Providers can continue to provide service on an uninterrupted basis; (2) the Financing will allow the Service Providers to significantly expand their operations, including in Washington; and (3) the Financing for which approval is sought are solely financial arrangements that will not affect the day-to-day operations of the Service Providers and will be entirely transparent to their customers.

I have also attached 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.

Respectfully submitted,

  
Lance J.M. Steinhart, Esq.  
Lance J.M. Steinhart, P.C.  
Attorneys for Global Tel\*Link Corporation

Enclosures

cc: David Silverman, Esq.