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BEFORE THE ARIZONA CORPORATION COMMISSION

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SUSAN BITTER SMITH
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
DOUG LITTLE
Commissioner
TOM FORESE
Commissioner

Arizona Corporation Commission
DOCKETED
JUL 15 2015

DOCKETED BY

IN THE MATTER OF THE JOINT APPLICATION OF GLOBAL TEL*LINK CORPORATION, VALUE-ADDED COMMUNICATIONS, INC., DSI-ITI, LLC AND PUBLIC COMMUNICATIONS SERVICES, INC. FOR APPROVAL OF A RESCISSION OF ALL BOND REQUIREMENTS, INCLUDING THOSE CONTAINED IN DECISION NOS. 69952, 72017 AND 72712.

DOCKET NOS. T-02871A-15-0025
T-03798A-15-0025
T-20734A-15-0025
T-03682A-15-0025

DECISION NO. 75157
ORDER

Open Meeting
July 7 and 8, 2015
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On January 30, 2015, Global Tel*Link Corporation ("GTL"), Value-Added Communications, Inc. ("VAC"), DSI-ITI, LLC ("DSI") and Public Communications Services, Inc. ("PCS") (collectively, the "Applicants") submitted an Application requesting rescission of the performance bond requirements contained in Decision Nos. 69952, 72017 and 72712. Attachment A illustrates the relationships among the Applicants.

Background

2. Each of the Applicants was granted a Certificate of Convenience and Necessity ("CC&N") to provide Customer-owned Pay Telephone ("COPT") services including services provided to Inmate/Correctional Institutions. VAC also is certificated to provide Alternative Operator Services ("AOS") in Arizona. Each of the Applicants, in the course of subsequent merger

1 or financing authorizations, was ordered to procure and deliver to the Commission Business office a
2 performance bond or an irrevocable sight draft letter of credit.

3 *A. Global Tel*Link Corporation*

4 3. In Decision No. 69952,¹ dated October 30, 2007, the Commission directed GTL² to
5 procure a performance bond or an irrevocable sight draft letter of credit (“ISDLOC”) in the amount
6 of \$10,000 as a condition for approving GTL’s request to encumber and/or mortgage its Arizona
7 assets as security for debt financing of up to \$250 million. In the Decision, the Commission stated
8 that it agreed with Staff’s recommendation that the Commission order GTL to procure a performance
9 bond or an irrevocable sight draft letter of credit, which is excluded from the pledged assets, in an
10 aggregate amount no less than the balance of customer deposits and prepayments. The Commission
11 also required the minimum amount of the bond/letter to be \$10,000, in recognition that many of its
12 customers are inmate payphone users with limited or no access to alternate providers.

13 *B. DSI*

14 4. DSI was granted a CC&N to provide COPT services in Arizona in Decision No.
15 72017,³ dated December 10, 2010. In the same decision, the Commission directed DSI to procure a
16 performance bond or ISDLOC in the amount of \$10,000 as a condition for approving DSI’s request
17 to encumber and/or mortgage its assets to purchase the assets used in the operation of ITI Inmate
18 Telephone, Inc.’s (“ITI”) inmate phone business.

19 *C. The Applicants*

20 5. In Decision 72712,⁴ dated December 9, 2011, the Commission required either a
21 statement that all Arizona customer deposits and prepayments are excluded from encumbrance or
22 copies of a performance bond or ISDLOC in the amount of \$125,000 for VAC⁵ and \$75,000 for PCS⁶

24 _____
25 ¹ Docket No. T-02871A-07-0094.

26 ² GTL was granted CC&N to provide Customer-owned Pay Telephone (“COPT”) services in Arizona in Decision No.
59429, on December 20, 1995.

27 ³ Docket No. T-20734A-10-0127 et al.

28 ⁴ Docket No. T-02871A-11-0395, et al.

⁵ VAC was granted a CC&N for Alternative Operator Services in Decision No. 66456, on October 24, 2003 in Docket No.
T-03798A-99-0604 and a CC&N for COPT Services in Decision No. 74403, on March 19, 2014 in Docket No. T-03798A-
12-0077.

1 as a condition for approval of the VAC, PCS, GTL and DSI application to transfer control and incur
2 debt.

3 *D. The Applicants*

4 6. In Decision No. 74009,⁷ dated July 30, 2013, the Commission required the Applicants
5 to maintain the performance bonds or ISDLOCs as previously ordered in Decision No. 72712 as a
6 condition for approval to issue debt and related financing transactions.

7 **Bond Status of Applicants**

8 7. Staff has confirmed that the Business Office is in possession of the current original
9 performance bonds filed by GTL, DSI, VAC and PCS to comply with the Commission's
10 requirements.

11 **Compliance**

12 8. According to the Corporations Division, all of the Applicants are in good standing.
13 The Consumer Services Section of the Utilities Division reports there have been no complaints or
14 opinions filed regarding any of the Applicant for the period of January 1, 2012 through February 12,
15 2015. A check of the Compliance Database by the Compliance Section of the Utilities Division
16 indicates all the Applicants are currently in compliance.

17 **Staff Recommendations**

18 9. The Commission has, in appropriate circumstances, relieved telecommunications
19 providers of the obligation to maintain a performance bond. Staff recommends the following:

- 20 a. GTL be relieved of the \$10,000 performance bond obligation in Decision No.
21 69952 and incremental performance bond increase requirements in Decision
22 Nos. 72712 and 74009;
- 23 b. VAC be relieved of the \$125,000 performance bond obligation and
24 incremental performance bond increase requirements in Decision Nos. 72712
25 and 74009;
- 26

27 ⁶ PCS was granted a CC&N for COPT Services in Decision No. 61576, on March 15, 1999, in Docket No. T-03682A-98-
28 0757.

⁷ Docket No. T-02871A-13-0143 et al.

1 c. DSI be relieved of the \$10,000 performance bond obligation in Decision Nos.
2 72017 and incremental performance bond increase requirements in Decision
3 Nos. 72712 and 74009; and

4 d. PSC be relieved of the \$75,000 performance bond obligation and incremental
5 performance bond increase requirements in Decision Nos. 72712 and 74009.

6 10. The Applicants state that, in order to release the performance bond and associated
7 documents, it is sufficient for the Commission to include in an ordering paragraph language
8 authorizing the Applicants to cancel, rescind, discontinue and be released from the performance
9 bonds required by the

10 11. The Applicants indicate in the Application that the bonds and all associated
11 documents should be returned to the following name and address Decision Numbers listed above:

12 Teresa Ridgeway
13 Senior Vice President - Administration
14 Global Tel*Link
15 107 St Francis Street, Suite 3200
16 Mobile, AL 36602

17 CONCLUSIONS OF LAW

18 1. Global Tel*Link Corporation, Value-Added Communications, Inc., DSI-ITI, LLC and
19 Public Communications Services, Inc. are public service corporations within the meaning of Article
20 XV of the Arizona Constitution.

21 2. The Commission has jurisdiction over Global Tel*Link Corporation, Value-Added
22 Communications, Inc., DSI-ITI, LLC and Public Communications Services, Inc. and the subject
23 matter in this filing.

24 3. The Commission, having reviewed the filing and Staff's Memorandum dated June 17,
25 2015, concludes that it is in the public interest to approve the Global Tel*Link Corporation, Value-
26 Added Communications, Inc., DSI-ITI, LLC and Public Communications Services, Inc. Application
27 as proposed and discussed herein.

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ORDER

IT IS THEREFORE ORDERED that the Application of Global Tel*Link Corporation, Value-Added Communications, Inc., DSI-ITI, LLC and Public Communications Services, Inc. to terminate the performance bond requirements contained in Decision Nos. 69952, 72017 and 72712 be and hereby is approved.

IT IS FURTHER ORDERED that Global Tel*Link Corporation may cancel, rescind, discontinue and be released from any performance bond or other instrument obtained in compliance with the performance bond requirements set by Decision Nos. 69952, 72712 and 74009.

IT IS FURTHER ORDERED Value-Added Communications, Inc. may cancel, rescind, discontinue and be released from any performance bond or other instrument obtained in compliance with the performance bond requirements set by Decision Nos. 72712 and 74009.

IT IS FURTHER ORDERED that DSI-ITI, LLC. may cancel, rescind, discontinue and be released from any performance bond or other instrument obtained in compliance with the performance bond requirements set by Decision Nos. 72017, 72712 and 74009.

IT IS FURTHER ORDERED that Value-Added Communications, Inc., DSI-ITI, LLC and Public Communications Services, Inc. may cancel, rescind, discontinue and be released from any performance bond or other instrument obtained in compliance with the performance bond requirements set by Decision Nos. 72712 and 74009.

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1 IT IS FURTHER ORDERED that all bond related documents, including the original
 2 performance bonds, original surety rider, and associated documents on file with the Commission
 3 Business Office on behalf of Global Tel*Link Corporation, Value-Added Communications, Inc., DSI-
 4 ITI, LLC and Public Communications Services, Inc. be released and returned to the following name
 5 and address provided by the Applicants:

6 Teresa Ridgeway
 7 Senior Vice President - Administration
 8 Global Tel*Link
 9 107 St Francis Street, Suite 3200
 10 Mobile, AL 36602

11 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

12 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

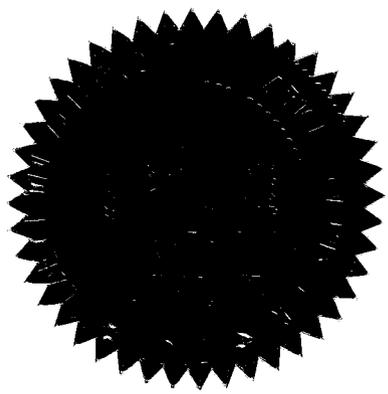
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 14 CHAIRMAN

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 14 COMMISSIONER

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18 IN WITNESS WHEREOF, I, JODI JERICH, Executive
 19 Director of the Arizona Corporation Commission, have
 20 hereunto, set my hand and caused the official seal of this
 21 Commission to be affixed at the Capitol, in the City of
 22 Phoenix, this 15th day of July, 2015.

22 
 23 JODI JERICH
 24 EXECUTIVE DIRECTOR

25 DISSENT: _____

26 DISSENT: _____

27 SMO:LLM:red\BH

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1 SERVICE LIST FOR: Global Tel*Link Corporation, Value-Added Communications, Inc., DSI-ITI,
LLC And Public Communications Services, Inc.

2 DOCKET NOS. T-02871A-15-0025, T-03798A-15-0025, T-20734A-15-0025 AND T-03682A-15-
3 0025

4 Ms. Joan S. Burke
5 Attorney for: Global Tel*Link Corporation, DSI-ITI, LLC,
Value-Added Communications, Inc. and
6 Public Communications Services, Inc.
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15 Mr. Dwight Nodes
16 Acting Chief Administrative Law Judge, Hearing Division
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17 1200 West Washington Street
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Global Tel*Link Post-Transaction Organizational Chart - AZ

