

# Morgan Lewis

**Tamar E. Finn**

**Danielle Burt**

**Niki Wasserman**

tamar.finn@morganlewis.com

danielle.burt@morganlewis.com

niki.wasserman@morganlewis.com

June 3, 2022

## ***VIA ALTERNATIVE E-FILE***

Reece McAlister, Executive Director  
Georgia Public Service Commission  
244 Washington Street, S.W.  
Atlanta, GA 30334

### **Re: Notification of DSCI, LLC Regarding its Participation in Certain Financing Arrangements**

Dear Executive Director McAlister:

By this letter, DSCI, LLC ("DSCI") notifies the Georgia Public Service ("Commission") of its participation in Financing Arrangements (as defined below) in an aggregate principal amount of up to \$708 million. Since the Financing Arrangements described herein qualify for exemption from the approval requirements, approval of the Financing Arrangements is not required under O.C.G.A. § 46-2-28.<sup>1</sup>

### **Description of DSCI**

DSCI, LLC is a privately held Delaware limited liability company. DSCI is a wholly-owned subsidiary of U.S. TelePacific Corp ("TPx"), which is a wholly-owned subsidiary of U.S. TelePacific Holdings Corp. ("TPx Holdings"). TPx Holdings and its affiliates, including DSCI, are headquartered at 303 Colorado St., Suite 2075, Austin, TX 78701. TPx Holdings is a wholly-owned subsidiary of Tango Private Holdings II, LLC ("Tango"), an affiliate of Siris Capital Group,

---

<sup>1</sup> Pursuant to O.C.G.A. § 46-2-28(g), the Financing Arrangements qualify for exemption because: (i) DSCI is a competitive carrier that is headquartered and domiciled outside of Georgia, along with its parent company, (ii) the financing arrangements are between DSCI's parent and one or more national banks or other lending or financial institutions licensed or authorized to enter into such financing arrangements by a state or federal agency, and (iii) DSCI will provide, upon consummation of the Transaction, a guaranty and related pledge of assets as collateral or other security to the lenders to accommodate the financing arrangements of its parent. Should the Commission determine that the exemption does not apply, DSCI requests that the Commission issue a Letter of Acknowledgement to that effect.

**Morgan, Lewis & Bockius LLP**

1111 Pennsylvania Avenue, N.W.  
Washington, DC 20004-2541  
United States

**T** +1.202.739.3000  
**F** +1.215.739.3001

LLC, which is a leading investment firm focused on driving value creation in technology and telecommunications companies.<sup>2</sup>

DSCI, LLC is a competitive local exchange carrier and provider of hosted communications, managed IT and connectivity services. In Georgia, DSCI is authorized to provide resold local exchange and interexchange telecommunications services pursuant to CLEC Certificate L-0456 issued in Docket No. 28154 on December 5, 2008 and IXC Certificate R-1058 issued in Docket No. 28153 on December 16, 2009. Both authorizations were assigned to DSCI in Docket Nos. 28154 and 28153 pursuant to a Letter of Acknowledgement dated April 1, 2014 and then were modified for a name change to DSCI, LLC in Docket Nos. 28154 and 28153 pursuant to Letters of Acknowledgement dated September 29, 2017.

### **Designated Contacts**

Questions, correspondence or other communications concerning this filing should be directed to:

Tamar E. Finn  
Danielle Burt  
Niki Wasserman  
MORGAN, LEWIS & BOCKIUS LLP  
1111 Pennsylvania Avenue, N.W.  
Washington, DC 20004-2541  
202-739-3000 (tel)  
202-739-3001 (fax)  
tamar.finn@morganlewis.com  
danielle.burt@morganlewis.com  
niki.wasserman@morganlewis.com

With copies to:

Jennifer Rohrbach  
Director, Regulatory Compliance  
DSCI, LLC  
3300 N. Cimarron Rd  
Las Vegas, NV 89129  
Tel: 702-310-3189  
jrohrbach@tpx.com

### **Description of the Financing Arrangements**

DSCI notifies the Commission that it intends to enter into, or to otherwise participate in, certain new financing arrangements, comprised of a term loan credit facility, a revolving credit facility, and an incremental term loan that total an aggregate principal amount of up to approximately \$700 million ("New Financing Arrangements"). DSCI will continue to participate in existing financing arrangements with a reduced aggregate principal amount of approximately \$8 million ("Existing Financing Arrangements").<sup>3</sup> The aggregate principal amount of the New Financing Arrangements, when combined with the reduced aggregate principal amount of the Existing

---

<sup>2</sup> See Docket No. 28154, Joint Application dated May 24, 2019, for additional information about the ownership of TPx Holdings.

<sup>3</sup> See Letter of Authorization, Docket No. 28154, dated October 10, 2017 (approving DSCI's participation in financing arrangements in an aggregate amount of up to \$680 million).

Financing Arrangements, totals approximately \$708 million (“the Financing Arrangements”). Accordingly, the New Financing Arrangements will increase the aggregate amount of debt up to \$660 million that the Commission was previously notified of, while extending TPx’s debt maturity profile, lowering interest expenses, and adding cash to the balance sheet for working capital.

In order to respond to market conditions and requirements and to respond to future acquisition, financing and other business opportunities, DSCI seeks to enter into, or otherwise participate in, Financing Arrangements that are substantially consistent with the terms outlined below, which would permit, to the extent market conditions may warrant, modifications to the specific structure of the financing in a manner most favorable to DSCI:

**Aggregate Amount:** Up to approximately \$708 million

**Debt Instruments:** In order to maintain flexibility, DSCI seeks to participate in TPx’s debt instruments that may include one or more of the following forms of debt instruments: notes or debentures (including notes convertible into equity and private notes that may be exchanged for public notes); conventional credit facilities, such as revolving credit facilities and term loans; letters of credit; bridge loans; or a combination thereof.

**Maturity:** The New Financing Arrangements will consist of long-term indebtedness with a maturity date of approximately five (5) years after issuance (consistent with the maturity dates of the Credit Facility), depending on the type of facility. In order to maintain flexibility, DSCI seeks to incur indebtedness that matures up to eight (8) years after issuance.

**Interest:** DSCI seeks to incur indebtedness that, depending on the type of debt securities, facility(ies) or other arrangements, accrues interest at a rate(s) that may be fixed (typically set at signing or closing based on then current market conditions) or floating (consisting of a base rate, which will float with a rate index such as Secured Overnight Financing Rate (SOFR) or Federal Funds Rate, plus an applicable margin), or a combination of fixed rates and floating rates, or Paid-in-Kind (PIK) (an option to have interest added to the outstanding principal amount of the loan advances, which shall thereafter be deemed principal bearing interest). To maintain flexibility, DSCI seeks to participate in financing arrangements at an interest rate(s) at the then current market conditions for financings of such type.

**Security and Guaranty:** Some or all of the Financing Arrangements may be secured facilities, which may include a grant of a security interest in the assets of TPx, and certain of its subsidiaries, including DSCI. A portion of the Financing Arrangements may be unsecured facilities. Additionally, TPx and its current and future subsidiaries, including DSCI, will provide a guaranty of the obligations owing under the Financing Arrangements. In order to maintain flexibility, DSCI seeks to provide a guaranty and grant a security interest in its assets to secure the full amount of the Financing Arrangements.

**Purpose:** A portion of the New Financing Arrangements was used to reduce the aggregate principal amount of the Existing Financing Arrangements. To maintain flexibility, DSCI intends to participate in the Financing Arrangements that may be used to refinance existing debt, for acquisitions and other expansion activities, and for working capital and other general corporate purposes.

DSCI therefore notifies the Commission that DSCI may participate as a guarantor and by pledging its assets as security for the Financing Arrangements in an aggregate principal amount of up to \$708 million substantially consistent with the parameters outlined above.

### **Public Interest Considerations**

DSCI's participation in the Financing Arrangements will serve the public interest. Among other things, the Financing Arrangements may be used to refinance existing debt, for acquisitions and other expansion activities, to provide for ongoing working capital, and for other corporate purposes. The Financing Arrangements also will provide access to greater financial resources that will allow TPx and DSCI to become more effective competitors in the communications industry. The Financing Arrangements are necessary and appropriate, will not impair DSCI's ability to provide its services and will promote its corporate purposes. The Financing Arrangements will be transparent to DSCI's customers and will not disrupt service or cause customer confusion or inconvenience.

\* \* \* \*

This notification is being electronically filed with the Commission. We would appreciate confirmation of receipt and acceptance of this filing. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,

/s/ Danielle Burt

Tamar Finn  
Danielle Burt  
Niki Wasserman

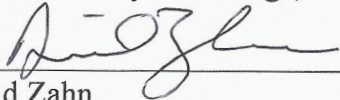
*Counsel for DSCI, LLC*

STATE OF CALIFORNIA  
COUNTY OF ORANGE

§  
§  
§

**VERIFICATION**

I, David Zahn, state that I am the Senior Vice President, Connectivity of DSCI, LLC (the “Company”); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
David Zahn  
Senior Vice President, Connectivity  
DSCI, LLC

Sworn and subscribed before me this \_\_\_\_ day of May, 2022.

\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_

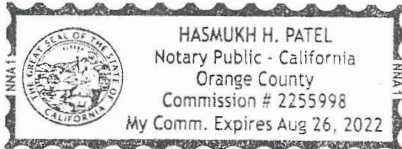
*See attached California  
Notary Jurat*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of ORANGE

Subscribed and sworn to (or affirmed) before me on this 31ST  
day of MAY, 2022, by DAVID ZAHN

proved to me on the basis of satisfactory evidence to be the  
person(s) who appeared before me.



(Seal)

Signature

HP Patel