



PUBLIC NOTICE

Federal Communications Commission
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Washington, D.C. 20554

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DA 20-673

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**APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF
CENTURYLINK PUBLIC COMMUNICATIONS, INC.
TO INMATE CALLING SOLUTIONS, LLC D/B/A ICSOLUTIONS**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 20-150

Comments Due: July 09, 2020

Reply Comments Due: July 16, 2020

By this Public Notice, the Wireline Competition Bureau and International Bureau (Bureaus) seek comment from interested parties on applications filed by Embarq Corporation (Embarq) and Inmate Calling Solutions, LLC d/b/a ICSolutions (ICSolutions) (together, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended (Act), and sections 63.03-04, 63.18, and 63.24 of the Commission's rules,¹ requesting consent to transfer control of CenturyLink Public Communications, Inc. (CPCI) from Embarq to ICSolutions.²

CPCI, a Florida corporation, provides inmate calling services to state, county, and municipal correctional institutions through wholesale capacity provided by CenturyLink.³ Applicants state that CPCI currently has contracts to provide telecommunications services to certain correctional facilities in Arizona, Florida, Idaho, Kansas, Louisiana, Missouri, Montana, North Carolina, Nevada, Oregon, Texas, Utah, West Virginia, and Wisconsin.⁴ CPCI is a wholly owned direct subsidiary of Embarq, a Delaware corporation that is a wholly owned, direct subsidiary of CenturyLink, Inc. (CenturyLink).⁵ CenturyLink, a Louisiana corporation, provides telecommunications services in multiple states.⁶

ICSolutions, a California limited liability company, provides telecommunications services to

¹ 47 U.S.C. §§ 214, 310(d); 47 CFR §§ 63.03-04, 63.18, 63.24.

² Joint Application of Embarq Corporation and Inmate Calling Solutions, LLC d/b/a ICSolutions for Consent to Transfer Control of Domestic and International Section 214 Authorizations, WC Docket No. 20-150 (filed May 22, 2020) (Application). Applicants also filed a supplement to their application on June 12, 2020. Letter from Howard M. Liberman, Counsel to ICSolutions, to Marlene H. Dortch, Secretary, FCC, WC Docket 20-150 (filed June 12, 2020) (Supplement Letter).

³ Application at 3, 5-6; Supplement Letter at 1. CPCI also historically provided public payphone services, although Applicants state that today these reflect a very small portion of CPCI's business. Application at 3, n.3.

⁴ Application at 10.

⁵ *Id.* at 2.

⁶ *Id.*

confinement and correctional facilities in 39 states, including inmate calling and video visitation services.⁷ ICSolutions is a wholly-owned direct subsidiary of Keefe Group, LLC (Keefe), a Missouri limited liability company that provides products and services to the correctional industry.⁸ Keefe, in turn, is a wholly-owned direct subsidiary of TKC Holdings, Inc. (TKC Holdings), a Delaware corporation and holding company that provides products and services to correctional and lodging markets.⁹ TKC Holdings is indirectly controlled by H.I.G. Capital, L.L.C. (H.I.G. Capital), a U.S.-based private equity investment entity that is ultimately controlled by Sami Mnaymneh and Anthony Tamer, both U.S. citizens.¹⁰ Applicants state that neither TKC Holdings or its affiliates provide telecommunications services.¹¹ Applicants note that in the post-closing ownership structure, no other person or entity will hold a direct or indirect 10% or greater equity interest in CPCI.¹²

Pursuant to the terms of the proposed transaction, ICSolutions will acquire 100% of the stock of CPCI from Embarq.¹³ As a result, CPCI will become a wholly-owned, direct subsidiary of ICSolutions and be ultimately controlled by H.I.G. Capital.¹⁴ Embarq and CPCI will undertake certain internal pre-closing transactions to facilitate the transfer of CPCI to ICSolutions. Specifically, to the extent CPCI owns any remaining payphones or provides payphone service outside correctional facilities, such business will cease or be transferred to another affiliate of Embarq prior to closing.¹⁵ In addition, prior to closing, CPCI will transfer to another Embarq affiliate CPCI's contract with the Texas Department of Criminal Justice (Texas DCJ) to provide communications services to certain correctional institutions in Texas. Neither CPCI's non-correctional payphone business nor the Texas DCJ contract will be transferred to ICSolutions.¹⁶

Applicants assert that the proposed transaction is in the public interest and will not harm competition or customers. They state that ICSolutions will continue to serve correctional facilities as Embarq withdraws from the inmate calling industry, and that, post-closing, ICSolutions will be financially sound and better positioned to bid for inmate calling service contracts against larger providers for state department of corrections and other contracts.¹⁷ Because ICSolutions is CPCI's subcontractor for almost all of the contracts in which CPCI is the primary contractor, Applicants further assert that inmates and their families will continue to receive all services without disruption.¹⁸ They state, "the

⁷ *Id.* at 3, n.4. ICSolutions provides telecommunications to correctional facilities in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

⁸ *Id.* at 3-4.

⁹ *Id.* at 4.

¹⁰ *Id.* at 8-9; Supplement Letter at 2. Applicants provided charts depicting pre-closing and post-closing ownership structures. Application at Exh. A.

¹¹ Application at 10.

¹² Application at 10; Supplement Letter at 2.

¹³ Application at 4.

¹⁴ *Id.*

¹⁵ *Id.* at 4-5.

¹⁶ *Id.*

¹⁷ *Id.* at 5.

¹⁸ *Id.* at 6.

transaction will not result in any interruption, reduction, loss, impairment, or disruption of services. Post-closing, ICSolutions will continue to honor CPCI's correctional facility customer contracts. For correctional facilities and for inmates and inmate families, it will continue to provide services at the same rates and on the same terms and conditions as are currently in effect."¹⁹

GENERAL INFORMATION

The application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments and petitions **on or before July 09, 2020** and reply comments or oppositions to petitions **on or before July 16, 2020**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- **Electronic Filers:** Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
- **Paper Filers:** Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
 - Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.²⁰ All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
 - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
 - U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington, DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty).

In addition, e-mail one copy of each pleading to each of the following:

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 2) Dennis Johnson or Jordan Reth, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov; jordan.reth@fcc.gov;

¹⁹ *Id.*

²⁰ In response to the COVID-19 pandemic, the FCC has closed its current hand-delivery filing location at FCC Headquarters. We encourage outside parties to take full advantage of the Commission's electronic filing system. Any party that is unable to meet the filing deadline due to the building closure may request a waiver of the comment or reply comment deadline, to the extent permitted by law. *FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Filing*, Public Notice, DA 20-304 (rel. Mar. 19, 2020). <https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy>.

- 3) David Krech or Sumita Mukhoty, Telecommunications & Analysis Division, International Bureau, david.krech@fcc.gov, sumita.mukhoty@fcc.gov, and
- 4) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.²¹ A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Dennis Johnson, Wireline Competition Bureau, (202) 418-0809; Jordan Reth, Wireline Competition Bureau, (202) 418-1418; David Krech, International Bureau, (202) 418-7443; or Sumita Mukhoty, International Bureau, (202) 418-7165.

²¹ See 47 CFR § 1.45(c).

SECTION 214 AUTHORIZATIONS**A. International**

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20200522-00080	CenturyLink Public Communications, Inc.	ITC-214-20150420-00094

B. Domestic

Applicants filed an application to transfer control of domestic section 214 authority in connection with the proposed transaction. In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, the domestic transfer of control application is not subject to streamlined treatment.²²

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²² 47 CFR § 63.03.