



PUBLIC NOTICE

Federal Communications Commission
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DA 20-965
August 27, 2020

**APPLICATIONS FILED FOR THE ACQUISITION OF CERTAIN ASSETS OF
LEGACY LONG DISTANCE INTERNATIONAL, INC.
D/B/A LEGACY INMATE COMMUNICATIONS
BY GLOBAL TEL*LINK CORPORATION**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 20-218

Comments Due: September 10, 2020

Reply Comments Due: September 17, 2020

By this Public Notice, the Wireline Competition Bureau and International Bureau (Bureaus) seek comment from interested parties on applications filed by Legacy Long Distance International, Inc. d/b/a Legacy Inmate Communications (Legacy) and Global Tel*Link Corporation (GTL) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04, 63.18, and 63.24 of the Commission's rules, requesting approval for the acquisition of certain assets of Legacy by GTL.¹

Legacy, a California corporation, is a wholly owned subsidiary of Jail Education Solutions, Inc. d/b/a Edovo, a Delaware corporation.² Legacy provides inmate communications services at correctional institutions nationwide.³ The proposed transaction involves the transfer of inmate communications services agreements between Legacy and certain correctional institutions from Legacy to GTL. These agreements are with the county and state correctional facilities listed in Attachment A to this Public Notice and are located in Illinois, California, Maine, Florida, Maryland, Oregon, and Wisconsin.⁴ Applicants state that Legacy is in the process of discontinuing or cancelling its authorization to provide telecommunications service in the states it currently serves.⁵

¹ 47 U.S.C. § 214; 47 CFR §§ 63.03-04, 63.18, 63.24; Joint Application of Legacy Long Distance International, Inc. d/b/a Legacy Inmate Communications and Global Tel*Link Corporation for Consent to Assign Assets and/or Transfer Control of Certain Assets, WC Docket No. 20-218 (filed Jul. 8, 2020) (Application). The assets subject to the Application are listed in Attachment A to this Public Notice. On July 30, 2020, Applicants filed a supplement to the Application. Letter from Cherie R. Kiser and Angela F. Collins, Counsel for GTL, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 20-218, File No. ITC-ASG-20200708-00112 (July 30, 2020) (July 30 Supplement).

² Application at 3.

³ *Id.*

⁴ *Id.* at 4.

⁵ *Id.* at 10. As part of Legacy's plan to withdraw from the inmate calling service market, Legacy and Network Communications International Corp. d/b/a NCIC Inmate Communications (NCIC) filed section 214 applications for the transfer to NCIC of certain of Legacy's customer contracts for jails in several states. *Applications Filed for the*
(continued....)

GTL, an Idaho corporation, and its wholly owned subsidiaries, DSI-ITI, Inc., Public Communications Services, Inc., Value-Added Communications, Inc., and Telmate LLC, offer service or are certificated to offer telecommunications services, including inmate calling services, in Puerto Rico, the District of Columbia, and all 50 states with the exception of Alaska.⁶ GTL is a wholly owned subsidiary of GTEL Holdings, Inc., a Delaware corporation, which is indirectly held by ASP GTEL Investco, LP (ASP Investco), a Delaware limited liability company (96% equity interest).⁷ American Securities Partners VI, LP (ASP VI), a Delaware limited partnership, owns approximately 98% of ASP Investco.⁸ No limited partner in ASP VI owns a 10% or greater interest in ASP VI.⁹ The general partner of ASP VI is American Securities Associates VI, LLC (ASA), a Delaware limited liability company. The following individuals, all U.S. citizens, hold a 10% or greater ownership interest in ASA: Michael G. Fisch, Paul Rossetti, David L. Horing, and Matthew LeBaron.¹⁰ Applicants state that neither GTL nor any of its 10% or greater direct or indirect owners hold interests in any other telecommunications entity.¹¹

Pursuant to the terms of the proposed Master Transaction Agreement, GTL will purchase certain assets and customers of Legacy, including customer accounts and receivables, agreements and contracts of certain customers and certain vendors, and certain equipment.¹² Legacy will assign to GTL the correctional facility contracts listed in Attachment A to this Public Notice, and as a result of the proposed transaction, GTL will provide inmate calling service to the incarcerated individuals within the correctional facilities.¹³

Applicants assert that the proposed transaction is in the public interest and would not harm customers.¹⁴ They state that GTL has significant experience in the inmate calling market and that upon closing, affected customers would continue to receive quality services “without immediate changes in rates, terms, or conditions.”¹⁵ They also maintain that the proposed transaction would not adversely affect competition because, after consummation, “the total share of the interstate interexchange market of GTL (Continued from previous page) _____

Acquisition of Certain Assets of Legacy Long Distance International, Inc. d/b/a Legacy Inmate Communications by Network Communications International Corp. D/B/A NCIC Inmate Communications, WC Docket No. 20-207, Public Notice, DA 20-966 (WCB 2020); Letter from Sharon R. Warren, Consultant, to Marlene H. Dortch, Secretary, FCC, WC Docket No.20-207, at 1 (filed July 30, 2020) (stating that Legacy is transferring contracts for services to jails to NCIC, that the proposed transaction with NCIC does not involve prison contracts, and that Legacy will serve a few remaining customer contracts that will expire before the end of 2020, at which point, Legacy will finalize its withdrawal from the states it serves).

⁶ Application at 2-3. The Commission has stated that GTL is the largest provider in the inmate calling services market. *Rates for Interstate Calling Services*, WC Docket 12-375, Report and Order on Remand and Fourth Further Notice of Proposed Rulemaking, FCC 20-111, at para. 94 (2020) (2020 *ICS Order and NPRM*).

⁷ Application at 7.

⁸ *Id.* at 7-8. ASP VI is a private equity fund managed by American Securities LLC (AmSec), a New York limited liability company. Applicants state that AmSec does not have any ownership interest or day-to-day management role in GTL or ASP VI. July 30 Supplement at 1.

⁹ Application at 8; July 30 Supplement at 2.

¹⁰ July 30 Supplement at 2. Michael G. Fisch and David L. Horing are the managing members of ASA. *Id.*

¹¹ *Id.*

¹² Application at 3-4. According to Applicants, the assets to be purchased do not include the Commission authorizations that Legacy currently holds. *Id.*

¹³ *Id.*

¹⁴ *Id.* at 4-5.

¹⁵ *Id.* at 5.

will be less than 10 percent (10%), and there are many other interexchange and international carriers operating on a nationwide basis, including other ICS providers. The Transaction will not provide Applicants with any competitive advantage as the result of the concentration of fiber assets and will not harm consumers or negatively impact the market for facilities-based service.”¹⁶

GENERAL INFORMATION

The applications identified herein have 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 **on or before September 10, 2020** and reply comments **on or before September 17, 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 one additional copy 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.¹⁷ 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).

¹⁶ *Id.* The Commission has long recognized that the inmate calling services market is different from other telecommunications markets. *Rates for Inmate Calling Services*, WC Docket No. 12-375, Report and Order and Further Notice of Proposed Rulemaking, 28 FCC Rcd 14107, 14128-29, paras. 39-41 (2013) (finding that market forces were not operating to ensure just, reasonable, and fair rates for inmate calling services, and that the absence of competitive pressures necessitated rate regulation). The Bureaus have evaluated inmate calling transactions in light of these market characteristics. See *Applications Granted for the Transfer of Control of CenturyLink Public Communications, Inc. to Inmate Calling Solutions, LLC D/B/A ICSolutions*, WC Docket No. 20-150, Public Notice, DA 20-866, at 3-4 and n.15 (WCB/IB 2020) (*citing 2020 ICS Order and NPRM* at para. 5 (explaining that an inmate calling services provider once chosen by a correctional facility operates as a monopolist)).

¹⁷ 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>.

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

- 1) Myrva Charles, Competition Policy Division, Wireline Competition Bureau, myrva.charles@fcc.gov;
- 2) Dennis Johnson or Jordan Reth, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov; jordan.reth@fcc.gov;
- 3) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 4) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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 applications 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.¹⁸ 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; or David Krech, International Bureau, (202) 418-7443.

¹⁸ See 47 CFR § 1.45(c).

Attachment A

SECTION 214 AUTHORIZATIONS

A. International

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-ASG-20200708-00112	Legacy Long Distance International, Inc.	ITC-214-19961125-00596 ¹⁹

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.²⁰

List of Correctional Facility Contracts to be Transferred

Applicants request approval to assign the following Legacy correctional facility contracts to GTL:²¹

- Cook County, Illinois
- Fresno County, California
- Maine Department of Corrections
- Bay County, Florida
- Sonoma County, California
- Kane County, Illinois
- City of Santa Ana, California
- Jackson County, Oregon
- Mendocino County, California
- Carroll County, Maryland
- Yolo County, California
- Dunn County, Wisconsin
- Santa Clara County, California

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¹⁹ Legacy will retain its international section 214 authorization, ITC-214-19961125-00596. GTL will provide international service to its new customers pursuant to its existing international section 214 authorization, ITC-214-19970128-00044.

²⁰ 47 CFR § 63.03.

²¹ Application at 4.