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## **VIA ECFS AND IBFS**

July 31, 2017

Marlene H. Dortch Secretary Federal Communications Commission 445 12th Street, S.W. Washington, DC 20554

Re:

Notice of Ex Parte – WC Docket No. 17-126; ITC-T/C-20170511-00094; ITC-T/C-20170511-00095 - Securus Investment Holdings, LLC; Securus Technologies, Inc.; T-NETIX, Inc.; and T-NETIX Telecommunications Services, Inc.

Dear Ms. Dortch:

Dennis Reinhold, Vice President, General Counsel, and Secretary of Securus Investment Holdings, LLC, Securus Technologies, Inc., T-NETIX, Inc., and T-NETIX Telecommunications Services, Inc. (collectively "STI"); Paul C. Besozzi and Koyulyn K. Miller, counsel to STI; and William Wilhelm, counsel for SCRS Acquisition Corporation ("SCRS") (collectively, "Applicants"), met with several Federal Communications Commission ("FCC" or "Commission") staff regarding the pending request for approval of the indirect transfer of control of STI's domestic and international Section 214 authority<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Joint Application of Securus Investment Holdings, LLC, Transferor, Securus Technologies, Inc., Licensee T-NETIX, Inc., Licensee T-NETIX Telecommunications Services, Inc., Licensee, and SCRS

<sup>44</sup> Offices in 21 Countries

Page 2

through a parent-level transaction ("Transaction"). The primary purpose of the meetings was to discuss the status of the pending Joint Application. Applicants also discussed issues raised by the Wright Petitioners ("Petitioners") <sup>2</sup> in ex parte submissions filed July 24 and 25, 2017.<sup>3</sup>

Specifically, on July 27, 2017, Messrs. Reinhold, Besozzi, and Wilhelm, and Ms. Miller met with Madeleine Findley, Deputy Chief, Wireline Competition Bureau, as well as staff in the Competition Policy Division of the Wireline Competition Bureau: Daniel Kahn, Division Chief; Jodie May, Assistant Division Chief; and Sherwin Siy, Special Counsel.

On the same day, Messrs. Reinhold, Besozzi, and Wilhelm, and Ms. Miller then met with Nicholas Degani, Senior Counsel to FCC Chairman Ajit Pai.

By and through the undersigned counsel, and pursuant to Section 1.1206(b) of the Commission's rules,<sup>4</sup> the Applicants hereby report that during the meetings the following issues were discussed:

Acquisition Corporation For Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, and Sections 63.04 of the Commission's Rules to Transfer Indirect Ownership and Control of Licensees to SCRS Acquisition Corporation, WC Docket 17-126 (filed May 11, 2017), ITC-T/C-20170511-00094, ITC-T/C-20170511-00095 (filed May 11, 2017) ("Joint Application").

<sup>&</sup>lt;sup>2</sup> Petition To Deny By The Wright Petitioners, Citizen United For Rehabilitation Of Errants, Prison Policy Initiative, Human Rights Defense Center, The Center For Media Justice, Working Narratives, United Church Of Christ, OC, Inc., and Free Press, dated June 16, 2017, WC Docket 17-126; ITC-T/C-20170511-00094; ITC-T/C-20170511-00095 ("Petition"); See Opposition To Petition To Deny By The Wright Petitioners, Citizen United For Rehabilitation Of Errants, Prison Policy Initiative, Human Rights Defense Center, The Center For Media Justice, Working Narratives, United Church Of Christ, OC, Inc., and Free Press, dated June 16, 2017, WC Docket 17-126; ITC-T/C-20170511-00094; ITC-T/C-20170511-00095, filed June 26, 2017 ("Opposition"); Reply To Opposition By The Wright Petitioners, Citizen United For Rehabilitation Of Errants, Prison Policy Initiative, Human Rights Defense Center, The Center For Media Justice, Working Narratives, United Church Of Christ, OC, Inc., and Free Press, dated July 3, 2017, WC Docket 17-126; ITC-T/C-20170511-00094; ITC-T/C-20170511-00095 ("Reply").

<sup>&</sup>lt;sup>3</sup> Wright Petitioners Notice of Ex Parte (filed July 24 and 25, 2017) ("Petitioners' Ex Partes"). In particular, Petitioners raised concerns about a previous ex parte notice filed by Applicants on July 21, 2017, which described certain programs STI administers for the benefit of the inmate population and the law enforcement community. *See* Securus Investment Holdings, LLC Notice of Ex Parte (filed July 21, 2017) ("July 21 Ex Parte Submission").

<sup>&</sup>lt;sup>4</sup> 47 C.F.R. § 1.1206(b).

- 1. Response to Petitioners' Ex Partes The Applicants addressed certain initiatives included in their July 21 Ex Parte Submission, including the "Find A Job Assistance Program" and tablets in state departments of corrections. Applicants also addressed features of other services made available to correctional and law enforcement personnel, including consents obtained, use of warrants, personnel who had access to data, and effectiveness of services in addressing criminal activity. Applicants further explained that as a result of consents obtained, warrants used, and access limited, contrary to Petitioner's assertions, there are no consumer privacy concerns or issues with Securus' proprietary THREADS and Location Based Service products; nor are they aware of any violations of Section 222 of the Communications Act as Petitioner asserts. Applicant explained that THREADS and Location Based Services were developed in conjunction with law enforcement and they are used solely by law enforcement and correctional personnel; and that the use of these products by such personnel has been instrumental in helping solve or prevent many crimes and save lives every year.
- 2. Review Of Points From Applicants' July 24 Ex Parte Notice Applicants reviewed the points made in their July 24, 2017 Ex Parte with Mr. Degani. Applicants specifically noted that Petitioners had already raised issues central to their Petition concerning intrastate inmate calling service rate structures in rulemaking proceedings. <sup>5</sup>
- 3. Other Points Made In Opposition And Ex Parte Notices Applicants reiterated points concerning the compliance record of Securus, the qualifications of the transferee, and the lack of merit of other arguments previously made by Petitioners in their Petition and Reply.
- 4. <u>Impact Of Further Delay</u> The Applicants addressed the negative impact of further delay in approving the underlying Joint Application beyond August 1, 2017. In particular, Applicants discussed the financial and logistical implications and the possible repercussions of additional delay.

At the conclusion of each meeting Applicants provided Commission attendees with a copy of the attached letter from the CEO of STI and other interested parties to Chairman Pai, a copy of which had been separately delivered by Federal Express to the Chairman's Office on July 27.6

<sup>&</sup>lt;sup>5</sup> Specifically, the Wright Petitioners have lodged the same assertions regarding possible violations of Sections 64.6080 and 64.6090 in July of last year in WC Docket No. 12-375 and again in that Docket and GN Docket No. 13-111 in January of this year.

<sup>&</sup>lt;sup>6</sup> Mr. Reinhold clarified that one component of the transaction-required application in Pennsylvania was recommended for approval. The final Secretarial Letter was issued today.

Page 4

STI ended the meetings by reiterating its request that the FCC grant the Joint Application expeditiously so the parties can meet their planned August 1 closing date.

Respectfully submitted

Paul C. Besozzi

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Counsel for Securus Investment Holdings,

LLC; Securus Technologies, Inc.; T-

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Telecommunications Services, Inc.

cc: Chairman Ajit Pai

Commissioner Mignon Clyburn

Commissioner Michael O'Rielly

Brendan Carr, General Counsel

Kris Monteith, Chief, Wireline Competition Bureau

Tom Sullivan, Chief, International Bureau

Nicholas Degani, Office of Chairman Pai

Jay Schwarz, Office of Chairman Pai

Kristine Fargotstein, Office of Chairman Pai

Claude Aiken, Office of Commissioner Clyburn

Jim Bird, Office of General Counsel

Madeleine Findley, Wireline Competition Bureau

Daniel Kahn, Wireline Competition Bureau

Jodie May, Wireline Competition Bureau

Sherwin Siy, Wireline Competition Bureau

Tracey Wilson, Wireline Competition Bureau

David Krech, International Bureau

Sumita Mukhoty, International Bureau

Lee G. Petro, Counsel for Petitioners

William B. Wilhelm, Counsel for Transferee

July 26, 2017



Honorable Ajit Pai Chairman, Federal Communications Commission 425 12th Street, S.W. Washington, DC 20554

Subject: FCC Approvals - Securus Technologies Acquisition by Platinum Equity

Dear Chairman Pai:

On May 11, 2017, Securus Technologies filed multiple Domestic and International Transfer Authorizations with the FCC in advance of a scheduled August 1, 2017 closing date.

To date, we have not yet received approvals from the FCC, but we have received approvals for 48 of 48 state money license transfer approvals, Hart Scott Rodino Justice Department approval, and all necessary State/PSC/PUC approvals. All approvals to close are now completed with the exception of the FCC's approval.

Securus has met with all required members of the FCC staff on multiple occasions and has responded to all of their questions. We know of no outstanding issues remaining that would prevent your approval of this parent to parent transfer.

We have raised debt and equity from 50 banks and private equity sponsors, and we all will incur substantial costs for each day beyond our scheduled closing date of August 1<sup>st</sup>.

Please help us and allow us to timely close with the FCC approvals.

Respectfully,

Richard A. Smith

Chief Executive Officer and Chairman

Securus Technologies, Inc.

/S/ Manfred Affenzeller

Manfred Affenzeller Managing Director Deutsche Bank

/S/ Azra Kanji

Azra Kanji Partner

Cc:

**ABRY Partners** 

Madeleine Findley, Deputy Chief, Wireline Competition Bureau