

August 5, 2017

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By ECFS

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

RE: Ex Parte Submission
WC Docket No. 17-126
ITC-T/C-20170511-00094, ITC-T/C-20170511-00095

CALIFORNIA
DELAWARE
ILLINOIS
NEW JERSEY
NEW YORK
PENNSYLVANIA
WASHINGTON D.C.
WISCONSIN

Dear Ms. Dortch:

The Wright Petitioners, by and through their counsel, and pursuant to Section 1.1206(b) of the Commission's rules, hereby submit this Ex Parte Presentation regarding the above-referenced transfer of control applications (the "Transaction").

On August 4th, Securus and Platinum Equity submitted an exceptionally brief Ex Parte presentation to address the recent Ex Parte presentations filed by the Wright Petitioners that highlighted Securus and Platinum Equity's numerous instances of false, misleading and inaccurate statements to the Federal Communications in their meetings with Commission staff members on July 27, 2017.¹

In particular, the Wright Petitioners have demonstrated that Securus and Platinum Equity had provided incorrect and misleading information provided to Commission staff members regarding the status of Securus' state PUC approvals for the Transaction.² The Wright Petitioners also brought to the Commission's attention pending criminal and civil cases centered on the use of Securus' Location Based Service to violate Section 222 of the Communications Act, for which an employee of Securus was ordered to travel from Dallas, Texas, to Mississippi County, Missouri, to address.³

¹ See Ex Parte Presentation, filed July 31, 2017 (<https://www.fcc.gov/ecfs/filing/10731024012148>) ("*Securus July 27 Ex Parte Presentation*"). Copies of Securus and Platinum Equity's July 27th and August 4th Ex Parte presentations are attached. Exhibit A.

² See Ex Parte Presentation, filed July 31, 2017 (<https://www.fcc.gov/ecfs/filing/107312104209329>). See also Ex Parte Presentation, filed August 2, 2017 (<https://www.fcc.gov/ecfs/filing/10803428306846>). See also Ex Parte Presentation, August 3, 2017 (<https://www.fcc.gov/ecfs/filing/1080366266219>).

³ See Ex Parte Presentation, August 4, 2017 (<https://www.fcc.gov/ecfs/filing/10804689721322>).

In response, Securus and Platinum Equity stated that the Wright Petitioners had averred that the Mississippi County, Missouri criminal and civil cases “is somehow a Section 222 violation by STI.”⁴ But that assertion, as with most of those recently presented by Securus and Platinum Equity in the Transaction, is in error. Simply put, the Wright Petitioners did not assert that Securus violated Section 222.

Instead, the Wright Petitioners argued that the following statement, made by Securus and Platinum Equity representatives to multiple staff members of the Federal Communications Commission, on July 27, 2017, was false and misleading:

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.*⁵

Clearly, if Securus was ordered by a Missouri state criminal court to send a Securus employee to provide testimony in a criminal case involving the misuse of Securus’ Location Based Service in June 2017, Securus certainly aware that there were “consumer privacy concerns or issues” with the service, and they were certainly “aware of [at least one] violation[] of Section 222 of the Communications Act”⁶ when they met to discuss the Transaction with Commission staff on July 27, 2017.⁷

Thus, the question presented – again – is whether Securus presented false, misleading and inaccurate information on July 27th when it stated that:

- Á there are no consumer privacy concerns or issues with Securus’ proprietary THREADS and Location Based Service products;
- Á nor are they aware of any violations of Section 222 of the Communications Act as Petitioner asserts.

In light of the evidence presented by the Wright Petitioners, it is clear that those statements were false, misleading and inaccurate, and Securus and Platinum Equity’s new attempt to dissemble and present straw-man arguments must be rejected.

⁴ *Securus August 4th Ex Parte Presentation*, pg. 2.

⁵ *See Securus July 27th Ex Parte Presentation*, pg. 3 (emphasis added).

⁶ *See* 47 C.F.R. § 222(f)(1) (2017) (requiring the “express prior authorization of the customer” before “call location information concerning the user of a commercial mobile service...or the user of an IP-enable voice service” is disclosed to a third-party.).

⁷ *See Securus July 27th Ex Parte Presentation*, pg. 3 (emphasis added).

Additionally, in the *Securus August 4th Ex Parte Presentation*, Securus and Platinum Equity assert that the July 26, 2017 letter from Richard A. Smith, Chief Executive Officer and Chairman of Securus Technologies, Inc., and Manfred Affenzeller, Managing Director of Deutsche Bank, which was sent via Federal Express to Chairman Ajit Pai, should be read to mean something that ventures far afield from the plain language of the letter.

In particular, the July 26, 2017 letter sent via Federal Express to Chairman Pai, and provided to each Commission staff member in the July 27, 2017 meetings, stated:

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.⁸

Securus now asserts that this statement was intended to mean that it “had obtained all state approvals required by the Stock Purchase Agreement as a condition to closing the transaction.”⁹

The only reasonable way to read this assertion is that ABRY Partners and Platinum Equity entered into a Stock Purchase Agreement, dated April 29, 2017, in which Platinum Equity agreed that the \$1.5 billion Transaction could close without first ABRY Partners being required to obtain prior consent from the state in which it provides service to the statewide department of corrections (Alaska), or the state in which it provides service to 65 correctional institutions (California).¹⁰

Without any supporting evidence, this assertion seems extremely far-fetched. In fact, this new *post-hoc* rationalization is further eviscerated by the statements Securus and Platinum Equity made to the Administrative Law Judge at the California Public Utilities Commission (“CPUC”) and the Pennsylvania Public Utilities Commission.

In particular, Securus and Platinum Equity representatives asserted during a prehearing conference call on July 20th with Administrative Law Judge Patricia Miles that:

⁸ See *Securus July 27th Ex Parte Presentation*, Attachment (emphasis added).

⁹ See *Securus August 4th Ex Parte Presentation*, pg. 2.

¹⁰ See Exhibit B.

They are seeking expedited processing of the application because they will be charged approximately \$75,000 per day after August 1 that the transaction is not completed. Joint Applicants estimate that fees will approach \$1.5 million if the transaction cannot close until August 31, 2017.¹¹

The only reasonable interpretation of these statements by representatives of Securus and Platinum Equity is that the Transaction could not close without approval by the California Public Utilities Commission, and that any delay in the required consent before the parties could close the Transaction beyond August 1, 2017, would result in additional fees.

Certainly, ALJ Miles was under the impression that the Transaction could not close without CPUC approval. Why else would she warn Securus and Platinum Equity:

Section 854 permits imposition of penalties and nullifying the transfer of control if they do not wait for Commission approval before completing the transaction.¹²

Thus, the assertion in the *Securus August 4th Ex Parte Presentation* that the Stock Purchase Agreement between ABRY Partners and Platinum Equity did not require approval from the California Public Utilities Commission is undermined by the facts presented in the *Scoping Memo* and the warnings from ALJ Miles.

Additionally, a similar instance was apparently presented in the review of the Transaction by the Pennsylvania Public Utility Commission. The *Securus July 27th Ex Parte Presentation* included a footnote clarifying that the assertions made in the Securus/Deutsche Bank letter had erroneously included the State of Pennsylvania when it stated “all necessary State/PSC/PUC approvals,” but that the approval “was issued” on July 31, 2017.¹³

¹¹ See *Scoping Memo and Ruling of Assigned Commissioner*, California Public Utilities Commission, Application 17-05-011, pg. 3 (rel. July 31, 2017). See [Exhibit C](#).

¹² See *Id.* Cf. Lt.(j.g.) Daniel Kaffee, *A Few Good Men* (“If you gave an order that Santiago wasn’t to be touched, and your orders are always followed, then why would Santiago be in danger? Why would it be necessary to transfer him off the base?”)

¹³ See *Securus July 27th Ex Parte Presentation*, pg. 3, nt. 6.

Attached as Exhibit D is a copy of the Pennsylvania Public Utility Commission Secretarial Letter issued on July 31, 2017. Of special note is the language on page 3 of the Secretarial Letter in which the Secretary of the Pennsylvania Public Utility Commission writes:

In updates provided to the Commission following the filing of the application, the Joint Applicants also have advised that as of the date of this Secretarial Letter, all other state commissions that were required to approve the transaction have done so without the imposition directly or indirectly of any conditions, an averment that has factored into this action by the Commission today.¹⁴

Apparently, the Pennsylvania Public Utility Commission was under the impression that the Transaction required prior consent from Pennsylvania, a state in which Securus provides service to the Department of Corrections (as it does in Alaska), and a number of county facilities (as it does in California).

Again, it seems rather far-fetched that ABRY and Platinum Equity would enter into a stock purchase agreement on April 29, 2017, in which Platinum Equity would require prior consent from the State of Pennsylvania, but not California or Alaska.

But that is what Securus and Platinum Equity would have the Commission believe when it stated in the *Securus August 4th Ex Parte Presentation* that:

As of August 1, Applicants had obtained all state approvals required by the Stock Purchase Agreement as a condition to closing the transaction; STI's letter indicating that it had all required approvals was intended to be read and should be read as referring only to these contractual obligations.¹⁵

Absent making available a copy of the stock purchase agreement, as signed on April 29, 2017, to the public so that it could be determined whether the agreement as of that date specifically exempted ABRY Partners from obtaining prior approval from the States of California and Alaska, the Commission should reject this new *post-hoc* interpretation of the otherwise very clear language in the Securus/Deutsche Bank Letter asserting that *only* the FCC was necessary "to timely close" on August 1st.¹⁶

¹⁴ See Secretarial Letter, Exhibit D, at pg. 3.

¹⁵ See *Securus August 4th Ex Parte Presentation*, pg. 2.

¹⁶ See *Securus July 27th Ex Parte Presentation*, Attachment.

Thus, the *Securus August 4th Ex Parte Presentation* raises new and material questions whether Securus and Platinum Equity have acted with full candor before the Federal Communications Commission in connection with the Transaction.

While it is understandable that the ABRY Partners and Platinum Equity would like to rush forward and quickly close the Transaction, the Commission cannot ignore the laundry list of false, misleading and patently inaccurate information that has been tendered in this proceeding. As noted previously, the Wright Petitioners have demonstrated that Securus inaccurately described its audio and video calling rates,¹⁷ its finances, and its role in seeking relief from state regulatory agencies.¹⁸

While Securus and Platinum Equity have repeatedly provided false, inaccurate and/or misleading information in order to secure quick approval of the Transaction, the only justifications provided by the parties for FCC approval is that Platinum Equity apparently has deeper pockets than ABRY Partners, and that the current management of Securus will remain in place post-Transaction.

The Wright Petitioners respectfully submit that these justifications are woefully inadequate in light of the clear evidence of statutory and rule violations, and lack of candor exhibited in this proceeding. Instead, the Commission must not be pressured into granting this application without a full examination of the “complex factual issues” presented in the instant case.¹⁹ Should there be any questions regarding this submission, please contact undersigned counsel.

Respectfully submitted,



Lee G. Petro

Counsel for the Wright Petitioners

¹⁷ See Ex Parte Presentation, filed July 24, 2017 (<https://www.fcc.gov/ecfs/filing/10724209319940>). See also Ex Parte Presentation, filed July 29, 2017 (<https://www.fcc.gov/ecfs/filing/10730231310201>). See also Reply, filed July 3, 2017 (<https://www.fcc.gov/ecfs/filing/1070304541545>).

¹⁸ See Ex Parte Presentation, filed July 14, 2017 (<https://www.fcc.gov/ecfs/filing/1071454262147>). See also Reply, filed July 3, 2017 (<https://www.fcc.gov/ecfs/filing/1070304541545>).

¹⁹ See *Radioactive, LLC*, Hearing Designation Order, FCC 17-106, MB Dkt. 17-198 (rel. Aug. 3, 2017) (Statement of Commissioner Michael P. O’Rielly).

Marlene H. Dortch, Secretary

August 5, 2017

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cc (by/email):

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

Rosemary Harold, Chief, Enforcement Bureau

Nicholas Degani, Office of Chairman Pai

Jay Schwarz, Office of Chairman Pai

Jim Bird, Office of General Counsel

Madeline 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

Richard Hindman, Enforcement Bureau

Sumita Mukhoty, International Bureau

Paul C. Besozzi, Counsel for Transferor and Licensees

William B. Wilhelm, Jr., Counsel for the Transferee

"

EXHIBIT A

"



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Paul Besozzi
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VIA ECFS AND IBFS

August 4, 2017

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

Re: **Ex Parte Submission – 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:

Securus Investment Holdings, LLC, Securus Technologies, Inc., T-NETIX, Inc., and T-NETIX Telecommunications Services, Inc. (collectively “STI”) and SCRS Acquisition Corporation (“SCRS”) (collectively, with STI, the “Applicants”), by and through the undersigned counsel, and pursuant to Section 1.1206(b) of the Commission’s rules, hereby submit this Ex Parte Submission in connection with the pending indirect transfer of control application filed by the Applicants.¹

¹ *Joint Application of Securus Investment Holdings, LLC, Transferor, Securus Technologies, Inc., Licensee T-NETIX, Inc., Licensee T-NETIX Telecommunications Services, Inc., Licensee, and SCRS Acquisition Corporation For Grant of Authority Pursuant to Section 214 of the Communications Act of*

Through this Ex Parte Submission, the Applicants respond to the numerous recent ex parte submissions filed by the Wright Petitioners (“Petitioners”) and provide certain relevant facts.²

First, in the case of STI’s Location Based Services (“LBS”) software program, as described in greater detail to FCC staff in July 27 meetings, law enforcement/correctional personnel use of the LBS software to gain access to location information is subject to prior informed consent of the called mobile party or a warrant, subpoena, or other legal authorization. The Petitioners claim that the alleged actions of a former sheriff, who was authorized to use the program in accordance with specific LBS terms and conditions regarding privacy, is somehow a Section 222 violation by STI.³ As the very Complaint submitted by the Petitioners plainly shows (see pages 3-4),⁴ in this case the sheriff used facially valid but allegedly false legal authorizations to satisfy the requirement for access to the requested data.

Second, STI has acted with candor. As of August 1, Applicants had obtained all state approvals required by the Stock Purchase Agreement as a condition to closing the transaction; STI’s letter indicating that it had all required approvals was intended to be read and should be read as referring only to these contractual obligations.

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”).

² Wright Petitioners’ Ex Parte Submissions (filed July 31, 2017; Aug. 2, 2017; Aug. 3, 2017; Aug. 4, 2017). See also *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”).

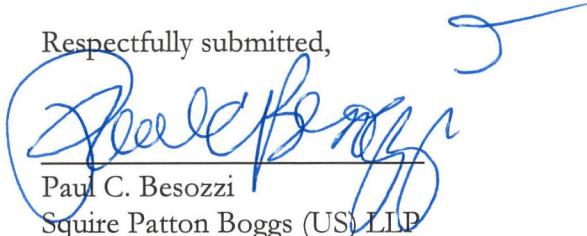
³ 47 U.S.C. § 222.

⁴ Complaint at 3-4, *Cooper v. Hutcheson*, No. 1:17-cv-00073-ACL (E.D. Mo. Southeastern Div. filed May 9, 2017).

Third, Petitioners have alleged that both STI and SCRS's parent have misled the Commission, which is false.

In light of the above, the Applicants respectfully reiterate their request that the Joint Application be processed expeditiously.

Respectfully submitted,



Paul C. Besozzi
Squire Patton Boggs (US) LLP
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Washington, DC 20037
202-457-5292
*Counsel for Securus Investment Holdings,
LLC; Securus Technologies, Inc.; T-
NETIX, Inc.; and T-NETIX
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

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 authority¹

¹ *Joint Application of Securus Investment Holdings, LLC, Transferor, Securus Technologies, Inc., Licensee T-NETIX, Inc., Licensee T-NETIX Telecommunications Services, Inc., Licensee, and SCRS*

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”)² in ex parte submissions filed July 24 and 25, 2017.³

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,⁴ 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”).

² *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”).

³ 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”).

⁴ 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.⁵

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. Impact Of Further Delay – 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.

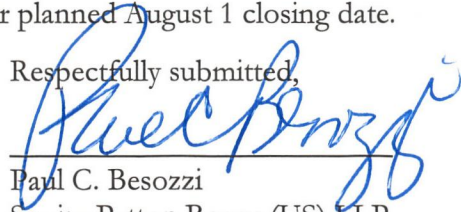
At the conclusion of each meeting Applicants provided Commission attendees with a copy of the attached letter from the CEO of STI and other interested parties to Chairman Pai, a copy of which had been separately delivered by Federal Express to the Chairman’s Office on July 27.⁶

⁵ 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.

⁶ Mr. Reinhold clarified that one component of the transaction-required application in Pennsylvania was recommended for approval. The final Secretarial Letter was issued today.

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
Squire Patton Boggs (US) LLP
2550 M Street, NW
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202-457-5292
Counsel for Securus Investment Holdings, LLC; Securus Technologies, Inc.; T-NETIX, Inc.; and T-NETIX Telecommunications Services, Inc.

cc: Chairman Ajit Pai
Commissioner Mignon Clyburn
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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 1st.

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

Respectfully,

A handwritten signature in black ink, appearing to read "Richard A. Smith", written over a circular scribble.

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
ABRY Partners

Cc: Madeleine Findley, Deputy Chief, Wireline Competition Bureau

"

EXHIBIT B

"

SECURUS TECHNOLOGIES, INC.

FACILITIES SERVED

ALASKA

AK DOC - ANCHORAGE CORRECTIONAL COMPLEX/EAST (ANCHORAGE JAIL)
AK DOC - ANCHORAGE CORRECTIONAL COMPLEX/WEST
AK DOC - ANVIL MOUNTAIN CORRECTIONAL CENTER
AK DOC - FAIRBANKS CORRECTIONAL CENTER
AK DOC - GOOSE CREEK CORRECTIONAL CENTER
AK DOC - HILAND MOUNTAIN CORRECTIONAL CENTER
AK DOC - KETCHIKAN CORRECTIONAL CENTER
AK DOC - LEMON CREEK CORRECTIONAL CENTER
AK DOC - MAT-SU PRETRIAL FACILITY
AK DOC - PALMER CORRECTIONAL CENTER
AK DOC - POINT MACKENZIE CORRECTIONAL FARM
AK DOC - SPRING CREEK CORRECTIONAL CENTER
AK DOC - WILDWOOD CORRECTIONAL COMPLEX
AK DOC - YUKON KUSKOKWIM CORRECTIONAL CENTER

CALIFORNIA

AMADOR COUNTY JAIL
BUTTE COUNTY JAIL
BUTTE COUNTY JUVENILE HALL
CALAVERAS COUNTY SHERIFF'S OFFICE
DEL NORTE COUNTY SHERIFF'S OFFICE
FRESNO COUNTY JUVENILE JUSTICE CENTER
HEMET CITY POLICE DEPT
INYO COUNTY JAIL
KERN COUNTY - LERDO MAX/MED FACILITY
KERN COUNTY - LERDO MINIMUM FACILITY & INMATE SERVICES SECTION
KERN COUNTY - LERDO PRE-TRIAL FACILITY
KERN COUNTY - SHERIFF'S MOJAVE SUBSTATION
KERN COUNTY - SHERIFF'S OFFICE CENTRAL RECEIVING FACILITY
KERN COUNTY - SHERIFF'S RIDGECREST SUBSTATION
LASSEN COUNTY JAIL
LASSEN COUNTY JUVENILE DETENTION CENTER
LOMPOC CITY JAIL
MADERA COUNTY DOC
MODOC COUNTY JAIL
MONO COUNTY MAMMOTH LAKES COURTHOUSE
MONO COUNTY SHERIFFS DEPT
NAPA COUNTY DOC
NAPA COUNTY JUVENILE PROBATION
RIVERSIDE COUNTY - BLYTHE JAIL
RIVERSIDE COUNTY - INDIO JAIL
RIVERSIDE COUNTY - LARRY D SMITH CORRECTIONS
RIVERSIDE COUNTY - REGIONAL MEDICAL CENTER

RIVERSIDE COUNTY - ROBERT PRESLEY DETENTION CENTER
RIVERSIDE COUNTY - SOUTHWEST DETENTION CENTER
SAN BENITO COUNTY JUVENILE DEPT
SAN BERNARDINO COUNTY - BARSTOW STATION JAIL
SAN BERNARDINO COUNTY - BIG BEAR STATION JAIL
SAN BERNARDINO COUNTY - CENTRAL DETENTION FACILITY
SAN BERNARDINO COUNTY - COLORADO RIVER JAIL
SAN BERNARDINO COUNTY - FOOTHILL PRETRIAL
SAN BERNARDINO COUNTY - GLEN HELEN REHABILITATION CENTER
SAN BERNARDINO COUNTY - HIGH DESERT DETENTION FACILITY
SAN BERNARDINO COUNTY - MORONGO BASIN STATION JAIL
SAN BERNARDINO COUNTY - SB COURT HOLDING
SAN BERNARDINO COUNTY - VICTOR VALLEY
SAN BERNARDINO COUNTY WEST VALLEY DETENTION CENTER
SAN DIEGO - LAS COLINAS DET RE FAC - ATTORNEY
SAN DIEGO COUNTY - CAMP BARRETT
SAN DIEGO COUNTY - CENTRAL JAIL
SAN DIEGO COUNTY - E MESA JUVENILE DETENTION FACILITY
SAN DIEGO COUNTY - FACILITY 8
SAN DIEGO COUNTY - GEORGE BAILEY DETENTION FACILITY
SAN DIEGO COUNTY - GIRLS REHAB FACILITY
SAN DIEGO COUNTY - KEARNY MESA JUVENILE DETENTION FACILITY
SAN DIEGO COUNTY - LAS COLINAS DETENTION & RE-ENTRY FACILITY
SAN DIEGO COUNTY - S BAY DETENTION FACILITY
SAN DIEGO COUNTY - VIRTUAL FACILITY
SAN DIEGO COUNTY - VISTA DETENTION FACILITY
SAN DIEGO EAST MESA DET FACILITY
SAN JOAQUIN COUNTY JAIL
SAN JOAQUIN COUNTY JAIL - BOOKING
SAN MATEO COUNTY - MAGUIRE CORRECTIONAL FACILITY
SAN MATEO COUNTY - MAPLE STREET CORRECTIONAL CENTER
SAN MATEO COUNTY YOUTH SERVICES CENTER
SANTA CRUZ COUNTY JUVENILE HALL
SEAL BEACH POLICE DEPT
SUTTER COUNTY SHERIFF'S DEPT
TRINITY COUNTY PROBATION
TRINITY COUNTY SHERIFF
YUBA SUTTER JUVENILE HALL

PENNSYLVANIA

BUTLER COUNTY PRISON
CLINTON COUNTY CORRECTIONAL FACILITY
COLUMBIA COUNTY PRISON
CRAWFORD COUNTY CORRECTIONAL FACILITY
ERIE COUNTY COMMUNITY CORRECTIONAL FACILITY
ERIE COUNTY PRISON
GREENE COUNTY PRISON
LANCASTER COUNTY PRISON
LANCASTER COUNTY YOUTH INTERVENTION CENTER
MONROE COUNTY CORRECTIONAL FACILITY
PA DOC - ALBION STATE CORRECTIONAL INSTITUTION
PA DOC - BENNER TOWNSHIP STATE CORRECTIONAL INSTITUTION
PA DOC - CAMBRIDGE SPRINGS STATE CORRECTIONAL INSTITUTION
PA DOC - CAMP HILL STATE CORRECTIONAL INSTITUTION
PA DOC - CHESTER STATE CORRECTIONAL INSTITUTION
PA DOC - COAL TOWNSHIP STATE CORRECTIONAL INSTITUTION
PA DOC - DALLAS STATE CORRECTIONAL INSTITUTION
PA DOC - DEPT OF CORRECTIONS CENTRAL OFFICE
PA DOC - FAYETTE STATE CORRECTIONAL INSTITUTION
PA DOC - FOREST STATE CORRECTIONAL INSTITUTION
PA DOC - FRACKVILLE STATE CORRECTIONAL INSTITUTION
PA DOC - GRATERFORD STATE CORRECTIONAL INSTITUTION
PA DOC - GREENE STATE CORRECTIONAL INSTITUTION
PA DOC - HOUTZDALE STATE CORRECTIONAL INSTITUTION
PA DOC - HUNTINGDON STATE CORRECTIONAL INSTITUTION
PA DOC - LAUREL HIGHLANDS STATE CORRECTIONAL INSTITUTION
PA DOC - MAHANOEY STATE CORRECTIONAL INSTITUTION
PA DOC - MERCER STATE CORRECTIONAL INSTITUTION
PA DOC - MUNCY STATE CORRECTIONAL INSTITUTION
PA DOC - PINE GROVE STATE CORRECTIONAL INSTITUTION
PA DOC - PITTSBURGH STATE CORRECTIONAL INSTITUTION
PA DOC - QUEHANNA MOTIVATIONAL BOOT CAMP
PA DOC - RETREAT STATE CORRECTIONAL INSTITUTION
PA DOC - ROCKVIEW STATE CORRECTIONAL INSTITUTION
PA DOC - SMITHFIELD STATE CORRECTIONAL INSTITUTION
PA DOC - SOMERSET STATE CORRECTIONAL INSTITUTION
PA DOC - WAYMART STATE CORRECTIONAL INSTITUTION
POTTER COUNTY JAIL
TIOGA COUNTY PRISON
UNION COUNTY PRISON
VENANGO COUNTY PRISON
WARREN COUNTY PRISON
WYOMING COUNTY CORRECTIONAL FACILITY

"

EXHIBIT C

"



FILED
7-31-17
09:15 AM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of SCRS ACQUISITION CORPORATION, SECURUS INVESTMENT HOLDINGS, LLC, and SECURUS TECHNOLOGIES, INC. (U6888C) for Approval to Transfer Indirect Control of Securus Technologies, Inc.

Application 17-05-011

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

Summary

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules),¹ this Scoping Memo and Ruling sets forth the procedural schedule, and addresses the scope of this proceeding as well as other procedural matters, following the prehearing conference held on July 20, 2017.

2. Background

SCRS Acquisition Corporation (SCRS), Securus Investment Holdings, LLC (SIH) and Securus Technologies, Inc. (STI) (together, the "Joint Applicants") are seeking authorization, pursuant to Public Utilities Code Section 854,² to transfer indirect control of STI to SCRS. Section 854 requires that the Commission review a proposed transaction, before it takes place, in order to assure that it is in the public interest.

¹ All references to Rules are to the Commission's Rules of Practice and Procedure, which are available on the Commission's website at:
http://docs.cpuc.ca.gov/word_pdf/RULES_PRAC/70731.pdf.

² All Code references are to the Public Utilities Code, unless otherwise stated.

The Commission granted STI a certification of public convenience and necessity (CPCN) to operate as a nondominant interexchange carrier and to provide resold interLATA and intraLATA telecommunications services in Decision (D) 04-05-049.³ STI offers prepaid calling cards to inmates in correctional facilities.

In D.13-10-004 dated October 3, 2013, the Commission approved SIH's acquisition of control of STI, which was requested to provide STI with refinancing of current indebtedness and improved access to capital. The 2013 acquisition by SIH caused no change to STI's rates, operations or conditions of service. This application seeks authorization for SCRS to acquire 100% of the stock of Connect Acquisition Corp. (Connect),⁴ which will result in SCRS having indirect control of STI. The indirect transfer of control will not result in any modifications to STI's existing price lists or customer contracts and STI customers will receive the same rates, terms and conditions that currently apply.⁵

The Joint Applicants filed their application under Section 854 on May 16, 2017. Notice of the application appeared in the daily calendar on May 18, 2017. There were no protests or objections filed to the Application.

³ See D.04-05-049, in which the Commission authorized STI, then operating under the name, Evercom Systems, Inc., to provide resold interLATA and intraLATA services in California. According to its application, STI notified the Commission of its name change by advice letter filed on September 21, 2010.

⁴ See D.11-12-041, in which the Commission authorized transfer of control of STI to Castle Harlan Partners V, L.P. (Castle) in 2011. Through the 2011 transaction, Connect (94% owned by Castle), acquired 100% of the stock of Securus Holdings, Inc.

⁵ Application at 10.

3. Prehearing Conference (PHC)

A telephonic prehearing conference (PHC) was held on July 20, 2017 with participation by outside counsel for SCRS,⁶ outside counsel for SIH and STI,⁷ and STI's general counsel.

During the PHC, the ALJ informed the Joint Applicants that the August 1, 2017 target completion date for the transfer of control⁸ was not possible, because the next Commission meeting is August 10, 2017.⁹ The Joint Applicants indicated that they are seeking expedited processing of the application because they will be charged approximately \$75,000 per day after August 1 that the transaction is not completed. Joint Applicants estimate that fees will approach \$1.5 million if the transaction cannot close until August 31, 2017. When asked why they had waited so long to file the application, the Joint Applicants explained that they had assembled the application and mailed it as quickly as possible after April 29, 2017, the date when they reached agreement on the stock purchase transaction. The judge nevertheless cautioned the Joint Applicants that Section 854 permits imposition of penalties and nullifying the transfer of control if they do not wait for Commission approval before completing the transaction.

⁶ Douglas D. Orvis of Morgan Lewis & Bockius LLP.

⁷ Paul Bessozzi of Squire Patton, Boggs and Megan Somogyi of Goodin, MacBride, Squeri & Day, LLP.

⁸ Application at 2.

⁹ The application was filed May 16, 2017. Rule 2.6(a) requires a 30 day period from May 18, 2017 for protests, responses or replies, *i.e.*, until June 15, 2017. To place the matter on the August 10, 2017 Commission agenda, the proposed decision would have needed to be completed by July 24, 2017, only a month after the protest period ended.

4. Scope of the Proceeding

Based on the Application, exhibits, and the parties' discussions during the PHC, the issues to be addressed in this proceeding are:

1. Whether Joint Applicants have provided financial documents which demonstrate that SCRS meets the Commission's financial requirements for the issuance of a CPCN authorizing the provision of resold interexchange services.
2. Whether the Joint Applicants have demonstrated that SCRS has sufficient technical expertise in telecommunications or a related business.
3. Whether SCRS satisfies the Commission's requirements for regulatory disclosures and § 17000 *et seq.* of the California Business and Professions Code.
4. Whether the transaction described herein is exempt from review under the California Environmental Quality Act (CEQA) because it will not have any significant impact on the environment.

5. Need for Evidentiary Hearing

At this time, there appear to be no contested issues of material fact requiring evidentiary hearing.

6. Category of Proceeding/Ex Parte Requirements

The category of the proceeding is ratesetting, as preliminarily determined by the Commission in Resolution ALJ 176-3398. *Ex parte* communications are restricted and subject to reporting requirements pursuant to Rule 8.1 *et seq.* The preliminary determination was that there is need for hearing, however, as discussed above, there will not be need for hearing unless contested issues of material fact arise.

7. Schedule

This matter will stand submitted the date that this Scoping Memorandum is filed. The proposed decision shall be mailed no later than 90 days from the date of submission. If the proposed decision grants the uncontested requested relief, public review and comment shall be waived pursuant to Rule 14.6(c)(2).

8. Filing, Service and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocols in Rule 1.10, which are set forth in Section 8. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Parties are reminded, when serving copies of documents, the document format must be consistent with the requirements set forth in Rules 1.5 and 1.6. Additionally, Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents.

Rules 1.9 and 1.10 govern service of documents only and do not change the Rules regarding the tendering of documents for filing. Parties can find information about electronic filing of documents at the Commission's Docket Office at www.cpuc.ca.gov/PUC/efiling. All documents formally filed with the Commission's Docket Office must include the caption approved by the Docket Office and this caption must be accurate.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

Discovery may be conducted by the parties consistent with Article 10 of the Commission’s Rules. Any party issuing or responding to a discovery request shall serve a copy of the request or response simultaneously on all parties. Electronic service under Rule 1.10 is sufficient, except Rule 1.10 does not apply to the service of discovery and discovery shall not be served on the ALJ. Deadlines for responses may be determined by the parties. Motions to compel or limit discovery shall comply with Rule 11.3.

9. Electronic Submission and Format of Supporting Documents

The Commission’s web site now allows electronic submittal of supporting documents (such as testimony and work papers).

Parties shall submit their testimony or work papers in this proceeding through the Commission’s electronic filing system.¹⁰ Parties must adhere to the following:

- The Instructions for Using the “Supporting Documents” Feature, (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=158653546>) and
- The Naming Convention for Electronic Submission of Supporting Documents,

¹⁰ These instructions are for submitting supporting documents such as testimony and work papers in formal proceedings through the Commission’s electronic filing system. Parties must follow all other rules regarding serving testimony. Any document that needs to be formally filed such as motions, briefs, comments, etc., should be submitted using Tabs 1 through 4 in the electronic filing screen.

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=100902765>).

- The Supporting Document feature does not change or replace the Commission's Rules of Practice and Procedure. Parties must continue to adhere to all rules and guidelines in the Commission's Rules of Practice and Procedures including but not limited to rules for participating in a formal proceeding, filing and serving formal documents and rules for written and oral communications with Commissioners and advisors (*i.e.* "ex parte communications") or other matters related to a proceeding.
- The Supporting Document feature is intended to be solely for the purpose of parties submitting electronic public copies of testimony, work papers and workshop reports (unless instructed otherwise by the ALJ), and does not replace the requirement to serve documents to other parties in a proceeding.
- Unauthorized or improper use of the Supporting Document feature will result in the removal of the submitted document by the Commission.
- Supporting Documents should not be construed as the formal files of the proceeding. The documents submitted through the Supporting Document feature are for information only and are not part of the formal file (*i.e.* "record") unless accepted into the record by the ALJ.

All documents submitted through the "Supporting Documents" Feature shall be in PDF/A format. The reasons for requiring PDF/A format are:

- Security - PDF/A prohibits the use of programming or links to external executable files. Therefore, it does not allow malicious codes in the document.
- Retention - The Commission is required by [Resolution L-204](#), dated September 20, 1978, to retain documents in formal proceedings for 30 years. PDF/A is an independent standard and the Commission staff

anticipates that programs will remain available in 30 years to read PDF/A.

- Accessibility – PDF/A requires text behind the PDF graphics so the files can be read by devices designed for those with limited sight. PDF/A is also searchable.

Until further notice, the “Supporting Documents” do not appear on the “Docket Card.” In order to find the supporting documents that are submitted electronically, go to:

- Online documents, choose: “[E-filed Documents](#),”
- Select “Supporting Document” as the document type, (do not choose testimony),
- Type in the proceeding number and hit search.

Please refer all technical questions regarding submitting supporting documents to:

- Kale Williams (kale.williams@cpuc.ca.gov)
(415) 703- 3251 and
- Ryan Cayabyab (ryan.cayabyab@cpuc.ca.gov)
(415) 703-5999

10. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or who has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao> or contact the commission’s Public Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

11. Assignment of Proceeding

Liane M. Randolph is the assigned commissioner and, pursuant to Rule 13.2(a), Patricia Miles is the assigned Administrative Law Judge and Presiding Officer in the proceeding.

IT IS RULED that:

1. The scope, issues, and schedule are as set forth in the body of this ruling unless amended by a subsequent ruling or order of the Presiding Officer.
2. Pursuant to Rule 13.2(a) of the Rules of Practice and Procedure (Rules), Administrative Law Judge Patricia Miles is the Presiding Officer.
3. *Ex Parte* Communications are prohibited in ratesetting proceedings, except as allowed by Rules 8.1 et seq.
4. This is a ratesetting proceeding. The preliminary determination that there is need for evidentiary hearings is changed at this time to reflect that there is no need for evidentiary hearing. This ruling as to category is appealable pursuant to Rule 7.6. The Presiding Officer may determine that there is need for hearing should contested issues of material fact later arise.

Dated July 31, 2017 at San Francisco, California.

/s/ LIANE M. RANDOLPH

Liane M. Randolph
Assigned Commissioner

EXHIBIT D



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

July 31, 2017

A-2017-2604388

DAVID P. ZAMBITO, ESQUIRE
COZEN O'CONNOR
17 NORTH SECOND STREET SUITE 1410
HARRISBURG PA 17101

Re: Joint Application of Securus Investment Holdings, LLC, Securus Technologies, Inc., and SCRS Acquisition Corporation for Approval to Transfer Indirect Control of Securus Technologies, Inc. to SCRS Acquisition Corporation

Dear Mr. Zambito:

On May 16, 2017, Securus Investment Holdings, LLC (SIH), Securus Technologies, Inc. (STI), and SCRS Acquisition Corporation (SCRS) (collectively, Joint Applicants) filed a joint application pursuant to Chapter 11 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 1102(a) and 1103, the Commission's Statement of Policy Utility Stock Transfers at 52 Pa. Code § 69.901, and the Commission's Abbreviated Procedures for Review and Approval of Transfer of Control for Telecommunications Public Utilities, 52 Pa. Code §§ 63.321 – 63.325, seeking approval of a general rule transaction whereby SCRS will acquire indirect control of STI. The joint application has been filed as a general rule transaction because it involves a change in STI's controlling interest of more than 20%.

Pursuant to 52 Pa. Code § 5.14 relating to applications requiring notice, a notice of the transaction was published in the Pennsylvania Bulletin on May 27, 2017 with a protest period ending June 12, 2017, in Volume 47 of the Pennsylvania Bulletin (47 Pa.B. 3060). Additionally, copies of the Joint Application were served upon the Office of Consumer Advocate, the Office of Small Business Advocate, and the Commission's Bureau of Investigation & Enforcement. Further notice was not required and no protests or comments have been received.

STI, utility code 310614, is a jurisdictional Delaware corporation with its principal place of business located at 4000 International Parkway, Carrollton, Texas 75007. STI provides telecommunications services to confinement and correctional facilities in approximately 46 states and the District of Columbia. In Pennsylvania, STI is authorized to provide service as an interexchange (IXC) reseller pursuant to authority granted by the Commission at Docket No. A-310614. STI is also authorized by the FCC

to provide domestic and international telecommunications services. Through Connect Acquisition Corp. (Connect), STI is a wholly-owned, indirect subsidiary of SIH.

SIH, a Delaware limited liability company with principal address located at 111 Huntington Street, 29th Floor, Boston, Massachusetts 02199, is a holding company with no operations of its own. The controlling interests in SIH are currently held by ABRY Partners VII, L.P., which is an affiliate of ABRY Partners, a Boston-based private equity investment firm focused solely on media, communications, business, and information services investments. SIH directly owns 100% of Connect. In connection with the proposed transaction, Connect will be acquired by SCRS.

SCRS, a Delaware corporation with principal address of c/o Platinum Equity, 360 North Crescent Drive, South Building, Beverly Hills, California 90210, was formed for the purpose of consummating the proposed transaction. SCRS is ultimately wholly-owned by SCRS Holding Corporation (SCRS Parent), a Delaware corporation. SCRS Parent is a holding company in which certain private equity investment vehicles sponsored by Platinum Equity, LLC (together with its affiliates, Platinum Equity) will contribute their equity investments in connection with the proposed transaction. Platinum Equity Capital Partners IV, L.P. (PECP IV), a Delaware limited partnership, will be the majority owner of SCRS Parent.

Platinum Equity, a global investment firm founded in 1995, has more than \$11 billion of assets under management and a portfolio of approximately 30 operating companies serving customers worldwide. Platinum Equity specializes in mergers, acquisitions and operations, acquiring and operating companies in a broad range of business markets, including telecommunications. Platinum Equity is currently investing from PECP IV a \$6.5 billion global buyout fund.

Pursuant to a Stock Purchase Agreement by and among SIH, Connect, and SCRS dated as of April 29, 2017, SCRS will acquire all the stock of Connect from SIH. As a result, Connect will be a wholly-owned direct subsidiary of SCRS, and STI will become a wholly-owned indirect subsidiary of SCRS. PECP IV will be the ultimate majority owner of STI.

The Joint Applicants aver that the indirect change of control is in the public interest. The transaction will enable STI to better meet the needs of its customers and to better compete in the telecommunications marketplace. This will occur because STI will continue to be managed and operated by the same officers and personnel, but will be supplemented by management of SCRS and Platinum Equity. STI will also have access to additional financial resources through its relationship with SCRS and Platinum Equity.

STI will continue to provide the same services in the same service territories, and the transaction will be seamless and transparent to customers; therefore,

no prior notice of the transaction is warranted. The only change immediately following consummation will be that STI's ultimate ownership will change, but customers will continue to receive the same services from STI, and at the same rates, terms and conditions.

The Joint Applicants point out that although the transaction may enable STI to better compete in the telecommunications marketplace, it will not adversely affect competition within the telecommunications marketplace as a whole. STI will remain a competitor in the Pennsylvania marketplace, and Platinum Equity does not have any other telecommunication carriers in its current portfolio.

In their application, the Joint Applicants verify that the proposed transaction will have no effect on any tariffs or affiliated interest agreements, and that the transaction will not have a negative effect on the capital structure of STI over the next five years.

The Joint Applicants verify that they do not have eligible telecommunications carrier status under Federal or State law, are not subject to any broadband deployment commitment under Federal or State law, and that the proposed transaction complies with the prohibition against cross-subsidization imposed under Federal and State law.

The Joint Applicants state that applications seeking approval of the proposed transaction have been filed with other state commissions, as well as with the Federal Communications Commission (FCC).¹ In updates provided to the Commission following the filing of the application, the Joint Applicants also have advised that as of the date of this Secretarial Letter, all other state commissions that were required to approve the transaction have done so without the imposition directly or indirectly of any conditions, an averment that has factored into this action by the Commission today. Further, as of the date of this Secretarial Letter, the Joint Applicants advised that approval by the FCC without further conditions is imminent if not already provided. Finally, STI has noted that it currently directly employs approximately 25 persons in the conduct of its business within the Commonwealth of Pennsylvania.

In our review of this change in ownership, STI has committed to exploring the feasibility of addressing Inmate Calling Service rates and services in Pennsylvania in both state and county correctional institutions to which it provides service. First, with

¹ The relevant Section 214 application was filed with the FCC on May 11, 2017 and has been assigned to WC Docket No. 17-126. It can be accessed online at <https://www.fcc.gov/ecfs/filing/1051102799338>. See also FCC Public Notice, Domestic Section 214 Application Filed for the Transfer of Control of Securus Technologies, Inc., T-Netix, Inc., and T-Netix Telecommunications Services, Inc. to SCRS Acquisition Corporation, WC Docket No. 17-126, May 23, 2017, DA 17-500; FCC Public Notice, Notice of Removal of Domestic Section 214 Application from Streamlined Treatment, WC Docket No. 17-126, June 19, 2017, DA 17-594.

respect to rates, STI has committed that it will seek to build upon its represented 72% reduction in rates that has occurred over the past five years. It will do this in particular with county correctional institutions by engaging in discussions with those institutions that have rates in excess of currently identified FCC standards.

With respect to ICS services, and in particular in order to better serve the customers served by STI, which customers are defined by the Commonwealth of Pennsylvania, its state and local correctional facilities, and the inmate population that they service, STI has also committed to exploring the feasibility of a tablet distribution program with the county correctional facilities as soon as practicable following the consummation of this transaction in light of the demonstrated educational, civil, and religious benefits STI has observed from this program at other facilities it serves outside of Pennsylvania.

Further, STI has further committed to exploring the feasibility of a “Job Assist Program” with the county correctional facilities it serves and to exploring the feasibility of a Prison Entrepreneurship Program (PEP) similar to the PEP deployed by STI or its affiliates in the state of Texas given the demonstrated benefits that STI has observed preparation for employment has played in markedly reducing recidivism in that state.²

Finally, the action the Commission takes in this Secretarial Letter is premised on the FCC approval of the same transaction at the federal level. The Commission reserves the right to subsequently impose conditions that may be imposed in the context of the FCC’s approval of the same transaction, consistent with applicable due process requirements under Pennsylvania law, and Joint Applicants have agreed to such reservation.

As required by 66 Pa. C.S. §§ 1102(a) and 1103, as well as the Commission’s regulations at 52 Pa. Code § 63.324(k)(1), we find that the record as supplemented by the additional information and commitments provided by STI sufficiently support the Joint Applicants’ claim that the proposed indirect change of control will provide substantial affirmative public benefit. The transaction itself will be completely transparent to customers who will experience no changes in rates, terms or conditions of service; however, by providing STI with access to the management and additional financial resources of SCRS and Platinum Equity, STI may be enabled to better meet the needs of its customers. For the reasons advanced by the Joint Applicants, we conclude that the record provides substantial evidence of affirmative public benefits sufficient to warrant approval of the transaction under *City of York v. Pa. PUC*, 295 A.2d 825 (Pa. 1972) and *Irwin A. Popowsky v. Pa. PUC*, 937 A.2d 1040 (Pa. 2007).

² See generally *Securus Technologies, Inc., et al., ex parte* submission to the FCC, WC Docket No. 17-126, July 21, 2017.

The Commission finds that the general rule transaction is necessary for the service, accommodation, convenience, or safety of the public in some substantial way, and the Commission will issue a certificate of public convenience authorizing this transaction as required by 66 Pa. C.S. §§ 1102(a) and 1103 and the Commission's regulations at 52 Pa. Code § 63.324(k)(2).

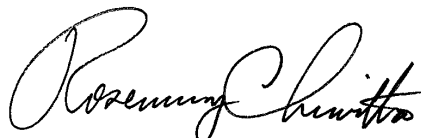
Finally, based upon the information provided in the joint application, the Commission finds that the general rule transaction may enhance the Joint Applicants' ability to compete in Pennsylvania without harm to consumers or Pennsylvania markets as required under 66 Pa. C.S. §§ 1102(a) and 1103, as well as the Commission's regulations at 52 Pa. Code § 63.324(k)(3).

Compliance checks on STI, the only jurisdictional Joint Applicant, found that the company is current on the filing of its annual financial reports and self-certification for security planning and readiness reports. STI does not owe payments to any universal service funds and does not have any outstanding fines or assessments.

In summary, we find that the joint application should be approved as a General Rule Transaction under Section 63.324 of the Commission's regulations as requested, and that a certificate of public convenience be issued to Securus Technologies, Inc. evidencing our approval of the general rule indirect transfer of control.

Therefore, the Commission directs the Joint Applicants to file notice with this Commission within 30 days of the completion of the indirect transfer of control. If the Joint Applicants determine that the proposed transaction will not take place, they shall promptly so notify this Commission.

BY THE COMMISSION,



Rosemary Chiavetta
Secretary

cc: All Parties of Record