

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Embarq Corporation , Transferor,)	
)	
and)	
)	WC Docket No. 20-_____
Inmate Calling Solutions, LLC d/b/a ICSolutions , Transferee,)	IB File No. ITC-T/C-2020_____
)	
Joint Application for Consent to Transfer Control of CenturyLink Public Communications, Inc. Pursuant to Section 214 of the Communications Act of 1934, As Amended)	

**JOINT APPLICATION FOR CONSENT TO TRANSFER
CONTROL OF DOMESTIC AND INTERNATIONAL SECTION
214 AUTHORIZATIONS**

Pursuant to Section 214 of the Communications Act of 1934, as amended (“the Act”),¹ and Sections 63.04, 63.18, and 63.24 of the Commission’s rules,² Embarq Corporation (“Embarq” or “Transferor”) and Inmate Calling Solutions, LLC d/b/a ICSolutions (“ICSolutions” or “Transferee”) (together, the “Applicants”) request Commission consent to transfer control of CenturyLink Public Communications, Inc. (“CPCI” or “Licensee”) from Embarq to ICSolutions. CPCI holds blanket domestic Section 214 authority and an international Section 214 authorization from the Commission.

¹ 47 U.S.C. § 214.

² 47 C.F.R. §§ 63.04, 63.18, and 63.24.

As further described below, the proposed transaction will serve the public interest by enhancing ICSolutions' ability to continue to serve correctional facilities, inmates and their families. The transaction also will not adversely impact competition or CPCI's customers. Indeed, the transaction in large part consists of ICSolutions agreeing to take over the contracts and operational responsibility for the vast majority of CPCI's correctional facility contracts as Embarq withdraws from the business. ICSolutions already operates as a subcontractor for the vast majority of those contracts. As such, customers, inmates, and family members are already familiar and have worked with ICSolutions in these facilities. ICSolutions is therefore well positioned to ensure continuity of service without potential disruptions to service or cost which would likely occur with a new provider.

Pursuant to Section 63.04(b), this Joint Application is being filed concurrently with the Wireline Competition Bureau and International Bureau. The Applicants also request streamlined processing of the Joint Application pursuant to Sections 63.03(b) and 63.12 of the Commission's rules.

I. DESCRIPTION OF THE PARTIES

A. The Transferor and Licensee

Embarq is a Delaware corporation with its principal place of business located at 100 CenturyLink Drive, Monroe, Louisiana 71201. Embarq is a wholly-owned direct subsidiary of CenturyLink, Inc., a Louisiana corporation and publicly traded on the New York Stock Exchange, with its principal place of business located at 100 CenturyLink Drive, Monroe, Louisiana 71201. Embarq is a holding company of CenturyLink, Inc. CenturyLink, Inc. is an international facilities-based communications company engaged, through its various subsidiaries and operating companies, primarily in providing a broad array of integrated services to business and residential customers.

CPCI, which is a wholly-owned direct subsidiary of Embarq, is a Florida corporation with its principal place of business located at 100 CenturyLink Drive, Monroe, Louisiana, 71201. CPCI provides services primarily to state, county, and municipal correctional institutions that enable inmate calling and related services for inmates and their families.³ CPCI generally does not have its own telecommunications network facilities but relies on wholesale capacity and products of other CenturyLink-affiliated companies. CPCI relies on unaffiliated third-party vendors to provide the complex back-office, security, and other software-based features and services that are associated with inmate calling services where CPCI is the contracting service provider. ICSolutions currently is CPCI's primary subcontractor to provide these capabilities.

B. The Transferee

ICSolutions is a California limited liability company with its principal place of business located at 2200 Danbury Street, San Antonio, Texas 78217. ICSolutions currently provides telecommunications services to confinement and correctional facilities in 39 states, including inmate calling and video visitation services for inmates and their families.⁴ ICSolutions is a wholly-owned direct subsidiary of Keefe Group, LLC ("Keefe"), a Missouri limited liability company with its principal place of business at 1260 Andes Boulevard, St. Louis, Missouri 63132. Keefe, through its subsidiaries, is a supplier of food and personal care products,

³ CPCI historically also has provided public payphone services, although today these reflect a very small portion of its business.

⁴ The states in which ICSolutions provides telecommunications to correctional facilities are 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.

electronics, clothing, technology, telecommunications and software solutions to the correctional industry.

Keefe, in turn, is a wholly-owned direct subsidiary of TKC Holdings, Inc. (“TKC Holdings”). TKC Holdings is a Delaware corporation and holding company with its principal business office at 1450 Brickell Ave., 31st Floor, Miami, Florida 33131. TKC Holdings is a holding company of businesses providing products and services to the correctional markets, as well as the provision of single serve coffee machines, coffee, and hotel supplies to the hospitality and lodging market. TKC Holdings is indirectly controlled by an affiliate of H.I.G. Capital, L.L.C. (“H.I.G. Capital”), a private equity investment firm headquartered in Miami, Florida. H.I.G. Capital works with committed management teams and entrepreneurs to help build businesses of significant value. Its team of professionals has substantial operating, consulting, technology, and financial management experience, enabling it to contribute meaningfully to its portfolio companies.

II. DESCRIPTION OF THE TRANSACTION

On May 14, 2020, ICSolutions, Embarq, and CPCI entered into a Stock Purchase Agreement (the “Agreement”). Pursuant to the Agreement, ICSolutions will acquire from Embarq 100 percent of the stock of CPCI. As a result of the transaction, CPCI will become a wholly-owned direct subsidiary of ICSolutions and ultimately controlled by H.I.G. Capital.⁵

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

⁵ As soon as reasonably practicable following the closing, ICSolutions will change the name of CPCI. ICSolutions will update the Commission’s records to reflect the new name. CPCI’s customers also will be notified of the name change.

transferred to another affiliate of Embarq prior to closing. 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.

For the Commission's reference, organizational charts illustrating the current and post-closing corporate structure of CPCI as described herein are provided as Exhibit A.

III. PUBLIC INTEREST STATEMENT

The proposed transaction will serve the public interest. The transaction will ensure that ICSolutions will continue to serve correctional facilities, inmates, and their families as Embarq withdraws from the corrections industry. The acquisition will also result in a more financially sound company, providing ICSolutions with increased flexibility and greater resources to invest in services and customers. Post-closing, ICSolutions will be better positioned to more competitively bid for service contracts against the largest inmate calling service providers such as Global Tel*Link Corporation ("GTL") and Securus Technologies, Inc. ("Securus"), which will result in better telecommunications prices for inmates and their families. Today, for example, CPCI primarily competes for contracts with state department of corrections ("DOC") and larger county or municipal institutions, while ICSolutions typically focuses on smaller/individual facilities. ICSolutions anticipates that the transaction will enable it to better compete for DOC and other contracts against other providers, particularly GTL and Securus as ICSolutions maintains an earned reputation for integrity in serving inmate families.

Moreover, the proposed transaction will not harm competition. The inmate calling services market has a wide variety of providers that will continue to intensely compete with each other post-closing. Furthermore, CPCI generally does not have its own telecommunications

network facilities. Additionally, it relies on unaffiliated third-party vendors to provide the complex back-office, security, and other software-based features and services that are associated with inmate calling services where CPCI is the contracting service provider. ICSolutions is CPCI's subcontractor for almost all of the contracts in which CPCI is the primary contractor. Essentially, the proposed transaction consists of the transfer of these contracts from CPCI to ICSolutions, along with related assets and personnel to continue to serve inmates and their families without disruption.

The proposed transaction will have no adverse impact on and will be virtually transparent to CPCI's customers or the public. The 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.⁶ Because ICSolutions is already a subcontractor to the vast majority of CPCI's contracts, its customers are already very familiar and have worked with ICSolutions and vice versa. Thus, other than changing the name of CPCI post-closing (of which customers will be notified), the transaction will in no way affect CPCI's customers or the services they receive.

⁶ Any future changes in the rates, terms, and conditions of service to CPCI's correctional facility and end user customers will be undertaken in conformance with the applicable federal and state law, including notice and tariff requirements and CPCI's contractual obligations.

IV. INFORMATION REQUIRED BY 47 C.F.R. § 63.18 AND THE IBFS SECTION 214 MAIN FORM

The Applicants submit the following information, pursuant to 47 C.F.R. § 63.18 and the IBFS Section 214 Main Form, in support of their request for consent to transfer control of CPCI, which holds international Section 214 authority, to ICSolutions:

A. Contact Information – Answer to Question 10 (Section 63.18(c)-(d))

Correspondence concerning this Joint Application should be directed to:

For Embarq and CPCI:

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With a copy to:

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CPCI holds international Section 214 authority to provide global resold and facilities-based telecommunications services between the United States and international points (File No. ITC-214-20150420-00094). ICSolutions holds international Section 214 authority to provide global resold telecommunications services between the United States and international points (File No. ITC-214- 20030312-00128).

B. Post-Closing Ownership (Answer to Question 11 – Section 63.18(h))

Pursuant to Section 63.18(h) of the Commission's rules, the entities described below will directly or indirectly hold a ten percent or greater equity interest in CPCI upon consummation of the proposed transaction. Charts showing the pre- and post-transaction ownership of CPCI also are attached as Exhibit A.

Upon closing, CPCI will be a wholly-owned direct subsidiary of ICSolutions, a California limited liability company. ICSolutions' principal business is the provision of communications services to correctional facilities. As noted above, CPCI generally does not have its own telecommunications network facilities, and ICSolutions is CPCI's primary subcontractor for such facilities, including back-office, security, and other software-based features and services that are associated with inmate calling services. Its principal place of business is 2200 Danbury Street, San Antonio, Texas 78217.

ICSolutions is a wholly-owned direct subsidiary of Keefe, a Missouri limited liability company. Keefe, through its subsidiaries, supplies various services and products to the correctional industry. Its principal place of business is 1260 Andes Boulevard, St. Louis, Missouri 63132.

Keefe is a wholly-owned direct subsidiary of TKC Holdings, a Delaware corporation. TKC Holdings is a holding company of businesses providing products and services to the correctional industry, as well as various hospitality products and supplies. Its principal place of business office is 1450 Brickell Ave., 31st Floor, Miami, Florida 33131. TKC Holdings is indirectly controlled by H.I.G. Capital, a private equity investment firm headquartered in Miami, Florida. All of the companies in the post-closing ownership of TKC Holdings are organized under the laws of Delaware, and the principal business of each company is an investment fund or a holding company. H.I.G. Capital is ultimately controlled by its two co-CEOs, both of whom

are U.S. citizens. The address for the entities and individuals above TKC Holdings is c/o H.I.G. Capital Management, LLC, 1450 Brickell Avenue, 31st Floor, Miami, Florida 33131.

No other person or entity will hold a direct or indirect 10 percent or greater equity interest in CPCI post-closing.

C. Narrative of Transfer of Control and Public Interest Statement (Answer to Question 13)

A description of the proposed transaction and demonstration of how it will serve the public interest are set forth in Sections II and III above.

D. Streamlined Processing (Answer to Question 20 – Section 63.12)

The Joint Application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules. Neither ICSolutions nor CPCI has any foreign carrier affiliates and neither will have such affiliates upon closing of the proposed transaction. They therefore qualify for a presumption of non-dominance under Section 63.10 of the Commission's rules on all U.S.-international routes.

V. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES IN RELATION TO THE TRANSFER OF BLANKET DOMESTIC 214 AUTHORITY

In support of their request for consent to transfer control of CPCI to ICSolutions, the Applicants submit the following information pursuant to Section 63.04(a)(6) through (a)(12) of the Commission's rules.

Section 63.04(a)(6) – Description of the transaction:

A description of the proposed transaction is set forth in Section II above.

Section 63.04(a)(7) – Description of the geographic area in which the transferor and transferee offer domestic telecommunications services, and what services are provided in each area:

ICSolutions is an institutional services provider certificated, registered, or otherwise authorized to provide telecommunications service in all states except Alaska, District of Columbia, and Delaware. ICSolutions currently has contracts to provide telecommunications services to certain 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. Neither TKC Holdings nor H.I.G. Capital or its affiliates provide telecommunications services.

CPCI currently is certificated, registered, or otherwise authorized to provide telecommunications service in the contiguous United States, including the District of Columbia. CPCI currently has contracts to provide telecommunications services to certain correctional facilities in Arizona, Florida, Idaho, Kansas, Louisiana, Missouri, Montana, North Carolina, Nevada, Oregon, Utah, West Virginia, and Wisconsin.⁷ As noted above, however, ICSolutions and CPCI do not serve as the primary contractor to the same correctional facilities in any state.

Section 63.04(a)(8) – Statement as to how the application qualifies for streamlined treatment:

The domestic Section 214 component of this Joint Application qualifies for presumptive streamlined processing pursuant to Section 63.03(b). In particular, upon closing of the proposed

⁷ Prior to the consummation of the transaction and as necessary under state law, CPCI will relinquish its authority to provide intrastate services except in those states where it has contracts to provide telecommunications services to correctional facilities.

transaction, ICSolutions (and its affiliates) and CPCI collectively will: (i) have a market share in the interstate, interexchange market of less than ten percent; (ii) provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (iii) not be dominant with respect to any telecommunications service.

Section 63.04(a)(9) – Identification of all other Commission applications related to this transaction:

No other FCC applications related to the proposed transaction are being filed.

Section 63.04(a)(10) – Statement of whether the applicants request special consideration because either party is facing imminent business failure:

The Applicants do not request special consideration because no party to the proposed transaction is facing imminent business failure.

Section 63.04(a)(11) – Identification of any separately filed waiver requests being sought in conjunction with this application:

No separately filed waiver requests are being sought in conjunction with this Joint Application.

Section 63.04(a)(12) – Statement showing how grant of the application will serve the public interest, convenience and necessity:

A demonstration of how the proposed transaction will serve the public interest is set forth in Section III above.

VI. CONCLUSION

For the reasons stated above, the Applicants respectfully request that the Commission promptly grant this Joint Application.

Respectfully submitted,

By: Embarq Corporation

/s/ John E. Benedict

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/s/ Timothy P. McAteer

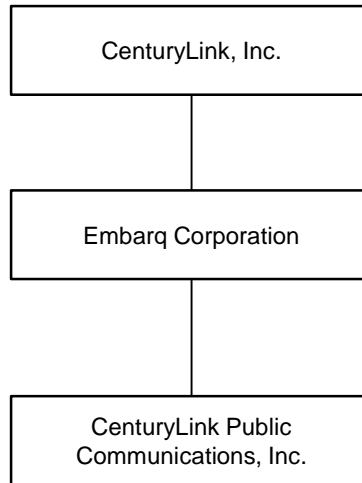
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EXHIBIT A

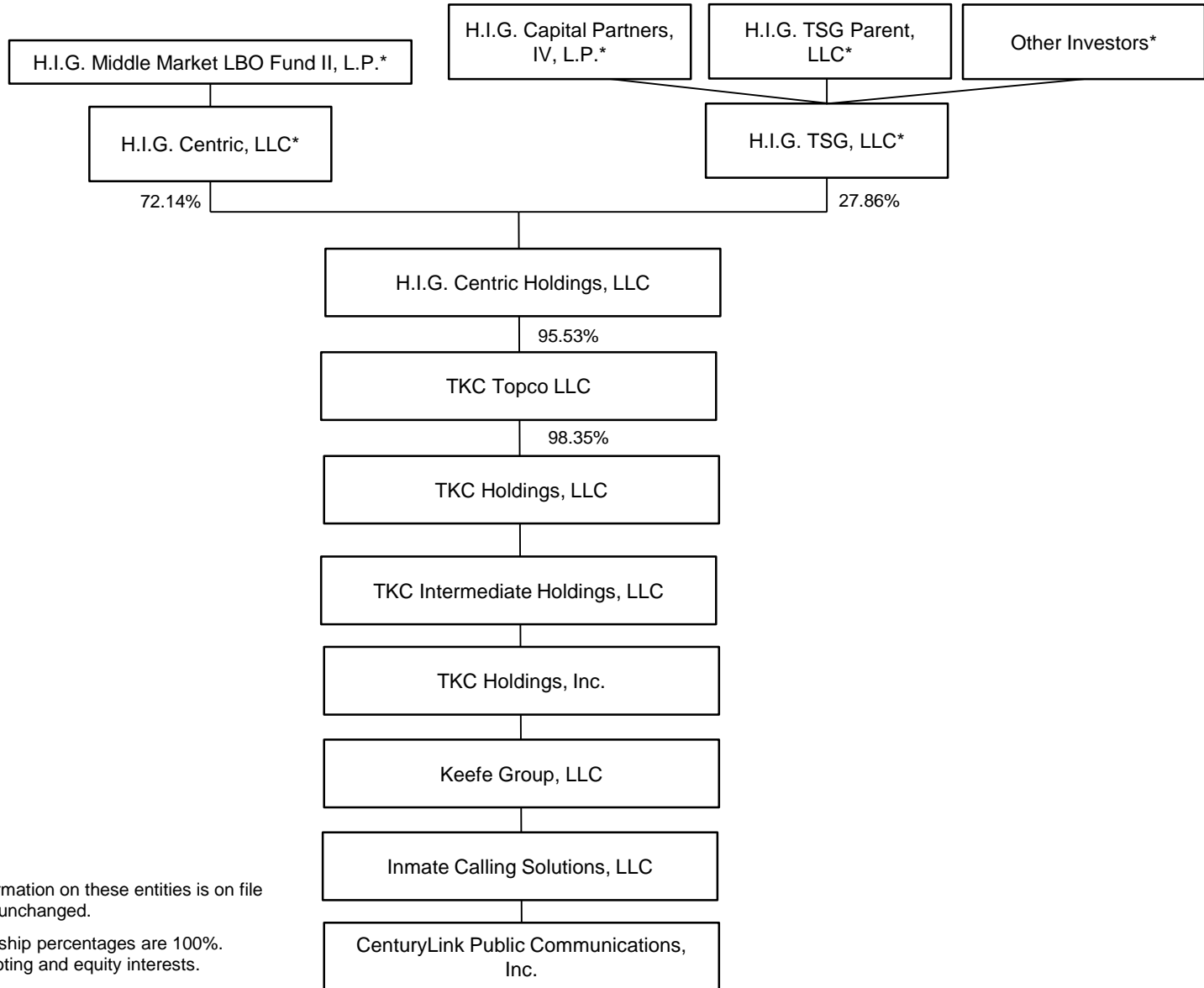
Pre- and Post-Closing Ownership Diagrams

Pre-Transaction Corporate Ownership Structure of Licensee



All ownership percentages are 100%.

Post-Transaction Corporate Ownership Structure of Licensee



* Complete ownership information on these entities is on file with the FCC and remains unchanged.

Unless indicated, all ownership percentages are 100%. Percentages reflect both voting and equity interests.