

WILKINSON) BARKER) KNAUER) LLP

1800 M STREET, NW
SUITE 800N
WASHINGTON, DC 20036
TEL 202.783.4141
FAX 202.783.5851
WWW.WBKLaw.COM
HOWARD M. LIBERMAN
202.383.3373
HLIBERMAN@WBKLAW.COM

REDACTED FOR PUBLIC INSPECTION

October 17, 2018

VIA HAND DELIVERY

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St. SW
Room TW-B204
Washington, DC 20554

Re: *Securus Technologies Inc. and Inmate Calling Solutions, LLC,
Consolidated Applications for Consent to the Transfer of Control of
Licenses and Authorizations, WC Docket No. 18-193*

Dear Ms. Dortch:

Inmate Calling Solutions, LLC d/b/a ICSolutions ("ICS") submits its response to the Wireline Competition Bureau's ("WCB") Information and Document request ("Information Request") dated September 11, 2018 in connection with the above-referenced transaction. Specifically, enclosed please find a narrative response and related exhibits (the "Response"). In accordance with the Protective Order in this docket,¹ ICS also is submitting separately two sets of the Response to WCB staff.

The Response contains information that meets the requirements for treatment as "Confidential" and "Highly Confidential," under the Protective Order in this docket.² ICS is

¹ *Securus Technologies Inc., and Inmate Calling Solutions, LLC, Consolidated Applications for Consent to the Transfer of Control of Licenses and Authorizations*, Protective Order, WC Docket No. 18-193, DA No. 18-938 (rel. Sept. 11, 2018) ("Protective Order").

² Consistent with the Protective Order, *id.* at ¶ 3, ICS obtained written approval from Commission staff to designate certain material as Highly Confidential. Pursuant to discussions with staff, the provided documents, unless specifically reviewed and downgraded, have been classified as "Highly Confidential." Notwithstanding this default classification, ICS is not asserting Highly Confidential status for any

Marlene H. Dortch
October 17, 2018
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therefore filing an unredacted copy of the materials identified above pursuant to the procedures established in the Protective Order. Because the submission also contains information that is "Confidential," ICS is simultaneously filing a copy of the materials listed above that excludes material that contains "Highly Confidential" information pursuant to the procedures established in the Protective Order. ICS will also file a redacted version of the above materials for public inspection in the Commission's Electronic Comment Filing System. To avoid confusion, a copy of this cover letter, bearing the appropriate confidentiality legend, will accompany each submission.

ICS has made diligent efforts to ensure that none of the material it is submitting herewith is privileged under the attorney-client privilege or attorney work product doctrine. To the extent that any privileged materials may have been inadvertently produced, such production does not constitute a waiver of any applicable privilege. ICS requests that any privileged materials inadvertently produced be returned to ICS as soon as such inadvertent production is discovered by any party, and reserves all rights to seek return of any such documents.

If you have any questions arise concerning this submission, please contact the undersigned.

Very truly yours,



Howard M. Liberman
Counsel to Inmate Calling Solutions, LLC
d/b/a ICSolutions

Enclosures

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

In the Matter of)	
)	
TKC Holdings, Inc., Transferor)	
)	
Inmate Calling Solutions, LLC d/b/a)	
ICSolutions, Licensee)	
)	WC Docket 18-193
and)	
)	
Securus Technologies, Inc., Transferee)	
)	
Consolidated Applications for Consent to)	
Transfer Control of Domestic and International)	
Authorizations Pursuant to Section 214 of the)	
Communications Act of 1934, as Amended)	

**RESPONSE TO INFORMATION REQUEST BY
INMATE CALLING SOLUTIONS, LLC D/B/A ICSOLUTIONS**

Inmate Calling Solutions, LLC d/b/a ICSolutions (“ICS”) hereby provides its narrative responses and other materials (“Response”) in connection with the Wireline Competition Bureau’s Information and Document Request (“Information Request”) dated September 11, 2018.¹ Copies of exhibits to this Response also are provided on the enclosed CD. In addition to this Response, ICS has provided other responsive documents and data in the form of electronic

¹ Information and Document Request (attachment to Letter from Lisa Hone, Deputy Chief, Wireline Competition Bureau, FCC, to Paul C. Besozzi et al., Counsel to Securus Technologies, Inc., and Howard M. Liberman et al., Counsel for TKC Holdings, Inc. and Inmate Calling Solutions, LLC, WC Docket No. 18-193 (Sept. 11, 2018)). Terms not otherwise defined herein have the meaning set forth in the Information Request.

media delivered to the Commission (the “Document Production”).² This filing provides a question-by-question response to the Information Request, referencing the Document Production as appropriate, including narrative discussions where requested. Where Commission staff and ICS reached an accommodation with regard to specific requests, that accommodation is described in this response.

Pursuant to discussions with Commission staff, documents responsive to Information Request questions for “all documents” or similar language are being provided as part of the Document Production. The Document Production comprises the custodial³ documents provided to the Department of Justice (“DOJ”) under the Second Request issued pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (“HSR Act”). ICS is providing all non-privileged custodial documents that were identified as responsive to the Second Request. ICS has reviewed the Information Request questions requesting “all documents” or similar phrasing and believes that the documents responsive to those questions are within the Second Request documents that are being provided to the DOJ, as limited by the relevant custodians agreed to

² Consistent with the Protective Order adopted in this proceeding, ICS obtained written approval from Commission staff to designate certain material as Highly Confidential. Pursuant to discussions with staff, certain documents and information provided with this response, unless specifically reviewed and downgraded, have been classified as “Highly Confidential.” Notwithstanding this default classification, ICS is not asserting Highly Confidential status for any documents that have been publicly released (which would be Public) or for third party materials that are copyrighted (which would be considered Confidential). *Securus Technologies Inc., and Inmate Calling Solutions, LLC, Consolidated Applications for Consent to the Transfer of Control of Licenses and Authorizations*, Protective Order, WC Docket No. 18-193, DA No. 18-938 (rel. Sept. 11, 2018) (“Protective Order”).

³ For purposes of this Response, “custodial” documents also include documents residing in shared resources (e.g., shared drives) that were identified by the custodians as resources they used in the ordinary course of business.

with the DOJ. The vast majority of the Document Production was submitted to the Commission on October 1, 2018 and October 3, 2018, with the remaining documents (including a privilege log) submitted on October 16, 2018.

REQUESTS AND RESPONSES

Personnel

1. *Submit one copy of organization charts and personnel directories for each of the past two years for each Applicant as a whole and for each of the Applicants' facilities or divisions involved in any activity relating to any Relevant Service, including:*
 - a. *a list of persons responsible for establishing policies, practices, and procedures, for pricing, commissions, sales/marketing, discounting, introduction of new products/features, research and development, and a brief description of role and responsibility; and*
 - b. *a list of persons responsible for negotiating the Transaction, analyzing the Transaction, recommending the Transaction be approved; approving the Transaction, and integration planning, and a brief description of role and responsibility.*

Copies of organization charts for (i) Keefe Group, LLC ("Keefe"), which includes the organizational and personnel charts for ICS, and (ii) the executive level of TKC Holdings, Inc., the parent holding company of Keefe, are provided in the Document Production at HIGICS_0000023096 through HIGICS_0000023118.

Response to 1(a)

The following individuals are responsible for establishing ICS's policies, practices, and procedures, or for approving any exceptions thereto, including for: (1) pricing (including inmate prices, bids, list prices, discounts, or final/negotiated prices); (2) commissions; (3) sales or marketing; (4) introduction of new products or features; (5) research and development; and (6) manufacturing or output:

[BEGIN CONFIDENTIAL]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁴ Asterisks in this Response identify the ICS custodians used for the Document Production.

[REDACTED]

[REDACTED]

[REDACTED]

[END CONFIDENTIAL]

Pricing and financial terms for ICS proposals are set by a combination of [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL].

The persons responsible for establishing ICS's policies, practices, and procedures, or for approving any exceptions thereto, are the same for all Relevant Services.

Response to 1(b)

The following individuals are responsible for: (1) negotiating the Transaction; (2) analyzing the Transaction; (3) recommending that the Transaction be approved; (4) approving the Transaction; and (5) integration planning and implementation:

⁵ [BEGIN CONFIDENTIAL] [REDACTED]
[END CONFIDENTIAL]

[BEGIN CONFIDENTIAL]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁶ [BEGIN CONFIDENTIAL]

[REDACTED]

[END CONFIDENTIAL]

[REDACTED]

[END CONFIDENTIAL]

Hart-Scott-Rodino Premerger Notification Items 4(c) and 4(d)

2. *Provide one copy of each document each Applicant submitted in response to Items 4(c) and 4(d) of the Notification and Report Form filed consistent with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and section 803.1(a) of the premerger notification rules, 16 CFR Parts 801-803.*

The HSR 4(c) and 4(d) documents are attached as Exhibit 1.

Products & Facilities

3. *List each Relevant Service sold by each of the Applicants, and for each Relevant Service describe separately for each Applicant any identifying information such as brand name and end-users or user group (e.g., inmates, correctional staff). Identify, describe and provide all documents related to how the Transaction will affect the combined company's plans and offerings for each Relevant Service, including any steps the combined company will take post-Transaction to change existing service offers and/or terms and conditions to Facility Customers.*

Inmate telecommunication companies submit bids to correctional facilities for inmate telephone service (“ITS”) contracts. The bids typically include the core ITS platform and any value-added ancillary services that the facility may be interested in including in an ITS contract.

ITS Platform

ICS has a proprietary ITS platform, the Enforcer, which includes the hardware and software that allows inmates to place prepaid, debit, and collect calls in a controlled manner to friends, family, and other approved outside parties (e.g., counsel, clergy, case workers). ITS platforms also provide call recording, call monitoring, and analysis tools for facilities and law enforcement to use for investigatory purposes. The Enforcer has the typical ITS platform capabilities, including:

- accommodating various payment options;
- an automated interactive voice response (IVR) system;
- identifying the inmate making the call (Inmate PIN and voice biometrics);
- limiting or restricting phone numbers called;
- announcing call origination details;
- call rejection or phone number blocking;
- requiring that the called party accept the call;
- limiting the call duration;
- analyzing inmate calling data;
- real-time call monitoring;
- call recording for monitoring and analysis;
- allowing calls to specific numbers not to be monitored or recorded; and
- inbound voicemail from outside parties.

Value-added Ancillary Services Provided Directly by ICS

[BEGIN CONFIDENTIAL]

[END CONFIDENTIAL] ICS’s proprietary video visitation

offering, The Visitor, is fully integrated into the Enforcer platform. Video visitation allows inmates to conduct off-site and on-site video calls with friends, family, and other approved outside parties. ICS’s system allows facilities to manage video visitation from a single module.

Similar to ITS platforms, video visitation allows for the monitoring, recording, and analysis of inmate communications by the facilities and law enforcement. Third parties that offer video visitation solutions include iWebVisit, Blackcreek, VuGate, Tech Friends and Vend Engine. Several of ICS's competitors also offer video visitation solutions, including but not limited to GTL, Securus, Legacy, CPC, CTC, NCIC, Encartele and Turnkey.

Value-added Ancillary Services Not Provided Directly by ICS

When bidding for ITS contracts, ICS often includes additional value-added ancillary services [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. ICS understands that many of its competitors also include in RFP responses additional value-added ancillary services that they do not supply themselves. These services are either requested by the facility issuing the RFP or proactively offered by the ITS company as an attempt to generate additional revenue or impress the bid reviewers. [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED] [END CONFIDENTIAL] Below is a list of the value-added ancillary service that ICS has provided in its ITS contracts through third parties.

- Tablets: Tablet offerings include both the handheld devices themselves and the software required to provide tablet-based services, including: educational programming; books; music; games, movies; photos; phone services and video calling access; commissary ordering; facility information portals; and facility-inmate communications. ICS has previously partnered with [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] to its knowledge, they are available to other ITS providers as well. [BEGIN CONFIDENTIAL] [REDACTED]

⁷ [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]

[REDACTED] [END
CONFIDENTIAL]

- Email and Messaging: Email and messaging services allow inmates to communicate with friends and family other than through phone calls or video visitation. These services provide a secure and controlled electronic alternative to inefficient and potentially tainted paper mail communications. They allow facilities to better monitor inmate mail communications and detect contraband or cryptic messages. ICS offers email and messaging services either as part of a tablet solution (through the same third parties as ICS uses for tablets listed above), or [BEGIN CONFIDENTIAL]

[REDACTED]
[REDACTED] [END CONFIDENTIAL].

- Deposit services: Deposit services allow families and friends of incarcerated people to deposit funds into an inmate's trust/commissary account maintained by the facility, via live agents, online, kiosks, and mail. All ITS providers either have their own deposit service solution in-house or partner with a third party provider. ICS currently partners with [BEGIN CONFIDENTIAL]

[REDACTED] [END
CONFIDENTIAL] their deposit services are available to other ITS providers as well.
[BEGIN CONFIDENTIAL]
[REDACTED] [END CONFIDENTIAL]

- Intake money services kiosks: Intake kiosks allow people in the process of being incarcerated to deposit any cash in their possession into an account (trust/commissary maintained by the facility) instead of having the facility physically process the money. All ITS providers either have their own solution in-house or partner with a third party provider. ICS currently partners with [BEGIN CONFIDENTIAL]

[REDACTED] [END CONFIDENTIAL] their intake money services are available to other ITS providers as well. [BEGIN CONFIDENTIAL]
[REDACTED]
[REDACTED] [END CONFIDENTIAL]

- Debit release cards: Debit release cards are given to inmates upon release from a facility to refund unused trust/commissary balances. All ITS providers either have their own solution in-house or partner with a third party provider. ICS currently partners with [BEGIN CONFIDENTIAL]

⁸ [BEGIN CONFIDENTIAL]
[REDACTED]
[REDACTED] [END CONFIDENTIAL]

[REDACTED] [END CONFIDENTIAL]
 their debit release card services are available to other ITS providers as well. [BEGIN
 CONFIDENTIAL] [REDACTED]
 [REDACTED] [END CONFIDENTIAL]

- Cell phone assessment services: Cell phone assessment services collect data on contraband cell phones being used in a facility such as the number of cellphones, the manufacturer, and service provider for the phone. All ITS providers either have their own solution in-house or partner with a third party provider. ICS had partnered with [BEGIN CONFIDENTIAL] [REDACTED] [END
 CONFIDENTIAL] their cell phone assessment services are available to other ITS providers as well. [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]
- Offender management systems: Offender management systems (“OMS”) are software applications used by correctional facilities to manage the inmate booking process and all management aspects of an inmate’s confinement (e.g., ID number, location inside the facility, bonding, court dates, medical services). All ITS providers either have their own solution in-house or partner with a third party provider. ICS has partnered with [BEGIN CONFIDENTIAL] [REDACTED] [END
 CONFIDENTIAL] to the best of ICS’s knowledge, they are available to other ITS providers as well. [BEGIN CONFIDENTIAL] [REDACTED]
 [REDACTED] [END CONFIDENTIAL]

Any documents responsive to Question 3 are provided in the Document Production.

4. *Describe the inmate telecommunications services provided by each of the Applicants and whether the services are facilities-based or resold services. If resold, identify the underlying facilities-based carrier or carriers.*

ICS provides Internet Protocol-enabled inmate calling services relying on bandwidth supplied by third-party providers, including [BEGIN CONFIDENTIAL] [REDACTED]
 [REDACTED]
 [REDACTED] [END CONFIDENTIAL].

Customers & Sales

5. *List and describe each contract that each Applicant has with a Facility Customer to provide a Relevant Service. State the date at which the contract went into effect, contract renewal or extension dates, terms of renewals or extensions that have gone into effect, and terms for future renewals or extensions.*

The spreadsheet attached as Exhibit 2, which ICS maintains in the ordinary course, lists ICS contracts and related dates, as of July 20, 2018.

6. *For each Facility Customer, state separately for each Applicant and for each of the last five years and separately for each facility operated by the Facility Customer and for each contract between an Applicant and the Facility Customer:*
 - a. *the address of each facility;*
 - b. *total average daily populations (ADP) of inmates;*
 - c. *total quantities of each Relevant Service, including the number of phone calls and number of phone minutes purchased by inmates in the custody of the facility;*
 - d. *total revenues earned from inmates in the custody of the Facility Customer broken down by each Relevant Service and type of fee or charge as applicable;*
 - e. *total revenues earned from the Facility Customer, broken down separately by each Relevant Service;*
 - f. *total revenues earned from parties communicating with inmates in the custody of the Facility Customer broken down by each Relevant Service and type of fee or charge as applicable;*
 - g. *total commissions paid to the Facility Customer broken down separately by each Relevant Service and the type of payment as applicable;*
 - h. *total other expenditures by each Applicant relating to the provision of any Relevant Services to the Facility Customer or the inmates in the custody of the Facility Customer broken down by (A) the total expenditures related to the provision of each Relevant Service or component thereof, and (B) the type of expenditure as applicable including without limitation:*
 1. *upfront costs incurred by each Applicant at the start of the contract term (e.g., cost of new or replacement equipment; equipment installation cost; cost of customizing or installing software; labor costs; wiring cost; cost of arrangements with local telephone companies or internet service providers; cost of obtaining or expanding call or data processing facilities or storage server capacity; etc.); and*
 2. *ongoing costs incurred by each Applicant during the contract term; and*

- i. *whether each Applicant provides any dedicated or local personnel to serve the facilities operated by the Facility Customer, and if so, state separately for the Applicant:*
1. *the number of personnel, their titles, and the number of facilities;*
 2. *whether the personnel are dedicated to the facility;*
 3. *whether the personnel are local on site or off-site; and*
 4. *total cost to each Applicant of providing the personnel.*

[BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END HIGHLY

CONFIDENTIAL] ICS's response [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL] is attached as Exhibit 3.⁹ In

addition, ICS's client list, which includes the clients' addresses, is available at HIGICS-

0002871887.

7. *For each Relevant Service, identify, describe and provide documents sufficient to show the extent to which each Applicant has altered its pricing strategies since January 1, 2013 as to actual or potential Facility Customers and as to inmates.*

Any documents responsive to Question 7 are provided in the Document Production.

Competitors & Entry

8. *Describe and provide all documents relating to any allegation that either Applicant, its employees, or any of its current or potential competitors have behaved or are behaving in an anticompetitive manner or a manner that is alleged to violate any provision of the Communications Act of 1934, as amended, or any Federal Communications Commission rule or order, including but not limited to allegations by any calling or*

⁹ [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL]

called party, inmate, Facility Customer, and competitor complaints; threatened, pending, or completed lawsuits; or federal or state investigations, excluding any investigations by the Federal Communications Commission.

Any documents responsive to Question 8 are provided in the Document Production.

9. *List the names of each of the Applicants' competitors for the provision of any Relevant Service in the last five years, and for each such competitor, submit all documents relating to that competitor's efforts to compete in the provision of each Relevant Service, including:*

- a. facilities to be served;*
- b. products or services to be supplied, including features or quality, and new services;*
- c. pricing, including inmate prices and commissions, and including discounts or rebates;*
- d. sales;*
- e. requests for proposals (RFPs) or bids;*
- f. sales call reports or win/loss reports;*
- g. features or quality;*
- h. offering additional products and services to purchasers of any Relevant Service;*
- i. expansion plans;*
- j. research and development;*
- k. plans to introduce a new Relevant Service;*
- l. plans to exit (or actual exit of) the provision of any Relevant Service;*
- m. market shares; and*
- n. relative strengths and weaknesses.*

Below is a list of ICS's competitors – including any person that has competed or has attempted to compete with the company – over the past ten years for ITS. Like ICS, many of these competitors also offer other types of inmate communications services, such as video communications services, tablet or computer services, messaging services, investigative services, and/or ancillary services.

- Ally Telecom Group ("Ally")
 - 4415 Shores Dr., Suite 226, Metairie, LA 70006
 - 504-457-0300
 - <http://www.allytg.com/>

- ATN, Inc. (dba AmTel, Inc.)
 - 913 Dilworth Street, St. Marys, GA 31558
 - 912-580-3775
 - http://www.myphoneaccount.com/Service/Facility/Facility_sm.php
- American Phone Systems (“A.P.S. Inmate Telephone Services”)
 - 815 West Congress Street, Lafayette, LA 70501
 - 337-232-1635
 - <http://www.aps-inmate.com/>
- CenturyLink Public Communications, Inc. (“CTL” or “CL,” formerly known as Embarq)
 - 600 New Century Parkway, New Century, KS 66031
 - 913-353-7388
 - <http://www.centurylinkcorrections.com/>
- City Tele Coin, Inc. (“CTC”)
 - 4501 Marlena St Bossier City, LA 71111
 - 318-746-1114
 - <https://citytelecoin.com/>
- Combined Public Communications (“CPC”)
 - P.O. Box 76573, Highland Heights, KY 41076
 - 877-998-5678
 - <https://cpcjail.com/>
- Consolidated Telecom, Inc. (“CTEL”)
 - P.O. Box 631159, Irving, TX 75063-1159
 - 800-583-9683
 - <http://www.ctel.us/>
- Conversant Technologies, Inc. (“CTI”) (acquired by GTL)
 - PO Box 865081, Plano, TX 75086
 - 972-964-7010
- Correct Solutions Group (“CSG”)
 - P.O. Box 796, Ruston, LA 71273
 - 866-367-9228
 - <http://www.correctsolutionsgroup.com/>
- Crown Correctional Telephone, Inc. (“CCT”)
 - 305 W. 3rd Street, Clifton, TX 76634
 - 254-708-0087
 - <http://www.crownphoneservice.com/>

- Custom Teleconnect Inc.
 - 6242 W. Desert Inn Road Las Vegas, NV 89146
 - 800-672-9080
 - <https://www.customteleconnect.com/#>
- EagleTel, Inc. (acquired by CPC)
 - P.O. Box 2342 Brevard, NC 28712
 - (888) 884-4889
- Encartele, Inc.
 - 8210 South 109 Street, LaVista, NE 68128
 - 888-231-3393
 - <http://www.encartele.net/>
- Global Tel*Link Corporation (“GTL”)
 - 12021 Sunset Hills Road, Suite 100, Reston, VA 20190
 - 877-650-4249
 - <http://www.gtl.net/>
- Infinity Networks, Inc. (sold its contracts to NCIC)
 - P.O. Box 648, Marksville, LA 71351
 - 318-253-6131
 - <https://www.infinitynetworks.biz/>
- Inmate Telephone, Inc. (“ITI”) (acquired by GTL)
 - 5000 6th Ave., Altoona, PA 16602
 - 814-949-3303
- Lattice Incorporated
 - 7150 N. Park Dr., Suite 500, Pennsauken, NJ 08109
 - 800-910-1316
 - <http://www.latticeinc.com/>
- Legacy Inmate Communications
 - 10833 Valley View St., Suite 150, Cypress, CA 90630
 - 800-577-5543
 - <http://www.legacyinmate.com/>
- Network Communications International Corp. (d/b/a “NCIC” Inmate Phone Services)
 - 607 East Whaley, Longview, TX 75601
 - 903-757-4455
 - <https://www.ncic.com/>

- Pay Tel Communications Inc.
 - P.O. Box 8179, Greensboro, NC 27419
 - 866-729-8352
 - <https://www.paytel.com/>
- Prodigy Solutions, Inc.
 - 6000 Midlantic Dr., Suite 70S, Mount Laurel, NJ 08054
 - 866-700-4545
 - <https://prodigytel.com/>
- Protocall
 - 14927 S. Caenen Lane, Olathe, KS 66062
 - 888-867-5063
 - <http://www.protocallphones.com/>
- Public Communication Services ("PCS") (acquired by GTL)
 - 11859 Wilshire Blvd., Suite 600, Los Angeles, CA 90025
 - 310-231-1000
- Reliance Telephone, Inc.
 - 1533 S. 42nd St., Grand Forks, ND 58201-3740
 - 888-773-6408
 - <https://www.reliancetelephone.com/>
- Securus Technologies, Inc.
 - P.O. Box 1109, Addison, TX 75001
 - 972-734-1111
 - <https://securustech.net/>
- Stellar Services
 - Stoughton, WI 53589
 - 866-320-4200
 - https://stellar-services.net/phones/inmate_phones.asp
- Synergy Inmate Phone Solutions, Inc.
 - 12126 El Sendero St., San Antonio, TX 78233
 - 800-582-6182
 - <http://synergyinmatephones.com/>
- Talton Communications, Inc.
 - 910 Ravenwood Dr., Selma, AL 36701
 - 334-877-0704
 - <https://www.talton.com/>

- Telewest
 - P.O. Box 312, Edwards, CO 81632
 - 866-479-6339
 - <http://www.mytelewest.net/>
- Telmate LLC (acquired by GTL)
 - P.O. Box 1137, Fruitland, ID 83619
 - 866-516-0115
 - <https://www.telmate.com/>
- TIP Systems, LLC (Texas Inmate Phones) (no longer in business)
 - 3118 Lausanne Ave., Pasadena, TX 77505
 - 888-646-6283
 - <http://www.texasinmatephones.com/>
- Turnkey Corrections, Inc. (TKC Telecom)
 - 3329 Casey St., River Falls, WI 54022
 - 715-386-5700
 - <http://www.turnkeycorrections.com/>
- Unisys
 - 801 Lakeview Dr., Suite 100, Blue Bell, PA 19422
 - 215-274-2742
 - <https://www.unisys.com/>
- Value Added Communications, Inc. ("VAC") (acquired by GTL)
 - 3801 East Plano Parkway, Suite 100, Plano, TX 75074
 - 866-822-5245
 - <http://vaci.com/>

Any documents responsive to Question 9 are provided in the Document Production.

10. *For each competitor listed in response to Information Request 9, identify and provide documents sufficient to show any relationship between either Applicant and such competitor, including without limitation (a) identifying whether and to what extent each Applicant owns, controls, or is an affiliate of that competitor or any direct or indirect parent thereof and (b) providing any agreements between either of the Applicants and such competitor. Identify and provide documents sufficient to show any relationship between either of the Applicants and CenturyLink, including without limitation providing any agreements between either of the Applicants and CenturyLink.*

ICS is not an owner, controller, or affiliate of any competitor listed in Question 9.

[BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL] Any documents responsive to Question 10 are provided in the Document Production.

11. *List the names of each person that has plans to enter or expand output of, has entered or expanded output of, or has attempted to enter or expand output of the provision of any Relevant Service in the last five years, and for each such plan, entry, expansion, or attempt:*
- a. *describe the plan, entry, or attempt, including identifying the Relevant Service; and*
 - b. *describe the Applicants' estimate of costs and times to enter, steps necessary to entry, and entry barriers (including any necessary regulatory approvals and the minimum viable scale required for entry).*

Response to 11(a)

- *Correct Solutions Group's ("CSG") Entry by Former Industry Employees*

CSG is headquartered in Louisiana and was founded in 2012. CSG is an affiliate of LaSalle Corrections ("LaSalle"), an established corrections facility development and management company. CSG entered the industry initially to provide phone service to LaSalle. However, [BEGIN CONFIDENTIAL] [REDACTED]

¹⁰ See [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL].

[REDACTED] [END CONFIDENTIAL] the company began to compete for business outside of LaSalle managed facilities. Despite being a relatively new inmate communications services provider, [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END

CONFIDENTIAL] [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL]

CSG illustrates how “young” and “small” companies can outperform more established companies by taking advantage of easy access to third parties that supply all of the necessary services needed to bid. For example, [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED] [END

CONFIDENTIAL] [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END

HIGHLY CONFIDENTIAL] CSG has further expanded its footprint into larger opportunities, like a multi-facility win for the City of St. Louis in 2015.

¹¹ HIGICS_0000011278 at -11328.

¹² HIGICS_0000011278 at -11328-29.

¹³ HIGICS_0000021999.

- *Prodigy Solutions Inc. 's ("Prodigy") Entry by Former Industry Employees*

Prodigy was founded in 2016 and is headquartered in New Jersey. Prodigy, like CSG, is an example of former employees from a competitor forming their own company and entering the industry. [BEGIN CONFIDENTIAL] [REDACTED]

[END CONFIDENTIAL] Their experience illustrates how newly formed companies can quickly develop their own ITS platform and win business and expand. Within its first year, Prodigy was able to expand from serving facilities in Minnesota to serving facilities in Nebraska, Iowa, Missouri, and Oklahoma. In 2016, the same year Prodigy was established, [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED] [END CONFIDENTIAL].

- *Turnkey Corrections, Inc. 's ("Turnkey") Entry by Leveraging Commissary Services*

In mid-2017, Turnkey was able to begin bidding on ITS contracts by also pitching customers of its popular commissary and banking services. [BEGIN HIGHLY

CONFIDENTIAL] [REDACTED]

¹⁴ HIGICS_0000021991; HIGICS-0000912970.

¹⁵ HIGICS_0000022010; HIGICS_0000021992.

¹⁶ See, e.g., HIGICS-0001809137.

[END HIGHLY CONFIDENTIAL]

[END HIGHLY CONFIDENTIAL].

[END HIGHLY

CONFIDENTIAL].

¹⁹ HIGICS-0002875582.

²⁰ HIGICS-0000905712.

²¹ HIGICS-0000905712.

- *Legacy Inmate Communications' ("Legacy") Expansion Through Technology and Inmate Engagement*

Legacy, headquartered in California, was founded in 1996. Initially, Legacy focused on small to medium sized counties before expanding into larger opportunities. In 2016, Legacy expanded into state departments of corrections ("DOCs") by winning Maine DOC. [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] In 2017, Legacy expanded into large county opportunities. For example, Legacy won [BEGIN HIGHLY CONFIDENTIAL] [REDACTED] [REDACTED] [END HIGHLY CONFIDENTIAL].²³

Legacy utilized various methods to expand. Legacy won Maine DOC – [BEGIN CONFIDENTIAL] [REDACTED] [REDACTED] [END CONFIDENTIAL]. As Tim McAteer, the President of ICS noted, [BEGIN HIGHLY CONFIDENTIAL] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

²² HIGICS_0000021990.

²³ HIGICS_0000021998 [BEGIN HIGHLY CONFIDENTIAL] [REDACTED] [REDACTED] [END HIGHLY CONFIDENTIAL].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL]

In 2018, Legacy was acquired by the education vendor Edovo, and since then has become an even more potent competitor. [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END CONFIDENTIAL]

- *NCIC Inmate Phone Services ("NCIC") Expansion Through Sales and Marketing Strategy Similar to ICS*

NCIC, headquartered in Longview, Texas, was established in 1995.²⁶ [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED] [END CONFIDENTIAL] NCIC recently proved its ability to win

large facilities, including multiple facilities over 500 ADP in the last few years, [BEGIN

HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

²⁴ HIGICS-0000647813.

²⁵ HIGICS-0002802197.

²⁶ HIGICS_0000000758 at -762. Note that ICS obtained all competitor proposals cited in this letter from facilities after business was awarded.

²⁷ HIGICS_0000008122 at -8126.

²⁸ HIGICS_0000021990.

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL].

Much like ICS, NCIC expanded through a successful sales and marketing plan [BEGIN
CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END

CONFIDENTIAL] NCIC even made YouTube videos for its customers to understand the FCC
rulemaking.³² NCIC utilized many well-respected sales people to make this sales and marketing
push, [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL]

NCIC also expanded its customer offerings into new opportunities by partnering with
popular third-party providers of ancillary services. [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

²⁹ *Id.* See generally NCIC publishes information on current FCC mandates and recommendations on rates and fees on its website as a resource to facilities, inmates and friends and families. *FCC Inmate Call Rates*, NCIC INMATE COMMUNICATIONS, <https://www.ncic.com/friends-and-family/fcc-inmate-call-rates/> (last visited May 31, 2018).

³⁰ HIGICS_0000008122 at -8126.

³¹ *Id.*

³² <https://www.youtube.com/watch?v=S3iB0p49oZ8>.

³³ HIGICS-0002654212.

[REDACTED] [END CONFIDENTIAL] [BEGIN HIGHLY
CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[END HIGHLY CONFIDENTIAL] [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[END CONFIDENTIAL]

NCIC expanded [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END

HIGHLY CONFIDENTIAL]

- *CenturyLink Public Communications, Inc. ("CenturyLink") Expanded Through* [BEGIN
HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

³⁴ HIGICS_0000021984.

³⁵ HIGICS-0002584355.

³⁶ HIGICS_0000022008.

³⁷ HIGICS_0000022006.

³⁸ *Id.*

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [END HIGHLY

CONFIDENTIAL]

- *Combined Public Communications ("CPC") Expanded from one Region to Others with New Add-On Services*

CPC, headquartered in Kentucky, has provided inmate telephone services to county jails for more than 17 years. [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL] [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED] [END

CONFIDENTIAL] [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END

HIGHLY CONFIDENTIAL] [BEGIN CONFIDENTIAL] [REDACTED]

³⁹ HIGICS_0000021988.

⁴⁰ *Id.*

⁴¹ HIGICS_0000021996 at -21997.

⁴² HIGICS_0000007431 at -7465.

[REDACTED]

[REDACTED] [END CONFIDENTIAL] In 2017, [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL]

One way CPC expanded was through innovation and strong sales efforts. For example, CPC created a tamper-resistant and transparent e-cigarette product for use specifically in correctional facilities. CPC offers this product as a potential revenue source for facilities and to aid inmates with nicotine addictions. [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁴³ HIGICS-0002775546.

⁴⁴ HIGICS-0000621777.

⁴⁵ *Id.*

⁴⁶ HIGICS_0000022002.

⁴⁷ *Id.*

⁴⁸ HIGICS_0000022004.

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL]

- *Encartele, Inc. ("Encartele") Expansion from One Region to Others*

Encartele was founded in 2004 and is headquartered in Nebraska. To the best of ICS's knowledge, [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END

CONFIDENTIAL] Encartele has continued to expand, and "[i]n 2016, Encartele was named to the Inc. 5000 Fastest Growing Businesses in America."⁵¹

[BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL]

Like other competitors, Encartele effectively leverages desirable value-added services from third-parties. For example, [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

⁴⁹ HIGICS_0000022000.

⁵⁰ HIGICS_0000016918 at -16921.

⁵¹ *Id.*

⁵² HIGICS_0000022019.

⁵³ *Id.*

[REDACTED]
[REDACTED]
[REDACTED] [END HIGHLY

CONFIDENTIAL]

- *Talton Communications, Inc. ("Talton")*

Talton was founded in 2002 and is headquartered in Alabama. For many years, Talton focused on serving smaller county facilities in Alabama and one additional facility in Florida.

[BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED] [END CONFIDENTIAL]

Despite only having small county level experience and a limited geographic focus, Talton won the national contract for inmate telephone services at all Immigration and Customs Enforcement ("ICE") correctional facilities. [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED] [END CONFIDENTIAL] Additionally, Talton was able to retain the

ICE contract when it went out to RFP again in 2016 [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED] [END CONFIDENTIAL]

Response to 11(b)

ICS's best estimate for the costs and time to enter the ITS industry *de novo* – including identifying the steps necessary for entry and any entry barriers – are based on ICS's own entry

⁵⁴ HIGICS_0000022017.

⁵⁵ HIGICS_0000022015.

into the business, as applied to currently available technologies and resources. [BEGIN

CONFIDENTIAL] [REDACTED]

[REDACTED] [END CONFIDENTIAL] In today's marketplace, it is not uncommon for a small handful of employees from one ITS provider to leave their current employer and start their own ITS company. For example, as discussed above, Prodigy and CSG were founded by former employees of rival ITS companies.

The following describes the main categories of work needed to be done by a company in order to compete and grow in the ITS industry.

ITS Platform and Related Back-Office: To go to market, an ITS provider needs to offer an ITS platform, which can either be developed in-house, or licensed from a third party.

[BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED] [END CONFIDENTIAL]

In today's marketplace, [BEGIN CONFIDENTIAL] [REDACTED] [REDACTED] [END CONFIDENTIAL] license their ITS platform to other ITS companies currently in the business or looking to enter the market. These providers include all back-office functions in their license. If a potential entrant does not wish to license an ITS platform from a competing

ITS company, the commoditization of ITS platforms and industry transition to centralized call processing systems (versus facilities-based systems) suggests it would be even easier for a competitor to outsource the development of an ITS platform today [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. The increased availability of phone system technologies and open-source software would make purchasing and building an ITS platform cheaper and easier than when ICS entered.

Staff: The primary staff that an ITS provider needs is sales/marketing staff, but a provider can (and most current providers do) compete effectively with a small number of sales people. Most current competitors have less than ten sales staff, and [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] [END CONFIDENTIAL] A new entrant today can similarly utilize a small number of sales staff or bid writers to reach a large audience of potential customers at trade shows and by traveling to meet with facilities. Furthermore, it is not necessary to have dedicated technician staff or bid writers to enter. [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] [END

CONFIDENTIAL] Installation/repair functions can be readily outsourced to third parties like ShawnTech and G5 if necessary.

Equipment: An ITS provider does not need to procure any telephone and networking equipment until after it has won an opportunity.⁵⁶ Once an ITS provider has won an opportunity and needs to procure equipment, it does not need to pay for the equipment until after it has already begun to collect calling revenue, because most equipment can be purchased on standard financial terms (e.g., 60-day or 90-day payment). Furthermore, the cost of equipment today is significantly lower than when ICS entered and all hardware was board-based.

Customer Service and Support: Any services needed once an account is up and running, including a customer service call center, can be outsourced if it is not accommodated in-house with existing personnel.⁵⁷

Financing: Most upfront payments paid by an ITS provider to service a facility are not, in fact, barriers to entry or expansion.⁵⁸ Upfront expenditures are not a barrier to a competitor's ability to enter or expand. **[BEGIN CONFIDENTIAL]** [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] **[END CONFIDENTIAL]**

⁵⁶ See generally **[BEGIN HIGHLY CONFIDENTIAL]** [REDACTED]
[REDACTED] **[END HIGHLY CONFIDENTIAL]**.

⁵⁷ See *id.*

⁵⁸ See **[BEGIN HIGHLY CONFIDENTIAL]** [REDACTED]
[REDACTED] **[END HIGHLY CONFIDENTIAL]**.

State and FCC Licensing: [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END CONFIDENTIAL] Licensing processing times differ by state and range from automatic to 120 days. Many opportunities do not require state licensing to bid, so vendors can wait to apply for a license until after it has won an opportunity in the state. Some states do not require any licensing.

12. *Applicants assert that “there are no obstacles (technological, IP-related, reputational, cost) preventing [competitors] from quickly scaling to bid and win opportunities of every size.” (Joint Opposition to Petition to Deny at 19). Applicants further assert that “there are no barriers (either with respect to STI or ICS) that would make it more difficult for various competitors of ICS from bidding successfully for ICS opportunities.” (Consolidated Joint Reply Comments at 6). Identify and provide all documents that support or refute the statements. Identify and describe in detail and provide all documents related to whether the location of an actual or potential Facility Customer may represent an obstacle to the provision of service by a competitor (e.g., rural or remote location).*

See response to Question 11 above. Any documents responsive to Question 12 are provided in the Document Production.

13. *Applicants assert that “historical market shares of the parties in a contestable bidding market are not a relevant predictor of future competitive outcomes.” (Joint Opposition to Petition to Deny at 17). Identify, describe, and provide documents sufficient to show the analytic factors each Applicant uses to measure its own ability, and the ability of competitors, to compete for customers for the provision of Relevant Services.*

Any documents responsive to Question 13 are provided in the Document Production.⁵⁹

14. *Applicants state that “[t]oday, many incumbent competitors besides GTL and STI can - and do-provide ITS to larger correctional facilitates, including CenturyLink (which is an independent competitor).” Applicants further state that “CenturyLink’s presence in fact does constrain the prices charged by all other bidders.” (Joint Opposition to Petition to Deny at 16, 21). Identify all “incumbent competitors” to which this statement is referring and identify and provide documents sufficient to show that each such entity “provide[s] ITS to larger correctional facilitates.” Provide all documents relating to, discussing, or analyzing CenturyLink, or any other “incumbent competitor” identified in response to this request, as a competitor to the Applicants post-transaction, including any documents relating to whether the incumbent competitor’s presence constrains the prices charged by other bidders.*

Incumbent competitors include: Ally, AmTel, A.P.S. Inmate Telephone Services, CTL, CTC, CPC, CTEL, CSG, CCT, Custom Teleconnect, Encartele, GTL, Infinity, Lattice, Legacy, NCIC, Pay Tel, Prodigy, Protocall, Reliance, Securus, Stellar, Synergy, Talton, Telewest, Turnkey, and Unisys. Any documents responsive to Question 14 are provided in the Document Production.⁶⁰

Transaction & Potential Efficiencies

15. *Provide all documents relating to, and describing the reasons for, the Transaction and the costs to complete it; all plans and the rationales for any change in the Applicants’ business as a result of the Transaction and the costs to achieve them; and all risks associated with the Transaction.*

⁵⁹ See also [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[END HIGHLY CONFIDENTIAL].

⁶⁰ See also [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL].

Any documents responsive to Question 15 are provided in the Document Production.

16. *Provide a detailed explanation and identify and provide documents sufficient to show the basis for and derivation of the Applicants' claimed public interest benefits, efficiencies, and synergies resulting from the proposed Transaction (as set forth in the Public Interest Statement at 3-5 of the Application and Joint Opposition to Petition to Deny at 27-28), and for each explanation provide:*
- a. *a summary and provide and identify documents sufficient to show the underlying assumptions and steps the Applicants will take to achieve the claimed cost savings, efficiencies, synergies, and other benefits; the costs Applicants will incur to achieve these effects; the risks the Applicants face in realizing these effects; the breakdown between savings in fixed costs and marginal costs; and the time required to achieve these effects (including whether they are primarily short-term or long-term);*
 - b. *a summary and provide and identify all documents related to efforts by either Applicant to achieve similar benefits, efficiencies, and synergies without the Transaction; barriers posed to either Applicant achieving similar benefits, efficiencies, and synergies without the Transaction; and reasons the Transaction will enable the claimed benefits, efficiencies, and synergies;*
 - c. *the Applicants' plans to pass through any cost savings from the Transaction, including but not limited to inmates, and the extent to which each of the Applicants have passed through past cost savings, including to inmates and their families, from prior transactions (including the magnitude and time horizon for these pass-through cost savings to inmates); and*
 - d. *a description of the additional products and services the combined company will be able to offer each existing ICSolutions' Facility Customer because of the Transaction that are currently not offered by ICSolutions. Describe any products and services that Securus will cease offering to each existing ICSolutions Facility Customer as a result of the Transaction.*

Response to 16(a), 16(b)

[BEGIN HIGHLY CONFIDENTIAL]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL] Customers will also benefit from improved effectiveness and functionality through the combination of the best features of the parties' respective products and services (e.g., ICS's excellent customer service and Securus's full suite of innovative technology). In particular, ICS customers will post-merger gain access to a number of Securus technologies, including investigative programs that monitor calls, forensic services, detection of contraband cellphones, and reports of inmate-to-inmate communication. These services are not currently offered by ICS and would not be in the near future. The parties further believe that ICS's reputation of customer focus and integrity will help Securus's public image in the marketplace.

[BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED] [END HIGHLY CONFIDENTIAL] As a result of the

Transaction, ICS will become a wholly-owned subsidiary of Securus. While the ownership of ICS will change, ICS's management team is expected to remain substantially the same.

[BEGIN HIGHLY CONFIDENTIAL]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[END HIGHLY CONFIDENTIAL]

Any documents responsive to Questions 16(a) and 16(b) are provided in the Document Production.

Response to 16(c)

[BEGIN HIGHLY CONFIDENTIAL]

[END

HIGHLY CONFIDENTIAL] ICS has not been involved in any prior merger transactions with other providers of ITS. Any documents responsive to Question 16(c) are provided in the Document Production.

Response to 16(d)

As noted above, ICS customers will post-merger gain access to a number of Securus technologies, including investigative programs that monitor calls, forensic services, detection of contraband cellphones, and reports of inmate-to-inmate communication. Any products and services that ICS is currently providing to ICS Facility Customers will continue to be provided in accordance with existing contracts. Indeed, following the Transaction, ICS will continue to honor its contracts with ICS Facility Customers and in doing so will continue to provide and support the ICS technologies and services enjoyed by its customers. Any future changes in the rates, terms and conditions of service will be undertaken in conformance with the applicable federal and state law, including notice and tariff requirements and ICS's contractual obligations. Any documents responsive to Question 16(d) are provided in the Document Production.

17. ***Provide full and complete copies of the Unit Purchase Agreement by and among ICS, TKC, Keefe, and Securus, merger or acquisition agreement (and all amendments and attachments thereto), and any side or letter agreements or other related agreements***

(and all amendments and attachments thereto) that Applicants have entered into that relate to the Transaction.

ICS understands that Securus has submitted a copy of the Unit Purchase Agreement, including all exhibits and disclosure schedules, therefore ICS is not providing a duplicate copy.

18. *Describe the timetable for the Transaction, and identify, provide and describe documents sufficient to show:*

- a. all actions that must be taken before its completion, including each domestic regulatory, competition, or antitrust authority that the Applicants have notified (or intend to notify) of the Transaction, and the case numbers as assigned by each entity;*
- b. the timing for each such action, including for each authority notified, the dates (or expected dates) the authority was (or is expected to be) notified and did or will complete its review;*
- c. any harm that would result if the Transaction is delayed or not completed; and*
- d. any terms or conditions of the Transaction that are not reflected in the merger or sale agreement.*

Response to 18(a), 18(b)

Pursuant to Section 1.06 of the Unit Purchase Agreement, the closing of the Transaction is scheduled to occur on the [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] Business Day following the satisfaction or waiver of the conditions precedent set forth in Article 2 of the Unit Purchase Agreement, or on such other date as Securus and Keefe mutually agree. The closing shall take place by the electronic exchange of documents.

The closing conditions are set forth in Article 2 of the Unit Purchase Agreement and, in summary, include: [BEGIN CONFIDENTIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]. [END
CONFIDENTIAL]

The DOJ, Federal Trade Commission, FCC, and the states listed in the Unit Purchase Agreement Disclosure Schedules are the only regulatory authorities that have been notified of the Transaction or that the parties intend to notify of the Transaction. [BEGIN HIGHLY
CONFIDENTIAL] [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] [END HIGHLY CONFIDENTIAL]

Depending on the state, the Transaction may require pre-closing state regulatory approval to consummate a transfer of control and/or financing related to the Transaction. The following states, which require transfer of control approval, financing approval, or both, have already approved the Transaction: Arizona (8/8/18); California (6/22/18); Georgia (7/19/18); Indiana (6/29/18); Louisiana (6/20/18); Maryland (7/25/18); Minnesota (8/10/18); Mississippi (10/2/18); Nebraska (7/24/18); New York (7/1/18 financing and 8/16/18 transfer of control); Ohio (6/25/18); Pennsylvania (7/17/18 financing); Rhode Island (6/1/18); West Virginia (8/24/18); and Wyoming (7/27/18). The status of the remaining approvals is as follows: Hawaii (transfer of control and financing approval pending; neither ICS nor Securus has customers in

Hawaii) and Pennsylvania (transfer of control approval pending). No protests have been filed in any state to date and none are expected.

The parties currently expect to complete the Transaction by, at latest, [BEGIN HIGHLY CONFIDENTIAL] [REDACTED] [END HIGHLY CONFIDENTIAL] or, if FCC approval has not yet occurred as of that date, following FCC approval of the transaction. Any documents responsive to Questions 18(a) and 18(b) are provided in the Document Production.

Response to 18(c)

Failing to consummate the Transaction will result in significant harm. Most importantly, ICS, Securus, and their customers will be deprived of the substantial benefits, described above, that would otherwise have been generated by the Transaction. These cost savings, cross-selling, and technology and service improvements will redound to the benefit of customers as the combined company transforms into a more dynamic, technologically sophisticated, and innovative player in the inmate telecommunications industry, with the capability of bringing new, innovative, and efficiency-enhancing communications and law enforcement technologies to correctional facilities, inmates, and their family and friends.

In addition to preventing the parties and their customers from benefiting from the Transaction's substantial cost savings, any unnecessary delay in closing the Transaction would cause further harm to the parties. [BEGIN HIGHLY CONFIDENTIAL] [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [END HIGHLY

CONFIDENTIAL] Any documents responsive to Question 18(c) are provided in the Document Production.

Response to 18(d)

To the best of ICS's knowledge, there are no terms or conditions of the Transaction that are not reflected in the Unit Purchase Agreement between the parties or other documents supplied in response to the Information Request.

Bids

19. Describe each bid, estimate, quote, proposal, or response to any request for information, submission, or proposal (collectively hereinafter, bid) that each of the Applicants drafted, submitted, or participated in as a primary bidder, joint bidder, or subcontractor since January 1, 2013 to supply any Relevant Service, and for each bid list the following in the format specified in the accompanying template:

- a. issuer and date of the Request for Proposal (RFP);**
- b. date each Applicant submitted the bid;**
- c. if either Applicant ultimately withdrew a bid, state the withdrawal date and the reason for withdrawal;**
- d. the identity of the incumbent provider at the time of the RFP, or state if there was no incumbent provider;**

- e. *the total estimated value, in dollars, of the bid, including any recurring or one-time commissions to the actual or potential Facility Customer, or other incentives;*
- f. *the initial duration of the contract as described in the RFP, including starting and ending dates;*
- g. *the name and address(es) of the Facility Customer covered in the contract, and the address and type of each facility to be served (e.g., jail or prison);*
- h. *the average daily number of inmates at all facility address(es) covered by the contract;*
- i. *the contract's provisions for possible extensions;*
- j. *whether the bid submitted won or was declined, and if won, the estimated value of the bid;*
- k. *each Relevant Service provided in the winning bid;*
- l. *if an Applicant did not win the bid, the name, if known, of the winning bidder, the ranking of the Applicant or Applicants' bid or bids; and reason for not winning, if known;*
- m. *the identities of all other bidders and the ranking of their bids, if known; and*
- n. *for each bid described, provide all documents related to the RFP, the completed bid, and all correspondence between the actual and potential Facility Customer and either of the Applicants; and identify in metadata associated with each document to which RFP each document refers.*

As discussed with Commission staff, ICS believes that the following data and documents, which are kept by ICS in the normal course of business, provide the types of information requested in Question 19:

- Files found in the "ICS003" production submitted on October 1, 2018, which contains documents from the ICS Shared Drive's RFP folder dated January 1, 2013 to July 9, 2018.
 - This production also included the final executed customer contracts dated January 1, 2013 to July 9, 2018, which are stored within the Contract/Facility Site folder of the shared drive.
- ICS SharePoint records and documents dated January 1, 2013 to July 9, 2018. *See* HIGICS-0000558869 through HIGICS-0000589040.
- ICS win/loss spreadsheets for 2013-2017 and January through June 2018. *See* HIGICS_0000022021 through HIGICS_0000022023; HIGICS-0001611141.
- Responsive documents in the files of the ICS custodians from July 9, 2015 to July 9, 2018.

* * *

Respectfully submitted,



Howard M. Liberman
Paige K. Fronabarger
Wilkinson Barker Knauer, LLP
1800 M Street, N.W., Suite 800N
Washington, D.C. 20036
202-783-4141 (tel)
202-783-5851 (fax)
hliberman@wbklaw.com
pfronabarger@wbklaw.com

*Counsel to Inmate Calling Solutions, LLC
d/b/a ICSolutions*

October 17, 2018

Declaration of Tim McAteer

I, Tim McAteer, hereby declare under penalty of perjury as follows:

1. I am President and General Manager of Inmate Calling Solutions, LLC d/b/a ICSolutions ("ICS");
2. I have read the attached Responses of ICS to the Federal Communications Commission's Information and Document Requests ("Responses"), which were prepared pursuant to my direction and control;
3. This Declaration is submitted in support of the foregoing Responses; and
4. The statements of fact contained in the Responses are true and correct to the best of my knowledge and belief.

Timothy P. McAteer
Tim McAteer

Dated: October 17, 2018

EXHIBIT 1

REDACTED

EXHIBIT 2

REDACTED

EXHIBIT 3

REDACTED

EXHIBIT 4

REDACTED

EXHIBIT 5

REDACTED

EXHIBIT 6

REDACTED

EXHIBIT 7

REDACTED

EXHIBIT 8

REDACTED

EXHIBIT 9

REDACTED