Pay Tel Ex Parte Presentation
Response to Joint Filing of Global Tel*Link (GTL), Securus, and Telmate[1]

After years of refusing the Commission's requests to supply cost data and generally opposing any and all efforts by the Commission to grant meaningful relief to consumers in this docket, apparently sensing that the proverbial bus is leaving the station, the industry's two largest providers (Securus and GTL) and the newest entrant into the ICS marketplace (Telmate) (collectively, the "***Large Companies***" or "***Proposers***") now propose what they characterize as a "consensus" plan to bring closure to this proceeding. While the Proposers' "battlefield conversion" into champions of ICS reform is laudable, if convenient, it is more than a little disappointing that the Proposal put forward by these companies is designed to do nothing other than ensure their own corporate profits and their continued dominance of the ICS market.

Pay Tel applauds any legitimate effort to reach consensus on the difficult issues at play in this proceeding, but the Large Company Proposal lacks legitimacy from a number of perspectives. First, it is in no way a "consensus" proposal—certainly Pay Tel was not included in any discussions leading to the proposal, despite Pay Tel's active participation in this proceeding over the course of some twelve years. More fundamentally, the Large Company Proposal would allow the Proposers—whose practices have given rise to this proceeding in the first place—to continue to burden inmates and their friends and family with excessive fees and practices that significantly and unjustifiably increase the cost of ICS.

Pay Tel has the following specific concerns with the Large Company Proposal.

I. The Commission Cannot, Consistent with Notions of Due Process and Fair Play, Consider the Large Company Proposal at the Same Time the Proposers are Willfully Disobeying the Commission's Protective Order and Withholding Data that Is Necessary to Evaluate the Proposal

The Large Company Proposal recommends a "simplified" rate structure of flat rate caps, yet it contains no evidence supporting the methodology or rationale underlying the proposed caps, which, at $.20 and $.24 per-minute, are well in excess of the Large Companies' publicly reported costs-per-minute across all calls.[2] Pay Tel's Outside Counsel, in accord with the Protective Order in place in this proceeding, has submitted requests to Securus, GTL and

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[1] Joint Letter of Global Tel*Link, Securus, and Telmate to Chairman Wheeler, et al., WC Docket No. 12-375 (Sept. 15, 2014) ("***Large Company Proposal***" or "***Proposal***").

[2] *See* Global Tel*Link Corp., Response to Mandatory Data Collection, Description & Justification, at 3, WC Docket No. 12-375 (Aug. 22, 2014) (explaining overall cost per minute was $0.1341 in 2013); Telmate, LLC, Response to Mandatory Data Collection, Description & Justification, at 3, WC Docket No. 12-375 (Aug. 18, 2014) (explaining overall cost per minute was $0.1583 in 2013); Securus Technologies, Inc., Response to Mandatory Data Collection, Description & Justification, at 3, WC Docket No. 12-375 (July 17, 2014) (explaining overall company-wide cost of providing ICS is $0.1776 per minute).

Telmate seeking those companies' Confidential Cost Study Information; all three companies have objected to such disclosure, notwithstanding the fact that the Protective Order clearly requires it.[3] All other providers have complied with the terms of the Protective Order and have supplied Pay Tel's Outside Counsel with access to their confidential information. The Proposers should not be permitted to "game" the regulatory process by putting forth the Proposal while, at the same time, preventing other parties from being able to access, analyze and rebut information those same parties put in the record that is directly relevant to, and presumably forms the basis of, the Proposal.

II. Adoption of a Single, Averaged Rate Cap Across All Facility Types Will Lead to Windfall Profits for the Large Companies

The Large Company Proposal would apply a single, uniform per MOU rate to all calls in all facilities, regardless of the cost characteristics of the particular facility or facility type. The implications of this approach are clear: the Large Companies, serving predominantly below-average-cost facilities such as prisons, will reap windfall profits, while companies like Pay Tel that serve predominantly above-average-cost facilities such as jails will struggle to cover costs. Even more problematic, there is nothing in the Large Company Proposal to stop those companies from using their windfall profits generated from serving prisons to squeeze their competitors out of the market.

The notion that "the market" can be relied on to drive the retail rates down to cost-based levels in prisons is false given that the entities setting the rates (prisons) are not the same entities paying the rates. Evidence suggests that contract awards are based on non-price factors, such as promises to provide ancillary services and equipment.[4] This dynamic fundamentally distinguishes the inmate telephone market from other markets where efficient pricing principles can be expected to prevail.

According to the U.S. Bureau of Justice Statistics' most recent publication, 67% of total inmates are incarcerated in prisons and 33% of inmates are incarcerated in jails.[5] Despite the

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[3] The Large Companies have agreed to provide Pay Tel's Outside Consultant, Don Wood, with the Confidential Information contained in their responses to the Mandatory Data Collection but have refused to permit Pay Tel's counsel to review the data—despite the plain language of the Protective Order allowing review by Outside Counsel.

[4] *See* Securus, Ex Parte Presentation, WC Docket No. 12-375 (Sept. 26, 2014) (stating that recent provisional award for calling services for one of the top 10 prisons in the U.S. gave no points for comparative purposes for having the lowest calling rate).

[5] Bureau of Justice Statistics, "Correctional Populations in the United States, 2012," released in December, 2013. *See* Attachment A.

fact that numerous ICS vendors,[6] including one of the Proposers,[7] have acknowledged the lower costs to serve prisons and similar facilities, the Large Company Proposal would permit rates which are only appropriate for a third of the market—and are excessively high for prisons. Telmate itself has argued on numerous occasions about the "inherently" higher costs of serving small facilities.[8] Similarly, GTL has previously argued that a one-size-fits-all approach to ICS reform is unworkable.[9] And, of course, Securus has presented cost information showing stark cost differentials based on the size of the facility being served.[10] In this regard, the Proposers' newfound argument for a single "simple," uniform rate seems less about "simplicity" and more about ensuring that the Proposers' primary markets—large facilities—continue to serve as profit centers for their other operations and business interests.

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[6] *See, e.g.*, Letter from John E. Benedict, Vice President – Federal Regulatory Affairs & Regulatory Counsel, CenturyLink, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 12-375, at 2–3 (Aug. 2, 2013) (showing CenturyLink's costs of serving jails averaged $0.137 per minute and its costs of serving prisons averaged $0.116 per minute).

[7] *See, e.g.*, Comments of Telmate, at 2, WC Docket No. 12-375 (Dec. 20, 2013) (arguing that "any rate regime that ignores the inherently higher costs associated with serving small facilities threatens to deprive inmates in those facilities of ICS (and its many corresponding benefits)"; arguing that permanent rate caps should "establish[] higher price caps and safe harbors for jails"); *see id*. at 3 ("The rate caps and safe harbors must be raised, at least at smaller facilities, so that ICS providers can continue to serve the inmates serving time there. Basic economies of scale dictate that the cost to provide ICS to jails, which tend to house 100 or fewer inmates for weeks or days at a time, are much higher than the cost to provide that service to large, statewide prison systems, which tend to house thousands of inmates for years at a time."). *See* Telmate, Notice of Ex Parte, at 2, WC Docket No. 12-375 (July 26, 2013) (advocating that the Commission "segregate facilities by size as a surrogate to reflect the cost differences of providing ICS services (including bandwidth, labor and maintenance/service expenses) to smaller institutions, namely <200 beds, 200-500 beds, 501-1000 beds, 1000+ beds, and state DOC systems" and that "small jail facilities are unprofitable to serve on a stand-alone basis").

[8] *See, e.g., id*.

[9] *See, e.g.*, Comments of Global Tel*Link, at 2, WC Docket No. 12-375 (Dec. 19. 2013) (arguing that "a uniform, national rate structure for all correctional facilities is impracticable"); Comments of Global Tel*Link, at 7, WC Docket No. 12-375 (July 13, 2013) (reiterating position that "there is no justification for the adoption of a one-size-fits-all rate regime for interstate inmate calling services"); Reply Comments of Global Tel*Link, at 1, WC Docket No. 12-375 (Apr. 22, 2013) ("[The Commission] cannot implement a one-size-fits-all regime for interstate inmate calling services. It is simply unworkable to implement a uniform national rate structure for all correctional facilities, without regard to the size, location, security requirements, and the types of services the facilities need or without taking account of state and local management, policy, and budgetary decisions.").

[10] *See* Securus, Expert Report of Stephen E. Siwek, at 3–4, WC Docket No. 12-375 (Mar. 25, 2013).

The record in this proceeding has consistently demonstrated that the cost of providing ICS in prisons is significantly lower than the cost of providing service in jails. Pay Tel has provided ample evidence of the higher cost of providing ICS in jails and the numerous reasons therefore.[11] This well-established differential between jails and prisons was previously noted by Commissioner Pai in his dissent in the Commission's *Inmate Rate Order*,[12] and the Commission's failure to acknowledge this differential between facilities remains a problematic, and legally vulnerable, aspect of its regulatory efforts to date.

The cost differential between prisons and jails is substantiated by real-world data from prisons. The following table summarizes publicly available data on average per-minute rates from eight prisons where site commissions have been eliminated.[13]

DOC Contracts Without Commissions

Agency	Inmates	ICS Vendor	Estimated Average Rate Per Minute ~ Cost plus Profit[14]
California DOC	122,179	GTL	$0.120
Michigan DOC	43,704	GTL	$0.044
Missouri DOC	32,371	Securus	$0.050
Nebraska DOC	5,094	GTL	$0.090
New Mexico DOC	3,950	Securus	$0.050
New York DOC	54,865	GTL	$0.050
Rhode Island DOC	3,160	GTL	$0.054
South Carolina DOC	21,712	GTL	$0.075
Total Average			**$0.067**

[11] *See, e.g.*, Pay Tel Comments in Response to FNPRM, at 17–24, WC Docket No. 12-375 (Dec. 19, 2013); Letter from Marcus Trathen, Counsel for Pay Tel, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 12-375 (Aug. 2, 2013); Pay Tel, Ex Parte Presentation at 3–5, WC Docket No. 12-375 (Aug. 1, 2013); Letter from Marcus Trathen, Counsel for Pay Tel, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 12-375 (Aug 1., 2013); Letter from Marcus Trathen, Counsel for Pay Tel, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 12-375 (July 31, 2013); Pay Tel Ex Parte Presentation, "Inmate Calling Service (ICS) Market Distinctions: Prisons vs. Jails", WC Docket No. 12-375 (July 3, 2013); Pay Tel, Notice of Ex Parte, WC Docket No. 12-375 (May 31, 2013); Pay Tel Reply Comments at 2, 4–12, WC Docket No. 12-375 (Apr. 22, 2013); Pay Tel Comments at 9–11, WC Docket No. 12-375 (Mar. 25, 2013).

[12] *See* Rates for Interstate Inmate Calling Services, WC Docket No. 12-375, Report and Order and Further Notice of Proposed Rulemaking, 28 FCC Rcd 14107, Pai Dissent at 116 (2013) ("*Inmate Rate Order*") (demonstrating that the data show "that it costs 12 cents more a minute to serve midsize jails than statewide prisons or the largest jails . . . .").

[13] *See generally, e.g.*, Prison Phone Justice, Prison Phone Rates, *available at* www.prisonphonejustice.org, as verified by the ICS contracts for each of the eight states mentioned.

[14] Additional supporting detail for this table is provided in Attachment B.

It is particularly significant that these prisons represent a cross section of systems in the United States, ranging from one of the largest (California), to one of the smallest (Rhode Island). The table above reflects existing rates in place today. One would therefore assume such rates—for which GTL and Securus have willingly contracted—provide a profit level acceptable to those companies. The average per-minute rate under these contracts, collectively, is $0.067 per minute—that is drastically below the Proposals' flat rate caps and reveals the significant discrepancy between what the Proposers want and what, clearly, they can accept while remaining profitable.

Given this clearly established data in the record, the Large Company Proposal seems completely out of place. It is not reasonably related to the cost of providing service in prisons and, if adopted, the Proposal promises to rob consumers of meaningful reform with regard to the predominant form of calling (in prisons) and to cause severe disruption to the ICS competitive market.

III. The Consumer Benefits of the Proposed Ancillary Fees' "Reduction" Are Illusory

The pervasive problem of abusive fees in the ICS industry has been well-documented in this proceeding[15] and acknowledged by the Commission.[16] Pay Tel has demonstrated how existing fees charged by some providers have the effect of doubling the cost of calling for inmates and their friends and families,[17] and has advocated using the Alabama IPS Order as a guidepost in setting caps on certain ancillary fees and eliminating others.[18]

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[15] *See, e.g.,* Comments of Wright Petitioners, at 24–27, WC Docket No. 12-375 (Mar. 25, 2013) (arguing that ICS providers "regularly charge excessive ancillary fees"). *See generally, e.g.,* Drew Kukorowski, Peter Wagner and Leah Sakala, Prison Policy Initiative, "Please Deposit All of Your Money: Kickbacks, Rates and Hidden Fees in the Jail Phone Industry," WC Docket No. 12-375 (May 9, 2013).

[16] *See, e.g.*, *Inmate Rate Order* at ¶¶ 90–93 (stating, regarding ancillary fees, "[w]e question whether such charges are reasonable in and of themselves and note that the levels of such charges do not appear to be cost-based").

[17] *See* Pay Tel, Ex Parte Presentation, *Impact of Fees on Families*, WC Docket No. 12-375 (July 10, 2014).

[18] *See* Alabama Public Service Commission, Further Order Adopting Revised Inmate Phone Service Rules, Docket No. 15957 (July 7, 2014), *available at* http://www.psc.alabama.gov/Telecom/Engineering/documents/July_7_2014_ICS_Order_TOC.pdf. The Alabama PSC requested specific cost data from ICS providers, reviewed that cost data, and, adopted specific limitations on some fees and prohibited others. Specifically the Alabama IPS Order recommended prohibiting account set-up fees, refund fees, and provider-assessed fines and penalties for prohibited behavior. *Id.* at ¶¶ 7.06–7.08. The Alabama IPS Order also recommended the following, maximum allowable fees related to payment processing: $3.00 for website payment via credit or debit

In short, the imposition of fees on consumers has been a profit center for many ICS providers for years—including the Large Companies.

In response to being caught with their hands in the cookie jar, the Large Companies have submitted a proposal to steal fewer cookies—which may be progress by some measure—but it hardly addresses the overall problem. The Large Company Proposal places emphasis on its elimination of certain Ancillary Fees; at the same time, however, it retains a carefully selected menu of permissible Ancillary Fees that would remain untethered by cost or other regulatory justification. In this regard, the Proposal may look good on its face—keeping four fees while eliminating many others—but a closer examination reveals the troubling impact of the fees that would remain. As shown on Attachment C, under the Large Company Proposal a hypothetical family with $100 in available funds in a particular month to spend on receiving calls from an incarcerated family member would spend approximately half that money on fees. Doubling the price of each call with fees is not consistent with meaningful ICS reform.

With respect to the specific fees proposed by the Large Companies, Pay Tel has the following observations.

Transaction or Deposit Fee

The Large Company Proposal would permit a maximum $7.95 per transaction or deposit fee. According to the Large Company Proposal, "This is consistent with the current market rate for funding ICS accounts."

> Pay Tel Response: Consistent with its advocacy in this proceeding, Pay Tel agrees that providers should be permitted to assess a transaction or deposit fee limited to payments by automated phone IVR, website and live agents. However, the notion that $7.95 is reflective of a "market" rate, in an environment where fees have been set unilaterally by ICS providers by fiat to generate profits and paid by consumers because they have no other choice, is fanciful. While the $7.95 fee may be the "market rate" for the vendors that are currently over-charging inmate families, it is certainly not consistent with Pay Tel's fee structure, the fee structure recommended by the Alabama Public Service Commission, or demonstrated costs.

Money Transfer Fee

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card; $3.00 for IVR phone payment via credit or debit card; $5.95 for live agent phone payment via credit or debit card; and $3.00 for kiosk payment via cash, credit or debit card. *Id.* at ¶ 8.11.

The Large Company Proposal would permit a maximum administrative fee of $2.50 per transaction on top of Western Union® or MoneyGram® fees.

> Pay Tel Response: Pay Tel is not aware of any justification for the imposition of a so-called "administrative fee" on top of third-party money transfer fees. The administrative fee of $2.50 is not charged today and would represent money that would go directly to the providers' bottom line. For Pay Tel, it would be a new profit center, as Pay Tel does not currently receive any monetary fee or benefit from Western Union® or MoneyGram® transactions.

Validation Fee

The Large Company Proposal would permit a maximum fee for validation of 8% per call on all calls.

> Pay Tel Response: Validation is a legitimate expense, but one that is included in Pay Tel's normal cost of providing service. In no event does this expense rise to the level of 8% of gross call revenue.

Convenience or Premium Payment Fee

The Large Company Proposal would allow providers' existing fees (the amount of those fees was conveniently omitted from their filing) to continue for a period of three years. The Proposal also requires conspicuous posting of rate information related to Convenience or Premium calling options.

> Pay Tel Response: The Proposal would include single-call programs such as those shown in the following table, all of which charge a premium for completing and paying for a single call via premium text message or credit card.

Company	Pay by Card Single Call & Fee	Pay by Premium Text Message Single Call & Fee
Securus	PayNow™ $14.99	Text2Collect™ $9.99
Global Tel*Link	Collect2Card™ $14.99	Collect2Phone™ $9.99
Telmate	QuickConnect™ Cost: Undisclosed*	Mobile Pay™ Cost: Undisclosed*

**Although Telmate actively promotes this feature in proposals and on their website, the fees are not disclosed.*

Based on publicly available commission statements and reports, these "convenience" services are being used as a means to evade the payment of site commissions and existing rate caps and are producing a significant amount of revenue for the ICS vendors who offer them. Pay Tel can perceive no justification for excusing "convenience" calling programs from the caps on ICS, as allowing such exceptions merely incents providers to steer calls to programs that will generate higher returns for the providers and, thereby, evade the applicable rate caps. While the in-facility posting/notice requirements stated in the Proposal are nice gestures, Pay Tel wonders just how a cell phone user will be provided with this information in a fashion that will assist the consumer in making an informed choice.

Voice Biometric Fee Elimination Proposal:

The Large Company Proposal would eliminate a number of fees, including the critical voice biometric fee, implying that the cost of this service is included in the proposed per-minute rate; assuming that to be the case, the voice biometric fee would therefore be applied to ALL calls at every site, whether or not a facility uses the voice biometric feature.

Pay Tel Response: This expense is only incurred at facilities that utilize the voice biometric feature; as such, it is appropriate to have it as a separate fee, allowed only when the feature is in use.

IV. Other Issues

In addition to the points addressed above regarding the one-size-fits-all flat rate aspect of the Proposal and its windfall-generating ancillary fee structure, several other aspects of the Large Company Proposal are troubling.

* **The Proposal's "New and Innovative Services" Concept Would Create An Exception that Threatens to Swallow the Rule:** When describing the elimination of commissions or in-kind payments, the Proposal specifically suggests excepting from the prohibition "services that are integrated or associated with ICS (ranging from email and text services to video visitation, wireless and other emerging technologies)," services that the Proposers characterize as "new and innovative."

Pay Tel Response: The exception proposed by the Large Companies would perpetuate the very system that the Commission is seeking to eradicate—where inmates and their friends and families are implicitly subsidizing the provision of services with no relationship to ICS through calling rates. With proposed caps

that greatly exceed the costs of providing ICS by orders of magnitude, the exception proposed by the Large Companies will permit them to compete for facility contracts not based on the cost of calling to the consumer but instead based on the provision of ancillary services "for free" to the facility. It certainly is not surprising that the Large Companies would seek such an exception as they have accumulated through purchases and acquisitions a wide variety of technology which will give them a competitive "leg up" should the Commission sanction the proposal.[19] In this regard, the Large Companies' proposal runs completely contrary to a system that is seeking to eliminate hidden charges and subsidies placed on the backs of consumers who are powerless to avoid such charges. This is particularly concerning in regard to video visitation, which is often used to replace traditional (free) on-site, in-person visits. Failure to regulate video visitation now will simply lead to inevitable rate abuses and will likely result in another proceeding at some future point when public frustration and anger boil over once again. Moreover, there are a number of technologies which are currently integrated with ICS that truly have nothing to do with the cost of inmate calling: jail management systems, tracking ankle bracelets, cell phone detection, data mining tools, word spotting, automated inquiry systems, and educational and job search tools, just to name a few. While many of these items are useful, they are not integral to inmate calling and should not impact the price of an inmate call.

* **The Proposal Allows Insufficient Time for Agencies to Adjust Budgets:** The Proposal recommends that its provisions become effective 90 days after adoption, including its rate caps, site commission reductions, and ancillary fee changes.

  Pay Tel Response: Any regulation adopted must consider that city and county jails as well as state prisons generally approve annual budgets. Removing their source of funding on 90 days' notice does not allow sufficient time to adjust budgets and seek replacement funding resulting from the loss of commissions.

* **The Flat Rate Exemption Continues the Pattern of Abusive Rates when Calls are Disconnected:** The Proposal would allow per-call pricing in states where such pricing has been adopted and the per-call rate is less than the new flat rates caps under this proposal for a 15-minute call.

[19] *See* Workshop on Further Reform of Inmate Calling Services, July 9, 2014, Transcript, at 29-30 (comments of Darrell A. Baker, Director, Utility Services, Alabama Public Service Commission) (noting that "one dominant ICS provider controls more than 75 percent of all the patents in the ICS industry, and is actively shopping for additional patents to add to its portfolio")

Pay Tel Response: The allowance of per-call rates raises specific issues, all of which negatively impact the consumer. A per-call rate, even if it is below the 15-minute rate cap, penalizes the consumer for calls that are disconnected (for any number of reasons, including as a result of poor cellular signal, a dropped call, disconnect caused by unauthorized use of three-way calling, or intentional disconnection by vendor to increase revenue). If an inmate calls his mother on her cell phone and they speak for two minutes before she drives into an area with poor cellular service and the call is disconnected, she could pay $3.00 for that two-minute phone call, or $1.50 per minute. At that point, the cost is no better than the rates that prompted this proceeding in the first place.

* **The Proposed Administrative/Security Compensation for Facilities is Arbitrary—Sheriff and Confinement Facility Input is Needed:** The Proposal supports facilities' recovery of legitimate costs directly related to the provision of ICS. The Proposal promotes a one-size-fits-all compensation rate, ignoring the differences between ICS-related Administrative/Security costs in prisons and jails.

Pay Tel Response: Pay Tel was the first provider to point out that jails and prisons incur administrative and security costs in order to provide inmates with access to ICS. However, Pay Tel is skeptical that the arbitrary ranges mentioned in the Proposal ($.015 to $.025) or the further reduced range ($.005 to $.016) presented in Global Tel*Link's Ex Parte[20] adequately reflect administrative costs incurred in jails. This is particularly suspect when the difference in prison turnover and jail turnover is considered—just 1% a week in prisons compared to jail turnover averaging 62% a week. Pay Tel encourages the FCC to seek real-world data from providers of jails concerning their administrative costs of providing ICS. Without a reasonable compensation structure for facilities, they may be economically incented to limit inmate phone access in order to remain within budget, a result which would be at odds with the goals of this proceeding. Any approved cost recovery fee should be added to the mandated cost-based per-minute rate.

* **Enforcement and Compliance:** The Proposal requires annual reporting and certification.

Pay Tel Response: Pay Tel fully supports the requirement for annual reporting, and agrees that a responsible company officer must sign off on the information filed.

[20] *See* Global Tel*Link, Ex Parte Presentation, Attachment 3, *Administrative and Investigative Costs by Contract*, WC Docket No. 12-375 (September 19, 2014).

Conclusion

The Large Company Proposal is designed for one purpose: to advance the economic interests of the sponsoring companies. Pay Tel, like each of its competitors, is a for-profit organization. However, Pay Tel shuns practices that unfairly take advantage of consumers. Pay Tel has operated at a competitive disadvantage for years because it has been (and remains) unwilling to play the game of adding one non-commissionable fee on top of another in order to reduce call revenues and offer commission percentages that defy common sense. Pay Tel welcomes fair regulation that protects consumers, provides cost recovery for facilities *and* allows vendors to operate profitably; holding on to the hope that the ICS industry will attain that elusive "level playing field" status. It will not get there through the Large Company Proposal.

ATTACHMENT A

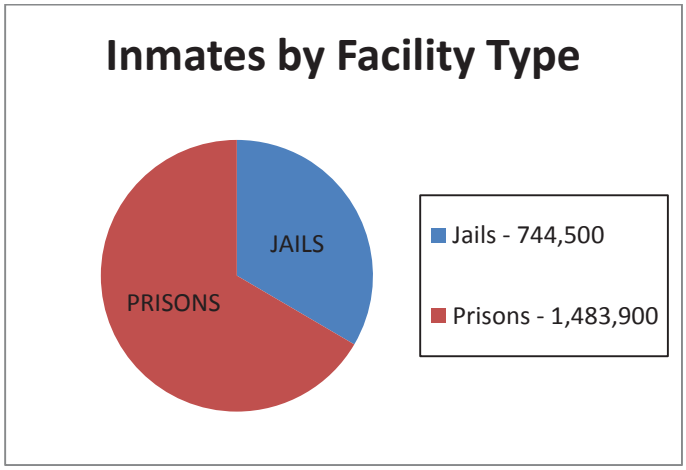


TABLE 2
Estimated number of persons supervised by adult correctional systems, by correctional status, 2000, 2005, 2010–2012

Year	Total correctional population[a]	Community supervision			Incarcerated[b]		
		Total[a,c]	Probation	Parole	Total	Jail[d]	Prison[e]
2000	6,461,000	4,565,100	3,839,500	725,500	1,938,500	621,100	1,317,300
2005	7,050,400	4,946,800	4,162,500	784,400	2,195,000	747,500	1,447,400
2010	7,079,500	4,887,900	4,055,500	840,700	2,270,100	748,700	1,521,400
2011	6,978,500	4,814,200	3,971,300	853,900	2,240,600	735,600	1,505,000
2012	6,937,600	4,781,300	3,942,800	851,200	2,228,400	744,500	1,483,900
Average annual percent change, 2000–2011	0.7%	0.5%	0.3%	1.5%	1.3%	1.5%	1.2%
Percent change, 2011–2012[f]	-0.7%	-0.8%	-1.0%	-0.1%	-0.5%	1.2%	-1.4%

Note: Estimates were rounded to the nearest 100 and may not be comparable to previously published BJS reports due to updated information or rounding. Totals include estimates for nonresponding jurisdictions. See *Methodology*. Total community supervision, probation, parole, and prison custody estimates are for December 31; jail population estimates are for the last weekday in June.

[a]Estimates were adjusted to account for some offenders with multiple correctional statuses. See *Methodology*.

[b]Includes local jail inmates and prisoners held in the custody of state or federal prisons or privately operated facilities.

[c]Includes some offenders held in a prison or jail but who remained under the jurisdiction of a probation or parole agency.

[d]Totals are estimates based on the Annual Survey of Jails, except the total for 2005, which is a complete enumeration based on the Census of Jails Inmates. See appendix table 5 for standard errors and *Methodology*.

[e]Includes prisoners held in the custody of state or federal prisons or privately operated facilities. The custody prison population is not comparable to the jurisdiction prison population, which is BJS's official measure of the prison population. See text box on page 2 for a discussion of the differences between the two prison populations.

[f]See *Methodology* for information on the methods used to calculate annual change within each correctional population and the total correctional population.

Sources: Bureau of Justice Statistics, Annual Probation Survey, Annual Parole Survey, Annual Survey of Jails, Census of Jail Inmates, and National Prisoner Statistics Program, 2000, 2005, and 2010–2012.

ATTACHMENT B

DOC Contracts Without Commissions

Agency	Inmates	ICS Vendor	Contract Rates	Estimated Average Rate Per Minute ~ Cost plus Profit
California DOC	122,179	Global Tel*Link	$.096/minute local & IntraLATA $.135/minute interLATA $0.21 and $0.25/minute interstate	$0.120
Michigan DOC	43,704	Global Tel*Link	Base Rate is $.0468/minute for Collect & Prepaid Base Rate is $.0418.minute for Debit *Note: The base rate is before the addition of a Special Equipment Fund additive for" cell phone detection technology or other further technology initiatives within the DOC"*[21]	$0.044
Missouri DOC	32,371	Securus	$.05 per minute	$0.050
Nebraska DOC	5,094	Global Tel*Link	$0.70/call local collect $0.50/call local prepaid & debit $0.70+ $0.05/minute long distance collect $0.50 + $0.05/minute long distance prepaid & debit	$0.090
New Mexico DOC	3,950	Securus	$0.59/call Prepaid $0.65/call Debit and Collect	$0.050
New York DOC	54,865	Global Tel*Link	$0.05/minute	$0.050
Rhode Island DOC	3,160	Global Tel*Link	$0.70/call Collect & Prepaid $0.63/call Debit	$0.054
South Carolina DOC	21,712	Global Tel*Link	$0.99/call Collect $0.75/call Prepaid & Debit	$0.075
			Average Rate per Minute	**$0.067**

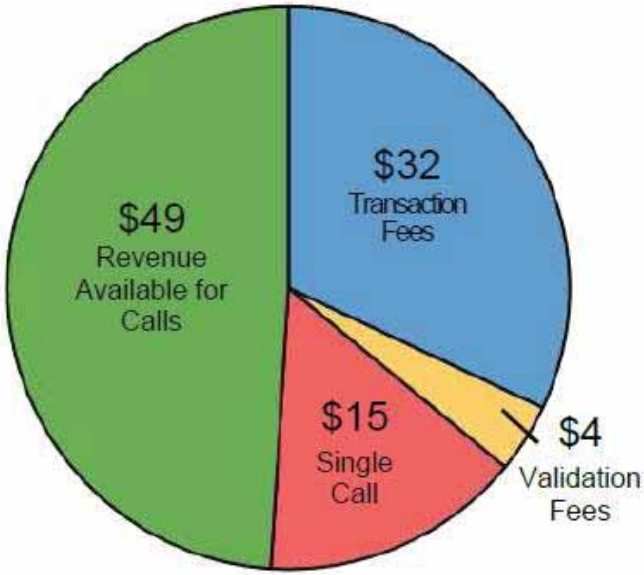
[21] *Full rates after the addition of the Special Equipment Fund are as follows:*
Collect: $0.20/minute intrastate; $0.23/minute interstate
Prepaid: $0.20/minute intrastate; $0.21/minute interstate
Debit: $0.18/minute intrastate; $0.21/minute Interstate

ATTACHMENT C

Real Costs of Calls Under Large Company Proposal

Global Tel*Link, Securus, and Telmate Proposal - REAL Cost of Calls

If a family has budgeted $100 for calls during a month,
and they make a $25 payment each week using the vendor's website,
how much money is available for calls?



TRANSACTION FEE (Per Payment)	$7.95
Transaction Fees per Month	$32.00
VALIDATION FEES (Per Call)	8%
Validation Fees per Month	$4.00
CONVENIENCE PAYMENT OPTIONS	
Single Call Billed to Credit/Debit Card	$15.00
REVENUE AVAILABLE FOR CALLS	$49.00

IMPACT OF ANCILLARY FEES ON THE COST OF CALLS

Funds available for calls ($49.00) ÷ Price per call ($3.00†) = Number of Calls: **16**

PROPOSED REAL COST PER CALL: $6.25

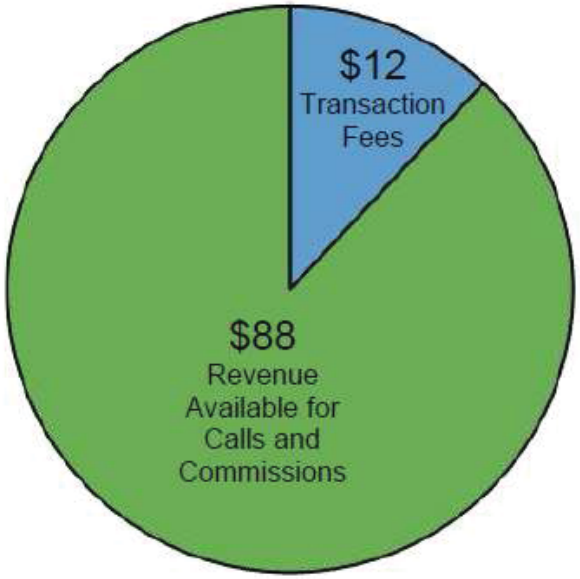
Family funds of $100 ÷ Number of Calls (16) = Real Cost per Call: $6.25

Minutes Eligible for Facility Cost Recovery = 16 calls x 15 minutes = 240

†Based on the proposed rate of 20¢ per minute x 15 minute call = $3.00

Ethical Proposal - REAL Cost of Calls

If a family has budgeted $100 for calls during a month,
and they make a $25 payment each week using the vendor's website,
how much monev is available for calls?



PROPOSED ANCILLARY FEES

TRANSACTION FEE (Per Payment)	$3.00
Transaction Fees per Month	$12.00
VALIDATION FEES (Per Call)	No Charge
Validation Fees per Month	$0.00
CONVENIENCE PAYMENT OPTIONS	N/A
Single Call Billed to Credit/Debit Card	$0.00
REVENUE AVAILABLE FOR CALLS	$88.00

IMPACT OF ANCILLARY FEES ON THE COST OF CALLS

Funds available for calls ($88.00) ÷ Price per call ($3.00†) = Number of Calls: 29

PAY TEL'S REAL COST PER CALL: $3.45

Family funds of $100 ÷ Number of Calls (29) = Real Cost per Call: $3.45

Minutes Eligible for Facility Cost Recovery - 29 calls x 15 minutes = 435

†Based on the proposed rate of 20¢ per minute x 15-minute call = $3.00