

Attachment 4

Ethical Proposal for Reform of Inmate Calling Rates and Fees Submitted by Pay Tel Communications, Inc.

A balanced solution featuring fair rates and fees for ICS provided in Prisons and Jails and meaningful cost recovery for facilities.

Item	Regulation	Clarification & Implementation						
Rate Structure	Per-Minute-of-Use Rates Applicable to All Calls	<ul style="list-style-type: none"> • “Postalized” per-minute rates applicable to all intrastate and interstate calls. • Calculation based on call duration from acceptance to disconnect rounded to the next full minute increment. Rate may not be applied in the form of a flat rate per call. • No “per call” charges. • Inconsistent intrastate rate caps are preempted. 						
Rate Caps for Calls from Prisons	<p>Prison Rate: The following rate cap shall apply to all State and Federal Prisons.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">ADP</td> <td style="text-align: center;">RATE PER MINUTE</td> </tr> <tr> <td style="text-align: center;">ALL</td> <td style="text-align: center;">\$0.08</td> </tr> </table> <p style="text-align: center;">PLUS</p> <p style="text-align: center;">Prison Cost Recovery Fee Per Minute: To Be Determined Cost Support Data to be supplied by Prison Agencies and/or ACA</p> <p>The FCC will work with Prison industry stakeholders to determine a fair cost recovery fee for Prisons to be added to each minute of use for all calls.</p>	ADP	RATE PER MINUTE	ALL	\$0.08	<ul style="list-style-type: none"> • Existing contract rates and commissions are grandfathered for a minimum of 18 months from the Order’s publication date. <ul style="list-style-type: none"> ○ Allows for completion of existing budgets. ○ Allows time to analyze and adjust future budgets. • The Prison Rate shall also apply to any Prison inmates housed at any Jail or Private facility that houses 40% or more Prison inmates on behalf of State or Federal Agencies. Determination will be made annually based on previous year data as certified by the facility. 		
ADP	RATE PER MINUTE							
ALL	\$0.08							
Rate Caps for Calls from Jails	<p>Jail Rate: The following rate cap applies to all City, County and Regional Jails and Detention Facilities.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">ADP</td> <td style="text-align: center;">RATE PER MINUTE</td> </tr> <tr> <td style="text-align: center;">1-349</td> <td style="text-align: center;">\$0.26</td> </tr> <tr> <td style="text-align: center;">350+</td> <td style="text-align: center;">\$0.22</td> </tr> </table> <p style="text-align: center;">PLUS</p> <p style="text-align: center;">Jail Cost Recovery Fee Per Minute: To Be Determined Cost Support Data to be supplied by NSA and AJA</p> <p>The FCC will work with Jails and industry stakeholders to determine a fair cost recovery fee for Jails to be added to each minute of use for all calls.</p>	ADP	RATE PER MINUTE	1-349	\$0.26	350+	\$0.22	<ul style="list-style-type: none"> • Existing contract rates and commissions are grandfathered for a minimum of 18 months from the Order’s publication date. <ul style="list-style-type: none"> ○ Allows for completion of existing budgets. ○ Allows time to analyze and adjust future budgets. • Rates shall be determined annually based on the preceding year ADP figure as provided by the facility. • For facilities with costs above rate caps, rates subject to waiver process.
ADP	RATE PER MINUTE							
1-349	\$0.26							
350+	\$0.22							

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Transaction or Payment Processing Fee Caps	<p>Fees to make a payment to Direct Billed Collect Accounts, Debit Accounts and Prepaid Accounts shall not exceed the following:</p> <table border="1" data-bbox="365 953 570 1724"> <thead> <tr> <th>Description</th> <th>Fee Cap</th> </tr> </thead> <tbody> <tr> <td>Mail Check or Money Order</td> <td>No Fee</td> </tr> <tr> <td>Automated Phone Payment</td> <td>\$3.00</td> </tr> <tr> <td>Website Payment</td> <td>\$3.00</td> </tr> <tr> <td>Live Agent Phone Payment</td> <td>\$5.95</td> </tr> <tr> <td>Fund Transfer for Inmate Debit Calls</td> <td>5% of transfer amount</td> </tr> </tbody> </table>	Description	Fee Cap	Mail Check or Money Order	No Fee	Automated Phone Payment	\$3.00	Website Payment	\$3.00	Live Agent Phone Payment	\$5.95	Fund Transfer for Inmate Debit Calls	5% of transfer amount	<p>Transaction Fee regulations go into effect 90 days following the Order's publication date.</p>			
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Money Transfer Fee	<p>Fund Transfer Fees shall not exceed the following:</p> <table border="1" data-bbox="686 953 789 1724"> <thead> <tr> <th>Description</th> <th>Current Fee</th> </tr> </thead> <tbody> <tr> <td>Western Union®</td> <td>\$5.95</td> </tr> <tr> <td>MoneyGram®</td> <td>\$5.65</td> </tr> </tbody> </table> <table border="1" data-bbox="821 953 889 1724"> <thead> <tr> <th>Description</th> <th>Fee</th> </tr> </thead> <tbody> <tr> <td>Additional Administrative Fee</td> <td>Prohibited</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Subject to change due to third party policies. • Require third parties to charge the lowest fees available with no revenue share to ICS Vendor. 	Description	Current Fee	Western Union®	\$5.95	MoneyGram®	\$5.65	Description	Fee	Additional Administrative Fee	Prohibited	<p>Money Transfer Fee regulations go into effect 90 days following the Order's publication date.</p>					
Description	Current Fee																
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Rate and Fee Cap for Premium Calling Options from Jails	<ul style="list-style-type: none"> • Includes single calls billed to cell phone or credit card • May not exceed the following capped rate per call: <ul style="list-style-type: none"> ADP 1-349: \$6.12 ADP 350+: \$5.64 • The above flat rate is based on the proposed rate caps for a 12-minute call plus a \$3.00 automated phone payment fee. • This option is prohibited in Prisons due to the use of pre-approved call lists. 	<p>The rate cap for a single call billed to a cell phone or credit card is calculated:</p> <table border="1" data-bbox="1138 228 1268 800"> <thead> <tr> <th>ADP</th> <th>RATE PER CALL</th> <th>MAXIMUM DURATION</th> <th>PAYMENT FEE</th> <th>TOTAL CHARGE</th> </tr> </thead> <tbody> <tr> <td>1-349</td> <td>\$3.12</td> <td>12 min.</td> <td>\$3.00</td> <td>\$6.12</td> </tr> <tr> <td>350+</td> <td>\$2.64</td> <td>12 min.</td> <td>\$3.00</td> <td>\$5.64</td> </tr> </tbody> </table>	ADP	RATE PER CALL	MAXIMUM DURATION	PAYMENT FEE	TOTAL CHARGE	1-349	\$3.12	12 min.	\$3.00	\$6.12	350+	\$2.64	12 min.	\$3.00	\$5.64
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Ancillary Fees	<ul style="list-style-type: none"> • \$0.02 Voice Biometric Fee per minute added to the Rate Caps above. • All other recurring fees are prohibited. • All other non-recurring fees are prohibited. • Voice Biometric Fee is applicable ONLY to rates in facilities where this feature is deployed. 	<ul style="list-style-type: none"> • Ancillary Fee regulations go into effect 90 days following the Order’s publication date. • Lower voice biometric feature expenses may apply for Prison Contracts allowing for a lower rate. • Along with annual data filings, Vendors may apply for a new technology fee by providing a cost study with a complete description of how the technology is utilized and with justification as to why the new fee should be added to the cost of a call.
Taxes and Regulatory Fees	<ul style="list-style-type: none"> • Pass-through of government specified taxes and mandated regulatory fees applied as directed in the applicable law or regulation with no mark-up or additive. • All call rates proposed in this document are subject to the addition of applicable taxes and mandated regulatory fees. 	<p>Taxes and regulatory fees must be calculated and applied at the time of the call or message and not at the time of payment or deposit.</p>
Facility Compensation	<ul style="list-style-type: none"> • Establish reasonable Cost Recovery mechanism to fairly compensate facilities for administrative and security expenses associated with allowing inmate access to ICS. • No additional compensation in any form is allowed (including, but not limited to, rental payments, in-kind gifts, technology grants/allowances, exchanges or non-ICS services). • Only upon implementation of Rate and Fee Caps and Facility Cost Recovery will existing commission arrangements be phased out. 	<ul style="list-style-type: none"> • The FCC acknowledged facility costs of administrating ICS in the September 26, 2013 Order and Further Notice of Proposed Rule Making (FN 203). • The FCC will work with confinement industry stakeholders to determine a fair cost recovery fee for Prisons and for Jails, to be added to each minute of use for all calls. • Existing contract rates and commissions will be grandfathered for a minimum of 18 months from the Order’s publication date. <ul style="list-style-type: none"> ○ Allows for completion of existing budgets. ○ Allows time to analyze and adjust future budgets.
Account Statement	<p>Provide itemized monthly account statement to each prepaid or direct billed customer including the following information:</p> <ul style="list-style-type: none"> • Date, time, duration, destination number and charge for each call • Total of all calls • Payments/deposits made • Taxes applied (must list each individually) • Government-mandated fees applied (must list each individually) • Regulatory fees applied (must list each individually) 	<ul style="list-style-type: none"> • Account Statements may be provided electronically—either posted on-line or delivered via email. • Customer may request printed statement and ICS vendor may charge no more than \$2.00 for each printed monthly statement. • Debit account statements will be made available at no cost to inmates upon request to resolve account balance disputes.

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<p>Reporting, Enforcement and Compliance</p>	<ul style="list-style-type: none"> • Annual reporting to include summary of each Prison and Jail facility served, ADP, annual calls and minutes of use, whether or not Voice Biometrics is utilized, and the rates in place at each. • Compliance with regulations must be certified annually by a company executive/officer. <ul style="list-style-type: none"> ○ Including compliance regarding rates, fees, facility cost recovery, refunds, and unclaimed property laws. 	<p>Annual reports must include certification that no commissions or any compensation of any kind has been provided beyond the facility Cost Recovery Fee specifically authorized by the Order.</p>
<p>Posting/Notice Requirement</p>	<ul style="list-style-type: none"> • Vendors must post facility-specific rates and fees for all services, to be visible to inmates on-site and to consumers on the Vendor website prior to setting up an account. • Vendor websites must provide a link to the FCC Enforcement Bureau Website and the applicable State Regulatory Agency website. 	<p>Posting/Notice Must Include:</p> <ul style="list-style-type: none"> • Call rates and transaction fees (at time of call, printed material available at facility, Automated IVR, Live Agent & Website). • Refund instructions (website). • Terms and conditions for service (website). • Cost information for calls, email and messaging services, video visitation and any other communication services offered (website).
<p>Refunds</p>	<ul style="list-style-type: none"> • Refunds must be provided upon request at no cost. • Vendors must refund unused account balances after 6 months of inactivity. Any refund mechanism used must either be in a negotiable form (i.e., check) or exchangeable for a check by the account holder. For example, a refund in the form of a prepaid calling card which can either be used to place calls from any phone; exchanged for credit on another customer account with vendor; or exchanged for a refund check for no cost. 	<p>All vendors must not absorb any unused balances and must comply with state unclaimed property laws as they pertain to unused account balances and refunds.</p>
<p>ADA Compliance</p>	<ul style="list-style-type: none"> • Comply with all existing obligations and laws regarding serving people with disabilities. • Require that deaf and hard of hearing inmates will have full access to TDD/TTY services at no additional charge. • ICS Vendors will work with confinement facilities where requested to enable video relay services. 	