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**VIA ECFS**

NOTICE OF EX PARTE

May 14, 2015

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

Re: *Rates for Interstate Inmate Calling Service*, WC Docket No. 12-375

Dear Ms. Dortch:

On May 12, 2015, Melissa Newman, Jeb Benedict and Paul Cooper (in person), and Tom Dethlefs, Jennifer Roubique and Glenda Weibel (by phone) met on behalf of CenturyLink with Dan Alvarez, Legal Advisor to Chairman Wheeler, Rebekah Goodheart, Legal Advisor to Commissioner Clyburn, and Lynne Engledow of the Wireline Competition Bureau. Also on May 12, Jeb Benedict and Paul Cooper (in person) and Tom Dethlefs, Jennifer Roubique and Glenda Weibel (by phone) met separately with Travis Litman, Legal Advisor to Commissioner Rosenworcel.

At the meetings, CenturyLink again explained that the Commission does not have legal authority over intrastate inmate calling services (ICS) rates or site commissions. CenturyLink nonetheless said it could support reasonable reforms that would lower calling costs for inmate families without creating conditions that would lead to reduced availability of inmate calling. CenturyLink explained that such reforms should include the following elements.

First, the Commission should adopt permanent unitary rate caps for interstate and intrastate ICS calls at the current levels for interstate calls. The caps must allow sufficient headroom to ensure that facilities do not remove or limit calling availability and that facilities are not rendered uneconomic to serve. These rate caps should apply uniformly to facilities with more than 100 inmates.

Second, the Commission should eliminate all but a very narrow class of ancillary fees and impose reasonable caps on those that it allows. CenturyLink explained that these fees are the principal source of abuse for inmate families, noted that some carriers have used ancillary

fees to circumvent interstate rate caps, and said that the overall cost of ICS to inmate families likely will not be meaningfully reduced without restrictions on ancillary fees. CenturyLink recommended that the Commission cap transaction fees for prepaid services at \$5.95 per transaction involving a live operator and \$3 per transaction for automated transactions. A \$2.50 per month collect billing fee would also be reasonable. The Commission should prohibit mark-ups of third party funding fees, such as those charged by Western Union. Premium or convenience payment options should either be prohibited or allowed only when parties billed would incur rates and fees that match all other billing options. The Commission should also prohibit unreasonable minimum purchase requirements, and it should set prepaid purchase maximums at \$50 or slightly higher.

Third, the Commission should not deny correctional facilities the option of requiring commissions on ICS, provided end-user rates remain within the caps. Correctional authorities incur a wide range of legitimate costs in making ICS available, and they should be given the flexibility to manage their institutions and determine what commission or administrative fee structure, if any, makes sense given their unique requirements. CenturyLink explained that correctional facility bid specifications that require the payment of commissions do not deny ICS providers fair compensation, because ICS providers bid based on overall economics of the opportunity.

In addition, any benefits gained by adopting rules restricting commissions would likely be diminished by in-kind commissions such as jail management systems, video visitation units, or cell phone detection equipment. These and other services may be “integrated” with ICS, making them difficult, if not impossible, for the Commission to monitor. ICS providers that use in-kind services in lieu of site commissions will naturally seek to recover these costs in the rates and fees charged to inmate families. In-kind commissions also have the added effect of increasing the costs a correctional facility incurs to transition to a new provider, thereby undermining competition that would otherwise help drive consumer rates lower.

Fourth, in adopting any rate caps, the Commission should extend special consideration to juvenile detention centers, secure mental health facilities and, potentially, jails with fewer than 100 inmates. Although CenturyLink recognizes that juvenile and secure mental health facilities house particularly vulnerable populations, these facilities and small jails are particularly costly to serve. Alternatively, the Commission could provide for an expedited waiver process to review the rates for calls placed from these high cost facilities. Such facilities should remain subject to the same restrictions on ancillary fees that apply to other facilities.

Fifth, the Commission should either grandfather existing contracts or allow for at least a full budget cycle as a transition period before any new rules take effect. Correctional facilities and ICS providers need time to adjust to new rules, and correctional authorities will need at least a full budget cycle, especially if new rules establish a cap on intrastate rates and site commissions.

Ms. Marlene H. Dortch

May 14, 2015

Page 3 of 3

CenturyLink also explained that there is no need for more than a single officer to provide any certification that the company has complied with Commission rules. Requiring multiple officer certifications creates unnecessary administrative overhead and provides no meaningful incremental benefit.

Pursuant to Section 1.1206(b) of the Commission's rules, a copy of this notice is being filed in the appropriate docket.

Sincerely,

/s/ Thomas M. Dethlefs

Copy via email to:

Dan Alvarez  
Rebekah Goodheart  
Travis Litman  
Lynne Engledow