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By Electronic Filing

Marlene H. Dortch
Secretary
Federal Communications Commission
Washington, D.C. 20554
445 12th Street, S.W.

Ex Parte Notice

Re: Docket No. 12-375, Rates for Interstate Inmate Calling Services

Dear Ms. Dortch:

On July 20, 2015, Vincent Townsend, President of Pay Tel Communications, Inc. (“Pay Tel”), and Don Wood, economic consultant to Pay Tel, met with Commissioner Mignon Clyburn; Rebekah Goodheart, Legal Advisor to Commissioner Clyburn; Daniel Alvarez, Legal Advisor to Chairman Wheeler; Madeleine Findley, Acting Deputy Bureau Chief of the Wireline Competition Bureau; and Lynne Engledow, Acting Deputy Division Chief of the Pricing Policy Division of the Wireline Competition Bureau.

Pay Tel expressed its support for comprehensive reform of ICS and discussed the following elements that Pay Tel contends are necessary for comprehensive, lasting ICS reform: a tiered rate for jails to preserve service to the nations’ small and medium jails; the elimination of many ancillary fees and reasonable caps on select, permissible ancillary fees (and on single call programs); and a facility cost recovery fee that is added as an explicit component of ICS rates (as a component of a regulatory structure that prohibits providers from paying other forms of compensation). Pay Tel emphasized the importance of a comprehensive approach that closed loopholes that might otherwise undermine meaningful reform.

As regards tiered rates, Pay Tel reiterated its position that the Commission should adopt a tiered rate structure, based on costs data in the record, that distinguishes between both facility type (jails versus prisons) and size (using tiers based on the average daily population (ADP) of facilities) to account for cost differences in providing ICS therein.

As regards facility compensation, Pay Tel reiterated its position that the Commission must ensure that facility providers are adequately compensated for their costs associated with making ICS available. To that end, Pay Tel explained that an appropriate, per-minute cost recovery fee

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should be added to the Commission's rate caps; such additive would provide facilities the incentive to enter into contracts with lower calling rates, spurring healthy competition amongst providers that benefits consumers. Pay Tel encouraged the Commission to exercise its authority over ICS providers and to regulate what providers can and cannot do with revenues paid by consumers. Pay Tel explained that other options, such as leaving site commission payments untouched and "letting providers and facilities work it out," or a percentage-based cost recovery scheme, are unworkable and will perpetuate the flawed system that has led to the current proceeding.

No hand-outs were presented in the meeting.

In accordance with Section 1.1206 of the Commission's rules, this letter is submitted for inclusion in the record of the above-captioned proceeding.

Please do not hesitate to contact the undersigned should any questions arise concerning this notice.

Sincerely yours,

/s/ Marcus W. Trathen
Marcus W. Trathen

cc (via email):

Commissioner Mignon Clyburn
Rebekah Goodheart
Daniel Alvarez
Madeleine Findley
Lynne Engledow