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VIA ECFS

EX PARTE

September 28, 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:

Among the issues that the Commission is reviewing in this proceeding is whether and how to regulate “single pay” or “premium payment” inmate calling. If, notwithstanding the limits of its authority, the Commission is to attempt inmate calling reform, it must be reasonable and comprehensive. That would include expressly addressing these practices.

CenturyLink submits this ex parte presentation to respond to some claims that single pay practices¹ provide additional calling options for inmates, making inmate calling more convenient and ostensibly increasing the number of completed calls. In CenturyLink’s experience, these claims are unjustified.

Single Pay Practices Reduce Inmate Choice and Suppress Call Volumes

Single pay options actually reduce inmate calling options and suppress the number of completed calls. This is because providers of “single pay” calling often fail to properly advise called parties of lower cost options at the time the call is received, and perform billing setup

¹ Single pay calls typically take either of two forms. The first type simply directs end-users into an automated voice system (commonly known as an Interactive Voice Response system or “IVR”) to obtain consumer and credit/debit card information for payment. These “Payment-by-IVR” single pay programs are simply variants of IVR payment processes already in place at most inmate calling service (“ICS”) providers. The second type of single pay call bills the call through the consumer’s cell phone by obtaining payment approval by text message.

through potentially confusing one-way automated messaging systems.² Consumers often select these programs not because they view them as a convenient alternative, but rather because they are unaware of other, often lower cost, payment options.

If “single pay” calling were a valued convenience and enhanced inmate calling options, one would expect call volumes to decline when these practices are eliminated. In fact, when “single pay” calling programs are eliminated, call volumes increase.

CenturyLink, working with ICSolutions, reviewed inmate calling at several correctional facilities that have switched from an ICS provider that utilized single pay calling to CenturyLink and ICSolutions, who do not market these single pay options. The companies reviewed the facility’s prior revenue detail breaking out direct dial vs. single pay calls. The review confirmed the single pay programs’ implementation and the extent of their use by consumers.³

CenturyLink and ICSolutions found that the number of calls significantly increased after single pay practices were eliminated. The chart below shows the increase in call volumes at these correctional facilities before and after the transition.

² “We have conducted test calls of each type of premium call at several correctional facilities In our testing we have found that as a first-time caller, we were offered **only** the premium calling option. There was no education on other calling options and we could find no way to select another payment option or to speak with a live agent. If we were not experienced in the industry, we would not have known that lower cost calling options were available.” Comments of ICSolutions, filed January 12, 2015, at 11 (emphasis in original).

³ The review was based on four major accounts, which were the only facilities that had received detail for the single pay services from the former provider. Remarkably, in all other cases, only aggregate calling and/or revenue data were provided to the facilities, even though detail is almost always provided for direct dial calls – e.g. calls, minutes, jurisdiction, and billed rates/revenue.

Average Monthly Calling - BEFORE Transition /1/				
				<i>Single Pay % of Total Calls</i>
	Payment- by-IVR	Text Collect Billing	Total Calls	
Direct Dial				
County #1 (200 inmates)	4,742	-	425	5,168 8.2%
County #2 (120 inmates)	893	133	266	1,293 30.9%
County #3 (90 inmates)	518	107	156	780 33.6%
County #4 (800 inmates)	19,110	-	1,229	20,338 6.0%

Average Monthly Calling - AFTER Transition /2/				
				<i>% increase vs. prior</i>
	Payment- by-IVR	Text Collect Billing	Total Calls	
Direct Dial				
County #1 (200 inmates)	12,333	-	-	12,333 138.7%
County #2 (120 inmates)	1,520	-	-	1,520 17.5%
County #3 (90 inmates)	1,346	-	-	1,346 72.5%
County #4 (800 inmates)	24,489	-	-	24,489 20.4%

/1/ Average monthly values before transition use the most recent 6 months of data provided by the facility. The only exception is County #2, where only 3 months were available.

/2/ Average monthly values after transition use the first full 6 months of data after cutover without exception.

Single Pay Options Are Not Needed by Consumers

Providers of these single pay programs contend that calls to cell phones and most phones assigned to CLECs are not billable using traditional collect billing arrangements, which are not offered by these carriers. But these programs and their characteristically high charges are not the only way to address the issue.⁴ CenturyLink and other providers operate different billing

⁴ Single pay programs are not costly to implement as sometimes claimed. CenturyLink estimates that the development requirements for both a Payment-by-IVR and Text Collect Billing program. For Payment-by-IVR, development would require as little as 2 weeks and \$10,000.00 to develop, using a fully-burdened labor rate. Text Collect Billing would require as little as 6 weeks and \$60,000.00, again using a fully-burdened rate. CenturyLink's choice not to deploy them is driven by consumer treatment and experience, not cost or technological constraints.

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programs that more effectively, economically, and fairly meet these consumers' needs. CenturyLink's approach automatically connects end-users unable to accept traditional collect calls to live agents to set up alternative payment arrangements, as soon as they signal their interest in accepting an inmate call. These programs are more consumer friendly than single pay practices, which require consumers to complete an automated transaction over the phone and incur separate transaction fees for each accepted call. In CenturyLink's experience, its approach results in far more completed calls because it is much more consumer-friendly and cost-effective. Customers have timely access to information about fees and policies during the transaction and have a more meaningful opportunity to learn and understand their options.

For the reasons above, the Commission should disallow these single pay practices. Otherwise, the Commission should ensure that rates and any allowed ancillary fees are equivalent to those allowed for a comparable prepaid call.

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

Sincerely,

/s/ Thomas M. Dethlefs

Copy via email to:
Stephanie Weiner
Rebekah Goodheart
Pam Arluk
Lynne Engledow
Madeleine Findley
Rhonda Lien
Bakari Middleton