

October 14, 2015

VIA ECFS

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

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Re: WC Docket No. 12-375, Reply to NCIC Reply Comments (filed October 13, 2015)

Dear Secretary:

Securus Technologies, Inc. (“Securus”) hereby responds to the Reply Comments on Written Ex Parte Presentation Andrew D. Lipman [*sic*] that Network Communications International Corp. (“NCIC”) filed in this docket on October 13, 2015 (“NCIC Reply”). Specifically, Securus would like to address NCIC’s statements regarding what it calls “Single-Payment products.”

NCIC argues that “pirate providers” are offering these services. That label is simply false. Premium, optional calling services, such as Securus’s Text2Connect service, is an innovative calling option that for the first time enables collect calling to a cell phone. The charge appears on the called party’s wireless service bill. And though it is true that wireless carriers are not price-regulated, the service itself is enabled by Securus. The PayNow product is also a new innovation – inmates can place a collect call immediately to any person, anywhere, and have the call paid at the point of sale via credit card. As it becomes increasingly difficult to obtain Billing & Collection agreements with local exchange carriers due to heightened concerns about “cramming”,<sup>1</sup> providing the PayNow option gives back to inmates the ability to place collect calls without waiting for the called party to create a direct billing arrangement.

In order to provide these new optional, premium calling methods, Securus invested approximately \$40 Million and established agreements with third-party vendors which are absolutely necessary to make the products work.<sup>2</sup> These vendors charge Securus on a per-call basis.

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<sup>1</sup> WC Docket No. 12-375, Comments of Securus Technologies, Inc. at 4 (Mar 23, 2013).

<sup>2</sup> WC Docket No. 12-375, Letter from Stephanie A. Joyce, Counsel to Securus, to Marlene H. Dortch, FCC, at 2 (May 19, 2015).

Text2Connect and PayNow are innovative, valuable additions to Inmate Calling Service. They enable immediate communication with friends, families, and attorneys. They save lives and prevent crimes. They require double acceptance (or “opt-in”) by the called party/payor: once to accept the inmate’s call and once to accept the one-time charge.<sup>3</sup>

NCIC’s “pirate providers” rhetoric belies an animus to prevent carriers like Securus from providing services that NCIC will not develop for its own end users. As Securus stated in response to similar language during the comment period of this proceeding,

[d]emands for the elimination of these types of transaction fees appear to stem more from competitive envy than sound policy. Carriers that have not invested in these new, convenient payment methods would like the Commission to abolish them as a way to tilt the playing field by regulatory fiat. The Commission should be wary of these efforts and focus instead on the value of these optional services and the significant costs that ICS carriers incur to provide them.<sup>4</sup>

NCIC even asks the Commission “to combat these pirate providers.” NCIC Reply at 2. In essence, NCIC is asking the Commission to protect it from merits-based competition via hyper-regulation. But the Commission does not pick the “winners and losers” in any industry.<sup>5</sup> Moreover, to prohibit or impose below-cost prices on premium, optional calling methods will hurt inmates and their friends and families – the very consumers that the FCC wishes to help in this proceeding. For these reasons, the Commission should not consider the improper relief that NCIC demands.

Thank you for your consideration.

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<sup>3</sup> See WC Docket No. 12-375, Letter from Stephanie A. Joyce, Counsel to Securus, to Marlene H. Dortch, FCC, at 2 (Oct. 2, 2015); Letter from Stephanie A. Joyce, Counsel to Securus, to Marlene H. Dortch, FCC, at 5 (Oct. 6, 2014).

<sup>4</sup> WC Docket No. 12-375, Reply Comments of Securus Technologies, Inc. at 20 (Jan. 27, 2015).

<sup>5</sup> CC Docket No. 98-147, *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, Fourth Report and Order, 16 FCC Rcd. 15435, 15438 ¶ 7 (2001) (“Indeed, we have previously recognized that, in adopting the 1996 Act, Congress consciously did not try to pick winners or losers, or favor one technology over another.”).

Sincerely,

s/Stephanie A. Joyce

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cc: Stephanie Weiner, Legal Advisor to Chairman Wheeler  
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*(All via electronic mail)*