

January 21st, 2016

VIA ECFS

EX PARTE PRESENTATION

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

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

Dear Secretary Dortch:

This letter is submitted on behalf of Custom Teleconnect, Inc., for filing in the above-referenced docket pursuant to Section 1.1206 of the FCC's rules.

On August 19, 2014, Custom Teleconnect submitted cost information to the FCC in response to the Commission's Mandatory Data Collection. *See* Letter dated August 19, 2014 from Sharon Warren, Technologies Management, Inc., consultant to Custom Teleconnect, WC Docket No. 12-375.

At paragraph 63 of the FCC's Second Report and Order, the Commission makes reference to the cost data submitted by two small providers who, according to the Order, would "earn substantial imputed profits at our prescribed rates." *See* Second Report and Order and Third Further Notice of Proposed Rulemaking, *Rates for Interstate Inmate Calling Services*, WC Docket No. 12-375, FCC 15-136 (rel. Nov. 5, 2015), at ¶ 63. The Order goes on to characterize these providers as "efficient" providers and repeatedly cites to these providers in support of the assertion that "efficient providers can provide ICS at rates closer to \$0.05 per minute . . . as \$0.05 per minute approximates the lowest average per-minute costs reported to us." *Id.* at ¶ 49. *See also id.* at ¶¶ 53, 58, 60, 64-66, 73, 96, 116, and 142.

The FCC interoperation of Custom Teleconnect's cost structure does not illustrate the total cost elements required to deliver a complete ICS solution. Custom Teleconnect is a whole sale provider of telecommunications services. We provide centralized inmate cloud services / billing and collections to inmate communications companies that resell our centralized platform to jails around the country. We do maintain any contracts with inmate facilities or jails directly nor do we provide local loop connectivity, calling instruments, inside wiring or onsite maintenance. Our customers are small inmate communications providers who maintain the relationships and contracts directly with the inmate facilities. The costs associated with installation and maintenance of the onsite equipment and wiring are not reflected in the data we provided to the commission.

The data collection was limited in its format and the questions asked. Custom Teleconnect does not have nor do we ask our clients to provide us their costs associated with providing the complete solution therefore we have no way to respond on their behalf.

As a result, the cost information submitted in good faith by Custom Teleconnect represents the costs that the company incurs to provide a limited number of wholesale calling functions that may be used by ICS providers, but these functions (e.g. Centralized calling platform and processing, Call Recording, Investigative features, Termination, Prepaid billing, LEC Billing, Termination and Internet web based interface. *do not* represent a complete end-to-end ICS service.

To the extent that the Order purports to rely on the cost data submitted by Custom Teleconnect as an example of an “efficient provider” of a complete Inmate Calling Service, the Order is in error and misconstrues Custom Teleconnect’s data. Because Custom Teleconnect does not provide end-to-end service, the data submitted by Custom Teleconnect – while accurate and provided pursuant to the Commission’s instructions – does not reflect the full cost to provide ICS.

Custom Teleconnect’s response to the Mandatory Data Collection, to the best of my knowledge, did fully and accurately describe Custom Teleconnect’s costs associated with its provision of services, which are components of end-to-end ICS. However, unfortunately, the FCC’s Mandatory Data Collection form did not call for a description of the services provided by the respondent nor did the Instructions to the Mandatory Data Collection call for a description of the services covered by the submission. *See* ICS Mandatory Data Collection Template and Instructions, available at <https://www.fcc.gov/general/ics-mandatory-data-collection>. As a result the Commission did not seek information which would have allowed it to more fully understand the limitations of the data it was collecting.

Given the Commission’s extensive reliance in its Order on the “efficient provider” data, to the extent that the Order purports to rely on the cost data submitted by Custom Teleconnect as an example of an “efficient provider” of ICS, *see* Order, at ¶ 63, Custom Teleconnect requests reconsideration of the Order pursuant to Section 1.429 of the Commission’s rules.

Respectfully submitted,

/s/

William L Perna
General Manager
Custom Teleconnect, Inc.