

ORIGINAL

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June 28, 2001

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JUN 28 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th St., SW
Washington, D.C. 20554

NOTICE OF EX PARTE
PRESENTATION

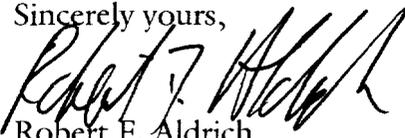
Re: CC Docket No. 96-128 (remand of inmate service issues)

Dear Ms. Salas:

EX PARTE OR LATE FILED

On June 26, 2001, Vince Townsend of Pay-Tel Communications, Inc., Michelle Barnard of Odyssey International, and Robert F. Aldrich of this law firm, representing the Inmate Calling Service Providers Coalition, met with Kyle Dixon, Legal Advisor to Chairman Powell.

We discussed the proceeding regarding inmate calling services on remand from the United States Court of Appeals for the D.C. Circuit. The points discussed are summarized on the enclosed documents which were handed out at the meeting.

Sincerely yours,

Robert F. Aldrich

RFA/nw
Enclosures
cc: Kyle Dixon

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THE TELECOMMUNICATIONS ACT OF 1996

INMATE CALLING SERVICES

Specific Mandates of Section 276 of the 1996 Act.

- Section 276(a)(1) directed the Commission to "ensure that all payphone service providers are *fairly compensated for each and every completed intrastate and interstate call* using their payphone."
- Section 276 also required the Commission to *establish nonstructural safeguards to end the BOCs' historical discrimination against independent Inmate Calling Service (ICS) providers* in favor of their own ICS operations.

For further information contact:

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Phone: 202-785-9700
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BACKGROUND

- The Commission failed to adequately address ICS in the payphone orders.
- The Coalition filed a petition for review of the Commission's rulings with the United States Court of Appeals for the District of Columbia Circuit.
- After the filing of the Coalition's initial brief, the Commission sought a voluntary remand of the case. The Commission acknowledged that it had not adequately addressed the issues raised by the Coalition and asked the court to return the proceeding to the Commission so that it could provide further analysis, promising that it would act expeditiously. The court granted the Commission's request for remand on January 30, 1998.
- Over the past four years members of the Coalition have had dozens of meetings at the FCC seeking the fair compensation and adequate safeguards for fair competition promised by the Telecommunications Act. During this time period we have regrettably had to educate six different sets of Staff in attempting to get movement on our issues.

1997 INITIATIVES AT FCC

Date	Initiative	FCC Participants	Industry Partitipants
March 19	Meeting-Inmate Issues	Mary Beth Richards	Townsend, Kramer, Aldrich
March 19	Meeting-Inmate Issues	Kaufman	Townsend, Aldrich
March 19	Meeting-Inmate Issues	CCB Staff	Townsend, Aldrich
March 20	Meeting-NST BellSouth/CEI	Brent Olson Radhika Karmaka	John Beach, Townsend, Aldrich
March 20	Meeting-NST BellAtlantic/CEI	Brent Olson Radhika Karmaka	Allen Kohler, Townsend, Aldrich
March 20	Meeting-NST	John Muleta Michael Carowitz	John Beach, Townsend, Aldrich
April 8	Meeting CEI/CAM	Accounting & Audits Division	John O'Keefe, Aldrich
May 6	Meeting - CEI/CAM	Jose Rodriguez & Accounting Staff	Aldrich
June 4	Meeting - NST	John Muleta	Townsend, John Beach
July 29	Meeting-Inmate Issues	1st Team Mary Beth Richards Michael Carowitz Glenn Reynolds	Townsend, Kramer, Aldrich

1998 INITIATIVES AT FCC

Date	Initiative	FCC Participants	Industry Partitipants
February 25	Meeting - Inmate Remand	Mary Beth Richards	Kramer
April 21	Meeting - NST	Dan Abeta Calvin Howell	Trathen Townsend, Aldrich
April 21	Meeting - Inmate Remand	Larry Strickland Glenn Reynolds	Townsend, Kramer
May 14	Meeting - Inmate Remand	2nd Team Rose Crellen Jennifer Myers	Townsend, Aldrich, Farber
May 14	Meeting - NST	Pat Donovan Dan Abeta Calvin Howell Raja Kannan	Trathen Townsend, Aldrich
May 28	Meeting - Inmate Remand	Jennifer Myers Rose Crellen Craig Stroup	Townsend, Farber

August 19	Meeting - Inmate Remand	3rd Team Anna Gomez Judy Albert	Townsend, Kramer
August 19	Meeting - NST	Dan Abeta Calvin Howell Raja Kannan	Trathen Townsend, Aldrich
November 5	Meeting - NST	4th Team Kris Montieth Raja Kannan Calvin Howell	Trathen Townsend, Aldrich
November 5	Meeting - Inmate Remand	Kris Montieth Calvin Howell	Townsend, Aldrich

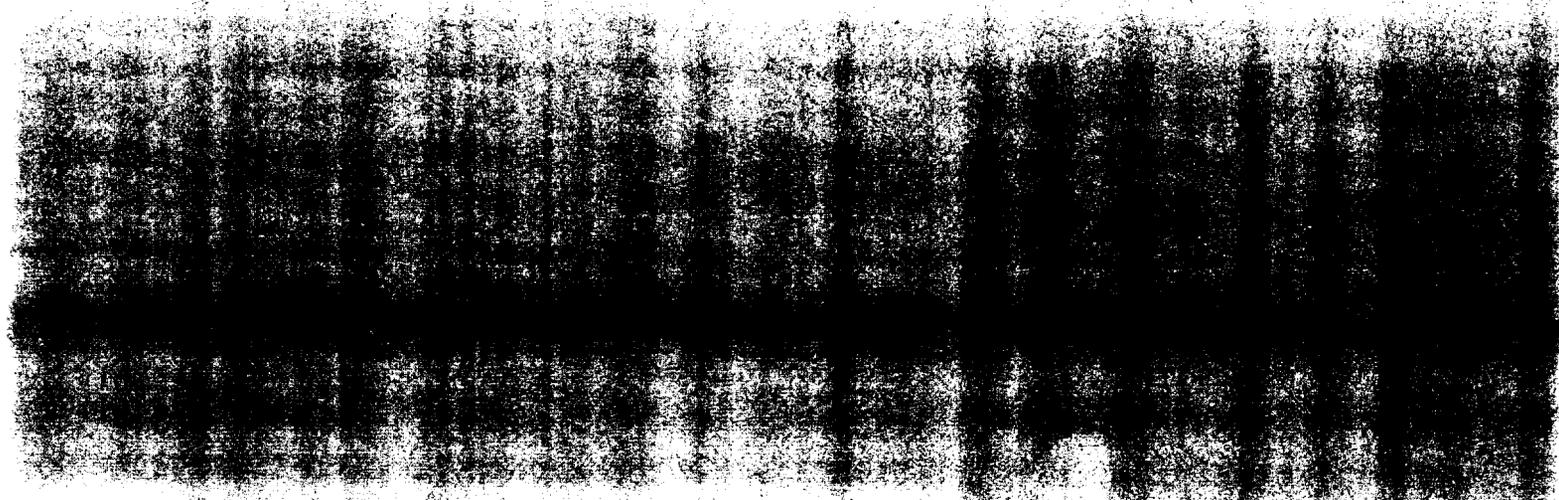
1999 INITIATIVES AT FCC

Date	Initiative	FCC Participants	Industry Partitipants
February 24	Meeting - Inmate Remand	Kris Montieth & Staff	Townsend, Kramer
March 18	Conference Call - Inmate Remand	Kris Montieth & Staff	Kramer
April 28	Meeting - NST	Jane Jackson Full Staff	Industry Leaders, State Attorneys, DSMO
May 6	Public Notice - Inmate Remand		
June	Inmate Remand Comments		
June 29	Meeting - NST - New Jersey	Lynne Milne, Calvin Howell, Jon Stover, Rene Terry, Raja Kannan	Dennis Lincoln, Beach, Wood, Townsend, Aldrich
July 21	Inmate Remand Reply Comments		
October 13	Meeting - Inmate Remand	5th Team Lynne Milne, Jon Stover, Renee Perry, Calvin Howell, Raja Kannan	Townsend, Aldrich, Farber
November 17	Meeting - Inmate Remand	Lynne Milne, Jon Stover, Renee Perry, Calvin Howell, Raja Kannan	Townsend, Aldrich

2000 INITIATIVES AT FCC

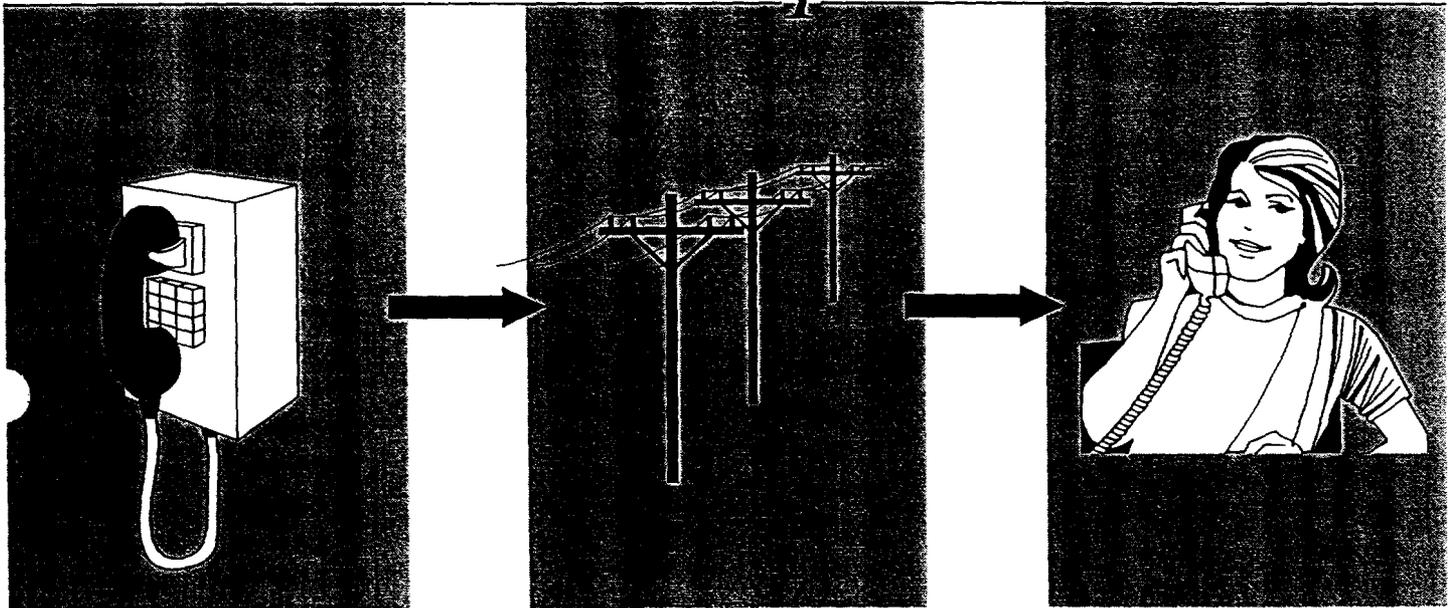
Date	Initiative	FCC Participants	Industry Partitipants
January 20	Meeting - NST	Jon Stover, Lynne Milne, Calvin Howell, Raja Kannan	Trathen, Townsend, Aldrich
February 2	Meeting - Inmate Remand	Jon Stover, Lynne Milne, Calvin Howell, Raja Kannan	Aldrich, Townsend
April 5	Meeting - Inmate Remand	Jon Stover, Lynne Milne, Calvin Howell, Raja Kannan, Adam Candeub	Aldrich, Townsend
April 13	Meeting - NST	Jon Stover, Lynne Milne, Calvin Howell, Raja Kannan, Lynwood Smith, Adam Candeub, Al Barma	Trathen, Wood, Townsend, Aldrich

April 13	Meeting - Inmate Remand	Jon Stover, Lynne Milne, Calvin Howell, Raja Kannan, Adam Candeub, Al Barma, Lynwood Smith	Townsend, Aldrich, Farber
April 18	Meeting - Inmate Remand	Lynne Milne, Calvin Howell, Raja Kannan, Adam Candeub, Al Barma, Lynwood Smith, Tamara Priess	Townsend, Aldrich
May 8	Meeting - Inmate Remand	Yog Varma, Tamara Preiss, Deena Shetler	Townsend, Aldrich
May 8	Meeting - Inmate Remand	Jordan Goldstein	Townsend, Aldrich
May 10	Meeting - NST - Sprint Rates	Jon Stover, Calvin Howell, Raj Kannan, Al Barma, Lenworth Smith, Anna Janckson-Curtis	Townsend, Trathen, Wood
May 10	Meeting - Inmate Remand	Dorothy Attwood	Townsend, Aldrich
June 21	Meeting - Inmate Remand	6th Team Jay Atkinson Adam Candeub	Townsend, Aldrich
June 22	Meeting - NST	Jane Jackson Lenworth Smith Lynne Milne Florence Setzer	Trathen, Aldrich
June 27	Meeting - Inmate Remand	Dorothy Attwood	Townsend, Aldrich
July 5	Meeting - Inmate Remand	Tamara Preiss Adam Candeub	Townsend, Aldrich
October 11	Meeting - Inmate Remand	Jay Atkinson Adam Candeub	Townsend, Aldrich
December 12	Meeting - NST and Dial Around	Jordan Goldstein LA for Commissioner Ness	APCC Leaders, Allard, Kramer
December 12	"	Commissioner Furchtgott-Roth	APCC Leaders, Allard, Kramer
December 12	"	Commissioner Powell LA Kyle Dixon	APCC Leaders, Allard, Kramer, Ted Weerts
December 12	"	Dorothy Attwood and Staff	APCC Leaders, Kramer, Aldrich
December 13	Meeting - NST and Dial Around	Chairman Kennard LA Anna Gomez	APCC Leaders, Allard Kramer, Ted Weerts
December 13	"	Deena Shelter LA for Commissioner Tristani	APCC Leaders, Kramer, Ted Weerts
December 13	Meeting - Inmate Remand	Anna Gomez LA Chairman Kennard	Townsend, Aldrich
December 13	Meeting - Inmate Remand	Dorothy Attwood and Staff	Townsend, Aldrich,
December 20	Meeting - Inmate Families' Concerns	Anna Gomez LA Chairman Kennard	Townsend, Aldrich, Michael Hamden, Elizabeth Alexander
December 21	Meeting - Inmate Families' Concerns	Dorothy Attwood and Staff	Townsend, Aldrich, Michael Hamden, Elizabeth Alexander



INMATE CALLING SYSTEMS

The Perception...

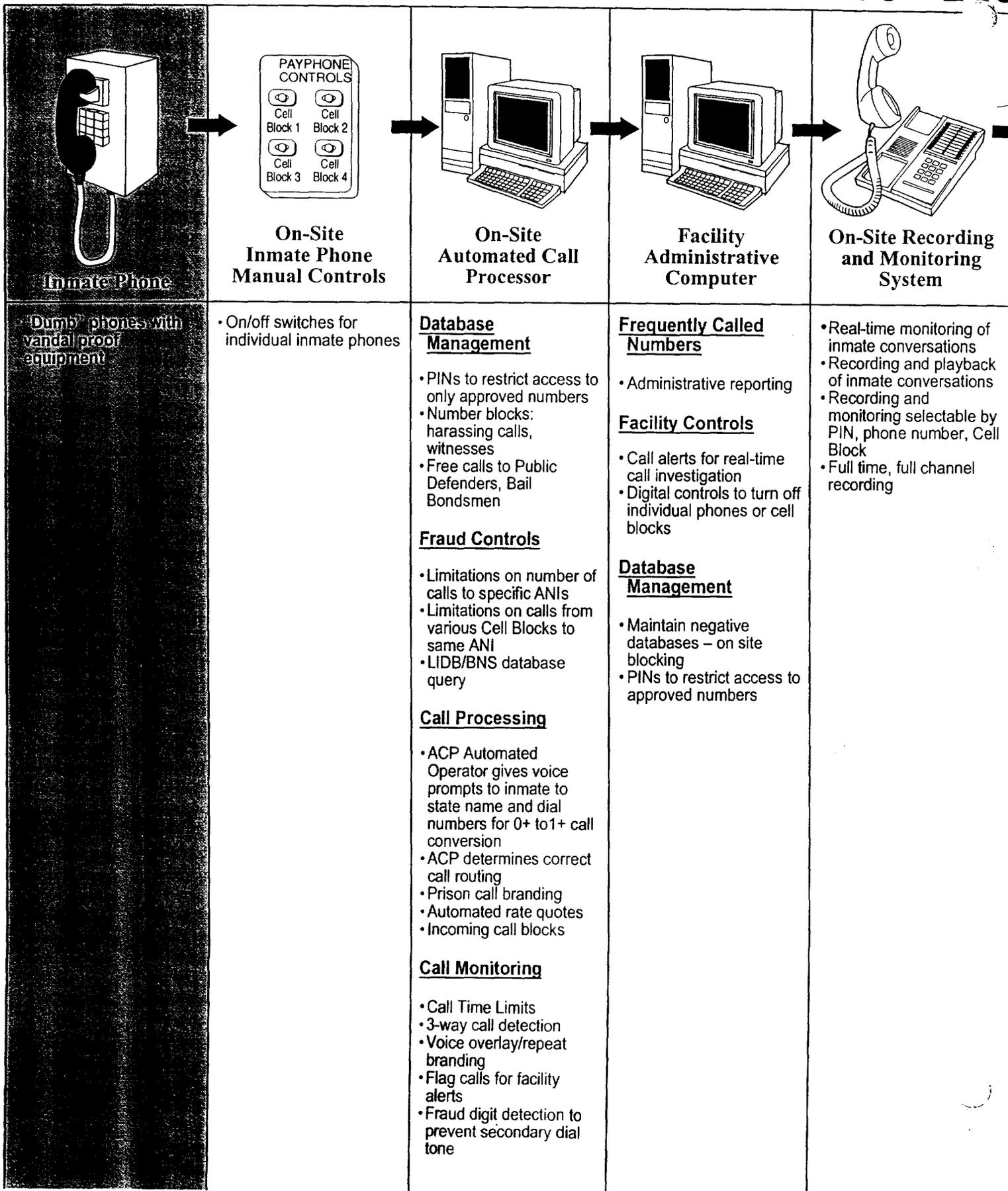


Inmate Phone

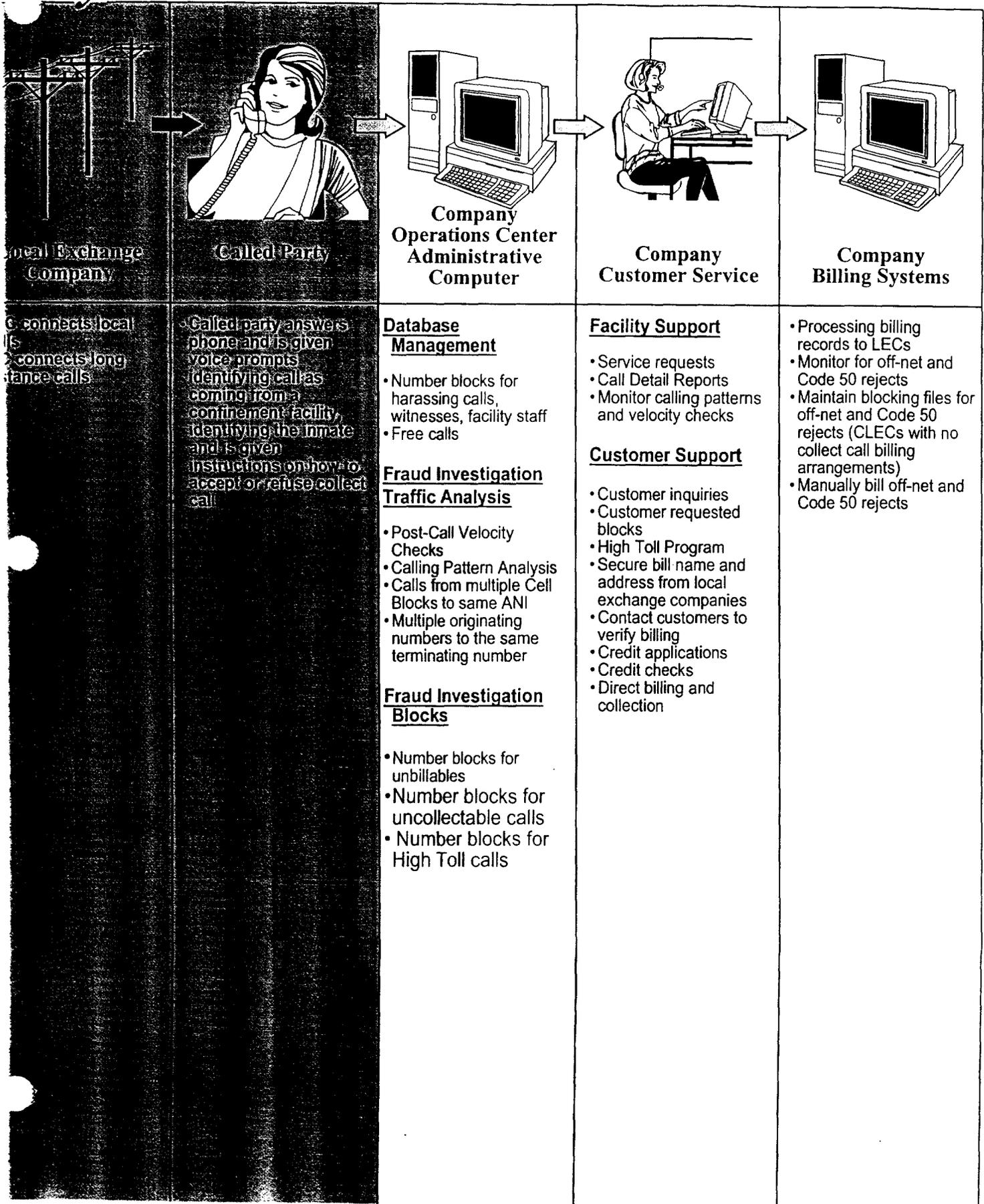
Local Exchange Company

Called Party

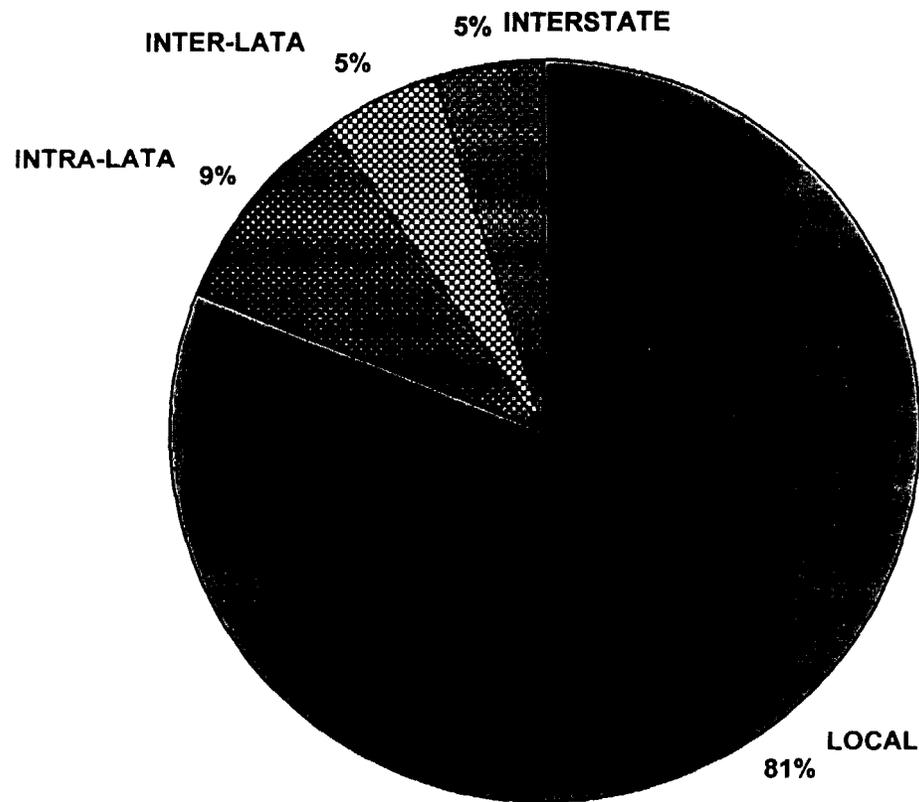
The Re



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**COUNTY JAIL
TYPE OF CALL DISTRIBUTION
NC, SC, TN**



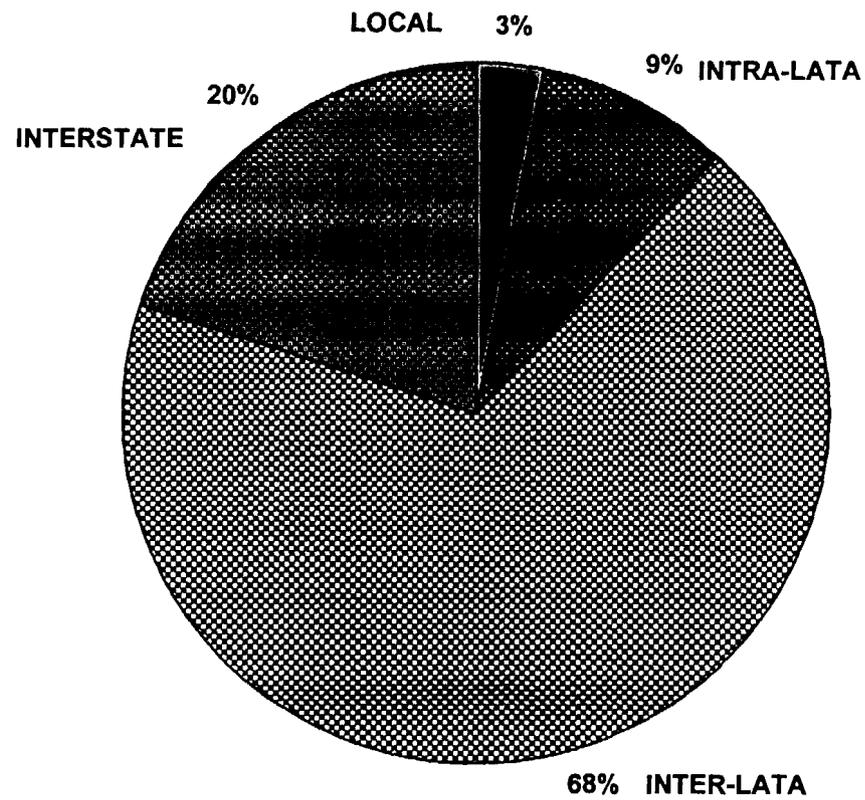
■ LOCAL ■ INTRA-LATA ■ INTER-LATA ■ INTERSTATE

Rates for a 12 Minute Inmate Local Collect Call and State-Imposed Rate Ceilings

25-Jun-01

State	RBOC	Applicable Local Call Rate			Collect Call Surcharge	Total Rate	Rate Cap?	Rate Cap Details
		Init. Min.	Add'l Min.	Notes				
1 Illinois	Ameritech	\$ 0.24	\$ 0.21	Capped by PUC	\$ 2.81	\$ 5.36	Yes	PUC rate cap
2 Texas	SBC	\$ 0.10	\$ 0.08	Capped by PUC	\$ 3.75	\$ 4.73	Yes	PUC rate cap
3 Nebraska	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 3.75	\$ 4.25	No	
4 Wyoming	Qwest	\$ 0.35	N/A	Provider market based coin rate	\$ 3.75	\$ 4.10	No	
5 Indiana	Ameritech	\$ 0.35	N/A	Provider market based coin rate	\$ 3.00	\$ 3.35	No	
6 Wisconsin	Ameritech	\$ 0.35	N/A	Provider market based coin rate	\$ 3.00	\$ 3.35	Yes	Capped at twice the AT&T or RBOC rate
7 Colorado	Qwest	\$ 0.50	See note	PUC cap: \$.25 per 5 min.	\$ 1.85	\$ 2.85	Yes	PUC rate cap
8 Rhode Island	Verizon	\$ 0.35	N/A	Provider market based coin rate	\$ 2.50	\$ 2.85	No	
9 Arizona	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 2.30	\$ 2.80	Yes	Capped at LEC tariff rate
10 Washington	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 2.30	\$ 2.80	No	
11 North Dakota	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 2.25	\$ 2.75	No	
12 Mississippi	Bell South	\$ 0.35	N/A	Capped at RBOC rate	\$ 2.25	\$ 2.60	Yes	Capped at RBOC tariff rate
13 South Dakota	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 2.10	\$ 2.60	No	
14 Utah	Qwest	\$ 0.35	N/A	Provider market based coin rate	\$ 2.25	\$ 2.60	No	
15 Georgia	Bell South	\$ 0.35	N/A	Provider market based coin rate	\$ 2.20	\$ 2.55	No	
16 Montana	Qwest	\$ 0.50	N/A	Capped by PUC	\$ 2.00	\$ 2.50	Yes	Capped at LEC average + 50%
17 Michigan	Ameritech	\$ 0.35	N/A	Provider market based coin rate	\$ 2.05	\$ 2.40	No	
18 Kansas	SBC	\$ 0.35	N/A	Provider market based coin rate	\$ 2.00	\$ 2.35	No	
19 New Mexico	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 1.80	\$ 2.30	No	
20 Connecticut	SBC	\$ 0.35	N/A	Provider market based coin rate	\$ 1.75	\$ 2.10	No	
21 Florida	Bell South	\$ 0.35	N/A	Provider market based coin rate	\$ 1.75	\$ 2.10	Yes	PUC rate cap
22 Vermont	Verizon	\$ 0.35	N/A	Capped at LEC rate	\$ 1.65	\$ 2.00	Yes	Capped at LEC tariff rate
23 Oklahoma	SBC	\$ 0.25	N/A	Capped at LEC rate	\$ 1.65	\$ 1.90	Yes	Capped max. rate of LEC or IXC
24 Kentucky	Bell South	\$ 0.35	N/A	Capped by PUC	\$ 1.50	\$ 1.85	Yes	PUC rate cap
25 Idaho	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 1.30	\$ 1.80	No	
26 Minnesota	Qwest	\$ 0.50	N/A	Capped at RBOC rate	\$ 1.30	\$ 1.80	Yes	Capped at RBOC tariff rate
27 New York	Verizon	\$ 0.25	\$ 0.05	Capped at RBOC rate	\$ 1.30	\$ 1.80	Yes	Capped at AT&T or LEC rates, whichever is higher
28 Iowa	Qwest	\$ 0.50	N/A	Capped at RBOC rate	\$ 1.25	\$ 1.75	Yes	Capped at RBOC tariff rate
29 Nevada	SBC	\$ 0.14	\$ 0.05	Provider market based coin rate	\$ 1.00	\$ 1.69	Yes	PUC rate cap
30 Louisiana	Bell South	\$ 0.35	See note	PUC cap: \$.35 per 5 min.	\$ 0.63	\$ 1.68	Yes	PUC rate cap
31 New Jersey	Verizon	\$ 0.09	\$ 0.03	Capped by PUC	\$ 1.26	\$ 1.68	Yes	Capped at RBOC tariff rate
32 Maine	Verizon	\$ 0.35	N/A	Provider market based coin rate	\$ 1.30	\$ 1.65	No	
33 Oregon	Qwest	\$ 0.35	N/A	Provider market based coin rate	\$ 1.30	\$ 1.65	No	
34 Pennsylvania	Verizon	\$ 0.35	N/A	Capped at LEC rate	\$ 1.30	\$ 1.65	Yes	Capped max. rate of LEC or IXC
35 Alabama	Bell South	\$ 0.35	N/A	Provider market based coin rate	\$ 1.25	\$ 1.60	Yes	Capped at LEC tariff rate
36 Hawaii	Verizon	\$ 0.35	N/A	Provider market based coin rate	\$ 1.20	\$ 1.55	No	
37 Arkansas	SBC	\$ 0.35	N/A	Provider market based coin rate	\$ 1.10	\$ 1.45	No	
38 Delaware	Verizon	\$ 0.35	N/A	Provider market based coin rate	\$ 1.10	\$ 1.45	No	
39 Ohio	Ameritech	\$ 0.35	N/A	Provider market based coin rate	\$ 1.10	\$ 1.45	Yes	Capped at LEC tariff rate
40 New Hampshire	Verizon	\$ 0.35	N/A	Provider market based coin rate	\$ 1.05	\$ 1.40	No	
41 California	SBC	\$ 0.35	N/A	Provider market based coin rate	\$ 0.95	\$ 1.30	Yes	Capped at LEC + \$.30 pay telephone surcharge
42 Massachusetts	Verizon	\$ 0.35	N/A	Capped at RBOC rate	\$ 0.86	\$ 1.21	Yes	Capped at RBOC tariff rate
43 Missouri	SBC	\$ 0.35	N/A	Provider market based coin rate	\$ 0.75	\$ 1.10	No	
44 North Carolina	Bell South	\$ 0.25	N/A	Capped at LEC rate	\$ 0.80	\$ 1.05	Yes	Capped at LEC tariff rate
45 Virginia	Verizon	\$ 0.25	N/A	LEC rate	\$ 0.75	\$ 1.00	No	
46 Maryland	Verizon	\$ 0.35	N/A	Capped at RBOC rate	\$ 0.60	\$ 0.95	Yes	Capped at RBOC tariff rate
47 West Virginia	Verizon	\$ 0.35	N/A	Provider market based coin rate	\$ 0.60	\$ 0.95	Yes	Capped at LEC tariff rate
48 Tennessee	Bell South	\$ 0.35	N/A	Capped at LEC rate	\$ 0.50	\$ 0.85	Yes	Capped at RBOC tariff rate
49 South Carolina	Bell South	\$ 0.10	N/A	Capped at LEC rate	\$ 0.70	\$ 0.80	Yes	Capped at RBOC tariff rate
50 Alaska		N/A	N/A		N/A	N/A	N/A	N/A
					National Average	\$ 2.13		

STATE PRISONS TYPE OF CALL AVERAGE DISTRIBUTION



■ LOCAL ■ INTRA-LATA ■ INTER-LATA ■ INTERSTATE

GOAL FAIR COMPENSATION ON LOCAL CALLS

<u>FCC TEAM</u>	<u>DISCUSSIONS WITH STAFF</u>
1997 - Team 1	<p>Deregulate the state imposed caps</p> <p>If we help you solve your below cost rate problem on local calls, will you help us bring down long distance rates? <i>FCC Staff</i></p> <p>"Yes" coalition response.</p>
1998 - Team 1	An inmate service fee of \$.90 to be added to below cost local collect call rates in certain states
1998 - January	<u>VOLUNTARY REMAND</u>
1998 - Teams 2, 3, 4	How to apply \$.90 fairly
1999 - Team 5	Bottoms-up cost based analysis to justify new rate for local collect calls
2000 - Team 5	<p>A provider with below cost local collect call rates in a certain state would file tariffs for new rate and provide cost justification with bottoms-up cost based analysis.</p> <p><i>Coalition members agree to support applying same cost justification model to long distance call rates.</i></p> <p>Net effect to consumers. Local collect call rates in 15± states would increase \$.25 - \$1.00 toward nationwide average rate of \$2.13 for 12 minute local collect call.</p> <p>Long distance rates for both intra-state and interstate rates would fall significantly. For example, inmate collect call inter-state rate of \$12.23 (\$3.95 surcharge + \$.69 per minute) would fall to \$5.79 even including a commission to the prison.</p>
2000 - Team 6	Explained competitive differences between county jails with 80+% local calls averaging less than \$2.00 per call and prisons with 97% long distance calls averaging \$8.00 to \$12.00. Most county jails are served by independent providers. Most prisons are served by major IXCs and BOCs.

An Approach to Fair Compensation and Reasonable Rates for Inmate Service

Pursuant to 47 U.S.C. § 276, the FCC must ensure that providers of telephone service to inmates of confinement facilities are fairly compensated for each call made from their phones. At the same time, under 47 U.S.C. § 201, inmates of confinement facilities and their families are entitled to reasonable rates. In the pending inmate service remand, the Commission has an opportunity to promote both objectives: (1) *fair compensation* and (2) *reasonable rates* for inmates and their families.

I. The Problem: High Long Distance Rates in Most States and Low Local Rate Ceilings in Some States

- ◆ *Long distance rates* for service to inmates in most states are very high. The FCC does not currently regulate rates for interstate long distance calls, and in many states there is no active regulation of long distance rates.
- ◆ In the proceeding immediately before the FCC, CC Docket No. 96-128, which deals with Section 276, inmate service providers are requesting fair compensation for service to jails in those states where *artificially low state rate ceilings* preclude recovery of the full cost of *local* collect calls.
 - For example, Tennessee imposes a rate ceiling of \$.85, which does not cover the cost of a local collect call from confinement facilities.
 - Local calls make up over 80% of the calls from city and county jails.
- ◆ The two problems are related: in states with low local call rate ceilings, providers of service to jails cannot recover their costs without charging high long distance rates.
- ◆ Requiring providers to charge below-cost rates on *local* calls and thereby forcing them to charge rates above cost on *interstate* calls conflicts with the FCC's recent finding that "it would be an undue burden on interstate commerce to have costs of providing intrastate service to prison inmates cross-subsidized by interstate service ratepayers." *Billed Party Preference for InterLATA 0+ Calls, CC Docket No. 92-*

II. Addressing the Problem in Docket No. 96-128

In Docket No. 96-128, the Commission can simultaneously address both the local rate ceiling problem and a potential solution to the broader problem of excessive long distance rates.

- ◆ The Commission should rule that, pursuant to Section 276, it will authorize an inmate service providers to exceed a particular state's *local* collect call rate ceiling if the inmate service provider submits cost data showing that the individual provider's per-call costs exceed the rate ceiling in a particular state.
- ◆ To ensure that the provider's rates for *long distance* calls are also fair to inmates and their families, the Commission should require the service provider, as a condition of being allowed to exceed the *local* call rate ceiling in a particular state, to commit to charging cost-based rates for all *other* calls – local, intraLATA, and interLATA (intrastate and interstate) – from facilities served in that state.
- ◆ While the Commission does not directly regulate long distance rates, the Commission may require inmate service providers in this proceeding to develop cost-based rates as a condition of receiving fair compensation for local calls.
- ◆ A provider would demonstrate its costs for local, intraLATA, and interLATA calls, and submit proposed rates for each type of call.
- ◆ A provider's per-call costs for each type of call would be developed, including the following cost categories:
 - line charge
 - usage charges
 - validation
 - maintenance and repairs
 - equipment depreciation
 - overhead

- return
 - commission payments to facilities
 - unbillables/uncollectables
-
- ◆ The provider would use consistent methodologies to develop costs for each type of call.

 - ◆ To limit commission costs, the FCC could require that commission payments to facilities must not exceed a “range of reasonableness” determined by the FCC based on appropriate factors.

INMATE SERVICE FEE - 12 Minute Local Call COST ANALYSIS

<u>VARIABLES</u>	Pay Phone		Inmate	
	1	<u>Local Collect Call</u>		<u>Local Collect Call</u>
Call Revenue	\$	1.750	\$	2.100
Local Service Charges	2	\$ 52.53	\$	64.05
Flex-ANI Charge		\$ 1.08	\$	1.08
Number of Calls		439		268
Billing & Collection Fees	3	\$ 0.18	\$	0.18
Maintenance		\$ 18.90	\$	24.12
Equipment Depreciation		\$ 12.73	\$	29.48
Overhead Total		\$ 19.62	\$	59.96
Return (profit)	4	\$ 15.31	\$	22.10
Commission %	5	30%		30%
Unbillables %	6	0%		5%
Uncollectibles %	7	2%		14%
Tax				

	(1) Pay Phone		(2) Inmate	
	8	<u>Local Collect Call</u>		<u>Local Collect Call</u>
Local Service Charges	\$	0.122	\$	0.243
Billing & Collection Fees		\$ 0.180	\$	0.180
Validation	9	\$ 0.113	\$	0.170
Maintenance & Repairs		\$ 0.043	\$	0.090
Equipment Depreciation		\$ 0.029	\$	0.110
Overhead		\$ 0.045	\$	0.224
Return (profit)		\$ 0.035	\$	0.082
Total Costs	\$	<u>0.567</u>	\$	<u>1.099</u>
Commission @ 30%	\$	0.254	\$	0.647
Unbillables/Uncollectibles @ 19%	\$	0.025	\$	0.410
TOTAL	\$	<u>0.846</u>	\$	<u>2.155</u>

FOOTNOTES:

- 1) Except where indicated, average figures for payphone services are taken from the FCC's Third Report and Order, and average figures for inmate services are taken from prior Coalition filings
- 2) Local service charges for payphone services include usage charges as estimated by the RBOC/GTE/SNET Coalition. Local service charges for inmate services are estimated based on analysis of ILEC tariffs in the 13 states w/ the lowest local collect call rates.
- 3) Estimate based on review of LEC and clearinghouse fees
- 4) Payphone returns calculated at 11% and inmate returns at 15%
- 5) Commission % for payphone services is assumed to be equal to commission % for inmate services
- 6) Unbillables for payphone services are estimated to be negligible. Estimated unbillables for inmate services have increased from 3% to 5% since previous Commission filings
- 7) Uncollectibles for payphone services are based on estimate provided by clearinghouse
- 8) Flex ANI fees are included in Local Service Charge per-call calculations
- 9) Validation estimates based on estimated call completion ratios for payphone services and inmate services

INMATE SERVICE FEE - 12 Minute Interstate Call COST ANALYSIS - NC, SC, TN

VARIABLES	Pay Phone		Inmate	
	1	<u>Interstate Collect Call</u>	2	<u>Interstate Collect Call</u>
Call Revenue	\$	1.750	\$	2.100
Local Service Charges	3	\$ 31.00	\$	35.51
Flex-ANI Charge	\$	1.08	\$	1.08
Long Distance Charges (per call)	3	\$ 0.32	\$	1.04
Number of Calls		439		268
Billing & Collection Fees	4	\$ 0.18	\$	0.18
Maintenance	\$	18.90	\$	24.12
Equipment Depreciation	\$	12.73	\$	29.48
Overhead Total	\$	19.62	\$	59.96
Return (profit)	5	\$ 15.31	\$	22.24
Commission %	6	30%	6	40%
Unbillables %	7	0%	7	5%
Uncollectibles %	8	2%	8	14%
USF Contribution %		5.9%		5.9%
Taxes				

	(1) Pay Phone		(2) Inmate	
	9	<u>Interstate Collect Call</u>	10	<u>Interstate Collect Call</u>
Local Service Charges	\$	0.073	\$	0.137
Long Distance Charges	\$	0.320	\$	1.040
Billing & Collection Fees	\$	0.180	\$	0.180
Validation	10	\$ 0.113	\$	0.170
Maintenance & Repairs	\$	0.043	\$	0.090
Equipment Depreciation	\$	0.029	\$	0.110
Overhead	\$	0.045	\$	0.224
Return (profit)	\$	0.035	\$	0.083
Total Costs	\$	0.838	\$	2.033
Commission @ 30/40%	\$	0.405	\$	2.317
Unbillables/Uncollectibles @ 2%/19%	\$	0.027	\$	1.101
USF Contribution @ 5.9%	\$	0.080	\$	0.342
TOTAL	\$	1.349	\$	5.793

FOOTNOTES:

- 1) Except where indicated, average figures for payphone services are taken from the FCC's Third Report and Order, and average figures for inmate services are taken from available industry estimates.
- 2) Local service charges for payphone services include usage charges as estimated by the RBOC/GTE/SNET Coalition. Local service charges for inmate services are estimated based on analysis of ILEC tariffs.
- 3) Long distance usage based on a rate of \$.08 per minute with an additional minute added for a call answered and not accepted
- 4) Estimate based on review of LEC and clearinghouse fees
- 5) Payphone returns calculated at 11% and inmate returns at 15%
- 6) Commission % for payphone services is assumed to be equal to commission % for inmate services
- 7) Unbillables for payphone services are estimated to be negligible. Estimated unbillables for inmate services have increased from 3% to 5% since previous Commission filings
- 8) Uncollectibles for payphone services are based on estimate provided by clearinghouse
- 9) Flex ANI fees are included in Local Service Charge per-call calculations
- 10) Validation estimates based on estimated call completion ratios for payphone services and inmate services

EXPLANATION NOTES: INMATE SERVICE FEE COST ANALYSIS

- A. (Footnote 2) Local Service Charges are based on an actual average of Local Exchange Carrier fees for a payphone line, including (but not limited to) basic line charges, End User Common Line Charge (EUCL), Primary Interexchange Carrier Charges (PICC), blocking and screening, Relay (TRS) and 911 fees. The charges for the "Local Inmate Call" chart include charges incurred for Local Measured Service.
- B. (Footnote 3) Industry statistics show that for each inmate collect call that is actually "answered and accepted", there is also one call that is "answered and not accepted". "Answered and not accepted" normally means that the call was answered by an answering machine, triggering the automated system to consider the call answered, thus delivering the automated message announcing the call and asking for positive acceptance. Since an answering machine cannot positively accept the call, the system will "time out" and disconnect the call. These calls are not billed to the consumer. The inmate service provider is still billed for the first minute increment by its long distance carrier. This means that on average, the provider is billed one additional minute for a separate call per call that is actually answered and accepted.
- C. (Footnote 4) Billing and Collection Fees estimates are based on a review of current fees charged by LECs and clearinghouses. Charges include "bill rendering fees" (charge for including records in LEC customer's bill, regardless of number of records) and "per message fees", which are based on the number of records for each customer's bill, and clearinghouse fees where applicable.
- D. (Equipment Depreciation) Figure based on an average of \$1,768 in equipment expense per line depreciated over 5 years. (Inmate: $\$1,768 / 60 \text{ months} = \29.48 per month). This monthly figure is further divided by the number of inmate calls per line.
- E. (Overhead Total) Overhead is based on industry averages and includes all traditional overhead items, plus the cost of such support items as database management, fraud investigation and traffic analysis, fraud investigation blocking, facility support, customer support, and billing and collection support that is inherent and required in the inmate service provider environment.
- F. (Validation) All calls are "validated" through the Line Information Data Base (LIDB) to ensure that the number is billable. Each call is validated prior to the call being dialed from the inmate equipment. This means that each attempt is validated, regardless of the outcome of the call. Industry statistics show that for each call that is "answered and accepted" (as in B. above), there is one call "answered and not accepted (or rejected)", and one call that reaches a busy signal or a no answer. This means that for each call that is successfully completed and billed, there are on average 3 separate validations.
- G. (Return/profit) Return/profit is calculated as an annual percentage "return on investment". In the case of the inmate example, the "equipment expense per line" of \$1,768 is multiplied by 15% to arrive at an "annual return" amount ($\$1,768 \times 15\% = \268.20). This annual return is then divided by 12 to arrive at a monthly return figure ($\$268.20 / 12 = \22.10).

INDEPENDENT INMATE PHONE SERVICE PROVIDERS

(as of June, 2001)

<u>Previous Providers</u>	<u>Status</u>	<u>Current Coalition Providers</u>
AmeriTel Pay Phones, Inc.	Sold	Evercom
Blair Communications	Sold	Global Telink
Coin Telephone, Inc.	Sold	McLeod USA
Consolidated Communications	Sold	Pay Tel Communications, Inc.
Correctional Communications Corp	Sold	Public Communications Services, Inc
DGI Communications	Out of business	
Executone Corrections Division	Sold	
Harris Corp	Sold	
InVision Telecom, Inc.	Sold	
Kantel	Sold	
KR&K	Sold	
London Communications, Inc.	Sold	
M.O.G. Communications, Inc.	Sold	
North American Communications	Out of business	
North American Intelecom	Sold	
OPUS	Declared Bankruptcy	
PayCom	Out of business	
Payphone Systems	Sold	
Paytel of America	Sold	
Peoples	Sold	
Robert Cefil & Associates	Sold	
Saratoga Telephone	Sold	
Talton Communications	Sold	
Tataka	Sold	
Tel America	Sold	
Tele-Quip	Sold	

**SECTION 276 UNMET GOAL OF FAIR
COMPENSATION ON LOCAL COLLECT CALLS
PENALIZES CONSUMERS OF INTER-STATE
COLLECT CALLS**

**LOW LOCAL COLLECT CALL RATES
IN 15± STATES FORCES SERVICE PROVIDERS TO
CHARGE HIGHER LONG DISTANCE RATES**

"We are unaware of any public policy reason why users of interstate operator services should be required to subsidize users of intrastate operator services."

*Billed Party Preference for InterLATA 0+ Calls, CC Docket No. 92-77
Second Report and Order and Order on Reconsideration, FCC 98-9
Released January 29, 1998*

TODAY

In the four years since the *Payphone Orders* independent ICS providers have struggled to compete in a number of states without the fair compensation on local calls to which they are entitled and without the "level playing field" promised by the Telecommunications Act.

"Indecision and avoidance are not legitimate policies"

Michael Powell, Chairman
Federal Communications Commission
Before House Committee on Appropriations
May 22, 2001

- **Our issue is fair compensation on below cost local collect call rates in county jails, *not prisons.***
- The majority of county jails are small. Some jails get no commission. Most get a low commission when compared with prison commissions.
- There are 29 states today with no rate caps on local collect calls or a market based coin rate for the local rate element of collect calls.
- **There is no evidence in the record of consumer abuse with local collect call rates or spiraling commissions on local collect calls in county jails.**

**What Message Will the FCC Send to
100's of Sheriffs Operating Small County Jails and
1000's of Inmates and Their Families**

Confinement Facility	Sheriff	City	STATE	ADP*	# of Phones	Local Collect Call Rate		
Tyrrell County Jail	Fred Hemilright	Columbia	NC	2	2	\$0.85		
Hyde County Jail	David T. Mason	Swan Quarter	NC	4	4	\$0.85		
Jones County Jail	Robert R. Mason	Trenton	NC	4	4	\$0.85		
Clay County Jail	Tony Woody	Hayesville	NC	6	3	\$0.95		
Yancey County Jail	Kermit Banks	Burnsville	NC	6	3	\$0.95		
Greer City Jail	Kenneth Westmorland**	Greer	SC	8	6	\$0.80		
Ashe County Jail	James C. Hartley	Jefferson	NC	17	4	\$0.85		
Clifton Forge City Jail	Todd L. Tyler	Clifton Forge	VA	18	5	\$1.25		
Currituck County Jail	Susan D. Johnson	Currituck	NC	19	6	\$0.85		
Washington County Jail	Stanley R. James	Plymouth	NC	19	4	\$0.85		
Alleghany County Jail	C. E. Simpson	Covington	VA	20	4	\$1.25		
Guilford Juvenile Detention Ctr.	B. J. Barnes	Greensboro	NC	21	5	\$1.05		
Polk County Jail	David R. Satterfield	Columbus	NC	23	5	\$1.03		
Chowan County Jail	Fred A. Spruill	Edenton	NC	24	4	\$0.85		
Greene County Jail	Lemmie Smith	Snow Hill	NC	25	6	\$0.85		
Yadkin County Jail	Michael C. Cain	Yadkinville	NC	25	7	\$0.85		
Alexander County Jail	Ray Warren	Taylorsville	NC	28	5	\$1.05		
Alleghany County Jail	Mike Caudill	Sparta	NC	30	8	\$1.05		
Pamlico County Jail	Daniel A. Miller	Bayboro	NC	30	5	\$0.85		
Davie County Jail	William A. Whitaker	Mocksville	NC	31	5	\$0.85		
Smith County Jail	Johnny C. Bane	Carthage	TN	34	8	\$0.85		
Caswell County Jail	J. I. Smith, Jr	Yanceyville	NC	35	7	\$0.85		
Page County Jail	David W. Presgraves	Luray	VA	35	11	\$1.25		
Warren County Jail	Johnny M. Williams	Warrenton	NC	36	10	\$0.85		
Chatham County Jail	Isaac L. Gray	Pittsboro	NC	38	2	\$0.85		
Lincoln County Jail	Barbara A. Pickens	Lincolnton	NC	47	7	\$1.05		
Stokes County Jail	Mike C. Joyce	Danbury	NC	49	2	\$0.85		
Botetourt County Jail	Ronald N. Sprinkle	Fincastle	VA	50	8	\$1.25		
Warren County Jail	Lynn C. Armentrout	Front Royal	VA	50	5	\$1.25		
Wilkes County Jail	Dane C. Mastin	Wilkesboro	NC	53	11	\$0.85		
Person County Jail	Dennis M. Oakley	Roxboro	NC	55	15	\$0.85		
Surry County Jail	Connie R. Watson	Dobson	NC	80	12	\$0.85		
* Average Daily Population of Inmates						**Administrator	Average Rate:	\$0.95

50 State Nationwide Average Local Collect Call Rate: \$2.13

**After Five (5) Years Since The Telecom Act
With Rates That Do Not Cover Costs
We Will Be Forced To Discontinue Service To Small County Jails.**



CONNIE R. WATSON
SHERIFF OF SURRY COUNTY

218 N. MAIN ST.
P.O. BOX 827
DOBSON, NORTH CAROLINA 27017

PHONE 401-8900
FAX 401-8906
JAIL 401-8973

Honorable William E. Kennard, Chairman
Federal Communications Commission
445 Twelfth Street, S.W. Suite 8-B201

RE: CC Docket No. 96-128

Dear Chairman Kennard:

As Sheriff of Surry County, Dobson, NC, I am responsible for the operation of Surry County Detention Center housing 80 inmates. I am concerned about the long term availability of the inmate telephone service that is currently provided to my jail. Over 75% of our jail calls are local calls. The rate for these calls is set by the State at a very low rate. With a low rate on the majority of our calls and the increasing costs of operating an inmate phone system, I am concerned about losing my inmate phone service.

My concerns are based on:

- ... The local telephone company will not provide the service
- ... The local telephone company can not provide the service we need
- ... None of the major carriers, AT&T, MCI or Sprint have been willing to serve our jail
- ... Today there are only one or two companies that provide phone service versus several companies 4 years ago.

If we lose our current inmate phone service and have to allow inmates to use office phones we will need additional staff which we can not afford. Because of the security concerns when taking inmates out of a cell to use the phone, we would have to limit inmates to only 1(one) call per month.

I understand there is a proceeding (CC Docket No. 96-128) before the FCC to address the Congressional mandate to make sure inmate phone service providers are "fairly compensated". Please see that the problem of below cost intra-state rates is corrected so we can continue to provide our inmates with unrestricted calling privileges.

Sincerely, *Connie R. Watson*

Sheriff

Cc: Congressman Richard Burr
Senator Jesse Helms
Senator John Edwards
American Public Communications Council

What groups advocating the interests of Inmates and their Families are saying about the issue.

“The FCC should enable providers of inmate phone service to county jails to charge a cost-justified rate for local calls – *provided that they commit to charge a cost-justified rate for long distance calls as well.* **When inmate phone service providers are fairly compensated for local collect calls, this will remove the upward pressure on long distance rates that exists today in a number of states.**”

October 27, 2000 Letter to Dorothy Attwood
Chief Common Carrier Bureau
Federal Communications Commission
Brian Stevenson, Director
Equal Justice Initiative of Alabama

“Today, the large, established carriers provide phone service to the majority of state prisons. These carriers have raised their long distance prisoner service rates to unconscionable levels. Although we are not endorsing the pending request, **we do have concerns about the smaller telephone service providers. If these carriers are forced out of the market, services may be left in the hands of the large carriers that have proven themselves unresponsive to the needs of prisoners and their families.**”

January 2, 2001 Letter to Dorothy Attwood
Elizabeth Alexander
Director National Prison Project
ACLUF

“For example, local inmate service rate ceilings in some states are so low that they cannot recover their costs. **These rate ceilings threaten the availability of telephone service in county jails. Providers of jail telephone service (which is predominantly local service in state like North Carolina and Tennessee) have presented evidence to show they are forced to charge higher rates on their long distance calls in order to make up their losses on local calls.** But, for many of the smaller service providers who have gone out of business in the last two years, even that was not enough. Without some adjustment, it seems likely that many more of these smaller carriers will be forced out of the market. **Unless the Commission acts now, inmate services will likely be left in the hands of the large carriers that have proven themselves indifferent to the needs of inmates and their families.**”

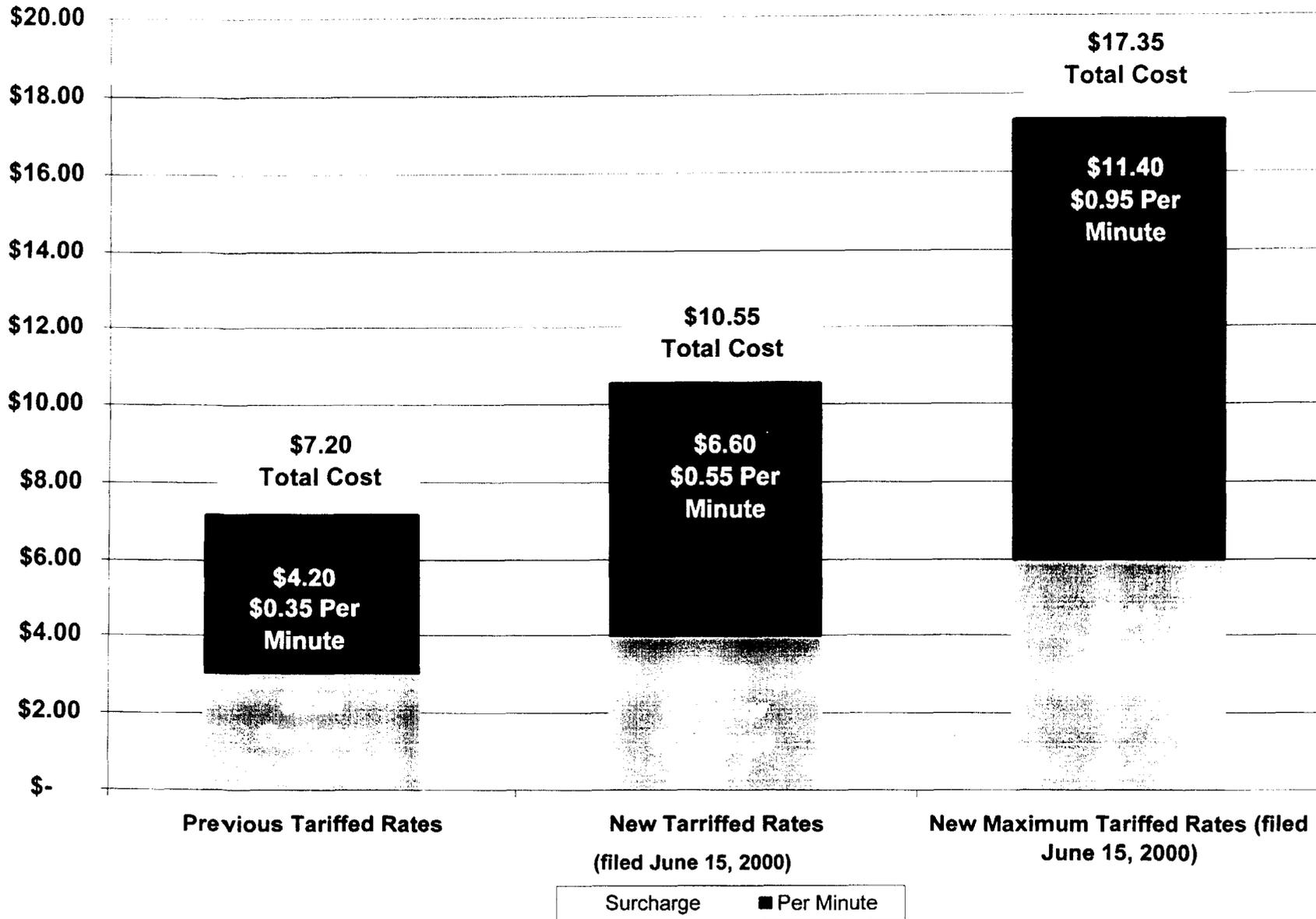
May 9, 2000
Michael Hamden
Executive Director
North Carolina Prisoner Legal Services, Inc.

Actions in 30 States to Lower Rates on Inmate Long Distance Calls

California	The California legislature passed a bill which would have required that the state's commission on prison telephone systems to cover only costs. The governor vetoed the bill.
Colorado	DOC provides less expensive debit calling option for inmates.
Florida	PUC proceeding reduced all surcharges to \$1.75 in 1999
Indiana	The Utility Regulatory Commission is reviewing prison telephone practices
Kentucky	PUC proceeding reduced surcharges on all calls to \$1.50 in November 1999
Maryland	Legislature has required the DOC to study telecommunications services for inmates
Massachusetts	Budget amendment introduced to reduce cost of prisoner telephone calls. Bill did not pass. Lower surcharge on intra-LATA long distance calls.
Michigan	Bill introduced in legislature to substantially reduce surcharges and ensure that prisoners have access to debit calling
Missouri	RFP award based on lowering rate on calls. RFP: March 2000
Nebraska	DOC does not accept commissions
Nevada	PUC proceeding reduced surcharges on long distance calls.
New Hampshire	Lower surcharges on intra-LATA long distance calls.
New Mexico	PUC proceeding investigating rates ongoing.
North Carolina	A bill has been introduced in the North Carolina legislature which would ensure that there is competition among telephone service providers in prisons. Bill did not pass
Ohio	DOC entered into a contract that reduces the costs of phone calls
Oklahoma	A legislative review of the state's prisoner telephone system is underway
Oregon	DOC negotiated reduction in long distance surcharge from \$3.95 to \$2.75 for long distance calls
Pennsylvania	PUC proceeding to lower surcharge on intra-LATA calls
Rhode Island	DOC is reportedly investigating less expensive alternative phone systems, including debit calling
South Carolina	PUC proceeding underway Summer 2001, staff recommendation is to lower all long distance surcharges to \$1.75
Tennessee	DOC provides less expensive debit calling option for inmates.
Texas	The Texas Department of Criminal Justice has reportedly agreed to examine the feasibility of implementing an inmate phone system.
Vermont	RFP award based on lowering rate on calls. RFP: April 1999
Virginia	Legislature required State Corporation Commission to study inmate rates and debit calling. Inter-LATA surcharge lowered to \$2.25 on DOC contract.
West Virginia	PUC proceeding reduced surcharges on all long distance calls.
Wisconsin	RFP award based on lowering rate on calls. RFP: June 2000

SOUTH CAROLINA AT&T PRISON-COLLECT RATES

New AT&T Tariff Filing, June 15 2000
12-Minute Long Distance Collect Call



Litigation to lower rates has been initiated in a number of states:

- District of Columbia
- Illinois
- Indiana
- Kentucky
- New Hampshire
- New Mexico
- New York
- Ohio
- Washington
- Wisconsin

Source: Equitable Telephone Charges
Campaign UPDATE 2000
CURE

- Public Utilities Commissions or Legislatures have initiatives to lower inmate long distance rates in twenty-six (26) states.
- Litigation underway to lower long distance rates in ten (10) states
- Total of thirty (30) separate states with initiatives to help lower inmate long distance rates.
- Today long distance rates have already been lowered in seventeen (17) states.

Short Term Approach Partially Addressing Fair Compensation for Local Inmate Calling Service

- Three years ago, the Commission requested a voluntary remand from the court of appeals in order to address the unresolved issues of fair compensation and safeguards for competitive inmate telephone service under Section 276 of the Act. If the Commission is still unable to determine a means to ensure fair compensation for providers of local service to inmates at confinement facilities, the following approach would partially address the issue pending a more comprehensive resolution.
- In 1997, the Commission deregulated local coin rates at public payphones, but there was inconsistency in local exchange carriers' ("LECs") application of the local coin rate deregulation to the local calling *element* of local inmate collect call rates, which LEC tariffs linked to the local coin rate for payphones. The Commission should clarify that the 1997 deregulation of local coin rates also applies to the local calling rate element of inmate collect calling services – a rate element that in many states remains capped at the pre-1997 regulated local coin rate level of \$.25, \$.20, or \$.10 per local call. The Commission should rule that this rate element may be set at the same market-determined level as the deregulated local coin rate used at the service provider's public payphones. Under this approach, the operator surcharge rate element of inmate collect calling services would remain capped at current regulated levels, and the local calling rate element also would be effectively capped – at the market-determined local coin rate.

I. The Problem

- In many states, local inmate calling rates (i.e., local "collect" calls) are capped by LEC tariffs at rates which are too low to permit inmate service providers to recover their costs.
- These low rates are forcing independent inmate telephone service providers to curtail or cease providing service to jails in many states. In addition, BellSouth has announced that it will terminate the provision of payphone service, including inmate telephone service, in nine Southeastern states.

II. The Tariffs

- The capped rate for local inmate collect calls is composed of two rate elements: an operator surcharge and a local calling rate element. Prior to 1997, the local calling rate element was set equal to the LEC's local coin rate. In 1997, the FCC deregulated the local coin rate, which is now generally at the level of \$.35.
- In most states, LECs then revised their tariffs to provide that the local call element of an inmate collect call equals the deregulated local coin rate. *See Attachment 1.* But in some states, LECs maintained the existing caps on the local call element of inmate service rates at pre-1997 regulated local coin rate (rates of \$.10-\$.25 per call, initially set by the LECs some 20 or more years ago). *See Attachment 2.* For example:

North Carolina Rates - Capped at the Tariffed Rate of the LEC
Operator Surcharge + Local Call Element

	Pre-1997 Local Coin Rate	Local Coin Rate Today	Local Collect Call Rate Element Today	Local Collect Call Operator Surcharge	Total Local Inmate Call Rate
BellSouth	\$0.25	\$0.35	\$0.25	\$0.80	\$1.05
Sprint	\$0.20	\$0.35	\$0.20	\$0.65	\$0.85
North State	\$0.10	\$0.25	\$0.10	\$0.68	\$0.78

III. Partially Addressing the Problem in the Short Term

- Ultimately, the problem of non-compensatory local calling rates must be dealt with in a manner that allows inmate service providers to fully recover their costs. In the short term, if a complete solution to the problem has not yet been devised, the Commission can provide partial relief, by *clarifying that deregulation of the local coin rate includes deregulation of the local coin rate element of local inmate calling service rates.*
- The Commission should clarify that the deregulation of the local calling rate which was adopted in the First Report and Order applies with equal force to the local call element of inmate service rates. Therefore, where payphone service providers (“PSPs”) offer local inmate service at a rate consisting of an operator surcharge plus a local call element, then, notwithstanding any inconsistent language in ILEC tariffs, the inmate service provider may charge, for the local call element of the rate, an amount equal to the local coin calling rate that the PSP is charging at its public payphones. If the PSP does not provide public payphone service, then the PSP may charge, for the local call element, an amount equal to the prevailing local coin calling rate at public payphones in the state where the PSP is offering inmate service.
- The Inmate Calling Service Providers Coalition maintains its position that a comprehensive cost-based pricing structure for inmate calls is necessary to establish fair compensation under Section 276. However, the limited approach described above would provide partial relief pending a more comprehensive solution. *This approach would protect the consumer by maintaining effective caps on both rate elements of local inmate collect calls.* It would allow the local calling rate element to be updated to reflect the current market-determined level of the deregulated local coin rate, but would not alter the regulated operator surcharge element of local inmate service rates.

Rates for a 12 Minute Inmate Local Collect Call and State-Imposed Rate Ceilings

25-Jun-01

State	RBOC	Applicable Local Call Rate			Collect Call Surcharge	Total Rate	Rate Cap?	Rate Cap Details
		Init. Min.	Add'l Min.	Notes				
1 Illinois	Ameritech	\$ 0.24	\$ 0.21	Capped by PUC	\$ 2.81	\$ 5.36	Yes	PUC rate cap
2 Texas	SBC	\$ 0.10	\$ 0.08	Capped by PUC	\$ 3.75	\$ 4.73	Yes	PUC rate cap
3 Nebraska	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 3.75	\$ 4.25	No	
4 Wyoming	Qwest	\$ 0.35	N/A	Provider market based coin rate	\$ 3.75	\$ 4.10	No	
5 Indiana	Ameritech	\$ 0.35	N/A	Provider market based coin rate	\$ 3.00	\$ 3.35	No	
6 Wisconsin	Ameritech	\$ 0.35	N/A	Provider market based coin rate	\$ 3.00	\$ 3.35	Yes	Capped at twice the AT&T or RBOC rate
7 Colorado	Qwest	\$ 0.50	See note	PUC cap: \$.25 per 5 min.	\$ 1.85	\$ 2.85	Yes	PUC rate cap
8 Rhode Island	Verizon	\$ 0.35	N/A	Provider market based coin rate	\$ 2.50	\$ 2.85	No	
9 Arizona	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 2.30	\$ 2.80	Yes	Capped at LEC tariff rate
10 Washington	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 2.30	\$ 2.80	No	
11 North Dakota	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 2.25	\$ 2.75	No	
12 Mississippi	Bell South	\$ 0.35	N/A	Capped at RBOC rate	\$ 2.25	\$ 2.60	Yes	Capped at RBOC tariff rate
13 South Dakota	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 2.10	\$ 2.60	No	
14 Utah	Qwest	\$ 0.35	N/A	Provider market based coin rate	\$ 2.25	\$ 2.60	No	
15 Georgia	Bell South	\$ 0.35	N/A	Provider market based coin rate	\$ 2.20	\$ 2.55	No	
16 Montana	Qwest	\$ 0.50	N/A	Capped by PUC	\$ 2.00	\$ 2.50	Yes	Capped at LEC average + 50%
17 Michigan	Ameritech	\$ 0.35	N/A	Provider market based coin rate	\$ 2.05	\$ 2.40	No	
18 Kansas	SBC	\$ 0.35	N/A	Provider market based coin rate	\$ 2.00	\$ 2.35	No	
19 New Mexico	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 1.80	\$ 2.30	No	
20 Connecticut	SBC	\$ 0.35	N/A	Provider market based coin rate	\$ 1.75	\$ 2.10	No	
21 Florida	Bell South	\$ 0.35	N/A	Provider market based coin rate	\$ 1.75	\$ 2.10	Yes	PUC rate cap
22 Vermont	Verizon	\$ 0.35	N/A	Capped at LEC rate	\$ 1.65	\$ 2.00	Yes	Capped at LEC tariff rate
23 Oklahoma	SBC	\$ 0.25	N/A	Capped at LEC rate	\$ 1.65	\$ 1.90	Yes	Capped max. rate of LEC or IXC
24 Kentucky	Bell South	\$ 0.35	N/A	Capped by PUC	\$ 1.50	\$ 1.85	Yes	PUC rate cap
25 Idaho	Qwest	\$ 0.50	N/A	Provider market based coin rate	\$ 1.30	\$ 1.80	No	
26 Minnesota	Qwest	\$ 0.50	N/A	Capped at RBOC rate	\$ 1.30	\$ 1.80	Yes	Capped at RBOC tariff rate
27 New York	Verizon	\$ 0.25	\$ 0.05	Capped at RBOC rate	\$ 1.30	\$ 1.80	Yes	Capped at AT&T or LEC rates, whichever is higher
28 Iowa	Qwest	\$ 0.50	N/A	Capped at RBOC rate	\$ 1.25	\$ 1.75	Yes	Capped at RBOC tariff rate
29 Nevada	SBC	\$ 0.14	\$ 0.05	Provider market based coin rate	\$ 1.00	\$ 1.69	Yes	PUC rate cap
30 Louisiana	Bell South	\$ 0.35	See note	PUC cap: \$.35 per 5 min.	\$ 0.63	\$ 1.68	Yes	PUC rate cap
31 New Jersey	Verizon	\$ 0.09	\$ 0.03	Capped by PUC	\$ 1.28	\$ 1.68	Yes	Capped at RBOC tariff rate
32 Maine	Verizon	\$ 0.35	N/A	Provider market based coin rate	\$ 1.30	\$ 1.65	No	
33 Oregon	Qwest	\$ 0.35	N/A	Provider market based coin rate	\$ 1.30	\$ 1.65	No	
34 Pennsylvania	Verizon	\$ 0.35	N/A	Capped at LEC rate	\$ 1.30	\$ 1.65	Yes	Capped max. rate of LEC or IXC
35 Alabama	Bell South	\$ 0.35	N/A	Provider market based coin rate	\$ 1.25	\$ 1.60	Yes	Capped at LEC tariff rate
36 Hawaii	Verizon	\$ 0.35	N/A	Provider market based coin rate	\$ 1.20	\$ 1.55	No	
37 Arkansas	SBC	\$ 0.35	N/A	Provider market based coin rate	\$ 1.10	\$ 1.45	No	
38 Delaware	Verizon	\$ 0.35	N/A	Provider market based coin rate	\$ 1.10	\$ 1.45	No	
39 Ohio	Ameritech	\$ 0.35	N/A	Provider market based coin rate	\$ 1.10	\$ 1.45	Yes	Capped at LEC tariff rate
40 New Hampshire	Verizon	\$ 0.35	N/A	Provider market based coin rate	\$ 1.05	\$ 1.40	No	
41 California	SBC	\$ 0.35	N/A	Provider market based coin rate	\$ 0.95	\$ 1.30	Yes	Capped at LEC + \$.30 pay telephone surcharge
42 Massachusetts	Verizon	\$ 0.35	N/A	Capped at RBOC rate	\$ 0.86	\$ 1.21	Yes	Capped at RBOC tariff rate
43 Missouri	SBC	\$ 0.35	N/A	Provider market based coin rate	\$ 0.75	\$ 1.10	No	
44 North Carolina	Bell South	\$ 0.25	N/A	Capped at LEC rate	\$ 0.80	\$ 1.05	Yes	Capped at LEC tariff rate
45 Virginia	Verizon	\$ 0.25	N/A	LEC rate	\$ 0.75	\$ 1.00	No	
46 Maryland	Verizon	\$ 0.35	N/A	Capped at RBOC rate	\$ 0.60	\$ 0.95	Yes	Capped at RBOC tariff rate
47 West Virginia	Verizon	\$ 0.35	N/A	Provider market based coin rate	\$ 0.60	\$ 0.95	Yes	Capped at LEC tariff rate
48 Tennessee	Bell South	\$ 0.35	N/A	Capped at LEC rate	\$ 0.50	\$ 0.85	Yes	Capped at RBOC tariff rate
49 South Carolina	Bell South	\$ 0.10	N/A	Capped at LEC rate	\$ 0.70	\$ 0.80	Yes	Capped at RBOC tariff rate
50 Alaska		N/A	N/A		N/A	N/A	N/A	N/A
National Average					\$	2.13		

BELLSOUTH
TELECOMMUNICATIONS, INC.

GENERAL SUBSCRIBER SERVICE TARIFF

FLORIDA
ISSUED: May 1, 2000
BY: Joseph P. Lacher, President -FL
Miami, Florida

Eighth Revised Page 99
Cancels Seventh Revised Page 99

EFFECTIVE: May 18, 2000

A3. BASIC LOCAL EXCHANGE SERVICE

A3.10 Operator Assisted Local Calls

A3.10.1 Operator Assistance Charges

- A. All types of local exchange service have local calling areas as specified in A3.3 of this Tariff which are the areas that can be called on a flat rate basis (no charge for individual calls), on a local coin call rate basis, on a Message rate basis (calls charged for as Message units), or on a measured service basis (charges based on a combination of one or more rating elements where Measured Service local exception tariffs are in effect).
- B. Local dial call: The call must be dialed and completed without the assistance of a Company operator and must be billed to the originating telephone when a charge is applicable.
- C. The following service charges for operator assisted local calls apply in addition to the local dial rate applicable.

1. Billing Surcharges for calls originating from other than payphone provider lines

	Nonrecurring Charge	USOC
(a) Station-to-Station customer dialed calling card (credit card) calls, each	\$.80	NA
(b) Station-to-station operator assisted sent-paid, collect, third number and non-customer-dialed credit card calls, each ¹	1.75	NA
(c) Person-to-person operator assisted calls, each	3.25	NA
2. Billing Surcharges for calls originating from payphone provider lines		
(a) Station-to-Station customer dialed calling card (credit card) calls, each	1.50	NA
(b) Station-to-station operator assisted sent-paid, collect, third number and non-customer-dialed credit card calls, each ¹	1.75	NA
(c) Person-to-person operator assisted calls, each	3.25	NA
3. Operator Dialed Surcharge ¹		
(a) Station-to-station operator assisted or person-to-person operator assisted calls (excluding those billed to calling cards) where the operator dials the terminating number, each	.60	NA

Note 1: Applies when the operator dials number for Directory Assistance at the customer's request.

Note 2: An Operator Dialed Surcharge is in addition to any applicable Billing Surcharge for calls originating from other than payphone provider lines.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

ISSUED: June 21, 1999
BY: Joseph P. Lacher, President -FL
Miami, Florida

Fifth Revised Page 11
Cancels Fourth Revised Page 11

EFFECTIVE: July 6, 1999

A7. COIN TELEPHONE SERVICE

A7.4 Access Line Service For Payphone Service Provider Telephones (Cont'd)

A7.4.5 Rates and Charges (Cont'd)

- A. Access Line Service for PSP - Rates and Charges Applied by The Company (Cont'd)
7. The Access Line Service PSP subscriber who subscribes to Flat Rate Service as described in A7.4.5.A.2 will be charged for sent paid calls to the Local Calling Plus exchanges outlined in A3.8.50 at the rates set forth in A7.4.5.A.2 of this Tariff.
 8. Non-sent paid IntraLATA calls will be rated to the end user at the rate set forth in A18.3.1.H plus the appropriate additive operator services charges as provided in A18.3.1.H of this Tariff, plus the set fee as provided in A7.6 of this Tariff.
 9. Rates as described in A3.9.2 and A18.7.2 are applicable to all Directory Assistance calls.
 10. Service Charges as covered in Section A4 of this Tariff for business individual line service are applicable.
 11. Listings in connection with Access Line Service for PSP are furnished under the same rates and regulations as other business service.
 12. Suspension of service, as covered in A2.3, is not available to Access Line Service for PSP unless the instrument is totally inaccessible to the general public on a temporary basis. In all cases, the decision to permit temporary suspension of service for Access Line Service for PSP rests with the Company.
 13. When service is temporarily suspended at the subscriber's request, a Secondary Service Ordering Charge and a restoration charge, as covered in A4.3, per telephone number restored, is applied.
- B. Access Line Service for PSP - Rates and Charges Applied by The Subscriber
1. Rates charged any end user by a PSP, providing operator service within the pay telephone premises' equipment, shall not exceed the following:
 - a. Local coin calls - the rate posted at the pay telephone station.
 - b. Extended area service (EAS) coin calls - a rate equivalent to the local coin call rate.
 - c. Extended calling scope (ECS) calls the rate equivalent to the local coin rate
 - d. 0+ toll non-person-to-person - a maximum rate of \$0.30 per minute, plus a \$1.75 charge.
 - e. 0+ toll person-to-person - a maximum rate of \$0.30 per minute, plus a \$3.25 charge.
 - f. 0+ non-person-to-person local - a rate equivalent to the local coin rate, plus a \$1.75 charge.
 - g. 0+ per-to-person local - a rate equivalent to the local coin rate, plus a \$3.25 charge.
 2. A PSP shall not obtain services from an interexchange carrier or an operator service provider unless such carrier or provider has obtained a certificate of public convenience and necessity from the Commission.
- C. BellSouth® PSP Reward[®] Plan
1. Definition and Requirements
 - a. The BellSouth® PSP Reward[®] Plan provides the PSP a discount, ranging from 0 to 6.75 percent, for a term commitment of 12 or 24 months to be applied monthly, one month in arrears, to the subscribing PSPs recurring monthly access line charge.
 - b. The BellSouth® PSP Reward[®] Plan term discount will become effective when an authorized agent of the Company executes a Letter of Intent for the BellSouth® PSP Reward[®] Plan but not prior to the approval of this Tariff.
 - c. The BellSouth® PSP Reward[®] Plan offers a discount on the access line rates in A.2.a. preceding. The discount applied will be based on the number of PSP access lines subscribed to the BellSouth® PSP Reward[®] Plan and the term commitment agreed upon.
 - d. The PSP must subscribe all its payphone lines to the Company's Public Telephone Access Service.
 - (1) The BellSouth® PSP Reward[®] Plan does not apply to the BellSouth SmartLine[®] service.
 - (2) BellSouth SmartLine[®] service access lines do not apply toward the line count used to determine the discount level.
 - (3) This plan does not apply to Inmate lines.

Material previously appearing on this page now appears on page(s) 11.1 of this section.

• BellSouth is a registered trademark of BellSouth Intellectual Property Corporation
• Registered Service Mark of BellSouth Intellectual Property Corporation

GENERAL SUBSCRIBER SERVICES TARIFF

ALLTEL Georgia, Inc.
 ALLTEL Georgia Communications Corp.
 Georgia ALLTEL Telecom, Inc.
 Georgia Telephone Corporation
 Standard Telephone Company

Section 10
 Original Page 8

ISSUED: April 12, 2000
 BY: Vice President/ State Government Affairs
 Little Rock, Arkansas

EFFECTIVE: May 12, 2000

S.10 NON-BASIC LOCAL EXCHANGE SERVICE

S10.3 Local Operator and Calling Card Services (Continued)

B. Conditions

- (1) The appropriate service charge, as specified in 10.3.c following, will be applied to each completed call except:
 - a. Emergency requests from official agencies when the request is received on an agency line from agency personnel.
 - b. Emergency requests in which the caller identifies that the request is to (1) an official public emergency agency; (2) an emergency medical number; or (3) a privately endowed and operated suicide, drug, alcohol, or runaway crisis reporting center.
 - c. Requests in which the calling party is physically unable to place the call and identifies themselves as such.
- (2) A Person-to-Person or Station-to-Station local operator-assisted call may be billed to the originating main station line (except from public and semipublic telephones), calling card number, third number, collect or any other Company-approved identification number.
- (3) A service charge, as specified in 10.3.c following, will be applied for each completed local call according to the appropriate call class as if each call defined therein were a local call.

C. Rates

The following service charges for operator assisted local calls apply in addition to the local dial rate applicable.

- | | | |
|-----|--|--------------------------------|
| (1) | Station-to Station customer dialed credit card local call:
Georgia ALLTEL Telecom | \$.75 each c
\$.70 each c |
| (2) | Station-to Station operator assisted sent-paid, collect, third number, and non-customer-dialed credit card calls: | \$1.20 each c |
| (3) | Person-to Person operator assisted calls: | \$3.40 each c |
| (4) | Station-to Station operator or Person-to-Person operator assisted calls (excluding those billed to calling cards) where the operator dials the terminating number: | \$.80 each c |

GENERAL CUSTOMER SERVICES TARIFF

ALLTEL Georgia, Inc.
 ALLTEL Georgia Communications Corp.
 Georgia ALLTEL Telecom, Inc.
 Georgia Telephone Corporation
 Standard Telephone Company

Section 7
 Original Page 14

ISSUED: April 12, 2000
 BY: Vice President/ State Government Affairs
 Little Rock, Arkansas

EFFECTIVE: May 12, 2000

S7. COIN TELEPHONE SERVICE

S7.1 Public Telephone Access Service for Customer-Provided Equipment (Continued)

S7.1.10 Rates and Charges for Standard Telephone Company

B. The following features are available on an optional basis: Monthly Rate

- | | | |
|-----|--|------|
| (4) | Coin Supervision Additive Service - The Company will provide Coin Supervision Additive Service where facilities permit, at the PSP's option. This option is available to PSP's who order Public Pay Access Service lines for the provision of pay telephone service and where the PSP telephone connected to the local exchange service lines requires central office coin supervision capability. | 2.21 |
|-----|--|------|

Coin Supervision Additive Service provides the capability of central office line equipment to pass signals and/or tones from an exchange service line to a trunk terminating at the PSP's operator service provider. These signals enable an operator service provider to recognize coin deposits and return coins to the pay telephone user. Coin Supervision Additive Service also permits a suitably equipped operator service provider to automatically ring back the originating exchange service line upon completion of a call.

C. Rates and Charges Applied by the PSP.

- (1) The charge to a user of a PSP telephone for placement of a local call shall be in compliance with the Order of the Federal Communications Commission in Docket 96-128 and shall be clearly displayed on each PSP telephone.
- (2) The rates charged the caller for any 1+ intraLATA/intrastate and interLATA/intrastate made from PSP telephones shall not exceed \$2.85 for the 1st minute and \$0.35 for each additional minute.
- (3) Any limit on the duration of any call (Local or Toll) made from any PSP telephone shall be in compliance with the Order of the Federal Communications Commission in Docket No. 96-128 and of this Commission.

BELLSOUTH
TELECOMMUNICATIONS, INC.
NORTH CAROLINA
ISSUED: February 24, 1998
BY: President - North Carolina
Charlotte, North Carolina

GENERAL SUBSCRIBER SERVICE TARIFF

Fifth Revised Page 2:
Cancels Fourth Revised Page 2

EFFECTIVE: March 20, 1998

A3. BASIC LOCAL EXCHANGE SERVICE

A3.9 Operator Assisted Local Calls (Cont'd)

A3.9.1 Operator Assisted Charges (Cont'd)

- B. Local dial call: The call must be dialed and completed without the assistance of a Company operator and must be billed to the originating telephone when a charge is applicable.
- C. The following service charges for operator assisted local calls apply in addition to the local dial rate applicable:¹

	Nonrecurring Charge	USOC
→ 2. Station-to-Station customer dialed credit card call ²		
(a) Each	\$35	NA
→ 2. Station-to-Station operator assisted sent-paid, collect, third number, and non-customer-dialed calling card calls		
(a) Each	.80	NA
3. Person-to-Person operator assisted local call		
(a) Each	1.85	NA

D. The following Operator Assisted Local Calls are exempted from the service charge:

1. Calls to designated Company numbers for official telephone business.
2. Emergency calls to recognizable authorized civil agencies.
3. Those cases where a Company operator provides assistance to:
 - a. Re-establish a call which has been interrupted after the calling number has been reached.
 - b. Reach the calling telephone number where facility problems prevent customer dial completion.
 - c. Place a non-coin, sent-paid call for a calling party who identifies himself as being handicapped and unable to dial the call because of his handicap.

A3.10 Verification and Emergency Interrupt Service

A3.10.1 General

Verification and Emergency Interrupt Service is furnished where and to the extent that facilities permit. The customer shall identify and save the Company harmless against all claims that may arise from either party to the interrupted call or any person.

A. Verification

1. The Company furnishes Verification Service for the purpose of aiding subscribers with legitimate call completion problems. Upon request the operator will verify and provide the line status condition of a local subscriber line.
2. A subscriber originated request for verification of a local number is a chargeable verification request if a Company operator determines that the line is in use. No charge applies if the line is out of order.

→ Note 1: The local dial rate applicable for operator-assisted local non-sent paid calls originated from an *Access Line Service For Payphone Service Provider* line or *SmartLine*® Service line and processed by a Company operator is \$2427.

GENERAL SUBSCRIBER SERVICES TARIFF

CENTRAL TELEPHONE COMPANY
NORTH CAROLINASection 3
Thirteenth Revised Page 10
Cancels Twelfth Revised Page 10
EFFECTIVE: September 15, 1998

3. BASIC LOCAL EXCHANGE SERVICE

3.10 OPERATOR-ASSISTED LOCAL CALLS

3.10.1 OPERATOR-ASSISTED CHARGES

- a. All types of local exchange service have local calling areas and may have expanded local calling areas as specified in this Tariff within which local calls can be made on a flat rate basis (no charge for individual calls), a usage-sensitive basis or on a local coin call rate basis. Operator-Assisted Service Charges for calls placed to Expanded Local Calling Area Exchanges from PSP access lines are charged for at the established Long Distance (Local Toll) Charges as specified in Section 18.3.1h.(2) of this Tariff.
- b. Local Dial Call: The call must be dialed and completed without the assistance of a Company operator and must be billed to the originating telephone number when a charge is applicable.
- c. Service Charges for operator-assisted local calls terminating in the Home Exchange, EAS Exchanges or the Expanded Local Calling Area Exchanges apply as shown below, in addition to the local dial rate* or any applicable Usage Charges. (For Value Caller subscribers, Usage Charges as specified in Sections 3.4.4b. and c. preceding apply for operator-assisted calls to Expanded Local Calling Area Exchanges.)

	<u>Nonrecurring Charge</u>	
(1) Station-to-Station Customer-Dialed Calling Card Local Call, each	\$.30	(I)
→ (2) Station-to-Station Operator-Assisted Sent-Paid, Collect, Third Number, and Non-Customer-Dialed Calling Card Calls, each	.65	(R)
(3) Person-to-Person Operator-Assisted Local Call, each	1.80	(I)
d. The following Operator-Assisted Local Calls are exempt from the Service Charge:		
(1) Calls to designated Company numbers for official telephone business.		
(2) Emergency calls to recognizable authorized civil agencies.		
(3) Those cases where a Company operator provides assistance to:		
(a) Re-establish a call which has been interrupted after the calling number has been reached.		
(b) Reach the calling telephone number where facility problems prevent customer-dial completion.		
(c) Place a non-coin, sent-paid call for a calling party who identifies himself as being handicapped and unable to dial the call because of this handicap.		
e. Operator-Assisted Charges apply for services provided in all exchanges.		

→ The local dial rate applicable for operator-assisted local non-sent paid calls originating from a PSP access line and processed by a Company operator is \$0.20.

NORTH STATE TELEPHONE
 COMPANY
 High Point, North Carolina

Section 3
 First Revised Sheet 4.1
 Cancelling Original Sheet 4.1
 Effective: April 15, 1997

GENERAL EXCHANGE TARIFF

3. BASIC LOCAL EXCHANGE TARIFF

3.6 OPERATOR ASSISTED LOCAL CALLS (Cont'd)

3.6.1 OPERATOR ASSISTED CHARGES (Cont'd)

C. Service charges for operator-assisted local calls terminating in the Home Exchange, EAS Exchanges, or the Expanded Local Calling Area Exchanges apply as shown below, in addition to the local dial rate or any applicable usage charges. (For Frequent Caller subscribers, usage charges as specified in Section 3.7.4.A.1. and A.2. apply for operator-assisted calls to Expanded Local Calling Area Exchanges.) Operator-assisted service charges for calls placed to Expanded Local Calling Area Exchanges from Public, Semi-public, or PTAS exchange lines are charged for at the established operator services charges as specified in Section A18.3.1.H.2 of BellSouth Telecommunication's General Subscriber Services Tariff, in which this Company concurs.

	<u>Nonrecurring Charge</u>
1. Station-to-Station customer dialed calling card local call, each	\$.29
→ 2. Station-to-Station operator assisted sent-paid, collect, third number, and non-customer-dialed calling card calls, each.....	.68
3. Person-to-Person operator assisted local call, each.....	1.65

→ Note 1: The local dial rate applicable for operator-assisted local non-sent paid calls originated from a Public Telephone Access Service line and processed by Company operator is \$1.10.

(#) This material was previously shown on Sheet 4.

NORTH CAROLINA LOCAL COLLECT CALL RATES

CAPPED AT THE TARIFFED RATE OF THE LOCAL TELEPHONE COMPANY
OPERATOR SURCHARGE + LOCAL CALL ELEMENT

LEC	LOCAL COLLECT OPERATOR SURCHARGE	LOCAL CALL RATE ELEMENT	TOTAL RATE	PROVIDER OF INMATE PHONE SERVICE
Alltel	\$0.70	*\$0.25	\$0.95	No
BellSouth	\$0.80	*\$0.25	\$1.05	Quitting
Concord/CT Comm	\$0.70	\$0.35	\$1.05	No
Lexcom	\$0.68	*\$0.20	\$0.88	No
North State	\$0.68	*\$0.10	\$0.78	No
Sprint	\$0.65	*\$0.20	\$0.85	1 Facility
Verizon	\$0.70	*\$0.25	\$0.95	No
Independents	\$0.80	*\$0.25	\$1.05	No

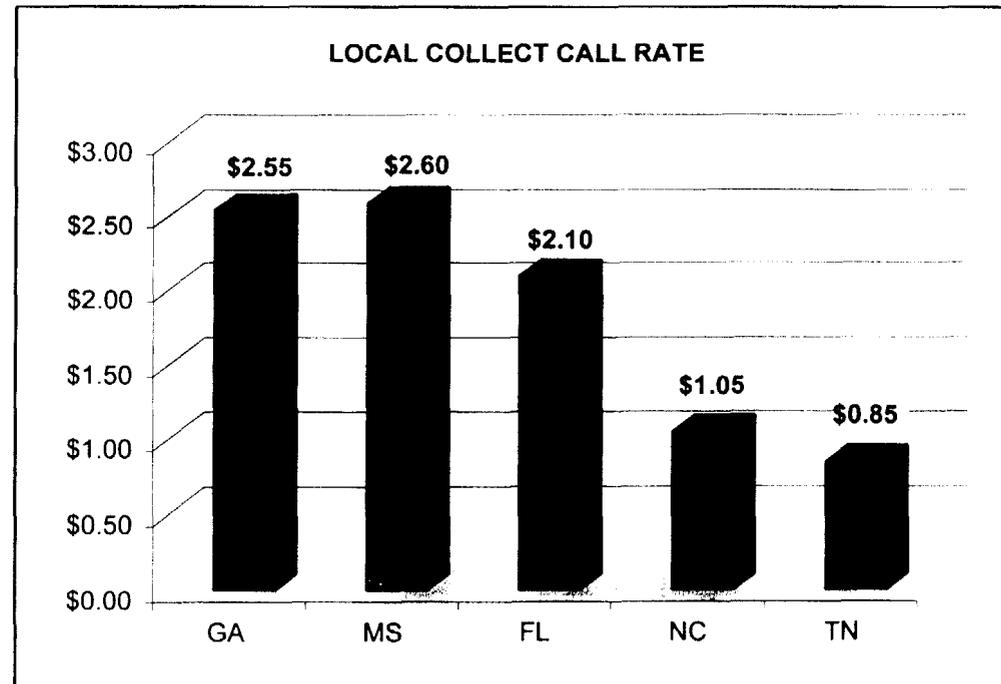
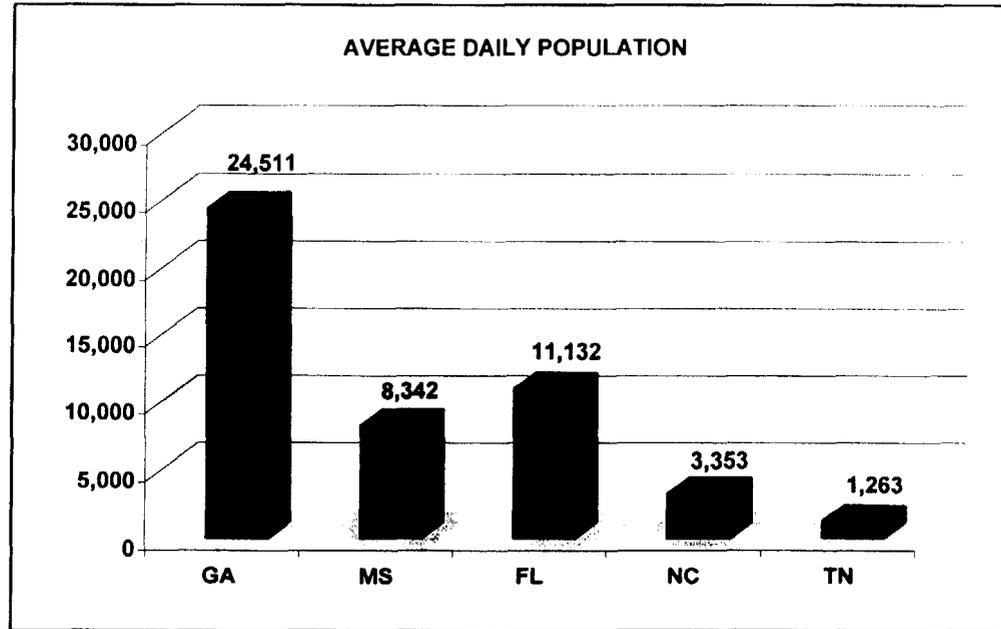
North Carolina Average Rate: \$0.95

* Local coin rate initially set by LECs over twenty years ago.

AVERAGE LOCAL COLLECT CALL RATE FOR ALL 50 STATES: \$2.13

REQUESTS TO THE LECs TO CHANGE THE LOCAL CALL ELEMENT HAVE BEEN DENIED.

BELLSOUTH INMATE POPULATIONS AND TARIFFED RATES BY STATE



"APPLICABLE LOCAL CALL RATE"*

30 STATES

*WHERE THE LOCAL CALL RATE ELEMENT FOR LOCAL COLLECT CALLS
HAS BEEN LINKED TO THE PROVIDER MARKET RATE
FOR A LOCAL COIN CALL AT A PAYPHONE*

<u>TARIFFED AMOUNT BEFORE THE TELECOM ACT</u>	<u>TARIFFED AMOUNT AFTER THE TELECOM ACT</u>
\$.25	"Provider Market Based Local Coin Rate"
\$.20	"Provider Market Based Local Coin Rate"
\$.10	"Provider Market Based Local Coin Rate"

15± STATES

*LECS DID NOT CHANGE TARIFF LANGUAGE
FOR LOCAL CALL RATE ELEMENT OF THE COLLECT CALL*

<u>TARIFFED AMOUNT BEFORE THE TELECOM ACT**</u>	<u>TARIFFED AMOUNT AFTER THE TELECOM ACT**</u>
\$.25	\$.25
\$.20	\$.20
\$.10	\$.10

*LEC tariff language for local collect call: "LEC operator surcharge plus the applicable local call rate".

**Local coin rate set by the LECs more than 20 years ago.

CONSUMER COMPLAINTS ON INMATE SERVICE RATES IN 30 STATES

*(WHERE THE LOCAL CALL ELEMENT WAS SET AT THE
PROVIDER MARKET BASED COIN CALL RATE
FOLLOWING THE TELECOM ACT)*

ARE COMPLAINTS DECREASING OR INCREASING?

83% SAME OR DECREASING
17% INCREASING

HOW MANY COMPLAINTS RECEIVED IN THE LAST YEAR?

67% ZERO OR VERY FEW (0 - 10)
33% FEW (10 - 50?)
0% MANY (50 AND ABOVE)

WHICH TYPE OF CALL RECEIVES THE MOST COMPLAINTS?

100% LONG DISTANCE
0% LOCAL

TELEPHONE SURVEY CONDUCTED WITH 20 OF 30 STATES RESPONDING JUNE 2001

CONSUMER COMPLAINTS SURVEY, JUNE 2001

30 STATES CONTACTED: AL, AR, AZ, CT, DE, FL, GA, HI, ID, IN, KS, ME, MI, MO, ND, NE, NH, NM, NV, OH, OR, RI, SD, UT, VA, WA, WI, WV, WY
 20 RESPONSES, 10 RESPONSES PENDING

<u>State Contacted</u>	<u>Department</u>	<u>Complaints Incr/Decr</u>	<u>How Many Complaints</u>	<u>Complaint Type of Call</u>
1	Consumer Services	Increasing	Very Few	Long Distance
2	Telecommunications Quality of Services	Same	None	n/a *
3	Consumer Services	Same	Very Few	Long Distance
4	Consumer Assistance & Information	Not Tracked *	Not Tracked *	Not Tracked *
5	Consumer Services	Increasing	Very Few	Not Tracked *
6	Consumer Affairs	Decreasing	Few	Long Distance
7	Consumer Services	Same	None	n/a *
8	Consumer Division	Same	Very Few	Long Distance
9	Consumer Services	Same	None	n/a *
10	Public Affairs Division	Same	Very Few	Long Distance
11	Public Relations	Decreasing	Very Few	Not Tracked *
12	Consumer Services	Not Tracked *	Not Tracked *	Not Tracked *
13	Consumer Services	Same	Few	Long Distance
14	Consumer Services	Same	Few	Long Distance
15	Consumer Services	Same	Very Few	Not Tracked *
16	Consumer Complaint Resolution	Same	Very Few	Long Distance
17	Consumer Services	Same	Very Few	Not Tracked *
18	Administration	Increasing	Few	Not Tracked *
19	Consumer Affairs	Same	Few	Not Tracked *
20	Public Information Office	Same	Few	Long Distance

* Not Included in percentage calculations

Bell Atlantic Bid No.2



PROPOSAL FOR
INMATE TELEPHONE
SYSTEM
FOR
THE NEW RIVER
VALLEY REGIONAL
JAIL

Bell Atlantic

Bell Atlantic Response:

Bell Atlantic's commissions will be "based on 43 percent (43%) of all customer billed revenues (CBR). CBR is defined as all charges for originating inmate collect calls accepted by and billed to the customer, without deduction for fraudulent or uncollectible calls. Bell Atlantic shall not apply any facility surcharges to the cost of a call to cover these items."

H. *Provide your company's monthly average bad debt percentages for the last 24 months from the major telephone companies serving Virginia.*

Bell Atlantic Response:

As the major telephone company of Virginia there is no bad debt percentage to provide.

Bell Atlantic

At the close of the calendar month all data, as described above, are retrieved and totaled by the Commission System. The Commission System applies the predetermined commission percentage. A check is generated each month and forwarded to our Check Printing Center for distribution to the customer.

AT&T will accumulate all non-cash billing data from all public and inmate telephones in the Jail. This data is captured by telephone number and stored on tape for transmission at the end of each month to the commission system.

- G. *The vendor shall directly handle all complaints from the parties called by the inmate. Provide a copy of a sample page from a customer's bill showing how the calls are billed.*

Bell Atlantic Response:

The Bell Atlantic Team will handle all complaints from parties called by the inmates. Please see a copy of Bell Atlantic's customer telephone bill in Appendix XIV.

- H. *Provide Uncollectibles history with local telephone companies and describe how your company limits Uncollectibles.*

Bell Atlantic Response:

As the largest local telephone company in Virginia there is no uncollectable history to provide.

- I. *The vendor shall be responsible for all costs associated with the inmate telephone system, including purchase, installation, service, maintenance, and operation. The facility shall bear no responsibility for any costs pertaining to the system.*

Bell Atlantic Response:

Bell Atlantic will be responsible for all costs associated with the inmate telephone system, including purchase, installation, service, maintenance and operation. The New River Valley Regional Jail will bear no responsibility for any costs pertaining to the system.