

ORIGINAL

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

December 6, 2001

EX PARTE OR LATE FILED

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals, TW-A325
445 12th St., SW
Washington, D.C. 20554

NOTICE OF EX PARTE
PRESENTATION

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

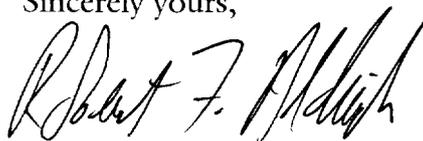
Dear Ms. Salas:

On December 5, 2001, Robert F. Aldrich of this law firm, and Michelle Bernard of Odyssey International, Inc., Marcus Trathen of Brooks, Pierce, McLendon, Humphrey & Leonard, Ed Gillespie of Quinn, Gillespie & Associates, LLC, and Vincent Townsend, President of Pay-Tel Communications, Inc., and Chairman of the Inmate Calling Service Providers Coalition, met with Commissioner Kevin Martin and his advisor Sam Feder.

We discussed the Coalition's positions of record in the proceeding regarding inmate calling services on remand from the United States Court of Appeals for the D.C. Circuit, and the information contained in the enclosed documents, which were handed out at the meeting.

The enclosed documents include, under Tab 3, charts showing rate information for local collect calling rates and rate ceilings in each state. These charts update and correct information previously submitted to the Commission.

Sincerely yours,



Robert F. Aldrich

RFA/nw
Enclosure

cc: Commissioner Kevin Martin
Sam Feder

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<http://www.dsmo.com>

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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.

In the five 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.**
- **Today there are approximately 27 states with rate caps on local collect calls from inmate facilities and no workable OSP options.**
 10. States cap the operator surcharge and the local call element at the BOC or LEC rate
 9. States cap the operator surcharge. The local call element equals the provider market based coin rate
 8. States cap the operator surcharge and the local call element at a PUC approved rate

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 five 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.

For further information contact:

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Inmate Calling Service Providers Coalition
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E-Mail: edgillespie@quinn-gillespie.com

1997 FCC INITIATIVES

| 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 16 | 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 23 | Meeting-Inmate Issues | <u>1st Team</u> Mary Beth Richards Michael Carowitz Glenn Reynolds | Townsend, Kramer, Aldrich |

1998 FCC INITIATIVES

| Date | Initiative | FCC Participants | Industry Partitipants |
|-------------|-------------------------|---|-------------------------------------|
| January 14 | Meeting - NST | Pat Donovan, Dan Abeyta, Raja Kannan | Phillips, Frost, Kramer, Aldrich |
| 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 | <u>2nd Team</u> Rose Crellen Jennifer Myers | Townsend, Aldrich, Farber |
| May 14 | Meeting - NST | Pat Donovan, Dan Abeta Calvin Howel, 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 | Phillips, 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 FCC INITIATIVES

| 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 3 | 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 FCC INITIATIVES

| Date | Initiative | FCC Participants | Industry Partitipants |
|-------------------|-------------------------|--|-------------------------------------|
| February 2 | 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 Barna | Trathen, Wood, Townsend, Aldrich |

| | | | |
|-------------|-------------------------------|---|--|
| April 8 | Meeting - Inmate Remand | Jon Stover, Lynne Milne, Calvin Howell, Raja Kannan, Adam Candeub, Al Barna, Lynwood Smith | Townsend, Aldrich, Farber |
| April 8 | Meeting - Inmate Remand | Lynne Milne, Calvin Howell, Raja Kannan, Adam Candeub, Al Barna, Lynwood Smith, Tamara Priess | Townsend, Aldrich |
| May 5 | Meeting - Inmate Remand | Yog Varma, Tamara Preiss, Deena Shetler | Townsend, Aldrich |
| May 5 | Meeting - Inmate Remand | Jordan Goldstein | Townsend, Aldrich |
| May 10 | Meeting - NST | Congressman Burr | Townsend, Trathen |
| May 10 | Meeting - NST - Sprint Rates | Jon Stover, Calvin Howell, Raj Kannan, Al Barna, Lenworth Smith, Anna Janckson-Curtis | Townsend, Trathen, Wood |
| May 10 | Meeting - Inmate Remand | Dorothy Attwood | Townsend, Aldrich |
| June 21 | Meeting - Inmate Remand | <u>6th Team</u> 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 12 | Meeting - Inmate Remand | Tamara Preiss Adam Candeub | Townsend, Aldrich |
| October 11 | Meeting - Inmate Remand | Jay Atkinson Adam Candeub | Townsend, Aldrich |
| November 29 | Meeting - NST | Jane Jackson, Al Barna, Lynne Milne, Jon Stover, Anna Curtis, Raja Kannan | Trathen, Wood, Aldrich |
| December 12 | Meeting - NST and Dial Around | Jordan Goldstein LA for Commissioner Ness | APCC Leaders, Allard, Kramer |
| December 12 | Meeting - NST and Dial Around | Commissioner Furchtgott-Roth | APCC Leaders, Allard, Kramer |
| December 12 | Meeting - NST and Dial Around | Commissioner Powell LA Kyle Dixon | APCC Leaders, Allard, Kramer, Ted Weerts |
| December 12 | Meeting - NST and Dial Around | 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 | Meeting - NST and Dial Around | 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 |

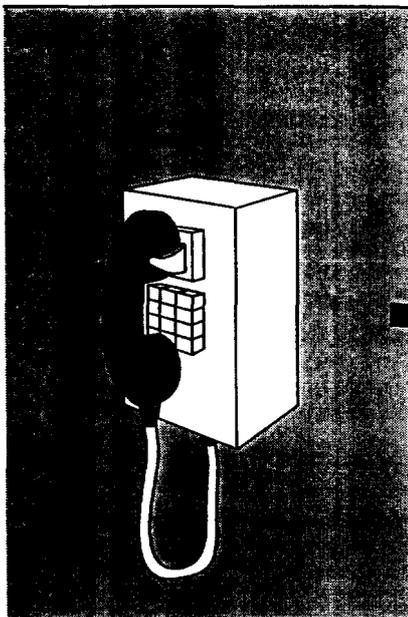
2001 FCC INITIATIVES

| | | | |
|-----------|-----------------------------------|--|---|
| March 7 | Meeting - NST | Congressman Burr, Kimbrey Rhinehardt | Trathen, Townsend |
| April | Meeting - NST | Sean Dalton, Congressman Taylor's Legal Advisor | Townsend, Hubbard |
| April | Meeting - NST | Kimbrey Rhinehardt, Congressman Burr's advisor | Townsend |
| April | Meeting - NST | Congressman Burr | Townsend, Sandusky, Kramer |
| April 20 | Meeting - NST | Congressman Burr | Townsend |
| May | Meeting - NST | Dorothy Attwood, Jane Jackson Glenn Reynolds, Lenworth Smith | Sandusky, Trathen, Aldrich, Kramer |
| May 13 | Meeting - NST | Jane Jackson, Jay Arkinson | Wood, Trathen Aldrich, Kramer |
| June 13 | Meeting - Inmate Issues/NST | Congressman Burr | Townsend, Sheriff Hurley and Sheriff Watson |
| June 21 | Meeting - Inmate Partial Solution | Dorothy Attwood Jay Arkinson Adam Candeub | Townsend, Aldrich |
| June 21 | Meeting - Inmate Partial Solution | Marsha MacBride Glenn Reynolds Lynworth Smith | Townsend, Aldrich, Kimrey Rhinehardt, Advisor to Congressman Burr |
| June 25 | Meeting - Inmate Partial Solution | Deena Shetler, Advisor to Commissioner Tristani, Gregg Haledjian | Townsend, Aldrich, Michelle Bernard |
| June 25 | Meeting - Inmate Partial Solution | Kyle Dixon, Advisor to Chairman Powell | Townsend, Aldrich, Michelle Bernard |
| June 25 | Meeting - Inmate Partial Solution | Jordan Goldstein, Advisor to Commissioner Kopps | Townsend, Aldrich, Michelle Bernard |
| June 25 | Meeting - Inmate Partial Solution | Bryan Tramont, Advisor to Commissioner Abernathy | Townsend, Aldrich, Michelle Bernard |
| June 29 | Meeting - Inmate Issues/NST | Jeff Carlisle, Chris Libertele | Townsend, Aldrich |
| July 1 | Meeting - NST/Inmate | Kimbrey Rhinehardt, Congressman Burr's Assistant | Townsend, Bernard, Aldrich |
| July 1 | Meeting - NST | Jeff Carlisle, Representatives from General Counsel's Office | Wood, Aldrich, Kramer |
| August 15 | Meeting - Inmate/NST Issues | Jeff Carlisle, Deborah Weiner, Paula Silberthau, Linda Keeney | Townsend, Kramer, Aldrich (Phone) |

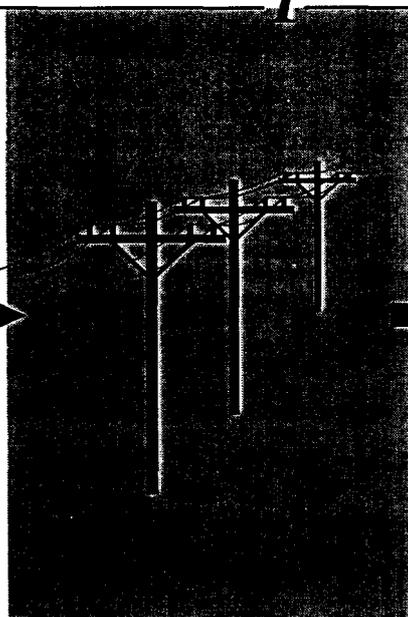
| | | |
|---------------|---|---|
| Meeting - NST | Commissioner Kopps, Jordan Goldstein | Sandusky, Kramer Renard, Aldrich, Townsend |
| Meeting - NST | Commissioner Martin, Sam Feder | Sandusky, Kramer Renard, Aldrich, Townsend |
| Meeting - NST | Kyle Dixon, Legal Advisor to Chairman Powell | Sandusky, Kramer Renard, Aldrich, Townsend |

INMATE CALLING SYSTEMS

The Perception...



Inmate Phone

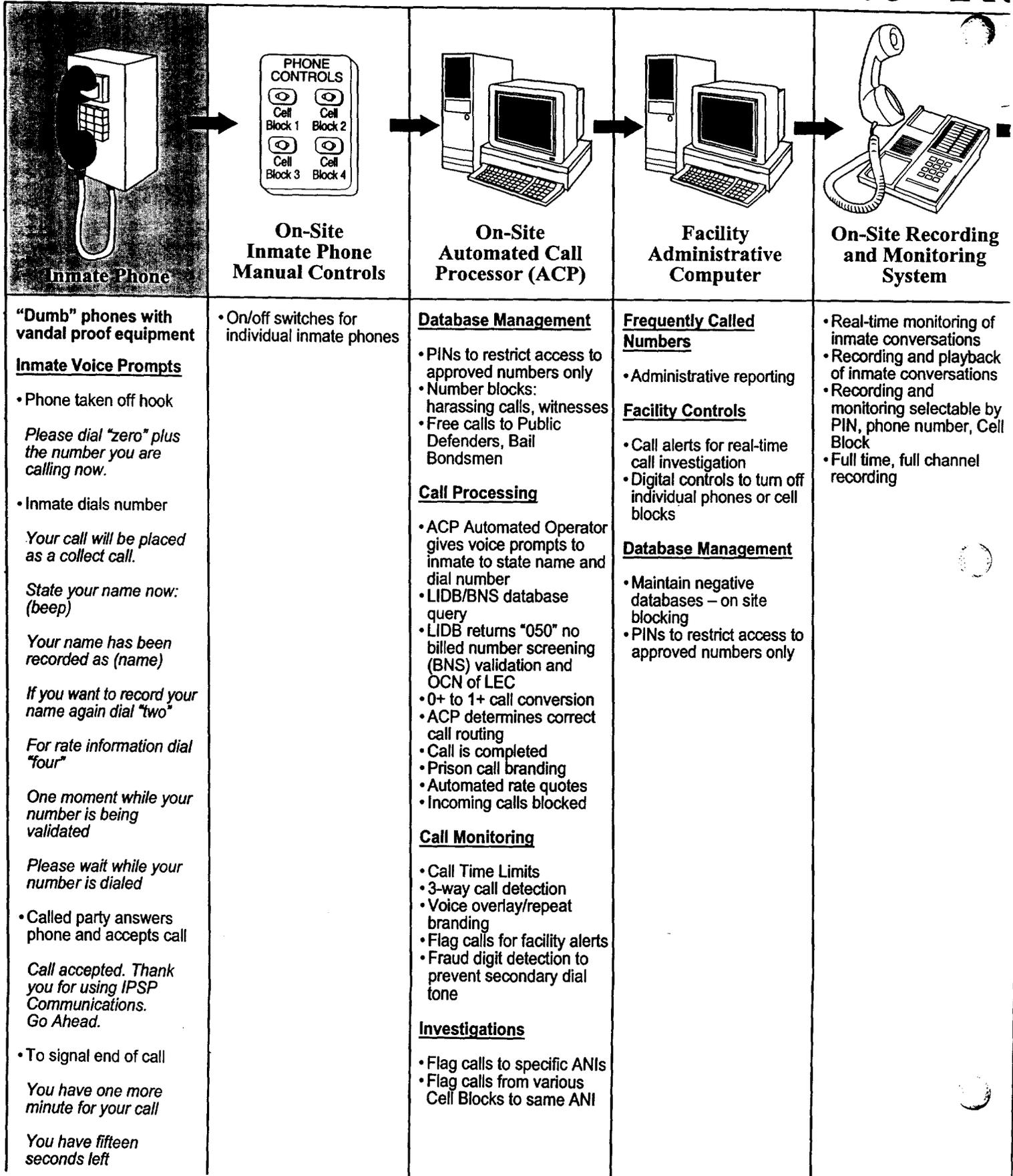


Local Exchange Company

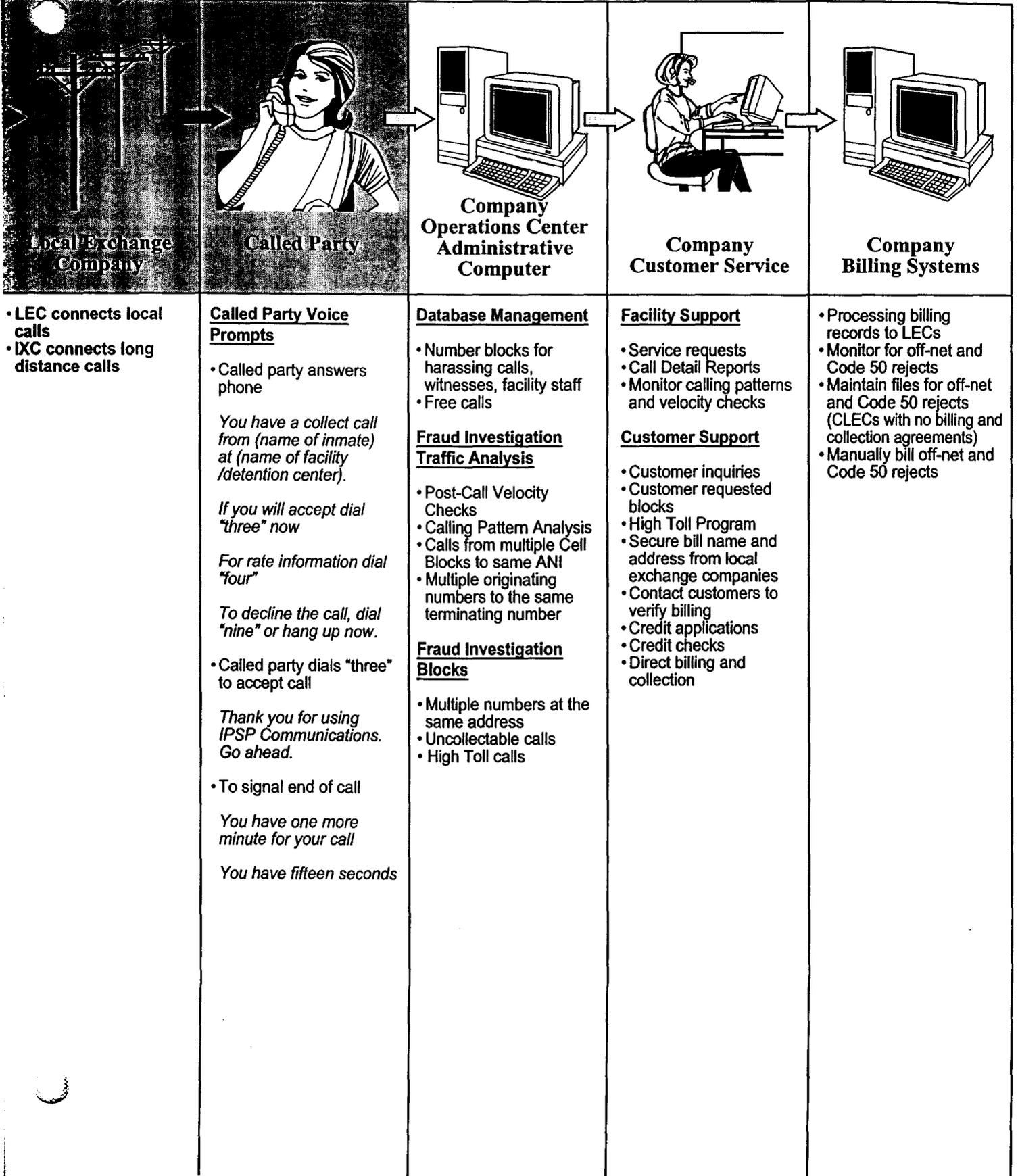


Called Party

The Re



ality...



Louisiana State Penitentiary



M. J. "Mike" Foster, Jr.
Governor

Burl Cain
Warden

Richard L. Stalder
Secretary

January 4, 2001

George Talbot, Jr.
Vice President
Global Tel*link, Inc.
3501 Holiday Drive, Suite 405
New Orleans, LA 70114

RE: LazerVoice

Dear George,

The LazerVoice recording and monitoring system installed at the Louisiana State Penitentiary continues to prove to be an invaluable tool in intelligence gathering. In December, our investigative unit provided information obtained through LazerVoice on the whereabouts of Jessie James Caston, one of the FBI's 10 most-wanted fugitives, to the FBI and Louisiana State Police, which was vital in the capture of Caston on December 20, 2000.

Although LazerVoice has proven its effectiveness at the Louisiana State Penitentiary, as we have developed numerous cases against inmates involved in illegal activities and a few involving correctional officers, it has now proven its effectiveness in assisting other law enforcement agencies in the apprehension of armed and extremely dangerous fugitives, such as Caston.

Please allow me this opportunity to again thank you for this system; it is a proven asset in our daily operations and in the safety of the general public. We are extremely proud to have the LazerVoice system in operation at the Louisiana State Penitentiary!

Sincerely,

A handwritten signature in black ink, appearing to read "Burl Cain", written over a horizontal line.

Burl Cain
Warden

BC:aln

xc: File

FBI TEN MOST WANTED FUGITIVE

UNLAWFUL FLIGHT TO AVOID PROSECUTION - MURDER,
ATTEMPTED MURDER OF A POLICE OFFICER

JESSE JAMES CASTON



Photograph taken in 1997

Photograph taken in 1998

Photograph taken in 2000

All aliases: Jessie James Caston, Jesse James Caston, Jesse J. Caston

CAUTION

DESIRE

212010

Date of Birth: September 19, 1965
 Place of Birth: Lake Providence, Louisiana
 Height: 5' 11" to 6'
 Weight: 210 pounds
 Build: Large, muscular
 Occupations: Commercial Fisherman, Industrial Foreman, Carpenter
 Scars and Marks: Caston has a burn scar on his right hand. He has the following tattoos: the letter "J" on his right forearm and the word "Angela" written in script on the left side of his chest.
 Remarks: Caston is an avid outdoorsman and may try to gain employment as a general construction laborer.

Light Brown (possible ponytail)
 Eyes: Blue
 Complexion: Fair
 Sex: Male
 Race: White
 Nationality: American

CAUTION

JESSE JAMES CASTON IS BEING SOUGHT FOR THE MURDER OF HIS WIFE AND HER FEMALE FRIEND, AND THE ATTEMPTED MURDER OF TWO POLICE OFFICERS IN LAKE PROVIDENCE, LOUISIANA, IN APRIL OF 2000. HE IS ALSO SUSPECTED OF ABDUCTING A MAN IN LOUISIANA AND FORCING HIM AT GUNPOINT TO DRIVE THEM TO TEXAS.

CONSIDERED ARMED AND EXTREMELY DANGEROUS

IF YOU HAVE ANY INFORMATION CONCERNING THIS PERSON, PLEASE CONTACT YOUR LOCAL FBI OFFICE OR THE NEAREST U.S. EMBASSY OR CONSULATE.

REWARD

The FBI is offering a \$50,000 reward for information leading directly to the arrest of Jesse James Caston.

www.fbi.gov



FAIR COMPENSATION

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."

| Service | Coin Payphones | Inmate Phones |
|-----------------|---|---|
| Problem | Non-compensatory state rate caps on local calls | Non-compensatory state rate caps on local collect calls |
| Solution | FCC deregulated local coin rate | TBD-Voluntary remand January 1998 |
| Legal Challenge | Decision sustained by US Supreme Court | Precedents already established for action |

“APPLICABLE LOCAL CALL RATE”*
(Following the 1996 Telecom Act)

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*

Tariffed Amount
Before
The Telecom Act

Tariffed Amount
After
The Telecom Act

\$.25

“Provider Market Based
Local Coin Rate”

\$.20

“Provider Market Based
Local Coin Rate”

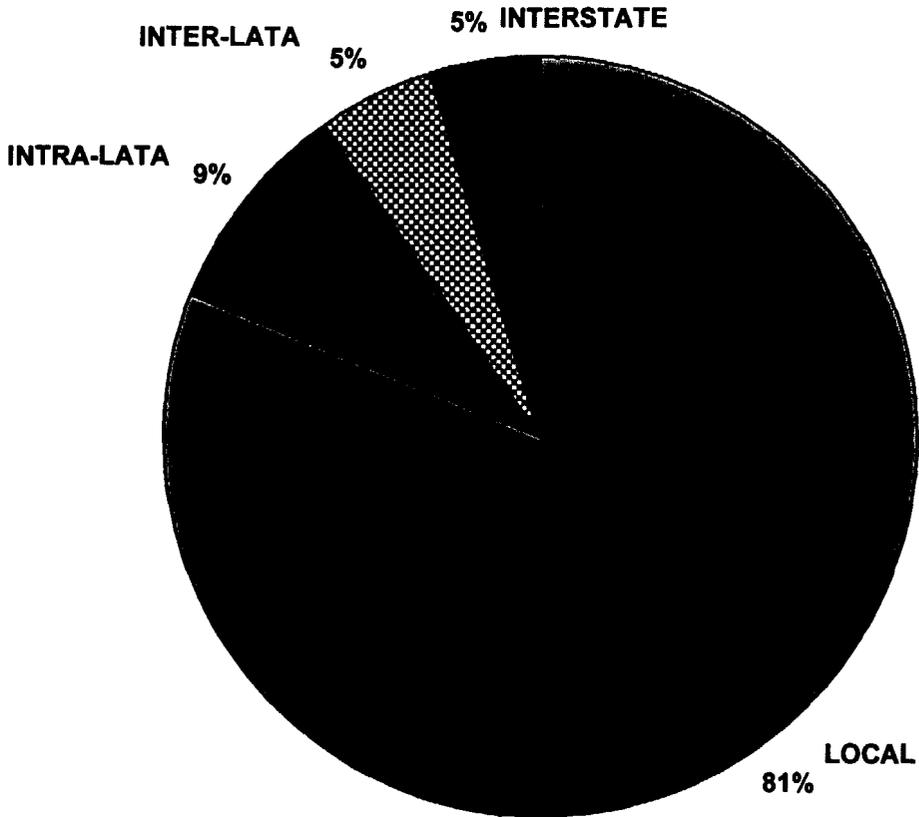
\$.10

“Provider Market Based
Local Coin Rate”

10+ STATES

LOCAL CALL ELEMENT TIED TO LEC RATE

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



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

No State Imposed Rate Ceilings \ 12 Minute Inmate Local Collect Call

6-Dec-01

| | State | BOC | Applicable Local Call Rate | | | Collect Call Surcharge | Total Rate | Rate Cap? | Rate Cap Details |
|-------------------------|---------------|------------|----------------------------|------------|-------|---------------------------|-------------|-----------|------------------|
| | | | Init. Min. | Add'l Min. | Notes | | | | |
| 1 | Nebraska | Qwest | \$ 0.50 | N/A | | \$ 3.75 | \$ 4.25 | No | |
| 2 | Wyoming | Qwest | \$ 0.50 | N/A | | \$ 3.75 | \$ 4.25 | No | |
| 3 | Indiana | SBC | \$ 0.50 | N/A | | \$ 3.00 | \$ 3.50 | No | |
| 4 | Rhode Island | Verizon | \$ 0.50 | N/A | | \$ 2.50 | \$ 3.00 | No | |
| 5 | Washington | Qwest | \$ 0.50 | N/A | | \$ 2.30 | \$ 2.80 | No | |
| 6 | North Dakota | Qwest | \$ 0.50 | N/A | | \$ 2.25 | \$ 2.75 | No | |
| 7 | Utah | Qwest | \$ 0.50 | N/A | | \$ 2.25 | \$ 2.75 | No | |
| 8 | Georgia | Bell South | \$ 0.50 | N/A | | \$ 2.20 | \$ 2.70 | No | |
| 9 | South Dakota | Qwest | \$ 0.50 | N/A | | \$ 2.10 | \$ 2.60 | No | |
| 10 | Michigan | SBC | \$ 0.50 | N/A | | \$ 2.05 | \$ 2.55 | No | |
| 11 | Kansas | SBC | \$ 0.50 | N/A | | \$ 2.00 | \$ 2.35 | No | |
| 12 | New Mexico | Qwest | \$ 0.50 | N/A | | \$ 1.80 | \$ 2.30 | No | |
| 13 | Connecticut | SBC | \$ 0.50 | N/A | | \$ 1.75 | \$ 2.25 | No | |
| 14 | Idaho | Qwest | \$ 0.50 | N/A | | \$ 1.30 | \$ 1.80 | No | |
| 15 | Maine | Verizon | \$ 0.50 | N/A | | \$ 1.30 | \$ 1.80 | No | |
| 16 | Oregon | Qwest | \$ 0.50 | N/A | | \$ 1.30 | \$ 1.80 | No | |
| 17 | Hawaii | Verizon | \$ 0.50 | N/A | | \$ 1.20 | \$ 1.70 | No | |
| 18 | Arkansas | SBC | \$ 0.50 | N/A | | \$ 1.10 | \$ 1.60 | No | |
| 19 | Delaware | Verizon | \$ 0.50 | N/A | | \$ 1.10 | \$ 1.60 | No | |
| 20 | New Hampshire | Verizon | \$ 0.50 | N/A | | \$ 1.05 | \$ 1.55 | No | |
| 21 | Missouri | SBC | \$ 0.50 | N/A | | \$ 0.75 | \$ 1.25 | No | |
| 22 | Virginia | Verizon | \$ 0.25 | N/A | | \$ 0.75 | \$ 1.00 | No | |
| 23 | Alaska | | N/A | N/A | | N/A | N/A | N/A | N/A |
| National Average | | | | | | \$ | 2.37 | | |

Source: Technologies Management, Inc.

Note: The amounts specified in this chart are the tariffed rates of the Bell Operating Company. Individual providers' rates may vary from the amounts specified.

State Imposed Rate Ceilings \ 12 Minute Inmate Local Collect Call

6-Dec-01

| | State | BOC | Applicable Local Call Rate | | | Collect Call Surcharge | Total Rate | Rate Cap? | Rate Cap Details |
|------------------|----------------|------------|----------------------------|------------|--|------------------------|------------|-----------|--|
| | | | Init. Min. | Add'l Min. | Notes | | | | |
| 1 | Illinois | SBC | \$ 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 | Wisconsin | SBC | \$ 0.50 | N/A | Provider market based coin rate | \$ 3.00 | \$ 3.50 | Yes | Capped at twice AT&T or BOC rate |
| 4 | Arizona | Qwest | \$ 0.50 | N/A | Provider market based coin rate | \$ 2.30 | \$ 2.80 | Yes | Capped at LEC tariff rate |
| 5 | Mississippi | Bell South | \$ 0.35 | N/A | Capped at BOC rate | \$ 2.25 | \$ 2.60 | Yes | Capped at BOC tariff rate |
| 6 | Colorado | Qwest | \$ 0.25 | See note | PUC cap: \$.25 per 5 min. | \$ 1.85 | \$ 2.60 | Yes | PUC rate cap |
| 7 | Montana | Qwest | \$ 0.50 | N/A | Capped by PUC | \$ 2.00 | \$ 2.50 | Yes | Capped at LEC average + 50% |
| 8 | Florida | Bell South | \$ 0.50 | N/A | Provider market based coin rate | \$ 1.75 | \$ 2.25 | Yes | PUC rate cap |
| 9 | Vermont | Verizon | \$ 0.35 | N/A | Capped at LEC rate | \$ 1.65 | \$ 2.00 | Yes | Capped at LEC tariff rate |
| 10 | Kentucky | Bell South | \$ 0.50 | N/A | Capped by PUC | \$ 1.50 | \$ 2.00 | Yes | PUC rate cap |
| 11 | Oklahoma | SBC | \$ 0.25 | N/A | Capped at LEC rate prior to 1997 | \$ 1.65 | \$ 1.90 | Yes | Capped max. rate of LEC or IXC |
| 12 | Minnesota | Qwest | \$ 0.50 | N/A | Capped at BOC rate | \$ 1.30 | \$ 1.80 | Yes | Capped at BOC tariff rate |
| 13 | New York | Verizon | \$ 0.25 | \$ 0.05 | Capped at BOC rate | \$ 1.30 | \$ 1.80 | Yes | Capped at AT&T or LEC rates, whichever is higher |
| 14 | Iowa | Qwest | \$ 0.50 | N/A | Capped at BOC rate | \$ 1.25 | \$ 1.75 | Yes | Capped at BOC tariff rate |
| 15 | Alabama | Bell South | \$ 0.50 | N/A | Provider market based coin rate | \$ 1.25 | \$ 1.75 | Yes | Capped at LEC tariff rate |
| 16 | Nevada | SBC | \$ 0.14 | \$ 0.05 | Capped by PUC | \$ 1.00 | \$ 1.69 | Yes | PUC rate cap |
| 17 | New Jersey | Verizon | \$ 0.09 | \$ 0.03 | Capped by PUC | \$ 1.26 | \$ 1.68 | Yes | Capped at BOC tariff rate |
| 18 | Louisiana | Bell South | \$ 0.35 | See note | PUC cap: \$.35 per 5 min. | \$ 0.63 | \$ 1.68 | Yes | PUC rate cap |
| 19 | Ohio | SBC | \$ 0.50 | N/A | Provider market based coin rate | \$ 1.10 | \$ 1.60 | Yes | Capped at LEC tariff rate |
| 20 | Massachusetts | Verizon | \$ 0.35 | N/A | Capped at BOC rate | \$ 0.86 | \$ 1.56 | Yes | Capped at BOC tariff rate |
| 21 | Pennsylvania | Verizon | \$ 0.25 | N/A | Capped at LEC rate prior to 1997 | \$ 1.30 | \$ 1.55 | Yes | Capped max. rate of LEC or IXC |
| 22 | California | SBC | \$ 0.50 | N/A | | \$ 0.95 | \$ 1.45 | Yes | Capped at LEC + \$.30 pay telephone surcharge |
| 23 | South Carolina | Bell South | \$ 0.50 | N/A | | \$ 0.70 | \$ 1.20 | Yes | Capped at LEC tariff rate |
| 24 | West Virginia | Verizon | \$ 0.50 | N/A | | \$ 0.60 | \$ 1.10 | Yes | Capped at LEC tariff rate |
| 25 | Maryland | Verizon | \$ 0.50 | N/A | | \$ 0.60 | \$ 1.10 | Yes | Capped at BOC tariff rate |
| 26 | North Carolina | Bell South | \$ 0.25 | N/A | Capped at LEC rate prior to 1997 | \$ 0.80 | \$ 1.05 | Yes | Capped at LEC tariff rate |
| 27 | Tennessee | Bell South | \$ 0.50 | N/A | Capped at LEC rate | \$ 0.50 | \$ 1.00 | Yes | Capped at BOC tariff rate |
| National Average | | | | | | \$ | 2.07 | | |

Source: Technologies Management, Inc.

Note: The amounts specified assume that the serving local exchange carrier ("LEC") is a Bell Operating Company. Where the serving LEC is an independent telephone company, and the rate ceiling is based on the tariffed rate of the serving LEC, the applicable rate ceiling may vary from the amount specified. In addition, in states where the rate ceiling for the "Local Call Rate" element is the individual provider's local coin rate ("Provider market based coin rate"), the local call rate element charged by a particular provider may vary from the amount specified.

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

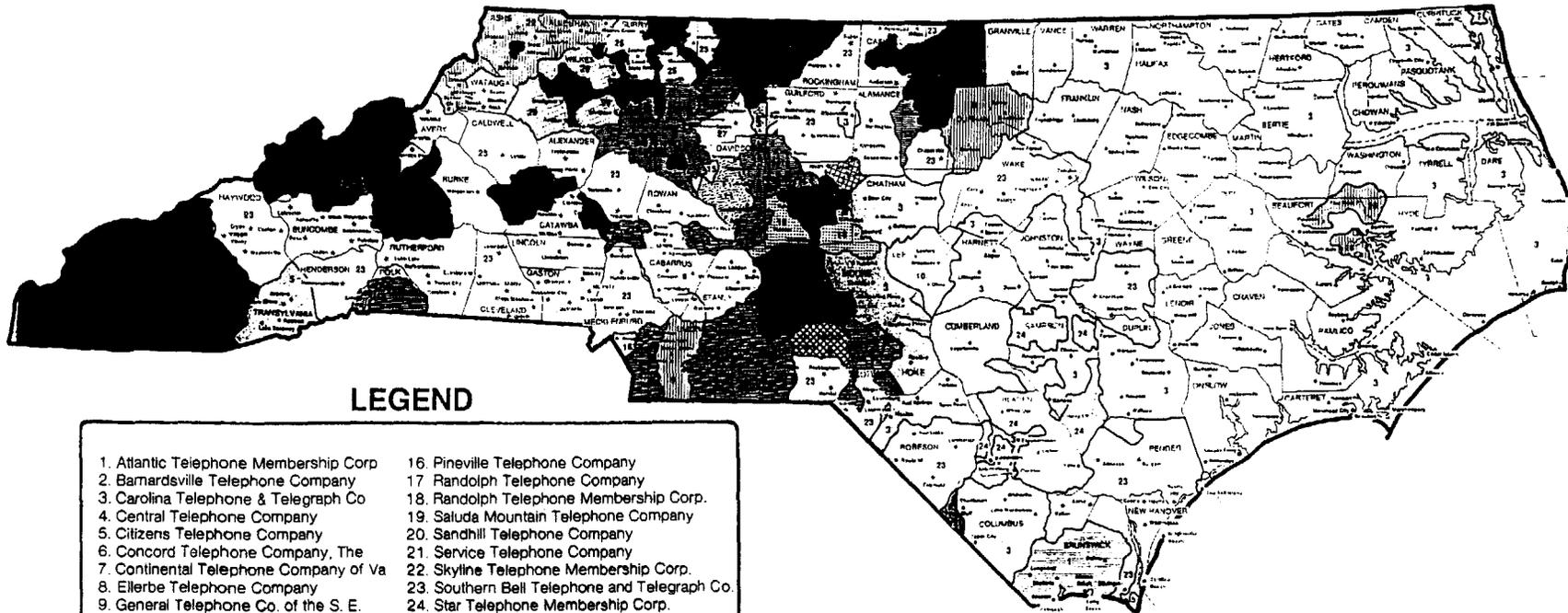
* Local coin rate initially set by LECs over twenty years ago.

AVERAGE LOCAL COLLECT CALL RATE FOR ALL 50 STATES: \$2.22

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

OPERATING AREAS OF TELEPHONE COMPANIES

State of North Carolina



LEGEND

- | | |
|--|---|
| 1. Atlantic Telephone Membership Corp | 16. Pineville Telephone Company |
| 2. Bamardsville Telephone Company | 17. Randolph Telephone Company |
| 3. Carolina Telephone & Telegraph Co | 18. Randolph Telephone Membership Corp. |
| 4. Central Telephone Company | 19. Saluda Mountain Telephone Company |
| 5. Citizens Telephone Company | 20. Sandhill Telephone Company |
| 6. Concord Telephone Company, The | 21. Service Telephone Company |
| 7. Continental Telephone Company of Va | 22. Skyline Telephone Membership Corp. |
| 8. Ellerbe Telephone Company | 23. Southern Bell Telephone and Telegraph Co. |
| 9. General Telephone Co. of the S. E. | 24. Star Telephone Membership Corp. |
| 10. Heins Telephone Company | 25. Surry Telephone Membership Corp. |
| 11. Lexington Telephone Company | 26. Tri-County Telephone Membership Corp. |
| 12. Mebane Home Telephone Co., Inc. | 27. Westco Telephone Company |
| 13. Mid-Carolina Telephone Company | 28. Western Carolina Telephone Company |
| 14. North State Telephone Company | 29. Wilkes Telephone Membership Corp. |
| 15. Piedmont Telephone Membership Corp | 30. Yadkin Valley Telephone Membership Corp |

