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June 15, 2009

By Electronic Filing Ex Parte Presentation

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W. – TW-A325
Washington, D.C. 20554

Re: Docket No. 96-128, Inmate Remand and *Wright* Petition

Dear Ms. Dortch:

By this letter, Pay Tel Communications, Inc. respectfully responds to various recent *ex parte* presentations submitted by the Martha Wright, *et al.*, Petitioners in the above-referenced proceeding.

(1) Rebuttal to Dawson Declaration Concerning Inmate Cost Study

On August 15, 2008, various inmate calling service (ICS) providers submitted a cost study prepared by Don J. Wood showing the development of costs incurred by providers of interstate toll calls made from confinement facilities (the “Wood Study”). The Wood Study utilized the methodology previously developed and approved by the Commission for the calculation of payphone-related costs and demonstrated a *minimum* fixed cost of \$2.49 per interstate collect call and an additional transmission cost of \$0.07 per minute.¹

¹ This analysis is based on study of 25 “marginal” locations as defined by the Commission in its Methodology Order (FCC 99-7, rel. Feb. 4, 1999). In its Implementation Order at ¶ 47 (FCC 04-182, rel. Aug. 12, 2004), the Commission approved the expansion of the definition of “marginal” to include marginal locations in which the provider is unable to recover its costs. If this expanded definition is used, the fixed, per-call cost of an interstate collect call is \$3.19 and the additional, per minute transmission cost is \$0.07. In addition, the Wood Study

(continued . . .)

In their December 23, 2008 *ex parte* filing, the Petitioners submitted a Declaration from their consultant, Douglas Dawson, levying various criticisms of the Wood Study. Attached as Exhibit A is a Declaration of Don J. Wood responding to these criticisms.

As shown by Mr. Wood, Mr. Dawson's "average cost" methodology conflicts with the requirement of Section 276(b)(1)(A) of the 1996 Act to ensure that all calls are fairly compensated. Mr. Dawson's approach would result in fair compensation in some, but not all, ICS locations, leading to the potential elimination of service in the locations where the revenue is below the cost of the service. Based on Mr. Dawson's own statistics, adoption of an "average cost" approach focusing only on the cost characteristics of the largest prisons threatens the viability of service to inmates in almost 95% of all jail locations.

Similarly, Mr. Wood shows in his Declaration that Mr. Dawson's proposed transmission rate of \$0.02 per minute is based on tariff shopping that has no real world application to ICS cost structure. If Mr. Dawson's proposal is adjusted to reflect calls that are completed, billable, not subject to post-billing adjustments, actually collected, and paid for by means that is not fraudulent, the "more realistic" per-MOU costs that must be recovered by ICS providers in the rate for interstate services is \$0.08 per MOU, an amount higher than demonstrated in the Wood Study.

Petitioners have simply failed to identify any facts or law that would undermine the Wood Study. The study applies the only methodology approved by the Commission for development of costs as required under Section 276 of the 1996 Act. By contrast, Petitioners' approach—which is based on nothing more than guesswork and false assumptions—is conceptually flawed, inconsistent with the statutory mandate of Section 276, and would result in the reduction of service in jail facilities.

(2) Arbitrage Incentive Created by Petitioners' Below Cost Rate Proposal

Pay Tel has previously shown that Petitioners' \$0.25 per minute rate proposal would cause a dislocation in existing rate structures that will create a powerful incentive to engage in calling arbitrage as between the intrastate and interstate jurisdictions. In its September 9, 2008 *ex parte* filing, Pay Tel presented a 50-state rate chart showing that the Petitioners' proposal would result in long distance rates that would be lower than the current local collect call rate in 32 states as well as the corresponding rates for intrastate

makes clear that any cost analysis should include "any payment to a confinement facility that represents a facility administration fee (i.e., a pass through of costs from the confinement facility to the inmates in the form of an increased charge for calling services provided by an ICSP) ... [because] a facility administrative fee represents a direct cost to an ICSP" Wood Study, at 9-10.

intraLATA and interLATA calls in nearly every state in the nation (*see* Exhibit 1 to *ex parte* presentation). The Petitioners attempt to minimize the impact of the rate arbitrage which would be caused by adoption of the Petitioners' rate proposal by submitting an unverified rate analysis purporting to show that local collect rates are generally lower than the rates proposed by Petitioners. The source of Petitioners' data is unclear, but it conflicts with the information provided by Pay Tel's third party vendor which is in the business of collecting rate information from state regulators.

Attached as Exhibit B is an updated 50-state rate chart prepared by Technologies Management, Inc. reflecting changes since the original filing in September. *See* Exhibit B. This updated analysis shows:

- For 5 minute calls, the Wright proposal would result in rates for interstate calls that are lower than the rates in 49 of 50 states for local calls.
- For 8 minute calls, the Wright proposal would result in rates for interstate calls that are lower than the rates in 38 of 50 states for local calls.
- For 10 minute calls, the Wright proposal would result in rates for interstate calls that are lower than the rates in 30 of 50 states for local calls.

Because inmate calls in jails are typically much shorter than prison facilities,² adoption of the Petitioners' proposed rate caps will result in rates in most states that are lower than local rates—exacerbating the dislocation in existing rate structures and encouraging rate arbitrage schemes.³

² *See, e.g.*, Pay Tel *ex parte* presentation Sept. 9, 2008 (documenting Pay Tel's then-current average call length of 8.87 minutes for interstate calls as well as confinement facility call limit caps in the states in Pay Tel's service territory of either 10 or 15 minutes); Securus *ex parte* presentation Dec. 17, 2008 (96% of facilities have average call durations of 14 minutes or less and 57% of these facilities have average call durations of 9 minutes or less); and Embarq *ex parte* presentation filed July 15, 2008 (averring, based on its industry experience, that the true average call length is around 12 minutes, not the 20-minute average assumed by Petitioners). As shown by Securus, a county jail may have an average call length of three minutes or fifteen minutes. Securus Dec. 17, 2008 presentation at 2, citing *Hopfinger Declaration* at ¶¶ 4-5.

³ Adoption of Petitioners' proposal will also result in interstate rates below nearly every intrastate long distance rate in the nation, creating an incentive for inmates to also arbitrage by substituting interstate calls for intrastate long distance calls. *See* Exhibit 1 to Pay Tel *ex parte* letter filed Sept. 9, 2008.

Rate arbitrage is currently occurring in jails in various states, but the problem will be made much worse by the Petitioners' proposal. Under existing rate structures, inmates in jails are primarily substituting high rate interstate calls for lower rate local calls. As interstate calls comprise only 5% of calls from jails, *see* Pay Tel *ex parte* letter filed Apr. 20, 2007, at present the problem is manageable. If lower rate interstate calls are substituted for higher rate local and intra-state long distance calls—where these calls constitute 95% of the calls being made in jails—the problems created by rate arbitrage will grow exponentially.

It is clear from their filings that Petitioners have no regard for the ability of the law enforcement community to maintain adequate security in confinement facilities. *See, e.g.,* Petitioners' *ex parte* presentation filed Feb. 24, 2009, at 5 (advocating for “inmate families acting like other consumers by choosing legal service options that reduce the cost of telecommunications, such as wireless or VoIP services with numbers that are local to the facilities where their loved ones are incarcerated.”). Other commenters in this proceeding, however, have recognized the disruption that could be caused by adoption of the Petitioners' rate proposals. *See, e.g.,* Alliance for Telecommunications Industry Solutions (ATIS) Telecommunications Fraud Prevention Committee (TFPC) *ex parte* presentation, at 2-3 (Aug. 24, 2007); American Correctional Association *ex parte* presentation (July 31, 2008); American Jail Association *ex parte* presentation, at 2 (Aug. 15, 2008); *ex parte* Written Response of Pay Tel Communications, Inc., at 11-12 (June 16, 2008); *ex parte* presentation of Sheriff J.R. Parker, Brevard County Sheriff's Department (Oct. 30, 2008) (“I also have serious concerns that inmates would seek out alternate means to circumvent security protocols and mask [the] terminating point of the call itself. An example of this would be to obtain wireless and VOIP [] service with interstate numbers to mask their true exchange.”). The impetus for this concern is that adoption of the Petitioners' proposal will drastically lower rates for interstate calls causing inmates and their families to substitute—through VoIP, prepaid wireless, and other similar methods—low rate interstate calls for relatively higher rate local or intrastate long distance calls. As stated by Michael Hamden in his March 9, 2009 *ex parte* presentation:

Correctional officials insist on maintaining security at their institutions, including control over telephone systems. They are not unjustified in doing so. There have been occasions when prisoners used telephone privileges to harass and intimidate victims and witnesses or to run illegal enterprises from prison. There remain security concerns that relate to ‘arbitraging,’ not because prisoners or their families should somehow be treated as second-class consumers, but because it makes more difficult the task of correctional officials to track and monitor such calls.

Hamden *ex parte* presentation (March 9, 2009), at 3.

The increasing problem of cell phones in jails and prisons is, of course, a problem of national concern. *See, e.g.*, Cell phones plague prisons, *The News & Observer*, Dec. 5, 2008; Cell phones problematic in prisons, *Chattanooga Times Free Press*, Jan. 1, 2009; Report urges prison reforms to derail gangs, *The Philadelphia Inquirer* (May 20, 2009); Bill would permit jamming cell phones in prisons, *Government Computer News* (May 19, 2009) (attached as Exhibit C). The Petitioners' drive to *encourage* – not discourage – rate arbitrage by inmates will only serve to exacerbate this epidemic which is already seriously undermining the ability of law enforcement to track and monitor inmate calling.

(2) Prepaid Collect Calling Plans

In his Declaration, Mr. Dawson advocates that prepaid calling rates should be capped at debit rates rather than collect calling rates. Mr. Dawson states that Pay Tel has failed to identify any additional costs associated with prepaid accounts and that the functions identified by Pay Tel are “nearly identical” to the functions that are needed to allow debit calling. Dawson Declaration at ¶ 31.

Mr. Dawson's rebuttal completely misses the point, again due to his unfamiliarity with ICS in jails. With the type of debit calling Mr. Dawson may be familiar with, calling accounts are tied into existing management and commissary accounts established by inmates with the prison facility, not the ICS provider. Inmates are permitted to draw from these already established accounts to pay for phone service. Costs are reduced for the ICS provider because they are piggybacking on accounts established and maintained by the facility and because inmates are placing calls using cash on hand in these accounts, meaning that the ICS provider is not forced to bill and collect from third parties.

By contrast, the vast majority of jail facilities do not have the resources available to establish internally administered debit calling accounts. Therefore, the costs that otherwise would be incurred by the facility in establishing and maintaining individual accounts are incurred by the ICS provider, and these costs are magnified by the fact that the accounts are being set up with individuals who are outside the confinement facility—i.e., with persons who are unknown to the ICS provider. Similarly, unlike with debit prison accounts, prepaid collect accounts are often funded with non-cash methods such as checks or credit cards which are highly susceptible to fraud. *See, e.g.*, Pay Tel *ex parte* presentation filed Dec. 9, 2009, at 12 (giving example of fraudulent calling scheme involving use of stolen credit cards). Mr. Dawson's dismissal of bad debt for such programs as “minuscule” is a reckless assertion without foundation or support in real-world experience with administering such accounts, much less the record in this proceeding.

In other words, the critical distinction is between debit programs, which are established internally in jail or prison facilities—drawing upon cash in inmate commissary accounts—and programs which are established and maintained by ICS providers outside of the confinement facility, often using non-cash funds, with individuals who are unknown to the provider. Pay Tel's only concern in drawing attention to the existence of prepaid collect accounts maintained by the provider outside the confinement facility is to ensure that such programs not be eliminated by the application of a rate cap meant for internal debit plans which does not account for the additional costs in establishing and maintaining external collect calling programs.

* * * * *

In accordance with Section 1.1206 of the Commission's rules, this letter is submitted for inclusion in the record of the above-captioned proceeding. Please do not hesitate to contact the undersigned should any questions arise concerning this letter or the issues addressed herein.

Sincerely yours,

/s/ Marcus W. Trathen
Marcus W. Trathen

cc: Pamela Arluk (via email)
Randy Clarke (via email)
Darryl Cooper (via email)
Lynne Engledow (via email)
Doug Galbi (via email)
Albert Lewis (via email)
Marcus Maher (via email)
Julie A. Veach (via email)

Exhibit A

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

**Implementation of the Pay Telephone
Reclassification and Compensation
Provisions of the Telecommunications
Act of 1996**

CC Docket No. 96-128

**Petition for Rulemaking or, in the
Alternative, Petition to Address Referral
Issues in Pending Rulemaking**

**Declaration of Don J. Wood in Response to Petitioners'
November 19, 2008 and December 23, 2008 *Ex Parte* filings, and to the
December 22, 2008 *Declaration of Douglas A. Dawson***

Don J. Wood, being duly sworn, declares as follows:

1. My name is Don J. Wood. I am a principal in the firm of Wood & Wood, an economic and financial consulting firm. My business address is 30000 Mill Creek Avenue, Suite 395, Alpharetta, Georgia 30022. I provide economic and regulatory analysis of the telecommunications and related convergence industries with an emphasis on economic policy, competitive market development, and cost-of-service issues.
2. I prepared the Inmate Calling Services Interstate Cost Study ("ICS Cost Study") dated August 15, 2008 and previously submitted in this docket.
3. The purpose of this Declaration is to respond to several of the assertions made by Petitioners in their November 19, 2008 and December 23, 2008 *Ex Parte* filings. I will specifically respond to arguments put forth in the December 22, 2008 *Declaration of Douglas A. Dawson*.

Summary of Background and Qualifications

4. I received a BBA in Finance with distinction from Emory University (1985) and an MBA with concentrations in Finance and Microeconomics from the College of William and Mary (1987).

5. My telecommunications experience includes employment at both a Regional Bell Operating Company (“RBOC”) and an Interexchange Carrier (“IXC”). Specifically, I was employed in the local exchange industry by BellSouth Services, Inc. in its Pricing and Economics, Service Cost Division. My responsibilities included performing cost analyses of new and existing services, preparing documentation for filings with state regulators and the Commission, developing methodology and computer models for use by other analysts, and performing special assembly cost studies. I was employed in the interexchange industry by MCI Telecommunications Corporation, as Manager of Regulatory Analysis for the Southern Division. In this capacity I was responsible for the development and implementation of regulatory policy for operations in the southern U. S. I then served as a Manager in MCI’s Economic Analysis and Regulatory Affairs Organization, where I participated in the development of regulatory policy for national issues.

6. I have testified on telecommunications issues before the regulatory commissions of forty-two states, Puerto Rico, and the District of Columbia. I have also presented testimony regarding telecommunications issues in state, federal, and overseas courts, before alternative dispute resolution tribunals, and at the FCC. A listing of my previous testimony is attached as Exhibit DJW-1.

7. I am familiar with the Commission’s decisions and the resulting costing rules adopted to implement the various provisions of the Telecommunications Act of 1996, and have

directly taken part in over two hundred proceedings to apply those rules before both the Commission and state regulators. Cases directly related to the application of the Commission's costing rules have been highlighted in Exhibit DJW-1.

8. I performed the cost study filed with the Commission by the American Public Communications Council ("APCC Study") in WC Docket No. 03-225. As noted in the ICS Cost Study documentation, essential elements of that study were accepted as the basis for the rates ultimately adopted by the Commission in that proceeding. The ICS Cost Study was performed in a manner that is fully consistent with the APCC Study: the methodology used to conduct the ICS Cost Study has been previously accepted by the Commission as consistent with the requirements of §276(b)(1)(A) of the 1996 Act, and the results of a cost study using this methodology have been relied upon by the Commission to establish compliant rates.

9. In addition to my experience conducting and analyzing cost studies performed pursuant to the Commission's rules and principles, I have been asked by regulators to develop detailed rules for the calculation of economic costs. My proposed costing rules have been adopted and implemented in both Delaware and Wyoming.

Response to the Declaration of Mr. Dawson

Cost Study Methodology

10. In his Declaration, Mr. Dawson identifies (at ¶3) what he considers to be "shortcomings" of the ICS Cost Study. His primary concern appears to relate to the methodology utilized when performing the study, and specifically with the use of a marginal analysis. In this Declaration I will explain why this methodology is wholly appropriate and, in fact, represents the only methodology that can yield meaningful results in this context.

11. At ¶28, Mr. Dawson suggests a review of the principles of “Rate Design 101” when evaluating Petitioner’s rate proposal. Such a review is decidedly premature: the preceding 14 pages of Mr. Dawson’s Declaration make it abundantly clear that it is first necessary to conduct a review of the principles of “Cost Study 101.”¹

12. The first principle of “Cost Study 101” is that in order for its results to be useful, a cost study must be designed to produce an answer to a relevant question. In his discussion at ¶¶7-13, Mr. Dawson argues that a different mix of locations should have been used in order to “calculate average costs.” In doing so, Mr. Dawson has skipped an essential step in the process: the identification of the relevant question. As I understand his Declaration, Mr. Dawson is suggesting that the results of the cost study should provide an answer to the question “What is the average cost of providing interstate calling services to confinement facilities?” Based on his assumption that this is the relevant question, Mr. Dawson takes issue with the fact that the ISC Cost Study develops results based only on marginal locations.²

13. In order to determine whether Mr. Dawson’s criticism is valid, it is first necessary to determine whether he has posed a question whose answer would be of some utility in setting rates that are compliance with §276(b)(1)(A) of the 1996 Act. Specifically, it must be

¹ Mr. Dawson’s apparently limited understanding of the cost development process is consistent with his background and experience. In his various Declarations he has described his experience negotiating contracts for carrier services (he provides such a description at ¶21 of the most recent Declaration). While the prices set forth in these contracts do represent a “cost” incurred by the purchasing entity, this kind of tariff shopping exercise is ultimately no substitute for getting one’s hands dirty through the actual calculation of the underlying economic costs incurred by the service provider. In any case, prices that may be available to certain wholesale telecommunications carriers cannot serve as a complete substitute for traditional cost development for an industry with unique costs like the ICS industry.

² As explained at pp. 7-8 of the ICS Cost Study documentation, the Study adopts the Commission’s definition of a “marginal location” as one in which “the payphone operator is just able to recoup its costs, including a normal rate of return on the asset, but is unable to make payments to the location owner.” *Third Report and Order and Order on Reconsideration of the Second Report and Order*, FCC 99-7, released February 4, 1999, at ¶15 (“*Methodology Order*”).

determined whether Mr. Dawson’s proposal to calculate an “average cost” across all sizes of confinement facilities would permit the Commission to establish – in the form of a single rate³ – a per-call compensation plan that would ensure that the ICS providers at each of these locations are fairly compensated for each and every completed intrastate and interstate call.

14. Throughout his Declaration, Mr. Dawson argues against the use of either the 25 or the 28 marginal location analysis because, he asserts, costs are likely to vary widely across different confinement facilities. If his argument for a high variability of costs among locations is correct, then *by definition* a cost study designed to calculate an average cost across this wide range of facilities *cannot* produce a result that will have any utility whatsoever if the task is to ensure the recovery of the costs incurred at the higher cost locations (as mandated by §276(b)(1)(A)).

15. The fallacy of Mr. Dawson’s proposed “average cost” calculation as the basis for a single rate can be easily seen through a simple example. Assume a universe of confinement locations that experience the following per-call costs for collect calls:⁴

<u>Location</u>	<u>Per-Call Cost</u>
A	\$1.80
B	\$2.00
C	\$2.28
D	\$2.49
E	\$2.87

³ It is my understanding that Petitioners are requesting that a rate cap be imposed on interstate calls, rather than have the Commission establish a rate *per se*. Because it is likely that rates will be set at the level of any cap imposed, “rate” and “rate cap” have the same practical meaning in this context.

⁴ To simplify the example, I have shown only costs incurred on a per-call basis at each location, because these costs represent the majority of the costs incurred by ICS providers. The addition of per-minute costs to the example would illustrate the same fundamental problem and would support the same conclusion.

16. If the cost study is designed to calculate the “average cost” proposed by Mr. Dawson, the reported per-call cost would be \$2.28. A rate set at this level would enable fair compensation to the ICS providers at Locations A, B, and C, but *would not do so* at locations D and E.

17. The result of such an “average cost” rate cap would be to eliminate interstate – and potentially all – ICS services at Locations D and E.⁵ The remaining universe of confinement locations receiving interstate calling services would then be as follows:

<u>Location</u>	<u>Per-Call Cost</u>
A	\$1.80
B	\$2.00
C	\$2.28

18. Consistent with his advocacy of an average cost methodology, Mr. Dawson (and Petitioners) would then undoubtedly insist that costs be recalculated, and rates reset, to reflect this more limited set of locations. The results of such an analysis would be a reported per-call cost (and rate) of \$2.02. The result of this revise “average cost” rate cap would be to eliminate interstate – and potentially all – ICS services at Location C, again compelling the need for a new calculation of “average cost” and corresponding rate cap. The next iteration of the “average cost” process would then eliminate Location B (its location-specific costs of \$2.00 per call would be higher than the “average cost” and therefore rate cap of \$1.90), leaving Location A as the only confinement facility where inmates have access to calling services, including but not limited to interstate services.

⁵ The demonstrated potential for inmate arbitrage strategies suggests that the imposition of a non-compensatory rate for interstate calls will cause an ICS provider to find that it is no longer viable to offer all services, rather than only interstate services, at these locations.

19. The inevitable result of Mr. Dawson’s proposed “average cost” analysis would be a classic death spiral: rates would continue to be reduced as locations are eliminated until they have been reduced to the level of costs incurred at the lowest-cost facilities, leaving ICS providers uncompensated – and inmates and their families unserved – at the remaining facilities.

20. The impact of applying Mr. Dawson’s and Petitioners’ proposed “average cost” methodology is potentially significant. According to the statistics provided by Petitioners in their November 19, 2008 *ex parte*, service at 94% of all jail locations would potentially be at risk.⁶ By refusing to consider any confinement locations other than the largest prison facilities, Petitioners are recommending a rate cap that would threaten the availability of service to inmates at almost 95% of all jail locations.

21. In the end, Mr. Dawson is either unable or unwilling to acknowledge that the task at hand goes beyond the simple tariff shopping exercises with which he is familiar. In order for the Commission to adopt a rate (or rate cap) that is consistent with the requirements of §276(b)(1)(A), a bottom-up cost study must be performed, and the study must be designed correctly so that its results represent an answer to a relevant and meaningful question. The marginal analysis utilized in the ICS Cost Study was used, not simply because it was adopted by the Commission in its payphone *Methodology Order*,⁷ but because it is the only methodology that will permit the requirements of §276(b)(1)(A) to be met.

Usage Rates

⁶ The report cited by Petitioners can be found at <http://www.ojp.usdoj.gov/bjs/abstract/jim07.htm>. This report indicates that only 6% of jails have an average daily population of 1000 or more inmates.

⁷ While the selection of a marginal analysis was made independently for the ICS Cost Study based on the current facts and circumstances, it is not a coincidence that the methodology found to be correct in 1999 and 2004 remains the correct methodology today.

22. Mr. Dawson argues (¶21) that, based solely on his experience tariff-shopping for clients seeking long distance services, he has been able to determine that the reported per-MOU costs in the ICS Cost Study are “atypical” and “not credible.” Instead of the reported costs, Mr. Dawson believes that a rate of \$0.015 per MOU that he recently negotiated for some level of “long distance termination” should be used.

23. The ICS Cost Study results are based on the actual total costs incurred by ICS providers for the completion of interstate calls, spread over the number of MOUs associated with calls that were actually completed, billed, and collected.⁸ Unfortunately, Mr. Dawson offers no description of what was included in the rate he reports, and for that reason alone, his approach must be rejected. It is worth noting, however, that if Mr. Dawson’s purported “more realistic termination cost of \$0.02 per minute” is used as a cost of technical call delivery, and it is generously assumed that 25% of all minutes are associated with calls that are (1) completed, (2) billable, (3) not subject to post-billing adjustments, (4) actually collected, and (5) paid for via a means that is not fraudulent, then – according to Mr. Dawson – the “more realistic” per-MOU cost that must be recovered by ICS providers in the rate for interstate services is \$0.08 per MOU: an amount higher than the results of the cost study for either credit or debit calls.

Rate Structure

24. While acknowledging that ICS providers incur costs on both a per-call and per-MOU basis, Mr. Dawson nevertheless continues to argue that a rate cap should be imposed that permits only a per-MOU charge. As explained at pp. 16-19 of the ICS Cost Study documentation, proper matching of the rate structure with the cost structure is essential in order

⁸ These calculations were based on an average of three months’ call data in order to ensure that no outlier months would distort the results.

to permit ICS providers to recover their costs and to eliminate (or at least mitigate) the potential for inmates with certain calling patterns or at certain confinement facilities to be required to subsidize other inmates.

25. In support of his proposal to disconnect rate structure from cost structure, Mr. Dawson first argues (§25) that “rate structure is not necessarily tied to the manner in which costs are calculated.” Such a high level statement is true but irrelevant; the fact that an exception can be identified in no way suggests that a rule is not sound. Mr. Dawson chooses to ignore (and notably, does not attempt to refute) a fundamental economic principle: a rate structure that matches the underlying cost structure to the extent practical is the most effective means of ensuring that a service provider will recover its costs, *and* the most effective means of ensuring that a customer will pay an amount that reflects the resources actually consumed – no more and no less. Mr. Dawson offers no economic rationale whatsoever to support a pricing structure that would – based on the way that he asserts costs vary among locations – (1) fail to permit ICS service providers at a very large percentage of all jail locations to recover their costs, and (2) require inmates at larger prison facilities to subsidize interstate calls made by inmates at smaller jail facilities.

26. Mr. Dawson next attempts (at §27) to support his “per-MOU only” rate structure by suggesting two ways in which ICS phones are always different from public payphones that he believes “justify greater flexibility in determining rate structure”:

First, prison phones are used steadily and predictably throughout the day, at scheduled times. Second, there is such high demand to use prison phones that the prison providers can count on having a heavy volume of calling from each phone.

27. Unfortunately, as is the case with many of his assertions, Mr. Dawson’s fact checking process (to the extent it exists at all) begins and ends with consideration of only the

largest confinement facilities – even though Petitioners’ statistics show these locations to represent – at most – 6% of all confinement facilities in the country. Reality, when considered, is simply not as neat and tidy and Mr. Dawson would like to believe. At a typical county jail, calling does not necessarily occur “steadily and predictably throughout the day,” and my analysis of actual locations suggests that ICS providers serving small jails certainly cannot “count on having a heavy volume of calling,” but instead will often experience light calling volumes.

28. Finally, Mr. Dawson makes the sweeping pronouncement that according to “basic ‘Rate Design 101’,” “a per-minute rate” can be developed “that can reflect the expected average length of calls.” Such a statement could be meaningful if – but only if – Mr. Dawson had first demonstrated that “the expected average length of calls” does not vary among confinement locations. He has not done so.

29. As set forth in detail at pp. 16-17 of the ICS Cost Study documentation, the use of a per-MOU only rate structure significantly increases the likelihood that an ICS service provider will be under- or over-compensated, and the potential that inmates or their families at certain facilities will be under- or over-charged. In contrast, properly matching rate structure with cost structure (through the use of both a per-call and a per-MOU rate element) will permit the problems to be avoided.

Conclusions

30. Mr. Dawson’s lack of experience with the calculation of service providers’ costs – his experience is limited to the fundamentally different exercise of tariff shopping for favorable service prices in other contexts – has caused him to omit the essential first step of cost development: the identification of the relevant question to be answered. Mr. Dawson asserts that

the purpose of the ICS Cost Study should have been to calculate the *average cost* – across all sizes and types of confinement facilities – of providing interstate calling services. Based on his unsupported assumption that an “average cost” should be calculated, he takes issue with the marginal location analysis utilized in the ICS Cost Study.

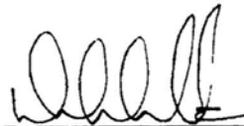
31. Mr. Dawson acknowledges that costs vary widely across confinement facilities of different types and sizes, and the ICS Cost Study confirms that facility size is a primary driver of per-call costs. This variability in per-call costs means that Mr. Dawson’s proposed average rate *cannot* be used to meet the requirements of §276(b)(1)(A). Instead, his proposal will create a classic death spiral in which per-call rates would decrease to the level of the lowest-cost confinement facilities, causing ICS providers to be uncompensated – and inmates and their families unserved – at nearly 95% of all jail locations. Whether the course is “Rate Design 101” or “Cost Study 101,” Mr. Dawson’s average rate proposal cannot receive a passing grade.

32. Mr. Dawson’s flawed usage rate proposal of \$0.02 per MOU is also a victim of his limited experience. In order for ICS providers to be fairly compensated, the rate for calls that are actually completed, billed, and collected must generate sufficient revenue to permit an ICS provider’s cost to be met. For his proposal, Mr. Dawson has “tariff shopped” the rates from a carrier that has a decidedly different (and significantly higher) rate of call completion, successful billing, and successful collection than a typical ICS provider. In fact, if a conservative adjustment is made to reflect ICS providers’ documented lower percentages of calls that prove to be (1) completed, (2) billable, (3) not subject to post-billing adjustments, (4) actually collected, and (5) paid for via a means that is not fraudulent, then Mr. Dawson’s proposed rate becomes \$0.08 per MOU (an amount higher than the results contained in the ICS Cost Study).

33. Mr. Dawson acknowledges that ICS providers incur costs on both a per-call and per-MOU basis, but has nevertheless advocated a rate structure that represents a complete disconnect from the underlying cost structure. Such a disconnect could be justified if – but only if – it can be demonstrated that daily call volumes per phone do not vary significantly at different types and sizes of confinement facilities. Mr. Dawson has made no such demonstration. In reality, all available evidence, as Mr. Dawson must and does admit, suggests that call volumes vary significantly. A rate structure that artificially (and arbitrarily) attempts to collect per-call costs via a per-MOU rate will provide fair compensation to an ICS provider *only* if the locations served by that provider experience average or above-average call volumes. An ICS provider serving locations with below-average call volumes would be unable to recover its costs through Mr. Dawson’s proposed rate structure, and would no longer be able to provide service at that facility.

34. The adoption of Mr. Dawson’s various rate proposals would inevitably cause ICS providers to be unable recover their costs at many confinement locations, and would result in the loss of service to inmates. In contrast, a rate structure that properly reflects the level and structure of the costs reasonably incurred to provide services at a confinement facility will enable inmates and their families to continue to receive ICS services at all sizes and types of confinement facilities.

I declare under penalty of perjury that the foregoing is true and correct.



Don J. Wood

Executed this 11th day of June, 2009.

Exhibit DJW-1 to the Declaration of Don J. Wood

Don. J. Wood

30000 Mill Creek Avenue, Suite 395, Alpharetta, Georgia 30022

Voice 770.475.9971, Facsimile 770.475.9972

CURRENT EMPLOYMENT

Don J. Wood is a principal in the firm of Wood & Wood. He provides economic, financial, and regulatory analysis services in technology-driven industries, specializing in economic policy related to the development of competitive markets, cost of service issues, and the calculation of financial damages. In addition, Mr. Wood advises industry associations on regulatory and economic policy and assists investors in their evaluation of investment opportunities.

In the area of administrative law, Mr. Wood has presented testimony before the regulatory bodies of forty-two states, the District of Columbia, and Puerto Rico, and has prepared comments and testimony for filing with the Federal Communications Commission. The subject matter of his testimony has ranged from broad policy issues to detailed cost and rate analysis.

Mr. Wood has also presented testimony in state, federal, and overseas courts regarding business plans and strategies, competition policy, and cost of service issues. He has presented studies of the damages incurred by plaintiffs and has provided rebuttal testimony to damage calculations performed by others. Mr. Wood has also testified in alternative dispute resolution proceedings conducted pursuant to both AAA and CPR rules.

Mr. Wood is an experienced commercial mediator and is registered as a neutral with the Georgia Office of Dispute Resolution.

PREVIOUS EMPLOYMENT

Klick, Kent & Allen/FTI Consulting, Inc.

Regional Director.

GDS Associates, Inc.

Senior Project Manager.

MCI Telecommunications Corporation

Manager of Regulatory Analysis, Southeast Division.

Manager, Corporate Economic Analysis and Regulatory Affairs.

BellSouth Services, Inc.

Staff Manager.

Georgia Power Company/Southern Company Services, Inc.

Generating Plant Construction cost analyst and scheduler.

EDUCATION

Emory University, Atlanta, Ga.

BBA in Finance, with Distinction (1985).

College of William and Mary, Williamsburg, Va.

MBA, with concentrations in Finance and Microeconomics (1987).

TESTIMONY - STATE REGULATORY COMMISSIONS:

Alabama Public Service Commission

Docket No. 19356, Phase III: Alabama Public Service Commission vs. All Telephone Companies Operating in Alabama, and Docket 21455: AT&T Communications of the South Central States, Inc., Applicant, Application for a Certificate of Public Convenience and Necessity to Provide Limited IntraLATA Telecommunications Service in the State of Alabama.

Docket No. 20895: In Re: Petition for Approval to Introduce Business Line Termination for MCI's 800 Service.

Docket No. 21071: In Re: Petition by South Central Bell for Introduction of Bidirectional Measured Service.

Docket No. 21067: In Re: Petition by South Central Bell to Offer Dial Back-Up Service and 2400 BPS Central Office Data Set for Use with PulseLink Public Packet Switching Network Service.

Docket No. 21378: In Re: Petition by South Central Bell for Approval of Tariff Revisions to Restructure ESSX and Digital ESSX Service.

Docket No. 21865: In Re: Petition by South Central Bell for Approval of Tariff Revisions to Introduce Network Services to be Offered as a Part of Open Network Architecture.

Docket No. 25703: In Re: In the Matter of the Interconnection Agreement Between AT&T Communications of the South Central States, Inc. and BellSouth Telecommunications, Inc., Pursuant to 47 U.S.C. § 252.

Docket No. 25704: In Re: Petition by AT&T Communications of the South Central States, Inc. for Arbitration of Certain Terms and Conditions of a Proposed Agreement with GTE South Incorporated and CONTEL of the South, Inc. Concerning Interconnection and Resale under the Telecommunications Act of 1996.

Docket No. 25835: In Re: Petition for Approval of a Statement of Generally Available Terms and Conditions Pursuant to §252(f) of the Telecommunications Act of 1996 and Notification of Intention to File a §271 Petition for In-Region InterLATA Authority with the Federal Communications Commission Pursuant to the Telecommunications Act of 1996.

Docket No. 26029: In Re: Generic Proceeding - Consideration of TELRIC Studies.

Docket No. 25980: Implementation of the Universal Support Requirements of Section 254 of the Telecommunications Act of 1996.

Docket No. 27091: Petition for Arbitration by ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996.

Docket No. 27821: Generic Proceeding to Establish Prices for Interconnection Services and Unbundled Network Elements.

Docket Nos. 27989 and 15957: BellSouth "Full Circle" Promotion and Generic Proceeding Considering the Promulgation of Telephone Rules Governing Promotions.

Docket No. 28841: In Re: Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth

Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996.

Docket No. 29075: Petition of CenturyTel to Establish Wholesale Avoidable Cost Discount Rates for Resale of Local Exchange Service.

Docket No. 29054: IN RE: Implementation of the Federal Communications Commission's Triennial Review Order (Phase II – Local Switching for Mass Market Customers)

Docket No. 29172: Southern Public Communication Association, Complainant, and BellSouth Telecommunications, Inc., Defendant.

The Regulatory Commission of Alaska

Case No. U-02-039: In the Matter of Request by Alaska Digitel, LLC for Designation as a Carrier Eligible To Receive Federal Universal Service Support Under the Telecommunications Act of 1996.

Case No. U-04-62: In the Matter of the Request by Alaska Wireless Communications, LLC For Designation as a Carrier Eligible to Receive Federal Universal Service Support Under the Telecommunications Act of 1996.

Arkansas Public Service Commission

Docket No. 92-337-R: In the Matter of the Application for a Rule Limiting Collocation for Special Access to Virtual or Physical Collocation at the Option of the Local Exchange Carrier.

Public Utilities Commission of the State of California

Rulemaking 00-02-005: Order Instituting Rulemaking on the Commission's Own Motion into Reciprocal Compensation for Telephone Traffic Transmitted to Internet Service Provider Modems.

Application Nos. 01-02-024, 01-02-035, 02-02-031, 02-02-032, 02-02-034, 02-03-002: Applications for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application No. 05-02-027: In the Matter of the Joint Application of SBC Communications Inc. ("SBC") and AT&T Corp. ("AT&T") for Authorization to Transfer Control of AT&T Communications of California (U-5002), TCG Los Angeles, Inc. (U-5462), TCG San Diego (U-5389), and TCG San Francisco (U-5454) to SBC, Which Will Occur Indirectly as a Result of AT&T's Merger With a Wholly-Owned Subsidiary of SBC, Tau Merger Sub Corporation.

Application No. 05-04-020: In the Matter of the Joint Application of Verizon Communications Inc. ("Verizon") and MCI, Inc. ("MCI") to Transfer Control of MCI's California Utility Subsidiaries to Verizon, Which Will Occur Indirectly as a Result of Verizon's Acquisition of MCI

Public Utilities Commission of the State of Colorado

Docket No. 96A-345T: In the Matter of the Interconnection Contract Negotiations Between AT&T Communications of the Mountain States, Inc., and US West Communications, Inc., Pursuant to 47 U.S.C. Section 252. Docket No. 96A-366T: In the Matter of the Petition of MCIMetro Access Transmission

Services, Inc., for Arbitration Pursuant to 47 U.S.C. § 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with US West Communications, Inc. (consolidated).

Docket No. 96S-257T: In Re: The Investigation and Suspension of Tariff Sheets Filed by US West Communications, Inc., with Advice Letter No. 2608 Regarding Proposed Rate Changes.

Docket No. 98F-146T: Colorado Payphone Association, Complainant, v. US West Communications, Inc., Respondent.

Docket No. 02A-276T: In the Matter of the Application of Wiggins Telephone Association for Approval of its Disaggregation Plan

Docket No. 02A-444T: In the Matter of NECC's Application to Redefine the Service Area of Eastern Slope Rural Telephone Association, Inc., Great Plains Communications, Inc., Plains Coop Telephone Association, Inc., and Sunflower Telephone Co., Inc.

Docket No. 07A-153T: In the Matter of the Combined Application of N.E. Colorado Cellular, Inc for Designation as an Eligible Telecommunications Carrier and Eligible Provider in Additional Areas of Colorado.

State of Connecticut, Department of Utility Control

Docket 91-12-19: DPUC Review of Intrastate Telecommunications Services Open to Competition (Comments).

Docket No. 94-07-02: Development of the Assumptions, Tests, Analysis, and Review to Govern Telecommunications Service Reclassifications in Light of the Eight Criteria Set Forth in Section 6 of Public Act 94-83 (Comments).

Docket No. 03-11-16: Petition of Tel Comm Technologies, et. al., for Review and Amendment of Southern New England Telephone Company's Charges for Pay Telephone Access Services.

Delaware Public Service Commission

Docket No. 93-31T: In the Matter of the Application of The Diamond State Telephone Company for Establishment of Rules and Rates for the Provision of IntelliLinQ-PRI and IntelliLinQ-BRI.

Docket No. 41: In the Matter of the Development of Regulations for the Implementation of the Telecommunications Technology Investment Act.

Docket No. 96-324: In the Matter of the Application of Bell Atlantic-Delaware, Inc. for Approval of its Statement of Terms and Conditions Under Section 252(f) of the Telecommunications Act of 1996 (Phase II).

Docket No. 02-001: In the Matter of the Inquiry into Verizon Delaware Inc.'s Compliance with the Conditions Set Forth in 47 U.S.C. § 271(c).

Florida Public Service Commission

Docket No. 881257-TL: In Re: Proposed Tariff by Southern Bell to Introduce New Features for Digital

ESSX Service, and to Provide Structural Changes for both ESSX Service and Digital ESSX Service.

Docket No. 880812-TP: In Re: Investigation into Equal Access Exchange Areas (EAEAs), Toll Monopoly Areas (TMAs), 1+ Restriction to the Local Exchange Companies (LECs) and Elimination of the Access Discount.

Docket No. 890183-TL: In Re: Generic Investigation into the Operations of Alternate Access Vendors.

Docket No. 870347-TI: In Re: Petition of AT&T Communications of the Southern States for Commission Forbearance from Earnings Regulation and Waiver of Rule 25-4.495(1) and 25-24.480 (1) (b), F.A.C., for a trial period.

Docket No. 900708-TL: In Re: Investigation of Methodology to Account for Access Charges in Local Exchange Company (LEC) Toll Pricing.

Docket No. 900633-TL: In Re: Development of Local Exchange Company Cost of Service Study Methodology.

Docket No. 910757-TP: In Re: Investigation into the Regulatory Safeguards Required to Prevent Cross-Subsidization by Telephone Companies.

Docket No. 920260-TL: In Re: Petition of Southern Bell Telephone and Telegraph Company for Rate Stabilization, Implementation Orders, and Other Relief.

Docket No. 950985-TP: In Re: Resolution of Petitions to establish 1995 rates, terms, and conditions for interconnection involving local exchange companies and alternative local exchange companies pursuant to Section 364.162, Florida Statutes.

Docket No. 960846-TP: In Re: Petition by MCI Telecommunications Corporation and MCI Metro Access Transmission Services, Inc. for Arbitration of Certain Terms and Conditions of a proposed agreement with BellSouth Telecommunications, Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996 and Docket No. 960833-TP: In Re: Petition by AT&T Communications of the Southern States, Inc. for Arbitration of Certain Terms and Conditions of a Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996 (consolidated).

Docket No. 960847-TP and 960980-TP: In Re: Petition by AT&T Communications of the Southern States, Inc., MCI Telecommunications Corporation, MCI Metro Access Transmission Service, Inc., for Arbitration of Certain Terms and Conditions of a Proposed Agreement with GTE Florida Incorporated Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996 (consolidated).

Docket No. 961230-TP: In Re: Petition by MCI Telecommunications Corporation for Arbitration with United Telephone Company of Florida and Central Telephone Company of Florida Concerning Interconnection Rates, Terms, and Conditions, Pursuant to the Federal Telecommunications Act of 1996.

Docket No. 960786-TL: In Re: Consideration of BellSouth Telecommunications, Inc.'s Entry Into InterLATA Services Pursuant to Section 271 of the Federal Telecommunications Act of 1996.

Docket Nos. 960833-TP, 960846-TP, 960757-TP, and 971140-TP: Investigation to develop permanent rates for certain unbundled network elements.

Docket No. 980696-TP: In Re: Determination of the cost of basic local telecommunications service, pursuant to Section 364.025 Florida Statutes.

Docket No. 990750-TP: Petition by ITC^DeltaCom Communications, Inc., d/b/a/ ITC^DeltaCom, for arbitration of certain unresolved issues in interconnection negotiations between ITC^DeltaCom and BellSouth Telecommunications, Inc.

Docket No. 991605-TP: Petition of BellSouth Telecommunications, Inc. for Arbitration of the Interconnection Agreement Between Time Warner Telecom of Florida, L.P., pursuant to Section 252 (b) of the Telecommunications Act of 1996.

Docket No. 030137-TP: In re: Petition for Arbitration of Unresolved Issues in Negotiation of Interconnection Agreement with BellSouth Telecommunications, Inc. by ITC^DeltaCom Communications, Inc. d/b/a ITC^DeltaCom.

Docket No. 030300-TP: In re: Petition for expedited review of BellSouth Telecommunications, Inc.'s intrastate tariffs for pay telephone access services (PTAS) rate with respect to rates for payphone line access, usage, and features, by Florida Public Telecommunications Association.

Docket No. 030851-TP: In Re: Implementation of Requirements Arising from Federal Communications Commission Triennial UNE Review: Local Circuit Switching for Mass Market Customers.

Docket No. 040353-TP: In Re: Petition of Supra Telecommunications and Information Systems, Inc. to Review and Cancel BellSouth's Promotional Offering Tariffs Offered In Conjunction with its New Flat Rate Service Known as PreferredPack.

Docket No. 040604-TL: In Re: Adoption of the National School Lunch Program and an Income-based Criterion at or Below 135% of the Federal Poverty Guidelines as Eligibility Criteria for the Lifeline and Linkup Programs.

Docket No. 050119-TP: Joint Petition of TDS Telecom d/b/a TDS Telecom/Quincy Telephone, ALLTEL Florida, Inc., Northeast Florida Telephone Company d/b/a NEFCOM, GTC, Inc. d/b/a GT Com, Smart City Telecommunications, LLC d/b/a Smart City Telecom, ITS Telecommunications Systems, Inc., and Frontier Communications of the South, LLC ("Joint Petitioners") objecting to and requesting suspension of Proposed Transit Traffic Service Tariff filed by BellSouth Telecommunications, Inc. and Docket No. 050125-TP: Petition and complaint for suspension and cancellation of Transit Tariff Service No. FL 2004-284 filed by BellSouth Telecommunications, Inc. by AT&T Communications of the Southern States, LLC (consolidated).

Docket No. 060598-TL: In Re: Petition by BellSouth Telecommunications, Inc., Pursuant to Florida Statutes §364.051(4) to Recover 2005 Tropical System Related Costs and Expenses.

Docket No. 060644-TL: Petition by Embarq Florida, Inc., Pursuant to Florida Statutes §364.051(4) to Recover 2005 Tropical System Related Costs and Expenses.

Docket No. 060763-TL: In Re: Petition for waiver of carrier of last resort obligations for multitenant property in Collier County known as Treviso Bay, by Embarq Florida, Inc.

Georgia Public Service Commission

Docket No. 3882-U: In Re: Investigation into Incentive Telephone Regulation in Georgia.

Docket No. 3883-U: In Re: Investigation into the Level and Structure of Intrastate Access Charges.

Docket No. 3921-U: In Re: Compliance and Implementation of Senate Bill 524.

Docket No. 3905-U: In Re: Southern Bell Rule Nisi.

Docket No. 3995-U: In Re: IntraLATA Toll Competition.

Docket No. 4018-U: In Re: Review of Open Network Architecture (ONA) (Comments).

Docket No. 5258-U: In Re: Petition of BellSouth Telecommunications for Consideration and Approval of its "Georgians FIRST" (Price Caps) Proposal.

Docket No. 5825-U: In Re: The Creation of a Universal Access Fund as Required by the Telecommunications Competition and Development Act of 1995.

Docket No. 6801-U: In Re: Interconnection Negotiations Between BellSouth Telecommunications, Inc. and AT&T Communications of the Southern States, Inc., Pursuant to Sections 251-252 and 271 of the Telecommunications Act of 1996.

Docket No. 6865-U: In Re: Petition by MCI for Arbitration of Certain Terms and Conditions of Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996.

Docket No. 7253-U: In Re: BellSouth Telecommunications, Inc.'s Statement of Generally Available Terms and Conditions Under Section 252 (f) of the Telecommunications Act of 1996.

Docket No. 7061-U: In Re: Review of Cost Studies and Methodologies for Interconnection and Unbundling of BellSouth Telecommunications Services.

Docket No. 10692-U: In Re: Generic Proceeding to Establish Long-Term Pricing Policies for Unbundled Network Elements.

Docket No. 10854-U: In Re: Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996.

Docket No. 16583-U: In Re: Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996.

Docket No. 17749-U: In Re: FCC's Triennial Review Order Regarding the Impairment of Local Switching for Mass Market Customers.

Docket No. 22682-U: In Re: Notice of Merger of AT&T, Inc. and BellSouth Corporation together with its Certificated Georgia Subsidiaries.

Public Utilities Commission of Hawaii

Docket No. 7702: In the Matter of Instituting a Proceeding on Communications, Including an Investigation of the Communications Infrastructure of the State of Hawaii.

Idaho Public Utilities Commission

Case No. GNR-T-03-08: In the Matter of the Petition of IAT Communications, Inc., d/b/a NTCDIdaho,

Inc., or ClearTalk, for Designation as an Eligible Telecommunications Carrier, and Case No. GNR-T-03-16: In the Matter of the Application of NCPR, Inc., d/b/a Nextel Partners, seeking designation as an Eligible Telecommunications Carrier.

Illinois Commerce Commission

Docket No. 04-0653: USCOC of Illinois RSA #1, LLC., USCOC of Illinois RSA #4 LLC., USCOC of Illinois Rockford, LLC., and USCOC of Central Illinois, LLC. Petition for Designation as an Eligible Telecommunications Carrier Under 47 U.S.C. Section 214(e)(2).

Docket Nos. 05-0644, 05-0649, and 05-0657: Petition of Hamilton County Telephone Co-Op et. al. for Arbitration under the Telecommunications Act to Establish Terms and Conditions for Reciprocal Compensation with Verizon Wireless and its Constituent Companies.

Indiana Utility Regulatory Commission

Cause No. 42303: In the Matter of the Complaint of the Indiana Payphone Association for a Commission Determination of Just and Reasonable Rates and Charges and Compliance with Federal Regulations.

Cause No. 41052-ETC-43: In the Matter of the Designation of Eligible Telecommunications Carriers by the Indiana Utility Regulatory Commission Pursuant to the Telecommunications Act of 1996 and Related FCC Orders. In Particular, the Application of NPCR, Inc. d/b/a Nextel Partners to be Designated.

Cause No. 42530: In the Matter of the Indiana Utility Regulatory Commission's Investigation of Matters Related to Competition in the State of Indiana Pursuant to Ind. Code § 8-1-2 *et seq.*

Iowa Utilities Board

Docket No. RPU-95-10.

Docket No. RPU-95-11.

State Corporation Commission of the State of Kansas

Docket No. 00-GIMT-1054-GIT: In the Matter of a General Investigation to Determine Whether Reciprocal Compensation Should Be Paid for Traffic to an Internet Service Provider.

Docket No. 04-RCCT-338-ETC: In the Matter of Petition of RCC Minnesota, Inc. for Designation as an Eligible Telecommunications Carrier under 47 U.S.C. § 214(e)(2).

Docket No. 07-GIMT-498-GIT: In the Matter of a Review of the Commission's Federal USF Certification Requirements to Remove All Expenses and Investments by Competitive Eligible Telecommunications Carriers in a Southwestern Bell Telephone, L.P., Study Area from the Competitive Eligible Telecommunications Carrier's Justification of Use of High Cost Federal USF Support.

Docket No. 06-GIMT-187-GIT: IN the Matter of the General Investigation into the Commission's Telecommunications Billing Practices Standards.

Kentucky Public Service Commission

Administrative Case No. 10321: In the Matter of the Tariff Filing of South Central Bell Telephone Company to Establish and Offer Pulselink Service.

Administrative Case No. 323: In the Matter of An Inquiry into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality.

- Phase IA: Determination of whether intraLATA toll competition is in the public interest.
- Phase IB: Determination of a method of implementing intraLATA competition.
- Rehearing on issue of Imputation.

Administrative Case No. 90-256, Phase II: In the Matter of A Review of the Rates and Charges and Incentive Regulation Plan of South Central Bell Telephone Company.

Administrative Case No. 336: In the Matter of an Investigation into the Elimination of Switched Access Service Discounts and Adoption of Time of Day Switch Access Service Rates.

Administrative Case No. 91-250: In the Matter of South Central Bell Telephone Company's Proposed Area Calling Service Tariff.

Administrative Case No. 96-431: In Re: Petition by MCI for Arbitration of Certain Terms and Conditions of a Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996.

Administrative Case No. 96-478: In Re: The Petition by AT&T Communications of the South Central States, Inc. for Arbitration of Certain Terms and Conditions of a Proposed Agreement with GTE South Incorporated Concerning Interconnection and Resale Under the Telecommunications Act of 1996.

Administrative Case No. 96-482: In Re: The Interconnection Agreement Negotiations Between AT&T Communications of the South Central States, Inc. and BellSouth Telecommunications, Inc., Pursuant to 47 U.S.C. § 252.

Administrative Case No. 360: In the Matter of: An Inquiry into Universal Service and Funding Issues.

Administrative Case No. 96-608: In the Matter of: Investigation Concerning the Provision of InterLATA Services by BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996.

Administrative Case No. 382: An Inquiry into the Development of Deaveraged Rates for Unbundled Network Elements.

Case No. 2003-00143: In the matter of: Petition of NCPR, Inc., d/b/a Nextel Partners for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Kentucky.

Case No. 2003-00397: Review of Federal Communications Commission's Triennial Review Order Regarding Unbundling Requirements for Individual Network Elements.

Case Nos. 2006-00215: Petition of Ballard Rural Telephone Cooperative Corporation, Inc. for Arbitration

of Certain Terms and Conditions of Proposed Interconnection Agreement with American Cellular f/k/a ACC Kentucky License LLC, Pursuant to the Communications Act of 1934, as Amended by the Telecommunications Act of 1996, and consolidated Case Nos. 2006-00217, 2006-00218, 2006-00220, 2006-00252, 2006-00255, 2006-00288, 2006-00292, 2006-00294, 2006-00296, 2006-00298, and 2006-00300.

Louisiana Public Service Commission

Docket No. 17970: In Re: Investigation of the Revenue Requirements, Rate Structures, Charges, Services, Rate of Return, and Construction Program of AT&T Communications of the South Central States, Inc., in its Louisiana Operations.

Docket No. U-17949: In the Matter of an Investigation of the Revenue Requirements, Rate Structures, Charges, Services, Rate of Return, and Construction Program of South Central Bell Telephone Company, Its Louisiana Intrastate Operations, The Appropriate Level of Access Charges, and All Matters Relevant to the Rates and Service Rendered by the Company.

- Subdocket A (SCB Earnings Phase)
- Subdocket B (Generic Competition Phase)

Docket No. 18913-U: In Re: South Central Bell's Request for Approval of Tariff Revisions to Restructure ESSX and Digital ESSX Service.

Docket No. U-18851: In Re: Petition for Elimination of Disparity in Access Tariff Rates.

Docket No. U-22022: In Re: Review and Consideration of BellSouth Telecommunications, Inc.'s TSLRIC and LRIC Cost Studies Submitted Pursuant to Sections 901(C) and 1001(E) of the Regulations for Competition in the Local Telecommunications Market as Adopted by General Order Dated March 15, 1996 in Order to Determine the Cost of Interconnection Services and Unbundled Network Components to Establish Reasonable, Non-Discriminatory, Cost Based Tariffed Rates and Docket No. U-22093: In Re: Review and Consideration of BellSouth Telecommunications, Inc.'s Tariff Filing of April 1, 1996, Filed Pursuant to Section 901 and 1001 of the Regulations for Competition in the Local Telecommunications Market Which Tariff Introduces Interconnection and Unbundled Services and Establishes the Rates, Terms and Conditions for Such Service Offerings (consolidated).

Docket No. U-22145: In the Matter of Interconnection Agreement Negotiations Between AT&T Communications of the South Central States, Inc. and BellSouth Telecommunications, Inc., Pursuant to 47 U.S.C. § 252.

Docket No. U-22252: In Re: Consideration and Review of BST's Preapplication Compliance with Section 271 of the Telecommunications Act of 1996, including but not limited to the fourteen requirements set forth in Section 271 (c) (2) (b) in order to verify compliance with section 271 and provide a recommendation to the FCC regarding BST's application to provide interLATA services originating in-region.

Docket No. U-20883 Subdocket A: In Re: Submission of the Louisiana Public Service Commission's Forward Looking Cost Study to the FCC for Purposes of Calculating Federal Universal Service Support.

Docket No. U-24206: In Re: Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996.

Docket No. U-22632: In Re: BellSouth Telecommunications, Inc. Filing of New Cost Studies for Providing Access Line Service for Customer Provided Public Telephones and Smartline Service for Public Telephone Access.

Docket No. Docket No. U-24714-A: In Re: Final Deaveraging of BellSouth Telecommunications, Inc. UNE Rates Pursuant to FCC 96-45 Ninth Report and Order and Order on Eighteenth Order on Reconsideration Released November 2, 1999.

Docket No. U-27571: In Re: Louisiana Public Service Commission Implementation of the Requirements Arising from The Federal Communications Commission's Triennial Review Order, Order 0336: Unbundled Local Circuit Switching for Mass Market Customers and Establishment of a Batch Cut Migration Process.

Public Service Commission of Maryland

Case 8584, Phase II: In the Matter of the Application of MFS Intelenet of Maryland, Inc. for Authority to Provide and Resell Local Exchange and Intrastate Telecommunications Services in Areas Served by C&P Telephone Company of Maryland.

Case 8715: In the Matter of the Inquiry into Alternative Forms of Regulating Telephone Companies.

Case 8731: In the Matter of the Petitions for Approval of Agreements and Arbitration of Unresolved Issues Arising Under Section 252 of the Telecommunications Act of 1996.

Massachusetts Department of Telecommunications and Energy

D.P.U./D.T.E. 97088/97-18 (Phase II): Investigation by the Department of Telecommunications & Energy on its own motion regarding (1) implementation of section 276 of the Telecommunications Act of 1996 relative to public interest payphones, (2) Entry and Exit Barriers for the Payphone Marketplace, (3) New England Telephone and Telegraph Company d/b/a NYNEX's Public Access Smart-Pay Service, and (4) the rate policy for operator service providers.

Michigan Public Service Commission

Case No. U-14781: In the matter on the Commission's Own Motion to examine the total service long run incremental costs of the Michigan Exchange Carriers Association Companies, including Ace Telephone Company, Barry County Telephone Company, Deerfield Farmers' Telephone Company, Kaleva Telephone Company, Lennon telephone Company, Ogden telephone Company, Pigeon Telephone Company, Upper Peninsula Telephone Company, and Waldron Telephone Company.

Minnesota Public Utilities Commission

PUC Docket No. PT6153/AM-02-686, OAH Docket No. 3-2500-14980-2: In the Matter of Petition of Midwest Wireless Communications, LLC for Designation as an Eligible Communications carrier under 47 U.S.C. § 214(e)(2).

PUC Docket No. PT-6182, 6181/M-02-1503: In the Matter of RCC Minnesota, Inc. and Wireless Alliance, LLC for Designation as an Eligible Telecommunications Carrier under 47 U.S.C. § 214(e)(2).

Mississippi Public Service Commission

Docket No. U-5086: In Re: MCI Telecommunications Corporation's Metered Use Service Option D (Prism I) and Option E (Prism II).

Docket No. U-5112: In Re: MCI Telecommunications Corporation's Metered Use Option H (800 Service).

Docket No. U-5318: In Re: Petition of MCI for Approval of MCI's Provision of Service to a Specific Commercial Banking Customers for Intrastate Interexchange Telecommunications Service.

Docket 89-UN-5453: In Re: Notice and Application of South Central Bell Telephone Company for Adoption and Implementation of a Rate Stabilization Plan for its Mississippi Operations.

Docket No. 90-UA-0280: In Re: Order of the Mississippi Public Service Commission Initiating Hearings Concerning (1) IntraLATA Competition in the Telecommunications Industry and (2) Payment of Compensation by Interexchange Carriers and Resellers to Local Exchange Companies in Addition to Access Charges.

Docket No. 92-UA-0227: In Re: Order Implementing IntraLATA Competition.

Docket No. 96-AD-0559: In Re: In the Matter of the Interconnection Agreement Negotiations Between AT&T Communications of the South Central States, Inc. and BellSouth Telecommunications, Inc., Pursuant to 47 U.S.C. § 252.

Docket No. 98-AD-035: Universal Service.

Docket No. 97-AD-544: In Re: Generic Proceeding to Establish Permanent Prices for BellSouth Interconnection and Unbundled Network Elements.

Docket No. 2003-AD-714: Generic Proceeding to Review the Federal Communications Commission's Triennial Review Order.

Public Service Commission of the State of Missouri

Case No. TO-2004-0527: In the Matter of the Application of WWC License, LLC, d/b/a CellularOne, for Designation as an Eligible Telecommunications Carrier, and Petition for Redefinition of Rural Telephone Company Areas.

Case No. to-2005-0384: Application of USCOC of Greater Missouri, LLC For Designation as an Eligible Telecommunications Carrier Pursuant to the Telecommunications Act of 1996.

Public Service Commission of the State of Montana

Docket No. D2000.8.124: In the Matter of Touch America, Inc.'s Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 of the Terms and Conditions of Interconnection with Qwest Corporation, f/k/a US West Communications, Inc.

Docket No. D2000.6.89: In the Matter of Qwest Corporation's Application to Establish Rates for Interconnection, Unbundled Network Elements, Transport and Termination, and Resale Services.

Docket No. D2003.1.14: In the Matter of WWC Holding Co. Application for Designation as an Eligible Telecommunications Carrier in Montana Areas Served by Qwest Corporation.

Docket No. D2007.7.86: In the Matter of the Filing of a Notice of the Making of a Bona Fide Request for Interconnection with Ronan Telephone Company by Gold Creek Cellular of Montana Limited Partnership and Verizon Wireless LLC Both d/b/a Verizon Wireless Pursuant to 47 U.S.C. §§251 and 252 and §69-3-834, MCA; and Docket No. D.2007.7.87: In the Matter of the Filing of a Notice of the Making of a Bona Fide Request for Interconnection with Hot Springs Telephone Company by Gold Creek Cellular of Montana Limited Partnership and Verizon Wireless LLC Both d/b/a Verizon Wireless Pursuant to 47 U.S.C. §§251 and 252 and §69-3-834, MCA (consolidated).

Nebraska Public Service Commission

Docket No. C-1385: In the Matter of a Petition for Arbitration of an Interconnection Agreement Between AT&T Communications of the Midwest, Inc., and US West Communications, Inc.

Application No. C-3324: In the Matter of the Petition of N.E. Colorado Cellular, Inc., d/b/a Viaero Wireless for designation as an Eligible Telecommunications Carrier under 47 U.S.C. § 214(e)(2).

Docket No. 3725: In the Matter of Application of United States Cellular Corporation for Designation as an Eligible Telecommunications Carrier Pursuant To Section 214(e)(2) of the Communications Act of 1934.

Public Utilities Commission of Nevada

Docket No. 04-3030: In re: Application of WWD License LLC, d/b/a CellularOne, for redefinition of its service area as a designated Eligible Telecommunications Carrier.

Docket No. 08-12017: In the Matter of Commnet of Nevada, LLC, Application for Designation as an Eligible Telecommunications Carrier for Purposes of Receiving Federal Universal Service Support.

New Jersey Board of Public Utilities

Docket No. TM0530189: In the Matter of the Joint Petition of Verizon Communications Inc., and MCI, Inc. for Approval of Merger.

New York Public Service Commission

Case No. 28425: Proceeding on Motion of the Commission as to the Impact of the Modification of Final Judgement and the Federal Communications Commission's Docket 7872 on the Provision of Toll Service in New York State.

North Carolina Public Utilities Commission

Docket No. P-100, Sub 72: In the Matter of the Petition of AT&T to Amend Commission Rules Governing Regulation of Interexchange Carriers (Comments).

Docket No. P-141, Sub 19: In the Matter of the Application of MCI Telecommunications Corporation to

Provide InterLATA Facilities-Based Telecommunications Services (Comments).

Docket No. P-55, Sub 1013: In the Matter of Application of BellSouth Telecommunications, Inc. for, and Election of, Price Regulation.

Docket Nos. P-7, Sub 825 and P-10, Sub 479: In the Matter of Petition of Carolina Telephone and Telegraph and Central Telephone Company for Approval of a Price Regulation Plan Pursuant to G.S. 62-133.5.

Docket No. P-19, Sub 277: In the Matter of Application of GTE South Incorporated for and Election of, Price Regulation.

Docket No. P-141, Sub 29: In the Matter of: Petition of MCI Telecommunications Corporation for Arbitration of Interconnection with BellSouth Telecommunications, Inc., Petition of AT&T Communications of the Southern States, Inc. for Arbitration of Interconnection with BellSouth Telecommunications, Inc. (consolidated).

Docket No. P-141, Sub 30: In the Matter of: Petition of MCI Telecommunications Corporation for Arbitration of Interconnection with General Telephone Company of North Carolina, Inc., Petition of AT&T Communications of the Southern States, Inc. for Arbitration of Interconnection with General Telephone Company of North Carolina, Inc. (consolidated).

Docket No. P-100, Sub 133b: Re: In the Matter of Establishment of Universal Support Mechanisms Pursuant to Section 254 of the Telecommunications Act of 1996.

Docket No. P-100, Sub 133d: Re: Proceeding to Determine Permanent Pricing for Unbundled Network Elements.

Docket No. P-100, Sub 84b: Re: In the Matter of Petition of North Carolina Payphone Association for Review of Local Exchange Company Tariffs for Basic Payphone Services (Comments).

Docket No. P-561, Sub 10: BellSouth Telecommunications, Inc., Complainant, v. US LEC of North Carolina, LLC, and Metacomm, LLC, Respondents.

Docket No. P-472, Sub 15: In the Matter of the Interconnection Agreement Between BellSouth Telecommunications, Inc. and Time Warner Telecom of North Carolina, L.P. Pursuant to Section 252(b) of the Telecommunications Act of 1996.

Docket Nos. P-7, Sub 995; P-10, Sub 633: ALEC., Inc. v. Carolina Telephone and Telegraph Company and Central Telephone Company.

Docket No. P-500, Sub 18: In the Matter of: Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996.

Docket No. P-118, Sub 30: In the matter of: Petition of Celco Partnership d/b/a Verizon Wireless for Arbitration Pursuant to Section 252 of the Telecommunications Act of 1996.

Docket No. P-100, Sub 133q: In Re: Implementation of Requirements Arising from Federal Communications Commission Triennial UNE Review: Local Circuit Switching for Mass Market Customers.

Case No. 93-487-TP-ALT: In the Matter of the Application of The Ohio Bell Telephone Company for Approval of an Alternative Form of Regulation.

Case No. 05-0269-TP-ACO: In the matter of the Joint Application of SBC Communications, Inc. and AT&T Corp. for Consent and Approval of a Change of Control.

Oklahoma Corporation Commission

Cause No. PUD 01448: In the Matter of the Application for an Order Limiting Collocation for Special Access to Virtual or Physical Collocation at the Option of the Local Exchange Carrier.

Cause No. PUD 200300195: Application of United States Cellular Corporation for Designation as an Eligible Telecommunications Carrier Pursuant to the Telecommunications Act of 1996.

Cause No. PUD 200300239: Application of Dobson Cellular Systems, Inc. for Designation as an Eligible Telecommunications Carrier Pursuant to the Telecommunications Act of 1996.

Cause No. PUD 200500122: In the matter of Dobson Cellular Systems, Inc., and American Cellular Corporation application for designation as a competitive eligible telecommunications carrier and redefinition of the service area requirement pursuant to Section 214(e) of the Telecommunications Act of 1996.

Public Utility Commission of Oregon

Docket No. UT 119: In the Matter of an Investigation into Tariffs Filed by US West Communications, Inc., United Telephone of the Northwest, Pacific Telecom, Inc., and GTE Northwest, Inc. in Accordance with ORS 759.185(4).

Docket No. ARB 3: In the Matter of the Petition of AT&T Communications of the Pacific Northwest, Inc., for Arbitration of Interconnection Rates, Terms, and Conditions Pursuant to 47 U.S.C. § 252(b) of the Telecommunications Act of 1996. Docket No. ARB 6: In the Matter of the Petition of MCIMetro Access Transmission Services, Inc. for Arbitration of Interconnection Rates, Terms, and Conditions Pursuant to 47 U.S.C. § 252(b) of the Telecommunications Act of 1996 (consolidated).

Docket No. ARB 9: In the Matter of the Petition of an Interconnection Agreement Between MCIMetro Access Transportation Services, Inc. and GTE Northwest Incorporated, Pursuant to 47 U.S.C. Section 252.

Docket No. UT-125: In the Matter of the Application of US West Communications, Inc. for an Increase in Revenues.

Docket No. UM 1083: RCC Minnesota, Inc. Application for Designation as an Eligible Telecommunications Carrier, Pursuant to the Telecommunications Act of 1996.

Docket No. UM 1084: United States Cellular Corporation Application for Designation as an Eligible Telecommunications Carrier, Pursuant to the Telecommunications Act of 1996.

Docket No. UM 1217: Staff Investigation to Establish Requirements for Initial Designation and Recertification of Telecommunications Carriers Eligible to Receive Federal Universal Service Support.

Pennsylvania Public Utilities Commission

Docket No. I-00910010: In Re: Generic Investigation into the Current Provision of InterLATA Toll Service.

Docket No. P-00930715: In Re: The Bell Telephone Company of Pennsylvania's Petition and Plan for Alternative Form of Regulation under Chapter 30.

Docket No. R-00943008: In Re: Pennsylvania Public Utility Commission v. Bell Atlantic-Pennsylvania, Inc. (Investigation of Proposed Promotional Offerings Tariff).

Docket No. M-00940587: In Re: Investigation pursuant to Section 3005 of the Public Utility Code, 66 Pa. C. S. §3005, and the Commission's Opinion and Order at Docket No. P-930715, to establish standards and safeguards for competitive services, with particular emphasis in the areas of cost allocations, cost studies, unbundling, and imputation, and to consider generic issues for future rulemaking.

Docket No. A-310489F7004: Petition of Cellco Partnership d/b/a Verizon Wireless for Arbitration Pursuant to Section 252 of the telecommunications Act of 1996.

Docket Nos. A-310580F9, A-310401F6, A-310407F3, A-312025F5, A-310752F6, A-310364F3: Joint Application of Verizon Communications Inc. and MCI, Inc. For Approval of Agreement and Plan of Merger.

South Carolina Public Service Commission

Docket No. 90-626-C: In Re: Generic Proceeding to Consider Intrastate Incentive Regulation.

Docket No. 90-321-C: In Re: Petition of Southern Bell Telephone and Telegraph Company for Revisions to its Access Service Tariff Nos. E2 and E16.

Docket No. 88-472-C: In Re: Petition of AT&T of the Southern States, Inc., Requesting the Commission to Initiate an Investigation Concerning the Level and Structure of Intrastate Carrier Common Line (CCL) Access Charges.

Docket No. 92-163-C: In Re: Position of Certain Participating South Carolina Local Exchange Companies for Approval of an Expanded Area Calling (EAC) Plan.

Docket No. 92-182-C: In Re: Application of MCI Telecommunications Corporation, AT&T Communications of the Southern States, Inc., and Sprint Communications Company, L.P., to Provide IntraLATA Telecommunications Services.

Docket No. 95-720-C: In Re: Application of BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company for Approval of an Alternative Regulation Plan.

Docket No. 96-358-C: In Re: Interconnection Agreement Negotiations Between AT&T Communications of the Southern States, Inc. and BellSouth Telecommunications, Inc., Pursuant to 47 U.S.C. § 252.

Docket No. 96-375-C: In Re: Interconnection Agreement Negotiations Between AT&T Communications of the Southern States, Inc. and GTE South Incorporated Pursuant to 47 U.S.C. § 252.

Docket No. 97-101-C: In Re: Entry of BellSouth Telecommunications, Inc. into the InterLATA Toll Market.

Docket No. 97-374-C: In Re: Proceeding to Review BellSouth Telecommunications, Inc. Cost for Unbundled Network Elements.

Docket No. 97-239-C: Intrastate Universal Service Fund.

Docket No. 97-124-C: BellSouth Telecommunications, Inc. Revisions to its General Subscriber Services Tariff and Access Service Tariff to Comply with the FCC's Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996.

Docket No. 1999-268-C: Petition of Myrtle Beach Telephone, LLC, for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Horry Telephone Cooperative, Inc.

Docket No. 1999-259-C: Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996.

Docket No. 2001-65-C: Generic Proceeding to Establish Prices for BellSouth's Interconnection Services, Unbundled Network Elements and Other Related Elements and Services.

Docket No. 2003-326-C: In Re: Implementation of Requirements Arising from Federal Communications Commission Triennial UNE Review: Local Circuit Switching for Mass Market Customers.

Docket No. 2003-227-C: Application of Hargray Wireless, LLC for Designation as an Eligible Telecommunications Carrier under 47 U.S.C. 214(e)(2).

South Dakota Public Utilities Commission

Docket No. TC03-191: In the Matter of the Filing by WWC License, LLC d/b/a CellularOne for Designation as an Eligible Telecommunications Carrier in Other Rural Areas.

Docket No. TC03-193: In the Matter of the Petition of RCC Minnesota, Inc., and Wireless Alliance, L.L.C., for Designation as an Eligible Telecommunications Carrier under 47 U.S.C. §214(e)(2).

Tennessee Public Service Commission

Docket No. 90-05953: In Re: Earnings Investigation of South Central Bell Telephone Company.

Docket Nos. 89-11065, 89-11735, 89-12677: AT&T Communications of the South Central States, MCI Telecommunications Corporation, US Sprint Communications Company-- Application for Limited IntraLATA Telecommunications Certificate of Public Convenience and Necessity.

Docket No. 91-07501: South Central Bell Telephone Company's Application to Reflect Changes in its Switched Access Service Tariff to Limit Use of the 700 Access Code.

Tennessee Regulatory Authority

Docket No. 96-01152: In Re: Petition by AT&T Communications of the South Central States, Inc. for Arbitration under the Telecommunications Act of 1996 and Docket No. 96-01271: In Re: Petition by MCI Telecommunications Corporation for Arbitration of Certain Terms and Conditions of a Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection and Resale Under the

Telecommunications Act of 1996 (consolidated).

Docket No. 96-01262: In Re: Interconnection Agreement Negotiations Between AT&T of the South Central States, Inc. and BellSouth Telecommunications, Inc. Pursuant to 47 U.S.C. § 252.

Docket No. 97-01262: Proceeding to Establish Permanent Prices for Interconnection and Unbundled Network Elements.

Docket No. 97-00888: Universal Service Generic Contested Case.

Docket No. 99-00430: Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. pursuant to the Telecommunications Act of 1996.

Docket No. 97-00409: In Re: All Telephone Companies Tariff Filings Regarding Reclassification of Pay Telephone Service as Required by Federal Communications Commission Docket No. 96-128.

Docket No. 03-00119: In Re: Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc.

Docket No. 03-00491: In Re: Implementation of Requirements Arising from Federal Communications Commission Triennial UNE Review: Local Circuit Switching for Mass Market Customers.

Docket No. 06-00093: In Re: Joint Filing of AT&T, Inc., BellSouth Corporation, and BellSouth's Certified Tennessee Subsidiaries Regarding Change of Control.

Public Utility Commission of Texas

Docket No. 12879: Application of Southwestern Bell Telephone Company for Expanded Interconnection for Special Access Services and Switched Transport Services and Unbundling of Special Access DS1 and DS3 Services Pursuant to P. U. C. Subst. R. 23.26.

Docket No. 18082: Complaint of Time Warner Communications against Southwestern Bell Telephone Company.

Docket No. 21982: Proceeding to Examine Reciprocal Compensation Pursuant to Section 252 of the Federal Telecommunications Act of 1996.

Docket No. 23396: Joint Petition of CoServ, LLC d/b/a CoServ Communications and Multitechnology Services, LP d/b/a CoServ Broadband Services for Arbitration of Interconnection Rates, Terms, Conditions, and Related Arrangements with Southwestern Bell Telephone Company.

Docket No. 24015: Consolidated Complaints and Requests of Post-Interconnection Dispute Resolution Regarding Inter-Carrier Compensation for FX-Type Traffic Against Southwestern Bell Telephone Company.

PUC Docket No. 27709: Application of NPCR, Inc., dba Nextel Partners for Eligible Telecommunications Carrier Designation (ETC).

PUC Docket No. 28744: Impairment Analysis for Dedicated Transport.

PUC Docket No. 28745: Impairment Analysis for Enterprise Loops.

PUC Docket No. 29144: Application of Dobson Cellular Systems, Inc., for Designation as an Eligible Telecommunications Carrier (ETC) pursuant to 47 U.S.C. 241 (e) and P.U. C. Subst. Rule 26.418.

State of Vermont Public Service Board

Docket No. 6533: Application of Verizon New England Inc. d/b/a Verizon Vermont for a Favorable Recommendation to Offer InterLATA Services Under 47 U.S.C. 271.

Docket No. 6882: Investigation into Public Access Line Rates of Verizon New England, Inc., d/b/a Verizon Vermont.

Docket No. 6934: Petition of RCC Atlantic Inc. for designation as an Eligible Telecommunications Carrier in areas served by rural telephone companies under the Telecommunications Act of 1996.

Virginia State Corporation Commission

Case No. PUC920043: Application of Virginia Metrotel, Inc. for a Certificate of Public Convenience and Necessity to Provide InterLATA Interexchange Telecommunications Services.

Case No. PUC920029: Ex Parte: In the Matter of Evaluating the Experimental Plan for Alternative Regulation of Virginia Telephone Companies.

Case No. PUC930035: Application of Contel of Virginia, Inc. d/b/a GTE Virginia to implement community calling plans in various GTE Virginia exchanges within the Richmond and Lynchburg LATAs.

Case No. PUC930036: Ex Parte: In the Matter of Investigating Telephone Regulatory Methods Pursuant to Virginia Code § 56-235.5, & Etc.

Case No. PUC-200540051: Application of Verizon Communications Inc. and MCI, Inc. for approval of Agreement and Plan of Merger resulting in the indirect transfer of control of MCImetro Access Transmission Services of Virginia, Inc., to Verizon Communications Inc.

Washington Utilities and Transportation Commission

Docket Nos. UT-941464, UT-941465, UT-950146, and UT-950265 (Consolidated): Washington Utilities and Transportation Commission, Complainant, vs. US West Communications, Inc., Respondent; TCG Seattle and Digital Direct of Seattle, Inc., Complainant, vs. US West Communications, Inc., Respondent; TCG Seattle, Complainant, vs. GTE Northwest Inc., Respondent; Electric Lightwave, Inc., vs. GTE Northwest, Inc., Respondent.

Docket No. UT-950200: In the Matter of the Request of US West Communications, Inc. for an Increase in its Rates and Charges.

Docket No. UT-000883: In the Matter of the Petition of U S West Communications, Inc. for Competitive Classification.

Docket No. UT-050814: In the Matter of the Joint Petition of Verizon Communications Inc., and MCI, Inc. for a Declaratory Order Disclaiming Jurisdiction Over or, in the Alternative a Joint Application for Approval of, Agreement and Plan of Merger.

Public Service Commission of West Virginia

Case No. 02-1453-T-PC: Highland Cellular, Inc. Petition for consent and approval to be designated as an eligible telecommunications carrier in the areas served by Citizens Telecommunications Company of West Virginia.

Case No. 03-0935-T-PC: Easterbrooke Cellular Corporation Petition for consent and approval to be designated as an eligible telecommunications carrier in the area served by Citizens Telecommunications Company of West Virginia d/b/a Frontier Communications of West Virginia.

Public Service Commission of Wyoming

Docket No. 70000-TR-95-238: In the Matter of the General Rate/Price Case Application of US West Communications, Inc. (Phase I).

Docket No. PSC-96-32: In the Matter of Proposed Rule Regarding Total Service Long Run Incremental Cost (TSLRIC) Studies.

Docket No. 70000-TR-98-420: In the Matter of the Application of US West Communications, Inc. for authority to implement price ceilings in conjunction with its proposed Wyoming Price Regulation Plan for essential and noncompetitive telecommunications services (Phase III).

Docket No. 70000-TR-99-480: In the Matter of the Application of US West Communications, Inc. for authority to implement price ceilings in conjunction with its proposed Wyoming Price Regulation Plan for essential and noncompetitive telecommunications services (Phase IV).

Docket No. 70000-TR-00-556: In the Matter of the Filing by US West Communications, Inc. for Authority to File its TSLRIC 2000 Annual Input Filing and Docket No. 70000-TR-00-570: In the Matter of the Application of US West Communications, Inc. for Authority to File its 2000 Annual TSLRIC Study Filing.

Docket No. 70042-AT-04-4: In the Matter of the Petition of WWC Holding Co., Inc., d/b/a CellularOne for Designation as an Eligible Telecommunications Carrier in Areas Served by Qwest Corporation, and Docket No. 70042-AT-04-5: In the Matter of the Petition of WWC Holding Co., Inc., d/b/a CellularOne for Designation as an Eligible Telecommunications Carrier in Clark Basin, Frannie, Greybull, Lovell, Meeteetse, Burlington, Hyattville, and Tensleep (consolidated).

Public Service Commission of the District of Columbia

Formal Case No. 814, Phase IV: In the Matter of the Investigation into the Impact of the AT&T Divestiture and Decisions of the Federal Communications Commission on Bell Atlantic- Washington, D. C. Inc.'s Jurisdictional Rates.

Puerto Rico Telecommunications Regulatory Board

Case No. 98-Q-0001: In Re: Payphone Tariffs.

Case No. JRT-2001-AR-0002: In the Matter of Interconnection Rates, Terms and Conditions between WorldNet Telecommunications, Inc. and Puerto Rico Telephone Company.

Case No. JRT-2003-AR-0001: Re: Petition for Arbitration pursuant to Section 252(b) of the Federal Communications Act, and Section 5(b), Chapter II of the Puerto Rico Telecommunications Act, regarding interconnection rates, terms, and conditions.

Case No. JRT-2004-Q-0068: Telefónica Larga Distancia de Puerto Rico, Inc., Complainant, v. Puerto Rico Telephone Company, Defendant.

Case Nos. JRT-2005-Q-0121 and JRT-2005-Q-0218: Telefónica Larga Distancia de Puerto Rico, Inc., and WorldNet Telecommunications, Inc., Plaintiffs, v. Puerto Rico Telephone Company, Inc., Defendant.

COMMENTS/DECLARATIONS - FEDERAL COMMUNICATIONS COMMISSION

CC Docket No. 92-91: In the Matter of Open Network Architecture Tariffs of Bell Operating Companies.

CC Docket No. 93-162: Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection for Special Access.

CC Docket No. 91-141: Common Carrier Bureau Inquiry into Local Exchange Company Term and Volume Discount Plans for Special Access.

CC Docket No. 94-97: Review of Virtual Expanded Interconnection Service Tariffs.

CC Docket No. 94-128: Open Network Architecture Tariffs of US West Communications, Inc.

CC Docket No. 94-97, Phase II: Investigation of Cost Issues, Virtual Expanded Interconnection Service Tariffs.

CC Docket No. 96-98: In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996.

CC Docket No. 97-231: Application by BellSouth to Provide In-Region InterLATA Services.

CC Docket No. 98-121: Application by BellSouth to Provide In-Region InterLATA Services.

CCB/CPD No. 99-27: In the Matter of Petition of North Carolina Payphone Association for Expedited Review of, and/or Declaratory Ruling Concerning, Local Exchange Company Tariffs for Basic Payphone Services.

CC Docket No. 96-128: In the Matter of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CCB/CPD No. 99-31: Oklahoma Independent Telephone Companies Petition for Declaratory Ruling (consolidated).

CCB/CPD No. 00-1: In the Matter of the Wisconsin Public Service Commission Order Directing Filings.

CC Docket No. 99-68: In the Matter of Inter-Carrier Compensation for ISP-Bound Traffic.

File No. EB-01-MD-020: In the Matter of Sprint Communications Company, L.P., Complainant v. Time Warner Telecom, Inc. Defendant.

Request by the American Public Communications Council that the Commission Issue a Notice of Proposed Rulemaking to Update the Dial-Around Compensation Rate.

File Nos. EB-02-MD-018-030: In the Matter of Communications Vending Corp. of Arizona, et. al., Complainants, v. Citizens Communications Co. f/k/a Citizens Utilities Co. and Citizens Telecommunications Co., et. al., Defendants.

CC Docket No. 96-45: In the Matter of Federal-State Joint Board on Universal Service, Cellular South License, Inc., RCC Holdings, Inc., Petitions for designation as an Eligible Telecommunications Carrier in the State of Alabama.

CC Docket No. 96-45: In the Matter of Federal-State Joint Board on Universal Service, Declaration in Support of the Comments to the Federal-State Joint Board of the Rural Cellular Association and the Alliance of Rural CMRS Carriers.

REPRESENTATIVE TESTIMONY – STATE, FEDERAL, AND OVERSEAS COURTS

Court of Common Pleas, Philadelphia County, Pennsylvania

Shared Communications Services of 1800-80 JFK Boulevard, Inc., Plaintiff, v. Bell Atlantic Properties, Inc., Defendant.

Texas State Office of Administrative Hearings

SOAH Docket No. 473-00-0731: Office of Customer Protection (OCP) Investigation of Axces, Inc. for Continuing Violations of PUC Substantive Rule §26.130, Selection of Telecommunications Utilities, Pursuant to Procedural Rules 22.246 Administrative Penalties.

SOAH Docket No. 473-03-3673: Application of NPCR, Inc., dba Nextel Partners for Eligible Telecommunications Carrier Designation (ETC).

SOAH Docket No. 473-04-4450: Application of Dobson Cellular Systems, Inc., for Designation as an Eligible Telecommunications Carrier (ETC) pursuant to 47 U.S.C. 241 (e) and P.U. C. Subst. Rule 26.418.

Superior Court for the State of Alaska, First Judicial District

Richard R. Watson, David K. Brown and Ketchikan Internet Services, a partnership of Richard R. Watson and David K. Brown, Plaintiffs, v. Karl Amylon and the City of Ketchikan, Defendants.

Superior Court for the State of Alaska, Third Judicial District

Dobson Cellular Systems, Inc., Plaintiff, v. Frontline Hospital, LLC, Defendant.

United States District Court for the District of South Carolina, Columbia Division

Brian Wesley Jeffcoat, on behalf of himself and others similarly situated, Plaintiffs, v. Time Warner Entertainment - Advance/Newhouse Partnership, Defendant.

United States District Court for the Northern District of Texas, Fort Worth Division

Multitechnology Services, L. P. d/b/a CoServ Broadband Services, Plaintiffs, v. Southwestern Bell Telephone Company, Defendant.

Multitechnology Services, L. P. d/b/a CoServ Broadband Services, Plaintiffs, v. Verizon Southwest f/k/a GTE Southwest Incorporated, Defendant.

United States District Court for the District of Oregon

Time Warner Telecom of Oregon, LLC, and Qwest Communications Corporation, Plaintiffs, v. The City of Portland, Defendant.

High Court of the Hong Kong Special Administrative Region, Court of First Instance

Commercial List No. 229 of 1999: Cable and Wireless HKT International Limited, Plaintiff v. New World Telephone Limited, Defendant.

REPRESENTATIVE TESTIMONY – PRIVATE COMMERCIAL ARBITRATION TRIBUNALS

American Arbitration Association

Southwestern Bell Telephone Company, Claimant vs. Time Warner Telecom, Respondent.

New Access Communications LLC, Choicetel LLC and Emergent Communications LLC, Claimants vs. Qwest Corporation, Respondent (Case No. 77 Y 1818 0031603).

CPR Institute for Dispute Resolution

Supra Telecommunications and Information Systems, Inc., Claimant vs. BellSouth Telecommunications, Inc., Respondent.

Exhibit B

**Declaration of Robin Norton
Technologies Management, Inc.**

1. My name is Robin Norton. I have been a Regulatory Consultant with Technologies Management, Inc. ("TMI") for approximately eleven years. I have 28 years of utility regulation experience, primarily in telecommunications.

2. Technologies Management, Inc. is a consulting firm specializing in telecommunications regulatory filings and compliance. Since 1986, TMI has prepared and filed thousands of applications and tariffs for all types of telecommunications companies throughout the country. In addition, TMI routinely monitors state and federal rulemakings and docketed proceedings. As part of this process we monitor regulatory requirements for institutional calling services, including those adopting or modifying state rate caps. We also monitor dominant carrier (AT&T and Incumbent Local Exchange Carriers) tariffs and revisions to such tariffs.

3. TMI previously supplied institutional call cost data to Pay-Tel Communications, Inc. ("Pay-Tel") which Pay-Tel submitted to the Commission in a filing dated September 9, 2008 in CC Docket 96-128: Inmate Remand and *Wright* Petition Institutional Call Charges. At the request of Pay-Tel, I have reviewed and updated the institutional call cost data previously submitted, and the revised information is attached hereto.

4. In preparing this information, I examined (a) the relevant AT&T and Incumbent Local Exchange Carrier tariff filings on file with state utility regulatory agencies where such filings are required and/or online pricing guides posted by these same telecommunications carriers, (b) the relevant rules and orders issued by the state utility regulatory agencies, and (c) information compiled based on telephone conversations and written correspondence between TMI research staff and regulatory agencies.

5. Based on this review, the attached spreadsheet reflects rates and call cost charges in compliance with existing state regulations and/or AT&T/ILEC currently tariffed rates.

I hereby declare that the foregoing information is true and correct to the best of my knowledge, information, and belief.

Dated: April 24, 2009



Robin Norton
Consultant
Technologies Management, Inc.

Rates for a 10 Minute Inmate Local Collect Call as of April 2009

Technologies Management, Inc. (TMI) publications are not intended to be used in lieu of legal counsel or as the sole basis to determine a business strategy. Information contained herein is based upon tariff, price list, or similar rate filings or postings made by various telecommunications carriers. Those telecommunications carriers have not reviewed, acquiesced in or authorized any resulting summary or report. Other information is based upon relevant state statutes, and/or commission rules, orders, and telephone discussions with responsible state commission staff members. Tariffs and regulations change rapidly and are subject to differing interpretations. Although every effort is made to insure timely and accurate information, neither TMI nor the carriers are liable for errors, omissions or delays. While the information contained herein is considered by TMI to be generally reliable, it is not guaranteed.

Total Min.
10

Initial 1 Add'l 9

State	Rate Source	BOC	Rate Cap?	Total Rate	Applicable Local Call Rate				Collect Call Surcharge	Inmate Station Surcharge	Add'l pay-phone surcharge	Rate Cap Details
					LMC	Init. Min.	Add'l Min.	Notes				
1 Alabama	Cap	Bell South	Yes*	\$2.75	\$0.50				\$2.25			*New rate caps to become effective in June 2009.
2 Alaska	Alascom	Alascom	No*	\$1.85					\$1.55		\$0.30	*Inmate rates handled case-by-case.
3 Arizona	Qwest	Qwest	Yes	\$2.45	\$0.50				\$1.45		\$0.50	Capped at LEC tariff rate.
4 Arkansas	SBC	SBC	No	\$2.45					\$1.95	See Assumptions	\$0.50	Service charge combined with LMC.
5 California	SBC	SBC	No	\$4.00	\$0.50			LMC detariffed	\$1.50	\$ 1.70	\$0.30	
6 Colorado	Qwest	Qwest	No	\$2.90	\$0.50				\$1.85		\$0.55	Deregulated by law as of June 6th, 2003.
7 Connecticut	SBC	SBC	No	\$3.80	\$0.50			LMC detariffed	\$3.00	See Assumptions	\$0.30	
8 D.C.	Verizon	Verizon	No	\$2.25	\$0.50				\$1.75			
9 Delaware	Verizon	Verizon	No	\$2.50	\$0.50			LMC detariffed	\$1.75		\$0.25	
10 Florida	Cap	BellSouth	Yes	\$2.25	\$0.50			LMC detariffed	\$1.75			
11 Georgia	Cap	Bell South	Yes	\$2.70	\$0.50				\$2.20			
12 Hawaii	Hawaiian Telcom	Hawaiian Telcom	No	\$1.70	\$0.50				\$1.20			
13 Idaho	Qwest	Qwest	No	\$2.15	\$0.35				\$1.30		\$0.50	Two Qwest ILECs: Used Idaho-North Inmate not subject to commission jurisdiction (Dkt 05-0429)
14 Illinois	SBC	SBC	No	\$4.30		\$ 0.1445	\$ 0.1275		\$2.71	See Assumptions	\$0.30	Capped at LEC; state law sets cap at DOC rates for larger counties.
15 Indiana	SBC	SBC	Yes	\$3.80	\$0.50			LMC detariffed	\$3.00	See Assumptions	\$0.30	Capped at BOC rate. No cap for Local Calls.
16 Iowa	Qwest	Qwest	No	\$2.00	\$0.74				\$1.26			
17 Kansas	SBC	SBC	No	\$5.35					\$2.35	\$ 3.00		
18 Kentucky	BellSouth	BellSouth	No	\$3.00	\$0.50			LMC detariffed	\$2.50			
19 Louisiana	Cap	BellSouth	Yes	\$1.81	\$1.00	See Note	See note	PUC usage rate cap: \$0.50 per 5 min.	\$0.81			
20 Maine	Verizon	Verizon	No	\$2.99	N/A	\$ 0.18	\$ 0.14		\$1.30		\$0.25	
21 Maryland	Verizon	Verizon	No	\$1.35	\$0.50			LMC detariffed	\$0.60		\$0.25	
22 Massachusetts	Cap/ Verizon	Verizon	Yes	\$4.00		\$ 0.10	\$ 0.10		\$3.00			Usage rates capped at Verizon; surcharge cap is Commission imposed
23 Michigan	SBC	SBC	No	\$8.75		\$ 0.45	\$ 0.45		\$3.95	See Assumptions	\$0.30	Inmate not regulated
24 Minnesota	Qwest	Qwest	No	\$2.55	\$0.70				\$1.30		\$0.55	
25 Mississippi	BellSouth	BellSouth	Yes	\$3.00	\$0.50			LMC detariffed	\$2.50			Capped at BOC rate
26 Missouri	SBC	SBC	No	\$1.31	\$0.50			LMC detariffed	\$0.81	See Assumptions		
27 Montana	Cap	Qwest	Yes	\$12.37		\$ 0.64	\$ 0.64		\$5.97			
28 Nebraska	Qwest	Qwest	No	\$4.80	\$0.50				\$3.75		\$0.55	
29 Nevada	AT&T NV	SBC	No	\$2.05	\$0.50			LMC detariffed	\$1.00		\$0.55	
30 New Hampshire	Cap	Fairpoint	Yes	\$1.80	\$0.50			LMC detariffed	\$1.05		\$0.25	
31 New Jersey	Verizon	Verizon	No	\$1.62		\$ 0.09	\$ 0.03		\$1.26			
32 New Mexico	Qwest	Qwest	No	\$3.03	\$0.50			LMC detariffed	\$1.98		\$0.55	
33 New York	Verizon	Verizon	No	\$2.75		\$ 0.10	\$ 0.10		\$1.75			
34 North Carolina	Cap	Bell South	Yes	\$1.71					\$1.71			Cap set at Windstream rate
35 North Dakota	Qwest	Qwest	No	\$6.04	\$0.50				\$4.99		\$0.55	
36 Ohio	Cap	SBC	Yes	\$6.35		\$ 0.36	\$ 0.36		\$2.75			
37 Oklahoma	SBC	SBC	Yes	\$2.65	\$0.50				\$1.65	See Assumptions	\$0.50	Capped at BOC rate
38 Oregon	Qwest	Qwest	No	\$3.29	\$0.79				\$1.95		\$0.55	
39 Pennsylvania	Verizon	Verizon	No	\$1.82	\$0.07				\$1.75			
40 Rhode Island	Verizon	Verizon	Yes	\$3.65		\$ 0.19	\$ 0.19		\$1.75			Cap on per call surcharges only (not usage rates)
41 South Carolina	BellSouth	BellSouth	Yes	\$3.00	\$0.50			LMC detariffed	\$2.50			Only the surcharge is capped
42 South Dakota	Qwest	Qwest	No	\$3.15	\$0.50				\$2.10		\$0.55	
43 Tennessee	Cap	BellSouth	Yes	\$1.50	\$0.50				\$1.00			
44 Texas	Cap	SBC	Yes	\$6.91		\$ 0.2975	\$ 0.2625		\$3.75	See Assumptions	\$0.50	
45 Utah	Qwest	Qwest	No	\$3.30	\$0.50				\$2.25		\$0.55	Resale not regulated
46 Vermont	Verizon	Verizon	No	\$2.15	\$0.50			LMC detariffed	\$1.65			
47 Virginia	Verizon	Verizon	No	\$1.25	\$0.50			LMC detariffed	\$0.75			Resale not regulated
48 Washington	Qwest	Qwest	Yes*	\$1.74	\$0.35				\$1.39			*No caps if automatic rate quote provided. LEC rate shown.
49 West Virginia	Verizon	Verizon	Yes	\$2.90	\$0.50			LMC detariffed	\$2.15		\$0.25	No rate cap rules - Staff limits rates.
50 Wisconsin	SBC	SBC	Yes	\$4.75	\$0.50			LMC detariffed	\$3.95		\$0.30	Capped at twice AT&T or BOC rate
51 Wyoming	Qwest	Qwest	No	\$4.80	\$0.50				\$3.75		\$0.55	

Average: \$3.28

Assumptions included in Calculations - Local Inmate Call costs

- 1 Where the state has imposed rate caps, those rates are used.
- 2 Where the state has not imposed rate caps, RBOC/ILEC tariffed rates are used.
- 3 For LMC (Local Message Charge), if no charge is specified by either the state or ILEC/RBOC (detariffed), the last known LMC is used, typically \$0.50.
- 4 In Rate Source column, "Cap" means specific Commission rate caps are imposed.
- 5 An untariffed, unregulated Inmate Service Station Charge is assessed in at least some SBC states; to the best of TMI's knowledge, the charge typically ranges from \$0.90 to \$1.70 per call and is in addition to all other rates and charges. In a few states, this charge has been tariffed, and in those cases, the tariffed charge is shown, and is included in the calculation.

***Note: The RBOC/ILEC rates used as noted above are approved and currently tariffed rates, however it should be understood that most RBOCs have exited or are exiting the market.

Exhibit C

Published: Dec 05, 2008 12:30 AM
Modified: Dec 05, 2008 09:39 AM

Cell phones plague prisons

A smuggled phone can fetch \$500

DAN KANE, Staff Writer
Comment on this story

Cigarettes, drugs and booze used to drive a prison's black market economy. Today, state prison officials are trying to stop another item from being smuggled in -- cell phones.

So far this year, the N.C. Department of Correction has confiscated roughly 140 cell phones that were found on inmates or stashed on prison grounds. The phones are considered contraband, but they are coming in anyway.

They arrive by visitors who sneak them in, by inmates returning from work release and, in some cases, by staff looking to make a fast buck. A \$25 phone can sell for as much as \$500 behind bars, prison officials say, and inmates who have them can charge others for their use.

Prisons director Boyd Bennett said the cell phones can be used for all kinds of mayhem in and out of prison. They can be used to set up attacks on inmates and staff, coordinate escapes, harass victims and allow criminals to continue running criminal enterprises outside prison.

In one case, North Carolina prison officials say, a gang leader in one prison used a cell phone to call inmates at another prison to give them the go-ahead to attack another inmate.

"He was a player in the gang hierarchy and he said, 'Yeah, go ahead and cut this guy,' " said Zack Kendall, an investigator who handles security issues with the Division of Prisons.

It's a growing problem nationally.

So far this year, South Carolina prison officials have confiscated more than 1,800 phones or components such as batteries and chargers, while Texas officials reported seizing more than 700 phones and components, including 20 phones from inmates on death row.

"We have had multiple escapes coordinated with cell phones," said Josh Gelinis, a spokesman for the S.C. Department of Corrections. "It's our biggest problem right now."

In Tennessee three years ago, an inmate used a cell phone to plot an escape that took the life of a correction officer. The inmate was later caught.

Phone-sniffing dog

In North Carolina, Bennett said his staff is trying to close off the cell phone pipeline with tighter checks of those entering and exiting prisons and by obtaining a 4-year-old chocolate lab named Sally, who is being trained to sniff them out. A component within cell phones produces a unique scent.

The department recently sent staffers to South Carolina to watch a demonstration of cell phone jamming technology. But that may not become an option until federal lawmakers change Federal Communications Commission rules that prevent the blocking of cell phone signals. South Carolina has asked federal authorities to make such a change.

Texas is holding a similar demonstration later this month.

"We believe the answer is to jam it, but the FCC of course is not seeing it our way," said John Moriarty, inspector general for the Texas Department of Criminal Justice.

Bennett said he will also ask state lawmakers next year to provide a tool other states have -- a felony charge for those who smuggle cell phones in prison. He was less sure about creating a criminal possession charge for inmates caught in prison with the phones, saying that can be handled as an infraction subject to punishment.

"It's just another piece of the solution that we ought to have on the books in North Carolina," Bennett said.

Staffers disciplined

Prison officials began seeing cell phones in inmates' hands about four years ago. They have shown up in all levels of custody, though not on death row as in Texas. North Carolina prison officials didn't begin tracking the number of cell phones until this year. The department has roughly 40,000 inmates in 79 prisons.

In most cases, visitors or inmates on work release are bringing in the phones, Kendall said. He estimated at least a dozen were smuggled in by "eight or nine" staffers in several facilities. They've been dismissed. Ron Gillespie, the correction department's personnel director, could not provide specifics as to how many employees were fired because he said he doesn't keep track.

The department allows only staff to carry state-issued phones. Inmates have access to pay phones inside the prisons, but the calls are recorded. Access to the pay phones depends on the level of custody, with those in minimum security having more access and those in maximum security having the least.

Bennett said he is unaware of a case where a cell phone was used to plot an escape or an attack on staff. Kendall said several inmates were disciplined internally after the cutting incident, but investigators could not pin the hit on the gang leader because they did not find the cell phones. Interviews with other inmates led prison officials to believe it was a cell phone hit.

"These guys were separated by miles and miles and yet they were still able to reach out and do something," Kendall said.

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PHONES IN CELLS

140

cell phones seized in state prisons this year

12

phones smuggled in by staffers

\$500

top price of a phone behind bars

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CORRECTIONSONE News

06/01/2009

Cell phones problematic in prisons

By Jacqueline Koch
Chattanooga Times Free Press

CHATTANOOGA, Tenn. — While traditional prison contraband such as drugs and weapons remain troublesome, prison officials nationwide are dealing with a different -- and potentially more dangerous -- problem: cell phones.

Not only can prisoners plan escapes over the phones, they also can conduct criminal activity such as drug deals from behind bars and harass victims or trial witnesses, said Rick Jacobs, director of special operations for the Georgia Department of Corrections.

"It's the absolute latest epidemic in prison contraband and it's because it goes beyond on the walls," he said. "It's become a very valuable piece of contraband. It's even more valuable than drugs and other types of contraband."

So far this year, Georgia officials have confiscated slightly fewer than 200 phones. No cell phones were found on death row, Mr. Jacobs said.

Tennessee Department of Correction officials said they have found about 350 this year.

"We're constantly searching for them and it's a pretty big problem," said TDOC spokeswoman Dorinda Carter said.

There were 55,239 prisoners in Georgia as of last week, while in Tennessee the prison population was 19,519 as of March 9, according to department statistics.

Officials say comparing those numbers is virtually impossible because of the difference in sizes and levels of security.

Cell phones are known as the new prison cash, Mr. Jacobs said. Inmates swap minutes for protection or to purchase items from the commissary they couldn't otherwise afford, he said.

Cell phones find their way into prisons via mail, through visitors and inside inmates' bodies. Prison employees also accept cash to smuggle a phone to an inmate, or inmates bring them back into prison after participating in a work detail outside the facility, Mr. Jacobs said.

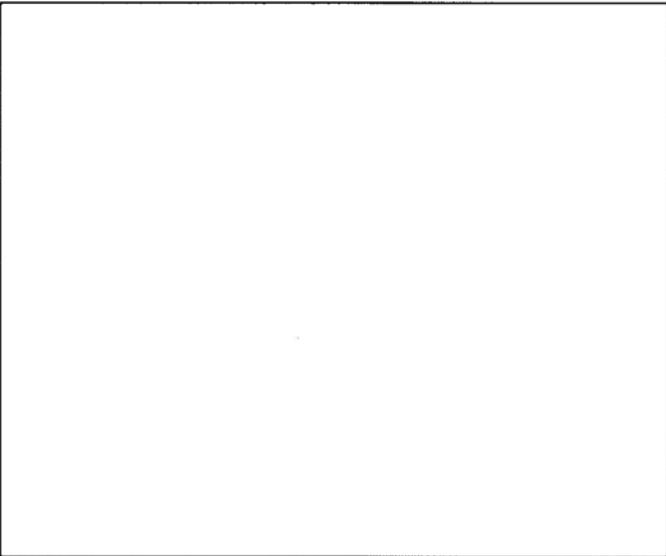
When Georgia officials realized cell phones were problematic, they worked to fortify the main entry points -- the front door, back door and mail -- using X-ray machines and cell phone detectors, Mr. Jacobs said.

They also pushed for legislation that would make having a cell phone in prison a felony punishable by up to five years in prison, a law currently in effect.

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[The future of the cell phone contraband battle
Prisons press fight against smuggled cell phones](#)

[Inmates turn to toy helicopter to smuggle phones](#)



In Tennessee, which also uses cell phone detectors, the offense is a felony punishable by one to six years in prison.

Inmates found with cell phones are punished administratively and lose certain privileges such as the ability to buy things at the commissary or are sent to isolation. Those outside the prison who try to smuggle in cell phones are turned over to district attorneys' offices.

Cell phone contraband is not nearly as prolific on the local level, officials said.

At the Whitfield County Jail, very little contraband, including cell phones, enters the facility, Lt. Wesley Lynch said.

In general, inmates mostly receive contraband from those who work inside jails, he said. Because Whitfield County would heavily prosecute those found bringing contraband into jail, officials have never experienced a problem, Lt. Lynch said.

"It's not tolerated in any degree," he said.

Prison officials across the nation are preparing to ask the Federal Communications Commission to allow cell phone jamming technology, Ms. Carter said. The technology would not allow calls to be made or received because it emits signals in the same frequency range as cell phones, creating strong interference.

By the numbers

Cell phones recovered solely during special operation unannounced shakedowns

* 2009 -- more than 40 phones recovered

* 2008 -- 74 cell phones recovered

* 2007 -- 87 cell phones recovered

Source: Georgia Department of Corrections

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Posted on Wed, May. 20, 2009

Report urges prison reforms to derail gangs

By Maya Rao

Inquirer Staff Writer

Authorities across New Jersey periodically announce gang sweeps that net dozens or even hundreds of arrests and generate publicity on efforts to lower crime.

But what if the state's prison system has enough loopholes to allow those same gang members to freely operate criminal organizations from behind bars?

Saying taxpayers must have confidence that criminals are removed from society upon incarceration, the State Commission of Investigation (SCI) yesterday outlined suggested reforms following an 18-month examination into how gangs exploit vulnerabilities in the corrections system.

The commission released an 83-page report recommending major changes in visitation policies, security, staffing, departmental structure, personnel recruitment, and methods of identifying and monitoring gang members at the Department of Corrections.

The state's prisons have rarely been as challenged as in recent years by the "veritable flood tide" of inmates linked to criminal gangs - chiefly the Bloods - even as the system is not equipped to handle the problem, the commission determined.

Once a leader in devising innovative strategies to track gang members, the department has identification and intelligence systems that cannot deal with an "unprecedented and unrelenting stream of gang-affiliated inmates," the report said.

"Taxpayers are under the impression that when a criminal is locked away and sentenced to prison, that's the end of his criminal career. . . . And that's not necessarily true," said Lee Seglem, the commission's assistant director.

The SCI wants to curb the ease with which incarcerated gang members use prison as a recruiting ground for their ranks, arrange for visitors and a handful of corrupt guards to

smuggle them drugs and cell phones, and use their inmate monetary accounts for extortion and buying contraband.

In one case, a cell phone seized from an incarcerated gang member showed records of 94 communications with people in four states, many referencing sets of the Bloods.

The commission's report in large part addressed how to improve the capabilities of the department's Special Investigations Division, which is charged with probing gang and other criminal activity while also investigating alleged wrongdoing among the same corrections officers on whom it relies for gang intelligence.

The report described a "toxic relationship" between the parties due to SID's competing responsibilities, and suggested moving the personnel investigative function to a new division.

Meanwhile, SID's Intelligence Unit - tasked with identifying gang members entering the system - should receive more staff and technical resources, the commission said.

One major problem the commission outlined was how New Jersey's law enforcement system has no centralized mechanism to track gang members at every step, from the streets to their arrest to their incarceration. Those agencies have no standardized criteria for identifying and gathering intelligence on gangs, and county jails aren't required to provide gang information when their inmates are transferred to the state system.

The SCI recommended creating a more comprehensive, integrated intelligence-gathering system to capture a wider range of information on gang activity, drawing on potential identifiers in an inmate's juvenile and adult criminal history and incidents that arise in the prisons.

The state, it suggested, could also establish a Gang Identification and Intelligence Task Force to design a uniform system to identify gang members and their associates and establish a central repository to store relevant information.

The report also examined how the prison system could clamp down on the visitation process, which is a substantial means of smuggling drugs and phones to inmates.

The SCI recommended conducting criminal background checks on visitors; standardizing entrance and exit operating procedures at the prisons; using drug- and cell-phone-detection devices; and removing visitor-room vending machines - a conduit for outsiders to smuggle contraband - while increasing staffing and surveillance in those areas.

With inmate accounts taking in \$63.8 million between 2004 and 2008, the department should regularly scrutinize inmate accounts for activity, establish a centralized computerized system to manage inmate deposits and disbursements, and set up a free hotline that allows inmates and others to report extortion, the report said.

The SCI also suggested the department consider limiting the amount of money inmates can keep in their accounts.

Other recommendations included beefing up training and background checks for a host of people involved in the corrections process.

Department of Corrections spokesman Matthew Schuman declined to comment on the SCI report, saying he had not yet read it.

But the department has already taken steps to confront the problem, he said.

For example, he said, the department has acquired six cell-phone-sniffing dogs that have detected 75 phones since October. And since January 2008, the department has turned over to prosecutors 150 cases of people accused of smuggling cell phones to inmates, he said.

In Trenton yesterday, SCI Chairman W. Cary Edwards said, "We all recognize the severity of the current fiscal climate," but noted that some recommendations could be enacted at a minimal cost.

Calling gangs the "most serious crime issue in New Jersey today," Edwards said the SCI would continue to issue reports on the problem.

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Find this article at:

http://www.philly.com/inquirer/local/nj/20090520_Report_urges_prison_reforms_to_derail_gangs.html

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Bill would permit jamming cell phones in prisons

- By William Jackson
- May 19, 2009

Move aimed at curbing active criminal conduct

Calling illegal cell phone use by prisoners "a significant threat to security within Maryland's prison system and to our overall public safety," Maryland Gov. Martin O'Malley (D) wants federal permission to demonstrate cell phone jamming technology in a state prison.

Current federal law prohibits anyone but federal officials from using radio jamming devices, however, and the test is unlikely to be approved unless a bill in the Senate is passed to allow waivers for using the tools in jails and prisons.

"The governor's goal is to stop criminal conduct from behind prison walls," said O'Malley's Press Secretary Shaun Adamec. "It's a problem in Maryland. The state has been innovative in finding ways to detect and seize cell phones," but keeping them out of prisoners' hands is proving difficult, if not impossible.

In a letter sent May 7 to Sen. Barbara Mikulski (D-Md.), O'Malley said 947 illegal cell phones were recovered in Maryland prisons in 2008, an increase of more than 70 percent from 2006. The state began training dogs to locate the phones in June 2008, and to date they have sniffed out 75 illegal phones. O'Malley cited a case in which a murder suspect being held for trial in the Baltimore City Detention Center ordered the killing of a witness by using an illegal cell phone.

O'Malley also cited cases in Massachusetts, Oklahoma, South Carolina, Kansas, Texas, North Carolina and Tennessee in which phones were used to organize murders, escapes and other crimes.

"Current attempts to ensure that cell phones stay out of prisons can easily be foiled and must be supplemented by the best technology available," O'Malley wrote. "Using jamming technology would provide us with the tools necessary to eliminate the threat cell phones pose in our prisons."

Federal law and Federal Communications Commission rules make cell phone jamming devices illegal except for feds. The military uses such devices to neutralize improvised explosive devices in Iraq and other war zones. Unauthorized jamming can carry fines of up to \$11,000 a day, and the commission actively enforces the ban..

However, the law and rules haven't stopped the public's interest in jamming technology. According to a commission notice issued in 2006, "the FCC has seen a growing interest in the devices. Inquiries about the use of cellular jammers are often accompanied by comments that the use of wireless phones in public places is disruptive and annoying."

The FCC's position is that no matter how annoying, people cannot legally block cell phone use. But some vendors apparently are targeting that market. "Advertisements for cellular jammers suggest that the devices may be used on commuter trains, in theaters, hotels, restaurants and other locations the public frequents," FCC said.

Apparently there are no plans to legalize cell phone jamming in public places, but Senate Bill 251, the Safe Prisons Communications Act of 2009, would amend the Communications Act of 1934 to let the FCC grant waivers for their use in state and federal prisons.

The bill would allow the director of the Federal Bureau of Prisons and state governors to petition the FCC for a waiver "for the sole purpose of preventing, jamming or interfering with wireless communications within the geographic boundaries of a specified prison, penitentiary or correctional facility."

The devices would not be allowed to interfere with emergency or public safety communications and would have to be operated at the lowest power needed, and use directional technology to avoid interference with legitimate commercial communications. The waivers could be revoked or modified if commercial carriers show that there is improper interference. The FCC would have to certify the devices for use in the United States.

The bill was introduced in January and was referred to the Commerce, Science and Transportation Committee.

About the Author

William Jackson is a senior writer for GCN.



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