

May 31, 2013

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Notice of Ex Parte Presentation

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

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

Dear Ms. Dortch:

On May 29, 2013, Vincent Townsend, President of Pay Tel Communications, Inc., Marcus W. Trathen of Brooks, Pierce, McLendon, Humphrey & Leonard, LLP, and Jack Pringle of Ellis, Lawhorne & Sims, P.A., met with Acting Chairwoman Mignon L. Clyburn and Rebekah Goodheart, Legal Advisor. In this meeting, Pay Tel discussed the FCC's Notice of Proposed Rulemaking (NPRM) issued December 28, 2012, in response to the Petitions of Martha Wright, et al., for rulemaking, the potential detrimental effect of the Wright Petitioners' interstate rates proposal on inmate providers primarily serving jail facilities, and other positions of record in the proceeding regarding inmate calling services.

Pay Tel presented its views that: (1) the Commission should consider appropriate reform affecting all relevant spheres of the Inmate Calling Services ("ICS") industry so that consumer welfare is maximized, jail and prison facility operators will continue to have the resources to provide adequate security for inmates, staff, and the general public, and ICS providers will be able to operate profitable businesses; (2) the ICS industry is comprised of diverse types and sizes of correctional facilities that have different cost characteristics and that, in particular, jails and prisons should be treated distinctly by the Commission with respect to any consideration of ICS costs; (3) merely addressing one or even some of the industry's myriad challenges in a piecemeal fashion will lead to ineffective results and create unintended consequences such as a potential reduction in ICS services and rate arbitrage; (4) adoption of the Wright Petitioners' latest proposal to establish a benchmark ICS rate for interstate calls at \$0.07 per minute would lead to immediate "rate arbitrage" to the detriment of safety and security, would cause severe financial harm to operators such as Pay Tel that primarily provide service in jail facilities, and would result in further industry consolidation by the two dominant national companies; (5) elimination of payments to facilities could leave facility administrators without the funds to cover the legitimate costs required to operate phones in a safe and secure manner and thereby risk cessation or diminution of ICS availability; and (6) the Commission should address the growing problem of add-on fees that drive up the cost to consumers of ICS.

Pay Tel urged that the Commission; (1) consider a tiered rate structure that distinguishes between, at a minimum, ICS in jails and prisons; (2) address the problem of escalating fees; and (3) ensure that

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facility providers are adequately compensated for their costs of ICS administration. Pay Tel also stated its view that the Commission has, pursuant to Section 276 of the Communications Act, broad jurisdiction over ICS.

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 discussed.

Sincerely yours,

/s/ Marcus W. Trathen

Marcus W. Trathen

cc: Acting Chairwoman Mignon L. Clyburn (via email)
Rebekah Goodheart (via email)