

August 2, 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: WC Docket No. 12-375, Rates for Interstate Inmate Calling Services

Dear Ms. Dortch:

On August 2, 2013, Vincent Townsend, President of Pay Tel Communications, Inc. ("Pay Tel"), and Marcus W. Trathen of Brooks, Pierce, McLendon, Humphrey & Leonard, LLP, met with Matthew Berry, Chief of Staff to Commissioner Ajit Pai, by phone.

In this meeting, Pay Tel discussed its costs of providing ICS in jails. Pay Tel reiterated that:

- Adopting piecemeal reform of ICS which does not allow for full cost recovery of all ICS costs (including intrastate and interstate) will jeopardize Pay Tel's ability to continue as a going concern.
- If the Commission elects to only address interstate rates at the present time, the Commission should postpone the application of this new regulatory approach to jails in light of (i) the discrete cost environment applicable to jails, (ii) the evidence of below cost local calling rate caps that particularly impact ICS in jails, and (iii) the significant disruption to the jail environment which will otherwise be caused by rate arbitrage activity.
- Adoption of a low rate cap applicable only to interstate calls will lead to serious security concerns in jails, where, due to high turnover of the inmate population, the staff does not have time to set up allowed call lists or to investigate and prevent rate arbitrage by the called party.
- If the Commission addresses fees, it is imperative that cost based payment processing fees be allowed.

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.

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Sincerely yours,

/s/ Marcus W. Trathen

Marcus W. Trathen

cc (via email):

Matthew Berry
Rebekah Goodheart
Valery Galasso