

Description and Justification (“D&J”)

Data Collection Sheets for Calling Services

Cost Information – The methodology used to report Total Costs, Telecom Costs, Equipment Costs, Security Costs, and Other Costs on the Debit, Prepaid, Collect, and Other ICS sheets is described in the attached Cost Study prepared by Don Wood with Wood & Wood Regulatory, Economic, and Financial Consulting Services.

Commissions Paid – The dollar amounts of commissions paid for 2012 and 2013 come from the stored data files of the actual calculations of commissions performed monthly for each facility. The 2014 commission amounts were calculated based on actual commission dollars from January 2014 thru May 2014 projected to twelve months (divide by five, multiply by twelve). These dollars were then totaled by respective contract group size based on average daily population as requested on the data collection sheet.

Revenue Producing Minutes of Use – The minutes for 2012 and 2013 were obtained from the call detail record (CDR) data for each inmate facility, which data is generated on a monthly basis and stored. The minutes for 2014 were calculated based on actual minutes of use from January 2014 thru May 2014 projected to twelve months (divide by five, multiply by twelve) and adjusted based on estimates of contract activity in the second half of the year. The minutes were totaled by the facility group size based on average daily population as requested on the data collection sheet.

Number of Revenue Producing Calls - The number of revenue producing calls for 2012 and 2013 were obtained from the call detail record (CDR) data for each inmate facility, which data is generated on a monthly basis and stored. The minutes for 2014 were calculated based on actual minutes of use from January 2014 thru May 2014 projected to twelve months (divide by five, multiply by twelve) and adjusted based on estimates of contract activity in the second half of the year. The calls were totaled by the facility group size based on average daily population as requested on the data collection sheet.

Non-Revenue Producing Calls and Minutes of Use – The non-revenue producing calls and minutes for 2012 and 2013 were obtained from call detail record (CDR) data and in our equipment search engines, which data is generated on a monthly basis and stored. The non-revenue producing calls and minutes for 2014 were estimated based on the 2013 relationship of non-revenue producing call/minutes to revenue producing calls/minutes. The reported data reflects the following six categories of non-revenue producing calls: (1) First Call Free for calls to non-billable numbers with live agent account set up; (2)

Facility requested Free Calls: (3) Facility requested Privileged Calls to Public Defenders, Attorneys and INS ; (4) Trust Fund/Commissary Account Calls ; (5) Call attempts less than 10 seconds (answer machine or calls answered, accepted and hung up); and (6) Zero Duration Calls (i.e. answered and not accepted, busy and no answer).

Data Collection Sheets for Ancillary Fees

Payment Fees – A payment fee is charged by Pay Tel for credit and debit card payments. Pay Tel does not charge the customer for payments made by cash, check or money order, nor does Pay Tel receive any part of a fee charged by Western Union or Moneygram.

Demand – The 2012 and 2013 Payment Fee demand is the actual number of fees charged to customers, tracked daily and stored in Pay Tel’s accounting system. The 2014 demand was calculated based on actual payments from January 2014 thru June 2014 projected to twelve months (divide by six, multiply by twelve).

Payment Fees Direct and Common Costs –Payment Fee costs were calculated using the “per payment” cost derived in the cost study submitted to the FCC in July 2013 and multiplying it by the payment fee demand. The “per call” cost structure has not changed in the past 12 months.

Bill Processing Fees – A Bill Processing Fee is charged to all Pay Tel collect and prepaid customers to cover costs related to maintaining account balances, calculating the proper tax, charging the tax on the call at the time of the call, collecting and remitting the taxes to the appropriate authority, printing monthly statements, posting statements on the website customer portal and mailing statements customers.

Demand – The 2012 and 2013 Bill Processing Fee demand is the actual number of monthly bill fees charged to our customers, tracked monthly and stored in Pay Tel’s accounting system. The 2014 demand was calculated based on actual bill fees from January 2014 thru June 2014 projected to twelve months (divide by six, multiply by twelve).

Bill Processing Fees Direct Costs - 2012 and 2013 Bill Processing Fee direct costs were derived using the component costs per bill from an in-house cost analysis performed in 2013. 2014 direct costs were calculated in a similar fashion using the estimated 2014 demand.

Bill Processing Fees Common Costs - 2012 and 2013 Bill Processing Fee common costs were derived using the component costs per bill from an in-house cost analysis performed in 2013. 2014 direct costs were calculated in a similar fashion using the estimated 2014 demand.