

January 20, 2012

Paul C. Besozzi
202-457-5292
pbsozzi@pattonboggs.com

BY FEDERAL EXPRESS

Catrice C. Williams
Secretary
Department of Telecommunications and Cable
1000 Washington Street, Suite 820
Boston, MA 02118-6500

Re: Petition Of Recipients Of Collect Calls From Prisoners at Correctional Institutions In Massachusetts Seeking Relief from the Unjust And Unreasonable Cost of such Calls ("Petition") – D.T.C. 11-16 - Response of Securus Technologies, Inc.

Dear Secretary Williams:

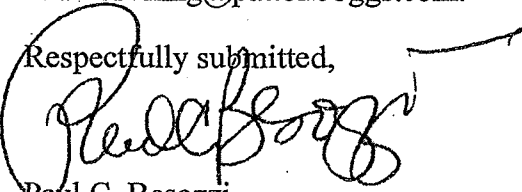
In accordance with the Department's Procedural Rules, enclosed for filing in the referenced proceeding are an original and three (3) copies of the Response of Securus Technologies, Inc.

A copy of the Response is being served on this date on all parties listed on the official Service List issued by the Department.

An extra copy of the Response is enclosed to be stamped "received" or "filed" and returned in the enclosed envelope.

Please direct any questions concerning this filing to the undersigned at 202-456-5292 or pbesozzi@pattonboggs.com or in my absence to Ryan King at 202-457-5312 or rking@pattonboggs.com.

Respectfully submitted,


Paul C. Besozzi
Counsel for Securus Technologies, Inc.

**Before The
THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE**

**Petition Of Recipients Of Collect Calls
From Prisoners at Correctional Institutions
In Massachusetts Seeking Relief from the Unjust
And Unreasonable Cost of such Calls**

D.T.C. 11-16

RESPONSE OF SECURUS TECHNOLOGIES, INC.

**Curtis L. Hopfinger
Director – Regulatory and Government Affairs
Securus Technologies, Inc.
14651 Dallas Parkway, 6th Floor
Dallas TX 75254
972-277-0319**

**Paul C. Besozzi
Ryan W. King
Patton Boggs LLP
2550 M Street NW
Washington DC 20037
202-457-5292**

January 20, 2012

SUMMARY

Petitioners seek to have the Department of Telecommunications and Cable (“Department” or “DTC”) declare “unjust and unreasonable” the inmate calling service (“ICS”) rate-cap regime adopted by the Department’s predecessor in 1998, reconfirmed in 2004 and enforced through filed tariffs since then. Petitioners also complain of quality-of-service and customer service problems for which the Department should regulate standards.

The Petition, filed in August of 2009 and amended twice thereafter, was docketed by the Department in November of 2011. In doing so, the Department required Securus Technologies, Inc. (“Securus” or “Company”), a leading provider of ICS in Massachusetts and elsewhere, to respond to the Petitioners’ claims.

Petitioners contend that the rate-cap regime, and in particular the right of ICS providers to impose up to a \$3.00 per-call surcharge on collect calls, is “unjust and unreasonable” primarily because (a) legitimate, contract-based compensation paid by Securus to the county confinement facilities it serves is not a cost of providing ICS and (b) the additional costs of ICS that the Department found justified the per-call surcharge have since been “eliminated.”

Securus respectfully submits that compensation payments imposed by facility administrators as a requirement to serve their facilities are “legitimate additional costs associated with inmate calling services.” Contrary decisions by two state agencies and the FCC do not bind the Department. Commission payments to county facilities used to support “prisoner programs and amenities” (as described by Petitioners) are a legal business reality and to now ignore or exclude them as a cost of providing ICS is punitive and, in and of itself, would be unjust and unreasonable.

Further, despite Petitioners conclusory surmise based on primarily general statements as much as 10 years old by a consultant declarant in an FCC proceeding, the additional costs, which the Department recognized were driven by the “unique characteristics” of ICS, remain. Petitioners have offered no specific data to the contrary. While in some areas there have been some efficiencies from centralization or adjusted carrier costs, Securus on the other hand, based on its own internal assessment, has projected that since 2008 its overall per-call costs have increased by 16.5 %.

What may have happened to per-call rates at other State Department of Correction (“DOC”) systems between 2004 and 2008, even if correct, cannot be a basis for concluding now that a cap of \$4.50 for a 15 minute intraLATA collect call is unjust and unreasonable. This is particularly the case when the “commensurate ... [rate] charged to the general public for like services” would, for a payphone served by Verizon, be \$4.99 per call plus \$0.89 per minute.

Securus respectfully submits that the Petitioners have failed to carry their substantial burden of demonstrating that the Department’s thoughtfully adopted policy has now become unjust and unreasonable. There is no basis for changing it based on what Petitioners have brought forward or expending further Department resources on hearings or further proceedings. The Petitioners request to eliminate the per-call surcharge in its entirety and reduce the per-minute rate cap should be denied.

With respect to quality-of-service issues, Securus devotes substantial resources, both in terms of dollars and people, to service quality and customer service. The Company has dedicated field technicians residing in Massachusetts. It has brought in house all customer-service responsibilities and now has 200 customer service personnel to assist customers on a round-the-clock basis. Securus’ investigation of the thirty-two (32) affiants found that many

made general, unspecified claims and less than half (i.e., eleven (11)) actually contacted Securus customer service. None of the affiants raised complaints with the Department, the FCC, the State Attorney General, the State Office of Consumer Affairs and Business Regulation or the Better Business Bureau. None of the affiants “escalated” whatever complaints that they may have made to Securus Customer Service to the Company’s executive level. Securus is extremely cognizant of its customer service obligations. The Company’s facility customers have rated its service highly. There is no need for an additional regulatory regime beyond what the Department currently imposes.

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Exhibit 6 – Securus Friends & Family Telephone Service Guide

Exhibit 7 - Customer Satisfaction Survey Summary

Exhibit 8 – Securus Customer Service Record Analysis

**Before The
THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE**

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Petition Of Recipients Of Collect Calls)	
From Prisoners at Correctional Institutions)	D.T.C. 11-16
In Massachusetts Seeking Relief from the Unjust)	
And Unreasonable Cost of such Calls)	
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RESPONSE OF SECURUS TECHNOLOGIES, INC.

Securus Technologies, Inc. (“Securus” or “Company”),¹ acting through counsel, hereby responds to the captioned Petition (“Petition”) filed by certain individuals and legal organizations (“Petitioners”) concerning (a) the current, approved rate regime for collect calls by inmates at Massachusetts correctional facilities and (b) certain related quality of service issues. This response (“Response”) is timely filed in accordance with the Department of Telecommunications and Cable (“DTC” or “Department”) “Order On Motions To Extend Time For Responses,” dated November 18, 2011 (“Extension Order”).² In support of its Response, Securus hereby sets forth the following.

¹ Unless otherwise specified, as used herein, these terms refer to Securus and its predecessor Evercom Systems, Inc. (“Evercom”)

² Unless otherwise specified herein, the term “Department” shall include the Department of Telecommunications and Cable and its jurisdictional predecessors, the Department of Telecommunications & Energy (“DTE”) and the Department of Public Utilities (“DPU”).

I. INTRODUCTION

Petitioners first challenge as unjust and unreasonable a Department-imposed rate regime for inmate calling service (“ICS”) providers approved by the Department in 1998, reconfirmed in 2004 and enforced through the tariffing process to this day. To carry their complainant’s burden of proof, Petitioners argue that the cost to ICS providers of complying with legitimate contractual obligations to compensate the confinement facilities in Massachusetts such providers serve now cannot be considered a cost of providing ICS. Next, citing primarily general assertions (some as much as 10 years old) by a consultant engaged by a similar group in an FCC proceeding concerning interstate ICS rates, and without offering any specific cost information relating to Securus, Petitioners assert that certain Securus’ costs, which the Department acknowledged reflected the unique characteristics of ICS, have “been almost entirely eliminated.”³ Lastly Petitioners cite questionably accurate and dated information from what has happened to ICS rates at State Department of Corrections systems in other states to justify a radical restructuring of the current Department-approved rate regime, seeking elimination in its entirety of any per-call surcharge and reducing the approved per-minute usage now at \$0.10 per minute.

Securus respectfully submits that commission payments to the confinement facilities that it serves are a direct and attributable cost of its providing service to those facilities. To hold otherwise, which the Department has never done and is not obligated to do based on decisions in other jurisdictions, ignores business realities. There has been no change in the unique characteristics of ICS, with respect to security and other special needs. If anything, these

³ Petition, at p. 8.

requirements have become more sophisticated to counter the efforts by inmates to avoid security restrictions and engage in activities such as call forwarding and three-way calling. Indeed, on October 11, 2011, Securus filed a letter with the Federal Communications Commission (“FCC”) indicating that the Company’s overall per-call costs had increased approximately 16.3% since 2008 and that its overall per-minute costs had increased approximately 16.5% since that year. This information was provided at the request of the FCC as a follow on to an Inmate Telephone Industry cost study (the “Wood Study”) previously filed with that Commission on August 15, 2008.

Petitioners also cite quality of service and customer service issues that they claim justify the imposition of certain regulatory requirements in the cited areas. Securus investigated each of the thirty-two (32) affiants submitted by Petitioners citing Securus⁴ and found that none of the averred concerns were ever presented (a) to Securus for resolution directly as “escalated complaints”⁵ or (b) through more formal complaint channels such as the DTC, the FCC, the Massachusetts Attorney General’s Office (“AGO”), the state Office of Consumer Affairs and Business Regulations (“OCABR”), or the Better Business Bureau (“BBB”). Further, a thorough review of Securus’ internal Customer Care records was also conducted for the 32 Petitioners’ complaints where identifiable information was provided to determine whether any of the complaints had contacted the company directly for assistance concerning the areas cited in their complaints. Based on this investigation, well over half of the affiants (some twenty-one (21)) never contacted Securus Customer Care for assistance with the enumerated concerns expressed

⁴ Exhibit A-11 to Amendment #1, an Affidavit of Cheryl Williams actually cites Global Tel Link as the provider of service. So Securus counts 32 specific complainants.

⁵ In Securus customer service system, complaints that are not resolved or addressed at the customer service level may be escalated to the attention of the Company’s Executive level management for decision. These are referred to as “escalated complaints.”

in the thirty-two (32) affidavits. A copy of Securus' findings is discussed below, with the detail provided in a separate exhibit to this Response.

Securus cannot reasonably be expected to address complaints that it does not receive through its readily available customer-service network. Nevertheless, Securus recognizes that quality of service and customer service are of critical importance and continues to invest significant resources to ensure that complaints are minimized and, when they do arise and are reported, are handled in a prompt and courteous matter.

II. BACKGROUND

A. Procedural History And Status Of Docket

The Petition was apparently filed with the Department on or about August 31, 2009. That filing was thereafter amended on or about May 18, 2010⁶ and further amended on or about April 27, 2011.⁷

On November 10, 2011, the Department served on Securus by electronic mail a "Letter to Parties RE: *Petition of Recipients of Collect Calls from Prisoners at Correctional Institutions in Massachusetts Seeking relief from the Unjust and Unreasonable Cost of such Calls*, D.T.C. 11-16" ("Initiating Letter") announcing that it had, on November 10, 2011, opened the docket "for the Petitioners' Complaint."⁸ The Initiating Letter provided that Securus had until November 21,

⁶ Amendment #1 And Supplement On Quality Of Service, May 18, 2010 ("Amendment #1").

⁷ Amendment #2: Additional Petitioners, April 27, 2011 ("Amendment #2"). The original Petition and the two Amendments thereto are hereinafter, unless otherwise specified, collectively referred to as the Petition. Although the Petition was apparently sent to Securus office at the time of its filing, neither of the Amendments was so provided to Securus.

⁸ The Department noted that Petitioners "filed a second amendment to cure flaws in their Petition and First Amendment that prevented the Department from opening a docket for their request." Initiating Letter, at p.2.

2011 to answer the "Complaint."⁹ The Letter also reflected that the Docket would be handled by Hearing Officer Kalun Lee.

After receiving motions to extend the time to respond from both Securus and other inmate calling service ("ICS") providers, the Department, by Order dated November 18, 2011, extended the time for this Response until January 20, 2012.

Since the Petition is fundamentally a request for a new rulemaking, asking the Department to revise the long-established existing rate caps for ICS providers in Massachusetts established by the DTC's predecessors and to impose certain service quality requirements, Securus respectfully submits that a brief review of the genesis of the existing rate cap regime is particularly appropriate.

B. The Genesis Of The Existing Approved Rate Structure For Inmate Calling Service In Massachusetts

The Department's current rate structure for ICS providers was founded on decisions dating to the late 1980s relating to the charges that could be imposed by alternative operator service ("AOS") providers. At that time AOS providers were given the option of having their intrastate rates set based on an adjudicated rate proceeding applying standard rate-of-return regulation principles. However, "[c]ognizant of the time, expense and administrative burden involved in presenting a rate case," the Department also allowed such providers to "base [their] rates on the rates offered for similar intrastate services provided by [New England Telephone] NET and AT&T" by filing tariffs with rates that were equal to or less than the corresponding rates for AT&T (interLATA) or the incumbent local exchange carrier (e.g., New England

⁹ The Petition relies on Sections 14, 17 and 24 of Chapter 159 of the Massachusetts General Laws as a basis to request a proceeding be opened and a hearing be conducted. Petition, at p. 3.

Telephone) then on file.¹⁰ This rate cap included rates for any operator surcharges on such calls. This regime was applied to ICS providers as a type of AOS provider.

The Department reasoned that “[e]xisting rates for NET’s intraLATA services and AT&T’s rates for interLATA services have been found to be just and reasonable for those companies based on traditional ratemaking principles.... Effective prices to end-users equal to or less than those of the existing dominant carriers will provide protection to consumers from unjust and unreasonable rates without need for further investigation.”¹¹ This option was a Department-approved “alternative to cost-based rates” provided the “total rate charged to the end-user, including [any] surcharge, may not exceed those rates charged by NET and AT&T.”¹²

Starting in 1992, the Department began to grant regulatory flexibility to both AT&T and New England Telephone in the pricing of their operator services calls.¹³ And in 1994 the Department commenced a proceeding on its own motion to investigate “the regulatory treatment of alternative operator service providers within the Commonwealth of Massachusetts.”¹⁴

¹⁰ *International Telecharge, Inc.*, D.P.U. 97-72/88-72, 97 PUR4th 349, 356 (1988) (“*ITP*”). The Department noted that “traditional cost of service ratemaking standards... would require the Department to review the reasonableness of expenses, rate base and rate of return.” *Id.*

¹¹ *ITI*, 97 PUR4th at 356 (citations omitted); see also *NY COM, Inc.*, D.P.U. 88-69/88-87, 101 PUR4th 65, 67 (1988) (“*NY COM*”). In 1993, the Department clarified that AOS providers had the option of providing statewide rates (for both inter- and intra-LATA calls) that were identical to the corresponding rates of AT&T. Letter, dated March 19, 1993, from the Department of Public Utilities TO: All Companies Providing Alternative Operator Services RE: Intrastate Pricing of Alternative Operator Services.

¹² *Id.* The use of such an “alternative to cost-based rates” belies the Petitioners’ assertion that the Department must use an “actual costs” focus. Petition, at pp. 7-8; see also *Access Charge Order, infra*, n. 19.

¹³ See *AT&T Communications of New England, Inc.*, D.P.U. 91-79, 1992 WL 506126 (1992) and D.P.U. 95-131, 174 PUR4th 38 (1996); *New England Telephone and Telegraph Company*, D.P.U. 94-50, 1995 WL 38680 (1995). At the time of the 1995 decision subjecting AT&T operator services to full “market pricing” and lifting all rate caps on AT&T, the D.P.U. retained the caps on AOS providers while noting that it would determine at a later date whether this policy should be modified and if so how. 174 PUR4th at 42, n. 6.

¹⁴ D.P.U. Order, dated March 23, 1994, initiating D.P.U. 93-118. The Order cited a petition filed by an ICS provider, Value-Added Communications, Inc. d/b/a Value Access Communications, seeking exemption for ICS providers from the AOS regulations.

Although the D.P.U. took comments in the proceeding, it never proceeded with the docket. Rather, in September of 1997, the D.P.U. found that "it is necessary to investigate the rate policy for operator services providers ('OSPs')." It consolidated this investigation with a previously initiated proceeding involving several matters relating to pay telephone service, D.P.U. 97-18 (Phase II).¹⁵

C. The Department's 1998 Order And Aftermath

As noted by the Petition, in April of 1998, the Department issued an order in that combined docket addressing the rate policy for operator service providers. The Department generally found that "the reasons for the OSP rate cap and continued rate regulation of OSPs no longer exist."¹⁶ However, the Department maintained its regulation of ICS rates, noting:

"Since inmates have no option to access another long distance provider, they must use the presubscribed OSP at a prison payphone. As there are no competitive alternatives for inmates, the Department will continue to regulate inmate calling services providers as dominant carriers and, accordingly, will continue to 'cap' their rates. However, we find that it is necessary to modify the existing rate cap mechanism on inmate calling services to provide for rate recovery of *legitimate costs incurred in providing inmate calling services*. Under the existing cap, rates of independent inmate calling services providers are capped at those rates charged by Bell Atlantic or AT&T (depending on whether the call is intraLATA or intrastate), and, therefore, independent inmate calling services may be precluded from recovering *legitimate additional costs associated with inmate calling services*. The record demonstrates that the unique characteristics of inmate calling services produce per-call costs which are higher than costs for conventional OSP calls.... These additional costs *include* (1) costs associated with call processing systems, automated

¹⁵ Vote To Open Investigation And Order On Consolidation, dated September 2, 1997, D.P.U. 97-88/97-18 Phase II.

¹⁶ *Investigation by the Department of Telecommunications and 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 Line Service, and (4) the rate policy for operator services providers, ORDER ON PAYPHONE BARRIERS TO ENTRY AND EXIT, AND OSP RATE CAP, D.P.U./D.T.E. 97-88/97-18 (Phase II), at p.8 (April 17, 1988) ("April 1998 Order").*

operators, call recording and monitoring equipment, and fraud control programs, that are required to ensure security and deter abuses; (2) higher levels of uncollectibles; and (3) higher personnel costs.... The record shows that AT&T, MCI and Sprint Communications impose \$3.00 per call surcharges in 33 states to cover their additional costs, and that the costs of these providers do not differ significantly from state to state.... We can reasonably rely upon these carriers as a proxy for the costs of inmate calling services providers in Massachusetts....Therefore, the Department will allow inmate calling services providers, to charge a maximum surcharge of \$3.00 for such calls. This surcharge cap will apply to all inmate calling services providers, including Bell Atlantic and AT&T. Regarding usage rates for inter- and intraLATA inmate calling services calls, we find that it is reasonable and appropriate to cap carriers' rates at those of Bell Atlantic."¹⁷

Six years later, on September 4, 2004, the Department reconfirmed this rate regime in connection with a change to Verizon rates for collect inmate calls. Verizon amended its ICS tariff to increase the per-call surcharge to \$1.75 per call and set a flat usage rate of \$.10 per minute. The Department stated that the "usage or flat-rate per call charge for either a local, intra- or interLATA call cannot exceed the usage rate that would be charged by Verizon-MA for a corresponding 'average' local or intraLATA call," with 15 minutes being used by the Department as the average length of a collect inmate call."¹⁸ The Department reaffirmed that "[p]roviders of collect inmate calling services may continue to charge an incremental surcharge not to exceed \$3.00 per call...." To be in compliance with the rate-cap policy, revised tariffs were to be filed by December 1, 2004. This rate cap regime for ICS providers remains in effect

¹⁷ *Id.*, at p. 9 (emphasis supplied) (footnotes omitted).

¹⁸ Department of Telecommunications & Energy, ****REISSUED** INDUSTRY NOTICE, COLLECT INMATE CALLS – RATE CAP**, September 3, 2004. Attached as Exhibit 1.

today. By statute, all ICS rates tariffed in accordance with this policy are “deemed prima facie lawful” and remain so until the Department changes or modifies them.¹⁹

D. Securus ICS Operations, Including In Massachusetts

Securus is licensed and certified to provide ICS in all fifty (50) states and the District of Columbia. However, as of December 1, 2011, Securus had contracts to provide such services to correctional facilities in forty-four (44) states and in the District of Columbia. Securus serves approximately 2,300 correctional facility sites (locations) throughout the states in which it operates. The overwhelming majority of these sites are “County” jail facilities.

The Company has been an innovator in the development of ICS technology, investing millions of dollars in research and development (“R&D”) for state-of-the art ICS calling systems or software, which Securus has patented and deployed at substantial additional expense in a number of the facilities that it serves, including those in Massachusetts. Securus continues to make those investments in new technology and commits an average of \$10 million each year to advance its industry leading capabilities through reinvestment in its employees, platforms and products, at least a portion of which benefits Massachusetts.²⁰

Securus or its predecessors have provided ICS in Massachusetts since 1997, pursuant to tariffs filed with and approved by the Department. Securus does not provide ICS at any of the

¹⁹ Mass G.L. c.159 §17. In 2009, the Department, citing the *April 1998 Order*, applied the same proxy rate setting methodology to setting intrastate access rates for Competitive Local Exchange Carriers, even though there had been no cost analysis of Verizon’s intrastate access rates. *Petition of Verizon New England, Inc. et al. for Investigation under Chapter 159, Section 14, of the Intrastate Access Rates of Competitive Local Exchange Carriers*, D.T.C. 07-9, Final Order, at pp. 21-23 (June 22, 2009) (“*Access Charge Order*”).

²⁰ The Company currently holds 85 issued patents, 4 allowed patents and another 35 patent applications are pending.

Massachusetts Department of Correction State Prisons. Rather, Securus currently services the following eighteen (18) County correctional facilities sites:²¹

1. Ash Street Jail and Regional Lock Up
2. Barnstable County Corrections Facility
3. Berkshire County House of Correction
4. Billerica House of Correction (Middlesex)
5. Bristol County Faunce Corner
6. Dukes County Jail
7. Essex County Lawrence Correctional Alternative
8. Essex County Middleton Jail and House of Correction
9. Essex County Women In Transit Facility
10. Franklin County Jail
11. Hampden County Correctional Facility
12. Hampden County Womens Correctional Facility
13. Middlesex County Cambridge Jail
14. Plymouth County Correctional
15. Suffolk County Jail
16. Suffolk County House of Corrections
17. West Massachusetts Correctional Alcohol
18. Worcester County Jail

In Securus' experience, most of the inmates in the facilities it serves are often there for relatively short terms and can be reflective of all levels of society in the surrounding locales.

²¹ Petitioners refer to certain counties as being "abolished" (e.g., Hampden, Worcester). Petition, Appendix IV. Whatever their current political status, Securus continues to perform its obligations under its contracts with the county entities that are parties thereto.

To help service these facilities, Securus has three local field technicians dedicated to its Massachusetts operations who collectively have over thirty-five (35) years of experience in the ICS industry. In addition, Securus' Massachusetts accounts are supported by a local Account Manager as well as the Regional Sales & Support Specialist and the Regional Vice President all of whom live in the Commonwealth.

In each case Securus' contracts with these facilities it serves were obtained through a competitive bidding process with the specifications and requirements for the inmate telephone system established by the facilities and their administrators. Securus had and has no role in setting those specifications and requirements. Further, the rates and billing options for calls from each of these facilities are established in consultation with the facility administrators and are tariffed to the extent required by the Department.²² All such charges have been and are consistent and in accordance with the Department's long-standing and current rate cap policy.

III. RESPONSE TO THE PETITION

Petitioners leave no stone unturned in their effort to argue that the current rate caps embody "unjust and unreasonable" rates, at one point implying that Securus and the confinement facilities it services are contributing to recidivism by denying inmates the right to use ICS whenever they want to and are the cause of certain budget cuts experienced by some Petitioners.²³ Securus will not comment on inmates' legal rights to access telephone service or budget adjustments, but rather further responds to the Petition as follows:

²² Securus current Massachusetts tariff reflecting its various rate offerings is attached as Exhibit 2. Note, Petitioners' allege that "debit calling is not an option at county facilities." Petition, at p. 1, n. 2. However, prepaid calling cards and debit accounts are a tariffed option under Securus tariff should facility administrators decide to offer same.

²³ See Petition, at pp. 5, 6. The probative value (for the relief requested by Petitioners in this proceeding) of Petitioners' recitation about the gross dollar amount of calls is difficult to understand when there is no information provided about the number of inmates calling, the number of calls involved calls or their duration. Moreover, county facility administrators in Massachusetts are authorized to set policies regarding the privileges of inmates to use telephones, including the specific hours of calling and the length of calls. See 103 CMR §948.10.

A. Petitioners Bear The Burden Of Proof

The Petition “complains” that the current, Department-approved rate structure for ICS in Massachusetts is in fundamental respects “unjust and unreasonable” and should be changed. The burden of establishing this to be the case lies squarely and wholly with the Petitioners. As the Court held in *Metropolitan District Commission v. Department of Public Utilities*, 352 Mass. 18, 25 (1967):

“Thus, where a reduction or other adjustment is sought in an existing rate (e.g. under G.L.c 164, Section 93) which has been approved for general application, the party seeking the benefit of such adjustment has the burden of proving that the existing rate should be changed. *Louisville & Nashville R.R. v. United States*, 238 U.S. 1, 11. *Swift & Co. v. United States*, 343 U.S. 373, 382. *Antioch Milling Co. v. Pub. Serv. Co. of No. Ill.* 4 Ill. 2d 200, 209. *Carpenter v. Home Tel. Co.* 122 Vt. 50, 55. *Cooper*, State Administrative Law 355. See Davis, *Administrative Law Treatise*, Section 14.14; 5 U.S.C Section 1006 (c) (1958) (Section 7 [c] of the Administrative Procedure Act).

The reason for this rule was aptly stated in *Antioch Milling Co...*, supra, 209. ‘Certainly as a practical matter a utility should not, in the absence of explicit legislative direction, be required to embark on a full dress justification of its rate structure every time an individual customer files a complaint...[I]n complaint proceedings the burden is upon the complainant to show that existing rates are unreasonable or discriminatory.’ ”

And as noted above, the existing, approved ICS rate structure is by statute deemed prima facie lawful until the Department concludes that the Petitioners have met their burden and holds otherwise.²⁴ Securus respectfully submits for the various reasons outlined below, the Petitioners have fallen far short of meeting that obligation.

²⁴ Mass G.L. c. 159 §17.

B. The Standard By Which The Current Rate Structure Must Be Measured

As the Department concluded when it adopted the existing rate cap regime, the Department's task under the applicable statute and its decisions relevant to ICS providers is to "ensure by way of a regulatory scheme that ... [the] rates are just and reasonable."²⁵ As the Department held in the *April 1998 Order* rates that satisfy this standard include the right for ICS providers to recover "legitimate additional costs incurred in providing inmate calling services" and cannot be set at levels which preclude ICS providers from "recovering legitimate additional costs associated with inmate calling services."²⁶

Petitioners offer an array of additional characterizations of the standard to be applied in assessing the existing, lawful, previously-approved rate structure. For example, at various points Petitioners refer to "actual necessarily incurred costs," "actual costs," "appropriate necessarily incurred costs," "necessarily incurred costs" or "necessarily incurred recoverable costs" of providing ICS.²⁷ Petitioners point to no decision of the Department or the Massachusetts courts which articulates/adopts/approves any of its variously-worded standards in this regard as applied to ICS or for that matter other services.

Petitioners also cite at several junctures a standard contained in the Department of Corrections ("DOC") regulations and advanced by other policy statements – "commensurate with [rates] charged to the general public for like services."²⁸ The fact of the matter is that if that standard were applied the current rate to the "general public" for an automated collect call in Massachusetts from a public pay telephone presubscribed to Verizon as the carrier consists of a

²⁵ *ITL, supra*; *NY COM, supra*; Mass G.L. c.159 §§ 14, 17.

²⁶ *April 1998 Order, supra*.

²⁷ *See, e.g.*, Petition, at pp. 2, 3, 4, 8, 11, 12.

²⁸ *See id.*, at p. 30 (citing American Correctional Association); *see also, id.*, at p.1 (citing 103 CMR §482.01) and 3.

\$4.99 per-call surcharge plus \$0.89 per minute.²⁹ So Securus' ICS rates, as currently capped by the *April 1998 Order*, are far below what a member of the general public would pay using Verizon services from a payphone, including one that might be in the publicly accessible lobby of a confinement facility.

C. **Commission Payments Are A Legitimate Additional Cost Associated With Inmate Calling Services**

Petitioners first argue that the compensation payments to facilities required under the competitive Request For Proposals ("RFPs") and subsequent service contracts for ICS cannot be considered as Securus' costs for purposes of determining whether the existing rate structure meets the "just and reasonable" standard. Rather, these payments, since they are not made for "telephone-related purposes," represent Securus' "profits" which the Company chooses on its own volition to share with county confinement facility administrators.³⁰ Petitioners cite decisions by the FCC and state commissions in Georgia and Alaska in support of their position that these payments cannot be considered as costs of providing ICS services and assessing the justness and reasonableness of rates. As a result, Petitioners contend that the Department-sanctioned \$3.00 per call surcharge, which Petitioners claim is now imposed solely in order to generate "profits" to pay the contractually required commissions, is an unjust and unreasonable charge and must be eliminated in its entirety.

First, as in virtually all other states, contracts to provide ICS at the county facilities in Massachusetts are generally awarded pursuant to a competitive bidding process. The facility

²⁹ A copy of Verizon's current relevant tariff pages are attached as Exhibit 3.

³⁰ While touting the "profit concept" at one point the Petitioners describe commissions as the "largest single category of prisoner payphone *expense* incurred by providers." Petition, at pp. 11-12 (emphasis supplied). Presumably as an example of the extent of the "profits" petitioners also claim gross annual proceeds "per prisoner bed" of "over \$1000" in some county facilities as evidence of the magnitude of these "profits," but provide no information as to numbers of prisoners, number of calls, duration of calls relating to those figures, so Securus respectfully submits that they are meaningless as a measure of alleged "profits." *Id.*, p.4.

administrators prepare and issue the RFPs for these contracts and impose the requirements to participate in the bidding process. Securus has no role in deciding the contents of RFPs or the requirements for compensation to the facility.

Compensation to the facilities for the opportunity to install equipment and provide the ICS is a confinement-facility-dictated requirement and has been since the ICS industry was first authorized in the Commonwealth. Petitioners do not challenge the authority or right of the facilities to include such a requirement in their RFPs. Indeed, the Department of Corrections' authority to require and enter into agreements providing for such compensation has been affirmed by the Massachusetts courts.³¹ Securus submits that the administrators of county facilities served by Securus are no less authorized to do so.³²

Second, the practical reality is that in light of these facility-imposed requirements any bid response that indicated that no compensation would be paid would be non-responsive and the bidder would be disqualified. So compensation in the form of commission payments is a cost directly associated with and necessary to Securus (or any other bidder participating) providing ICS at these facilities in Massachusetts.

Contractually required commission payments to government-operated correctional facilities are no different than any other fees or payments Securus is required to make to other government agencies. Things such as state business license fees, state regulatory fees, number portability fees, operating permits, and numerous other fees and government-required payments are costs that Securus must pay if it wishes to do business in a state or county. The application

³¹ See *Carol Breest et al. v. Larry DuBois*, 1997 WL 449898 (Mass. Super.), at p. 8 (Because institutional telephones can be used by inmates to disrupt security, safety and order, the DOC has the power to regulate inmate access to, and use of prison telephones and incidental or necessary to exercise of that power may enter into contracts requiring payment of commissions).

³² County correctional facility administrators have broad authorizations regarding the operation of those facilities under 103 CMR Part 900.

of these fees and charges, just as the contractually required facility commissions, are imposed on Securus as a matter of public policy and are not a matter of choice or discretion to Securus. Any ICS that refuses to pay these government-mandated fees would not be permitted to operate in the state or county where such payments are required. Payment of commissions is a direct cost of doing business.³³ The Company accounts for these costs on its books in this fashion. By any reasonable standard, compensation payments directly required as part of the contracts to provide the services are “legitimate additional costs associated” with providing ICS in Massachusetts.

Third, while state regulators in Georgia and Alaska may have chosen to mandate the exclusion of commissions in their states when assessing ICS rates, those decisions are not binding on the Department.³⁴ Moreover, the Department has never so decided or mandated such an exclusion. Petitioners apparently argue that because commissions were not “listed” as one of the additional costs associated with the “unique characteristics” of ICS in the *April 1998 Order*, the Department in effect decided that they should be excluded or they cannot be included. However, as clearly reflected in the text of that *Order*, the costs cited were not an exclusive list.³⁵ Indeed, the Department was well aware of these additional compensation-related costs in considering the rate structure for ICS.³⁶ Furthermore, other jurisdictions have implicitly

³³ In this respect, it is no different than the demand by a location owner to an independent payphone provider for compensation in return for the placement of a pay telephone on the location owner’s premises. In that regards, the Regulatory Commission of Alaska conceded that a portion of commission payments “may include amounts intended to compensate DOC for use of space for inmate calling areas (and possibly telecommunications equipment funded by DOC rather than” the ICS provider. Those amounts are related to provision of ICS. *RE Evercom Systems, Inc., U-00-143, Order No. 5, 2001 WL 1246903 (RCA)*, at 4.

³⁴ See *Access Charge Order*, at p. 25 (citing *In re W. Elec. Co.*, D.P.U. 92-8C). Nor is the Department obligated to adopt the rationale of the FCC on this subject. Indeed, it is worthy to note that the FCC, unlike the Department, has imposed *no rate caps or restrictions on interstate ICS calls*.

³⁵ Petitioners conveniently ignore the word “include” which by conventional definition means “to take in or comprise as part of a whole or group.” www.merriam-webster.com/dictionary/include.

³⁶ See e.g., Initial Comments of AT&T Communications Of New England, Inc., July 22, 1994, D.P.U. 93-118, at p. 4 (“added costs of commission expenses to the prison”).

recognized that compensation to the facilities is clearly a cost associated with providing the services.³⁷ Indeed, in at least one case, the regulatory agency determined that it had no jurisdiction over that component of the carrier's costs.³⁸

Fourth, it cannot be ignored, at least from a public policy perspective and as conceded by the Petitioners, that in the case of the facilities served by Securus these commission payments inure to the benefit of the inmates ("prisoner programs and other prisoner amenities").³⁹ Petitioners complain that the cost of these benefits should be underwritten by the government. That is a plea that properly should be directed to those who appropriate or otherwise allocate funds to operate the facilities and not in the context of an assertion that the Department-approved rates now do not meet a "just and reasonable" standard.⁴⁰ To the extent that the surcharge were eliminated and compensation to the county facilities from the ICS providers were reduced, and replacement funds were not provided, then presumably these inmate benefits and amenities would have to be truncated or perhaps even eliminated.⁴¹ Thus, these commission payments fund vital programs for which there could be no other state or county source of funding.

³⁷ See, e.g., *Mario L. Sims, Sr. et al. v. AT&T, and its Contract With the Indiana DOC*, 2001 Ind. PUC Lexis 503 (Indiana Utility Regulatory Commission, 2001) (Commission rejects allegations that AT&T inmate rates are unreasonable and unjustly discriminatory where commissions acknowledged as cost to be covered by rates) ("IURC Order").

³⁸ See *Ordinary Tariff Filing of MCI WorldCom Communications to Change maximum Security Rate Plan for New York State Department of Corrections from a Mileage-Sensitive Structure for IntraLATA and interLATA to a Flat Rate Structure*, 2003 N.Y. PUC Lexis 616 (New York Public Service Commission, 2003) (In challenge alleging among other things that commission payments were unlegislated tax levied by the DOC, Commission finds that it could review only the jurisdictional portion of the rate that reflected what MCI retained from the provision of ICS).

³⁹ See Petition, at p. 2.

⁴⁰ Petitioners assert that in this respect the commissions are akin to a tax imposed upon them to support the prisoner programs and amenities. See e.g., Petition, at pp. 13, 31. This argument has been addressed and rejected by at least one court. See *In the Matter of Ivey Walton et al. v New York State Department of Correctional Services*, 2009 NY Int. 168 (Court of Appeals 2009).

⁴¹ In some jurisdictions where such compensation payments to facilities have been legislatively or otherwise proscribed (e.g., Rhode Island and New York), the legislature has simultaneously appropriated funds from other sources to support such inmate-focused services.

Securus respectfully submits that commission payments currently required by facilities under competed ICS contracts in Massachusetts are “legitimate additional costs associated” with the provision of ICS service. They are a component of the costs that Securus must pay in conjunction with providing that service to facilities served by Securus. To consider commission payments as a form of shared “profit” implies that there is a for-profit “business partnership” between Securus and its customers and ignores conventional business reality.⁴² The Petitioners’ line of reasoning on this issue should be rejected by the Department.

D. The Unique Characteristics Of ICS Continue To Produce Additional Costs That Justify Retention Of The Current Rate Structure

Petitioners would have the Department believe that the additional costs associated with the “unique characteristics” of ICS cited by the Department in the *April 1998 Order* (and in effect reconfirmed by the Department in 2004) as justification for the up-to-\$3.00 surcharge “have been almost entirely eliminated.”⁴³ Therefore, the surcharge can be done away with in its entirety as well.

In support of their elimination assertion, however, Petitioners they offer no current cost analysis or data. Rather, they principally support their claim with reference to two Declarations, the most recent dated some 4 years ago. The Declarations were made by a paid consultant for a group similar to Petitioners that has been asking the FCC to reregulate interstate rates for ICS calls for some of the same reasons raised in the Petition. To date the FCC has declined to do so.

⁴² A profit is the surplus remaining after total costs are deducted from total revenue, and the basis on which tax is computed and dividend is paid. www.businessdictionary.com/definition/profit.html. Since Securus is obligated to pay commissions as a cost of serving the facilities with ICS those costs are not “remaining” with Securus.

⁴³ Petition, at p. 8.

Primarily based on reference to statements in these Declarations, the Petition makes a series of general assertions, but again provides no specific data on the degree or extent to which Securus costs have declined or disappeared. The fact is, as Securus stipulated to the FCC, overall per-call costs had *increased* approximately 16.3% since 2008 and that the Company's overall per-minute costs had *increased* approximately 16.5% since 2008.⁴⁴ This dispositive fact aside, Petitioners' "cost analysis" must be found wanting in other fundamental respects.

First, the Petitioners' analysis focuses on the three categories of costs specifically mentioned in the *April 1998 Order* – "(1) costs associated with call processing systems, automated operators, call recording and monitoring equipment, and fraud control programs, that are required to ensure security and deter abuses; (2) higher levels of uncollectibles; and (3) higher personnel costs." But as noted above, that list was not exclusive. The Department noted that the "additional costs" included these, but not only these.⁴⁵ The InVision Initial Comments cited by Petition and the *April 1998 Order* also refer to call control systems, database checks, voice overlays, customized call detail reports and research and development costs. Petitioners conveniently ignore these costs and do not claim that they have too literally disappeared. None of these categories, including the Petitioners' abbreviated list of costs, have been eliminated.

Second, the Petitioners' analysis exhibits fundamental misimpressions about how the ICS business has been operating. For example, with respect to personnel costs, it argues that with the departure of "live operators" and the shift to automated systems for completing collect

⁴⁴ See Letter, dated October 11, 2011, from Stephanie A. Joyce, Esq. to Marlene H. Dortch, Secretary, Federal Communications Commission, regarding CC Docket No. 96-128 Alternative Rulemaking Proposal of Martha Wright et al., attached as Exhibit 4.

⁴⁵ The InVision Initial Comments, with Exhibit Petition For Rulemaking, are attached as Exhibit 5.

calls, there has been a dramatic reduction in personnel costs.⁴⁶ But “live operators” have never been used to complete ICS collect calls. Completion has always been through sophisticated, intricate automated-operator-services equipment. Indeed, the *April 1998 Order* was not referring to live operator costs, but the personnel costs relating to customer service and fraud investigation, and maintenance, which clearly remain.⁴⁷

Third, Petitioners arguments with respect to each of the categories of costs/economies are addressed as follows:

1. System And Security Costs Down Dramatically

ICS system and security costs have not been reduced or eliminated. Securus is an industry leader in patenting advanced ICS system security features and is continually working to combat new forms of fraud. Securus spends millions of dollars every year in an effort to “stay ahead” of the criminals that are constantly attempting to find ways to circumvent the safety and security features of the ICS system. Over the last four years, Securus has averaged over \$10 million per year in development costs and in 2011 Securus spent almost \$17 million toward the development of new and improved features for its ICS systems. These are certainly costs that are not incurred by those providing standard payphone services.

2. Live Operators And High Wages And Infrastructure Needed To Support Them Are Gone

As noted above, the ICS industry does not and has not used live operators in connection with its calling systems. Yet, ICS companies do have unique and higher personnel costs due to

⁴⁶ See e.g., Petition, at p. 7, n.10. This equipment is used to complete automated collect calls whether or not there is a prepaid collect account established. The mere fact of repayment does not relieve Securus of the various security-related and regulatory (e.g., announcement) requirements satisfied through the operation of this equipment.

⁴⁷ See Exhibit 1 to InVision Initial Comments, at pp. 8, 11. Moreover, the increased prevalence of call-forwarding schemes and other efforts to avoid legitimate and required security-related restrictions on inmate calls has not diminished these costs.

the physical environment in which they operate and the unique inmate telephone system equipment. One need only consider the way a technician would enter and work in a residence or standard office building as compared to performing a similar task in the confines of a correctional institution. ICS technicians can't simply show their identification and walk into a correctional facility with tools, parts, or other equipment. The ICS technician must go through an extensive entry screening and will most often be continually escorted by a correctional officer. Should the technician need to return to his/her truck for a part or additional tool, they must go through the complete exit and reentry process. Therefore, the ICS personnel time needed to complete an installation or repair task in a confinement facility will be two, three, or more times that of a local exchange carrier ("LEC") or interexchange carrier ("IXC") technician working in a non-confinement facility environment. Additionally, ICS technicians, both in the field and located at the company's Network Operating Centers, must be trained on the features, functions, hardware, and software applicable to the specialized ICS systems and equipment. Again, these ICS personnel costs are not incurred by public payphone providers.⁴⁸

3. Reduction In Transport Costs As Transport Technologies Improved And Lower Access Charges And Switching Costs

It is true that Securus realizes some savings in the reduction of transport and other costs it pays carriers (e.g., pass through of switching and access charge costs) when Securus uses its centralized ICS system, known as the Secure Call Platform ("SCP").⁴⁹ However, these savings are dwarfed by the additional costs of designing and implementing the specific features functions and security requirements for each correctional facility served. Securus' implementation of new

⁴⁸ Moreover, Securus has brought in-house all of its customer services personnel, which now consist of some 200 people who interface with end-user customers.

⁴⁹ Securus is a pure reseller. It owns or controls no switching or network facilities. Any cost reductions it might receive as a result in the reductions in such transport, switching or access charge costs of the facilities-based carriers whose services Securus resells would be a function of the generosity of such carriers in passing on such savings.

features and functions also comes with increased costs in hardware requirements, increased band-width costs, additional data storage capacity, and development and programming costs. Each correctional facility Securus serves must be designed and created to meet the specific requirements contained in that facility's RFP and contract. This includes partitioning each facility in the centralized equipment and assuring that a particular facility has all required equipment, software, and capacities needed. There is no "one-size-fits all" system that is just plugged into the wall at any facility we serve.

4. **Reduction In Regulation And Regulatory Costs Of Providing Long Distance**

Regulatory requirements and reporting are increasing costs for ICS providers as well as other telecommunications providers. Over the last three to five years, increased regulatory scrutiny of anti-cramming, anti-spamming and customer privacy regulations have caused considerable increases in Securus' operating costs. During this period Securus has had to implement new internal programs to comply with the Customer Proprietary Network Information (CPNI) rules and to comply with the Telephone Records and Privacy Protection Act implemented in 2007. These regulations have also increased required reporting requirements. Anti-cramming and anti-spamming regulations have had a dramatic effect on Securus' cost of billing through third-party billing agents. These agents have increased their rates and have significantly increased Securus' billing costs. Because these agents are so fearful of substantial regulatory fines for non-compliance, they have implemented onerous processes and procedures that cost Securus tens-of-thousands of dollars. For example, one billing agent, without investigation, will remove collect call charges from a customer's bill, recourse the charges back to Securus, and bill Securus \$150 per call if the end-user customer merely says they do not recognize the charge. Additionally, without any investigation of the legitimacy of the charge, the

billing agent will report this as a “cram” on its regulatory report. Securus has investigated these recoured calls and has found every call treated in such a manner to be a valid, accepted collect call. Securus, through comments filed at the FCC, has expressed its concerns on how regulatory requirements to protect consumers from fraud can have a very costly unintended effect on legitimate providers of services such as Securus.

5. **Economies Of Serving Many Facilities From A Central Location**

As noted above while Securus has invested substantial sums in deploying, operating and maintaining certain centralized servicing facilities and functions, each facility has its own special security and configuration needs. Centralization of certain processes does not offset these customization requirements. Moreover, service to the facilities still requires technicians and service representatives in the field to ensure that contractual obligations are met. Centralization of some functions has not eliminated the unique configurations and costs that characterize provision of ICS at a variety of facilities in terms of size and layout.

6. **Advanced Recording Technologies Including Reduction In Size And Cost Of Storage Devices**

Although, some call recording technologies have assisted in data storage, the ever increasing needs and demands of correctional facilities for retaining and accessing inmate call recordings has caused a dramatic increase in Securus’ data storage capacity requirements. All of this specialized work, software, and hardware comes at a much higher cost than the provision of non-inmate payphone services.

7. **Substantial Elimination Of Uncollectibles**

Petitioners argue that with the increase in the number of “pre-paid” accounts the cost of bad debt is virtually eliminated. This is simply not true and also ignores the costs of maintaining the pre-paid accounts. It is correct that the fewer the number of customers that pay for inmate

calls on their LEC bill there is a corresponding reduction of bad-debt for that category of billing. However, Securus still faces bad debt from checks that are returned and credit card/debit card fraud that are used to fund pre-paid accounts.

8. Savings On Billing And Collection From Prepaid Systems

With pre-paid accounts and pre-paid calling cards, Securus must develop, implement, and maintain internal systems to track funding, deduct call charges, produce and ship carding cards, and provide visibility to the inmates/end-users of their pre-paid accounts. These are all costs that Securus does not incur when the customer is billed by their LEC. LEC billing remains a significant portion of Securus' billing/payments options offered to its customers. Approximately, 30% to 40% percent of Securus' customer billing continues to be through the end-user's LEC. The LECs do not provide this service for free. Billing and collection charges have not decreased. Indeed, regulatory requirements relating to cramming, slamming and privacy have only contributed to a significant increase in billing and collection costs.

Separate and apart from the billing and collection charges paid to, for example, the LECs, are costs association with number and billing validation. Before any inmate call is put through, Securus must validate the number by electronically consulting a number of databases to ensure that the number is valid and the inmate is permitted to call the number and for billing purposes. Costs associated with these efforts are incurred even if the call is not positively accepted by the called party. In fact, in Securus' experience less than half of the inmate calls originated are completed, revenue generating calls, yet these validation requirements and costs remain on all inmate call attempts.

* * *

Fourth, despite the foregoing refutation of Petitioners general claims about actual costs, it must be recognized that the Department has wide latitude in determining the method by which

just and reasonable rates will be achieved.⁵⁰ For the reasons described above it has chosen an alternative to cost-based rates resulting from a rate case. So unless the Department is going to reverse 25 years of precedent, the discussions and analyses that relate to measuring actual costs as part of a rate-of-return analysis are inconsistent with the “alternative to cost-based rates” methodology long ago approved by the Department with respect to ICS services.⁵¹

E. ICS Rate Changes In Other States Do Not Warrant Abandonment Of Massachusetts Existing Rate-Cap Structure

Petitioners argue that price adjustments in other states reflect cost changes that further justify elimination of the current up-to-\$3.00 surcharge in Massachusetts. The data is based largely on 2008 information that it gathered for intraLATA collect calls.⁵² Specifically, Petitioners argue that because 10 states no longer impose any surcharge and another 18 had surcharges of \$1.50 or less, the Department should eliminate the currently authorized Massachusetts surcharge.⁵³

First, at least from Securus’ perspective, the Petitioners’ comparison is apples to oranges, for it appears Petitioners have provided only rate comparison information from other State DOC systems. State DOC prisons have considerably different ICS calling and billing patterns than those of county jails like those served by Securus in Massachusetts. Those facilities almost always have much higher ICS call volumes as compared to county jails. This allows the cost of

⁵⁰ See *Access Charge Order*, at p.18.

⁵¹ As noted above, putting on a traditional rate case remains an option, but a burdensome one for both the ICS providers and Department. To date, to Securus’ knowledge, no ICS provider has done so. And there are other reasons why traditional rate of return regulation of ICS rates would be exceedingly difficult (e.g., ICS providers are not required to keep their books according to the uniform systems of accounts normally applied to carriers and used for rate-proceeding purposes).

⁵² Petition, at Appendix IV.

⁵³ *Id.*, at p. 21

the ICS systems located at State prisons to be spread over a much greater number of calls, thus lower "per call" costs. As outlined earlier, each Securus correctional facility contract is unique and the ICS must recover its costs associated with a particular facility contact through the rates applicable at that specific facility. Additionally, State DOC prisons are longer term facilities and can institute programs that would simply not be feasible in the high turn-over, much shorter term county facilities. It is not unusual for the overwhelming majority of inmates in a county jail to be incarcerated only until arraignment or bond is posted. This could be as little as 48 to 72 hours, or less. In such cases it is not reasonable for the facility to set-up inmate debit programs or to institute other calling programs, such as Prisoner Allowed Number lists. With the lower call volumes, short incarceration time and high turnover, it increases the ICS per call costs and also increases bad-debt. Because an ICS's only recourse is to block future calls for unpaid charges, there is little incentive to pay the ICS bill once an inmate is released. Therefore, any comparison of Securus' rates applicable to the eighteen (18) county facilities it serves in Massachusetts to the State DOC prison rates in other states is an apples to oranges comparison. As detailed below, even comparing the inmate telephone rates at Massachusetts State prisons to ICS rates at other State prisons is not appropriate.

Second, the Department should not be making decisions to throw out its existing rate-cap structure on data that is now going on 4 years old and potentially inaccurate. For example, Petitioners list the cost of a 15 minute intraLATA toll collect call in 2008 in Alabama as \$2.85 without any per-call surcharge. According to data researched by Securus, Alabama's ICS rate cap regime currently permits a per call surcharge of \$2.25 and a per minute usage rate of \$.30, so the potential cost of a 15 minute intraLATA collect call would be \$6.75, far above the Department's existing rate cap and the charges that Securus is currently imposing in

Massachusetts.⁵⁴ And in Idaho, Petitioners claim that there is no per-call surcharge, but according to Securus information there are no ICS rate caps and the Qwest (South) rates include a \$2.25 per-call surcharge and a per minute usage charge of \$.37, resulting in the cost of a 15 minute intraLATA collect call being \$7.80.

Third, there are also states missing from the Appendix IV analysis which may have a bearing on Petitioner's claims. For example, in Iowa ICS rates are reportedly capped at any approved tariffed rates. Qwest's intraLATA station-to-station (partially assisted) calling surcharge is \$3.10 and the intraLATA toll usage charge is \$.25 per minute during the day, so a 15 minute intraLATA collect call based on Qwest's tariffed rates would cost \$6.85, again more than the Department's existing rate cap and the charges that Securus is currently imposing. Another missing state is Delaware (15 minute intraLATA collect call at Verizon rates would be \$4.75).

Fourth, the Petitioners include a number of states where state regulators have no jurisdiction over ICS (Colorado, Washington, Oregon and Florida) or, unlike Massachusetts there are simply no rate caps imposed on ICS (Arkansas, California, Connecticut, Delaware). Thus, although the charges listed by Petitioners may be those that were in effect in 2008 for certain State penitentiaries and may still be in effect as a result of the contracts that facility administrators have chosen to enter, unlike the Department, those states either now have no jurisdiction over ICS or have not imposed rate caps on ICS.

Fifth, while the Massachusetts per-call surcharge cap is, based on Petitioner's chart, at the high end of the scale for State DOC facilities only, if there is to be a comparison, the more appropriate measure of "just and reasonable" rates is the total cost of the candidate call. Indeed,

⁵⁴ Securus' data is based on its own operating experience and information made available, on a subscription basis, by Technologies Management, Inc., a consulting firm that has long tracked rates in the ICS and payphone industry.

on the Petitioners' Appendix IV chart there are some 19 states, many of whom have per-call surcharges as low as \$1.50, but for which the total cost of the ICS call exceeds the maximum of what inmates pay under Securus current, Department-approved tariffs.

Sixth, to the extent that the "reduction" in rates reflected on Appendix IV may be deemed to be accurate, Petitioners provide no information on what may have been behind decisions to lower surcharges or other components of the ICS rates in the states that they tout. For example, were these changes as a result of legislation imposed by the legislature? Petitioners presumably would have the Department assume that these adjustments in other states all reflect cost savings or avoidance that is perforce translatable to Massachusetts, without taking into consideration the nature of the facilities being served, the equipment installed, and the contract requirements. There is no assurance that there is an apples to apples comparison being made.⁵⁵

Seventh, again, the Petitioners argue that a "just and reasonable" rate is one that is "commensurate with [rates] charged to the public for like services."⁵⁶ If that is an acceptable standard, then the ICS charges are far below what a member of the public would pay for a comparable intraLATA collect call. Other state commissions have found this fact to be dispositive in determining whether ICS rates satisfied the "just and reasonable" standard. For example, in rejecting a very similar challenge to AT&T's rates for ICS the Indiana Utility Regulatory Utility Commission held:

"Here, the uncontroverted testimony of AT&T witness Timmis showed that price for an intrastate interLATA 0+ prison collect (\$3.00 Set-up Charge and \$0.59 per minute) is lower than for an

⁵⁵ For example, in New Mexico the legislature proscribed certain payments, but not all compensation paid to facilities by ICS and thus eliminated the ICS cost associated with those proscribed payments. In seven other states (New York, Nebraska, Missouri, Rhode Island, California, Michigan and South Carolina), the DOC or other jurisdictional bodies have proscribed or limited such payments. Note, Securus does not provide ICS at any facility in the State of Rhode Island.

⁵⁶ See note 28, *supra*.

intrastate interLATA 0+ traditional automated call (\$4.99 Set-up Charge and \$0.59 per minute). Thus, the inmates are not paying higher rates than others receiving similar services, even though, as Mr. Timmis pointed out, AT&T incurs higher costs to serve the inmates than it does to serve other customers receiving 0+ automated calling.”⁵⁷

The same analysis applies here where, as noted above, the tariffed Verizon charge for an automated toll collect call from a pay telephone would be \$4.99 per-call surcharge, plus \$0.89 per minute.

Lastly, the Department itself recently has in other contexts rejected the use of “a survey of ... rates charged by carriers across the country” as a basis for determining the appropriate rates in Massachusetts.⁵⁸

F. Service Fees Are Necessary Administrative Costs Associated With Enhanced Billing Options

Petitioners assert that Securus’ service fees on prepaid accounts operate as an additional per-call surcharge and should be regulated. Petitioners are incorrect when they say that Securus imposes a “hefty service fee ... to set up” a prepaid account.⁵⁹ Securus does not charge *any fee* to establish or set up a prepaid account. An end-user customer may establish a prepaid account and fund that account by check, money order, or on-line banking and Securus will not apply any fee. If the customer chooses to fund the prepaid account via credit or debit card, there is a fee for processing the card transaction. This fee is to recover Securus’ costs paid to the card processing company and to assist in recovering Securus’ internal cost to handle credit/debit card processing. This \$6.95 fee and an explanation of its application are contained in Securus’ authorized

⁵⁷ See *IURC Order*, at p. 11.

⁵⁸ See *Access Charge Order*, at pp. 19-20 (declining to rely on survey of switched access rates charged by carriers across the country as evidence of carrier costs in Massachusetts).

⁵⁹ Petition, at p. 11.

Massachusetts tariff. Securus does not apply fees or charges in Massachusetts that are not contained in its MA authorized tariff or in its published federal price list for Interstate calls.

G. There Is No Justification For Reducing The Per-Minute Rate Cap

Petitioners contend that even eliminating the pure “profits” generated by the current \$3.00 surcharge, with the current \$0.10 per-minute usage rate cap ICS provides still are profitable, indeed too profitable and the existing usage rate cap should be lowered. They again offer only back-of-the envelope calculations and no specific information/data to support their claim. By their own Appendix IV chart, this per minute rate is clearly at the lower end of the scale and is the same as in a number of other states that they list. Securus has clearly shown that its overall cost of providing ICS in Massachusetts have not been reduced or eliminated.

In fact, as demonstrated in the letter to the FCC, Securus’ per minute costs, as well as per-call costs, are increasing. Securus has determined that for the eighteen (18) County facilities it serves in MA that the average length of an inmate call is approximately 12.6 minutes. This is consistent with the national average for all correctional facilities Securus serves. Securus has not, and does not have the means to, perform incremental cost studies similar to LECs. However, by using internally available Massachusetts statewide financial data and the average call length of 12.6 minutes, Securus estimates it is currently only receiving a low single digit (about 3.5%) profit margin on Massachusetts ICS calls. For these reasons, there is no justification for the DTC to even consider a per-call or per-minute rate reduction.

H. Securus Invests Substantial Time and Resources In Order To Provide High Quality ICS And Customer Service

In the original Petition and Amendment #1, Petitioners complain of “poor quality of service”⁶⁰ As a result, Petitioners ask that the Department take a number of steps relating to quality of service.⁶¹

1. Securus Quality And Customer Service Policies

Securus has been providing quality ICS to correctional facilities for more than 25 years. As previously noted, Securus currently serves approximately 2,300 facilities nationwide in 44 states with the dedication of more than 900 Securus associates. More than seventy-five percent (75%) of these associates are customer facing – meaning they are out in front of the Company’s customers assisting them with their needs. As stated previously, Securus’ Massachusetts-based team includes three local field technicians dedicated to its Massachusetts operations who collectively have 35+ years experience in the ICS industry. Securus does not use third-party contractors. Rather the Company uses its own field service technicians to ensure they meet with strict guidelines our correctional facility customers demand. In addition, Securus’ Massachusetts accounts are supported by a local Account Manager as well as the Regional Sales & Support Specialist and the Regional Vice President who all live in the Commonwealth. The local Securus service and account management team provides round-the-clock coverage.

⁶⁰ The complaints as they relate to Securus include (a) connection problems (b) disconnected calls (c) call reporting and details of charges and (d) customer service problems. See Table of Contents, Amendment No. 1.

⁶¹ Petitioners specifically ask the Department to require that “all prisoner telephone service providers (i) replace and/or repair all non- and malfunctioning telephone equipment used in providing prisoner telephone call service, including without limitation telephone units and lines, whether such equipment is located inside or outside state and county correctional facilities; (ii) calibrate three-way calling detection systems such that prisoner telephone calls in the state are not prematurely terminated unless genuine attempts to evade telephone security measures are initiated; (iii) provide each of their customers who initiate or receive calls from prisoners and have prepaid accounts with the company a detailed accounting of how the funds deposited into such accounts are actually allocated and spent; and (iv) limit the number of recorded warnings concerning the recording and monitoring of calls that are played during a prisoner telephone call to one at the beginning of such call.” Amendment #1, p. 30.

As has always been the practice in Massachusetts correctional facilities served by Securus, when the facility receives a complaint matter requiring resolution, either the local Account Manager or the primary field technician is contacted. Company procedure is for the Securus individual to open a trouble ticket for timely investigation and resolution of the issue. Depending on the nature of the complaint issue, personnel in the company's technical, operations, or customer service areas may be engaged in its satisfactory resolution.

In competing for contracts to provide ICS in Massachusetts or elsewhere, Securus is fully cognizant of the critical importance of service quality and customer service. Securus invests millions of dollars each year to maintain and enhance service quality, as well as to ensure responsive, courteous customer service. Over the past 20 years, Securus has spent more than \$100 million dollars and devoted 300,000 person-hours developing the Company's advanced network platform. Securus commits an average of \$10 million each year to advance its industry-leading capabilities through re-investment in its people, platforms, and products. Securus leads the industry in innovation with patents to ensure continuous improvements in both products and services to its customers. These investments include research and development on new technologies that contribute to both areas.⁶²

Securus is committed to providing the best customer service to friends and family members of inmates as demonstrated by the Company's expenditure of more than \$2 million dollars the past two years (2009 and 2010) to build an in-sourced call center in Dallas, Texas operating around the clock. Securus employs more than 200 people in the provision of customer services, as well as online instructions as to how to deal with issues such as disconnected

⁶² As noted above, Securus holds 85 issued patents, 4 allowed patents and another 35 patent applications are pending.

calls.⁶³ Securus expends substantial time and resources training its customer services representatives, who are available by toll-free number and email 24 hours a day for 7 days a week. Customer service handles account set up, billing and collection, dropped or disconnected calls and other service problems. Customers are given the opportunity to initiate specific investigations of dropped calls. Securus also maintains an interactive company website, “www.securustech.net” that offers its customers important round-the-clock access to information on all products and services. Consumers may access the Securus website to set up an account, make payments, look up call rates and facility locations, and locate essential information on the Company’s products and services. A Frequently Asked Questions (“FAQ”) section is included that provides helpful customer information, such as how to avoid disconnections and information on obtaining a copy of a prepaid account statement.

Securus contracts with its confinement facilities customers include quality of service requirements. Securus makes every effort to be consistently in compliance with all those requirements. To remain competitive in the marketplace, it is essential that Securus provides a high quality of customer service to win new business and secure renewals. Securus provides annual surveys to our facility customers nationwide to obtain their important feedback about our company’s performance. The facilities are asked to rank their satisfaction with Securus’ quality of service (customer satisfaction “CSAT” scores). In Massachusetts, Securus has not been called to task by its facility customers for failing to meet its quality-of-service obligations. In fact, quite the opposite is suggested based on the Company’s CSAT scores for 2008, 2009, and 2010. Securus has been and is providing highly rated service⁶⁴

⁶³ See <http://www.securustech.net/consumersolutions.asp>. A copy Securus’ Friends and Family Telephone Service Guide is attached as Exhibit 6.

⁶⁴ A summary of the results of these systematic surveys is attached as Exhibit 7.

2. Petitioners' Securus-Specific Service Problems

As stated previously, Securus found that the NONE of the complainants presented their concerns to Securus for resolution either directly, as "escalated complaints," or through more formal complaint channels; such as the DTC, the FCC, the state AGO, the state OCABR, or the BBB. Certainly, Securus cannot reasonably be expected to respond to or seek to address alleged service deficiencies of which the Company has no knowledge.

Securus' review of its Massachusetts related complaints at the state agency level, FCC and BBB found a total of twenty two (22) complaints over a period of the past six (6) years.⁶⁵ Securus regards its quality of service and customer service of critical importance to ensure that complaints are minimized and when they do arise are reported and handled in a prompt and courteous matter. Securus is not suggesting that twenty two complaints over a six year period from multiple agencies specific to the state of Massachusetts are acceptable. It does, however, demonstrate Securus has not received a high level of such complaints in Massachusetts concerning its rates and quality of service.

Securus has researched and examined the specific customer complaints supported by Affidavits attached to the Petitioners Amendment #1 and Amendment #2. A number of the complaints for which affidavits were filed contained no specific information about the problem. Rather, there were just general assertions about cut off calls or other general accusations. Unfortunately, the majority of the thirty two (32) Petitioners' affidavits provided limited and generalized complaint information making it difficult or impossible to investigate. Also, no customer telephone account or billed telephone number information was provided in any of the respective complaints.

⁶⁵ Massachusetts Complaint Breakdown: BBB (8); AGO (3); FCC (3); DTC (5) DCA (2); and Executive (1) = twenty-two (22) total complaints over a six (6) year period.

Twenty-seven (27) of the thirty two (32) complaints were from law firms and five (5) were from Friends & Family (F&F). Twenty-one (21) of the complaints consist of signed affidavits from lawyers requesting lower rates and improved quality of calls. No specific detail is, however, provided on dates or incidents related to the general complaint issues. An additional six (6) complaints from lawyers and the institutional petitioners did provide more particular detail and timeframes associated with their complaint issues. Finally, the five (5) complaints from Friends and Family (“F&F”) provided the most detail in their affidavits, though dates of the incidents were not very clear.

A review of Securus’ Customer Care records (reflecting contacts with the Company’s customer service representatives) was conducted to determine whether any of the Petitioners’ complaints with identifiable information relating to the incidents had contacted the Company for assistance concerning the areas cited in their affidavits. In fact, of the thirty-two (32) affiants, Securus found that only eleven (11) had contacted Securus Customer Care and in many cases the inquiries did not relate to the matters complained of. Indeed, in many cases the contacts did not relate to service complaints at all, but questions about bills or balances or other issues. A copy of Securus’ findings is provided as Exhibit 8. With respect to the “categories” of service problems attributed to Securus in Amendment #1, Securus notes the following:

a. **Poor Connection Problems**⁶⁶

Petitioners complain of problems with poor connections and request that Securus replace and/or repair all non- and malfunctioning telephone equipment used in providing ICS, including

⁶⁶ While poor connections on any call are not acceptable to Securus, the percentages of calls on which poor connections were experienced by some of the lawyer petitioners were 5% or less out of hundreds of calls. Amendment #1, at p.12.

without limitation telephone units and lines, whether such equipment is located inside or outside state and county correctional facilities.

Securus is responsive to facility and customer complaints involving poor connection problems. Securus is unable to specifically respond to the generalized allegations of these complaints particularly due to the time that has elapsed. It is the Company's practice to upgrade and replace all malfunctioning telephone equipment that is determined to be causing poor connection problems. A Securus trouble ticket is issued upon receipt of a complaint from the facility or directly from the customer complaining of a poor connection problem. The resulting solution is to isolate the trouble and correct any malfunctioning equipment.

b. Disconnected Or Dropped Calls

Petitioners are requesting that Securus calibrate three-way calling detection systems such that inmate telephone calls in Massachusetts are not prematurely terminated unless genuine attempts to evade telephone security measure are initiated.

Securus works with each of its facilities to ensure that three-way calling systems are appropriately working. Should there be an incidence of complaints involving dropped calls reported, the system is thoroughly checked to validate its operation in accordance with prescribed security parameters.

Securus addresses the reasons for dropped calls with its customers when they first establish an account to ensure that they understand the causes for potential disconnects. Dropped call disputes may be submitted to the Company within 90 days of the call to be eligible for a call credit and a customer may complete a dropped call investigation form to dispute calls. Dropped calls of one minute or less in duration receive credit. Securus cannot be responsible for the transmission quality of wireless/cellular networks. These networks experience dropped calls. Therefore, Securus cannot issue credits for dropped calls to cell phones or wireless devices.

c. **Call Reporting And Details Of Charges**

Customers with prepaid accounts do not receive printed documentation reflecting call charges, but customers with Internet access can check their accounts on-line, including call detail and other charges.

In the Petitioners' complaints it was correctly stated that customers with prepaid accounts do not receive bill statements in the mail reflecting call charges. Customers may go on the Internet to the Securus' website at www.securustech.net to review their account detail on-line. Securus customer service is available twenty four hours a day seven days a week for customers to call and speak with a representative to obtain prepaid account charges and request a copy of their bill by mail.

d. **Customer Service Problems**

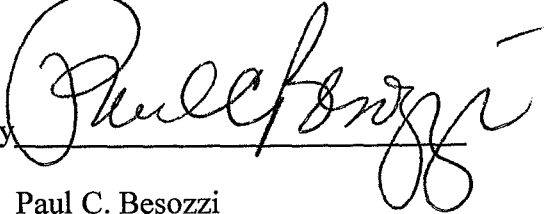
Petitioners reported dealing with customer care was a frustrating challenge. The Petitioners' complaints express difficulty in reaching a Securus CBS customer service representative to assist them when attempting to have their concerns addressed. Securus sincerely regrets customers experienced difficulty in trying to reach a customer service representative. Due to customer feedback nationwide, please note that changes have been implemented to Securus' Interactive Voice Response ("IVR") automated line that assists customers in navigating through their options when they call Securus CBS. These changes allow customers many more self-service options than our previous IVR, and there are opt out opportunities throughout the IVR which allows customers to more easily connect with a customer service representative. Securus hopes our customers are able to secure contact with a customer service representative much more easily than during their past experiences.

IV. CONCLUSION AND REQUEST FOR RELIEF

Securus respectfully submits that for all the reasons set forth above the Petitioners have failed to demonstrate that the existing ICS rate structure in Massachusetts is “unjust and unreasonable.” There is no basis for eliminating the \$3.00 pre call surcharge cap and reducing the \$0.10 per-minute usage cap. Further, based on the reports provided by Securus above Petitioners claims with respect to service quality and customer service do not justify a further investigation of these issues at this time.

Respectfully submitted

SECURUS TECHNOLOGIES, INC.

By 

Curtis L. Hopfinger
Director – Regulatory and Government Affairs
Securus Technologies, Inc.
14651 Dallas Parkway, 6th Floor
Dallas TX 75254
972-277-0319 (Tel)
972-277-0416 (Fax)
chopfinger@securustech.net

Paul C. Besozzi
Ryan W. King
Patton Boggs LLP
2550 M Street NW
Washington DC 20037
202-457-5292 (Tel)
202-457-6315 (Fax)
pbesozzi@pattonboggs.com

January 20, 2012

EXHIBIT 1

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION



**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**

ONE SOUTH STATION
BOSTON, MA 02110

MITT ROMNEY
GOVERNOR

KERRY HEALEY
LIEUTENANT GOVERNOR

BETH LINDSTROM
DIRECTOR
OFFICE OF CONSUMER AFFAIRS
AND BUSINESS REGULATION

PAUL G. AFONSO
CHAIRMAN

JAMES CONNELLY, ESQ.
COMMISSIONER

W. ROBERT KEATING
COMMISSIONER

EUGENE J. SULLIVAN, JR.
COMMISSIONER

DEIRDRE K. MANNING
COMMISSIONER

**** REISSUED ****
INDUSTRY NOTICE

Release Date:
September 3, 2004

Contact:
Janice McCoy, Telecom Specialist
(617) 305-3745
janice.mccoy@state.ma.us

COLLECT INMATE CALLS - RATE CAP

Background

In 1998, the Department adopted its current rate cap policy for collect inmate calls. Intra- and interLATA usage rates for collect inmate calls could be identical to, or lower than, the corresponding Verizon-MA ("VZ-MA") intraLATA collect inmate call usage rates ("rate cap"), and a maximum surcharge of \$3.00 for each call could apply. See D.P.U./D.T.E. 97-88/97-18 (Phase II) at 9-10 (1998) ("1998 Order"). The rate cap policy applies to collect calls originating from "inmate only" telephones and not to calls placed from telephones located in visitation areas.

Change to Verizon Rates for Collect Inmate Calls

On July 21, 2004, the Department approved revisions to VZ-MA's rates for collect inmate calls. The revisions simplify the rate structure which previously reflected different initial and additional minute rates for calls based on time-of-day and the distance of the call. VZ-MA has replaced the multiple components with a flat usage rate of \$.10 per minute. In addition, VZ-MA increased its per-call incremental surcharge from \$0.86 to \$1.75. To allow for the completion of systems reprogramming, VZ-MA's new rates and rate structure will not be implemented until December 1, 2004.

VZ-MA's collect inmate calling services tariff can be found in VZ-MA's Tariff DTE MA No. 10, Part A, Section 5.1.7.; Section 9.4.3, and Section 9.5.2. Rates can be found in

Part M, Section 1.9.1.

Industry Action

As a result of VZ-MA's new rates, providers of collect inmate calling services within Massachusetts may be required to modify their existing intrastate tariffs in order to remain in compliance with the Department's rate cap policy.

Providers of collect inmate calling services are not required to conform their rate structure to VZ-MA's rate structure. However, the usage or flat-rate per-call charge for either a local, intra- or interLATA call cannot exceed the usage rate that would be charged by VZ-MA for a corresponding "average" local or intraLATA call. For purposes of determining compliance with the rate cap, the Department will use 15 minutes as the average length of a collect inmate call in Massachusetts. Providers of collect inmate calling services may continue to charge an incremental surcharge not to exceed \$3.00 per call. For purposes of determining compliance with the rate cap, the Department does not take into account the surcharge.

Any revisions to intrastate collect inmate calling services tariffs must be made for effect no later than December 1, 2004, in order to remain in compliance with the Department's rate cap policy.

- MDTE -

EXHIBIT 2

TITLE PAGE

This tariff applies to intrastate telecommunication services furnished by Securus Technologies, Inc. between one or more points in the Commonwealth of Massachusetts. This tariff is on file with the Massachusetts Department of Telecommunications & Cable ("M.D.T.C."), and copies may be inspected, during normal business hours, at the Company's principal place of business at 14651 Dallas Parkway, Suite 600, Dallas, Texas 75254. Securus Technologies, Inc. was formerly known as Evercom Systems, Inc.

Issued: October 22, 2010

Effective: November 21, 2010

Issued by: Curtis L. Hopfinger, Director – Regulatory & Government Affairs
14651 Dallas Parkway, Suite 600
Dallas, Texas 75254

CHECK SHEET

This tariff contains sheets 1 through 28, inclusive, each of which is effective on the date shown thereon.

<u>Sheet</u>	<u>Revision</u>
1	Original
2	First *
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
16	Original
17	Original
18	Original
19	Original
20	Original
21	Original
22	Original
22.1	Original*
23	Original
24	Original
25	First *
26	First *
27	Original
28	Original

* denotes revisions

Issued: October 19, 2011

Effective: November 18, 2011

Issued by: Curtis L. Hopfinger, Director – Regulatory & Government Affairs
14651 Dallas Parkway, Suite 600
Dallas, Texas 75254

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TARIFF FORMAT

Sheet Numbering: Sheet numbers appear in the upper right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 11 and 12 would be Sheet 11.1.

Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current sheet version on file with the Massachusetts Department of Telecommunications & Cable. For example, 4th Revised Sheet 13 cancels 3rd Revised Sheet 13. Consult the Check Sheet for the sheets currently in effect.

Paragraph Numbering Sequence: There are nine levels of paragraphing coding. Each level of coding is subservient to its next higher level:

2
2.1
2.1.1
2.1.1.A
2.1.1.A.1
2.1.1.A.1.(a).I
2.1.1.A.1.(a).I.(i)
2.1.1.A.1.(a).I.(i).1

Check Sheets: When a tariff filing is made with the M.D.T.C. an updated Check Sheet is included. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current Revision Number. When new sheets are added, the Check Sheet is changed to reflect the addition. All revised sheets in a given filing are designated by an asterisk (*) on the Check Sheet. The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on file with the M.D.T.C.

EXPLANATION OF SYMBOLS – CODING OF TARIFF REVISIONS

When changes are made in any tariff sheet, a revised sheet will be issued canceling the tariff sheet affected. Changes will be identified on the revised sheet(s) through the use of the following symbols:

C	-	Change in Regulation, but No Change in Rate or Charge
D	-	Delete or Discontinue
I	-	Changed Resulting in an Increase in Rate or Charge
M	-	Moved from Another Tariff Location without Change
N	-	New
R	-	Change Resulting in a Reduction in Rate or Charge
T	-	Change in Text, but No Change in Rate or Regulation

1. DEFINITIONS

For the purpose of this tariff, the following definitions will apply:

Collect Calls – Calls billed not to the originating telephone number, but to the called telephone number upon acceptance, via an automated interface, of the call for which charges are billed.

Common Carrier – A company or entity providing telecommunications services to the public.

Company - Securus Technologies, Inc.

Customer – The person or entity responsible for the payment of charges for services offered under this tariff.

Debit Card – A card issued by the Company which provides the Customer or other authorized user with a debit account, an authorization code and instructions for accessing the carrier's network. Customers purchase usage on a prepaid basis.

Debit Card Call – A service whereby the customer or other authorized user dials all of the digits necessary to route an bill a call placed from a location other than his/her residence or normal place of business. Service is accessed via a "1-800" or other access code dialing sequence. Usage charges for Debit Card Calls are deducted from the Customer's debit account on a real time basis.

Local Access and Transport Area (LATA) – The term "Local Access Transport Area" denotes a geographical area established by the US District Court for the District of Columbia in Civil Action No 82-0192.

M.D.T.C. – Used throughout this tariff to mean the Massachusetts Department of Telecommunications & Cable or any successor thereto.

Measured Charge- A charge assessed on a per minute basis in calculating the charges for a completed call. Measured Charges are specified as a rate per minute which applies to each minute, with fractional minutes of use counted as one full minute.

Person – to – Person Collect Calls – Calls billed not to the originating telephone number, but to a specific called party upon acceptance, via an automated interface, of the call for which charges are billed.

1. DEFINITIONS (Continued)

Service Charge – A non-measured (fixed) charge which is added to a Measured Charge in calculation the total tariff charges due for a complete call.

Station – Any location from which calls may be placed or received.

Telecommunications – The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

2. APPLICATION OF TARIFF

- 2.1 This tariff contains the regulations and rates applicable to intrastate telecommunications services provided by the Company between points within the Commonwealth of Massachusetts. The Company's services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff.
- 2.2 The services offered by the Company subject to this tariff consist of furnishing Collect and Person to Person Collect Calls through store and forward technology incorporating an automated operator and the resale of transmission service of other carriers.
- 2.3 The Company's Debit Card Call services are offered for Customer use 24 hours a day, seven days a week, to all valid terminating locations specified in this section. Access to the Company's debit services is via a toll-free number. The Customer must input a valid authorization code in addition to the destination number with area code. Purchase of a Debit Card or establishment of a debit account entitles the consumer to access the carrier's network for a present amount of usage. Usage will be debited from the available card or account balance in full-minute increments on a real-time basis. Customers will be interrupted with an announcement when the account balance is about to be exhausted. Balances in debit amounts are non-refundable and will expire on the date specified on the Debit Card, expiration occurs within one year from the state of establishment or last renewal unless otherwise specific in writing by the carrier. Unlike a deposit or advance payment, the Debit Card account balance is not held against future payment as all service is available for immediate consumption. For Customer accounts provide with a renewal option, Customers may renew or increase the available usage balance within an account by making additional payments to the Company or the Company's authorized agents.
- 2.4 Because the services offered hereunder are provided to inmates of a correctional facility or similar institution, special stipulations may apply. These stipulations are designed to preserve the integrity and security of the facility, the safety of the public and to reduce fraud and harassment. When deemed appropriate by the facility administration, these include: providing outward only calls; providing 0+ Collect and/or Person to Person Collect Calls only for local, IntraLATA toll and InterLATA toll calls and blocking access to all other types or forms of calls; blocking access to local Directory Assistance (411), long distance Directory Assistance (555-1212), 911 calls, toll free numbers including 1- 800, 700, 900, 950, 10XXX and any other telephone numbers the facility administration directs; limiting hours during which telephone service is available to inmates; and/or limiting call duration to a time interval established by the facility administration.

2. APPLICATION OF TARIFF (Continued)

- 2.5 Service furnished by the Company may be connected with services or facilities of other authorized Common Carriers and with private systems, subject to the technical limitations established by the Company. The services of the Company are not part of a joint undertaking with any other entity providing telecommunications channels facilities or services but do involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunication Services (WATS) of underlying common Carriers who may be subject to the jurisdiction of the M.D.T.C.
- 2.6 The rates and regulations contained in this tariff apply only to the services furnished by the Company and do not apply, unless otherwise specified, to lines facilities, or services provided by a local exchange telephone company or other Common Carrier for use in accessing the services of the Company.
- 2.7 The Company's obligation to furnish service hereunder is dependent upon its ability to secure and retain, without unreasonable expense, suitable facilities and contractual rights necessary for the provision of the service.

3. GENERAL REGULATIONS

3.1 Use of Services

- 3.1.1 The Company's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services.
- 3.1.2 The use of the Company's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.
- 3.1.3 The use of the Company's services without payment for service or attempting to avoid payment for service is prohibited.
- 3.1.4 The Company's services are available for use 24 hours per day, seven days per week, except as set forth in Section 2.3 of this tariff.
- 3.1.5 The Company does not transmit messages pursuant to this tariff, but its services may be used, for that purpose.
- 3.1.6 The Company's services may be denied for non-payment of charges or for other violations of this tariff.

3.2 Liability of the Company

- 3.2.1 The Company shall not be liable for loss or damage sustained by reason of any failure in or breakdown of facilities associated with the Company's service or for any interruption or delay of service, whatever shall be the cause of such failure, breakdown, or interruption and whether negligent or otherwise and however long it shall last. In no event shall the Company's liability for any services exceed the charges applicable under this tariff for such service.

3. GENERAL REGULATIONS (Continued)**3.2 Liability of the Company (Continued)**

- 3.2.2 The Company shall be indemnified and saved harmless by any Customer or by any other entity against claims for libel, slander, or the infringement of copyright arising from the material transmitted over its services; and against all other claims arising out of any act or omission of a Customer or of any other entity in connection with services provided by the Company.
- 3.2.3 The Company shall not be liable for any act or omission of any entity furnishing facilities or services connected with or provided in conjunction with the services of the Company.
- 3.2.4 The Company shall not be liable for any person injury or death of any person or persons, or for any loss or damage sustained by reason of acts, mistakes, omissions, errors or defects in providing its services, whatever shall be the cause and whether negligent or otherwise.
- 3.2.5 The Company shall not be liable for an shall be indemnified and saved harmless by any Customer or other entity from any and all loss, claims, demands, suits or other action or any liability whatever, whether suffered, made instituted or asserted by any Customer or any other entity for any person injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity or any other property whether owned or controlled by the Customer or others, caused or claimed to have been caused, directly or indirectly, by any act or omission of the Customer or others or by any installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of facilities or equipment provided by the Company. No agents or employees of any other entity shall be deemed to be the agents or employees of the Company.
- 3.2.6 The Company shall not be liable for any failure of performance due to causes beyond its control, including, without limitation, acts of God, fires, floods or other catastrophes, national emergencies, insurrections, riots or wars, strikes, lockouts, work stoppages or other labor difficulties, and any law, order regulation or other action of any governing authority or agency thereof.

3. GENERAL REGULATIONS (Continued)

3.3 Responsibilities of the Customer

- 3.3.1 The Customer is responsible for payment of applicable charges set forth in this tariff.
- 3.3.2 The Customer is responsible for compliance with applicable regulations set forth in this tariff.
- 3.3.3 The Customer is responsible for establishing its identity as often as necessary during the course of a call.
- 3.3.4 The Customer is responsible for identifying the station, party, or person with whom communication is desired and/or made at the called number.

3.4 Cancellation or Interruption of Services

- 3.4.1 Without incurring liability the company may immediately discontinue services or may withhold the provision of ordered or contracted services:
 - 3.4.1.A For nonpayment of any sum due the Company for the services,
 - 3.4.1.B For violation of any of the provisions of this tariff,
 - 3.4.1.C For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over the Company's services, or
 - 3.4.1.D By reason of any order or decision of a court, state or federal regulatory body or other governing authority prohibiting the Company from furnishing its services.
- 3.4.2 Without incurring liability, the Company may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of the Company's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.

3. GENERAL REGULATIONS (Continued)

3.4 Cancellation or Interruption of Services (Continued)

- 3.4.3 Service may be discontinued by the Company, without notice, by blocking traffic to certain countries, cities or exchanges or by blocking calls using certain authorization codes, when the Company deems it necessary to take such action to prevent unlawful use of its services, and as set forth in Section 2.3 of this tariff. The Company will restore service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new authorization code to replace the one that has been deactivated.
- 3.4.4 The Company may refuse to provide service without prior notice when the called party refuses to accept the charges or has subscribed to billed number screening, prohibiting acceptance of such calls.

4. RATE DETERMINATION**4.1 Time of Day Rate Periods**

Time of day rate periods are determined by the time of day at the location of the calling station. When a call designs in one rate period and ends in another, the rate in effect in each rate period applies to the portion of the call occurring within that rate period. In the event that a minute is split between two rate periods, the rate in effect at the start of that minute applies.

Time of Day Rate Periods

	MON	TUE	WED	THU	FRI	SAT	SUN
8:00 a.m. to* 5:00 p.m.	DAY RATE PERIOD						
5:00 p.m. to* 11:00 p.m.	EVENING RATE PERIOD						EVENING RATE PERIOD
11:00 p.m. to* 8:00 a.m.	NIGHT/WEEKEND RATE PERIOD						

* To but not including.

4. RATE DETERMINATION (Continued)**4.2 Distance Measurements**

The airline mileage between two cities can be calculated using the vertical (V) and horizontal (H) coordinates of the serving wire centers associated with the Company's POP locations. The method for calculating the airline mileage is obtained by reference to AT&T's FCC Tariff according to the following formulas:

$$\sqrt{\frac{(V_1V_2)^2 + (H_1H_2)^2}{10}}$$

In the above example, the V1 and H1 correspond to the V&H coordinates of "City 1" and V2 and H2 correspond to the V&H coordinates of "City 2."

4.3 Call Timing

Timing of each Collect or Person to Person Collect Call begins when the called party accepts responsibility for the charges and ends when either party hangs up, as determined by standard industry methods in use for ascertaining answer and disconnect, including hardware answer supervision in which the local exchange telephone company sends a signal to the switch or the software utilizing Common Carrier for the Company's services, where answer supervision is available. The Company will not knowingly bill for uncompleted calls.

5. PAYMENTS AND CHARGES

5.1 Billing Arrangements

5.1.1 Charges for services hereunder may be:

5.1.1.A Billed directly by the Company, or

5.1.1.B Included on the Customer's regular home or business telephone bill, pursuant to billing and collection agreements established by the Company or its intermediary with the applicable telephone company.

5.1.2 When billing functions on behalf of the Company or its intermediary are performed by local exchange telephone companies or others, the payment of charge conditions and regulations of such companies and any regulations imposed upon these companies by regulatory bodies having jurisdiction apply.

5.1.3 The Company's bills are due upon receipt. Amounts not paid within 30 days from the due date of the invoice will be considered past due and may subject to a late fee on past due amounts at the maximum lawful rate under applicable Massachusetts law. If a Customer presents an undue risk of nonpayment at any time, the Company may require that payments in cash or the equivalent of cash. In the case of any Customer who elects to post a deposit pursuant to Section 5.5, the Company may deduct any past due balances from the deposit.

5.1.4 Customers with questions about invoices may contact the Company directly at 14651 Dallas Parkway, Suite 600, Dallas, Texas 75254 Telephone number 1-800-844-6591. If written notice of a dispute as to charges is not received by the Company within thirty (30) days of the date a bill is issued, such charges shall be deemed to be correct and binding on a Customer.

5. PAYMENTS AND CHARGES (Continued)**5.1 Billing Arrangements (Continued)**

5.1.5 In the event the Company incurs fees or expenses, in collecting or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

5.2 Validation

The Company reserves the right to validate the creditworthiness of Customers through available verification procedures and to establish a maximum predetermined credit amount. Where a requested billing method cannot be validated, the Company may refuse to provide service.

Services offered pursuant to this tariff are provided to inmates of correctional facilities, in accordance with institutionally authorized programs. The Company may request that facilities adopt, as part of the institutionally authorized program, terms that enable the Company to collect the charges for all inmate calls, including without limitation, the blocking of calls to certain telephone numbers when the amount charged to such telephone number (a) exceeds a predetermined amount or (b) becomes past due.

5.3 Contested Charges

For consideration of any disputed charge, a Customer must submit in writing to the Company, within thirty (30) days of the date the bill is issued, the call details and basis for any requested adjustment. The Company will promptly investigate and advise the Customer as to its findings and disposition.

5.4 Returned Check Charge

A charge of \$20 may be applied if a check or draft presented for payment of service is not accepted by the institution on which it is written. The Company reserves the right to refuse to accept such checks or drafts in payment for services and require prepayment or a certified or bank check or money order.

5.5 Credit Card/Check-by-Phone Payment Processing Fee

A payment processing fee in the amount of \$6.95 is applicable to credit card payments and check-by-phone payments submitted to the Company. This fee does not apply to payments mailed to the company or submitted via a customer's online banking service.

5. PAYMENTS AND CHARGES (Continued)**5.6 Deposits**

No advance deposits are required; provided, however, that in the event that any Customer wishes to exceed any maximum credit amount that may be predetermined by the Company that Customer may do so by first posting a deposit with the Company in an amount such that the level of credit sought is equal to ninety percent of the deposit amount. The Company shall pay simple interest on an annual basis at a rate that might be required under the regulations applicable to local exchange telephone companies under Section 5.1.2.

5.7 Taxes

All federal, commonwealth and local taxes (e.g. excise tax, gross receipts tax, sales tax, municipal utilities tax) for calls provided pursuant to this tariff are billed as separate line items and are not included in the rates set forth herein.

6. RATES AND CHARGES – The charges for a particular call shall be the total of the measured usage charge and the operator surcharge.**6.1 Local, IntraLATA and InterLATA Rates and Charges**

Collect call surcharge: \$3.00

Per minute usage charge: \$0.10

6.1.1 Contract Location 1**LOCAL****SURCHARGE: \$ 3.00**

	DAY		EVENING		NIGHT/WEEKEND	
RATE	EACH	EACH ADD'L	EACH	EACH ADD'L	EACH	EACH ADD'L
MILEAGE	CALL	PERIOD	CALL	PERIOD	CALL	PERIOD
0-9999	0.5000	0.0000	0.5000	0.0000	0.5000	0.0000

INTRALATA**SURCHARGE: \$3.00**

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.0550	0.0550	0.0360	0.0360	0.0360	0.0360

INTERLATA**SURCHARGE: \$3.00**

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-10	0.1000	0.0600	0.0740	0.0550	0.0460	0.0360
11-14	0.1000	0.0900	0.1000	0.0550	0.0540	0.0360
15-9999	0.1000	0.1000	0.1000	0.0610	0.0780	0.0360

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14651 Dallas Parkway, Suite 600
Dallas, Texas 75254

6. RATES AND CHARGES (Continued)

6.1.2 Contract Location 2

LOCAL SURCHARGE: \$ 2.00

	DAY		EVENING		NIGHT/WEEKEND	
RATE	EACH	EACH ADD'L	EACH	EACH ADD'L	EACH	EACH ADD'L
MILEAGE	CALL	PERIOD	CALL	PERIOD	CALL	PERIOD
0-9999	0.5000	0.0000	0.5000	0.0000	0.5000	0.0000

INTRALATA SURCHARGE: \$2.00

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.0400	0.0400	0.0360	0.0360	0.0360	0.0360

INTERLATA SURCHARGE: \$2.00

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-10	0.0780	0.0360	0.0740	0.0360	0.0460	0.0360
11-14	0.0780	0.0360	0.0780	0.0360	0.0540	0.0360
15-9999	0.0780	0.0360	0.0780	0.0360	0.0780	0.0360

6.1.3 Contract Location 3

LOCAL SURCHARGE: \$ 3.00

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

INTRALATA SURCHARGE: \$3.00

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

INTERLATA SURCHARGE: \$2.50

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

6. RATES AND CHARGES (Continued)**6.1.4 Contract Location 4**

LOCAL		SURCHARGE: \$ 2.50				
	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

INTRALATA		SURCHARGE: \$2.50				
	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

INTERLATA		SURCHARGE: \$2.50				
	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

6.1.5 Contract Location 5

LOCAL		SURCHARGE: \$ 3.00				
	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

INTRALATA		SURCHARGE: \$3.00				
	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-10	0.1000	0.0600	0.0740	0.0550	0.0460	0.0360
11-14	0.1000	0.0900	0.1000	0.0550	0.0540	0.0360
15-9999	0.1000	0.1000	0.1000	0.0610	0.0780	0.0360

INTERLATA		SURCHARGE: \$3.00				
	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-10	0.1000	0.0600	0.0740	0.0550	0.0460	0.0360
11-14	0.1000	0.0900	0.1000	0.0550	0.0540	0.0360
15-9999	0.1000	0.1000	0.1000	0.0610	0.0780	0.0360

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6. RATES AND CHARGES (Continued)

6.1.6 Contract Location 6

LOCAL SURCHARGE: \$ 2.85

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

INTRALATA SURCHARGE: \$2.85

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

INTERLATA SURCHARGE: \$2.50

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

6.1.7 Contract Location 7

LOCAL SURCHARGE: \$3.00

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

INTRALATA SURCHARGE: \$3.00

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

INTERLATA SURCHARGE: \$3.00

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

6. RATES AND CHARGES (Continued)

6.1.8 Contract Location 8

(N)

LOCAL **SURCHARGE: \$3.80**

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

INTRALATA **SURCHARGE: \$3.00**

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

INTERLATA **SURCHARGE: \$3.00**

	DAY		EVENING		NIGHT/WEEKEND	
RATE	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L	INITIAL	EACH ADD'L
MILEAGE	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-9999	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

(N)

6. RATES AND CHARGES (Continued)**6.2 Prepaid Service****Prepaid Calling Cards and Debit Accounts**

Where offered by the Confinement Facility, Inmates may either purchase a Prepaid Calling Card or set up a Prepaid Debit Account for calls made by the Inmate User or Authorized User. Prepaid Calling Cards and Debit Accounts provide an alternative method to make calls and are designed for those Inmates who prefer to prepay for their calls. Calls are made by dialing a special access dialing sequence that connects directly to the Company's network at the Confinement Facility. A valid Authorization Code must be entered to access the account.

The Company's system automatically informs the Inmate User or Authorized User of the Prepaid Balance remaining on the Prepaid Calling Card or in the Prepaid Debit Account, and provides prompts to place the call by entering the destination telephone number with area code. Network usage is deducted from the Prepaid Balance on a real time basis as the call progresses. Applicable state taxes and fees are included in the rates and charges for the calls made. On Prepaid Calling Card and Prepaid Debit Account calls, when the Prepaid Balance is one minute prior to depletion, the Inmate User or Authorized User will be interrupted with such an announcement.

Prepaid Calling Card and Debit Account services are available twenty-four (24) hours a day, seven (7) days per week to all terminating locations serviced. Access to such telephone services by an Inmate User may be subject to time-of-day usage restrictions imposed by individual Confinement Facilities. No minimum service period applies. For debiting purposes, call timing is rounded up to the nearest one (1) minute increment. Usage charges are computed and rounded up to the nearest one (1) cent on a per call basis. Prepaid Balances are not charged for incomplete calls.

6.2.1 Prepaid Calling Cards

The Confinement Facilities that offer the option of Prepaid Calling Cards may purchase Prepaid Calling Cards directly from the Company. Inmates then purchase the Cards from authorized personnel at the Confinement Facilities. The Company does not engage in direct monetary transactions with the Inmate. The Inmate may purchase a Prepaid Calling Card in denominations determined by the Confinement Facility. Prepaid Calling Cards are offered only to Inmates at Confinement Facilities and not to the general public. Prepaid Calling Cards are valid for one hundred eighty (180) days from the date of first usage. Unused Prepaid Balances may be used by the Inmate User or Authorized User following release from the Confinement Facility only through the Company's network by dialing a special toll free access number with automatically connects the call to the Company's network. Unused Prepaid Balances are not refundable nor may Prepaid Calling Cards be replenished upon the depletion of the Prepaid Balance. Inmates may purchase additional cards, as permitted by their Confinement Facility.

6. RATES AND CHARGES (Continued)**6.2 Prepaid Service (Continued)****6.2.2 Prepaid Debit Accounts**

For a Prepaid Debit Account, the Inmate may set up the account through the Confinement Facility administrators with an initial payment typically through the Inmate's commissary account, in those Confinement Facilities where this service is available. Upon the depletion of the Prepaid Balance, the Prepaid Debit Account may be replenished by depositing funds into the Account via the Confinement Facility administrator. Prepaid Debit Accounts are considered dormant if there is no activity for one hundred eighty (180) days following the last call made. Inactive accounts will be removed from the Company's system. In conjunction with their release from the Confinement Facility, the Inmate may request a refund from the Confinement Facility administrator.

6.2.3 AdvanceConnect Accounts

End Users who prefer to pay in advance for Collect Calls that originate from Confinement Facilities, or else if the End User's local exchange carrier does not have a billing and collection agreement with the Company or its intermediary, may set up an AdvanceConnect Account with the Company with a minimum initial fifty dollar (\$50) payment. The Account is set up with the initial payment and may be replenished by the End User. Applicable state taxes and fees are calculated and deducted from the balance at the conclusion of the call.

When the balance in an AdvanceConnect Account reaches twenty dollars (\$20) or below, the End User will receive an automated courtesy call from the Company notifying the End User with such an announcement. If the End User's balance reaches zero prior to replenishment of the Account, the End User will be blocked from receiving further calls from any Confinement Facility served by the Company until the balance is replenished or an alternative billing arrangement is made.

The End User may request a refund of the available balance in the AdvanceConnect Account either by written request to the Company or by contacting the Company at its toll free telephone number once the End User verifies certain account information. Any such unused balances will expire in one hundred eighty (180) days following the last call made, unless the balance is either fully depleted or a refund has been requested. Refunds are subject to a processing fee of up to \$4.95 for accounts established on or after November 1, 2008. No refunds of unused balances will be issued after the expiration date.

6. RATES AND CHARGES (Continued)**6.2 Prepaid Service (Continued)****6.2.3 AdvanceConnect Accounts (Continued)**

AdvanceConnect Account service is available twenty-four (24) hours a day, seven (7) days a week to all terminating locations served. Access to such services by the Inmate User may be subject to time-of-day and usage restrictions imposed by individual Confinement Facilities. No minimum service period applies. For debiting purposes, call timing is rounded up to the nearest one (1) minute increment. Usage charges are computed and rounded up to the nearest one (1) cent on a per call basis. Balances are not charged for incomplete calls.

Wireless Administration Fee – a monthly fee of \$2.99 is applicable to any AdvanceConnect account with a wireless telephone number included as a number authorized to receive calls. This fee applies once per month, per account regardless of the number of wireless telephone numbers authorized. The fee amount will be deducted from the AdvanceConnect account balance on a monthly basis as long as a wireless number remains on the AdvanceConnect account. As of the initial effective date of this fee, existing AdvanceConnect accounts with existing authorized wireless numbers will be Grandfathered and the Wireless Administration Fee will not apply. If an existing AdvanceConnect account adds or changes a wireless number on the account, the Wireless Administration Fee will apply going forward. (I)

6.2 Prepaid Service (Continued)

6.2.4 Prepaid Services Rates

The rates listed below are applicable to the Company's Prepaid Services. For billing purposes, call timing is rounded up to the next full minute increment after a minimum initial period of one (1) minute. No time of day, holiday or volume discounts apply.

Prepaid Calling Cards and Debit Accounts

Option 1

PER MINUTE USAGE CHARGE \$0.50

An additional per call service charge of \$1.00 will apply to all completed prepaid calling card IntraLATA and InterLATA telephone calls.

Option 2

Rates and charges for prepaid calling services are provided at a ten percent discount off standard operator assisted collect call rates.

Option 3

PER MINUTE USAGE CHARGE \$0.60

Option 4

Rates and charges for prepaid calling services are provided at the standard contracted collect call rates applicable to the facility requesting prepaid services. Contracted rates will be filed with the Massachusetts Department of Communications and Cable for tariff approval and will be in compliance with existing policy.

6.2.5 AdvanceConnect Accounts

The rates for AdvanceConnect Accounts are the same as those for automated Collect Call service.

6.3 Voice Biometrics (f/k/a SECUREvoice)

(T)

This charge may apply to automated calls place by inmates of confinement facilities when such calls are provided through Securus Technologies, Inc.'s own processing equipment. Voice Biometrics provides validation of inmate personal identification numbers (PINs) through voice verification technology for purposes of improved security and reduced potential of fraud and consumer harassment by inmates. Where installation of Voice Biometrics is requested by confinement facilities, a per call service charge of up to \$0.30 applies in addition to all applicable message charges, operator assistance service charges and other miscellaneous service charges.

(T)

(T)

(I)

7. PROMOTIONS**7.1 General**

From time to time the Company shall, at its opinion, promote subscription or stimulate network usage by offering to waive some or all of the nonrecurring or recurring charges for the Customer (if eligible) of target services for a limited duration. Such promotions shall be made available to all similarly situated Customers in the target market area.

7.2 Demonstration of Service

From time to time the Company may demonstrate service for potential customers by providing free use of its network on a limited basis for a period of time, not to exceed one (1) month. Demonstration of service and the type and duration of service provided will be at the Company's discretion.

7.3 Comparable Pricing Promotion

The Company will, at its discretion, match certain standard or promotional offerings of other interexchange carriers or resellers in order to acquire new Customers or retain existing Customer accounts. The Customer must demonstrate to the Company's satisfaction that 1) an alternative service offering is valid and currently available from a competing interexchange carrier or reseller and 2) the Customer intends to either subscribe to or remain subscribed with the competing interexchange carrier or reseller.

7.4 Debit Services Sponsor Program

A sponsor program is offered to organizations or commercial entities for distribution of Company's Debit Cards to their members or patrons. The marketing vehicle and expiration period is selected by the sponsor upon joint agreement between the carrier and the sponsor. The sponsor is responsible for name, service mark or other image on the card. The carrier reserves the right to approve or reject any image and to specify the customer information language and use of the carrier's trade mark, trade name, service mark, or other image on the card. The sponsor may distribute the carrier's Debit Card accounts at reduced rates or free charge to end users for promotional purposes. At the option of the sponsor, these cards may not be renewed. Debit Cards and/or accounts issued through a sponsor program may not be used in conjunction with debit account services provided to inmate of confinement institutions.

8. CONTRACT SERVICES**8.1 General**

At the option of the Company, service may be offered on a contract basis to meet specialized requirements of the Customer not contemplated in this tariff. The terms of each contract shall be mutually agreed upon between the Customer and Company and may include discounts off of rates contained herein, waiver of recurring or nonrecurring charges, charges for specially designed and constructed services not contained in the Company's general service offerings, or other customized features. The terms of the contract may be based partially or completely on the term and volume commitment, type of originating or terminating access, mixture of service for other distinguishing features. Service shall be available to all similarly situated Customers for a fixed period of time following the initial offering to the first Customer as specified in each individual contract.

EXHIBIT 3

SECTION 6 - MISCELLANEOUS SERVICES (Continued)

(N)

6.2 Operator Services - Payphone**6.2.1 General**

Operator Services - Payphone allows calls to be placed from payphones pre-subscribed to Carrier for the handling of long distance traffic. These calls are placed with the assistance of an automated or live operator. Calls are billed in increments of one minute. Partial minutes are rounded to the next higher increment for billing purposes. A one-time operator surcharge, if applicable, will be added to the first minute of each operator assisted call in addition to per minute rates as specified in 6.2.4.

The following types of calls are available for operator assistance:

- **Collect Calls** - Operator assistance for collect calls will ask the caller to provide his/her name or other identification, then contact the party at the domestic telephone number specified by the caller, repeat the caller's identification and then ask if the called party will accept charges for the call. If the called party agrees to accept the charges, the call will be established and the associated charges for a collect call will be billed to the called party's residential telephone number billing account. Collect calls can be either person-to-person or station-to-station.
- **Billed-to-Third Number** - Operator assistance will establish the call requested by the caller and arrange for billing of associated charges to a residential domestic telephone number specified by the caller that is other than the calling telephone number or the called telephone number. Requests for third number billing are subject to operator verification that the party at the telephone number to be billed will accept charges for the call. Other efforts may be undertaken subsequently by Carrier, as necessary, to determine responsibility for payment of such calls.
- **Person-to-Person** - At the caller's request, operator assistance will attempt to place a call to a particular party at a domestic telephone number specified by the caller. The party specified by the caller may be a person, station, department, extension, or office. If successful, the Operator will establish the person-to-person call between the calling and called parties. If the identified party is not available and the caller requests, or agrees, to speak to a party other than the party initially specified, the call will be established and billed at the person-to-person call rates.
- **Operator Dialed Direct** - Operator assistance is available to callers who want an Operator to place their call for them. Operator dialed direct calls do not include: collect calls, billed-to-third number calls, person-to-person calls or calls billing to a calling card or commercial credit card.
- **Calling Card or Credit Card Calls** - Operator assistance is available to callers who request that charges for a long distance call be charged to a valid calling card or credit card. In order to control fraud, Carrier may refuse to accept a card that it determines or suspects to be invalid.

(N)

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by:

Donald R. Fowler, Director - Tariffs
Verizon Select Services Inc.
600 Hidden Ridge
Irving, TX 75038

SECTION 6 - MISCELLANEOUS SERVICES (Continued)

(N)

6.2 Operator Services - Payphone (Continued)**6.2.1 General (Continued)**

- **Real Time Rated** - Operator assistance is available to provide the time (duration) and charges associated with an operator assisted call. Carrier's operator must establish the call for which time and charges are requested. The caller must provide the calling and called telephone numbers to the operator and request the operator provide the time and charges associated with such call upon completion of the call.

6.2.2 Terms and Conditions

- A. To participate in this service, Customer must access operator assistance to have a call established by dialing the appropriate operator code (e.g., 0, 00, a dial around number + 0) or by dialing a Carrier designated access number. Caller may need to specifically request a Carrier operator or respond to appropriate prompts, depending on the operator access code or Carrier designated access number initially dialed. Customer may dial 0- to speak to an automated operator or a live operator. This service is offered where technically feasible.
- B. The following types of calls are included in this service:
- Live operator assisted calls from a payphone, and
 - Automated Operator Attendant assisted calls from a payphone.
- C. A surcharge, as specified in 6.2.4, will be assessed to all non-coin calls made from a payphone to compensate the payphone service provider, pursuant to FCC Ruling CC Docket 96-128. Payphone Compensation does not apply to calls using Telecommunications Relay Service, and calls originated by callers with qualified hearing or speech impairment who are certified by a physician as hearing or speech impaired.
- D. Customer will incur a surcharge based on the type of call placed. In addition, a per-minute rate will apply.

6.2.3 Availability of Service

This service is available 24 hours a day, seven days a week, where facilities and systems capabilities permit.

(N)

Issued: May 13, 2002

Effective: June 14, 2002

by:

Donald R. Fowler, Director - Tariffs
Verizon Select Services Inc.
600 Hidden Ridge
Irving, TX 75038

SECTION 6 - MISCELLANEOUS SERVICES (Continued)

6.2 Operator Services - Payphone (Continued)

6.2.4 Rates and Charges

These rates are applicable to all automated or live operator-assisted calls. All rate periods apply.

A.	Per Minute	\$.89	(D) (C) (D)
B.	Operator Assisted Service Charges	<u>Per Call</u>	
	0+ (Calling Card, Calling Card Operator Assisted, Credit Card, Credit Card Operator Assisted, Collect, Bill to Third Party)	\$4.99	(I)
	0- (Calling Card, Calling Card Operator Assisted, Credit Card, Credit Card Operator Assisted, Collect, Bill to Third Party)	6.20	(I)
	Operator Dialed	1.20	
	Person-to-Person	6.50	
	Payphone Compensation Surcharge	.55	
	Directory Assistance	1.00	
C.	A Premise Imposed Fee of \$3.00 may apply.		

Issued: February 17, 2005

Effective: March 21, 2005

by:

Donald R. Fowler, Director - Tariffs
 Verizon Select Services Inc.
 600 Hidden Ridge
 Irving, TX 75038

EXHIBIT 4

Arent Fox

October 11, 2011

VIA ECFS

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

Stephanie A. Joyce
Attorney
202.857.6081 DIRECT
202.857.6395 FAX
joyce.stephanie@arentfox.com

Re: CC Docket No. 96-128, *Alternative Rulemaking Proposal of Martha Wright, et al.*

Dear Ms. Dortch:

Securus Technologies, Inc. ("Securus") files this letter to provide the Commission with the updated cost information offered in its previous letter dated September 20, 2011.

Securus has reviewed its overall cost of service for providing inmate telecommunications service. Securus used whole-year data that was available after the submission of the industry cost study (the "Wood Study") in 2008. The data reviewed is specific to Securus and does not represent the costs of any other company that was involved in the Wood Study.

Securus estimates that its overall per-call costs have increased approximately 16.3%. Its overall per-minute costs have increased approximately 16.5%.

Please do not hesitate to contact me with any additional questions or concerns: 202.857.6081. Thank you for your consideration.

Sincerely,

s/Stephanie A. Joyce

Counsel for Securus Technologies, Inc.

cc: Chairman Julius Genachowski (*via electronic mail*)
Commissioner Michael Copps (*via electronic mail*)
Commissioner Robert McDowell (*via electronic mail*)
Commissioner Mignon Clyburn (*via electronic mail*)
Sharon Gillett, Chief, Wireline Competition Bureau (*via electronic mail*)
Austin Schlick, General Counsel (*via electronic mail*)
Zachary Katz, Legal Advisor to Chairman Genachowski (*via electronic mail*)

Arent Fox

Margaret McCarthy, Policy Advisor to Commissioner Copps (*via electronic mail*)
Christine Kurth, Legal Advisor to Commissioner McDowell (*via electronic mail*)
Angela Kronenberg, Legal Advisor to Commissioner Clyburn (*via electronic mail*)
Albert Lewis, Chief, Pricing Policy Division, Wireline Competition Bureau (*via electronic mail*)

Marcus Maher, Legal Advisor to Chief of the Wireline Competition Bureau (*via electronic mail*)

Pamela Arluk, Assistant Chief, Pricing Policy Division, Wireline Competition Bureau (*via electronic mail*)

Lynne Hewitt Engledow, Pricing Policy Division, Wireline Competition Bureau (*via electronic mail*)

Michelle Berlove, Pricing Policy Division, Wireline Competition Bureau (*via electronic mail*)

Jennifer Prime, Acting Legal Advisor, Office of the Bureau Chief, Wireline Competition Bureau (*via electronic mail*)

EXHIBIT 5

2. **Comments:** InVision is a registered, tariffed provider of alternate operator services ("AOS") in Massachusetts. It provides operator services in the form of automated, outbound-only, collect-only calling by inmates from confinement facilities in the Commonwealth. Although InVision does not generally provide conventional coin-operated payphones^{1/}, its inmate calling services constitute "payphone service" for purpose of Section 276 of the Communications Act of 1934, as amended by the TA-96 ("Act"). 47 U.S.C. § 276(d) ("payphone service" includes the provision of inmate telephone service in correctional institutions"). Therefore, InVision is entitled to the protections of Section 276 and the relevant FCC implementing orders.^{2/}

On March 26 of this year InVision filed a Petition for Expedited Rulemaking with the Department, seeking to have the Department initiate a proceeding to address the OSP rate cap issue. See Exhibit 1 attached hereto. Therein, InVision outlined why the Department must revisit and lift the existing rate cap policy; noting at least the following two reasons:

a. The current policy is clearly discriminatory under the Communications Act. (Exhibit 1, at pp. 6-7) because the Department has deregulated (i.e., now treats as nondominant) AT&T's operator services.

^{1/} InVision does offer such services through a few payphones in areas of confinement facilities accessible to the general public.

^{2/} Implementation of Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket Nos. 96-128 and 91-35, Reported Order ("Payphone Order"); Order on Reconsideration, FCC 96-436, released November 8, 1996 ("Reconsideration Order") (collectively, "Payphone Orders").

b. Under the current OSP rate cap policy, InVision is not being fairly compensated for the capped-intrastate calls as required by Section 276 of the Communications Act. (Exhibit 1, at pp. 7-12).^{3/}

For the very same reasons as set out in Exhibit 1, InVision maintains that the Department must lift the existing rate cap policy and treat InVision as a nondominant carrier like AT&T is now treated.

Respectfully submitted,

INVISION TELECOM, INC.

By: 

Paul C. Besozzi
PATTON BOGGS, LLP
2550 M Street, N.W.
4th Floor
Washington, D.C. 20037
(202) 457-5292

Dated: September 19, 1997

^{3/} As noted in Exhibit 1, the FCC reminded the states that the "fair compensation" requirement applied to inmate calling service providers. Reconsideration Order, at p. 37 (¶ 72).

BEFORE THE
MASSACHUSETTS DEPARTMENT OF PUBLIC UTILITIES

RECEIVED
STAMP-IN
PUBLIC UTILITIES
MAR 26 10 42 AM '97

In the Matter of Restrictions On)
The Intrastate Rates Of Providers)
Of Inmate Calling Services In)
The Commonwealth Of)
Massachusetts)
_____)

D.P.U. _____

PETITION FOR EXPEDITED RULEMAKING

InVision Telecom, Inc. ("InVision" or "Company"), acting through counsel and in accordance with Parts 1.00 and 2.00 of the Rules of the Department of Public Utilities ("MDPU" or "Department"), 220 CMR 1.00 and 2.00, hereby petitions the Department to immediately lift the existing MDPU' restrictions relating to the intrastate rates charged by alternate operator service providers ("AOSP") in Massachusetts, as they apply to inmate calling services providers ("ICSP"). InVision maintains that changes to those rules are necessitated by (a) the passage of the Telecommunications Act of 1996 ("1996 Act"), (b) the Department's own rulings with respect to competing operator service providers in Massachusetts and (c) the unique and more costly nature of the services provided by ICSPs such as InVision. In support of its Petition, InVision sets out the following:

I. BACKGROUND: THE DEPARTMENT'S EXISTING REGULATORY FRAMEWORK

1. InVision is a registered, tariffed provider of automated, outbound-only, collect-only calling services to inmates of confinement facilities in the Commonwealth of

Massachusetts. Since the Department catalogues InVision as a provider of automated operator services, the Company currently is subject to the MDPU's existing regulatory framework governing AOSPs in Massachusetts. That framework was adopted by the Department almost 10 years ago, in the context of AOSPs principally serving the public pay telephone industry.

2. The Department first articulated its present-day AOSP rules in International Telecharge, Inc. D.P.U. 87-72, D.P.U. 88-72 (1988) ("ITI"). A central feature of the rules was the requirement that, absent the presentation of a traditional rate increase case, AOSPs adhere to intrastate rates that did not exceed "rates offered for similar intrastate services provided by NET and AT&T." ITI at p. 17; see MDPU Memorandum, dated March 19, 1993, "Intrastate Pricing of Alternative Operator Services."¹ Because of the significant expense and uncertainty associated with preparing and prosecuting a successful rate case, the Department's AOSP rules have imposed a de facto rate cap on these intrastate rates for the last decade. To InVision's knowledge, no AOSP has ever sought to breach this cap. It remains in effect today, despite the Department's subsequent approval of regulatory changes reflecting a reevaluation of the competitive marketplace.

II. DEPARTMENT'S DEREGULATION OF AT&T

3. In that regard, the Department, in two stages, has now lifted its regulation of the prices for all of AT&T's intrastate services in Massachusetts. First, in AT&T Communications of New England, Inc., D.P.U. 91-79 (1992) ("AT&T No. 1"), the Department, citing competitive

¹ A traditional rate increase case is one that requires the proponent to provide full cost information for all services at the time of a requested rate increase. IntraLATA Competition, D.P.U. 1731 (1985) at p. 62 ("IntraLATA Competition"); see also AT&T Communications of New England, Inc., D.P.U. 85-137 (1985).

developments in the marketplace, eliminated traditional rate-of-return regulation for most of AT&T's intrastate services, including operator services^{2/}. However, the Department declined to make any change in the ratemaking rules for AOSPs in the Commonwealth. AT&T No. 1 at pp. 54-55.

4. Second, more recently in AT&T Communications of New England, Inc., D.P.U. 95-131 (1996) (AT&T No. 2), the Department lifted even the relaxed regulation of AT&T's rates adopted in AT&T No. 1, so that "all of AT&T's services [including operator services], will now be subject to market-based pricing." AT&T No. 2 at p. 9. In doing so, the MDPU recognized that it was creating a regulatory dichotomy, with AT&T, the country's largest telecommunications service provider, deemed a nondominant carrier on one side, and other operator service providers, all dwarfed by AT&T, subject to continued arbitrary rate ceilings, on the other. AT&T No. 2 at p. 10, n. 6. As a result, the Department committed to "determine at a later date whether its policy on alternative operator services should be modified (and if so, how) to reflect changing market conditions." AT&T No. 2 at p. 11, n. 6.^{3/}

At the time the Department did continue to require AT&T to cost justify changes to operator services rates. AT&T No. 1 at p. 56. Subsequently, the MDPU also eliminated traditional rate-of-return regulation for the Commonwealth's principal local exchange carrier, New England Telephone and Telegraph Company. Petition of New England Telephone and Telegraph Company d/b/a NYNEX for an Alternative Regulatory Plan for the Company's Massachusetts intrastate telecommunications services, D.P.U. 94-50 (1995).

Indeed, some two and a half years earlier, the MDPU's Commissioners had recognized that changing market conditions warranted a reexamination of the Department's regulatory treatment of AOSPs, including the rate caps. DPU Investigation Regarding Regulatory Treatment of Alternative Operator Service Providers, D.P.U. 93-118, March 23, 1994 ("DPU 93-118"). However, that proceeding has lain dormant since the comment cycle was completed in August of 1994.

III. THE TELECOMMUNICATIONS ACT OF 1996

A. The Statute

5. In the meantime, in between the Department's two rulings collectively lifting price regulation of AT&T's intrastate operations, including operator services, Congress enacted, and the President signed, the Telecommunications Act of 1996 (P.L. 104-104, 110 Stat. 56, February 8, 1996) ("1996 Act"). Among other things, the 1996 Act added a new section to the Communications Act of 1934 ("Communications Act") relating to the competitive provision of payphone service. Section 276 expressly defined "payphone service" to include "the provision of inmate telephone service in correctional institutions...." 47 U.S.C. § 276(d).

6. Among the principal directives of Section 276 was for the Federal Communications Commission ("FCC" or "Commission") to take all actions necessary to "establish a per call compensation plan to ensure that all payphone service providers are fairly compensated for each and every completed intrastate and interstate call using their payphone," with certain limited exceptions. 47 U.S.C. § 276(b)(1)(A). So by Federal law, ICSPs such as InVision must be fairly compensated for each completed intrastate call. As noted below, the FCC specifically reminded the states of their obligation to ensure that this mandate is achieved and that state regulations which interfere with this mandate are subject to FCC preemption. 47 U.S.C. § 276(c).⁴

⁴ The Department has announced its intention to initiate a proceeding to address certain requirements of Section 276 regarding barriers to entry. Legal Notice, D.P.U. 97-18, March 14, 1997.

B. The FCC's Section 276 Implementing Regulations

7. The FCC has implemented Section 276 in two major orders. In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996. Report and Order FCC 96-388, released September 20, 1996 ("First Report and Order"). Order of Reconsideration, FCC 96-439, released November 8, 1996 ("Order On Reconsideration"). Therein, the FCC made it clear that the statutory "fair compensation" requirement included inmate payphones and that the state regulators, particularly where there were rate caps in place, have an obligation to ensure the fair compensation standard is being met.

"We note that, in response to their arguments about state-mandated intrastate toll rate ceilings, the inmate petitioners may remind the states that Section 276's mandate that [payphone service providers] be fairly compensated for all payphone calls is an obligation that is borne both by us and the states. If an inmate provider believes, after making its arguments to a particular state in light of Section 276 and the instant proceeding, that it is not receiving fair compensation for intrastate toll calls originated by its inmate payphones, it may petition the Commission to review the specific state regulation of which it complains."

Order On Reconsideration at p. 37, ¶ 72.

8. Indeed, the FCC had already concluded that a "government-mandated rate" (i.e., a rate cap such as that imposed by the Department) "may not be high enough to be fairly compensatory." In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996 (Notice of Proposed

Rulemaking). 11 FCC Rcd. 6716, 6726 n. 54 (1996) ("NPRM").⁵² Thus, where the market "does not or cannot function properly" because of an artificial restriction, the Commission is prepared to "take affirmative steps to ensure fair compensation." First Report and Order at p.27, ¶49.

IV. THE DEPARTMENT MUST REVISIT AND LIFT THE EXISTING DE FACTO RATE CAPS

9. Given the foregoing chain of events, the Department must revisit and lift the existing de facto intrastate rate caps on InVision as a provider of AOS for at least two reasons.

- a. The current policy is clearly discriminatory under the Communications Act.
- b. The unique cost situation of InVision justifies such an adjustment because InVision is not being fairly compensated for the capped-intrastate calls as required by Section 276 of the Communications Act.

C. The Current Policy Is Clearly Discriminatory

10. The Department has left market forces to control the pricing of all intrastate services of AT&T. See AT&T No. 2, supra. AT&T must file tariffs with the Department to implement its pricing decisions, but need only provide "nominal supporting documentation". IntraLATA Competition at p. 63. Thus, AT&T is free to price its intrastate services, including any local exchange services it might provide in the future, as it sees fit, subject to the filing of new tariffs for which it need not provide full cost justification. See IntraLATA Competition at pp. 63-64.

11. On the other hand, InVision is precluded from making any adjustments to its intrastate operator services rates without providing full, traditional, rate-of-return cost justification.

In any case, the use of dominant carrier rates/costs ostensibly to reflect the costs of competitors has not been endorsed as a valid benchmark. Final Report of the Federal Communications Commission pursuant to the Telephone Operator Services Improvement Act of 1990, November 13, 1992, at p. 19 n. 38; H. Rep. No. 213, 101st Cong., 1st Sess., Aug. 3, 1989, at p. 17; AT&T Comments infra., n. 5, at p. 4.

InVision, which is microscopic in size as compared to AT&T, is not allowed the same flexibility and regulatory treatment as AT&T which, by any statistical measure, is many times its size. Moreover, it is unclear that InVision (or any other AOSP) could provide the cost data in the format and detail required to successfully prosecute a traditional rate increase case. DPU 93-118, Comments of Value Added Communications, Inc., July 21, 1994, Exhibit 1 at pp. 7-8 ("VA Comments"); Comments of American Network Exchange, Inc., July 22, 1994, at p. 10 ("AMNEX Comments").

12. On its face this disparate regulatory treatment clearly is unreasonably discriminatory. The Department has articulated no regulatory or other justification for this gross distinction between AT&T and InVision in their provision of operator services. For this reason alone the distinction must be eliminated immediately and InVision should receive the same regulatory treatment now afforded AT&T and its nondominant brethren.^{6/}

**D. The Unique Costs Associated With The Provision
Of Inmate Calling Services Warrant The
Lifting Of The De Facto Rate Caps**

13. In developing its current policy and applying it to ICSPs like InVision, the Department did not consider the unique situation of ICSPs. The special characteristics of the inmate calling environment produce per-call costs which are even higher than the costs of conventional operator services used, for example, at public payphones.

^{6/} The Department recognized the obvious problem with such disparate treatment when it lifted regulation of AT&T in November of 1996, some four months ago. Still, there has been not formal action to take up this issue, even though, as noted above, there already is an open docket on the issue of AOSP rates in general which long predates the recent action on AT&T. See DPU 93-118, *supra*. Indeed DPU 93-118 was initiated based on a filing by another ICSP, Value-Added Communications, Inc., making some of the same arguments raised here by InVision. See VA Comments, Exhibit 1.

14. The specialized inmate calling systems developed by InVision and its competitors to meet the call control and monitoring needs of confinement facilities require more significant capital investment. In addition, even with this sophisticated call control equipment, the level of uncollectibles associated with calls from confinement facilities is several times higher than that generally experienced at public payphones. Finally, labor expenses are higher because InVision must maintain a customer service staff equipped to address the generally extraordinary needs of the inmates, the parties they call and the administrators of the confinement facilities themselves.

15. These higher costs are effectively reflected in Federal and other tariff filings by AT&T, Sprint and MCI to provide their own controlled inmate calling services.²¹ In 33 states, including Maine, AT&T imposes a \$3.00 per call charge for its "Prison Collect With Controls" service to cover the special telecommunications requirements and unique demands of the confinement facility. See DPU 93-118, Reply Comments of AT&T Communications of New England, Inc., August 5, 1994, at p. 5; AT&T Comments at p. 4. Similarly, MCI's Maximum Security Collect and Sprint's PrisonFon tariffed services impose similar charges for such service.²² Again, these filings confirm, from the second and third largest interexchange carriers' perspectives, the additional costs associated with the provision of inmate calling services.

AT&T, in its comments in DPU 93-118, itself acknowledged the added costs associated with inmate calling services. DPU 93-118, Comments of AT&T Communications of New England, Inc., July 22, 1994, at p. 4 ("AT&T Comments").

²¹ The relevant excerpt from AT&T's tariff is at Exhibit 1. To InVision's knowledge, AT&T has not yet filed this tariff in Massachusetts, although AT&T provides services to inmates in the Commonwealth. AT&T Comments at p. 4 ("Inmate calling is a highly competitive collect calling service with a plethora of competitors and AT&T's share in this market is less than 50%"). The relevant excerpts from the MCI and Sprint tariffs are at Exhibit 2.

16. In addition, the Department's de facto rate ceilings for intrastate calls fall more heavily on ICSPs because the calls involved are predominantly local and intrastate toll. InVision's December 1996 - January 1997 traffic mix revealed that 94.5% of its calls from the Massachusetts facilities that it had under contract were intrastate (42% local, 50.6% intraLATA and .9% interLATA toll). Finally, ICSPs traffic is totally "0+" in nature. Unlike AT&T, MCI, Sprint and other AOSPs, InVision does not have alternative sources of traffic to help cover its increased costs. See AMNEX Comments at p. 11.

**1. Inmate Calling Service Providers Must Offer A
Unique Array Of Services Not Part Of The
Typical AOSP Offering.**

17. To ensure the maintenance of security, ICSPs must provide a rigorous set of controls over inmate calling. Further, such controls are needed to protect against the higher levels of fraud and uncollectibles associated with the inmate environment, at the same time as they offer inmates adequate and fair access to their phones. All of this necessitates increasingly sophisticated and expensive call processing systems, automated operators, call recording and monitoring equipment and extensive fraud control programs.

18. Thus, InVision and its competitors are offering a distinctive, integrated package of services. They provide the calling equipment itself; they serve as their own operator service provider: they perform extensive call control and monitoring functions while the call is taking place. The call control systems are absolutely mandatory to prevent or deter abuses such as the harassment of witnesses and judges and the use of inmate calling systems to conduct criminal

As their own provider of operator services, ICSPs receive no third-party commissions. The revenue for their "0+" calls is for the carrier function they serve, not to recover the cost of the inmate services.

activity. The controls are also necessary to try to control the level of fraudulent inmate calling. Finally, the call controls ensure that inmates receive fair and reasonable access to the phones.

19. Call control systems are needed:

- a. To block all non-0+ collect calls (i.e., "1+", access code calls, 700/800/900, 950, 976, 411 and repair service calls).
- b. To limit call duration and or calling time of day.
- c. To limit calling by called number.
- d. To permit free calling to certain predesignated members (i.e., public defenders office, bail bondsmen, commissary service).¹⁰
- e. To block calls attempted by particular inmates or from certain inmate phones.

20. These call screening controls can necessitate that InVision's inmate calling equipment check four or more separate databases before a call is completed. These checks can include (a) verification of an inmate's personal identification number ("PIN"), (b) a check against a "negative database" (i.e., prohibited numbers), (c) a check to ensure the call is not to a blocked number category (i.e., 800 or 950 numbers), (d) a check for the frequency of a particular inmate's calling to the same number (i.e. a "velocity check" for security purposes), (e) a check against other inmate's calling records, (f) a check against the provider's billing database to determine if there is an unusually high balance owed and (g) a check against the relevant Line Information Data Base to ensure the call is not being billed to a number that has billed number screening (e.g., a payphone).

¹⁰ On these calls, InVision bears the costs of maintaining the hardware and software plus the transmission cost, which can amount to \$0.25 or more for a 10-minute call.

21. Once these screens are completed, the call is placed and the ICSP monitors the time limit of the call and to detect and prevent three-way calling or call transfer to a third number. In some cases voice overlays are used to randomly announce during the course of the call that it is from a confinement facility. In addition, confinement facilities typically require listening and/or recording capability. And inmate calling systems must also generally be able to provide customized call detail reports.¹¹

2. Inmate Calling Services Providers Suffer Higher Levels Of Fraud And Uncollectibles

22. The Department is already familiar with the higher levels of fraud and uncollectibles suffered by InVision. In its Tariff Supplement No. 1 recently approved by the Department, InVision outlined the losses it was suffering and steps it was taking, all at additional costs to help reduce uncollectibles and fraudulent use of its calling systems. See Exhibit 3. These additional efforts to stem the growth of such fraud also generate costs not borne by the typical AOSP.

3. Inmate Calling Service Providers Incur Higher Personnel Costs

23. The inmate calling service business is labor intensive. InVision itself must maintain service and support staff in Massachusetts to be able to respond to inquires and maintain facility requests, inmate and family concerns. Finally, the level of fraud and uncollectibles generate personnel demands in the form of resources to investigate and, if necessary, take corrective action. InVision's Massachusetts personnel receive 250 fraud investigation requests monthly. In addition, InVision must engage in research and development activities to thwart new methods identified by service users to avoid paying for calls.

¹¹ A sample list of the special functions typically required at InVision's facilities is at Exhibit 4.

V. CONCLUSION AND REQUEST FOR EXPEDITED ACTION

24. The Department's de facto rate caps on InVision as an ICSP must be removed. They are discriminatory in light of what the Department has done to AT&T, a competitor of InVision. Further, the restrictions prevent InVision from being "fairly compensated" as required by Section 276 of the Communications Act.

WHEREFORE InVision requests that the Department eliminate the current requirement for InVision to adhere to the intrastate rates of NYNEX or AT&T on intrastate local and toll calls absent presentation and prosecution of a full-blown rate case. AT&T is no longer required to meet that requirement. InVision should be treated as a nondominant carrier like AT&T and allowed to adjust its current frozen intrastate rates so that it will receive fair compensation as required under Section 276 of the Communications Act. InVision requests that the Department act expeditiously. The Department's deregulation of AT&T gives it a clear competitive advantage. The Department committed to reexamining this issue in 1994, and again four months ago. It should act now.

Respectfully submitted

INVISION TELECOM, INC.

By: 

Paul C. Besozzi
Patton Boggs, L.L.P.
2550 M Street, N.W.
Washington, D.C. 20037
202-457-5259

Date: March 21, 1997

EXHIBIT 6

Receiving Phone Calls

We know how important it is for you to receive calls from a correctional facility. It is our goal that every call to you be of the highest quality.

In addition, we provide multiple account options for you to use to pay for the calls you need to receive.

An account is required

In order to receive calls from a correctional facility you need an account to pay for the calls. This brochure provides you with information you need to successfully open an account and begin receiving calls.



Open a new inmate phone account at:
www.securustech.net
or call: 1-800-844-6591



Tips To Stay Connected

Here are some tips to help you stay connected to an inmate in a correctional facility:

- ✓ Set up a regular time for the inmate to call you to ensure you are prepared to receive the call
- ✓ Check to make sure your local phone company allows collect calls to your phone line
- ✓ Open a phone account now to avoid missing any calls

©2010 Securus Technologies

Frequently Asked Questions

Why was my call disconnected?

Our phone system has some built-in protections for witnesses and legal personnel to help prevent unwanted calls. If you do any of these things during your call, you could be disconnected, so . . .

DON'T:

- ✗ Transfer or put the call on hold
- ✗ Use or answer call waiting
- ✗ Use a cordless phone (static could cause a disconnect)
- ✗ Press extra numbers on the touch-tone keypad
- ✗ Stop your conversation for any length of time (a period of silence may cause a disconnect)
- ✗ Try to make any kind of 3-way call

Why are calls to my line blocked?

Calls to your phone line(s) from a correctional facility may be restricted for many reasons. Here are a few:

Collect call restriction. Your local telephone company may restrict collect calls. Call your local telephone company to have this restriction removed. Once this restriction is removed, it may take up to 72 hours for a collect call to go through.

New telephone number. If you have a new telephone number, a restriction could be placed on your line. Simply provide us with the date you received your new number from your local telephone company, and Securus can remove the restriction.

Exceeded your spending limit. If you have exceeded your account spending limit with our company, calls to your line may be blocked. If you believe this is the case, please contact us at 1-800-844-6591.



Friends & Family Telephone Service Guide



TECHNOLOGIES

www.securustech.net

SCBS is the Customer Care Department of Securus Technologies, Inc and T-Netix Telecommunications Services, Inc.

Important Service Information

To receive calls from a correctional facility, you must use a touch-tone telephone.

- 1.) When you answer a call from a correctional facility, you will hear a computerized voice. Wait for the voice to finish speaking, and then follow the instructions to accept, decline, or block the call.
- 2.) If you do nothing or select to decline the call, the phone will hang up without a charge to your phone number.
- 3.) If you choose to accept the call, begin speaking after selecting this option. NOTE: To protect you and to provide equitable telephone access for all inmates, each correctional facility may place a time limit on calls. Many facilities provide a message 30 seconds to 1 minute before a call is terminated.



Manage Your Account Online!

You can see complete Terms & Conditions for these accounts, or access and manage your account online. When you go to our website, you can:

- ✓ View your calling activity
- ✓ See your account balance
- ✓ Put money into or make a payment on your account
- ✓ Get credit for dropped calls under one minute*
- ✓ See the price (or "rate") of your calls
- ✓ Manage or update your account profile

Visit us today!
www.securustech.net

*Due to the nature of cell phone service, there is no credit on dropped calls on cell phones

Account Information

AdvanceConnect™

Our prepaid AdvanceConnect account puts you in control of your spending. Simply put money into your account to receive calls.

- ✓ Add multiple phone numbers to your account
- ✓ Up to \$6.95 transaction fee to add money to your account (when you call or go online)
- ✓ \$0 transaction fee if you mail us a check, money order, or cashier's check
- ✓ 180 day refund policy
- ✓ A \$25 minimum funding amount may apply
- ✓ Up to \$2.99 monthly wireless administration fee may apply for including cell phone numbers on your account

Traditional Collect

If a Traditional Collect account is available for your phone number, it is a convenient way to accept and pay for calls received. A Traditional Collect account is created automatically for you when you accept a collect call.

- ✓ Call charges appear on your local phone bill
- ✓ Your account number is your phone number
- ✓ You have a 90 day rolling spending limit
- ✓ Up to \$3.49 monthly bill statement fee may apply
- ✓ \$60.00 limit on the total cost of calls that may be accepted within a 24 hour time period

Direct Bill

Our Direct Bill account is a good option if the inmate is incarcerated for longer than two years or if you are a bail bondsman, attorney, social worker or other business or government agency.

- ✓ Accept calls and charges up to your credit limit
- ✓ Itemized monthly statement of activity and charges
- ✓ Add multiple phone numbers to your account
- ✓ Up to \$6.95 transaction fee to make a payment on your account (when you call or go online)
- ✓ \$0 transaction fee if you mail us a check, money order, or cashier's check

Other Payment Options

Subject to availability, you may receive a call with the option to pay for it using our Text2Connect™ program or Pay Now™ payment product.

Other fees and taxes may apply as approved by state and federal regulations.

online: securustech.net

call: 1-800-844-6591

Contact Us

Contact us to open a new account or if you have questions about an existing account or about the inmate telephone service at this facility. Call Securus Correctional Billing Services or visit our website for details:



Online:
securustech.net



Phone:
1-800-844-6591



Representatives available
24/7, 365 days per year
Email:

customerservice@securustech.net



Payments:
Securus Correctional Billing Services
PO Box 650757
Dallas, TX 75265-0757

Correspondence:
Securus Correctional Billing Services
PO Box 1109
Addison, TX 75001

About Us

Securus Correctional Billing Services is a division of Securus Technologies Inc. and T-Netix Telecommunications Services, Inc. Securus Technologies, Inc. is one of the largest providers of detainee communications and information management solutions, serving approximately 2,200 correctional facilities, more than 850,000 inmates, and an estimated 7 million friends & family members nationwide.

online: securustech.net

call: 1-800-844-6591

online: securustech.net

call: 1-800-844-6591

EXHIBIT 7

EXHIBIT 7

Securus CSAT approach includes rigorously and systematically surveying the Company's facility customers, including end users, to assess its performance and determine their level of satisfaction. These surveys are used to ensure that Securus is delivering the highest quality of service to its inmate, end-user and facility customers alike. Securus uses the data for continuous improvement and for locating areas where it needs to focus. These surveys are done at regular intervals or based upon a specific event such as a technicians visit to a facility or a friend or family member's discussion with one of Securus' call centers. Securus also has disciplined follow up and escalation procedures to ensure that any issues are resolved and the customer is satisfied.

In Massachusetts, Securus has not been called to task by its facility customers for failing to satisfy quality of service requirements. In fact, quite the opposite is suggested based on the Company's CSAT scores. The Company's goal is 4.6 out of a possible 5 (5 is a perfect score and the absolute highest standard of achievement with a score of 4 indicating that Securus met expectations). A breakdown of the CSAT survey data for the years 2008, 2009, and 2010 as it relates to Massachusetts facilities reflects the following:

1. Facility Survey Not Requiring Site Visit

- Of 40 returned surveys, average Securus performance rating received was 4.6 out of 5.

2. Facility Survey Requiring Site Visit

- Of 16 returned surveys, average Securus performance rating was 5 out of 5.

3. Customer Service Survey

A random selection of Friends and Family ("F&F") customers are requested to complete a phone survey after speaking with a customer service representative

- Of approximately 60,000 surveys returned; F&F rated Securus' average performance regarding policies and quality of service 4 out of 5;
- F&F rated Securus' average performance in regards to questions specific to the level of service provided by customer service representatives as 4 out of 5.

4. Facility Value Survey

This survey relates to how the facilities perceive the value of the service Securus provides. The survey is sent to facilities once a year.

- **Of 28 returned surveys, average Securus' performance rating was 4.6 out of 5.**

5. Facility Direct Correspondence

Occasionally Securus' state Account Manager also will receive letters directly from the facilities we serve, expressing satisfaction with the quality and attention of Securus' service. Examples include letters from the following facilities:

- **December, 2010 - - The Bristol County Sheriff's Office expressed satisfaction with Securus' quality of service stating, "The facility has been a very satisfied customer of Securus for over 12 years....as long as Securus continues to improve their technology and their excellent level of service the BCSO and staff will consider Securus a valued partner and looks forward to a continued relationship."**

EXHIBIT 8

Exhibit 8 - Customer Care Detail

Family & Friend Petitioners, Amendment No. 1

Petitioner Name	Affidavit No	Customer Care Research Results
Sonia Booker	A-1	Customer Care records indicate four (4) instances of Ms. Booker speaking directly with a company representative between April 2008 and March 2010; however, the records do not indicate Ms. Booker requested a copy of her prepaid account statement or account balance information during this time frame.
Lulu Bozeman	A-2	Customer Care records indicate six (6) instances of Ms. Bozeman speaking directly with a company representative between March 2007 and July 2009; however, the records do not indicate Ms. Bozeman expressed any concern regarding call connection or call quality issues during this time frame.
Patricia Gonet	A-7	Customer Care records indicate thirteen (13) instances of Ms. Gonet speaking directly with a company representative from the time her account was established in July 2007 through April 2010; however, the records do not indicate Ms. Gonet expressed any concern regarding call connection issues during this time frame.
Christina Rapoza	A-9	Customer Care records reflect multiple accounts for Ms. Rapoza with numerous billed telephone numbers. A review of the account information finds over the course of Ms. Rapoza's relationship with Securus, she has been directed to complete an investigation form for dropped calls on numerous occasions; however, Ms. Rapoza has not submitted the requested form to date. Ms. Rapoza has also requested and has been mailed an investigation form for dropped calls, as recently as June 2010. Although Ms. Rapoza has not submitted the required form to authorize an investigation for dropped calls, she has been issued courtesy credits on multiple occasions for calls less than one minute in duration.
Shirley Turner	A-10	Customer Care records indicate forty-five (45) instances of Ms. Turner speaking directly with a company representative from the time her account was established in February 2008 through December 2009. A review of the account information finds over the course of Ms. Turner's relationship with Securus, she has been directed to complete an investigation form for dropped calls on numerous occasions; however, Ms. Turner has not submitted the requested form to date. On December 30, 2009 an investigation form for cut off calls was mailed to Ms. Turner, based upon a request she made with Customer Care. Although Ms. Turner has not submitted the required form authorizing an investigation for dropped calls, she has been issued courtesy credits on multiple occasions for calls less than one minute in duration. Upon Ms. Turner's request in November 2008, Customer Care researched Ms. Turner's allegations of cut off calls and found Ms. Turner's issues at the time were due to her use of a cellular phone as well as call waiting features interrupting her call. At that time it was also determined that Ms. Turner's calls were being terminated at fifteen (15) minutes, due to the restriction of call duration required by the facility.

Exhibit B - Customer Care Detail

Lawyer and Institutional Petitioners - Amendment No. 1

Petitioner Name	Affidavit No.	Customer Care Research Results
Beverly Chorbajian, Esq.	A-24	Customer Care records indicate two (2) instances of Ms. Chorbajian speaking directly with a company representative in January 1999; however, the records do not indicate Ms. Chorbajian requesting any issues related to service quality or dropped calls.
James R. Logar, Esq.	A-25	Customer Care record indicate four (4) instances of a representative for Mr. Logar speaking directly with a company representative between December 2004 and May 2010; however, the records do not indicate Mr. Logar expressed any concern regarding the issues presented in his petition.
Peter T. Sargent, Esq.	A-26	Customer Care records do not indicate any contact between Mr. Sargent and Securus. Securus records indicate Mr. Sargent is billed by his Local Exchange Carrier (LEC) for collect calls accepted at facilities served by Securus. As a LEC-billed customer, any month in which Mr. Sargent is billed for charges on Securus' behalf, he is provided with Securus' contact information for any and all billing or service related inquiries.
John S. Redden, Esq. / Committee for Public Counsel Services	A-28	Customer Care records reveal a direct billed account for multiple billed telephone numbers has been established for Mr. Redden's organization. There have been multiple instances of representatives from Mr. Redden's organization speaking directly with a company representative between January 2008 through May 2010; however, the records do not indicate Mr. Redden or his associates expressed any concern regarding call connection or call quality issues during this time frame.
Patricia Garin, Esq. / Stern Shapiro Weisberg & Garin LLP	A-30	Customer Care records indicate fourteen (14) instances of Ms. Garin's organization speaking directly with a company representative between April 2007 and January 2009; however, the records do not indicate Ms. Garin's organization expressed any concern regarding the issues presented in her petition.
Leslie Walker, Esq. / Massachusetts Correctional Legal Services	A-31	Customer Care records indicate thirteen (13) instances of Ms. Walker's organization speaking directly with a company representative between April 2007 and May 2010. In July 2007 a representative of Ms. Walker's organization requested information on disputing prematurely disconnected calls and was provided with the following: the policy on cut off calls, the form required for researching cut off calls and how to access the form online, and contact information for returning the cut off call form to Securus for research and resolution. A courtesy credit was issued to the customer in the amount of \$41.91, as the completed form was received by Securus the following day. This is the only instance of the customer requesting information or resolution of issues related to call quality or connections issues.

Exhibit 3 - Customer Care Detail

Additional Petitioners - Amendment No. 2

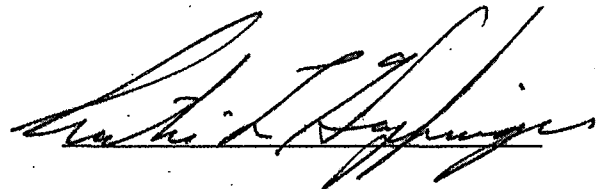
Petitioner Name	Customer Care Research Results
Valerie A. DePalma	Customer Care records were located for Ms. DePalma; however, the records do not indicate she expressed any concern through interaction with Customer Care regarding the quality of service or rates outlined in her affidavit.
Thomas Gately	Customer Care records were located for Mr. Gately; however, the records do not indicate he expressed any concern through interaction with Customer Care regarding the quality of service or rates as outlined in his affidavit.
Anne E. Gowen, Attorney	Customer Care records were located for Ms. Gowen; however, the records do not indicate she expressed any concern through interaction with Customer Care regarding the quality of service or rates as outlined in her affidavit.
Edward Molari	Customer Care records were located for Mr. Molari; however, the records do not indicate he expressed any concern through interaction with Customer Care regarding the quality of service or rates as outlined in his affidavit.
Frank H. Spillane	Customer Care records were located for Mr. Spillane; however, the records do not indicate he expressed any concern through interaction with Customer Care regarding the quality of service or rates as outlined in his affidavit.

DECLARATION

I, Curtis L. Hopfinger, am the Director – Regulatory and Government Affairs of Securus Technologies, Inc. (“Securus” or “Company”). I have occupied that position since August of 2005. As such I am familiar with the Company’s operations and the regulatory requirements applicable to those operations in the States in which Securus operates, including the Commonwealth of Massachusetts.

I have reviewed the Petition filed by various parties, and the two (2) Amendments thereto, which are the basis for the Department of Telecommunications and Cable (“DTC”) initiating proceeding D.T.C. 11-16 (“Proceeding”).

I have reviewed the foregoing “Response Of Securus Technologies, Inc.” in the Proceeding (“Response”). The Response was prepared pursuant to my direction, supervision and control. I hereby declare under penalty of perjury that the representations made in the Response concerning Securus and its operations, including its operations in the Commonwealth of Massachusetts, and the inmate calling service industry in general are true and correct to the best of my knowledge and belief.



**Curtis L. Hopfinger
Director – Regulatory and
Government Affairs
Securus Technologies, Inc.**

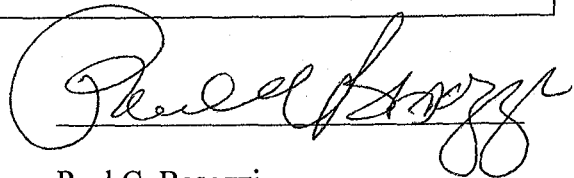
Dated: January 20, 2012

CERTIFICATE OF SERVICE

I, Paul C. Besozzi, hereby certify that on this 20th day of January 2012, I did serve, by first class mail, postage prepaid and by electronic mail a copy of the foregoing "Response of Securus Technologies, Inc." on the parties listed on the Service List below issued by the Department:

<p>Kalun Lee Hearing Officer Department of Telecommunications and Cable 1000 Washington Street, 8th fl. Suite 820, Boston MA 02118-6500 kalun.lee@state.ma.us</p>	<p>Betsy Whittey Hearing Officer Department of Telecommunications and Cable 1000 Washington Street, 8th fl. Suite 820, Boston MA 02118-6500 betsy.whittey@state.ma.us</p>
<p>Paul Abbott General Counsel Department of Telecommunications and Cable 1000 Washington Street, 8th Floor, Suite 820 Boston MA 02118-6500 paul.abbott@state.ma.us</p>	<p>Karlen Reed Director, Competition Division Department of Telecommunications and Cable 1000 Washington Street, 8th Floor, Suite 820 Boston MA 02118-6500 karlen.reed@state.ma.us</p>
<p>Ben Dobbs Deputy Director Competition Division Department of Telecommunications and Cable 1000 Washington Street, 8th fl. Suite 820 Boston MA 02118-6500 benedict.dobbs@state.ma.us</p>	<p>Joseph Tiernan Competition Division Department of Telecommunications and Cable 1000 Washington Street, 8th fl. Suite 820 Boston MA 02118-6500 joseph.tiernan@state.ma.us</p>
<p>James Pingeon, Esq. Elizabeth Matos, Esq. Bonita Tenneriello, Esq. Prisoners' Legal Services, Inc. 10 Winthrop Square, 3rd floor Boston, MA 02110 jpingeon@plsma.org lmatos@plsma.org btenneriello@plsma.org</p>	<p>Patricia Garin, Esq. Stern, Shapiro, Weisberg & Garin 90 Canal St., 5th Floor Boston, MA 02114 pgarin@sswg.com</p>

<p>Dorothy E. Cukier Executive Director, External and Regulatory Affairs Global Tel*Link Corporation 12021 Sunset Hills Road, Suite 100 Reston, VA 20190 dcukier@gtl.net</p>	<p>Ken Dawson VP Contracts & Regulatory Inmate Calling Solutions, LLC d/b/a ICSolutions 2200 Danbury St. San Antonio, TX 78217 kdawson@icsolutions.com</p>
<p>Linda Nelson Manager- Regulatory Affairs Securus Technologies, Inc. 14651 Dallas Parkway, Ste. 600 Dallas, TX 75254 lnelson@securustech.net</p>	<p>Chèrie Kiser Angela F. Collins Cahill Gordon & Reindel LLP 1990 K Street NW Suite 950 Washington DC 20006 ckiser@cgrdc.com acollins@cgrdc.com</p>



Paul C. Besozzi