



Squire Patton Boggs (US) LLP
2550 M Street, NW
Washington, DC 20037

O +1 202 457 6000
F +1 202 457 6315
squirepattonboggs.com

Paul Besozzi
T +1 202 457 5292
Paul.Besozzi@squirepb.com

VIA ECFS AND IBFS

July 24, 2017

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: **Ex Parte Submission – WC Docket No. 17-126; ITC-T/C-20170511-00094; ITC-T/C-20170511-00095 - Securus Investment Holdings, LLC; Securus Technologies, Inc.; T-NETIX, Inc.; and T-NETIX Telecommunications Services, Inc.**

Dear Ms. Dortch:

Securus Investment Holdings, LLC; Securus Technologies, Inc.; T-NETIX, Inc.; and T-NETIX Telecommunications Services, Inc. (collectively “STI”) and SCRS Acquisition Corporation, acting through counsel, note the attached communication submitted to the Commission today regarding inmate calling services rates and other information regarding STI. There is no reference therein to the pending request for approval of the indirect transfer of control of STI’s domestic and international Section 214 authority¹ through a parent-level transaction.

¹ *Joint Application of Securus Investment Holdings, LLC, Transferor, Securus Technologies, Inc., Licensee T-NETIX, Inc., Licensee T-NETIX Telecommunications Services, Inc., Licensee, and SCRS Acquisition Corporation For Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, and Sections 63.04 of the Commission’s Rules to Transfer Indirect Ownership and Control of Licensees to SCRS Acquisition Corporation*, WC Docket 17-126 (filed May 11, 2017), ITC-T/C-20170511-00094, ITC-T/C-20170511-00095 (filed May 11, 2017).

Nonetheless, STI, pursuant to Section 1.1206 of the Commission's rules,² hereby makes this filing in the above referenced dockets.

Respectfully submitted,



Paul C. Besozzi
Squire Patton Boggs (US) LLP
2550 M Street, NW
Washington, DC 20037
202-457-5292

Counsel for Securus Investment Holdings, LLC; Securus Technologies, Inc.; T-NETIX, Inc.; and T-NETIX Telecommunications Services, Inc.

cc: Chairman Ajit Pai
Commissioner Mignon Clyburn
Commissioner Michael O'Rielly
Brendan Carr, General Counsel
Kris Monteith, Chief, Wireline Competition Bureau
Tom Sullivan, Chief, International Bureau
Jay Schwarz, Office of Chairman Pai
Kristine Fargotstein, Office of Chairman Pai
Jim Bird, Office of General Counsel
Madeleine Findley, Wireline Competition Bureau
Daniel Kahn, Wireline Competition Bureau
Jodie May, Wireline Competition Bureau
Sherwin Siy, Wireline Competition Bureau
Tracey Wilson, Wireline Competition Bureau
David Krech, International Bureau
Sumita Mukhoty, International Bureau
Lee G. Petro, Counsel for Petitioners
William B. Wilhelm, Counsel for Transferee.

² 47 C.F.R. § 1.1206.

Richard A. Smith
Chief Executive Officer and
Chairman of the Board



July 21, 2017

Hon. Mignon Clyburn
Commissioner, Federal Communications Commission
425 12th Street, S.W.
Washington, DC 20554

Dear Commissioner Clyburn:

I was surprised to see a press report today of your comments at yesterday's Broadband Deployment Advisory Committee meeting, at which you reportedly said that some inmate families have been charged "as much as \$25 per minute for local calls." I hope that your remarks were reported inaccurately, because I am quite sure that no inmate provider has ever charged a per-minute rate anywhere near that level for any kind of call, let alone local. It has to be an error or an extreme outlier.

I am well aware of your feelings towards Securus and other companies that provide inmate calling services. It is clear you have strong opinions about this topic, and I respect your right to express your views even when I disagree with them.

But, as the late Senator Daniel Patrick Moynihan was fond of saying, "Everyone is entitled to their own opinion, but not to their own facts."

The fact is that Securus has never charged any inmate or their family a price of \$25 per minute for any call. The fact is that our company's average revenue from inmate calling, across all types of calls (interstate, intrastate, and local), is about 18 cents per minute. And approximately \$.05 to \$.06 of that goes to pay site commissions we are obligated to pay under our contracts with correctional facilities. In jurisdictions where there are no commission payments, our rates are substantially lower. If I include all of the "free calls," my average revenue is \$.09 per minute – just \$.09 per minute!

In the past, I have seen you cite a price of \$25 for a 15 minute call (which would be about \$1.67 per minute). That, of course, is an order of magnitude less than the \$25 per minute price you reportedly spoke of yesterday -- but, even so, it is an order of magnitude greater than Securus' actual average price.

Here are facts that are NEVER reported, but are relevant to treating what we do with respect:

- Over the last five (5) years, the rate per minute decreased by 27%, from \$.23 per minute to \$.18 per minute;
- Interstate rates have fallen to a greater extent – 72% over a seven (7) year period. We filed that with the FCC recently as an ex parte;
- Video calling has increased exponentially and we charge only \$.24 per minute;

- If "free calls" are included, we charge only \$.09 per minute;
- From booking to release, in jails, we charge \$24.37 for an 18 day stay for all services;
- For all prison inmates, we charge on average \$40.63 per month for any/all features including education, audio calling, video calling, tablets, book downloads, email, religious/bible downloads, law library, facility operating procedures, newspaper downloads, commissary ordering, music downloads, and more.

We are actively investing in inmate education, recidivism reduction, and corrections welfare programs:

- A \$6 million investment in finding inmate jobs post-release in the next 12 months;
- Established the Securus Corrections Memorial Fund that pays officers' families 1X annual pay for on the job deaths;
- Invested \$500,000 in the Prison Entrepreneurship Program (PEP) that trains and finds positions for inmates post release;
- Established the Securus Foundation just this month with a full-time Director to reduce recidivism and assist inmates post release;
- And more . . .

Spreading inaccurate information about our business and our industry has serious consequences. Both correctional facility staff and our own employees are put at risk of harm from persons who are angered by these false and inflammatory reports. I personally have had to obtain 24/7 security protection because of death threats against myself and my family, which were prompted by press reports that grossly exaggerated the amounts Securus charges for telephone calls.

I respectfully ask that you refrain from mischaracterizing the prices charged by Securus and other inmate calling providers. If you would like to get a better understanding of our pricing and rate structures, I would be pleased to meet with you and provide a briefing. If, after that meeting, you still believe our prices are too high, at least you will be able to base your opinion on accurate data, as opposed to the wildly inflated numbers reported in the press today.

In conclusion, I respectfully invite you, the entire Commission, and your staff to our Technology Center in Carrollton, Texas (near Dallas) for a full 2 to 3 hour presentation of technologies and how we are assisting inmate long-term development today. I would love to host you – you can make it a single day trip if you wish. It will change your life!

Sincerely,



Richard A. Smith
Chief Executive Officer and Chairman of the Board
Securus Technologies, Inc.

Cc: Hon. Ajit Pai
Hon. Michael O'Rielly