

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20054**

In the Matter of the Joint Application of: )  
)  
TKC Holdings, Inc., Transferor, )  
)  
Inmate Calling Solutions, LLC )  
d//b/a ICSolutions, Licensee )  
)  
and ) WC Docket 18-193  
)  
Securus Technologies, Inc., Transferee, ) ITC-T/C-20180612-00109  
)  
)  
For Grant of Authority Pursuant to )  
Section 214 of the Communications Act of 1934, )  
as amended, and Sections 63.04 and 63.24 of the )  
Commission’s Rules to Transfer Ownership and Control of )  
Inmate Calling Solutions, LLC d/b/a ICSolutions to Securus )  
Technologies, Inc. )

**REPLY TO JOINT OPPOSITION TO PETITION TO DENY**

BY

**THE WRIGHT PETITIONERS  
CITIZEN UNITED FOR REHABILITATION OF ERRANTS  
PRISON POLICY INITIATIVE  
HUMAN RIGHTS DEFENSE CENTER  
THE CENTER FOR MEDIA JUSTICE  
WORKING NARRATIVES  
UNITED CHURCH OF CHRIST, OC INC.  
PUBLIC KNOWLEDGE**

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July 30, 2018

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**REPLY TO JOINT OPPOSITION TO PETITION TO DENY**

Pursuant to Sections 63.52(c) and 1.45(c) of the Commission's rules, the Wright Petitioners, Citizens United for Rehabilitation of Errants (CURE), Prison Policy Initiative, The Human Rights Defense Center, The Center for Media Justice, Working Narratives, The United Church of Christ, OC Inc., and Public Knowledge (collectively, the “Petitioners”), via counsel, hereby submit this reply to the Joint Opposition to Petition to Deny (the “Opposition”) the above-captioned application (the Application”) by TKC Holdings, Inc. (“TKC”), Inmate Calling Solutions, LLC d/b/a ICSolutions (“ICSolutions”), and Securus Technologies, Inc. (“Securus”) (collectively, the “Applicants”).

**SUMMARY**

Contrary to the claims in the Opposition, there is a substantial question of material fact as to whether Securus has the requisite character qualifications to hold the license of a competitor

provider. Moreover, the Commission’s prior determination that a change in ultimate ownership of Securus was not the appropriate vehicle for a character qualification analysis is irrelevant to whether character qualifications are at issue in the current context. The proposed acquisition of a competitor licensee is precisely the sort of application for which character qualifications are appropriately reviewed.

Second, the proposed transaction will reduce competition among inmate calling services (“ICS”) providers that will likely result in consumer harm and is therefore not in the public interest. Applicants have not met the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, will serve the public interest or provide enough benefits to offset the anticompetitive harms.

## **DISCUSSION**

### ***A. Character Qualifications are Relevant and Appropriate***

Applicants argue that the questions surrounding Securus’s fitness to hold FCC licenses have been “addressed by the Commission.”<sup>1</sup> Just as Securus provided inaccurate responses to the Commission in connection with its transfer of control to Platinum Equity, LLC, here too the representations are inaccurate.

As the maxim goes, context is everything. The prior transactions in which character qualifications were raised were applications to approve transfer of ultimate ownership of Securus between private equity firms; these transactions saw no licenses change hands among licensees. The instant transaction is distinct: here, Securus proposes a transfer of control of the ownership of a competitor ICS provider which, in reality, will be a merger of two of the three largest ICS

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<sup>1</sup> Opposition at 7.

providers in the country. In the context of the acquisition of another licensee – an acquisition that will radically change the competitive landscape of ICS providers –, the Commission can and must apply the character qualification analysis directed by statute.

Section 310(d) of the Communications Act requires that the Commission consider applications for transfer of 214 authorizations under the same standard as if the proposed transferee were applying for licenses directly under Section 308 of the Act, which includes evaluation of the proposed licensee’s character qualifications.<sup>2</sup> Therefore, Applicants’ arguments that character qualification inquiries are not properly reviewed in the context of a transaction proceeding<sup>3</sup> are flatly wrong: this transaction proceeding is precisely the forum for a character qualification analysis of the proposed transferee, Securus.

Contrary to Applicants’ posturing, the merits of the Petitioners’ arguments were *not* “addressed by the Commission,” but rather the Commission indicated that enforcement investigation was appropriate or deferred policy matters to ongoing rulemaking proceedings. In the case of the 2013 transfer of control of Securus to ABRY Partners, it is true that the FCC did not make any findings about Securus’s alleged call-blocking, but the Applicants obfuscate the facts: the Commission demurred that *general* call-blocking complaints raised in the proceeding were better addressed in the then-active rulemaking proceeding regarding the *Inmate Calling NPRM* and that an agreement reached between Millicorp and Securus (and the commitments therein, on which the transfer approval was conditioned) was sufficient to address the specific call-

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<sup>2</sup> 47 U.S.C. §§ 310(d) and 308(b). *See, e.g., AT&T Inc. and BellSouth Corporation Application for Transfer of Control*, WC Docket No. 06-74, Memorandum Opinion and Order, 22 FCC Rcd 5662, 5672, para. 19 (2007).

<sup>3</sup> Opposition at 8-9.

blocking issues encountered by Millicorp from Securus.<sup>4</sup> It should not be forgotten that Securus *admitted* it had been discriminating against Millicorp and its customers!<sup>5</sup>

With regard to the 2017 Consent Decree and the character qualification questions raised therein, Applicants do not refute Petitioners' point that there were then concerns regarding Securus's practice of charging high first-minute rates for intrastate ICS calls, which bore a remarkable similarity to Securus's prior per-connection charge for interstate ICS calls.<sup>6</sup> While the Commission at that time declined to take any additional action on the rate manipulation issue in the context of the transaction, it made a point of noting immediately after that finding that "future violations of Commission rules and policies by Securus could be grounds for revocation of its section 214 operating authority."<sup>7</sup> As raised in the Petition and further elucidated herein, Securus continues to engage in charging unlawful and egregious rates and may have violated Section 222 of the Communications Act, each of which allegation is a basis for an enforcement investigation, if not a revocation hearing.

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<sup>4</sup> *Applications Granted for the Transfer of Control of the Operating Subsidiaries of Securus Technologies Holdings, Inc. to Securus Investment Holdings, LLC*, Public Notice, 28 FCC Rcd 5720 (WCB 2013) ("2013 Decision").

<sup>5</sup> After all, there would be no need for such a letter if no discrimination were occurring in the first place. Indeed the Commission characterized the letter as an agreement by Securus "to cease blocking inmate calls to the customers of Millicorp and similarly situated VoIP providers." *2013 Decision*, at 5722 (citing Letter from Dennis J. Reinhold, Vice President, General Counsel and Secretary, Securus Technologies, Inc., to Julie Veach, Chief, WCB, WC Docket No. 13-79 (filed Apr. 26, 2013)).

<sup>6</sup> See, e.g., *Wright Petitioners, et al.*, WC Docket 17-126, Petition to Deny (June 16, 2017).

<sup>7</sup> *Securus Technologies, Inc., et al.*, Order and Consent Decree, FCC 17-140, at para. 25 (EB Oct. 30, 2017) ("2017 Order").

### ***B. Securus Charges Exorbitant Rates and Skirts the Line of Legality***

As discussed in the Petition to Deny, Securus has a history of exorbitant rate charges and flagrant disregard for regulations to enforce fair and just rates for ICS. An analysis of late 2016 rates demonstrated that the majority of corrections facilities served by Securus saw users charged a first minute rate of more than \$2.00, with many 1st minute charges exceeding \$5.00.<sup>8</sup> This rate analysis revealed that Securus and other competitors to ICSolutions appeared to be thwarting the rate caps then in place by charging outrageous first-minute charges. In addition, Securus appears to also be in violation of several state-imposed rate caps. For example, in eight of the nine houses of correction where they provide service in Massachusetts, Securus is charging more than the Massachusetts Department of Public Utilities' Department of Telecommunications and Cable interim rate cap of 21 cents for debit and pre-paid, and 25 cents collect.<sup>9</sup> In Cape May County, New Jersey, Securus convinced the Sheriff to extend its 2013 contract under the guise of continuity through a facilities upgrade, which essentially allows Securus to continue to charge \$2.15 for the first minute and \$0.15 thereafter, despite the fact that New Jersey law now imposes a rate cap of \$0.11 per minute.<sup>10</sup> These examples of abusive practices arguably are the sorts of further violations the Commission warned could be grounds for revocation, and therefore must be evaluated in the context of Securus's fitness to be a licensee.

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<sup>8</sup> See analysis in and Exhibit A to Comments of the Wright Petitioners, *et al.*, WC Docket 12-375,; GN Docket 13-111 (filed Jan. 11, 2017) ("Rate Analysis"), available at <https://ecfsapi.fcc.gov/file/10113804521853/Comments%20of%20ICS%20Advocates%20-%20As%20Submitted.pdf>.

<sup>9</sup> See Massachusetts Prison and Jail Phone Rates Reform Fact Sheet, at Exhibit A.

<sup>10</sup> See Cape May County, New Jersey Securus contract, extension and correspondence, at Exhibit B.

### *C. Section 222 Consumer Privacy Violations*

Applicants' response to the allegation of Section 222 violations in its deployment of location-based services ("LBS") are woefully inadequate. As noted in the Opposition, while the Commission declined to deny the Platinum Equity transaction on the LBS allegations, it did not reject the allegations as baseless. Rather, the Commission stated that such allegations were best handled in the context of an enforcement proceeding – and Petitioners agree. It is understood that an enforcement inquiry is underway to determine whether Securus in fact violated Section 222 of the Act and the Commission's rules related thereto. As a finding of such a violation would have bearing on whether Securus is qualified to hold *any* 214 authorizations – particularly after being warned by the Commission just last year that additional violations would be grounds for license *revocation* –, Petitioners again respectfully request that, at minimum, the Commission hold processing of the instant transaction in abeyance to allow a full enforcement investigation into Securus's LBS practices.

Applicants argue that Petitioners have it all wrong, that the LBS provided by Securus was not "real-time" nor did it actually provide "tracking". Contrast that with Securus' own proposals, submitted to law enforcement agencies, touting its LBS service as providing "[r]eal-time cell phone location [which] identifies the location of a suspect's cell phone, in real-time, regardless of whether a call is in progress."<sup>11</sup> Of course, this apparent contradiction raises yet another question about Securus' candor in its representations to the Commission: were the claims in Securus's May

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<sup>11</sup> See excerpt of Securus proposal submitted to Knox County, Tennessee, regarding Location Based Services, attached hereto at Exhibit C. This and other examples of Securus's own descriptions of, and contracts for, LBS offerings can be found in The Wright Petitioners, *Ex Parte Submission*, WC Docket No. 17-126 (July 25, 2017), available at <https://ecfsapi.fcc.gov/file/10725123964364/Wright%20Petitioners%20July%2025th%20Ex%20Parte%20Submission.pdf>.



letter to Chairman Pai accurate, or were the claims made in proposals and as demonstrated in actual use more akin to the truth?

Moreover, contrary to the Applicants' claims in the Opposition and elsewhere, the customer information available via the Securus LBS apparently was not subject to reasonable protections, as evidenced by the breach of Securus' LBS system earlier this year<sup>12</sup> and the still-pending lawsuit alleging that a Missouri Sheriff used Securus' LBS data without a warrant to track the locations of, and thereby violate the constitutional right and privacy of, members of the Missouri State Highway Patrol.<sup>13</sup> If what Securus was doing in its LBS offerings was so safeguarded and lawful, why were the top four wireless carriers so quick to cut off the spigot of location data to (referring to Securus) "shady middlemen," to quote the very article that Applicants appear to think supports their position?<sup>14</sup> Typically, corporations are eager to continue to make money off the sale of data that complies fully with all federal and state regulations.

Finally, Applicants' exhortation that, because the wireless carriers cut them off, there are no longer any LBS violations to investigate, is laughable. The notion that the Commission should just look the other way now that egregious violations of statute and the Commission's own rules have ended, notably not at the request or desire of the perpetrator Securus, is akin to arguing that police should not investigate evidence of a crime because the alleged criminal is not currently

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<sup>12</sup> See Joseph Cox, *Hacker Breaches Securus, the Company That Helps Cops Track Phones Across the US*, MOTHERBOARD, May 16, 2018, available at [https://motherboard.vice.com/en\\_us/article/gykgv9/securus-phone-tracking-company-hacked](https://motherboard.vice.com/en_us/article/gykgv9/securus-phone-tracking-company-hacked).

<sup>13</sup> Cooper et al v. Hutcheson, Case No 1:17-cv-00073, Eastern District of Missouri, complaint available <https://www.courthousenews.com/wp-content/uploads/2017/05/Mo.Sheriff.pdf>

<sup>14</sup> Opposition at 15, citing Harper Neidig, *AT&T, Verizon say they'll stop sharing location data with third-party brokers*, THE HILL, Jun. 19, 2018, available at <http://thehill.com/business-a-lobbying/393058-attverizon-say-theyll-no-longer-share-location-data-with-third-party>.

engaged in illegal activities. Certainly Chairman Pai would find this, too, runs afoul of the Chutzpah Doctrine. An investigation into the serious allegations that, as recently as this year, Securus collected and made available to law enforcement without the appropriate customer permissions or warrants is justified and necessary.

***D. Competitive Harms Exist Despite Applicants' Assertions***

The Opposition quibbles over calculations and methodology with respect to market share,<sup>15</sup> but offers no meaningful rebuttal to the simplest of math problems: when one competitor acquires another there is one less competitor, *ergo* competition is reduced. Rather, Applicants seem resolute in their illogical conclusion that there is no plausible reduction to competition when the second largest provider of ICS acquires the third largest competitor in the same market.<sup>16</sup>

In reality, a horizontal transaction of this nature and size poses a much greater risk of significant harm than a transaction which merely “involves a transfer of control *to a holding company entity with no competing operations.*”<sup>17</sup> Accordingly, the Commission previously concluded that an analogous proposed horizontal transaction, where the second largest wireless

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<sup>15</sup> Opposition at 21-27.

<sup>16</sup> Opposition at 17 (concluding that Petitioners do not offer even “a single assertion of fact as to how the Transaction could plausibly reduce competition.”)

<sup>17</sup> *Joint Application of Securus Inv. Holdings, LLC, Securus Techs., Inc, T-Netix, Inc., T-Netix Telecommunications Servs., Inc. & Scrs Acquisition Corp. for Grant of Auth. Pursuant to Section 214 of the Communications Act of 1934, As Amended, & Sections 63.04 & 63.24 of the Commission's Rules to Transfer Indirect Ownership & Control of Licensees*, Memorandum Opinion and Order, 32 FCC Rcd. 9564, 9577 ¶ 31 (2017) (emphasis added) (“2017 Transfer Order”).

service provider sought to acquire the fourth largest, raised significant competitive concerns and therefore was not in the public interest.<sup>18</sup>

As the Commission has consistently stated, transactions raise competitive concerns when they reduce the availability of substitute choices to the point that the merged firm has a significant incentive and ability to engage in anticompetitive conduct, either unilaterally or in coordination with other firms. The Commission has recognized that the risk of anticompetitive conduct is increased by the inability of other firms to enter the market or expand. Furthermore, the elimination of a firm that acts as a disruptive force in a highly concentrated market raises the likelihood of anticompetitive conduct that might have been checked before the proposed transaction.<sup>19</sup>

Despite the Opposition's contentions, these same concerns are present in Applicants' proposed transaction and, at the very least, Petitioners have raised a substantial question of material fact as to whether the proposed transaction will harm the public interest. Securus has already faced allegations of anticompetitive conduct, there are significant barriers to market entry and expansion in the ICS market, and the transaction's proposed elimination of a significant competitor such as ICSolutions compounds the problems.<sup>20</sup> Moody's Investors Service offered this independent assessment of the proposed Securus-ICSolutions transaction within what it characterized as "a largely duopolistic and mature end market" (most likely in reference to the combined market power of Securus and GTL):

[ICSolutions] has grown significantly over the past three years by winning new contracts, occasionally from Securus as well other competitors. While a costly purchase, *the*

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<sup>18</sup> See *Applications of AT&T Inc. and Deutsche Telekom AG For Consent To Assign or Transfer Control of Licenses and Authorizations*, Order, 26 FCC Rcd 16184 (2011) ("AT&T-T-Mobile Dismissal Order").

<sup>19</sup> AT&T-T-Mobile Dismissal Order, Staff Analysis and Findings ¶ 15, 26 FCC Rcd at 16196 (2011) (footnotes omitted).

<sup>20</sup> Indeed, "the proposed transaction would result in the elimination of a nationwide rival that has played the role of a disruptive competitive force in the marketplace [and raises additional concerns] because disruptive competitors can play a special role in counteracting the exercise of market power." *Id.* ¶ 17.

*acquisition eliminates an aggressive competitor* in the smaller facility space comprised of local and county jails. Moody's believes this is a prudent defensive tactic which fortifies Securus' recent market share gains and helps preserve the company's solid growth trajectory... Based in Dallas, TX, Securus Technologies Holdings, Inc. *is one of the largest providers of inmate telecommunication services* to correctional facilities, with a presence in 50 states, Washington DC, and Canada. <sup>21</sup>

Where a proposed transaction could result in public interest harms, as is the case here, the Commission employs a balancing test to weigh “potential public interest harms of the proposed transaction against any potential public interest benefits,” and Applicants “bear the burden of proving, *by a preponderance of the evidence*, that the proposed transaction, on balance, will serve the public interest.”<sup>22</sup> Applicants have not met this burden. Instead, the Opposition expends significant verbiage over multiple pages to rattle off a list of “competitors,” illustrate the nominal success of other companies in the industry, and nitpick over market-share calculations and methodologies without once offering any independent figures, calculations or methodologies to support a contrary, competitive market conclusion. The mere existence of competitors that have had nominal, isolated success, does not mean that meaningful competition actually exists. Moreover, as demonstrated in the attached response of the Prison Policy Initiative, much of the claimed diversity of competition is a farce, and significant barriers to entry and expansion are inherent in the industry and in the current bidding process for exclusive contracts. <sup>23</sup>

In deciding whether to consider the public interest benefits asserted by applicants in a proposed transaction, the Commission typically applies several criteria, including:

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<sup>21</sup> *Announcement: Moody's says Securus' ratings unchanged following add-on to term loan*, May 7, 2018, available at [https://www.moodys.com/research/Moodys-says-Securus-ratings-unchanged-following-add-on-to-term--PR\\_383221](https://www.moodys.com/research/Moodys-says-Securus-ratings-unchanged-following-add-on-to-term--PR_383221) (last visited July 30, 2018) (emphasis added).

<sup>22</sup> AT&T-T-Mobile Dismissal Order, Staff Analysis and Findings ¶ 11 (emphasis added).

<sup>23</sup> See Prison Policy Initiative, *Response to Applicants' Competition Arguments* (July 30, 2018), attached hereto at Exhibit D.

the claimed benefit must be transaction specific: It must not only be likely to occur as a result of the proposed transaction but it must be unlikely to be realized by other practical means having fewer anticompetitive effects. “Efficiencies that can be achieved through means less harmful to competition than the proposed merger . . . cannot be considered to be true pro-competitive benefits of the merger.”<sup>24</sup>

Moreover,

the claimed benefit must be verifiable: The Applicants, who possess much of the information relating to the potential benefits of a transaction, are required to provide sufficient supporting evidence to permit verification of the likelihood, timing, and magnitude of each claimed benefit.<sup>25</sup>

Applicants do not even come close to satisfying these criteria. The Opposition offers a single paragraph which mostly highlights ancillary “benefits” (*e.g.*, providing job search assistance) that are not directly related to the provision of ICS to consumers, and offers speculative, unverifiable claims unlikely to mitigate any potential anti-competitive harms.<sup>26</sup> In particular, Applicants claim that purported efficiencies and “synergies” will optimize processes, reduce costs, and make Applicants more competitive,<sup>27</sup> but cunningly avoid making any representation that these benefits and cost savings will be passed through to the actual ratepayers of ICS services in the form of lower prices.

It is established Commission policy that “efficiencies generated through a transaction can mitigate competitive harms only ‘if such efficiencies *enhance the merged firm's ability and incentive to compete and therefore result in lower prices*, improved quality, enhanced service or new products.’”<sup>28</sup> At best, Applicants merely represent that rates will not increase while existing

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<sup>24</sup> AT&T-T-Mobile Dismissal Order, Staff Analysis and Findings ¶ 124 (footnotes omitted).

<sup>25</sup> *Id.* at Staff Analysis and Findings ¶ 125 (footnotes omitted).

<sup>26</sup> Opposition at 27-28.

<sup>27</sup> *Id.* at 27.

<sup>28</sup> 2017 Transfer Order ¶ 29 (footnotes omitted) (emphasis added).

contracts remain in force.<sup>29</sup> Applicants assert that ICSolutions, under the ownership of Securus, “will continue to honor its correctional facility contracts,” but follow that statement immediately with the caveat that any rate changes that might come in the future will nonetheless be in compliance with federal and state law.<sup>30</sup> ICSolutions currently offers prison calling rates far lower than those of Securus;<sup>31</sup> Securus therefore has an incentive, and no real barriers, to amending rates after the transaction is approved, notwithstanding the unenforceable “promise” in the Opposition that Applicants will continue to honor ICSolutions’ existing contracts while those are still in effect.

Finally, while Applicants provide references to vague, generic benefits, neither the Application nor the Opposition offer specific supporting details or implementation timeframes,

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<sup>29</sup> Indeed, Securus’ position on rate increases is that it makes “no commitment that as the regulatory environment dramatically changed both on a state and federal level, STI could not, in accordance with applicable regulatory requirements, adjust the rates” upwards despite touting purported benefits of a transaction that should eventually lead to rate reductions. Opposition to Petition to Deny by the Wright Petitioners, *et al.*, WC Docket 17-126 (filed June 26, 2017), available at [https://ecfsapi.fcc.gov/file/1062688699989/Opposition%20to%20Petition%20to%20Deny%20by%20the%20Wright%20Petitioners%2C%20et%20al.%20FIN%20\(as%20filed\).pdf](https://ecfsapi.fcc.gov/file/1062688699989/Opposition%20to%20Petition%20to%20Deny%20by%20the%20Wright%20Petitioners%2C%20et%20al.%20FIN%20(as%20filed).pdf).

<sup>30</sup> Opposition at 4. In some cases, this caveat with respect to state laws is particularly meaningless. According to the Massachusetts Attorney General, “Securus has wrongly asserted that [Massachusetts] does not have authority to regulate [Securus’] intrastate calling rates.” Comments of Massachusetts Attorney General, Maura Healey, WC Docket No. 18-193 (filed July 23, 2018), available at <https://ecfsapi.fcc.gov/file/10723098426958/Mass%20AG%20Reply%20Comments%20Securus%20ICsolutions%20Transfer%20WC%20Dkt%20No%2018-193.pdf>.

<sup>31</sup> See Rate Analysis, *supra* at n. 8. In contrast to Securus’s exorbitant 1<sup>st</sup> minute charges (the majority of which are well over \$2.00, with many 1<sup>st</sup> minute charges exceeding \$4.00), the ICSolutions’ 1st minute rates were all \$0.45 or less. Unlike Securus, ICS Solutions charged the same 1st minute rate as its additional minute rates, reflecting the reality that there was no additional cost to the provider for the first versus the last minute of a call. Securus’s additional minute rates vary from as little as \$0.01 per minute (after a 1<sup>st</sup> minute charge of as much as \$8.20), to as much as \$1.40 per additional minute (after a 1<sup>st</sup> minute charge of \$5.35).

and it is unclear that the purported benefits can only be achieved through the proposed transaction. For example, Applicants assert that the combined companies will “streamline and optimize processes, such as sales efforts” and “offer even better products and services to customers and be more competitive, which will in turn improve the industry.”<sup>32</sup> These “benefits” clearly can be achieved completely independent of a transaction. In short, Applicants fail to carry their burden of proving by a preponderance of evidence that the proposed transaction will serve the public interest or that the purported benefits will offset the potential for competitive harm.

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<sup>32</sup> Opposition at 27-28.

## CONCLUSION

For the foregoing reasons, the Commission should thoroughly evaluate concerns regarding Securus's character qualifications (which is appropriate in the context of this transaction), hold the transaction in abeyance pending full investigation into Securus's alleged Section 222 violations, and find that the proposed transaction does not meet the Commission's public interest requirements due to the potential harms to competition. In the alternative, the Commission should consider adopting appropriate conditions on the approval of this transaction in accordance with the reasons provided herein.

July 30, 2018

Respectfully submitted,

THE WRIGHT PETITIONERS  
CITIZEN UNITED FOR  
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**EXHIBIT A**

**Massachusetts Prison and Jail Phone Rates Reform Fact Sheet**

### Massachusetts Prison and Jail Phone Rates Reform Fact Sheet\*

While Massachusetts state prisons offer phone calls for a reasonable 10 or 11 cents per minute<sup>1</sup>, county Houses of Correction and jails are charging exorbitant fees to inmates and their families. Those in county custody have no choice but to use the phone provider selected by the facility. All too often, prisons and jails choose a provider because they offer the highest “site commission,” which is a kickback from the provider to the facility. The Cost Table submitted by Securus Technologies to the DOC shows three offers, of which the DOC chose the highest rates and highest commission. Commissions can more than double the cost of phone calls. See the table below.

Legislation offered by Senator Montigny, S.1336 would *end commissions*, a move that has lowered rates in prisons and jails in the dozen or so states that have eliminated them. This legislation will also require that state and county correctional facilities negotiate telephone contracts based on *the lowest cost to users*, such that prison phone rates should be the same as the rates charged for comparable residential telephone service.

#### Counties In Violation of the DTC Rate Cap and Above the FCC Interstate Cap for In-State Calls

MA County	First Minute	Additional Minute	15 Minutes	ICS Provider	Site Commission	Contract Date <sup>2</sup>	Contract End Date
Franklin Pre-Paid	\$0.50	\$0.50	\$7.50	Securus	32%	9/1/13	6/30/20
Franklin	\$3.21	\$0.21	\$6.15	Securus			
Berkshire	\$3.20 <sup>3</sup>	\$0.20	\$6.00	Securus	45%	5/21/14	6/30/20
Bristol	\$3.16	\$0.16	\$5.40	Securus	\$820k/year <sup>4</sup>	5/9/11	6/30/20
Essex	\$2.65	\$0.15	\$4.75	Securus	41% <sup>5</sup>	8/8/11	1/13/20 <sup>6</sup>
Barnstable	\$3.10	\$0.10	\$4.50	Securus	85% <sup>7</sup>	9/1/17	8/31/20
	\$3.75	\$0.01 <sup>8</sup>	\$3.80 Local				
Dukes	\$3.10	\$0.10	\$4.50	Securus	25%	6/11/12	6/11/22
Worcester	\$3.10	\$0.10	\$4.50	Securus	38% <sup>9</sup>	12/1/12	6/30/20
Suffolk	\$3.00 <sup>10</sup>	\$0.10	\$4.40	Securus	41% +\$187.5k	9/30/15	12/31/18

It is crucial that the legislature act. Regulation of in-state rates by the FCC has been struck down in the federal courts.<sup>11</sup> The MA Department of Telecommunications and Cable (DTC) has limited in-state rates to the FCC’s interstate cap of 21 cents per minute for pre-paid and debit card calls and 25 cents for collect calls. But Securus Technologies Inc., the primary telephone provider in county jails, has flouted these caps, claiming it is exempt from regulation under a statute that de-regulated competitive, internet-based services.<sup>12</sup> This law was never intended to ban regulation of a monopolistic industry like prison telephone service.

The legislature must act to ensure prison telephone consumers are protected. Contact with loved ones promotes lower recidivism rates and successful reentry.<sup>13</sup> The telephone has become a lifeline for prison families, since prisons are often located in areas that are not accessible by public transportation. But families of the incarcerated are too often forced to choose between a telephone call or their utility bills. Children are particularly vulnerable and in need of contact with their parents. Sixty-two percent of women in state prisons and 51% of men in state prisons report having children who are minors.<sup>14</sup> In addition, prisoners rely on telephones to find housing and jobs on reentry.

## Localities Charging In-State Rates at the DTC Cap/FCC Interstate Rate Cap or Below

MA Locality	First Minute	Additional Minute	15 Minutes	ICS Provider	Site Commission	Contract Date	Contract End Date
Plymouth	\$0.21 debit	\$0.21	\$3.15	GTL	71%	3/14/14	6/30/18 <sup>15</sup>
	\$0.25 collect	\$0.25	\$3.75		60%		
Hampshire	\$0.21 <sup>16</sup>	\$0.21	\$3.15	ICSolutions	78% <sup>17</sup>	12/15/15	12/14/18
Middlesex	\$0.21	\$0.21	\$3.15	Securus	45% + \$125k/year	11/1/16	6/30/20
Norfolk	\$0.16 in-state	\$0.16	\$2.40	GTL	40% + \$20k/year <sup>18</sup>	5/23/16	1/31/19
	\$0.21 inter-state debit	\$0.21	\$3.15				
	\$0.25 inter-state collect	\$0.25	\$3.75				
Hampden	\$0.12	\$0.12	\$1.80	GTL	70%	6/20/16	7/31/18
MA DOC	\$0.10 in-state	\$0.10	\$1.50	Securus	76.2%	3/1/18	3/1/23
	\$0.11 inter-state pre-paid	\$0.11	\$1.65				
	\$0.14 inter-state collect	\$0.14	\$2.10				

\* This fact sheet was prepared by Karina Wilkinson from public records requests she filed and those filed by Bonnie Tenneriello of Prisoners' Legal Services (PLS), as well as rates obtained by PLS, attorney Lee Petro (Drinker Biddle Reath) and Peter Wagner of Prison Policy Initiative, available at: <http://bit.ly/2fUOhVk>, Exhibit A. Contracts can be found at: [https://www.prisonpolicy.org/phones/massachusetts\\_contracts.html](https://www.prisonpolicy.org/phones/massachusetts_contracts.html)

<sup>1</sup> Interstate calls are 11 cents pre-paid debit or collect and 14 cents collect. The commission on in-state calls is 76.2%

<sup>2</sup> "Contract Date" is the effective date, or where the effective date is not available the date the proposal was signed.

<sup>3</sup> There is a discrepancy between the rates reported by the county and Securus as obtained by Lee Petro and Peter Wagner. Securus claims the first minute is 3.17 and 17 cents thereafter, yielding \$5.55 for a 15 minute call. Current rates were effective as of September 26, 2016 through June 30, 2017 (amendment end date).

<sup>4</sup> Also, yearly salary for two on-site administrators, \$130,000 total. Initial contract was for 5 years, with four one year extensions (p. 4, Bristol Securus Proposal, 2011). The commission was 48% + \$75k per year until October 21, 2015.

<sup>5</sup> The county and Securus agreed to two lump sum payments of commission in the amount of \$820,000 in July, 2016 and January, 2017.

<sup>6</sup> The documents provided by the county are unclear as to the exact date that the contract ends, but there is mention of four one year renewals in a 2016 amendment.

<sup>7</sup> Barnstable County Sheriff's Office has three one year renewal options with a 1% commission increase each year starting in 2020. The site commission for video visits and voicemail is 50%.

<sup>8</sup> Local calls are capped at \$3.80.

<sup>9</sup> The commission is an average between pre-paid and direct billed calls based on revenue and commission as stated by the county on September 26, 2016. There is a discrepancy with the rates that Lee Petro obtained from Securus in October 2017. Securus claims that the rates are \$3.14 for the first minute and 14 cents per minute after that, yielding \$5.10 for 15 minutes.

<sup>10</sup> Suspended 6/20/16 to 9/19/16. There is a discrepancy between the county documents and those from Securus as obtained by Lee Petro in October, 2017. Securus says the first minute is \$3.10 and 10 cents thereafter, so \$4.50 for a fifteen-minute call. Securus held back \$29,028.16 from the June, 2016 commission payment.

<sup>11</sup> See *GlobalTel\*Link v. Federal Communications Commission*, 859 F.3d 39 (2017).

<sup>12</sup> GL c 25C s. 6A.

<sup>13</sup> The Report of the Governor's Commission on Corrections Reform, June 30, 2004 at (i) available at [http://www.mass.gov/Eeops/docs/eops/GovCommission\\_Corrections\\_Reform.pdf](http://www.mass.gov/Eeops/docs/eops/GovCommission_Corrections_Reform.pdf); Daniel LeClair, "The Effect of Community Reintegration on Rates of Recidivism: A Statistical Overview of Data for the Years 1971 Through 1987" at 2, 10, 11 (MA DOC July 1990); Christy A. Visher & Jeremy Travis, *Transitions From Prison to Community: Understanding Individual Pathways*, Annual Review of Sociology 89, 100 (2003); U.S. Department of Justice, Office of the Inspector General, *Criminal Calls: A Review of the Bureau of Prisons' Management of Inmate Telephone Privileges*, Ch. II, n. 6 (Aug. 1999), available at <http://www.usdoj.gov/oig/special/9908/>; see also Supra note 2 and footnotes 19 and 20 of FCC Notice of Proposed Rulemaking WC Docket No. 12-375.

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<sup>14</sup> <http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2016/05/24/having-a-parent-behind-bars-costs-children-states>

<sup>15</sup> The contract was renewed on October 27, 2017 retroactive to September 3, 2017. The commission went from 14 cents per minute to 15 cents effective October 26, 2017. The contract is concurrent with the state Department of Corrections contract with an option for four one-year renewals. The commission is only on in-state calls. GTL provides full time Site Administrator.

<sup>16</sup> International calls can be made with a pre-paid card for 50 cents per minute, \$7.50 for 15 minutes. There is a “public pay telephone” rate of 50 cents for 15 minutes for local calls and 21 cents per minute for “long distance” or a flat fee of \$100 per month, separate from the quoted rate for pre-paid and collect calls. Voicemails are \$1.00.

<sup>17</sup> The county has a minimal annual guarantee of \$170,000 per year. The county also receives a 50% commission on completed voicemails.

<sup>18</sup> The contract was amended on 6/22/18 for 7 months with a lump sum payment of \$11,666.69 through 1/31/19. No commission on interstate calls. International calls are charged at the rates published on GTL’s website.

**EXHIBIT B**

**Cape May County, New Jersey  
Securus contract, extension and correspondence**

**BOARD OF CHOSEN FREEHOLDERS  
CAPE MAY COUNTY, NEW JERSEY  
RESOLUTION**

No. 144-18

EXECUTED

**RESOLUTION AUTHORIZING EXTENSION OF CONTRACT NO. 13-58  
WITH SECURUS TECHNOLOGIES, INC. THROUGH JUNE 30, 2018**

**WHEREAS**, Resolution No. 235-13 adopted March 26, 2013 awarded Contract No. 13-58 to Securus Technologies, Inc. to furnish, deliver, install and maintain Inmate Telephone System and Jail Management System for the Cape May County Correctional Center; and

**WHEREAS**, the logistics, variables and challenges during the construction of the new Cape May County Correctional Center make for a counter productive competitive bid process that may adversely impact competition; and

**WHEREAS**, to ensure uninterrupted services and provide a seamless transition into the new Correctional Center, it is necessary to extend Contract No. 13-58 to June 30, 2018.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Chosen Freeholders of the County of Cape May that this Resolution hereby authorizes an extension of the Contract through June 30, 2018 a copy of which is attached hereto and made a part hereof as Schedule "A".

**BE IT FURTHER RESOLVED**, pursuant to the rules of the Local Finance Board of the State of New Jersey, that no amount of this contract shall be chargeable or certified until such time as services are ordered or otherwise called for prior to placing the order. The certification of available funds shall be made by the County Treasurer and attached to the file copy of the purchase order. It shall be the responsibility of the official responsible for issuing the purchase order to notify and seek the certification of the availability of the funds from the County Treasurer.

**BE IT FURTHER RESOLVED**, that all other portions of Resolution No. 253-13/ Contract No. 13-58 shall remain the same and are hereby ratified and reconfirmed.

STATEMENT

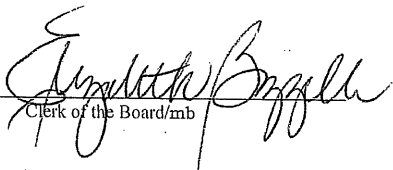
*This Resolution extends Contract No. 13-58 with Securus Technologies, Inc. for Inmate Telephone System and Jail Management System at the Cape May County Correctional Center through June 30, 2018.*

cc: Securus Technologies, Inc.  
file: Purchasing 2013 Spec. No. 3

STATE OF NEW JERSEY} ss.:  
COUNTY OF CAPE MAY}

I, Elizabeth Bozzelli, Clerk of the Board of Chosen Freeholders of the County of Cape May, State of New Jersey, do hereby certify that the foregoing is a correct and true copy of a resolution adopted by the Board at a meeting duly held on the \_\_\_\_\_ 27th \_\_\_\_\_ day of

February 2018

Signed   
Clerk of the Board/mb

Freeholders	RECORD OF VOTE					
	Ayes	Nays	Abstain	Absent	Moved	Second
Mr. Desiderio	✓				✓	
Ms. Hayes	✓					✓
Mr. Morey	✓					
Mr. Pierson	✓					
Mr. Thornton	✓					

✓ Indicates Vote Moved - Resolution Offered    Second - Resolution Seconded

CAPE MAY COUNTY  
PURCHASING DEPARTMENT

Gerald M. Thornton  
Freeholder  
Kevin R. Lare  
Purchasing Agent


4 Moore Road, DN-116  
Cape May Court House, NJ 08210-1654  
Voice: (609) 465-1125 \* Fax: (609) 465-6583  
E-Mail: klare@co.cape-may.nj.us  
Website: www.cape-may-county.gov



**MEMORANDUM**

Date: 23 February 2018

To: Elizabeth Bozzelli,  
Clerk of the Board

From: Kevin R. Lare 

RE: Request for contract extension – Inmate Telephone System and Jail Management System to June 30, 2018

---

Please allow this correspondence to serve as a request for a Resolution authorizing an extension of County Contract No. 13-58 with Securus Technologies, Inc. for Inmate Telephone System and Jail Management at the existing Cape May County Correctional Center through June 30, 2018.

Although the new Correctional Center is in the final stages of completion, the potential for a new vendor to win this contract and offer un-interrupted service presents difficult and unique challenges. The Warden and I have had several conversations on how best to navigate the bid process and an extension is the best option. Otherwise, a new vendor may be tasked with offering these services in two facilities within a couple months duration which adversely impact the cost to the County.

Please let me know if there are any questions.

KRL/mb

cc: via email  
Michael Laffey, Director of Operations  
Jeffrey R. Lindsay, Esq., Acting County Counsel  
Warden Donald Lombardo, CMC Correctional Center

Res  
144-18  
ck #  
13-58

# CAPE MAY COUNTY PURCHASING DEPARTMENT

Gerald M. Thornton  
Freeholder  
Kevin R. Lare  
Purchasing Agent

4 Moore Road, DN-116  
Cape May Court House, NJ 08210-1654  
Voice: (609) 465-1125 Fax: (609) 465-6583  
E-Mail: klare@co.cape-may.nj.us  
Website: www.cape-may-county.gov



I certify, **SECURUS TECHNOLOGIES INC.** will will not extend County Contract 13000058, for an Inmate Phone System, under the existing terms and conditions through June 30, 2018.

Will extend:

Will not extend:

[Signature]  
Vendor Signature

Robert Picerno  
Print Name



CEO; President  
Title

Date: 2-26-18

2018 MAR -6 AM 11: 14

PURCHASING



**From:** Rickards, Eric  
**Sent:** Thursday, February 08, 2018 3:32 PM  
**To:** Lare, Kevin <kevin.lare@co.cape-may.nj.us>  
**Subject:** FW: Securus Technologies Contract Extension

Kevin,

See Below. Warden Lombardo's request for contract extension of the Inmate Telephone system.

Thanks,  
Eric

---

**From:** Lombardo, Donald [<mailto:Donald.Lombardo@cmcsheriff.net>]  
**Sent:** Thursday, February 08, 2018 3:20 PM  
**To:** Rickards, Eric <[Eric.Rickards@CO.CAPE-MAY.NJ.US](mailto:Eric.Rickards@CO.CAPE-MAY.NJ.US)>  
**Subject:** Securus Technologies Contract Extension

Eric,

I am requesting a contract extension in regards to the Inmate Telephone System and the Jail Management System provided by Securus Technologies. I am requesting this contract be extended until June 30, 2018. I feel this is necessary due to the anticipated transition into the newly constructed correctional facility in late spring or early summer of 2018.

Thank you for your attention in regards to this matter.

Donald Lombardo, Warden

# BOARD OF CHOSEN FREEHOLDERS CAPE MAY COUNTY, NEW JERSEY RESOLUTION No. 235-13

EXECUTED

## RESOLUTION AWARDING A COMPETITIVE CONTRACT TO SECURUS™ TECHNOLOGIES, INC TO FURNISH, DELIVER, INSTALL AND MAINTAIN ONE NEW INMATE TELEPHONE SYSTEM AND JAIL MANAGEMENT SYSTEM AT THE CAPE MAY COUNTY CORRECTIONAL CENTER

**WHEREAS**, the County of Cape May advertised and sought Proposals for Competitive Contracting in accordance with N.J.S.A. 40A:11-4.1 et seq. and N.J.A.C. 5:34-4.1-4 under the Fair and Open Process to furnish, deliver, install and maintain one (1) new inmate telephone system and jail management system at the Cape May County Correctional Center; and

**WHEREAS**, Competitive Contracting may be used in lieu of public bidding pursuant to N.J.S.A. 40A:11-4.1.i., at the option of the governing body of the contracting unit, any good or service that is exempt from bidding pursuant to section 5 of P.L. 1971, c. 198 (C.40A:11-5); and

**WHEREAS**, on February 13, 2013, the County received and evaluated three (3) proposals; and

**WHEREAS**, based on evaluations conducted in accordance with N.J.S.A. 40A: 11-4.5.d, it has been determined that **SECURUS™ TECHNOLOGIES, INC** is the best qualified to provide said services based on the evaluation criteria; and

**WHEREAS**, that inasmuch as this Contract is awarded pursuant to the *Fair and Open process*, a notice of this Resolution shall be published in the Cape May County Herald.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Chosen Freeholders of the County of Cape May that the proper officers of the Board, to wit, the Director and Clerk of the Board be, and they are hereby authorized and directed to execute a contract with **SECURUS™ TECHNOLOGIES, INC** attached hereto and by this reference made a part hereof as Schedule "A", in accordance with the specifications in 2013 Request For Proposal #3 'competitive contract to furnish, deliver, install and maintain one (1) new inmate telephone system and jail management system at the Cape May County Correctional Center.'

STATEMENT


*This Resolution awards a competitive contract to Securus™ Technologies, Inc. to furnish, deliver, install and maintain one (1) new inmate telephone system and jail management system at the Cape May County Correctional Center.*

Cc: Securus™ Technologies, Inc  
File: Purchasing 2013 Spec 3

STATE OF NEW JERSEY) ss.:  
COUNTY OF CAPE MAY)

I, Elizabeth Bozzelli, Clerk of the Board of Chosen Freeholders of the County of Cape May, State of New Jersey, do hereby certify that the foregoing is a correct and true copy of a resolution adopted by the Board at a meeting duly held on the \_\_\_\_\_ 26<sup>th</sup> day of

March 20 13

Signed,   
Clerk of the Board/kd

RECORD OF VOTE						
Freeholders	Ayes	Nayes	Abstain	Absent	Moved	Second
Mr. Desiderio	✓					✓
Ms. Gabor	✓					✓
Ms. Hayes	✓					
Mr. Morey				✓		
Mr. Thornton	✓					

✓ Indicates Vote Moved - Resolution Offered      Second - Resolution Seconded

**BOARD OF CHOSEN FREEHOLDERS  
CAPE MAY COUNTY, NEW JERSEY**

**RESOLUTION**

No. 344-18

**EXECUTED**

**RESOLUTION AUTHORIZING EXTENSION OF CONTRACT NO. 13-58  
WITH SECURUS TECHNOLOGIES, INC. THROUGH SEPTEMBER 30, 2018**

**WHEREAS**, Resolution No. 235-13 adopted March 26, 2013 awarded Contract No. 13-58 to Securus Technologies, Inc. to furnish, deliver, install and maintain Inmate Telephone System and Jail Management System for the Cape May County Correctional Center; and

**WHEREAS**, it has become apparent that the new Cape May County Correctional Center will not be fully operational by the June 30, 2018 expiration; and

**WHEREAS**, it is in the best interests of the County to issue an extension of Contract No. 13-58 so that the next contract for Inmate Telephone System and Jail Management System commences when the new Correctional Center construction is complete and the Center operational.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Chosen Freeholders of the County of Cape May that this Resolution hereby authorizes an extension of the Contract through September 30, 2018 a copy of which is attached hereto and made a part hereof as Schedule "A".

**BE IT FURTHER RESOLVED**, pursuant to the rules of the Local Finance Board of the State of New Jersey, that no amount of this contract shall be chargeable or certified until such time as services are ordered or otherwise called for prior to placing the order. The certification of available funds shall be made by the County Treasurer and attached to the file copy of the purchase order. It shall be the responsibility of the official responsible for issuing the purchase order to notify and seek the certification of the availability of the funds from the County Treasurer.

**BE IT FURTHER RESOLVED**, that all other portions of Resolution No. 253-13 Contract No. 13-58 shall remain the same and are hereby ratified and reconfirmed.

STATEMENT

*This Resolution extends Contract No.13-58 with Securus Technologies, Inc. for Inmate Telephone and Jail Management Systems at the Correctional Center through September 30, 2018 consistent with the existing terms and conditions.*

cc: Securus Technologies, Inc.  
file: Purchasing 2013 Spec. No. 3

STATE OF NEW JERSEY} ss.:  
COUNTY OF CAPE MAY}

I, Elizabeth Bozzelli, Clerk of the Board of Chosen Freeholders of the County of Cape May, State of New Jersey, do hereby certify that the foregoing is a correct and true copy of a resolution adopted by the Board at a meeting duly held on the \_\_\_\_\_ 24<sup>th</sup> day of \_\_\_\_\_ April 2018

Signed

*Elizabeth Bozzelli*  
Clerk of the Board/mb

RECORD OF VOTE						
Freeholders	Ayes	Nays	Abstain	Absent	Moved	Second
Mr. Desiderio	✓				✓	
Ms. Hayes	✓					✓
Mr. Morey	✓					
Mr. Pierson	✓					
Mr. Thornton	✓					

✓ Indicates Vote Moved - Resolution Offered    Second - Resolution Seconded

---

**From:** Lombardo, Donald <Donald.Lombardo@cmcsheriff.net>  
**Sent:** Friday, April 20, 2018 11:48 AM  
**To:** Lare, Kevin <kevin.lare@co.cape-may.nj.us>  
**Subject:** Securus and Correct Care Solutions Contract Extensions

Kevin,

At this time the schedule for the completion of the new correctional facility has been extend until early to mid-July of 2018 (at a minimum). As you are well aware, a six (6) month extension in regards to the two (2) above stated contracts was previously accomplished to coordinate the completion of the new correctional facility and the awarding of contracts. This six month extension ends June 30, 2018. An additional three (3) month extension would be prudent at this time in as much the subsequent RFP's will not have to address the transition into the new jail.

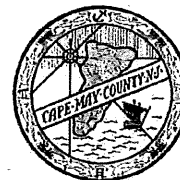
Please contact me if you need any additional information.

Don

CAPE MAY COUNTY  
PURCHASING DEPARTMENT

Gerald M. Thornton  
Freeholder  
Kevin R. Lare  
Purchasing Agent


4 Moore Road, DN-116  
Cape May Court House, NJ 08210-1654  
Voice: (609) 465-1183 Fax: (609) 465-6583  
E-Mail: klare@co.cape-may.nj.us  
Website: www.capemaycountygov.net



I certify, **SECURUS TECHNOLOGIES, INC.**, will / will not extend County Contract 13-58,  
under the existing terms and conditions through September 30, 2018.

Will extend:

Will not extend:

  
Vendor Signature

Robert Dickens CEO: President  
Print Name & Title

Securus Technologies, Inc.

Date: 4-12-12

**BOARD OF CHOSEN FREEHOLDERS  
CAPE MAY COUNTY, NEW JERSEY**

**RESOLUTION**

No. 173-16

**EXECUTED**

**RESOLUTION AUTHORIZING CHANGE ORDER NO. 01 TO COUNTY  
CONTRACT 13-58 WITH SECURUS TECHNOLOGIES, INC. FOR  
PROVISION OF INMATE PHONE AND JAIL MANAGEMENT SYSTEM**

**WHEREAS**, Resolution No. 235-13, adopted March 26, 2013, awarded five year County Contract No. 13-58 with Securus Technologies, Inc. for the provision of an inmate telephone and jail management system at the Cape May County Correctional Center; and

**WHEREAS**, County Contract No. 13-58 contained a fee structure in place whereas Securus Technologies, Inc. would pay the Correctional Center a commission based on calling rates established by Securus Technologies, Inc.; and

**WHEREAS**, the Federal Communications Commission recently issued a "new order" (47 CFR Part 64 - WC Docket No. 12-375; FCC 15-136) regulating call rates of 22 cents per minute for all call types; and

**WHEREAS**, as a result of this FCC new order, Securus Technologies, Inc. shall no longer pay commissions or other payments on revenues earned through the completion of calls of any type placed from the Cape May County Correctional Center unless the new order is stayed or modified upon appeal.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Chosen Freeholders of the County of Cape May that the proper officers of the Board, to wit, the Director and Clerk of the Board be, and they are hereby authorized and directed to execute Change Order No. 01 to County Contract 13-58.

**BE IT FURTHER RESOLVED** that all other portions of Resolution No. 235-13, adopted March 26, 2013, shall remain the same and are hereby ratified and reconfirmed.

STATEMENT

This Resolution authorizes Change Order No. 01 with Securus Technologies, Inc. implementing a "New FCC Order" regulating calling rates for inmate phone service.

cc: Securus Technologies, Inc.  
File: 2013 Spec. No. 13

STATE OF NEW JERSEY } ss.:  
COUNTY OF CAPE MAY }

I, Elizabeth Bozzelli, Clerk of the Board of Chosen Freeholders of the County of Cape May, State of New Jersey, do hereby certify that the foregoing is a correct and true copy of a resolution adopted by the Board at a meeting duly held on the 23<sup>rd</sup> day of

February 2016.

Signed, \_\_\_\_\_

*Elizabeth Bozzelli*  
Clerk of the Board

RECORD OF VOTE						
Freeholders	Ayes	Nayes	Abstain	Absent	Moved	Second
Mr. Desiderio	✓				✓	
Ms. Gabor	✓					
Ms. Hayes	✓					✓
Mr. Morey	✓					
Mr. Thornton	✓					

V - Indicates Vote Moved-Resolution Offered Second-Resolution Seconded

**Rates at Feb. 2016 –**

First Minute                 \$2.15  
 Each Addl. Min.            \$0.15  
 Plus –  
 5% State Cost Recovery Fee  
 4% Location Validation Fee  
 (The 5% and 4% fees were removed effective June 20, 2016 for compliance purposes)

**Bill Carrier Rate View (Current Rates)**

Report Run Date/Time: 6/27/2018 10:06:16 AM

**SITE NAME**                 CAPE MAY COUNTY CORRECTIONAL CENTER (NEW)  
**STATE:**                     NJ  
**SITE ID (JOB):**             06909  
**SITE ID (DALLAS):**       TGL0H  
**EQUIPMENT:**  
**DE-INSTALLED?**         N

**Fees:**                     \*\*Fees may not be included in below rates

<b>Products</b>
<b>Overall Fee Report</b>

**NON-INTERNATIONAL**

Destination Class	Customer Type	Day	Mileage To	Period	Billing Seconds	Billing increments	Day Initial Rate	Evening Initial Rate	Night Initial Rate	Surcharge
:	:	:								

As you know, NJ has an \$0.11 per minute rate cap that applies to any new or renewed contract. Hope this helps!

**Securus Technologies, Inc.**  
**NJ\_Cape May County Correctional Center**  
 Prepared : June 27, 2018

			<b>Rate Chart *</b>	
<b>No.</b>	<b>Destination Class</b>	<b>Customer Type</b>	<b>First Minute</b>	<b>Each Additional Minute</b>
1	Local	Collect (Direct Bill)	2.31	0.31
2	IntraLATA Intrastate	Collect (Direct Bill)	2.31	0.31
3	InterLATA Intrastate	Collect (Direct Bill)	2.31	0.31
4	InterLATA Interstate	Collect (Direct Bill)	0.25	0.25
5	IntraLATA Interstate	Collect (Direct Bill)	0.25	0.25
6	Local	AdvanceConnect	2.31	0.31
7	IntraLATA Intrastate	AdvanceConnect	2.31	0.31
8	InterLATA Intrastate	AdvanceConnect	2.31	0.31
9	InterLATA Interstate	AdvanceConnect	0.21	0.21
10	IntraLATA Interstate	AdvanceConnect	0.21	0.21
11	Local	Debit	2.31	0.31
12	IntraLATA Intrastate	Debit	2.31	0.31
13	InterLATA Intrastate	Debit	2.31	0.31
14	InterLATA Interstate	Debit	0.21	0.21
15	IntraLATA Interstate	Debit	0.21	0.21

\* Plus applicable taxes and governmental fees



**EXHIBIT C**

**Excerpt of Securus proposal submitted to  
Knox County, Tennessee, regarding Location Based Services**

**LOCATION-BASED SERVICES**  
**KNOX COUNTY, TN PROPOSAL**

# Location Based Services

With Securus' proprietary Location Based Services (LBS), Knox County can determine the true location of a cellular phone. LBS provides the following benefits to your facility:

- Provide the called party's true location at the time of an inmate's call via a link in the call detail record (CDR)
- Establishes a "Geo-Fence" perimeter around a location to notify investigators when an inmate calls a cell phone that is within the geo-fence
- Identifies the real-time location, on-demand, of a suspect's cell phone (with appropriate warrant documentation)

## Location Based Services

Securus' Location Based Services provides correctional facilities, investigators, and law enforcement with the following benefits:

- Cell phone termination location at call acceptance and call end
- Geo-fence perimeters or unlimited, custom boundaries that allow users to identify call termination locations within that fence
- Covert alerts that provide real-time notifications of call termination within a geo-fence
- CDR mapping of call terminations to wireless points
- Real-time location identification
- On-demand location identification

Reports generated from the CDR contain an icon that identifies calls to a wireless number. LBS provides an additional link that maps the location of a wireless number when the inmate placed the call.

## Geo Fencing

With geo-fencing, Knox County can set up a perimeter around County facilities that identifies when an inmate calls a cell phone that is located within that perimeter at the time of the call. Geo-Fencing can generate a Covert Alert notification to investigators that allow them to act quickly on real-time information. This valuable capability helps protect your perimeter and is helpful in preventing escape attempts.

## Geo Fence Management

Proprietary and Confidential

**Geo Fence Management**  
Add New

FILL IN SEARCH CRITERIA  
(Use \* for wild card / partial searches)

Description: FL DOC    Address:    Status:      
Created By:    Created Date:    Last Modified By:    Last Modified Date:

Search    Reset    EXCEL    PDF    CSV

DATE CREATED	STATUS	RADIUS	CREATED BY	TIME REMAINING	LAST MODIFIED BY	LAST MODIFIED DATE	BOUNDED
10/04/2012 15:44:22	Inactive	1.9 Miles	JaaAdm	EXPIRED	JaaAdm	10/12/2012 07:42:13	Y
10/04/2012 15:46:29	Active	1.3 Miles	JaaAdm	N/A	JaaAdm	10/05/2012 12:48:38	Y
10/05/2012 13:59:30	Inactive	1.5 Miles	JaaAdm	EXPIRED	JaaAdm	10/11/2012 10:01:12	Y
10/11/2012 10:57:11	Active	1.8 Miles	JaaAdm	1 days: 6 hours: 45 min	JaaAdm	10/11/2012 10:57:11	Y
10/12/2012 10:03:25	Active	1.8 Miles	joewEC	8 days: 6 hours: 45 min	joewEC	10/12/2012 10:03:25	Y
10/12/2012 10:05:33	Active	2 Kilometers	joAdminWD	8 days: 6 hours: 45 min	joAdminWD	10/12/2012 10:05:33	Y
10/12/2012 10:07:30	Inactive	9.5 Kilometers	joecBS	EXPIRED	joecBS	10/15/2012 08:15:10	Y
10/12/2012 10:16:08	Active	2 Miles	JoeCSR1	EXPIRED	JaaAdm	10/12/2012 10:26:21	Y
10/12/2012 10:19:07	Active	1.3 Miles	JoeCSR2	8 days: 6 hours: 45 min	JoeCSR2	10/12/2012 10:19:07	Y
10/18/2012 12:47:34	Active	9 Miles	JaaAdm	16 days: 6 hours: 45 min	JaaAdm	10/18/2012 12:47:34	Y
10/18/2012 12:12:12	Active	0.3 Miles	Adam	NA	Adam	10/18/2012 12:12:12	Y

Select Option

Geo Information    Notes    Covert Alerts    History

COVERT ALERT INFORMATION

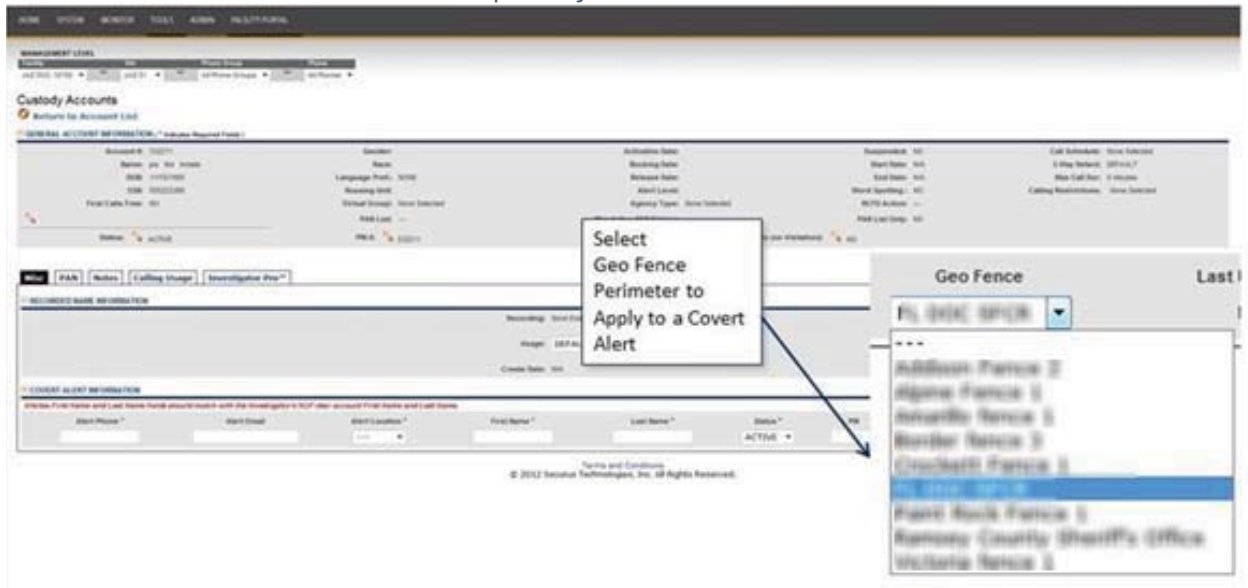
Alert Phone \*    Alert Email    Alert Location \*    First Name \*    Last Name \*    Status \*    PIN    Hide Call    Last Updated

Covert Alert connects a call to an authorized remote number for dialed numbers, phones, inmates PIN, or geo-fence perimeters that are under surveillance. Authorized personnel can monitor a call from any designated location, while the call is in progress.

The investigator enters a telephone number (such as cellular, home, or office), which is where he or she wants the call sent to for live monitoring. When a call is placed by an inmate that meets the Covert Alert trigger criteria, it automatically routes to the pre-designated investigator phone number(s). A call can be sent to multiple numbers simultaneously allowing several investigators to listen into the call.

# Covert Alert on Geo Fence Perimeter

Proprietary and Confidential



## Real-time Location Services

Real-time cell phone location identifies the location of a suspect's cell phone, in real-time, regardless of whether a call is in progress. This feature will aid investigators, with appropriate warrant documentation, in locating persons of interest faster and requiring fewer resources.

## Location Based Services

Securus' proprietary Location-Based Services delivers the following benefits:

- Increase the efficiency of your investigative staff
- Prevent and minimize contraband at your facilities
- Increase the safety and security of your community

**EXHIBIT D**

**Prison Policy Initiative**  
*Response to Applicants' Competition Arguments*

ALEKS KAJSTURA

Legal Director  
(413) 203-9790  
akajstura@prisonpolicy.org

69 Garfield Ave, Floor 1  
Easthampton MA 01027  
www.prisonpolicy.org  
www.prisonersofthecensus.org

## Response to Applicants' Competition Arguments

The following responds to issues and arguments regarding competition raised by Applicants in their Joint Opposition to Petition to Deny:

### 1) ISSUE:

Why did Prison Policy Initiative's analysis of market share by number of incarcerated people subject to the contracts have a range rather than a single number? And why were CenturyLink and Telmate included in the totals of market share controlled by Securus/ICSolutions and GTL?

### RESPONSE:

This table shows a range of values for some facilities because -- as we explained in the caption to the original table at <https://www.prisonpolicy.org/blog/2017/08/28/merger/> -- some providers had outdated information on their websites about who has a given contract and some of those companies were not willing to clarify which contracts should be credited where.

The chart below explains the rationale we used for combining companies when concluding that GTL and Securus own 73.5% of the market share. We originally published the "number of beds" as percentages, but here is the raw data to support the calculations.

Phone vendor	Number of contracts	Number of beds
GTL and Telmate (because Telmate is a fully owned subsidiary of GTL)	477-742	976,699-1,141,236
Securus/ICSolutions and CenturyLink (because CenturyLink subcontracts virtually all of its contracts to ICSolutions and Securus)	771-1103	610,727-772,046
Paytel	151	26,507-26,507
NCIC	169-170	19,263-19,805

Legacy Inmate	46-61	8,575-11,658
Regent	15-44	3,470-19,986
AmTel	26-29	3,804-5,836
Reliance	145-154	4,453-4,761

The next chart repeats the same data but breakout data is provided for all component companies. (original at:

<https://www.prisonpolicy.org/blog/2017/08/28/merger/>)

<b>Phone vendor</b>	<b>Number of contracts</b>	<b>Number of beds</b>
GTL	377-586	937,500-1,077,716
Securus	635-794	305,968-394,972
CenturyLink	6-20	215,363-234,578
ICSolutions	129-288	76,161-129,261
Telmate	101-157	39,199-63,520
Paytel	151	26,507-26,507
NCIC	169-170	19,263-19,805
CenturyLink & ICSolutions working together in Nevada	1	13,235
Legacy Inmate	46-61	8,575-11,658
Regent	15-44	3,470-19,986
AmTel	26-29	3,804-5,836
Reliance	145-154	4,453-4761



## 2) ISSUE:

On page 24-25 of the Opposition, the Applicants argue that the methodology we used for calculating market share using revenue was flawed, and attempted to demonstrate those flaws by pointing out that we excluded CenturyLink and CPC from our calculations.

## RESPONSE:

Our revenue analysis is based on the most recent data available, which is the 2017 filings with the Alabama Public Service Commission. Securus and GTL's data is a year older, which in all likelihood already understates their market share. The companies excluded from the revenue calculation are simply too small to move the number much. For example, if Combined Public Communications' 2016 revenue were included in our analysis, GTL and Securus' market share based on revenue would be 81% (only 2% lower than under our analysis.)

But again, whether their market share is 83% or 81%, or even the 73% calculated based on the number of incarcerated people under contract, this transaction clearly puts too much of the market in the hands of just these two companies.

CenturyLink is an international internet and communications provider, and its presence in the prison phones market is limited to *at most* 20 contracts, all of which are serviced through other companies, namely ICSolutions and Securus (and a *single* contract with Legacy).

Compare that with Securus' revenue, which all comes from correctional contracts. Its revenue from related services should be included when considering Securus' market share of inmate calling services, however that market is defined.

## 3) ISSUE:

Are there other barriers to entry or expansion for smaller companies?

## RESPONSE:

Apart from general requirements that companies have experience servicing contracts at similar scales and significant, financial, technological, and operational demands, some states also have hard population experience requirements designated in their RFP's, as illustrated in the attached RFP and award recommendation excerpts.

For example, Florida states a preference for companies that have a contract for at least 5,000 incarcerated people: "To ensure the responding entity is qualified to serve inmate populations in prison settings, the vendor(s), whether responding independently, as a partnership, as a joint venture, or with a Reply that proposes utilization of subcontractor(s), must collectively have at least five total years of business/corporate experience with appropriately experienced management and at least three total years of business/corporate experience within the last five years, providing

telecommunication services in a correctional setting, preferably to an inmate population of at least 5,000 inmates." (page 89, highlighted)

Massachusetts requires a contract covering for at least 9,000 incarcerated people: "A minimum of three (3) references shall be provided on the Business Reference Form provided in Business Reference Form and included with your response. At least one (1) of these references shall be for a correctional organization with in excess of nine thousand (9,000) inmates." (page 83, highlighted)

Michigan requires a contract covering for at least 9,000 incarcerated people: "At least three (3) years of prior experience with a correctional entity (local, state, federal level) with at least 1,100 telephones/kiosks and serving at least 15,000 prisoners." (page 2, highlighted)

[Relevant portions of these 3 RFP's or award recommendations are attached.]

While Applicants name several companies operating in the ICS space on page 18 of their opposition, few would meet these minimum experience requirements and would be excluded from the competitive bidding process for many RFPs. The attached Michigan recommendation of award letter also illustrates the significant upfront financial costs that are often necessary to compete for an award: "the selected vendor will also pay the State \$11,000,000.00 per year and provide the following ancillary services do MDOC." (page 6, highlighted) This is more than many ICS providers (except for the larger companies such as GTL, Securus, and ICSolutions) generate annually in total revenue. Not to mention, the ancillary services offered by the winning bidder, GTL, in this case amounts to a total value of over \$50 million over the life of a zero-dollar contract. This also illustrates the significant technological investments that also serve as a barrier to entry and further expansion in the market by smaller companies. Securus itself highlighted its significant advantage over the smaller ICSolutions in 2016 through a press release challenging ICSolutions to a "technology bake off." The press release is available here: <https://www.prnewswire.com/news-releases/securus-challenges-icsolutions-ics-a-keefe-company-to-technology-bake-off-300365858.html>

The press release touts Securus' superior technology and patent portfolio, and asserts that it would be unfair to even compare ICSolutions products to Securus because Securus has invested over \$670 million back into its business while ICSolutions has invested less than 10% of that. Securus presumably spoke with customers (most likely correctional facilities) and ascertained that "they prefer Securus' technology, customer service, and economics" over smaller companies such as ICSolutions (and ICSolutions is itself leaps and bounds larger than all other ICS competitors except for GTL). By Securus' own claims, smaller companies simply would not have the resources to adequately compete.

The control that large companies like Securus have over the market is also highlighted in yet another press release from 2016 regarding Securus'

patent portfolio: <https://www.prnewswire.com/news-releases/securus-bilateral-patent-license-agreements-allow-facilities-to-share-technology-developed-and-bring-more-products-to-corrections-law-enforcement-quicker-300336813.html>. Securus here brags about its total patent portfolio (that is still growing) of 248 patents along with its access to 60 patents and technology through patent licensing agreements with its competitors. Securus claims that it has agreements with 17 different competitors representing over 95% of the revenue generated in the sector. No doubt Securus receives financial benefits from these agreements, and can use its leverage in these agreements to exclude new competitors from effectively entering the market.

#### 4) ISSUE:

In trying to argue that CenturyLink should be considered as a separate competitor to ICSolutions and Securus, Opposition states that "CenturyLink has recently won opportunities with Legacy as its subcontractor ". Is that true and is the number of contracts significant?

#### RESPONSE:

According to industry information, CenturyLink has just one contract with Legacy. So the use of the plural "opportunities" is misleading. The CenturyLink-Legacy contract is for the jail in Boone County, Missouri, which has an average daily population of 240. (Sheriff's statistical report, 2016 available here:

<https://www.boonecountymo.org/sheriff/common/pdf/2016-Corrections-Stats.pdf>). One 240-person facility is not a significant portion of the phone market.

#### 5) ISSUE:

Securus offers the story of Talton Communications as evidence that we understated the number of players in the market and the ability of small companies to win major contracts. What do we know about the Talton as an independent competitor in the prison and jail telephone market?

#### RESPONSE:

Talton Communications is either owned by or closely controlled by Telmate, which is itself owned by GTL. Talton does not bid on contracts separate from Telmate and it offers only Telmate-branded services. Everything we can find says that either Talton's business or the company of Talton itself, is owned by Telmate. Talton is therefore more appropriately considered a part of GTL and not an independent competitor.

- Currently, the links for "video visit" and "deposit money" on Talton's website at <https://www.talton.com> go directly to Telmate's "gettingout" website.
- In 2013, Telmate referred to Talton as their licensee in an ex parte filing with the FCC: "Telmate and its licensee Talton Communications, Inc. provide ICS services to Immigration and Customs Enforcement..." page 2, bullet 4 at <https://ecfsapi.fcc.gov/file/7520934002.pdf>

- Paytel asserts that Telmate acquired Talton: "In addition, Telmate's acquisition of Talton Communications brought to Telmate a significant number of contracts with small, county facilities..."  
page 7, footnote 23 at <https://ecfsapi.fcc.gov/file/60001121730.pdf>



FLORIDA DEPARTMENT OF CORRECTIONS

## Bureau of Procurement

**INVITATION TO NEGOTIATE (ITN)  
FOR  
INMATE TELECOMMUNICATIONS SERVICES  
FDC ITN-17-122**

**RELEASED ON  
November 2, 2016**

**By the:  
Florida Department of Corrections  
Bureau of Procurement  
501 S. Calhoun Street  
Tallahassee, FL 32399-2500  
(850) 717-3700**

---

**Refer ALL Inquiries to  
Procurement Officer:**

Allegra Small

[purchasing@fdc.myflorida.com](mailto:purchasing@fdc.myflorida.com)

**ATTACHMENT IV – PASS/FAIL REQUIREMENT CERTIFICATION  
AND NON-COLLUSION CERTIFICATION  
FDC ITN-17-122**

**1. Business/Corporate Experience**

This is to certify that the Vendor has at least three years' experience within the last five years in providing telecommunication services in a correctional or security/law enforcement setting. The Department understands that, due to the size and complexity of the inmate telecommunication services, the service solution may require partnerships, joint ventures, and/or subcontracting between two or more companies, and therefore will consider the combined experience and qualifications of any such partnerships meeting these requirements. To ensure the responding entity is qualified to serve inmate populations in prison settings, the vendor(s), whether responding independently, as a partnership, as a joint venture, or with a Reply that proposes utilization of subcontractor(s), must collectively have at least five total years of business/corporate experience with appropriately experienced management and at least three total years of business/corporate experience within the last five years, providing telecommunication services in a correctional setting, preferably to an inmate population of at least 5,000 inmates.

**2. Prime Vendor**

This is to certify that the Vendor will act as the prime Vendor to the Department for all services provided under the Contract that results from this ITN.

**3. Performance Bond**

This is to certify that the Vendor is able to demonstrate their ability to meet the performance bond requirements. prior to execution of a Contract, the Vendor will deliver to the Department a performance bond or irrevocable letter of credit in the amount equal to the lesser of \$1,000,000.00 or the average annual price of the Contract (averaged from the initial five year Contract term pricing). The bond or letter of credit will be used to guarantee at least satisfactory performance by Vendor throughout the term of the Contract (including renewal years).

**4. Reply Bond**

This is to certify that the Vendor will deliver to the Department a Reply bond or check in the amount of \$1,000,000.00. The bond ensures against a Vendor's withdrawal from competition subsequent to their submission of a Reply.

**5. Meets Legal Requirements**

This is to certify that the Vendor's proposed offering and all services provided under the Contract will be compliant with all laws, rules and other authority applicable to providing the services including, but not limited to, Florida's Open Government laws (Article I, Section 24, Florida Constitution, Chapter 119, F.S.).

**6. Data Generated**

All data generated, used or stored by Vendor pursuant to the prospective Contract state will reside and remain in the Unites states and will not transferred outside of the United States.

**7. Services Performed**

All services provided to the State of Florida under the prospective Contract, including call center or other help services, will be performed by persons located in the United States.

# Commonwealth of Massachusetts Executive Office for Public Safety and Security



## Request for Response ("RFR") For a Secure Inmate Calling System and Related Services

**COMMBUYS Bid Number: RFR - BD-18-1044-EPS17-EPS1-19423**

Response Deadline Date: Tuesday, November 14, 2017 by 5:00 p.m. EST  
Note: Section 2: Procurement Calendar for other key procurement dates

**\*No Phone Calls Will Be Accepted or Responded To\***

RFR Point of Contact: Gerard McMahon  
E-Mail Address: gerard.mcmahon@state.ma.us

Please Note: This is a single document associated with a complete Bid (also referred to as Solicitation) that can be found on [COMMBUYS](http://www.COMMBUYS.com) (www.COMMBUYS.com). All Bidders are responsible for reviewing and adhering to all information, forms and requirements for the entire Bid, which are all incorporated into the Bid. Bidders may also contact the COMMBUYS Helpdesk at [COMMBUYS@state.ma.us](mailto:COMMBUYS@state.ma.us) or the COMMBUYS Helpline at 1-888-MA-STATE. The Helpline is staffed from 8:00 AM to 5:00 PM Monday through Friday Eastern Standard or Daylight time, as applicable, except on federal, state and Suffolk county holidays.

This RFR - BD-18-1044-EPS17-EPS1-19423 and all responses and information submitted in response to this RFR are subject to the Massachusetts Public Records Law, M.G.L. c. 66, § 10, and to M.G.L. c. 4, §§ 7, 26. Requests for public records may be made to the Executive Office of Public Safety and Security (EOPSS), Office of the General Counsel, by directing your request to the following URL Link: <http://www.mass.gov/eopss/public-request.html>

## **10. BIDDER HISTORY & REFERENCES**

### **10.1 COMPANY BACKGROUND**

**10.1.1** The Bidder shall be in the business of providing Secure Inmate Calling Systems and Related Services (as specified in this RFR) for a period of at least five (5) years prior to the due date of this RFR. The Bidder shall state the number of years it has been providing ICS and provide documentation in its response.

**10.1.2** It is desirable that the Bidder be in the business of providing Secure Inmate Calling Systems and Related Services (as specified in this RFR) for a period of ten (10) years prior to the due date of this RFR. The Bidder shall state the number of years it has been providing ICS and provide documentation in its response.

**10.1.3** The Bidder shall include, in its response, a summary which describes, the following:

- Number of Offices;
- Number of Offices within Massachusetts;
- Organizational Structure;
- Total Staff
- Number of Years in Business;
- Number of Years Providing Secure Inmate Calling Systems and Related Services;

#### **10.1.4 BIDDER EXPERIENCE/PRODUCT REFERENCES**

The Bidder shall provide end user references with its response. These references may be contacted either by telephone, mail or facsimile transmission to verify the Bidder's experience and "real world" installation procedures.

A minimum of three (3) references shall be provided on the Business Reference Form provided in Business Reference Form and included with your response. At least one (1) of these references shall be for a correctional organization with in excess of nine thousand (9,000) inmates.

Failure to provide references as required on the Business Reference Form may lead to disqualification of the Bidder's response.

It is the Bidder's responsibility to ensure that any reference provided in its response be aware that they may be contacted by the DOC regarding the services provided by the Bidder. All reference reviews are done in a professional and timely manner to minimize the demands on Bidder reference contacts. However, reference contacts which refuse to discuss the Bidder or the services provided by the Bidder will result in a "0" rating for the Bidder for that reference. The DOC is not responsible for "negotiating" a response from a reference provided by a Bidder and will not tolerate





# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

## Recommendation of Award

---

The Department of Technology, Management, & Budget's Procurement office has completed the evaluation of solicitation # 180000000810 and has recommended an award to Global Tel\*Link Corporation in the amount of \$0.00, pending State Administrative Board approval, if applicable. More information on the State Administrative Board can be found at: [State Administrative Board](#).

Bidders who were not recommended for the award are encouraged to schedule a debriefing session with the Solicitation Manager. The debriefing session will provide the bidder with the State's rationale on why the bidder was not recommended for the award. The Solicitation Manager may be contacted as follows:

Simon Baldwin, Solicitation Manager  
BaldwinS@Michigan.gov  
(517) 897-7681

### Background Information:

This Request for Proposal (RFP) was to solicit responses for selection of a Contractor to provide Prisoner Telephone Service for the Michigan Department of Corrections (MDOC). The term of this contract is 5 years, with up to 2 1-year renewal options.

### Bidders:

The RFP was posted on SIGMA VSS on 01/23/2018 for 10 weeks. The following bidders submitted proposals by the published due date of 4/4/2018.

Bidder	Address City, State Zip	SDVOB*
CenturyLink Public Communications, Inc.	100 CenturyLink Dr. Monroe, LA 71203	
Global Tel*Link Corporation	12021 Sunset Hill Road, Suite 100 Reston, VA 20190	
Securus Technologies, Inc.	4000 International Parkway, Carrollton, TX 75007	

\*SDVOB: Service-Disabled Veteran Owned Business

# Evaluation Synopsis

## I. Evaluation Process

A Responsible Vendor is a vendor that demonstrates it has the ability to successfully perform the duties identified by the solicitation. A Responsive proposal is one that is submitted in accordance with the solicitation instructions and meets all mandatory requirements identified in the solicitation.

Solicitation Instructions and Vendor Questions, Section 7, Mandatory Minimum Requirements.

Mandatory Minimum Requirements
<ul style="list-style-type: none"> <li>At least three (3) years of prior experience with a correctional entity (local, state, federal level) with at least 1,100 telephones/kiosks and serving at least 15,000 prisoners.</li> <li>Compliance with Price Model (Exhibit D) - CONTRACTORS MUST ASK ANY QUESTIONS ABOUT THE PRICE MODEL DURING Q&amp;A, BEFORE THE BIDS ARE DUE.</li> </ul>

Solicitation Instructions, Section 8, Evaluation Process.

Evaluation Criteria Name	Evaluation Weight
Registration Section 5.1 all	10
Telephone Calls Sections 5.2 all	15
Call Payments Sections 5.3 all	10
Technical and Security/ Mandatory Requirements Section 5.4 to 5.4, I, D #4; 5.4, I, F to 5.4, II, B #6; and Business worksheet attachment	15
Monitoring and recording (within Tech section) Section 5.4, I, E to 5.4, I, E #16	5
Maintenance Section 5.5 all	10
General/ Other Requirements Section 5.6, II to 5.6, II, P, #8, g; 5.6, II, X to 5.6, II, Y, #2	15
Training/Customer service/ transition/ Reporting 5.6, II, Q to 5.6, II, W, c	5
Sections 6 – 17	5
Bidder Question worksheet/Prior experience	5
Contractor Personnel Resumes (Exhibit C)	5
Total Weight	100.00

The full evaluation process is stated in the RFP Proposal Instructions.

## II. Evaluation Method

5	Monitoring and recording (within Tech section) Section 5.4, I, E to 5.4, I, E #16	5	5	5
6	Maintenance Section 5.5 all	10	10	10
7	General/ Other Requirements Section 5.6, II to 5.6, II, P, #8, g; 5.6, II, X to 5.6, II, Y, #2	15	15	15
8	Training/Customer service/ transition/ Reporting 5.6, II, Q to 5.6, II, W, c	5	5	5
9	Sections 6 – 17	5	5	5
10	Contractor Question worksheet/Prior experience	5	5	5
11	Contractor Personnel Resumes (Exhibit C)	5	5	5
<b>TOTAL</b>		<b>99</b>	<b>100</b>	<b>99.5</b>

#### V. Oral Presentations/Demonstrations:

Oral Presentations were conducted to demonstrate the vendor’s proposed solutions as well as their ancillary offerings. Information gathered from the oral presentations was used to finalize vendor comments contained within the attached Prisoner Phones Evaluation Spreadsheet.

#### VI. Pricing Summary

This Request for Proposal is to establish a zero-dollar contract for the Department of Corrections. The selected vendor will provide the infrastructure, hardware, software, and support for Prisoner Telephone Service for the MDOC. The selected vendor will collect payments from the prisoners and the prisoner’s friends and family at the rate of \$.16 per minute. **In addition to providing prisoner telephone services, the selected vendor will also pay the State \$11,000,000.00 per year and provide the following ancillary services to MDOC.**

Ancillary services values are found in the tables below.

<b>Ancillary Offerings - CenturyLink</b>		
<b>Cell Phone Detection -</b>	<b>Description</b>	<b>Contract Value</b>
1. Portable Cell Phone Detection units	One CellSense unit per facility, including full on-site setup and training (Value \$12,200 per facility)	\$378,200.00
2. Cell Phone Extraction Lab	Yes (Value 3 qualified personnel with competitive salary and competitive benefits packages)	Unlisted Value
3. Cell Phone Extraction Software	Yes (Value approximately \$100,000)	\$100,000.00
4. Managed Access Deployments	2 sites valued at \$1.2 million per facility. CenturyLink must respectfully note that to date, vendors have not been given an opportunity for Managed Access site surveys, and that we must have the opportunity to conduct surveys prior to final contract.	\$2,400,000.00

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 30<sup>th</sup> day of July, 2018, a true copy of the foregoing Reply to Joint Opposition was sent by electronic mail to the following recipients.

For Transferee:

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