



FCC Fee Reduction Adjustments

6-8-16

Unique consumers (Family/Friends + Inmates)

The Judge wants to know how many unique users make jail calls in a year?

Between June 2015 – May 2016:

- ❑ 4,772 Family and Friend prepaid accounts who paid for calls
- ❑ 3,295 Inmate accounts who paid for calls

- ❑ 11,703 unique telephone numbers who accepted and paid for calls

Customers can place more than one phone number on their account.

*These numbers do not include free calls.

Rate Chart – Before and After

COLLIN COUNTY, TEXAS

	Rates Before June 20,2016		Rates Beginning June 20,2016	
Type and Destination	1st minute	additional minute	1st minute	additional minute
<u>Collect / Direct Bill</u>				
Local	3.50		3.57	0.07
IntraLATA	3.50		3.57	0.07
InterLATA	3.50		3.57	0.07
Interstate	0.25	0.25	0.25	0.25
<u>Advance Connect / Debit</u>				
Local	3.50		3.57	0.07
IntraLATA	3.50		3.57	0.07
InterLATA	3.50		3.57	0.07
Interstate	0.21	0.21	0.21	0.21
International	Varies by Country		Varies by Country	
Funding Transaction Fee	\$6.95 All types		\$3.00 Web / \$5.95 (live agent)	
State Cost Recovery Fee	5% of non-interstate		<i>eliminated by FCC</i>	
Wireless Administartion Fee	\$3.99		<i>eliminated by FCC</i>	

Local Area Rates

Local Area Rates

Tarrant Co.	\$3.11 flat rate per call
Collin Co.	\$3.50 flat rate per call
Fannin Co.	\$3.75 flat rate per call
Harris Co.	\$4.00 flat rate per call
Kaufman Co.	\$4.65 flat rate per call
Grayson Co.	\$4.80 flat rate per call
Rockwall Co.	\$5.65 flat rate per call

Objective

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With the recent STAY order that was approved by the 12th Circuit Court, Securus was successful in defending our customers' best interests by stopping the FCC from lowering calling rates below a point where commissions were impossible to pay. That is a HUGE win for our customers. However, though we stopped part of their illegal lawmaking, there are portions of the order that were not stayed and will therefore require MINOR and TEMPORARY changes to many of our customers' agreements. These changes are temporary in that we believe that once we are ultimately victorious in our legal battle with the FCC, we will be able to revert to our originally agreed upon terms. The items that must change are as follows:

- Funding fees are now capped at \$3.00 for automated transactions (90% of our volume today) and \$5.95 for operator necessitated transactions
- Most other fees have been eliminated
- We can no longer charge surcharges per call that are not tied to an increment of usage
 - This does NOT mean that each minute of usage can not be a different amount from another minute of usage

How providers make money

When we originally bid on your contract we used:

Fees charged
to end users

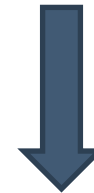


Monies collected from
the completion of calls



Total Revenue
generated from the
contract

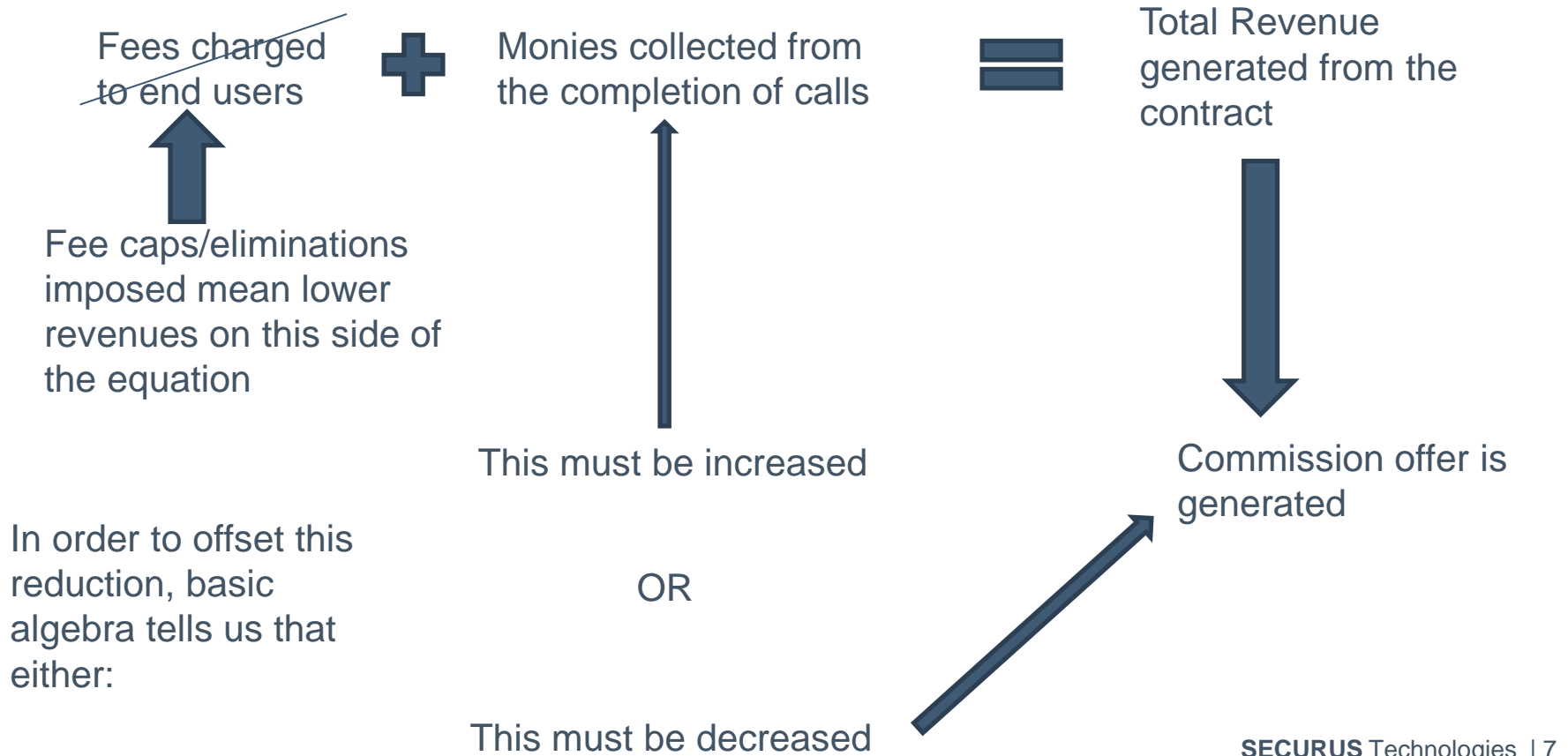
- Funding Fee
- Bill Statement Fee
- Regulatory Recovery Fee
- Cost Recovery Fee
- Voice Biometric Fees
- Location Validation Fees



Securus uses the money we have left over to staff a call center, provide 100% of the equipment you use, staff technical support, account managers, customer service representatives, network engineers, expert field technicians etc. 100% of the operating expense for the provision of inmate phone service is paid from what is left over.

Commission offer is
generated

When we originally bid on your contract....



Available Options

3 Options

1) Option 1-EVERYONE WILL STAY WHOLE IN THIS EQUATION

1) Billing Adjustment-Move fees into rates = \$0.06

(rate per minute, excluded from commissions)

- End users will pay the same amount
- Facilities will receive the same amount in commissions
- Securus will make the same amount of profit

2) Option 2

1) Decommission portion of current rate = \$0.08

(rate per minute, excluded from commissions)

3) Option 3

1) Cash Deduction from commissions = \$11,158.

(monthly revenue deducted from commissions each month)

SECURUS Technologies

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