

# EXHIBIT 28

*Order Regarding the Generic Proceeding considering the Promulgation of Telephone Rules  
Governing inmate Telephone Services for Telmate, LLC - Before the Alabama Public Service  
Commission (Docket No. 15957)*

**PRISON**  
POLICY INITIATIVE



**STATE OF ALABAMA**  
ALABAMA PUBLIC SERVICE COMMISSION  
P.O. BOX 304260  
MONTGOMERY, ALABAMA 36130-4260

LUCY BAXLEY, PRESIDENT  
TWINKLE ANDRESS CAVANAUGH, ASSOCIATE COMMISSIONER  
TERRY L. DUNN, ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.  
SECRETARY

Re: GENERIC PROCEEDING CONSIDERING THE )  
PROMULGATION OF TELEPHONE RULES ) DOCKET 15957  
GOVERING INMATE PHONE SERVICE )

ORDER

BY THE COMMISSION:

**I. BACKGROUND**

**A. Inmate Phone Service Rate Structure**

The Commission Order under the above styled proceeding dated March 9, 2009, approved Telephone Rule T-15.1 for Inmate Phone Services ("IPS") and established the following maximum allowable charges for local and toll IPS calls<sup>1</sup>:

Local Calls

Operator Services Charge (per call) \$2.25  
Local Message Rate (per call @ 20 minute allowance) \$ .50  
Total allowable charges per local call \$2.75\*

Toll Calls

Operator Services Charge (per call) \$2.25  
Per-minute usage Rate \$ .30  
Total allowable charges per toll call (@ 20 minute allowance) \$8.25\*

\* Excludes applicable taxes

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<sup>1</sup> APSC Order for Docket 15957, dated March 9, 2009 (the "IPS Order"), Appendix 2.

Combined Public Communications, Inc. (“CPC”) provides inmate phone services at the Winston County Jail in Alabama. After an August 31, 2012 inspection of the Winston County Jail by Commission staff revealed that CPC’s inmate rates are non-compliant with the Commission’s IPS Order, CPC was advised of its rate issues pursuant to a letter from Mr. Darrell Baker, the Director of the Commission’s Telecommunications Division. By letter dated October 5, 2012 from CPC consultant Robin Norton of Technologies Management, Inc. (Appendix A), CPC acknowledged that the rates are non-compliant with the Commission’s IPS Order and requested consideration of alternative IPS rates, based on, but not identical to, the Commission’s approved maximum IPS rates. CPC proposed simple, per-minute rates for both local and toll inmate calls. The proposed local per-minute rates are \$0.15 per-minute and the proposed toll rates \$0.45. The proposed local and toll per-minute rates include all applicable taxes, fees, and operator charges.

As compared to the inmate service rate structure approved in the Commission’s IPS Order, the staff finds several advantages in the single, per-minute rates proposed by CPC. The rates are much easier for inmates and those accepting inmate charges to comprehend compared to the approved maximum rates that include a separate operator surcharge plus per-minute rates exclusive of any applicable taxes and fees. The per-minute rates proposed by CPC are inclusive of all fees and taxes. The simplicity of the rate structure provides a clearer picture to the customer of the total charges incurred based on the call duration. Additionally, a simple per-minute rate structure eliminates the need for customer refunds for “dropped calls”. Staff recommends that the Commission consider adopting the maximum IPS rate structure proposed by CPC for all IPS rate providers in Alabama or consider adopting the proposed per-minute rates as an alternative to the existing rate structure included in the IPS Order. CPC was subsequently authorized to request Commission approval of the proposed per-minute local and toll rates on an interim basis pending establishment of an IPS rulemaking proceeding under this docket and the Commission’s final determination regarding the issues under consideration in such proceeding. On October 18, 2012,

Combined Public Communications, Inc., IPS provider for the Winston County Jail, submitted a request for interim approval of the afore-mentioned per minute IPS local and toll rates.<sup>2</sup>

**B. End User Charges for IPS Collect Calls Terminated to Wireless Providers**

Based on complaints from wireless phone customers regarding the charges incurred for collect, local calls from inmate facilities; the Commission's Telecommunications Division requested copies of wireless bills from customers to document the charges. The customer bills show that at least one wireless company, AT&T Wireless Services, Inc, is charging \$9.99 per collect, local calls for any call duration of 1-minute to 20-minutes. The maximum charge for a 20-minute local call allowable under the Commission's IPS Order is \$2.75. These charges apply for 0+ collect calls from inmate facilities served by non-prepaid IPS providers or from those inmate facilities served by prepaid IPS providers prior to the establishment of a prepaid account for the inmate. AT&T wireless does not bill collect calls from inmate facilities on behalf of IPS providers. Therefore, collect inmate calls directly to AT&T Wireless customers from an inmate facility are processed through 3Cinteractive ("3Ci") and completed using a process called "text collect". AT&T Wireless customers do receive an automated prompt message explaining the charge for the call and allowing them to accept or reject the charges.

Commission Rule T-15.1 reads as follows:

The operator service and per-minute rates *charged the customer* (emphasis added) for any local (intraLATA/interLATA) collect call shall not exceed the currently effective caps ordered by the Commission. The customer shall not be billed by the IPS provider for any call related or non-call related charges, excluding applicable government taxes and fees, not specifically included in the tariff on file with the Commission.<sup>3</sup>

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<sup>2</sup> Letter from Robin Norton of Technologies Management, dated October 18, 2012, RE: Combined Public Communications, Inc. Tariff Revision.

<sup>3</sup> APSC Telephone Rule 15.1 (B)(4).

Staff's interpretation of the Commission Rule is that the customer is that party billed for the inmate call and that charges billed to the customer must not exceed the maximum allowable rates authorized in the Commission's IPS Order. Therefore, staff is of the opinion that IPS providers should not enter into arrangements for terminating inmate calls, to either wireline or wireless customers, when those calls are billed to the customer at rates greater than those authorized in the Commission's IPS Order. Staff's opinion is that that this practice is non-compliant with Commission Rule T-15.1.

## **II. Discussion**

Staff recommends that the Commission establish a rulemaking proceeding under this Docket to consider whether the existing rate structure for maximum allowable charges in the Commission's IPS Order should be replaced with the per-minute local and toll IPS rates proposed by CPC. Any amendments to the Commission's maximum authorized IPS rates would apply only to new contracts between IPS providers and inmate facilities and/or upon renewal of existing contracts between IPS providers and inmate facilities, unless the IPS provider requests an earlier effective date. Staff recommends that the Commission seek comments from IPS providers and other interested parties regarding this matter.

Staff further recommends that the Commission seek comments from IPS providers and other interested parties regarding the practice of entering into arrangements with intermediaries and/or other telecommunication providers that result in IPS customers being billed for charges that exceed those authorized in the Commission's IPS Order. Staff recommends that the Commission accept comments for both matters through January 4, 2013.

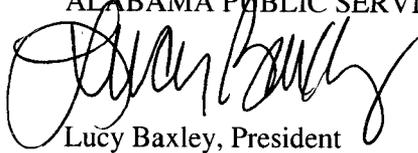
IT IS, THEREFORE, ORDERED BY THE COMMISSION, That the Commission adopts the recommendations of its staff as proposed Section II, herein.

IT IS FURTHER ORDERED, That the Commission will consider comments from interested parties concerning matters discussed above provided said comments are properly filed with the Secretary of the Commission before the close of business on or before January 4, 2013.

IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DATED at Montgomery, Alabama, this <sup>10th</sup> day of November, 2012.

ALABAMA PUBLIC SERVICE COMMISSION



Lucy Baxley, President

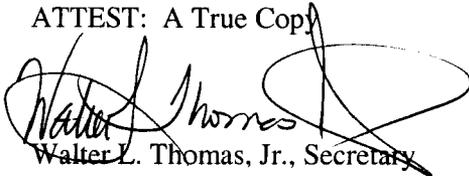


Twinkle A. Cavanaugh, Commissioner



Terry L. Dunn, Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary



October 5, 2012  
**Via Overnight Delivery**  
(Plus E-filed Copy)

Mr. Darrell A. Baker, Director  
Telecommunications Division  
Alabama Public Service Commission  
100 N. Union Street, Suite 850  
Montgomery, AL 36130

**Re: Combined Public Communications, Inc.  
Response to letter of September 12, 2012**

Dear Mr. Baker:

This letter is submitted in response to yours referenced above regarding the rates and fees charged by Combined Public Communications, Inc. ("CPC") in its Alabama facilities. Upon review, CPC has discovered two things:

First, its prepaid and debit rates are not tariffed. This was an oversight at the time the Company applied for IPS authority and will be remedied as quickly as possible.

Second, the rates that are in fact being charged are of a different rate design than those of the caps, but in calculating the effective rate per minute, CPC agrees that they do not comport with the maximum rates set forth in the Commission's rules.

CPC's prepaid and debit rates consist of a single usage rate per minute with no per call charge. Many of CPC's end users utilize cellular phones and do not have landline phones. Because of periodic dropped calls often associated with wireless service, CPC offers this "usage rate" only design so that end users will not be subject to multiple per call charges when re-establishing their connections. On that basis, CPC wishes to continue application of its current usage-only based rate design.

The current rates are as follows:

\$0.25 per minute for local calls  
\$0.50 per minute for long distance calls

CPC would propose modifying those rates as follows:

\$0.15 per minute for local calls  
\$0.45 per minute for toll calls

Mr. Darrell A. Baker  
October 5, 2012  
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The modified rates are calculated using the current rate caps plus 10% added for all taxes and fees (city, county, state and federal), and assuming a 20 minute call. The calculations are attached.

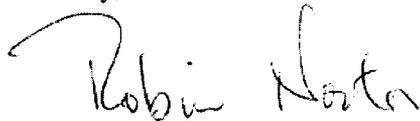
CPC truly regrets the oversight regarding its prepaid rates in Alabama. The Company's entire business plan is predicated on having very reasonable rates, thus offering correctional facilities a lower cost alternative to many of CPC's competitors. For this reason, CPC's rates and charges are quite often below state rate caps and almost always below those of its competitors. It is truly a significant issue to the company to discover that any of its rates are out of compliance, and it has taken speedy corrective action to resolve all issues.

Finally, as noted in your letter of September 12, CPC is considered to provide excellent service by the facility management, and is compliant with Commission requirements in all other respects.

If the remedy proposed above is satisfactory to you, I will prepare and file the tariff revision immediately. CPC has already reduced its rates in anticipation of your acceptance.

Any questions you may have pertaining to this filing should be directed to my attention at (407) 740-3004 or Rnorton@tminc.com.

Sincerely,



Robin Norton,  
Consultant to Combined Public Communications, Inc.

RN/lm

cc: Melody Weil, Combined Public Communications, Inc.  
file: Combined - AL  
tms: ALx1201

Combined Public Communications, Inc.  
Calculation of Usage-Only Prepaid and Debit rates

Docket 15957  
APPENDIX A

**Local Rate**

Commission rate cap:

\$2.25 plus \$0.50 per call = \$2.75.  
Divided by 20 minutes =

\$0.1375 per minute plus taxes and fees

Usage based rate:

\$2.75 plus 10% = \$3.03.  
Divided by 20 minutes =

\$0.1513 per minute

**Proposed rate:**

**\$0.15 per minute**

**Toll Rate**

Commission rate cap:

\$2.25 plus (\$0.30 X 20 minutes) = \$8.25.  
Divided by 20 minutes =

\$0.4125 per minute plus taxes and fees

Usage based rate:

\$2.25 plus (\$0.30 X 20 minutes) X 10% = \$9.08.  
Divided by 20 minutes =

\$0.4538 per minute

**Proposed rate:**

**\$0.45 per minute**