

June 17, 2015

VIA ECFS

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

Stephanie A. Joyce

Partner
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Re: WC Docket No. 12-375, Response to Prison Policy Initiative Filing (June 12, 2015)

Dear Secretary:

Securus Technologies, Inc. (“Securus”) replies to the filing of Prison Policy Initiative dated June 12, 2015, and specifically an article contained therein that was published by Huffington Post.com on June 10, 2015. That article makes several assertions about Securus that are incorrect. Securus addresses these errors in order that the record in this rulemaking is clear.

The article purports to be based on a “presentation that ... Securus made to investors.”¹ While that may be true, the figures set forth in the article are simply incorrect or taken in the incorrect context. The errors include:

- Securus’s earnings in 2014 were not \$404.6 Million.
- Securus’s profit in 2014 was not \$114.6 Million.
- The “51 percent” figure for Securus’s “gross profit margin” does not account for all expenses and thus is overstated.
- Securus does not have “a 20 percent market share.”
- In 2008, Securus’s earnings were not \$41.7 Million.

¹ This presentation was designated as Confidential. It should not have been released to any journalist nor should its contents have been published. Securus has made Huffington Post aware of this breach of confidentiality.

- The article asserts that, as to Securus, “a valuation of \$1.5 billion to \$2.0 billion isn’t outlandish.” That figure actually *is* outlandish: **the entire Inmate Calling Services industry is valued at those figures.**

The record in this proceeding is replete with cost and financial data submitted by carriers, often within sworn testimony, and reputable economists. Securus trusts that the Commission will rely on this data rather than articles and editorials written by third parties with no first-hand knowledge of the inmate calling industry.

Please let me know if you need any further information from Securus. Thank you for your consideration.

Sincerely,

s/Stephanie A. Joyce

Counsel to Securus Technologies, Inc.

cc: Chairman Tom Wheeler
Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel
Commissioner Ajit Pai
Commissioner Michael O’Rielly
Rebekah Goodheart, Legal Advisor to Commissioner Clyburn
Pamela Arluk, Acting Chief, Pricing Policy Division, Wireline Competition Bureau
Lynne Engledow, Acting Deputy Chief, Pricing Policy Division, Wireline Competition Bureau
David Zesiger, Acting Deputy Chief, Pricing Policy Division, Wireline Competition Bureau
Rhonda Lien, Pricing Policy Division, Wireline Competition Bureau

(All via electronic mail)