



**Tooele County Council  
Agenda Item Summary**

#1

**Department Making Request:**

Sheriff's Office

**Meeting Date:**

23  
Nov. 24<sup>th</sup>, 2021

**Item Title:**

Contract with Securus Technologies (Inmate phone provider)

**Summary:**

This is not a grant. This is to amend a current contract between Securus Technologies and Tooele County to abide by new FCC Order.

No money is being requested for this; the contract alters the amount of commission the county will receive from inmate calls. It will likely reduce revenue generated by inmate phone calls.

This will expire November 1, 2022, for current terms of amendment. However, renewal option exists and terms change almost yearly so annual amendments are common.

Please send to the following after approved in council meeting:  
Sheriff, Clerk, Securus Technologies



#### CONTRACT ADDENDUM (2021 FCC ORDER)

This Contract Addendum (hereinafter "Addendum") is by and between the party identified below as Customer ("Customer") and Securus Technologies, LLC (f/k/a Securus Technologies, Inc.) ("Provider") and is subject to and governed by the current agreement for telephone services ("Agreement") between Customer and Provider. Its terms are effective on or about October 26, 2021, and this Addendum will be coterminous with the Agreement.

#### BACKGROUND:

On May 24, 2021, the Federal Communications Commission ("FCC") released its Third Report and Order, Order on Reconsideration, and Fifth Further Notice of Proposed Rulemaking (the "Order"). In summary, this Order (a) implements new interim interstate and international rate caps; (b) significantly changes the previous industry practice with respect to the rate caps applied to both interstate and intrastate calls; (c) modifies rules relating to ancillary and third party transaction fees; (d) modifies applicable regulation with respect to consumer reporting and cost recovery of site commissions; and (e) provides notice of further proposed rulemaking which will likely have further significant impact on the industry. Unlike prior FCC action in this area, the Order was unanimous and bipartisan.

#### APPLICATION OF FCC INTERIM RATE CAPS FOR INTERSTATE AND INTRASTATE CALLS:

The Order mandates new interim calling rate caps for all interstate calls. See Order, Paragraphs 42-48, 47 CFR § 64.6030(a)-(c). The Order also mandates a new approach with respect to intrastate and local calls. "[T]o the extent that a provider cannot determine that the physical endpoints of a call are within the same state, that provider must comply with our new interim interstate rate caps for that call." Order, Paragraph 41 (emphasis added). Other than landline calls (which are a small percentage of overall calling traffic), Provider cannot currently make an accurate determination with respect to the physical endpoint of the called party, and, therefore, is required to apply the new calling rate caps to most intrastate and local calling traffic as well as all interstate calling traffic. To achieve rate uniformity between landline and non-landline calls, Provider intends to rate landline calls in the same manner as non-landline calls.

**Accordingly, on or about October 26, 2021, if Customer has calling rates that exceed \$0.21 per minute (the rate cap specified in the Order for jails with an ADP < 1,000 ), those rates will be reduced to \$0.21 per minute.**

#### APPLICATION OF FCC INTERIM RATE CAPS FOR INTERSTATE AND INTRASTATE CALLS:

The Order mandates a new interim rate cap for all international calls which is calculated using the interstate rate cap described above plus the average per-minute amount paid by the provider to its underlying wholesale international carriers to terminate international calls to the same "international destination" over the preceding calendar quarter (the "International Rate Cap"). See Order, Paragraphs 178-184; 47 CFR § 64.6030(e).

**Accordingly, on or about October 26, 2021, Provider will charge international calling rates equal to or less than the International Rate Cap .**

#### AVERAGE DAILY POPULATION:

The Order applies different rate caps to facilities based on their average daily population (ADP). We understand

that your current ADP is < 1,000, and the adjustments described herein are based on that assumption. To facilitate compliance with the Order, Customer agrees to update Provider in the event its ADP becomes greater than or equal to 1,000.

ADJUSTMENT TO FACILITY COMPENSATION :

Effective on or about November 1, 2021, Provider will adjust the compensation payable to Customer based on the option selected by Customer in the following table (Customer to check applicable option):

\_\_\_\_\_ \$1419 per month will be deducted from compensation otherwise payable to Customer under the Agreement.

\_\_\_\_\_ \$0.0278 per minute of the new calling rates will be not be commissionable.

\_\_\_\_\_ For all currently commissionable call traffic under the Agreement, the commission percentage (for prepaid, collect, and debit calling) and, if applicable, the prepaid calling card discount, are hereby reduced to 28%.

For international call traffic only, the per-minute amount paid by the provider as a passthrough to its underlying wholesale international carriers to terminate international calls will not be commissionable.

ADJUSTMENT TO TERM:

The term of the Agreement is hereby extended by 12 months. In the event the Agreement has auto renewals or renewal options, those options will continue to be in effect.

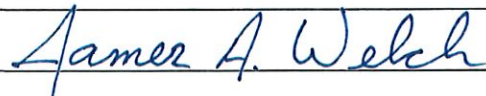
ADJUSTMENT TO FACILITY COMPENSATION (MINIMUM GUARANTEES):

Given the significant uncertainty surrounding the economic impact of the Order, the parties hereby agree that the application any minimum annual or minimum monthly guarantees will be suspended effective November 1, 2021 for a period of 12 months. Effective on or about November 1, 2022, any applicable guarantees will be reinstated at a value based on 80% of the previous 12 months' actual compensation earned.

SIGNATURES

The person signing this Addendum represents that he or she has the unrestricted right and requisite authority to enter into and execute this Addendum, to bind Customer named below, and to authorize the changes described herein. Except as expressly amended by this Addendum, all of the terms, conditions and provisions of the Agreement shall remain in full force and effect.

**Even if Provider does not receive a signed Addendum, please be advised that Provider must make all changes necessary to comply with applicable law and regulation and will do so on October 26, 2021.**

Customer: Tooele County  
Signature:   
Printed Name: James A Welch  
Title: County Manager  
Date: 11/3/21

**APPROVED AS TO FORM:**

 11/04/2021  
**Colin R. Winchester**  
**Deputy Tooele County Attorney**