



## 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 INTERNATIONAL 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. The Order and associated regulations define ADP as "the sum of all inmates in a facility for each day of the preceding calendar year, divided by the number of days in the year." Order, Paragraph 47, Note 132; 47 CFR § 64.6000.