

June 9, 2016

Williamson County , TX Sheriff's Office
Kurt Showalter
508 S Rock St,
Georgetown, TX 78626

Dear Kurt,

As you may know, the FCC recently implemented changes designed to lower calling rates and reduce or eliminate fees for inmate phone calling. The "tiered" rate structure the FCC proposed is still being litigated in the Court of Appeals, but the caps on fees will take effect as outlined by the FCC on June 20, 2016. Therefore, ICSolutions is required to change the fee structure currently in place at Williamson County, TX to comply with the FCC fee caps.

Today, industry-standard account funding fees typically range from \$5.95 to \$9.95 per transaction. These fees will be lowered to \$3.00 for customers using the web or automated phone processing, or \$5.95 for those calling in to a live operator. These fee caps will go into effect for all ICSolutions "County" accounts on June 20, 2016. As a result of this significant reduction in funding fee revenue, ICSolutions is also forced to adjust the commission percentage we pay on inmate calling to Williamson County, TX. The current commission rate being paid to Williamson County is 84.1%, and as of June 20, 2016 that percentage will be reduced to 74.1%. This reduction reflects the degradation we will experience in fee revenue, but rest assured that ICSolutions will continue to pay you commission on all call types (including Interstate calls, on which many of the other providers do not pay commission). In addition, ICSolutions believes that inmate calling revenue may in fact increase as a result of this change, since consumers will have more money to spend on phone calls when spending less on fees. Because Williamson County, TX is paid commission on calls but not on fees, the resulting increase in commissionable revenue will offset a portion of the commission percentage reduction we have to implement.

At the same time, ICSolutions would like to standardize calling rates for the majority of our customers at the rates the FCC has deemed fair and reasonable for Interstate calls, which are \$0.25 per minute for Collect calling and \$0.21 per minute for Pre-Paid and Debit calling. ICSolutions also believes that the implementation of these fair and reasonable rates will not negatively impact the overall calling revenue; inmates and called parties will continue to spend the same amount on calling, and coupled with the aforementioned reduction in fees, the calling revenue may actually increase.

With your agreement, ICSolutions will implement the required changes to the fee structure, reduction in commission percentage, and standardization of the calling rates all at the same time – on June 20, 2016. I will be sending you a contract amendment with these changes. If you have any questions or concerns, please don't hesitate to call or email me immediately. If not, please reply to my email with your authorization for these changes at your earliest convenience.

Sincerely,

Joe Garbe
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