

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

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Application of Talton Communications, Inc. for
Registration as an Interexchange Carrier Telephone
Corporation pursuant to the provisions of Public
Utilities Code Section 1013.

A. 10-01-004

NOTICE OF EX PARTE COMMUNICATION

GOODIN, MACBRIDE, SQUERI,
DAY & LAMPREY, LLP
Thomas J. MacBride, Jr.
505 Sansome Street, Suite 900
San Francisco, CA 94111
Telephone: (415) 392-7900
Facsimile: (415) 398-4321
E-mail: tmacbride@goodinmacbride.com

Date: January 28, 2010

Attorneys for Talton Communications, Inc.

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OF THE STATE OF CALIFORNIA**

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Pursuant to Rule 8.3 of the Commission's Rules of Practice and Procedure Talton Communications, Inc. ("Talton" or "Applicant"), Applicant in the above-captioned matter hereby files the following Notice of Ex Parte Communication.

On January 26, 2010, Thomas J. MacBride, Jr., counsel for Applicant, sent a copy of a letter (via e-mail attachment) from U.S. Immigration and Customs Enforcement Division of the U.S. Department of Homeland Security ("Homeland Security") to the Commission's Consumer Protection and Safety Division ("CPSD"). The email to which the letter was attached was sent to Carol Brown, Chief of Staff for President Peevey. In the letter Homeland Security indicates its "support of the application by Talton Communications to operate in the state of California." The letter from Homeland Security, a copy of which is attached to this notice, provides background with regard to Homeland Security's selection of Talton as its provider of Detainee Telephone Service ("DTS") at facilities in California.

To obtain a copy of the of this notice please contact Lisa Vieland at Goodin, MacBride, Squeri, Day & Lamprey, LLP, 505 Sansome Street, Suite 900, San Francisco, California 94111, or telephone at (415) 392-7900.

Respectfully submitted this 28th day of January 2010 at San Francisco, California.

GOODIN, MACBRIDE, SQUERI,
DAY & LAMPREY, LLP
Thomas J. MacBride, Jr.
505 Sansome Street, Suite 900
San Francisco, CA 94111
Telephone: (415) 392-7900
Facsimile: (415) 398-4321
E-mail: tmacbride@goodinmacbride.com

By: /s/ Thomas J. MacBride, Jr.
Thomas J. MacBride, Jr.

Attorneys for Talton Communications, Inc.



**U.S. Immigration
and Customs
Enforcement**

26 January 2010

Jeannine M. Elzey
Sr. Investigative Analyst
California Public Utilities Commission
Consumer Protection and Safety Division
505 Van Ness Ave
San Francisco, CA 94102

Subject: License and Tariff Applications ICO Talton Communications Inc.,
Application # 10-01-004

Ms. Elzey:

In accordance with paragraph (c) of Rule 2.6 of the California Rules of Practice and Procedure, the U. S. Department of Homeland Security (DHS), Immigration and Customs Enforcement (ICE), Office of Acquisition Management (OAQ), submits the following in support of the application by Talton Communications to operate in the State of California.

The ICE Detainee Telephone System (DTS) provides telephone services for approximately 30,000 ICE detainees, including a pro bono service network for detainees to make pro bono calls to consulates and pro bono attorneys, and system hardware and service for debit, collect, and pre-paid collect for local, long-distance and international calls at specific ICE facilities. Talton Communications is the ICE awardee of contract HSCEDM-09-C-00009 for operation of the Detainee Telephone System (DTS). The DTS contract was awarded on 6 May 2009. Actual implementation, however, was delayed until September 2009, due to a series of protests from the competitor who was not selected for the contract. Public Communications Services (PCS), the contract holder at the time, did not bid on the follow-on contract on the mistaken belief that the solicitation was not released even though ICE provided constructive notice to all potential offerors in accordance with the Federal Acquisition Regulation (FAR).

Moreover, the actual transition to Talton Communications was delayed even further, through February 26, 2010 because of a particular clause in a modification to the PCS contract regarding transition to the new contract. This modification was executed to maintain balance between pro bono and revenue-producing calls.

During the recent transition of service at the Otero facility in New Mexico, PCS notified us that Talton Communications had not met all of the requirements for conducting business in the State of New Mexico. The DTS in New Mexico was immediately re-connected to the prior contractor, PCS, pending approval from the New Mexico Utilities Commission. It was

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confirmed that no transactions occurred which required any public consumer money transacted to be refunded.

In early January, OAQ was notified of Talton Communications' late and incomplete filing with the California Commission from your office and from the former contractor, PCS. We appreciate the time your office took to explain the situation and the approval process. If Talton Communications is to be penalized for operating prior to approval of their application, it is understood, and ICE takes no position on such penalties. Notwithstanding, the California Public Utilities Commission should be aware that over 90% of all DTS calls are interstate, and Talton Communications has filed all certifications for approval with the FCC. Additionally, ICE will convene a panel to independently determine what, if any, penalties should be imposed on DTS for operating its business prior to approval of the issuance of a license. Any potential penalties from Talton Communications' oversight regarding obtaining timely licensing approval are not considered an impediment to continue full deployment of the DTS. At this time, ICE has no intention to return to or further extend the contract of PCS, and no intention of reopening competition for new awards in the near future.

It should be brought to your attention that PCS and their partner, Securus, have provided a continuous stream of allegations regarding Talton Communications' alleged lack of adequate security, their rate structure, and the ability of their equipment to adequately support DTS requirements. In each case, ICE has investigated the allegations, involving a significant investment in time and money by this office. With the exception of the case in New Mexico, ICE has found the allegations to be unfounded. Each transition delay requires the federal Government to extend the PCS contract, providing significant revenue to PCS, while delaying and preventing a timely DTS transition.

While investigating PCS' allegations, we received positive feedback for Talton Communications. Customers already transitioned to Talton Communications' pro bono platform and primary sites have universally praised Talton Communications' security features, service, and ability to provide reporting information. Additionally, there are indications that PCS itself, which has been operating in California for the last five plus years, may not have filed the same pro bono documentation which they accuse Talton Communications of not filing. This office will keep the State of California advised of any developments concerning Talton or PCS.

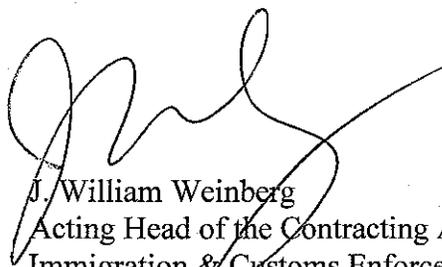
ICE supports the approval of the application for licensing and tariff fees by Talton Communications. The DTS is an integral part of the ICE detention program as it is critical to security and safety of ICE detainees. In addition to Congressional mandates, facilities clearly indicate that the DTS ameliorates potential problems at their facilities.

We further recommend immediate approval for Talton Communications to initiate business operations in California. If for any reason the state of California determines that Talton Communications services should be disconnected or suspended, ICE will be placed in an extremely difficult position of providing emergency DTS services to detainees. The security

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features required as part of this system do not allow ICE to provide "off the shelf" telephone service. Moreover, if Talton Communications were to be temporarily suspended from operations in California, this office has no intention of reinstating the previous vendor as an interim provider based on the aforementioned reasons.

Should you or your staff have any questions regarding this matter, please contact Shannon Ely, 202-732-2535, Shannon.Ely@dhs.gov, Contracting Officer, or Michael A. Gorman, 202-732-3468, Michael.A.Gorman@dhs.gov.



J. William Weinberg
Acting Head of the Contracting Activity
Immigration & Customs Enforcement (ICE)
Department of Homeland Security (DHS)

CERTIFICATE OF SERVICE

I, Lisa Vieland, certify that I have on this 28th day of January 2010 caused a copy of the foregoing

NOTICE OF EX PARTE COMMUNICATION

to be served on all known parties to A.10-01-004 listed on the most recently updated service list available on the California Public Utilities Commission website, via email to those listed with email and via U.S. mail to those without email service. I also caused courtesy copies to be hand-delivered as follows:

Commissioner Timothy Alan Simon
California Public Utilities Commission
Executive Division
505 Van Ness Avenue, Room 5213
San Francisco, CA 94102

ALJ Katherine MacDonald
California Public Utilities Commission
Executive Division
505 Van Ness Avenue, Room 5103
San Francisco, CA 94102

I declare under penalty of perjury that the foregoing is true and correct. Executed this 28th day of January 2010 at San Francisco, California.

/s/ Lisa Vieland
Lisa Vieland

Service List A. 10-01-004
Last Updated 1/27/10

ROBIN NORTON
TECHNOLOGIES MANAGEMENT, INC.
2600 MAITLAND CENTER PARKWAY,
SUITE 300
MAITLAND, FL 32751

Jeannine Elzey
jme@cpuc.ca.gov

Katherine MacDonald
kk3@cpuc.ca.gov

Linda J. Woods
ljw@cpuc.ca.gov

Sindy J. Yun
sjy@cpuc.ca.gov

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