

NEWS RELEASE

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KANSAS DEPARTMENT OF CORRECTIONS INMATE TELEPHONE RATES DECREASING

The Kansas Department of Corrections has entered into a contract with Embarq™ Payphone Services Inc., a unit of Embarq Corp. of Overland Park, to provide telephone services for inmate calling at Kansas correctional facilities for significantly reduced rates.

Embarq™ will continue to provide the capability to monitor and record all inmate telephone conversations, limit the number of people an inmate is allowed to call, and a number of other security related functions. The cost of the security functions associated with an inmate telephone system is paid for through the calling charges, not by state tax dollars.

“It is important for inmates to be able to maintain contact with their families and friends,” Secretary of Corrections Roger Werholtz said. “We have recognized for many years that the cost of the phone calls inmates make from our correctional facilities has created a financial hardship for their families, and I am pleased that the new contract will help reduce those costs.”

Paul Cooper, Director & General Manager – EMBARQ Public Access, said the company brings proven technical solutions and a commitment to service to the competitive mix.

“These are complex installations with continually improving technology. You can’t just win the contract and walk away,” Cooper said. “We’ve earned our reputation for outstanding service and are very excited to serve KDOC and the citizens of Kansas,” Cooper said, adding that EMBARQ provides inmate phone services for the states of South Carolina, Michigan and Wisconsin in addition to numerous county facilities. He said he expects to complete the transition from the current provider by early 2008.

The three year contract (with an option for the department to renew for two additional years) provides for different rates for collect, prepaid and inmate prepaid calling, amounting to an overall cost reduction of 40% over previous costs, as shown in the following tables:

CURRENT CALLING RATES

CALL TYPE	COLLECT		PRE-PAID COLLECT		INMATE BASED PRE-PAY	
	Surcharge	Per minute rate	Surcharge	Per minute rate	Surcharge	Per minute rate
Local	\$4.35	\$0.00	\$3.65	\$0.00	\$3.27	\$0.00
Intralata/Intrastate	\$3.84	\$0.16	\$3.10	\$0.15	\$2.88	\$0.12
Interlata/Intrastate	\$3.26	\$0.69	\$2.12	\$0.63	\$2.45	\$0.52
Interlata/Interstate	\$2.84	\$0.66	\$2.17	\$0.58	\$2.13	\$0.50
International	Not available currently					

REDUCED CALLING RATES

CALL TYPE	COLLECT		PRE-PAID COLLECT		INMATE BASED PRE-PAY	
	Surcharge	Per minute rate	Surcharge	Per minute rate	Surcharge	Per minute rate
Local	\$2.61	\$0.00	\$2.19	\$0.00	\$1.96	\$0.00
Intralata/Intrastate	\$2.30	\$0.10	\$1.86	\$0.09	\$1.73	\$0.07
Interlata/Intrastate	\$1.96	\$0.41	\$1.27	\$0.38	\$1.47	\$0.31
Interlata/Interstate	\$1.70	\$0.40	\$1.30	\$0.35	\$1.28	\$0.30
International	N/A	N/A	\$1.30	\$0.35	\$1.28	\$0.30

The contract provides the Department of Corrections with a minimum annual guarantee commission of \$1,057,000 which will continue to be used to supplement funding for offender programs and services. This represents a 62% reduction in the minimum annual guarantee of \$2,750,000 provided under the current contract. The Department will receive a 41% commission after the minimum annual guarantee is realized. The Department intends to discuss additional rate reductions if call volume proves sufficient to exceed the minimum guarantee.

Embarq Corporation (NYSE: EQ), headquartered in Overland Park, Kansas, offers a complete suite of common-sense communications services. The company has approximately 18,000 employees and operates in 18 states. EMBARQ is included in the S&P 500. EMBARQ believes that by focusing on the communities the company serves and by employing common sense and practical ingenuity, it is able to provide customers with a committed partner, dedicated customer service and innovative products for work and home. For more information, visit embarq.com.

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