

**STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD**

IN RE INQUIRY INTO REGULATORY REQUIREMENTS FOR ALTERNATIVE OPERATOR SERVICES COMPANIES	DOCKET NO. NOI-2019-0001
IN RE RELIANCE TELEPHONE OF GRAND FORKS, INC.	DOCKET NO. TF-2019-0026
IN RE PRODIGY SOLUTIONS, INC.	DOCKET NO. TF-2019-0032
IN RE SECURUS TECHNOLOGIES, LLC	DOCKET NO. TF-2019-0033
IN RE GLOBAL TEL*LINK CORPORATION	DOCKET NO. TF-2019-0039
IN RE ENCARTELE, INC.	DOCKET NO. TF-2019-0270

COMMENTS OF PRISON POLICY INITIATIVE, INC.

Following the discussion held at the Board’s March 16, 2021 meeting, and pursuant to 199 Iowa Administrative Code § 7.1(4), Prison Policy Initiative (“PPI”) submits the following comments concerning progress made in modernizing oversight of alternative operator service companies that operate in the inmate communications services (“ICS”) market. Specifically, PPI would like to take this opportunity to thank the Board for its work on this issue, identify certain ICS carriers that do not appear to have complied with the Board’s tariff requirements, and briefly discuss additional issues that warrant action.

I. Noncompliant Carriers

Based on publicly available information, we believe that two ICS carriers are operating in Iowa jails without having filed tariffs for the Board’s review and approval. Of Iowa’s 99 counties, it appears that five (Franklin, Hancock, Lucas, Warren, and Calhoun) do not have jails. Of the remaining 94 counties, 87 have jails that are served by ICS carriers that have filed tariffs with the Board.

It appears that the remaining seven counties have jails served by two ICS carriers that have not submitted tariffs to the Board. We believe the jails in Davis, Johnson, and Iowa Counties are served by Lattice, Inc. of Pennsauken, New Jersey.¹ We further believe the jails in Marion, Muscatine, Pocahontas, and Pottawattamie Counties are served by Turnkey Corrections of Hudson, Wisconsin.²

We urge the Board to bring telephone justice to the approximately 577 people in these seven jails who are forced to pay phone rates that have not been approved by the Board as required by law.

II. Additional Issues in Need of Attention

PPI congratulates the Board on the substantial progress made since it began reviewing ICS tariffs in 2019. Based on our calculations, the Board's actions thus far have yielded aggregate savings to consumers of approximately \$1 million per year.³ While these savings represent meaningful relief for incarcerated Iowans and their families, we respectfully suggest that additional action by the Board is appropriate. In brief, we identify three areas that could benefit from additional review.

Further review of per-minute rates. In reviewing ICS tariffs, the Board has generally approved calling rates up to and including 25¢ per minute. This figure appears to be unofficially based on previous federal rules imposing interstate rate caps of 21¢ for prepaid calls. However,

¹ Lattice, Inc.'s website is <http://www.latticeinc.com/>, and the company is registered with the Federal Communications Commission under FRN #0019009919. *See* <https://apps.fcc.gov/cores/searchDetail.do?frn=0019009919&csfrToken=>.

² Turnkey Corrections's website is <https://turnkeycorrections.com/>, and the company is registered with the Federal Communications Commission under FRN #0021594437. *See* <https://apps.fcc.gov/cores/searchDetail.do?frn=0021594437&csfrToken=>.

³ We calculate this savings based on the difference in cost between the 2019 tariff rates and the 2020/2021 tariff rates, multiplied by the average minutes of use per month per person, multiplied by the average daily population at each facility. We assumed that minutes of use would stay the same from year to year, even though empirical research suggests that lower cost phone calls actually increase minutes of use. For that reason, this is a relatively conservative estimate, and actual annual savings could indeed be higher. The approximate savings, by carrier, are \$396,000 (Reliance Telephone of Grand Forks, Inc., Dkt. No. TF-2019-0026), \$206,000 (Securus Technologies, Dkt. No. TF-2019-0033), \$231,000 (Global Tel*Link, Dkt. No. TF-2019-0039), \$110,000 (Encartele, Inc., Dkt. No. TF-2019-0270), and \$78,000 (Prodigy Solutions, Inc., Dkt. No. TF-2019-0032).

much has changed since the Federal Communications Commission (“FCC”) imposed those *interim* rate caps in 2013. In October 2020, then-chair of the FCC Ajit Pai announced a new rulemaking to lower interstate rates to 14¢ for calls from prisons, and 16¢ for calls from jails.⁴ If the FCC finalizes those changes, then many Iowa carriers would be charging substantially more for intrastate calls (up to 25¢) than they could for interstate calls (16¢). Accordingly, PPI encourages the Board to conduct its own review of intrastate rates in tandem with the proceeding currently pending before the FCC.

Unused prepaid funds. As we have noted in several individual tariff proceedings, many ICS carriers reap unjust profits by seizing unused funds from customer prepaid accounts. While the Board has addressed some of these abusive practices, we encourage the board to develop a clearly stated and uniform policy requiring that all unused prepaid funds be returned to the customer or remitted to the Iowa treasurer’s unclaimed property program.

Ancillary fee reform. We reiterate our previous calls to prohibit carriers from charging automated payment fees and pass-through transactional fees on the same payment,⁵ and to prevent carriers from steering customers toward inefficient single-call products.⁶ While PPI will continue to raise these same issues in front of the FCC, the Board currently has exclusive jurisdiction over Iowa transactions, and it should act now without waiting for the FCC.

Dated: March 18, 2021

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⁴ See *In the Matter of Rates for Interstate Inmate Calling Services*, WC Dkt. No. 12-375, [Report & Order on Remand and Fourth Further Notice of Proposed Rulemaking](#) ¶¶ 70-121 (Aug. 7, 2020).

⁵ See [PPI Cmts. of Oct 29, 2020](#) (IUB Dkt. No. TF-2019-0039), [PPI Cmts. of Nov. 13, 2020](#) (IUB Dkt. No. TF-2019-0270), and [PPI Cmts. of Jan. 21, 2021](#) (IUB Dkt. No. TF-2019-0026). In addition to the three carriers whose tariffs are filed in the aforementioned proceedings, PPI believes that Prodigy Solutions, Inc. (IUB Dkt. No. TF-2019-0032) and Combined Public Communications, LLC (IUB Dkt. No. TF-2019-0031) also employ this practice of “double-dipping.”

⁶ See [PPI Cmts. of Feb. 8, 2021](#) (IUB Dkt. No. TF-2019-0033).

Respectfully submitted,

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/s/ Peter Wagner

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