Inmate Telephone Service

FCC rules that significantly reformed interstate inmate calling service rates and practices went into effect in 2014 in an effort to stem undue high costs to inmates' families. In most cases, inmates' telephone calling options are limited to one or more of the following calling types: collect, debit account or pre-paid account. Also, incarcerated persons typically may not choose their long distance service provider. These factors, combined with unrestricted long-distance rates, often resulted in unreasonably high phone bills for inmates' families.

Rate caps for interstate calls from prisons

Since Feb. 11, 2014, FCC rate caps for interstate calls are:

- $0.25 per minute for collect calls
- $0.21 per minute for debit or pre-paid calls

This equates to a per-call rate cap (including per-call charges) of:

- $3.75 for a 15-minute call
- $3.15 for a 15-minute debit or pre-paid call

Charges on inmate calls that exceed the new interstate rate caps are in violation of federal rules.

Additional requirements

In addition, providers of inmate calling services are now prohibited from assessing any additional charges or fees when the inmate must use Telecommunications Relay Service equipment. (TRS is a telephone service that allows people with hearing or speech disabilities to place and receive telephone calls. Read our TRS guide at www.fcc.gov/guides/telecommunications-relay-service-trs.

Moreover, no inmate calling service provider may block a collect call solely because it lacks a prior billing relationship with the called party's telephone provider unless the provider also offers debit, pre-paid or pre-paid collect calling options.

FCC rules require that when an inmate places a collect call each operator service provider must identify itself to the person receiving the call before connecting the call. Each operator service provider must also disclose, before connecting the call, how the receiving party may obtain rate quotations. Additionally, the operator service provider must permit the receiving party to terminate the telephone call at no charge before the call is connected. These rules apply only to interstate operator service provider calls.

Judicial review of other ICS rules

On Jan. 13, 2014, the U.S. Court of Appeals for the District of Columbia Circuit issued a partial stay of the Order establishing the new inmate calling service rules. Specifically, three of the rules ("Cost-Based Rates for Inmate Calling Services," "Interim Safe Harbor" and "Annual Reporting and Certification Requirement") are not in effect, pending further judicial review.
Filing a complaint

If you feel you or a family member has been overcharged by an inmate calling service provider, you can file a complaint with the FCC. You have multiple options for filing a complaint with the FCC:

- File a complaint online at https://consumercomplaints.fcc.gov
- By phone: 1-888-CALL-FCC (1-888-225-5322); TTY: 1-888-TELL-FCC (1-888-835-5322); ASL Videophone: 1-844-432-2275
- By mail (please include your name, address, contact information and as much detail about your complaint as possible):

  Federal Communications Commission
  Consumer and Governmental Affairs Bureau
  Consumer Inquiries and Complaints Division
  445 12th Street, S.W.
  Washington, DC 20554

Your complaint should include the following information:

- Your name, address, email address and phone number where you can be reached
- The name, phone number, city and state of the company that you are complaining about
- The amount of any disputed charges, whether you paid them, whether you received a refund or adjustment to your bill, the amount of any adjustment or refund you have received, an explanation if the disputed charges are related to services in addition to residential or business telephone services
- Details of your complaint and any additional relevant information

Other resources

Most states have similar rules for intrastate (within a state) OSP calls. To complain about rates for intrastate collect calls from public phones in prisons, contact the state public utility commission in the state where the call originated and terminated. State public utility commission addresses may be found at www.naruc.org/Commissions or in the blue pages or government section of your local telephone directory.

Accessible formats

To request this article in an accessible format - braille, large print, Word or text document or audio - write or call us at the address or phone number above, or send an email to fcc504@fcc.gov.

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Last Reviewed: 8/6/15
July 2, 2015

Iowa Board of Corrections
Rev. Michael Coleman
Dr. John Chalstrom
Dr. Mary Chapman
Dr. Lisa Hill
Lawrence Kudej
Richard LaMere, Jr.
Rebecca Williams
510 E 12th Street
Des Moines, IA 50319

Dear Members of the Board of Corrections:

At the June meeting of the Board of Corrections (BOC), staff from the Iowa Department of Corrections (IDOC) proposed a new position to be paid for out of the inmate telephone fund. The position is titled “apprenticeship coordinator.”

I want to share with you my concerns about this proposed use of the telephone rebate fund:

1) The “apprenticeship coordinator” position does not appear to be a direct benefit to the offenders, which I believe is what is intended under Iowa law;

2) Fair and just telephone rates will be best achieved if Iowa adopts the FCC position that the telephone service rate be determined on a cost-based approach (i.e. the rates should correspond with the cost of providing the service).

Intent of Iowa Law

Iowa Code section 904.508A (see attachment) requires moneys that are deposited to the inmate telephone fund to be “used for the benefit of inmates.” IDOC Administrative Rule 201—20.20(5) provides that permitted expenditures include projects for educational, vocational, recreational, work, or treatment programs, as well as to initiate new programs (see attached). The rule does not specifically mention using any of the funds to pay for staff positions or salaries.
It is arguable that just about every facet of the IDOC’s prison operations and staff positions provides a benefit to inmates in some manner. However, it does not make sense that the Iowa Legislature contemplated that the inmate telephone fund should be used to subsidize most of these services or staff positions.

In order to give reasonable and logical meaning to what the Legislature intended, I believe the provision that the funds be “used for the benefit of inmates” is intended to mean a more *direct* benefit to the inmates. The IDOC could more clearly specify what that means in its rules.

In reviewing the general job description presented at the June 2015 BOC meeting (below), I find it hard to discern how the apprenticeship coordinator will directly benefit inmates. It appears to be a central office position that is administrative in nature, with little or no contact with inmates.

- **Position: IDOC State Apprenticeship Coordinator**
  - Knowledge of complete range of technical methods, processes, testing, setting up apprenticeship program standards and curriculums within the IDOC Institutions and other locations as necessary, assuring quality control, setting up procedures and policies, communication, and coordinating programs between Departments/Agencies.
  - This position will work with the United States Department of Labor Office of Apprenticeship to develop apprenticeship standards for vocational training
  - This position will be provided IWDS training as well as communicating with other IWDS staff across the state with possible employment partnership in communities throughout the state.
  - Responsible for growth and sustaining apprenticeship programs throughout all nine correctional facilities.

**Guidance by the FCC**

The FCC has been critical of using inmate telephone funds to pay for staff salaries, when the expense is not directly related to the cost of providing the service. The FCC has questioned how the rates charged can be “fair, just, and reasonable,” if state agencies continue to maintain the fund at a level in order to subsidize other expenditures beyond providing the telephone service.

In its Second Further Notice of Proposed Rulemaking (Notice) released October 22, 2014, the FCC stated the following:

> These site commission payments inflate rates and fees, as ICS providers must increase rates in order to pay the site commissions. This forces inmates and their friends and families, who use ICS and are forced to absorb the site commissions in the rates they pay, to subsidize everything from inmate welfare programs, to salaries and benefits of correctional facilities, states’ general revenue funds, and personnel training.

I am concerned that use of the inmate telephone fund for unrelated programs could keep the rates higher than they should be. Even with the most recent reduction in rates effective July 1 ($2.90 for 1 to 20 minute call), the rates in Iowa are higher than many states that have eliminated commissions and kickbacks. (See states’ rates at [https://www.prisonphonejustice.org/](https://www.prisonphonejustice.org/))
As the IDOC and the BOC continue to grapple with the rate(s) to set for inmate calls (like other states) pending the FCC’s final ruling, it is important that the telephone rate(s) not be set based on the funds that may be needed for desired programs or projects. Rather, expenditures should be determined based on what is available in the fund. I agree with the FCC that the rate(s) should be “just, fair, and reasonable” and should be based on the costs to provide telephone service.

Ombudsman’s Recommendations

1. I recommend that the Board consider whether the proposed apprenticeship coordinator will directly benefit the inmates, in deciding whether the position should be paid from the inmate telephone fund. The Board should request that IDOC officials articulate how the position directly benefits inmates and if the position can be funded from another source.

2. I recommend that the Board consider the FCC’s proposed rules and guidance in deciding whether it is appropriate to pay for the apprenticeship coordinator from the inmate telephone fund, when the position is not involved in providing the telephone service.

Thank you for considering my comments and recommendations.

Sincerely,

Ruth Cooperrider
Ombudsman

cc: Jerry Bartruff, IDOC Director
    Brad Hier, IDOC Deputy Director of Administration

RC/jbc
ATTACHMENT:

Code of Iowa:

904.508A Inmate telephone fund.
The department is authorized to establish and maintain an inmate telephone fund for the deposit of moneys received for inmate telephone calls. All funds deposited in this fund shall be used for the benefit of inmates. The director shall adopt rules providing for the disbursement of moneys from the fund.

IDOC Administrative Rule:

201—20.20 (904) Offender telephone commissions.
20.20(1) Definitions.
"Corrections board" means the department of corrections board.
"Deputy director of administration" means the person responsible for budgeting and planning.
"Director" means the chief executive officer of the department of corrections.
"Regional deputy director" means the person responsible for regional operation of both institution and community corrections services in either the eastern or western portions of Iowa.
"Warden/superintendent" means the chief executive officer of the institution or correctional facility.
20.20(2) Deposit of funds. The department of corrections shall deposit and account for all telephone commissions in a clearing account within central office. The deputy director of administration will determine commissions generated by each institution, based on a report from the vendor, for deposit in the institution’s offender telephone rebate fund.
20.20(3) Request for funds. Each warden/superintendent will determine recurring needs and special projects and submit a written proposal to the respective regional deputy director of institutions for all expenditures and encumbrances.
20.20(4) Review and approval of expenditures. The regional deputy director of operations and the deputy director of administration will review the proposals for a quarterly presentation by the director to the corrections board for approval. The director will notify the chairpersons and ranking members of the justice system’s appropriations subcommittee of the proposals prior to the corrections board approval. All expenditures and encumbrances shall require prior approval from the corrections board and the respective regional deputy director of operations. Institutions shall not be allowed to encumber or expend funds without approval. Revenues generated by telephone commissions at each institution shall be used to determine the availability of funds for each project.
20.20(5) Permitted expenditures. The director shall advance to the corrections board for approval only projects that benefit offenders. Expenditures may include, but are not limited to, projects that provide educational, vocational or recreational services or projects, or work or treatment programs for offenders. Expenditures may also be used to initiate new programs, services, or projects. Institutions shall give spending priority to programs, services, and projects that promote the health and welfare of offenders.

This rule is intended to implement Iowa Code section 904.508A.
Date: July 10, 2014
To: Members of the Iowa Board of Corrections
From: Ruth Cooperrider, Ombudsman
Re: Inmate Telephone System Rates

I am submitting these comments for consideration by the Iowa Board of Corrections (Board) at its July 11, 2014, meeting pertaining to agenda item listed as “Offender Phone Rate Changes.”

My office recently received a complaint about the impact of a rule adopted by the Federal Communications Commission (FCC) on inmate telephone rates in Iowa prisons. After conducting some preliminary research and making an inquiry to the Iowa Department of Corrections (IDOC), my staff identified some questions about Iowa’s inmate calling service (ICS) rates and any other fees the IDOC may impose on an inmate who uses the service.

Attached is the FCC’s “Report and Order and Further Notice of Proposed Rulemaking,” which was released September 26, 2013. The final rule went into effect February 11, 2014. Portions of the rule have been stayed by the U.S. Court of Appeals for the D.C. Circuit, pending resolution of a lawsuit. The stay did not affect the cap that the FCC placed on the rate for inmate calls.

The FCC rule seeks to bring high interstate ICS rates to a levels that are “just, reasonable, and fair.” The FCC found that the ICS rates could be decreased substantially and still pay for the extra security necessary to administer an inmate calling system. In addition, it found the lower rates have the potential to reduce recidivism and impact several other societal issues associated with increased contact or connection with families and friends. (See p. 3 of FCC report/order).

The FCC report/order about the rule changes was particularly critical of telephone rates charged to offenders above and beyond the cost of providing the service and critical of salaries and benefits paid for by telephone fees. (See p. 4 of FCC report/order).

IDOC Proposal

My office’s research and inquiry into what rates and fees are charged to inmates by the IDOC is at a preliminary stage, and we are still seeking more information and data on this subject.

It is my understanding that the IDOC will be asking the Board to adopt a uniform fixed rate for all calls, using the maximum rate allowed by the FCC (which is $.21 per minute for a debit call).
As a result, the cost for a 20 minute debit call (maximum length) would be $4.20 regardless of whether the call is a long distance call across state lines (interstate) or within the state (intrastate), or a local call. The rates of international calls will stay the same.

Initially, the IDOC proposal seems to be a good idea because it substantially reduces the cost of a 20 minute interstate call from ($9.00 to $4.20), and because it reduces the cost of intrastate calls on average approximately $2.45 per call; however, it more than doubles the cost of a local call from $2.00 per call to $4.20 per call. In 2013 the offenders used the calling system for a total of 9,586,272 minutes on 620,720 calls. According to the 2013 offender call volumes, local calls account for 58% of the total minutes used by offenders.

Information for Consideration

Because I believe the FCC report/order discusses important policy considerations about ICS rates and because the Board’s decision will likely have a significant impact on inmates’ ability to communicate by telephone with families and friends, I am requesting that the Board consider the information I am providing before making a decision on the rates and any other fees to be imposed for inmate calls. More specifically, I ask the Board’s consideration of the following:

- The first 20 pages of the FCC rule, which went into effect on February 11, 2014, are generally critical of the revenues generated from inmate calling systems.

- Portions of the rule that were stayed by the D.C. Circuit Court pending further judicial review, are highlighted in the attached “Summary of Changes” taken from the FCC website and the attached “Rule Changes” from the court’s ruling. Specifically, they concern “Cost-Based Rates for Inmate Calling Services,” “Interim Safe Harbor,” and “Annual Reporting and Certification Requirement.”

- A July 8, 2013, letter from the Acting Commissioner for the State of New York’s Department of Corrections and Community Supervision to the FCC that talks positively about what happened when that state eliminated its commissions on inmate calls. The letter describes how the change came about and the state’s experience from the change. I have also attached the New York legislation that was mentioned in the letter.

- The State of New Mexico also went through a review of inmate call rates through its rulemaking process, resulting in the New Mexico Public Regulation Commission adopting a final order and rule in 2012. The rate caps are in Addendum A of the rule.

- Governing published this week a story about the San Francisco County Jail, one of the first local jurisdictions to halt the practice for a service provider to pay “commissions” to correctional institutions, the result of which reduced the cost of inmate calls dramatically.


It is also noteworthy to look at other correctional agencies that have or are reforming their ICS rates in anticipation of or as a result of the FCC rule. In those states that have done so, the
competitive market pushed the rates down to a more reasonable level. The following rate information is taken from the attached FCC report/order.

- **Michigan and South Carolina**

  “When site commission payments were eliminated in South Carolina and Michigan, the average cost of a 15-minute call went down, from $2.70 to $1.35 and from $5.30 to $1.10, respectively.” (See p. 22)

- **Missouri Compared to Georgia**

  “For example, an interstate collect call in Missouri (a state that has reformed ICS rates) can cost as little as $0.05 per minute for a 15-minute call, while the same call in Georgia, a state that has not undertaken rate reform, can be as high as $0.89 per minute, plus an additional per-call charge as high as $3.95—as much as a 23 fold difference.” (See p. 20)

- **New Mexico**

  “…in New Mexico, after site commissions were prohibited, ICS rates fell from $10.50 for a 15-minute interstate collect call to $0.65 for the same 15-minute call based on revised ICS rates—a 94 percent reduction.” (See p. 21)

- **New York**

  “Today, New York rates are $0.048 per minute for all categories of calls with no per-call charges, or $0.72 for a 15-minute call—a 69 percent reduction.” (See p. 21)

- **Department of Homeland Security (ICE Detention Facilities)**

  “Similarly, we acknowledge that some federal agencies, such as the Department of Homeland Security’s Immigration Customs and Enforcement (ICE), have taken similar measures to provide lower rates, resulting in nationwide calling rates of $0.12 a minute without additional fees or commissions at ICE facilities.” (See p. 4)

Based on its review, the FCC is urging more states to reform their ICS rates:

We commend states that have undertaken ICS reform. In particular, we encourage more states to eliminate site commissions, adopt rate caps, disallow or reduce per-call charges, or take other steps to reform ICS rates. The reforms adopted in the Order are structured in a manner to encourage other states to undertake reform and to give states sufficient flexibility to structure reforms in a manner that achieves just and reasonable rates. (See p. 67 of FCC report/order).
Ombudsman’s Recommendation

The FCC’s report/order and final rule create a framework to ensure that interstate ICS rates are just and reasonable. (See pp. 26 - 53 of FCC report/order). I believe the FCC has proffered good public policies and useful information worthy of consideration by the State of Iowa. I agree with the FCC that a system that increases the frequency of the communication from offenders to friends and family will help reduce recidivism, which in turn reduces the overall costs to society.

The majority of Iowa prison inmates (if they have jobs) are paid $.27 to $.36 per hour. There is a higher rate of pay of $.37 to $.56 if the job requires a higher degree of skill or trust. If an inmate works for Iowa Prison Industries, the rate is $.58 to $.87 per hour. When families are living paycheck to paycheck and most inmates are making less than $.50 per hour, excessive rates “impose an unreasonable burden on some of the most economically disadvantaged in our society.” (See p. 24 from the FCC report/order).

I recommend that the Iowa Board of Corrections and the Iowa Department of Corrections ensure that the ICS rates and any other fees that they impose or pass on to Iowa inmates for telephone calls are just, reasonable, and fair. In doing so, they should consider the framework created by the FCC, including the implementation of a cost-based system.

Since the flat rate paid to IC Solutions is independent of the rates determined by IDOC and the Board, I do not believe a change in the rate policy would require rebidding the current contract. It may mean that the IDOC will have to determine how to pay for the programs currently being paid for by the inmate telephone rebate fund, and that will require some legislative support for the policy change.

I welcome any comments you may have to my recommendation. If you have questions, you may also contact Assistant Ombudsmen Eleena Mitchell-Sadler or Angela McBride for information.

Respectfully submitted,

Ruth H. Cooperrider
Ombudsman

RHC/jbc

Attachments:
- FCC Report and Order and Further Notice of Proposed Rulemaking (9/26/13)
- Summary of Changes (from FCC website)
- Rules Changes (rules stayed by court highlighted)
- Letter from New York Acting Commissioner for DOC to FCC
- New York Legislation
- New Mexico Public Regulation Commission’s Rule (see page 19 for rates)

1402202
January 9, 2015

The Honorable Tom Wheeler, Chairman
Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

RE: Comment for WC Docket No. 12-375
(Second Further Notice of Proposed Rulemaking)

Dear Chairman Wheeler:

We, the undersigned former Attorneys General, are contacting you in reference to WC Docket No. 12-375, commonly known as the Wright petition, to urge the FCC to take action with respect to high intrastate phone rates at prisons, jails and other detention facilities.

During our years as attorney general, we came to understand virtually all aspects of state government. Most of us were both criminal prosecutors while at the same time represented state departments of corrections. We fully understand the pressures on state budgets and how government often struggles to come up with enough funding to do even the simplest of things. And, finally, because most of us were elected officials, we have a firm grasp on the lack of popular support shown for prisoners and their families.

Fully armed with this understanding, we also are fully aware that 95% of the 2.2 million people held in prison and jails in the United States will one day be returned to society. We know that recidivism rates are high and that we as a society should do all that we can to lower that rate.

Studies indicate that prisoners who maintain close connections with their families and children while incarcerated have lower recidivism rates. For example, a Vera Institute report published in 2011 states: “Research shows that incarcerated people who maintain supportive relationships with family members have better outcomes—such as stable housing and employment—when they return to the community.” Another study published by the Vera Institute in October 2012 found that “Incarcerated men and women who maintain contact with supportive family members are more likely to succeed after their release.”

High prison telephone rates and ancillary fees hamper and sometimes eliminate a prisoner’s ability to maintain these critical family ties. Many inmates are housed at facilities far from their family members, which makes in-person visits difficult or impossible; also, an estimated 70% of prisoners function at the lowest levels of literacy, which frustrates written communication. Thus, phone calls constitute the primary means by which inmates stay in contact with their families and children. An estimated 2.7 million children in the U.S. have an incarcerated parent.
The problems associated with the prison phone industry and high prison phone rates are well-documented in pleadings and comments entered on the docket for the Wright petition. In brief, the prison phone industry is based on a monopolistic model in which companies bid on contracts to provide phone services for individual detention facilities or entire prison or jail systems. As a financial incentive to obtain these contracts, prison phone companies provide commissions to the contracting agency. These commissions, which average almost 50% of the gross phone revenue, result in inflated phone rates because the cost is passed on to consumers who pay for the calls – primarily prisoners' family members.

The FCC took the first step in addressing this issue by capping interstate prison phone rates in February 2014, but more remains to be done. Approximately 85% of phone calls made by inmates are intrastate, and the cost of these calls remains high because they are not affected by the Commission’s rate cap. While families of prisoners housed across state lines have benefited from the FCC's action, the majority of inmates' families – those who live in the same state as their incarcerated family member – have received no relief. Consequently, many still must pay high telephone rates and fees. Further, Public Utility Commissions in many states are unable to regulate intrastate phone rates due to deregulation of telecom services.

The record also reflects an additional practice that the FCC should address. In some cases, telecoms are actually taking prepaid monies from prisoner accounts if for whatever reason the account is “inactive” for a period of time. Any action taken by the FCC should therefore include the elimination of this practice. Additionally, the telecoms should not be allowed to charge refund fees to return consumer funds.

Therefore, based on the foregoing, we urge the FCC to act promptly on the Wright petition’s alternative rulemaking proposal by establishing reasonable benchmark rates for intrastate phone calls made from prisons, jails and other detention facilities, to reduce the cost of such calls and thereby enhance the ability of prisoners to maintain connections with their families.

Thank you for your time and attention in this important matter;

Sincerely,

Abrams, Robert, New York
Bardacke, Paul, New Mexico
Bellotti, Francis Xavier, Massachusetts
Botelho, Bruce M., Alaska
Bronster, Margery S., Hawaii
Brown, Charles G., West Virginia
Butterworth, Robert A., Florida
Bonnie J. Campbell, Iowa
Carter, Pamela Lynn, Indiana
Cohen, Walter W., Pennsylvania
Curran, Jr., J. Joseph, Maryland
Del Papa, Frankie Sue, Nevada
Diamond, Jerome "Jerry", Vermont
Doran, Richard E., Florida
Earley, Mark, Virginia
Easton, Jr., John J., Vermont
Edmondson, William Andrew "Drew", Oklahoma
Fisher, Lee, Ohio
Frohnymayer, David B., Oregon
Gansler, Douglas F. "Doug", Maryland
Gebelein, Richard S., Delaware
Graham, Jan, Utah
Harshbarger, Luther Scott, Massachusetts
Harvey, Peter C., New Jersey
Henry, Robert Harlan, Oklahoma
Humphrey III, Hubert Horatio "Skip", Minnesota
Ieyoub, Sr., Richard Phillip, Louisiana
Ketterer, Andrew, Maine
King, Gary Kenneth, New Mexico
Lautenschlager, Peggy A. "Peg", Wisconsin
Lockyer, William Westwood "Bill", California
MacFarlane, J.D., Colorado
Madrid, Patricia A., New Mexico
Milgram, Anne, New Jersey
Modisett, Jeffrey A., Indiana
Moore, Michael, Mississippi
Nickles, Peter J., District of Columbia
Petro, James M., Ohio
Roberts II, Dennis J, Rhode Island
Rogers, Nancy, Ohio
Rosenthal Stephen "Steve" D., Virginia
Rowe, G. Stephen, Maine
Sachs, Stephen H., Maryland
Shannon, James Michael, Massachusetts
Stephan, Robert Taft, Kansas
Terry, Mary Sue, Virginia
Tierney, James E., Maine
Van de Kamp, John, California
Woods, Grant, Arizona
Zazzali, James R., New Jersey
Zimmerman, LeRoy S., Pennsylvania