

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: RELIANCE TELEPHONE OF GRAND FORKS, INC.	DOCKET NO. TF-2019-0026
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ORDER REQUIRING FILING REVISIONS TO REVISED TARIFF

PROCEDURAL BACKGROUND

On January 30, 2020, the Utilities Board (Board) issued an order rejecting the proposed tariff filed by Reliance Telephone of Grand Forks, Inc. (Reliance), to provide inmate calling service in Iowa and requiring Reliance to file a revised tariff with certain revisions and to address certain issues raised in the order. On February 28, 2020, Reliance filed the revised tariff required by the January 30, 2020 order.

On March 11, 2020, the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, filed an objection to the revised tariff. On March 31, 2020, Prison Policy Institute, Inc. (PPI), filed an objection to the revised tariff. PPI had been granted intervention in this docket on May 1, 2019.

On April 9, 2020, the Board issued an order scheduling a technical conference to review the revised tariff filed on February 28, 2020. The technical conference was held as scheduled on June 9, 2020. At the technical conference, Reliance described the services it offered and agreed to make certain revisions to the revised tariff.

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TECHNICAL CONFERENCE INFORMATION

In describing the rates and services that are shown in the revised tariff, Reliance provided the following information:

1. Reliance stated that commissions to the correctional facilities are included in the proposed rates and Reliance is attempting to move all of its rates to \$0.25 per minute. Reliance stated that movement from the rate of \$0.40 per minute has been resisted by some correctional facilities.
2. Reliance stated that it had begun offering an "Inmate Wallet" service with a rate of \$0.25 per minute to conform to Federal Communications Commission (FCC) standards. The Inmate Wallet service would allow any person to go to Reliance's website and put money into an inmate's account.
3. Reliance stated that it has to install new equipment in the correctional facilities to offer the Inmate Wallet service and it needs to negotiate new contracts with the correctional facilities. Nine correctional facilities have the Inmate Wallet service now, 31 have signed up for the service, and 15 have not signed agreements.
4. Reliance stated that it needs to put equipment at the correctional facilities because other telecommunications service providers have patents for centralized Voice over Internet Protocol (VoIP) and Reliance cannot afford to pay those providers for use of the patent.

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5. Reliance stated that it uses funds generated by the \$3.00 transaction fee to help defer the costs associated with the Inmate Wallet service. Reliance cannot use the funds when money is put into a prepaid debit card because the transaction fee goes to the correctional facility commissary. In addition, the commission, or “cost recovery fee,” would be set at 35 percent at all correctional facilities under the new contracts.
6. Reliance anticipates having the new equipment in the correctional facilities where it provides inmate calling service by the end of 2020.
7. Reliance stated that it pays for sending calls into the local switch and for calls coming out of the local switch at rates of \$0.14 and \$0.21 for each call. Paying for use of the VoIP patent would be a monthly fee of \$35 to \$37. Reliance suggests that these payments and the payments to the local carrier should be investigated.

REVISIONS TO REVISED TARIFF

The Board has considered the information provided during the technical conference and has reviewed the revised tariff filed by Reliance on February 28, 2020. Based upon the Board’s consideration, Reliance will be required to file revisions to its revised tariff as follows:

1. Since the tariff approved by the Board will be a complete tariff, the reference for each page should be “Original Sheet No. (page)” and not “First Revised Sheet No.”

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2. Original Sheet No. 1. Change “Iowa Public Service Commission” to “Iowa Utilities Board.”

3. Original Sheet No. 2. “Remove First Revised Sheet No. 2” and the word “Cancels” on the top of this page. Also, the dates of any revised sheet in future filings should not be included on a revised sheet.

4. Original Sheet No. 3. The dates of revisions should not be added.

5. Original Sheet No. 6. Remove 1.5, which lists holidays for rate purposes.

6. Original Sheet No. 7. Remove 2.1.6, which provides that Reliance may place coin-operated phones in the correctional facilities.

7. Original Sheet No. 8. Change a period in 2.3.1 to a comma. Change a period in 2.3.2 to a comma. Change “to” to “be” in 2.3.3. Change a period to a comma in 2.4.

8. Original Sheet No. 9. Change a capital “N” in nonpayment to a lower case “n” in 2.9.1.A. Remove the extra period after Inc. in 2.9.1.B.

9. Original Sheet No. 10. Change the address of the Board to 1375 E. Court Ave., Des Moines, IA 50319. Change the local telephone number of the Board to 515-725-7300.

10. Remove Original Sheet No. 11 and replace with 11.1. This sheet is now Original Sheet No. 11. Change “uncompleted” to “incomplete” in 3.13.D.

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11. Remove Original Sheet No. 12 and replace with 12.1. This sheet is now Original Sheet No. 12. Change “uncompleted” to “incomplete” in Original Sheet No. 12. Change “uncompleted” to “incomplete” in 3.1.3.I.

12. Original Sheet No. 13. Sections 3.1.3.N, 3.1.3.O, 3.1.3.P, and 3.1.3.Q should be moved from Original Sheet No. 13.1 to Original Sheet No. 13. The dates for the revisions moved from Original Sheet 13.1 should be deleted. The sections under “Timing of Calls” on Original Sheet No. 13 should become Original Sheet No. 14, and subsequent original sheets should be renumbered accordingly.

13. Original Sheet No. 13.1. The sections in this sheet should be moved to Original Sheet No. 13, then this sheet should be deleted.

14. Original Sheet No. 14. This sheet should be renumbered as Original Sheet No. 15 and the sections on this sheet should be replaced by the revisions shown on Original Sheet 14.1, without the dates for the revisions. A provision is required to be added to this sheet that states, “The rates in Plan A and Plan B shall expire on December 31, 2020.” Reliance will be required to file a Revised Sheet No. 15 to reflect the removal of Plan A and Plan B from its tariff after December 31, 2020.

15. Original Sheet No. 14.1. The provisions in this sheet will be moved to the renumbered Original Sheet No. 15 and Original Sheet No. 14.1 shall be deleted.

16. Original Sheet No. 15. This sheet should be renumbered to Original Sheet No. 16 and the provisions in Original Sheet No. 15.1 moved to renumbered Original Sheet No. 16. Renumbered Original Sheet 16 should contain language in

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section 4.3.1 that specifically states that credit card fees and other processing fees are charged in addition to the \$3.00 automated payment fee.

ADDITIONAL REQUIREMENTS

In addition to the revisions to the revised tariff described above, the Board will require Reliance to include a provision in its tariff that states that posting, blocking, and billing at some correctional facilities may not be consistent with the requirements in 199 Iowa Administrative Code (IAC) 22.6 since contracts with correctional facilities may have provisions that do not allow compliance. This statement will address compliance with 199 IAC 22.6(7).

As indicated with regard to the rates in the revised tariff, Reliance will be allowed to continue to charge the rates in Plan A and Plan B in the tariff until December 31, 2020. Beginning January 1, 2021, those rates will then no longer be allowed and Reliance will be required to charge the rates proposed for Plan C, or \$0.25 per minute. Allowing Plan A and Plan B to continue until December 31, 2020, will allow Reliance time to install equipment at correctional facilities for the Inmate Wallet service.

The issue of whether the Board will allow the credit card and other processing fees in addition to the \$3.00 automated payment fee to be charged to customers is not resolved in this order. That issue will be addressed in a subsequent order after Reliance has filed the revisions required by this order.

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ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. Reliance Telephone of Grand Forks, Inc., shall file revisions as described in this order to its revised tariff filed February 28, 2020, within 30 days of the date of this order.
2. Responses to the revisions required in Ordering Clause 1 shall be filed within 15 days of the date those revisions are filed.

UTILITIES BOARD

Geri Huser Date: 2020.08.10
12:02:35 -05'00'

ATTEST:

Anna Hyatt Date: 2020.08.10
14:11:47 -05'00'

Richard W. Lozier, Jr. Date: 2020.08.07
10:02:43 -05'00'

Dated at Des Moines, Iowa, this 10th day of August, 2020.