

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

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IN RE:

PRODIGY SOLUTIONS, INC.

DOCKET NO. TF-2019-0032

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**ORDER REQUIRING FILING OF REVISIONS TO REVISED TARIFF**

**PROCEDURAL BACKGROUND**

On May 27, 2020, the Utilities Board (Board) issued an order requiring Prodigy Solutions, Inc. (Prodigy), to file a revised tariff consistent with the order. On June 25, 2020, Prodigy filed the required revised tariff and an application for confidential treatment of the names and locations of the correctional facilities where Prodigy provides inmate calling service. The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice; Prison Policy Initiative, Inc. (PPI); and Global Tel\*Link Corporation are parties to this docket. Securus Technologies, Inc., has also been granted intervention in this docket.

On July 14, 2020, OCA filed an objection to the application for confidential treatment. OCA also filed an objection to certain provisions of the revised tariff.

On July 15, 2020, the Board issued an order scheduling a technical conference to review the revised tariff. On July 28, 2020, Prodigy filed a second revised tariff. On August 5, 2020, OCA filed comments addressing the July 28, 2020 revised tariff.

On August 13, 2020, the technical conference was held as scheduled. The participants at the technical conference considered the provisions in the July 28, 2020

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revised tariff. Based upon the information provided in the August 13, 2020 technical conference and a review of the July 28, 2020 revised tariff, the Board is issuing this order, which requires revisions to the July 28, 2020 revised tariff.

### **ANALYSIS OF JULY 28, 2020 REVISED TARIFF**

The Board discusses certain provisions of the July 28, 2020 revised tariff below.

**A.** Original Page 4. Prodigy proposed an additional symbol to describe proposed tariff revisions in addition to the symbols listed in 199 Iowa Administrative Code (IAC) 22.2(2)(c). The additional symbol is an “M” that signifies material relocated from one page to another without a change in the provision. At the technical conference, Prodigy stated that it would remove the symbol “M” from the tariff. The Board is not requiring that the symbol be removed. The questions at the technical conference about the symbol were to clarify what it represented.

**B.** Original Page 6. This page sets out the definitions of terms in the tariff. OCA recommended that the term “confinement” in “correctional or confinement institutions” and use of the term “confinement” throughout the tariff be changed to “correctional.” The Board agrees with this recommendation and will require that the tariff be revised accordingly.

Prodigy clarified that the term “customer or end user” did not include the inmate, but included friends and family who are responsible for payment for the calls.

**C.** Original Page 10. Section 2.5 states that Prodigy does not require deposits. This provision is somewhat ambiguous since all inmate calling requires

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creation of an account with the deposit of funds before calls can be made. PPI questioned how Prodigy's business works if Prodigy does not require deposits and doesn't provide for collect calls. Prodigy stated that the language in 2.5 only means it does not require deposits; however, Prodigy does accept payments through prepaid debit accounts and prison commissary payments. Prodigy should review the provision and determine whether the language is accurate or necessary.

Section 2.7 states that, "Unless otherwise specified, all state and local taxes (e.g., sales tax, municipal utilities tax) are not included in quoted rates. This provision is addressed in the next section of this order.

**D.** Original Page 11. Sections 2.8.1 and 2.8.2 provide that for charges billed through the customer's local exchange carrier, the customer must dispute the charges within 90 days of the date the bill is issued. At the technical conference, Prodigy stated that these two provisions would not apply to inmate calling under the tariff since Prodigy does not offer collect calling as an option.

Prodigy will be required to remove these two provisions since they do not apply to the services offered in the tariff.

Section 2.8.2.A has the wrong address for Prodigy. Prodigy will be required to update its address in the tariff.

**E.** Original Page 13. Section 2.9 lists the reasons that Prodigy may refuse or suspend service. At the technical conference, Prodigy stated that the provisions are not necessarily applicable to the inmate calling services provided in the tariff. Prodigy

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stated that it would update the list to reflect current requirements applicable to the inmate calling service approved in the tariff.

**F.** Original Page 15. Section 3.1 states that billing information will be validated. Prodigy agreed to remove this provision since the provision applies to collect calls.

**G.** Original Page 17. Section 3.4 establishes requirements for prepaid institutional calling services. Prodigy states that this service is set up by friends and family and information about the account balance is provided to the customer when the inmate makes a call using this service. The account balance is refundable upon request by the called party. This section also states that a prepaid debit account allows the inmate to set up a prepaid account at the correctional facility.

The Board has reviewed this provision and considers it consistent with the services offered by Prodigy. Prodigy does not offer collect calling service, so all inmate calling utilizes prepaid accounts.

**H.** Original Page 20. Section 4.2.1 sets a rate of \$0.21 per minute for all prepaid calls. Prodigy states that once the proposed tariff is approved, it will begin charging the \$0.21 rate.

**I.** Original Page 22. Section 4.4 provides the ancillary fees that Prodigy will charge for automated payments, live agents, and paper statements. The fees mirror the Federal Communications Commission (FCC) fees set for interstate calls. Prodigy stated at the technical conference that it does not mark up transaction fees paid to third-party companies such as Western Union and MoneyGram. Prodigy stated that it

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does not have any contracts with these third-party companies for payments if inmates use the third-party payment service. Prodigy will be required to confirm when it files the revisions to the revised tariff that it does not have any contracts or arrangements with third-party companies that mark up transaction fees.

### **OCA-SPECIFIC ISSUES**

At the technical conference, OCA addressed three specific issues. The first issue involved how taxes are assessed on customer bills. OCA addressed section 2.7 that provides that state and local taxes are not included in per-minute rates. OCA pointed out that FCC regulations place restrictions on the billing of taxes for interstate inmate calling service. OCA suggests the same restrictions be applied to intrastate inmate calling service and the tariff state the restrictions.

Prodigy stated that it would be impractical to list all taxes charged in addition to per-minute rates in the tariff. Prodigy agreed to review the FCC regulations for language to add to the tariff. Prodigy stated that taxes on telecommunications service are complex, since they include municipal taxes and taxes such as Universal Service Fund payments. Prodigy stated that it uses a third-party vendor to calculate the taxes to be added to an inmate calling bill and the tax rate can vary significantly.

The Board understands that calculating the taxes that apply to inmate calling may be complex; however, the Board considers it important that the FCC regulations limiting what taxes can be charged in addition to per-minute rates also be applied to intrastate inmate calling. Only government-mandated taxes may be charged in addition

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to the approved per-minute rate. Prodigy will be required to list the types of taxes that are calculated by the third-party company to ensure that only mandated taxes are included in the calculation.

OCA argued that the names and locations of the correctional facilities served by Prodigy and other inmate calling service providers should be public information. Prodigy requested confidential treatment for the names and locations of those facilities.

The Board has previously determined that the names and locations of the correctional facilities where an inmate calling service provider has contracted for service may be held confidential. (See Docket No. TF-2019-0270, "Order Requiring Filing of Revised Tariff," issued May 21, 2020.) However, Prodigy will be required to include a tariff page that states the names and locations of the correctional facilities are filed as confidential. If the names and locations change, Prodigy will be required to file a revision to the confidential list.

OCA stated that it is still reviewing how ancillary charges are addressed by the inmate calling providers.

### **ORDERING CLAUSES**

#### **IT IS THEREFORE ORDERED:**

1. Prodigy Solutions, Inc., shall file within 30 days of the date of this order revisions to the July 28, 2020 revised tariff that are consistent with this order. The following revisions shall be made to the revised tariff:

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- a. Include a tariff page for the name and location of any correctional facilities where inmate calling service is provided. This information may be filed as confidential information.
  - b. Replace the term “confinement” with the term “correctional” in the tariff.
  - c. In section 2.7, list the types of taxes that are charged for inmate calling service.
  - d. Remove sections 2.8.1 and 2.8.2.
  - e. Revise section 2.8.2.A with the correct address.
  - f. Revise section 2.9 to be applicable to the service offered in the tariff.
  - g. Remove section 3.1.
2. Prodigy Solutions, Inc., shall confirm that it does not have any contracts or arrangements with third-party companies to mark up transaction fees.
  3. Prodigy Solutions, Inc., shall ensure that it is up to date on annual reports, annual registration, Dual Party Relay Service assessments, and invoice payments.

**UTILITIES BOARD**

**Geri Huser** Date: 2020.09.03  
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ATTEST:

**Anna Hyatt** Date: 2020.09.04  
10:48:51 -05'00'

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Richard W. Lozier, Date: 2020.09.03  
Jr. 09:32:29 -05'00'

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Dated at Des Moines, Iowa, this 4th day of September, 2020.