

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 OF REVISIONS TO REVISED TARIFF

PROCEDURAL BACKGROUND

On February 28, 2020, Reliance Telephone of Grand Forks, Inc. (Reliance), filed a revised tariff with the Utilities Board (Board) as required by a January 30, 2020 Board 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 Initiative, Inc. (PPI), filed an objection to the revised tariff. PPI had been granted intervention in this docket on May 1, 2019. Global Tel*Link Corporation and Securus Technologies, Inc., also have been granted intervention in this docket.

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.

On August 10, 2020, the Board issued an order requiring revisions to the February 28, 2020 revised tariff. On September 9, 2020, Reliance filed revisions in response to the August 10, 2020 order. On September 24, 2020, OCA filed comments regarding the revisions filed by Reliance.

ANALYSIS OF SEPTEMBER 9, 2020 REVISED TARIFF

The Board has reviewed the revisions filed by Reliance and the comments filed by OCA. Outlined below are the provisions of Reliance's proposed tariff that will require additional revisions and those provisions to which OCA commented.

A. Original Sheet No. 1: Reliance included two extra periods and will be required to remove the two extra periods in the last sentence on this tariff sheet. Reliance has changed "confinement" to "correctional" for the designation of where inmate calling service is provided, as requested by OCA; however, the term "confinement" is still used on Original Page No. 1. Reliance will be required to change the term on this page.

B. Original Sheet No. 5: Reliance included an extra period and will be required to remove the extra period at the end of the sentence in section A: "When a new sheet is added between sheets already in effect a decimal is added." In section B, change the word "shed" to "sheet" in the last sentence of the section. In section D, change the beginning phrase in the first sentence to read: "When a revised tariff filing is made with the IUB. . . ."

C. Original Sheet No. 6: In section 1.1, Reliance included two extra periods and will be required to remove the two extra periods after the first sentence and in section 1.2 after Reliance's name. In section 1.6, edit the word "service" to be in all capital letters. In section 1.9, change the second sentence to read: "Charges are deducted from the Prepaid Balance on a per-minute, real-time basis."

D. Original Sheet No. 7: OCA points out that in section 2.1.4 the references to InterLATA and IntraLATA are outdated and not referred to anywhere in the tariff.

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Reliance should remove reference to InterLATA and IntraLATA. In section 2.2.3, remove the word “are” or add “and” after the word “Company” in the first sentence.

E. Original Sheet No. 8: The provisions in sections 2.6, Deposits, and 2.7, Advance Payments, appear to be inconsistent with how inmate calling service is paid for because all inmate calling service is prepaid. These two sections need to be clarified or deleted. In section 2.8, the following language needs to be inserted, as suggested by OCA: “The billing of taxes on intrastate calls will be in accordance with the same restrictions as are required by Federal Communications Commission rules for interstate calls.”

F. Original Sheet No. 10: Reliance needs to include a telephone number where a customer or inmate may contact the company. In addition, the Board's toll-free telephone number and email address must be included with the Board's address. The toll-free number is 877-565-4450 and the email address is customer@iub.iowa.gov.

G. Original Sheet No. 13: Section 3.1.3.P states: “All of our rates are available at all correctional facilities except for the Inmate Wallet Rate and Plan C. This new rate will be offered at all correctional facilities. We are currently in progress installing the new hardware and software at each location.” This language appears to be inconsistent because the first sentence makes an exception for Inmate Wallet Rate and Plan C and the second sentence states this new rate will be offered at all correctional facilities. Reliance will be required to clarify whether Inmate Wallet Rate and Plan C will be offered at all correctional facilities.

In section 3.2.1, the proposed tariff states that long-distance usage charges are based on actual usage of Reliance's network. Reliance will need to clarify what long-

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distance usage charges are addressed by this language. It is the Board's understanding that there are no long-distance charges for intrastate inmate calling and the rates for all calls are the rates approved by the Board in the tariff. Charges that are not approved by the Board are not allowed.

H. Original Sheet No. 14: This sheet contains the rates to be charged for calls at correctional facilities where Reliance provides inmate calling service. The rates included are for Plans A, B, C, and Inmate Wallet Rate service. Section 4.2 states, "The rates in Plan A and B shall expire on December 31, 2020," which is consistent with the Board's direction in the August 10, 2020 order.

OCA points out that the statement that Plan A and Plan B rates expire on December 31, 2020, is not included in section 4.1 of the proposed tariff, which includes Plan A rates of \$0.40 per minute. OCA also points out that there are no distinctions between day, evening, and night/weekend rates, so those labels should be removed. Reliance will be required to remove the day, evening, and night/weekend labels because rates are not based upon the time of day that a call is made.

Section 4.1 includes rates of \$0.25 per minute for local direct-billed service, \$0.40 per minute for intrastate direct-billed and collect service under Plan A, and \$0.25 per minute under Plan C. Beginning January 1, 2021, all calls for local and intrastate calling will be \$0.25 per minute, which is consistent with the interstate rates approved by the FCC. Removal of the Plan A and Plan B rates is addressed in a separate section below.

Section 4.2 sets out rates for Plan A and Plan B prepaid card rates of \$0.40 and \$0.50 per minute, respectively. These rates are not just and reasonable and will not be

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approved by the Board after December 31, 2020. Reliance shall clarify whether it will still offer prepaid calling cards after December 31, 2020.

Section 4.3 sets the Inmate Wallet Rate at \$0.25 per minute. This rate is consistent with the rates for interstate inmate calling approved by the Federal Communications Commission (FCC).

I. Original Sheet No. 15: Section 4.3 sets out the ancillary rates proposed to be charged by Reliance. In section 4.3.1 for automated payment fees, Reliance proposed to charge \$3 and a 3.3% credit card processing fee. For interstate calls, the FCC only allows the transaction fee to be passed through to the customer with no markup.

OCA objects to the addition of a 3.3% credit card processing fee in addition to the \$3 fee allowed by the FCC. OCA argues that allowing the additional fee exceeds the cap established by the FCC for automated transaction fees. OCA cites to the recent FCC order that proposes revisions to the FCC's inmate calling service rules. *In the Matter of Rates for Interstate Inmate Calling Services*, WC Docket No. 12-375, Report and Order on Remand and Fourth Further Notice of Proposed Rulemaking, FCC 20-111 (August 6, 2020), 2020 WL 4669748.

All of the proposed tariffs filed by inmate calling service providers have mirrored the rates set by the FCC, except for Reliance. The FCC allows the inmate calling service provider to pass through any transaction fee for credit card payment or payment through a third party, such as Western Union. The FCC allows the inmate calling service provider to also charge a \$3 fee for automated payments to a prepaid account,

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in addition to the transaction fee charged by a credit card company or other third-party vendor. (*Id.*)

Instead of passing through the transaction fee charged by a credit card company or a third-party provider, Reliance proposes a 3.3% fee for each transaction. The Board does not consider this reasonable. Consistency with FCC rules is important to avoid confusion and to ensure the rates paid by customers are just and reasonable. Reliance will be required to remove the 3.3% credit card processing fee from sections 4.3.1 and 4.3.2 and instead include the following language: "Third-party transaction fees, including credit card processing fees, shall be passed through to customers with no markup. The Company receives no payment from a third-party vendor's transaction fees."

J. In the August 10, 2020 order, the Board allowed Reliance until December 31, 2020, to complete the transition to \$0.25 per-minute rates for inmate calling service in Iowa. In the revisions filed by Reliance on September 9, 2020, Reliance included the rates of \$0.40 and \$0.50 per minute for Plan A and Plan B calls, respectively, and included a statement that those rates would expire on December 31, 2020. Due to the Board requiring Reliance to file additional revisions to its proposed tariff, Reliance will be required to file a full tariff consistent with this order, without Plan A and Plan B rates, and with an effective date of January 1, 2021. The Board can then approve the full tariff for service on and after January 1, 2021, and the only rates in the tariff will be the \$0.25 per-minute rate approved by the Board.

K. Reliance will be required to include a tariff sheet for the names and locations of correctional facilities where Reliance provides inmate calling service. A

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revised tariff sheet will be required when Reliance adds a correctional facility or when it no longer provides service to a correctional facility.

L. Reliance has no provisions in the revised tariff for notifying inmates or customers about how to obtain a refund of unused balances in the prepaid accounts. Reliance will be required to include a provision that establishes notification requirements regarding how refunds are to be requested and whether there are any restrictions on requesting refunds, such as within a certain amount of time after the last call.

M. Reliance will be required to ensure that it has updated its annual report and registration, filed required Dual Part Relay Service reports and fees, and paid all outstanding invoices.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. Reliance Telephone of Grand Forks, Inc., shall file within 30 days of the date of this order revisions to the September 9, 2020 revised tariff that are consistent with this order.
2. Reliance Telephone of Grand Forks, Inc., shall include the following revisions in its revised tariff:
 - a. Remove the extra periods in the last sentence on Original Sheet No. 1 and change the word “confinement” to “correctional.”
 - b. Remove the extra period in section A. Change the word “shed” to “sheet” in section B. Change the beginning phrase in the first sentence of section D to begin, “When a revised tariff filing is made with the IUB. . . .”

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- c. Remove the extra periods in section 1.1 and the two extra periods in section 1.2 on Original Sheet No. 6. In section 1.6 on Original Sheet No. 6, edit the word “service” to be in all capital letters, and in section 1.9, change the second sentence to read: “Charges are deducted from the Prepaid Balance on a per-minute, real-time basis.”
- d. Remove the references to InterLATA and IntraLATA on Original Sheet No. 7. In addition, in section 2.2.3, remove the word “are” or add “and” after the word “Company” in the first sentence.
- e. Original Sheet No. 8: Clarify or delete the provisions in sections 2.6, Deposits, and 2.7, Advance Payments, regarding requirements for deposits and advance payments for inmate calling service. In section 2.8, insert the following language: “The billing of taxes on intrastate calls will be in accordance with the same restrictions as are required by Federal Communications Commission rules for interstate calls.”
- f. Original Sheet No. 10: Include a telephone number where a customer or inmate may contact the company. In addition, the Board’s toll-free telephone number, 877-565-4450, and email address, customer@iub.iowa.gov, shall be included with the Board’s address.
- g. Original Sheet No. 13: In Section 3.1.3.P, clarify whether Inmate Wallet Rate and Plan C will be offered at all correctional facilities. In section 3.2.1, clarify what long distance usage charges are addressed.

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- h. Original Sheet No. 14: In section 4.1, remove the reference to day, evening, and night/weekend rates. In section 4.2, clarify whether prepaid calling cards will continue to be offered after December 31, 2020.
 - i. Original Sheet No. 15: In sections 4.3.1 and 4.3.2, remove the 3.3% fee for each transaction and add the following language: "Third-party transaction fees, including credit card processing fees, shall be passed through to customers with no markup. The Company receives no payment from a third-party vendor's transaction fees."
 - j. Original Sheet No. 14: Remove reference to Plan A, B, and C and the corresponding rates, and show a rate of \$0.25 per minute for all calls.
 - k. Include a tariff sheet providing the names and locations of correctional facilities where Reliance provides inmate calling service within the state of Iowa.
 - l. Include provisions in the tariff for notice to inmates and customers regarding how to request refunds and any limitations on requesting refunds.
3. Responses to the revisions required in Ordering Clauses 1 and 2 shall be filed within 15 days of the date those revisions are filed.

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4. Reliance Telephone of Grand Forks, Inc., shall ensure that its annual report, registration, and Dual Party Relay Service reports and payments are up to date and that it has paid all outstanding invoices.

UTILITIES BOARD

Geri Huser Date: 2020.12.11
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ATTEST:

Anna Hyatt Date: 2020.12.11
13:14:29 -06'00'

Richard W. Lozier, Date: 2020.12.11
Jr. 11:54:02 -06'00'

Dated at Des Moines, Iowa, this 11th day of December, 2020.