

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 APPROVING TARIFF AND REQUIRING REVISED TARIFF SHEET

PROCEDURAL BACKGROUND

On January 2, 2019, the Utilities Board (Board) issued an order terminating rule making in Docket No. RMU-2017-0004, which required all alternative operator services (AOS) providers to file tariffs with the Board. On March 14, 2019, the Board issued an order requiring that AOS providers file a complete tariff and required those companies to file additional information.

On March 28, 2019, Reliance Telephone of Grand Forks, Inc. (Reliance), filed a proposed tariff to comply with the Board orders issued in Docket No. RMU-2017-0004. Reliance's tariff was identified as Docket No. TF-2019-0026. The Board subsequently issued various orders requiring revisions to Reliance's tariff. In compliance with a December 11, 2020 order requiring revisions, Reliance filed a revised tariff on January 6, 2021.

The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice; Prison Policy Initiative, Inc. (PPI); Global Tel*Link Corporation; and Securus Technologies, LLC, are parties to this docket.

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On January 19, 2021, OCA filed comments regarding Reliance's January 6, 2021 tariff revisions, noting several outstanding concerns but generally agreeing with the revisions. On January 21, 2021, PPI filed comments supporting OCA's position.

DISCUSSION

The Board has reviewed the revised tariff filed by Reliance on January 6, 2021, and finds that Reliance's proposed tariff, as revised, is in substantial compliance with Board requirements. The tariff implements a per-minute rate of \$0.25 for all calls, which is consistent with rates for interstate inmate calling set by the Federal Communications Commission (FCC). The rates will become effective once the revised tariff is approved by the Board. The Board considers it important that these reduced rates be implemented as soon as possible and is approving the revised tariff on that basis.

A. OCA Comments

In its comments, OCA raised objections to the provisions of the Reliance tariff in sections 4.3.1 and 4.3.2 and noted the lack of a provision regarding how a customer may obtain a refund. In revised proposed section 4.3.1, OCA objects to allowing Reliance to charge both an automated payment fee and a third-party transaction fee, arguing that the \$3.00 automated payment fee cap imposed by the FCC is intended to cover any fees associated with the use of a payment card. OCA had the same objection to section 4.3.2, stating that the \$5.95 live agent fee cap imposed by the FCC is intended to cover any fees associated with the use of a live agent to make a deposit. In both proposed tariff sections, OCA argues that the reference to third-party transaction fees does not belong in a tariff provision addressing either live agent fees or automated

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payment fees. OCA argues that Reliance may address third-party transaction fees in a separate provision.

B. Board Discussion

The Board has required all inmate calling service companies to include in their tariff specific language regarding third-party transaction fees. The language contained in proposed sections 4.3.1 and 4.3.2 incorporates the language provided by the Board. OCA contends that the language is added to these sections erroneously. OCA suggests that the \$3.00 automated payment fee is to cover deposits made by credit card, debit card, and other interactive voice response, web, and kiosks and the \$5.95 live agent fee is to be inclusive of all costs associated with making a payment by a live operator. OCA supports this argument by stating that a third-party transaction fee would only be applicable in the event that a third party, such as Western Union or MoneyGram, is used to deposit money into the customer's account. OCA argues that there is no situation where a customer would be subject to both an automated payment fee or live agent fee and a third-party transaction fee.

In the Board's Order Requiring Filing of Revisions to Revised Tariff issued on December 11, 2020, the Board required Reliance to include the following language with regard to third-party transaction fees: "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." The Board still requires this language to appear in the section addressing ancillary charges in the tariff, but separate from the automated payment fees and live agent fees. There are two

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section 4.3's in the revised tariff, and Reliance will be required to renumber the section setting rates for ancillary services.

Also included in the December 11, 2020 order, the Board required Reliance to include provisions in the tariff for notice to inmates and customers regarding how to request refunds and any limitations on requesting refunds. The revised proposed tariff still does not include the required information regarding refunds, and Reliance will be required to file a revised tariff sheet with that information as a new tariff filing.

Based on the discussion contained in this order, Reliance will need to file revised tariff sheets to implement additional changes to ensure Reliance is providing service under provisions required for other inmate calling service companies. However, based upon the substantial compliance with Board requirements for providing inmate calling service, the Board will approve Reliance's proposed tariff, as revised, and require the filing of the revised tariff sheets.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. The proposed tariff filed by Reliance Telephone of Grand Forks, Inc., on January 6, 2021, and identified as Docket No. TF-2019-0026, is approved subject to complaint and investigation, and will become effective on the date of this order.

2. Reliance Telephone of Grand Forks, Inc., shall file revised tariff sheets with the following revisions within 30 days of the date of this order:

- a. Revise the section numbering in section 2 to maintain numerical continuity.
- b. Renumber and revise sections 4.3.1 and 4.3.2 to remove any reference to third-party transaction fees and add the following language in the

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renumbered section setting ancillary fees: “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.”

- d. Include language that describes when and how an account holder or inmate is notified of how they may obtain refunds.

UTILITIES BOARD

Geri Huser Date: 2021.02.04
13:35:52 -06'00'

Richard W. Lozier, Date: 2021.02.05
Jr. 10:29:18 -06'00'

ATTEST:

Anna Hyatt Date: 2021.02.05
16:00:55 -06'00'

Joshua J Byrnes Date: 2021.02.04
15:36:05 -06'00'

Dated at Des Moines, Iowa, this 5th day of February, 2021.