

STATE OF IOWA
DEPARTMENT OF COMMERCE
BEFORE THE IOWA UTILITIES BOARD

IN RE:

ENCARTELE, INC.

DOCKET NO. TF-2019-0270

**PRISON POLICY INITIATIVE'S COMMENTS
REGARDING ENCARTELE'S PROPOSED TARIFF (REVISED)**

Pursuant to the Board's order of December 11, 2020, Encartele, Inc. filed a proposed revised proposed tariff in the above-captioned proceeding on February 9, 2021 (the "Revised Tariff"). The Prison Policy Initiative, Inc. ("PPI"), having previously been granted leave to intervene in this proceeding, submits the following comments in opposition to the Revised Tariff. As explained below, PPI objects to the structure of certain ancillary fees contained in the Revised Tariff and asks the board to withhold its approval until the fees are lowered or Encartele provides evidence justifying its high charges for automated payments.

The Revised Tariff proposes an automated payment fee of \$3 plus "pass through" of "[a]ny third-party transaction fees, including credit card processing fees." Rev. Tariff § 4.3.2. As established by evidence previously submitted by PPI, the pass-through processing fees levied by Encartele equal 5% of the amount being deposited. *See* Declaration of Andrea L. Fenster (attached to [PPI Comments of Nov. 13, 2020](#)). The table on the following page demonstrates that Encartele's structure for payment fees is higher than any other inmate calling services carrier operating in Iowa. The next-highest variable pass-through charge for account deposits is 3.3% (charged by Global Tel*Link and Reliance Telephone of Grand Forks). Encartele has provided no evidence justifying its practice of charging 52% more in pass-through payment fees than other carriers in the same market. Indeed, even individuals and small businesses without established credit profiles can receive online credit- and debit-card payments at processing fees of 2.9%.¹

¹ See <https://squareup.com/us/en/payments/pricing> (processing fees for online payments of 2.9% plus 30¢).

Table 1. Automated Payment Fees by Carrier

Company	Flat Fee	Variable Component
CPC	\$3.00	2.58-3.3%*
Encartele	\$2.99	5%
GTL	\$3.00	3.3%
NCIC	\$3.00	none
Prodigy	\$3.00	2.8%
Reliance	\$3.00	3.3%
Securus	\$3.00	none

* Percentage varies based on amount of deposit and may be higher for deposits under \$10

Sources: Flat fees come from tariffs filed with Iowa Utilities Board. Variable components come from company websites.

Given the outlier status of Encartele’s variable fee, PPI questions Encartele’s claim that the variable portion of its automated payment fee represents a true pass-through, without markup, of its costs. Accordingly, the Board should not approve the current tariff absent clear evidence that Encartele actually pays 5% processing fees for card payments and is unable to procure less expensive service.

Dated: February 12, 2021

Respectfully submitted,

PRISON POLICY INITIATIVE, INC.

/s/ Peter Wagner

By Peter Wagner, Executive Director
 MA Bar No. 662207, *admitted pro hac vice*
 69 Garfield Ave., 1st Floor
 Easthampton, MA 01027
 (413) 527-0845
 pwagner@prisonpolicy.org