

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE:

GLOBAL TEL*LINK CORPORATION

DOCKET NO. TF-2019-0039

ORDER APPROVING TARIFF

On January 2, 2019, the Utilities Board (Board) issued an order terminating the rule making in Docket No. RMU-2017-0004 and requiring all alternative operator services (AOS) providers to file current tariffs with the Board. On March 14, 2019, the Board issued an order in Docket No. RMU-2017-0004, directing all AOS companies to file a complete set of new tariffs for Board approval so the Board could review the terms, conditions, and rates being charged to determine if those terms, conditions, and rates are just and reasonable.

On April 16, 2019, Global Tel*Link Corporation (GTL) filed with the Board a proposed tariff to comply with the Board orders issued in Docket No. RMU-2017-0004. GTL's tariff was identified as Docket No. TF-2019-0039. On May 1, 2019, the Board docketed the proposed tariff filed by GTL and subsequently issued various orders requiring revisions to GTL's proposed tariff. On January 26, 2021, GTL filed revisions to its revised tariff in compliance with a December 11, 2020 order requiring revisions.

The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice; Prison Policy Initiative (PPI); and Securus Technologies, LLC, are parties to this docket. On February 2, 2021, OCA filed comments regarding GTL's January 26, 2021

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tariff revisions. On February 9, 2021, PPI filed comments regarding GTL's January 26, 2021 tariff revisions.

BOARD DISCUSSION

The Board has reviewed the revised tariff filed by GTL on January 26, 2021, and finds that GTL's proposed tariff, as revised, is in substantial compliance with Board requirements. The tariff implements a rate that ranges from \$0.11 per minute to \$0.22 per minute, 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 and PPI Comments

In its February 2, 2021 comments, OCA stated it has no objection to the proposed tariff filed by GTL on January 26, 2021. OCA suggested that the Board may want to continue to review some of the tariff revisions after the tariff becomes effective. OCA points out that the tariff still includes language in section 3.6 that all payments will be subject to applicable taxes. OCA states this statement suggests that GTL may assess taxes at the time a deposit is made into the AdvancePay Account. OCA's comments also reiterated PPI's reply comments filed on October 29, 2020, which stated that GTL's proposed fee structure violates FCC rules. OCA states that there should be no instances in which both an automated payment fee and a third-party transaction fee should be charged for a payment card deposit. According to OCA, the transaction fee is charged by the third party that transfers the money, and the fee is retained by the third party when the deposit is transferred to the customer or inmate account. OCA then

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states that if the deposit is not made through a third party, the \$3.00 automated payment fee applies as the maximum fee allowed by the FCC for this type of transaction. OCA states that third-party transaction fees do not apply to automated payments, and the FCC intended third-party transaction fees to apply solely to third parties such as MoneyGram or Western Union.

PPI's February 9, 2021 comments reiterated the issues identified in their comments filed on October 5, 2020, and October 29, 2020. In its October 5, 2020 comments, PPI filed evidence that GTL was charging both an automated payment fee and a third-party transaction fee for a payment card deposit into an AdvancePay Account. In its October 29, 2020 comments, PPI stated that the FCC intended third-party transaction fees to only apply when a customer uses a third-party money transfer service and that the FCC allows card processing costs to be recovered from per-minute rates and the automated payment fee. PPI asserts that the \$3.00 automated payment fee cap is intended to be the maximum amount a carrier can be compensated for expenses associated with payment card processing. Based on these assertions, PPI concluded that GTL's fee structure violates FCC rules.

B. Board Discussion

The Board, in the December 11, 2020 order, required GTL to clarify when and what taxes are assessed at the time of deposit. It appears that GTL removed the language from the tariff except for section 3.6. GTL appears to intend to charge "applicable taxes" on deposits into the AdvancePay Accounts. The Board will require GTL to explain what taxes are charged on deposits under section 3.6.

The Board has required all inmate calling service companies to include in their tariffs a statement that the company does not receive payment from a third-party money

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transfer company when a deposit is made into a customer or inmate account. The Board will not adopt the interpretation of FCC rules on ancillary charges asserted by OCA and PPI. Based on the Board's understanding of FCC rules regarding third-party transaction fees, a company that is contracted to process credit card payments is considered a third party and the cost for this service may be passed through to the customer. *In the Matter of Rates for Interstate Inmate Calling Services*, WC Docket No. 12-375, Second Report and Order and Third Further Notice of Proposed Rulemaking, FCC 25-136 (November 5, 2015), 30 F.C.C.R. 12849.

The Board has required each inmate calling service provider to include a statement that taxes will be assessed in accordance with FCC rules for interstate calls. GTL included the statement in section 2.11. These tariff revisions should eliminate the possibility that an inmate calling service provider is allowed to charge taxes for intrastate calls that are not allowed under FCC rules for interstate calls. The Board can revisit this issue if in practice an inmate calling service provider is charging fees or taxes other than those allowed under Board or FCC rules.

Based on substantial compliance with Board requirements for providing inmate calling service, the Board will approve GTL's proposed tariff, as revised.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. The proposed tariff filed by Global Tel*Link Corporation in Docket No. TF-2019-0039 on January 26, 2021, is approved, subject to complaint or investigation, and shall become effective on the date of this order.

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2. Global Tel*Link Corporation shall file a clarification regarding the statement in section 3.6 of the tariff that all payments will be subject to applicable taxes that explains what taxes may be applicable to the deposit.

UTILITIES BOARD

Geri Huser Date: 2021.02.18
13:49:16 -06'00'

Richard W. Lozier, Date: 2021.02.18
Jr. 15:12:38 -06'00'

ATTEST:

Anna Hyatt Date: 2021.02.19
11:44:31 -06'00'

Joshua J Byrnes Date: 2021.02.17
16:23:48 -06'00'

Dated at Des Moines, Iowa, this 19th day of February, 2021.