

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

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IN RE:

ENCARTELE, INC.

DOCKET NO. TF-2019-0270

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**ORDER APPROVING TARIFF AND REQUIRING ADDITIONAL INFORMATION**

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 August 28, 2019, Encartele, Inc. (Encartele), filed with the Board a proposed tariff to comply with the Board orders issued in Docket No. RMU-2017-0004. Encartele's tariff was identified as Docket No. TF-2019-0270. On September 20, 2019, the Board docketed the proposed tariff filed by Encartele and subsequently issued various orders requiring revisions to Encartele's proposed tariff.

On December 11, 2020, the Board issued an order requiring revisions to the revised tariff that directed Encartele to file the revisions within 30 days. On January 8, 2021, Encartele filed a request for extension of time, which the Board granted. On February 9, 2021, Encartele filed its revised tariff. On February 17, 2021, Encartele filed an additional revision to the tariff to correct the locations where Encartele provides

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AOS in Iowa. On February 26, 2021, Encartele filed an additional revision to the tariff to add information about its refund procedure.

The Office of Consumer Advocate, a division of the Iowa Department of Justice; Prison Policy Initiative, Inc. (PPI); Global Tel\*Link Corporation; and Securus Technologies, Inc., are parties to this docket. On February 12, 2021, PPI filed comments addressing Encartele's February 9, 2021 revised tariff. On February 24, 2021, OCA filed comments regarding Encartele's February 9, 2021 revised tariff.

### **BOARD DISCUSSION**

The Board has reviewed the revised tariff filed by Encartele on February 9, 2021, and finds that Encartele's proposed tariff, as revised, is in substantial compliance with Board requirements. The tariff implements a per-minute rate of \$0.25, 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 February 24, 2021 comments, OCA stated it has no objection to the proposed revised tariff filed by Encartele on February 9, 2021. However, OCA states it found issues that merit ongoing attention. Specifically, OCA believes section 2.6.2 does not adequately inform the account holder of the need to request a refund. Additionally, OCA believes that the account holders may not be aware of an unused balance remaining in a calling account and that the account holder may effectively forfeit the remainder. OCA requests that the previous version of the provision, in the proposed

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tariff filed October 9, 2020, be restored or a provision be added stating that the account holder will be informed of the need to request a refund.

### **B. PPI Comments**

In its February 12, 2021 comments, PPI states it objects to the fees associated with automated payments. This objection is also based on PPI comments submitted on November 13, 2020, which provided evidence that Encartele charges a third-party transaction fee equal to 5% of the amount deposited. PPI asserts that this 5% third-party transaction fee is more than 50% higher than any other carriers in Iowa, and the second highest third-party transaction fee is 3.3% charged by Global Tel\*Link and Reliance Telephone of Grand Forks. PPI requests that the Board not approve the tariff filed on February 9, 2021, without clear evidence that Encartele actually pays a 5% fee for processing card payments and is unable to procure less expensive service.

### **C. Board Discussion**

On February 26, 2021, Encartele filed a tariff sheet to address OCA's concerns. The tariff sheet states that the account funder is notified of how a refund can be requested when the account funder establishes the account. This language substantially complies with Board requirements as they relate to refund provisions in inmate calling service tariffs, and the Board will not require a revision.

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 transfer company when a deposit is made into a customer or inmate account. Encartele has included this required statement in its tariff; however, the Board finds that this substantially higher third-party transaction fee is unusual. It is unclear whether the 5% third-party transaction fee is just and reasonable. Therefore, the Board will require

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Encartele to provide additional information on how the 5% fee is calculated, on what basis it is charged, and why this fee is substantially higher than the fee charged by other inmate calling service providers.

### ORDERING CLAUSES

#### IT IS THEREFORE ORDERED:

1. The proposed tariff filed by Encartele, Inc., in Docket No. TF-2019-0270 on February 9, 2021, is approved, subject to complaint or investigation, and shall become effective on the date of this order.

2. Within 30 days of the date of this order, Encartele, Inc., shall provide additional information on how its third-party transaction fee was calculated, on what basis this fee is charged, and why this fee is substantially higher than the third-party transaction fees charged by other inmate calling service providers in Iowa.

#### UTILITIES BOARD

**Geri Huser** Date: 2021.03.09  
14:22:32 -06'00'

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**Richard Lozier** Date: 2021.03.09  
14:27:58 -06'00'

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ATTEST:

**Anna Hyatt** Date: 2021.03.11  
09:10:39 -06'00'

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**Joshua J Byrnes** Date: 2021.03.09  
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Dated at Des Moines, Iowa, this 11th day of March, 2021.