

**Response to the Attachment A: Utilities board questions Re: Filed AOS Tariffs**

I have enclosed the answers Demographic Information & Questions

I would first like to address Prison Policy Initiatives false accusations and his pretentious statements that he is the authority on the FCC rules and regulation and proceeds to misstate the facts about the FCC rules and also about Reliance Telephone of Grand Forks. I know it is his job to hassle us and cause as much confusion as he can to bring attention to his cause. But he should limit himself to the facts that he knows and not pretend that he is an authority on FCC rules and regulations. His reckless behavior serves no good purpose to the public with all his false statements causing confusion and concern.

I would ask that you would proceed with caution on the statements that he makes insinuating that they are factual.

Prison Policy Initiative false statements that I would like to address are as follows:

Filed with the Iowa Utilities Board on May 13<sup>th</sup>, 2019, TV-2019-0026

1. "Finally Reliance uses another profitable and exploitive fee that is not disclosed in the tariff: fees on payments made to Reliance via MoneyGram"

This is absolutely a complete lie by Prison Policy Initiative. We do not get any fee of any type from MoneyGram. What is charged customer is exactly what MoneyGram charges.

2. "However, PPI research suggest that Reliance charges a 3.3% credit card fee on top of the \$3.00 fee, which contravenes the FCC cap of \$3 and contradicts Reliance's tariff (see Figure 2)."

Prison Policy Initiative pretends to be an expert on the rules and regulations of the FCC. He is wrong and is making false statements about Reliance. I refer to the Public Notice made by the FCC on March 29, 2016 that specifically reference the right for Reliance to pass through credit card charges as shown below.

***"Permitted Ancillary Service Charges and Taxes***

*Third-party financial transaction fees, e.g., MoneyGram, Western Union, credit card processing fees and transfers from the third party commissary accounts.*

***Monetary Cap Per Use / Instruction***

*Provider shall pass this charge through to the end user directly, with no markup."*

**I would respectfully suggest that any information provided by Prison Policy Initiative be scrutinized and not be accepted as fact.**

**Demographic Information & Questions**

**1.** Please see the spreadsheet attachment with the listing of the requested information. I do not have an accurate count on the number of inmates at each jail and it changes daily. What I have inserted instead is the actual dollar amount of traffic for May, 2019. As you can see some of the jails can't even pay the \$57.00 line charge from Windstream to route the calls out of the jail much less pay any of the direct costs associated with each call, plant investment amortization or contribution to overhead and maintenance. Many of these jails were abandon by Securus and we picked them up out of Goodwill. Most of these jails, we did not expect to make a profit but the goodwill from helping them out is the way we operate. Frankly I could not say no to them and revenue from other Iowa jails helps with that cost. We have used average costs for all the jails in Iowa.

**2.** The only call blocking that the jail does is to protect victims, witnesses, staff, judges and family and friends that request it. The ability to reach other carriers seems impossible to me and still maintain the security and safety of the jail, victims, witnesses, judges, and staff. This appears to be language appropriate for street payphones. There is no way possible to maintain the safety of a jail if we allow the inmates to bypass all the safety and security features that we provide at the jail as part of our service. The next question I have with this non-blocking long distance feature is who is obligated to monitor and record the calls that are sent to the public plus not record the private calls to attorneys. We will not be able to manage these features and the alternate long distance company will have to carry that responsibility since they are processing the call. I just don't understand how this language is appropriate for a jail environment when we are responsible for the security and safety of all of the staff, judges, victims, witnesses, and general public. Also who is going to provide for the free calls at the inmate booking process and the free calls to the Public Defenders? We carry this responsibility now. I believe this requirement 22.19 (3) should be reviewed by the Public Utilities Commission. If we follow it as written we will be destroying the safety of many citizens of Iowa.

**3.** We provide an information placard at every telephone. We have dialing instructions on how to reach friends and family. We have the rates for all types of calls possible at the jail. We also have a listing of the toll free number for customer service and the Reliance website. The inmates have free access to our Inmate Information Center that allows the inmate to request courtesy calls to friends and family, send support requests and check phone card balances. The inmates can also retrieve their free voicemail provided by Reliance. We don't have information in the tariff about these free services.

**4.** A lot of the rates, surcharges and most of the other ancillary charges have been dictated by the FCC. Those that we still have some control are the local, instate, and phone card per minute rates. The rates are based on capital investment at each jail. Direct costs from the local land line provider, direct costs from the local carrier toll free origination charges, direct costs from the toll long distance carrier for calls in and out of our central switch and other costs required to operate a jail facility. Please review the cost associated with serving jails below and review the accompanying Excel spreadsheet.

**Average estimated Jail cost calculation for Iowa:**

**Iowa Jail Equipment Investment:**

Call controller: \$2,800  
Stainless steel phones: \$175.00 per phone (average 6.6) = \$1155.00  
On site VOIP and analog telecom switches: \$1000.00  
Free voice mail server: \$1500.00  
Relcore server, switch and router: \$2500.00  
Labor to install and training for all of the above: \$2000.00  
**Total investment at the average jail in Iowa \$ 10,955.00 Amortized at 60 months \$182.58**

### **Monthly Direct Costs Per Jail in Iowa**

Five year equipment amortization cost per month: \$183.00/month/jail  
Relcore developer software Tools per year: \$200,000/ 160 jails = \$104.00/ month/jail  
Ongoing maintenance and county support: \$75.00/month/jail  
Free phone calls for the booking process and attorneys: \$25.00/month/jail  
Cost of local land lines: \$27.00 to \$57.00/ month: \$42.00/month, Average 2.5 lines per jail: \$105.00  
**Average Direct Cost Per Month For a Jail In Iowa = \$492.00/jail/month**

#### **Note 1:**

Cost of Local LEC toll free origination charges inbound to central switch (varies \$0.02-\$0.144/min):  
Cost of long distance carrier outbound from central switch: \$0.11/minute  
This does not include overhead, maintenance, administration or other central headquarter expenses.

**Note 2:** There are cheaper ways to process inmate phone calls and use a centralized VOIP system. Problem is that Securus and GTL have bought up all of those patents and I do not have the money to fight them.

**5.** All rates are posted at every telephone installed at the jail. We post all rates on **reliancetelephone.com**. We also utilize an Information Center at each jail that allows them to contact our customer service with any questions or problems. We allow the inmate to leave courtesy call requests and we have our customer service agents call the friends and family and explain the calling options. Every time a new customer calls our customer service center the live operators explain the cost of the call options.

#### **6.** Section 4- Rates

Automated Payment Processing Fees: \$3.00  
Live Agent Fee: \$5.95  
Paper Bill Fee: \$2.00 (not in use at this time)

**7.** Only charges that we have are the above and the per minute charges listed in Section 4. The only other expense is the pass thru credit card fees from our credit card processor. There is no additional charge to this pass through expense.

**8.** Collect calling or direct billing are accounts that the friends and family set up with Reliance. They have online access to all of their history of calls and billing. Phone cards are used by the inmate and the balance available is accessible through the Information Center at the jail and also relayed to the inmate each time they use the card.

**9.** The inmate has access to a telephone directory book at most jails. We do not use live operators for this.

**10.** Yes.

**11.** No.

**12.** None