

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
BEFORE THE IOWA UTILITIES BOARD

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| IN RE:                                     |                         |
| RELIANCE TELEPHONE OF GRAND FORKS, INC;    | DOCKET NO. TF-2019-0026 |
| INMATE CALLING SOLUTIONS, LLC;             | DOCKET NO. TF-2019-0030 |
| COMBINED PUBLIC COMMUNICATIONS, LLC;       | DOCKET NO. TF-2019-0031 |
| PRODIGY SOLUTIONS                          | DOCKET NO. TF-2019-0032 |
| SECURUS TECHNOLOGIES, INC.;                | DOCKET NO. TF-2019-0033 |
| CORRECT SOLUTIONS, LLC;                    | DOCKET NO. TF-2019-0034 |
| LEGACY LONG DISTANCE INTERNATIONAL, INC.;  | DOCKET NO. TF-2019-0035 |
| PAY-TEL COMMUNICATIONS, INC.;              | DOCKET NO. TF-2019-0036 |
| NETWORK COMMUNICATIONS INTERNTIONAL CORP.; | DOCKET NO. TF-2019-0037 |
| GLOBAL TEL*LINK CORPORATION;               | DOCKET NO. TF-2019-0039 |
| PUBLIC COMMUNICATIONS SERVICES, INC.       | DOCKET NO. TF-2019-0040 |

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**REPLY COMMENTS**

The Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, submits the following Reply Comments in compliance with the “Order Granting Petitions to Intervene and Requiring Additional Information” issued by the Iowa Utilities Board (Board) on May 24, 2019:

1. On March 14, 2019, the Board issued an order in Docket No. RMU-2017-0004, “Rule Making Regarding Inmate Calling Rate Caps [199 IAC Chapter 22],” clarifying a directive made in an Order issued January 2, 2019, requiring all alternative operator services (AOS) companies, as defined in Iowa Code § 476.91(1)(a), to file a complete set of new tariffs for Board approval. All of the AOS companies listed in the above caption filed tariffs in response to the Board’s March 14, 2019, Order.

2. On May 13, 2019, the OCA filed objections regarding the tariffs filed by Reliance Telephone of Grand Forks (Reliance), Securus Technologies, Inc. (Securus), Global Tel\*Link Corporation (GlobalTel), Prodigy Solutions, and Public Communications Services, Inc. (PCS)<sup>1</sup>. OCA identified that the tariffs submitted by these companies indicate that these AOS providers are charging substantially more for intrastate prepaid calls than the interstate maximum and have offered no justification for the higher rates. OCA requested that the Board investigate and disapprove the proposed intrastate prepaid call rates in these tariffs.

3. On May 24, 2019, the Board issued an Order requesting additional information based on a preliminary review of the proposed tariffs filed by the AOS companies. Specifically, the Board requested additional information be filed on or before June 24, 2019, to assist the Board in determining whether the provisions and rates and services included in the AOS tariffs are just and reasonable. The Board requested that comments regarding those responses be filed on or before July 8, 2019.

4. Following review and investigation of the responses to the Board’s May 24, 2019, Order, OCA maintains that these companies still have not provided sufficient justification for the high intrastate prepaid calls identified in their tariffs. None of the previously identified AOS

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<sup>1</sup> PCA is a wholly owned subsidiary of GlobalTel. See Request for Extension, filed Mar. 29, 2019, in Docket No. RMU-2017-0004.

companies have provided appropriate cost information to justify such high intrastate prepaid calling rates, despite being asked by the Board to explain how each company determined the rates listed.<sup>2</sup> Rather than providing such information, the companies provided narrative descriptions supporting their positions, and yet the Board is not any nearer to a specific answer to its question.

5. OCA generally restates its previous arguments to the Board advocating for meaningful oversight and restraint of the rates for inmate calling services. Excessive rates for inmate calling deter communication between inmates and their families with substantial and damaging social consequences. Barriers to communication from high inmate calling rates interfere with inmates' ability to consult with their attorneys and impedes important family contact.

6. Inmate Calling services are an excellent example of market failure. Inmates and their families cannot choose for themselves the inmate calling provider on whose services they rely to communicate. Often times inmate calling providers compete to offer the highest commission payments, which they recover through correspondingly higher end-user rates.

7. It is especially appropriate that oversight of inmate calling service rates occur at the state level because approximately 80% of inmate calls are intrastate calls,<sup>3</sup> and the FCC does not have jurisdiction over intrastate calls.<sup>4</sup> The state, however, has jurisdiction over these calls; in Iowa, it is vested in the Board.<sup>5</sup>

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<sup>2</sup> See "Order Granting Petitions to Intervene and Requiring Additional Information," Attachment A, Question 4.

<sup>3</sup> *In the Matter of Rates for Interstate Inmate Calling Services*, Second Report and Order and Third Further Notice of Proposed Rulemaking, FCC 15-136, 30 F.C.C.R. 12763, ¶ 1 (FCC 2015).

<sup>4</sup> *Global Tel\*Link v. FCC*, 866 F.3d 397, 408-12 (D.C. Cir. 2017).

<sup>5</sup> Iowa Code § 476.91 (2019); *Equal Access Corp. v. Utilities Board*, 510 N.W. 2d 147 (Iowa 1993).

WHEREFORE, OCA asserts that the rates set forth in the tariffs proposed by Reliance, Securus, GlobalTel, and PCS are not just and reasonable and requests that the proposed rates be investigated and disapproved. OCA suggests a procedural schedule in accordance with the discussion above.

Respectfully submitted,

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OFFICE OF CONSUMER ADVOCATE