

**STATEMENT OF  
CHAIRMAN TOM WHEELER**

Re: *Rates for Interstate Inmate Calling Services*, WC Docket No. 12-375.

Last summer, thanks to the leadership of Chairwoman Clyburn, the Commission took an important step forward to reform exorbitant inmate calling service (ICS) rates. The action, which was a decade overdue, was the right thing to do, not just for the families who directly benefit from lower rates, but for all of us. No one can deny the societal benefits of reducing recidivism rates by enabling inmates to stay connected with their families and loved ones. I won't restate the many, many clear reasons that tackling this issue is so important. I will simply fully associate myself with the comments and leadership of Commissioner Clyburn on this topic.

When I became Chairman, one of the easiest decisions I made was to communicate my commitment to Commissioner Clyburn to continue the ICS reform process and to do so with Commissioner Clyburn as the undisputed leader on the issue. Today's item reflects that commitment and I am pleased to support it for several reasons.

First, despite positive steps forward on interstate rates, it is clear that a more comprehensive approach to reform is necessary to address problems that continue to drive up rates. Namely, charges for "ancillary services" for an increasing array of services are on the rise; intrastate rates, which encompass the vast majority of calls from correctional facilities, remain very high in many states; and, most importantly, site commissions – payments required by correctional institutions from ICS providers for the privilege of serving those facilities – continue to be demanded and appear to be the driving force behind increased rates and ancillary fees. There are some positive signs that reform of interstate rates has resulted in reduced rates and increased calling, but absent a comprehensive solution to the problem we will continue to find ourselves in a never ending game of ICS rate whack-a-mole.

Second, the item is consistent with my belief that the best way to bring high-quality, affordable service to consumers is through competition. No one could mistake ICS as a competitive market today when exorbitant rates are driven by site commissions demanded by correctional facilities, not by who can provide the best service at the lowest price. As I have said in the context of broadband competition, where competition can exist, we will encourage it and where meaningful competition is not available, the Commission will work to create it. The same principles hold true here. Today's item seeks comment on a variety of issues which are fundamentally seeking a comprehensive path forward that ensures ICS rates are driven by competition wherever possible. To that end, I am pleased that Commissioner O'Rielly offered a section in the item specifically seeking comment on additional ways in which we can facilitate increased competition in the ICS market.

Third, the item recognizes that correctional facilities may incur some costs in the provision of ICS and, if so, seeks comment on how facilities should recover these costs. The record is sparse with information on this topic, so we invite parties to submit additional data in to the record and ideas on how to ensure that facilities can recover costs incurred to operate calling systems, but not for unrelated activities. The item also seeks comment on appropriate transition periods for reform so providers and facilities can adapt. In short, the item strikes the right balance between reforming a system to ensure just and reasonable rates while also ensuring that providers are fairly compensated and facilities are able to adjust to reform.

As always, I want to thank Julie Veach and the talented team in the Wireline Bureau for their hard work on this item. Finally, in praising Commissioner Clyburn for her leadership on this issue, I would be remiss if I did not acknowledge Rebekah Goodheart, Commissioner Clyburn's wireline legal advisor, who has so effectively and diligently coordinated this item with the Bureau and the other Commissioner offices. Hats off to you, Rebekah, for your great work.