

## FACT SHEET: Ensuring Just, Reasonable, and Fair Rates for Inmate Calling Services

Today, Chairman Wheeler and Commissioner Clyburn ask their fellow commissioners to consider an item that will ensure that the rates for inmate calling services (ICS) are just, reasonable, and fair for all types of calls: local, long distance, and international. Under the leadership of Commissioner Clyburn as acting Chair, in 2013 the FCC capped interstate calling rates, reining in high rates for long-distance calls across state lines.

Now, in partnership with Commissioner Clyburn, Chairman Wheeler is proposing to cap rates for **ALL** ICS calls – local, long-distance, and international – while limiting or banning excessive fees on calls. In combination, these reforms ensure that rates will be just, reasonable and fair with robust security features and take into account the unique nature of serving jails versus prisons.

Studies have shown that contact between inmates and their families and loved ones during incarceration reduces recidivism. These reforms will help inmates and their families stay in touch by making calling more affordable, and benefit society as a whole by helping inmates transition more smoothly back into society upon their release. The Commission will vote on the item at the Commission's October 22 Open Meeting.

### Key Reforms

- **Establishes caps on all inmate calling rates**
  - *These new caps reduce the average rates for the vast majority of inmate calls substantially, from \$2.96 to no more than \$1.65 for a 15-minute intrastate call, and from \$3.15 to no more than \$1.65 for a 15-minute interstate call.*
  - Tiered rate structure accommodates the higher relative costs faced by jails (especially small jails) as opposed to state and federal prisons. The rate caps are as follows:
    - 11 cents/minute for debit/prepaid calls, in state or federal prisons.
    - 14 cents/minute for debit/prepaid calls in jails with 1,000 or more inmates.
    - 16 cents /minute for debit/prepaid calls in jails with 350-999 inmates.
    - 22 cents /minute for debit/prepaid calls in jails of up to 349 inmates.
    - Rates for collect calls are slightly higher in the first year and will be phased down to these caps after a two-year transition period.
  - Approximately 71% of inmates reside in state or federal prisons.
  - Approximately 85% of inmates reside in institutions with populations exceeding 1,000.
  - With the exception of the rate for small jails, these rates are substantially lower than the current 21 cents/minute interim cap on interstate rates.
  - The rate caps permit recovery for robust security measures, as reflected in costs that ICS providers filed with the Commission.
- **Caps or bans burdensome and needless ancillary service charges, which can add nearly 40% to the cost of a single call**
  - Limit and cap ancillary service charges to the following list of permitted charges:
    - Automated payment by phone or website: \$3.
    - Payment through a live agent: \$5.95.
    - Paper bill fee: \$2.
    - Third-party financial transaction fees, such as fees charged by MoneyGram or Western Union, may be passed through with no mark-up.

- All other ancillary service charges are prohibited.
- Mandatory taxes and regulatory fees may be passed through with no mark-up.
- **Discourages “site commission” payments by providers to institutions**
  - Defines the term “site commission” broadly as payments in money or services from inmate calling service providers to correctional institutions or government agencies.
  - Excludes the cost of site commissions in establishing the rate caps and strongly discourages the use of site commissions.
  - Continues to monitor the effect of site commissions on rates but does not restrict ICS providers’ sharing or profits if such payments fit within the rate caps.
- **Bans flat-rate calling**
  - Disallows providers from imposing so-called “flat-rate calling,” that is, a flat rate for a call up to 15 minutes regardless of actual call duration.
  - Clarifies that this practice violates statutory mandates requiring that rates be just, reasonable, and fair, and penalizes callers who stay on the phone less than 15 minutes.
- **Ensures access for people with disabilities**
  - Requires providers to offer discounted rates for telephone relay service (TRS) calls for inmates with communications disabilities.
  - Reminds correctional institutions of their obligation to make TRS available to people with communications disabilities.
  - Encourages jails and prisons to allow commonly used forms of TRS and requires them to report service quality issues.
- **Transition Period**
  - Requires rate caps, site commission and ancillary service charge reforms to go into effect 90 days from the effective date of the Order.
- **Ongoing Review and Oversight**
  - Commits to reevaluate impact of reforms and rates in two years to determine if adjustments need to be made.
  - Requires annual reporting and certification by ICS providers, to ensure compliance and enable monitoring of developments
- **Third Further Notice of Proposed Rulemaking:**
  - Seeks further comment on promoting competition in inmate calling services without the need for additional regulation
  - Video visitation and other advanced inmate communications services
  - Recurring Mandatory Data Collection