



STATE OF ALABAMA

ALABAMA PUBLIC SERVICE COMMISSION
P. O. BOX 304260
MONTGOMERY, ALABAMA 36130-4260

TWINKLE ANDRESS CAVANAUGH, PRESIDENT

JOHN A. GARNER, EXECUTIVE DIRECTOR

JEREMY H. ODEN, ASSOCIATE COMMISSIONER

CHRIS "CHIP" BEEKER, JR., ASSOCIATE COMMISSIONER

Re: GENERIC PROCEEDING CONSIDERING THE)
PROMULGATION OF TELEPHONE RULES) DOCKET 15957
GOVERNING INMATE PHONE SERVICE)

PROPOSED AMENDMENTS TO DECEMBER 9, 2014 ORDER

BY THE COMMISSION:

1.00 BACKGROUND

1.01 On December 9, 2014, under this Docket, the Commission released its Further Order Adopting Revised Inmate Phone Service Rules. That same month, Global Tel*Link Corporation ("GTL") and Securus Technologies, Inc. ("Securus"), appealed the Order to both the Alabama Supreme Court and the Montgomery County, Alabama Circuit Court in accordance with the Code of Alabama.

1.02 On January 2, 2015, CenturyLink Public Communications, Inc., d/b/a CenturyLink ("CenturyLink") filed a Motion for Rehearing, Reconsideration or Modification of the Further Order Adopting Revised Inmate Payphone Service Rules which was entered by the Commission in the above-styled cause on December 9, 2014 (the "Final Order"). CenturyLink's Motion was submitted in accordance with ALA. Code§ 37-1-105 (1975 as amended) and Rules 2 and 21 of the Rules of Practice of the Alabama Public Service Commission (the "Commission"). Based on the uncertainties related to the appeal of the Final Order by GTL and Securus and the potential consequences for non-parties to the appeal that compete with GTL and Securus in the ICS marketplace, CenturyLink requested that the Commission stay the implementation date of its Final Order. By Order dated

January 16, 2015, the Commission granted a stay in the implementation date of the Final Order until the earlier of final adjudication of all pending appeals of said order or July 1, 2015.

- 1.03 On April 10, 2015, the Alabama Supreme Court, on its own motion, made a docket entry stating that the Court would defer consideration of the GTL and Securus appeal pending resolution of the appeal filed by the parties with the Montgomery County Circuit Court. Consequently, the Supreme Court's action delayed a final resolution of the appeal beyond July 1, 2015. By Order dated June 12, 2015, the Commission implemented its Final Order effective July 1, 2015.
- 1.04 The Final Order provided for phasing in the Commission's adopted rates over a two-year period ending July 1, 2017. Additionally, the Final Order capped rates for single calls¹ billed to a debit/credit card or billed to the call recipient by their carrier. The rate caps for single calls uses an imputed call duration of 12-minutes to compute the usage portion of the single call rate cap. Furthermore, the Final Order included provider record retention requirements as well as data and other informational requirements that providers must submit to the Commission. In the two years following implementation of the Final Order, changes in provider capabilities in terms of measuring the actual duration of single calls and the staff's experience with and subsequent review of record retention and reporting requirements contained in the Final Order, suggest that modifications to the Final Order merit further consideration. The proposed staff changes included herein are intended to more accurately align the price cap for single calls to subscriber use of the product and to simplify the regulatory compliance requirements.

2.00 PRICE CAP FOR SINGLE CALLS

- 2.01 Page 5 of Appendix G to the Final Order describes the calculation of the price cap for single calls.

¹ Referenced in the Final Order as "Single Payment Services" or "Single Payment Calls".

1. Single payment calls consist of two components that determine the maximum price that may be charged for the call: the usage charge and the billing/processing charge.
2. For purposes of pricing intrastate single payment calls, providers shall utilize a call duration allowance of 12 minutes. Call allowances of more than 12 minutes are authorized provided the usage portion of the single payment call is based on usage of 12 minutes. The capped collect call rate applicable to the facility from which the call originates (or a lower rate) shall be applied to the 12-minute call allowance for purposes of determining the usage charge for the single payment call.
3. Providers may add a billing/processing charge to the usage charge for a single payment call. The sum of the two components constitutes the Commission's maximum single payment call price.
 - A. For single payment calls billed to the wireless account of call recipients, the authorized billing/processing charge shall not exceed the Commission's maximum Bill Processing Fee.
 - B. For single payment calls billed to the recipient's debit/credit card, the authorized billing/processing charge shall not exceed the Commission's maximum Credit Card Payment Fee.

2.02 The Securus December 6, 2013 comments in this proceeding stated: "The credit card processing system used by the third-party call process is only capable of imposing a flat fee for the "pay now" call processing service."² In response, the Commission imputed a 12-minute call duration for purposes of calculating the usage portion of single calls.³ However, staff's preference is for pricing the usage portion of single calls in accordance with actual call duration. Thus, end users pay for the call minutes used; no more and no less.

2.03 In 2016, Securus informally advised the staff that the capability now exists to record the specific duration of each single call. Securus asked the staff to consider a proposed revision to the Commission's Final Order that adjusts the usage portion of the single call price cap to reflect the actual duration of each single call rather than the imputed 12-minute duration.

² Page 4.

³ July 7, 2014 Order under this Docket, paragraphs 6.37 and 6.38.

Staff concurs and proposes a change to the Commission's Final Order that sets the price cap for single calls at the capped debit/credit card payment fee (\$3.00) or capped bill processing fee (\$3.00) plus the usage portion of the call priced by applying the capped collect call rate to the actual call minutes⁴.

3.00 RECORDS RETENTION

- 3.01 Staff recommends modification of the Final Order to eliminate the following Record Retention Requirements referenced in Appendix G:

Alabama Utility Gross Receipts Tax collected⁵. (Item 2C, page 11)

Monthly data identifying the total single payment service calls originating from Alabama confinement facilities and the number of single payment service calls terminated for suspected three-way call violations. (Item 3B, page 11)

Monthly data, by confinement facility, identifying the total number of ICS calls and the total number of ICS calls disconnected for suspected three-way call violations. (Item 3C, page 11)

4.00 REPORTING REQUIREMENTS

- 4.01 Appendix G, Item 1, pages 11-12, references items to be reported to the Commission from the Record Retention Requirements. Included is Record Retention Requirement Item 3E:

Alabama Utility Gross Receipts Tax remittance reports to the Alabama Department of Revenue.

Staff recommends elimination of the requirement to submit Alabama Utility Gross Receipts Tax remittance reports to the Commission.

⁴ Call duration begins once the payment method is accepted by the provider and the call parties are permitted to communicate without interruption from the provider. The call duration ends when either party terminates the call from their station set or when the call duration exceeds the confinement facility's prescribed per-call time allowance; whichever comes first. Partial minutes may be rounded to nearest whole minute for purposes of calculating the usage charge.

⁵ The Commission's elimination of this record retention requirement pertains only to our jurisdiction with respect to regulation of Inmate Calling Service. It does not, in any way, relieve the provider of fully complying with any existing or future State of Alabama laws and/or Alabama Department of Revenue rules, regulations, or recordkeeping requirements related to collection and remission of the Alabama Utility Gross Receipts Tax.

4.02 Appendix G, Item 3, page 12, reads:

Providers shall submit to the Commission's Utility Services Division a report of the security biometric features provided at each Alabama confinement facility served along with a description of the features and functionality associated therewith and the vendor source for the product(s). The initial report is due by no later than July 1, 2015 and annually thereafter by February 28.

Staff recommends elimination of the requirement to report security biometric features used at each confinement facility served by the provider.

4.03 Item 4, page 12, currently reads:

Providers shall submit to the Commission's Utility Services Division a list of the Alabama confinement facilities they serve including the contract start date and term of the contract. The initial report is due by no later than July 1, 2015. Providers will update the report as additional facilities are added, upon renewal of existing contracts, or when the provider no longer serves a facility included in a prior report. Providers that did not provide service in Alabama prior to selection as an Alabama facility provider shall submit the report no later than thirty (30) days following the activation of their service in the facility.

Change item 4 to eliminate the verbiage "including the contract start date and term of the contract."

4.04 Item 5, pages 12-13 currently reads:

The provider shall submit a letter to the Commission's Utility Services Division with the filing of their tariff and annually thereafter, on the anniversary of the tariff's effective date, disclosing and describing:

A. All services, not listed in the tariff, provided for a charge to ICS customers in Alabama. This requirement includes those services the provider considers unregulated.

B. All ancillary fees, not listed in the tariff, charged to ICS customers in Alabama and the amount of the charge

associated therewith. This requirement includes ancillary fees the provider considers unregulated.

Change item 5 to read:

Upon written request (letter or email) from the Commission staff, the provider shall provide in writing to the Commission's Utility Services Division:

- A. A listing of, detailed description of, and the associated charge for of all services and equipment not listed in the tariff that are provided for a charge to any ICS customers in Alabama. This requirement includes those services and equipment the provider considers unregulated.
- B. A listing and detailed description of all ancillary fees, not listed in the tariff, assessed to any ICS customers in Alabama and the amount of the charge associated therewith. This requirement includes ancillary fees the provider considers unregulated.

The provider's response should be submitted directly to the Director of the Commission's Utility Service Division and not be filed with the Commission Secretary. The response may be marked "Proprietary" and as such will not be released to any party outside the Commission without the provider's consent.

5.00 ADDITIONAL MODIFICATIONS TO REPORTING REQUIREMENTS

- 5.01 In paragraph 4.02 above, staff recommends elimination of the security biometrics reporting requirement included in Item 3 to the reporting requirements of Appendix G. In paragraphs 4.03 and 4.04, respectively, staff recommends simplification of the reporting requirements of items 4 and 5 to Appendix G. Staff further proposes that the reporting requirements in items 1 and 2 of Appendix G to the Order be replaced with reports submitted only upon staff request.
- 5.02 The attachment to this Order shows the staff's revised reporting requirements to be provided upon request. The Call Detail Records (CDRs) Report and/or the Prepaid Debit

Fee Report shall be provided for one or more facilities served by the provider as specified by staff. The Prepaid Collect Fee Assessment Report shall be provided for all prepaid collect customers in Alabama as requested by staff.

- 5.03 Staff intends to “spot check” for purposes of verifying compliance with the Commission’s rate caps and the caps on ancillary fees. The facilities for which the data is requested and the frequency of staff requests for data will be limited provided there are no anomalies found in the spot reports and provided there are no subsequent inquiries received by the Commission claiming suspected provider overcharges.
- 5.04 Staff will submit requests for the reports to the provider via email or letter. Responses may be marked “proprietary” and will be submitted to the Director of the Commission’s Utility Services Division via email or regular mail. Documents marked proprietary will not be released to parties outside the Commission without the provider’s consent.

6.00 Comment Period

- 6.01 The Commission seeks reply comments from interested parties with respect to the changes proposed herein. Comments received by August 14, 2017 will be considered by the Commission.

IT IS, THEREFORE, ORDERED BY THE COMMISSION, That the recommended changes to the Commission’s December 9, 2014 Order under this Docket, as referenced in paragraphs 3.01 through 4.04, are hereby approved.

IT IS FURTHER ORDERED That comments from interested parties, received by August 14, 2017, will be duly considered by the Commission.

IT IS FURTHER ORDERED That the Commission retains jurisdiction in this matter and reserves the right to modify the changes recommended in paragraphs 3.01 through 4.04 after consideration of comments from interested parties.

Call Detail Records (CDRs) Report

CDRs for completed telephone calls with the following fields provided in MS Excel spreadsheet(s):

- a. Facility Name
- b. Origination Number
- c. Dialed Number
- d. Inmate ID (if utilized at the Facilities)
- e. Inmate PIN (if utilized at the Facilities)
- f. Pre-Paid Card ID Number (if utilized at the Facilities)
- g. Date of Call
- h. Call Start Time
- i. Call End Time
- j. Duration of Call (in seconds)
- k. Bill Type (e.g. Billed Collect, Prepaid Collect¹, Prepaid Debit², Single Payment³, etc.)
- l. Call Type (e.g. Local, Intrastate, Interstate, international, etc.)
- m. Per minute rate charged
- n. Total charge assessed for call less taxes and applicable fees
- o. Taxes assessed on call broken out by type
- p. Fees assessed to each call broken out by type
- q. Total charge assessed for call

¹ Prepaid ICS accounts of non-inmates.

² Prepaid inmate calling accounts. Includes calls using prepaid inmate calling cards.

³ Single Payment calls are collect calls billed as a one-time charge to the call recipient's debit/credit card or billed to the call recipient by their serving carrier as a premium text message.

Prepaid Collect Fee Assessment Report

For accounts with an Alabama billing address during report period specified by the Commission, provide the following fields in MS Excel spreadsheet(s):

- a. Billing address city/state
- b. Primary telephone number associated with account
- c. Deposit date
- d. Deposit amount
- e. Funding method (IVR debit/credit card, live agent debit/credit card, money order, kiosk, list other)
- f. Amount of ancillary fees assessed to account during report period broken out by date and fee description

Prepaid Debit Fee Assessment Report

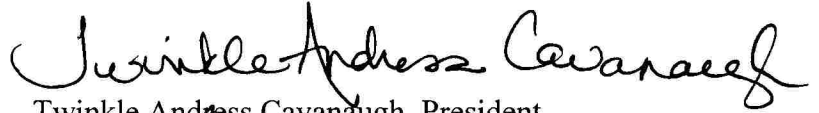
For inmate debit accounts during report period specified by the Commission, provide the following fields in MS Excel spreadsheet(s):

- a. Facility Name
- b. Inmate ID (if utilized at the Facilities)
- c. Inmate PIN (if utilized at the Facilities)
- d. Pre-Paid Card ID Number (if utilized at the Facilities)
- e. Deposit date
- f. Deposit amount
- g. Funding method (IVR debit/credit card, live agent debit/credit card, money order, kiosk, transfer from inmate trust account, calling card purchase or recharge, list other)
- h. Amount of ancillary fees assessed to account during report period broken out by date and fee description

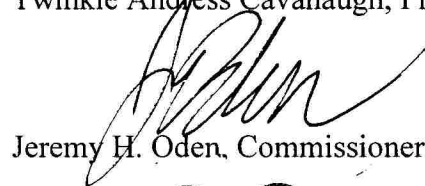
IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this ~~17th~~^{19th} day of July, 2017.

ALABAMA PUBLIC SERVICE COMMISSION



Twinkle Andress Cavanaugh, President

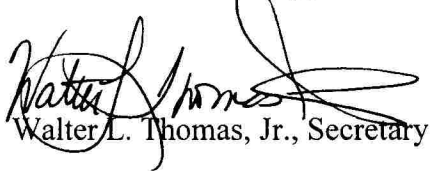


Jeremy H. Oden, Commissioner



Chris "Chip" Becker, Jr., Commissioner

ATTEST: A True Copy



Walter L. Thomas, Jr., Secretary