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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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In the Matter of)	
)	
Amendment of Policies and Rules)	CC Docket No. 94-158
Concerning Operator Service)	
Providers and Call Aggregators)	

COMMENTS OF GLOBAL TEL*LINK

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Dated: March 9, 1995

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COMMENTS OF GLOBAL TEL*LINK

Global Tel*Link ("Global"), a division of Schlumberger Technologies, Inc., a provider of telecommunications services to state and county correctional facilities throughout the United States, hereby submits, by its undersigned counsel, its comments on the Commission's Notice of Proposed Rulemaking and Notice of Inquiry ("NPRM/NOI") in this proceeding.

For the reasons discussed below, Global believes that the rules currently applicable to inmate-only telephones in correctional institutions have significantly benefitted the public's interest and should not be revised at this time. The Commission's Rules, as currently formulated, provide that inmate service providers ("ISPs") are fundamentally different in purpose and character from alternative operator services ("AOS") providers, and, therefore, should not be required to abide by the rules applicable to AOS providers.¹ This exemption still makes sense. For security reasons, many prisons restrict inmates to placement of 0+, collect telephone calls or limited prepaid calls. The advanced features of ISPs' equipment, such as that

¹ The Commission's AOS rules provide, among other things, that "aggregators" must abide by certain rules requiring open access to AOS providers. An "aggregator" is "any person that, in the ordinary course of its operations, makes telephones available to the public or to transient users of its premises, for interstate telephone calls using a provider of operator services." 47 C.F.R. § 64.708(b) (1993).

manufactured, installed and operated by Global, are uniquely well-suited to meet the security needs of the prison environment. Moreover, ISPs are already regulated by state, county or municipal authorities; additional regulation is unnecessary and would unintentionally inhibit the public interest benefits of correctional services that are currently available to inmates, inmate families, correctional facilities, and the public at large.

I. INTRODUCTION AND STATEMENT OF INTEREST

The Commission has invited comments in this proceeding on any changes that should be made to the rules applicable to inmate-only telephones in correctional institutions. The Commission currently exempts ISPs from its Alternative Operator Services ("AOS") regulations.² Specifically, the Commission is seeking comments on: (1) the risks of toll fraud that might result from changes in the Commission's treatment of inmate-only telephones in correctional institutions; (2) the needs of inmate users of such telecommunications services; (3) the resources and needs of correctional institutions in providing telephone service for inmates; and, (4) whether

² The Commission, in the Operator Services Order, unequivocally separated AOS and inmate telephone services:

We conclude that the definition of "aggregator" does not apply to correctional institutions in situations in which they provide inmate-only phones. We are persuaded that the provision of such phones to inmates presents an exceptional set of circumstances that warrants their exclusion from the [definition of "aggregator"] being considered herein.

Report and Order, In the Matter of Policies and Rules Concerning Operator Services Providers, 6 FCC Rcd 2744 (1991) ("Operator Services Order") at ¶ 15.

the goals of Section 226 and the public interest have been met through the Commission's present treatment of inmate-only telephones in correctional institutions.³

Global is a division of Schlumberger Technologies, Inc. one of the largest telecommunications and engineering companies in the world. As a leading provider of specialized inmate telecommunications services to state and county correctional facilities throughout the United States, Global has a substantial interest in this proceeding. Changes to the Commission's inmate telephone provider rules will significantly effect Global's business.

Global has provided state-of-the-art inmate telephone service since 1989. Global is a leader in the development and implementation of new technologies for prison telecommunications, particularly in the area of prepaid calling. Global provides comprehensive services to correctional institutions, providing software design, manufacturing, installation, product engineering, billing services, technical support, customer service and system customization for special needs. Global's product offerings include the Spectrum II software control system for inmate phones, Global Advantage prepay calling and long distance reselling, and Global Tel*Link pay phones.

Global currently provides service to a large number of correctional institutions, including, for example, the State of Louisiana prison system. Global operates in more than half the states in the United States and is in the process of expanding its market area.

To avoid fraud and abuse, inmate calls in most correctional institutions are restricted to 0+ collect or prepaid calls. The phones that Global installs in prisons can be programmed in a customized manner to meet the specific needs of a given facility. Global's payphones can be

³ NPRM/NOI at ¶ 10, and n. 24.

programmed to allow collect only calling, or calls to be placed only to pre-approved numbers, and the blocking of calls to any numbers the prison administrator feels is necessary, including the numbers of police, witnesses, victims, directory assistance or other numbers that might result in fraud or abuse. The payphones can also limit the time of day and duration of calls and provide immediate call detail information to the prison administrator. Furthermore, Global's payphones are able to complete collect and prepaid calls utilizing automated operator services, eliminating the need for a live operator. The telephones are programmed to require a positive acceptance by the called party of a collect call, and the called party is not charged if the party does not make a positive acceptance of the inmates calls.

Global believes that the Commission's decision in the Operator Services Order represents the appropriate regulatory treatment for ISPs. The Commission concluded in that order, based on an extensive record, that inmate pay telephone service is in the public interest and should continue to be exempted from the Commission's aggregator rules.⁴ It is appropriate here for the Commission to reaffirm this ruling and to continue its well-founded policy of excluding ISPs from the inappropriate application of AOS rules.

II. DISCUSSION

A. INMATE TELEPHONE SERVICES ARE CURRENTLY MEETING THE PUBLIC INTEREST NEEDS OF INMATES AND INMATE FAMILIES

The current regulatory treatment of ISPs has yielded significant public interest benefits for inmates and inmate families. As a result of the current regulatory treatment of inmate services, which promotes regulated competition among inmate providers, inmates under the

⁴ See 47 C.F.R. § 64.708 (b) (1993).

present system have access to more phones with less interference from prison authorities. Importantly, inmates receive these services at highly competitive rates.

As a result of advanced anti-fraud payphone features, prison administrators need to allocate fewer resources to monitor the payphones and supervise inmates. Correctional facilities are able to allocate their resources elsewhere and install more payphones for prisoners to use. Additionally, with fewer guards necessary to monitor the inmates' use of payphones, inmates have more privacy when they place their calls.

Undoubtedly, the Commission has received complaints by inmates and inmates' families.⁵ Understandably, they protest the simple fact that communications with inmates bears a cost. This is, however, irrelevant to whether that cost is reasonable and in the public interest. In fact, inmate calls carried by ISPs are provided at highly competitive rates.⁶ Normally, the competitiveness of ISP rates is mandated by prison authorities pursuant to contracts between the correctional facility and the ISP. For example, the Invitation to Bid recently issued by the State of Alabama Department of Finance, Division of Purchasing, for inmate telephone services in the Alabama prison system, requires that ISPs charge no more than the equivalent local exchange carrier rate for local and intraLATA calls.⁷ Most of Global's contracts with prison authorities have similar rate cap requirements.

⁵ See NPRM/NOI at ¶ 9.

⁶ Global's rates are based on AT&T's rates and do not exceed that carrier's rates.

⁷ State of Alabama, Department of Finance, Division of Purchasing, Invitation to Bid No. 95-X-237107, Telephone Services - Pay and Inmate, Addendum 1 at 1. Global has included this as an attachment hereto.

Global emphasizes that inmate telephone services contribute significantly to the quality of many inmates lives. ISPs, pursuant to their presubscription contracts with correctional facilities, are often required to provide a small commission to the correctional facilities to help offset administrative costs and finance certain inmate services. In some instances, these commissions have been used to pay for recreational or other facilities for inmates. ISPs, therefore, often have a meaningful impact on the improvement of prison facilities for inmates.

Significantly, under the current system, inmates can complete calls to their attorneys, relatives and friends without difficulty, without interference and for a fair, competitive price. Within the necessary constraints imposed by prison authorities, Global asserts that the needs of inmates are being well met.

**B. THE CURRENT EXEMPTION FOR INMATE TELEPHONE SERVICES
ALLOWS PRISON AUTHORITIES TO EFFECTIVELY ALLOCATE
THEIR LIMITED RESOURCES**

Under the Commission's Rules, prison authorities, working with ISPs, have been able to reduce substantially toll fraud and abuse by inmates using prison telephones. Changes to the current rules, such as allowing inmates access to other carriers, would lead inevitably to increases in toll fraud and abuse and the rapid depletion of scarce prison resources.

One of the highest priorities of prison administrators and ISPs for the last several years has been containing and reducing inmate toll fraud and abuse. The payphones installed and operated by Global and other ISPs have substantially reduced the possibility of inmate fraud, verbal harassment and by inmates of operators, witnesses, jurors and others.

If the Commission reverses its prior findings and ruling and withdraws the exemption of ISPs from the AOS rules, increased toll fraud and abuse would certainly result and the significant public interest benefits of inmate telephone service would be lost. As the Commission is aware, aggregators are required to provide access to the carrier of choice of the customer. If correctional facilities are considered aggregators, inmates will have access to any carrier and AOS provider they choose, and would have access to "live" operators, which creates the potential for harassment by inmates and for human error resulting in the completion of abusive or fraudulent calls. Inmates would also have unlimited access to 950 or 10XXX access numbers that could facilitate toll fraud. As aggregators, prison administrators would have no authority to restrict the availability of such operator or access services.

Furthermore, requiring prisons to allow inmates unlimited access to other carriers and live operators would squander prison resources. Without the benefit of secure inmate telephone services, prison authorities would be compelled to reassign guards to physically monitor inmate telecommunications, limit inmate calling privileges and reduce the number of payphones available to inmates. Global suggests that, as the Commission already has recognized, treating correctional facilities as aggregators is akin to fitting a square peg in a round hole and simply does not make sense.

C. THE INMATE SERVICES EXEMPTION REMAINS IN THE PUBLIC INTEREST

The Commission earlier concluded that exempting inmate services from its AOS rules is in the public interest because inmate services involve unique circumstances. Inmates are by definition "captive customers," and correctional policies governing and limiting inmates' access

to telephone services are only a single component of the efficient operation of correctional facilities. Allowing inmates free access to carriers would diminish the protections sought by correctional facilities, and would therefore unreasonably interfere with the efficient administration of justice. Circumstances have not changed that would warrant reconsideration of the Commission's earlier determination.⁸ It is clear that policies that limit inmates' access to telephone services and which protect against inmate toll fraud and abuse are in the public interest. The efficient allocation of prison resources, bringing increasingly secure correctional facilities with minimum public expenditures, is also in the public interest. As demonstrated above, under the Commission's Rules, inmates are receiving high quality telecommunications services at competitive prices at the same time that prison administrators are receiving secure, customized and efficient services designed to reveal and restrict inmate toll fraud and abuse.

In addition, the Commission should have no doubt but that state and local authorities already regulate provision of ISP services. As is clear from the attached Invitation to Bid, states like Alabama provide all manner of restrictions on ISPs, including, as noted earlier, rate caps (tied to dominant carrier rates). With several regulatory bodies asserting jurisdiction over ISPs and inmate telephone services, additional regulation by the Commission is unnecessary.

Changing the present exemption for inmate telephone services would allow the unfettered proliferation of inmate toll fraud and abuse. Prison resources would be strained and prison security could be impaired. Although Global believes that, in the short run, inmates might enjoy their unlimited access to the public switched network, the public interest would be harmed significantly by requiring prisons to abide by AOS rules.

⁸ Operator Services Order at ¶ 15.

CONCLUSION

As discussed herein, Global respectfully submits that the Commission's current regulation of inmate telephone services recognizes the unique nature of inmate telephone services and the public interest benefits that have resulted from current regulation. For all of the reasons discussed more fully above, Global submits that inmate service providers should not be regulated as AOS providers.

Respectfully submitted,

GLOBAL TEL*LINK

By: 
Dana Frix
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Suite 300
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(202) 424-7662

Its Counsel

Dated: March 9, 1995

ATTACHMENT

**STATE OF ALABAMA DEPARTMENT OF FINANCE
INVITATION TO BID, ADDENDUM 1**



**STATE OF ALABAMA
DEPARTMENT OF FINANCE
DIVISION OF PURCHASING**

INVITATION TO BID ADDENDUM

INVITATION TO BID NO: 237107 ADDENDUM NO: 02

REQ. AGENCY : 010000
DEPARTMENT OF FINANCE
AGENCY REQ. NO. : TA497
T-NUMBER : TA497
DATE ISSUED : 11/30/94
VENDOR NO. : 63107100100
VENDOR PHONE NO. : (205)479-4500
SNAP REQ. NO. : 169926
BUYER NAME : JIMMIE MULLIS
BUYER PHONE : (205) 242-4290

FOR: TELEPHONE SERVICES - PAY AND INMATE

BID MUST BE RECEIVED BEFORE:

12/15/94
5:00 PM

BIDS WILL BE PUBLICLY OPENED:

12/16/94
2:00PM

GLOBAL TEL*LINK
2609 CAMERON ST
MOBILE AL 36607

PLEASE READ ALL INSTRUCTIONS CAREFULLY

ADDENDUM MUST BE SIGNED, NOTARIZED AND RETURNED WITH THE BID OR UNDER SEPARATE COVER PROPERLY IDENTIFIED AND TO BE RECEIVED PRIOR TO DATE AND TIME SPECIFIED ON BID, UNLESS OTHERWISE INDICATED BELOW.

THE FOLLOWING CHANGES ARE HEREBY ADDED TO AND MADE A PART OF (INVITATION TO BID NUMBER 237107)

ATTACHED ARE CHANGES MADE TO SOLICATION X-237107 RESULTING FROM THE PRE-BID HELD NOVEMBER 29, 1994.

THUS FAR TWO (2) ADDENDUMS HAVE BEEN MAILED OUT. THE COMPLETED BID, BOTH ADDENDUMS 01 AND 02 MUST BE SIGNED, NOTARIZED, AND RETURNED TO THIS OFFICE NO LATER THAN 5:00PM. DECEMBER 15, 1994.

JM

* * * * * END OF ADDENDUM * * * * *

I/WE AGREE TO FURNISH AT THE PRICES SHOWN AND GUARANTEE THAT EACH OFFERED WILL MEET OR EXCEED ALL SPECIFICATIONS, TERMS AND CONDITIONS, AND REQUIREMENTS LISTED. I HEREBIN AFFIRM I HAVE NOT BEEN IN ANY AGREEMENT OR COLLUSION AMONG BIDDERS IN RESTRAINT OF FREEDOM OF COMPETITION BY AGREEMENT TO BID AT A FIXED PRICE OR TO REFRAIN FROM BIDDING OR OTHERWISE.

SWORN TO AND	_____	_____
SUBSCRIBED BEFORE ME THIS	_____	_____
DAY OF _____, 19__	_____	_____
NOTARY PUBLIC	_____	_____
	_____	_____

COMPANY NAME

AUTHORIZED SIGNATURE (INK)

MAIL ADDRESS

TYPED AUTHORIZED NAME

CITY, STATE, ZIP

PHONE INCLUDING AREA CODE

Addendum 1

page 11, item 8 Has been changed to read as follows:

8. Tariffs/Rates/Charges

The Vendor(s) will not charge the pay telephone user more than the equivalent LEC rate for local and intraLATA calls based on the origin, destination, time of day, and type of each call.

The vendor(s) will not charge the payphone user more than the designated carrier's approved tariff rate for interLATA, interstate, and international calls based upon the origin and destination, time of day, and type of each call. The winning vendor must ensure that tariffed rate changes of the LEC and the designated carrier are updated in its rating system within 30 days of the effective date of the said tariff change.

Addendum 2

page 12, item 12.a, Has been changed to read as follows:

a. The vendor must sign on the signature line, date, type or print their name and title in the space provided at the end of each section. In doing so the vendor agrees to comply with all mandatory items therein and to provide the State with all requested information. This information must reference the specific page number and item number. The information must be sufficient to substantiate compliance with the invitation to bid. Failure to do so will result in disqualification.

Addendum 3

page 12, item 12.b, Has been changed to read as follows:

b. Each bidder is required to submit an original signed bid and five complete copies. Each bid must also contain Exhibit VI for each territory.

Addendum 4

page 18, Table III-2 Payphone Distribution by Territory, line 5, has been changed to read as follows:

13	GTE South	81
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Addendum 5

page 18, Table III-2 Payphone Distribution by Territory, line 8, has been changed to read as follows:

30	South Central Bell	642
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