AMERICAN FRIENDS SERVICE COMMITTEE
1414 Hill Street, Ann Arbor, Michigan 48104 • Phone 313/761-8283 (Voice/TDD) Fax: 313/761-5022

July 16, 1996

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street NW, Room 222
Washington D. C. 20554

RE: FCC 96-253

Dear Mr. Caton:

On this day, I faxed the accompioning three documents, please accept these doucments as true copies.

Peace With Justice,

Penny Ryder, Director
Criminal Justice Program

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1414 Hill Street, Ann Arbor, Michigan 48104 • Phone: 313/761-8283 (Voice/TDD) Fax: 313/761-6022

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Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street NW, Room 222
Washington D. C. 20554

RE: FCC 96-253

Dear Mr. Caton:

The American Friends Service Committee (AFSC) has been very interested in prisoner-collect-calling issues for over five years. We have talked to FCC staff while in Washington, have met with Senator John Dingle's aid in Dearborn, MI, have distributed large quantities of information to our constituents about the issues, have had contact with our local Public Service Commission, and have had extensive interaction with the Michigan Department of Corrections (MDOC) , our state legislators, the media, and the phone companies.

We continue to have very serious concerns about three issues imbedded in FCC 96-223: 1- that the rights of the general public (who are *not* imprisoned) are being restricted; 2- the state should not be profiting from prisoner phone calls; 3- that the "security needs" offered in justification are not compelling;

1. The rights of the general public are restricted by unnecessarily high costs imposed by the MDOC system:

Because the law applies the term "aggregator" as the entity that has the pay phone in their facility, the law applies to the Departments of Corrections (DOC). And the rights of the consumer -- the person who pays the bills -- are ignored. This practice turns on the definition of a prison as a "public" place. In fact, the interior of a prison is not a public place. Prisoners reside there; most phones are physically placed in the housing units, but prisoners do not have a choice in where they place calls. The general public does not enter the prison as they do other aggregator sites.

Current laws and policies by-pass the true consumer, leaving them with no power in negotiating for lower costs or more humane options such as debit card, restricted credit cards, or bill party preference (BPP).

The 15-minute limit on a given phone call imposes still another financial cost. The MDOC terminates calls at 15 minutes, but allows prisoners to call the same

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number, again and again, thus reaping operator connect and first minute charges at the same time saying that the 15 minute limit is needed for security reasons.

2. The profits accruing to MDOC from the phone contracts are not disclosed to the consumer

Because phone companies realize the profits that these calls generate, the DOCs are negotiating contracts with the phone companies to bring in money to the state general funds in the form of commissions. They rationalize the ethics of having such control over this large population of citizens who do not have choices, by stating that all other business who have pay phones on their premises are receiving such commissions. In the case of the MDOC, 1996 budget shows $8,089,000., income to the housing fund (attachment 1). Is this a legitimate charge made on the families and friends of prisoners? If it is, then let us be honest and call this added money a tax and calculate it separately on phone bills, such as the Federal Tax on a phone bill.

3. The issue of security seems to justify these procedures only rather poorly.

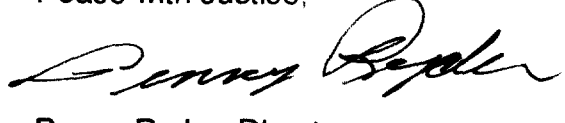
We are well aware that the prison system must create secure prisons and that they do have legitimate concerns in this area. We are also aware of the issues of phone fraud that create financial losses to the phone companies. However, since the use of call monitoring equipment and other DOC controls such as approved phone lists, prisoner pin numbers, etc. these issues are mitigated. At a recent meeting that we organized, a Vice President of a local major phone carrier admitted to us from the company's perspective that these security issues are adequately met by existing controls.

The costs to the state for equipping prisoner phones (monitoring equipment) in many cases has been absorbed by the phone companies as a part of the contract. However, we object to the notion that free-world people might be additionally taxed by accepting prisoner calls. Equipment for security is a fact of life in all prison related issues.

The AFSC firmly believes the public interest (that is free-world public not those of prisoners) would better be met with alternatives including options in payment including debit card, restricted credit cards, BPP as well as disclosure of the percent of total call costs that are being charged over and above that which is needed for connect. Regulation in this area is necessary both to control state's financial interests as well as those of the phone companies.

We appreciate the concern of the commission to revisit these issues and look forward to any follow-up information on this process.

Peace with Justice,



Penny Ryder, Director
Criminal Justice Program

ATTACHMENT 1

		For Fiscal Year Ending Sept. 30, 1996
Personnel costs—777.6 FTE positions	$	44,199,600
Operational costs		9,084,300
Dental lab operations		79,300
Academic/vocational programs—8.0 FTE positions		615,800
GROSS APPROPRIATION	$	53,979,000
Appropriated from:		
Interdepartmental grant revenues:		
IDT-dental lab user fees		79,300
Special revenue funds:		
Resident stores		202,300
Public works user fees		846,000
State general fund/general purpose	$	52,851,400
INMATE HOUSING FUND		
Average population 3,472		
Full-time equated classified positions 605.1		
Inmate housing fund—605.1 FTE positions	$	28,281,700
County jail reimbursement program		14,103,600
GROSS APPROPRIATION	$	42,385,300
Appropriated from:		
Special revenue funds:		
Telephone fees and commissions		8,089,000
State general fund/general purpose	$	34,296,300

Sec. 102. There is appropriated for the department of corrections for the fiscal year ending September 30, 1995 from the following funds:

DEPARTMENT OF CORRECTIONS

APPROPRIATION SUMMARY:		
GROSS APPROPRIATION	$	(10,000,000)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(10,000,000)
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	(10,000,000)
ADMINISTRATION AND PROGRAMS		
Administrative services	$	(250,000)
GROSS APPROPRIATION	$	(250,000)
Appropriated from:		
State general fund/general purpose	$	(250,000)
CENTRAL SUPPORT ACCOUNTS		
Compensatory buyout	$	(150,000)
GROSS APPROPRIATION	$	(150,000)
Appropriated from:		
State general fund/general purpose	$	(150,000)
FIELD OPERATIONS		
Personnel costs	$	(1,000,000)
GROSS APPROPRIATION	$	(1,000,000)