Federal Communications Commission
Washington, D.C. 20554

March 10, 2014

The Honorable Richard Nugent
United States House of Representatives
1727 Longworth House Office Building
Washington, DC 20515

Dear Congressman Nugent:

Thank you for your letter concerning the Commission's proceeding on inmate calling services. On September 26, 2013, the Commission released a *Report and Order and Further Notice of Proposed Rulemaking* on inmate calling services. In the *Report and Order* portion of the item, the Commission adopted interim reforms of interstate inmate calling service rates, requiring that providers' rates and charges be cost-based. The *Report and Order* adopted interim caps for interstate inmate calling rates, as well as interim "safe harbor" rate levels. While we think that the rate caps are reasonable, inmate calling service providers that do not believe their costs will be recovered may seek a waiver of the adopted rules.

The *Report and Order* recognized that security measures are an important part of inmate calling services, and allowed security costs to be recovered through inmate calling service rates. The *Report and Order* also leaves critical decisions about security to correctional facilities and inmate calling service providers.

On January 13, 2014, the United States Court of Appeals for the District of Columbia Circuit issued a partial stay of the *Report and Order*, pending further judicial review. Three of the rules adopted in the *Report and Order* were stayed by the Court of Appeals and will not go into effect at this time.[1] The remaining rules adopted in the *Report and Order* became effective on February 11, 2014.

In the *Further Notice* portion of the item, the Commission sought public comment on a number of outstanding issues regarding inmate calling services. Comments on the *Further Notice* were due on December 20, 2013, and reply comments were due on January 13, 2014. The Commission is currently reviewing the record in this proceeding.

[1] The following Commission rules are stayed: 47 C.F.R. §§ 64.6010 (requirement that inmate calling service rates be cost-based), 64.6020 (interim safe harbor rates for interstate inmate calling services), and 64.6060 (annual reporting and certification requirement for inmate calling service providers).

I appreciate your interest in this matter. Your letter will be included in the record of the proceeding and considered as part of the Commission's review. Please let me know if I can be of any further assistance.

Sincerely,

Julie A. Veach
Chief
Wireline Competition Bureau