



Federal Communications Commission  
Washington, D.C. 20554

March 10, 2014

The Honorable William L. Owens  
United States House of Representatives  
405 Cannon House Office Building  
Washington, DC 20515

Dear Congressman Owens:

Thank you for your letter concerning the Commission's proceeding on inmate calling services (ICS). 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 just, reasonable and fair. 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* ensures that security measures, a critical part of inmate calling services, remain robust, and allows security costs to be recovered through inmate calling service rates. The *Report and Order* also recognized that there are avenues for ICS providers to seek recovery of costs where the ICS provider is compensating correctional facilities for costs incurred that are directly related to the provision of ICS. The *Report and Order* also leaves critical decisions about security to correctional facilities and inmate calling service providers.

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.

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.<sup>1</sup> The remaining rules adopted in the *Report and Order* became effective on February 11, 2014. Specifically, the *Report and Order* established interstate inmate calling service rate caps of \$0.21 per minute for debit and prepaid calling and \$0.25 per minute for collect calling. The *Report and Order* also established safe harbor rate levels of \$0.12 per minute and \$0.14 per minute, which would give ICS providers a presumption of reasonableness regarding rates at or below those levels. The rule establishing the safe harbor rates was stayed by the Court of Appeals and therefore did not go into effect on February 11, 2014.

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<sup>1</sup> 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).

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I appreciate your interest in this matter. Your letter and the letters of Sheriffs Richard C. Cutting and Jeffrey J. Murphy, respectively, 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