

KEY POINTS BRIEFING SHEET

For Communications with the Federal Communications Commission (“FCC”), Members of Congress, and Other Public Officials

- The FCC is currently considering a proposal (the “*Wright* Alternative Proposal”) to significantly lower interstate calling rates in certain private prison facilities. This proceeding presents a tremendous opportunity for the FCC to address the problem of high prison phone service rates on a comprehensive basis.
 - High (even abusive) collect calling rates have long plagued prison phone service. The current FCC proceeding has documented this fact in great detail. The problem is not limited to interstate calling however, nor is it limited to practices at three private prison facilities, the narrow issues in contention in the *Wright* case.
 - It is clear that this is a matter within the responsibility of the FCC. Congress imposed a mandate upon the FCC to establish fair compensation for “**each and every intrastate and interstate call.**” See Chapter 47 of the United States Code at Section 276 (Telecommunications Act of 1996).
 - “Commissions” are the amounts paid to correctional facilities and systems by prison phone service providers in exchange for exclusive, monopoly rights to serve the facility or system. It is these constantly increasing “commissions” that drive rates higher in an escalating spiral.
 - Yet, the FCC has ruled that facility “commissions” **are not** a legitimate cost but profit allocation. Commissions cannot be included in calculating the cost of a call. FCC Order 21 February 2002, ¶ 15, p. 8, and ¶ 38, p. 15 (CC Docket No. 96-128).
 - A piecemeal approach to controlling prison phone service rates cannot succeed (nor can it provide widespread benefit to prisoners and their families). Rather, a **comprehensive** solution to the problem must take into account the following

factors:

- A. The need for rate caps, presumptive rate guidelines, or benchmarks that are:
 - 1) applicable to all correctional facilities (including jails and prisons);
 - 2) applicable to all kinds of calls (including local, intrastate long distance, and interstate long distance; and
 - 3) provide a reasonable rate of return for prisoner phone service providers
- B. The payment of commissions (and all possible workarounds that unjustifiably inflate the cost of prisoner phone calls) must be eliminated.
- C. Establish collect calling options at reasonable rates and require alternative, less expensive calling options such as debit or prepaid accounts.
- D. Deference to state public utilities commissions to address requested adjustments to benchmark rates.