

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendraye
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Thomas Pugh
Phyllis A. Reha

Chair
Commissioner
Commissioner
Commissioner

In the Matter of the Petition of the Minnesota
Department of Commerce Regarding
Regulation of Inmate Telephone Service

ISSUE DATE: April 26, 2007

DOCKET NO. P-999/DI-07-204

ORDER OPENING GENERIC DOCKET ON
INMATE TELEPHONE SERVICE

PROCEDURAL HISTORY

In late 2006, the Department of Commerce (the Department) received a complaint regarding the charges imposed by an inmate telephone service provider that operates a phone system for a county jail in the Twin Cities metropolitan area.

On February 14, 2007, the Department filed comments.

On April 12, 2007, the Commission met to consider the matter.

FINDINGS AND CONCLUSIONS

A. Background of Regulation Over Inmate Telephone Service

On July 7, 1992 and July 19, 1993, the Commission released its Order Setting Regulatory Requirements for Store and Forward and Inmate-Only Service Providers and its Order on Reconsideration, establishing twelve requirements for telecommunication providers of inmate telephone service.¹

The Orders set forth the following requirements:

¹ Docket No. P-999/C-91-22.

- Inmate telephone service providers must obtain a certificate of authority with the Commission to provide payphone and operator service;
- Inmate telephone service providers must file a tariff;
- Inmate telephone service providers' rates for long distance calls must not exceed AT&T's rates for similar calls;
- Inmate telephone service providers' rates for local calls must not exceed the highest rate for a similar call approved by the Commission;
- Inmate telephone service providers must state their identity at the beginning of the call;
- Inmate telephone service providers must bill the end user within 90 days of the date of the call;
- Inmate telephone service providers must submit samples of their bills;
- Inmate telephone service providers cannot bill for unanswered calls;
- Inmate telephone service providers must provide rate information to end users to the extent it is technologically feasible.
- Inmate telephone service providers must place their names on the bills they send to end users;
- Inmate telephone service providers may not include call aggregators' surcharges or other charges not approved by the Commission for inmate service;
- All local exchange carriers are prohibited from disconnecting local service for the nonpayment of inmate telephone service charges.

Since the issuance of the Commission's Orders on inmate telephone service, numerous changes have occurred in the regulation of telecommunications carriers. For example:

- In 1993, Minnesota Statutes § 237.74 was enacted in large part deregulating rates for telecommunications carriers;
- On August 1, 1995, amendments to Minn. Stat. § 237.16 were enacted, changing the requirements for obtaining a certificate of authority with the Commission;
- In 1998, rules were enacted establishing four categories of certificates of authority (Minnesota Rules part 7811 and 7812.0200, subp.2);
- On May 25, 1999, Minnesota Statutes § 237.036 was enacted – exempting payphone providers from certification.²

B. Current Complaint

In late 2006 the Department received a complaint regarding an inmate telephone provider that operates a phone system for a county jail in the Twin Cities metropolitan area. The complainant, a person with an incarcerated family member who had accepted calls from the inmate telephone service provider, reported that she was not automatically given information regarding the cost of the call, was required to deposit a minimum amount of money (\$50.00) via her credit card prior to

² The statute released payphones from needing a certificate of authority with the Commission. Registration of payphones is required.

being able to receive calls from the inmate, and was assessed an additional “processing fee” each time she placed money in the account.

In addition, the complainant reported that she was required to provide her social security number to the inmate telephone service provider, and that she was not automatically sent a billing statement itemizing how her deposit balance was being drawn down. The complainant requested that the provider’s rates and terms and conditions be reviewed and regulated by the Commission. Finally, the complainant asserted that the inmate telephone service provider should have a certificate of authority with the Commission.

After receipt of the complaint, the Department communicated with various correctional facilities about current practices with respect to the provision of inmate telephone services. The Department has requested the Commission to open a generic docket to update the record on inmate telephone service and to clarify, *inter alia*, whether inmate telephone service providers require a certificate of authority,³ and if so, what form of regulation is required.

C. Commission Analysis and Action

The Commission concurs with the Department’s request to open a generic docket to update the record on inmate telephone service. The Commission recognizes that many changes have occurred in the telecommunications industry and applicable state laws since it issued its inmate telephone service orders in 1992-1993.

Therefore, the Commission will open a generic docket to refresh the record on inmate telephone service. The Commission will ask those telecommunications carriers which are inmate telephone service providers to provide the information listed below:

- Does state law still require inmate telephone service providers to obtain a certificate of authority because they offer “telephone” or “telecommunications” service in Minnesota?⁴
- If state law requires these carriers to obtain a certificate of authority, what type of certification should they receive?
- If inmate telephone service providers must be certified, how should they be further regulated?

³ The Department’s inquiries revealed that some inmate phone service providers have obtained a certificate of authority from the Commission, while others have not. See, e.g., Docket No. P-6451/NA-05-914.

⁴ Two statutes that may be relevant are Minn. Stat. §237.036 (exemption from certification for payphone providers) and Minn. Stat. §237.16 (requiring any “person providing telephone service in Minnesota” to obtain a certificate).

- Inmate telephone service providers should list where they operate in Minnesota, and what rates they charge. Inmate telephone service providers should also comment on whether the twelve requirements established by the Commission in Docket No. P-999/CI-91-22 continue to be relevant today.

The Commission also acknowledges with appreciation the Minnesota Office of the Attorney General - Residential Utilities Division's commitment to investigate the consumer complaint regarding inmate telephone service provider services initiating the Commission's review in this docket.

ORDER

1. The Commission hereby opens a generic docket to refresh the record on inmate telephone service. The Commission asks those telecommunications carriers which are inmate telephone service providers to provide the information referenced herein above.
2. Initial comments addressing the questions referenced herein shall be filed within 21 days of the date of this Order. Reply comments shall be filed within 10 days after the filing of the initial comments.
3. The Commission hereby delegates to the Executive Secretary the authority to set and vary deadlines with respect to the generic docket as he may deem necessary.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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