

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RATES, TERMS AND)
CONDITIONS FOR INMATE) ADMINISTRATIVE CASE NO. 368
TELECOMMUNICATIONS SERVICES)

O R D E R

On February 8, 1999, the Kentucky Department of Corrections ("DOC") and MCI Telecommunications Corporation ("MCI") petitioned for rehearing of the Commission's January 15, 1999 Order. Specifically, the DOC and MCI request clarification of the Commission's requirement that AT&T and any other carrier that has an operator surcharge on collect calls from inmate facilities that is higher than its operator surcharge for any other collect call reduce its tariffed rate to no more than that paid by the general public for automated calls. On February 24, 1999, intervenor Bart Adams, on behalf of a group of plaintiffs in a federal lawsuit, requested the Commission to deny rehearing.

MCI alleges that the Order should be clarified to require no change until after the Commission has completed its investigation in Administrative Case No. 378¹ in which it will decide the appropriate level of surcharge rates for inmate service calls. According to MCI, the Commission could not have intended that the rate for the operator surcharge be reduced at this time. The Commission did state that it would not interfere

¹ Administrative Case No. 378, In the Matter of the Establishment of an Operator Surcharge Rate for Collect Telephone Calls from Confinement Facilities.

with the contractual relationship already existing between the DOC and its payphone service providers.

In addition, MCI asserts that a reduction at this time would have a significant adverse impact upon its ability to continue to provide service to the DOC under its existing contract terms. The DOC argues that the reduction in the surcharge rate at this time would produce a detrimental effect on its budget. MCI and the DOC contend that there has been insufficient evidence regarding the reasonableness of the surcharge rate at this time. The Commission agrees that it should not order the surcharge rate for inmate collect calls to change until it has concluded Administrative Case No. 378 and the contract between the DOC and MCI has concluded.

The Commission, having considered the motion of the DOC and MCI and having been otherwise been sufficiently advised, HEREBY ORDERS that the January 15, 1999 Order be clarified to state that the reduction of the surcharge rate ordered for AT&T and other carriers that provide inmate services should be effective on November 15, 1999 with the termination of the contract between the DOC and MCI.

Done at Frankfort, Kentucky, this 1st day of March, 1999.

By the Commission

ATTEST:

Executive Director