

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ESTABLISHMENT OF AN OPERATOR )	
SURCHARGE RATE FOR COLLECT )	ADMINISTRATIVE
TELEPHONE CALLS FROM )	CASE NO. 378
CONFINEMENT FACILITIES )	

O R D E R

The Commission established this proceeding to address the appropriate level of inmate surcharge rates and the toll rates on collect calls originating from confinement facilities. On July 1, 1999, the Commission by Order limited the surcharges on these calls to \$1.50 per call. This maximum rate was established because recipients of inmate calls face a lack of choice of carriers, a lack of calling options, limited call duration, and a likelihood of frequent and repeated calls. By that same Order, the Commission also eliminated set-use fees on calls originating from confinement facilities.

On August 9, 1999, on an interim basis, the Commission established maximum toll rates of 28 cents a minute for interLATA calls and 23 cents a minute for intraLATA calls.

This Order addresses the permanent maximum per minute intraLATA and interLATA toll rates applicable to inmate services. At the April 12, 2000 hearing MCI WorldCom, Evercom Systems, Inc., BellSouth Public Communications, Inc. and the Department of Corrections ("DOC") testified. None of the utilities that participated in the hearing argued that the toll rates set by the Commission on the interim basis were

inappropriate.<sup>1</sup> No one offered an alternative to the maximum rates, though a carrier did propose the elimination of any rate cap.<sup>2</sup> Elimination of a rate cap for operator services would be a departure from the Commission's previous decisions. Based on its prior analysis of the issues herein, the Commission reaffirms its decision to retain a rate cap for calls originating from confinement facilities to recipients who lack any choice in regard to price or carrier.

The Commission further finds that the interim rates it adopted in its August 9, 1999 Order should be the permanent maximum rates for inmate calling. Accordingly, no utility may charge rates in excess of a \$1.50 surcharge, 28 cents for an interLATA minute, and 23 cents for an intraLATA minute. The maximum charges for a local call shall be a \$1.50 surcharge and the local coin rate (35 cents). These maximum rates shall be in effect by no later than June 30, 2000 in accordance with the Commission's August 9, 1999 Order.

The Commission also encourages the DOC to focus the competition amongst vendors for its contracted services on rates paid by the call recipients rather than on revenues received by the DOC. We believe such focus would appropriately cause utilities to charge call recipients the lowest amount possible.

The Commission, having considered the evidence and having been otherwise sufficiently advised, HEREBY ORDERS that utilities providing inmate calling service shall charge no more than the rates specified herein for service rendered upon the

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<sup>1</sup> Transcript of Evidence ("T.E.") at 11 and 29-30.

<sup>2</sup> T.E. at 11.

earlier of the date upon which their current inmate service contracts expire or June 30, 2000.

Done at Frankfort, Kentucky, this 16<sup>th</sup> day of May, 2000.

By the Commission

ATTEST:

  
Executive Director