



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Consider
Regulated Telecommunications Services
Used by Incarcerated People

R. 20-10-002

**REPLY COMMENTS OF SECURUS TECHNOLOGIES, LLC (U 6888 C) ON
PROPOSED DECISION ADOPTING INTERIM RATE RELIEF FOR INCARCERATED
PERSON'S CALLING SERVICES**

Pursuant to Rule 14.3 of the California Public Utilities Commission's ("Commission" or "CPUC") Rules of Practice and Procedure, Securus Technologies, LLC ("Securus") provides these reply comments to the *Proposed Decision Adopting Interim Rate Relief for Incarcerated Person's Calling Services* issued on July 12, 2021 ("PD") in the above-captioned proceeding. IPCS Providers' Opening Comments Confirm that the PD's Interim Rate Proposal Requires Modification.

The opening comments submitted by companies providing incarcerated persons calling services ("IPCS") confirm that the PD's proposed \$0.07 rate cap for all correctional facilities is not reasonable in that it does not reflect providers' costs for providing IPCS. Comments by Network Communications International Corp. ("NCIC") are particularly telling, as a company that provides services primarily to smaller jails and has enthusiastically supported the CPUC's regulation of IPCS rates.¹ NCIC opposes the PD's because the proposed rates and elimination of fees are "*far below* our cost of providing service."² NCIC identifies a host of services that it will

¹ NCIC Comments at 3 (dated November 3, 2020) (stating that the CPUC should "absolutely regulate the rates" for IPCS).

² NCIC Comments at 2 (emphasis added).

need to reduce or eliminate as a result of the PD's interim rates and elimination of various ancillary service fees.³

Global Tel*Link Corporation ("GTL"), which serves jails, as well as the state's prison system, similarly states that the PD's proposed rate cap will "prevent providers from recouping their costs and impair the ability of correctional facilities to fund programs intended for the benefit, welfare and education of incarcerated persons."⁴

Although NCIC, Securus and GTL differ in their recommended approaches in this proceeding, they all agree that the PD's reliance on GTL's state prison contract rate as a benchmark for setting a cap for all state facilities is not reasonable for purpose of setting just and reasonable rates, and doing so will consequently reduce the availability of services that site commission fees actually fund.

Accordingly, Securus recommends that the Commission modify the PD:

- To adopt the FCC's new interim rates as rate caps for IPCS provided in California, as recommended by the Staff Proposal;⁵
- To allow an IPCS provider to submit within 90 days of the issuance of the decision a filing showing that its reasonably-incurred costs to provide telephone services at certain facility(ies) exceed the FCC's interim rates ("Cost Showing");⁶ and
- To allow IPCS providers at least 90 days to otherwise implement any new rate caps adopted and provide at least 60 days to submit drafts of requisite notices.

³ Id. at 3.

⁴ GTL Comments at ii, 2, 8-9.

⁵ The Commission may wish to clarify that if rates for any IPCS' services are currently lower than such interim rate cap, then IPCS providers are precluded from raising their rates.

⁶ Even if the Commission were to adopt the rate caps in the PD, it should still allow IPCS providers to make this showing. This would be equivalent to the FCC's waiver process that acts as a safety valve where the IPCS provider can show the CPUC that its reasonably-incurred costs to provide service at a facility exceed those rates. Securus Comments at 17-18 (dated April 30, 2021); Securus Comments at 2.

Securus respectfully submits this approach - which is supported by the record - will provide immediate and defensible rate relief to more than 64,000 incarcerated persons at 218 jails in California where the rates currently exceed the FCC's new interim rate caps and help ensure a smooth transition into Phase 2 issues.

Conclusion

The Commission should revise the PD to adopt the FCC's interim rates, ancillary services framework, and its waiver process while rejecting requests for even further interim relief.

Respectfully submitted,

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