



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

October 24, 2014

The Honorable Mark Warner  
United States Senate  
475 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Warner:

Thank you for contacting me to express the concerns raised by sheriffs, other members of the law enforcement community, and their Virginia members regarding the Commission's inmate calling services (ICS) proceeding. In your letter, you strongly urge that any rate changes be phased in gradually and thoughtfully in order to reduce additional transition burdens. Your views are very important and will be included in the record of the proceeding and considered as part of the Commission's review.

On September 26, 2013, the Commission released a *Report and Order and Further Notice of Proposed Rulemaking* on ICS. In the *Report and Order*, the Commission adopted interim reforms of interstate ICS rates, requiring that providers' rates and charges be just, reasonable, and fair. The *Report and Order* also required submission of data from ICS providers on costs and usage, which the Commission received in August 2014.

The *Report and Order* recognized that security measures are an important part of ICS and made clear that it is appropriate for security costs to be recovered through ICS rates. In the associated *Further Notice of Proposed Rulemaking*, the Commission sought public comment on a number of outstanding issues regarding ICS, including reform of intrastate ICS rates and practices, as well as whether the Commission should adopt a rate structure that distinguishes between jails and prisons.

The *Report and Order* is already having positive results. Lower interstate rates and increased ICS usage enable more families to connect with inmates. Unfortunately, intrastate rates have increased in many states. Moreover, ICS providers are imposing an increasing array of ancillary charges, and correctional facilities are continuing to demand site commissions – payments to facilities that are not based on their costs to provision ICS – representing a significant portion of ICS provider gross revenues.

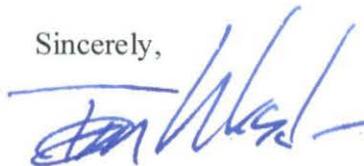
Under the leadership of Commissioner Clyburn, who has been spearheading the Commission's effort on this issue, on October 17, 2014, the Commission adopted a *Second Further Notice of Proposed Rulemaking* ("*Further Notice*") with a goal of comprehensively reforming the ICS system, including both interstate and intrastate rates. The *Further Notice*

seeks comment on the data submitted by ICS providers in August of this year, which included cost data for jails and prisons of all sizes. To address the concerns you have raised on behalf of sheriffs and other law enforcement officials, the *Further Notice* seeks comment on the data and whether rules should account for the differences in costs to serve different types of facilities. The *Further Notice* also seeks comment on whether correctional institutions incur any costs in the provision of ICS and, if so, how facilities should recover such costs if the Commission otherwise determines to prohibit the use of site commissions. Finally, the *Further Notice* seeks comment on providing a multi-year transition period to provide sufficient time for correctional facilities to adjust their budgets.

Please be assured that we will take into consideration the issues and concerns presented by all stakeholders engaged in this proceeding, including representatives of the law enforcement community. As you have suggested, inmates deserve a fair and reasonable call rate that is justified by the costs. The goal of the *Further Notice* is to reform the ICS system comprehensively, while also ensuring appropriate cost recovery and transition periods for correctional facilities.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a horizontal line underneath it.

Tom Wheeler