

The high cost of a phone call from an Alabama prison

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Diana Summerford spends about \$100 a month – or double some cell phone plans – to talk to her son Jimmy Childers.

An inmate at Decatur Work Release, Childers is serving time on a burglary charge.

"Yes, it is worth keeping in contact with him because he needs to know what's going on at home," said Summerford, of Warrior. "I need to know he's OK, especially in today's situation with him getting older..."

Beginning in July, Summerford and thousands of others statewide will pay a whole lot less. That's when a little known Alabama regulatory agency will cap the fees and cut the rates that private prison phone companies use to charge friends and families to talk to their loved ones behind bars.

But the providers are not giving up the profits from Alabama inmates so easily.

For years, these firms have exaggerated the cost of their services to authorities and padded phone bills with needless charges, according to the Alabama Public Service Commission. The firms also sold discounted calling cards to jail canteen operators, who resell them at full price, keep the profits, and deprive inmates and their families of the savings.

Advocates say the policy change – which two of the state's largest jail phone providers are fighting in state court – will help poorer families keep in touch with their relatives in state prisons and county jails.

"You and I have to be able to communicate on a daily basis to make our lives work, that's just something people have to do," said Carrie Wilkinson, director of Prison Phone Justice.

"If you are going to monetize communication for prisoners to the extent that they can't do it because they can't afford it, it will only make their chance for success a lot worse when they get out."

Prison contract

In Alabama, Louisiana-based telecommunications giant Century Link provides inmate phone services for all 28 prisons. It signed a three-year deal with the state in 2012, and contracts out the work through IC Solutions, which was unavailable for comment.

Renewed earlier this year, the contract stipulates that Century Link, which reported in February operating revenues of more than \$4.4 billion, must pay the state 57 cents per day per inmate for the opportunity to provide services.

Last year, the ADOC reported having 25,078 in-house inmates – a population that is greater than all but 20 cities in Alabama. Add it all up and the firm paid the state prison's system more

than \$5 million last year.

In exchange for this cash, Century Link charges inmates a \$2.75 surcharge for every local call and a \$2.25 surcharge plus 30 cents per minute for every in-state call. Inmates also had to pay a \$3.95 surcharge plus 89 cents per minute for every out-of-state call until federal authorities intervened last year.

But the Federal Communications Commission issued an order that took effect last year that capped rates on out-of-state calls by prisoners. That order mandates that prison phone providers can't charge more than 21 cents a minute for prepaid calls and 25 cents a minute for traditional out-of-state collect calls.

Still, the firms are allowed to bulk charge \$3.15 and \$3.75 for the first 15-minutes of for all out-of-state prepaid and traditional collect phone calls, no matter if the inmate is on the phone for one minute or 15 minutes, according to the ruling.

That's what Century Link charges in Alabama.

In addition to all that, there is a \$4.75 transaction fee every time someone puts money on an inmate's prepaid collect account by phone or online.

But in less than two weeks, many of these fees will disappear. And rates will fall.

The Alabama Public Service Commission ordered in December that the per minute rate for in-state collect calls and prepaid calls will be 25 cents each starting July 1. That falls to 23 cents for prepaid calls starting on Jan. 8, 2016. Prepaid calls drop another two cents in January of 2017.

Perhaps most notably, there will no longer be a difference in charges for local and in-state calls.

"All traffic, local and toll, is similarly routed with little to no difference in provider costs for transport and termination," according to the commission. "Meanwhile, those using toll service pay a disproportionately higher rate for service that costs no more to provide."

For example, it currently costs an inmate at Julia Tutwiler Prison for Women in Wetumpka \$6.75 to make a 15-minute phone call to a family member in Mobile. Starting on July 1, that same phone call will cost \$3.75.

The order also caps fees on payments made at electronic onsite kiosks as well as online or through automated voicemail at \$3. That's \$5 less than what Securus, one of the state's leading phone providers for county jails, charges for the online and kiosk payments, and almost \$7 less than what Securus charges for the automated voicemail payments, according to the commission.

Payments made by telephone through a live operator will be capped at \$5.95 – \$4 less than what Securus charges, the commission states.

And reforms are not limited to phone fees. Providers that charge customers more than \$5.95 for Western Union/MoneyGram services must soon ask the state for permission to do so. Global Tel*Link currently charges \$10.95 and Securus charges \$11.95 for these services, according to the commission.

As of July 1, phone providers must also affix the face value to prepaid inmate calling cards before distributing the cards to a seller.

The commission alleges that the phone providers sold the cards to jail canteen operators at as low as 60 percent below face value. Meaning, the discounted cards would allow inmates to pay in-state rates of anywhere from 11 cents for local calls and 27 cents for out-of-state calls.

But the canteen operators in the county jails resold the cards to inmates at full value and kept the profit, according to the commission.

"Of course, the inmate sees no such economic benefit, paying the full per minute rate for the service," the commission states.

Alabama Department of Corrections spokesman Bob Horton said that the prison canteens – operated by the state – do not sell phone cards to inmates. He referred all other questions about prison phone rates to the Alabama Public Service Commission.

Legal skirmishes

These new rates affect Century Link and all county jail phone providers except, for the moment, Securus and Global*Tel Link.

A Century Link spokeswoman issued a statement to AL.com that said that "inmate calling rates must ultimately reflect the need for overall consumer protection and privacy as well as affordable rates for inmates' families."

However, to stop the new rates from taking hold, Securus and Global*Tel Link are suing the Alabama Public Service Commission in Montgomery Circuit Court and the Alabama Supreme Court, which deferred the matter to the lower court.

Alabama Public Service Commission officials say the two firms are temporarily exempt from the order, but will have to pay back fees if their ruling is upheld. A Securus attorney declined to comment, citing pending litigation, and Global Tel*Link attorneys were unavailable for comment.

Century Link claimed in comments to the state's Alabama Public Service Commission that the average household spends \$24 a month on inmate communication.

But the commission estimated the costs to be in excess of costs at county jails, citing average monthly phone revenue costs to be \$55 at Shelby County Jail and between \$61 to \$65 at Escambia County Jail.

The commission's order notes that the high cost of making an in-state call versus a local call

has led to people buying disposable cell phones with a local number to avoid the higher costs.

That's what one woman, who asked not to be named, told AL.com she did to secure the \$2.75 flat fee for all inmate local calls.

"If you called your mom once a week collect from prison, you will have no less than a \$25 dollar bill for 15 minutes," she said. "Every week, that's \$100 on a phone bill someone on a fixed income cannot afford."