

**STATEMENT OF
CHAIRMAN TOM WHEELER**

Re: *Rates for Interstate Inmate Calling Services*, WC Docket No. 12-375.

Almost a year has passed since the Commission adopted comprehensive Inmate Calling Services (ICS) reform in the *2015 ICS Order*, which sought to provide material relief to nearly 2 million families with loved ones behind bars. While the *2015 ICS Order* went a long way towards enacting meaningful and lasting changes in this industry, we recognize that there is still more work to be done. This Order on Reconsideration continues the Commission's important work ensuring that inmates and their families have access to robust telephone service at rates that are fair, just, and reasonable, while also allowing ICS providers and correctional facilities to recover their ICS-related costs.

Today's Order addresses several issues raised in a Petition for Reconsideration filed by Michael S. Hamden. Most significantly, it amends our rate caps to better allow providers to recover their costs while also compensating facilities for reasonable costs they incur as a direct result of ICS. The revised rate caps derive from proposals submitted by a broad, cross-section of parties, including an outside economist, a state regulator, and the facilities themselves.

After careful review of the record developed after the adoption of the *2015 ICS Order*, we find it likely that at least some facilities incur costs that should be recovered through our ICS rates. The 2015 rate caps did not separately account for these costs, and some parties have asserted that this decision could pose a risk to the continued deployment and development of ICS.

The rules adopted today address those concerns, and help promote access to ICS, by ensuring that providers receive fair compensation for their services and are able to compensate facilities for ICS-related costs.

Although the rate caps we adopt today are higher than those adopted in the *2015 ICS Order*, they still represent a significant constraint on ICS rates and will result in rates that are, on average, below the interim rate caps that are currently in effect for interstate ICS calls.

We also note that these revised rate caps serve as an upper limit on ICS charges, and we expect that, in many instances, providers and facilities will agree on rates that fall below the permitted maximums.

We continue to believe that these revised rate caps, coupled with the other reforms adopted in the *2015 ICS Order*, will provide much-needed relief to the children and families who need ICS to remain connected to loved ones.

Once again, special thanks are due to Commissioner Clyburn for her tireless work on this issue. The Commission's ICS reforms are having a direct and meaningful impact on the lives of millions of Americans, and they would not have been possible without Commissioner Clyburn's leadership.