

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

|                                  |   |                      |
|----------------------------------|---|----------------------|
| In the Matter of the Petition of | ) | DOCKET NO. UT-040898 |
|                                  | ) |                      |
| Value-Added Communications,      | ) | ORDER NO. 01         |
| Inc.,                            | ) |                      |
|                                  | ) |                      |
| Petitioner,                      | ) |                      |
|                                  | ) |                      |
| Seeking Exemption from the       | ) |                      |
| Provisions of WAC 480-120-262(3) | ) |                      |
| Relating to Calls from Inmate    | ) | ORDER GRANTING       |
| Phones in Corrections Facilities | ) | EXEMPTION FROM RULE  |
| .....                            | ) |                      |

**BACKGROUND**

- 1 On May 13, 2004, Value-Added Communications, Inc., (VAC or the Company) filed a petition requesting exemption from WAC 480-120-262(3).
  
- 2 WAC 480-120-262(3), requires telecommunications companies to provide rate disclosure on all operator-assisted calls placed from pay phones or other aggregator locations, including but not limited to prison phones, if the sum of the operator service provider’s charges for an operator-assisted call exceed, for any duration of the call, fifty cents per minute plus fifty cents.
  
- 3 VAC has approximately 1,240 coinless inmate telephone lines installed in correctional facilities within the state of Washington. Of the 1,240 lines, 1,155 use a rate-quoting platform that provides both the caller and the recipient of the collect inmate call the required rate quote options.
  
- 4 VAC seeks a permanent waiver for 85 lines that are used as “attorney-client privileged” lines. Department of Corrections (DOC) requires that the 85 lines be separate, distinct, stand-alone lines with no possibility of a call being recorded. If

the “attorney-client privileged” lines are provided with the rate quote equipment, there exists the possibility that these lines would be subject to call recording because the inmate telephone system equipment used for rate quote also has inherent to its basic operation, call recording and monitoring features.

5 For this reason, when inmates, attorneys, or correctional facility personnel want to ensure that they have a secure line on which their calls are not capable of being recorded, they request the “attorney-client privileged” lines. The DOC has stated that it requires “inmates be provided with a telephone and telephone line that is in no way connected to the inmate monitoring system. This requirement prevents inadvertent monitoring or the recording of privileged calls.”

6 Commission Staff reviewed the request and recommended granting VAC’s request for exemption. The DOC requires that the 85 attorney-client privileged lines be separate from VAC’s automated rate quote and recording equipment, and that the called party (the client’s attorney) can still select the option to receive a rate quote. Therefore, Staff recommends the Commission grant VAC’s request for a permanent exemption of WAC 480-120-262(3) as it applies to the 85 correctional facility pay phones used strictly for attorney-client conversations. However, this exemption should be granted only as long as the DOC requires these phones to be separate from VAC’s automatic rate quote and inmate recording platform.

## FINDINGS AND CONCLUSIONS

7 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including telecommunications companies. *RCW 80.01.040; Chapter 80.04 RCW and Chapter 80.36 RCW.*

- 8 (2) VAC is engaged in the business of providing telecommunications services within the state of Washington and is a public service company subject to the jurisdiction of the Commission under the provisions of Chapter 80.36 RCW.
- 9 (3) VAC is subject to the provisions of WAC 480-120-262(3), requiring telecommunications companies provide rate disclosure on all operator-assisted calls placed from pay phones or other aggregator locations, including but not limited to prison phones, if the sum of the operator service provider's charges for an operator-assisted call exceed, for any duration of the call, fifty cents per minute plus fifty cents.
- 10 (4) WAC 480-120-015 provides that the Commission may grant an exemption from the provisions of any rule in Chapter 480-120 WAC, if consistent with the public interest, the purposes underlying regulation and applicable statutes.
- 11 (5) This matter was brought before the Commission at its regularly scheduled meeting on June 23, 2004.
- 12 (6) After review of the petition filed in Docket UT-040898 by VAC on May 13, 2004, and giving due consideration, the Commission finds that the exemption is reasonable and should be granted.

## **ORDER**

### **THE COMMISSION ORDERS:**

- 13 (1) After the effective date of this Order, Value-Added Communications, Inc., is granted an exemption from WAC 480-120-262(3), requiring

telecommunications companies provide rate disclosure on all operator - assisted calls placed from pay phones or other aggregator locations, including but not limited to prison phones, if the sum of the operator service provider's charges for an operator assisted call exceed, for any duration of the call, fifty cents per minute plus fifty cents.

- 14 (2) This exemption is subject to the following condition(s). The Department of Corrections requires that the 85 client-attorney privileged lines be separate from Value-Added Communications, Inc.'s automated rate quote and recording equipment, and that the called party (the client's attorney) can still select the option to receive a rate quote. This exemption should be granted for the 85 client-attorney privileged lines only as long as the Department of Corrections requires these phones to be separate from Value-Added Communications, Inc.'s automatic rate quote and inmate recording platform.
- 15 (3) The Commission retains jurisdiction over the subject matter and Value-Added Communications, Inc., to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this 23<sup>rd</sup> day of June, 2004.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary