

ORIGINAL

OPEN MEETING ITEM



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COMMISSIONERS
KRISTIN K. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP



MICHAEL P. KEARNS
Interim Executive Director

ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission
DOCKETED

DATE: MARCH 12, 2009

DOCKET NO: T-20608A-08-0389

MAR 12 2009

TO ALL PARTIES:

DOCKETED BY *[Signature]*

Enclosed please find the recommendation of Administrative Law Judge Belinda A. Martin. The recommendation has been filed in the form of an Order on:

ITI INMATE TELEPHONE, INC.
(CC&N)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

MARCH 23, 2009

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

MARCH 31, 2009 and APRIL 1, 2009

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

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AZ CORP COMMISSION
DOCKET CONTROL

MICHAEL P. KEARNS
INTERIM EXECUTIVE DIRECTOR

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 KRISTIN K. MAYES, Chairman
4 GARY PIERCE
5 PAUL NEWMAN
6 SANDRA D. KENNEDY
7 BOB STUMP

8 IN THE MATTER OF THE APPLICATION OF
9 ITI INMATE TELEPHONE, INC., FOR A
10 CERTIFICATE OF CONVENIENCE AND
11 NECESSITY TO PROVIDE CUSTOMER-OWNED
12 PAY TELEPHONE SERVICE IN THE STATE OF
13 ARIZONA.

DOCKET NO. T-20608A-08-0389

DECISION NO. _____

14 ORDER

15 Open Meeting
16 March 31 and April 1, 2009
17 Phoenix, Arizona

18 **BY THE COMMISSION:**

19 Having considered the entire record herein and being fully advised in the premises, the
20 Commission finds, concludes, and orders that:

21 FINDINGS OF FACT

22 1. On July 25, 2008, ITI Inmate Telephone, Inc. ("ITI" or "Applicant"), filed with the
23 Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience
24 and Necessity ("Certificate") to provide customer-owned pay telephone ("COPT") service in the
25 State of Arizona ("Application").

26 2. On January 29, 2009, ITI filed a revised proposed tariff.

27 3. On February 17, 2009, ITI filed replacement pages for its proposed tariff.

28 4. On February 25, 2009, the Commission's Utilities Division Staff ("Staff") filed its
Staff Report in this matter recommending approval of the Application without a hearing.

5. In Decision No. 55817 (December 10, 1987), the Commission found that COPT
providers were public service corporations subject to the jurisdiction of the Commission.

6. In Decision No. 57797 (April 8, 1992), the Commission adopted A.A.C. R14-2-901

1 through R14-2-909 to regulate COPT providers.

2 7. Pursuant to A.R.S. § 40-282, the Commission may issue Decisions regarding COPT
3 Certificates without a hearing.

4 8. ITI is authorized to do business in Arizona as a foreign corporation, and Staff notes
5 that ITI currently operates in 13 other states and the District of Columbia.

6 9. ITI submitted with its application a customized tariff, which will apply only to
7 payphones in inmate environments. According to ITI, it will provide three basic calling services:
8 collect, prepaid collect and institutional prepaid. Collect services allow billing to residential or
9 business lines; prepaid collect services will permit recipients of collect calls from inmate facilities to
10 set up a prepaid account with the Applicant, from which the charges for the calls will be deducted;
11 and institutional prepaid services will allow inmates to set up prepaid accounts for outbound calls. ITI
12 does not collect customer deposits.

13 10. According to Staff, the Applicant did not provide a customer information placard. ITI
14 asserts that payphones used in an inmate environment are highly specialized for security and public
15 safety reasons. Instead of a standard information placard, ITI states that it provides the following
16 information to all inmate facilities similar to the information typically provided on a customer
17 information placard: 1) an inmate user guide containing dialing instructions, 2) an Inmate Friend and
18 Family brochure, and 3) a placard on the phones in the form of a sticker.

19 11. Additionally, ITI indicated that it would make the following options available to the
20 caller and/or the called party before any payphone charges are assessed: 1) rate quotes for collect
21 calls will be available upon request at the time the call is placed, 2) the rate quotes will be provided
22 by an automated announcement during the call set-up process and prior to acceptance of the call, and
23 3) the called party may listen to the rates and opt to refuse the call without incurring any charges.

24 12. According to the Applicant, inmates are restricted by law and by the facility as to the
25 time periods one may use the phone and they are blocked from calling specific numbers including
26 victims, judges, and jurors.

27 13. Staff's recommendation is reasonable and shall be adopted.
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CONCLUSIONS OF LAW

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1. Applicant is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

2. The Commission has jurisdiction over Applicant and the subject matter of the application.

3. The provision of COPT service in Arizona by Applicant is in the public interest.

4. Applicant is a fit and proper entity to receive a Certificate for providing COPT service in Arizona.

5. Staff's recommendation is reasonable and should be adopted.

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ORDER

IT IS THEREFORE ORDERED that the Application of ITI Inmate Telephone, Inc., for a Certificate of Convenience and Necessity for authority to provide customer-owned pay telephone service in Arizona shall be, and the same is, hereby granted.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN _____ COMMISSIONER _____

COMMISSIONER _____ COMMISSIONER _____ COMMISSIONER _____

IN WITNESS WHEREOF, I, MICHAEL P. KEARNS, Interim Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this ____ day of _____, 2009.

MICHAEL P. KEARNS
INTERIM EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

1 SERVICE LIST FOR: ITI INMATE TELEPHONE, INC.

2 DOCKET NO: T-20608A-08-0389

3

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