

# OPEN MEETING ITEM



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**COMMISSIONERS**  
BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

## ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

**DOCKETED**

FEB 10 2014

DATE: February 10, 2014

DOCKET NO.: T-03798A-12-0077

DOCKETED BY

RECEIVED  
2014 FEB 10 PM 2:00  
AZCC DOCUMENT CONTROL

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Scott M. Hesla. The recommendation has been filed in the form of an Order on:

VALUE-ADDED COMMUNICATIONS, INC.  
(CANCEL 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:

FEBRUARY 19, 2014

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 11, 2014 and MARCH 12, 2014

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.

**ORIGINAL**

JODI JERICH  
EXECUTIVE DIRECTOR

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

BOB STUMP – Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

IN THE MATTER OF THE APPLICATION OF  
VALUE-ADDED COMMUNICATIONS, INC.  
FOR APPROVAL OF A CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO  
PROVIDE CUSTOMER OWNED PAY  
TELEPHONE SERVICES.

DOCKET NO. T-03798A-12-0077

DECISION NO. \_\_\_\_\_

ORDER

Open Meeting  
March 11 and 12, 2014  
Phoenix, Arizona

**BY THE COMMISSION:**

\* \* \* \* \*

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission (“Commission”) finds, concludes, and orders that:

FINDINGS OF FACT

1. On March 1, 2012, Value-Added Communications, Inc. (“VAC” or “Company”), filed with the Commission an application for a Certificate of Convenience and Necessity (“CC&N”) to provide customer owned pay telephone (“COPT”) services. The proposed rates, charges, terms, and conditions for COPT service are contained in the Company’s proposed customized tariff, Arizona COPT Tariff No. 2. The proposed tariff would apply to the provision of collect, prepaid collect, and debit calling pay telephone services to inmates in correctional facilities in Arizona.

2. On March 12, 2012, the Commission’s Utilities Division (“Staff”) issued its First Set of Data Requests to VAC. On March 20, 2012, VAC provided Responses to Staff’s First Set of Data Requests. On September 30, 2013, VAC provided Supplemental Responses to Staff’s First Set of Data Requests.

3. On December 4, 2013, VAC filed a revised Arizona COPT Tariff No. 2.

4. On January 13, 2014, Staff filed a Memorandum recommending approval of the

1 Company's application and its proposed Arizona COPT Tariff No. 2.

2 5. VAC was granted a CC&N to provide alternative operator services ("AOS") in  
3 Arizona in Decision No. 66456 (October 24, 2003).

4 6. Staff states that VAC is currently authorized to provide telecommunications services  
5 in forty-four states and currently holds one or more contracts to provide institutional calling services  
6 in thirty-nine states, including Arizona. According to Staff, the Company contracts individually with  
7 correctional facilities based on the specific requirements of each facility and sets maximum rates no  
8 higher than those on file by certified carriers and those rates approved by this Commission for other  
9 competitive institutional service providers.

10 7. Staff indicates that in response to Staff's First Set of Data Requests, the Company  
11 stated that: customer information placards describing the services offered and the instructions for  
12 operation are not provided at phones available to incarcerated persons because such objects present a  
13 security risk; printed materials regarding rates and charges are provided to facility management and  
14 distributed to family and friends who visit the facility; information for called parties is available at  
15 the facility and on the Company's website ([www.vaci.com](http://www.vaci.com)); and incarcerated persons are not allowed  
16 to call any number or person other than those approved by the facility.

17 8. In addition, the Company represented to Staff that the following information will be  
18 provided to users of its services: dialing instructions and rates are available via automated  
19 announcements before each call is placed; service limitations are typically imposed by the  
20 correctional facility (e.g. allowed called-to numbers, call duration, telephone access, etc.); and  
21 inmates are not allowed access to toll-free telephone numbers. The Company further represented that  
22 it will make the following options available through an automated voice system: rate quotes will be  
23 available upon request via the automated system at no charge and prior to connection of any call; and  
24 the called party may listen to the rates and opt to refuse the call without incurring any charges.

25 9. The Consumer Services Section of the Commission's Utilities Division reports no  
26 complaints, opinions, or inquiries filed against VAC in Arizona from January 1, 2010 through  
27 September 5, 2013. The Consumer Services Section also reports that the Company is in good  
28 standing with the Commission's Corporations Division.



**ORDER**

IT IS THEREFORE ORDERED that the application of Value-Added Communications, Inc. for a Certificate of Convenience and Necessity to provide customer owned pay telephone services in the State of Arizona is hereby approved.

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, JODI A. JERICH, 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 \_\_\_\_\_, 2014.

JODI A. JERICH  
EXECUTIVE DIRECTOR

DISSENT \_\_\_\_\_

DISSENT \_\_\_\_\_  
SMH:ru

1 SERVICE LIST FOR: VALUE-ADDED COMMUNICATIONS, INC.

2 DOCKET NO.: T-03798A-12-0077

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