

February 3, 2026

Via Electronic Comment Filing System

Secretary Marlene H. Dortch
Federal Communications Commission
45 L Street NE
Washington, DC 20554

Re: Incarcerated People’s Communication Services (IPCS); Implementation of the Martha Wright-Reed Act, WC Docket No. 23-62; Rates for Interstate Inmate Calling Services, WC Docket No. 12-375

The National Consumer Law Center (NCLC), on behalf of its low-income clients, submits these comments in response to the Federal Communication Commission’s (FCC or Commission) Further Notice of Proposed Rulemaking regarding implementation of the Martha Wright-Reed Act regarding implementation of the Martha Wright-Reed Act (2025 FNPRM).¹ We submit these comments to specifically address the Commission’s questions in Part I.C., “Continued Prohibition of Ancillary Services Charges.”

For the reasons below, we urge the Commission to retain its prohibition on ancillary service charges (Part I) and on minimum deposit amounts (Part II). If the Commission decides to either reinstate ancillary fees or establish a minimum deposit amount, we ask that it establish a minimum deposit amount of \$5 or less (Part III).

I. The Commission Should Retain Its Prohibition on Ancillary Service Charges

As the Commission observes in the supplementary information of the 2025 FNPRM, “[a]ncillary service charges have long been a source of detrimental practices in the IPCS market and imposing constraints on such fees has been an integral part of the Commission’s attempts to ensure just and reasonable IPCS rates.”² We strongly support the Commission’s proposal to retain the prohibition on such charges as adopted in its 2024 IPCS Order for the same reasons articulated in that Order.³

The Commission discusses a variety of specific ancillary fees that the 2024 IPCS Order prohibits but that various providers propose should be reinstated. HomeWAV, for example, states the Commission should permit automated payment and third-party financial transaction fees⁴ for the

¹ Incarcerated People’s Communications Services; Implementation of the Martha Wright-Reed Act; Rates for Interstate Inmate Calling Services, 90 Fed. Reg. 56115 (proposed Dec. 5, 2025) [hereinafter 2025 IPCS FNPRM], <https://www.federalregister.gov/documents/2025/12/05/2025-22130/incarcerated-peoples-communication-services-implementation-of-the-martha-wright-reed-act-rates-for>.

² *Id.* ¶ 19.

³ *See id.* ¶ 20.

⁴ *Id.* ¶¶ 19–24; Petition for Reconsideration and/or Clarification in the Matter of Incarcerated People’s Communications Services; Implementation of the Martha Wright-Reed Act; Rates for Interstate Inmate Calling

benefit of consumers.⁵ HomeWAV claims that shifting these costs to providers will “potentially undermine[]” service quality for IPCS customers.⁶ HomeWAV and Pay Tel also assert that factoring these fees into the rate instead of charging them as separate ancillary fees is less fair to consumers.⁷ We urge the Commission to reject these arguments made in the name of consumers. To our knowledge, no actual consumer has advocated in favor of retention of these ancillary fees, and the Commission already correctly found—based on a voluminous record—that they caused considerable harm to consumers.

The Commission also seeks comment on providers’ assertions that fees “serve as a deterrent to fraud and money laundering.”⁸ Regarding money laundering, some IPCS providers claim that ancillary fees deter money laundering by “associating an appropriate cost with the deposit of funds.”⁹ Firstly, providers’ filings cite no data or other evidence to support their assertion that money laundering through IPCS accounts is widespread or that there is a connection between such illicit activity and the prohibition on ancillary fees.¹⁰ Second, they rely on faulty logic. If someone were to use IPCS accounts to launder money, an ancillary fee likely would not render that pursuit unprofitable unless the fee were high enough that it could no longer be considered an *ancillary* fee, but rather something that would impose serious burdens on consumers. Given the FCC’s obligation to establish just and reasonable rates, the FCC should not impose significant burdens on all consumers based on speculative, unrealistic concerns by providers that some fraction of consumers may otherwise engage in money laundering. There are ample, more effective ways to deter money laundering that do not rely on overcharging IPCS consumers.

Services 3–8 (Fed. Commc’ns Comm’n Oct. 21, 2024) [hereinafter HomeWAV Petition], <https://www.fcc.gov/ecfs/search/search-filings/filing/1021739312979>.

⁵ HomeWAV Petition, *supra* note 4, at 3–5.

⁶ *Id.* at 3; *see also id.* (citing a need to “maintain operational stability and encourage continued investment in innovation, security, and quality service delivery”).

⁷ *Id.* at 4–5 (“Including the cost of payment processing fees into general service rates shifts costs of third-party transaction fees to users who would otherwise be utilizing the free deposit option. This cost shifting runs contrary to align[ing] rates and charges more fairly with actual user activity . . .” (internal quotation marks omitted; bracket in original)); Comments of Pay Tel Communications, Inc. in Response to Reconsideration Petitions of HomeWAV and NCIC Correctional Services in the Matter of Incarcerated People’s Communications Services; Implementation of the Martha Wright-Reed Act; Rates for Interstate Inmate Calling Services 2 (Nov. 25, 2024) [hereinafter Pay Tel Comments], <https://www.fcc.gov/ecfs/search/search-filings/filing/11251365009258> (“The Order’s elimination of [transaction] fees shifts costs associated with these ancillary activities to general service rates, and those who do not cause the costs to be incurred will be unfairly held responsible for paying those costs.”); *see also* Comments of HomeWAV, LLC in the Matter of Incarcerated People’s Communications Services; Implementation of the Martha Wright-Reed Act; Rates for Interstate Inmate Calling Services 4–5 (Fed. Commc’ns Comm’n Oct. 21, 2025) [hereinafter HomeWAV Comments], <https://www.fcc.gov/ecfs/document/123092548014/1> (“A single, consistent \$2.00 transaction fee plus exact tax pass- 4 through would achieve transparency and predictability for . . . consumers[.]”).

⁸ 2025 IPCS FNPRM, *supra* note 1, ¶ 27 (internal quotation marks omitted).

⁹ HomeWAV Petition, *supra* note 4, at 6.

¹⁰ *See id.*; Pay Tel Comments, *supra* note 7; Petition for Reconsideration of Network Communications International Corp. d/b/a NCIC Correctional Services in the Matter of Incarcerated People’s Communications Services; Implementation of the Martha Wright-Reed Act; Rates for Interstate Inmate Calling Services (Fed. Commc’ns Comm’n Oct. 21, 2024) [hereinafter NCIC IPCS Petition], <https://www.fcc.gov/ecfs/search/search-filings/filing/102101720822>; Comments of Securus Technologies, LLC, Regarding Petitions for Reconsideration; Implementation of the Martha Wright-Reed Act; Rates for Interstate Inmate Calling Services (Fed. Commc’ns Comm’n Nov. 25, 2024), <https://www.fcc.gov/ecfs/document/112699440575/1>.

HomeWAV argues that a \$2 transaction fee is necessary because “frequent micro-deposits can trigger AML [anti-money laundering] alerts,” which result in additional audits and compliance costs for payment processors.”¹¹ HomeWAV provides no citations or data upon which to meaningfully evaluate whether these alerts and resulting costs are a credible concern in this context. Moreover, HomeWAV fails to explain why the cost for its compliance should be further shifted onto consumers, and particularly to the low-income consumers who are likely to make the smallest deposit amounts and thus pay the highest fees relative to deposits, using ancillary fees.

IPCS providers’ assertions about fraud are similarly lacking. For example, HomeWAV contends that it lost \$50,000 due to fraudulent transactions over an eight-month period in 2024. Confusingly, it seems to attribute this loss to “1,233 credit card chargebacks, each incurring a fee of \$15.00,”¹² but that amounts to less than \$19,000 in losses. Again, IPCS providers’ failure to point to the underlying data upon which they base their arguments renders it difficult to meaningfully evaluate and respond to them. Even if HomeWAV did lose \$50,000 in 2024, HomeWAV fails to explain why the burden this type of loss imposes on providers—it appears to be less than 0.2% of HomeWAV annual revenue, for example¹³—outweighs the burden ancillary fees would impose on IPCS consumers, who are disproportionately low-income.¹⁴ Moreover, if providers do incur increased chargeback losses in the future, the FCC can best address this issue by collecting updated data on these losses as part of its next mandatory data collection, and revising the rate-cap calculations as needed.

In sum, the Commission’s 2024 Order already incorporated permissible ancillary service fees into the rate such that providers should be able to recover what they are entitled to. Arguments about reinstating additional, separate fees do not overcome the concrete, copious evidence of IPCS misconduct and consumer harm that the Commission found arose out of these ancillary fees. If providers incur significantly increased losses in the future, the FCC can address this issue by collecting updated data on these losses as part of its next mandatory data collection, and revising the rate-cap calculations as needed. For these reasons, and those stated by the Commission, the Commission should retain its prohibition on ancillary fees.

If the Commission ultimately chooses to reinstate ancillary service charges—which again, it should not—it must lower the rate caps as well. Failing to do so would result in charging IPCS consumers twice for the same services in violation of the “just and reasonable” standard in sections 201(b) and 276(b)(1)(A) of the Communications Act.¹⁵

¹¹ See Part III, *infra*.

¹² HomeWAV Petition, *supra* note 4, at 7.

¹³ HomeWAV is a private company, so their revenue is not publicly disclosed. Based on internet sources, however, their revenue in 2024 appears to have been about \$23.7 million. Zoominfo, HomeWAV, <https://www.zoominfo.com/c/homewav-llc/354613691> (last visited Dec. 22, 2025).

¹⁴ See Part II, *infra*.

¹⁵ See Comments of Wright Petitioners in the Matter of Incarcerated People’s Communications Services; Implementation of the Martha Wright-Reed Act; Rates for Interstate Inmate Calling Services (Fed. Commc’n Oct. 21, 2025).

II. The Commission Should Retain Its Prohibition on Minimum Deposit Amounts

In its 2024 Order, the Commission appropriately rejected Securus’s proposal that the Commission set minimum deposit funding amounts.¹⁶ In 2015, the Commission prohibited providers from imposing prepaid account minimums, pointing to evidence that providers were “engaging in unjust and unreasonable practices and imposing unfair rates” through this practice.¹⁷ In reaching its conclusion, the Commission explained that minimum deposit amounts “can lead to unfair compensation by forcing consumers to deposit relatively large sums of money even if they only want to make one short call.”¹⁸ The Commission also cited comments from certain providers, such as ICSolutions, which emphasized that high minimum funding requirements can “preclude consumers from receiving calls from their loved ones.”¹⁹

The concerns the Commission expressed in 2015 remain present today. Imposing a minimum deposit amount could prevent low-income people from communicating with their incarcerated loved ones. Families of incarcerated people are often economically disadvantaged to begin with.²⁰ Having an incarcerated family member exacerbates the existing hardship for a variety of reasons, such as loss of income and the costs of supporting their incarcerated loved ones, which often includes shouldering the costs of keeping in touch.²¹ A significant minimum deposit amount could force a grandparent to choose between allowing a child to talk on the phone with their incarcerated parent and basic needs like groceries and medicine.

Additionally, many people are incarcerated only for a short period of time; for example until they make bail or while they are awaiting trial.²² Someone anticipating a short stay in jail may not want to make many and/or lengthy calls. Being forced to meet a minimum deposit amount could result in unused funds after release, when the funds may be urgently needed, which in turn could force the family of the incarcerated person to engage in a potentially difficult process to obtain a refund from the provider and could exacerbate financial distress in the interim.²³

¹⁶ Incarcerated People’s Communications Services; Implementation of the Martha Wright-Reed Act; Rates for Interstate Inmate Calling Services, Report and Order, Order on Reconsideration, Clarification and Waiver, and Further Notice of Proposed Rulemaking ¶ 83 & n.280 (July 18, 2024) [hereinafter 2024 IPCS Order], <https://docs.fcc.gov/public/attachments/FCC-24-75A1.pdf>.

¹⁷ *Id.*

¹⁸ Rates for Interstate Inmate Calling Services, Second Report and Order and Third Further Notice of Proposed Rulemaking ¶¶ 175, 176 (Oct. 22, 2025) [hereinafter 2015 IPCS Order], https://docs.fcc.gov/public/attachments/FCC-15-136A1_Rcd.pdf; *see also id.* at para. 176 (“[H]igh purchase minimums can effectively allow providers to charge exorbitant amounts for single calls.”); 2024 IPCS Order, *supra* note 16, ¶ 83 & n. 280.

¹⁹ 2015 IPCS Order, *supra* note 18, ¶ 175.

²⁰ Garrett Baker et al., The direct financial costs of having a family member incarcerated, *ScienceAdvances* (Nov. 5, 2025), <https://www.science.org/doi/10.1126/sciadv.adx2101>; Brian Elderbroom et al., [Fwd.us](https://www.wecantaffordit.us/), We Can’t Afford It: Mass Incarceration and the Family Tax (2025), <https://www.wecantaffordit.us/>.

²¹ Elderbroom et al., *supra* note 20.

²² Zhen Zeng, Jail Inmates in 2023 – Statistical Tables (2025), [https://bjs.ojp.gov/library/publications/jail-inmates-2023-statistical-tables/web-report#:~:text=Average%20daily%20population%2C%20admissions%2C%20and,days\)%20\(display%2016](https://bjs.ojp.gov/library/publications/jail-inmates-2023-statistical-tables/web-report#:~:text=Average%20daily%20population%2C%20admissions%2C%20and,days)%20(display%2016) (people admitted to local jails spent an average of 32 days in custody before release from July 2022 to June 2023).

²³ NCIC IPCS Petition, *supra* note 10, at 19 (referencing “frustrations” to families “when attempting to get refunds”).

Finally, allowing providers to impose minimum deposit amounts in addition to the Commission’s other proposed changes to the 2024 Order, such as the increased rate caps and the rate additive, could allow for double recovery for providers. The rate structure outlined in the 2024 Order was carefully calculated to ensure fair compensation for providers by factoring in and allowing recovery of costs of ancillary services within the overall rate caps and also establish just and reasonable rates and charges. Allowing minimum deposit amounts could allow double recovery and upset the balance the 2024 Order struck between just and reasonable rates and charges and fair compensation for providers.

Given these concerns, as well as the reasons discussed above in Part I, the Commission should not roll back its prohibition on minimum deposit amounts.

III. If the Commission Decides to Either Reinstate Ancillary Fees or Establish a Minimum Deposit Amount, It Should Do the Latter

As discussed above, the least burdensome and most appropriately protective approach for IPCS consumers would be to maintain the Commission’s prohibitions on both ancillary fees outside the rate and minimum deposit amounts. If the Commission ultimately decides to choose between establishing a minimum deposit amount and reinstating ancillary fees, it should set a minimum deposit amount of no more than \$5. Under no circumstances should the Commission allow providers to re-engage in the harmful practice of imposing additional ancillary fees outside of the rate.

Relative to ancillary fees, a minimum deposit amount would be simpler for consumers to understand and for providers to administer. It would also be more straightforward for the Commission to enforce. Consumers and the Commission could easily and quickly determine if providers were violating a set minimum of, for example, \$3. Consumers would not have to make any calculations to know whether a violation occurred; they would simply need to try to deposit funds. They could immediately complain to the provider and, if necessary, the Commission to resolve any issue. In contrast, it would be more difficult for consumers to discover whether a provider engaged in unlawful behavior with respect to any ancillary fees outside the rate. Even assuming a consumer spots the error, they would have to engage in calculations—especially if multiple ancillary fees were allowed.

Additionally, a minimum deposit amount is less burdensome to consumers because unlike an ancillary fee—or many ancillary fees—it does not take additional money away from what people would use to talk to their incarcerated family members. At the same time, the requirement would still be responsive to providers’ assertions concerning their ability to manage costs.

Any minimum deposit amount the Commission sets should not be burdensome for the vast majority of consumers and should recognize that many consumers may only want or be able to afford short calls. As discussed above in Part II and as provider NCIC explained in a 2015 *ex parte* letter, many families of incarcerated people “are economically disadvantaged and can afford only small prepayments that exhaust quickly.”²⁴

²⁴ 2015 IPCS Order, *supra* note 18, ¶ 176 n.633 (citing NCIC Oct. 14, 2015 *Ex Parte Letter* at 4).

In setting any minimum deposit amount, the Commission should take into account factors like the average length of calls, variation in call lengths (including across providers), and the cost of calls in different-sized facilities. In the 2024 Order, the Commission notes that the average audio communication length is 7.3 minutes,²⁵ indicating that many consumers do make relatively short calls. Under the revised interim rates in the 2025 Order, a 7-minute audio call from prison would cost 77 cents (\$0.11 x 7), and a call from an extremely small jail—which is —which is the type of facility with the highest effective rate cap—would cost \$1.33 (\$0.19 x 7). These calculations indicate the Commission should adopt a very low minimum deposit amount.

Adopting a very low minimum deposit amount is consistent with what some providers have recommended. For example, HomeWAV stated that its internal data indicates the majority of consumer deposits average \$5 to \$6 per transaction and proposed a \$3 to \$4 minimum transaction amount.²⁶ Similarly, NCIC recommended a minimum deposit amount of \$5.²⁷ Other IPCS providers suggest higher minimum deposit amounts without sufficiently explaining why their alternative is necessary, or why \$5 would be inadequate.

On the other hand, the serious concerns about the burden on incarcerated people and their families and the data on average call length strongly support an amount of no more than \$5. Establishing a minimum deposit amount would also obviate providers' stated concerns about cost recovery, fraudulent transactions, money laundering, and economic sustainability, because all those concerns are predicated on consumers' ability to make numerous "micro" deposits.

For these reasons, if the Commission does set a minimum deposit amount, it should set an amount of \$5 or less and should continue to prohibit ancillary fees.

IV. Conclusion

We urge the Commission to retain prohibitions on ancillary fees separate from the rate and minimum deposit amounts. Such an approach is the least burdensome and most appropriately protective of consumers and still allows providers to recover what they are entitled to. If the Commission decides to either establish a minimum deposit amount or reinstate ancillary fees, it should set a minimum deposit amount of no more than \$5.

Thank you for your consideration on these issues of vital interest to IPCS consumers. If you have any questions about these comments, please contact Ariel Nelson (anelson@nclc.org) and Caroline Cohn (ccohn@nclc.org).

²⁵ 2024 IPCS Order, *supra* note 16, app. F ¶ 7.

²⁶ HomeWAV Comments, *supra* note 7, at 4.

²⁷ NCIC IPCS Petition, *supra* note 10, at 18.