

NEW APPLICATION



0000134717

February 27, 2012

Via Overnight Delivery

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2012 MAR -1 P 3:35

AZ CORP COMMISSION
DOCKET CONTROL

Docket Control Center
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 80557-2927

RE: **Value-Added Communications, Inc.**
Application for Pay Telephone Providers

T-03798A-12-0077

Dear Sir/Madam:

Enclosed for filing are the original and thirteen (13) copies of an application for pay telephone providers submitted on behalf of Value-Added Communications, Inc.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed stamped envelope provided for that purpose.

Any questions regarding this filing may be directed to my attention at (407) 740-3004 or via email at rnorton@tminc.com.

Sincerely,

Robin Norton, Consultant to
Value-Added Communications, Inc.

cc: Brian Hackett - Value-Added Communications, Inc.
file: VAC - AZ
tms: AZn1201

RN/lm

Arizona Corporation Commission
DOCKETED

MAR -1 2012

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ARIZONA CORPORATION COMMISSION

APPLICATION

SHORT FORM FOR PAY TELEPHONE PROVIDERS

Mail or deliver an original and 13 copies of this application to:

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

- I.** List the name, address and telephone number of the person or entity (Applicant) that subscribes to the phone line from the local exchange company, indicate Business Name (if different than Applicant):

Value-Added Communications, Inc.

(Applicant's Name)

(Business Name if different than Applicant's Name)

3801 E Plano Parkway, Suite 100

(Applicant's Address)

Bhackett@gtl.net

(Applicant's Email Address)

Plano, TX 75074

(Applicant's Address)

(703) 439-1662

(Applicant's Telephone Number)

- II.** If you intend on having an attorney represent you in this application, list the attorney's name, address and telephone number:

Not Applicable

(Attorney's Name)

(Attorney's Address)

(Attorney's Address)

() _____ - _____
(Attorney's Telephone Number)

- III.** What type of entity is the Applicant?

SOLE PROPRIETORSHIP; PARTNERSHIP; LIMITED LIABILITY COMPANY; or

CORPORATION: By checking this box, you certify that you have a current copy of your Articles of Incorporation on file with the Arizona Corporation Commission's Corporations Division: Arizona Corporation; or Foreign Corporation.

- IV.** SELECT ONE THAT APPLIES:

GENERIC/STREAMLINED TARIFF: By checking this box, the Applicant states it intends to provide public pay telephone service in the State of Arizona under the rates, terms, and conditions as set forth in the COPT Generic Tariff, and A.A.C. R14-2-901. et.seq., and hereby concurs in that Tariff. The Applicant understands that requests to provide service under conditions other than those set forth in the COPT Generic Tariff may be approved only by specific order of the Arizona Corporation Commission pursuant to A.A.C. R14-2-901. et. seq.;

or

CUSTOMIZED TARIFF: By checking this box, the Applicant states it intends to provide pay telephone service in the State of Arizona under a Special (non-streamlined) Tariff, A.A.C. R14-2-901. et. seq., and submits with this application its proposed Special (non-streamlined) COPT Tariff for services to be offered and does not concur in the Generic Tariff; or

By checking this box, the Applicant states that it is **NOT PROVIDING PUBLIC PAY TELEPHONE SERVICE**, and hereby states that it is not a public service corporation, and swears and affirms that it is not offering its pay telephone service to the public and its primary business is not providing public pay telephone service. **NOTE:** Applicant may be subject to fines or other penalties if it is operating as a Public Service Corporation without a Certificate of Convenience and Necessity.

V. NOTICING

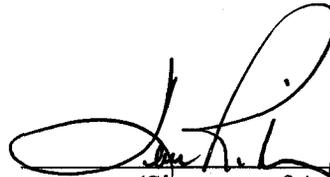
By checking this box the Applicant states that it has placed the prescribed notice of the application at each pay telephone location (See instruction sheet: "NOTICE"). Attach **ONE** copy of a list of the addresses where you provide pay telephone service; **But see below:**

Applicant is not offering pay telephone service to the general public. All of its pay telephones are inmate phones and are subject to terms and conditions specified in contracts with governments that contract for jail services. As such, no notice may be posted nor is it posted at any inmate phone.

By checking this box the applicant indicates it does **NOT** have any COPTs at this time.

VI. Attach one copy or sample of the customer information placard, which will be located on the pay telephone, that describes the services you offer and the instructions for operation. If you have checked the box to conform to the Generic Tariff, the placard must conform to: Para. III. items; C., D., J., K., and M.; plus Para. IV. C., items 1. through 7. of the Generic Tariff.

Not Applicable to Inmate Phones.



(Signature of Applicant and Title)

Teresa Ridgeway, Senior VP Administration

(Type or Print Your Name)

DO NOT WRITE IN THIS SPACE

STAFF RECOMMENDATIONS

By checking this box, the Applicant is requesting a hearing because it objects to the Staff Recommendations or other reasons. The request for a hearing and any objections to these Recommendations must be filed within 20 days from the date of this report. If the request is not made within 20 days, the Commission may decide the matter without a hearing unless a hearing is requested by Staff or an Intervenor.

ARIZONA CORPORATION COMMISSION

NOTICE

**PUBLIC NOTICE OF APPLICATION FOR A
CERTIFICATE OF CONVENIENCE AND NECESSITY**

Value-Added Communications, Inc. has filed with the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity (CC&N) to provide Customer Owned Pay Telephone Service in the State of Arizona.

Value-Added Communications, Inc. is required by the Commission to provide this service under the rates, charges, terms, and conditions established by the Commission.

The application is available for inspection during regular business hours at the offices of the Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona, and at:

Value-Added Communications, Inc.
(Name of Company)

3801 E Plano Parkway, Suite 100
(Address of Company)

Plano, TX 75074
(Address of Company)

You may have the right to intervene in the proceeding, or you may write to the Commission or call and make a statement on your own behalf. If you have any questions about this application or have any objections to its approval, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call locally to (602) 542-4251 or in-state toll free at 1-800-222-7000.

**APPLICATION OF
VALUE-ADDED COMMUNICATIONS, INC.**

Exhibit I
Articles of Incorporation

AUG-04-1997 13:08

C T CORP

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 02:00 PM 08/04/1997
971259837 - 2176341

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
VALUE-ADDED COMMUNICATIONS, INC.**

VALUE-ADDED COMMUNICATIONS, INC. (the "Company"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: that Value-Added Communications, Inc., resolutions adopted setting forth a proposed amendment to the Certificate of Incorporation of said corporation, declaring said amendments to be advisable, and directing that said amendments be submitted to be advisable, and directing that said amendments be submitted to the stockholders of said corporation for their consideration. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Board of Directors of the Company hereby adopts, approves, and declares advisable a proposal to amend the Certificate of Incorporation of the Company, which proposed amendment would strike in its entirety Article 4 of the Certificate of Incorporation of the Company and insert in its place a new Article 4, which Article 4 would be and read as follows:

"4. The total number of shares of stock which the Company shall have authority to issue is 1,000 shares of common stock, par value \$0.01 per share."

FURTHER RESOLVED, that the Board of Directors of the Company hereby adopts, approves, and declares advisable a proposal to amend the Certificate of Incorporation of the Company, which proposed amendment would add a new Article 12 to the Certificate of Incorporation of the Company, which Article 12 would be and read as follows:

"12. At each election for Directors every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are Directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such Directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of candidates."

FURTHER RESOLVED, that the Board of Directors of the Company hereby adopts, approves, and declares advisable a proposal to amend the Certificate of Incorporation of the Company, which proposed amendment would add a new Article 13 to the Certificate of Incorporation of the Company, which Article 13 would be and read as follows:

"13. The number of directors of the Company shall be no more than three (3). Each director shall hold office until the next annual meeting of shareholders commencing September 1996 and until his successor shall have been elected and qualified."

FURTHER RESOLVED, that the Board of Directors of the Company hereby adopts, approves, and declares advisable a proposal to amend the Certificate of Incorporation of the Company, which proposed amendment would add a new Article 14 to the Certificate of Incorporation of the Company, which Article 14 would be and read as follows:

"14. The Company shall be prohibited from issuing nonvoting equity securities."

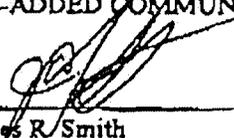
SECOND: that thereafter, the stockholders of said Company holding the necessary number of shares as required by statute duly adopted and approved said amendments at a meeting held for such purpose pursuant to the General Corporation Law of the State of Delaware.

THIRD: that said amendments were duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Value-Added Communications, Inc. has caused this Certificate of Amendment to be signed by James R. Smith, its Chairman of the Board of Directors.

September 2, 1996.

VALUE-ADDED COMMUNICATIONS, INC.

By. 

James R. Smith

**APPLICATION OF
VALUE-ADDED COMMUNICATIONS, INC.**

Exhibit II
Proposed Tariff

This tariff, Arizona COPT Tariff No. 2 filed by Value-Added Communications, Inc. cancels and replaces, in its entirety, the current tariff on file with the Commission, A.C.C. Tariff No. 1, issued by Value-Added Communications, Inc.

CUSTOMER OWNED PAY TELEPHONE (COPT)
TELECOMMUNICATIONS TARIFF
OF
VALUE-ADDED COMMUNICATIONS, INC.

This tariff contains the descriptions, regulations, and rates applicable to the provision of interexchange telecommunications, by Value-Added Communications, Inc. ("VAC") within the State of Arizona. This tariff is on file with the Arizona Corporation Commission. Copies may be inspected during normal business hours at the Company's principal place of business.

Issued: March 1, 2012

Effective:

Issued by: Tariff Administrator
3801 E Plano Parkway, Suite 100
Plano, Texas 75074

CHECK SHEET

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

PAGE	REVISION		PAGE	REVISION	
Title	Original	*	26	Original	*
1	Original	*	27	Original	*
2	Original	*	28	Original	*
3	Original	*	29	Original	*
4	Original	*	30	Original	*
5	Original	*	31	Original	*
6	Original	*	32	Original	*
7	Original	*	33	Original	*
8	Original	*			
9	Original	*			
10	Original	*			
11	Original	*			
12	Original	*			
13	Original	*			
14	Original	*			
15	Original	*			
16	Original	*			
17	Original	*			
18	Original	*			
19	Original	*			
20	Original	*			
21	Original	*			
22	Original	*			
23	Original	*			
24	Original	*			
25	Original	*			

* - indicates those pages included with this filing.

Issued: March 1, 2012

Effective:

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Plano, Texas 75074

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APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the provision of automated intrastate operator services via specialized phone equipment by Value-Added Communications, Inc. for use by inmates in correctional institutions within the State of Arizona subject to the jurisdiction of the Arizona Corporation Commission.

Issued: March 1, 2012

Effective:

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EXPLANATION OF SYMBOLS

Changes to this tariff shall be identified on the revised page(s) through the use of symbols. The following are the only symbols used for the purposes indicated below:

- (C) - To signify a changed listing, rule or condition which may affect rates or charges.
- (D) - To signify discontinued or deleted material, including a listing, rate, rule or condition.
- (I) - To signify an increase in rates or charges.
- (M) - To signify material relocated from or to another part of this Tariff with no change in text, rate, rule or condition.
- (N) - To signify new material, including a listing, rate, rule or condition.
- (R) - To signify a reduction in rates or charges.
- (T) - To signify a change in the wording of the text, but no change in rate, rule or condition.

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TARIFF FORMAT

- A. Page Numbering** - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially, however, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. Page Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. Because of various suspension periods, deferrals, etc., the most current page number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the page currently in effect.
- C. Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).
- D. Check Sheets** - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the pages contained in the tariff, with a cross-reference to the current revision number. When new pages are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some pages). The tariff user should refer to the latest Check Sheet to find out if a particular page is the most current on file with the Commission.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Automated Collect Calls - Calls billed to the called party and completed through an automated call processing system that prompts the call originator and the called party such that the call is completed without live operator assistance.

Collect Billing - A billing arrangement whereby the originating caller may bill the charges for a call to the called party, provided the called party agrees to accept the charges.

Commission - The Arizona Corporation Commission.

Company - Used throughout this tariff to refer to Value-Added Communications, Inc., unless otherwise clearly indicated by the context.

Correctional Institutions - Used throughout this tariff to refer to prisons, jails, penal facilities or other institutions used for penalty purposes which contract with the Company for the provision of service for use by their inmate population.

Customer - A person, firm, partnership, corporation or other entity which arranges for the Company to provide, discontinue or rearrange telecommunications services on behalf of itself or others; uses the Company's telecommunications services; and is responsible for payment of charges, all under the provisions and terms of this tariff. In the case of collect calling services provided to inmates of correctional Institutions, the called party is the Customer and is responsible for payment of charges.

Subscriber - The correctional institution which orders or uses the Company's service. The Subscriber enters into an agreement with the Company for the provision of automated operator assisted telecommunications services for use by inmates.

VAC - Used throughout this tariff to mean Value-Added Communications, Inc.

Inmates - The jailed population of correctional institutions who are authorized by the Institution to use such service. Responsibility for payment of Inmate charges requires positive acceptance by a Customer (i.e., billed to a third party) or prepayment by the Inmate.

Institution - Used throughout this tariff to refer to correctional institutions.

Institutional Telephone - A coinless telephone instrument that allows Inmates to place collect and prepaid calls at the instrument.

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Plano, Texas 75074

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

Value-Added Communications, Inc.'s services and facilities are furnished to correctional institutions in Arizona for communications originated by inmates of the institutions. The Company only provides automated collect, prepaid and debit inmate calling services. This tariff encompasses only those services provided between locations within the state of Arizona. The Company's services and facilities are available twenty-four (24) hours per day, seven (7) days per week, subject to restrictions and limitations of service imposed by the correctional institution.

The Company installs, operates, and maintains the communications services provided here in for Inmates in accordance with the terms and conditions set forth under this tariff and through contracts with Institutions.

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Effective:

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Plano, Texas 75074

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.2 Limitations of Service

- 2.2.1 Service is offered subject to the availability of the necessary facilities and equipment, and is subject to the provisions of this tariff.
- 2.2.2 Service is provided only to correctional institutions for use by authorized inmates of the institutions and is subject to any restrictions or limitations imposed by the correctional institution.
- 2.2.3 The Company reserves the right to suspend or limit service when necessitated by conditions beyond its control, or when the Customer or Inmate is using service in violation of provisions of this tariff or the law.
- 2.2.4 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.2.5 The Company reserves the right to discontinue service, limit service, or to impose requirements on Institutions as required to meet changing regulatory or statutory rules and to ensure compliance with the terms of this tariff.
- 2.2.6 The Company reserves the right to discontinue service when any governmental or regulatory condition imposed upon the Company materially and negatively impacts the financial viability of the service as determined by the Company in its best business judgment.
- 2.2.7 Service may otherwise be limited at the request of the Institution's administration or by rules of the Commission to decrease fraud and maintain security and control over the inmate population.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.3 Liability of Company**

- 2.3.1** The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission which occur in the course of furnishing service or facilities, in no event shall exceed an amount equivalent to the proportionate charge to the Customer or Inmate for the period during which the faults in transmission occur.
- 2.3.2** The Company shall not be liable for claim or loss, expense or damage (including indirect, special or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.
- 2.3.3** The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer and Inmate against any claim or loss, expense, or damage (including indirect, special or consequential damage) for defamation, libel, slander, invasion, infringement of copy-right or patent, unauthorized use of any trademark, trade name or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data, information, or other content revealed to, transmitted, or used by the Company under this tariff; or for any act or omission of the Customer or Inmate; or for any personal injury or death of any person caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use or removal of equipment or wiring provided by the Company, if not directly caused by negligence of the Company.
- 2.3.4** The Company shall not be liable for any defacement of or damages to the premises of an Institution resulting from the furnishing of service which is not the direct result of the Company's negligence.
- 2.3.5** The Company is not liable for any act or omission of any other entity furnishing a portion of the service or any acts or omission of the Customer.
- 2.3.6** Service furnished by the Company may be interconnected with the services or facilities of other carriers or private systems. However, service furnished is provided solely by the Company and is not a joint undertaking with other parties.

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Plano, Texas 75074

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Assignment or Transfer

All facilities or services provided under this tariff are directly or indirectly controlled by the Company and neither the Institution nor Inmate may transfer or assign the use of service or facilities without the express written consent of the Company.

2.5 Installation and Termination

Service is installed upon mutual agreement between the Institution and the Company.

2.6 Deposits and Advance Payments

2.6.1 Deposits and Advance Payments

The Company does not require deposits or advance payments.

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Plano, Texas 75074

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.7 Payment for Service****2.7.1 Payment for Service**

The Customer is responsible for payment of all charges for services and equipment furnished to the Customer or Inmate by the Company. All charges due by the Customer are payable to the Company or to any agency duly authorized to receive such payments (such as a local exchange company).

2.7.2 Disputed Charges

Charges billed directly by the Company are due upon receipt. Amounts not paid within 15 days of the invoice will be considered past due. For charges billed directly by the Company, notice from the Customer of a dispute as to charges must be received in writing by the Company within thirty (30) days after the date of the invoice. Otherwise, all charges will be considered correct and binding.

For charges billed through the Customer's local exchange carrier, notice from the Customer of disputed charges must be received in writing by the Company within ninety (90) days after the date of the bill is issued. Otherwise, all charges will be considered correct and binding on the Customer.

The Company will promptly investigate and advise all billed parties as to its findings concerning disputed charges. Adjustments to Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

If the Customer is not satisfied with the outcome of the billing dispute, the Customer may contact the Commission at the following address:

Arizona Corporation Commission
Consumer Service Section
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Issued: March 1, 2012

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3801 E Plano Parkway, Suite 100
Plano, Texas 75074

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.7 Payment for Service, (Cont'd.)****2.7.3 Validation of Credit**

The Company reserves the right to validate the creditworthiness of Customers through available verification procedures and to establish a maximum predetermined credit amount. Where a requested billing method cannot be validated or maximum credit amount established, the Company may refuse to provide service.

Services provided by the Company are available to inmates of confinement facilities in accordance with facility-authorized programs. The Company may request that the confinement facility adopt, as part of its program, terms that enable the Company to collect the charges for all inmate calls, including without limitation, the blocking of calls by the Company to certain telephone numbers when the amount charged to such a telephone number exceeds a predetermined amount or becomes past due.

2.7.4 Return Check Charge

A return check charge of \$25.00 will be assessed for checks returned for insufficient funds. Any applicable return check charges will be assessed according to the terms and conditions of this tariff and pursuant to Arizona law and regulations.

2.7.5 Late Payment Fees

The Company reserves the right to assess a late payment fee of 1.5% per month on any past due balance as reflected on direct or LEC bills. A balance is considered past due if unpaid fifteen (15) days following the date printed on the bill listing amounts owed by the Customer. Any applicable late payment fees will be assessed according to the terms and conditions of the Company or its billing agent.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.8 Taxes**

All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.8.1 Arizona Universal Service Fund

The Company will assess a fee to support universal service in Arizona. The fee will be determined by the AUSF Administrator, and is subject to change upon order of the Commission.

2.9 Refusal or Suspension by Company

2.9.1 The Company may suspend service to a Customer for nonpayment of undisputed charges or violation of this tariff or provision of law.

2.9.2 The Company may refuse or suspend service under the following conditions:

- A.** For non-compliance with or violation of any State, municipal, or Federal law, ordinance or regulation pertaining to telephone service.
- B.** For use of telephone service for any purpose other than that described in this tariff.
- C.** For noncompliance with or violation of Commission regulation or the Company's rules and regulations on file with the Commission.
- D.** In the event of Customer, or Authorized User use of equipment or service in such a manner as to adversely affect the Company's equipment or service to others.
- E.** In the event of tampering with the equipment or services owned by the Company or its agents.
- F.** By reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such service.

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Plano, Texas 75074

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.10 Inspection, Testing and Adjustment

Upon reasonable notice, the facilities provided by the Company shall be made available to the Company for tests and adjustments as may be deemed necessary by the Company for maintenance. No interruption allowance will be granted for the time during which such tests and adjustments are made when the interruption is less than twenty-four consecutive hours.

2.11 Call Restrictions

Calling capabilities may be restricted by the administration of the correctional or confinement institutions. The following types of calls will be blocked: directory assistance, 0-, 700, 800, 900, 976, 950, 10XXX, 1+ sent paid, third number billed, credit card and local direct. The institution may block calls to specific telephone numbers and may limit calling service to pre-approved telephone numbers only. Call duration may be limited by the institution.

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Plano, Texas 75074

SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES**3.1 General**

VAC provides automated operator assisted calling services for use by Inmates and other incarcerated persons in prisons, jails or other Correctional Institutions for communications originating and terminating within the State of Arizona. The Company's services are available twenty-four hours per day, seven days a week. Intrastate service is offered in conjunction with interstate service. Inmate access to the Company's services may be restricted by the administration of the Institution served.

Institutional Automated Collect Operator Service allows inmates to place calls to terminating locations anywhere within in the state. An automated system prompts the caller and the called party through user - friendly instructions. The called party must accept responsibility for payment of the charges by pressing the designated digit for acceptance. If a call is not accepted within five (5) seconds of the automated voice recording prompt, the automated recording is replayed a second time. If an acceptance digit is not received five (5) seconds after the second recording is completed, the call is terminated by the Company's system.

Customers are charged individually for each call placed through the Company's network. Charges may vary by service offering, mileage band, class of call, time of day, day of week and/or call duration. Customers are billed based on their use of the Company's services and network. No installation charges apply.

3.2 Timing of Calls

Billing for calls placed over the Company network is based in part on the duration of the call as follows, unless otherwise specified in this tariff:

- 3.2.1** Timing of each call begins when the called station is answered (i.e. when two way communications are established.) Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.
- 3.2.2** Chargeable time for calls ends when one of the parties disconnects from the call.
- 3.2.3** Unless otherwise specified in this tariff, the minimum initial period for billing purposes is one (1) minute.
- 3.2.4** Unless otherwise specified in this tariff, billing for usage after the initial period is in full one (1) minute increments.
- 3.2.5** The Company will not knowingly bill for unanswered calls. When a Customer indicates that he/she was billed for an incomplete call, the Company will reasonably issue credit for the call.

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SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES, (CONT'D.)

3.3 Time of Day Rate Periods

3.3.1 Determination of Rate Periods

Unless otherwise indicated, time of day rates apply according to the following schedule. Calls are billed based on the rate in effect at the time the call begins. Calls that cross rate period boundaries are billed the rate in effect at the beginning of the call for the duration of the entire call.

	MON	TUES	WED	THUR	FRI	SAT	SUN
8:00 AM TO 5:00 PM	DAYTIME RATE PERIOD						
5:00 PM TO 11:00 PM	EVENING RATE PERIOD						EVE
11:00 PM TO 8:00 AM	NIGHT/WEEKEND RATE PERIOD						

* Up to but not including.

SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES, (CONT'D.)**3.4 Calculation of Distance**

Usage charges for mileage sensitive products are based on the airline distance between serving wire centers associated with the originating and terminating points of the call. The serving wire centers of a call are determined by the area codes and exchanges of the origination and destination points.

The distance between the Wire Center of the Customer's equipment and that of the destination point is calculated by using the "V" and "H" coordinates found in BellCore's V&H Tape and NECA FCC Tariff No. 4.

- Step 1:** Obtain the "V" and "H" coordinates for the serving wire center of the Customer's switch and the destination point.
- Step 2:** Obtain the difference between the "V" coordinates of each of the Rate Centers. Obtain the Difference between the "H" coordinates.
- Step 3:** Square the differences obtained in Step 2.
- Step 4:** Add the squares of the "V" difference and "H" difference obtained in Step 3.
- Step 5:** Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.
- Step 6:** Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the originating and terminating serving wire centers of the call.

Formula:

$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

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SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES, (CONT'D.)**3.5 Institutional Operator Assisted Calling**

Institutional operator assisted service allows inmates to place collect calls through an automated call processing system. The call processing system prompts the inmate and the called party such that the call is completed without live operator assistance. Calls are placed on a collect-only basis to the called party.

A number of special blocking and screening capabilities are available with institutional operator services provided by the Company. These capabilities allow Institutions to control Inmate access to telecommunications services, reduce fraudulent use of the Company's services, and eliminate harassing calls to persons outside the institution.

For services provided to inmates of institutions, the following special conditions apply:

1. Calls to "900", "976" or other pay-per-call services are blocked by the Company.
2. At the request of the institution, the Company may block inmate access to toll-free numbers (e.g., 800, 888) and dialing sequences used to access other carriers or operator service providers (e.g., 950-XXXX, 10XXXX).
3. At the request of the Institution, the Company may block inmate access to "911", "411", or local operators reached through "0-" dialing.
4. At the request of the Institution, the Company may block inmate access to specific telephone numbers.
5. Availability of the Company's services may be restricted by the institution to certain hours and/or days of the week.
6. At the request of the institution, no notices or signage concerning the Company's services will be posted with its instruments. Information concerning the Company's services is provided to the administration of each institution where the Company's services are offered. Inmates may obtain information regarding rates and charges by requesting such information from the institution's administration.
7. At the request of the institution, the Company may impose time limits on local and long distance calls placed using its services.
8. At the request of the institution, equipment may be provided which permits monitoring of inmate calls by legally authorized government officials.

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SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES, (CONT'D.)**3.6 VAC Inmate Calling Service**

This specialized calling service is available when the correctional facility contracts for VAC Inmate Calling Service on behalf of the inmates. Special restrictions and limitations may apply to calls made by inmates, including restriction to collect-calls only. InterLATA, intraLATA and local calling are available, as specified by the correctional facility subscriber.

3.6.1 Collect Call Assurance Program

The Company reserves the right to collect an advance payment equal to two (2) months of estimated collect calling service. If a calling history has not been established, the advance payment will be at least \$100.00, but will not exceed \$1,000.00. Payment must be made in U.S. dollars in the form of a cashier's check or money order.

The Company may limit charges to Customers who routinely accept collect calls from end users at correctional facilities at the advance payment level. During any billing cycle in which the customer is within 10% of the limit (the advance payment amount), the Company will offer the customer the choice of refusing service upon reaching the limit or increasing the advance payment. This allows the Company's collect customers to control the amount spent on collect calls from inmates while allowing the Company to offer service to customers whose credit worthiness would otherwise preclude continued service.

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SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES, (CONT'D.)**3.6 VAC Inmate Calling Service, (Cont'd.)****3.6.2 COD Collect**

The Company offers COD Collect to inmates and to customers who accept inmate calls from certain correctional facilities served by the Company. COD Collect allows the inmate or collect call customer to establish a commissary account at the correctional facility for payment of call charges to the Company. The inmate or the collect call customer establishes the amount of the commissary account. The Company submits call charges to the administrator of the commissary account. The administrator is responsible for remitting payment to the Company according to the terms of the contract with the correctional facility. Where state law requires, the availability of a commissary account may be limited to collect call customers only. Commissary accounts are only available at those institutions served by the Company that have made the appropriate contractual and operational arrangements for such service. Calls billed to a commissary account are not billed on the customer's local telephone bill.

Commissary accounts may, at the Company's election, be offered for prepaid direct dialed calling services, at those institutions served by the Company which have made the appropriate contractual and operational arrangements for such services.

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SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES

3.7 General

Each customer is charged individually for each call placed through the Company.

The charges for the Company's services maybe determined by:

- Distance between stations,
- Time of day and day of week,
- Duration of the call,
- Class of call, and
- Jurisdictional nature of the call (intraLATA or interLATA).

Customers are billed based on their use of the Company's service. No installation charges or fixed monthly recurring charges apply.

3.7.1 V-PIN

This charge may apply to automated calls placed by inmates in correctional facilities when such calls are provided through VAC's own processing equipment. V-PIN provides validation of inmate's personal identification number, PINs, through voice verification technology for purposes of improved security and reduced potential for fraud, other illegal activities, and consumer harassment by inmates. Where installation of V-PIN is requested by the correctional facilities, a per call service charge of \$0.25 applies. This is in addition to all applicable message charges, operator assisted service charges, and other miscellaneous service charges and fees.

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SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES, (CONT'D.)

3.8 VAC Inmate Calling Service

3.8.1 Usage Charges

A. Local

	<u>Maximum Rates</u>
Per Call:	\$0.50

B. Intra/InterLATA

	<u>Maximum Rates</u>
Per Minute:	\$0.5800

3.8.3 Service Charges

A. All Calls

	<u>Maximum Rates</u>
Operator Station/Collect	\$2.30
Person-to-Person	\$4.50
Public Payphone Surcharge:	\$0.40

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SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES, (CONT'D.)**3.9 Collect, Pre-Paid and Direct Billing - Short Term Contract Rates****3.9.1 Local**

	<u>Maximum Rates</u>
Usage, Per Call:	\$0.50
Service Charges:	
Collect Call Service Charge	\$2.30
Inmate Service Charge	\$1.45
Payphone Usage Charge	\$0.50

3.9.2 IntraLATA

	<u>Maximum Rates</u>
Usage, Per Minute:	\$0.50
Service Charges:	
Collect Call Service Charge	\$2.30
Inmate Service Charge	\$1.45
Payphone Usage Charge	\$0.50

3.9.3 InterLATA

	<u>Maximum Rates</u>
Usage, Per Minute:	\$0.50
Service Charges:	
Collect Call Service Charge	\$2.30
Inmate Service Charge	\$1.45
Payphone Usage Charge	\$0.50

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SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES, (CONT'D.)

3.10 Other Fees for Pre-Paid and Direct Billed Accounts

	<u>Maximum Pre-Paid</u>	<u>Maximum Direct Billed</u>
Credit Card Transaction Fee, Per Transaction	\$10.00	\$10.00
Monthly Maintenance Fee Idle Accts	\$5.00	n/a

3.11 Institutional Plan 1 – Collect, Pre-Paid and Direct Billing

3.11.1 Local

	<u>Maximum Rates</u>
Usage, Per Call:	\$0.50
Service Charges:	
Collect Call Service Charge	\$2.30
Payphone Usage Charge	\$0.50

3.11.2 IntraLATA

	<u>Maximum Rates</u>
Usage, Per Call:	\$0.50
Service Charges:	
Collect Call Service Charge	\$2.30
Payphone Usage Charge	\$0.50

3.11.3 InterLATA

	<u>Maximum Rates</u>
Usage, Per Call:	\$0.50
Service Charges:	
Collect Call Service Charge	\$4.50
Payphone Usage Charge	\$0.50

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SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES, (CONT'D.)

3.11 Institutional Plan 1 – Collect, Pre-Paid and Direct Billing, (Cont'd.)

3.11.4 Other Fees for Pre-Paid and Direct Bill Accounts

	<u>Maximum Pre-Paid</u>	<u>Maximum Direct Billed</u>
Credit Card Transaction Fee, Per Transaction	\$10.00	\$10.00
Monthly Maintenance Fee Idle Accts	\$5.00	n/a

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SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES, (CONT'D.)

3.12 Collect - Long Term Contract Rates

3.12.1 Local	<u>Maximum Rates</u>
Usage, Per Call:	\$0.50
Service Charges:	
Collect Call Service Charge	\$2.30
Inmate Service Charge	\$1.45
Payphone Usage Charge	\$0.50

3.12.2 IntraLATA	<u>Maximum Rates</u>
Usage, Per Call:	\$0.50
Service Charges:	
Collect Call Service Charge	\$2.30
Inmate Service Charge	\$1.45
Payphone Usage Charge	\$0.50

3.12.3 InterLATA

Usage:	<u>Maximum Rates</u>					
	DAY		EVENING		NIGHT/WEEKEND	
Rate Mileage	Initial Period	Add'l Period	Initial Period	Add'l Period	Initial Period	Add'l Period
0 - 10	\$0.3000	\$0.1700	\$0.2160	\$0.1315	\$0.1800	\$0.1150
11 - 22	\$0.4000	\$0.2200	\$0.2810	\$0.1640	\$0.2300	\$0.1300
23 - 55	\$0.4500	\$0.2700	\$0.3135	\$0.1965	\$0.2550	\$0.1650
56 - 124	\$0.5200	\$0.3300	\$0.3590	\$0.2355	\$0.2900	\$0.1950
125 - 292	\$0.5300	\$0.3600	\$0.3590	\$0.2550	\$0.2950	\$0.2100
293 - +	\$0.5800	\$0.3800	\$0.3980	\$0.2680	\$0.3300	\$0.2200

Service Charges:	<u>Maximum Rates</u>
Collect Call Service Charge	\$2.30
Inmate Service Charge	\$1.45
Payphone Usage Charge	\$0.50

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SECTION 3 - DESCRIPTION OF SERVICE AND MAXIMUM RATES, (CONT'D.)**3.13 Pre-Paid - Long Term Contract Rates**

3.13.1 Local	<u>Maximum Rates</u>
Usage, Per Call:	\$0.50
Service Charges:	
Collect Call Service Charge	\$2.30
Payphone Usage Charge	\$0.50

3.13.2 IntraLATA	<u>Maximum Rates</u>
Usage, Per Call:	\$0.50
Service Charges:	
Collect Call Service Charge	\$2.30
Payphone Usage Charge	\$0.50

3.13.3 InterLATA	<u>Maximum Rates</u>
Usage, Per Call:	\$0.50
Service Charges:	
Collect Call Service Charge	\$2.30
Payphone Usage Charge	\$0.50

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SECTION 4 - CURRENT RATES

4.1 VAC Inmate Calling Service

4.1.1 Local

Usage, Per Call: \$0.00
 Service Charges: \$1.55

4.1.2 Intra/InterLATA

Usage, Per Minute:

Rate Mileage	DAY		EVENING		NIGHT/WEEKEND	
	Initial Period	Add'l Period	Initial Period	Add'l Period	Initial Period	Add'l Period
0 - 10	\$0.2400	\$0.1100	\$0.2400	\$0.1100	\$0.2400	\$0.1100
11 - 22	\$0.3400	\$0.1600	\$0.3400	\$0.1600	\$0.3400	\$0.1600
23 - 55	\$0.3500	\$0.2000	\$0.3500	\$0.2000	\$0.3500	\$0.2000
56 - 124	\$0.4100	\$0.2500	\$0.4100	\$0.2500	\$0.4100	\$0.2500
125 - 292	\$0.4200	\$0.2700	\$0.4200	\$0.2700	\$0.4200	\$0.2700
293 - +	\$0.4300	\$0.3000	\$0.4300	\$0.3000	\$0.4300	\$0.3000

Service Charges

Operator Station/Collect \$1.30
 Person-to-Person \$2.30

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SECTION 4 - CURRENT RATES, (CONT'D.)**4.2 Collect, Pre-Paid and Direct Billing - Short Term Contract Rates****4.2.1 Local**

Usage, Per Call:	\$0.50
Service Charges:	
Collect Call Service Charge	\$0.00
Inmate Service Charge	\$1.45
Payphone Usage Charge	\$0.26

4.2.2 IntraLATA

Usage, Per Minute:	\$0.25
Service Charges:	
Collect Call Service Charge	\$0.00
Inmate Service Charge	\$1.45
Payphone Usage Charge	\$0.26

4.2.3 InterLATA

Usage, Per Minute:	\$0.30
Service Charges:	
Collect Call Service Charge	\$1.60
Inmate Service Charge	\$1.40
Payphone Usage Charge	\$0.40

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SECTION 4 - CURRENT RATES, (CONT'D.)**4.3 Other Fees for Pre-Paid and Direct Billed Accounts**

	<u>Pre-Paid</u>	<u>Direct Billed</u>
Credit Card Transaction Fee, Per Transaction	\$7.95	\$0.00
Monthly Maintenance Fee Idle Accts	\$5.00	n/a

4.4 Institutional Plan 1 – Collect, Pre-Paid and Direct Billing**4.4.1 Local**

Usage, Per Call:	\$0.00
Service Charges:	
Collect Call Service Charge	\$2.30
Payphone Usage Charge	\$0.00

4.4.2 IntraLATA

Usage, Per Minute:	\$0.25
Service Charges:	
Collect Call Service Charge	\$1.95
Payphone Usage Charge	\$0.00

4.4.3 InterLATA

Usage, Per Minute:	\$0.40
Service Charges:	
Collect Call Service Charge	\$3.40
Payphone Usage Charge	\$0.00

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SECTION 4 - CURRENT RATES, (CONT'D.)**4.4 Institutional Plan 1 – Collect, Pre-Paid and Direct Billing****4.4.4 Other Fees for Pre-Paid and Direct Bill Accounts**

	<u>Pre-Paid</u>	<u>Direct Billed</u>
Credit Card Transaction Fee, Per Transaction	\$7.95	\$0.00
Monthly Maintenance Fee Idle Accts	\$5.00	n/a

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SECTION 4 - CURRENT RATES, (CONT'D.)

4.5 Collect - Long Term Contract Rates

4.5.1 Local

Usage, Per Minute: \$0.00
 Service Charges:
 Collect Call Service Charge \$0.00
 Inmate Service Charge \$1.95
 Payphone Usage Charge \$0.00

4.5.2 IntraLATA

Usage: \$0.25
 Service Charges:
 Collect Call Service Charge \$0.00
 Inmate Service Charge \$1.45
 Payphone Usage Charge \$0.00

4.5.3 InterLATA

Usage, Per Minute:

Rate Mileage	DAY		EVENING		NIGHT/WEEKEND	
	Initial Period	Add'l Period	Initial Period	Add'l Period	Initial Period	Add'l Period
0 - 10	\$0.2700	\$0.1530	\$0.1890	\$0.1170	\$0.1620	\$0.0990
11 - 22	\$0.3600	\$0.1980	\$0.2520	\$0.1440	\$0.2070	\$0.1170
23 - 55	\$0.4050	\$0.2430	\$0.2790	\$0.1710	\$0.2250	\$0.1440
56 - 124	\$0.4068	\$0.2970	\$0.3150	\$0.2070	\$0.2610	\$0.1710
125 - 292	\$0.4770	\$0.3240	\$0.3150	\$0.2250	\$0.2610	\$0.1890
293 - +	\$0.5220	\$0.3420	\$0.3510	\$0.2340	\$0.2970	\$0.1980

Service Charges:
 Collect Call Service Charge \$0.00
 Inmate Service Charge \$2.07
 Payphone Usage Charge \$0.00

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SECTION 4 - CURRENT RATES, (CONT'D.)**4.6 Pre-Paid - Long Term Contract Rates****4.6.1 Local**

Usage, Per Minute:	\$0.06
Service Charges:	
Collect Call Service Charge	\$1.50
Payphone Usage Charge	\$0.00

4.6.2 IntraLATA

Usage, Per Minute:	\$0.23
Service Charges:	
Collect Call Service Charge	\$1.50
Payphone Usage Charge	\$0.00

4.6.3 InterLATA

Usage, Per Minute:	\$0.23
Service Charges:	
Collect Call Service Charge	\$1.50
Payphone Usage Charge	\$0.00

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