

VALUE-ADDED COMMUNICATIONS, INC.

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Interstate/International Rates, Terms and Conditions

Original Page 1

INTERSTATE AND INTERNATIONAL RATES, TERMS & CONDITIONS

Interstate and International

Rates, Terms and Conditions Provided by

VALUE-ADDED COMMUNICATIONS, INC.

CHECK SHEET

Pages of this document, as indicated below, are effective as of the posted date shown at the top of the respective pages.

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INTERSTATE AND INTERNATIONAL RATES, TERMS & CONDITIONS

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EXPLANATION OF SYMBOLS

The following are the only symbols used for the purposes indicated below:

- C** - To signify Changed Regulation.
- D** - Delete or Discontinue
- I** - Change Resulting in an Increase to a rate
- M** - Moved from Another RTC Location
- N** - New
- R** - Change Resulting in a Reduction to a rate
- T** - Change in Text But No Change to Rate or Charge
- Z** - Correction

RTC 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 RTC. 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. 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** - The Check Sheet lists the pages contained in the RTC, 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.)

SECTION 1 - TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the Subscriber's location to a Company switching center or designated point of presence.

Automated Collect Call - Calls billed to the called party that are completed through an automated call processing system. The automated system prompts the call originator and called party. The called party must accept charges for the call and is responsible for payment.

Customer or End User - The person, firm, corporation or other entity which uses the Company's service and is responsible for payment of charges and compliance with the Company's RTC.

Company or Carrier - Value-Added Communications, Inc., unless otherwise clearly indicated by the context.

Commission - Refers to the Federal Communications Commission.

Correctional or Confinement Institutions - Used throughout this RTC to refer to any type of confinement facility, including prisons, jails, work farms, detention centers or other facilities used for penalty or confinement purposes.

Inmates - The jailed or confined population of correctional or confinement institutions.

LEC - Local Exchange Company.

RTC - Refers to this Rates, Terms & Conditions document

Subscriber - The correctional institution which orders or uses the Company's service and is responsible for compliance with RTC regulations. The Subscriber enters into an agreement with the Company for the provision of collect-only automated operator assisted telecommunications services for use by inmates.

United States - For purposes of this RTC the term "United States" includes the Mainland United States of America, Alaska, Hawaii, Puerto Rico, U.S. Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands (CNMI).

VAC - refers to Value-Added Communications, Inc.

SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

The Company's services and facilities are furnished for communications originating at correctional or confinement institutions between locations within the United States and foreign countries. The terms of this RTC apply to the Company's interstate calls.

The Company provides for the installation, operation, and maintenance of the communications services provided herein in accordance with the terms and conditions set forth under this RTC. The Company may act as the Subscriber's agent for ordering access connection facilities provided by other carriers or entities, when authorized by the Customer, to allow connection of a Subscriber's location to the Company's services. The Customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities are provided on a monthly basis unless otherwise provided, and are available twenty-four hours per day, seven days per week subject to restrictions imposed by the administration of the institution.

2.2 Limitations

2.2.1 The Company provides calling services to inmates of confinement/correctional institutions.

2.2.2 Service is offered subject to the availability of the necessary facilities or equipment, and subject to the provisions of this RTC.

2.2.3 The Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of provisions of this RTC, or in violation of 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 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.

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

2.3 Use

Services provided under this RTC may be used for any lawful purpose for which the service is technically suited, limited to the provisions of this RTC.

2.4 Assignment and Transfer

2.4.1 All facilities provided under this RTC are directly or indirectly controlled by the Company. The limitations with which the Company contracts for service may not transfer or assign the use of service or facilities without the express written consent of the Company. All regulations and conditions contained in this RTC shall apply to all such permitted assignees or transferees, as well as all conditions of service.

2.5 Liabilities of the Company

2.5.1 Except as specified in this tariff, the Company shall have no liability for damages of any kind arising out of or related to services, events, acts, rights, or privileges related to this tariff. This tariff does not limit the liability of the Company for gross negligence or willful misconduct.

2.5.2 In no event will the Company be responsible for any indirect, consequential, incidental, or special damages.

2.5.3 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in transmission occurring in the course of furnishing service or facilities shall not exceed an amount equal to the proportionate charge to the customer for the period during which the faults in transmission occur.

2.5.4 The Company shall not be liable for any mistakes, interruptions, omissions, delays, errors, or defects in any service, facility or transmission caused by any person or entity other than the Company.

2.5.5 The Company shall not be liable for any act or omission of any other carrier furnishing any part of the service provided under this tariff.

2.5.6 No agent or employee of any other carrier shall be deemed to be an agent or employee of the Company.

2.5.7 The Company shall not be liable for any defacement or damage to the premises of a customer or subscriber that is not the direct result of the Company's negligence.

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

2.5 Liabilities of the Company, (Cont'd.)

2.5.8 The Company shall not be liable for any failure of performance due to causes beyond its control, including but not limited to: fire, floods, and other catastrophes; acts of God; atmospheric conditions and other natural phenomena; acts of government; court orders; national emergencies; war; civil disturbances; labor problems; third party acts and omissions (including failure of performance of common carriers, interexchange carriers, local exchange carriers, suppliers and subcontractors); and other causes beyond its reasonable control, including failures and fluctuations in equipment.

2.5.9 The customer or subscriber shall indemnify and hold the Company harmless against:

- A.** Claims for defamation, invasion of privacy, and infringement of intellectual property arising out of the material, data, information or other content transmitted over the Company's services or facilities;
- B.** Patent infringement claims arising from combining or connecting Company furnished facilities with apparatus and systems of the customer or subscriber; and
- C.** All other claims arising out of any act or omission of the customer or subscriber in connection with any service provided by the Company.

2.5.10 The customer or subscriber shall indemnify and hold the Company harmless from all losses, claims, demands, suits and other actions, and any liability whatsoever, whether suffered, made, instituted or asserted by the customer or by any other party or persons, for any personal injury or death of any person, and for any loss, damage, or destruction of any property, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of the Company's equipment or facilities.

2.5.11 EXCEPT AS SPECIFIED IN THIS TARIFF, THE COMPANY MAKES NO WARRANTY, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

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

2.6 Credit Limits and Advance Payments

2.6.1 The Company reserves the right to establish credit limits for services to any billing telephone number. The Company may also offer pre-set credit limits to customers who wish to control call charges billed to their telephone numbers. Limits will be set according to the Company's current guidelines and may be increased or decreased at the Company's discretion.

2.6.2 Advance Payments

The Company does not normally require advance payments for service. However, for Customers whom the Company determines an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and a new advance payment may be collected for the next month, if necessary.

INTERSTATE AND INTERNATIONAL RATES, TERMS & CONDITIONS

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

2.7 Taxes and Fees

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.

2.7.1. Public Telephone Surcharge

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), a per call charge may apply to interstate, intrastate and international calls that originate from any domestic pay telephone used to access the Company's services. This surcharge, which is in addition to standard RTC usage charges and any applicable service charges and surcharges associated with the Company's service, applies for the use of the instrument used to access the Company's service and is unrelated to the service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any re-originated call (i.e., using the "#" symbol).

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Rate per Call \$0.56

2.7.1.A. V-PIN

This charge may apply to automated calls placed by inmates in correctional facilities when such calls are provided through VACI's own processing equipment. V-PIN provides validation of inmate personal identification numbers, 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 2 - RULES AND REGULATIONS, (CONT'D.)**2.7 Taxes and Fees, (Cont'd.)****2.7.2 Universal Service Recovery**

In compliance with the FCC's Universal Service Orders, the Company is required to pay a percentage of its retail revenues to support the Universal Service Fund (USF). The Company will adjust its charges to include the applicable USF assessment. This amount is in addition to standard usage charges and any applicable service charges and surcharges associated with the Company's service. The Company's Universal Service cost recovery will match the relevant quarterly Universal Service Contribution Factor approved by the FCC rounded up to the nearest tenth of a percent. Universal Service Contribution Factors are available at www.fcc.gov/ccb.universal_service/quarter.html.

2.7.3 Federal Regulatory/Tax Cost Recovery Surcharge

In addition to charges for service a monthly fee of 3.20% of total interstate and international charges will be imposed to recover expenses incurred with regard to Federal regulatory costs and taxes. This includes, but is not limited to, such items as federal universal service fund recovery, national fund for TRS, national number portability, federal regulatory fees, expenses for federal regulatory proceedings and compliance, portions of local and state property taxes associated with interstate and international calling and other non-income-tax related tax costs associated with interstate and international calling.

2.8 Terminal Equipment

Company-provided facilities and service may be used with or terminated in Company- or Subscriber-provided terminal equipment or communications systems, such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained under contract between the Company and the Subscriber. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

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

2.9 Payment for Service

2.9.1 Payment for Service

The Customer is responsible for payment of all charges for services and equipment furnished to the Customer or to an end user of the Customer 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).

For invoices issued by the Company, acceptable payment methods are by credit card, debit card, Money Order or Cashier Check. The Company does not accept payment by personal check.

Failure to receive a bill will not exempt a customer from prompt payment of any sums due.

2.9.2 Disputed Charges

Charges billed directly by the Company are due upon receipt. Amounts not paid within 10 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 fifteen (15) 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.

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

2.9 Payment for Service, (Cont'd.)

2.9.3 Validation of Credit

The Company reserves the right to validate the creditworthiness of Customers and billed parties 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.

2.9.4 Late Payment Fees

For calls billed directly by the Company, The Company reserves the right to assess a late payment fee of 1.5% per month on any past due balance. 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.

2.10 Interconnection

Service furnished by the Company may be connected with the services or facilities of other carriers. Such service or facilities, if used, are provided under the terms, rates and conditions of the other carrier. The Customer or Subscriber is responsible for all charges billed by other carriers for use in connection with the Company's service. Any special interface equipment or facilities necessary to achieve compatibility between carriers is the responsibility of the Subscriber.

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

2.11 Refusal or Discontinuance by Company

2.11.1 The Company may refuse or discontinue service with proper notice to the Customer or Subscriber for any of the following reasons:

- A.** For failure of the Customer to pay a bill for service when it is due.
- B.** For Customer's or Subscriber's violation of any provision of this RTC.
- C.** For failure of the Subscriber to provide the Company reasonable access to its equipment and property.
- D.** For Subscriber's breach of the contract for service between the Company and the Subscriber.
- E.** For a failure of the Subscriber to furnish such service, equipment, and/or rights-of-way necessary to serve said Subscriber as shall have been specified by the Company as a condition of obtaining service.
- F.** When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

2.11.2 The Company may refuse or discontinue service without notice to the Customer or Subscriber for any of the following reasons:

- A.** In the event of tampering with the Company's equipment.
- B.** In the event of a condition determined to be hazardous to the Customer or Subscriber, to other Customers of the Company, to the Company's equipment, the public, or to employees of the Company.
- C.** In the event of a Customer's or Subscriber's use of equipment in such a manner as to adversely affect the Company's equipment or the Company's service to others.
- D.** In the event of fraudulent use of the service.

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

2.11 Refusal or Discontinuance by Company, (Cont'd.)

2.11.3 Refusal of Service and Blocking

The company may refuse to process a call for the following reasons:

- A. Authorization for a calling card or credit card cannot be validated for a call charged to a calling card or credit card.
- B. The party to be billed does not accept the charges for a collect or third party call.
- C. To prevent fraudulent or other unlawful use of its services.

The Company may block traffic to and from certain countries, cities, NXX's, or block calls that use certain authorization codes or calling card accounts when the Company deems it necessary to prevent fraud or other unlawful use of its services.

Without notice and whenever necessary, at the request of an administrator of a correctional facility or any law enforcement agency, the Company may block service from or to a particular telephone number.

2.12 Responsibilities of Customers and Subscribers

2.12.1 The Subscriber is responsible for taking all necessary actions, for interconnecting the customer or subscriber provided equipment or systems with the Company's facilities or services. The Subscriber shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection.

2.12.2 The Subscriber shall ensure that the equipment and/or system properly interfaces with the Company's facilities or services; that the signals emitted into the network are of the proper mode, bandwidth, power and signal level for the intended use of the customer and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other customers. If the FCC or other appropriate certifying body certifies equipment as being acceptable for direct connection with telecommunications service, the Company may allow connection of such equipment to its services without the use of protective interface devices.

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

2.12 Responsibilities of Customers and Subscribers, (Cont'd.)

2.12.3 If the Subscriber fails to maintain the equipment and/or system properly, resulting in potential harm to the Company's equipment, personnel, or quality of service to other customers, the Company may take any immediate action necessary to protect its facilities, personnel, and quality of service. The Company will promptly notify the Subscriber of the need for protective action (this may include requiring the use of protective equipment at the customer's subscriber's expense). If this fails to produce satisfactory quality and safety, the Company may, upon written notice, take any additional action necessary to protect its facilities and personnel, including termination of the service.

2.12.4 The Subscriber shall be responsible for securing its telephone equipment against fraudulent use of the Company's service. The Customer shall be responsible for payment of all applicable charges for services provided by the Company and billed to the customer's accounts, even if those calls originated by fraudulent means. In addition, the Customer shall be responsible for all calls charged by fraudulent means to the Customer's account.

2.12.5 The customer shall indemnify and hold the Company harmless against claims of libel, slander, and infringement of copyrights, trademarks, trade names, and service marks, arising from any transmission over the facility; against all claims for infringement of patents arising from the combination or use of the Company's service with the customer's equipment or system; and against all other claims arising out of any act or omission of the customer in connection with the Company's service.

2.12.6 The customer or subscriber shall be liable for:

- A. Loss or damage of Company equipment or facilities at the customer's or subscriber's premises due to theft, fire, flood, or any other casualty or criminal act.
- B. Reimbursing the Company for damages to facilities and equipment caused by the negligent or willful acts of the subscriber or customer or its authorized users, employees, agents, or contractors.
- C. Charges incurred with other companies for service at the customer's or subscriber's premises or on the customer's or subscriber's equipment.
- D. Payment of Company charges for calls or service originated at the customer's number; accepted at the customer's number (i.e., collect calls); or placed through the customer's calling card or authorization number.

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

2.12 Responsibilities of Customers and Subscribers, (Cont'd.)

2.12.7 The customer or subscriber shall provide access to its premises for any installation, repair, maintenance, inspection, testing, or removal of equipment associated with the Company's service.

2.12.8 The customer shall ensure that authorized users comply with the provisions of this tariff.

2.13 Responsibilities of Authorized Users

2.13.1 The authorized user is responsible for compliance with all applicable regulations in this tariff.

2.13.2 The authorized user is responsible for establishing his/her identity as often as necessary during the course of a call.

2.13.3 The authorized user is responsible for identifying the station, party, or person with whom communication is desired and/or made at the called number.

2.13.4 The authorized user is responsible for providing the Company with a valid method of billing for each call. The Company reserves the right to validate the credit worthiness of authorized users through credit card, called number, third party telephone number and room number verification procedures. If the Company cannot validate a requested billing method, the Company may require the user to provide an acceptable alternate billing method or the Company may refuse to place the call.

2.14 Right to Backbill for Improper Use

Any person or entity which uses or appropriates the Company's services, whether directly or indirectly, in any unlawful manner or by providing misleading or false information to the Company shall be liable for an amount equal to the charges that would have applied to a customer's actual use of services.

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

2.15 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.

2.16 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.

2.17 Use of Recording Devices

Subscribers who use recording devices do so at their own risk. Subscribers may use a recording device only in compliance with the requirements of local, state, and federal laws.

2.18 Adjustment to Rates and Charges

The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs. Examples of such programs include, but are not limited to, the Universal Service Fund (USF), and compensation to pay telephone service providers for the use of their pay telephones to access the Company's service.

2.19 Interruption of Service

The Company will credit a customer account for service interruptions that are not due to the Company's testing or adjusting, the customer's or subscriber's negligence or willful acts, or to the failure of customer or subscriber provided facilities or equipment. The customer shall promptly notify the Company of the interruption of service for which the customer requests a credit. Before requesting a credit, the customer shall verify that the trouble could not have been prevented by the customer and is not in the customer's wiring or equipment.

SECTION 3 - SERVICE DESCRIPTIONS AND RATES

3.1 General

The Company offers automated operator assisted services for use by inmates and other incarcerated persons in correctional facilities.

The terms and conditions of service are provided pursuant to contract between the Company and correctional facilities or their governing agencies.

3.2 Timing of Calls

3.2.1 Billing for calls placed over the Company's network is based in part on the duration of the call. Timing of each call begins as specified below and ends when either the calling party or the called party hangs up.

Auto-Collect Calls – Timing begins when the called party accepts responsibility for payment

Auto-Person-to-Person – Timing begins when the calling party is connected to the designated called party or to an agreed alternate.

3.2.2 Unless otherwise specified in this tariff, the minimum call duration for billing purposes is one (1) minute.

3.2.3 No billing applies to incomplete or unanswered calls.

3.2.4 When a call begins in one rate period and ends in another rate period, the rate in effect at the calling station applies to the portion of the call occurring within that rate period. When a unit of time is split between two rate periods, the rate applicable to that unit of time is based on the rate period in which it began.

SECTION 3 - SERVICE DESCRIPTIONS AND RATES, (CONT'D.)

3.3 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 area codes and exchanges of the origination and destination points determine the service wire centers of a call.

Industry standard vertical ("V") and horizontal ("H") coordinates determine the distance between the wire center of the customer and that of the destination point:

Step 1: Obtain the V and H coordinates for the wire centers serving the customer and the destination point.

Step 2: Obtain the difference between the V coordinate of each wire center. 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 the H difference obtained in Step 3.

Step 5: Divide the sum of the squares obtained in Step 4 by 10. Round to the next higher whole number if a fraction remains 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 a fraction remains.

Formula:

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

SECTION 3 - SERVICE DESCRIPTIONS AND RATES, (CONT'D.)

3.4 Time of Day Rate Periods

The day, evening or night/weekend rates apply based on the time of day and the day of the week as listed in the following chart:

	Mon	Tues	Wed	Thu	Fri	Sat	Sun
8:00 a.m. to 5:00 p.m.*	Day Rate Period						
5:00 p.m. to 11:00 p.m.*	Evening Rate Period						Eve
11:00 p.m. to 8:00 a.m.*	Night/Weekend Rate Period						

* up to, but not including

SECTION 3 - SERVICE DESCRIPTIONS AND RATES, (CONT'D.)**3.5 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.

3.5.1 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.

3.5.2 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 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.

INTERSTATE AND INTERNATIONAL RATES, TERMS & CONDITIONS

SECTION 3 - SERVICE DESCRIPTIONS AND RATES, (CONT'D.)

3.5 VAC Inmate Calling Service, (Cont'd.)

3.5.3 Inmate Calling Service Rates - Domestic

A. Day Rates

Mileage	OPTION A		OPTION B	
	Initial Period	Each Add'l Minute	Initial Period	Each Add'l Minute
1 - 10	\$0.2070	\$0.2070	\$0.2530	\$0.2530
11 - 22	\$0.2070	\$0.2070	\$0.2530	\$0.2530
23 - 55	\$0.2160	\$0.2160	\$0.2640	\$0.2640
56 - 124	\$0.2250	\$0.2250	\$0.2750	\$0.2750
125 - 292	\$0.2340	\$0.2340	\$0.2860	\$0.2860
293 - 430	\$0.2340	\$0.2340	\$0.2860	\$0.2860
431 - 925	\$0.2430	\$0.2430	\$0.2970	\$0.2970
926 - 1910	\$0.2430	\$0.2430	\$0.2970	\$0.2970
1911 - 3000	\$0.2430	\$0.2430	\$0.2970	\$0.2970
3001 - 4250	\$0.2700	\$0.2700	\$0.3300	\$0.3300
4251+	\$0.2970	\$0.2970	\$0.3630	\$0.3630

B. Evening Rates

Mileage	OPTION A		OPTION B	
	Initial Period	Each Add'l Minute	Initial Period	Each Add'l Minute
1 - 10	\$0.1170	\$0.1170	\$0.2530	\$0.2530
11 - 22	\$0.1260	\$0.1260	\$0.2530	\$0.2530
23 - 55	\$0.1440	\$0.1440	\$0.2640	\$0.2640
56 - 124	\$0.1440	\$0.1440	\$0.2750	\$0.2750
125 - 292	\$0.1620	\$0.1620	\$0.2860	\$0.2860
293 - 430	\$0.1620	\$0.1620	\$0.2860	\$0.2860
431 - 925	\$0.1620	\$0.1620	\$0.2970	\$0.2970
926 - 1910	\$0.1710	\$0.1710	\$0.2970	\$0.2970
1911 - 3000	\$0.1800	\$0.1800	\$0.2970	\$0.2970
3001 - 4250	\$0.1890	\$0.1890	\$0.3300	\$0.3300
4251+	\$0.1980	\$0.1980	\$0.3630	\$0.3630

SECTION 3 - SERVICE DESCRIPTIONS AND RATES, (CONT'D.)

3.5 VAC Inmate Calling Service, (Cont'd.)

3.5.3 Inmate Calling Service Rates - Domestic, (Cont'd.)

C. Nights/Weekends

Mileage	OPTION A		OPTION B	
	Initial Period	Each Add'l Minute	Initial Period	Each Add'l Minute
1 - 10	0.1080	0.1080	0.2530	0.2530
11 - 22	0.1080	0.1080	0.2530	0.2530
23 - 55	0.1170	0.1170	0.2640	0.2640
56 - 124	0.1170	0.1170	0.2750	0.2750
125 - 292	0.1350	0.1350	0.2860	0.2860
293 - 430	0.1350	0.1350	0.2860	0.2860
431 - 925	0.1350	0.1350	0.2970	0.2970
926 - 1910	0.1440	0.1440	0.2970	0.2970
1911 - 3000	0.1530	0.1530	0.2970	0.2970
3001 - 4250	0.1530	0.1530	0.3300	0.3300
4251+	0.1530	0.1530	0.3630	0.3630

D. Per Call Surcharges

The following per-call charges apply in addition to the per minute usage rates when applicable. These Charges apply in all rate periods.

	Option A	Option B
Collect	\$3.00	\$4.50
Person-to-Person	\$5.75	\$6.75
C.O.D. Option*	\$1.50	\$2.50

* Call charges billed to the Commissary Account.

The applicable option is selected by the Correctional Facility.

SECTION 3 - SERVICE DESCRIPTIONS AND RATES, (CONT'D.)

3.5 VAC Inmate Calling Service, (Cont'd.)

3.5.4 VAC Inmate Calling Service Rates

A. Automated International Usage - International

	Per Minute Rate
Calling Card	\$4.00
Operator Station/Collect	\$4.00

B. Inmate Call Accounting systems Surcharge - Operator Assistance

	Per Minute Charge
Auto Collect	\$2.50
COD Collect	\$2.50

C. COD Collect

	Per Minute Rate
Canada	\$1.75
Mexico	\$1.75
Other International Locations	\$1.75

D. Nonrecurring Fees for Advance Pay and Direct Billed Accounts *

	Pre-Paid	Direct Bill
Account Transaction Fee	\$8.00	\$8.00
Credit Card Transaction Fee	\$8.00	n/a
Monthly Maintenance Fee - Idle Accts	\$5.00	n/a
Refund Fee, per Refund	\$8.00	n/a
Bill Statement Fee - per Invoice/Bill	n/a	\$5.00

* Maximum Rates that will be charged.

INTERSTATE AND INTERNATIONAL RATES, TERMS & CONDITIONS

SECTION 3 - SERVICE DESCRIPTIONS AND RATES, (CONT'D.)

3.6 Optional Inmate Calling Service - Domestic

3.6.1 Day/Evening/Night/Weekend Rates

Code	Mileage	RATES PER MINUTES		BILLING	
		Initial Minute	Each Add'l Minute	Call Minimum	Billing Increments
A	All	\$0.4000	\$0.4000	60 sec.	60 sec.
B	All	\$0.5000	\$0.5000	60 sec.	60 sec.
C	All	\$0.5500	\$0.5500	60 sec.	60 sec.
D	All	\$0.6000	\$0.6000	60 sec.	60 sec.
E	All	\$0.6500	\$0.6500	60 sec.	60 sec.
F	All	\$0.7000	\$0.7000	60 sec.	60 sec.
G	All	\$0.7500	\$0.7500	60 sec.	60 sec.
H	All	\$0.8000	\$0.8000	60 sec.	60 sec.
I	All	\$0.8900	\$0.8900	60 sec.	60 sec.
J	All	\$0.9500	\$0.9500	60 sec.	60 sec.
K	All	\$1.1500	\$1.1500	60 sec.	60 sec.

The specific rate plan used will depend on each Correctional Facility.

SECTION 3 - SERVICE DESCRIPTIONS AND RATES, (CONT'D.)**3.6 Optional Inmate Calling Service - Domestic, (Cont'd.)****3.6.2 Per Call Charges**

The following per call charges apply in addition to the per minute usage rates when applicable. These charges apply in all rate periods.

The specific per call charge used will depend on each Correctional Facility.

Code	Automated	Code	Op. Asst.	Code	Per-to-Per
X1	\$2.45	Y1	\$2.75	Z1	\$4.95
X2	\$2.60	Y2	\$2.90	Z2	\$5.15
X3	\$2.75	Y3	\$3.05	Z3	\$5.20
X4	\$2.90	Y4	\$3.20	Z4	\$5.30
X5	\$3.05	Y5	\$3.50	Z5	\$5.50
X6	\$3.25	Y6	\$3.80	Z6	\$5.80
X7	\$3.40	Y7	\$4.10	Z7	\$6.05
X8	\$3.55	Y8	\$4.55	Z8	\$6.30
X9	\$3.70	Y9	\$5.00	Z9	\$6.55
X10	\$3.95	Y10	\$5.15	Z10	\$6.95

Operator Assisted calls include Collect and Third Party Billed Calls.

At the Company's discretion, the Operator Assisted charges may equal the Automated charge (and vice versa) for calls originating for Correctional Facility locations.

At the Company's discretion, or at the request of an administrator of a Correctional Facility, services offered to Inmates will not allow the option of direct contact with a live operator at any point during a collect call.

SECTION 3 - SERVICE DESCRIPTIONS AND RATES, (CONT'D.)

3.7 COD Collect/Debit Calls

Code	Interstate rate per minute
W1	\$0.1500
W2	\$0.2000
W3	\$0.2300
W4	\$0.3000

3.7.1 VAC Debit Calling Cards

Mileage	Interstate rate per minute		Billing	
	Initial Minute	Each Add'l Minute	Call Minimum	Billing Increments
All	\$0.8900	\$0.8900	60 sec.	60 sec

The following per call charges apply in addition to the per minute usage rates when applicable. These charges apply to all rate periods.

Code	Automated	Code	Op. Asst.	Code	Per-to-Per
A1	\$4.51	B1	\$4.51	C1	n/a

All Cards expire six (6) months after first use.

3.8 Nonrecurring Fees for Advance Pay and Direct Billed Accounts *

	Pre-Paid	Direct Bill
Account Transaction Fee	\$8.00	\$8.00
Credit Card Transaction Fee	\$8.00	n/a
Monthly Maintenance Fee - Idle Accts	\$5.00	n/a
Refund Fee per Refund	\$8.00	n/a
Bill Statement Fee - per Invoice/Bill	n/a	\$5.00

* Maximum Rates that will be charged.

SECTION 3 - SERVICE DESCRIPTIONS AND RATES, (CONT'D.)

3.9 Contract Services

All inmate calling Services in this tariff will be offered to Inmates in Correctional Facilities pursuant to contract between VAC and correctional facility government agencies. Such contracts govern the relations between the contracting parties, and the rates, terms and conditions of this RTC governs the provision of telecommunications services to Inmates in Correctional Facilities.

3.10 Fees

No fees are collected from the End User in addition to the charges specified in this RTC.