

CONTRACT
BETWEEN THE STATE OF TENNESSEE
DEPARTMENT OF CORRECTION
AND
GLOBAL TEL*LINK CORPORATION

This Contract, by and between the State of Tennessee, Department of Correction, hereinafter referred to as the "State" and Global Tel*Link Corporation, hereinafter referred to as the "Contractor," is for the provision of Inmate Telephone System Services, as further defined in the "SCOPE OF SERVICES."

The Contractor is A FOR-PROFIT CORPORATION. The Contractor's address is:

2609 Cameron Street
Mobile, Alabama 36607

The Contractor's place of incorporation or organization is Delaware.

A. SCOPE OF SERVICES:

- A.1. The purpose of the inmate telephone system is to provide inmates in DOC facilities with outbound telephone services and to provide DOC with the means to ensure the proper and lawful use of the system by inmates. Availability of services is important to correctional facility operations. It is considered by DOC to be a critical service element with stringent availability and quality of service objectives. The future system will consist of the following elements:
- a. Processing of Outbound calls only. Inbound calls of any type will not be processed.
 - b. Capabilities at each facility to provide outbound direct-dial debit and collect calling services in a secure fashion.
 - c. Outclearing services for rating, billing and collection of collect calls.
 - d. Provision of a centralized management facility in Nashville.
 - e. Provision of a person(s) for system administration, training and support.
 - f. Provision of Repair and Maintenance Staff for inmate phone equipment and stations.
 - g. Phone sets to be supplied and phased in by the contractor.
- A.2. The State's goal is to maximize revenue back to the State while providing a technologically advanced system for the provision of inmate telephone service.
- A.3. Centralized personnel are needed to assist or perform the following tasks:
- a. Inmate Telephone Called Number Validation
 - b. System Administration
 - c. Report Generation
 - d. Help Desk
 - e. Trouble Report Management, Tracking, and Resolution

- f. Personnel Training
- g. Bad Debt Management
- h. The person(s) appointed to this position by the Contractor as part of this Contract will be responsible for assisting institutions in the efficient operation of the system.

A.4. Contractor Responsibilities

- a. Installation and management of equipment for inmate calling to include maintenance expenses and the cost of expansion equipment for existing facilities or new equipment for future locations, or the installation and transition to any new equipment supplied by the Contractor. Contractor to provide for replacement of all current phone sets to be phased in. Program management of new equipment installation and service implementation for institutions to be added to the system or for equipment to be added to existing institutions.
- b. Provision of rating information using industry acceptable rates, with discounts dictated by the State and their installation into the system so debit and collect calls can be real time rated and classified into the proper rating categories based on the called numbers. The State will have the right to approve the rates to be used and expects them to be comparable to those used by the three major long distance carriers and LECs for intraLATA calling.
- c. Rating and outprocessing of collect calls to billing agencies. The State will consider various proposals and associated risks as to how this might be accomplished. The Proposer can bid a fixed commission rate and be totally responsible for collections or with the State getting a higher guaranteed commission, the State/DOC will consider a sharing of risk and rewards on unbillables/bad debt management.
- d. Establishment and management of a Help Desk at a State location in Nashville during normal business hours which will advise remote institutions on use of the system, take trouble reports and trouble ticket response times same as section 6.14 and manage them to resolution, working with remote institutions to validate numbers to be called by inmates and input them into the system, train personnel on use of the complete system and act as system manager.
- e. Production of monthly statistical reports to the State/DOC on uncompleted and completed call volumes in various categories, billed revenue in categories (debit and collect), bad debt calls sorted in various ways (inmate, called number, etc.), traffic usage by time of day, telephone, groups of telephones, etc.
- f. Production of specific reports as needed to be dictated by the State/DOC.
- g. Training of State/DOC personnel in the use of equipment as required. This will be done centrally in Nashville.
- h. Co-develop with the State/DOC, an overall quality assurance plan, as part of project management planning and maintain the plan throughout the contract.
- i. Provision of documentation to the State/DOC in ten copies to explain operation of the system in detail and in addition, necessary information documentation at each user site for proper operation of the system.
- j. Provision of a Project Manager during any equipment additions and a complete transition. The name and background of this individual should be provided in the proposal.

A.5. State Responsibilities

- a. Provide the State/DOC Statement of Requirements to Contractor for new installations or installation of new equipment at existing institutions.

- b. Review proposals and estimated work documents submitted in response to Statements of Requirements.
- c. Issue Work Order authorization for the installation of new telephone equipment.
- d. Manage all premise wiring for the ITS.
- e. Work with the Contractor in the development and production of monthly statistical reports required by the State/DOC.
- f. Work with the Contractor in specifying day-to-day reports that might be needed based on individual situations.
- g. Work with the Contractor and subcontractors to monitor unbillable and uncollectible revenue and take actions to reduce risk. (Bad debt is ultimately the Contractor's responsibility, and commissions will be paid on billed revenue – NOT collected revenue. See Section C.1)
- h. Work with the Contractor and carriers in establishing the most cost-effective method of completing inmate calls.
- i. Periodically review quality control practices and recommend or require changes in those practices as needed.
- j. The State is responsible for all related facilities; such as to:
 - 1) Provide adequate electrical service for installed equipment including utility outlets and existing UPS equipment
 - 2) Provide adequate HVAC for facilities as dictated by installed equipment
 - 3) Provide adequate lighting for equipment areas
 - 4) Provide adequate security and protection of installed equipment
 - 5) Space for the Help Desk and associated personnel
- k. The State will issue all work orders in written form, except for stop work orders that can be verbally issued by the State Project Manager (to be followed by written direction). The Project Manager assigned by the State for this project is:

Jesse Griggs
Department of Correction
Rachel Jackson Building, 4th Floor
Nashville, Tennessee-37243-0465

Telephone: 615-741-1000 Ext 8098

B. CONTRACT TERM:

- B.1. Contract Term. This Contract shall be effective for the period commencing on March 17, 2008 and ending on March 16, 2013.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Commission payments shall be made by the Contractor to the State on all calls from inmate telephones. The commission will be Fifty and one tenth percent (50.1%) of Contractor's total billed revenue from these phones. Total billed revenue will be determined in accordance with the "Charges per call" and "Rate per Minute" established in Attachment 7.4 of the Contractor's completed Request for Proposal which is

Attachment 2 to this contract. Each payment shall be in the form of a check made out to the State of Tennessee, Department of Correction. Checks should be sent to:

Attn: Linda Lewis
 Department of Correction
 State of Tennessee
 3rd Floor
 Rachel Jackson Building
 Nashville, Tennessee 37243-0465

Checks shall be submitted on a monthly basis and shall be accompanied by a report which itemizes minutes of usage, billable revenue, and commission for each phone, summarized by Prison Facility.

D. STANDARD TERMS AND CONDITIONS:

- D.1. **Required Approvals.** The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. **Modification and Amendment.** This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. **Termination for Convenience.** The Contract may be terminated by either party by giving written notice to the other, at least ninety (90) days before the effective date of termination. Said termination shall not be deemed a Breach of Contract by the State. Should the State exercise this provision, the State shall have no liability to the Contractor. Should either the State or the Contractor exercise this provision, the Contractor shall be required to compensate the State for satisfactory, authorized services completed as of the termination date and shall have no liability to the State except for those units of service which can be effectively used by the Contractor. The final decision, as to what these units of service are, shall be determined by the State. In the event of disagreement, the Contractor may file a claim with the Tennessee Claims Commission in order to seek redress.
- Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. **Termination for Cause.** If the Contractor fails to properly perform or fulfill its obligations under this Contract in a timely or proper manner or violates any terms of this Contract, the State shall have the right to immediately terminate the Contract. The Contractor shall compensate the State for completed services.
- D.5. **Subcontracting.** Neither the Contractor nor the State shall assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the other. If such subcontracts are approved, they shall contain, at a minimum, sections of this contract pertaining to Conflicts of Interest and Nondiscrimination (Sections D.6 and D.7). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. **Conflicts of Interest.** The Contractor warrants that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract other than as required by Section A. of this Contract.
- D.7. **Nondiscrimination.** The State and the Contractor hereby agree, warrant, and assure that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the State or the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law.

- D.8. **Records.** The Contractor shall maintain documentation for its transactions with the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money paid under this Contract, shall be maintained for a period of three (3) full years from the final date of this Contract and shall be subject to audit, at any reasonable time and upon reasonable notice, by the state agency, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. **Strict Performance.** Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision.
- D.10. **Independent Contractor.** The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

Claims against the State of Tennessee, or its employees, or injury damages expenses or attorney's fees are heard and determined by the Tennessee Claims Commission or the Tennessee Board of Claims in the manner prescribed by law (*Tennessee Code Annotated*, Sections 9-8-101 *et seq.*, 9-8-301 *et seq.*, and 9-8-401 *et seq.*). Damages recoverable against the State of Tennessee shall be expressly limited to claims paid by the Board of Claims or the Claims Commission pursuant to *Tennessee Code Annotated*, Section 9-8-301 *et seq.*

- D.11. **State Liability.** The State shall have no liability except as specifically provided in this Contract.
- D.12. **State and Federal Compliance.** The Contractor and the State shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.13. **Governing Law.** This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.14. **Completeness.** This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.15. **Severability.** If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.16. **Headings.** Section headings are for reference purposes only and shall not be construed as part of this Contract.

E. **SPECIAL TERMS AND CONDITIONS:**

- E.1. **Conflicting Terms and Conditions.** Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. **Communications and Contacts.** All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number,

or address as may be hereafter specified by written notice.

The State:

Jesse Griggs, Program Coordinator, Tennessee Department of Correction
 3rd Floor Rachael Jackson Building
 320 Sixth Avenue North
 741-1000 Ext 8098
 Fax No: 615-741-4605

The Contractor:

Teresa Ridgeway
 Global Tel*Link Corporation
 2609 Cameron Street
 Mobile, Alabama 36607
 TELEPHONE NUMBER: 251-479-4500
 FACSIMILE NUMBER: 251-375-8041

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

- E.3. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.
- E.4. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:
- a. The Contract document and its attachments
 - b. All Clarifications and addenda made to the Contractor's Proposal
 - c. The Request for Proposal and its associated amendments
 - d. Technical Specifications provided to the Contractor
 - e. The Contractor's Proposal

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

- E.5. Breach. A party shall be deemed to have breached the Contract if any of the following occurs:
- failure to perform in accordance with any term or provision of the Contract;
 - partial performance of any term or provision of the Contract;
 - any act prohibited or restricted by the Contract, or
 - violation of any warranty.

For purposes of this contract, these items shall hereinafter be referred to as a "Breach."

- a. Contractor Breach— The State shall notify Contractor in writing of a Breach.
 - (1) In event of a Breach by Contractor, the state shall have available the remedy of Actual Damages and any other remedy available at law or equity.
 - (2) Liquidated Damages— In the event of a Breach, the State may assess Liquidated Damages. The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The parties agree that due to the complicated nature of the Contractor's

obligations under this Contract it would be difficult to specifically designate a monetary amount for a Breach by Contractor as said amounts are likely to be uncertain and not easily proven. Contractor hereby represents and covenants it has carefully reviewed the Liquidated Damages contained in above referenced, Attachment 1 and agree that said amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of Breach, and are a reasonable estimate of the damages that would occur from a Breach. It is hereby agreed between the parties that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the liquidated damage amount is in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or other section of this Contract.

The State may continue to withhold the Liquidated Damages or a portion thereof until the Contractor cures the Breach, the State exercises its option to declare a Partial Default, or the State terminates the Contract. The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity; provided, however, Contractor shall receive a credit for said Liquidated Damages previously withheld except in the event of a Partial Default.

- (3) **Partial Default**— In the event of a Breach, the State may declare a Partial Default. In which case, the State shall provide the Contractor written notice of: (1) the date which Contractor shall terminate providing the service associated with the Breach; and (2) the date the State will begin to provide the service associated with the Breach. Notwithstanding the foregoing, the State may revise the time periods contained in the notice written to the Contractor.

In the event the State declares a Partial Default, the State may withhold, together with any other damages associated with the Breach, from the amounts due the Contractor the greater of: (1) amounts which would be paid the Contractor to provide the defaulted service; or (2) the cost to the State of providing the defaulted service, whether said service is provided by the State or a third party. To determine the amount the Contractor is being paid for any particular service, the Department shall be entitled to receive within five (5) days any requested material from Contractor. The State shall make the final and binding determination of said amount.

The State may assess Liquidated Damages against the Contractor for any failure to perform which ultimately results in a Partial Default with said Liquidated Damages to cease when said Partial Default is effective. Upon Partial Default, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount. Contractor agrees to cooperate fully with the State in the event a Partial Default is taken

- (4) **Contract Termination**— In the event of a Breach, the State may terminate the Contract immediately or in stages. The Contractor shall be notified of the termination in writing by the State. Said notice shall hereinafter be referred to as Termination Notice. The Termination Notice may specify either that the termination is to be effective immediately, on a date certain in the future, or that the Contractor shall cease operations under this Contract in stages. In the event of a termination, the State may withhold any amounts which may be due Contractor without waiver of any other remedy or damages available to the State at law or at equity. The Contractor shall be liable to the State for any and all damages incurred by the State and any and all expenses incurred by the State which exceed the amount the State would have paid Contractor under this Contract. Contractor agrees to cooperate with the State in the event of a Contract Termination or Partial Takeover.

- b. **State Breach**— In the event of a Breach of contract by the State, the Contractor shall notify the State in writing within 30 days of any Breach of contract by the State. Said notice shall contain a description of the Breach. Failure by the Contractor to provide said written notice shall operate

as an absolute waiver by the Contractor of the State's Breach. In no event shall any Breach on the part of the State excuse the Contractor from full performance under this Contract. In the event of Breach by the State, the Contractor may avail itself of any remedy at law in the forum with appropriate jurisdiction; provided, however, failure by the Contractor to give the State written notice and opportunity to cure as described herein operates as a waiver of the State's Breach. Failure by the Contractor to file a claim before the appropriate forum in Tennessee with jurisdiction to hear such claim within one (1) year of the written notice of Breach shall operate as a waiver of said claim in its entirety. It is agreed by the parties this provision establishes a contractual period of limitations for any claim brought by the Contractor.

- E.6. Confidentiality of Records. Strict standards of confidentiality of records shall be maintained in accordance with the law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of State law and ethical standards and shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with State law and ethical standards.

The Contractor will be deemed to have satisfied its obligations under this section by exercising the same level of care to preserve the confidentiality of the State's information as the Contractor exercises to protect its own confidential information so long as such standard of care does not violate the applicable provisions of the first paragraph of this section.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.7. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed.
- E.8. Date/Time Hold Harmless. As required by *Tennessee Code Annotated*, Section 12-4-118, the contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.
- E.9. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.

- E.10. Performance Bond. Upon approval of the Contract by all appropriate State officials in accordance with applicable State laws and regulations, the Contractor shall furnish a performance bond in the amount


equal to one million two hundred thousand dollars (\$1,200,000.00), guaranteeing full and faithful performance of all undertakings and obligations under this Contract for the initial Contract term and all extensions thereof. The bond shall be in the manner and form prescribed by the State and must be issued through a company licensed to issue such a bond in the State of Tennessee.

The Contractor shall obtain the required performance bond in form and substance acceptable to the State and provide it to the State no later than February 15, 2008. Failure to provide the performance bond prior to the deadline as required shall result in contract termination.

In lieu of a performance bond, a surety deposit, in the sum of one million two hundred thousand dollars (\$1,200,000.00), may be substituted if approved by the State prior to its submittal.

IN WITNESS WHEREOF:

GLOBAL TEL*LINK CORPORATION:

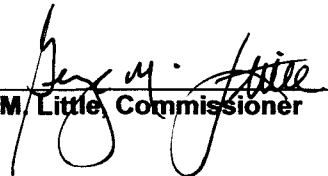
 3/3/08

CONTRACTOR SIGNATURE **Date**

TERESA RIDGWAY, Secretary & Senior VP

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

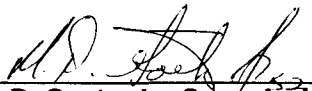
DEPARTMENT OF CORRECTION

 3/5/08

George M. Little, Commissioner **Date**

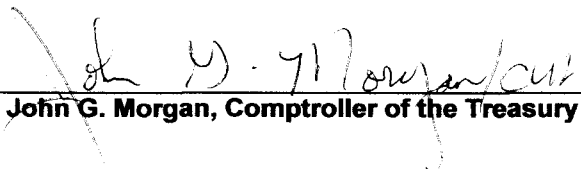
APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

 3/6/08

M. D. Goetz, Jr., Commissioner **Date**

COMPTROLLER OF THE TREASURY:

 3-11-08

John G. Morgan, Comptroller of the Treasury **Date**

ATTACHMENT 1

LIQUIDATED DAMAGES

For purposes of determining liquidated damages for all outages, deficiencies are classified as follows:

Deficiency	Definition	Liquidated Damages
I	Single Telephone Station Outage	\$10 per day, one week after reporting
II	Major Site Outage outside an Act of God. Major Site Outage is defined in RFP Section 6.17.2.	\$200 per hour, five hours after reporting.
III	Complete System Outage outside an Act of God.	\$3,000 per hour, three hours after reporting.

Circuit problems are controlled by phone company not inmate phone provider. Hardware replacement may require one to two days to complete.

ATTACHMENT 2

RFP 329.01-143

Data Provided for
illustration onlyData Provided for
illustration Only

COLLECT CALLS	Calls³	Charges per Call	Minutes	Rate per Minute³	Revenue
Local1	418,885	0.89500	7,624,585	0.000000	374,902.08
Ext. Local1	535	0.89500	12,442	0.000000	478.83
Intrastate-Intralata	864,386	0.44750	14,062,228	0.098450	1,771,239.08
Intrastate-Interlata	671,695	1.85265	11,468,569	0.116350	2,578,783.74
Interstate-Intralata	2,553	3.53525	34,172	0.617550	30,128.41
Interstate-Interlata	77,198	3.53525	1,178,509	0.617550	1,000,702.46
Puerto Rico & Virgin Islands					-
Non-US Carribean					-
Canada					-
Mexico					-
International Overseas					-

ATTACHMENT 2 (Continued)

DEBIT CALLS	Calls	Charges per Call	Minutes	Rate per Minute	Revenue
Local	256,561	0.805500	5,626,172	0.000000	206,659.89
Ext. Local	14	0.805500	315	0.000000	11.28
Intrastate-Intralata	322,071	0.402750	4,634,937	0.088605	540,392.69
Intrastate-Interlata	151,297	1.667385	2,649,985	0.104715	529,763.53
Interstate-Intralata	177	3.181725	1,778	0.555795	1,551.37
Interstate-Interlata	12,637	3.181725	193,091	0.555795	147,526.47
Puerto Rico & Virgin Islands	138	4.640000	2,243	0.690000	2,187.99
Non-US Carribean					-
Canada	374	0.440000	6,874	0.440000	3,189.12
Mexico2	11	1.220000	72	1.220000	101.26
International Overseas2	11	1.000000	73	1.000000	84.00
Total Proposed Revenue					7,187,702.19
Commission Percentage4					0.501
State's Commission					3,600,000.00

NOTES:

1. The Tennessee Regulatory Authority has established an interim maximum total charge of \$1.50 for local inmate calls. Proposers should assume that this will be made permanent.
2. Calls to Mexico and overseas international calls were only provided during the final month of the 2004 fiscal year.
3. The call volume and minutes information in the Revenue Proposal Schedule represents actual data from fiscal year 2004. It is the stated goal of the Department of Correction to maintain a reasonably constant flow of revenue from the inmate telephone system, while providing the service at the lowest possible cost to inmates and their families.
4. The Commission Percentage will be calculated by dividing \$3,600,000 by the Total Proposed Revenue.