

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: ENCARTELE, INC.

DOCKET NO. REG-3827

MOTION FOR RECONSIDERATION

Comes now, Encartele, Inc. ("Encartele") and respectfully request the Board reconsider its Order issued on July 17, 2019, The Order Canceling Registration and Authority to Provide Telecommunications Services in Iowa with respect to Encartele.

In support thereof states:

1. On June 14, 2019, the Utilities Board (Board) issued an order in Docket No. RMU-2017-0004 requesting that the certain companies file for Board review proposed tariffs for offering alternative operator services (AOS) in Iowa. Attached herewith is the full response as required by the Board's Order in Attachment A.
2. Encartele's failure to respond was an anomaly caused by circumstances beyond anyone's control. Simultaneous to these proceedings, Encartele's Compliance Counsel was out of the office due to critical issues that resulted in family medical leave.
3. Encartele prides itself on its compliance with rules and regulations. Encartele takes its regulatory obligations very seriously. Notwithstanding this issue, it is current with all reporting requirements both on a state and federal level.
4. Encartele has been a registered inmate services provider in Iowa since September 22, 2008. Encartele has never missed filing an annual report in eleven years. It filed its latest annual report on May 20, 2019. On that annual report, it did indicate that it earned revenues.
5. Encartele has periodically updated its registration. It was last updated in March of 2011.
6. Encartele has a tariff on file that is current and effective. Attachment B contains Encartele's Tariff No. 3 that will cancel its Tariff No. 2 in accordance with the Board's order.
7. According to Board records, Encartele is a compliant market participant as an active provider of inmate services.
8. Encartele believes that it was not properly notified. Encartele's registration that is currently on file provides Scott Moreland, Encartele's Executive Vice President's contact information. Mr. Moreland never received any indication that there was a problem during the absence of his Compliance Counsel.¹

¹ Encartele, Inc. was additionally not notified about the Board's latest rulemaking process, NOI-2019-0001.

ATTACHMENT A: UTILITIES BOARD QUESTIONS

RE: FILED AOS TARIFFS Please provide the Utilities Board with additional information regarding the tariffs your company filed pertaining to the alternative operator services it provides in the state of Iowa. Please respond to all of the questions. If the question does not apply to your company or to a specific facility, state "N/A". Demographic Information & Questions

1. For each contract, provide the following information:

♣ **the name and physical location of every Iowa facility covered by the contract and indicate whether the facility is a municipal, county, or state-run facility or operated by some other type of entity.**

♣ **the approximate number of inmates in each facility.**

♣ **the number of telephones that your company maintains and operates in each facility.**

♣ **the filed tariff option that applies to each facility.**

1. Dallas County Sheriff's Office, 201 Nile Kinnick Drive North, Adel IA 50003, County Run Facility

32 Inmates

9 Telephones

Filed Tariff Option: \$0.31 per minute for In-State Phone Calls

Located on page 27 of Encartele, Inc.'s attached proposed Tariff Number 3.

2. Floyd County Jail, 101 South Main Street, Charles City IA 50616

8 Inmates

3 phones

**Filed Tariff Option: Collect: Local \$0.49 per minute
INTRAlata (In-State) \$0.49 per minute
INTERlata (In-State) \$0.49 per minute**

Located on page 27 of Encartele, Inc.'s attached proposed Tariff Number 3.

**Prepaid Cards/Debit: Local \$0.22 per minute
INTRAlata (In-State) \$0.22 per minute
INTERlata (In-State) \$0.22 per minute**

Located on page 29 of Encartele, Inc.'s attached proposed Tariff Number 3.

**Prepaid Collect : Local \$0.22 per minute
INTRAlata (In-State) \$0.22 per minute
INTERlata (In-State) \$0.22 per minute**

Located on page 29 of Encartele, Inc.'s attached proposed Tariff Number 3.

3. ***Jackson County Sheriff's Office, 104 South Niagara Street Maquoketa IA 50260***

9 Inmates

2 Phones

Filed Tariff Option Collect: Local \$0.49 per minute
INTRAlata (In-State) \$0.49 per minute
INTERlata (In-State) \$0.49 per minute

Located on page 27 of Encartele, Inc.'s attached proposed Tariff Number 3.

Prepaid Cards/Debit: Local \$0.22 per minute
INTRAlata (In-State) \$0.22 per minute
INTERlata (In-State) \$0.22 per minute

Prepaid Collect : Local \$0.22 per minute
INTRAlata (In-State) \$0.22 per minute
INTERlata (In-State) \$0.22 per minute

Located on page 29 of Encartele, Inc.'s attached proposed Tariff Number 3.

4. ***Marshall County Sheriff's Office, 2369 Jessup Avenue, Marshalltown, IA 50158***

145 Inmates

21 Phones

Filed Tariff Option: Collect: Local \$2.76 Surcharge
INTRAlata (In-State) \$3.95 Surcharge and \$0.69 per minute
INTERlata (In-State) \$3.95 Surcharge and \$0.69 per minute

Located on page 26 of Encartele, Inc.'s attached proposed Tariff Number 3.

Prepaid Cards/Debit: Local \$0.55 per minute
INTRAlata (In-State) \$0.55 per minute
INTERlata (In-State) \$0.55 per minute

Located on page 27 of Encartele, Inc.'s attached proposed Tariff Number 3.

Prepaid Collect: Local \$2.76 Surcharge
INTRAlata (In-State) \$3.95 Surcharge and \$0.69 per minute
INTERlata (In-State) \$3.95 Surcharge and \$0.69 per minute

Located on page 26 of Encartele, Inc.'s attached proposed Tariff Number 3.

5. Union County Sheriff's Office, 302 North Pine Street, Creston, Iowa 50801

9 Inmates

No phones currently installed. New Contract

Filed Tariff Option: \$0.31 per minute for In-State Phone Calls

Located on page 27 of Encartele, Inc.'s attached proposed Tariff Number 3.

6. Winneshiek County Sheriff's Office, 400 West Claiborne Drive, Decorah IA 52101

10 Inmates

8 Phones

Filed Tariff Option: \$0.31 per minute for In-State Phone Calls

Located on page 27 of Encartele, Inc.'s attached proposed Tariff Number 3.

2. If the revised tariff filed with the Utilities Board has a provision regarding call blocking, explain how that complies with the prohibition on blocking in the Board's rule at 199 Iowa Admin. Code 22.19(3). Please identify the provision.

Encartele respectfully submits to the Board that services provided to inmates in correctional facilities are not traditional Alternative Operator Services as defined in Public Utilities Regulation Iowa, 476.91. Encartele is a communications services provider that contracts only with correctional facilities to provide services to inmates. Correctional facilities are a restrictive environment. Allowing inmates access to any "operator service provider" would be contrary to the very services provided.

Encartele does not provide AOS services to Iowa any consumer except with regard to services provided from Correctional Facilities. Services provided to inmates are not traditional operator services. Due to the incarcerated status of the individual's accessing the phone system, call blocking is mandatory in correctional facilities. Encartele works hard to ensure that services provided to the correctional facilities are limited in accordance with each facility's unique needs.

Following is the language that can be located on page 18 of Encartele, Inc.'s attached proposed Tariff Number 3.

2.12 Calling capabilities may be restricted by the administration of the correctional or confinement institutions. The following types of calls will (may) 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.

3. Board rule at 199 IAC 22.19(4) requires contracts between AOS companies and contracting entities to contain provisions for posting certain information outlined in the rule. Is there a reference to the posting requirements in the company's filed tariff? Please identify the provision.

Yes. Depending upon correctional facility, Encartele does provide an information sheet for the inmates and their loved ones. Please see Exhibit A.

4. For the filed tariff, explain how the company determined the rates listed.

Encartele set the listed rates after determining the lowest rate at which the company could provide its services to the end user. Encartele works with each correctional facility to ensure the rates are consistent and never exorbitant. Communications with family has a large impact on the rehabilitation process.

5. For the filed tariff, explain how the information regarding the rate charged for each service is provided to the inmate or person called by the inmate.

Encartele utilizes prepaid accounts by which the inmate or the recipient of the call sets up an account and places funds (pre-pays) in the account. Audio prompts informs the recipient of the call as to the cost of the call and the amount of funds/time remaining before the call will be terminated. Prior to accepting a collect call from an inmate, the recipient has the opportunity to receive information regarding the cost and billing of that call.

6. If the company permits ancillary charges in the filed tariff, identify (1) each charge, (2) the service the charge is applied to, and (3) where the charge is listed in the company's tariff.

There are no ancillary charges as all calls are either charged on a per minute or flat rate.

7. If there are other charge types for a call by an inmate in the filed tariff (in addition to ancillary charges), identify (1) each charge, (2) the service the charge is applied to, and (3) where the charge is listed in the company's tariff.

Not Applicable.

8. Explain how an inmate is billed for the calls made through the company's telephones and whether the bill is available online. If available online, indicate whether someone other than the inmate may access the online bill.

Inmates may purchase communications services by Prepaid Calling Card from the Facility directly or from the Commissary at facility. The facility offering Prepaid Calling Cards maintains a full accounting for purchases made in the commissary, including phone services. Recipients of calls from inmates establish accounts directly with Encartele and funds these accounts permitting calls to be made to their telephone number. Inmates are not billed for calls made.

9. Indicate whether inmates at this facility are allowed access to a directory to make calls or whether they must use a live operator.

Inmates never have access to live operators. All inmate phone calls are recorded and stored at secure data centers. Investigative tools allow for live monitoring of active calls, playback of recorded calls, and download of individual or groups of inmate phone calls. Watch Number alerts can be created to monitor the calling activity of specific people or phone numbers. The system comes with restriction tools to block phone numbers, limit the number of calls, and control all calling activity for specific inmates.

10. Before filing the tariff, was the company aware that the Utilities Board has an open rule-making docket, Docket No. RMU-2018-0022, where the Board is proposing amendments to the rules that apply to AOS companies that provide service to inmates?

No. Encartele was not aware that the Board had opened a rule-making in Docket No. RMU-2018-0022.

11. If there is a reference to FCC 97-371 (October 7, 1997) in your company's tariff, please explain whether this is still relevant.

It is not in the attached Proposed Tariff No. 3 as it is not applicable.

12. Indicate if there is a reference to AT&T FCC Tariff No. 10 in your company's tariff. If yes, also provide the tariff as a separate filing. Filed with the Iowa Utilities Board on June 14, 2019, RMU-2017-0004

No.

13. If an inmate purchases a pre-paid card, are the provisions for use identified to the purchaser?

Yes, the provisions for use of a pre-paid calling card are identified to the purchaser. Please see Exhibit B is an example of the information provided by the facility when prepaid cards are purchased by the inmate.

EXHIBIT A
INFORMATION PROVIDED FOR USE OF
COMMUNICATIONS SERVICES



ALL CALLS SUBJECT TO
MONITORING AND RECORDING
Correctional Telephone Instructions

1. For English Press 1, para Espanol Oprima 2
"The current time is"
2. For a Prepaid Destination or Collect call Press 1 (skip to step 4); For a Prepaid Call press 2 (Calling Card Users - continue to step 3); For Immigration and Customs Enforcement press 7 (once connected, enter your Alien ID).

Para un destino de prepago o llamada por cobrar oprima 1; Para una llamada prepagada oprima 2

3. Enter the PIN number from your prepaid card.
You have \$ _____
Usted tiene \$ _____
4. Enter the Area Code and Number you wish to call. For International Calls, dial 011+ the Country Code and number.

Marque el Area y el numero que desea llamar. Para Llamadas a Mexico, por favor marque 011+52+numero en Mexico

3 way calls are subject to being disconnected
Llamadas de 3 lineas seran desconectadas

For Customer Service regarding your prepaid telephone account, have your family call 866.476.6723 or visit <http://www.encartele.net>

EXHIBIT B

CALLING CARD SAMPLE



encartele prepaid

WINNESHIEK CO. SHERIFFS OFFICE

Instructions:

Select 1 for English or 2 for Spanish
Select option 2 for a prepaid call
Domestic calls: Dial Area Code + Number
International: Dial 011 + Country Code + Number

Card PIN:

Card Value: 5.00

25823
1



encartele prepaid

WINNESHIEK CO. SHERIFFS OFFICE

Instructions:

Select 1 for English or 2 for Spanish
Select option 2 for a prepaid call
Domestic calls: Dial Area Code + Number
International: Dial 011 + Country Code + Number

Card PIN:

Card Value: 5.00

25823
6



encartele prepaid

WINNESHIEK CO. SHERIFFS OFFICE

Instructions:

Select 1 for English or 2 for Spanish
Select option 2 for a prepaid call
Domestic calls: Dial Area Code + Number
International: Dial 011 + Country Code + Number

Card PIN:

Card Value: 5.00

25823
2



encartele prepaid

WINNESHIEK CO. SHERIFFS OFFICE

Instructions:

Select 1 for English or 2 for Spanish
Select option 2 for a prepaid call
Domestic calls: Dial Area Code + Number
International: Dial 011 + Country Code + Number

Card PIN:

Card Value: 5.00

25823
7



encartele prepaid

WINNESHIEK CO. SHERIFFS OFFICE

Instructions:

Select 1 for English or 2 for Spanish
Select option 2 for a prepaid call
Domestic calls: Dial Area Code + Number
International: Dial 011 + Country Code + Number

Card PIN:

Card Value: 5.00

25823
3



encartele prepaid

WINNESHIEK CO. SHERIFFS OFFICE

Instructions:

Select 1 for English or 2 for Spanish
Select option 2 for a prepaid call
Domestic calls: Dial Area Code + Number
International: Dial 011 + Country Code + Number

Card PIN:

Card Value: 5.00

25823
8



encartele prepaid

WINNESHIEK CO. SHERIFFS OFFICE

Instructions:

Select 1 for English or 2 for Spanish
Select option 2 for a prepaid call
Domestic calls: Dial Area Code + Number
International: Dial 011 + Country Code + Number

Card PIN:

Card Value: 5.00

25823
4



encartele prepaid

WINNESHIEK CO. SHERIFFS OFFICE

Instructions:

Select 1 for English or 2 for Spanish
Select option 2 for a prepaid call
Domestic calls: Dial Area Code + Number
International: Dial 011 + Country Code + Number

Card PIN:

Card Value: 5.00

25823
9



encartele prepaid

WINNESHIEK CO. SHERIFFS OFFICE

Instructions:

Select 1 for English or 2 for Spanish
Select option 2 for a prepaid call
Domestic calls: Dial Area Code + Number
International: Dial 011 + Country Code + Number

Card PIN:

Card Value: 5.00

25823
5



encartele prepaid

WINNESHIEK CO. SHERIFFS OFFICE

Instructions:

Select 1 for English or 2 for Spanish
Select option 2 for a prepaid call
Domestic calls: Dial Area Code + Number
International: Dial 011 + Country Code + Number

Card PIN:

Card Value: 5.00

25823
10

EXHIBIT C
PROPOSED TARIFF

Encartele, Inc.

IOWA TARIFF NO 3
Original Title Page

This tariff, Iowa Tariff No. 3 filed by Encartele, Inc., cancels and replaces, in its entirety, the current tariff on file with the Board, Iowa Tariff No. 2, issued by Encartele, Inc.

**Encartele, Inc.
("Encartele")**

Telephone Tariff

Filed with the Iowa Utilities Board

This tariff contains the descriptions, regulations, and rates applicable to the provision of interexchange telecommunications, by Encartele, Inc. ("Encartele") within the State of Iowa. This tariff is on file with the Iowa Utilities Board. Copies may be inspected during normal business hours at the Company's principal place of business.

Issued:

Effective:

Issued by: J. Scott Moreland, Executive Vice President
8206 S. 109 Street
LaVista, NE 68128

Encartele, Inc.

IOWA TARIFF NO 3

Original Page No. 1

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PAGE	REVISION	PAGE	REVISION
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21	Original		
22	Original		
23	Original		
24	Original		
25	Original		
26	Original		

* - indicates those pages included with this filing.

Issued:

Effective:

Issued by: J. Scott Moreland, Executive Vice President
 8206 S. 109 Street
 LaVista, NE 68128

Encartele, Inc.

IOWA TARIFF NO 3
Original Page No. 2

This tariff, Iowa Tariff No. 3 filed by Encartele, Inc., cancels and replaces, in its entirety, the current tariff on file with the Board, Iowa Tariff No. 2, issued by Encartele, Inc.

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LaVista, NE 68128

Encartele, Inc.

IOWA TARIFF NO 3
Original Page No. 3

This tariff, Iowa Tariff No. 3 filed by Encartele, Inc., cancels and replaces, in its entirety, the current tariff on file with the Board, Iowa Tariff No. 2, issued by Encartele, Inc.

APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to the provision of intrastate automated operator services by Encartele, Inc. for use by inmates in correctional institutions within the State of Iowa subject to the jurisdiction of the Iowa Utilities Board.

SERVICE AREA MAP

Encartele, Inc. will provide intrastate automated operator services throughout the State of Iowa.

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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 regulation.
- (D) To signify a discontinued rate or regulation.
- (I) To signify an increase in a rate or charge.
- (M) To signify material relocated from one page to another without change.
- (N) To signify a new rate or regulation.
- (R) To signify a reduced rate or charge.
- (S) To signify a correction or reissued matter.
- (T) To signify a change in text but no change in rate or regulation.

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PRICE LIST 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 Board. 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 Board is not always the tariff page in effect. Consult the Check Sheet for the sheet 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 Pages – When a tariff is filed with the Iowa Utilities Board, an updated check Page is included. The check Page lists the Pages contained in the Price List, with a cross-reference to the current revision number. When new pages are added, the check Page is changed to reflect the revision. An asterisk designates all revisions made in a given filing (*). There will be no other symbols used on this page if these are the only changes made to it (i.e. the format, etc. remains the same, just revised revision levels on some pages). The Price List user should refer to the latest check Page to find out if a particular Page is the most current on file with the Iowa Utilities Board.

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SECTION 1 - TECHNICAL 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.

Board - The Iowa Utilities Board.

Company or Carrier- Encartele, Inc., unless otherwise clearly indicated by the context.

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 tariff.

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

Encartele- Used throughout this tariff to mean Encartele, Inc., the issuer of this tariff.

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

LEC - Local Exchange Company.

Subscriber - The correctional institution which orders or uses the Company's service and is responsible for compliance with tariff 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.

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SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Encartele, Inc.

Encartele's services and facilities are furnished for communications originating at correctional or confinement institutions within the state of Iowa. The terms of this tariff apply to Encartele's intrastate calls.

Encartele provides for the installation, operation, and maintenance of the communications services provided herein in accordance with the terms and conditions set forth under this tariff. Encartele 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 Encartele services. The Customer shall be responsible for all charges due for such service arrangement.

The Company's services and facilities 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 Encartele 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 tariff.

2.2.3 Encartele 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 tariff, 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 All facilities provided under this tariff are directly or indirectly controlled by Encartele, Inc. and the Subscriber may not transfer or assign the use of service or facilities without the express written consent of the Company.

2.2.6 Service may otherwise be limited at the request of the institution's administration or by rules of the Board 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 Use

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

2.4 Liabilities of the Company

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 (including services and facilities involved in emergency calling activity) 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.

2.4.1 The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer, End User and Subscriber against any claim or loss, expense, or damage (including indirect, special or consequential damage) for defamation, libel, slander, invasion, infringement of copyright 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, End User or Subscriber; 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 caused by negligence of the Company.

Issued:

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

2.4 Liabilities of Company, (Cont'd.)

2.4.2 The Company shall not be liable for any defacement of or damages to the premises of a Subscriber or Customer resulting from the furnishing of service which is not the direct result of the Company's negligence.

2.4.3 Except when a court of competent jurisdiction finds that gross negligence, willful neglect, or willful misconduct on the Company's part has been a contributing factor, the liability of the Company for any claim or loss, expense or damage (including indirect, special or consequential damage) for any interruption, delay, error, omission, or defect in any service, facility (including services and facilities involved in emergency calling activity) or transmission provided under this tariff shall not exceed an amount equivalent to the charge to the Customer for the interrupted call.

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

2.5 Deposits and Advance Payments

2.5.1 Deposits

The Company does not normally require deposits. However, the company reserves the right to collect an amount not to exceed two (2) months estimated charges as a deposit from customers whose credit history is unacceptable or unknown to the Company. Deposits, if collected, will be collected and maintained in accordance with Board rules. For services provided to inmates of confinement facilities, the Company may require a deposit from billed parties for charges which exceed a maximum credit amount predetermined by the Company based on the Customer's credit worthiness. The Customer may exceed this predetermined credit amount by first paying a deposit to the Company in an amount equal to the amount of additional credit authorization requested by the Customer.

2.5.2 Advance Payments

The Company does not normally require advance payments for service. However, for Customers whom the Company determines an advance payment is necessary, Encartele 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.

Issued:

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Encartele, Inc.

IOWA TARIFF NO 3
Original Page No. 11

This tariff, Iowa Tariff No. 3 filed by Encartele, Inc., cancels and replaces, in its entirety, the current tariff on file with the Board, Iowa Tariff No. 2, issued by Encartele, Inc.

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

2.6 Taxes

Except as otherwise specified, 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.

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Encartele, Inc.

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

2.7 Terminal Equipment

Company-provided facilities and service may be used with or terminated in Company- 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 Encartele 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.

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

2.8 Payment for Service

2.8.1 Payment for Service

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

2.8.2 Disputed Charges

Charges billed directly by the Company are due upon receipt. Amounts not paid within twenty (20) 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 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 dissatisfied with the Company's resolution of a complaint, individuals may contact the Iowa Utilities Board for final resolution. The Board's address and phone number are:

Iowa Utilities Board
1375 E. Court Ave.
Des Moines, IA 50319-0069
877.565.4450 or 515.725.7321

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

2.8 Payment for Service

2.8.3 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.

2.8.4 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 Iowa law and Iowa regulations.

2.8.5 Late Payment Fees

The Company reserves the right to assess a late payment fee of 1.5% per month on any past due balance. A balance is considered past due if unpaid twenty (20) 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.)

2.9 Interconnection

Service furnished by Encartele 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 Encartele's service. Any special interface equipment or facilities necessary to achieve compatibility between carriers is the responsibility of the Subscriber.

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

2.10 Refusal or Discontinuance by Company

2.10.1 Encartele may refuse or discontinue service with proper notice (five (5) days written 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 failure of the Customer or Subscriber to make proper application for service.
- C.** For Customer's or Subscriber's violation of any of the Company's rules on file with the Board.
- D.** For failure of the Subscriber to provide the Company reasonable access to its equipment and property.
- E.** For Subscriber's breach of the contract for service between the Company and the Subscriber.
- F.** 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.
- G.** When necessary for the Company to comply with any order or request of any governmental authority having jurisdiction.

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

2.10.2 Encartele 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.

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

2.11 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.

2.12 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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SECTION 3 - DESCRIPTION OF SERVICE AND RATES

3.1 General

Service is offered to inmates of correctional or confinement facilities for outward-only calling. Collect calls may be billed to residential or business lines. Billing information will be validated.

3.2 Timing of Calls

3.2.1 Long distance usage charges are based on the actual usage of the Company's network. Timing of a call begins when the called party accepts the charges for the call. Positive response for acceptance of a call is required. A call will be terminated within five (5) seconds from the last message given if no positive response is received.

3.2.2 Chargeable time for a call ends upon disconnection by either party.

3.2.3 The minimum call duration and initial period for billing purposes is one minute.

3.2.4 Unless otherwise specified in this tariff, for billing purposes usage is measured and rounded to the next higher full minute.

3.2.5 No charges apply for incomplete calls or for calls to called parties who do not accept the charges for the call. The Company will terminate a call if the called party does not accept responsibility for the charges. If a Customer believes he or she has been incorrectly billed for an incomplete call, the Company will, upon notification, investigate the circumstances of the call and issue a credit when appropriate.

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

3.3 Institutional Automated Collect Operator Service

Encartele, Inc. provides Institutional Automated Collect Operator Service to inmates of confinement facilities. Service may be limited by the administrators of the institutions as to availability, call duration or calling scope. Calls are billed to the Called Party. The Called Party must actively accept charges for the call. A per-call service charge applies to each call. Institutional automated collect operator service allows inmates to make collect 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 dialing 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 Encartele's system.

Use of the automated collect calling service is subject to the rules and regulations of the Commission and the institution's administrative restrictions.

3.3.1 Classes of Calls

Automated Collect Station Calls: are calls which are placed by an Inmate who dials all of the digits required to route the call and who follows the Encartele system prompts, enabling the Called Party to accept the charges for the call. If the Called Party does not accept the call, the call is terminated and no billing applies.

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

3.4 Encartele Prepaid Institutional Calling Service

3.4.1 General

Encartele Prepaid Institutional Calling Services provide alternative payment arrangements to traditional collect calling for inmates in Correctional Institutions and those whom they call. These prepaid institutional calling services are designed to accommodate the needs of:

- Called parties who utilize the services of local exchange carriers that do not offer third party billing of collect calls;
- Called parties whose credit history is inadequate to receive collect calls and/or who wish to budget their monthly expense for collect calls;
- Inmates (calling parties) who wish to utilize their commissary funds to pay for their calls;
- Inmates (calling parties) who wish to place calls to phone numbers which are blocked from receiving collect calls.
- Prepaid Institutional Calling Services are not subject to the Deposit and Advance
- Payment provisions found in Section 2.

Two options are available with Prepaid Institutional Calling Services. The first option, MinuteMizer Service is a prepaid collect Service that allows the Called Party who receives collect calls from inmates to set up his/her own prepaid account. The second option, Prepaid Debit Account, allows the inmate to set up his/her own prepaid account at the Correctional Institution.

A. Option A: MinuteMizer Service – MinuteMizer Service is available for those parties (Customers) who receive collect calls from inmates in Correctional Institutions. A prepaid account is set up by the Company for the Customer. Once an account is established, all collect calls from the facility to the telephone number associated with the prepaid collect account are automatically processed as prepaid collect. If the payment into the account is provided via the Customer's credit card, credit verification procedures are carried out under the terms specified in Section 2 of this tariff. Deposits to the account are paid to and handled by the Company via arrangement with a specified financial institution. The Company does not engage in direct monetary transactions with the inmate.

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

3.4.1 General, (Cont'd.)

A. Option A: MinuteMizer Service, (Cont'd.)

The Company's system automatically announces the available usage balance remaining in the prepaid account prior to acceptance of the call. Network usage is deducted from the available usage balance in the account on a real time basis as the call progresses. The Called Party will also receive a reminder message when the account balance has one minute of usage remaining. All calls must be charged against an account that has sufficient available balance. Calls in progress will be terminated by the Company if the balance on the account is insufficient to continue the call.

B. Option B: Prepaid Debit Card

With a Prepaid Debit Card, each inmate has the option to transfer funds from his/her commissary account to their telephone account. This is accomplished by facility personnel or through a direct interface between the commissary system and the inmate phone system. This account is associated with the inmate's Personal Identification Number (PIN.) When the inmate places a call, he/she has the option of calling collect or prepaid/debit. Once debit is selected, the inmate enters the PIN and called telephone number. All deposits to the account are paid to and handled by the Institution. The Company receives payment from the Institution; it does not engage in direct monetary transactions with the inmate. The Company's system automatically informs the caller of the available usage balance remaining on the prepaid debit card and provides prompts to place the call by entering the destination telephone number. Network usage is deducted from the available usage balance in the account on a real time basis as the call progresses. The account holder will also receive a reminder message when the account balance has one minute of usage remaining. All calls must be charged against an account that has sufficient available balance. Calls in progress will be terminated by the Company if the balance on the account is insufficient to continue the call.

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Encartele, Inc.

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

3.4 Encartele Prepaid Institutional Calling Services, (Cont'd.)

3.4.1 General, (Cont'd.)

Payments made for Prepaid Institutional Calling Services are refundable upon request after release of the inmate from the Correctional Institution. The Available Usage Balance expires twelve months from the date the last call is made on the Prepaid account. No refunds of unused balances will be issued after the expiration date.

Prepaid Institutional Calling Services are available 24 hours a day, seven days per week. Access to telephone service by an inmate may be subject to time of day and usage restrictions imposed by individual Correctional Institutions. No minimum service period applies. Network usage for Prepaid Institutional Calls is deducted from the Available Usage Balance in full minute increments. For debiting purposes, call timing is rounded up to the nearest one (1) minute increment for each call. Usage charges are computed and rounded up to the nearest penny on a per call basis. Prepaid accounts (Options A and B) may be replenished; the minimum initial deposit or replenishment amount is \$20.00. Higher amounts of the account holder's choosing may be deposited in additional five-dollar increments.

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SECTION 4 – RATES

4.1 General

Each Customer is charged individually for each call placed through the Company. Customers are billed based on their use of Encartele, Inc. long distance service. No fixed monthly recurring charges apply.

4.2 Time of Day Rate Periods

Rates for service are not time of day sensitive.

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SECTION 4 - RATES, (CONT'D.)

4.3 Encartele Institutional Collect-Only Service Rates

4.3.1 Institutional Automated Collect Operator Service Rates and Charges - Plan A

A. Institutional Collect - Local Calls

- | | |
|---|---------------|
| 1. Local Usage | \$0.00 |
| Rate Per Minute | |
| 2. Local Per Call Service Charge | \$1.75 |
| Operator Charge | |

B. Institutional Collect - IntraLATA Calls

- | | |
|---------------------------|---------------|
| 1. IntraLATA Usage | \$0.30 |
| Rate Per Minute | |
| 2. Operator Charge | \$2.90 |
| Rate Per Call | |

C. Institutional Collect - InterLATA Calls

- | | |
|---------------------------|---------------|
| 1. InterLATA Usage | \$0.30 |
| Rate Per Minute | |
| 2. Operator Charge | \$2.90 |
| Rate Per Call | |

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SECTION 4 - RATES, (CONT'D.)

4.3.1 Institutional Automated Collect Operator Service Rates and Charges - Plan B

A. Institutional Collect - Local Calls

- | | |
|----------------------------------|---------------|
| 1. Local Usage | |
| Rate Per Minute | \$0.00 |
| | |
| 2. Local Per Call Service Charge | |
| Operator Charge | \$2.76 |

B. Institutional Collect - IntraLATA Calls

- | | |
|--------------------|---------------|
| 1. IntraLATA Usage | |
| Rate Per Minute | \$0.69 |
| | |
| 2. Operator Charge | |
| Rate Per Call | \$3.95 |

C. Institutional Collect - InterLATA Calls

- | | |
|--------------------|---------------|
| 3. InterLATA Usage | |
| Rate Per Minute | \$0.69 |
| | |
| 4. Operator Charge | |
| Rate Per Call | \$3.95 |

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SECTION 4 -RATES AND CHARGES, (CONT'D.)

4.3 Encartele Institutional Collect-Only Service Rates

4.3.1 Institutional Automated Collect Operator Service Rates and Charges - Plan C

A. Institutional Collect - Flat Rate Plans

1. Intrastate Usage Plan

	Rate per Minute
A	\$.22
B	\$.30
C	\$.31
D	\$.40
E	\$.49
F	\$.50
G	\$.55
H	\$.60
I	\$.70
J	\$.75
K	\$.80
L	\$.85
M	\$.90

2. Intrastate Per Call Service Charges

Per call service charges are not assessed with Flat Rate Plan calls.

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SECTION 4 - RATES, (CONT'D.)

4.4 Encartele Prepaid Institutional Calling Services Rates and Charges

4.4.1 MinuteMizer Service Rates and Charges

A. Local calls

Under MinuteMizer Service, a local call is priced at a 20% discount from the corresponding charge for a local collect call.

B. IntraLATA and InterLATA calls

1. Option

Rate per minute \$0.50

2. Option

The rates and charges for MinuteMizer Service are provided at a twenty percent discount off standard institutional collect rates and charges. Rates for intraLATA and interLATA MinuteMizer calls may be further discounted depending on the prepaid amount deposited into the MinuteMizer account. Discounts start with deposits made in amounts of \$40 and higher. Discounts are applied in the form of deposit bonuses, which reduce the effective rate per minute of the call. The Deposit Bonus schedule is shown as follows:

Deposit Bonus	Deposit level
Match	\$20.00 - \$35.00
0%	\$40.00 - \$95.00
5%	\$100.00 - \$145.00
10%	\$150.00 - \$195.00
15%	\$200.00 - \$245.00
20%	\$250.00 - \$295.00
25%	\$300.00-\$395.00
30%	\$400.00 - \$495.00
35%	\$500.00 and up
40%	

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SECTION 4 - RATES, (CONT'D.)

4.4 Encartele Prepaid Institutional Calling Services Rates and Charges, (Cont'd.)

4.4.2 Prepaid Debit Card Service Rates and Charges

With prepaid debit card calls, the rates for service are inclusive of all taxes, surcharges, and fees.

Rate Per Minute: \$0.22

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