

 GSAssociates

Business Partners and Certified Public Accountants

RECEIVED

2011 DEC 19 PM 4:00

T.R.A. DOCKET ROOM

RECEIVED

Via Overnight Delivery

December 16, 2011

Lisa Foust
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

DEC 20 2011

TN REGULATORY AUTHORITY
UTILITIES DIVISION

Re: Docket No. 11-00181, Application of Telmate LLC. For Certificate of Authority to Resell Telecommunications Services in Tennessee.

Dear Ms. Foust:

Enclosed for filing with the Tennessee Regulatory Authority ("Commission") are an original and thirteen (13) copies of Telmate, LLC's ("Telmate") Responses to 2nd. interrogatories submitted November 30, 2011 to GSAssociates. We respectfully request confidential treatment of these responses, and have included the response document in a sealed envelope marked "Confidential".

Please acknowledge receipt of this filing by stamping and returning the additional copy of this transmittal letter in the self-addressed, postage prepaid envelope enclosed for this purpose.

Thank you for your attention to this matter. Questions may be directed to the undersigned.

Sincerely;



Jose L. Solana
Regulatory Consultant to Telmate, LLC.
678-304-6465
joe@gsaudits.com

Enclosures

December 16, 2011

To: Lisa Foust
Tennessee Regulatory Authority

RE: Telmate, LLC, application for Certificate of Authority to Resell Telecommunication Services in Tennessee – Docket No. 11-00181 – Confidential Treatment Requested.

Dear Ms. Foust;

The following numbered responses are in response to your email of November 30, 2011 in which you asked for clarification on several points. We have prepared the following, and hope that it answers all your questions adequately. We appreciate your assistance in this matter.

- 1) Question: The description provided in response 1 as to how service will be provided to inmate facilities in Tennessee appears to be the same as described in response 2. If Telmate is not seeking authority to provide local and long distance services in Tennessee, what is the purpose of its application at this time?**

Response: Telmate does not seek local certification but is seeking Inmate services designation and inter-exchange designation for three reasons:

1. 100% of all calls that Telmate receives are routed out of the state to a switch in Texas and then completed via various regulated partner carrier(s).
2. Telmate does not provide local carrier services such as LEC or collect call billing. Calls of this type are branded and handled by its' regulated partner Airespring.
3. Per Tennessee Regulatory Authority, Regulations for Local Telecommunications Providers, Chapter 1220-4-8-.04 (3) (a) (b) (c), "Requirements for Competing Telecommunications Service Providers". The conditions for certification include but are not limited to: Interconnection agreement with an Incumbent Local Exchange Carrier, provide E911 and 911 service, provide white page directory listing and directory assistance, provide consumer access to the Tennessee Relay Center, provide blocking service for 900 and 976 service and business customers, provide lifeline and linkup service, provide educational discounts.

Telmate does not meet the conditions of #3.

- 2) Question: How does Telmate "service inmate facilities in 22 states" via carrier agreements with authorized carriers? What is Telmate providing in those 22 states, telecommunications service infrastructure, billing only or both/neither? In the facilities of these 22 states, are the contracts with the inmate facilities between Telmate and the facilities or between the "authorized carriers" and the facilities?**

Response: Telmate, LLC directly provides inmate services to those facilities only in states where they have obtained state certification or where certification is not required for the services being offered. In states where Telmate is currently seeking or has not yet sought certification, Telmate has partnerships with other, certified carriers who provide the inmate service. In cases where Telmate is not the service provider, Telmate's equipment, technology and back office services are provided to their certified partner carrier. In states where services are provided with partner carriers, either the partner or Telmate may hold the facility contract. Telmate's payment systems and customer service functions associated with payment systems may also be included in partner agreements. Telmate's partner carriers may hold LEC, IXC or OSP certification depending on the needs of the facility and the nature of the contract, since each facility contract is separately negotiated for specific terms and conditions. The states where Telmate has contracts with inmate facilities are: Arizona, California, Colorado, Florida, Idaho, Indiana, Kentucky, Montana, Nebraska, Nevada, Oklahoma, Oregon, South Carolina, Utah, Washington, Wisconsin & Wyoming.

- 3) **Question:** Attachment B to Telmate's October 28, 2011 Tennessee Reseller Application indicates the company "has been certified to provide services in Georgia since September 2010 and has been certified in Montana and Florida for less than 30 days." However, item 2 of the November 28, 2011 response states that "the Company has also filed for certification in Alabama, Georgia, Indiana, Nebraska, New York, Oregon, Wisconsin and Washington" and "has been approved in New Mexico, Florida, Montana, Idaho, New Jersey and Texas." Has Telmate, LLC been approved in Georgia since September 2010? When was Telmate, LLC approved in New Mexico, Florida, Montana, Idaho, New Jersey and Texas? Provide specific approval dates and case numbers for each state. What is the status of Telmate, LLC's applications in Alabama, Indiana, Nebraska, New York, Oregon, Wisconsin and Washington?

Response: Listed below are the states where Telmate has obtained, pending, or will file authority along with the state approval or file dates and case numbers:

The following are states where Telmate has been approved or accepted to provide service:

Georgia: I.T.S. Authority September 9, 2010 Cert. P-0066, Docket No. 32493

California: Approved December 13, 2011, U-1127-C

Florida: State has deregulated Telecommunication service providers.

Idaho: Notice of intent to provide service filed and accepted November 28, 2011.

Montana: Registration as a service provider filed and accepted December 6, 2011, no Docket number assignment in Montana.

New Jersey: Notice of intent to provide service filed and accepted 9/20/11

New Mexico: Approved November 4, 2011, no case number assigned;

Oregon: Approved November. 23 Docket No. CP 1516

Texas: Approved November 22, 2011, Docket No. IX110024;

Utah: Notice of intent to provide service filed and accepted September 1, 2011

Washington: Approved effective December 22, 2011, Docket No. UT-112024;

The following are states where Telmate's application for certification is filed and pending:

Alabama: Filed IXC October 25, 2011, Docket No. TR1120377

Tennessee: Filed IXC & COCOT October 25, 2011, Docket 11-00181

Wisconsin: Filed IXC, Docket No. 171074-ti-100

The following are states where Telmate will file shortly:

Indiana: To be filed

Nebraska: To be filed

New York: To be filed

- 4) **Question:** Attached is a copy of the first bond that was delivered by hand to the TRA in June 2010 by Darren Wallace. This bond was a copy, not an original. Also attached is a copy of the response from GS Audits dated November 28, 2011, which did contain the original bond, but there is no signature for the principal on page 1, and the Acknowledgement of Principal is signed by a different individual (Marianne Zhen) than the copy that was provided by Mr. Wallace in 2010. The bond provided in June 2010 was signed and acknowledged by Dinh Huynh. The bond submitted with the November 28, 2011 response appears to be the original, but Dinh Huynh's signature is absent from both the front page and the Acknowledgment of Principal page. Please explain.

Response: Lisa sent the bond directly to Marianne and Marianne is returning the executed bond to Lisa via 2nd Day express delivery. Lisa should have the bond by Friday December 16th. 2011.

- 5) **Question:** Attached are copies of what appear to be online pre-payment interfaces for Telmate services provided to inmates at facilities in Indiana (Telmate has indicated its application is pending in Indiana), California (Telmate has not indicated that it has applied or been approved to provide service in California), Arizona (no application or approval indicated in Arizona) and South Carolina (no application or approval indicated in South Carolina). Please advise as to whether Telmate, LLC is providing inmate telecommunications services in Indiana, California, Arizona, or South Carolina either via VoIP or by using the services of an authorized carrier. If using an authorized carrier, indicate the name of the carrier used in each state.

Response: This is a two part question.

Part 1: The copies of pre-payment interfaces mentioned above are all from facilities where Telmate's partner carrier Airespring is the service provider and where Telmate is currently providing back office services while applying for certification to provide direct services once certification is obtained. Because Telmate and partner carriers use Intelmate software, all replenishment requests are sent to the same location for payment processing this replenishment process works similar to PayPal. For example, if a customer wants to pay for an item using PayPal, the customer is routed to the PayPal website to complete their transaction for payment purposes. This is also true of the Intelmate Software used at all Telmate and partner carrier facilities. Any time an inmate's family or friends want to replenish their account, they are routed to the same payment processing center to complete their transactions regardless of facility or state where the inmate resides.

Part 2: Question regarding state registration is answered in Response to Question #2.

- 6) **Question:** Detail the "regulatory fees" reflected in the online pre-payment form.

Response: The regulatory fees reflected in the on-line payment include credit card processing fees that are remitted to credit card companies for processing these transactions. While the fee is stated as \$5.956 in the pre-payment forms provided by Staff, fees will vary depending on the negotiated contract, location or facility requirements. In addition, the figure of 9% quoted in the pre-payment form includes Federal and state Universal Service fees that vary by state along with any state, local or municipal taxes due based on location. The fees are estimated and "front loaded" in order for the inmate and their family or friends to get the full benefit of minutes purchased for conversations with the inmate. For example, if the facility rate is \$1.00 per call, the inmate would receive 20 calls for the prepayment of \$20.00 and the associated Universal Service Fees and taxes would not defray the inmate's account balance if typically applies at the time calls are placed. In addition, the figure of 9% is an estimate that typically doesn't cover all taxes and fees due, but it does defray those costs for the carrier while allowing the inmate to get the maximum benefit of the deposited funds. Fees vary based on location and negotiated contracts.

7) Question: Does Telmate have a parent company, any subsidiaries or affiliate companies?

Response: Telmate is an independently owned and operated company with no affiliates or subsidiaries. However, to help clear up any confusion created by the Officer Bios and website review, Telmate offers the following explanation of the relationship between Pinnacle, Intelmate & Telmate, LLC:

Pinnacle Public Services provides equipment, service and installation for inmate telecommunication systems. Pinnacle's founders discovered a need in the industry for a streamlined, high-tech telecommunications solution and they began research and development of advanced inmate solutions. In 2005, the founders introduced such a solution under the name Telmate Inmate Solution. In 2008, Intelmate was founded to focus on the development of the inmate telecom system and they developed advanced inmate software. In 2009, Telmate was founded to offer the inmate telecom management solutions to correctional facilities by utilizing the Intelmate software services and Pinnacle equipment services. All three companies are stand-alone companies with vendor relationships.