

EXHIBIT 11

AMENDMENT NO. 3 TO AGREEMENT
BETWEEN
STATE OF WASHINGTON DEPARTMENT OF CORRECTIONS
AND
AT&T CORPORATION

The AT&T Commission Agreement entered into as of March 16, 1992 ("Agreement"), between AT&T Communications, Inc. acting on behalf of the Interstate Division of AT&T Corp. (formerly American Telephone and Telegraph Company) and the AT&T Communications interexchange companies ("Contractor" or "AT&T") and State of Washington Department of Corrections ("Department") is amended, effective upon signing by both parties, as follows:

WHEREAS, Department and Contractor entered into an Agreement on March 16, 1992 for the Installation and Operation of an Inmate Telephone System at State Correctional Institutions and Work Facilities, bearing Contract No. CDOP2681 (the "Agreement");

WHEREAS, Department and Contractor entered into an Amendment No. 1 to the Agreement on November 30, 1994 for the purpose of modifying certain terms and conditions relating to Contractor's subcontractor GTE Northwest Incorporated (GTE);

WHEREAS, Department and Contractor entered into an Amendment No. 2 to the Agreement on August 15, 1995 for the purpose of providing for the addition of certain call control features for calls carried by Contractor and for an increase in commissions on calls carried by Contractor;

WHEREAS, the parties now wish to further amend the Agreement to change the expiration date of the Agreement, to increase the commissions, to delete Telephone Utilities of Washington, Inc. dba PTI Communications (PTI) as a subcontractor, and to include T-Netix Inc. as the station provider;

NOW, THEREFORE, Department and Contractor do mutually agree as follows:

1. Department and Contractor agree that the term of the Agreement is extended and will expire June 30, 1999.
2. Commencing on the 16th day of the month following the signing of this Amendment by Department, the monthly commission rate paid by Contractor under the Agreement shall increase to Forty-five percent (45%) on billed revenues from operator-assisted interLATA and international calls carried by Contractor from all locations. Also, Contractor shall pay Department a monthly commission rate of Forty-five percent (45%) on billed revenues from operator-assisted intraLATA calls from the following facilities only in PTI territory: Clallam Bay Corrections Center, Washington Correction Center for Women, Olympic Corrections Center, Pine Lodge Work Pre-Release, Coyote Ridge Corrections Center, and Larch Correctional Center.
3. Upon execution of this Amendment, U S WEST Communications, Inc. (USWC) shall pay to Department an increased monthly commission rate of Forty percent (40%) of billed revenues from operator-assisted local and intraLATA calls carried by USWC during the term of the Agreement.
4. Upon execution of this Amendment, GTE shall pay to Department an increased monthly commission rate of Thirty-five percent (35%) on all local and intraLATA GTE generated revenues for the term of the Agreement.
5. Upon execution of this Amendment, T-Netix, Inc. shall pay to Department a monthly commission rate of Twenty-seven percent (27%) on local calls only, for the term of the Agreement, from the facilities in PTI territory referred to in paragraph 2 above.
6. The Independent Contractor Agreement between AT&T and PTI entered into as of March 16, 1992, under which PTI agreed to act as subcontractor to Contractor for the provision of local service, inmate telephone equipment and monitoring and recording equipment to correctional facilities operated by the Department in PTI territory in the State of Washington, and in support of Contractor's obligations to the Department pursuant to the Agreement between the Department and AT&T for Installation and Operation of an Inmate Telephone System at State Correctional Institutions and Work Release Facilities, is hereby terminated in its entirety.
7. Any rate change will be effective beginning on the 16th day of the first calendar month of the renewal period.

8. In the event of an inconsistency between the terms of the Agreement and this Amendment, the terms of this Amendment shall prevail.

REVISED ATTACHMENT A: YES NO
REVISED ATTACHMENT B: YES NO

STATE OF WASHINGTON
DEPARTMENT OF CORRECTIONS

AT&T COMMUNICATIONS, INC.

Gary Banning
Authorized Signature

Anna Bowen (for)
Authorized Signature

Gary Banning
Typed or Printed Name

John Powell
Typed or Printed Name

Contracts Administrator
Title

Sales V.P.
Title

2/3/97
Date

2/14/97
Date

360-753-5770
Contract Telephone Number

Contract # _____

Agent ID _____

Location # _____

Approved as to Form:

OFFICE OF THE ATTORNEY GENERAL
STATE OF WASHINGTON

Thomas F. Young
Authorized Signature

Thomas F. Young
Typed or Printed Name

Assistant Attorney General
Title

February 3, 1997
Date





Standard Delegation Of Authority

USPS
(7-87)

Note: Part A is used by the principal to appoint an in-charge during his/her absence:

Part B is used by the supervisor of the absentee to appoint an in-charge person to act on behalf of the absent principal.

Responsibility Code 1AX200000

Expires 2/14/97

Part A

During my absence from 2/10/97 to 2/14/97 19 97 inclusive, Donna Bowen will be in charge of Consumer Sales Division and may exercise all authority delegated to me in the Schedule of Authorizations and appropriate Departmental Instructions.

Authority Delegated To:

Signature Donna Bowen

Name Donna Bowen

Title/Salary Grade SF-6 B Band

Social Security No. 14 48-9786

Responsibility Code 1AX 00010

Approved:

Signature [Signature]

Name John C. Powell

Title/Salary Grade F-Band

Social Security No. 205-34-2385

Date February 10, 1997

Part B

During the absence of _____ from _____ to _____ 19 _____ inclusive,

_____ will be in charge of _____

and may exercise the authority delegated to _____

in the Schedule of Authorizations and appropriate Departmental Instructions.

Authority Delegated To:

Signature _____

Name _____

Title/Salary Grade _____

Social Security No. _____

Responsibility Code _____

Approved:

Signature _____

Name _____

Title/Salary Grade _____

Social Security No. _____

Date _____