

**BEFORE THE
STATE OF ILLINOIS
PUBLIC SERVICE COMMISSION**

Infinity Networks, Inc. d/b/a	§	
Infinity North America Networks, Inc.	§	
Application for a Certificate of	§	
Interexchange Authority	§	Docket No. _____
to Operate as a Reseller of	§	ICC Office Use Only
Telecommunications Services	§	
in the Entire State of Illinois	§	

INFINITY NETWORKS, INC. d/b/a INFINITY NORTH AMERICA NETWORKS, INC.

("Infinity")

TESTIMONY OF JAMES SMITH

Q. Will you please state your name and business address.

A. My name is James Smith. My business address is 6601 Vaught Ranch Road, Suite 101, Austin, Texas 78730. My telephone number is 512-346-4354.

Q. By whom are you employed and in what capacity?

A. I am President of Infinity Networks, Inc.

Q. Please give a brief description of your background and experience.

A. I have spent most of my business career in the technology sector. I have served as President or as an Executive Officer of several public companies including Peoples Telephone, Inc., International Telecharge, Inc. and U.S. Telephone, Inc. (now US Sprint). Since 1994, I have focused on developing technology companies in the private sector. Today, I am a shareholder and board member in five privately held companies that provides technology solutions from internet and telecommunications to insurance and financial management to a diverse customer base. I also am been involved in consulting with several Wall Street investment firms including The Blackstone Group and Evercore. I graduated Cum Laude from Stephen F. Austin University in 1971 with a B.B.A. degree in finance and economics, and attended law school at Oklahoma University.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present evidence on the financial, technical and managerial abilities of Infinity to provide automated collect calling services to inmates of confinement institutions throughout the State of Illinois, and to describe the service Infinity proposes to offer.

Q. Has Infinity registered to do business in Illinois?

A. Yes. Infinity is registered in Illinois as a foreign corporation. Our authority to conduct business in Illinois is attached to our application in Exhibit I.

Q. Please explain the Company's corporate structure.

A. Infinity Networks, Inc. was incorporated in Louisiana on August 12, 1998.

Q. Please describe the services Infinity proposes to offer.

A. Infinity proposes to provide automated collect calling services to inmates of confinement institutions throughout the state, via the resold services of authorized carriers. All services will be offered twenty-four (24) hours per day, seven (7) days a week. Infinity will provide correctional and confinement institutions with sophisticated premises equipment that permits inmates to make outgoing, collect-only calls without the assistance of a live operator. Infinity's systems provide a number of controls and restrictions that serve to reduce or eliminate fraudulent use of telephone systems. These restrictions also provide the correctional institution with increased control over the use of the telecommunications services by inmates confined within. Infinity's telephone instruments are placed in detention areas such as cellblocks or day rooms. Each instrument is connected to a central control unit which restricts and controls calls placed by inmates. Infinity's system and services allow inmates to remain in contact with family, friends and other associates while still providing facility administrators with the necessary control over inmate communications.

Automated collect-only calls may be placed by inmates within the confinement facility. These calls are routed over the facilities of the local exchange carrier serving the confinement facility and Infinity's underlying carrier. Infinity's system is designed so that calls are completed only to those called parties who specifically accept the charges for a call. Equipment utilized by Infinity requires a positive response from the called party before the connection is established and billing can begin.

In addition to call processing, Infinity's systems offer restrictive call blocking and screening. These features provide the correctional facility with the maximum degree of control over telecommunications services and help to minimize fraud. Call blocking prevents calls to directory assistance, "0-", 800 numbers, pay-per-call services, and emergency numbers (including 911) in order to reduce prank calls and fraudulent use of long distance services. Access to other interexchange carriers is also denied. Call screening serves to eliminate harassing or threatening calls to individuals such as judges, sheriffs, witnesses or jury members. These two features also allow the institution to enforce telephone curfews (without manual intervention) by pre-setting the hours during which the system will process calls from a given telephone instrument.

Q. Does Infinity own any network switches or transmission facilities used in routing calls?

A. No.

Q. How will Infinity bill for its services?

A. Infinity's system collects and stores call detail information for each call. These call records are retrieved by Infinity and are either billed through the called party's local exchange carrier under billing and collection agreements maintained by Infinity, or submitted for billing to the called party's local exchange carrier through Infinity's billing agent.

Q. How are billing errors, complaints and trouble reports handled?

A. For billing inquiries, customers are initially directed to Infinity's billing agent whose toll-free number is printed on each customer bill. The billing agent is authorized to investigate complaints and adjust customer bills within certain parameters set by Infinity. Should an inquiry exceed the authority delegated to Infinity, the customer is referred to Infinity's in-house Customer Service Department for further assistance. Infinity utilizes a nationwide toll-free number for customer service. Customers may call that number twenty-four (24) hours a day seven (7) days a week.

Q. Where is Infinity currently certificated?

Infinity is currently authorized to provide service in AL, FL, GA, ID, KY, LA, MI, MS and TX. At this time, Infinity has no specific location where it plans to install service. The Company's business plans call for it to respond to requests for proposals (RFPs) from various city, county and state agencies seeking to install telecommunications services for their inmate populations. Infinity files this application in order to be prepared to offer service should it respond and win a bid from an institution within the state of Illinois.

Q. Describe Infinity's financial ability to operate as a telecommunications reseller.

A. Infinity has prepared financial statements to show it has the financial resources to operate successfully as a telecommunications reseller to consumers in Illinois. The Company's financial statements are included as Exhibit III of its Application.

Q. Do you believe Infinity is capable of delivering its proposed services in Illinois?

A. Yes, in addition to having sufficient financial resources, Infinity has a team of experienced managers. Brief resumes of key personnel are included in the Company's Application as Exhibit II.

Q. **How will Illinois consumers benefit from Infinity's services?**

A. Certification of Infinity will increase the level of long distance competition in Illinois. Infinity offers quality operator assisted telecommunication services originating from correctional facilities for communications originating and terminating within the State of Illinois at competitive prices.

Q. ***Does this conclude your testimony?***

A. Yes.

VERIFICATION

I, James Smith, first being duly sworn upon oath, depose and say that I am the President of Infinity Networks, Inc. d/b/a Infinity North America Networks, Inc., a Louisiana corporation,; that I have read the above and foregoing prefile testimony by me subscribed and know the contents thereof; that said contents are true in substance and in fact, except to those matters stated upon information and belief, and as to those, I believe same to be true.

[Handwritten Signature]

James Smith, President
Infinity Networks, Inc. d/b/a Infinity North America
Networks, Inc.

6/3/2005
Date:

STATE OF TEXAS)

COUNTY OF TRAVIS)

Subscribed and sworn before me this 3 day of June 2005.

[Handwritten Signature]

(NOTARY PUBLIC)

My Commission expires on: 6/24/2007

