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Section 5

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SECTION 5 - DISCOUNTS

SCHOOLS AND LIBRARIES DISCOUNT PROGRAM

1. GENERAL

The Schools and Libraries Discount Program permits eligible schools (public and private, grades Kindergarten through 12) and libraries to purchase the Company services offered in this tariff at a discounted rate, in accordance with the Rules adopted by the Federal Communications Commission (FCC) in its Universal Service Order 97-157, issued May 8, 1997 and the New York State Public Service Commission in its Opinion and Order 97-11 Adopting Discounts for Services for Schools and Libraries, issued June 25, 1997. The Rules are codified at 47 Code of Federal Regulation (C.F.R.) 54.500 et. seq.

As indicated in the Rules, the discounts will be between 20 and 90 percent of the pre-discount price, which is the price of services to schools and libraries prior to application of a discount. The level of discount will be based on an eliqible school or library's level of economic disadvantage and by its location in either an urban or rural area. A school's level of economic disadvantage will be determined by the percentage of its students eligible for participation in the national school lunch program, and a library's level of economic disadvantage will be calculated on the basis of school lunch eligibility in the public school district in which the library is located. A non-public school may use either eligibility for the national school lunch program or other federally approved alternative measures to determine its level of economic disadvantage. eligible for the discount, schools and libraries will be required to comply with the terms and conditions set forth in the Rules. Discounts are available only to the extent that they are funded by the universal service fund. Schools and libraries may aggregate demand with other eligible entities to create a consortium.

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2. REGULATIONS

- 1. Obligation of eligible schools and libraries
 - a. Request for Service
- 1. Schools and libraries and consortia shall participate in a competitive bidding process for all services eligible for discounts, in accordance with any state and local procurement rules.
- 2. Schools and libraries and consortia shall submit requests for services to the Schools and Libraries Corporation, as designated by the FCC, and follow established procedures.
- 3. Services requested will be used for educational purposes.
- 4. Services will not be sold, resold or transferred in consideration for money or any other thing of value.
- 2. Obligations of the Company
- a. The Company will offer discounts to eligible schools and libraries on commercially available telecommunications services contained in this tariff. Those services contained in this tariff which are excluded from

the discount program, in accordance with the Rules are included as an attachment to this tariff.

- b. The Company will offer services to eligible schools, libraries and consortia at prices no higher than the lowest price it charges to similarly situated non-residential customers for similar services (lowest corresponding price).
 - c. In competitive bidding situations, the Company may offer flexible pricing or rates other than in this tariff, where specific flexible pricing arrangements are allowed, subject to New York State Public Service Commission approval.

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3. DISCOUNTED RATES FOR SCHOOLS AND LIBRARIES

- 1. Discounts for eligible schools and libraries and consortia shall be set as a percentage from the pre-discount price, which is the price of services to schools and libraries prior to application of a discount.
- 2. The discount rate will be applied to eligible intrastate services purchased by eligible schools, libraries or consortia.
- 3. The discount rate is based on each school or library's level of economic disadvantage as determined in accordance with the FCC Order or other federally approved alternative measures (as permitted by the Rules) and by its location in either an urban or rural area.
- 4. The discount matrix for eligible schools, libraries and consortia is included as an attachment to this tariff.

A. SERVICES INELIGIBLE FOR SCHOOLS AND LIBRARIES DISCOUNT

1. Voice Mail Services

B. SCHOOLS AND LIBRARIES DISCOUNT MATRIX

% DISCOUNT LEVEL

HOW DISADVANTAGED	Urban	Rural
	discount	discount
% of students eligi	ihle	
for national school		
program		
1	20	25
1-19	40	50
20-34	50	60
35-49	60	70
50-74	80	80
75-100	90	90

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GENERAL RULES AND REGULATIONS.
HEALTH CARE PROVIDERS SUPPORT PROGRAM

1. GENERAL

The purpose of the Health Care Providers Support Program is to enable public and non-profit rural health care providers to have access to telecommunications services necessary for the provision of health care services at rates comparable to those paid for similar services in urban areas. The Health Care Providers Support Program offers eligible public and non-profit health care providers located in rural areas reduced rates for company intrastate services, available in this Tariff. Such services must be purchased in accordance with the Rules adopted by the Federal Communications Commission (FCC) in its Universal Service Order 97-157, issued May 8, 1997 and the New York State Public Service Commission in its Order in Cases 94-C-0095 and

28425, issued November 4, 1997. The FCC Rules are codified at 47 Code of Federal Regulation (C.F.R) 54.601 et. seq., and any amendments made thereto.

2. REGULATIONS

- a. To be eligible for the reduced rates, rural health care providers are required to comply with the terms and conditions set forth in the FCC Rules.
- b. Reduced rates are available only to the extent that they are funded by the federal universal service fund.
- c. Eligible rural health care providers may aggregate demand with other entities to create a consortium. Universal service support shall apply only to the portion of eligible services used by an eligible health care provider.
 - d. Responsibility of eligible health care providers
- 1. Rural health care providers and consortia shall participate in a competitive bidding process for all services eligible for reduced rates in accordance with any state and local procurement rules.

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2. Rural health care providers and consortia shall submit requests for services to the program Administrator, as designated by the FCC, and follow established procedures.

- 3. Services requested must be used for purposes related to the provision of health care services or instruction that the health care provider is legally authorized to provide under the law.
- 4. A health care provider that cannot obtain toll free access to an Internet service provider and who is eligible for support for limited toll-free access under the Rules must certify that it lacks toll-free Internet access and that it is an eligible health care provider.
- 5. Services cannot be sold, resold or transferred in consideration for money or any other thing of value.
- e. Responsibility of the Company
 - 1. The Company shall offer the rates and charges as specified in Section 3, to eligible health care providers to the extent that facilities and services are available and offered in the tariffs specified in 1. preceding.
 - 2. The Company shall offer services to eligible rural health care providers and consortia at prices no higher than the highest urban rate as defined in the FCC Order and Rules.
 - 3. In competitive bidding situations, where specific flexible pricing arrangements are allowed, the Company may offer flexible pricing (to determine the reduced rate) subject to New York State Public Service Commission approval.

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GENERAL RULES AND REGULATIONS.
HEALTH CARE PROVIDERS SUPPORT PROGRAM (Cont'd)

3. RATES AND CHARGES

The following price adjustments will be available to eligible rural health care providers, except subparagraph c., which shall be available to all eligible health care providers, regardless of location:

- a. A reduced rate for telecommunications services, using a bandwidth capacity of up to 1.544 Mbps, not to exceed the highest tariffed or publicly available rate charged to a commercial customer for a similar service provided over the same distance in the nearest city in New York State with a population of at least 50,000.
- b. An exemption from some mileage charges for any telecommunications services, using a bandwidth capacity of up to 1.544 Mbps, that is necessary for the provision of health care services. The exempted mileage includes the distance between the rural health care provider and the most distant perimeter of the nearest city in New York State with a population of 50,000 or more, less the standard urban distance, which is the maximum average diameter of all cities with population of 50,000 or more in the state.
- c. Each eligible health care provider that cannot obtain toll-free access to an Internet service provider is entitled to receive toll charge credits for toll charges imposed for connecting to an Internet service provider as per the FCC Rules. Such toll charge credits are available pursuant to applicable toll tariffs.

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