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SECTION 8 - SPECIAL SERVICES AND PROGRAMS (cont'd)

8.8 SCHOOLS AND LIBRARIES DISCOUNT PROGRAM (Cont'd)

8.8.2. Obligations of the Company (Cont'd)

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.

8.8.3. 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.