

SECTION 3—DESCRIPTION OF THE SERVICE

3.1 Service Offerings

3.1.1 Company Prepaid Calling Cards

This Service permits the use of Prepaid Calling Cards for placing calls between points within the State of New York.

Customers may purchase Prepaid Calling Cards at a variety of retail outlets or through other distribution channels. Prepaid Calling Cards are available at a variety of face values. Prepaid Calling Cards must be used from a touch-tone phone. Service is accessed using the toll-free number or local access number printed on the card. The caller is prompted by an automated voice response system to enter his/her Authorization Code, and then to enter the terminating telephone number. The Company's processor tracks the call duration on a real time basis to determine the number of Telecom Units consumed. The total consumed Telecom Units and applicable taxes for each call are deducted from the remaining Telecom Unit balance on the Customer's Prepaid Calling Card.

All calls must be charged against a Prepaid Calling Card that has a sufficient Telecom Unit balance. A Customer's call will be interrupted with an announcement when the balance is about to be depleted. When the balance is depleted, the Customer can dispose of the Prepaid Calling Card and purchase a new Prepaid Calling Card. Calls in progress will be terminated by the Company if the balance on the Prepaid Calling Card is insufficient to continue the call.

Prepaid Calling Cards are not refundable. A card will expire on the date indicated on the card or, if no date is specified, 90 days from the date of first use. The Company will not refund unused balances.