

COMPETITIVE LOCAL CARRIER

9. California Teleconnect Fund

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The California Teleconnect Fund provides discounted advanced telecommunications technology to qualifying schools, libraries, health care institutions and community based organizations. The discounted services listed below may not be resold to, or shared with, any other non-qualifying entity or person.

9.1 Funding

If the Executive Director of the California Public Utilities Commission (CPUC) determines that there are insufficient funds to reimburse the Company for its claims against the California Teleconnect Fund, the CPUC will promptly inform the Company concerning this condition and direct the Company to suspend the offering of applicable discounted rates to qualifying schools, libraries, government owned hospitals, government owned health clinics, and community based taxed exempt organizations on a schedule consistent with fund balances and Company claims and with appropriate prior notice to customers.

9.2 Schools And Libraries

Only public or non-profit schools providing elementary or secondary education, and which do not have endowments of more than \$50 million, shall qualify for the discounted rates for schools.

Only those libraries that are eligible for participation in state-based plans for funds under Title III of the Library Services and Construction Act (20 USC 335c et seq.), shall qualify for the discounted rates for libraries.

There will be no limit to the number of subsidized lines provided to a qualified school or library.

Qualifying schools and libraries shall be entitled to a 50% discount on the tariff's recurring charges for DSO, DS1, and DS3 services or, their equivalency after the appropriate federal E-rate discount is applied.

Pursuant to California Teleconnect Fund (CTF) Administrative Letter No. 10, the 50% CTF discount shall be applied after applying the appropriate federal E-rate discount. The 50% CTF discount shall be calculated as follows:

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COMPETITIVE LOCAL CARRIER

9. California Teleconnect Fund – (Cont'd)

(N)

9.2 Schools And Libraries – (Cont'd)

- 9.2.1 If the customer has not been approved to receive E-rate discounts, whether or not its application is pending, the 50% discount will be applied to the CTF-eligible services after deducting a statewide average E-rate discount (determined by the CPUC) from the billed amount.
- 9.2.2 If the customer has been approved to receive E-rate discounts, the 50% discount will be applied to the CTF-eligible services after deducting the actual E-rate discounts from the billed amount.
- 9.2.3 The statewide average discount is deducted from the customer's services solely for the purposes of calculating the CTF discount. The statewide average discount shall be added back to the billed amount for payment by the customer. However, when the customer receives its approved E-rate benefit, the customer's account will be retroactively adjusted to reflect the approved E-rate.
- 9.2.4 If the customer's application with the federal E-rate has been denied, the 50% CTF discount shall apply to the full rate of the CTF-eligible services.
- 9.2.5 If the customer is a necessary small school, the 50% CTF discount applies to the full rate of the CTF-eligible services, unless the customer presents the federal E-rate discount, at which point the federal E-rate discount shall apply before applying the CTF discount.
- 9.2.6 If the customer subscribes to CTF-eligible services that are ineligible for E-rate discounts, the 50% discount applies to the full rate of the CTF-eligible services.

9.3 Health Care Institutions

Only municipal and county government owned and operated hospitals and health clinics, and district owned and operated hospitals and health clinics qualify for the discounted rates for health care institutions.

There will be no limit to the number of subsidized lines provided to qualified health care institutions.

Qualifying health care institutions shall be entitled to a 50% discount on the tariff's recurring charges for DSO, DS1, and DS3 services, or their equivalency.

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9. California Teleconnect Fund – (Cont'd)

9.4 Community Based Organizations

Community Based Organization (CBOs) and non-profit CBOs operating community technology centers engaged in diffusing technology into local communities and training local communities that have limited or no access to the internet and other technologies qualify for the discounted rates for CBOs.

Tax exempt organizations offering health care, job training, job placement or educational instruction, shall qualify for the discounted rates for CBOs. The CBO must provide proof of tax exemption at the time of application.

There will be no limit to the number of subsidized lines provided to a qualifying CBO.

Qualifying CBOs shall be entitled to a 50% discount on the tariff's recurring charges for DSO, DS1, and DS3 services, or their equivalency.

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