

starting gate."²¹ In *WAIT Radio*, the court explained that "[t]he very essence of a waiver is the assumed validity of the general rule. . . ."²² Therefore, the test for whether the Pennsylvania Commission may be granted a waiver is whether it has shown such special circumstances that warrant deviation from our definition of "rural area." We conclude that the Pennsylvania Commission has failed to make this showing.

7. The identification of a rural area under our rules is a two-part process. First, a school, library or health care provider must determine whether it is located in a metropolitan county, as defined by the MSA lists published by OMB.²³ Second, if it is located in a metropolitan county, a school, library or health care provider may nevertheless be located in a rural area if its location falls within one of the rural pockets within metropolitan counties identified by the Goldsmith Modification list used by ORHP/HHS.²⁴ The Commission, based on the Joint Board's recommendation, found that adopting the MSA/Goldsmith Modification approach to identifying rural areas is "consistent with the Joint Board's recommendation and congressional intent to adopt a mechanism that includes the largest reasonably practicable number of rural health care providers, that because of their location, are prevented from obtaining telecommunications services at rates available to urban customers."²⁵ We remain convinced that the MSA/Goldsmith approach is the best method of identifying "rural areas" currently available.

8. The Pennsylvania Commission's waiver petition fails to meet the "good cause" standard. The evidence submitted by the Pennsylvania Commission in support of its request, including significantly fewer hospitals and hospital beds and a lower physician-to-resident ratio in the nine counties relative to urban areas in Pennsylvania, does not demonstrate that a waiver of our rules governing universal service support for telecommunications services is

²¹ *WAIT Radio* at 1157.

²² *Id.* at 1158.

²³ 47 C.F.R. § 54.505(b)(3)(ii); 47 C.F.R. § 54.601(a)(4). See Universal Service Order, 12 FCC Rcd at 9114 n.1698 (OMB, with assistance from the Bureau of Census, designates counties as metropolitan or non-metropolitan in character based on the size of the largest urban aggregation in a county and patterns of commuting between counties).

²⁴ 47 C.F.R. § 54.505(b)(3)(ii); 47 C.F.R. § 54.601(a)(4). See Universal Service Order, 12 FCC Rcd at 9115 n.1700 (the Goldsmith Modification identifies small town and open-country parts of large metropolitan counties by census tract or block-numbered area, as defined by the Bureau of Census).

²⁵ Universal Service Order, 12 FCC Rcd at 9116 citing Recommended Decision, 12 FCC Rcd at 441 and S. Rep. No. 230, 104th Cong., 2d Sess. at 132 and 133. We note that the Advisory Committee on Telecommunications and Health Care also recommended that the Commission use the ORHP/HHS method to identify rural areas. See Universal Service Order, 12 FCC Rcd at 9114.

justified.²⁶ Moreover, a showing that the rates charged for telecommunications services in the nine counties exceed those charged in other non-rural areas, without more, would not warrant a grant of a waiver from the Commission's rules. We note that schools, libraries and health care providers in the nine counties will benefit from universal service support despite their location in non-rural areas. To the extent that health care providers in these counties are unable to obtain toll-free access to the Internet, they are eligible to benefit from support designed to ensure such access.²⁷ With respect to the schools and libraries support mechanism, the schools and libraries in the nine counties at issue are already entitled to discounts, which are determined based on economic need as well as location in a rural area.²⁸ We conclude that the evidentiary showing presented by the Pennsylvania Commission does not establish the "special circumstances" that would justify a waiver of the Commission's general rule.

9. We also note that the Commission set forth clear guidelines for determining whether, and to what extent, rural health care providers and schools and libraries are eligible for support.²⁹ These guidelines are designed to comply with the statutory mandate that universal service mechanisms be "specific, predictable and sufficient."³⁰ The Pennsylvania Commission, by presenting the calculations of the Pennsylvania Task Force included with the Pennsylvania Commission's petition, provide estimates of the impact on universal service support if its waiver request concerning the nine Pennsylvania counties were granted. This analysis, however, does not take into account the impact on universal service support if other state commissions requested similar relief for non-rural counties in their states that have rural characteristics. Granting such waiver petitions would undermine the Commission's method

²⁶ We note that the Joint Board rejected an approach under which the Commission would consider specific factors -- such as the ratio of physicians to residents in an area -- to determine whether the health care providers in a particular area should be eligible to benefit from universal service support. See Recommended Decision, 12 FCC Rcd at 439 ("employing the methods recommended here for determining rural areas, we see no need to consider other factors such as number of doctors in the community or driving distance from the hospital in formulating a definition of rural area.").

²⁷ See Universal Service Order, 12 FCC Rcd at 9159 (concluding that each health care provider that cannot obtain toll-free access is entitled to receive a limited amount of toll-free access).

²⁸ See Universal Service Order, 12 FCC Rcd at 9050 (adopting discount matrix showing discounts ranging from 20 to 90 percent fulfills statutory obligation to ensure schools and libraries receive supported services at rates less than those charged to other parties).

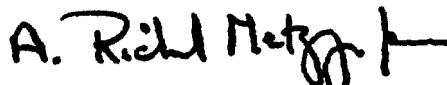
²⁹ For example, the Commission established a matrix for determining the discount rate for which a school or library is eligible, based on two factors: economic need and location in a rural area.

³⁰ Universal Service Order, 12 FCC Rcd at 9141 (citing 47 U.S.C. § 254(b)(5)) and 9054-55.

for ensuring that universal service support mechanisms are specific, predictable and sufficient.³¹

10. It is THEREFORE ORDERED, pursuant to section 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. § 154(i) and sections 0.91, 0.291, and 1.3 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, and 1.3, that the Pennsylvania Commission's request for waiver IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION



A. Richard Metzger, Jr.
Chief, Common Carrier Bureau

³¹ See *WAIT Radio* at 1157, 1159.

**APPENDIX B
PRELIMINARY ESTIMATED OF METRO/NONMETRO AND WAIVER CRITERIA**

CENTER FOR RURAL PENNSYLVANIA, 212 LOCUST STREET, SUITE 004, HARRISBURG, PA 17101 (717) 797-9555

	TOTAL # COUNTIES	METRO / NONMETRO DEFINITION		TOTAL # COUNTIES	WAIVER CRITERIA DEFINITION		# WAIVER CRITERIA RURAL COUNTIES MINUS # NONMETRO COUNTIES
		# Metro Counties	# Nonmetro Counties		# Urban Counties	# Rural Counties	
United States	3,141	756	2,385	3,141	527	2,614	229
Alabama	67	21	46	67	16	51	5
Alaska	25	1	24	25	1	24	0
Arizona	15	3	12	15	3	12	0
Arkansas	75	10	65	75	6	69	4
California	58	32	26	58	30	28	2
Colorado	63	10	53	63	10	53	0
Connecticut	8	8	0	8	5	3	3
Delaware	3	1	2	3	1	2	0
District of Columbia	1	1	0	1	1	0	0
Florida	67	32	35	67	29	38	3
Georgia	159	38	121	159	18	141	20
Hawaii	5	1	4	5	1	4	0
Idaho	44	1	43	44	3	41	-2
Illinois	102	26	76	102	17	85	9
Indiana	92	30	62	92	16	76	14
Iowa	99	11	88	99	8	91	3
Kansas	105	9	96	105	5	100	4
Kentucky	120	19	101	120	9	111	10
Louisiana	64	19	45	64	12	52	7
Maine	16	5	11	16	3	13	2
Maryland	24	15	9	24	9	15	6
Massachusetts	14	10	4	14	9	5	1
Michigan	83	22	61	83	15	68	7
Minnesota	87	16	71	87	10	77	6
Mississippi	82	7	75	82	6	76	1
Missouri	115	17	98	115	10	105	7
Montana	57	2	55	57	3	54	-1
Nebraska	93	5	88	93	4	89	1
Nevada	17	2	15	17	2	15	0
New Hampshire	10	4	6	10	2	8	2
New Jersey	21	21	0	21	16	5	5
New Mexico	33	4	29	33	4	29	0
New York	62	36	26	62	24	38	12
North Carolina	100	25	75	100	17	83	8
North Dakota	53	4	49	53	4	49	0
Ohio	88	36	52	88	22	66	14
Oklahoma	77	14	63	77	7	70	7
Oregon	36	8	28	36	7	29	1
Pennsylvania	67	33	34	67	24	43	9
Rhode Island	5	5	0	5	4	1	1
South Carolina	46	12	34	46	9	37	3
South Dakota	66	4	62	66	3	63	1
Tennessee	95	27	68	95	9	86	18
Texas	254	49	205	254	35	219	14
Utah	29	4	25	29	5	24	-1
Vermont	14	3	11	14	1	13	2
Virginia	136	51	85	136	32	104	19
Washington	39	11	28	39	12	27	-1
West Virginia	55	10	45	55	9	46	1
Wisconsin	72	19	53	72	17	55	2
Wyoming	23	2	21	23	2	21	0

Source: 1990 Census of Population and Housing, Summary File Tape 3C, United States Summary, US Census Bureau

**APPENDIX B-1
PRELIMINARY ESTIMATE OF METRO/NONMETRO AND WAIVER CRITERIA
FOR STATES EAST AND WEST OF THE MISSISSIPPI RIVER**

CENTER FOR RURAL PENNSYLVANIA, 212 LOCUST STREET, SUITE 604, HARRISBURG, PA 17101 (717) 787-9555

	TOTAL # COUNTIES	METRO / NONMETRO DEFINITION		TOTAL # COUNTIES	WAIVER CRITERIA DEFINITION		# WAIVER CRITERIA RURAL COUNTIES MINUS # NONMETRO COUNTIES
		# Metro Counties	# Nonmetro Counties		# Urban Counties	# Rural Counties	
Total United States	3,141	756	2,385	3,141	527	2,614	229
STATES EAST OF THE MISSISSIPPI RIVER							
Alabama	67	21	46	67	16	51	5
Connecticut	8	8	0	8	5	3	3
Delaware	3	1	2	3	1	2	0
District of Columbia	1	1	0	1	1	0	0
Florida	67	32	35	67	29	38	3
Georgia	159	38	121	159	18	141	20
Illinois	102	26	76	102	17	85	9
Indiana	92	30	62	92	16	76	14
Kentucky	120	19	101	120	9	111	10
Maine	16	5	11	16	3	13	2
Maryland	24	15	9	24	9	15	6
Massachusetts	14	10	4	14	9	5	1
Michigan	83	22	61	83	15	68	7
Mississippi	82	7	75	82	6	76	1
New Hampshire	10	4	6	10	2	8	2
New Jersey	21	21	0	21	16	5	5
New York	62	36	26	62	24	38	12
North Carolina	100	25	75	100	17	83	8
Ohio	88	36	52	88	22	66	14
Pennsylvania	67	33	34	67	24	43	9
Rhode Island	5	5	0	5	4	1	1
South Carolina	46	12	34	46	9	37	3
Tennessee	95	27	68	95	9	86	18
Vermont	14	3	11	14	1	13	2
Virginia	136	51	85	136	32	104	19
West Virginia	55	10	45	55	9	46	1
Wisconsin	72	19	53	72	17	55	2
TOTAL	1,609	517	1,092	1,609	340	1,269	177

APPENDIX B-1, CONTINUED

CENTER FOR RURAL PENNSYLVANIA, 212 LOCUST STREET, SUITE 604, HARRISBURG, PA 17101 (717) 787-9555

STATES WEST OF THE MISSISSIPPI RIVER

	TOTAL # COUNTRIES	METRO / NONMETRO DEFINITION	
		# Metro Counties	# Nonmetro Counties
Alaska	25	1	24
Arizona	15	3	12
Arkansas	75	10	65
California	58	32	26
Colorado	63	10	53
Hawaii	5	1	4
Idaho	44	1	43
Iowa	99	11	88
Kansas	105	9	96
Louisiana	64	19	45
Minnesota	87	16	71
Missouri	115	17	98
Montana	57	2	55
Nebraska	93	5	88
Nevada	17	2	15
New Mexico	33	4	29
North Dakota	53	4	49
Oklahoma	77	14	63
Oregon	36	8	28
South Dakota	66	4	62
Texas	254	49	205
Utah	29	4	25
Washington	39	11	28
Wyoming	23	2	21
TOTAL	1,532	239	1,293

TOTAL # COUNTRIES	WAIVER CRITERIA DEFINITION	
	# Urban Counties	# Rural Counties
25	1	24
15	3	12
75	6	69
58	30	28
63	10	53
5	1	4
44	3	41
99	8	91
105	5	100
64	12	52
87	10	77
115	10	105
57	3	54
93	4	89
17	2	15
33	4	29
53	4	49
77	7	70
36	7	29
66	3	63
254	35	219
29	5	24
39	12	27
23	2	21
1,532	187	1,345

WAIVER CRITERIA RURAL COUNTIES MINUS # NONMETRO COUNTIES
0
0
4
2
0
0
-2
3
4
7
6
7
-1
1
0
0
0
7
1
1
14
-1
-1
0
52

No. 1988-155

AN ACT

HB 2513

Providing for Commonwealth support for an Urban and Rural Teacher Loan Forgiveness Program for Pennsylvania residents who graduate from institutions of higher education and who apply their degrees to teaching in urban and rural public schools in this Commonwealth.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short title.

This act shall be known and may be cited as the Urban and Rural Teacher Loan Forgiveness Act.

Section 2. Findings and declaration of intent.

The General Assembly finds and declares that:

(1) The number of college students planning to enter the teaching profession appears to be inadequate to meet the need for teachers in our public schools.

(2) Demand from industry and other opportunities attract existing and potential teachers away from the profession.

(3) The pool of qualified teachers, especially those in math and science, has diminished.

(4) Economically hard-pressed rural and urban school districts find it difficult to attract qualified teachers from the diminished pool.

(5) Payment of a portion of student loans for certified teachers serves the important public purpose of encouraging new teachers to teach in economically hard-pressed areas of this Commonwealth.

Section 3. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

“Agency.” The Pennsylvania Higher Education Assistance Agency.

“Designated Commonwealth urban or rural public school district.” An eligible urban or rural public school district which the secretary has certified as having a need for teacher loan forgiveness assistance because of difficulty in attracting qualified teachers.

“Eligible rural public school district.” A public school district that has a population of less than 300 per square mile and either:

(1) more than 8% of the pupils in average daily membership are low-income pupils as defined in section 2502.11 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949; or

(2) the market value/income aid ratio, as defined in section 2501 of the Public School Code of 1949, is greater than seven-tenths.

This definition shall also apply to an intermediate unit or area vocational-technical school if the composite data for all participating school districts meet the criteria specified herein.

"Eligible urban public school district." A public school district that has a population greater than 850 per square mile and either:

- (1) more than 8% of the pupils in average daily membership are low-income pupils as defined in section 2502.11 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949; or
- (2) the market value/income aid ratio, as defined in section 2501 of the Public School Code of 1949, is greater than seven-tenths.

The term shall also apply to an intermediate unit or area vocational-technical school if the composite data for all participating school districts meet the criteria specified herein.

"Qualified applicant." A person who meets all of the following criteria:

- (1) Is certified by the Department of Education to teach.
- (2) Is in the first year of full-time teaching.
- (3) Is teaching at a Commonwealth-designated urban or rural public school district or at a nonprofit nonpublic school in such district at which students may fulfill compulsory attendance requirements.
- (4) Has borrowed through the agency-administered Guaranteed Student Loan Programs.

"Secretary." The Secretary of Education of the Commonwealth.

Section 4. Urban and Rural Teacher Loan Forgiveness Program.

Qualified applicants who are selected for the Urban and Rural Teacher Loan Forgiveness Program in accordance with this act shall be eligible for payment by the agency of a portion of the debt incurred by the applicant through the agency-administered Guaranteed Student Loan Programs for the education necessary to be certified to teach in Pennsylvania. For each academic year that the applicant is a full-time teacher in an approved Commonwealth urban or rural public school district, the agency may forgive a proportional part of the applicant's loan so that the loan may be entirely forgiven over four years of full-time teaching. No more than \$2,500 shall be forgiven in any year, and no more than \$10,000 shall be forgiven for any applicant. Payments shall be made in accordance with the procedures established by the agency.

Section 5. Loan forgiveness awards.

Recipients of the loan forgiveness awards shall be those teachers who are certified by the Department of Education and who have received a satisfactory rating by the district or nonpublic school for the academic year. Each teacher shall be required to submit such documentation of continued eligibility as the agency may require.

Section 6. Funding.

Loan forgiveness awards may be made to the extent that funds are appropriated by the General Assembly.

Section 7. Responsibility of agency.

It shall be the responsibility of the agency to administer the Urban and Rural Loan Forgiveness Program established by this act and to adopt such

regulations, policies, procedures and forms as are necessary and not inconsistent with the provisions of this act.

Section 8. Effective date.

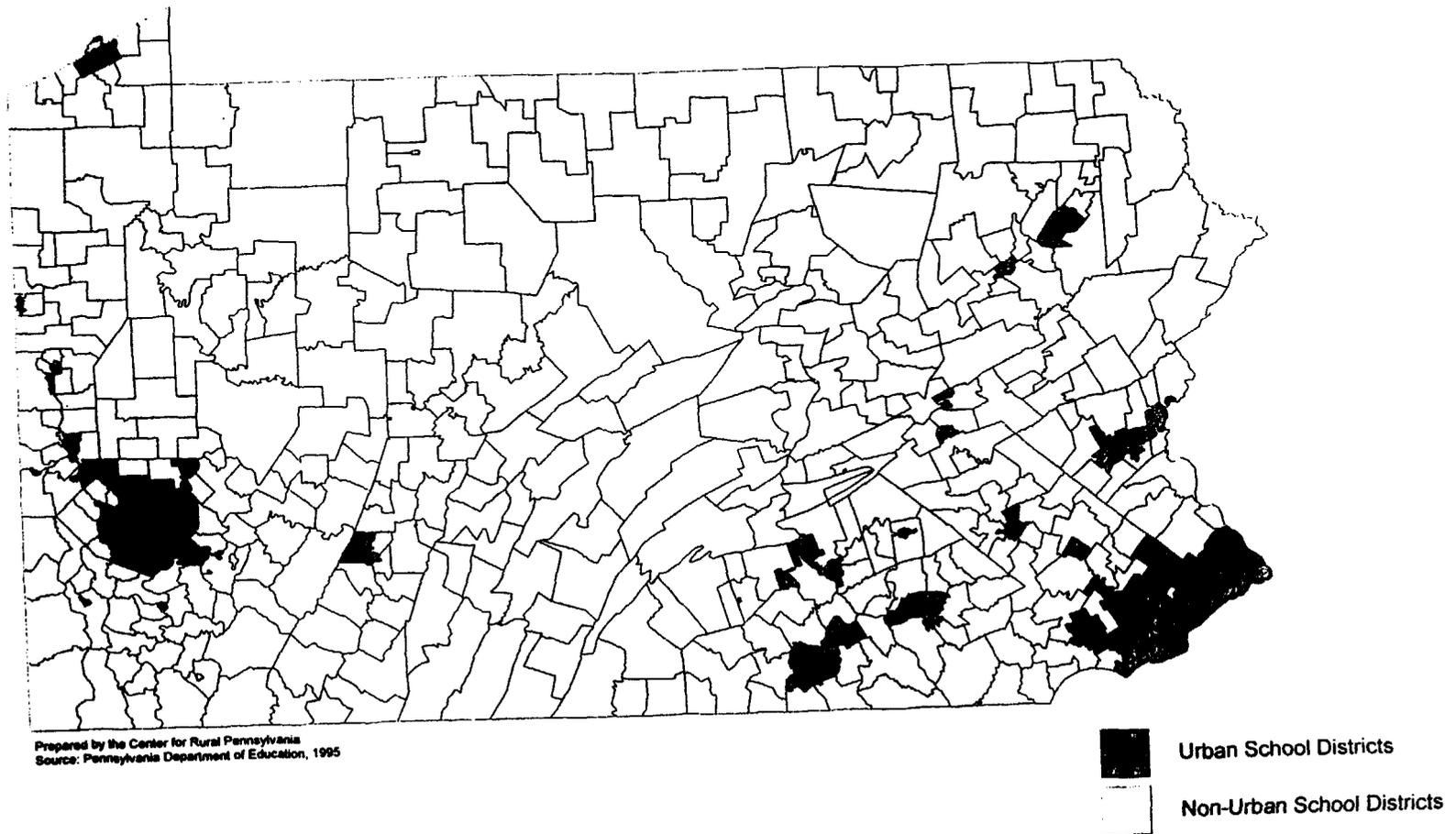
This act shall take effect July 1, 1988.

APPROVED—The 16th day of December, A. D. 1988.

ROBERT P. CASEY

Appendix C-1

Act 155 Urban and Non-Urban School Districts



RURAL TELEPHONE COMPANIES
IN
PENNSYLVANIA COUNTIES

<u>County</u>	<u>Rural Telephone Company Service</u>
Butler	North Pittsburgh Telephone Company
Carbon	Palmerton Telephone Company
Columbia	Commonwealth Telephone Company
Fayette	Laurel Highlands Telephone Company
Perry	Sprint/United Telephone Company ¹
Pike	Lackawaxen Telephone Company
Wyoming	Commonwealth Telephone Company

¹ Status is pending before the Commission.

CC Docket 96-45: PaPUC Reconsideration
Appendix B

Health Care Facilities	NAME	LOCATION	TELCO	ZIP	TYPE	Miles to Center	Radius	Max. Ckt. Miles	MINCITY	MINCITY Density Cell	Rural Ckt Monthly Cost	Rural Ckt Annual Cost	Urban Ckt Monthly Cost	Urban Ckt Annual Cost	US Fund Subsidy Annualized
1	State Health-Carbon	Jim Thorpe	Bell-Atl	18229	State Health	23.49	3.65	28	Allentown	cell3	\$ 1,315.00	\$ 15,780.00	\$ 780.00	\$ 9,360.00	\$ 6,420.00
2	GOOD SAMARITAN HOSPITAL - LEBANON	LEBANON	Bell-Atl	17042	Hospital	21.38	2.83	25	Lancaster	cell3	\$ 1,240.00	\$ 14,880.00	\$ 780.00	\$ 9,360.00	\$ 5,520.00
3	VA MEDICAL CENTER - LEBANON	LEBANON	Bell-Atl	17042	Hospital	19.54	2.83	23	Lancaster	cell3	\$ 1,190.00	\$ 14,280.00	\$ 780.00	\$ 9,360.00	\$ 4,920.00
4	State Health-Lebanon	Lebanon	Bell-Atl	17046	State Health	21.73	2.83	25	Lancaster	cell3	\$ 1,240.00	\$ 14,880.00	\$ 780.00	\$ 9,360.00	\$ 5,520.00
5	PHILHAVEN	MT GRETN	Bell-Atl	17064	Hospital	16.60	2.83	20	Lancaster	cell3	\$ 1,115.00	\$ 13,380.00	\$ 780.00	\$ 9,360.00	\$ 4,020.00
6	Family Health Center	Brownsville	Bell-Atl	15417	Clinic	31.80	6.38	39	Pittsburgh	cell1	\$ 1,590.00	\$ 19,080.00	\$ 720.00	\$ 8,640.00	\$ 10,440.00
7	BROWNSVILLE GENERAL HOSPITAL	BROWNSVILLE	Bell-Atl	15417	Hospital	31.93	6.38	39	Pittsburgh	cell1	\$ 1,590.00	\$ 19,080.00	\$ 720.00	\$ 8,640.00	\$ 10,440.00
8	Centerville Clinics-Fairchance Office	Fairchance	Bell-Atl	15436	Clinic	44.54	6.38	51	Pittsburgh	cell1	\$ 1,890.00	\$ 22,680.00	\$ 720.00	\$ 8,640.00	\$ 14,040.00
9	GNADEN HUETTEN MEMORIAL HOSPITAL	LEHIGHTON	Bell-Atl	18235	Hospital	20.93	6.38	28	Pittsburgh	cell1	\$ 1,315.00	\$ 15,780.00	\$ 720.00	\$ 8,640.00	\$ 7,140.00
10	Centerville Clinics-Republic Office	Republic	Bell-Atl	15475	Clinic	33.55	6.38	40	Pittsburgh	cell1	\$ 1,615.00	\$ 19,380.00	\$ 720.00	\$ 8,640.00	\$ 10,740.00
11	Family Health Center	Smithfield	Bell-Atl	15478	Clinic	45.44	6.38	52	Pittsburgh	cell1	\$ 1,915.00	\$ 22,980.00	\$ 720.00	\$ 8,640.00	\$ 14,340.00
12	Family Health Center	Uniontown	Bell-Atl	15401	Clinic	39.78	6.38	47	Pittsburgh	cell1	\$ 1,790.00	\$ 21,480.00	\$ 720.00	\$ 8,640.00	\$ 12,840.00
13	UNIONTOWN HOSPITAL	UNIONTOWN	Bell-Atl	15401	Hospital	40.42	6.38	47	Pittsburgh	cell1	\$ 1,790.00	\$ 21,480.00	\$ 720.00	\$ 8,640.00	\$ 12,840.00
14	State Health-Fayette	Uniontown	Bell-Atl	15401	State Health	39.03	6.38	46	Pittsburgh	cell1	\$ 1,765.00	\$ 21,180.00	\$ 720.00	\$ 8,640.00	\$ 12,540.00
15	PSU-Fayette Campus	Uniontown	Bell-Atl	15401	Post Sec	40.74	6.38	48	Pittsburgh	cell1	\$ 1,815.00	\$ 21,780.00	\$ 720.00	\$ 8,640.00	\$ 13,140.00
16	Ali A Alley, MD, PC	Berwick	Bell-Atl	18603	Clinic	38.04	4.78	43	Scranton	cell3	\$ 1,690.00	\$ 20,280.00	\$ 780.00	\$ 9,360.00	\$ 10,920.00
17	BERWICK HOSPITAL CENTER	BERWICK	Bell-Atl	18603	Hospital	37.47	4.78	43	Scranton	cell3	\$ 1,690.00	\$ 20,280.00	\$ 780.00	\$ 9,360.00	\$ 10,920.00
18	BLOOMSBURG HOSPITAL	BLOOMSBURG	Bell-Atl	17815	Hospital	49.40	4.78	55	Scranton	cell3	\$ 1,990.00	\$ 23,880.00	\$ 780.00	\$ 9,360.00	\$ 14,520.00
19	State Health-Columbia	Bloomsburg	Bell-Atl	17815	State Health	48.77	4.78	54	Scranton	cell3	\$ 1,965.00	\$ 23,580.00	\$ 780.00	\$ 9,360.00	\$ 14,220.00
20	Bloomsburg University of PA	Bloomsburg	Bell-Atl	17815	Post Sec	49.41	4.78	55	Scranton	cell3	\$ 1,990.00	\$ 23,880.00	\$ 780.00	\$ 9,360.00	\$ 14,520.00
21	Exeter Township Health Center	Falls	C-Tec	18615	Clinic	10.92	4.78	16	Scranton	cell3	\$ 1,015.00	\$ 12,180.00	\$ 780.00	\$ 9,360.00	\$ 2,820.00
22	Monroe-Noxen Health Center	Noxen	C-Tec	18636	Clinic	19.87	4.78	25	Scranton	cell3	\$ 1,240.00	\$ 14,880.00	\$ 780.00	\$ 9,360.00	\$ 5,520.00
23	Noxen Center	Noxen	C-Tec	18636	Clinic	19.87	4.78	25	Scranton	cell3	\$ 1,240.00	\$ 14,880.00	\$ 780.00	\$ 9,360.00	\$ 5,520.00
24	TYLER MEMORIAL HOSPITAL	TUNKHANNOCK	C-Tec	18657	Hospital	17.57	4.78	23	Scranton	cell3	\$ 1,190.00	\$ 14,280.00	\$ 780.00	\$ 9,360.00	\$ 4,920.00

Health Care Facilities	NAME	LOCATION	TELCO	ZIP	TYPE	Miles to Center	Radius	Max. Ckt. Miles	MINCITY	MINCITY Density Cell	Rural Ckt Monthly Cost	Rural Ckt Annual Cost	Urban Ckt Monthly Cost	Urban Ckt Annual Cost	US Fund Subsidy Annualized
25	State Health-Wyoming	Tunkhannock	C-Tec	18657	State Health	17.57	4.78	23	Scranton	cell3	\$ 1,190.00	\$ 14,280.00	\$ 780.00	\$ 9,360.00	\$ 4,920.00
26	SOMERSET STATE HOSPITAL	SOMERSET	GTE	15501	Hospital	49.03	3.65	53	Altoona	cell3	\$ 2,137.81	\$ 25,653.72	\$ 780.00	\$ 9,360.00	\$ 16,293.72
27	Medical Associates of Boswell, Inc.	Boswell	GTE	15531	Clinic	40.76	3.31	45	Altoona	cell3	\$ 1,827.81	\$ 21,933.72	\$ 780.00	\$ 9,360.00	\$ 12,573.72
28	MEYERSDALE COMMUNITY HOSPITAL	MEYERSDALE	GTE	15552	Hospital	59.21	3.31	63	Altoona	cell3	\$ 2,525.31	\$ 30,303.72	\$ 780.00	\$ 9,360.00	\$ 20,943.72
29	SOMERSET HOSPITAL CENTER FOR HEALTH	SOMERSET	GTE	15501	Hospital	49.79	3.31	54	Altoona	cell3	\$ 2,176.56	\$ 26,118.72	\$ 780.00	\$ 9,360.00	\$ 16,758.72
30	State Health-Somerset	Somerset	GTE	15501	State Health	50.00	3.31	54	Altoona	cell3	\$ 2,176.56	\$ 26,118.72	\$ 780.00	\$ 9,360.00	\$ 16,758.72
31	Medical Associates of Boswell, Inc.	Stoystown	GTE	15563	Clinic	40.46	3.31	44	Altoona	cell3	\$ 1,789.06	\$ 21,468.72	\$ 780.00	\$ 9,360.00	\$ 12,108.72
32	Turkeyfoot Area Family Practice	Confluence	GTE	15424	Clinic	55.21	6.38	62	Pittsburgh	cell1	\$ 2,486.56	\$ 29,838.72	\$ 720.00	\$ 8,640.00	\$ 21,198.72
33	Southwest Women's Healthcare, Inc	Connellsville	GTE	15425	Clinic	36.57	6.38	43	Pittsburgh	cell1	\$ 1,750.31	\$ 21,003.72	\$ 720.00	\$ 8,640.00	\$ 12,363.72
34	HIGHLANDS HOSPITAL	CONNELLSVILLE	GTE	15425	Hospital	36.26	6.38	43	Pittsburgh	cell1	\$ 1,750.31	\$ 21,003.72	\$ 720.00	\$ 8,640.00	\$ 12,363.72
35	State Health-Pike	Milford	GTE	18337	State Health	40.91	4.78	46	Scranton	cell3	\$ 1,866.56	\$ 22,398.72	\$ 780.00	\$ 9,360.00	\$ 13,038.72
36	BUTLER MEMORIAL HOSPITAL	BUTLER	No Pittsburgh	16001	Hospital	30.09	6.38	37	Pittsburgh	cell1	\$ 1,540.00	\$ 18,480.00	\$ 720.00	\$ 8,640.00	\$ 9,840.00
37	VA MEDICAL CENTER - BUTLER	BUTLER	No Pittsburgh	16001	Hospital	29.54	6.38	36	Pittsburgh	cell1	\$ 1,515.00	\$ 18,180.00	\$ 720.00	\$ 8,640.00	\$ 9,540.00
38	PALMERTON HOSPITAL	PALMERTON	Palmerton	18071	Hospital	15.90	6.38	23	Pittsburgh	cell1	\$ 2,115.00	\$ 25,380.00	\$ 720.00	\$ 8,640.00	\$ 16,740.00
39	WINDBER HOSPITAL	WINDBER	United	15963	Hospital	29.47	3.31	33	Altoona	cell3	\$ 1,168.40	\$ 14,020.80	\$ 780.00	\$ 9,360.00	\$ 4,660.80
40	Perry Health Center	Loysville	United	17047	Clinic	28.53	3.14	32	Harrisburg	cell3	\$ 1,148.60	\$ 13,783.20	\$ 780.00	\$ 9,360.00	\$ 4,423.20
41	State Health-Perry	Newport	United	17074	State Health	20.59	3.14	24	Harrisburg	cell3	\$ 990.20	\$ 11,882.40	\$ 780.00	\$ 9,360.00	\$ 2,522.40
42	State Health-Butler	Butler	United	16001	State Health	25.88	6.38	33	Pittsburgh	cell1	\$ 1,168.40	\$ 14,020.80	\$ 720.00	\$ 8,640.00	\$ 5,380.80
43	Butler County Community College	Butler	United	16003	Post Sec	29.60	6.38	36	Pittsburgh	cell1	\$ 1,227.80	\$ 14,733.60	\$ 720.00	\$ 8,640.00	\$ 6,093.60
44	Northeast Butler Community Med Center	Petrolia	United	16050	Clinic	43.49	6.38	50	Pittsburgh	cell1	\$ 1,505.00	\$ 18,060.00	\$ 720.00	\$ 8,640.00	\$ 9,420.00
45	Petroleum Valley Medical Center	Petrolia	United	16050	Clinic	43.49	6.38	50	Pittsburgh	cell1	\$ 1,505.00	\$ 18,060.00	\$ 720.00	\$ 8,640.00	\$ 9,420.00
46	Slippery Rock University of PA	Slippery Rock	United	16057	Post Sec	41.49	6.38	48	Pittsburgh	cell1	\$ 1,465.40	\$ 17,584.80	\$ 720.00	\$ 8,640.00	\$ 8,944.80
	Total Costs										\$ 890,527.80		\$ 415,440.00	\$ 475,087.80	

Average Diameter for Pennsylvania Cities Over 50,000 Population

	City	Pop. 1990	Pop. 1995 (est.)	Area Sq. Miles	Max Diameter*	Radius
	State Totals	11,881,643	12,071,931	45,065		
1	Abington Twp.	56,322	55,272	15.4	6.01	3.01
2	Allentown	105,090	104,791	18.3	7.29	3.65
3	Altoona	51,881	52,501	8.2	6.62	3.31
4	Bensalem Twp.	56,778	58,676	20.2	7.54	3.77
5	Bethlehem	71,428	73,039	14.9	7.42	3.71
6	Bristol Twp.	57,129	57,625	16.0	8.01	4.01
7	Erie	108,718	107,977	18.7	6.93	3.47
8	Harrisburg	52,376	54,438	7.6	6.27	3.14
9	Lancaster	55,551	58,258	6.9	5.65	2.83
10	Lower Merion Twp.	58,003	58,558	23.9	8.12	4.06
11	Penn Hills Twp.	51,479	49,000	19.0	6.36	3.18
12	Philadelphia	1,585,577	1,498,971	128.5	22.97	11.49
13	Pittsburgh	369,879	354,490	55.1	12.75	6.38
14	Reading	78,380	78,086	9.6	4.66	2.33
15	Scranton	81,805	77,259	25.7	9.55	4.78
16	Upper Darby Twp.	81,177	80,430	7.8	4.94	2.47
					Avg. Diameter**	
Sub-totals		137,499	135,702	23.2	9.00	

Notes:

* Diameter provided by PennDOT, Cartographic Information Division. Data Source: Intergraph Microstation Design Files. Boundary lines were digitized from existing General Highway Series County Maps (approximate scale: 1" = 1 mile)

** Sum of all calculated diameters divided by number of cities rounded up

Dedicated, Point-to-Point Circuit Pricing Examples

Cost = (((Local Channel+Trans. Func.) x 2 end points) +fixed) + (mileage charges x number miles)

ell Atlantic

- Cell 1 (downtown Philadelphia and Pittsburgh)
- Cell 2 (secondary CO: in PHLA - Chestnut Hill; in PTBH - Squirrel Hill)
- Cell 3 (examples are Harrisburgh, Lancaster)
- Cell 4 (examples are Bloomsburg, Berwick, Dubois)

Fixed Charges

Mileage Charges

	<u>Fixed Charges</u>		<u>Mileage Charges</u>				<u>Fixed Component</u>		<u>Variable Component</u>	
	Local Channel	Fixed	Trans. Function	IOC Per Mile	Nr. of miles 1	Nr. of miles 5	Nr. of miles 11	Nr. of miles 19		
1.5 (DS 1) Circuits: Pa PUC 500										
Cell 1 Monthly Charges	\$210.00	\$75.00	\$0.00	\$25.00	\$520.00	\$620.00	\$770.00	\$970.00	\$495.00	\$25.00
Cell 1 Annual Charges					\$6,240.00	\$7,440.00	\$9,240.00	\$11,640.00		
Cell 2 Monthly Charges	\$225.00	\$75.00	\$0.00	\$25.00	\$550.00	\$650.00	\$800.00	\$1,000.00	\$525.00	\$25.00
Cell 2 Annual Charges					\$6,600.00	\$7,800.00	\$9,600.00	\$12,000.00		
Cell 3 Monthly Charges	\$240.00	\$75.00	\$0.00	\$25.00	\$580.00	\$680.00	\$830.00	\$1,030.00	\$555.00	\$25.00
Cell 3 Annual Charges					\$6,960.00	\$8,160.00	\$9,960.00	\$12,360.00		
Cell 4 Monthly Charges	\$270.00	\$75.00	\$0.00	\$25.00	\$640.00	\$740.00	\$890.00	\$1,090.00	\$615.00	\$25.00
Cell 4 Annual Charges					\$7,680.00	\$8,880.00	\$10,680.00	\$13,080.00		

TE

1.5 (DS 1) Circuits: Pa Intrastate

DS1 Monthly Charges	\$42.03	\$0.00	\$0.00	\$38.75	\$122.81	\$277.81	\$510.31	\$820.31	\$84.06	\$38.75
DS1 Annual Charges					\$1,473.72	\$3,333.72	\$6,123.72	\$9,843.72		

United

1.5 (DS 1) Circuits: Pa Intrastate

DS1 Monthly Charges	\$215.00	\$85.00	\$0.00	\$19.80	\$534.80	\$614.00	\$732.80	\$891.20	\$515.00	\$19.80
DS1 Annual Charges					\$6,417.60	\$7,368.00	\$8,793.60	\$10,694.40		

Commonwealth

1.5 (DS 1) Circuits: Pa Intrastate

DS1 Monthly Charges	\$270.00	\$75.00	\$0.00	\$25.00	\$640.00	\$740.00	\$890.00	\$1,090.00	\$615.00	\$25.00
DS1 Annual Charges					\$7,680.00	\$8,880.00	\$10,680.00	\$13,080.00		

Dedicated, Point-to-Point Circuit Pricing Examples

Cost = (((Local Channel+Trans. Func.) x 2 end points) +fixed) + (mileage charges x number miles)

Mid Atlantic

- Cell 1 (downtown Philadelphia and Pittsburgh)
- Cell 2 (secondary CO: in PHLA - Chestnut Hill; in PTBH - Squirrel Hill)
- Cell 3 (examples are Harrisburgh, Lancaster)
- Cell 4 (examples are Bloomsburg, Berwick, Dubois)

Fixed Charges

Mileage Charges

North Pittsburgh

1.5 (DS 1) Circuits: Pa Intrastate

	<u>Fixed Charges</u>		<u>Mileage Charges</u>				<u>Fixed Component</u>		<u>Variable Component</u>	
	Local Channel	Fixed	Trans. Function	IOC Per Mile	Nr. of miles 1	Nr. of miles 5	Nr. of miles 11	Nr. of miles 19		
DS1 Monthly Charges	\$270.00	\$75.00	\$0.00	\$25.00	\$640.00	\$740.00	\$890.00	\$1,090.00	\$615.00	\$25.00
DS1 Annual Charges					\$7,680.00	\$8,880.00	\$10,680.00	\$13,080.00		

Wilmington

1.5 (DS 1) Circuits: Pa Intrastate

	<u>Fixed Charges</u>		<u>Mileage Charges</u>				<u>Fixed Component</u>		<u>Variable Component</u>	
	Local Channel	Fixed	Trans. Function	IOC Per Mile	Nr. of miles 1	Nr. of miles 5	Nr. of miles 11	Nr. of miles 19		
DS1 Monthly Charges	\$425.00	\$0.00	\$0.00	\$55.00	\$905.00	\$1,125.00	\$1,455.00	\$1,895.00	\$850.00	\$55.00
DS1 Annual Charges					\$10,860.00	\$13,500.00	\$17,460.00	\$22,740.00		

Module1

```
'  
' Print1 Macro  
' Macro recorded 7/3/97 by Nick Giordano  
'  
'  
Sub Print1()  
Application.ExecuteExcel4Macro String:="View Manager"  
Application.ExecuteExcel4Macro String:=" VIEW.SHOW("print")"  
ActiveWindow.SelectedSheets.PrintOut Copies:=1  
Application.ExecuteExcel4Macro String:="View Manager"  
Application.ExecuteExcel4Macro String:=" VIEW.SHOW("screen")"  
End Sub
```

RURAL TELEPHONE COMPANIES
IN
PENNSYLVANIA COUNTIES

<u>County</u>	<u>Rural Telephone Company Service</u>
Butler	North Pittsburgh Telephone Company
Carbon	Palmerton Telephone Company
Columbia	Commonwealth Telephone Company
Fayette	Laurel Highlands Telephone Company
Perry	Sprint/United Telephone Company ¹
Pike	Lackawaxen Telephone Company
Wyoming	Commonwealth Telephone Company

¹ Status is pending before the Commission.

RURAL COUNTY	RURAL CARRIER	MONTHLY COST IN RURAL COUNTY (T-1 Flat + 10 Miles)¹	MONTHLY COST IN URBAN COUNTY (T-1 Flat + 2 Miles)²
Butler	Sprint ³	\$490 (\$300 + \$190.80)	\$260 (\$210 + \$50)
	N. Pgh ⁴	\$595 (\$345 + \$250)	\$260 (\$210 + 50)
	BA-Cell 4 ⁵	\$595 (\$345 + \$250)	\$260 (\$210 + 50)
Carbon	GTE ⁶	\$471.56 (\$84.06 + \$387.50)	\$260 (\$210 + \$50)
	Palmerton ⁷	\$975 (\$425 + 550)	\$260 (\$210 + \$50)
	ALLTEL ⁸	\$520 (\$270 + 250)	\$260 (\$210 + \$50)
	BA-Cell 4	\$595 (\$345 + 250)	\$260 (\$210 + 50)
Columbia	GTE	\$471.56 (\$84.06 + \$387.50)	\$260 (\$210 + \$50)
	BA-Cell 4	\$595 (\$345 + 250)	\$260 (\$210 + 50)
Fayette	BA-Cell 4	\$595 (\$345 + 250)	\$260 (\$210 + 50)
Lebanon	GTE	\$471.56 (\$84.06 + \$387.50)	\$260 (\$210 + \$50)
	BA-Cell 4	\$595 (\$345 + 250)	\$260 (\$210 + 50)
Perry	Sprint	\$490 (\$300 + \$190.80)	\$260 (\$210 + \$50)
Pike	GTE	\$471.56 (\$84.06 + \$387.50)	\$260 (\$210 + \$50)
	BA-Cell 4	\$595 (\$345 + 250)	\$260 (\$210 + 50)
Somerset	GTE	\$471.56 (\$84.06 + \$387.50)	\$260 (\$210 + \$50)
Wyoming	CT ⁹	\$264.60 (2 yr. contract)	\$260 (\$210 + 50)

¹ Premised on Carriers Statement to the PaPUC that T-1 Rate plus 10 miles is an accurate average approximation of costs to provide advanced telecommunications to schools and libraries or health care providers in rural Pennsylvania.

² Premised on Carriers Statement to the PaPUC that T-1 Rate plus 2 miles is an accurate average approximation of costs to provide advanced telecommunications to schools and libraries or health care providers in urban Pennsylvania, defined as Bell's Density Cell 1 and Bell Statement that counties in Petition are all Density Cell 4.

³ Appendix B, p. 4 and Sprint Tariff No. 29.

⁴ Appendix B, p. 5.

⁵ Appendix B, p. 4 and Bell Tariff No. 500.

⁶ Appendix B, p. 4. GTE Tariff No. 4, Section 13, Original Sheet 7 would be higher at \$1,145 Flat Rate + \$189.50 for a total of \$1335.80. For consistency, the lower figure was selected.

⁷ Appendix B, p. 4.

⁸ PaPUC Conference with ALLTEL on January 29, 1998. ALLTEL indicates that some private contracts for school districts in Greene County (rural county adjacent to Fayette and Somerset) are in the \$2000 per month range.

⁹ PaPUC Conference with Pennsylvania Telephone Association (PTA) on January 30, 1998.

DS1 SERVICE

(C)

E. RATES AND CHARGES

	<u>Installation Charge</u>	<u>Monthly Rate</u>	
1. Special Access Line - Standard Arrangement			
a. First System	\$944.03	\$270.33	
b. Each Additional System	132.75	185.00	
2. Special Transport Facility - Per Airline Mile	--	18.95	
3. Special Transport Termination		48.00	
4. DS1 to Voice Multiplexing	828.41	218.35	
5. Automatic Protection Switch	732.53	89.10	
6. Optional Payment Plan			
	<u>One Year Monthly Rate</u>	<u>Three Year Monthly Rate</u>	<u>Five Year Monthly Rate</u>
"First System" Special Access Line	\$256.81	\$231.13	\$205.45

(C) Indicates Change

Issued: January 10, 1992

Effective: March 10, 1992

DS1 SERVICE

A. DESCRIPTION OF SERVICE

DS1 Service is a two-point High Capacity Digital service that allows customers to transmit digital information through their private telephone networks. It is furnished between two customer designated locations or between a customer designated location and a Telephone Company designated Hub Wire Center where multiplexing is offered. (C)

DS1 facilities are dedicated facilities which provide for the two-way transmission of isochronous bipolar serial data at a rate of 1.544 Mbps.

The following rate elements are applicable to DS1 Service:

1. Special Access Line

The Special Access Line provides the transmission facilities to a customer designated location or the facilities between a customer designated location and the serving wire center.

There are two levels of DS1 Special Access Lines. The "First System" Special Access Line is for the first DS1 service ordered by a customer between his designated locations or a Hub Wire Center. When the same customer requests additional DS1 service on the same service order, to be installed at the same time and between the same locations as the "First System" DS1 service, the "Additional System" Special Access Line at a lesser rate will apply. Customers who subscribe to the DS1 Optional Payment Plan as described in B. following may order the "Additional System" Special Access Lines at any time at the same location as the "First System," but the terminating point may be different.

2. Transport Facility

The Transport Facility rate element provides for the transmission facilities between the serving wire centers associated with two customer designated locations, between the wire center associated with the customer designated location and the Telephone Company Hub Wire Center where multiplexing is offered, or between two Telephone Company Hub Wire Centers. The Transport Facility rate element is distance sensitive and based on airline mileage between two wire centers. (C)

3. Transport Termination

Transport Termination provides the equipment and arrangements necessary to terminate the Transport Facility at a serving wire center.

4. Multiplexing Arrangement

Multiplexing provides the equipment for converting a single DS1 circuit to 24 voice grade circuits or for converting 24 voice grade circuits to a single DS1 circuit.

5. Automatic Protection Switch

The Automatic Protection Switch consists of special switching equipment placed at both ends of a duplicate DS1 facility for automatically switching to a duplicate (standby) facility in the event the active facility is inoperative. Duplicate facilities may terminate at a serving wire center, a customer designated location, or both. The Automatic Protection Switch provided under this tariff is only provided at a serving wire center. If the duplicate facility terminates at a customer designated location, the customer will be responsible for providing the associated Automatic Protection Switch and ensuring it is compatible with the Telephone Company provided switch, if appropriate. The duplicate facilities are not a part of this element.

DS1 SERVICE

(C)

B. DS1 OPTIONAL PAYMENT PLAN (OPP)

1. Description

A customer may elect to participate in an Optional Payment Plan (OPP) arrangement for DS1 service. The OPP allows a customer to order the "First System" DS1 Special Access Line rate element over a one, three or five year payment period at rates set forth in E. following. The OPP applies to the "First System" DS1 Special Access Line ordered between a customer designated location and its serving wire center or Hub Wire Center. When the same customer orders "Additional System" DS1 service at the same location, the standard nonrecurring and monthly rates for each "Additional System" will apply.

The Telephone Company will only initiate revisions to the rates to reduce the currently effective monthly rate. Rate changes may occur as a result of Commission action.

When the customer orders a "First System" DS1 OPP Special Access Line at a location, the same customer can then order "Additional System" DS1 lines at the same location at any time and without regard to the opposing end of the circuit. However, the opposing end of the circuit must terminate within the same exchange as the customer's location. The customer will be rated a "First System" DS1 OPP Special Access Line at a location and the same customer an "Additional System" DS1 line rate for any subsequent DS1 line at the same location even if the terminating points of the DS1 circuits are different. This ordering and rating arrangement will apply to each Special Access Line per location of a DS1 OPP circuit only.

Under an OPP only, each DS1 circuit can be rated on a per Special Access Line "First or Additional System" basis. When a DS1 circuit is assessed a "First System" DS1 OPP Special Access Line at each customer designated location, both DS1 OPP lines must have the same payment period. All other associated rate elements or additional features are subject to the standard tariffed rates and regulations. When ordering "Additional System" DS1 Special Access Lines, the customer must specify his "First System" DS1 OPP circuit identification number at each location in order for the "Additional System" DS1 SAL rate to apply.

2. Payment Plan Rate Regulations

- a. Payment periods of one year, three year and five year are available to all customers at the applicable rates specified in E. following.
- b. "First System" DS1 OPP Special Access Line rates will not be greater than standard month-to-month "First System" DS1 Special Access Line rates.
- c. The three year and five year plan rates will be less than the one year plan rates. Decreases to the one year plan will flow through to the three year and five year plans.
- d. The customer must specify the payment period at the time the service is ordered.
- e. When the customer orders a move with no lapse in service and no change to the customer of record he will be able to keep the same OPP payment period in force. Any other move will be treated as a disconnect of the OPP.

(C) Indicates Change

Issued: January 10, 1992

Effective: March 10, 1992

DS1 SERVICE

(C)

B. DS1 OPTIONAL PAYMENT PLAN (OPP) (Cont'd)

3. Expiration of OPP

At the expiration of an OPP payment period, the Telephone Company will automatically renew the customer at the same OPP payment period unless the customer chooses to convert to a different OPP, convert to month-to-month standard tariff rates, or to discontinue service in compliance with the rules specified in 6. following.

Should the customer choose to convert to month-to-month standard tariff rates, existing "Additional System" DS1 Special Access Lines under the OPP must also be converted to comply with the standard arrangements rules and regulations specified in C. following. The customer will be required to submit a discontinuance of service order and establishment of new service order for the conversion. If no other changes are ordered, only the Initial Service Ordering Charge will apply per order. The ordering and installation of further "Additional System" DS1 Special Access Lines will also convert to the standard arrangements.

4. Early Termination Liability

When a "First System" DS1 OPP Special Access Line is discontinued prior to the end of the payment period, two levels of termination liability may apply based on the remainder of the OPP payment period in effect at the time of disconnect as indicated below.

One Year OPP

50% of any remaining portion of the first year's recurring charges.

Three Year OPP

50% of any remaining portion of the first year's recurring charges. In addition, for any remaining portion of the second and third year, the customer will be liable for 10% of the total monthly charges in that time period.

Five Year OPP

50% of any remaining portion of the first year's recurring charges. In addition, for any remaining portion of the second through fifth year, the customer will be liable for 20% of the total monthly charges in that time period.

5. Early Termination Without Liability

During the OPP payment period, should the currently effective rate for a customer's "First System" DS1 OPP Special Access Line increase, the customer may, at his option, terminate the service without penalty or liability.

6. Notification of Discontinuance

Notice of discontinuance must be given by the customer at least thirty (30) days prior to actual discontinuance. Monthly charges will apply for a period of thirty (30) days from the date the Telephone Company receives discontinuance notification or until the requested discontinuance date, whichever period is longer.

(C) Indicates Change

Issued: January 10, 1992

Effective: March 10, 1992

DS1 SERVICE

(C)

B. DS1 OPTIONAL PAYMENT PLAN (OPP) (Cont'd)

7. Conversions

- a. For conversion of an existing standard DS1 service to an OPP arrangement of choice, the customer will be required to submit an order discontinuing service and an order to establish new service. Continuous provisioning and billing of the service(s) to the same customer will be provided. If no other changes to the service(s) are ordered, only the Initial Service Ordering Charge will apply for the conversion.
- b. During an OPP period, the customer may elect to convert to a new OPP period of the same or different length. Conversion to a new OPP period will be allowed without penalty or application of any nonrecurring charges or ordering charges if the expiration date of the new OPP period is greater than the remainder of the original OPP period.
- c. When a customer converts to an OPP, the monthly rates will be as set forth in E. following for the "First System" DS1 OPP Special Access Line.
- d. As specified in a., under an OPP a "First System" DS1 OPP Special Access Line must exist at a customer location in order for the "Additional System" DS1 Special Access Line to apply at the same location. Should it become necessary for the customer to convert an "Additional System" DS1 line existing under an OPP arrangement to a "First System" DS1 OPP line to meet these requirements, the following ordering conditions and charges will apply. Conversion credit will not be given for the time in service associated with the discontinued "First System" DS1 OPP line.
 - The Subsequent Service Ordering Charge will apply when the conversion is to a "First System" DS1 OPP payment period equal to or greater than the discontinued DS1 circuit and remains connected at the same location. Both ends, each Special Access Line, of the converted DS1 circuit must have the same payment period and termination liability charges will not apply to convert the existing line(s).

(C) Indicates Change

Issued: January 10, 1992

Effective: March 10, 1992

DS1 SERVICE

(C)

C. APPLICATION OF RATES

1. Ordering Charges

The Service Ordering Charges as set forth in Section 3 of this tariff will apply to the ordering of DS1 service.

2. DS1 Special Access Line

a. Monthly Rates

One Special Access Line charge applies per customer designated location at which the DS1 facility is terminated. This charge applies even if the facilities to the customer designated location do not transit a serving wire center. The charge also applies if the customer designated location and the serving wire center are co-located in a Telephone Company building.

b. Installation of a DS1 Special Access Line

(1) Standard Arrangements

There are two levels of charges for the installation of the DS1 Special Access Line. The "First System" charge is assessed per Special Access Line for the first DS1 service ordered by a customer between his designated locations or a Hub Wire Center. When the same customer requests additional DS1 service on the service order, to be installed at the same time and between the same locations as the "First System" DS1 service, the lesser charge under "Additional System" will apply.

(2) Optional Payment Plan (OPP)

Customers subscribing to the Optional Payment Plan arrangements will not be assessed a nonrecurring charge (NRC) for initial installation of a "First System" DS1 Special Access Line. For each "Additional System" DS1, the NRC as set forth following will apply. In addition, under an OPP, the "Additional System" DS1 Special Access Line, may be ordered at any time by the same customer between the same location and its serving wire center or Hub Wire Center as the "First System" DS1 line.

The NRC for installation of a "First System" DS1 Special Access Line will apply to existing DS1 OPP customers when required for changes or service rearrangements.

3. Transport Facility

The mileage used to determine the monthly rate for the Transport Facility is calculated on the airline distance between the serving wire centers involved. Where the calculated miles include a fraction, the value is always rounded up to the next full mile. Where the calculated value is zero, no Transport mileage is charged.

When a Hub Wire Center is involved, the Transport mileage will be measured from the Hub Wire Center to the serving wire center of each customer designated location connected to the hubbed facilities. Mileage is calculated for each section and rates are applied accordingly.

The rates for the mileage are applied per airline mile.

4. Transport Termination

One Transport Termination charge applies for the termination of each end of a Transport Facility for DS1 service.

(C) Indicates Change

Issued: January 10, 1992

Effective: March 10, 1992

DS1 SERVICE

(C)

C. APPLICATION OF RATES

5. Multiplexing Arrangement

A nonrecurring Installation Charge and monthly rates as set forth in E. following are applicable to the DS1 to Voice Multiplexing Arrangement.

6. Automatic Protection Switch

A nonrecurring Installation Charge and monthly rates as set forth in E. following are applicable to the Automatic Protection Switch.

7. Special Access Surcharge

A monthly surcharge of \$25.00 per voice grade circuit equivalency will be assessed to each DS1 Special Access Line when the service is capable of interconnecting with the local telecommunications network. Twenty-four (24) voice grade circuits equate to one (1) DS1 Special Access Line.

The DS1 service will be exempted from the monthly Surcharge if the customer provides the Telephone Company with written certification that the termination of the circuit(s) is one of the following:

- a. The dial tone end of a foreign central office line.
- b. A termination used for closed circuit radio or television transmission.
- c. A termination of a line used for Telex purposes.
- d. A termination of a line which by nature of its operating characteristics and connection could not make use of common lines.
- e. A termination that has been configured through software programming or physical restrictions which the customer certifies to the Telephone Company is not connected to a PBX or other device capable of interconnecting the service to the local telecommunications network.

In order for the Telephone Company to determine the application of the surcharge with respect to specific services, the customer must report the intended use of each voice equivalent circuit DS1 service. When any circuit is reported wholly used in any manner described in a. through e. preceding, the surcharge will not apply. If the intended use is not reported, the surcharge will apply.

If, at any time after the installation of a service which is subject to the surcharge, the customer reports that the service is being used consistently with any exception listed above, the Telephone Company will credit the customer for the surcharge. Credit will not be given beyond the receipt date of the certification for exemption.

D. TREATMENT OF EXISTING CUSTOMERS

1. Customers currently subscribing to DS1 service under Individual Case Basis (ICB) rates will be allowed to continue their service at their existing rates for the length of their individual contracts. At the end of the contract period, if the customer chooses to continue his DS1 service, the tariff rates in effect at that time will apply.
2. Customers subscribing to DS1 service under an ICB contract who wish to convert to a DS1 Optional Payment Plan of a length the same or longer than their current contract may do so. The DS1 OPP rates as shown in E. following will apply and the customer will not be assessed a termination liability charge. Conversion regulations as set forth in B.7. preceding will apply.
3. Any changes from existing ICB contracts other than stated in 2. above, will be considered a discontinuance of service and termination liability charges will apply.

(C) Indicates Change

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