

GENERAL PROVISIONS (Cont.)
SECTION 28 – UNIVERSAL SERVICE

28.1 General

28.1.1 The purpose of Universal Service is to provide telecommunications services of comparable quality to all segments of society and in all geographical areas of Puerto Rico. Telecommunications services will be available in Puerto Rico at just and reasonable prices. Advanced telecommunications services will be available in all municipalities and communities, all public or non-profit health service installations in rural zones; as well as in public or non profit schools and libraries in Puerto Rico. The Company will contribute, on an equitable and non-discriminatory basis, to the preservation and development of Universal Service in Puerto Rico.

28.1.2 Universal Service provides a "Lifeline" subsidy (qualified residential customers), subsidy for Schools and Libraries, and subsidy for Rural or non-profit Health Care Institutions.

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28.2 Supported Services

The Universal Service shall support the following services or functionalities:

- 28.2.1 Voice grade access to the public switched network
- 28.2.2 Touch-tone signaling (DMTF) or its equivalent functionality
- 28.2.3 Individual access line service
- 28.2.4 Access to emergency services, including 911¹ and repair service (Repair Service Bureau – RSB)
- 28.2.5 Access to long distance services
- 28.2.6 Access to operator and directory assistance services
- 28.2.7 Long distance blocking and call control for qualifying low-income consumers
- 28.2.8 Telephone Relay Services (TRS)

¹The \$0.50 and \$1.00 charge per residential and business line, respectively, established under the Law 144 of December 22, 1995, that does not constitute a tariff but a contribution for the administration of the fund of said emergency service, does apply.

GENERAL PROVISIONS (Cont.)

SECTION 28 – UNIVERSAL SERVICE (Cont.)

28.3 Programs

28.3.1 Subsidy for Qualifying Low Income Customers

(A) General

- (1) Only one residential line will qualify for subsidy.
- (2) The Local Universal Service Charge as prescribed under Section 28.4 following will not apply to customers participating in the Lifeline program for their basic service monthly rent.
- (3) Customers may be eligible for the Lifeline program if they currently participate in one or more of the following programs:
 - (a) Federal Nutritional Assistance Program administered by the Puerto Rico’s Department of the Family (“Programa de Asistencia Nutricional – PAN”, as it is known in Puerto Rico).
 - (b) Low-Income Home Program or any official Home Energy Assistance Program.
 - (c) Federal Public Housing Assistance or Section 8
 - (d) Medicaid
 - (e) Supplemental Security Income (SSI)
 - (f) Temporary Assistance to the Needy Family (TANF)
 - (g) National School Lunch Program

In addition, customers may be eligible if their household income is at or below 135% of the Federal Poverty Guidelines applicable to the 48 contiguous states and D.C.

(B) Lifeline

- (1) The Lifeline program lowers the cost of monthly local telephone service for \$9.25. The monthly discount follows:

Federal Subsidy	\$9.25	
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Total Subsidy	\$9.25	
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- (2) Effective July 1, 2015, the Company will offer an additional discount of \$2.50 to the clients that have been active and subscribed to the Lifeline program at June 30, 2015, as long as they remain eligible and participating on the program, do not cancel or lose the existing service. This only apply to wireline telephony service.

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GENERAL PROVISIONS (Cont.)
SECTION 28 – UNIVERSAL SERVICE (Cont.)

28.3 Programs (Cont.)

28.3.1 Subsidy for Qualifying Low Income Customers (Cont.)

(B) Lifeline (Cont.)

(3) The discount amount shall not exceed the basic service monthly rent.

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28.3.2 Schools and Libraries Program

(A) School and libraries may be eligible for reduced rates funded by the federal universal service fund.

(B) Public and private schools (grades Kindergarten – Twelve) and public libraries may be eligible for discounts (support) through the School and Libraries Universal Support Mechanism (E-Rate Program) in connection with telecommunication services and Internet Access.

(C) The Eligible Service List (List) indicates the specific products and services that may be able to receive discounts under the E-Rate Program. The List is available at the following website address:
<http://www.universalservice.org/sl/about/eligible-services-list.aspx>

(D) Application for Support

The Customer will abide by all E-Rate Program rules for receipt of support. The Customer is responsible for applying to the School and Libraries Division (SLD) of the Universal Service Administrative Company (or other authorized E-Rate Program administrator) for support each year the Customer is eligible for the support. The Customer will notify the Company in writing within 30 days of receipt of a Funding Commitment Decision Letter from the SLD along with a copy of the notice and other relevant documentation as requested by the Company.

GENERAL PROVISIONS (Cont.)
SECTION 28 – UNIVERSAL SERVICE (Cont.)

28.3 Programs (Cont.)

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28.3.2 Subsidy for Qualifying Low Income Consumers (Cont.)

(E) Receipt of Support

The Customer will pay, in full, all invoices issued by the Company prior to Company's receipt of notification from the Funding Source acknowledging the Customer's receipt of service. Upon notification, the Company will apply discounts to the Customer's invoices or reimburse the Customer according with the Funding Commitment Decision Letter. The Customer is responsible to apply for SLD reimbursement (instead of receiving discounted Company bills) for all eligible customer premise equipment rentals or other financed arrangements. The Company reserves the right to require the Customer to seek SLD reimbursement (instead of receiving discounted Company bills) if the Customer has not received its Funding Commitment Decision Letter from the SLD by December 31 of the funding year. All discounts and or reimbursements will be retroactive to the date authorized by the SLD funding year. The Company will either apply a credit to the Customer's account or provide the Customer with a check corresponding to the appropriate amount of support based on the service received.

(F) Failure to Obtain Support

The Customer will reimburse the Company if the SLD fails to do so or if the FCC or SLD reclaim any portion of support sent to the Company on Customer's behalf. Customer will not be responsible for support withdrawn due to Company's material failure to provide the service.

28.3.3 Subsidy for Health Care Facilities-Rural Zone

(A) Subsidy for Health Care Facilities-Rural Zone is a universal service support mechanism that provides reduced rates to Rural Health Care Providers for telecommunications and Internet services necessary for the provision of health care.

(B) Applicants to the program must be rural and public or non-profit health care providers of the types listed below:

- (1) Post-secondary educational institution offering health care instruction, teaching hospital or medical school
- (2) Community health center or health center providing health care to migrants
- (3) Local health department or agency

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GENERAL PROVISIONS (Cont.)

SECTION 28 – UNIVERSAL SERVICE (Cont.)

28.3 Programs (Cont.)

28.3.3 Subsidy for Health Care Facilities-Rural Zone (Cont.)

(B) Applicants to the program must be rural and public or non-profit health care providers of the types listed below: (Cont.)

(4) Community mental health center

(5) Not-for-profit hospitals

(6) Rural health clinic

(7) Consortia of health care providers consisting of one or more of the above entities

28.4 Puerto Rico Universal Service Charge

28.4.1 The Puerto Rico Universal Service Charge (PRUSF) recovers the Company contributions to provide telecommunications services under the different programs authorized by the Puerto Rico Telecommunications Regulatory Board (PRTRB).

28.4.2 The PRUSF consists of a contribution factor of .0139, which is applied to local and intra-island telecommunication services subject to contribution to the Puerto Rico Universal Service Fund. (A)

28.4.3 The PRUSF shall periodically change in accordance to the contribution rates specified by the PRTRB as adjusted for Lifeline