

6-1

Church of Scientology International
6331 Hollywood Blvd.
Los Angeles, California 90028
Form 1023

Page 4B

Part II, Questions 11a & 11b, Determination of Charges

CSI's policy for setting prices and contribution rates include the following criteria: all prices and rates are set to enable churches of Scientology to provide the services, Scriptures and other materials of the religion to more and more members of the general public so that everyone eventually can achieve spiritual salvation. CSI accomplishes this policy by requiring all pricing proposals to undergo extensive review by the executives of the ecclesiastical hierarchy who are involved in the production, dissemination or delivery of the publication, service or material involved. This extensive review is ecclesiastically mandated to ensure each proposal meets the following three criteria.

First, the fixed donation amount must be affordable to a broad segment of the general public. Second, the amount must enable the Church to recover the costs of production or delivery of the materials. Third, the amount must be sufficient to enable the Church to remain operational so it can continue performing its religious functions, replenish stocks (in the case of religious material) and expand so it can provide for or minister to an ever growing congregation.

While CSI employed different methods to implement this policy over the years, the basic principles and review procedures have remained unchanged.

Like churches of other faiths -- Protestant, Catholic, Jewish, Mormon and others -- Churches of Scientology provide a place where their parishioners can go to meet with others of the same faith for fellowship, social intercourse, consultation or assistance. Whereas the members of these other faiths meet at their churches only on Sundays or at very limited times, almost all Churches of Scientology are open seven days a week, and Scientologists are welcome during all waking hours. Scientologists are free to spend as much time as they want at their churches talking or consulting with the Church's staff or other Scientologists, whether to discuss a particular problem or some religious matter, or just for religious fellowship. These very valuable religious services are provided at no charge.

On a more formal basis, there are various forms of counseling that Church of Scientology members can receive from

22

Church of Scientology International
6331 Hollywood Blvd.
Los Angeles, California 90028
Form 1023

Page 4C

Part II, Questions 11a & 11b, Determination of Charges

their churches. This includes counseling by the Chaplain relating to any aspect of their lives that is giving them difficulty, particularly marriage and family counseling. This service is generally provided at no charge.

Churches of Scientology also provide ethics counseling and advice, and assistance in times of crisis, at no charge. They also provide religious ceremonies and services such as weddings, funerals and naming ceremonies (i.e. baptisms) free of any contribution.

Any member of a Church of Scientology is also welcome at no charge to attend weekly Sunday services, at which Scientology beliefs and tenets are discussed. Church members are also welcome to attend the observance of their Church of Scientology holidays which are usually celebrated in a congregational gathering in which members are briefed on the activities and accomplishments of the Church and hear from ecclesiastical leaders of the Church.

There also are several ways in which Scientologists may receive free Scientology auditing. Church staff members are entitled to receive auditing at no charge up to the level provided by their particular Church. A great deal of auditing is ministered on this basis.

Parishioners who are participating in religious training audit other students, Church staff or other members of the congregation as part of their training in order to learn the correct application of the religious tenets and practices they are studying. There is no limitation on the amount of auditing one can provide to others or receive in this manner. There is no charge for auditing provided in this way, even though the services necessarily require the assistance of Church staff such as a Course Supervisor and a Case Supervisor to ensure that the student is correctly ministering the services.

7
Churches of Scientology also sponsor "Free Scientology Centers" where individuals who cannot afford auditing may go to receive auditing from students at no charge. Charity auditing is also available for individuals who are in personal distress or must complete an action but cannot afford the requested contribution.

E3

Church of Scientology International
6331 Hollywood Blvd.
Los Angeles, California 90028
Form 1023

Page 4D

Part II, Questions 11a & 11b, Determination of Charges

Introductory auditing also is provided free.

The amount of free religious services that churches of Scientology provide is extensive. Recently two churches of Scientology and one Scientology mission located in different parts of the country monitored the religious services ministered to their congregations. They found that they minister an average of 27 to 33 percent of their religious services without charge.

CSI limits the organizations to which it provides its services and materials to organizations within the Church of Scientology ecclesiastical hierarchy.

Part II, Question 12 - Legislative Activities

CSI may present its views on legislative proposals concerning matters that affect its religious and social goals to Congress, state legislatures, local governing bodies and the general public. Such proposals may include matters concerning religious freedom and the curtailment of abusive psychiatric practices. Any legislative activities CSI may engage in will be de minimis in relation to its overall program of activities.