

# **Minnesota's Telephone Assistance Program (TAP)**

## ***A Refresher***

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- 1 - [Telephone Discount Application Form](#)**
- 2 - [Template for Annual Notice to Customers](#)**
- 3 - [TAP Reporting Instructions & Form](#), January 3, 2011 version**
- 4 - [Tariff Template](#)**

## **I. Introduction**

The Minnesota Telephone Assistance Plan (TAP) is a state program that provides financial support through bill credits to eligible telephone customers. TAP has provided more than \$40.6 million of telephone assistance to Minnesota participants since the program's implementation in 1988.

## **II. History of TAP**

In 1987, the Legislature created the TAP program to be administered jointly by the telephone companies, the Public Utilities Commission (Commission) and the Department of Human Services. The program was initially designed to provide monthly credits to the telephone bills of low-income customers who are also either at least 65 years old or disabled. Applications were verified by the Department of Human Services before benefits were granted to subscribers.

The program underwent significant changes since 2003. Most notable developments include a) a Minnesota law that took effect on August 1, 2003 that allowed TAP to mirror the eligibility requirements of the federal Lifeline program<sup>1</sup>; and b) an Order by the Federal Communications Commission that expanded the eligibility for Lifeline effective July 22, 2004.<sup>2</sup> The current state TAP program supplements the federal Lifeline program and allows for increased benefits to Lifeline participants from Minnesota.

Despite a decrease in the number of access lines, from 2.8 million at the end of 2002 to about 2.2 million by June of 2010, TAP is experiencing a significant increase in participation during the same period. Resulting mainly from the change in the state eligibility criteria to match the federal Lifeline eligibility criteria, TAP participation has increased from 33,098 in 2002 to 63,529 by middle of 2010. Participation rates and other TAP-related data are available from the Commission.

In lieu of the verification work done by the Minnesota Department of Human Services, a subscriber now self-certifies his or her eligibility to the local telephone service provider. The program is now jointly administered by the Public Utilities Commission, the Department of Commerce, and the local service providers.

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<sup>1</sup> SF 1260/HF 1115 and Minn. Stat. 237.70.

<sup>2</sup> FCC Report and Order and Further Notice of Proposed Rulemaking, FCC 04-87 released on April 29, 2004, and published in the Federal Register on June 22, 2004.

### **III. Related Assistance Programs**

An understanding of TAP is not complete without also understanding some related programs. As earlier mentioned, TAP currently mirrors the eligibility criteria of the federal Lifeline and Link-Up programs.

At the state level, TAP, Telecommunications Access Minnesota (TAM) and 9-1-1 are all assistance programs that are paid for by all local telephone service subscribers through a combined monthly bill surcharge. Pursuant to [Minn. Stat. § 403.11, subd. 1\(c\)](#), the collections by local service providers related to the surcharges for TAP/TAM/911 are remitted to the Department of Public Safety. Forms for remitting the surcharge collections are available by at the Department of Public Safety's [911 program website](#).

The features of the related programs are:

#### **A. The Federal Lifeline Program**

Lifeline is a component of the federal universal service program designed to provide low-income individuals with monthly telephone service discounts. Currently, Lifeline provides up to approximately \$9.13 in monthly credits, composed of the following tiers: Tier 1, corresponding to the waiver of the subscriber line charge which averages about \$6.50, Tier 2 which is an additional benefit from the Telecommunications Act of 1996 of \$1.75, and Tier 3 which is capped at 50% of the TAP benefit available to subscribers from states with matching programs, now amounting to \$0.88. Additional benefits are available to subscribers living on federally-recognized reservations.

#### **B. The Federal Link-Up Program**

Link-Up is a component of the federal universal service program designed to provide low-income individuals with discounts of up to 50% on telephone service installations, not to exceed \$30.00. Additional benefits are available for low-income subscribers living on reservations.

All telecommunications carriers that provide interstate and international telephone service pay contributions into the federal universal service fund. Further information on both Lifeline and Link-Up programs are available at the [Federal Communication Commission](#) and the [Universal Service Administrative Company \(USAC\)](#).

#### **C. The Telecommunications Access Minnesota Program (TAM)**

The program was formerly known as Telecommunications for Communication-Impaired Persons (TACIP) and provides telecommunications relay service between communication-impaired persons and conventional telephone subscribers pursuant to [Minn. Stat. §§ 237.50-.56](#). TAM also distributes telecommunications equipment to qualified participants. The Department of Commerce oversees the program. Information about TAM is

available from [Minnesota Relay](#) at the MN Department of Commerce. Questions about the program may be directed to the TAM Administrator/DOC at [rochelle.garrow@state.mn.us](mailto:rochelle.garrow@state.mn.us) or 651-297-8941 or 1-800-657-3599.

#### D. The State 9-1-1 Program

9-1-1 is the statewide emergency response system and is governed by [Minn. Stat. § 403](#). The Department of Public Safety coordinates the program and sets the surcharge level. Questions related to 9-1-1 may be directed to the 9-1-1 program manager at 651-201-7550. More information can be accessed at [www.911.state.mn.us](http://www.911.state.mn.us).

### IV. TAP Features

TAP provides monthly credits to low-income subscribers who also qualify for Lifeline. [Minn. Stat. §§ 237.69 - .711](#) govern TAP. [Minnesota Rules Chapter 7817](#) provides guidelines on the implementation of the program. The major features of TAP are:

#### A. Eligibility Criteria

A subscriber qualifies for TAP if he or she qualifies for Lifeline. Pursuant to the FCC Order in WC Docket No. 03-109 effective July 22, 2004, qualification is based on:

1. Income at or below 135 percent of the Federal Poverty Guidelines. Or,
2. Participation in one of the following federal assistance programs.
  - Medicaid/Medical Assistance;
  - Food Stamps/Food Support;
  - Supplemental Security Income;
  - Federal Housing Assistance (Section 8);
  - Low-Income Home Energy Assistance Program (LIHEAP);
  - National School Lunch Program's Free Lunch Program; or
  - Temporary Assistance for Needy Families (also referred to in Minnesota as MFIP or the Minnesota Family Investment Program).

Subscribers living on federally-recognized reservations may also qualify if they receive benefits from one of the following programs: Bureau of Indian Affairs' General Assistance, Tribally administered Temporary Assistance for Needy Families, and Head Start, and the National School Lunch Program's free lunch program.

Under the income eligibility, subscribers should prove that their income is at or below 135% of the federal poverty guidelines as released in the Federal Register and available online at [www.aspe.hhs.gov/poverty](http://www.aspe.hhs.gov/poverty).

The following table shows 135% of the 2010 federal poverty guidelines<sup>3</sup>:

<u>Household Size</u>	<u>Income</u>
1	\$ 14,621
2	19,670
3	24,719
4	29,768
5	34,817
Each add'l person	5,049

Any of the following documents should be attached to the application to prove income eligibility:

- Last year's State, Federal or Tribal Tax Return
- A current annual income statement from employer
- Three *consecutive* months of most recent paycheck stubs
- Veterans Administration Benefits Statement
- Unemployment/Workers' Compensation Statement
- Social Security Benefits Statement
- Retirement/Pension Benefits Statement
- Divorce Decree
- Child Support Document
- Other

Under the program eligibility, subscribers can self-certify that they receive benefits from any of the qualifying programs listed in the application.

#### **B. TAP Application**

An application form must be completed by the subscriber for the purpose of certifying eligibility for the program.

The local service provider is required to notify each subscriber of the TAP availability pursuant to Minn. Stat. §237.70, subd. 7, and to mail each prospective applicant a TAP application form upon request. The **Minnesota Telephone Service Discount Application Form** is shown in Attachment 1.

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<sup>3</sup> Until publication of updated guidelines, the poverty guidelines for 2011 were determined to mirror the 2010 figures. The US Department of Health & Human Services expects to issue the 2011 poverty guidelines during the second half of January.

### **C. TAP Benefits**

**Minn. Stat § 237.70 requires the Commission to set the amount of monthly credit; the credit is presently at \$1.75 per month per eligible household as set in the Commission's Order dated April 11, 2001. The law provides that the TAP credit a) be up to the amount available under the federal matching plan; b) may not exceed more than 50 percent of the local exchange rate by the local telephone exchange provider; and c) may not exceed what can be funded from the surcharge collections.**

**The TAP credit is in addition to the Lifeline benefit.**

### **D. Funding**

**The Commission is authorized to assess a monthly surcharge not to exceed ten cents per access line. The surcharge is presently set at \$0.07 per access line per month based on the Commission's April 11, 2001 Order. The surcharge is remitted by the local service providers to the Department of Public Safety in combination with the surcharges collected for the Telecommunications Access Minnesota and the 9-1-1 programs.**

### **E. Complaint Investigation**

**Any complaints against local service providers related to TAP shall be investigated by the Department of Commerce and results of any investigation shall be reported to the Commission.**

### **V. Obligations of Local Telephone Service Providers**

**Minnesota Statutes, Chapter 237 and Minnesota Rules, Chapter 7817 governing the Telephone Assistance Plan program are available online at the [Minnesota Office of the Revisor of Statutes](#).**

**Although federal rules only require Eligible Telecommunications Carriers (ETCs) to provide Lifeline and Link Up assistance, Minnesota's state TAP program requires all local telephone companies, including competitive local exchange carriers, to provide telephone assistance to qualified customers and to remit TAP contributions for all access lines in the state. The TAP laws and Commission rules apply to each telephone company defined in Minn. Stat. § 237.01 as "any person, firm, association, or any corporation, private or municipal, owning or operating any telephone line or telephone exchange for hire, wholly or partly within this state, or furnishing any telephone service to the public."**

Among the local telephone service providers' obligations related to TAP are:

**A. Customer Notice**

All ETCs are required to give notice of the availability of Lifeline and Link-Up and TAP programs. In addition, Minn. Stat. §237.70, subd. 7(b) requires each telephone service provider to annually mail a notice of the availability of the program to each residential subscriber. A suggested template of the **Annual Notice to Residential Customers** is shown in Attachment 2.

**B. Certification and Verification**

Upon a subscriber's request, the telephone service provider is required to mail the application form. For program-based eligibility, an applicant's self-certification under penalty of perjury, is deemed sufficient. For income-based eligibility, the provider must require applicants, in addition to the self-certification, to provide documentation of income eligibility at enrollment. The credits against monthly charges should be applied in the earliest possible month following receipt of the application.

The Commission also requires service providers to conform to verification procedures adopted to ensure that subscribers are eligible for benefits. Upon verification of ineligibility, a subscriber's enrollment is discontinued.

In Docket No. P999/CI-10-135, the Commission also required each local service provider audited by the FCC to submit a copy of the FCC audit report when it becomes available.

**C. Surcharge Collection and Remittance**

The TAP laws require local service providers to collect the TAP surcharge and to remit such collections to the Department of Public Safety for deposit in the TAP fund in accordance with Minn. Stat. § 403.11. The TAP surcharge may be combined with surcharges for 911 and TAM.

**D. Recording and Reporting**

The TAP statutes require telephone companies to maintain adequate records of surcharge revenues, expenses and credits related to TAP.

The statutes also require telephone companies to file either monthly or quarterly reports no later than 30 days after the end of the selected reporting period. For reporting TAP revenues and expenses for reimbursement, the Commission has devised the **TAP Reimbursement Reporting Form and Instructions** (Attachment 3). For verification of collections remitted to the Department of Public Safety, and following the procedures suggested by the Legislative Auditor, a copy of the remittance of collection to the Department of Public Safety should also

be attached to the **TAP Reimbursement Reporting Form** when eFiled.

**E. Tariff Filing**

A copy of the suggested tariff template is shown in Attachment 4.

**F. Annual Reporting**

Each local service provider is required to provide the Commission and the Department of Commerce, either as part of its annual report or separately, a financial report of its experience under the plan for the previous year. The report shall be adequate to satisfy any reporting requirements of the federal matching fund.

**VI. Electronic Copy and Contact Information**

Telephone Assistance Plan program forms and reimbursement process inquiries may be directed to Commission staff, Lillian Brion, at [lillian.brion@state.mn.us](mailto:lillian.brion@state.mn.us) or 651-201-2216.

Telecommunications Access Minnesota program information and compliance forms are available from the Department of Commerce's website at [www.commerce.state.mn.us](http://www.commerce.state.mn.us) (*Click on Minnesota Relay, then "Telecommunications Carriers."*). TAM program inquiries may be directed to Commerce staff, Rochelle Garrow, at [rochelle.garrow@state.mn.us](mailto:rochelle.garrow@state.mn.us) or 651-297-8941.

9-1-1- Program forms and reimbursement process inquiries may be directed to Department of Public Safety staff, Jackie Mines, at [jackie.mines@state.mn.us](mailto:jackie.mines@state.mn.us) or 651-201-7550.

Consumers with eligibility inquiries may contact the Minnesota Public Utilities Commission Consumer Affairs Office at [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us) or 651-296-0406 or 1-800-657-3782.