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20 August 2014

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

**RE: Telephone Assistance Plan (TAP)**  
Docket No. P999/CI-14-470

Dear Dr. Haar:

Attached are the comments of the Minnesota Telecom Alliance (MTA) in the following matter:

Telephone Assistance Plan (TAP) Benefit and Surcharge Levels

The MTA is available to answer any questions the Minnesota Public Utilities Commission may have.

Cordially,

Brent J. Christensen  
President/CEO

STATE OF MINNESOTA  
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David C. Boyd	Commissioner
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
Betsy Wergin	Commissioner

In the Matter of Telephone Assistance Plan (TAP  
Benefit and Surcharge Levels

MPUC Docket No. P999/CI-14-470

**COMMENTS OF MINNESOTA TELECOM ALLIANCE**

The Minnesota Telecom Alliance (MTA)<sup>1</sup> submits these comments to the Minnesota Public Utilities Commission (Commission) regarding TAP benefit and surcharge levels. In their August 5, 2014 Notice of Comment Period, Commission staff asked the following question; “What if any changes should the Commission make to the benefit and/or surcharge levels?” The MTA offers the following for consideration in response to the question:

1. The MTA supports the staff recommendation to accept the TAP reports. The level of funding appears to be sufficient to meet current needs.
2. No changes to the TAP surcharge or TAP credits are needed now. Given the Commission increased the credit and reduced the surcharge less than twelve months ago, it seems prudent that the Commission wait to make any further adjustments to the surcharges or credits until the effects of last year's changes as well as ongoing changes in customer subscription levels can be seen. With less than a full year of history, it seems overall effects of the these changes are not yet known.
3. MTA agrees that the current \$12.75 credit is providing a significant benefit to eligible Minnesota subscribers. Additional increases to the TAP credit do not appear to be

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<sup>1</sup> The MTA is a trade association representing the interests of over 40 small, medium, and large companies that provide advanced telecommunications services, including voice, data and video to consumers throughout rural, suburban and urban Minnesota.


necessary at this time. The TAP credit of \$3.50, combined with the \$9.25 federal Lifeline Credit, equates to a \$12.75 credit per household, which is about 80% of an average \$16 monthly telephone bill. MTA agrees with Staff that the federal and state discounts for low-income telephone service were intended to provide discounts, not free service. Increasing the level of the state TAP credit moves low-income customers towards free service, rather than discounted service. Further, increasing the TAP credit does not result in any additional federal support since federal Lifeline support is now a fixed, flat \$9.25 per month. Previously, the federal Lifeline benefit was partially based on the amount of state credit provided.

4. MTA believes the Commission should wait until next year to re-examine whether an adjustment to the surcharge is necessary. Based on the limited data available, it appears that current funding level is sufficient and the Commission should wait to see whether the current levels of Lifeline/TAP subscribers have stabilized or if levels will increase again as the recertification process becomes more stable and outreach to eligible but non-participating households is successful.

Dated: August 20, 2014

Respectfully submitted

MINNESOTA TELECOM-ALLIANCE



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