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November 18, 2019

Mr. Daniel Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101-2147

**Re: In the Matter of Telephone Assistance Plan Review**  
**Docket No. P999/CI-19-539**

Dear Mr. Wolf:

The Office of the Attorney General—Residential Utilities and Antitrust Division (“OAG”) respectfully submits this letter in response to the Notice of Comment Period on TAP Budget (“Notice”) issued by the Minnesota Public Utilities Commission (“Commission”) on October 29, 2019, in the above-entitled matter.<sup>1</sup> The purpose of this letter is to draw the Commission’s attention to the continuing decline in customer participation in the Telephone Assistance Plan (“TAP”) program and to recommend a re-examination of the TAP questions raised by the Commission in Docket P999/CI-18-112 if, at the time the next six month review is filed, those participation numbers continue to show a decline.

Under Minn. Stat. § 237.69-71, the Commission is the coordinator of TAP, a program that provides monthly bill credits to low income telephone subscribers. The bill credits are funded by a monthly surcharge on every wireline access line in the state.

On October 3, 2018, in response to a six month review report filed by the TAP Administrator,<sup>2</sup> the Commission issued a Notice of Comment Period seeking comments on: (1) whether any changes should be made to the TAP credit and surcharge amounts; (2) whether the TAP credit was too low; and (3) whether the Commission should take any other actions related

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<sup>1</sup> *In the Matter of Telephone Assistance Plan Review*, Docket No. P999/CI-19-539, Notice of Comment Period on TAP Budget (Oct. 29, 2019).

<sup>2</sup> PUC Report, *Telephone Assistance Program (TAP) January through June 30, 2018, Six Month Review*, Docket No. P999/CI-18-112 (Aug. 28, 2018) (“August 2018 Report”).

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to the effectiveness of the TAP program.<sup>3</sup> In response to that notice, the OAG explained that the primary reasons for declining enrollment in the TAP program appeared to be that the TAP credit did not extend to cellular or wireless telephone service and the credit was too low for many customers to see the value in applying for the program.<sup>4</sup> The OAG recommended an increased TAP credit of \$9.00 and an increased TAP surcharge of \$0.10.<sup>5</sup> Additionally, the OAG proposed the use of TAP funds for program outreach, and requested that the Commission specifically direct that outreach and promotional actions be taken.<sup>6</sup>

On January 15, 2019, the Commission set the TAP credit at \$7.00 per month with a supporting surcharge of \$0.10 and directed Commission staff and local service providers to engage in defined TAP program outreach efforts.<sup>7</sup> On August 6, 2019, the Commission approved a proposal developed by the Commission's Consumer Affairs Office ("CAO") that had been presented to the TAP/Lifeline Advisory Group.<sup>8</sup> That proposal sought to "improve public awareness of the TAP . . . program through two broad approaches, one focusing on contact with key government agencies to reach qualified Minnesota residents, and the other focusing on contact with telecom providers."<sup>9</sup> The proposal also required the development of training and communication materials.<sup>10</sup>

The TAP six month review reports have shown declining numbers of TAP subscribers since at least the January through June 30, 2018 time period,<sup>11</sup> and the current report is no exception.<sup>12</sup> Specifically, TAP enrollment has decreased from 17,625 in the January-June 30, 2018 report<sup>13</sup> to 14,970 in the January-June 30, 2019 report.<sup>14</sup> That is a drop of 2,655 subscribers in one year.

The OAG understands that the CAO proposal has only been in effect since early August 2019, a mere three months ago. Nonetheless, the OAG remains concerned about the continuing decline in TAP enrollment and wants to remain engaged and proactive on this issue. As a result, if the July through December 31, 2019 and/or January through June 30, 2020 TAP six month reports show a continuing decrease in TAP participation, the OAG recommends the Commission

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<sup>3</sup> *In the Matter of Telephone Assistance Plan (TAP) Review*, Docket No. P999/CI-18-112, Notice of Comment Period at 1 (Oct. 3, 2018) ("TAP Docket").

<sup>4</sup> TAP Docket, Comments of the Office of the Attorney General at 1 (Nov. 2, 2018) ("OAG Comments").

<sup>5</sup> *Id.* at 1, 7-10.

<sup>6</sup> *Id.* at 10-12.

<sup>7</sup> *See generally* TAP Docket, Order Setting TAP Credit Amount and Surcharge Level and Requiring Local Service Providers to Include TAP Information on Their Websites (Jan. 15, 2019).

<sup>8</sup> *See generally* TAP Docket, Order Accepting TAP Fund Review and Approving Outreach Expenditure ("Aug. 6, 2019").

<sup>9</sup> *Id.* at 2.

<sup>10</sup> *Id.*

<sup>11</sup> *See* August 2018 Report at 1; *see also* OAG Comments at 2 (explaining that in 2012, local exchange carriers were serving approximately 73,659 TAP customers but that number dropped dramatically to approximately 40,580 in 2013).

<sup>12</sup> *See* PUC Report, *Telephone Assistance Program (TAP) January through June 30, 2019, Six Month Review*, Docket No. P999/CI-19-539, 1 (Sept. 10, 2019) ("September 2019 Report").

<sup>13</sup> *See* August 2018 Report at 1.

<sup>14</sup> *See* September 2019 Report at 1.

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direct the TAP/Lifeline Advisory Group to re-raise and re-examine the three questions from TAP Docket P999/CI-18-112. This will allow interested parties to refresh their thinking on TAP-related charge, surcharge, and marketing issues and, hopefully, stem the tide of what appears to be a systemic decline in TAP enrollment.

For the foregoing reasons, the Commission should continue to monitor customer participation in TAP program and, if necessary, require a reconsideration of the TAP questions it raised in Docket P999/CI-18-112.

Sincerely,

**s/ Kristin Berkland**

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Linda	Chavez	linda.chavez@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 55101-2198	Electronic Service	No	OFF_SL_19-539_Ci-19-539
Brent	Christensen	bchristensen@mmta.org	Minnesota Telecom Alliance	1000 Westgate Drive, Ste 252 St. Paul, MN 55117	Electronic Service	No	OFF_SL_19-539_Ci-19-539
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-539_Ci-19-539
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Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_19-539_CI-19-539
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