

**STATE OF MINNESOTA  
BEFORE THE PUBLIC UTILITIES COMMISSION OF MINNESOTA**

<b>Beverly Jones Heydinger</b>	<b>Chair</b>
<b>Nancy Lange</b>	<b>Commissioner</b>
<b>Dan Lipschultz</b>	<b>Commissioner</b>
<b>John Tuma</b>	<b>Commissioner</b>
<b>Matt Schuerger</b>	<b>Commissioner</b>

**In the Matter of  
Telephone Assistance Plan (TAP) Review                      Docket No. P999/CI-16-302**

**COMMENTS OF AT&T CORP**

AT&T Corp. (“AT&T”) hereby submits the following comments in response to the Commission’s Notice of Comment Period issued May 25, 2016.

**1.     Should the Commission issue any clarifications with respect to TAP eligibility?**

The Commission seeks comment on the question of whether it should issue clarifications with respect to eligibility for Minnesota’s Telephone Assistance Plan (“TAP”) in light of changes to the federal Lifeline program adopted by the FCC in its recent Lifeline Modernization Order (the “FCC Order”), issued April 27, 2016 (WC Dockets 11-42, 09-197, and 10-90).

Among other things, the FCC Order adopted a change to 47 C.F.R. 54.409, which establishes the criteria for consumer eligibility to receive Lifeline program benefits. That rule provides that a consumer qualifies for Lifeline if either (i) the consumer’s household income meets a specified income test or (ii) the consumer, the consumer’s dependents or the consumer’s household receives benefits from one or more specified federal assistance programs. Prior to the effective date of the change in the rule, the list of federal assistance programs includes the following: Medicaid; Supplemental Nutrition Assistance Program; Supplemental, Security Income; Federal Public Housing Assistance; Low-Income Home Energy Assistance Program

(“LIHEAP”); National School Lunch Program’s free lunch program; and Temporary Assistance for Needy Families (“TANF”).

As a result of the change in Rule 54.409 adopted in the FCC Order, three of those programs (LIHEAP, TANF and the School Lunch Program) will be removed from the list and a new program (Veterans and Survivors Pension Benefit) will be added to the list. In addition, the rule will be amended to eliminate the ability of states to raise the income threshold that consumers may use to qualify for Lifeline above the federal threshold of 135% of Federal Poverty Guidelines. The changes to the rule are currently scheduled to become effective on the later of December 1, 2016 or sixty days after approval by the Office of Management and Budget.<sup>1</sup>

The TAP statute provides that TAP “must provide telephone assistance credit for a residential household in Minnesota that is eligible for the federal Lifeline telephone service discount.” Minn. Stats. 237.70, Subd. 4a. This provision has been correctly interpreted in the past to provide that the criteria to be applied in determining the eligibility of a residential consumer to receive the TAP credit should mirror the eligibility criteria for the federal Lifeline program as set forth in FCC Rule 54.409. Consistent with that interpretation, the TAP program should continue to mirror the federal Lifeline eligibility criteria after the changes to those criteria become effective. Accordingly, the Commission should direct that, beginning with the effective date of the FCC’s amendment to Rule 54.409, the federal assistance programs that will qualify a customer for TAP benefits will no longer include LIHEAP, TANF or the School Lunch program,

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<sup>1</sup> This effective date may change because it is subject to a pending petition for reconsideration before the FCC: United States Telecom Association (USTelecom) requested that the FCC defer the effective date of the streamlined federal eligibility criteria at least until the later of December 31, 2017, or 12 months after OMB approval of the Order. USTelecom Petition for Reconsideration & Clarification, *In the Matter of Lifeline & Link Up Reform & Modernization*, WC Docket No. 11-42, *Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 09-197, *Connect America Fund*, WC Docket No. 10-90 (filed June 23, 2016), available at <https://ecfsapi.fcc.gov/file/10623780610030/USTelecom-Lifeline-Recon-2016-06-23-FINAL.pdf>

but will include the Veterans and Survivor Pension Benefit program. The Commission should further authorize local exchange carriers to amend their tariffs to reflect these changes, effective upon the effective date of the changes to FCC Rule 54.409.

**2. Question regarding applicability of TAP funds to broadband.**

The Commission has also asked for input on the question of whether TAP funds may be applied to broadband. They may not. By statute, the scope of TAP is limited to the provision of “telephone credits” for “local exchange service.” Minn. Stats. 237.70, subs. 2, 5. The maximum amount of the credit is defined as a percentage of “the local exchange rate charged for the local exchange service provided to the household by that household’s local service provider.” Minn. Stats. Subd. 5. Furthermore, the Commission’s TAP rules state that “[t]he purpose of this chapter is to develop and implement a statewide telephone assistance plan *to provide telephone assistance credits to reduce the local telephone rates* of eligible residential households. Minn. Rules 7817.0200 (*emphasis added*). Accordingly, without a change in both the statute and the Commission’s rules, TAP funds may not be applied to broadband.

**3. Should other changes to the TAP program, its administration, participation level be considered as a result of the FCC Lifeline Modernization Order?**

AT&T does not recommend any changes to the TAP program or participation level as a result of the FCC Order. AT&T does note, however, that, as part of its Lifeline Modernization Order, the FCC has directed the Universal Service Administrative Company (USAC) to implement a National Lifeline Eligibility Verifier (National Verifier). The National Verifier will be responsible for making eligibility and re-certification determinations, checking for duplicates, and performing other functions necessary to enroll eligible consumers in the Lifeline program. AT&T encourages the state of Minnesota to work with interested industry members, USAC, the FCC, and others to look for opportunities to use the National Lifeline Eligibility Verifier to

perform consumer TAP eligibility verifications and recertifications in order to increase TAP program efficiency and minimize provider costs and burdens.

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Respectfully submitted,

AT&T Corp.

*/s/ Karl B. Anderson*

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