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TELECOMMUNICATIONS ACCESS FOR COMMUNICATION-IMPAIRED PERSONS

FIRST ANNUAL REPORT

TO THE

MINNESOTA PUBLIC UTILITIES COMMISSION

JANUARY 12, 1988

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**TACIP FIRST ANNUAL REPORT
TO THE MINNESOTA PUBLIC UTILITIES COMMISSION**

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EXECUTIVE SUMMARY

On May 19, 1987 Governor Rudolph G. Perpich signed the Telecommunications Access for Communication Impaired Persons (TACIP) bill into law. The new law created the TACIP Board as a state agency with the task of improving access to telephone services for those with communication impairments. The following report outlines the nature of the program, plan for implementation, and mechanism required to fund the TACIP program.

The TACIP Board will direct several major projects to promote increased access to the telephone system for communication-impaired people. First, the Board will contract for the establishment and operation of a message relay service to facilitate communication between communication-impaired and noncommunication-impaired people. Second, the Board will administer the distribution of special communication devices to eligible households with communication-impaired members. Third, the Board will study the impact this distribution will have on private vendors of special communication devices in the state. And fourth, the Board will publish lists of available communications devices and their compatibility with various telecommunications systems.

Under the TACIP Act, Minn. Stat. § 237.50-.55 (1987), the Public Utilities Commission is responsible for approving the TACIP plans. Annual Reports, and surcharge level. The Commission is also responsible for conducting tariff proceedings necessary to make the program operational.

The TACIP Board is officially an independent state agency. However, due to the nature of its tasks and funding mechanism, the Board receives assistance and guidance from many different sources for completion of its major tasks.

Minn. Stat. 237.52, subd. 2 (1987), requires that the TACIP Board annually recommend to the Public Utilities Commission the surcharge level needed to fund TACIP programs. The maximum surcharge allowed under

the TACIP Act is 10 cents per local access telephone line per month. The TACIP Board recommends that the Commission establish a 10 cent per line per month surcharge, effective March 1, 1988. The Board has determined that this surcharge level will be needed to produce the amount of revenue required for the program budget. If, in future years, costs diminish relative to revenues collected by the program, the charge can be reduced.

The TACIP Act requires that every telephone company providing local service in the state will collect the surcharge and transmit it to the Commissioner of Administration in the same manner as they do the 911 surcharge. This means that collecting, reporting and noncompliance collection action for the TACIP surcharge will be handled in the same manner as the 911 surcharge. The Department of Administration will even accept one check for reporting both 911 and TACIP revenues. The TACIP Act also provides that the same lines that are assessed the 911 surcharge will be assessed the TACIP surcharge.

As provided in the TACIP law, the message relay service will be established through contracting with an interLATA interexchange company for "800" number service and with a local consumer organization serving communication-impaired people for operation of the service. As recommended by the Board, TACIP staff will write a Request For Proposals for the purpose of employing a consultant to assist the Board in preparing a comprehensive plan for developing contract specifications for implementation of the message relay service. The consultant will research and advise the Board on issues such as special population demographics, call demand per region per day, equipment needs and specifications, the number of work stations required, and long distance billing options.

As provided in the law, an applicant is eligible to receive an appropriate communication device if the person is at least 5 years old, communication impaired, a resident of Minnesota, living in a household with a telephone number, and living in a household with income at or below the applicable median income level in the state. Special consideration is made for deaf and blind people who qualify if their household income is at or below 150% of the applicable median income level in the state.

Although Northwestern Bell is charged with the responsibility to order and purchase the equipment, the Board is currently in the process of approving detailed equipment specifications to guide Bell in choosing specific models for purchase. Tentatively, the program will offer applicants receiving TDDs a choice of two models with different features.

In the course of the Board's work to implement the TACIP Act, the Board has reviewed and approved for recommendation to the 1988 Legislature three suggestions for changes to the Law. The Board believes these changes will improve the delivery of service, strengthen the program, and make it more efficient and cost effective. The Board asks for the Commission's support for these proposals.

The Board is charged with the duty to study the potential economic impact of the distribution program on private vendors of special communication devices. The Board is in the process of collecting evidence concerning this issue. The Board will continue to develop the specifics of the distribution plan, focusing on the needs of communication-impaired people while also preserving the interests of private vendors of communication devices.

The TACIP Board asks that the Commission take the following steps in order to enable the accomplishment of TACIP program goals:

1. Approve the general TACIP plan contained in this report;
2. Order the assessment of the TACIP surcharge of 10 cents per local access telephone line per month effective March 1, 1988, as authorized by the TACIP Law; and
3. Join the TACIP Board, organizations representing communication-impaired people, the Department of Public Service and the Department of Health and Human Services in supporting the proposed amendments to the TACIP Law.

At the end of this five year project, telephone access and its value to communication-impaired people will be greatly increased. Communication-impaired people will continue to pay the same amount as non-impaired people for basic telephone service. Through use of the message relay service, communication-impaired people will also be able to communicate with a much larger segment of the population. Opportunities stemming from this improved access will result in great social and economic benefits to all concerned.

I. INTRODUCTION

On May 19, 1987, Governor Rudolph G. Perpich signed the Telecommunications Access for Communication Impaired Persons (TACIP) bill into law. The new law created the TACIP Board as a state agency with the task of improving access to telephone communications services for those with communication impairments. The following report outlines the nature of the program, plan for implementation, and mechanism required to fund the TACIP program. For a list of Board membership and developments, see Appendix A.

A. MISSION

The Board will direct several major projects to promote increased access to the telephone system for communication-impaired people. First, the Board will contract for the establishment and operation of a message relay service to facilitate communication between communication-impaired and noncommunication-impaired people. Second, the Board will administer the distribution of special communication devices to eligible households with communication-impaired members. Third, the Board will study the impact this distribution will have on private vendors of special communication devices in the state. And fourth, the Board will publish lists of available communications devices and their compatibility with various telecommunications systems.¹

The overall goal of the TACIP program is to help make telephone services for communication-impaired people as accessible and valuable as they are for people without communication impairments. Before TACIP, a deaf person who desired telephone access would need to spend \$300-\$500 to obtain special telecommunications equipment. Even if the person took advantage of the reduced cost program offered by Northwestern Bell for the lease of equipment, that person still needed to pay more for basic telephone access due to his or her disability. People using Telecommunication Devices for the Deaf (TDDs) can only communicate directly with other TDD users.

¹ TACIP has recommended a change, see Section V, Proposed Legislative Changes.

Even by paying the extra cost, a TDD user is currently limited to communication with only a few thousand people. This illustrates the communication wall that separates the deaf community and the hearing world. Through the widespread distribution of this equipment and the proposed message relay service, TACIP will open up communication between the two groups and promote more equal access for communication-impaired people.

B. PUBLIC UTILITIES COMMISSION RESPONSIBILITIES

Under the TACIP law, Minn. Stat. § 237.50-.55 (1987), the Public Utilities Commission is responsible for approving TACIP plans, Annual Reports, and surcharge level. The Commission is also responsible for conducting tariff proceedings necessary to make the program operational.

C. DEFINITIONS

In carrying out its tasks, the Board is operating with the following descriptive definitions:

"CERTIFICATION" is the process by which the communication-impairment status of an individual is established. The process is described in the text below.

"COMMUNICATION DEVICE" means a device which, when connected to a telephone, enables a communication-impaired person to communicate with another person over telephone lines. Communication devices include Telecommunication Devices for the Deaf (TDDs), ring signalers, telephone amplifiers, and Telebraille Units.²

"COMMUNICATION IMPAIRED" means certified deaf, hard of hearing, speech impaired or deaf and blind.

² TACIP has recommended a change, see Section V, Proposed Legislative Changes.

"DEAF" describes people whose hearing in the better ear is impaired to the degree that they are unable to understand speech, even when amplified. These individuals require use of a TDD to communicate effectively on the telephone.

"DEAF AND BLIND" denotes people who have both profound hearing and significant visual impairments. They require use of a Telebraille device or specially adapted equipment to communicate effectively on the telephone.

"ECONOMIC HARDSHIP" means a household's income is at or below 60% of the applicable median income level in the state.

"HARD OF HEARING" signifies people with an impairment that significantly reduces their ability to understand speech. Some of the effects of the impairment can be overcome with proper amplification. These individuals may require a communication device to communicate effectively on the telephone.

"HEARING IMPAIRED" describes all people whose ability to understand speech is physically impaired. The degree of impairment can range from slightly hard of hearing to deaf and blind.

"HOUSEHOLD" is a single location of an individual or group who receives telephone service.

"HOUSEHOLD CONCERNS" means a household consists of one communication-impaired person living alone, more than one communication-impaired member, or a communication-impaired person with a serious medical condition.

"HOUSEHOLD INCOME" is the total earned income of major members of the household during the previous year, consistent with the gross median income definition used by the Department of Health and Health and Human Services Family Support Administration.

"MESSAGE RELAY SERVICE" refers to a telephone service that permits a TDD user to send and receive messages from a non-TDD user through a third party relay system, and permits a non-TDD user to send and receive messages from a TDD user.

"RING SIGNALER" means a device which visually or tactilely alerts people of incoming telephone calls.

"SPEECH IMPAIRED" refers to persons who are physically incapable of speaking clearly. The severity of the impairment can vary from a minor impediment to the total loss of speech capabilities. Their speech impairment may render speech on an ordinary telephone unintelligible, thus requiring a communication alternative.

"TELEBRAILLE UNIT" means a device with a braille keyboard and braille display attached to a TDD which allows the user to communicate with TDD users over the telephone line.

"TELECOMMUNICATION DEVICE FOR THE DEAF (TDD)" refers to a communication machine which can be connected to a phone or phone line in order to permit one to communicate with people using similar devices.

"TELEPHONE AMPLIFIER" denotes a device which, when built in or connected to a telephone handset, increases the sound intensity of speech being transmitted or received.

D. PROGRAM STRUCTURE

The TACIP Board is officially an independent state agency. However, due to the nature of its tasks and funding mechanism, the Board receives assistance and guidance from many different sources for completion of its major tasks, including:

1. **The Message Relay Service.** The Board sets general guidelines for the operation of the service. The Board contracts with an interLATA interexchange company for the establishment of telephone lines and a call management system for the service.³ The Board also contracts with a local consumer organization that serves communication impaired people for service operation.
2. **The Equipment Distribution Program.**⁴ The Board develops eligibility criteria and establishes distribution priorities. The Board recommends specifications for the equipment. Northwestern Bell negotiates the purchase of the equipment. All telephone companies in Minnesota assure that eligible households in their service areas receive an appropriate device. In addition, they must assure maintenance of the devices, training for first time users, and telephone line access for eligible households without telephone service.

³ TACIP has recommended a change, see Section V, Proposed Legislative Changes.

⁴ TACIP has recommended a change, see Section V, Proposed Legislative Changes.

3. **The Economic Impact Study.** The Board may undertake the study itself, with assistance from the Department of Public Service staff. Or, the Board may contract for completion of the study.
4. **List of Communication Devices.**⁵ The Board's Program Administrator compiles the list and arranges for its publication.
5. **Funding.** The Board recommends a surcharge level, not to exceed 10 cents per phone line per month, necessary to fund the program. The Public Utilities Commission receives the Board's Annual Report, including the surcharge recommendation, and determines the surcharge level. All local service telephone companies in the state assess the surcharge on lines assessed the 911 surcharge. The telephone companies collect the revenue from the surcharge and send it to the Department of Administration in the same manner as the 911 surcharge. The Department of Administration places it in the TACIP fund. The Board uses the fund to pay for the message relay service contracts, administrative costs, and reimbursement of costs incurred by the telephone companies in purchasing and distributing the equipment.⁶
6. **In General.** The Board relies upon a Program Administrator, Counsel from the Attorney General's Office, and Department of Public Service staff for most consulting and support services. The Board also relies upon professional consultants, organizations serving communication-impaired people, communication-impaired individuals, and other state departments to provide the Board with information, advice and feedback regarding program design and implementation.

⁵ TACIP has recommended a change, see Section V, Proposed Legislative Changes.

⁶ TACIP has recommended a change, see Section V, Proposed Legislative Changes.

Reliance upon these sources of support will permit the Board to carry out its various tasks in the most efficient and effective way possible. Board staff are working on a graphic display of the TACIP program structure to be presented to the Commission as a supplement to this report.

II. PROGRAM REVENUES DERIVED FROM SURCHARGES

A. SURCHARGE LEVEL

Minn. Stat. § 237.52, subd. 2 (1987), requires that the TACIP Board annually recommend to the Public Utilities Commission the surcharge level needed to fund TACIP programs. The maximum surcharge allowed under the TACIP Act is 10 cents per local access telephone line per month. The TACIP Board recommends that the Commission establish a 10 cent per line per month surcharge, effective March 1, 1988. The Board has determined that this surcharge level will be needed to produce the amount of revenue required for the program budget. If, in future years, costs diminish relative to revenues collected by the program, the charge can be reduced.

The TACIP Board recommends that March 1, 1988, be the effective date for the imposition of the surcharge and that telephone companies be permitted to retroactively bill within 90 days of that date.

B. COLLECTION, TRANSFER AND PROCESSING

The TACIP Act requires that every telephone company providing local service in the state will collect the surcharge and transmit it to the Commissioner of Administration in the same manner as they do the 911 surcharge. This means that collecting, reporting and noncompliance collection action for the TACIP surcharge will be handled in the same manner as the 911 surcharge. The Department of Administration will even accept one check for reporting both 911 and TACIP revenues. (See Appendix B: Optional Dual 911/TACIP Reporting Form) The TACIP Act also provides that the same lines that are assessed the 911 surcharge will be assessed the TACIP surcharge.

the surcharge level, TACIP will collect enough revenue to cover projected program costs.

III. THE MESSAGE RELAY SERVICE

A. DESCRIPTION

As provided in the TACIP law, the message relay service will be established through contracting with an interLATA interexchange company for "800" number service and with a local consumer organization serving communication-impaired people for operation of the service.⁷ As recommended by the Board, TACIP staff will write a Request for Proposal for the purpose of employing a consultant to assist the Board in preparing a comprehensive plan for contract specifications and implementing the message relay service. The consultant will research and advise the Board on issues such as special population demographics, call demand per region per day, equipment needs and specifications, the number of work stations required, and long distance billing options.

B. OPERATING POLICIES

The message relay service shall be designed in accordance with the TACIP law and the following TACIP Board policy guidelines:

1. The message relay connection will be delivered directly through a third-party operator.
2. The message relay provider will guarantee that all messages will be strictly confidential. Written or recorded copies of messages will be destroyed after the conversation ends. Operators will uphold rules of confidentiality similar to the American Sign Language Interpreter Code of Ethics.

⁷ TACIP has recommended a change, see Section V, Proposed Legislative Changes.

3. Although emergency TDD calls will remain the responsibility of the 911 system, the message relay provider will train its operators to handle such calls effectively when they occur.
4. The message relay provider will provide a system with a waiting time range of 0-10 minutes.
5. There will be no limit on the number, length or type of calls placed to the relay center. Adjustments to the MRS contract will be made to address any serious problems in the initial contract.
6. The primary responsibility for clarity in communication will lie with the two parties involved. The third-party operator will act to facilitate clarity in communication between a person using American Sign Language and a person using English only when absolutely necessary.
7. All long distance rate reduction policies offered to communication impaired people by the long distance company providing the relay lines will be applied to message relay service calls.
8. The Board recognizes that these policies are not comprehensive. A Request For Proposal of the message relay service is currently ready for publication. This planning effort will provide comprehensive message relay service policies and will be completed by April 30, 1988.

IV. EQUIPMENT DISTRIBUTION PROGRAM

A. ELIGIBILITY

As provided in the law, an applicant is eligible to receive an appropriate communication device if the person is at least 5 years old, communication impaired, a resident of Minnesota, living in a household with a telephone number, and living in a household with income at or below the applicable median income level in the state. Special consideration is made for deaf and blind people who qualify if their household income is at or below 150% of the applicable median income level in the state.

The Board accepts the definitions on page two, above, for the purpose of certifying eligibility for the program.⁸

The Board has adopted the following policies regarding program eligibility:

1. Individuals authorized to certify communication impairments will be the staff of the Department of Health and Health and Human Services Regional Service Centers for hearing impaired people, physicians, audiologists and speech/language pathologists.
2. The program income eligibility standards will be the most recent figures on median income from the Department of Health and Health and Human Services Family Support Administration for determining income eligibility. (See Appendix D: Income Eligibility)
3. Income information should be verified using a combination self-verification and random sample system. By signing the application form, applicants will verify that the information on the form is correct to the best of their knowledge. A sample of 5% of applications will be selected for extended verification. If the

⁸ See Section I.C on "Definitions.

applicant receives support under a public assistance program, the Department of Health and Health and Human Services may verify that information. Applicants selected for random verification will be asked to produce evidence of eligibility as requested by the Department of Health and Health and Human Services.

4. Eligible households should be limited to receiving one device per phone line.
5. Under the following circumstances, eligible households may qualify for receiving more than one communication device:
 - Households with a deaf member should receive a TDD and a ring signaler.
 - Households with a deaf and blind member who does not use braille will receive a TDD with auxiliary equipment the Board deems necessary.
 - Households with several members having different communication impairments will be handled by the Board on a case-by-case basis.
 - Households with a member having physical mobility problems may require additional devices according to special circumstances determined by the Board on a case-by-case basis.
6. Should the costs of meeting the demands of eligible applicants exceed program resources, devices will be distributed on a priority basis according to the policies and priority system outlined below.
 - Higher distribution priority will be given to those with the greater severity of communication impairment. In general, people with disabilities of equal degree will have equal priority.

- Households with "economic hardship" will qualify for higher distribution priority. Those without telephone service will qualify for access assistance as well.
- Households having "household concerns" will qualify for equipment on a secondary priority.
- Households without a communication device will have priority over households already equipped with a device.

7. The following chart summarizes TACIP Board priorities:

DISTRIBUTION PRIORITY CHART

	Type of Communication Impairment		
	Hearing & Vision	Hearing	Speech
Priority 1 Severe Disability	Deaf and Blind A Econ Hardship ⁹ B House Concerns ¹⁰ C Not A or B	Deaf A Econ Hardship B House Concerns C Not A or B	No Speech A Econ Hardship B. House Concerns C Not A or B
Priority 2 Severe Disability	Deaf/Vis. Impaired ¹¹ A Econ Hardship B House Concerns C Not A or B	Hard of Hearing A Econ Hardship B House Concerns C Not A or B	Amp. Needs ¹² A Econ Hardship B. House Concerns C Not A or B

8. An otherwise eligible applicant may not receive a communication device if:

- a. During the training session, a person requesting a TDD demonstrates an inability to read or write;

⁹ Abbreviation for "economic hardship."

¹⁰ Abbreviation for "household concerns."

¹¹ Abbreviation for "Deaf and Visually Impaired."

¹² Abbreviation for "Amplification Needs."

- b. A person who has previously received a device from the program and has carelessly or deliberately damaged that device; or
- c. A person who has previously received a device from the program and has lost the device and failed to file a police report or other accepted verification after learning of its theft;

unless the applicant demonstrates to the Board mitigating circumstances that are good and sufficient reason to receive exception from this policy. For reference, please see the draft application form. (Appendix E: Draft TACIP Application Form)

B. EQUIPMENT DESCRIPTION

As required by the law, all equipment selected for distribution will meet Federal Communication Commission and electronic industries association standards for quality and safety. The following types of equipment will be distributed (Appendix H: Communication-Impaired Population):

1. Telebraille units to deaf and blind people who use braille. The Board expects that a maximum of 28 units will be distributed over a 5 year period.
2. Enhanced TDD Systems to deaf and blind people with some remaining sight. The Board estimates 225 such systems will be distributed over a 5 year period.¹³
3. TDD and Ring Signaler Combinations to deaf people. The Board expects to distribute a minimum of 7,000 and a maximum of 8,500 sets over a 5 year period.

¹³ Contingent upon changes in the law proposed by TACIP, see Section V, Proposed Legislative Changes.

4. TDDs to severely speech impaired people. This is a very low incidence disability group. Over a 5 year period, the Board plans to distribute approximately 115 devices.
5. Amplifier and Ring Signaler Combinations to hard of hearing people who require visual notice of incoming calls. The Board estimates 2,750 sets will be distributed over a 5 year period.
6. Amplifiers to hard of hearing and speech impaired people who do not require visual notice of incoming calls. About 6,950 devices will be distributed during these 5 years.

Although Northwestern Bell is charged with the responsibility to order and purchase the equipment, the Board is currently in the process of approving detailed equipment specifications to guide Bell in choosing specific models for purchase.¹⁴ Tentatively, the program will offer applicants receiving TDDs a choice of two models with different features.

V. PROPOSED LEGISLATIVE CHANGES

In the course of the Board's work to implement the TACIP Act, the Board has reviewed and approved for recommendation to the 1988 Legislature three suggestions for changes to the Law. The Board believes these changes will improve the delivery of service, strengthen the program, and make it more efficient and cost effective. The Board asks for the Commission's support for these proposals.

A. COMMUNICATION DEVICE DEFINITION

The first proposed change is to amend Minn. Stat. § 237.50, subd. 4 (1987), the definition of "communication device," to add the words "with any auxiliary equipment the Board deems necessary" after the words "telephone device for the deaf." This change will alleviate the problem of

¹⁴ TACIP has recommended a change, see Section V, Proposed Legislative Changes.

not being able to purchase TDDs with adaptive equipment that may be necessary for multiple-handicap persons. For example, the Board understands that TDDs can be equipped with large electronic print display auxiliary equipment. This type of equipment enables deaf and blind persons, who have some remaining sight, to access the telephone system. The present law does not allow for this and only provides for Telebraille units which cannot adequately serve all deaf and blind people. This proposal would also raise the dollar limit for TDDs with adaptive equipment for deaf and blind to \$7,000, the same limit imposed on Telebraille units.

B. EQUIPMENT DISTRIBUTION RESPONSIBILITIES

The second proposal is to transfer the purchase, distribution, training, maintenance and ownership of communication devices from the telephone companies to the State of Minnesota. The present law directs Northwestern Bell to purchase the communication devices and to be reimbursed by the TACIP fund. Northwestern Bell would own the devices and distribute them to its eligible customers. Then, Bell must also transfer ownership of a sufficient number of the devices to all other local telephone companies in the state to enable them to distribute the devices to their eligible customers. The non-Bell companies do not have to pay Bell for the "purchase" of the communication devices. Nonetheless, Northwestern Bell must effectuate a transfer of ownership of the devices. The customers do not have to pay any fee to the telephone companies for the use of the devices. But, the devices remain the property of the customer's local telephone company. Each telephone Company then must determine that their customer is eligible to receive a device, distribute an appropriate device, train the communication-impaired person on how to use the device, and maintain the device. This could prove to be extremely difficult, since many deaf people communicate using American Sign Language. When communication-impaired people moved from one local telephone service area to another, they would need to turn the device they received previously back in to their former telephone company and receive another one from their new telephone company.

The TACIP Board is concerned that, particularly in Greater Minnesota, it will be difficult for communication-impaired persons to access their local telephone companies for service and training. The telephone companies are not presently staffed with personnel trained in American Sign Language communication or with training regarding the cultural differences of communication-impaired persons. The Board notes that the Department of Health and Health and Human Services, through the Deaf Services Division Regional Service Centers, is already organized throughout the state and is staffed with personnel that have expertise in serving the special needs of these groups. Further, the communication-impaired populations throughout the state are familiar with Deaf Services Division's network.

For these reasons, the TACIP Board is recommending that the functions of purchasing, distributing, training, maintenance and ownership of the communication devices be transferred from local telephone companies in the state to the Minnesota Department of Health and Health and Human Services. The Board recommends that it be responsible for selecting the specifications for the communication devices to be purchased. This is because the Board has members representing the communication-impaired community that provide needed input for making those decisions.

C. MESSAGE RELAY CONTRACTING

The third proposal is to amend Minn. Stat. § 237.54 (1987), dealing with the manner in which the TACIP Board contracts for the message relay service. The current law requires the Board to enter into two separate contracts to establish the service. One contract is with an interLATA interexchange carrier to establish a message relay service with an "800" number. The other contract is with a local consumer organization that serves communication-impaired persons for operation of the message relay service. The Board believes that a more integrated and cost effective message relay service could be provided if it could request bids for one "service establishment and operation contract." The local consumer organization that receives that contract would then subcontract with interLATA interexchange service providers as needed.

D. SUMMARY

The TACIP Board, through subcommittee discussions and full Board review, believes that these three proposals will significantly improve the services of the TACIP program. The Board is also pleased that all of the major proponents from the community that were involved in the passage of the original bill, and the Department of Health and Health and Human Services support these changes. The TACIP Board wishes to have Commission support for these legislative proposals in 1988.

VI. ECONOMIC IMPACT OF TACIP PROGRAM ON PRIVATE ENTERPRISE

The Board is charged with the duty to study the potential economic impact of the distribution program on private vendors of special communication devices. The assumption is that the businesses of private vendors will be significantly harmed by direct purchase from the manufacturer of TDD equipment. If that is found to be the case, the Board must arrange to have some devices purchased from private vendors. The Board is in the process of collecting evidence concerning this issue. The Board will continue to develop the specifics of the distribution plan, focusing on the needs of communication-impaired people while preserving the interests of private vendors of communication devices as per current law.

VII. COMMISSION ACTIONS REQUESTED

The TACIP Board asks that the Commission take the following steps in order to enable it to accomplish the program goals:

1. Approve the general TACIP plans contained in this report;
2. Order the assessment of the TACIP surcharge of 10 cents per local access telephone line per month effective March 1, 1988, as authorized by the TACIP law; and

3. Join the TACIP Board, organizations representing communication-impaired people, the Department of Public Service and the Department of Health and Health and Human Services in supporting the proposed changes to the TACIP Law.

VIII. SUMMARY

As of January, 1988, 21 other states have approved a public policy similar to this request. If the Minnesota Public Utilities Commission approves the recommendations of the TACIP Board outlined in this report, at the end of this five year project, telephone access and its value to both communication-impaired and non-impaired people will be greatly increased. Communication-impaired people will continue to pay the same amount as non-impaired people for basic telephone service. (See Appendix G: Telephone Cost Comparison.) Through use of the message relay service, communication-impaired persons will also be able to communicate with a much larger segment of the population.

In sum, through the TACIP program, communication-impaired persons at or below the median income level will be provided equipment allowing them to communicate over telephone networks. With this equipment in hand, they will also be able to begin communicating more effectively with non-impaired persons. Opportunities stemming from this improved access will result in great social and economic benefits to all concerned. All this will be made possible by the general per line assessment that every telephone customer will contribute.

TACIP FIRST ANNUAL REPORT TO THE PUBLIC UTILITIES COMMISSION

APPENDICES

- A. TACIP Board Membership and Developments
- B. Optional Dual 911/TACIP Reporting Form
- C. TACIP Cost Data:
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APPENDIX A: BOARD MEMBERSHIP AND DEVELOPMENTS

May 19, 1987: The TACIP bill is signed into law.

June 1987: The Secretary of State posts notice of Board vacancies. Unfortunately, communication limitations delay the appointment of the Board.

September 1987: The Governor's Appointments Committee has a large enough pool of applicants to select five individuals to represent the needs of Minnesota's communication-impaired population. TACIP Board appointments are announced. Board membership consists of:

Joann Anderson of AT&T, representing interLATA interexchange companies.

Robert Harris, Ph.D. is a deaf person, clinical psychologist and communication device distributor from Eden Prairie.

Paul Hoff of Park Region Telephone, representing the Minnesota Telephone Association.

David Johnson, M.S., M.A., CCC, is an audiologist at the Hennepin County Medical Center, representing professionals in the area of communication impairments.

Jon Loe of the Telecommunications Unit, designated to represent the Department of Public Service.

Dwight Maxa, Ph.D. is Director of Deaf Services Division, designated to represent the Department of Human Services.

Lloyd Moe is a deaf person, retired, from Duluth.

Leslie Peterson is a deaf and blind person from Minneapolis.

Marni Platteter of Northwestern Bell, representing the largest telephone company in the state.

Sherri Rademacher is a deaf person, homemaker and college student from Belgrade.

Donna Thompson is a deaf person and homemaker from Elmore.

October 28, 1987: After a briefing from staff of the Department of Public Service, the TACIP Board begins its first meeting. David Johnson is elected Acting Chair. The Board votes to hire Patrick Wolf as Acting Program Administrator.

November 5, 1987: The Board holds its second meeting and adopts operating procedures. Margie Hendriksen of the Attorney General's Office officially begins her work as Board Counsel. Dwight Maxa is elected Vice-Chair.

November 10, 1987: Patrick Wolf officially begins his work as Program Administrator.

November 19, 1987: The Board holds its third meeting and organizes subcommittees to consider information and forward recommendations to the full Board on the issues of surcharge implementation, the message relay service, equipment selection/distribution, and income/disability eligibility.

November 19, 1987-January 7, 1988: Subcommittees meet to discuss specific issues and make recommendations to the Board.

December 10, 1987: The Board holds its fourth meeting. Board Member Robert Harris notifies the Board of his resignation from TACIP due to the potential for conflict of interest.

December 18, 1987: Representatives of the major TDD manufacturing companies give informational presentations to the TACIP subcommittee on equipment selection/distribution.

December 24, 1987: A draft of the first TACIP Annual Report is completed and sent to Board Members and Public Utilities Commission (PUC) staff for review.

January 7, 1988: TACIP holds its fifth meeting. The Board amends its operating procedures to permit Co-Chairs. The Board elects Dwight Maxa to join David Johnson as Co-Chairs. The Board amends and approves the draft of the Report.

January 12, 1988: The Board officially submits its first Annual Report to the Public Utilities Commission.

APPENDIX B: OPTIONAL DUAL 911/TACIP REPORTING FORM

Telephone Company
-LETTERHEAD-

Date

To: James Beutelspacher
State 9-1-1 Project
5XX Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

The 9-1-1 emergency telephone service fee and TACIP fees are remitted for the following period:

☐ Month of _____, 19__ (\$250.00 or more).

☐ _____ Quarter, 19__ (less than \$250.00 but more than \$25.00).

☐ Fees totaling less than \$25.00 per month will be submitted annually using a different form.

1. Total monthly local access customers
(includes trunk equivalents for centrex
customers) times number of months.

2. Unadjusted fee amount (line 1 x \$0.28).

\$ _____

3. Adjustment for fees pro rated on a daily basis
for partial monthly service.

+
- \$ _____

4. Adjustment for seasonal disconnects.

+
- \$ _____

5. Adjustment for bad debts and customers who
refuse to pay the fee (please list names and
addresses of customers refusing to pay on reverse).

+
- \$ _____

6. Adjustment for exemptions (i.e. Federal,
9-1-1 lines)

+
- \$ _____

7. Other adjustments (Please explain on reverse).

+
- \$ _____

8. Amount of remittance (line 2 plus/minus lines
3, 4, 5, 6, and 7).

\$ _____

PLEASE MAKE CHECK PAYABLE TO: Treasurer, State of Minnesota

OFFICE USE ONLY

CHECK # _____
AMOUNT \$ _____
DATE REC'D. _____

9-1-1 \$ _____
TACIP \$ _____
DEPOSIT NUMBER _____

APPENDIX C1: TACIP COST DATA PROGRAM FUNDING THROUGH 1992

TACIP PROGRAM FUNDING IN DOLLARS

Fis. Year	Administ.	Message Relay	Equipment	Total	Lines	Mon	Char.	Total Revenue
'88	40,994	165,900	388,450	595,344	1,982,755	x 3	x .10 =	594,827
'89	56,544	822,600	1,465,575	2,337,719	2,101,720	x 12	x .10 =	2,522,064
'90	59,071	935,430	1,465,575	2,460,076	2,227,823	x 12	x .10 =	2,673,876
'91	61,726	1,064,657	1,465,575	2,591,958	2,361,492	x 12	x .09 =	2,550,411
'92	64,513	1,212,713	1,465,575	2,742,801	2,503,182	x 12	x .08 =	2,403,055
	282,848	4,201,300	6,250,750	10,734,898				
								Total 5 Year Revenue 10,744,233
								Total 5 Year Costs - 10,734,898
								Est. Balance on 6/30/93 = \$9,335

This proposed budget:

1. Satisfies legislative requirement that administrative costs not exceed 20 percent of total program expenditures;
2. Assumes assessing actual lines now assessed the 911 surcharge, estimated to increase at an annual rate of 6 percent;
3. Assumes the equivalent of three months of revenue will be collected by June 30, 1988.

APPENDIX C2: TACIP COST DATA ADMINISTRATION AND MESSAGE RELAY

ADMINISTRATION

Fiscal Year	Admin Salary	Rents	Phone	Post. Print	Inter-preters	Travel	DPS Staff	Suppl. Equip.	Total
1988	23,130	984	525	575	6,000	5,280	3,000	1,500	\$40,994
1989	34,200	1,464	1,080	600	6,000	7,920	4,380	900	\$56,544
1990	35,910	1,537	1,134	630	6,000	8,316	4,599	945	\$59,071
1991	37,706	1,614	1,191	662	6,000	8,732	4,829	992	\$61,726
1992	39,591	1,695	1,251	695	6,000	9,169	5,070	1,042	\$64,513
Total	170,537	7,294	5,181	3,162	30,000	39,417	21,878	5,379	\$282,848

MESSAGE RELAY IN DOLLARS

Fiscal Year	Fixed Costs	Staffing	Equipment	Phone Lines	Total
1988	17,000	60,900	82,000	6,000	\$165,900
1989	99,600	569,000	6,000	148,000	\$822,600
1990	104,580	654,350	6,300	170,200	\$935,430
1991	109,809	752,503	6,615	195,730	\$1,064,657
1992	115,299	865,378	6,946	225,090	\$1,212,713
Total	446,288	2,910,231	107,861	745,020	\$4,201,300

"FIXED COSTS" include rent for relay facility and informational office. FY '88 and '89 figures are based upon the Arizona Relay Program. Figures for FY '90 through FY '92 reflect a 5% per year increase.

"STAFFING" includes a manager, shift supervisors, operators, technicians and clerical staff. Also included in the FY '88 figure is \$10,000 for initial consultant fees. Figures for FY '88 and FY '89 confirmed by the Arizona and Massachusetts Relay Programs. FY '90 through FY '92 figures reflect a 15% per year increase, also confirmed by the Arizona and Massachusetts programs.

"EQUIPMENT" includes telephones, TDDs, computers and a call management system. The call management system alone is estimated to cost \$75,000. FY '88 figures are based upon initial purchase of all necessary devices. FY '89 through FY '92 figures are based upon repair and upgrading of telephones, TDDs and computers.

"PHONE LINES" includes charges for the gradual installation and operation of 10 local lines, 6 "800" lines and 8 WATS lines. Once again, the cost estimates are corroborated by the Arizona and Massachusetts programs.

APPENDIX C3: TACIP COST DATA EQUIPMENT DISTRIBUTION COSTS PER UNIT

EQUIPMENT

PROCUREMENT, MAINTENANCE AND DISTRIBUTION COSTS PER DEVICE IN DOLLARS

	TDD	Ring S.	Amps	Teleb.	Enhanced TDD
Retail	\$450	\$50	\$30	\$7,000	\$1,600
Volume Discount (30%)	-135	-15	-9	-0	-480
Order, Store, Ship (35%)	+110	+12	+7	+2,450	+392
Training	+23	+0	+0	+80	+38
Maintenance/Replace.	+90	+15	+10	+500	+300
Total Cost	+538	+62	+38	\$10,030	\$1,850

"RETAIL" figure is the approximate retail price of a 1987 technology TDD (e.g. Krown MP20D or Ultratec Superprint 400).

"VOLUME DISCOUNT" is the discount experienced in other major distribution programs. Telebrailles cannot be purchased in bulk.

"ORDER, STORE, SHIP" is the standard amount charged by Northwestern Bell's procurement company for those services. The standard amount is 35% of the item's discounted price.

"TRAINING" is the estimated amount it will cost for training of first time users on use and installation of major devices (TDDs, Telebraille, Enhanced TDDs).

"MAINTENANCE/REPLACE" is the estimated cost of extended warranties for the major devices and occasional replacement of the minor devices.

APPENDIX C4: TACIP COST DATA **EQUIPMENT DISTRIBUTION COSTS PER YEAR**

DISTRIBUTION COSTS PER YEAR **IN DOLLARS** **FISCAL YEAR '88**

Impairment	Equipment	Est. Demand		Cost/Unit	Cost
Deaf	TDD and Ring S.	628	x	600	\$376,800
Deaf and Blind	Enhanced TDD	5	x	1,850	9,250
	Households Served	633			
	Assume 5% Need Wiring	x .05			
	Total Wiring	32	x	75	2,400
					FY '88 Total = \$388,450

NOTE: No hard of hearing or speech impaired people serviced due to lower priority and lesser initial awareness of the program.

NOTE ALSO: Wiring assistance offered to those households lacking necessary wiring that have "economic hardship" (below 60% of median income level).

EACH FISCAL YEAR AFTER '88

Impairment	Equipment	Est. Demand		Cost/Unit	Cost
Deaf	TDD and Ring S.	1,900	x	600	\$1,140,000
Deaf and Blind	Enhanced TDD	55	x	1,850	101,750
Deaf and Blind	Telebraille	7	x	10,030	70,210
Hard of Hearing	Amp and Ring S.	700	x	100	70,000
Hard of Hearing	Amp	1,175	x	38	44,650
Speech Impaired	Amp	200	x	38	7,600
Speech Impaired	TDD	30	x	538	16,140
	Total Households Served =	4,067			
		x .05			
	Est. Number Needing Wiring	203	x	75	15,225
					FY '89 Total Cost = \$1,465,575

DEVICES DISTRIBUTED: '88-'92

Impairment	Equipment	Est. # Dist.	Est. Demand
Deaf	TDD & Ring S.	8,228	7,000-8,500
Deaf and Blind	Enhanced TDD	225	225
Deaf and Blind	Telebraille	28	25-28
Hard of Hearing	Amp & Ring S.	2,800	2,500-2,800
Hard of Hearing	Amp	4,700	4,500-5,500
Speech Impaired	Amp	800	750-1,500
Speech Impaired	TDD	120	100-125
	Total Households Served =	16,901	

APPENDIX D: INCOME ELIGIBILITY

TACIP PROGRAM INCOME GUIDELINES

MEDIAN INCOME

Household	60% (Hardship)	100% (Eligible)	150% (Eligible if D/B*)
1	\$10,548	\$17,580	\$26,370
2	13,793	22,989	34,484
3	17,039	28,298	42,597
4	20,284	33,807	50,711
5	23,530	39,216	58,824
6	26,775	44,725	66,938
7	27,384	45,639	68,459
8	27,992	46,654	69,981
9	28,601	47,668	71,502
10	29,209	48,682	73,023

* Abbreviation for "deaf and blind."

(Source: Dept. Health & Human Services Family Support Administration, 1987.)

APPENDIX E: DRAFT TACIP APPLICATION FORM

Section I

Name (last, first, middle initial)		Birthdate	Age	Social Security Number
Name of guardian (if applicant is under 18)		Relationship to applicant		
Address-Street	City	State	Zip Code	County
Application Date	Telephone Number ()	Telephone Company	How long have you lived in MN	

Section II

I, _____, certify that the applicant is: name of authorized party	
<input type="checkbox"/> Deaf/Blind <input type="checkbox"/> Deaf <input type="checkbox"/> Hard of Hearing <input type="checkbox"/> Speech Impaired (Severe/Not Severe)	
_____ Signature of Certifier _____ Date _____ Address-Street _____ City, State, Zip	Check one: <input type="checkbox"/> Physician <input type="checkbox"/> Audiologist <input type="checkbox"/> Speech/Language Pathologist <input type="checkbox"/> DSD-RSC Personnel

Section III

	Name	Age	Impairment
How many people in your household have communication impairments?	1. Applicant (You)		
	2.		
	3.		
	4.		
What communication devices do you have now? <input type="checkbox"/> Telephone <input type="checkbox"/> TDD <input type="checkbox"/> TTY <input type="checkbox"/> Ring Signaler <input type="checkbox"/> Amplifier			
What devices do you request from the program? <input type="checkbox"/> Equipment for Deaf/Blind <input type="checkbox"/> TDD <input type="checkbox"/> Ring Signaler <input type="checkbox"/> Amplifier			

Section IV

How many people live in your household? _____		Applicant _____ Spouse _____ Guardian _____ Others _____ Total \$ _____
What was your total household income last year? _____		
Do you or your guardian get help from any of these programs:		
<input type="checkbox"/> AFDC <input type="checkbox"/> MRC <input type="checkbox"/> Telephone Asst. Plan <input type="checkbox"/> SSDI <input type="checkbox"/> Welfare <input type="checkbox"/> Link-up America <input type="checkbox"/> SSA <input type="checkbox"/> Medicaid <input type="checkbox"/> Other Program <input type="checkbox"/> SSI <input type="checkbox"/> Medicare (Please Explain) _____ <input type="checkbox"/> Foodstamps <input type="checkbox"/> Energy Asst. _____		

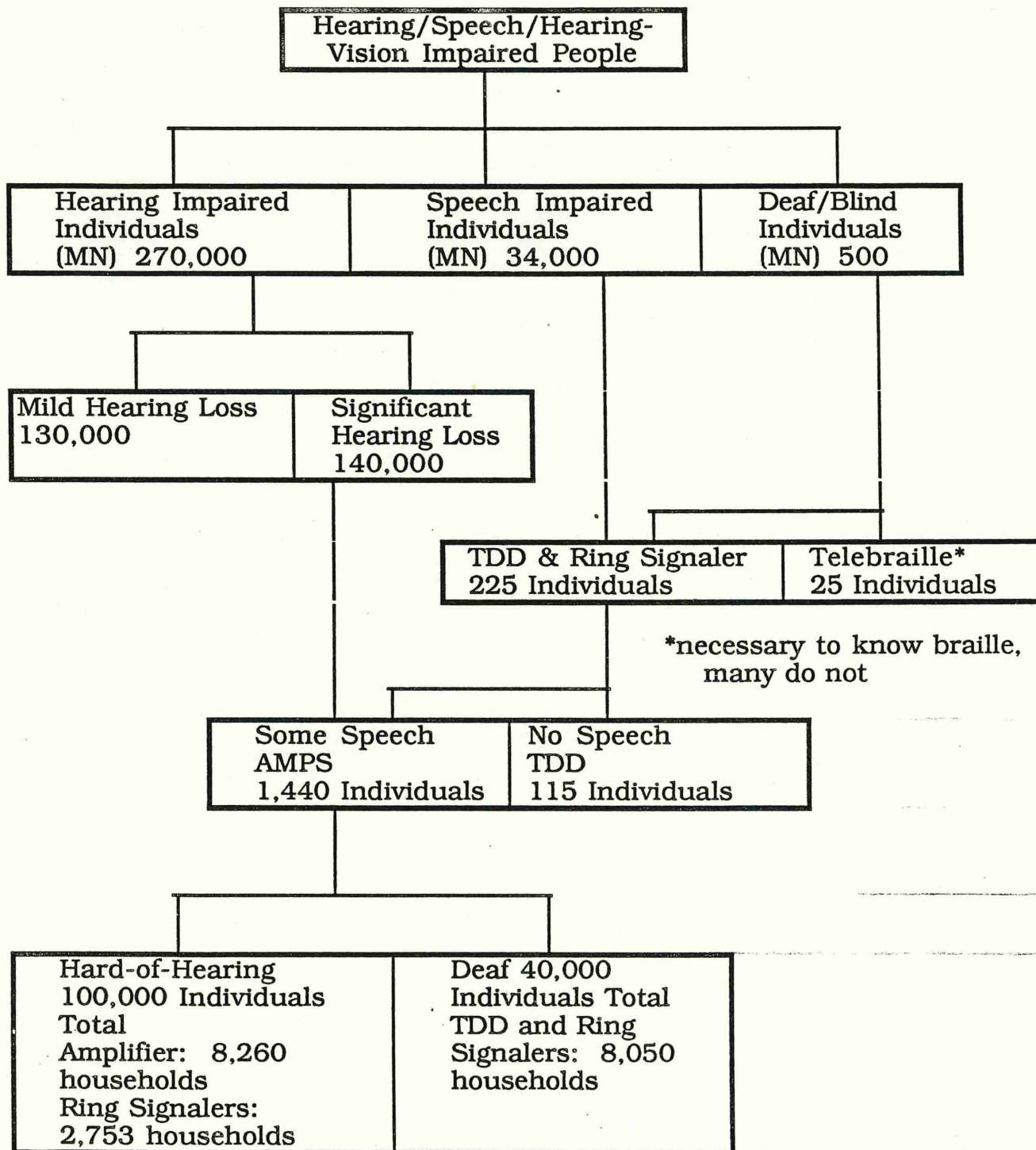
I promise that all the information on this form is correct. I understand that I must provide proof of statements made on this form if asked. I agree to take care of the equipment lent to me. I promise to notify the program if I plan to change addresses. I promise to return the equipment if I move out of the state.

Signature of Applicant	Date	Signature of Guardian
------------------------	------	-----------------------

APPENDIX F: COMMUNICATION-IMPAIRED POPULATION

Equipment Distribution Program

Population/Service Recipient Data (Estimated, December 1987)



PROGRAM
RECIPIENTS

CURRENT TELEPHONE CHARGES
IN DOLLARS

	Hearing Subscriber			Hearing Impaired With Free TDD Program			
	1st Year	2nd Year	2nd Year with Increase ³	1st Year	2nd Year	1st Year	2nd Year
Service Connection	\$32	--	--	\$32	--	\$32	--
Local Service (yearly flat rate)	182.4	\$182.4	\$183.6	182.4	\$182.4	\$183.6	\$183.6
FCC Charge (yearly)	31.2	31.2	31.2	31.2	31.2	31.2	31.2
Equipment							
Lease: Phone TDD	No Longer Available	--	--	No Longer Available	--	--	--
Purchase: Phone TDD & Ringer Signaler ¹	25	--	--	25	--	25	--
	--	--	--	500	--	--	--
Total Annual Phone Bill							
Lease	--	--	--	332.4	275.4	--	--
Purchase	270.6	213.6	214.8	770.6	213.6	271.8	214.8
Median Income ²	33,807	33,807	33,807	24,341	24,341	24,341	24,341
Percent of Income Used for Phone Service							
Lease	--	--	--	1.4%	1.1%	--	--
Purchase	.8%	.6%	.6%	3.2%	.9%	1.1%	.9%

1 Note: TDDs vary greatly in cost and features. TDDs with basic features cost about \$450.00 each. Ring signalers needed to alert deaf people to incoming calls cost \$50.00 each.

2 Note: Most recent figures available - 1984, Mn State Demographer's Office.

3 Note: \$.10/month surcharge to raise funds for Equipment Distribution/Message Relay Program.