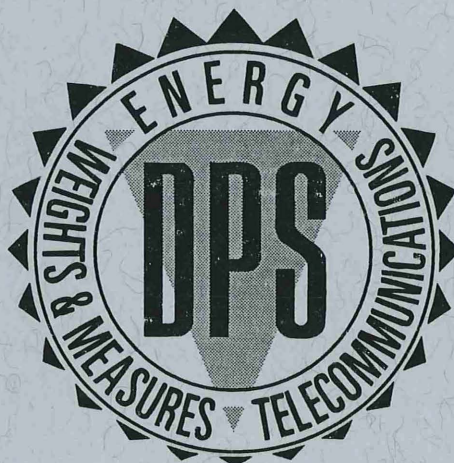


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DPS-TACIP

MINNESOTA DEPARTMENT OF PUBLIC SERVICE TELECOMMUNICATIONS ACCESS FOR COMMUNICATION-IMPAIRED PERSONS



1995 ANNUAL REPORT TO THE MINNESOTA PUBLIC UTILITIES COMMISSION

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DPS-TACIP ANNUAL REPORT 1996

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EXECUTIVE SUMMARY

In 1987, the Minnesota Legislature passed legislation creating the Telecommunications Access for Communications Impaired Persons (TACIP) Board for the purpose of making the telephone network in Minnesota accessible to communication-impaired persons (speech-, hearing- and mobility-impaired). Two programs were established to accomplish this goal: the Equipment Distribution Program (EDP) and the Minnesota Relay Service (MRS). Legislation passed by the Minnesota Legislature in 1995 eliminated the TACIP Board and transferred the responsibility for EDP to the Minnesota Department of Human Services (DHS) and the responsibility for the MRS to the Minnesota Department of Public Service (DPS or DPS-TACIP).

The Equipment Distribution Program provides specialized telecommunications equipment to eligible deaf, hard-of-hearing, speech-impaired and mobility-impaired persons which enables them to access the telephone network. The Minnesota Relay Service allows a person using a specialized telecommunication device called a Telecommunications Device for the Deaf or Teletypewriter (TTY) to communicate with a person using a standard telephone. Since the inception of the two programs, over 20,000 telecommunication devices have been distributed without charge to more than 12,000 households and over 6 million calls have been placed through the relay service to or from communication-impaired callers. These programs, as well as the administrative expenses of DPS-TACIP, are funded by a statewide \$0.17 surcharge on access lines, including cellular communications lines and other non-wire telephone access services, in the State of Minnesota.

This report presents information on the major activities of the TACIP Board and DPS-TACIP in 1995, details of the operations of the two programs and financial and statistical data. The Appendices provide detail on the revised TACIP statute, the current organizational structure of DPS-TACIP's service providers, and program operations.

TACIP ADMINISTRATION

In 1987, the Minnesota Legislature passed legislation creating the Telecommunications Access for Communications Impaired Persons (TACIP) Board for the purpose of making the telephone network in Minnesota accessible to communication-impaired persons (speech-, hearing- and mobility-impaired). Legislation passed by the Minnesota Legislature in 1995 eliminated the TACIP Board and transferred the responsibility for EDP to the Minnesota Department of Human Services and the responsibility for the MRS to the Minnesota Department of Public Service (DPS or DPS-TACIP). The Department of Public Service also provides the coordination of the funding of the two programs.

TACIP BOARD ADMINISTRATION

The TACIP Board was comprised of 12 members appointed by the Governor: seven consumer members, three representatives from the telecommunications industry, a representative from the Minnesota Department of Administration and a professional serving the communication-impaired. The full TACIP Board met quarterly, or more often as necessary, to review program operations and respond to the need for executive oversight. The activities of the TACIP Board were delegated to three standing committees (Executive, MRS and EDP) and one special committee (Legislative). As of July 1, 1995, the TACIP Board was eliminated with the administrative and MRS responsibilities transferred to the Department of Public Service and the responsibility for the Equipment Distribution Program assigned to the Department of Human Services.

DPS-TACIP ADMINISTRATION

DPS-TACIP administration consists of Jim Alan, TACIP Administrator, and Sonya Guggemos, Administrative Assistant. Both Mr. Alan and Ms. Guggemos report to JoAnn Hanson, Assistant Commissioner for Telecommunications. Ms. Hanson reports to DPS Commissioner Kris Sanda and Deputy Commissioner Ruth Grendahl.

ADVISORY COMMITTEES

Given that the TACIP Board was abolished during the 1995 Legislative session, the responsibility for gathering consumer input regarding EDP and the MRS was transferred to the Department of Human Services (Deaf and Hard of Hearing Services Division). Per statute, each of the Division's Regional Service Center (RSC) advisory committees has added, or is in the process of adding, a mobility- or speech-impaired member. Feedback gathered from the meetings will be forwarded to DPS-TACIP.

PURPOSE OF REPORT AND ROLE OF THE PUBLIC UTILITIES COMMISSION (PUC)

By statute, DPS-TACIP must submit a report to the Commission by January 31 of each year. Each report must review the accessibility of the telephone system to users of the Minnesota Relay Service and the Equipment Distribution Program. In addition, the report includes a description of services provided, funds received and disbursed annually for each component of the program, and plans for future operations.

DPS-TACIP must also annually submit its budget for the upcoming year to the Commission. The Commission reviews the TACIP budget for reasonableness and may modify the budget to the extent it is unreasonable. Within 60 days of receipt of a recommendation from the TACIP Administrator, the PUC determines the funding mechanism to be used and orders the imposition of surcharges effective on the earliest practicable date.

During 1995, the TACIP Board and DPS-TACIP submitted the following reports to the Commission:

January 9	TACIP Board Quarterly Report to the Commission (Fourth Quarter 1994) Docket No. P3008/CI-94-3008
January 31	TACIP Board Eighth Annual Report to the Minnesota Public Utilities Commission (1994)
February 13	Response to Comments on the TACIP Board's Third Quarter Report to the Commission Docket No. P3008/CI-94-3008
February 14	Addendum to the TACIP Board's Fourth Quarter Report to the Commission Docket No. P3008/CI-94-3008
April 12	TACIP Board Quarterly Report to the Commission (First Quarter 1995) Docket No. P3008/CI-94-3008
April 20	TACIP Board Fiscal Year 1996 Budget
May 31	TACIP Board Fiscal Year 1996 Budget Revision
June 29	TACIP Board Quarterly Report to the Commission (Second Quarter 1995) Docket No. P3008/CI-94-3008
October 31	DPS-TACIP Quarterly Report and FY 96 Revised Budget Docket No. P999/CI-95-615
November 1	Correction to DPS-TACIP Quarterly Report and FY 96 Revised Budget Docket No. P999/CI-95-615

MAJOR ACTIVITIES OF TACIP BOARD/DPS-TACIP IN 1995

- The TACIP Board and Deafness Education Advocacy Foundation, Inc. (D.E.A.F.), the organization under contract to operate the MRS, entered into a mediated contract agreement on January 31, 1995 after ten months of negotiation. The two-year contract expires on June 30, 1996.
- The TACIP Board proposed several legislative changes to the TACIP statute. Four of the proposed changes were passed by the 1995 Minnesota Legislature and signed into law by Governor Carlson.
- On June 16, 1995, the Public Utilities Commission approved the TACIP Board's proposed budget for FY 1996. The approved budget did not authorize any change in the \$0.17/access line surcharge.
- TACIP Board and Department of Public Service staff worked together to ensure a smooth transition of TACIP responsibilities. The TACIP Board office closed on June 30 and all equipment, furniture and files were moved to the Department of Public Service.
- The Department of Public Service assumed administrative oversight for the provision of the Minnesota Relay Service and the Department of Human Services assumed responsibility for the Equipment Distribution Program on July 1, 1995.
- The Office of the Legislative Auditor completed a financial audit of the TACIP Board covering July 1, 1992 through June 30, 1995. The audit scope included a review of the Board's surcharge revenues, significant Board expenditures, expenditures to DHS and D.E.A.F., and the process used to close out the TACIP Board's financial activities and the transfer of responsibilities to the Department of Public Service. The Office of the Legislative Auditor concluded that the TACIP Board had properly complied to State standards in all of the aforementioned areas.
- The Department of Public Service determined that the present MRS relay equipment was beyond the point of overhaul and that needs of relay service users could only be addressed through total equipment replacement with state-of-the-art technology. Given that the current contract with Deafness, Education Advocacy Foundation, Inc. expires on June 30, 1996, and the Department's desire to contract with a vendor for the provision of new equipment, DPS-TACIP began making plans to enter into a competitive bidding process to solicit a telecommunication relay service (TRS). DPS-TACIP plans on issuing two Requests for Proposals for the provision of a dual vendor system, commonly referred to as partnering.

- On October 31, 1995, DPS submitted its quarterly report to the Public Utilities Commission. In this report, DPS-TACIP announced plans to issue RFPs for the future provision of telecommunication relay service in Minnesota; submitted a revised budget reflecting cost savings derived from elimination of the TACIP Board and administrative staff reductions; and announced the decision to forego the deployment of the Automatic Number Identification hardware and software. The total budget submitted showed a decrease of \$212,000 from the previously approved budget.

TACIP BOARD LEGISLATIVE INITIATIVES

During the 1995 Legislative session, the TACIP Board sought to revise the TACIP statute through the following legislative initiatives:

- **Elimination of Age Requirement for EDP Eligibility** - The Board felt the revision was necessary since the statute required that a person must be at least 5 years of age to be eligible to obtain a telecommunication device. The Board determined that the requirement overlooked the needs of hard-of-hearing children who could benefit from an amplified phone and ringer, children with mobility impairments who could benefit from other adaptive devices for the phone, and deaf children who may not be able to use a TTY at a young age but could still benefit from a ring signaling device which would alert them to a ringing telephone. The fiscal impact of the initiative was estimated at approximately \$5,000 per year.
- **EDP Applicant Must be Able to Benefit from and Eventually Utilize Equipment** - The suggested language would insure that equipment is not distributed to anyone unable to benefit from and eventually utilize it. Previously, applications were received from individuals who could not use any of the equipment distributed by EDP. In some cases, family members or residential facilities were applying on behalf of a severely disabled person to obtain equipment for their own use or for the use by a facility. Since many group homes and nursing homes are required by federal law to have TTYs if they serve persons with communication impairments, some have tried to obtain free devices from EDP even though their residents are so severely disabled they cannot use the equipment. The change in law had no anticipated fiscal impact.
- **Clarify Language Regarding Residents of Nursing Homes and Group Homes** - As mentioned above, many nursing and group homes that serve persons with communication impairments are required under federal law to have special adaptive telephone equipment. Currently, the administrative rules which EDP operates under specify that if a group or nursing home provides phone service to its residents as part of the overall service, EDP will deny the residents of that facility service because it is the responsibility of the organization operating the home to provide the equipment. However, if telephone service is not provided as part of the overall service and the resident has a private line to his/her room,

they can qualify for EDP equipment. The statutory change strengthened the position of the Department of Human Services, the provider of the service, when this kind of situation arises. This change had no anticipated impact on program costs.

- **Expand Surcharge to Include Cellular Phone Subscribers** - By requiring cellular subscribers to pay the TACIP surcharge, the base of telephone customers paying into the TACIP fund was estimated to increase by about 200,000. Approximately \$408,000 of additional revenue would be generated each year and would offset the need for future increases in the TACIP surcharge. Because relay calls can be placed from and to cellular phones, the TACIP Board determined that the TACIP surcharge should also be applied to these services.
- **Elimination of Language Requiring TACIP to Contract with a Consumer Organization for Operation of the MRS** - This change would have given the TACIP Board the flexibility to ensure that relay service users and other telephone subscribers of Minnesota are being provided high quality, cost effective services.

With the exception of the effort to eliminate language which requires that the TACIP Board contract with a local consumer organization, all of the aforementioned initiatives were accepted by the legislature and enacted into law. The new TACIP statute can be found in Appendix A.

MINNESOTA RELAY SERVICE (MRS)

The MRS is a Private Branch Exchange (PBX) telephone system that distributes calls to operators who manage incoming and outgoing calls through the service center. The MRS allows a person using a telecommunications device for the deaf/teletypewriter to communicate with any other telephone user. The service also works in reverse, allowing a person without a TTY to call a TTY user. Specially trained Communication Assistants (CAs) are available 24 hours a day, seven days a week, to relay calls. There is no extra charge to the user of the relay service.

Installation of the telephone system, telephone lines, modems and computers at the MRS was completed on February 15, 1989 and full service began on March 1, 1989. The relay system continues to be modified as needed. DPS-TACIP currently owns and maintains the relay equipment, but has plans to concurrently issue two Requests for Proposals for the provision of the facility, equipment and maintenance and for the operation and maintenance of the MRS. The opening and awarding of bids are scheduled for April 1996.

MRS CONTRACT

State law requires that the DPS contract with a local consumer organization that serves communication-impaired persons for the operation and maintenance of the telecommunications relay system (TRS). The statute also states that DPS may contract with other than a local consumer organization if DPS finds that no local consumer organization is available to enter into or perform a reasonable contract to operate a telecommunications relay system.

Since its inception in 1988, the MRS has been operated under contract with the Deafness Education Advocacy Foundation, Inc. (D.E.A.F.). The contract with D.E.A.F. was renewed after a Request for Proposal (RFP) was issued in July 1993. D.E.A.F. was the only organization to respond to the RFP. The current contract was renewed in January 1995 and continues through June 30, 1996.

The contractor's main responsibility is to operate the State's MRS facility on a 24 hour a day, seven days a week basis. The contractor provides staff, staff training, an office location, public relations activities, customer relations, and other duties it deems necessary in order to carry out the contract within budgetary constraints. The organization chart for the Minnesota Relay Service is included in this report as Appendix B.

STATISTICAL INFORMATION

The contractor provides statistical information to DPS-TACIP on a monthly basis. The reports give data on the number of calls received in the reporting period and the efficiency of the relay in processing those calls. The reports include daily call statistics (including the number of incoming, answered, outgoing and abandoned calls), the percentage of calls answered in under ten and under thirty seconds, the average length of a call, the percentage of calls from the Metro and the Greater Minnesota areas, the average call statistics per operator per hour, public relations activities, human resource activities, and consumer comments

In 1994, an average of 81,831 *outgoing* calls per month were placed through the MRS and in 1995, the average outgoing call volume was 81,263 calls per month, a decrease of less than a one percent. For *incoming* calls, the 1995 monthly average was 69,863, a less than a one percent increase over the 1994 average monthly incoming calls.

The FCC has established as a minimum standard that 85% of all *incoming* calls to the relay center must be answered within 10 seconds. During 1995, the MRS yearly average of all calls answered within that 10 second period was 91.41%. There were 44 days in 1995 on which the MRS did not meet FCC minimum standards.

PROGRAM PROMOTION

During 1995, the Minnesota Relay Service carried out a variety of consumer relations activities throughout Minnesota. Highlights of the accomplishments of the MRS Consumer Relations department include:

- Presentations given to 34 different groups involving approximately 1,097 participants; an increase of 317 from 1994 (141% increase).
- Thirty-two tours of the relay service conducted involving approximately 107 persons; a decrease from 192 in 1994 (36% decrease).
- Nineteen exhibits were held and materials were made available to 149,672 individuals; an increase of 129,872 from 1994 (756% increase).
- The total number of participants for all public relations activities (Presentations, Tours and Exhibits) was approximately 150,672. Each individual received information on how to use the MRS.
- Information packets were sent out to approximately 83 individuals; a decrease from 149 from 1994 (36% decrease).
- An external MRS newsletter was sent to 3,202 individuals and/or organizations in the State of Minnesota.

January 1, 1995 - December 31, 1995: 154,161 total individuals reached

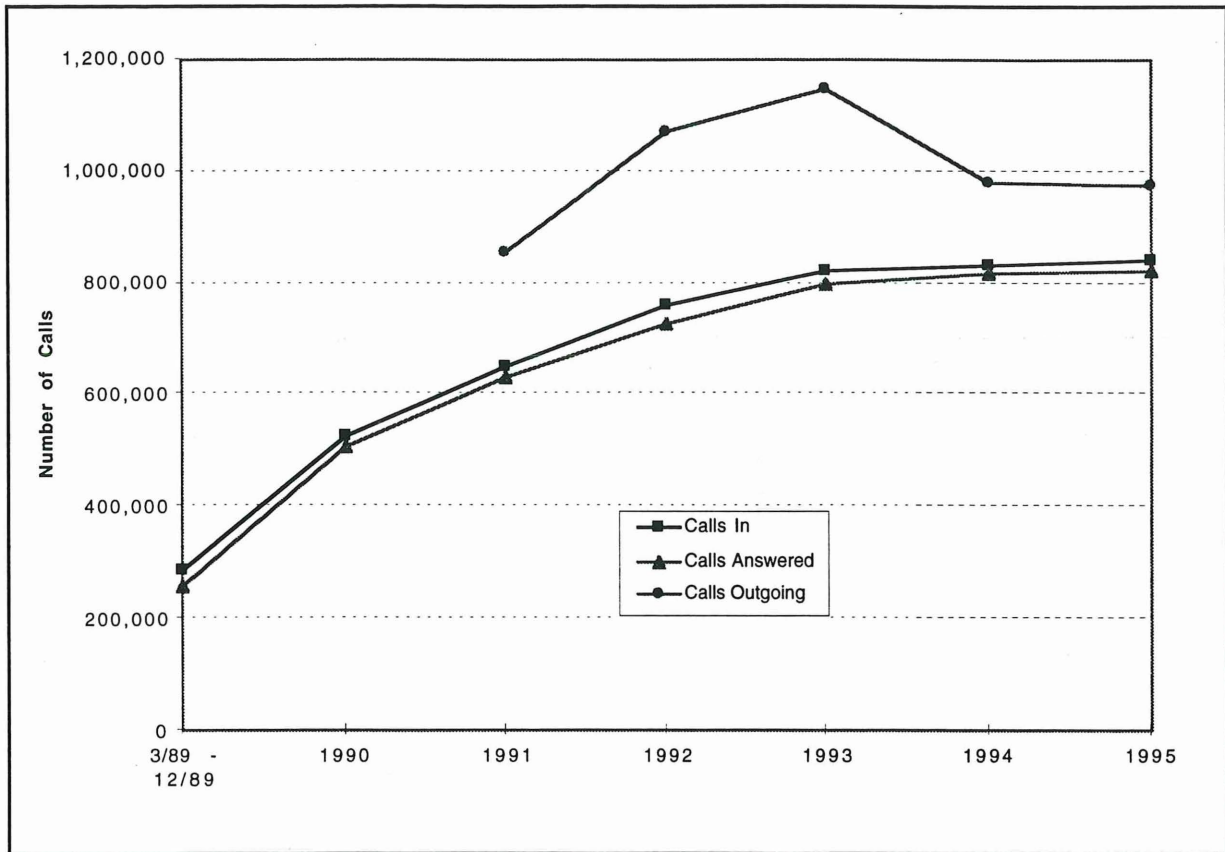
Difference between 1994 and 1995: 131,282 (674% increase)

Note: These figures reflect information reported by D.E.A.F.

TRENDS IN SERVICE PROVISION

The average number of communication assistants (CAs) has grown from 89.89 full time equivalent (FTE) employees in 1994 to 93.15 FTE employees in 1995. As seen in Figure 1, demand for relay service in Minnesota has leveled off from dramatic increases during the early years of the service. From 1994 to 1995, the demand for service increased less than one percent.

FIGURE 1: Incoming, Answered and Outgoing Calls to the MRS, 3/89 - 12/95



The total of *incoming* calls since inception of MRS service in March of 1989 is 4,711,488. The total number of *outgoing* calls is estimated at 6,175,792. (Formal tabulation of outgoing calls did not begin until December 1990.)

The Minnesota Relay Service continues to evolve and grow. Several significant improvements in operations were made in 1995:

- A hold policy change was approved to extend the length of time a CA may hold while the consumer locates information needed to place/complete a relay call. This change, approved in response to customer service needs, will allow a CA to hold for a maximum of 60 seconds.
- The American Sign Language Translation Policy at the MRS was revised and formalized. The policy, which conforms with FCC regulations, requires that at least one of the consumers request translation from ASL to English or vice versa. When translation is requested, the CA calls the supervisor on duty, via the help light, to request an individual to assist with the translation.

- Procedural changes were implemented that affect the Voice Carry Over/Hearing Carry Over (VCO/HCO) activation point for increased efficiencies in processing calls.
- A procedure was implemented to accommodate pay phone calls in situations where the originating number is unavailable. The procedure was needed due to a new FCC regulation for Coin-Sent-Paid calls implemented on November 25, 1995.
- The TACIP Board purchased additional relay equipment which increased the capacity of the MRS to 60 workstations. This expansion also created a separate, secure area used for training, phone coaching (monitoring), and relaying live calls.
- DPS-TACIP decided to forego plans to install Automatic Number Identification (ANI) at the MRS. Although the successful implementation would have allowed CAs to have the number of the person placing a call automatically input, saving CA and relay user time and increasing efficiency of the MRS, it was not altogether obvious that the current MRS hardware and software would successfully accommodate ANI within a reasonable time frame. DPS-TACIP anticipates that the present state-owned relay equipment will be replaced and ANI available with the new equipment vendor on or about July 1, 1996.
- DPS-TACIP purchased 30 additional uninterruptible power supplies (UPS) to replace those that were non-functional or whose operational effectiveness was questionable. The UPS units are used to provide 30 minutes of backup power to the relay stations in case of a power failure. A lightning strike/power surge on August 14, 1995 resulted in many of the UPS units failing. The event prompted a technical survey of all units revealing that many of the power backup units had not been properly maintained and were no longer useful in their present condition.
- MRS administrative staff continued to work on the installation and implementation of WorkForce Management software which will improve the scheduling of CAs to meet predictable phone patterns at the MRS. Interface incompatibilities relating to the relay system software continue to cause implementation delays.
- Plans for Phone Coaching were finalized and put into place in 1995. "Phone Coaching for Relay Excellence" was designed to address each aspect of relay policy and procedures with the goal of achieving consistent, high quality customer service. Each supervisor participated in a total of 40 hours of classroom and interactive training. CAs are scheduled for individual coaching sessions every 30 days. During the sessions, real time calls are reviewed, performance strengths are praised and additional training needs are identified mutually by the CA and the supervisor.

- In the interest of continued improvement to the new-hire and ongoing CA training, the Trainer position was eliminated and replaced with the Communication Assistant/Trainer position. The CA/Trainer is responsible for new hire training, while ongoing training and monthly performance coaching sessions were transferred to the team supervisor/leader.
- Two Lead Supervisor positions were created in January 1995. These new positions are responsible for the direct supervision of nine supervisors/team leaders, making recommendations to the MRS manager, and assisting the MRS manager with operational issues.
- All materials for new hire training were rewritten to incorporate current policies and procedures. New hire training methods were modified to include a comprehensive Relay Culture orientation which occurs on the employee's first day of training. CA/Training staff were provided with retraining to ensure ease, consistency, and clarity in their presentations.
- D.E.A.F. began requiring all managerial staff and individuals who have direct contact with deaf staff and/or the Deaf Community to take American Sign Language (ASL). Diversity training was also provided to all D.E.A.F. staff. A Human Relations seminar discussing skills in effective interaction in the workplace and resolving conflict situations was especially designed for the MRS and held for administrative and supervisory staff. MRS staff attended a one hour seminar designed by the MRS Staff Interpreter to educate staff on working effectively with interpreters.
- D.E.A.F. and the American Federation of State, County and Municipal Employees (AFSCME) Council 14, Local 3896 representing the Communication Assistants signed a new contract effective July 1, 1995. The new contract reflected an improved management/labor relationship and included tighter attendance and break policies.

EQUIPMENT DISTRIBUTION PROGRAM (EDP)

The Equipment Distribution Program (EDP) is responsible for distributing telecommunication devices to eligible Minnesota citizens, informing communication-impaired persons of services available through the program, providing training in the use of the telecommunications devices and maintaining the devices. Minnesota statute defines "communication-impaired" to mean certified as deaf, severely hearing-impaired, hard-of-hearing, speech-impaired, deaf and blind, or mobility-impaired if the mobility impairment significantly impedes the ability to use standard customer premises equipment.

The EDP is administered through an interagency agreement by the Department of Human Services, Deaf and Hard of Hearing Services Division (DHHSD). Services are provided through six of DHHSD's regional offices located around the state. The map in Appendix C shows the makeup of the regions and the number of households served to date by EDP. The organizational chart for EDP is included in this report as Appendix D.

AUTHORITY TO PROVIDE EQUIPMENT

Subdivision 5 (3) of Minnesota Statute 237.51 provides the Department of Human Services (DHS) with the authority to establish specifications for special communication devices to be purchased under Section 237.53, subdivision 3. This authorizes the Department to evaluate and purchase communication devices that may be beneficial to eligible persons under its distribution program.

POLICY AND ADOPTION OF ADMINISTRATIVE RULES

From the beginning of the TACIP programs, it was clear that there was a dramatic need to provide appropriate telephone access equipment to communication-impaired persons in Minnesota. The EDP Committee of the TACIP Board worked with a number of individuals and organizations to identify communication-impaired populations, the kind of telecommunications equipment needed, and the eligibility criteria for the program. Terms such as "severely hearing-impaired," "residency," and "appeal process" were defined and a priority system for distribution was established. An update to these rules was completed in 1995 reflecting the 1993 changes in the TACIP statute.

Although the responsibility for the Equipment Distribution Program was transferred to the Department of Human Services with the elimination of the TACIP Board, the rulemaking authority for EDP remains with the Department of Public Service.

EDP CONTRACT

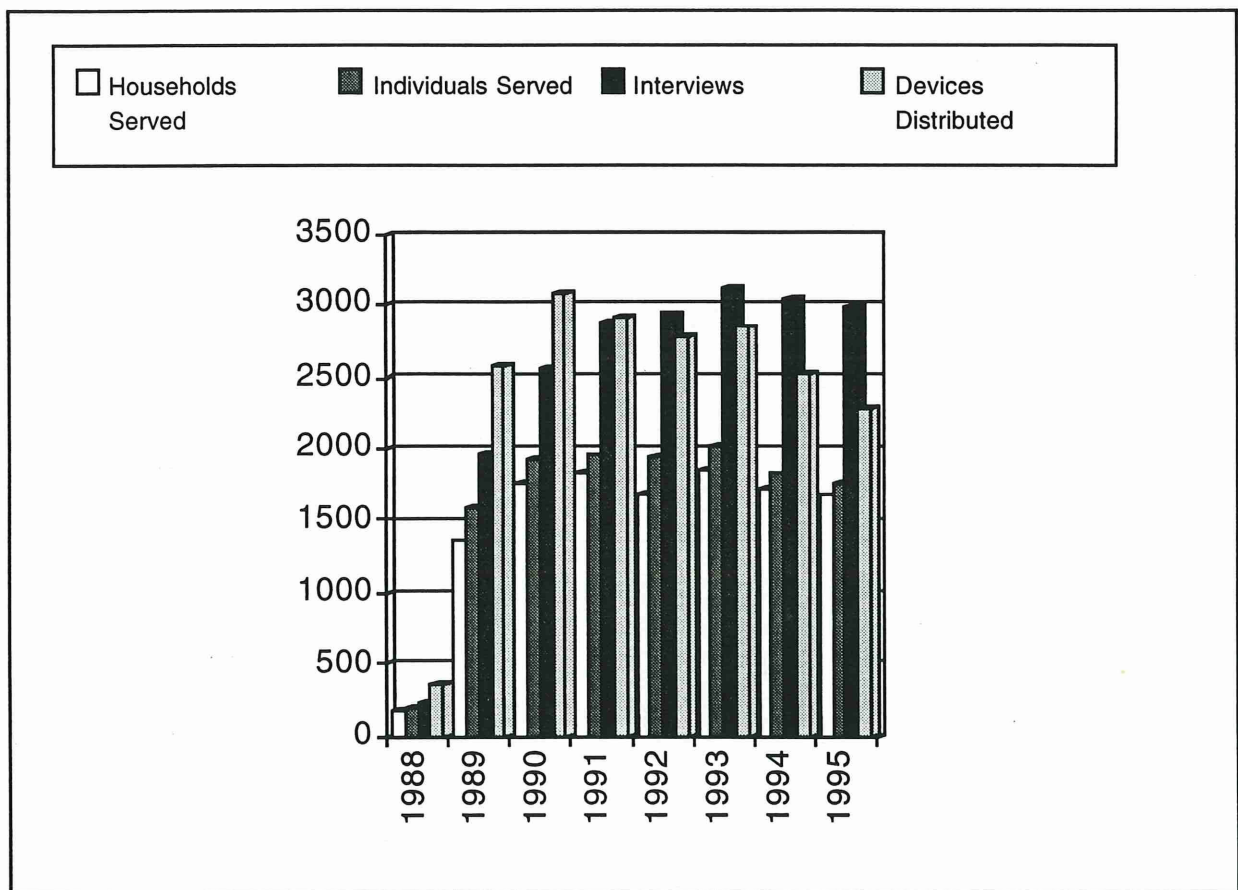
The Deaf and Hard-of-Hearing Services Division (DHHSD) of the Department of Human Services provides access to an established network of regional service centers around the state and professional staff experienced in working with communication-impaired persons. By statute, the Minnesota Department of Human Services (DHS) is required to administer the Equipment Distribution Program under an interagency agreement with the Department of Public Service. The interagency agreement is renewed each fiscal year; the current contract runs through June 30, 1996.

In 1995, the State contracts for amplified telephones were re-negotiated. DHHSD/EDP staff provided the expertise in determining what specifications would be used in the contract bids. The result of this re-negotiation was a lower contract price per unit for the amplified telephones as well as a wider array of options.

STATISTICAL INFORMATION

A report of EDP activities is submitted monthly to DPS by the DHHSD . The report fully documents outreach activity, the number of interviews conducted, the number of households receiving equipment, the number of individuals served and the kinds of equipment distributed. Distribution data from the beginning of the program in October 1988 through December 1995 is contained in Figure 2.

Figure 2: Equipment Distribution Program Activity, 1988 - 1995



PROGRAM PROMOTION

DHHS is responsible for promoting the EDP. Presentations by EDP staff explain the program, outline the eligibility requirements, demonstrate types of equipment currently available, explain the availability of the statewide telecommunications relay service, and provide other pertinent information. Since the program began in 1988, over 1,800 presentations have been given to more than 42,600 participants across the state. During 1995, the EDP conducted its fifth Consumer Satisfaction Survey. The findings were consistent with annual surveys completed since 1991. The survey was sent to 220 randomly selected recipients of EDP services, 30 from each greater Minnesota office, 60 from the metropolitan area, and ten from the special needs caseload. The selected consumers received service between April 1995 and September 1995. The survey participants were able to respond without revealing their identity. Of the 164 surveys returned, over 95% were favorable for each of the six questions asked. Of these participants, 98% indicated that they were generally happy with the service they received from EDP. The survey results appear as Appendix E.

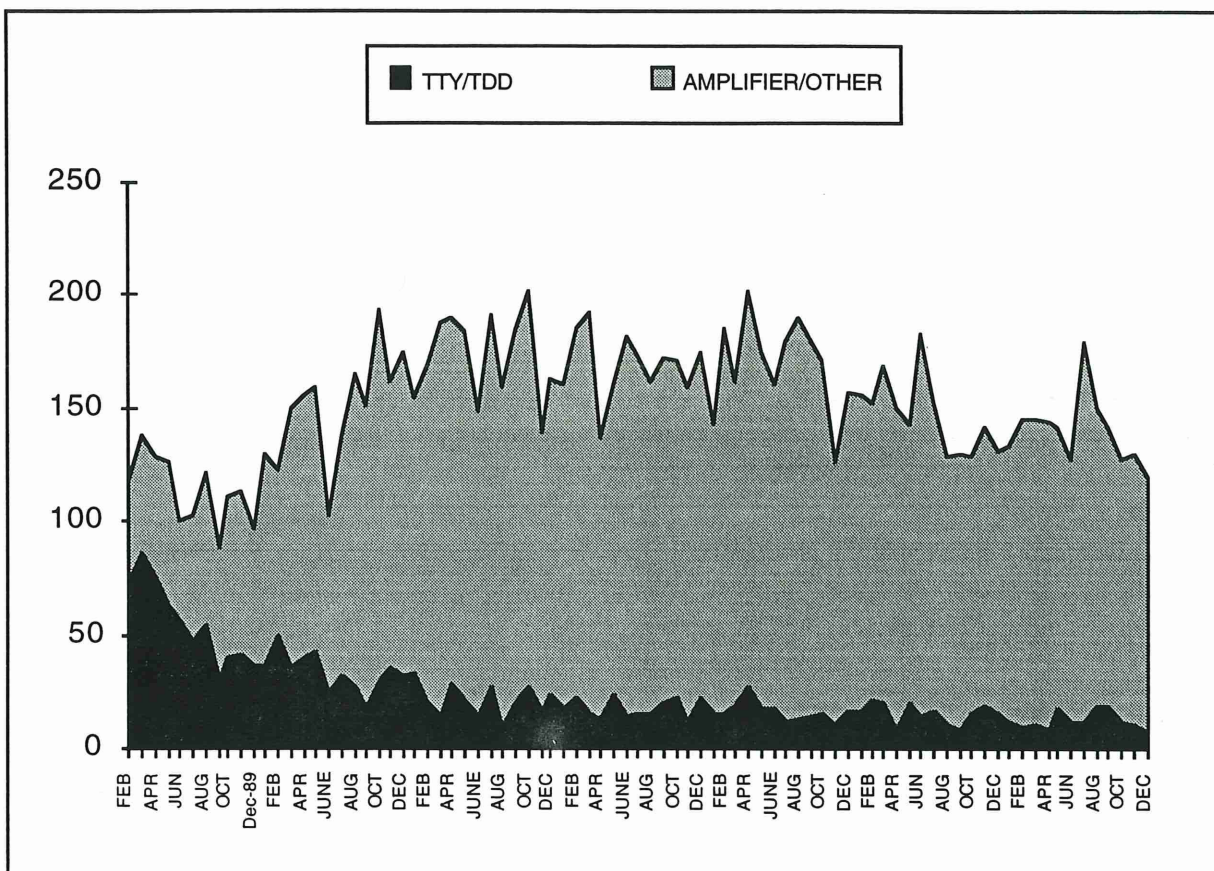
TRENDS IN SERVICE PROVISION

The demand for equipment for those who are hard of hearing continues to be strong. Since hearing loss is much more prevalent as people grow older, and the baby boom generation continues to mature, this upward trend is expected to continue.

The demand for TTYs has stabilized over the past several years. In addition, the demand for equipment for those with mobility impairments and with other special needs seems to be relatively stable. The graph in Figure 3 indicates the number of telecommunications devices for the deaf or teletypewriters (TTYs) and other equipment distributed since the beginning of the program.

EDP has distributed nearly 20,000 devices since inception. As the equipment continues to age, the time and resources spent processing repairs continues to increase.

Figure 3: Equipment Distribution by Type, 1988 - 1995



- The largest EDP consumer group continues to be senior citizens (over the age of 65). This population experiences an extremely high incidence of hearing loss and is most in need of telephone service to access health, safety and social services to maintain self-support and self-sufficiency.

FUNDING MECHANISM

Funding for the TACIP programs comes from a \$0.17 surcharge on all telephone access lines in Minnesota. The Legislature has established a maximum monthly surcharge of 20 cents.

REVENUES

Minnesota Statute 237.52, subd. 2, requires that the Department of Public Service annually recommend to the Public Utilities Commission (PUC) an "adequate and appropriate surcharge" to fund the TACIP programs. The PUC reviews the TACIP budget for reasonableness and may modify the budget "to the extent it is unreasonable". Within 60 days of receipt of a recommendation from the TACIP

Administrator, the PUC determines the funding mechanism to be used and orders the imposition of surcharges effective on the earliest practicable date.

REIMBURSEMENT FOR INTERSTATE TRS

The Americans with Disabilities Act of 1990 (ADA) directed the FCC to establish requirements, guidelines, procedures and minimum standards for Telecommunications Relay Services (TRS). The FCC conducted a proceeding (CC Docket 90-571) to examine and resolve a variety of TRS issues, one of which was the recovery of the costs of providing interstate TRS by service providers. The FCC order released on July 20, 1993 established rules requiring a nationwide fund to recover the costs of providing interstate TRS, and named the National Exchange Carrier Association (NECA) as the Fund's first administrator. The Fund became operational on July 26, 1993. NECA was re-appointed Fund Administrator in 1995.

FISCAL YEAR 1995 ACTUAL AND FISCAL YEAR 1996 ESTIMATED REVENUES AND EXPENDITURES

FY 1995 (July 1, 1994 - July 30, 1995)

Revenues:

Income from Surcharge =	\$4,951,497
Income from NECA =	303,338
Income from Long Distance Billing =	74,742
Balance Forward =	752,097
Income from Investments/Interest =	86,706
 Total Revenues	 \$6,168,380

Expenses:

TACIP Administration	\$300,283
Equipment Distribution Program	863,230
Minnesota Relay Service	3,543,409
 Total Expenses	 \$4,706,922
 Balance Forward	 \$1,461,458

FY 1996 (July 1, 1995 - July 30, 1996)

Revenues (Projected):

Income from Surcharge =	\$5,791,055
Income from NECA =	312,016
Income from Long Distance Billing =	67,271
Balance Forward =	1,461,480
Income from Investments =	45,500
 Total Revenues	 \$7,677,322

Expenses (Projected):

TACIP Administration	\$172,318
Equipment Distribution Program	950,058
Minnesota Relay Service	3,625,763
 Total Expenses	 \$4,748,139

Balance Forward	\$2,929,183
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CONCLUSION

Despite major legislation in 1995 which eliminated the TACIP Board and transferred the authority of its programs to the Department of Public Service and the Department of Human Services, the TACIP program continued to move ahead with significant forward momentum. As many relay users are aware, DPS-TACIP has issued two RFPs for the future provision of the relay service. The opening and subsequent awarding of bids is scheduled to take place in late April. To say the least, members of the relay service community are eager for the establishment of an all new MRS equipped with the latest in technologically advanced TRS terminals and switching systems. Given the level of services provided in other states, a hearing person can only imagine the frustrations encountered by deaf and hard-of-hearing Minnesotans who rely on the MRS as their only link to telecommunications.

Although exciting, 1996 promises to be an extremely busy year for DPS-TACIP. Following the awarding of bids for the provision of the new relay services, DPS-TACIP will begin negotiating contracts with the successful vendors. In the meantime, vitally important planning will be required in order to ensure an effective transition to the new relay service. Therefore, DPS-TACIP is poised to do its utmost to help ensure a smooth transition from the existing relay center to the next and to also strive for the greatest degree possible of customer satisfaction once the new relay center is established.

APPENDIX A

TACIP STATUTE: MINNESOTA STATUTE 237.50 - 237.56 (1995)

237.50 DEFINITIONS.

Subdivision 1. **Scope.** The terms used in sections 237.50 to 237.56 have the meanings given them in this section.

Subd. 2. **Repealed, 1995 c 190 s 17**

Subd. 3. **Communication impaired.** "Communication impaired" means certified as deaf, severely hearing impaired, hard-of-hearing, speech impaired, deaf and blind, or mobility impaired if the mobility impairment significantly impedes the ability to use standard customer premises equipment.

Subd. 4. **Communication device.** "Communication device" means a device that when connected to a telephone enables a communication-impaired person to communicate with another person utilizing the telephone system. A "communication device" includes a ring signaler, an amplification device, a telephone device for the deaf, a Braille device for use with a telephone, and any other device the department of human services deems necessary.

Subd. 4a. **Deaf.** "Deaf" means a hearing impairment of such severity that the individual must depend primarily upon visual communication such as writing, lip reading, manual communication, and gestures.

Subd. 5. **Exchange.** "Exchange" means a unit area established and described by the tariff of a telephone company for the administration of telephone service in a specified geographical area, usually embracing a city, town, or village and its environs, and served by one or more central offices, together with associated facilities used in providing service within that area.

Subd. 6. **Fund.** "Fund" means the telecommunication access for communication-impaired persons fund established in section 237.52.

Subd. 6a. **Hard-of-hearing.** "Hard-of-hearing" means a hearing impairment resulting in a functional loss, but not to the extent that the individual must depend primarily upon visual communication.

Subd. 7. **Interexchange service.** "Interexchange service" means telephone service between points in two or more exchanges.

Subd. 8. **Inter-LATA interexchange service.** "Inter-LATA interexchange service" means interexchange service originating and terminating in different LATAs.

Subd. 9. **Local access and transport area.** "Local access and transport area (LATA)" means a geographical area designated by the Modification of Final Judgment in U.S. v. Western Electric Co., Inc., 552 F. Supp. 131 (D.D.C. 1982), including modifications in effect on the effective date of sections 237.51 to 237.54.

Subd. 10. **Local exchange service.** "Local exchange service" means telephone service between points within an exchange.

Subd. 11. Telecommunication relay service.

"Telecommunication relay service" means a central statewide service through which a communication-impaired person, using a communication device, may send and receive messages to and from a non-communication-impaired person whose telephone is not equipped with a communication device and through which a non-communication-impaired person may, by using voice communication, send and receive messages to and from a communication-impaired person.

HIST: 1987 c 308 s 1,8; 1988 c 621 s 2; 1993 c 272 s 2-6,17; 1995 c 190 s 1

237.51 BOARD.

Subdivision 1. Creation. The department of public service shall administer through interagency agreement with the department of human services a program to distribute communication devices to eligible communication-impaired persons and contract with a local consumer group that serves communication-impaired persons to create and maintain a telecommunication relay service. For purposes of sections 237.51 to 237.56, the department of public service and any organization with which it contracts pursuant to this section or section 237.54, subdivision 2, are not telephone companies or telecommunications carriers as defined in section 237.01.

Subd. 2. Repealed, 1995 c 190 s 17

Subd. 3. Repealed, 1995 c 190 s 17

Subd. 4. Repealed, 1995 c 190 s 17

Subd. 5. Department of public service duties. In addition to any duties specified elsewhere in sections 237.51 to 237.56, the department of public service shall:

- (1) prepare the reports required by section 237.55;
- (2) administer the fund created in section 237.52; and
- (3) adopt rules under chapter 14 to implement the

provisions of sections 237.50 to 237.56.

Subd. 5a. Department of human services; duties. (a) In addition to any duties specified elsewhere in sections 237.51 to 237.56, the department of human services shall:

- (1) define economic hardship, special needs, and household criteria so as to determine the priority of eligible applicants for initial distribution of devices and to determine circumstances necessitating provision of more than one communication device per household;
- (2) establish a method to verify eligibility requirements;
- (3) establish specifications for communication devices to be purchased under section 237.53, subdivision 3;
- (4) inform the public and specifically the community of communication-impaired persons of the program; and
- (5) notwithstanding any provision of chapter 16B, develop guidelines for the purchase of some communication devices from local retailers and dispensers if the department determines that

otherwise they will be economically harmed by implementation of sections 237.50 to 237.56.

(b) The department may establish an advisory board to advise the department in carrying out the duties specified in this section and to advise the department of public service in carrying out its duties under section 237.54. If so established, the advisory board must include, at a minimum, the following communication-impaired persons:

- (1) at least one member who is deaf;
- (2) at least one member who is speech impaired;
- (3) at least one member who is mobility impaired; and
- (4) at least one member who is hard-of-hearing.

The membership terms, compensation, and removal of members and the filling of membership vacancies are governed by section 15.059. Advisory board meetings shall be held at the discretion of the commissioner.

Subd. 6. Repealed, 1995 c 190 s 17

HIST: 1987 c 186 s 15; 1987 c 308 s 2,8; 1988 c 621 s 3; 1990 c 571 s 41; 1990 c 598 s 3; 1992 c 430 s 1,2; 1992 c 518 s 1; 1993 c 272 s 7-11,17; 1995 c 190 s 2-4

237.52 FUND; ASSESSMENT.

Subdivision 1. **Fund.** A telecommunication access for communication-impaired persons fund is established as an account in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the fund.

Subd. 2. **Assessment.** The department of public service shall annually recommend to the commission an adequate and appropriate surcharge and budget to implement sections 237.50 to 237.56. The public utilities commission shall review the budget for reasonableness and may modify the budget to the extent it is unreasonable. The commission shall annually determine the funding mechanism to be used within 60 days of receipt of the recommendation of the department and shall order the imposition of surcharges effective on the earliest practicable date. The commission shall establish a monthly charge no greater than 20 cents for each customer access line, including trunk equivalents as designated by the commission pursuant to section 403.11, subdivision 1.

Subd. 3. **Collection.** Every telephone company or communications carrier that provides service capable of originating a telecommunications relay call, including cellular communications and other nonwire access services, in this state shall collect the charges established by the commission under subdivision 2 and transfer amounts collected to the commissioner of administration in the same manner as provided in section 403.11, subdivision 1, paragraph (c). The commissioner of administration must deposit the receipts in the fund established in subdivision 1.

Subd. 4. **Appropriation.** Money in the fund is appropriated to the department of public service to implement sections 237.51 to 237.56.

Subd. 5. **Expenditures.** Money in the fund may only be used for:

(1) expenses of the department of public service, including personnel cost, public relations, advisory board members' expenses, preparation of reports, and other reasonable expenses not to exceed ten percent of total program expenditures;

(2) reimbursing the commissioner of human services for purchases made or services provided pursuant to section 237.53;

(3) reimbursing telephone companies for purchases made or services provided under section 237.53, subdivision 5; and

(4) contracting for establishment and operation of the telecommunication relay service required by section 237.54.

All costs directly associated with the establishment of the program, the purchase and distribution of communication devices, and the establishment and operation of the telecommunication relay service are either reimbursable or directly payable from the fund after authorization by the department of public service. The department of public service shall contract with the message relay service operator to indemnify the local exchange carriers of the relay service for any fines imposed by the Federal Communications Commission related to the failure of the relay service to comply with federal service standards. Notwithstanding section 16A.41, the department of public service may advance money to the contractor of the telecommunication relay service if the contractor establishes to the department's satisfaction that the advance payment is necessary for the operation of the service. The advance payment may be used only for working capital reserve for the operation of the service. The advance payment must be offset or repaid by the end of the contract fiscal year together with interest accrued from the date of payment.

HIST: 1987 c 308 s 3,8; 1988 c 621 s 4; 1992 c 518 s 2; 1993 c 272 s 12,13,17; 1995 c 190 s 5-7; 1995 c 201 s 1

237.53 COMMUNICATION DEVICES.

Subdivision 1. **Application.** A person applying for a communication device under this section must apply to the program administrator on a form prescribed by the department of human services.

Subd. 2. **Eligibility.** To be eligible to obtain a communication device under this section, a person must be:

(1) able to benefit from and use the equipment for its intended purpose;

(2) communication impaired;

(3) a resident of the state;

(4) a resident in a household that has a median income at or below the applicable median household income in the state,

except a deaf and blind person applying for a telebraille unit may reside in a household that has a median income no more than 150 percent of the applicable median household income in the state; and

(5) a resident in a household that has telephone service or that has made application for service and has been assigned a telephone number; or a resident in a residential care facility, such as a nursing home or group home where telephone service is not included as part of overall service provision.

Subd. 3. **Distribution.** The commissioner of human services shall purchase and distribute a sufficient number of communication devices so that each eligible household receives an appropriate device. The commissioner of human services shall distribute the devices to eligible households in each service area free of charge as determined under section 237.51, subdivision 5a.

Subd. 4. **Training; maintenance.** The commissioner of human services shall maintain the communication devices until the warranty period expires, and provide training, without charge, to first-time users of the devices.

Subd. 5. **Wiring installation.** If a communication-impaired person is not served by telephone service and is subject to economic hardship as determined by the department of human services, the telephone company providing local service shall at the direction of the administrator of the program install necessary outside wiring without charge to the household.

Subd. 6. **Ownership.** All communication devices purchased pursuant to subdivision 3 will become the property of the state of Minnesota.

Subd. 7. **Standards.** The communication devices distributed under this section must comply with the electronic industries association standards and approved by the Federal Communications Commission. The commissioner of human services must provide each eligible person a choice of several models of devices, the retail value of which may not exceed \$600 for a communication device for the deaf, and a retail value of \$7,000 for a telebraille device, or an amount authorized by the department of human services for a telephone device for the deaf with auxiliary equipment.

Subd. 8. Repealed, 1988 c 621 s 19
HIST: 1987 c 308 s 4,8; 1988 c 621 s 5-8; 1993 c 272 s 17;
1995 c 190 s 8-11; 1995 c 201 s 2

237.54 TELECOMMUNICATION RELAY SERVICE.

Subdivision 1. Repealed, 1995 c 190 s 17

Subd. 2. **Operation.** The department of public service shall contract with a local consumer organization that serves communication-impaired persons for operation and maintenance of the telecommunication relay system. The department may contract

with other than a local consumer organization if no local consumer organization is available to enter into or perform a reasonable contract or the only available consumer organization fails to comply with terms of a contract. The operator of the system shall keep all messages confidential, shall train personnel in the unique needs of communication-impaired people, and shall inform communication-impaired persons and the public of the availability and use of the system. The operator shall not relay a message unless it originates or terminates through a communication device for the deaf or a Braille device for use with a telephone.

HIST: 1987 c 308 s 5,8; 1993 c 272 s 14,17; 1995 c 190 s 12

237.55 REPORTS; PLANS.

The department of public service must prepare a report for presentation to the commission by January 31 of each year. Each report must review the accessibility of the telephone system to communication-impaired persons, review the ability of non-communication-impaired persons to communicate with communication-impaired persons via the telephone system, describe services provided, account for money received and disbursed annually for each aspect of the program to date, and include predicted future operation.

HIST: 1987 c 308 s 6,8; 1993 c 272 s 15,17; 1995 c 190 s 13

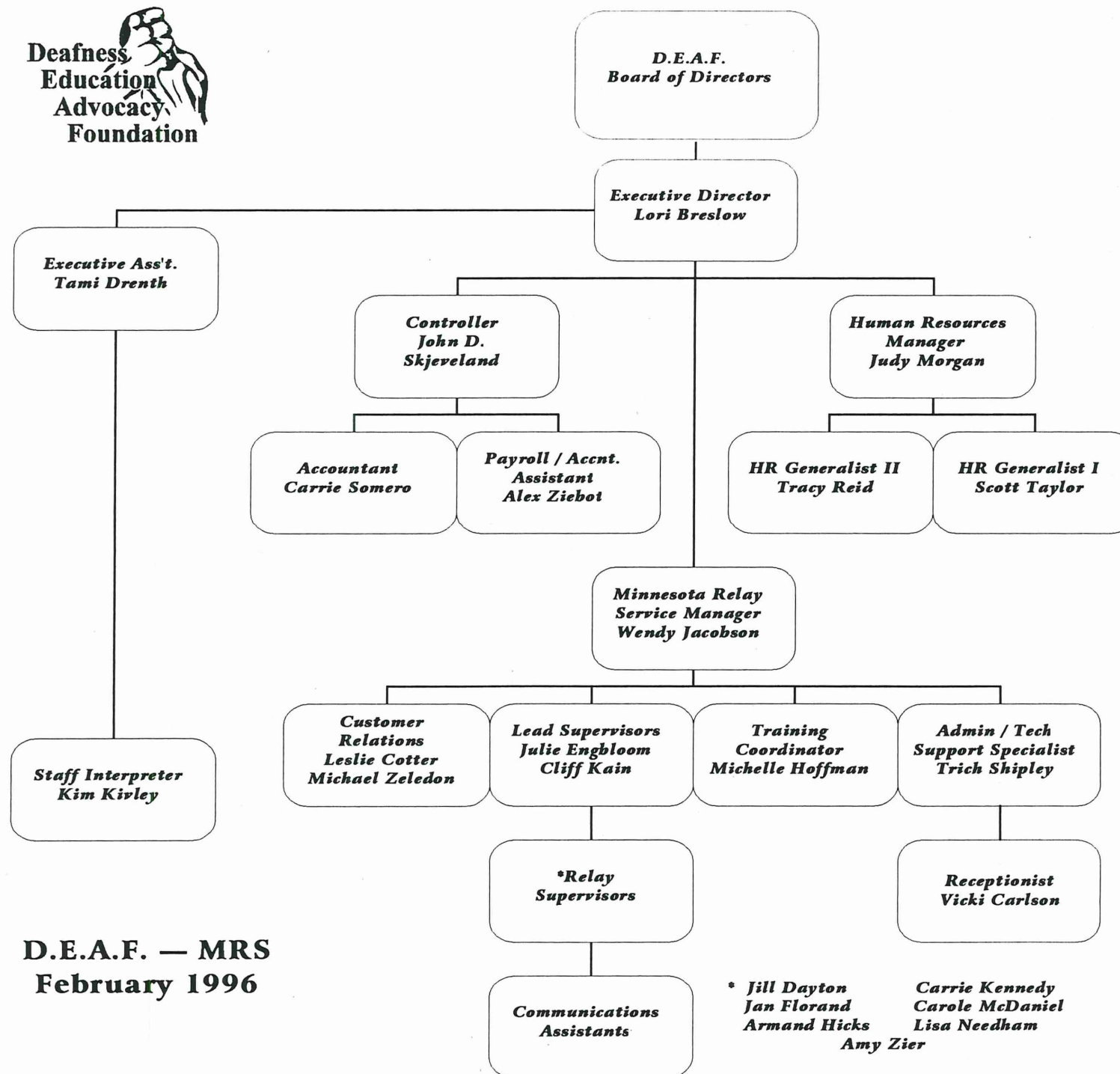
237.56 ADEQUATE SERVICE.

The services required to be provided under sections 237.50 to 237.55 may be enforced under section 237.081 upon a complaint of at least two communication-impaired persons within the service area of any one telephone company, provided that if only one person within the service area of a company is receiving service under sections 237.50 to 237.55, the commission may proceed upon a complaint from that person.

HIST: 1987 c 308 s 7,8; 1993 c 272 s 17

APPENDIX B

MINNESOTA RELAY SERVICE ORGANIZATIONAL CHART

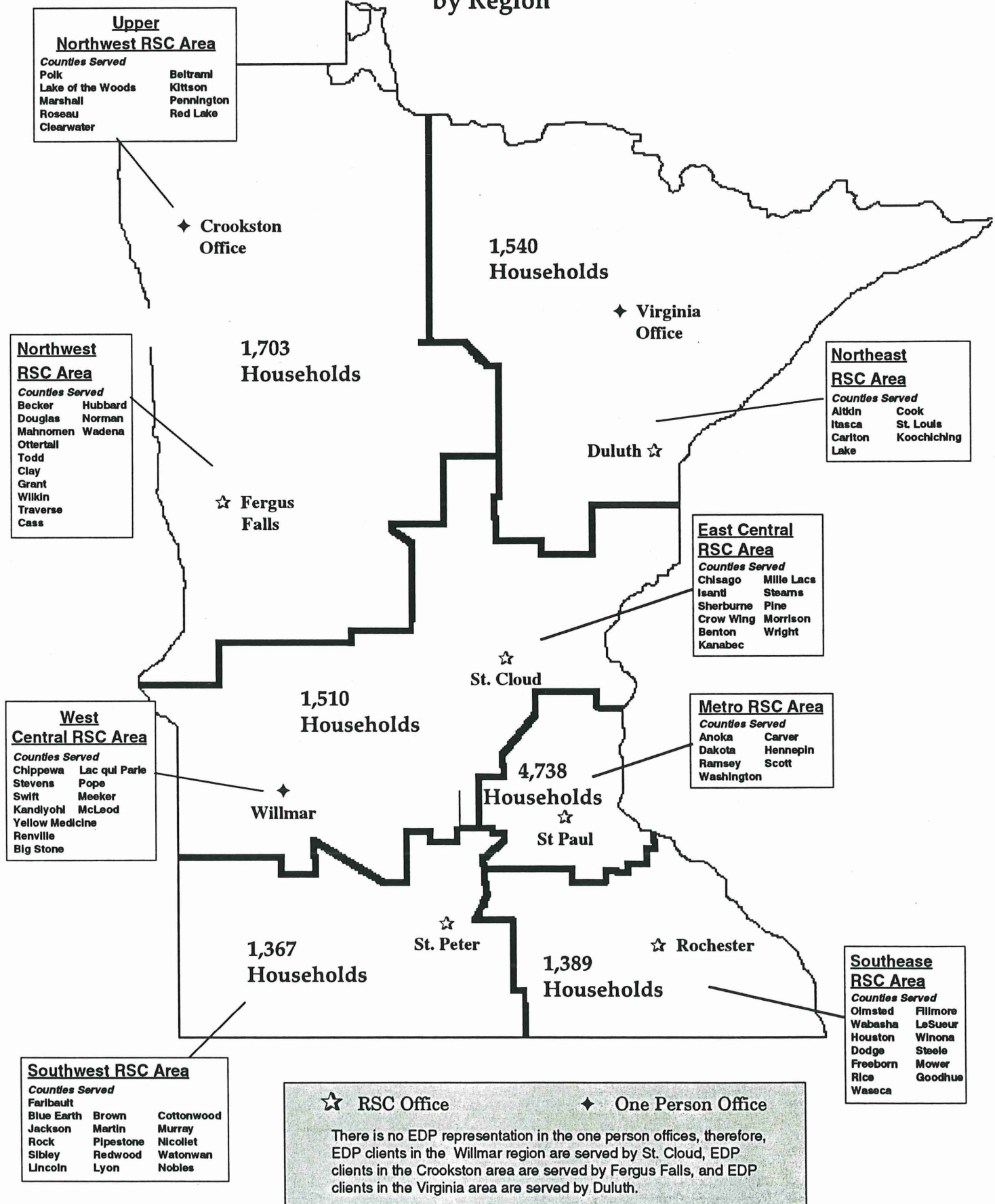


D.E.A.F. — MRS
February 1996

APPENDIX C

HOUSEHOLDS SERVED BY THE EQUIPMENT DISTRIBUTION PROGRAM

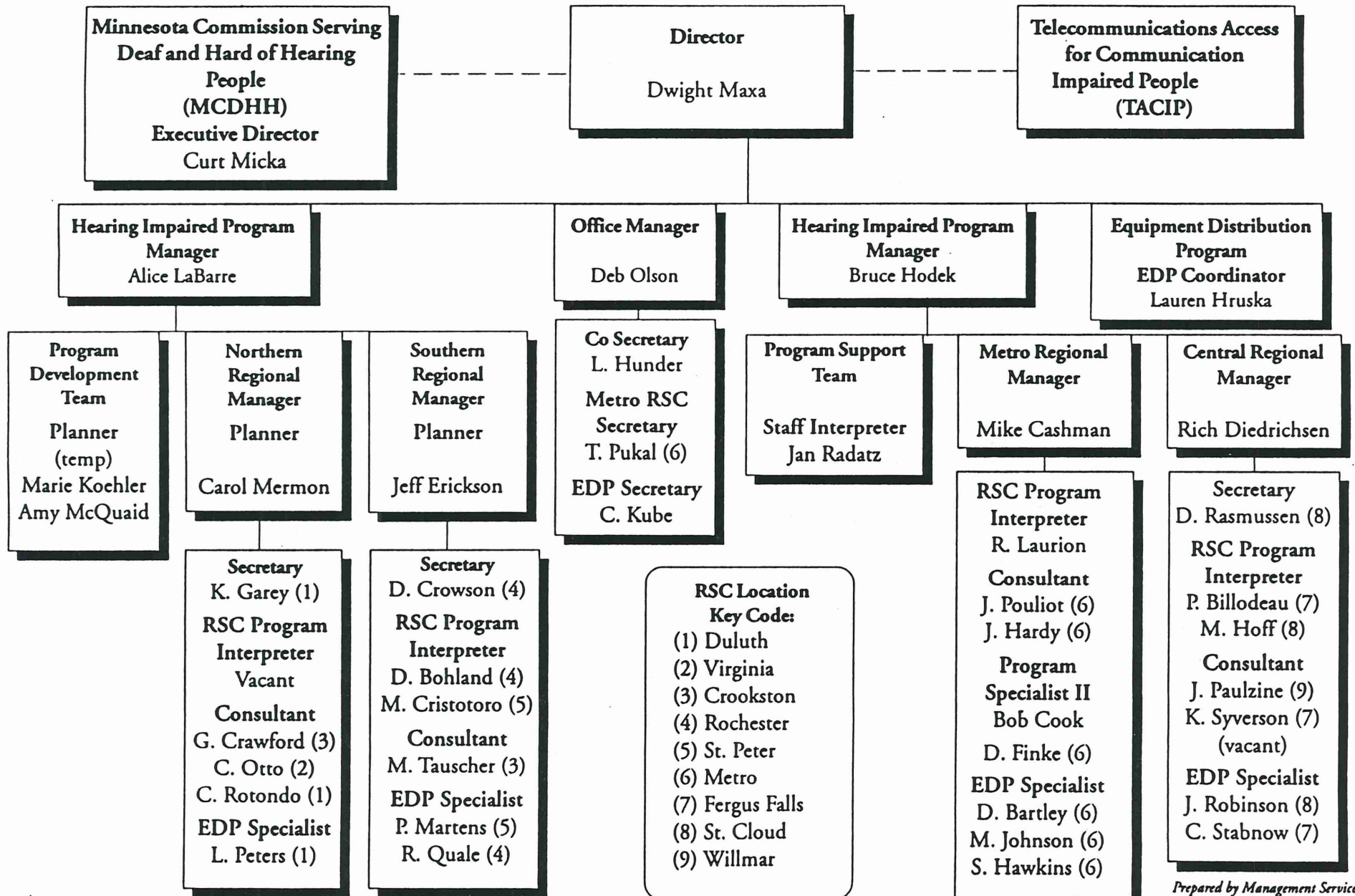
Number of Households Served by EDP October 1988 thru December 1995 by Region



APPENDIX D

EQUIPMENT DISTRIBUTION PROGRAM ORGANIZATIONAL CHART

Deaf and Hard of Hearing Services
Economic and Community Support Strategies
 March 1996



APPENDIX E

EQUIPMENT DISTRIBUTION PROGRAM CONSUMER SATISFACTION SURVEY

Equipment Distribution Program Consumer Satisfaction Survey

October, 1995

In an effort to continue monitoring the quality and effectiveness of the services provided by EDP, a consumer satisfaction survey was mailed to 220 recipients of EDP services. The survey attempted to measure the level of satisfaction of people who have received EDP services. To get the highest response rate possible, the survey was limited to seven yes or no questions. Included at the end of the survey was a comment section allowing responders to elaborate on their answers and/or give their name and address so EDP staff could follow up with additional information or services. Thirty consumers were selected from the case files of each program specialist for a total of 210. An additional ten were sent to those consumers served by the Special Needs case worker. The selected consumers received service between April 1 and September 30, 1995. To keep the survey as objective as possible, EDP staff were not told of the survey until after the questionnaires were mailed and the recipients were able to respond without revealing their identity. The results of the survey have been compiled for individual RSC offices and statewide.

STATEWIDE

(30 for each 7 program specialists and 10
for the consumers served by the special
needs coordinator)

Number of surveys mailed: 220

Number of surveys returned: 164

Question #1

Are you satisfied with the telephone equipment you received?

Yes 153 No 5

Question #2

Are you currently using the equipment you received?

Yes 160 No 4

Question #3

Do you feel you were served in a timely manner?

Yes 157 No 3

Question #4

Did you receive enough training on how to use and install the equipment?

Yes 156 No 2

Question #5

Were your questions answered clearly and completely?

Yes 158 No 2

Question #6

Generally speaking, are you happy with the service you received from the Equipment Distribution Program?

Yes 158 No 3

Question #7

Would you like us to contact you about the service and/or equipment you received?

Yes 20 No 141