

From: Department of Public Safety/Emergency Communication Networks
Minnesota 911 Program

To: All Wire-line, Wireless, and VoIP service providers with customers in Minnesota

Subject: **Minnesota 911 Fee Change Effective October 1, 2013**

All wire-line, wireless, and VoIP service providers with telephone service customers in Minnesota are notified the 911 fee will change on their telephone service customer invoices beginning October 1, 2013.

The 911 fee will decrease to seventy eight cents (\$.78). The Telephone Assistance Plan (TAP) fees will decrease to three cents (\$.03) and the Telecommunications Access Minnesota (TAM) will remain unchanged at six cents (\$.06).

Per MN Statute §403.11 Subdivision 1. **Emergency telecommunications service fee; account.** (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switch network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee.

The fee forms may be found on the Department of Public Safety web page:

<https://dps.mn.gov/divisions/ecn/programs/911/Pages/fee-remittance-forms.aspx>

The Wire-line and VoIP forms must be used beginning with the first billing cycle on or after October 1, 2013 through the billing cycle ending June 30, 2014.

The Wireless form which is to include pre-paid wireless fees must be used beginning with the first billing cycle on or after October 1, 2013 through the end of the billing cycle ending December 31, 2013. Beginning January 1, 2014, a revised form for wireless will be distributed and must be used by wireless carriers which will follow the new legislation in MN Statute § 403.162 which directs all Point of Sale transactions to be remitted to the Department of Revenue.

Note there are three options for fee remittance:

Monthly: If the combined fee amounts collected are \$250.00 or more per month, the fee remittance form and fees are due to the Department of Public Safety no later than the 25th of the month following the month of collection, (October fees collected are due to this office by November 25th. **Complete the MONTHLY/QUARTERLY form to submit fees monthly.**

Quarterly: If the combined fee amounts collected are less than \$250.00 per month but more than \$25.00 per month, the fee remittance form and fees are due to the Department of Public Safety no later than the 25th of the month following the 3rd month of the quarter (October, November December fees are due to this office no later than January 25th). **Complete the MONTHLY/QUARTERLY form to submit fees quarterly.**

Annual: If the combined fee amounts collected are less than \$25.00 per month, the annual collection of fees are due to the Department of Public Safety by July 25th of each year. Annual fees

should be remitted with form for each month and should cover collections for period July 1st through June 30th, the State of Minnesota's fiscal year. **Complete the ANNUAL form to submit fees annually.**

FAQs:

1. Who can I contact for questions about the programs?

Telephone Assistance Plan (TAP) information and compliance forms are available at <http://www.puc.state.mn.us/PUC/telecom/for-utilities/tap-form/index.html>. Program inquiries may be directed to Theresa Staples, TAP Coordinator, at theresa.staples@state.mn.us, 651-201-2202.

Telecommunications Access Minnesota (TAM) program information and compliance forms are available at www.mnrelay.org. TAM program inquiries may be directed to Rochelle Garrow, TAM Administrator, at rochelle.garrow@state.mn.us or 651-297-8941 or 1-800-657-3599.

911 Program information and compliance forms are available at <https://dps.mn.gov/divisions/ecn/programs/911/Pages/fee-remittance-forms.aspx>. 911 program inquiries may be directed to Dana Wahlberg, 911 Program Manager, at dana.wahlberg@state.mn.us or 651-201-7546.

2. **What is the preferred method for remitting fees?** The Office of Legislative Auditors strongly recommends that every carrier submit the 911 fees through Direct Deposit (ACH). This will protect the carrier and the division from any possible theft. Attached please find the **Direct Deposit Authorization Form**. Beginning with the first billing cycle on or after October 1, 2013, we request all fees are submitted through Direct Deposit (ACH). Should you require assistance with the ACH enrollment process, please contact Carol Schmidt at carol.schmidt@state.mn.us

3. **How should fees be submitted for customers who either begin or end service during the reporting month?** For new customers, take the number of new customers divided by the total number of days in the month and multiply by fifteen days. For exiting customers, take the number of exiting customers divided by the total number of days in the month and multiply by fifteen days.

4. **Are fees applied to seasonal customers?** Yes. Although telephone service is temporarily (e.g. seasonally) suspended, because the customer service record is retained and remains in the 911 database, the fee is applicable and must be paid.

5. **Do fees apply to tax-exempt organizations?** Yes. The fees are not taxes. Except for the cost of 911 program management, 911 receipts are used to pay for 911 call delivery, features, and other 911 related expenses. Likewise, the TAM and TAP fees pay only for the cost of administering and implementing the TAM and TAP programs.

- 6. Do fees apply to one-way trunks, such as used in a direct-inward-dial PBX system?** Yes.
Although an incoming PBX trunk would not be used to dial out, it is part of a local premises system that can access the switched network.
- 7. What if a customer does not pay their bill, or refuses to pay the fee?** As long as the subscriber has telephone service and/or the customer service record is retained in the 911 database, it is the responsibility of the carrier to submit the appropriate fee for the telephone access line. Only when the carrier disconnects phone service due to lack of payment or removes the customer service record from the 911 database is it permissible to discontinue submitting a fee for the access line.
- 8. Should fees be billed until paid?** Yes. If a subscriber refuses to pay the fee for one month, the balance should be carried forward and added to the normal fee amount on the subsequent bill.

Pre-paid Fee Options Document

Until January 1, 2014, there are three approach options to the calculation of pre-paid fees under Minnesota Statute 403.11 and 237.52 that the Department of Public Safety identifies may be applied to pre-paid wireless services.

1. **Term Method**: This approach would be applicable to pre-paid wireless service purchased for a set period of time. The service provider would collect the 911 and TAM fees for each month of service. For example if the service provider routinely sells service minutes that are good for 2 months, the monthly 911 and TAM fee amounts would be multiplied by 2 months and submitted once the card is activated.
2. **Usage/Decrement Method**: On a set day of the month, the service provider determines the number of minutes that remain in the account and take away or decrement the minutes from the account equal to the amount of 911 and TAM fees for the month from the customer's balance.
3. **Average Revenue Per User (ARPU) Method**: This approach would be based upon the value of all services sold in Minnesota on a monthly basis and the industry average monthly usage, which is currently \$50.00 per month. This method divides the provider's total intrastate monthly revenues by the average revenue per user (ARPU) of the wireless industry. The Minnesota model uses \$50 as the monthly ARPU, which represents an estimate for the national average for monthly wireless revenues. The result is the estimated number of subscribers for the month. This number of subscribers is then multiplied by the subscriber surcharge amount (the sum of applicable 911 and TAM fee rates), which results in an overall amount that the wireless provider must pay to the E-9-1-1 fund for the month in question.