

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**HOUSE DRH30182-LM-77 (03/25)**

Short Title: Universal Telephone Service Provider. (Public)

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Sponsors: Representatives Brubaker and Saunders (Primary Sponsors).

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Referred to:

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A BILL TO BE ENTITLED

1  
2 AN ACT AUTHORIZING THE NORTH CAROLINA UTILITIES COMMISSION TO  
3 DETERMINE A TIME IN WHICH FINAL RULES CONCERNING THE  
4 DESIGNATION OF A UNIVERSAL SERVICE PROVIDER FOR TELEPHONE  
5 SERVICE SHALL BE ADOPTED.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 62-110(f1) reads as rewritten:

8 "(f1) Except as provided in subsection (f2) of this section, the Commission is  
9 authorized, following notice and an opportunity for interested parties to be heard, to  
10 issue a certificate to any person applying to provide local exchange or exchange access  
11 services as a public utility as defined in G.S. 62-3(23)a.6., without regard to whether  
12 local telephone service is already being provided in the territory for which the certificate  
13 is sought, provided that the person seeking to provide the service makes a satisfactory  
14 showing to the Commission that (i) the person is fit, capable, and financially able to  
15 render such service; (ii) the service to be provided will reasonably meet the service  
16 standards that the Commission may adopt; (iii) the provision of the service will not  
17 adversely impact the availability of reasonably affordable local exchange service; (iv)  
18 the person, to the extent it may be required to do so by the Commission, will participate  
19 in the support of universally available telephone service at affordable rates; and (v) the  
20 provision of the service does not otherwise adversely impact the public interest. In its  
21 application for certification, the person seeking to provide the service shall set forth  
22 with particularity the proposed geographic territory to be served and the types of local  
23 exchange and exchange access services to be provided. Except as provided in G.S.  
24 62-133.5(f), any person receiving a certificate under this section shall, until otherwise  
25 determined by the Commission, file and maintain with the Commission a complete list  
26 of the local exchange and exchange access services to be provided and the prices

1 charged for those services, and shall be subject to such reporting requirements as the  
2 Commission may require.

3 Any certificate issued by the Commission pursuant to this subsection shall not  
4 permit the provision of local exchange or exchange access service until July 1, 1996,  
5 unless the Commission shall have approved a price regulation plan pursuant to G.S.  
6 62-133.5(a) for a local exchange company with an effective date prior to July 1, 1996.  
7 In the event a price regulation plan becomes effective prior to July 1, 1996, the  
8 Commission is authorized to permit the provision of local exchange or exchange access  
9 service by a competing local provider in the franchised area of such local exchange  
10 company.

11 The Commission is authorized to adopt rules it finds necessary (i) to provide for the  
12 reasonable interconnection of facilities between all providers of telecommunications  
13 services; (ii) to determine when necessary the rates for such interconnection; (iii) to  
14 provide for the reasonable unbundling of essential facilities where technically and  
15 economically feasible; (iv) to provide for the transfer of telephone numbers between  
16 providers in a manner that is technically and economically reasonable; (v) to provide for  
17 the continued development and encouragement of universally available telephone  
18 service at reasonably affordable rates; and (vi) to carry out the provisions of this  
19 subsection in a manner consistent with the public interest, which will include a  
20 consideration of whether and to what extent resale should be permitted. In adopting  
21 rules to establish an appropriate definition of universal service, the Commission shall  
22 consider evolving trends in telecommunications services and the need for consumers to  
23 have access to high-speed communications networks, the Internet, and other services to  
24 the extent that those services provide social benefits to the public at a reasonable cost.

25 Local exchange companies and competing local providers shall negotiate the rates  
26 for local interconnection. In the event that the parties are unable to agree within 90 days  
27 of a bona fide request for interconnection on appropriate rates for interconnection, either  
28 party may petition the Commission for determination of the appropriate rates for  
29 interconnection. The Commission shall determine the appropriate rates for  
30 interconnection within 180 days from the filing of the petition.

31 Each local exchange company shall be the universal service provider in the area in  
32 which it is certificated to operate on July 1, 1995, until otherwise determined by the  
33 Commission. In continuing this State's commitment to universal service, the  
34 Commission shall, by December 31, 1996, adopt interim rules that designate the person  
35 that should be the universal service provider and to determine whether universal service  
36 should be funded through interconnection rates or through some other funding  
37 mechanism. ~~By July 1, 2003,~~At a time determined by the Commission to be in the  
38 public interest, the Commission shall ~~complete conduct~~ an investigation ~~and adopt~~  
39 for the purpose of adopting final rules concerning the provision of universal services, the  
40 person that should be the universal service provider, and whether universal service  
41 should be funded through interconnection rates or through some other funding  
42 mechanism.

1       The Commission shall make the determination required pursuant to this subsection  
2 in a manner that furthers this State's policy favoring universally available telephone  
3 service at reasonable rates."

4               **SECTION 2.** This act is effective when it becomes law.