

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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HOUSE BILL 1468

Short Title: Telecommunication Service Providers. (Public)

Sponsors: Representatives Saunders and Brubaker (Primary Sponsors).

Referred to: Public Utilities.

April 21, 2005

A BILL TO BE ENTITLED

1 AN ACT AUTHORIZING THE NORTH CAROLINA UTILITIES COMMISSION TO
2 DETERMINE CERTAIN TELECOMMUNICATION SERVICE PROVIDERS TO
3 BE THE UNIVERSAL SERVICE PROVIDER IN CERTAIN SUBDIVISIONS
4 AND AREAS.
5

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
24 G.S. 62-133.5(f), any person receiving a certificate under this section shall, until
25 otherwise determined by the Commission, file and maintain with the Commission a
26 complete list of the local exchange and exchange access services to be provided and the
27 prices charged for those services, and shall be subject to such reporting requirements as
28 the Commission may require.

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

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

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

29 ~~Each~~ Except as provided in subsection (f4) of this section, each local exchange
30 company shall be the universal service provider (carrier of last resort) in the area in
31 which it is certificated to operate on July 1, 1995, ~~until otherwise determined by the~~
32 ~~Commission. 1995.~~ In continuing this State's commitment to universal service, the
33 Commission shall, by December 31, 1996, adopt interim rules that designate the person
34 that should be the universal service provider and to determine whether universal service
35 should be funded through interconnection rates or through some other funding
36 mechanism. At a time determined by the Commission to be in the public interest, the
37 Commission shall conduct an investigation for the purpose of adopting final rules
38 concerning the provision of universal services, ~~the person that should be the universal~~
39 ~~service provider, services,~~ and whether universal service should be funded through
40 interconnection rates or through some other funding mechanism.

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

1 **SECTION 2.** G.S. 62-110 is amended by adding the following new
2 subsection to read:

3 "(f4) When any telecommunication service provider enters into an agreement to
4 provide local exchange service for a subdivision or other area where access to
5 right-of-way for the provision of local exchange service by other telecommunication
6 service providers has not been granted by the property owner, the telecommunication
7 service provider shall be the universal service provider in the subdivision or other area.
8 If the local exchange company for the franchise area or territory in which the
9 subdivision or other area is located is not a party to the agreement, the local exchange
10 company shall be relieved of any universal service provider obligation for that
11 subdivision or other area. In that case, the local exchange company shall retain the
12 option, but not the obligation, to serve customers in a subdivision or other area served
13 by another telecommunication service provider."

14 **SECTION 3.** This act is effective when it becomes law.