

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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HOUSE BILL 205*

Short Title: Extend Time for Universal Service Final Rules. (Public)

Sponsors: Representative Smith.

Referred to: Public Utilities.

February 22, 2001

A BILL TO BE ENTITLED

1 AN ACT TO EXTEND THE TIME FOR THE NORTH CAROLINA UTILITIES
2 COMMISSION TO ADOPT FINAL RULES REGARDING UNIVERSAL
3 SERVICE.
4

5 The General Assembly of North Carolina enacts:

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

7 "(f1) Except as provided in subsection (f2) of this section, the Commission is
8 authorized, following notice and an opportunity for interested parties to be heard, to
9 issue a certificate to any person applying to provide local exchange or exchange access
10 services as a public utility as defined in G.S. 62-3(23)a.6., without regard to whether
11 local telephone service is already being provided in the territory for which the certificate
12 is sought, provided that the person seeking to provide the service makes a satisfactory
13 showing to the Commission that (i) the person is fit, capable, and financially able to
14 render such service; (ii) the service to be provided will reasonably meet the service
15 standards that the Commission may adopt; (iii) the provision of the service will not
16 adversely impact the availability of reasonably affordable local exchange service; (iv)
17 the person, to the extent it may be required to do so by the Commission, will participate
18 in the support of universally available telephone service at affordable rates; and (v) the
19 provision of the service does not otherwise adversely impact the public interest. In its
20 application for certification, the person seeking to provide the service shall set forth
21 with particularity the proposed geographic territory to be served and the types of local
22 exchange and exchange access services to be provided. Except as provided in G.S.
23 62-133.5(f), any person receiving a certificate under this section shall, until otherwise
24 determined by the Commission, file and maintain with the Commission a complete list
25 of the local exchange and exchange access services to be provided and the prices
26 charged for those services, and shall be subject to such reporting requirements as the
27 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 G.S.
4 62-133.5(a) for a local exchange company with an effective date prior to July 1, 1996.
5 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.

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

25 Each local exchange company shall be the universal service provider in the area in
26 which it is certificated to operate on July 1, 1995, until otherwise determined by the
27 Commission. In continuing this State's commitment to universal service, the
28 Commission shall, by December 31, 1996, adopt interim rules that designate the person
29 that should be the universal service provider and to determine whether universal service
30 should be funded through interconnection rates or through some other funding
31 mechanism. By ~~July 1, 2001,~~ July 1, 2003, the Commission shall complete an
32 investigation and adopt final rules concerning the provision of universal services, the
33 person that should be the universal service provider, and whether universal service
34 should be funded through interconnection rates or through some other funding
35 mechanism.

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

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