

April 7, 2009

H 1180. CONSUMER CHOICE AND INVESTMENT ACT OF 2009. Filed 4/7/09. *ESTABLISHING THE CONSUMER CHOICE AND INVESTMENT ACT OF 2009.*

Amends GS 62-133.5 to add a new subsection to authorize a local exchange company that is subject to rate of return regulation under GS 62-133 or another form of regulation authorized by GS 62-133.5, to elect to have the rates, terms, and conditions of its services determined by the new subsection. Defines local exchange company, preelection date, single-line basic residential service, and stand-alone basic residential line. Directs that the local exchange company must maintain stand-alone basic residential lines that were in service on the preelection date at the customer's discretion for a period of 36 months. Limits the local exchange company's rate increased for those lines annually. Prohibits the Utilities Commission from (1) imposing any requirements related to the terms, conditions, rates, or availability of any of the local exchange company's stand-alone basic residential lines that were in service on the preelection date; (2) otherwise regulating any of the local exchange company's stand-alone basic residential lines that were in service on the preelection date; (3) imposing any requirements related to the terms, conditions, rates, or availability of any of the local exchange company's retail services; or (4) otherwise regulating any of the local exchange company's retail services. Specifies that this subsection does not affect the obligations of an incumbent local exchange carrier's under federal requirements or the Utility Commission's jurisdiction to enforce federal requirements on the local exchange company's marketing activities.

Intro. by Holliman, Brubaker.

GS 62

May 7, 2009

H 1180. CONSUMER CHOICE AND INVESTMENT ACT OF 2009. Filed 4/7/09. House committee substitute makes the following changes to 1st edition. Clarifies that a local exchange company may make an election under new subsection (h) of GS 62-133.5 by filing a notice of intent with the North Carolina Utilities Commission (Commission) and such election becomes effective immediately upon filing. Establishes that subsection (h) applies only to a local exchange company for a franchise area or territory in which not less than 90% of the households in each local exchange have some combination of reliable wireless service and/or broadband service where the download speed is at least 1.5Mbps and the upload speed is at least 384Kbps. Removes the requirement of a 36-month waiting period in GS 62-133.5(h)(2), thereby permitting a local exchange to increase rates annually for certain stand-alone basic residential lines beginning on the date of the local exchange's election under this subsection. Prohibits the Commission from regulating or imposing any requirements related to the terms, conditions, rates, or availability of any of the local exchange company's stand-alone basic residential lines that were in service on the pre-election date, with the *sole* exception of ensuring the local exchange complies with the rate increase limitations permitted in the preceding sentence (in the 1st edition, the Commission was permitted to regulate local exchanges regarding any provision in this subdivision). Clarifies that a local exchange's election does not effect the Commission's ability to act in accordance with federal or state laws, to include (1) jurisdiction to set rates, terms, and conditions for unbundled network elements and the arbitration and enforcement of interconnection agreements; (2) telecommunications relay service pursuant to GS 62-157; (3) Life Line or Link Up programs under Federal Communications Commission rules and orders of the Commission issued as of January 1, 2009; (4) universal service funding and carrier of last resort obligations pursuant to GS 62-110; and (5) the ability of the Commission's staff to assist a consumer with resolving a complaint with the local exchange company pursuant to GS 62-73.1.

Adds new subsection (i) to GS 62-133.5 extending the provisions of subsection (h) to a competing local provider authorized by the Commission to do business under GS 62-110(f1).

Adds new subsection (j) to clarify that the Commission has jurisdiction over matters concerning switched access and intercarrier compensation of a local exchange that has elected to operate under price regulation.

Adds new subsection (k) requiring any local exchange making the election under subsection (h) to make an annual report to the General Assembly due 30 days after the close of each calendar year, to include analysis of the impact of this act on (1) telecommunications competition

and consumer choices; (2) service quality based on consumer satisfaction studies; and (3) local exchange rates.

Adds new GS 62-73.1 requiring any provider of telephone services, upon receiving a consumer complaint, to resolve the complaint or to (i) provide notice to the consumer of the consumer's right to contact the Commission's Public Staff and (ii) provide the consumer, in writing, contact information for the Commission's Public Staff. Requires the Public Staff to keep a record of all complaints pertaining to a provider, the nature of each complaint, and the resolution. Establishes a standard of review and applies this section to all telephone service providers, including Voice over Internet Protocol, wireless, or any other form of telephonic communication in a deregulated telephone exchange.

Makes technical and stylistic changes. Sets the act's expiration date as June 30, 2011.

May 12, 2009

H 1180. CONSUMER CHOICE AND INVESTMENT ACT OF 2009. Filed 4/7/09. House committee substitute makes the following changes to 2nd edition. Deletes the provision in GS 62-133.5 limiting its applicability, adds a provision that a local exchange company will not be permitted to make the election unless it has committed to provide stand-alone basic residential lines to rural customers under rates comparable to those charged urban customers, and modifies other provisions related to stand-alone basic residential lines. Amends GS 62-133.5 to give the Utilities Commission jurisdiction over a local exchange carrier or competing local provider operating under specified regulations. Amends GS 62-133.5 to provide that the Joint Utility Legislative Review Committee must review the annual reports and decide whether to recommend that the General Assembly take corrective action. Modifies GS 62-73.1 pertaining to complaints against providers of telephone services. Deletes the June 30, 2011, expiration date of the act. Makes technical changes.

June 1, 2009

H 1180. CONSUMER CHOICE AND INVESTMENT ACT OF 2009. Filed 4/7/09. Senate committee substitute makes the following changes to 3rd edition. Clarifies in proposed GS 62-133.5(h) that a local exchange company that is subject to rate-of-return regulation or another form of regulation under GS 62-133.5 *and whose territory is open to competition from competing local providers* may elect to have its rates, terms, and conditions for its services determined pursuant to this subsection by filing a notice of intent with the Utilities Commission, effective upon filing. Also makes organizational changes and adds that a local exchange company's election under this subsection does not affect the Commission's jurisdiction concerning the authority delegated to it by the Federal Communications Commission to manage the numbering resources involving that local exchange company.

Clarifies in proposed GS 62-133.5(k) that a local exchange company or competing local provider *offering basic local residential exchange service* that elects to have its rates, terms, and conditions for its services determined pursuant to the plan set forth in subsection (h) must make an annual report to the General Assembly on the state of its company's operations.

Makes organizational changes to proposed GS 62-73.1. Deletes that a local exchange company or competing local provider must resolve a consumer complaint, upon receipt of the complaint, or follow the alternative procedure provided in the statute. Retains those provisions related to when a local exchange company or competing local provider is unable to resolve a customer complaint.

Amends GS 62-302(b)(4) to add to the definition of *North Carolina jurisdictional revenues* all revenues derived from retail services no longer otherwise regulated by the operation of GS 62-133.5(h) for a local exchange company or competing local provider that has elected to be regulated under that subsection.

Also makes technical changes.

June 10, 2009

H 1180. CONSUMER CHOICE AND INVESTMENT ACT OF 2009. Filed 4/7/09. Senate committee substitute makes the following changes to 4th edition. Adds provisions defining a local

communications services exchange company “whose territory is open to competition from competing local providers,” which may apply for an alternative regulatory election under the act, with a new subdivision GS 62-133.5(h)(1)d, based on qualification of the franchised area and interconnection capability. Also makes technical changes.

July 2, 2009

SL 2009-238 (H 1180). CONSUMER CHOICE AND INVESTMENT ACT OF 2009. *AN ACT ESTABLISHING THE CONSUMER CHOICE AND INVESTMENT ACT OF 2009.* Summarized in *Daily Bulletin* 4/7/09, 5/7/09, 5/12/09, 6/1/09, and 6/10/09. Enacted June 30, 2009. Effective June 30, 2009.