

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 466
Committee Substitute Favorable 5/13/09
PROPOSED SENATE COMMITTEE SUBSTITUTE H466-PCS30521-RW-86

Short Title: Consumer Choice and Investment Act Changes.

(Public)

Sponsors:

Referred to:

March 9, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE CONSUMER CHOICE AND INVESTMENT ACT OF 2009,
3 AND TO AUTHORIZE SPECIFIED TELEPHONE COMPANY CUSTOMER
4 SATISFACTION CALLS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 62-133.5(g) reads as rewritten:

7 "(g) The following sections of Chapter 62 of the General Statutes shall not apply to local
8 exchange companies subject to price regulation under the terms of subsection (a) of this
9 ~~section~~ section or electing companies subject to alternative regulation under the terms of
10 subsection (h) of this section: G.S. 62-35(c), 62-45, 62-51, 62-81, 62-111, 62-130, 62-131,
11 62-132, 62-133, 62-134, 62-135, 62-136, 62-137, 62-139, 62-142, and 62-153."

12 **SECTION 2.** G.S. 62-133.5(h) reads as rewritten:

13 "(h) Notwithstanding any other provision of this Chapter, a local exchange company that
14 is subject to rate of return regulation or subject to another form of regulation authorized under
15 this section and whose territory is open to competition from competing local providers may
16 elect to have its rates, terms, and conditions for its services determined pursuant to the plan
17 described in this subsection by filing notice of its intent to do so with the Commission. The
18 election is effective immediately upon filing. A local exchange company shall not be permitted
19 to make the election under this section unless it commits to provide stand-alone basic
20 residential lines to rural customers at rates that are less than or comparable to those rates
21 charged to urban customers for the same service.

22 (1) Definitions. – The following definitions apply in this subsection:

- 23 a. Local exchange company. – The same meaning as provided in
24 G.S. 62-3(16a).
- 25 b. Open to competition from competing local providers. – Both of the
26 following apply:
- 27 1. G.S. 62-110(f1) applies to the franchised area and to local
28 exchange and exchange access services offered by the local
29 exchange company.
 - 30 2. The local exchange company is open to interconnection with
31 competing local providers that possess a certificate of public
32 convenience and necessity issued by the Commission. The
33 Commission is authorized to resolve any disputes concerning



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- 1 whether a local exchange company is open to interconnection
2 under this section.
- 3 c. Single-line basic residential service. – Single-line residential flat rate
4 basic voice grade local service with touch tone within a traditional
5 local calling area that provides access to available emergency
6 services and directory assistance, the capability to access
7 interconnecting carriers, relay services, access to operator services,
8 and one annual local directory listing (white pages or the equivalent).
- 9 d. Stand-alone basic residential line. – Single-line basic residential
10 service that is billed on a billing account that does not also contain
11 another service, feature, or product that is sold by the local exchange
12 company or an affiliate of the local exchange company and is billed
13 on a recurring basis on the local exchange company's bill.
- 14 (2) Beginning on the date that the local exchange company's election under this
15 subsection becomes effective, the local exchange company shall continue to
16 offer stand-alone basic residential lines to all customers who choose to
17 subscribe to that service, and the local exchange company may increase rates
18 for those lines annually by a percentage that does not exceed the percentage
19 increase over the prior year in the Gross Domestic Product Price Index as
20 reported by the United States Department of Commerce, Bureau of
21 Economic Analysis, unless otherwise authorized by the Commission. With
22 the sole exception of ensuring the local exchange company's compliance
23 with the preceding sentence, the Commission shall not:
- 24 a. Impose any requirements related to the terms, conditions, rates, or
25 availability of any of the local exchange company's stand-alone basic
26 residential lines.
- 27 b. Otherwise regulate any of the local exchange company's stand-alone
28 basic residential lines.
- 29 (3) Except to the extent provided in subdivision (2) of this subsection, beginning
30 on the date the local exchange company's election under this subsection
31 becomes effective, the Commission shall not do either of the following:
- 32 a. Impose any requirements related to the terms, conditions, rates, or
33 availability of any of the local exchange company's retail services.
- 34 b. Otherwise regulate any of the local exchange company's retail
35 services.
- 36 (4) A local exchange company's election under this subsection does not affect
37 the obligations or rights of an incumbent local exchange carrier, as that term
38 is defined by section 251(h) of the Federal Telecommunications Act of 1996
39 (Act), under sections 251 and 252 of the Act or any Federal
40 Communications Commission regulation relating to sections 251 and 252 of
41 the Act, nor does it affect any authority of the Commission to act in
42 accordance with federal or State laws or regulations, including those
43 granting authority to set rates, terms, and conditions for access to unbundled
44 network elements and to arbitrate and enforce interconnection agreements.
- 45 (5) A local exchange company's election under this subsection does not prevent
46 a consumer from seeking the assistance of the Public Staff of the North
47 Carolina Utilities Commission to resolve a complaint with that local
48 exchange company, as provided in G.S. 62-73.1.
- 49 (6) A local exchange company's election under this subsection does not affect
50 the Commission's jurisdiction concerning the following:

- 1 a. Enforce federal requirements on the local exchange company's
2 marketing activities. However, the Commission may not adopt,
3 impose, or enforce other requirements on the local exchange
4 company's marketing activities.
5 b. The telecommunications relay service pursuant to G.S. 62-157.
6 c. The Life Line or Link Up programs consistent with Federal
7 Communications Commission rules, including, but not limited to, 47
8 C.F.R. § 54.403(a)(3), as amended from time to time, and relevant
9 orders of the North Carolina Utilities Commission.
10 d. Universal service funding pursuant to G.S. 62-110(f1).
11 e. Carrier of last resort obligations pursuant to G.S. 62-110.
12 f. The authority delegated to it by the Federal Communications
13 Commission to manage the numbering resources involving that local
14 exchange company."

15 **SECTION 3.** G.S. 62-133.5(i) reads as rewritten:

16 "(i) ~~To the extent applicable, a~~ A competing local provider authorized by the
17 Commission to do business under the provisions of G.S. 62-110(f1) may also elect to have its
18 rates, terms, and conditions for its services determined pursuant to the plan described in
19 subsection (h) of this section. However, it is provided further that any provisions of subsection
20 (h) of this section requiring the provision of a specific retail service or impacting the pricing of
21 such service, including stand-alone residence service, shall not apply to competing local
22 providers."

23 **SECTION 4.** G.S. 75-104(b) is amended by adding a new subdivision to read:

24 "(8) The call is from a company that provides services to the telephone
25 subscriber, no part of the call is used to make a telephone solicitation, the
26 sole purpose of the call is to comply with the requirement for subsection (h)
27 companies to conduct customer satisfaction surveys as mandated in
28 G.S. 62-133.5(k), and the company making the call clearly states the purpose
29 of the call in addition to the company name and contact information."

30 **SECTION 5.** This act is effective when it becomes law.