

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE DRH30325-LMf-125 (03/14)

Short Title: TRS Surcharge Modernization.

(Public)

Sponsors: Representative B. Brown.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT PROVIDING THAT INTERCONNECTED VOIP SERVICE PROVIDERS SHALL
3 REMIT THE TELECOMMUNICATIONS RELAY SERVICE SURCHARGE TO THE
4 911 BOARD, ALLOWING LOCAL EXCHANGE, CMRS, AND VOIP PROVIDERS TO
5 CHOOSE WHETHER TO INCLUDE THE SURCHARGE ON CUSTOMERS' BILLS,
6 AND ALLOWING ALL PROVIDERS TO DEDUCT A ONE PERCENT
7 ADMINISTRATIVE FEE FROM THE TOTAL AMOUNT OF SURCHARGE
8 REVENUE.

9 The General Assembly of North Carolina enacts:

10 SECTION 1. G.S. 62-157 reads as rewritten:

11 "§ 62-157. Telecommunications relay service.

12 (a) Finding. – The General Assembly finds and declares that it is in the public interest
13 to provide access to public telecommunications services for hearing impaired or speech
14 impaired persons, including those who also have vision impairment, and that a statewide
15 telecommunications relay service for telephone service should be established.

16 (a1) Definitions. – For purposes of this section:

17 (1) "CMRS" is as defined in G.S. 62A-40.

18 (2) "CMRS connection" is as defined in G.S. 62A-40.

19 (3) "CMRS provider" is as defined in G.S. 62A-40.

20 (4) "Exchange access facility" means the access from a particular telephone
21 subscriber's premises to the telephone system of a local exchange telephone
22 company, and includes local exchange company-provided access lines,
23 private branch exchange trunks, and centrex network access registers, all as
24 defined by tariffs of telephone companies as approved by the Commission.

25 (4a) "Interconnected VoIP service" is as defined in 47 C.F.R. § 9.3.

26 (5) "Local service provider" means a local exchange company, competing local
27 provider, or telephone membership corporation.

28 (6) "VoIP provider" is an entity that provides interconnected VoIP service.

29 (a2) Surcharge Remitted by All Providers. – All local service, CMRS, and VoIP
30 providers shall, as provided in this section, remit to the State Treasurer or the 911 Board the
31 monthly surcharge imposed by this section or an equivalent amount of the surcharge. The
32 providers may collect the surcharge from their customers but are not required to do so.

33 (b) ~~Authority to Require~~Local Exchange Surcharge. – The Commission shall require
34 allow local service providers to impose a monthly surcharge on all residential and business
35 local exchange access facilities to fund a statewide telecommunications relay service by which
36 hearing impaired or speech impaired persons, including those who also have vision impairment,



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1 may communicate with others by telephone. This surcharge, however, may not be imposed on
2 participants in the Subscriber Line Charge Waiver Program or the Link-up Carolina Program
3 established by the Commission. This surcharge, whether collected from the customer or not,
4 and long distance revenues collected under subsection (f) of this section, are not includable in
5 gross receipts subject to the franchise tax levied under G.S. 105-120 or the sales tax levied
6 under G.S. 105-164.4.

7 (c) Specification of Surcharge. – The Department of Health and Human Services shall
8 initiate a telecommunications relay service by filing a petition with the Commission requesting
9 the service and detailing initial projected required funding. The Commission shall, after giving
10 notice and an opportunity to be heard to other interested parties, set the initial monthly
11 surcharge based upon the amount of funding necessary to implement and operate the service,
12 including a reasonable margin for a reserve. ~~The~~ If the surcharge is assessed on customer bills,
13 the surcharge shall be identified on customer bills as a special surcharge for provision of a
14 telecommunications relay service for hearing impaired and speech impaired persons. The
15 Commission may, upon petition of any interested party, and after giving notice and an
16 opportunity to be heard to other interested parties, revise the surcharge from time to time if the
17 funding requirements change. In no event shall the surcharge exceed twenty-five cents (25¢)
18 per month for each exchange access facility.

19 (d) Funds to Be Deposited in Special Account. – The local service providers ~~shall~~ may
20 collect the surcharge from their customers and deposit the moneys collected with customers.
21 Whether collected from customers or not, local service providers shall remit an equivalent
22 amount of the surcharge imposed under this section to the State Treasurer, who shall maintain
23 the funds in an interest-bearing, nonreverting account. A local service provider may deduct a
24 one percent (1%) administrative fee from the total amount of surcharge revenue remitted to the
25 State Treasurer. After consulting with the State Treasurer, the Commission shall direct how and
26 when the local service providers shall deposit these moneys. Revenues from this fund shall be
27 available only to the Department of Health and Human Services to administer the statewide
28 telecommunications relay service program, including its establishment, operation, and
29 promotion. The Commission may allow the Department of Health and Human Services to use
30 up to four cents (4¢) per access line per month of the surcharge for the purpose of providing
31 telecommunications devices for hearing impaired or speech impaired persons, including those
32 who also have vision impairment, through a distribution program. The Commission shall
33 prepare such guidelines for the distribution program as it deems appropriate and in the public
34 interest. Both the Commission and the Public Staff may audit all aspects of the
35 telecommunications relay service program, including the distribution programs, as they do with
36 any public utility subject to the provisions of this Chapter. Equipment paid for with surcharge
37 revenues, as allowed by the Commission, may be distributed only by the Department of Health
38 and Human Services.

39 (d1) The Department of Health and Human Services shall utilize revenues from the
40 wireless and VoIP surcharge collected under subsection (i) and (j) of this section to support the
41 Division of Services for the Deaf and the Hard of Hearing, in accordance with
42 G.S. 143B-216.33, G.S. 143B-216.34, and Chapter 8B of the General Statutes.

43 (e) Administration of Service. – The Department of Health and Human Services shall
44 administer the statewide telecommunications relay service program, including its
45 establishment, operation, and promotion. The Department may contract out the provision of
46 this service for four-year periods to one or more service providers, using the provisions of
47 G.S. 143-129. The Department shall administer all programs and services, including the
48 Regional Resource Centers within the Division of Services for the Deaf and the Hard of
49 Hearing in accordance with G.S. 143B-216.33, G.S. 143B-216.34, and Chapter 8B of the
50 General Statutes.

1 (f) Charge to Users. – The users of the telecommunications relay service shall be
2 charged their approved long distance and local rates for telephone services (including the
3 surcharge required by this section), but no additional charges may be imposed for the use of the
4 relay service. The local service providers shall collect revenues from the users of the relay
5 service for long distance services provided through the relay service. These revenues shall be
6 deposited in the special fund established in subsection (d) of this section in a manner
7 determined by the Commission after consulting with the State Treasurer. Local service
8 providers shall be compensated for collection, inquiry, and other administrative services
9 provided by said companies, subject to the approval of the Commission.

10 (g) Reporting Requirement. – The Commission shall, after consulting with the
11 Department of Health and Human Services, develop a format and filing schedule for a
12 comprehensive financial and operational report on the telecommunications relay service
13 program. The Department of Health and Human Services shall thereafter prepare and file these
14 reports as required by the Commission with the Commission and the Public Staff. The
15 Department shall also be required to report to the Revenue Laws Study Committee.

16 (h) Power to Regulate. – The Commission shall have the same power to regulate the
17 operation of the telecommunications relay service program as it has to regulate any public
18 utility subject to the provisions of this Chapter.

19 (i) ~~Wireless Surcharge. – A CMRS provider, as part of its monthly billing process,~~
20 ~~must~~ provider may collect the same surcharge imposed under subsection (b) of this section on
21 each exchange access facility under this section facility, or its equivalent, for each CMRS
22 connection. A Whether collected from its customers or not, a CMRS provider shall remit an
23 equivalent amount of the surcharge imposed under subsection (b) of this section to the 911
24 Board in the same manner and with the same frequency as the local service providers remit to
25 the State Treasurer. However, a CMRS provider may deduct a one percent (1%) administrative
26 fee from the total amount of surcharge collected. A CMRS provider shall remit the surcharge
27 collected, less the administrative fee, to the 911 Board in the same manner and with the same
28 frequency as the local service providers remit the surcharge to the State Treasurer.
29 revenue otherwise to be remitted to the 911 Board. The 911 Board shall remit the funds collected from
30 the surcharge a CMRS provider to the special account created under subsection (d) of this
31 section.

32 (j) VoIP Surcharge. – An interconnected VoIP provider may collect the same surcharge
33 imposed under subsection (b) of this section on each exchange access facility, or its equivalent,
34 for each telephone number it has assigned to a residential or business subscriber. Whether
35 collected from its customers or not, interconnected VoIP providers shall remit an equivalent
36 amount of the surcharge imposed under subsection (b) of this section to the State Treasurer in
37 the same manner and with the same frequency as the local service providers remit to the State
38 Treasurer. However, an interconnected VoIP provider may deduct a one percent (1%)
39 administrative fee from the total amount of surcharge revenue otherwise to be remitted to the
40 State Treasurer. The State Treasurer shall maintain the funds from an interconnected VoIP
41 provider in the special account created under subsection (d) of this section."

42 **SECTION 2.** This act becomes effective January 1, 2014, and applies to all
43 telecommunications service relay surcharges collected on or after that date.