

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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SENATE DRS25024-TD-7 (01/30)

Short Title: Pole Attachment Compensation.

(Public)

Sponsors: Senator Brown (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO CLARIFY THAT ELECTRIC MEMBERSHIP CORPORATIONS AND  
3 MUNICIPAL ELECTRIC PROVIDERS ARE EXEMPT FROM SECTION 224 OF THE  
4 COMMUNICATIONS ACT OF 1934 IN THE STATE'S REGULATION OF POLE  
5 ATTACHMENTS AND TO PROVIDE GUIDANCE IN RESOLVING DISPUTES  
6 REGARDING COMPENSATION FOR POLE ATTACHMENTS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 62-350(a) reads as rewritten:

9 "(a) A municipality, or a membership corporation organized under Chapter 117 of the  
10 General Statutes, that owns or controls poles, ducts, or ~~conduits~~ conduits, but which is exempt  
11 from regulation under section 224 of the Communications Act of 1934, as amended, shall allow  
12 any communications service provider to utilize its poles, ducts, and conduits at just, reasonable,  
13 and nondiscriminatory rates, terms, and conditions adopted pursuant to negotiated or  
14 adjudicated agreements. A request to utilize poles, ducts, or conduits under this section may be  
15 denied only if there is insufficient capacity or for reasons of safety, reliability, and generally  
16 applicable engineering principles, and those limitations cannot be remedied by rearranging,  
17 expanding, or otherwise reengineering the facilities at the reasonable and actual cost of the  
18 municipality or membership corporation to be reimbursed by the communications service  
19 provider. In granting a request under this section, a municipality or membership corporation  
20 shall require the requesting entity to comply with applicable safety requirements, including the  
21 National Electrical Safety Code and the applicable rules and regulations issued by the  
22 Occupational Safety and Health Administration."

23 **SECTION 2.** G.S. 62-350(c) reads as rewritten:

24 "(c) In the event the parties are unable to reach an agreement within 90 days of a request  
25 to negotiate pursuant to subsection (b) of this section, or if either party believes in good faith  
26 that an impasse has been reached prior to the expiration of the 90-day period, either party may  
27 bring an action in Business Court in accordance with the procedures for a mandatory business  
28 case set forth in G.S. 7A-45.4, and the Business Court shall have exclusive jurisdiction over  
29 such actions. The parties shall identify with specificity in their respective pleadings the issues  
30 in dispute, and the Business Court shall (i) establish a procedural schedule which, unless  
31 otherwise agreed by the parties, is intended to resolve the action within a time period not to  
32 exceed 180 days of the commencement of the action, (ii) resolve any dispute identified in the  
33 pleadings consistent with the public interest and necessity so as to derive just and reasonable  
34 rates, terms, and conditions, as the term "just and reasonable" has been determined in  
35 accordance with the laws of this State, taking into consideration and applying such other factors  
36 or evidence that may be presented by a party, ~~including without limitation the rules and~~



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1 ~~regulations applicable to attachments by each type of communications service provider under~~  
2 ~~section 224 of the Communications Act of 1934, as amended,~~ and (iii) apply any new rate  
3 adopted as a result of the action retroactively to the date immediately following the expiration  
4 of the 90-day negotiating period or initiation of the lawsuit, whichever is earlier. If the new rate  
5 is for the continuation of an existing agreement, the new rate shall apply retroactively to the  
6 date immediately following the end of the existing agreement. Prior to commencing any action  
7 under this subsection, a party must pay any undisputed fees related to the use of poles, ducts, or  
8 conduits which are due and owing under a preexisting agreement with the municipality or  
9 membership corporation. In any action brought under this subsection, the court may resolve  
10 any existing disputes regarding fees alleged to be owing under a preexisting agreement or  
11 regarding safety compliance arising under subsection (d) of this section. The provisions of this  
12 section do not apply to an entity whose poles, ducts, and conduits are subject to regulation  
13 under section 224 of the Communications Act of 1934, as amended."

14 **SECTION 3.** This act is effective when it becomes law and applies to any action  
15 filed on or after that date.