

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009**

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**HOUSE BILL 1180**

Short Title: Consumer Choice and Investment Act of 2009. (Public)

Sponsors: Representatives Holliman, Brubaker, Tillis, Tolson (Primary Sponsors); Faison and Lucas.

Referred to: Ways and Means/Broadband Connectivity, if favorable, Public Utilities.

April 8, 2009

A BILL TO BE ENTITLED  
AN ACT ESTABLISHING THE CONSUMER CHOICE AND INVESTMENT ACT OF  
2009.

Whereas, the technology used to provide communications services has evolved and continues to evolve at an ever-increasing pace; and

Whereas, the resulting competition between traditional telephone service providers, cable companies offering communications services, voice-over Internet protocol (VoIP) providers, wireless communications service providers, and other communications service providers promotes and continues to promote additional consumer choices for these services; and

Whereas, traditional telephone service providers remain subject to certain antiquated statutory and regulatory restrictions that do not apply to other communications service providers; and

Whereas, this disparity may deprive consumers of traditional telephone companies of the full range of timely and competitive options and offerings that otherwise would be available to them; and

Whereas, the General Assembly finds that relaxing certain restrictions for traditional telephone companies will relieve consumers of unnecessary costs and burdens, encourage investment, and promote timely deployment of more innovative offerings at more competitive prices for customers; and

Whereas, in order to make the full range of competitive options and offerings available to consumers of communications services while maintaining inflation-based price controls for those existing customers who currently receive and wish to continue receiving only stand-alone basic residential lines from traditional telephone companies, the General Assembly hereby enacts the "Consumer Choice and Investment Act of 2009"; Now, therefore, The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 62-133.5 is amended by adding a new subsection to read as follows:

"(h) Notwithstanding any other provision of this Chapter, a local exchange company that is subject to rate of return regulation pursuant to G.S. 62-133 or subject to another form of regulation authorized by this section may elect to have the rates, terms, and conditions of its services determined as provided in this subsection.

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

a. Local exchange company. – The same meaning as provided in G.S. 62-3(16a).



- 1                   b.     Preelection date. – The date immediately before the effective date of  
2                   the local exchange company's election under this subsection.
- 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 also does not 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 the local exchange company election under this  
15           subsection becomes effective and continuing for a period of 36 months,  
16           stand-alone basic residential lines that were in service on the preelection date  
17           will remain in service at the customer's discretion, and the local exchange  
18           company may increase rates for those lines annually by a percentage that  
19           does not exceed the percentage increase over the prior year in the Gross  
20           Domestic Product Price Index as reported by the United States Department  
21           of Labor, Bureau of Labor Statistics, unless otherwise authorized by the  
22           Commission. With the exception of ensuring the local exchange company's  
23           compliance with the provisions of this subdivision, the Commission shall not  
24           do either of the following:
- 25                   a.     Impose any requirements related to the terms, conditions, rates, or  
26                   availability of any of the local exchange company's stand-alone basic  
27                   residential lines that were in service on the preelection date.
- 28                   b.     Otherwise regulate any of the local exchange company's stand-alone  
29                   basic residential lines that were in service on the preelection date.
- 30           (3)     Except to the extent provided in subdivision (2) of this subsection, beginning  
31           on the date the local exchange company's election under this subsection  
32           becomes effective, the Commission shall not do either of the following:
- 33                   a.     Impose any requirements related to the terms, conditions, rates, or  
34                   availability of any of the local exchange company's retail services.
- 35                   b.     Otherwise regulate any of the local exchange company's retail  
36                   services including, without limitation, any stand-alone basic  
37                   residential lines put into service after the preelection date.
- 38           (4)     A local exchange company's election under this subsection does not affect  
39           the obligations of an incumbent local exchange carrier, as that term is  
40           defined by section 251(h) of the Federal Telecommunications Act of 1996  
41           (Act), under sections 251 and 252 of the Act or any Federal  
42           Communications Commission regulation relating to sections 251 and 252 of  
43           the Act.
- 44           (5)     A local exchange company's election under this subsection does not affect  
45           the Commission's jurisdiction to enforce federal requirements on the local  
46           exchange company's marketing activities. However, the Commission may  
47           not adopt, impose, or enforce other requirements on the local exchange  
48           company's marketing activities."

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