

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 1443

Short Title: Pay Phone Rates.

(Public)

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Sponsors: Senator Hoyle.

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Referred to: Appropriations.

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June 3, 1996

A BILL TO BE ENTITLED Bill

1 AN ACT TO ESTABLISH A MINIMUM RATE CHARGEABLE BY LOCAL PAY  
2 TELEPHONE PROVIDERS TO ENSURE THAT THOSE PROVIDERS CAN PASS  
3 SALES TAXES ON TO THE CUSTOMER IN THE SAME MANNER AS OTHER  
4 LOCAL TELEPHONE PROVIDERS.

Whereas, the General Statutes impose a 3% sales tax on the gross receipts derived by a utility from the provision of local telecommunications service; and

Whereas, most local telephone service providers are able to pass substantially all of that sales tax on to their customers; and

Whereas, those utilities operating under limited certificates for the provision of local telephone service by means of coin, coinless, or key-operated pay telephones do not have an effective mechanism for passing that sales tax on to their customers under the current rate of 25¢ per call; Now, therefore,

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 62-110(c) reads as rewritten:

7 "(c) The Commission shall be authorized, consistent with the public interest, to  
8 adopt procedures for the issuance of a special certificate to any person for the limited  
9 purpose of offering telephone service to the public by means of coin, coinless, or key-  
10 operated pay telephone instruments. This service may be in addition to or in competition  
11 with public telephone services offered by the certificated telephone company in the

1 service area. The certificated local exchange telephone company in the service area  
2 where any new pay telephone service is proposed shall be the only provider of the access  
3 line from the pay instrument to the network, and the rates approved by the Commission  
4 for this access line shall be fully compensatory, reflect the business nature of the service,  
5 and shall be set on a measured usage rate basis where facilities are available or on a  
6 message rate basis otherwise. The Commission shall promulgate rules to implement the  
7 service authorized by this section, recognizing the competitive nature of the offerings  
8 and, notwithstanding any other provision of law, the Commission shall determine the  
9 extent to which such services shall be regulated and to the extent necessary to protect the  
10 public interest regulate the terms, conditions, and rates for such service and the terms and  
11 conditions for interconnection to the local exchange network. If the Commission  
12 determines the rate that may be charged for pay telephone service under this section, the  
13 rate set by the Commission shall be no less than thirty-five cents (35¢) per call, unless the  
14 provider requests authority to charge a lower rate. If the provider requests authority to  
15 charge a lower rate, the Commission may, in its discretion, authorize a lower rate."

16           Sec. 2. This act is effective upon ratification and applies to rates charged on or  
17 after that date.