

Talking Points on the Provision of Telecommunications Services by Municipal and County Owned Corporations in NC

1. Consumers in NC are currently well served by existing service providers. There are currently no areas of NC, served by a state maintained highway, that do not have basic local and Long Distance (LD) telephone service.
2. The economic circumstances that generally warrant some consideration for governmental subsidization or provisioning of basic and LD telecom services are not currently present in NC. Telecommunications services are currently economically viable, somewhat competitive and are not overpriced. Consequently municipal corporations should not be engaged in providing telephone service.
3. Existing telecom service providers pay substantial taxes in support of the various governmental units in NC. The ability of current service providers to continue this support will be diminished by municipal corporations competing in the provision of telecom service.
4. The provision of Telecom services by municipal corporations would be unfair to existing investors and would discourage future investment in telecommunications infrastructure, potentially jeopardizing economic development in NC.
5. The Umstead Act N.C.G.S. 66-58, prohibits state government from competing with private enterprise because such competition would be adverse to economic development. Municipal owned companies competing with current service providers would be equally adverse to economic development in NC and should not be allowed.
6. Under N.C.G.S. 160A-312, municipal or county governments are **not** expressly authorized to provide telephone service directly to the public. In the absence of this authority, municipal and County government corporations cannot legally provide telecom services directly to the public.
7. The authority to provide a telecommunications service is a creature of statute granted by the NC General Assembly. This authority has not been granted to municipalities and county governments as evidenced by the following considerations: First, the North Carolina Utilities Commission is expressly authorized to grant certificates of convenience and necessity that enable private companies to provide this type of utility service. Secondly, the City of Pineville, North Carolina has been specifically granted statutory authority to provide telecommunications services under N.C. G.S. § 62-3(23) a (f). However, no such grant exists for any other municipality or county in the State.