

Summary – Level Playing Field / Local Government Competition

- The bill permits cities to provide phone, cable and broadband services in competition with private providers, but only on terms that are roughly equivalent to those applicable to a private provider. Cities that want to compete must:
 - Comply with laws and regulations applicable to private providers – including the payment of taxes;
 - Not cross-subsidize their competitive activity using taxpayer or other public monies;
 - Not price below cost, after imputing costs that would be incurred by a private provider.
 - Not discriminate against private providers in access to rights-of-way.
- Vote of people before incurring debt. Cities must submit the issue to a vote of the people before incurring debt for the purpose of competing against private communications companies.
- The Local Government Commission must evaluate the competitive environment before approving loans for a competitive purpose.
- Cities already in competition are grandfathered. Wilson, Salisbury, Davidson and Mooresville are exempt from the provisions that may impact their ability to repay existing loans. They do have to comply with laws applicable to private providers, they are prohibited from discriminating, and they must pay taxes.
- Exemption for unserved areas. The competitive restrictions do not apply to the provision of services in unserved areas (i.e., areas where 90% of the households don't have access to broadband).
- The bill does not apply to a city's operation of a network for its own governmental operations.