

# Business/Industry

## Carolina Telephone Rate Increase Expected To Take Effect In April

A rate increase of \$13.9 million that will increase Carolina Telephone and Telegraph Company's local service revenues by about 9.7% annually was authorized by the North Carolina Utilities Commission March 30.

Last August Carolina Telephone applied for increases totaling \$37.7 million, later reducing the request to \$34 million due to economic changes which occurred after the initial filing in August.

In February, a state Supreme Court decision in a Southern Bell appeal had the practical effect of reducing the amount of Carolina Telephone's requested increase to \$24.7 million.

The ruling, as applied to Carolina Telephone, made it appropriate for the Commission to include Yellow Page advertising profits in determining the amount of increased revenues needed by the company.

The Commission's order did not specify what the increase would be for basic phone service but required the company to submit specific rates within the next 10 days under guidelines established by the Commission.

Rates are expected to change

early in April, according to T.P. Williamson, vice president - administration for the Tarboro-based utility.

The Commission's order authorized a 16.25% return on common equity, that part of Carolina Telephone's property and investment that is represented by stockholder investment.

The company had argued that a higher profit level was needed to attract money from investors to meet its construction requirements.

The Commission partially sided with the Public Staff's arguments on how the company's capital structure was calculated as well as several other Public Staff recommendations on accounting for revenues and expenses.

Williamson said, "Utility ratemaking is very complex. As Federal mandates and competition continually change our industry, it is becoming more complex every day."

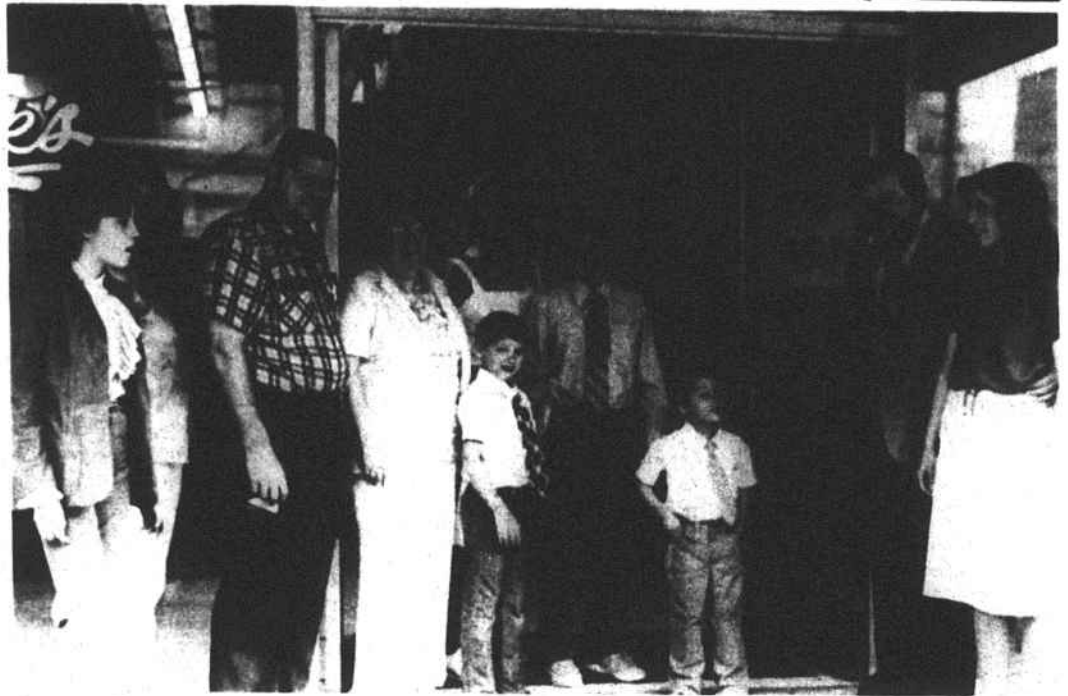
"I'm sure the Utilities Commission in this rate tried to consider the fast pace of change as well as current economic conditions and the interests of all concerned. Ac-

cordingly, while we feel that our entire revenue request was justified, we will continue to provide good service and make every effort to achieve reasonable earnings under the rates approved in this case."

The Commission found the quality of service provided by Carolina Telephone to be adequate. The company's plans call for spending approximately \$88 million during 1983 for construction due to growth, changes in technology and the need to replace depleted equipment and cable facilities.

Carolina Telephone, the second largest of the state's telephone companies, serves about 583,000 customers in 50 counties primarily in the eastern half of the state.

The Tarboro-based company is a subsidiary of United Telecommunications, Inc. (UTI) of Kansas City, Mo. UTI's United Telephone System, of which Carolina Telephone is a member, is the third largest in the United States and comprises 22 operating companies serving 3,000 communities in 20 states.



### Grand Opening

Jack Lanier, his family and employees cut the ribbon at the Grand Opening of Jack's Place on Main Street. Along with hamburgers and hotdogs Jack's Place serves a "Mexican fiesta" including tacos and burritos.

## So. National Stock Split Announced

The Board of Directors of Southern National Corporation recently announced a five-for-four stock split payable June 30 to stockholders of record on June 10 of this year.

The stock split will be the first

one since 1973. It is accomplished by the transfer of some \$2.2 million from capital surplus into common stock.

Currently, there exists 1,719,907 shares of stocks in the Southern National Corporation with 36,000

shares maintained in the corporate treasury.

The split in 1973 was also a five-for-four. Prior to that split, Southern National had paid a stock dividend in 1972.

The split in June of 1983 will involve more than 400,000 shares.

## Art Diehl Named Account Executive At Smith & Assoc.

Smith Advertising Associates recently announced the appointment of Mr. Art Diehl to the position of Account Executive at the agency.

A 1982 graduate of East Carolina University, Diehl received a Bachelor of Science in Marketing.

Prior to his employment at Smith Advertising, Diehl was employed by WEED Radio in Rocky Mount where he functioned as an Account Executive.

Smith Advertising is a full service agency specializing in resort, financial, consumer and industrial advertising.

Art Diehl is the son of Mr. Philip A. Diehl of Raeford, N.C. and Mrs. Mary Ann Bowen of Hope Mills, N.C.

## Blue Cross Payments Near \$1 Million Here

Blue Cross and Blue Shield of North Carolina paid benefits totaling \$971,704 to hospitals, doctors, skilled nursing facilities, and home health agencies in Hoke County in 1982, the not-for-profit health service Plan announced today.

The amounts paid to doctors and institutions in other counties in the area were: Cumberland \$18.2 million, Robeson \$9.9 million, Moore \$17.3 million and Scotland \$4 million.

During the year, the statewide health service Plan processed

4,616,560 claims for participants in its regular Blue Cross and Blue Shield programs, amounting to more than \$580.3 million in total profits.

In addition, more than \$689 million was paid through the federal government's Medicare program (Part A), which is administered by the Plan.

Through its underwritten and administered government programs combined, Blue Cross and Blue Shield of North Carolina serves approximately 1.8 million North Carolinians.

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**NOTICE OF PUBLIC HEARING**  
The City Council of the City of Raeford, North Carolina intends to apply to the North Carolina Department of Natural Resources and Community Development for Fiscal Year 1983 Community Development Block Grant, Community Revitalization Funds.  
The Community Development Block Grant Program permits a wide range of community revitalization activities to occur within eligible areas. Eligible areas must meet low and moderate income threshold requirements as specified in program regulations. Eligible activities include: housing rehabilitation through grants and/or loans; development of parks; public facilities (water, sewer, streets, curbs, gutters, planning, etc.)  
The City of Raeford will conduct a Public Hearing, April 11, 1983 at 7:00 p.m. in the City Council Chambers, City Hall, located in Raeford. The purpose of this Hearing is to obtain citizen input into the identification of community development needs and desired community revitalization activities. This input will be incorporated into the program design of the Community Development Block Grant Application.  
Ronald L. Matthews, City Manager

## Interest Tax Repeal Foes Putting Up 'Smokescreen'

A "smokescreen of rhetoric" by opponents of the movement to repeal the 10% withholding law on dividend and interest income "obscures the basic fact that the new withholding scheme isn't necessary and won't do its intended job," a savings and loan leader said recently.

Bert A. Jones pointed out that more than half of the U.S. Senate and three-fourths of the House of Representatives are sponsoring legislation to repeal the withholding proposal.

"Yet," Mr. Jones said, "these majorities in both houses of Congress and the millions of Americans who have sent cards, letters and petitions, at a rate of 800,000 per day, calling for repeal,

are being denied the opportunity for a definitive vote on the issue."

Unless repealed, withholding of 10% of all interest and dividend income will begin on July 1.

Jones, North Carolina Savings and Loan League Chairman and Chairman of First Federal Savings and Loan, noted that the Senate has agreed to debate the withholding issue on April 15. But no House hearing or vote has been scheduled.

Both North Carolina Senators, Jesse Helms and John East, are sponsoring repeal legislation.

Each member of the North Carolina Congressional delegation has sponsored repeal legislation. Jones said that more complete IRS matching of 1099 information

form with tax returns and better use of the IRS enforcement measures would "solve the tax compliance problem without burdening millions of honest American taxpayers."

"If the government would use the tools already at its command, the Treasury could capture nearly all of the money it thinks it now is missing because of tax cheats -- and the rest of us would not have to pay."

"It is grossly unfair for honest taxpayers to be burdened by withholding," Jones said.

"Congress should listen to the people -- to the taxpayers -- and repeal withholding on interest and dividend income."

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