

STATE OF NEW YORK

2263

2019-2020 Regular Sessions

IN SENATE

January 23, 2019

Introduced by Sens. HOYLMAN, BAILEY, BRESLIN, COMRIE, KENNEDY, KRUEGER, MAYER, PERSAUD, SEPULVEDA, SERRANO -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law, in relation to Internet neutrality; and to amend the state finance law, the general municipal law, the public authorities law and the economic development law, in relation to requiring that procurement contracts require compliance with Internet neutrality requirements

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

- 1 Section 1. Legislative intent. The legislature finds and declares the
2 following:
- 3 (a) This act is adopted pursuant to the police power inherent in the
4 state of New York to protect and promote the safety, life, public
5 health, public convenience, general prosperity, and well-being of society,
6 and the welfare of the state's population and economy, that are
7 increasingly dependent on an open and neutral Internet.
- 8 (b) Almost every sector of New York's economy, democracy, and society
9 is dependent on the open and neutral Internet that supports vital functions
10 regulated under the police power of the state, including, but not
11 limited to, each of the following:
- 12 (1) police and emergency services;
13 (2) health and safety services and infrastructure;
14 (3) utility services and infrastructure;
15 (4) transportation infrastructure and services, and the expansion of
16 zero- and low-emission transportation options;
17 (5) government services, voting, and democratic decision making processes;
18 (6) education;
19 (7) business and economic activity;
20

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD02819-01-9

(8) environmental monitoring and protection, and achievement of state environmental goals; and

(9) land use regulation.

§ 2. The public service law is amended by adding a new article 12 to read as follows:

ARTICLE 12

PROVISIONS RELATING TO INTERNET SERVICE PROVIDERS

Section 250. Definitions.

251. Internet neutrality.

252. Broadband Internet access evaluation.

253. Infrastructure awards.

254. Enforcement.

255. Application.

§ 250. Definitions. For purposes of this article, the following definitions apply:

1. "Application-agnostic" means not differentiating on the basis of source, destination, Internet content, application, service, or device, or class of Internet content, application, service, or device.

2. "Application-specific differential pricing" means charging different prices for Internet traffic to customers on the basis of Internet content, application, service, or device, or class of Internet content, application, service, or device, but does not include zero-rating.

3. "Broadband Internet access service" means a mass-market retail service by wire or radio provided to customers in New York that provides the capability to transmit data to, and receive data from, all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up Internet access service. "Broadband Internet access service" also encompasses any service provided to customers in New York that provides a functional equivalent of that service or that is used to evade the protections set forth in this chapter.

4. "Class of Internet content, application, service, or device" means Internet content, or a group of Internet applications, services, or devices, sharing a common characteristic, including, but not limited to, sharing the same source or destination, belonging to the same type of content, application, service, or device, using the same application- or transport-layer protocol, or having similar technical characteristics, including, but not limited to, the size, sequencing, or timing of packets, or sensitivity to delay.

5. "Content, applications, or services" means all Internet traffic transmitted to or from end users of a broadband Internet access service, including traffic that may not fit clearly into any of these categories.

6. "Edge provider" means any individual or entity that provides any content, application, or service over the Internet, and any individual or entity that provides a device used for accessing any content, application, or service over the Internet.

7. "End user" means any individual or entity that uses a broadband Internet access service.

8. "Internet service provider" or "ISP" means a business that provides broadband Internet access service to an individual, corporation, government, or other customer in New York.

9. "ISP traffic exchange" means the exchange of Internet traffic destined for, or originating from, an Internet service provider's end users between the Internet service provider's network and another indi-

vidual or entity, including, but not limited to, an edge provider, content delivery network, or other network operator.

10. "Mass market" means a service marketed and sold on a standardized basis to residential customers, small businesses, and other end-use customers, including, but not limited to, schools, institutions of higher learning, and libraries. The term also includes broadband Internet access services purchased with support of the E-rate and Rural Health program and similar programs at the federal and state level, regardless of whether they are customized or individually negotiated, as well as any broadband Internet access service offered using networks supported by the Connect America Fund or similar programs at the federal and state level.

11. "Network management practice" means a practice that has a primarily technical network management justification, but does not include other business practices.

12. "Reasonable network management practice" means a network management practice that is primarily used for, and tailored to, achieving a legitimate network management purpose, taking into account the particular network architecture and technology of the broadband Internet access service, and that is as application-agnostic as possible.

13. "Third-party paid prioritization" means the management of an Internet service provider's network to directly or indirectly favor some traffic over other traffic, including through the use of techniques such as traffic shaping, prioritization, resource reservation, or other forms of preferential traffic management, either: (a) in exchange for consideration, monetary or otherwise, from a third party; or (b) to benefit an affiliated entity.

14. "Zero-rating" means exempting some Internet traffic from a customer's data limitation.

§ 251. Internet neutrality. 1. It shall be unlawful for an Internet service provider, insofar as the provider is engaged in providing broadband Internet access service, to engage in any of the following activities:

(a) Blocking lawful content, applications, services, or non-harmful devices, subject to reasonable network management practices.

(b) Speeding up, slowing down, altering, restricting, interfering with, or otherwise directly or indirectly favoring, disadvantaging, or discriminating between lawful Internet traffic on the basis of source, destination, Internet content, application, or service, or use of a non-harmful device, or of class of Internet content, application, service, or non-harmful device, subject to reasonable network management practices.

(c) Requiring consideration from edge providers, monetary or otherwise, in exchange for access to the Internet service provider's end users, including, but not limited to, requiring consideration for either of the following:

(i) transmitting Internet traffic to and from the Internet service provider's end users.

(ii) refraining from the activities prohibited in paragraphs (a) and (b) of this subdivision.

(d) Engaging in third-party paid prioritization.

(e) Engaging in application-specific differential pricing or zero-rating in exchange for consideration, monetary or otherwise, by third parties.

1 (f) Zero-rating some Internet content, applications, services, or
2 devices in a category of Internet content, applications, services, or
3 devices, but not the entire category.

4 (g) Engaging in application-specific differential pricing.

5 (h) Unreasonably interfering with, or unreasonably disadvantaging,
6 either an end user's ability to select, access, and use broadband Inter-
7 net access service or lawful Internet content, applications, services,
8 or devices of the end user's choice, or an edge provider's ability to
9 make lawful content, applications, services, or devices available to an
10 end user, subject to reasonable network management practices.

11 (i) Engaging in practices with respect to, related to, or in
12 connection with, ISP traffic exchange that have the purpose or effect of
13 circumventing or undermining the effectiveness of this section.

14 (j) Engaging in deceptive or misleading marketing practices that
15 misrepresent the treatment of Internet traffic, content, applications,
16 services, or devices by the Internet service provider, or that misrepre-
17 sent the performance characteristics or commercial terms of the broad-
18 band Internet access service to its customers.

19 (k) Advertising, offering for sale, or selling broadband Internet
20 access service without prominently disclosing with specificity all
21 aspects of the service advertised, offered for sale, or sold.

22 (l) Failing to publicly disclose accurate information regarding the
23 network management practices, performance, and commercial terms of its
24 broadband Internet access services sufficient for consumers to make
25 informed choices regarding use of those services and for content, appli-
26 cation, service, and device providers to develop, market, and maintain
27 Internet offerings.

28 (m) Offering or providing services other than broadband Internet
29 access service that are delivered over the same last-mile connection as
30 the broadband Internet access service, if those services satisfy any of
31 the following conditions:

32 (i) they are marketed, provide, or can be used as a functional equiv-
33 alent of broadband Internet access service.

34 (ii) they have the purpose or effect of circumventing or undermining
35 the effectiveness of this section.

36 (iii) they negatively affect the performance of broadband Internet
37 access service.

38 2. (a) An Internet service provider may offer different types of tech-
39 nical treatment to end users as part of its broadband Internet access
40 service, without violating the provisions of subdivision one of this
41 section, if all of the following conditions exist:

42 (i) The different types of technical treatment are equally available
43 to all Internet content, applications, services, and devices, and all
44 classes of Internet content, applications, services, and devices, and
45 the Internet service provider does not discriminate in the provision of
46 the different types of technical treatment on the basis of Internet
47 content, application, service, or device, or class of Internet content,
48 application, service, or device.

49 (ii) The Internet service provider's end users are able to choose
50 whether, when, and for which Internet content, applications, services,
51 or devices, or classes of Internet content, applications, services, or
52 devices, to use each type of technical treatment.

53 (iii) The Internet service provider charges only its own broadband
54 Internet access service customers for the use of the different types of
55 technical treatment.

1 (b) Any Internet service provider offering different types of techni-
2 cal treatment pursuant to this subdivision shall notify the commission
3 and provide the commission with a specimen of any service contract that
4 it offers to customers in New York.

5 (c) If an Internet service provider offers different types of techni-
6 cal treatment pursuant to this subdivision, the commission shall monitor
7 the quality of the basic default service and establish minimum quality
8 requirements if the offering of the different types of technical treat-
9 ment degrades the quality of the basic default service.

10 3. An Internet service provider may zero-rate Internet traffic in
11 application-agnostic ways, without violating the provisions of subdivi-
12 sion one of this section, provided that no consideration, monetary or
13 otherwise, is provided by any third party in exchange for the provider's
14 decision to zero-rate or to not zero-rate traffic.

15 § 252. Broadband Internet access evaluation. The commission, in
16 consultation with the power authority of the state of New York, the NYS
17 Broadband Program Office and electrical corporations, shall evaluate the
18 role broadband Internet access and tools, especially as they relate to
19 private consumers, will play in the future operation of the state's
20 power grid. The evaluation should consider at least the following:

21 1. the reliance of electrical corporations on consumer broadband
22 services to manage energy resources;

23 2. the impact that paid prioritization, throttling, and blocking in
24 consumer broadband Internet service would have on resource management
25 and grid reliability; and

26 3. the future cost to the state and agencies if state agencies need to
27 enter into long-term paid prioritization contracts if net neutrality
28 principles are no longer in place.

29 § 253. Infrastructure awards. 1. An award of moneys by the NYS Broad-
30 band Program Office for the building of infrastructure for broadband
31 communications shall require the awardee to prevent any Internet service
32 provider that provides broadband Internet access service utilizing that
33 infrastructure from violating the provisions of section two hundred
34 fifty-one of this article.

35 2. An award of moneys by the NYS Broadband Program Office for access
36 to the Internet shall prohibit any Internet service provider that
37 receives those moneys from violating the provisions of section two
38 hundred fifty-one of this article.

39 § 254. Enforcement. In addition to the authority granted to the
40 commission pursuant to this chapter, the attorney general may enforce
41 the provisions of this article to the extent permitted under section
42 sixty-three of the executive law.

43 § 255. Application. Nothing in this article supersedes or limits any
44 obligation, authorization, or ability of an Internet service provider to
45 address the needs of emergency communications or law enforcement, public
46 safety, or national security authorities.

47 § 3. Section 219 of the public service law is amended by adding a new
48 subdivision 4 to read as follows:

49 4. (a) For purposes of this section, "application-agnostic," "applica-
50 tion-specific differential pricing," "broadband Internet access
51 service," "class of Internet content, application, service, or device,"
52 "content, applications, or services," "edge provider," "end user,"
53 "Internet service provider," "ISP," "ISP traffic exchange," "mass
54 market," "network management practice," "reasonable network management
55 practice," "third-party paid prioritization," and "zero-rating" have the
56 same meanings as defined in section two hundred fifty of this chapter.

1 (b) A cable operator or video service provider that has been granted a
2 franchise, and any affiliate, insofar as the provider is engaged in
3 providing broadband Internet access service, shall not engage in any of
4 the following activities:

5 (i) Blocking lawful content, applications, services, or non-harmful
6 devices, subject to reasonable network management practices.

7 (ii) Speeding up, slowing down, altering, restricting, interfering
8 with, or otherwise directly or indirectly favoring, disadvantaging, or
9 discriminating between lawful Internet traffic on the basis of source,
10 destination, Internet content, application, or service, or use of a
11 non-harmful device, or of class of Internet content, application,
12 service, or non-harmful device, subject to reasonable network management
13 practices.

14 (iii) Requiring consideration from edge providers, monetary or other-
15 wise, in exchange for access to the Internet service provider's end
16 users, including, but not limited to, requiring consideration for either
17 of the following:

18 (A) transmitting Internet traffic to and from the Internet service
19 provider's end users; and

20 (B) refraining from the activities prohibited in subparagraphs (i) and
21 (ii) of this paragraph.

22 (iv) Engaging in third-party paid prioritization.

23 (v) Engaging in application-specific differential pricing or zero-rat-
24 ing in exchange for consideration, monetary or otherwise, by third
25 parties.

26 (vi) Zero-rating some Internet content, applications, services, or
27 devices in a category of Internet content, applications, services, or
28 devices, but not the entire category.

29 (vii) Engaging in application-specific differential pricing.

30 (viii) Unreasonably interfering with, or unreasonably disadvantaging,
31 either an end user's ability to select, access, and use broadband Inter-
32 net access service or lawful Internet content, applications, services,
33 or devices of the end user's choice, or an edge provider's ability to
34 make lawful content, applications, services, or devices available to an
35 end user, subject to reasonable network management practices.

36 (ix) Engaging in practices with respect to, related to, or in
37 connection with, ISP traffic exchange that have the purpose or effect of
38 circumventing or undermining the effectiveness of this subdivision.

39 (x) Engaging in deceptive or misleading marketing practices that
40 misrepresent the treatment of Internet traffic, content, applications,
41 services, or devices by the Internet service provider, or that misrepre-
42 sent the performance characteristics or commercial terms of the broad-
43 band Internet access service to its customers.

44 (xi) Advertising, offering for sale, or selling broadband Internet
45 access service without prominently disclosing with specificity all
46 aspects of the service advertised, offered for sale, or sold.

47 (xii) Failing to publicly disclose accurate information regarding the
48 network management practices, performance, and commercial terms of its
49 broadband Internet access services sufficient for consumers to make
50 informed choices regarding use of those services and for content, appli-
51 cation, service, and device providers to develop, market, and maintain
52 Internet offerings.

53 (xiii) Offering or providing services other than broadband Internet
54 access services that are delivered over the same last-mile connection as
55 the broadband Internet access service, if those services satisfy any of
56 the following conditions:

1 (A) they are marketed, provide, or can be used as a functional equiv-
2 alent of broadband Internet access service; or

3 (B) they have the purpose or effect of circumventing or undermining
4 the effectiveness of this section; or

5 (C) they negatively affect the performance of broadband Internet
6 access service.

7 (c) (i) An Internet service provider may offer different types of
8 technical treatment to end users as part of its broadband Internet
9 access service if it meets the conditions specified in paragraph (a) of
10 subdivision two of section two hundred fifty-one of this chapter.

11 (ii) An Internet service provider may zero-rate Internet traffic in
12 application-agnostic ways, provided that no consideration, monetary or
13 otherwise, is provided by any third party in exchange for the provider's
14 decision to zero-rate or to not zero-rate traffic.

15 (d) In addition to the authority granted the commission pursuant to
16 this chapter, the attorney general may enforce the provisions of this
17 article to the extent permitted under section sixty-three of the execu-
18 tive law.

19 § 4. Section 119-a of the public service law, as added by chapter 703
20 of the laws of 1978, is amended to read as follows:

21 § 119-a. Attachments to utility poles; use of utility ducts, trenches
22 and conduits. 1. The commission shall prescribe just and reasonable
23 rates, terms and conditions for attachments to utility poles and the use
24 of utility ducts, trenches and conduits. A just and reasonable rate
25 shall assure the utility of the recovery of not less than the additional
26 cost of providing a pole attachment or of using a trench, duct or
27 conduit nor more than the actual operating expenses and return on capi-
28 tal of the utility attributed to that portion of the pole, duct, trench
29 or conduit used. With respect to cable television or internet service
30 attachments and use, such portion shall be the percentage of total
31 usable space on a pole or the total capacity of the duct or conduit that
32 is occupied by the facilities of the user. Usable space shall be the
33 space on a utility pole above the minimum grade level which can be used
34 for the attachment of wires and cables.

35 2. No permission shall be granted to a cable television or Internet
36 service provider for attachments on utility poles as provided in this
37 section unless such Internet service provider is in compliance with the
38 provisions of section two hundred fifty-one of this chapter.

39 § 5. Section 165 of the state finance law is amended by adding a new
40 subdivision 9 to read as follows:

41 9. Internet neutrality. a. For purposes of this subdivision:

42 (i) "broadband Internet access service," "Internet service provider,"
43 "network management practice," and "reasonable network management prac-
44 tice" shall have the same meanings as defined in section two hundred
45 fifty of the public service law; and

46 (ii) "the state" includes the state and any governmental agency or
47 political subdivision or public benefit corporation of the state.

48 b. (i) The state shall not purchase any fixed or mobile broadband
49 Internet access services from an Internet service provider that is in
50 violation of the provisions of section two hundred fifty-one of the
51 public service law.

52 (ii) The state shall not provide funding for the purchase of any fixed
53 or mobile broadband Internet access services from an Internet service
54 provider that is in violation of the provisions of section two hundred
55 fifty-one of the public service law.

1 c. (i) Every contract between the state and an Internet service
2 provider for broadband Internet access service shall require that the
3 service be rendered consistent with the requirements of section two
4 hundred fifty-one of the public service law.

5 (ii) If, after execution of a contract for broadband Internet access
6 service the state determines that the Internet service provider has
7 violated the provisions of section two hundred fifty-one of the public
8 service law in providing service to the state, the state may declare the
9 contract void from the time it was entered into and require repayment of
10 any payments made to the Internet service provider pursuant to the
11 contract. The remedies available pursuant to this section are in addi-
12 tion to any remedy available pursuant to article twenty-two-A of the
13 general business law.

14 d. It shall not be a violation of this article for the state to
15 purchase or fund fixed or mobile broadband Internet access services in a
16 geographical area where Internet access services are only available from
17 a single broadband Internet access service provider.

18 e. An Internet service provider that provides fixed or mobile broad-
19 band Internet access service purchased or funded by the state shall
20 publicly disclose accurate information regarding the network management
21 practices, performance, and commercial terms of its broadband Internet
22 access service that is sufficient to enable end users of those purchased
23 or funded services, including the state, to fully and accurately ascer-
24 tain if the service is conducted in a lawful manner pursuant to the
25 provisions of section two hundred fifty-one of the public service law.

26 § 6. The general municipal law is amended by adding a new section
27 104-d to read as follows:

28 § 104-d. Internet neutrality. 1. For purposes of this section, "broad-
29 band Internet access service," "Internet service provider," "network
30 management practice," and "reasonable network management practice" shall
31 have the same meanings as defined in section two hundred fifty of the
32 public service law.

33 2. a. A municipal corporation shall not purchase any fixed or mobile
34 broadband Internet access services from an Internet service provider
35 that is in violation of the provisions of section two hundred fifty-one
36 of the public service law.

37 b. A municipal corporation shall not provide funding for the purchase
38 of any fixed or mobile broadband Internet access services from an Inter-
39 net service provider that is in violation of the provisions of section
40 two hundred fifty-one of the public service law.

41 3. a. Every contract between a municipal corporation and an Internet
42 service provider for broadband Internet access service shall require
43 that the service be rendered consistent with the requirements of section
44 two hundred fifty-one of the public service law.

45 b. If, after execution of a contract for broadband Internet access
46 service, a municipal corporation determines that the Internet service
47 provider has violated the provisions of section two hundred fifty-one of
48 the public service law in providing service to the municipal corpo-
49 ration, the municipal corporation may declare the contract void from the
50 time it was entered into and require repayment of any payments made to
51 the Internet service provider pursuant to the contract. The remedies
52 available pursuant to this section are in addition to any remedy avail-
53 able pursuant to article twenty-two-A of the general business law.

54 4. It shall not be a violation of this article for a municipal corpo-
55 ration to purchase or fund fixed or mobile broadband Internet access

1 services in a geographical area where Internet access services are only
2 available from a single broadband Internet access service provider.

3 5. An Internet service provider that provides fixed or mobile broad-
4 band Internet access service purchased or funded by a municipal corpo-
5 ration shall publicly disclose accurate information regarding the
6 network management practices, performance, and commercial terms of its
7 broadband Internet access service that is sufficient to enable end users
8 of those purchased or funded services, including a municipal corpo-
9 ration, to fully and accurately ascertain if the service is conducted in
10 a lawful manner pursuant to the provisions of section two hundred
11 fifty-one of the public service law.

12 § 7. Subdivision 3 of section 2879 of the public authorities law is
13 amended by adding a new paragraph (n-1) to read as follows:

14 (n-1) Requirements to conduct procurements in a manner that complies
15 with the provisions of section two hundred fifty-one of the public
16 service law.

17 § 8. Section 143 of the economic development law is amended by adding
18 a new subdivision 5 to read as follows:

19 5. Each agency shall conduct procurements in a manner that complies
20 with the provisions of section two hundred fifty-one of the public
21 service law.

22 § 9. Severability. If any provision of this act, or the application
23 thereof to any person or circumstances, is held invalid or unconstitu-
24 tional, that invalidity or unconstitutionality shall not affect other
25 provisions or applications of this act that can be given effect without
26 the invalid or unconstitutional provision or application, and to this
27 end the provisions of this act are severable.

28 § 10. This act shall take effect on the sixtieth day after it shall
29 have become a law. Effective immediately, the addition, amendment
30 and/or repeal of any rule or regulation necessary for the implementation
31 of this act on its effective date are authorized to be made and
32 completed on or before such effective date.