

STATE OF NEW YORK

731

2023-2024 Regular Sessions

IN SENATE

January 6, 2023

Introduced by Sen. PARKER -- 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 quality standards for internet service providers

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

1 Section 1. The article heading of article 11 of the public service
2 law, as added by chapter 83 of the laws of 1995, is amended to read as
3 follows:

4 PROVISIONS RELATING TO CABLE TELEVISION COMPANIES AND INTERNET
5 SERVICE PROVIDERS

6 § 2. Section 212 of the public service law is amended by adding a new
7 subdivision 15 to read as follows:

8 15. "Internet service provider" shall mean any person, business or
9 organization qualified to do business in this state that provides indi-
10 viduals, corporations, or other entities with the ability to connect to
11 the internet.

12 § 3. The public service law is amended by adding a new section 231 to
13 read as follows:

14 § 231. Service quality standards for internet service providers;
15 penalties. 1. The commission shall establish quality of service stand-
16 ards, minimum performance levels, customer-specific credits, and report-
17 ing requirements that shall apply to each internet service provider.

18 a. Service standards shall include, but not be limited to: (i) meas-
19 ures relating to repairs for service outages within forty-eight hours
20 unless a customer opts otherwise; (ii) a requirement that new installa-
21 tion orders be completed within five days unless a subscriber or custom-
22 er opts otherwise; (iii) a requirement that each internet service
23 provider develop procedures to prioritize service to subscribers and
24 customers who are special-needs subscribers and customers and for

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

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1 customers who utilize a medical alert system or communications equip-
2 ment, in conjunction with medical devices, to monitor and transmit
3 medical data to their treating physicians' medical sites; (iv) a
4 requirement that each internet service provider report to the commis-
5 sion, on an annual basis, the number of subscribers and customers who
6 report service issues or outages, and the percentage of those cases that
7 are resolved; and (v) a requirement that each internet service provider
8 provides the internet service speeds advertised to and paid for by each
9 subscriber and customer.

10 b. Minimum performance levels for each service standard shall be
11 developed to ensure that each internet service provider in the state
12 provides high quality subscriber and customer service and high quality
13 technical service to all their subscribers and customers.

14 c. The commission shall establish a schedule of subscriber and custom-
15 er credits or rebates, which shall be awarded to subscribers and custom-
16 ers that experience service outage conditions and for missed installa-
17 tion appointments. A system of graduated credits or rebates shall be
18 established for those subscribers and customers whose service outage
19 condition was not cleared within forty-eight hours or installation was
20 not completed within five business days unless a subscriber or customer
21 opts otherwise.

22 2. a. Every internet service provider shall adhere to every provision
23 of this section and every order or regulation adopted under authority of
24 this section so long as the same shall be in force.

25 b. (i) The commission shall have the authority to assess a civil
26 penalty against each internet service provider and the directors, offi-
27 cers, agents and employees thereof subject to the jurisdiction, super-
28 vision, or regulation pursuant to this section in an amount as set forth
29 in this subdivision. In determining the amount of any penalty to be
30 assessed pursuant to this subdivision, the commission shall consider:
31 (A) the seriousness of the violation for which a penalty is sought; (B)
32 the nature and extent of any previous violations for which penalties
33 have been assessed against the internet service provider or such direc-
34 tors, officers, agents and employees thereof; (C) the gross revenues and
35 financial status of the internet service provider; and (D) such other
36 factors as the commission may deem appropriate and relevant. The reme-
37 dies provided in this paragraph are in addition to any other remedies
38 provided by law.

39 (ii) Whenever the commission has reason to believe that an internet
40 service provider and such directors, officers, agents and employees
41 thereof may be subject to imposition of a civil penalty as set forth in
42 this subdivision, it shall provide notification and provide an opportu-
43 nity to be heard to such internet service provider or person. Such
44 notice shall include, but shall not be limited to: (A) the date and a
45 brief description of the facts and nature of each act or failure to act
46 for which such penalty is proposed; (B) a list of each statute, regu-
47 lation or order that the commission alleges has been violated; (C) the
48 amount of each penalty that the commission proposes to assess; and (D)
49 the option to request a hearing to demonstrate why the proposed penalty
50 or penalties should not be assessed against such internet service
51 provider or person.

52 c. Any internet service provider that violates any provision of this
53 section, regulation or order adopted under authority of this section so
54 long as the same shall be in force, or who fails to provide safe and
55 adequate service shall forfeit a sum not exceeding the greater of one
56 hundred thousand dollars or two one-hundredths of one percent of the

1 annual intrastate gross operating revenue of the internet service
2 provider, constituting a civil penalty for each and every offense and,
3 in the case of a continuing violation, each day shall be deemed a sepa-
4 rate and distinct offense.

5 d. Notwithstanding the provisions of paragraph c of this subdivision,
6 any such internet service provider that violates a provision of this
7 section, or any order or regulation adopted under the authority of this
8 section specifically for the protection of human safety or prevention of
9 significant damage to real property, including, but not limited to death
10 or personal injury and damage to real property in excess of fifty thou-
11 sand dollars, shall forfeit a sum not to exceed the greater of: (i) two
12 hundred fifty thousand dollars or three one-hundredths of one percent of
13 the annual intrastate gross operating revenue of the internet service
14 provider, whichever is greater, constituting a civil penalty for each
15 separate and distinct offense, provided, however, that for purposes of
16 this subparagraph, each day of a continuing violation shall not be
17 deemed a separate and distinct offense. The total period of a continuing
18 violation, as well as every distinct violation, shall be similarly
19 treated as a separate and distinct offense for purposes of this para-
20 graph; or (ii) the maximum forfeiture determined in accordance with
21 paragraph c of this subdivision.

22 e. Notwithstanding the provisions of paragraphs c and d of this subdi-
23 vision, an internet service provider that violates a provision of this
24 section, or any order or regulation adopted under authority of this
25 section, designed to protect the overall reliability and continuity of
26 service, including but not limited to the restoration of service follow-
27 ing a major outage event or emergency, shall forfeit a sum not to exceed
28 the greater of: (i) five hundred thousand dollars or four one-hundredths
29 of one percent of the annual intrastate gross operating revenue of the
30 internet service provider, whichever is greater, constituting a civil
31 penalty for each separate and distinct offense; provided, however, that
32 for purposes of this subparagraph each day of a continuing violation
33 shall not be deemed a separate and distinct offense. The total period of
34 a continuing violation, as well as every distinct violation shall be
35 similarly treated as a separate and distinct offense for purposes of
36 this subparagraph; or (ii) the maximum forfeiture determined in accord-
37 ance with paragraph c of this subdivision.

38 f. Any director, officer, agent, or employee of any internet service
39 provider determined by the commission to have violated the provisions of
40 paragraph c, d, or e of this subdivision, and who knowingly violates a
41 provision of this section, regulation or an order adopted under authori-
42 ty of this section so long as the same shall be in force, including a
43 failure to provide safe and adequate service, shall forfeit a sum not to
44 exceed one hundred thousand dollars constituting a civil penalty for
45 each and every offense and, in the case of a continuing violation, each
46 day shall be deemed a separate and distinct offense.

47 g. Any such assessment may be compromised or discontinued by the
48 commission. All moneys recovered pursuant to this subdivision, together
49 with the costs thereof, shall be remitted to, or for the benefit of, the
50 subscribers or customers of the internet service provider in a manner to
51 be determined by the commission.

52 h. Upon a failure by an internet service provider to remit any penalty
53 assessed by the commission pursuant to this subdivision, the commission,
54 through its counsel or other appropriate designee, may institute an
55 action or special proceeding to collect the penalty in a court of compe-
56 tent jurisdiction.

1 i. Any payment made by an internet service provider and the directors,
2 officers, agents and employees thereof, as a result of an assessment as
3 provided in this subdivision, and the cost of litigation and investi-
4 gation related to any such assessment, shall not be recoverable from
5 subscribers or customers.

6 j. In construing and enforcing the provisions of this section relating
7 to penalties, the act of any director, officer, agent or employee of an
8 internet service provider acting within the scope of his or her official
9 duties or employment shall be deemed to be the act of such internet
10 service provider.

11 § 4. Severability clause. If any clause, sentence, paragraph, subdivi-
12 sion, section or part of this act shall be adjudged by any court of
13 competent jurisdiction to be invalid, such judgment shall not affect,
14 impair, or invalidate the remainder thereof, but shall be confined in
15 its operation to the clause, sentence, paragraph, subdivision, section
16 or part thereof directly involved in the controversy in which such judg-
17 ment shall have been rendered. It is hereby declared to be the intent of
18 the legislature that this act would have been enacted even if such
19 invalid provisions had not been included herein.

20 § 5. This act shall take effect immediately.