First Regular Session Seventy-second General Assembly STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction SENATE BILL 19-078

LLS NO. 19-0485.01 Jennifer Berman x3286

SENATE SPONSORSHIP

Donovan and Bridges, Court, Danielson, Fenberg, Foote, Garcia, Gonzales, Lee, Moreno, Pettersen, Rodriguez, Story, Todd, Winter, Zenzinger

HOUSE SPONSORSHIP

Hansen and Herod,

Senate Committees State, Veterans, & Military Affairs **House Committees**

A BILL FOR AN ACT

101	CONCERNING THE PROTECTION OF THE OPEN INTERNET, AND, IN
102	CONNECTION THEREWITH, DISQUALIFYING AN INTERNET
103	SERVICE PROVIDER FROM RECEIVING HIGH COST SUPPORT
104	MECHANISM MONEY OR OTHER MONEY RECEIVED TO FINANCE
105	BROADBAND DEPLOYMENT IF THE INTERNET SERVICE PROVIDER
106	ENGAGES IN CERTAIN PRACTICES THAT INTERFERE WITH THE
107	OPEN INTERNET, REQUIRING AN INTERNET SERVICE PROVIDER
108	THAT ENGAGES IN SUCH PRACTICES TO REFUND ANY SUCH
109	MONEY RECEIVED, AND REQUIRING A GOVERNMENTAL BODY
110	CONTRACTING FOR BROADBAND INTERNET ACCESS SERVICE TO
111	GIVE PREFERENCE TO AN INTERNET SERVICE PROVIDER THAT
112	CERTIFIES THAT IT WILL NOT ENGAGE IN PRACTICES THAT
113	INTERFERE WITH THE OPEN INTERNET.



SENATE Amended 2nd Reading March 5, 2019

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <u>http://leg.colorado.gov</u>.)

Section 1 of the bill disqualifies an internet service provider (ISP) from receiving money from the high cost support mechanism if the ISP engages in any of the following practices:

- Blocking lawful internet content, applications, services, or devices unless such blocking is conducted in a manner consistent with reasonable network management practices;
 Engaging in paid prioritization of internet content;
- Regulating network traffic by throttling bandwidth or otherwise impairing or degrading lawful internet traffic on the basis of internet content, application, service, or use of a device unless the impairment or degradation is conducted in a manner consistent with reasonable network management practices; or
- ! Not providing reasonable transparency regarding its network management practices.

Section 1 also requires that, if an ISP is found to have engaged in any of the practices listed above, the ISP must refund any money that it received in the prior 24 months from the high cost support mechanism or from any other state support mechanism or other state funding source established to help finance broadband deployment.

Section 2 requires the broadband deployment board (board) to periodically review the federal trade commission's and federal communications commission's websites to identify any actions the federal agencies may have taken against an ISP that seeks or has received broadband deployment grant money from the board. If the board determines from a review of the federal agency action that the ISP engaged in one of the practices listed above, the board shall deny the application or inform the public utilities commission of the action.

Section 3 requires the attorney general or the attorney general's designee, in collaboration with the board, to develop guidance for consumers on how to file a complaint with the federal trade commission to allege that an ISP has engaged in any of the practices that violate federal law regarding interference with the open internet. The department of law shall post the guidance on its website.

Section 4 requires a governmental body, when contracting for broadband internet access service, to give preference to an ISP that certifies to the governmental body that it will not engage in any of the practices listed in section 1.

1 Be it enacted by the General Assembly of the State of Colorado: 2 SECTION 1. In Colorado Revised Statutes, add 40-15-209 as 3 follows: 4 40-15-209. Net neutrality conditions for internet service 5 providers to receive high cost support mechanism money -6 definitions. (1) EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS 7 SECTION, AN INTERNET SERVICE PROVIDER THAT IS OTHERWISE ELIGIBLE 8 TO RECEIVE MONEY THROUGH A GRANT FROM THE BROADBAND 9 DEPLOYMENT BOARD PURSUANT TO SECTION 40-15-509.5 OR THROUGH 10 ANY STATE FUND ESTABLISHED TO HELP FINANCE BROADBAND 11 DEPLOYMENT IS NOT ELIGIBLE TO RECEIVE THAT MONEY IF THE INTERNET 12 SERVICE PROVIDER: 13 (a) BLOCKS ANY LAWFUL INTERNET CONTENT, APPLICATIONS, 14 SERVICES, OR DEVICES UNLESS THE BLOCKING IS CONDUCTED IN A MANNER 15 CONSISTENT WITH REASONABLE NETWORK MANAGEMENT PRACTICES; 16 (b) ENGAGES IN PAID PRIORITIZATION OF INTERNET CONTENT; 17 (c) REGULATES NETWORK TRAFFIC BY THROTTLING BANDWIDTH 18 OR OTHERWISE IMPAIRS OR DEGRADES LAWFUL INTERNET TRAFFIC ON THE 19 BASIS OF INTERNET CONTENT, APPLICATION, SERVICE, OR USE OF A 20 NONHARMFUL DEVICE UNLESS THE IMPAIRMENT OR DEGRADATION 21 RESULTS SOLELY FROM THE EVENHANDED APPLICATION OF REASONABLE 22 NETWORK MANAGEMENT PRACTICES; OR 23 (d) FAILS OR REFUSES TO DISCLOSE, SUBJECT TO REASONABLE

24 CONDITIONS TO PROTECT PROPRIETARY INFORMATION, ITS NETWORK25 MANAGEMENT PRACTICES.

-3-

078

1 (2) (a) IF THE COMMISSION LEARNS FROM THE BROADBAND 2 DEPLOYMENT BOARD THAT A FEDERAL AGENCY HAS ISSUED A FINAL 3 ORDER OR ENTERED INTO A SETTLEMENT OR CONSENT DECREE REGARDING, 4 OR A COURT OF COMPETENT JURISDICTION HAS ISSUED A FINAL JUDGMENT 5 AGAINST, AN INTERNET SERVICE PROVIDER AND THAT THE BOARD HAS 6 DETERMINED FROM THE ORDER, DECREE, OR JUDGMENT THAT THE 7 INTERNET SERVICE PROVIDER HAS ENGAGED IN CONDUCT SPECIFIED IN 8 SUBSECTION (1) OF THIS SECTION, THE COMMISSION SHALL ISSUE A 9 WRITTEN ORDER TO THE INTERNET SERVICE PROVIDER REQUIRING THE 10 INTERNET SERVICE PROVIDER TO FULLY REFUND ANY MONEY THAT THE 11 INTERNET SERVICE PROVIDER RECEIVED IN THE TWENTY-FOUR MONTHS 12 PRECEDING THE BOARD'S DETERMINATION FROM THE HIGH COST SUPPORT 13 MECHANISM PURSUANT TO A GRANT AWARDED BY THE BROADBAND 14 DEPLOYMENT BOARD UNDER SECTION 40-15-509.5.

(b) AN ORDER ISSUED BY THE COMMISSION PURSUANT TO
SUBSECTION (2)(a) OF THIS SECTION MUST INCLUDE AN ITEMIZED
STATEMENT OF THE AMOUNT OF MONEY THAT THE INTERNET SERVICE
PROVIDER IS REQUIRED TO REFUND AND INSTRUCTIONS ON HOW TO REFUND
THE MONEY.

(c) THE THIRD-PARTY CONTRACTOR THAT MAINTAINS THE HIGH
COST SUPPORT MECHANISM SHALL ALLOCATE ANY MONEY REFUNDED TO
THE HIGH COST SUPPORT MECHANISM PURSUANT TO THIS SUBSECTION (2)
TO THE HIGH COST SUPPORT MECHANISM ACCOUNT DEDICATED TO
BROADBAND DEPLOYMENT, WHICH ACCOUNT IS DESCRIBED IN SECTION
40-15-509.5 (3).

26 (d) A REQUIREMENT THAT AN INTERNET SERVICE PROVIDER
27 REFUND MONEY TO THE HIGH COST SUPPORT MECHANISM PURSUANT TO

-4-

THIS SECTION DOES NOT RELIEVE THE INTERNET SERVICE PROVIDER OF ANY
 PROVIDER-OF-LAST-RESORT OBLIGATIONS THAT THE INTERNET SERVICE
 PROVIDER OTHERWISE HAS PURSUANT TO THIS ARTICLE 15.

4 (3) AN INTERNET SERVICE PROVIDER IS EXEMPT FROM THE
5 OBLIGATIONS SET FORTH IN SUBSECTIONS (1) AND (2) OF THIS SECTION IF
6 THE INTERNET SERVICE PROVIDER ENGAGES IN ANY OF THE PRACTICES
7 LISTED IN SUBSECTIONS (1)(a) TO (1)(d) OF THIS SECTION IN THE COURSE
8 OF:

9 (a) PROVIDING, FACILITATING THE PROVISION OF, OR ADDRESSING
10 EMERGENCY COMMUNICATIONS, AS PERMITTED OR REQUIRED BY LAW OR
11 AT THE REQUEST OR DIRECTION OF AUTHORITIES SERVING IN LAW
12 ENFORCEMENT, PUBLIC SAFETY, OR NATIONAL SECURITY; OR

13 (b) ADDRESSING COPYRIGHT INFRINGEMENT OR OTHER UNLAWFUL14 ACTIVITY.

15

(4) AS USED IN THIS SECTION:

16 (a) (I) "BROADBAND INTERNET ACCESS SERVICE" MEANS A
17 MASS-MARKET RETAIL SERVICE THAT PROVIDES THE CAPABILITY TO
18 TRANSMIT AND RECEIVE DATA FROM ALL OR SUBSTANTIALLY ALL
19 INTERNET ENDPOINTS, INCLUDING ANY CAPABILITIES THAT ARE
20 INCIDENTAL TO AND ENABLE THE OPERATION OF THE SERVICE, BUT
21 EXCLUDING DIAL-UP INTERNET ACCESS SERVICE.

(II) "BROADBAND INTERNET ACCESS SERVICE" INCLUDES SERVICES
PROVIDED OVER ANY TECHNOLOGY PLATFORM, INCLUDING WIRE,
TERRESTRIAL WIRELESS, AND SATELLITE.

25 (b) "INTERNET SERVICE PROVIDER" MEANS A PROVIDER OF
26 BROADBAND INTERNET ACCESS SERVICE IN COLORADO.

27 (c) "PAID PRIORITIZATION" MEANS THE MANAGEMENT OF AN

-5-

078

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:

6 (I) IN EXCHANGE FOR CONSIDERATION, MONETARY OR OTHERWISE,
7 FROM A THIRD PARTY;

8 (II) TO BENEFIT AN AFFILIATED ENTITY; OR

9 (III) TO DISADVANTAGE A COMPETING ENTITY OR ITS AFFILIATES.
10 (d) "REASONABLE NETWORK MANAGEMENT" MEANS A NETWORK
11 MANAGEMENT PRACTICE THAT IS APPROPRIATE AND TAILORED TO
12 ACHIEVING A LEGITIMATE NETWORK MANAGEMENT PURPOSE, TAKING INTO
13 ACCOUNT THE PARTICULAR NETWORK ARCHITECTURE AND TECHNOLOGY
14 OF THE BROADBAND INTERNET ACCESS SERVICE.

15 (e) "THROTTLING" MEANS THE INTENTIONAL SLOWING OF
16 BROADBAND INTERNET ACCESS SERVICE.

SECTION 2. In Colorado Revised Statutes, 40-15-509.5, add
(8.3) as follows:

40-15-509.5. Broadband service - report - broadband
deployment board - broadband administrative fund - creation repeal. (8.3) (a) THE BOARD SHALL PERIODICALLY REVIEW THE WEBSITES
OF THE FEDERAL TRADE COMMISSION AND THE FCC TO DETERMINE
WHETHER EITHER OF THOSE FEDERAL AGENCIES HAS ISSUED A FINAL
ORDER OR ENTERED INTO A SETTLEMENT OR CONSENT DECREE REGARDING
ANY:

26 (I) APPLICANT SEEKING BROADBAND DEPLOYMENT GRANT MONEY
27 FROM THE BOARD; OR

-6-

078

(II) INTERNET SERVICE PROVIDER, AS DEFINED IN SECTION
 40-15-209 (4)(b), TO WHICH THE BOARD HAS AWARDED BROADBAND
 DEPLOYMENT GRANT MONEY.

4 (b) THE BOARD SHALL REVIEW ANY ORDER OR DECREE DESCRIBED 5 IN SUBSECTION (8.3)(a) OF THIS SECTION TO DETERMINE WHETHER THE 6 INTERNET SERVICE PROVIDER THAT IS THE SUBJECT OF THE ORDER OR 7 DECREE HAS ENGAGED IN CONDUCT PROHIBITED BY SECTION 40-15-209 8 (1)(a) TO (1)(d). THE BOARD SHALL DENY THE APPLICATION OF ANY 9 APPLICANT SUBJECT TO SUCH A FEDERAL ORDER OR DECREE AND SHALL 10 INFORM THE COMMISSION PURSUANT TO SECTION 40-15-209 (2)(a) ABOUT 11 ANY INTERNET SERVICE PROVIDER AWARDED BROADBAND DEPLOYMENT 12 GRANT MONEY THAT IS SUBJECT TO SUCH AN ORDER OR DECREE.

SECTION 3. In Colorado Revised Statutes, add article 26 to title
6 as follows:

15

16

ARTICLE 26

Internet Service Providers

17 6-26-101. Complaints to federal trade commission - attorney 18 general to provide guidance. (1) THE ATTORNEY GENERAL OR THE 19 ATTORNEY GENERAL'S DESIGNEE, IN COLLABORATION WITH THE 20 BROADBAND DEPLOYMENT BOARD CREATED IN SECTION 40-15-509.5 (5), 21 SHALL DEVELOP WRITTEN GUIDANCE FOR CONSUMERS SEEKING TO FILE A 22 COMPLAINT WITH THE FEDERAL TRADE COMMISSION TO ALLEGE THAT AN 23 INTERNET SERVICE PROVIDER, AS DEFINED IN SECTION 40-15-209 (4)(b), 24 HAS ENGAGED IN ANY PRACTICE THAT VIOLATES FEDERAL LAW REGARDING 25 INTERFERENCE WITH THE OPEN INTERNET.

26 (2) ON OR BEFORE OCTOBER 1, 2019, THE DEPARTMENT OF LAW
27 SHALL POST THE WRITTEN GUIDANCE DEVELOPED PURSUANT TO

-7-

1 SUBSECTION (1) OF THIS SECTION ON ITS PUBLIC WEBSITE.

2 (3) THE ATTORNEY GENERAL, IN COLLABORATION WITH THE
3 BROADBAND DEPLOYMENT BOARD, SHALL UPDATE THE WRITTEN
4 GUIDANCE AS NEEDED.

5 SECTION 4. In Colorado Revised Statutes, add 24-103-911 as
6 follows:

7 24-103-911. Preference for internet service providers that 8 certify compliance with open internet protections - definitions. 9 (1) WHEN CONTRACTING FOR BROADBAND INTERNET ACCESS SERVICE, A 10 GOVERNMENTAL BODY SHALL GIVE PREFERENCE TO AN INTERNET SERVICE 11 PROVIDER THAT CERTIFIES TO THE GOVERNMENTAL BODY THAT, EXCEPT 12 AS ALLOWED UNDER SECTION 40-15-209 (3), THE INTERNET SERVICE 13 PROVIDER WILL NOT ENGAGE IN ANY OF THE PRACTICES SET FORTH IN 14 SECTION 40-15-209 (1).

15 (2) As used in this sec

15 (2) AS USED IN THIS SECTION:

16 (a) "BROADBAND INTERNET ACCESS SERVICE" HAS THE MEANING
17 SET FORTH IN SECTION 40-15-209 (4)(a).

18 (b) "INTERNET SERVICE PROVIDER" HAS THE MEANING SET FORTH
19 IN SECTION 40-15-209 (4)(b).

20 SECTION 5. Applicability. This act applies to conduct occurring
21 on or after the effective date of this act.

SECTION 6. Safety clause. The general assembly hereby finds,
 determines, and declares that this act is necessary for the immediate
 preservation of the public peace, health, and safety.