

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 3968

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DATE	D-PG	OFFICIAL STATUS
04/16/2018	7300	Introduction and first reading Referred to Jobs and Economic Growth Finance and Policy

1.1 A bill for an act

1.2 relating to broadband service; prohibiting certain activities by Internet service

1.3 providers serving Minnesota customers and those under contract to the state or

1.4 political subdivisions; proposing coding for new law in Minnesota Statutes, chapters

1.5 16C; 325F.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. **[16C.37] CONTRACTS FOR INTERNET SERVICE; ADHERENCE TO**

1.8 **NET NEUTRALITY.**

1.9 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have

1.10 the meanings given in this subdivision.

1.11 (b) "Broadband Internet access service" means:

1.12 (1) a mass-market retail service by wire or radio that provides the capability to transmit

1.13 data to and receive data from all or substantially all Internet endpoints, including any

1.14 capabilities that are incidental to or enable the operation of the communications service;

1.15 (2) any service that provides a functional equivalent of the service described in clause

1.16 (1); or

1.17 (3) any service that is used to evade the protections set forth in this section.

1.18 Broadband Internet access service includes a service that serves end users at fixed endpoints

1.19 using stationary equipment or end users using mobile stations, but does not include dial-up

1.20 Internet access service.

2.1 (c) "Edge provider" means any person or entity that provides (1) any content, application,
2.2 or service over the Internet, or (2) a device used for accessing any content, application, or
2.3 service over the Internet.

2.4 (d) "Internet service provider" means a business that provides broadband Internet access
2.5 service to a customer in Minnesota.

2.6 (e) "Paid prioritization" means the management of an Internet service provider's network
2.7 to directly or indirectly favor some traffic over other traffic in exchange for monetary
2.8 compensation from a third party, other consideration from a third party, or to benefit an
2.9 affiliated entity.

2.10 **Subd. 2. Purchasing or funding broadband Internet access services; prohibitions.**
2.11 A state agency or political subdivision is prohibited from entering into a contract or providing
2.12 funding for the purchase of broadband Internet access service that does not contain:

2.13 (1) a binding agreement in which the Internet service provider certifies, under penalty
2.14 of perjury, that the Internet service provider will not engage in any of the following activities
2.15 with respect to any of its Minnesota customers:

2.16 (i) block lawful content, applications, services, or nonharmful devices, subject to
2.17 reasonable network management;

2.18 (ii) impair, impede, or degrade lawful Internet traffic on the basis of (A) Internet content,
2.19 application, or service, or (B) use of a nonharmful device, subject to reasonable network
2.20 management;

2.21 (iii) engage in paid prioritization;

2.22 (iv) unreasonably interfere with or unreasonably disadvantage:

2.23 (A) a customer's ability to select, access, and use broadband Internet service or lawful
2.24 Internet content, applications, services, or devices of the customer's choice; or

2.25 (B) an edge provider's ability to provide lawful Internet content, applications, services,
2.26 or devices to a customer; or

2.27 (v) engage in deceptive or misleading marketing practices that misrepresent the treatment
2.28 of Internet traffic or content; and

2.29 (2) provisions requiring the state agency or political subdivision, upon determining that
2.30 an Internet service provider has violated the binding agreement in clause (1), to unilaterally
2.31 terminate the contract for broadband Internet access service and require the Internet service

3.1 provider to remunerate the state agency or political subdivision for all revenues earned
 3.2 under the contract during the period when the violation occurred.

3.3 Subd. 3. **Other laws.** Nothing in this section supersedes any obligation, authorization,
 3.4 or ability an Internet service provider may have under applicable law to address the needs
 3.5 of emergency communications or law enforcement, public safety, or national security
 3.6 authorities.

3.7 Subd. 4. **Exception.** This section does not apply to a state agency or political subdivision
 3.8 that purchases or funds fixed broadband Internet access services in a geographic location
 3.9 where fixed broadband Internet access services are only available from a single Internet
 3.10 service provider.

3.11 Subd. 5. **Enforcement.** Violations of the certification required under subdivision 2 must
 3.12 be enforced under section 609.48. The venue for enforcement proceedings is Ramsey County.

3.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.14 Sec. 2. **[325F.6945] INTERNET SERVICE PROVIDERS; PROHIBITED ACTIONS.**

3.15 Subdivision 1. **Definitions.** The definitions in section 16C.37 apply to this section.

3.16 Subd. 2. **Prohibited actions.** An Internet service provider is prohibited from engaging
 3.17 in any of the following activities with respect to any of its Minnesota customers:

3.18 (1) block lawful content, applications, services, or nonharmful devices, subject to
 3.19 reasonable network management;

3.20 (2) impair, impede, or degrade lawful Internet traffic on the basis of (i) Internet content,
 3.21 application, or service, or (ii) use of a nonharmful device, subject to reasonable network
 3.22 management;

3.23 (3) engage in paid prioritization;

3.24 (4) unreasonably interfere with or unreasonably disadvantage:

3.25 (i) a customer's ability to select, access, and use broadband Internet service or lawful
 3.26 Internet content, applications, services, or devices of the customer's choice; or

3.27 (ii) an edge provider's ability to provide lawful Internet content, applications, services,
 3.28 or devices to a customer; or

3.29 (5) engage in deceptive or misleading marketing practices that misrepresent the treatment
 3.30 of Internet traffic or content.

4.1 Subd. 3. **Certification required.** Prior to offering service to a customer in this state, an
4.2 Internet service provider must file with the commissioner of commerce a document certifying,
4.3 under penalty of perjury, that it will not engage in any of the activities prohibited in
4.4 subdivision 2.

4.5 Subd. 4. **Other laws.** Nothing in this section supersedes any obligation, authorization,
4.6 or ability an Internet service provider may have under applicable law to address the needs
4.7 of emergency communications or law enforcement, public safety, or national security
4.8 authorities.

4.9 Subd. 5. **Enforcement.** (a) Violations of subdivision 2 may be enforced by the
4.10 commissioner of commerce under section 45.027 and by the attorney general under section
4.11 8.31. The venue for enforcement proceedings is Ramsey County.

4.12 (b) Violations of the certification required under subdivision 3 must be enforced under
4.13 section 609.48. The venue for enforcement proceedings is Ramsey County.

4.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and
4.15 applies to contracts and agreements entered into on and after that date.