

107TH CONGRESS  
1ST SESSION

# H. R. 1542

To deregulate the Internet and high speed data services, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 2001

Mr. TAUZIN (for himself, Mr. DINGELL, Mr. GOODLATTE, Mr. BOUCHER, Mr. ENGLISH, Mr. FROST, Mr. SMITH of Washington, Mr. LUCAS of Kentucky, Mr. WHITFIELD, Mr. MURTHA, Mr. COLLINS, Mr. BLAGOJEVICH, Mr. FOSSELLA, Mr. DICKS, Mr. GILLMOR, Mr. BARTON of Texas, Mr. KIND, Mr. GREENWOOD, Mr. MEEKS of New York, Mr. CAMP, Mr. BALDACCI, Mr. RAHALL, Mr. HOLDEN, Mrs. MCCARTHY of New York, Mr. BRADY of Pennsylvania, Mr. SIMPSON, Mr. BOYD, Mrs. NORTHUP, Mr. ENGEL, Mr. SANDLIN, Mr. EVERETT, Mr. BOEHNER, Mr. REYNOLDS, Mr. WELDON of Pennsylvania, Mr. SESSIONS, Mr. BONIOR, Mr. MALONEY of Connecticut, Mr. BUYER, Mr. CUNNINGHAM, Mr. MCCRERY, Mr. BISHOP, Mr. LAMPSON, Mr. VITTER, Mr. BASS, Mr. ACKERMAN, Mr. BLUNT, Mr. MCHUGH, Mr. RYAN of Wisconsin, Mr. QUINN, Mr. BACA, Mr. GONZALEZ, Mr. BAKER, Mr. WALSH, Mr. GREEN of Texas, Mr. WEXLER, Mr. OXLEY, Mr. RADANOVICH, Mr. DIAZ-BALART, Mr. COOKSEY, Mr. CLEMENT, Mr. LARSEN of Washington, Mr. SCHROCK, Mr. PETRI, Mr. WATKINS, Ms. ROS-LEHTINEN, Mr. HILLIARD, Mr. OTTER, Mr. SHADEGG, Mr. BRYANT, Mr. PLATTS, Mr. PUTNAM, Mr. CUMMINGS, Mr. RODRIGUEZ, Mr. CONDIT, Mr. BURR of North Carolina, and Mr. WYNN) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## A BILL

To deregulate the Internet and high speed data services,  
and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Internet Freedom and  
5 Broadband Deployment Act of 2001”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7        (a) FINDINGS.—Congress finds the following:

8            (1) Internet access services are inherently inter-  
9 state and international in nature, and should there-  
10 fore not be subject to regulation by the States.

11           (2) The imposition of regulations by the Fed-  
12 eral Communications Commission and the States  
13 has impeded the rapid delivery of high speed Inter-  
14 net access services to the public, thereby reducing  
15 consumer choice and welfare.

16           (3) The Telecommunications Act of 1996 rep-  
17 resented a careful balance between the need to open  
18 up local telecommunications markets to competition  
19 and the need to increase competition in the provision  
20 of interLATA voice telecommunications services.

21           (4) In enacting the prohibition on Bell oper-  
22 ating company provision of interLATA services,  
23 Congress recognized that certain telecommunications  
24 services have characteristics that render them in-  
25 compatible with the prohibition on Bell operating

1 company provision of interLATA services, and ex-  
2 empted such services from the interLATA prohibi-  
3 tion.

4 (5) High speed data services and Internet ac-  
5 cess services constitute unique markets that are like-  
6 wise incompatible with the prohibition on Bell oper-  
7 ating company provision of interLATA services.

8 (6) Since the enactment of the Telecommuni-  
9 cations Act of 1996, the Federal Communications  
10 Commission has construed the prohibition on Bell  
11 operating company provision of interLATA services  
12 in a manner that has impeded the development of  
13 advanced telecommunications services, thereby lim-  
14 iting consumer choice and welfare.

15 (7) Internet users should have choice among  
16 competing Internet service providers.

17 (8) Internet service providers should have the  
18 right to interconnect with high speed data networks  
19 in order to provide service to Internet users.

20 (b) PURPOSES.—It is therefore the purpose of this  
21 Act to provide market incentives for the rapid delivery of  
22 advanced telecommunications services—

23 (1) by deregulating high speed data services  
24 and Internet access services;

1           (2) by clarifying that the prohibition on Bell op-  
2           erating company provision of interLATA services  
3           does not extend to the provision of high speed data  
4           services and Internet access services;

5           (3) by ensuring that consumers can choose  
6           among competing Internet service providers; and

7           (4) by ensuring that Internet service providers  
8           can interconnect with competitive high speed data  
9           networks in order to provide Internet access service  
10          to the public.

11 **SEC. 3. DEFINITIONS**

12          (a) AMENDMENTS.—Section 3 of the Communica-  
13          tions Act of 1934 (47 U.S.C. 153) is amended—

14               (1) by redesignating paragraph (20) as para-  
15               graph (21);

16               (2) by redesignating paragraphs (21) through  
17               (52) as paragraphs (24) through (54), respectively;

18               (3) by inserting after paragraph (19) the fol-  
19               lowing new paragraph:

20               “(20) HIGH SPEED DATA SERVICE.—The term  
21               ‘high speed data service’ means any service that con-  
22               sists of or includes the offering of a capability to  
23               transmit, using a packet-switched or successor tech-  
24               nology, information at a rate that is generally not

1 less than 384 kilobits per second in at least one di-  
2 rection.”;

3 (4) by inserting after paragraph (22) the fol-  
4 lowing new paragraphs:

5 “(23) INTERNET.—The term ‘Internet’ means  
6 collectively the myriad of computer and tele-  
7 communications facilities, including equipment and  
8 operating software, which comprise the inter-  
9 connected world-wide network of networks that em-  
10 ploy the Transmission Control Protocol/Internet  
11 Protocol, or any predecessor or successor protocols  
12 to such protocol, to communicate information of all  
13 kinds by wire or radio.

14 “(24) INTERNET ACCESS SERVICE.—The term  
15 ‘Internet access service’ means (A) a service that  
16 combines computer processing, information storage,  
17 protocol conversion, and routing with transmission  
18 to enable users to access Internet content and serv-  
19 ices, and (B) the transmission of such service, but  
20 does not include the portion of such transmission  
21 from the user to the provider of such service.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 230(f) of the Communications Act  
24 of 1934 (47 U.S.C. 230(f)) is amended—

25 (A) by striking paragraph (1); and

1 (B) by redesignating paragraphs (2)  
2 through (4) as paragraphs (1) through (3), re-  
3 spectively.

4 (2) Section 223(h)(2) of such Act (47 U.S.C.  
5 223(h)(2)) is amended by striking “230(f)(2)” and  
6 inserting “230(f)(1)”.

7 **SEC. 4. LIMITATION ON AUTHORITY TO REGULATE HIGH**  
8 **SPEED DATA SERVICES.**

9 (a) IN GENERAL.—Part I of title II of the Commu-  
10 nications Act of 1934 (47 U.S.C. 201 et seq.) is amended  
11 by adding at the end the following new section:

12 **“SEC. 232. PROVISION OF HIGH SPEED DATA SERVICES.**

13 “(a) FREEDOM FROM REGULATION.—Except to the  
14 extent that high speed data service and Internet access  
15 service are expressly referred to in this Act, neither the  
16 Commission, nor any State, shall have authority to regu-  
17 late the rates, charges, terms, or conditions for, or entry  
18 into the provision of, any high speed data service or Inter-  
19 net access service, or to regulate the facilities used in the  
20 provision of either such service.

21 “(b) SAVINGS PROVISION.—Nothing in this section  
22 shall be construed to limit or affect the authority of any  
23 State to regulate voice telephone exchange services, nor  
24 affect the rights of cable franchise authorities to establish  
25 requirements that are otherwise consistent with this Act.

1       “(c) CONTINUED ENFORCEMENT OF ESP EXEMP-  
2 TION, UNIVERSAL SERVICE RULES PERMITTED.—Noth-  
3 ing in this section shall affect the ability of the Commis-  
4 sion to retain or modify—

5           “(1) the exemption from interstate access  
6 charges for enhanced service providers under Part  
7 69 of the Commission’s Rules; or

8           “(2) rules issued pursuant to section 254.”.

9       (b) CONFORMING AMENDMENT.—Section 251 of the  
10 Communications Act of 1934 (47 U.S.C. 251) is amended  
11 by adding at the end thereof the following new subsection:

12       “(j) EXEMPTION.—

13           “(1) IN GENERAL.—Notwithstanding the provi-  
14 sions of subsections (c) and (d), the Commission  
15 shall not require an incumbent local exchange car-  
16 rier to—

17           “(A) provide unbundled access to any net-  
18 work elements used in the provision of any high  
19 speed data service, other than those network  
20 elements described in section 51.319 of the  
21 Commission’s regulations (47 C.F.R. 51.319),  
22 as in effect on January 1, 1999; or

23           “(B) offer for resale at wholesale rates any  
24 high speed data service.

1           “(2) **AUTHORITY TO REDUCE ELEMENTS SUB-**  
2           **JECT TO REQUIREMENT.**—Paragraph (1)(A) shall  
3           not prohibit the Commission from modifying the reg-  
4           ulation referred to in that paragraph to reduce the  
5           number of network elements subject to the  
6           unbundling requirement, or to forbear from enforce-  
7           ing any portion of that regulation in accordance with  
8           the Commission’s authority under section 706 of the  
9           Telecommunications Act of 1996, notwithstanding  
10          any limitation on that authority in section 10 of this  
11          Act.”.

12 **SEC. 5. INTERNET CONSUMERS FREEDOM OF CHOICE.**

13          Part I of title II of the Communications Act of 1934,  
14 as amended by section 4, is amended by adding at the  
15 end the following new section:

16 **“SEC. 233. INTERNET CONSUMERS FREEDOM OF CHOICE.**

17          “(a) **PURPOSE.**—It is the purpose of this section to  
18 ensure that Internet users have freedom of choice of Inter-  
19 net service provider.

20          “(b) **OBLIGATIONS OF INCUMBENT LOCAL EX-**  
21 **CHANGE CARRIERS.**—Each incumbent local exchange car-  
22 rier has the duty to provide—

23                 “(1) Internet users with the ability to subscribe  
24                 to and have access to any Internet service provider

1 that interconnects with such carrier’s high speed  
2 data service;

3 “(2) any Internet service provider with the  
4 right to acquire the facilities and services necessary  
5 to interconnect with such carrier’s high speed data  
6 service for the provision of Internet access service;  
7 and

8 “(3) any Internet service provider with the abil-  
9 ity to collocate equipment in accordance with the  
10 provisions of section 251, to the extent necessary to  
11 achieve the objectives of paragraphs (1) and (2) of  
12 this subsection.

13 “(c) DEFINITIONS.—As used in this section—

14 “(1) INTERNET SERVICE PROVIDER.—The term  
15 ‘Internet service provider’ means any provider of  
16 Internet access service.

17 “(2) INCUMBENT LOCAL EXCHANGE CAR-  
18 RIER.—The term ‘incumbent local exchange carrier’  
19 has the same meaning as provided in section  
20 251(h).”.

1 **SEC. 6. INCIDENTAL INTERLATA PROVISION OF HIGH**  
2 **SPEED DATA AND INTERNET ACCESS SERV-**  
3 **ICES.**

4 (a) INCIDENTAL INTERLATA SERVICE  
5 PERMITTED.—Section 271(g) of the Communications Act  
6 of 1934 (47 U.S.C. 271(g)) is amended—

7 (1) by striking “or” at the end of paragraph  
8 (5);

9 (2) by striking the period at the end of para-  
10 graph (6) and inserting “; or”; and

11 (3) by adding at the end thereof the following  
12 new paragraph:

13 “(7) of high speed data service or Internet ac-  
14 cess service.”.

15 (b) PROHIBITION ON MARKETING VOICE SERV-  
16 ICES.—Section 271 of such Act is amended by adding at  
17 the end thereof the following new subsection:

18 “(k) PROHIBITION ON MARKETING VOICE TELE-  
19 PHONE SERVICES.—Until the date on which a Bell oper-  
20 ating company is authorized to offer interLATA services  
21 originating in an in-region State in accordance with the  
22 provisions of this section, such Bell operating company of-  
23 fering any high speed data service or Internet access serv-  
24 ice pursuant to the provisions of paragraph (7) of sub-  
25 section (g) may not, in such in-region State market, bill,  
26 or collect for interLATA voice telecommunications service

1 obtained by means of the high speed data service or Inter-  
2 net access service provided by such company.”.

3 (c) CONFORMING AMENDMENTS.—

4 (1) Section 272(a)(2)(B)(i) of such Act is  
5 amended to read as follows:

6 “(i) incidental interLATA services de-  
7 scribed in paragraphs (1), (2), (3), (5),  
8 (6), and (7) of section 271(g).”.

9 (2) Section 272(a)(2)(C) of such Act is re-  
10 pealed.

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