Union Calendar No. 394

106TH CONGRESS 2D SESSION

H.R.3113

[Report No. 106-700]

To protect individuals, families, and Internet service providers from unsolicited and unwanted electronic mail.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 20, 1999

Mrs. Wilson (for herself, Mr. Green of Texas, Mr. Baker, Mr. Barrett of Wisconsin, Mr. Blunt, Mr. Boucher, Mrs. Cubin, Mr. Deal of Georgia, Mr. Ehrlich, Mr. English, Mr. Gillmor, Mr. Gordon, Mr. Greenwood, Mr. Hastings of Washington, Mr. Klink, Mr. Luther, Ms. McCarthy of Missouri, Mr. McIntosh, Mr. Oxley, Mr. Rogan, Mr. Sandlin, Mr. Sawyer, Mr. Shimkus, Mr. Stearns, Mr. Strickland, and Mr. Stupak) introduced the following bill; which was referred to the Committee on Commerce

June 26, 2000

Additional sponsors: Mr. Udall of New Mexico, Mr. Wynn, Mr. Barton of Texas, Mr. Bilbray, Mr. Tauzin, Mr. Largent, Mr. Pickering, Mr. Gary Miller of California, Mr. Holt, Mr. Pitts, Mr. Sessions, Mr. Aderholt, Mr. Goodlatte, Mr. Weller, Mr. Moore, Mr. Frelinghuysen, Mr. Wolf, Mr. Gejdenson, Mr. Kildee, Mr. Frost, Ms. Carson, Mr. Burr of North Carolina, Mr. Bryant, Mr. Cramer, and Mr. Schaffer

June 26, 2000

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed [Strike out all after the enacting clause and insert the part printed in italic] [For text of introduced bill, see copy of bill as introduced on October 20, 1999]

A BILL

To protect individuals, families, and Internet service providers from unsolicited and unwanted electronic mail.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, 3 SECTION 1. SHORT TITLE. This Act may be cited as the "Unsolicited Commercial 4 Electronic Mail Act of 2000". 5 SEC. 2. CONGRESSIONAL FINDINGS AND POLICY. 6 7 (a) FINDINGS.—The Congress finds the following: 8 (1) There is a right of free speech on the Inter-9 net.10 (2) The Internet has increasingly become a crit-11 ical mode of global communication and now presents unprecedented opportunities for the development and 12 13 growth of global commerce and an integrated world-14 wide economy. In order for global commerce on the 15 Internet to reach its full potential, individuals and 16 entities using the Internet and other online services 17 should be prevented from engaging in activities that

prevent other users and Internet service providers

- from having a reasonably predictable, efficient, and
 economical online experience.
 - (3) Unsolicited commercial electronic mail can be an important mechanism through which businesses advertise and attract customers in the online environment.
 - (4) The receipt of unsolicited commercial electronic mail may result in costs to recipients who cannot refuse to accept such mail and who incur costs for the storage of such mail, or for the time spent accessing, reviewing, and discarding such mail, or for both.
 - (5) Unsolicited commercial electronic mail may impose significant monetary costs on Internet access services, businesses, and educational and nonprofit institutions that carry and receive such mail, as there is a finite volume of mail that such providers, businesses, and institutions can handle without further investment. The sending of such mail is increasingly and negatively affecting the quality of service provided to customers of Internet access service, and shifting costs from the sender of the advertisement to the Internet access service.
 - (6) While some senders of unsolicited commercial electronic mail messages provide simple and reliable ways for recipients to reject (or "opt-out" of) receipt

- of unsolicited commercial electronic mail from such senders in the future, other senders provide no such "opt-out" mechanism, or refuse to honor the requests of recipients not to receive electronic mail from such senders in the future, or both.
 - (7) An increasing number of senders of unsolicited commercial electronic mail purposefully disguise the source of such mail so as to prevent recipients from responding to such mail quickly and easily.
 - (8) Many senders of unsolicited commercial electronic mail collect or harvest electronic mail addresses of potential recipients without the knowledge of those recipients and in violation of the rules or terms of service of the database from which such addresses are collected.
 - (9) Because recipients of unsolicited commercial electronic mail are unable to avoid the receipt of such mail through reasonable means, such mail may invade the privacy of recipients.
 - (10) In legislating against certain abuses on the Internet, Congress should be very careful to avoid infringing in any way upon constitutionally protected rights, including the rights of assembly, free speech, and privacy.

1	(b) Congressional Determination of Public Pol-
2	ICY.—On the basis of the findings in subsection (a), the
3	Congress determines that—
4	(1) there is substantial government interest in
5	regulation of unsolicited commercial electronic mail;
6	(2) Internet service providers should not be com-
7	pelled to bear the costs of unsolicited commercial elec-
8	tronic mail without compensation from the sender;
9	and
10	(3) recipients of unsolicited commercial elec-
11	tronic mail have a right to decline to receive or have
12	their children receive unsolicited commercial elec-
13	$tronic\ mail.$
14	SEC. 3. DEFINITIONS.
15	In this Act:
16	(1) Children.—The term "children" includes
17	natural children, stepchildren, adopted children, and
18	children who are wards of or in custody of the parent,
19	who have not attained the age of 18 and who reside
20	with the parent or are under his or her care, custody,
21	$or\ supervision.$
22	(2) Commercial electronic mail message.—
23	The term "commercial electronic mail message"
24	means any electronic mail message that primarily
25	advertises or promotes the commercial availability of

- a product or service for profit or invites the recipient
 to view content on an Internet web site that is operated for a commercial purpose. An electronic mail
 message shall not be considered to be a commercial
 electronic mail message solely because such message
 includes a reference to a commercial entity that serves
 to identify the initiator.
 - (3) Commission.—The term "Commission" means the Federal Trade Commission.
 - (4) Domain Name.—The term "domain name" means any alphanumeric designation which is registered with or assigned by any domain name registrar, domain name registry, or other domain name registration authority as part of an electronic address on the Internet.

(5) Electronic mail address.—

- (A) In GENERAL.—The term "electronic mail address" means a destination (commonly expressed as a string of characters) to which electronic mail can be sent or delivered.
- (B) Inclusion.—In the case of the Internet, the term "electronic mail address" may include an electronic mail address consisting of a user name or mailbox (commonly referred to as the "local part") and a reference to an Internet do-

1	main (commonly referred to as the "domain
2	part").
3	(6) Internet.—The term "Internet" has the
4	meaning given that term in section 231(e)(3) of the
5	Communications Act of 1934 (47 U.S.C. 231(e)(3)).
6	(7) Internet access service.—The term
7	"Internet access service" has the meaning given that
8	term in section 231(e)(4) of the Communications Act
9	of 1934 (47 U.S.C. 231(e)(4)).
10	(8) Initiate.—The term "initiate", when used
11	with respect to a commercial electronic mail message,
12	means to originate such message or to procure the
13	transmission of such message.
14	(9) Initiator.—The term "initiator", when used
15	with respect to a commercial electronic mail message,
16	means the person who initiates such message. Such
17	term does not include a provider of an Internet access

(10) Pre-existing business relationship" means, when used with respect to the initiator and recipient of a commercial electronic mail message, that either of the following circumstances exist:

service whose role is limited to handling, transmit-

25 (A) Previous business transaction.—

ting, or retransmitting the message.

1	(i) Within the 5-year period ending					
2	upon receipt of such message, there has been					
3	a business transaction between the initiator					
4	and the recipient (including a transaction					
5	involving the provision, free of charge, of in-					
6	formation requested by the recipient, of					
7	goods, or of services); and					
8	(ii) the recipient was, at the time of					
9	such transaction or thereafter, provided a					
10	clear and conspicuous notice of an oppor-					
11	tunity not to receive further messages from					
12	the initiator and has not exercised such op-					
13	portunity.					
14	(B) Opt in.—The recipient has given the					
15	initiator permission to initiate commercial elec-					
16	tronic mail messages to the electronic mail ad-					
17	dress of the recipient and has not subsequently					
18	revoked such permission.					
19	(11) Recipient.—The term "recipient", when					
20	used with respect to a commercial electronic mail					
21	message, means the addressee of such message.					
22	(12) Unsolicited commercial electronic					
23	MAIL MESSAGE.—The term "unsolicited commercial					
24	electronic mail message" means any commercial elec-					

tronic mail message that is sent by the initiator to

- a recipient with whom the initiator does not have a
 pre-existing business relationship.
- 3 SEC. 4. PROTECTIONS AGAINST UNSOLICITED COMMER-
- 4 CIAL ELECTRONIC MAIL.
- 5 (a) Requirements for Transmission of Mes-6 sages.—
- 7 (1) Inclusion of return address.—It shall 8 be unlawful for any person to initiate the trans-9 mission of an unsolicited commercial electronic mail 10 message to any person within the United States un-11 less such message contains a valid electronic mail ad-12 dress, conspicuously displayed, to which a recipient 13 may send a reply to the initiator to indicate a desire 14 not to receive any further messages.
 - (2) Prohibition of transmission after obJection.—If a recipient makes a request to a person
 to be removed from all distribution lists under the
 control of such person, it shall be unlawful for such
 person to initiate the transmission of an unsolicited
 commercial electronic mail message to such a recipient within the United States after the expiration,
 after receipt of such request, of a reasonable period of
 time for removal from such lists. Such a request shall
 be deemed to terminate a pre-existing business relationship for purposes of determining whether subse-

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1	quent messages are unsolicited commercial electronic
2	mail messages.
3	(3) Accurate routing information.—It shall
4	be unlawful for any person who initiates the trans-
5	mission of any unsolicited commercial electronic mail
6	message to any person within the United States to
7	take any action that causes any Internet routing in-
8	formation contained in or accompanying such
9	message—
10	(A) to be inaccurate;
11	(B) to be invalid according to the pre-
12	vailing standards for Internet protocols; or
13	(C) to fail to accurately reflect the routing
14	of such message.
15	(4) Inclusion of identifier and opt-out.—It
16	shall be unlawful for any person to initiate the trans-
17	mission of any unsolicited commercial electronic mail
18	message to any person within the United States un-
19	less the message provides, in a manner that is clear
20	and conspicuous to the recipient—
21	(A) identification that the message is an
22	unsolicited commercial electronic mail message;
23	and
24	(B) notice of the opportunity under para-
25	graph (2) not to receive further unsolicited com-

1	mercial electronic mail messages from the					
2	initiator.					
3	(b) Enforcement of Policies by Internet Access					
4	Service Providers.—					
5	(1) Authority to establish policies.—A					
6	provider of Internet access service may enforce a pol-					
7	icy regarding unsolicited commercial electronic mail					
8	messages, but only if such policy complies with the re-					
9	quirements of paragraph (3).					
10	(2) Prohibition of transmissions in viola-					
11	TION OF POSTED POLICY.—It shall be unlawful for					
12	any person to initiate the transmission of an unsolic-					
13	ited commercial electronic mail message to any per-					
14	son within the United States in violation of a policy					
15	governing the use of the equipment of a provider of					
16	Internet access service for transmission of unsolicited					
17	commercial electronic mail messages that meets the					
18	requirements of paragraph (3).					
19	(3) Requirements for enforceability.—The					
20	requirements under this paragraph for a policy re-					
21	garding unsolicited commercial electronic mail mes-					
22	sages are as follows:					
23	(A) Clarity.—The policy shall explicitly					
24	provide that compliance with a rule or set of					
25	rules is a condition of use of the equipment of a					

1	provider of Internet access service to deliver com-
2	mercial electronic mail messages.
3	(B) Public availability.—The policy
4	shall be publicly available by at least one of the
5	following methods:
6	(i) Web posting.—The policy is clear-
7	ly and conspicuously posted on a World
8	Wide Web site of the provider of Internet
9	access service, which has an Internet do-
10	main name that is identical to the Internet
11	domain name of the electronic mail address
12	to which the rule or set of rules applies.
13	(ii) Notification in compliance
14	WITH TECHNOLOGICAL STANDARD.—Such
15	policy is made publicly available by the
16	provider of Internet access service in accord-
17	ance with a technological standard adopted
18	by an appropriate Internet standards set-
19	ting body (such as the Internet Engineering
20	Task Force) and recognized by the Commis-
21	sion by rule as a fair standard.
22	(C) Internal opt-out list.—If the policy
23	of a provider of Internet access service requires
24	compensation specifically for the transmission of
25	unsolicited commercial electronic mail messages

- into its system, the provider shall provide an option to its subscribers not to receive any unsolicited commercial electronic mail messages, except
 that such option is not required for any subscriber who has agreed to receive unsolicited
 commercial electronic mail messages in exchange
 for discounted or free Internet access service.
- (4) Other enforcement.—Nothing in this Act 8 9 shall be construed to prevent or limit, in any way, a 10 provider of Internet access service from enforcing, 11 pursuant to any remedy available under any other 12 provision of Federal, State, or local criminal or civil 13 law, a policy regarding unsolicited commercial elec-14 tronic mail messages that complies with the require-15 ments of paragraph (3).
- 16 (c) Protection of Internet Access Service Pro-17 viders.—
 - (1) Good faith efforts to block trans-Missions.—A provider of Internet access service shall not be liable, under any Federal, State, or local civil or criminal law, for any action it takes in good faith to block the transmission or receipt of unsolicited commercial electronic mail messages.
- 24 (2) Innocent retransmission.—A provider of 25 Internet access service the facilities of which are used

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1	only as an intermediary, retransmitter, or relay for			
2	unsolicited bulk commercial electronic mail messages			
3	transmitted in violation of subsection (a) shall not be			
4	liable for any harm resulting from the transmission			
5	or receipt of such electronic mail unless it permits the			
6	transmission or retransmission of such electronic mail			
7	with actual knowledge that the transmission is pro-			
8	hibited by subsection (a) or subsection (b)(2).			
9	SEC. 5. ENFORCEMENT.			
10	(a) Governmental Order.—			
11	(1) Notification of Alleged violation.—The			
12	Commission shall send a notification of alleged viola-			
13	tion to any person who violates section 4 if—			
14	(A) a recipient or a provider of Internet ac-			
15	cess service notifies the Commission, in such			
16	form and manner as the Commission shall deter-			
17	mine, that a transmission has been received in			
18	violation of section 4; or			
19	(B) the Commission has other reason to be-			
20	lieve that such person has violated or is violating			
21	section 4.			
22	(2) Terms of notification of			
23	alleged violation shall—			
24	(A) identify the violation for which the no-			
25	tification was issued:			

- 1 (B) direct the initiator to refrain from fur-2 ther violations of section 4;
 - (C) expressly prohibit the initiator (and the agents or assigns of the initiator) from further initiating unsolicited commercial electronic mail messages in violation of section 4 to the designated recipients or providers of Internet access service, effective on the 3rd day (excluding Saturdays, Sundays, and legal public holidays) after receipt of the notification; and
 - (D) direct the initiator (and the agents or assigns of the initiator) to delete immediately the names and electronic mail addresses of the designated recipients or providers from all mailing lists owned or controlled by the initiator (or such agents or assigns) and prohibit the initiator (and such agents or assigns) from the sale, lease, exchange, license, or other transaction involving mailing lists bearing the names and electronic mail addresses of the designated recipients or providers.
 - (3) Coverage of minor children by notification.—Upon request of a recipient of an electronic mail message transmitted in violation of section 4, the Commission shall include in the notification of al-

leged violation the names and electronic mail address es of any child of the recipient.

(4) Enforcement of notification terms.—

- (A) Complaint.—If the Commission believes that the initiator (or the agents or assigns of the initiator) has failed to comply with the terms of a notification issued under this subsection, the Commission shall serve upon the initiator (or such agents or assigns), by registered or certified mail, a complaint stating the reasons for its belief and request that any response thereto be filed in writing with the Commission within 15 days after the date of such service.
- (B) Hearing and order.—If the Commission, after an opportunity for a hearing on the record, determines that the person upon whom the complaint was served violated the terms of the notification, the Commission shall issue an order directing that person to comply with the terms of the notification.
- (C) PRESUMPTION.—For purposes of a determination under subparagraph (B), receipt of any transmission in violation of a notification of alleged violation 30 days (excluding Satur-

- days, Sundays, and legal public holidays) or
 more after the effective date of the notification
 shall create a rebuttable presumption that such
 transmission was sent after such effective date.
 - (5) Enforcement by court order.—Any district court of the United States within the jurisdiction of which any transmission is sent or received in violation of a notification given under this subsection shall have jurisdiction, upon application by the Attorney General, to issue an order commanding compliance with such notification. Failure to observe such order may be punishable by the court as contempt thereof.

(b) Private Right of Action.—

- (1) Actions authorized.—A recipient or a provider of Internet access service may, if otherwise permitted by the laws or rules of court of a State, bring in an appropriate court of that State, or may bring in an appropriate Federal court if such laws or rules do not so permit, either or both of the following actions:
- 22 (A) An action based on a violation of sec-23 tion 4 to enjoin such violation.

1	(B) An action to recover for actual mone-
2	tary loss from such a violation in an amount
3	equal to the greatest of—
4	(i) the amount of such actual monetary
5	loss; or
6	(ii) \$500 for each such violation, not to
7	exceed a total of \$50,000.
8	(2) Additional remedies.—If the court finds
9	that the defendant willfully, knowingly, or repeatedly
10	violated section 4, the court may, in its discretion, in-
11	crease the amount of the award to an amount equal
12	to not more than three times the amount available
13	under paragraph (1).
14	(3) Attorney fees.—In any such action, the
15	court may, in its discretion, require an undertaking
16	for the payment of the costs of such action, and assess
17	reasonable costs, including reasonable attorneys' fees,
18	against any party.
19	(4) Protection of trade secrets.—At the re-
20	quest of any party to an action brought pursuant to
21	this subsection or any other participant in such an
22	action, the court may, in its discretion, issue protec-
23	tive orders and conduct legal proceedings in such a
24	way as to protect the secrecy and security of the com-

puter, computer network, computer data, computer

- 1 program, and computer software involved in order to
- 2 prevent possible recurrence of the same or a similar
- 3 act by another person and to protect any trade secrets
- 4 of any such party or participant.

5 SEC. 6. EFFECT ON OTHER LAWS.

- 6 (a) No Effect on Criminal Law.—Nothing in this
- 7 Act shall be construed to impair the enforcement of section
- 8 223 or 231 of the Communications Act of 1934, chapter 71
- 9 (relating to obscenity) or 110 (relating to sexual exploi-
- 10 tation of children) of title 18, United States Code, or any
- 11 other Federal criminal statute.
- 12 (b) State Law.—No State or local government may
- 13 impose any civil liability for commercial activities or ac-
- 14 tions in interstate or foreign commerce in connection with
- 15 an activity or action described in section 4 of this Act that
- 16 is inconsistent with the treatment of such activities or ac-
- 17 tions under this Act, except that this Act shall not preempt
- 18 any civil remedy under State trespass or contract law or
- 19 under any provision of Federal, State, or local criminal law
- 20 or any civil remedy available under such law that relates
- 21 to acts of computer fraud or abuse arising from the unau-
- 22 thorized transmission of unsolicited commercial electronic
- 23 mail messages.

1 SEC. 7. STUDY OF EFFECTS OF UNSOLICITED COMMERCIAL

- 2 **ELECTRONIC MAIL.**
- 3 Not later than 18 months after the date of enactment
- 4 of this Act, the Federal Trade Commission shall submit a
- 5 report to the Congress that provides a detailed analysis of
- 6 the effectiveness and enforcement of the provisions of this
- 7 Act and the need (if any) for the Congress to modify such
- 8 provisions.
- 9 SEC. 8 SEPARABILITY.
- 10 If any provision of this Act or the application thereof
- 11 to any person or circumstance is held invalid, the remain-
- 12 der of this Act and the application of such provision to
- 13 other persons or circumstances shall not be affected.
- 14 SEC. 9. EFFECTIVE DATE.
- 15 The provisions of this Act shall take effect 90 days after
- 16 the date of enactment of this Act.

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