

Senate Engrossed

critical telecommunications infrastructure; construction requirements

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SENATE BILL 1208

AN ACT

AMENDING TITLE 18, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 7; RELATING TO INFORMATION TECHNOLOGY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 18, Arizona Revised Statutes, is amended by adding
3 chapter 7, to read:

4 CHAPTER 7

5 PROHIBITED TELECOMMUNICATIONS INFRASTRUCTURE

6 ARTICLE 1. GENERAL PROVISIONS

7 18-701. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE" MEANS ALL PHYSICAL
10 BROADBAND INFRASTRUCTURE AND EQUIPMENT THAT SUPPORTS THE TRANSMISSION OF
11 INFORMATION OF A USER'S CHOOSING, REGARDLESS OF THE TRANSMISSION MEDIUM OR
12 TECHNOLOGY EMPLOYED, THAT CONNECTS TO A NETWORK THAT ALLOWS THE END USER
13 TO ENGAGE IN COMMUNICATIONS, INCLUDING SERVICE PROVIDED DIRECTLY TO THE
14 PUBLIC OR TO THE CLASSES OF USES AS TO BE EFFECTIVELY AVAILABLE DIRECTLY
15 TO THE PUBLIC.

16 2. "FEDERALLY BANNED CORPORATION" MEANS ANY COMPANY OR DESIGNATED
17 EQUIPMENT CURRENTLY BANNED OR AT ANY POINT IN THE FUTURE BANNED AT THE
18 FEDERAL GOVERNMENT LEVEL. FOR THE PURPOSES OF THIS PARAGRAPH, "BANNED"
19 INCLUDES BANS RESULTING FROM THE FOLLOWING FEDERAL AGENCIES AND ACTS:

20 (a) THE FEDERAL COMMUNICATIONS COMMISSION, INCLUDING ANY
21 EQUIPMENT OR SERVICE THAT IS DEEMED TO POSE A THREAT TO NATIONAL SECURITY
22 AND THAT IS IDENTIFIED ON THE COVERED LIST THAT IS DEVELOPED PURSUANT TO
23 47 CODE OF FEDERAL REGULATIONS SECTION 1.50002, AS THE ACT EXISTED ON
24 DECEMBER 15, 2023 AND PUBLISHED BY THE PUBLIC SAFETY AND HOMELAND SECURITY
25 BUREAU OF THE FEDERAL COMMUNICATIONS COMMISSION PURSUANT TO THE SECURE AND
26 TRUSTED COMMUNICATIONS NETWORKS ACT OF 2019 (P.L. 116-124; 47 UNITED
27 STATES CODE SECTIONS 1601 THROUGH 1609), AS THE ACT EXISTED ON DECEMBER
28 27, 2020.

29 (b) THE UNITED STATES DEPARTMENT OF COMMERCE.

30 (c) THE UNITED STATES CYBERSECURITY AND INFRASTRUCTURE SECURITY
31 AGENCY.

32 (d) THE FEDERAL ACQUISITION SECURITY COUNCIL.

33 (e) SECTION 889 OF THE JOHN S. MCCAIN NATIONAL DEFENSE
34 AUTHORIZATION ACT FOR FISCAL YEAR 2019 (P.L. 115-232).

35 3. "FOREIGN ADVERSARY":

36 (a) MEANS ANY OF THE FOLLOWING:

37 (i) THE PEOPLE'S REPUBLIC OF CHINA, INCLUDING THE HONG KONG SPECIAL
38 ADMINISTRATIVE REGION.

39 (ii) RUSSIA.

40 (iii) IRAN.

41 (iv) NORTH KOREA.

42 (v) VENEZUELA.

43 (vi) SYRIA.

44 (b) INCLUDES ANY AGENT OF OR ANY OTHER ENTITY UNDER SIGNIFICANT
45 CONTROL OF A FOREIGN COUNTRY OF CONCERN.

1 4. "TELECOMMUNICATIONS PROVIDER" MEANS ANY CORPORATION, PUBLIC OR
2 PRIVATE, THAT OPERATES ANY SYSTEM THAT SUPPORTS THE TRANSMISSION OF
3 INFORMATION OF A USER'S CHOOSING, REGARDLESS OF THE TRANSMISSION MEDIUM OR
4 TECHNOLOGY EMPLOYED, THAT CONNECTS TO A NETWORK THAT ALLOWS THE END USER
5 TO ENGAGE IN COMMUNICATIONS, INCLUDING SERVICE PROVIDED TO THE PUBLIC OR
6 TO THE CLASSES OF USES AS TO BE EFFECTIVELY AVAILABLE DIRECTLY TO THE
7 PUBLIC.

8 18-702. Critical telecommunications infrastructure;
9 prohibitions; replacement and permit requirements

10 A. A CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE THAT IS LOCATED
11 WITHIN OR IS SERVING THIS STATE MUST BE CONSTRUCTED WITHOUT INCLUDING ANY
12 EQUIPMENT THAT IS MANUFACTURED BY A FEDERALLY BANNED CORPORATION OR ANY
13 EQUIPMENT THAT IS BANNED BY THE FEDERAL GOVERNMENT.

14 B. A CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE THAT IS LOCATED
15 WITHIN OR IS SERVING THIS STATE MUST BE CONSTRUCTED WITHOUT HAVING ANY
16 EQUIPMENT THAT IS MANUFACTURED IN OR BY, INCLUDING ANY EQUIPMENT WHOSE
17 CRITICAL OR NECESSARY COMPONENTS ARE MANUFACTURED IN OR BY, A FOREIGN
18 ADVERSARY, A STATE-OWNED ENTERPRISE OF A FOREIGN ADVERSARY, A COMPANY THAT
19 IS DOMICILED WITHIN A FOREIGN ADVERSARY OR A COMPANY THAT IS OWNED OR
20 CONTROLLED BY A FOREIGN ADVERSARY, A FOREIGN ADVERSARY STATE-OWNED
21 ENTERPRISE OR A FOREIGN ADVERSARY-DOMICILED COMPANY.

22 C. A CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE IN OPERATION WITHIN
23 OR SERVING THIS STATE, INCLUDING ANY CRITICAL TELECOMMUNICATIONS
24 INFRASTRUCTURE THAT IS NOT PERMANENTLY DISABLED, MUST HAVE ALL EQUIPMENT
25 THAT IS PROHIBITED BY THIS SECTION REMOVED AND REPLACED WITH EQUIPMENT
26 THAT IS NOT PROHIBITED BY THIS SECTION.

27 D. A TELECOMMUNICATIONS PROVIDER THAT REMOVES, DISCONTINUES OR
28 REPLACES ANY PROHIBITED TELECOMMUNICATIONS EQUIPMENT OR SERVICE IS NOT
29 REQUIRED TO OBTAIN ANY ADDITIONAL PERMITS FROM ANY STATE AGENCY OR
30 POLITICAL SUBDIVISION OF THIS STATE TO REMOVE, DISCONTINUE OR REPLACE THE
31 TELECOMMUNICATIONS EQUIPMENT OR SERVICE AS LONG AS THE STATE AGENCY OR
32 POLITICAL SUBDIVISION OF THIS STATE IS PROPERLY NOTIFIED OF THE NECESSARY
33 REPLACEMENTS AND THE REPLACEMENT TELECOMMUNICATIONS EQUIPMENT IS SIMILAR
34 TO THE EXISTING TELECOMMUNICATIONS EQUIPMENT.

35 18-703. Telecommunications infrastructure oversight;
36 corporation commission; registration requirements;
37 civil penalties; prohibition on receiving state and
38 federal monies

39 A. EACH TELECOMMUNICATIONS PROVIDER THAT PROVIDES A SERVICE IN THIS
40 STATE SHALL FILE A REGISTRATION FORM WITH THE CORPORATION COMMISSION. THE
41 CORPORATION COMMISSION MAY ADOPT AND CHARGE A REGISTRATION FILING FEE.

42 B. A TELECOMMUNICATIONS PROVIDER SHALL PROVIDE THE CORPORATION
43 COMMISSION WITH THE NAME, ADDRESS, TELEPHONE NUMBER AND EMAIL ADDRESS OF A
44 PERSON WHO HAS MANAGERIAL RESPONSIBILITY FOR OPERATIONS IN THIS STATE.

1 C. A TELECOMMUNICATIONS PROVIDER SHALL DO ALL OF THE FOLLOWING:
2 1. IF REQUIRED BY THE CORPORATION COMMISSION, SUBMIT A FEE AT THE
3 TIME THE TELECOMMUNICATIONS PROVIDER SUBMITS A REGISTRATION FORM.
4 2. KEEP THE INFORMATION REQUIRED BY THIS SECTION CURRENT AND NOTIFY
5 THE CORPORATION COMMISSION OF ANY CHANGES TO THE INFORMATION WITHIN SIXTY
6 DAYS AFTER THE CHANGE.
7 3. ON OR BEFORE JANUARY 1 OF EACH YEAR, CERTIFY TO THE CORPORATION
8 COMMISSION THAT ALL CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE AND
9 EQUIPMENT WITHIN THE TELECOMMUNICATIONS PROVIDER'S OPERATION DO NOT USE OR
10 PROVIDE ANY TELECOMMUNICATIONS EQUIPMENT OR SERVICE THAT IS PROHIBITED BY
11 SECTION 18-702.
12 D. A TELECOMMUNICATIONS PROVIDER THAT VIOLATES THIS SECTION IS
13 SUBJECT TO A CIVIL PENALTY OF NOT LESS THAN \$10,000 PER DAY AND NOT MORE
14 THAN \$100,000 PER DAY OF NONCOMPLIANCE WITH THIS SECTION.
15 E. A TELECOMMUNICATIONS PROVIDER THAT KNOWINGLY SUBMITS A FALSE
16 REGISTRATION FORM THAT IS REQUIRED PURSUANT TO SUBSECTION A OF THIS
17 SECTION IS SUBJECT TO A CIVIL PENALTY OF NOT LESS THAN \$10,000 PER DAY AND
18 NOT MORE THAN \$100,000 PER DAY OF NONCOMPLIANCE.
19 F. A TELECOMMUNICATIONS PROVIDER THAT FAILS TO COMPLY WITH THIS
20 SECTION IS PROHIBITED FROM RECEIVING ANY STATE OR LOCAL MONIES FOR THE
21 DEVELOPMENT OR SUPPORT OF NEW OR EXISTING CRITICAL TELECOMMUNICATIONS
22 INFRASTRUCTURE AND IS PROHIBITED FROM RECEIVING ANY FEDERAL MONIES THAT
23 ARE SUBJECT TO DISTRIBUTION BY STATE OR LOCAL GOVERNMENTS FOR THE
24 DEVELOPMENT OR SUPPORT OF NEW OR EXISTING CRITICAL TELECOMMUNICATIONS
25 INFRASTRUCTURE.
26 Sec. 2. Purpose
27 The purpose of this act is to secure Arizona's telecommunications
28 grid and protect national security by eliminating telecommunications
29 hardware and software from Arizona's telecommunications grid that comes
30 from countries of concern and sanctioned entities.
31 Sec. 3. Effective date
32 This act is effective from and after December 31, 2024.
33 Sec. 4. Short title
34 This act shall be known and cited as the "Secure Telecommunications
35 Act of 2024".