

COMMITTEE ON SCIENCE & TECHNOLOGY
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1027
(Reference to Senate engrossed bill)

Amendment instruction key:
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.
[GREEN STRIKEOUT IN BRACKETS] indicates new text removed from statute or previously enacted session law.
[Green strikeout in brackets] indicates text removed from existing statute, previously enacted session law or new session law.
<<Green carets>> indicate a section added to the bill.
<<Green strikeout in carets>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

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. "BANNED" INCLUDES A BAN THAT RESULTS FROM ANY OF THE FOLLOWING~~
10 ~~FEDERAL AGENCIES AND ACTS:~~

11 ~~(a) THE FEDERAL COMMUNICATIONS COMMISSION, INCLUDING ANY~~
12 ~~EQUIPMENT OR SERVICE THAT IS DEEMED TO POSE A THREAT TO NATIONAL SECURITY~~
13 ~~AND THAT IS IDENTIFIED ON THE COVERED LIST THAT IS DEVELOPED PURSUANT TO~~
14 ~~47 CODE OF FEDERAL REGULATIONS SECTION 1.50002, AS THE ACT EXISTED ON~~
15 ~~DECEMBER 15, 2023 AND PUBLISHED BY THE PUBLIC SAFETY AND HOMELAND SECURITY~~
16 ~~BUREAU OF THE FEDERAL COMMUNICATIONS COMMISSION PURSUANT TO THE SECURE AND~~
17 ~~TRUSTED COMMUNICATIONS NETWORKS ACT OF 2019 (P.L. 116-124; 134 STAT. 158;~~
18 ~~47 UNITED STATES CODE SECTIONS 1601 THROUGH 1609), AS THE ACT EXISTED ON~~
19 ~~DECEMBER 27, 2020.~~

20 ~~(b) THE UNITED STATES DEPARTMENT OF COMMERCE.~~

21 ~~(c) THE UNITED STATES CYBERSECURITY AND INFRASTRUCTURE SECURITY~~
22 ~~AGENCY.~~

23 ~~(d) THE FEDERAL ACQUISITION SECURITY COUNCIL.~~

24 ~~(e) SECTION 889 OF THE JOHN S. MCCAIN NATIONAL DEFENSE~~
25 ~~AUTHORIZATION ACT FOR FISCAL YEAR 2019 (P.L. 115-232; 132 STAT. 1636).~~

26 2.] [1.] "CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE" MEANS ALL
27 PHYSICAL BROADBAND INFRASTRUCTURE AND EQUIPMENT THAT [MEETS ALL OF THE
28 FOLLOWING REQUIREMENTS:

1 (a.) SUPPORTS THE TRANSMISSION OF INFORMATION OF A USER'S CHOOSING,
2 REGARDLESS OF THE TRANSMISSION MEDIUM OR TECHNOLOGY EMPLOYED[.] [~~AND~~
3 ~~THAT~~]

4 (b.) CONNECTS TO A NETWORK THAT ALLOWS THE END USER TO ENGAGE IN
5 COMMUNICATIONS, INCLUDING SERVICE PROVIDED DIRECTLY TO THE PUBLIC OR TO
6 THE CLASSES OF USES AS TO BE EFFECTIVELY AVAILABLE DIRECTLY TO THE PUBLIC
7 [., AND THAT IS OWNED BY A PUBLICLY REGULATED UTILITY].

8 ~~[3. "FEDERALLY BANNED CORPORATION" MEANS ANY COMPANY OR DESIGNATED
9 EQUIPMENT THAT IS CURRENTLY BANNED OR THAT AT ANY POINT IN THE FUTURE WILL
10 BE BANNED AT THE FEDERAL GOVERNMENT LEVEL.]~~

11 (c.) CONTAINS AT LEAST ONE MICROCHIP.]

12 ~~[4.] [2.] "FOREIGN ADVERSARY"[-]~~

13 ~~(a) MEANS [ANY OF THE FOLLOWING:]~~

14 ~~(i) THE PEOPLE'S REPUBLIC OF CHINA[, INCLUDING THE HONG KONG
15 SPECIAL ADMINISTRATIVE REGION.]~~

16 ~~(ii) RUSSIA.~~

17 ~~(iii) IRAN.~~

18 ~~(iv) NORTH KOREA.~~

19 ~~(v) VENEZUELA.~~

20 ~~(vi) SYRIA.~~

21 ~~(b) INCLUDES ANY AGENT OF OR ANY OTHER ENTITY UNDER SIGNIFICANT
22 CONTROL OF A FOREIGN COUNTRY OF CONCERN].~~

23 ~~[5.] [3.] "TELECOMMUNICATIONS PROVIDER" MEANS ANY CORPORATION,
24 PUBLIC OR PRIVATE, THAT OFFERS TELECOMMUNICATIONS SERVICES.~~

25 ~~[6.] [4.] "TELECOMMUNICATIONS SERVICES" HAS THE SAME MEANING
26 PRESCRIBED IN SECTION 9-581.~~

27 18-702. Critical telecommunications infrastructure:
28 prohibitions; replacement and permit requirements

29 A. A CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE THAT IS LOCATED
30 WITHIN OR IS SERVING THIS STATE MUST BE CONSTRUCTED WITHOUT INCLUDING ANY
31 EQUIPMENT THAT IS MANUFACTURED BY A [~~FEDERALLY BANNED CORPORATION OR ANY
32 EQUIPMENT THAT IS BANNED BY THE FEDERAL GOVERNMENT~~] [FOREIGN ADVERSARY].

33 B. A CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE THAT IS LOCATED
34 WITHIN OR IS SERVING THIS STATE MUST BE CONSTRUCTED WITHOUT HAVING ANY
35 EQUIPMENT THAT IS MANUFACTURED IN OR BY, INCLUDING ANY EQUIPMENT WHOSE
36 CRITICAL OR NECESSARY COMPONENTS ARE MANUFACTURED IN OR BY, A FOREIGN
37 ADVERSARY, A STATE-OWNED ENTERPRISE OF A FOREIGN ADVERSARY, A COMPANY THAT
38 IS DOMICILED WITHIN A FOREIGN ADVERSARY OR A COMPANY THAT IS OWNED OR
39 [~~CONTROLLED BY~~] [WHERE] A FOREIGN ADVERSARY [IS ENTITLED TO CONTROL THE
40 COMPANY BY THE CORPORATION'S GOVERNING DOCUMENTS], A FOREIGN ADVERSARY
41 STATE-OWNED ENTERPRISE OR A FOREIGN ADVERSARY-DOMICILED COMPANY.

42 C. A CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE IN OPERATION WITHIN
43 OR SERVING THIS STATE, INCLUDING ANY CRITICAL TELECOMMUNICATIONS
44 INFRASTRUCTURE THAT IS NOT PERMANENTLY DISABLED, MUST HAVE ALL EQUIPMENT

1 THAT IS PROHIBITED BY THIS SECTION REMOVED AND REPLACED WITH EQUIPMENT
2 THAT IS NOT PROHIBITED BY THIS SECTION.

3 D. A TELECOMMUNICATIONS PROVIDER THAT REMOVES, DISCONTINUES OR
4 REPLACES ANY PROHIBITED TELECOMMUNICATIONS EQUIPMENT OR SERVICE IS NOT
5 REQUIRED TO OBTAIN ANY ADDITIONAL PERMITS FROM ANY STATE AGENCY OR
6 POLITICAL SUBDIVISION OF THIS STATE TO REMOVE, DISCONTINUE OR REPLACE THE
7 TELECOMMUNICATIONS EQUIPMENT OR SERVICE AS LONG AS THE STATE AGENCY OR
8 POLITICAL SUBDIVISION OF THIS STATE IS PROPERLY NOTIFIED OF THE NECESSARY
9 REPLACEMENTS AND THE REPLACEMENT TELECOMMUNICATIONS EQUIPMENT IS SIMILAR
10 TO THE EXISTING TELECOMMUNICATIONS EQUIPMENT.

11 18-703. Telecommunications infrastructure oversight;
12 corporation commission; civil penalties;
13 prohibition on receiving state and federal monies

14 ~~[A. EACH TELECOMMUNICATIONS PROVIDER THAT PROVIDES A SERVICE IN~~
15 ~~THIS STATE SHALL FILE A REGISTRATION FORM WITH THE CORPORATION COMMISSION.~~
16 ~~THE CORPORATION COMMISSION MAY ADOPT AND CHARGE A REGISTRATION FILING FEE.~~

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

20 ~~C.] [A. ON OR BEFORE JANUARY 1 OF EACH YEAR,] A~~
21 ~~TELECOMMUNICATIONS PROVIDER SHALL [DO ALL OF THE FOLLOWING:~~

22 ~~1. IF REQUIRED BY THE CORPORATION COMMISSION, SUBMIT A FEE AT THE~~
23 ~~TIME THE TELECOMMUNICATIONS PROVIDER SUBMITS A REGISTRATION FORM.~~

24 ~~2. KEEP THE INFORMATION REQUIRED BY THIS SECTION CURRENT AND NOTIFY~~
25 ~~THE CORPORATION COMMISSION OF ANY CHANGES TO THE INFORMATION WITHIN SIXTY~~
26 ~~DAYS AFTER THE CHANGE.~~

27 ~~3. ON OR BEFORE JANUARY 1 OF EACH YEAR,] CERTIFY TO THE CORPORATION~~
28 ~~COMMISSION THAT ALL CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE AND~~
29 ~~EQUIPMENT WITHIN THE TELECOMMUNICATIONS PROVIDER'S OPERATION DO NOT USE OR~~
30 ~~PROVIDE ANY TELECOMMUNICATIONS EQUIPMENT OR SERVICE THAT IS PROHIBITED BY~~
31 ~~SECTION 18-702.~~

32 ~~[D.] [B.] A TELECOMMUNICATIONS PROVIDER THAT VIOLATES THIS SECTION~~
33 ~~IS SUBJECT TO A CIVIL PENALTY OF AT LEAST \$10,000 PER DAY AND NOT MORE~~
34 ~~THAN \$100,000 PER DAY OF NONCOMPLIANCE WITH THIS SECTION.~~

35 ~~[E.] [C.] A TELECOMMUNICATIONS PROVIDER THAT KNOWINGLY SUBMITS A~~
36 ~~FALSE [REGISTRATION FORM] [CERTIFICATION] THAT IS REQUIRED PURSUANT TO~~
37 ~~SUBSECTION A OF THIS SECTION IS SUBJECT TO A CIVIL PENALTY OF AT LEAST~~
38 ~~\$10,000 PER DAY AND NOT MORE THAN \$100,000 PER DAY OF NONCOMPLIANCE.~~

39 ~~[F.] [D.] A TELECOMMUNICATIONS PROVIDER THAT FAILS TO COMPLY WITH~~
40 ~~THIS SECTION IS PROHIBITED FROM RECEIVING ANY STATE OR LOCAL MONIES FOR~~
41 ~~THE DEVELOPMENT OR SUPPORT OF NEW OR EXISTING CRITICAL TELECOMMUNICATIONS~~
42 ~~INFRASTRUCTURE AND IS PROHIBITED FROM RECEIVING ANY FEDERAL MONIES THAT~~
43 ~~ARE SUBJECT TO DISTRIBUTION BY STATE OR LOCAL GOVERNMENTS FOR THE~~
44 ~~DEVELOPMENT OR SUPPORT OF NEW OR EXISTING CRITICAL TELECOMMUNICATIONS~~
45 ~~INFRASTRUCTURE.~~

House Amendments to S.B. 1027

1 Sec. 2. Purpose

2 The purpose of this act is to secure Arizona's telecommunications
3 grid and protect national security by eliminating telecommunications
4 hardware and software from Arizona's telecommunications grid that comes
5 from countries of concern and sanctioned entities.

6 Sec. 3. Effective date

7 This act is effective from and after December 31, 2025.

8 Sec. 4. Short title

9 This act shall be known and cited as the "Secure Telecommunications
10 Act of 2025".

11 Enroll and engross to conform

12 Amend title to conform

And, as so amended, it do pass

BEVERLY PINGERELLI
CHAIRMAN

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