

Senate Engrossed

critical telecommunications infrastructure; construction requirements

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SENATE BILL 1027

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. "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. "CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE" MEANS ALL PHYSICAL
27 BROADBAND INFRASTRUCTURE AND EQUIPMENT THAT SUPPORTS THE TRANSMISSION OF
28 INFORMATION OF A USER'S CHOOSING, REGARDLESS OF THE TRANSMISSION MEDIUM OR
29 TECHNOLOGY EMPLOYED, AND THAT CONNECTS TO A NETWORK THAT ALLOWS THE END
30 USER TO ENGAGE IN COMMUNICATIONS, INCLUDING SERVICE PROVIDED DIRECTLY TO
31 THE PUBLIC OR TO THE CLASSES OF USES AS TO BE EFFECTIVELY AVAILABLE
32 DIRECTLY TO THE PUBLIC.

33 3. "FEDERALLY BANNED CORPORATION" MEANS ANY COMPANY OR DESIGNATED
34 EQUIPMENT THAT IS CURRENTLY BANNED OR THAT AT ANY POINT IN THE FUTURE WILL
35 BE BANNED AT THE FEDERAL GOVERNMENT LEVEL.

36 4. "FOREIGN ADVERSARY":

37 (a) MEANS ANY OF THE FOLLOWING:

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

40 (ii) RUSSIA.

41 (iii) IRAN.

42 (iv) NORTH KOREA.

43 (v) VENEZUELA.

44 (vi) SYRIA.

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

3 5. "TELECOMMUNICATIONS PROVIDER" MEANS ANY CORPORATION, PUBLIC OR
4 PRIVATE, THAT OFFERS TELECOMMUNICATIONS SERVICES.

5 6. "TELECOMMUNICATIONS SERVICES" HAS THE SAME MEANING PRESCRIBED IN
6 SECTION 9-581.

7 18-702. Critical telecommunications infrastructure;
8 prohibitions; replacement and permit requirements

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

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

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

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

34 18-703. Telecommunications infrastructure oversight;
35 corporation commission; registration requirements;
36 civil penalties; prohibition on receiving state and
37 federal monies

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

41 B. A TELECOMMUNICATIONS PROVIDER SHALL PROVIDE THE CORPORATION
42 COMMISSION WITH THE NAME, ADDRESS, TELEPHONE NUMBER AND EMAIL ADDRESS OF A
43 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 AT LEAST \$10,000 PER DAY AND NOT MORE THAN
14 \$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 AT LEAST \$10,000 PER DAY AND NOT
18 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, 2025.

33 Sec. 4. Short title

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