Second Regular Session Seventy-fourth General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 24-0957.01 Christopher McMichael x4775

SENATE BILL 24-151

SENATE SPONSORSHIP

Lundeen and Roberts,

(None),

HOUSE SPONSORSHIP

Senate Committees Business, Labor, & Technology Appropriations **House Committees**

A BILL FOR AN ACT

101	CONCERNING TELECOMMUNICATIONS SECURITY, AND, IN CONNECTION
102	THEREWITH, REQUIRING THE PUBLIC UTILITIES COMMISSION TO
103	PROMULGATE RULES RELATED TO THE REMOVAL,
104	DISCONTINUANCE, OR REPLACEMENT OF CRITICAL
105	TELECOMMUNICATIONS INFRASTRUCTURE THAT UTILIZES
106	EQUIPMENT MANUFACTURED BY A FEDERALLY BANNED ENTITY.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <u>http://leg.colorado.gov.</u>)

The bill requires telecommunications providers that operate in

Colorado to remove, discontinue, or replace all critical telecommunications infrastructure that utilizes equipment from a federally banned entity or foreign adversary.

The bill requires telecommunications providers to register with the public utilities commission (commission) and certify that the telecommunications provider is:

- Not operating critical telecommunications infrastructure that utilizes equipment from a federally banned entity or foreign adversary; or
- Participating in the federal reimbursement program established by the federal "Secure and Trusted Communications Networks Act of 2019" and is in compliance with the reimbursement program.

The bill grants the commission authority to enforce the requirements established by the bill by administering fines against telecommunications providers for noncompliance. The bill also grants the commission rule-making authority to implement the requirements.

1 Be it enacted by the General Assembly of the State of Colorado:

- 2 **SECTION 1.** Legislative declaration. The general assembly 3 finds and declares that it is in the best interest of the state to secure 4 Colorado's telecommunications network and protect national security by 5 identifying and removing communications hardware and software that is 6 produced by countries of concern or other sanctioned entities from 7 Colorado's telecommunications network and by monitoring the progress 8 of the removal of such equipment. 9 SECTION 2. In Colorado Revised Statutes, add 40-15-509.7 as 10 follows: 11 40-15-509.7. Telecommunications security 12 telecommunications network - national security - general provisions 13 - registration and enforcement - rules - definitions. (1) Definitions. 14 AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:
- (a) (<u>I</u>) "CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE"
 MEANS ALL PHYSICAL TELECOMMUNICATIONS INFRASTRUCTURE AND

EQUIPMENT THAT SUPPORTS THE TRANSMISSION OF INFORMATION,
 REGARDLESS OF THE TRANSMISSION MEDIUM OR TECHNOLOGY EMPLOYED,
 AND THAT CONNECTS TO A TELECOMMUNICATIONS NETWORK THAT
 PERMITS THE USER TO ENGAGE IN TELECOMMUNICATIONS SERVICE,
 INCLUDING TELECOMMUNICATIONS SERVICE PROVIDED DIRECTLY TO THE
 PUBLIC OR TO SUCH CLASSES OF USES AS TO BE EFFECTIVELY AVAILABLE
 TO THE PUBLIC.

8 (II) "CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE" DOES
 9 NOT INCLUDE TELECOMMUNICATIONS EQUIPMENT THAT IS USED SOLELY
 10 FOR THE OPERATION OF A UTILITY AND THAT IS NOT USED IN CONNECTION
 11 WITH TELECOMMUNICATIONS SERVICE OFFERED TO THE PUBLIC.

(b) "FEDERALLY BANNED ENTITY" MEANS ANY ENTITY OR
EQUIPMENT THAT THE FEDERAL GOVERNMENT HAS BANNED OR IMPOSED
SANCTIONS AGAINST, INCLUDING BANNING OR SANCTIONS IMPOSED BY THE
FOLLOWING FEDERAL AGENCIES AND ACTS:

16

(I) THE FEDERAL COMMUNICATIONS COMMISSION, INCLUDING:

17 (A) ANY ENTITY, EQUIPMENT, OR SERVICE DEEMED TO POSE A
18 THREAT TO NATIONAL SECURITY IDENTIFIED ON THE COVERED LIST
19 DESCRIBED IN 47 CFR 1.50002; AND

(B) ANY ENTITY, EQUIPMENT, OR SERVICE IDENTIFIED ON THE
COVERED LIST PUBLISHED BY THE PUBLIC SAFETY AND HOMELAND
security bureau pursuant to the federal "Secure and Trusted
COMMUNICATIONS NETWORKS ACT OF 2019", 47 U.S.C. sec. 1601 ET
seq., as amended;

25 (II) THE UNITED STATES DEPARTMENT OF COMMERCE;

26 (III) THE UNITED STATES CYBERSECURITY AND INFRASTRUCTURE
27 SECURITY AGENCY;

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1 (IV) THE FEDERAL ACQUISITION SECURITY COUNCIL, ESTABLISHED 2 PURSUANT TO THE FEDERAL "SECURE TECHNOLOGY ACT", PUB.L. 3 115-390, 41 U.S.C. SEC. 1322; AND 4 (V) SECTION 889 OF THE FEDERAL "JOHN S. MCCAIN NATIONAL 5 DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2019", PUB.L. 115-232, 6 132 Stat. 1917. 7 (c) (I) "TELECOMMUNICATIONS PROVIDER" MEANS A PERSON OR 8 ENTITY THAT OFFERS WIRELESS TELECOMMUNICATIONS SERVICE FOR A FEE 9 DIRECTLY TO THE PUBLIC OR TO SUCH CLASSES OF USES AS TO BE 10 EFFECTIVELY AVAILABLE DIRECTLY TO THE PUBLIC. 11 (II) "TELECOMMUNICATIONS PROVIDER" DOES NOT INCLUDE A 12 MUNICIPALITY OR A MUNICIPALLY OWNED UTILITY. 13 (2) General provisions. (a) ALL CRITICAL TELECOMMUNICATIONS 14 INFRASTRUCTURE LOCATED WITHIN OR PROVIDING TELECOMMUNICATIONS 15 SERVICE TO COLORADO MUST BE CONSTRUCTED TO NOT INCLUDE ANY 16 EQUIPMENT MANUFACTURED BY A FEDERALLY BANNED ENTITY OR ANY 17 OTHER TELECOMMUNICATIONS EQUIPMENT THAT IS BANNED BY THE 18 FEDERAL GOVERNMENT. 19 20 (b) (I) ALL CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE 21 LOCATED WITHIN OR PROVIDING TELECOMMUNICATIONS SERVICE TO 22 COLORADO THAT IS CURRENTLY IN OPERATION AND THAT UTILIZES 23 EQUIPMENT THAT IS PROHIBITED BY SUBSECTION (2)(a) _____ OF THIS 24 SECTION MUST BE REMOVED AND REPLACED WITH EQUIPMENT THAT IS NOT 25 MANUFACTURED BY A FEDERALLY BANNED ENTITY, IN ACCORDANCE WITH 26 THE FEDERAL "SECURE AND TRUSTED COMMUNICATIONS NETWORKS ACT

27 OF 2019", 47 U.S.C. SEC. 1601 ET SEQ., AS AMENDED.

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(II) A TELECOMMUNICATIONS PROVIDER THAT REMOVES,
 DISCONTINUES, OR REPLACES ANY TELECOMMUNICATIONS EQUIPMENT
 MANUFACTURED BY A FEDERALLY BANNED ENTITY __ IS NOT REQUIRED TO
 OBTAIN ADDITIONAL PERMITS FROM ANY STATE AGENCY OR POLITICAL
 SUBDIVISION OF THE STATE FOR THE REMOVAL, DISCONTINUANCE, OR
 REPLACEMENT OF THE TELECOMMUNICATIONS EQUIPMENT IF:

7 (A) THE TELECOMMUNICATIONS PROVIDER NOTIFIES THE
8 COMMISSION OR RELEVANT POLITICAL SUBDIVISION OF THE STATE OF THE
9 NECESSARY REMOVAL, DISCONTINUANCE, OR REPLACEMENT OF THE
10 TELECOMMUNICATIONS EQUIPMENT; AND

11 (B) THE REPLACEMENT TELECOMMUNICATIONS EQUIPMENT IS
12 SUBSTANTIALLY SIMILAR TO THE EXISTING TELECOMMUNICATIONS
13 EQUIPMENT THAT IS BEING REPLACED.

14 (III) IF THE REMOVAL, DISCONTINUANCE, OR REPLACEMENT OF 15 TELECOMMUNICATIONS EQUIPMENT REQUIRES ANY WORK TO BE 16 COMPLETED IN A PUBLIC RIGHT-OF-WAY OR ON ANY PROPERTY OWNED OR 17 CONTROLLED BY A PUBLIC ENTITY, A TELECOMMUNICATIONS PROVIDER 18 SHALL: 19 (A) COMPLY WITH THE REQUIREMENTS OF SUBSECTION (2)(b)(II) 20 OF THIS SECTION; 21 (B) PROVIDE NOTICE TO THE RELEVANT PUBLIC ENTITY AT LEAST 22 SEVEN DAYS IN ADVANCE OF THE BEGINNING OF ANY WORK; AND 23 (C) COORDINATE WITH THE RELEVANT PUBLIC ENTITY FOR 24 COMPLETION OF THE WORK. 25 (3) **Registration and enforcement - rules.** (a) Α 26 TELECOMMUNICATIONS PROVIDER THAT PROVIDES SERVICE TO COLORADO 27 SHALL REGISTER WITH THE COMMISSION AND PAY ANY REGISTRATION FEE, DETERMINED BY THE COMMISSION BY RULE, BY JANUARY 15, 2025, AND
 BY JANUARY 15 OF EACH SUBSEQUENT YEAR.

3 (b) A TELECOMMUNICATIONS PROVIDER THAT REGISTERS WITH THE
4 COMMISSION PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION SHALL:

5 (I) PROVIDE THE COMMISSION WITH THE NAME, ADDRESS, 6 TELEPHONE NUMBER, AND E-MAIL ADDRESS OF ANY PERSON WHO 7 OVERSEES THE OPERATION OF TELECOMMUNICATIONS SERVICE IN 8 COLORADO BY THE TELECOMMUNICATIONS PROVIDER;

9 (II) PAY ANY REGISTRATION FEE ESTABLISHED BY THE 10 COMMISSION AT THE TIME THE TELECOMMUNICATIONS PROVIDER SUBMITS 11 THE REGISTRATION. THE REGISTRATION FEE MAY BE SET BY THE 12 COMMISSION TO COVER THE COSTS OF ADMINISTERING THE REGISTRATION 13 PROCESS PURSUANT TO THIS SECTION, BUT THE REGISTRATION FEE MUST 14 NOT EXCEED FIFTY DOLLARS.

(III) NOTIFY THE COMMISSION OF ANY CHANGES TO THE
INFORMATION REQUIRED BY THE COMMISSION IN ACCORDANCE WITH THIS
SUBSECTION (3) WITHIN SIXTY DAYS AFTER THE TELECOMMUNICATIONS
PROVIDER RECEIVES NOTICE OF THE CHANGE; AND

(IV) CERTIFY TO THE COMMISSION BY JANUARY 15 OF EACH YEAR
 THAT ALL CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE OPERATED
 BY THE TELECOMMUNICATIONS <u>PROVIDER IN COLORADO:</u>

(A) DOES NOT USE ANY TELECOMMUNICATIONS EQUIPMENT
 MANUFACTURED BY A FEDERALLY BANNED <u>ENTITY</u>; OR

(B) USES TELECOMMUNICATIONS EQUIPMENT MANUFACTURED BY
A FEDERALLY BANNED <u>ENTITY</u>, BUT THE TELECOMMUNICATIONS PROVIDER
IS A PARTICIPANT IN THE FEDERAL SECURE AND TRUSTED
COMMUNICATIONS NETWORKS REIMBURSEMENT PROGRAM, ESTABLISHED

BY THE FEDERAL "SECURE AND TRUSTED COMMUNICATIONS NETWORKS
 ACT OF 2019", 47 U.S.C. SEC. 1601 ET SEQ., AND IS IN COMPLIANCE WITH
 THE REIMBURSEMENT PROGRAM.

4 (c) (I) A TELECOMMUNICATIONS PROVIDER MUST REGISTER WITH 5 THE COMMISSION IN ACCORDANCE WITH SUBSECTIONS (3)(a) AND (3)(b)6 OF THIS SECTION EACH YEAR UNTIL THE TELECOMMUNICATIONS PROVIDER 7 CERTIFIES TO THE COMMISSION THAT ALL TELECOMMUNICATIONS 8 <u>EQUIPMENT PROHIBITED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION</u> 9 HAS BEEN REMOVED FROM ALL CRITICAL TELECOMMUNICATIONS 10 INFRASTRUCTURE LOCATED WITHIN OR PROVIDING TELECOMMUNICATIONS 11 SERVICE TO COLORADO. 12 (II) A TELECOMMUNICATIONS PROVIDER THAT CERTIFIES, 13 PURSUANT TO SUBSECTION (3)(b)(IV)(A) OF THIS SECTION, THAT IT DOES 14 NOT USE TELECOMMUNICATIONS EQUIPMENT MANUFACTURED BY A 15 FEDERALLY BANNED ENTITY IS NOT REQUIRED TO MAKE ANNUAL REPORTS

16 TO THE COMMISSION IN ACCORDANCE WITH THIS SUBSECTION (3).

17 (d) IF A TELECOMMUNICATIONS PROVIDER CERTIFIES TO THE 18 COMMISSION THAT IT IS A PARTICIPANT IN THE FEDERAL SECURE AND 19 TRUSTED COMMUNICATIONS NETWORKS REIMBURSEMENT PROGRAM 20 PURSUANT TO SUBSECTION (3)(b)(IV)(B) of this section, and that the 21 TELECOMMUNICATIONS PROVIDER IS IN THE PROCESS OF REMOVING THE 22 TELECOMMUNICATIONS EQUIPMENT PROHIBITED PURSUANT TO 23 SUBSECTION (2)(a) OF THIS SECTION, THE TELECOMMUNICATIONS 24 PROVIDER SHALL SUBMIT A STATUS REPORT TO THE COMMISSION EVERY 25 QUARTER THAT DETAILS THE TELECOMMUNICATIONS PROVIDER'S 26 COMPLIANCE WITH THE REIMBURSEMENT PROGRAM.

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 (4) Rules. NOTWITHSTANDING SECTIONS 40-15-203 AND

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 40-15-402, THE COMMISSION SHALL PROMULGATE AND ENFORCE ANY

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 RULES NECESSARY TO IMPLEMENT THIS SECTION, INCLUDING:

4 (a) DEVELOPING RULES RELATED TO A TELECOMMUNICATIONS
5 PROVIDER'S REPORTING ON THE REMOVAL, DISCONTINUANCE, OR
6 REPLACEMENT OF ANY CRITICAL TELECOMMUNICATIONS INFRASTRUCTURE
7 THAT UTILIZES EQUIPMENT MANUFACTURED BY A FEDERALLY BANNED
8 ENTITY;

9 (b) DEVELOPING PROCEDURES FOR A TELECOMMUNICATIONS 10 PROVIDER TO NOTIFY ANY RELEVANT STATE AGENCIES OR POLITICAL 11 SUBDIVISIONS OF THE STATE WHEN THE TELECOMMUNICATIONS PROVIDER 12 IS PLANNING TO REMOVE, DISCONTINUE, OR REPLACE ANY 13 TELECOMMUNICATIONS EQUIPMENT FROM A FEDERALLY BANNED <u>ENTITY</u>; 14 AND

15 (c) ESTABLISHING REGISTRATION PROCEDURES AND FEES IN
16 ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION; _____

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18 SECTION 3. In Colorado Revised Statutes, 40-15-201, add (3)
19 as follows:

40-15-201. Regulation by commission - rules. (3) THE
COMMISSION MAY PROMULGATE RULES RELATED TO
TELECOMMUNICATIONS SECURITY IN ACCORDANCE WITH SECTION
40-15-509.7.

SECTION 4. Safety clause. The general assembly finds,
 determines, and declares that this act is necessary for the immediate
 preservation of the public peace, health, or safety or for appropriations for

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- 1 the support and maintenance of the departments of the state and state
- 2 institutions.