



**Testimony of
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CTIA**

**In Opposition to
Colorado SB24-151**

**Before the
House Business Affairs and Labor Committee**

May 1, 2024

Chair, Vice-Chair and members of the committee, on behalf of CTIA®, the trade association for the wireless communications industry, I am testifying in opposition to the amended version of Senate Bill 24-151. CTIA strongly opposes this legislation because it is unworkable, overly broad, and unnecessary given that existing federal law already seeks to achieve the same policy goals. If enacted, this legislation risks impeding nationwide “rip and replace” efforts and negatively impacting telecommunications providers and customers.

At a time of exploding consumer demand for wireless services, our industry is working hard to deploy and upgrade infrastructure and create jobs and economic growth for Colorado communities. The wireless industry employs approximately 82,000 residents and contributes \$8.3 billion to the state’s GDP annually. Unfortunately, this bill would move the state in the wrong direction and significantly inhibit the wireless communications industry’s ability to continue this growth.

First, as the bill acknowledges, the U.S. government is already seeking to achieve the policy goals of this legislation, rendering state action to implement the bill unnecessary. In 2020, at the express direction of Congress, the Federal Communications Commission (FCC) launched and has since implemented a comprehensive “rip and replace” program to remove telecommunications equipment made by companies posing an unacceptable risk to the national security of the U.S. or its citizens. As a part of this program, the FCC allocated \$1.9 billion for providers of advanced communications services to be reimbursed for expenses



incurred in the removal, replacement, and disposal of communications equipment and services produced or provided by two Chinese companies, Huawei and ZTE.

The FCC has also adopted rules prohibiting the use of federal Universal Service funds to purchase communications equipment from companies posing a national security threat. This list of companies developed by the FCC is known as the “Covered List.” The FCC places entities on the Covered List in consultation with national security-related agencies, including several of the same agencies and sources enumerated in Senate Bill 24-151’s definition of “federally banned entity.” Given this background, state action is not needed to eliminate communications hardware and software from countries of concern or sanctioned entities from Colorado’s telecommunications network.

Second, this legislation is misaligned with, and unnecessary in light of, ongoing nationwide efforts already underway to protect critical telecommunications infrastructure. For example, the bi-annual reporting requirements for providers to show compliance with the federal rip and replace program is duplicative given that the federal program already requires annual reporting. Additional incongruities may also be introduced in the future as the bill provides broad latitude for the Division of Homeland Security and Emergency Management to promulgate “any rules necessary” to implement the bill. Adding these requirements on top of what the FCC already mandates could impede network deployment and ultimately raise costs for providers and consumers.

Third, the manner in which Senate Bill 24-151 defines “critical telecommunications infrastructure” is so overly broad that it would likely impact telecommunications equipment far beyond what the FCC or this legislation intended. As such, it is possible that a provider in compliance with the federal rip and replace program will have to remove additional equipment to comply with this bill.

Given the significant and complicated work already underway across the country to address the safety and security of telecommunications infrastructure, this bill would cause confusion, create compliance challenges, and hinder the wireless communications industry’s efforts to improve connectivity for consumers in Colorado. For these reasons, we respectfully oppose Senate Bill 24-151.