

BILL ANALYSIS

S.B. 1897
By: Hughes
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill sponsor has informed the committee that, in recent years, there has been an increased call to enhance the security of advanced communications infrastructure in Texas and that in November 2024, Governor Abbott issued an executive order highlighting the need to strengthen the resilience of this critical infrastructure from foreign adversaries. S.B. 1897 seeks to address this issue by providing for the prohibited use and required uninstallation of certain advanced communications infrastructure affiliated with federally banned companies by implementing certain registration and reporting requirements and by providing for enforcement by the Public Utility Commission of Texas.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 of this bill.

ANALYSIS

S.B. 1897 amends the Utilities Code to provide for advanced communications infrastructure security. The bill defines the following terms for the bill's purposes:

- "advanced communications infrastructure" as physical ground-based infrastructure or equipment used to provide advanced communications service;
- "advanced communications service" as the following:
 - advanced telecommunications capability, as defined by federal law relating to advanced telecommunications incentives; or
 - any other telecommunications capability that:
 - permits end users to engage in communications; and
 - is designated by the Public Utility Commission of Texas (PUC) by rule as an advanced communications service for the purposes of the bill's provisions;
- "advanced communications service provider" as a person who provides advanced communications service to customers in Texas;
- "company" by reference to Business & Commerce Code provisions relating to the prohibition on agreements with certain foreign-owned companies in connection with critical infrastructure; and
- "federally banned company" as a company that produces or provides communications equipment or services listed as of September 1, 2025, on the covered list of communications equipment and services published by the Public Safety and Homeland Security Bureau of the FCC, as required by applicable federal regulations.

S.B. 1897 prohibits an advanced communications service provider from constructing advanced communications infrastructure after August 31, 2025, that includes any equipment produced or provided by a federally banned company. The bill requires an advanced communications service provider that operates advanced communications infrastructure installed before September 1, 2025, that was produced or provided by a federally banned company to disable and remove the infrastructure as soon as possible after September 1, 2025. The advanced communications service provider is not required to apply for any applicable state or local permit to replace the removed advanced communications infrastructure under the following conditions:

- the provider notifies the relevant state agency or local entity of the replacement; and
- the replacement infrastructure is similar to the removed infrastructure.

S.B. 1897 requires an advanced communications service provider that uses advanced communications infrastructure produced or provided by a federally banned company to register with the PUC annually. Each registered advanced communications service provider must do the following:

- pay to the PUC an annual registration fee prescribed by the PUC in an amount sufficient to cover the cost of administering the registration program; and
- maintain on file with the PUC the following information:
 - the name, address, telephone number, and email address of an employee of the provider with managerial responsibility for the provider's operations in Texas;
 - the geographic coordinates of the areas served by any advanced communications infrastructure required to be replaced by the provider under the bill's provisions;
 - whether the advanced communications service provider is a participant in the federal Secure and Trusted Communications Networks Reimbursement Program; and
 - any other information required by the PUC.

S.B. 1897 requires an advanced communications service provider that is a participant in the federal Secure and Trusted Communications Networks Reimbursement Program to do the following:

- report to the PUC not later than January 1 of each year all communications equipment or services operated by the provider eligible for replacement reimbursement from the federal reimbursement program and the geographic coordinates of the areas served by that equipment or service; and
- submit a quarterly report to the PUC that includes any information required by the PUC regarding the advanced communications service provider's compliance with the requirements of the federal reimbursement program.

S.B. 1897 requires the PUC to assess, in the following amounts, an administrative penalty in the manner provided by Public Utility Regulatory Act provisions relating to judicial review, enforcement, and penalties:

- at least \$5,000 and not more than \$25,000 against an advanced communications service provider for each violation of the bill's provisions; and
- at least \$10,000 and not more than \$20,000 against an advanced communications service provider that knowingly files a false registration under the bill's provisions relating to registration with the PUC.

Each day a violation continues or occurs may be considered a separate violation for purposes of imposing a penalty. The bill prohibits an advanced communications service provider that does not comply with the bill's provisions from receiving the following:

- state or local funds for the development or maintenance of advanced communications infrastructure, including disbursements from the state universal service fund established under the Public Utility Regulatory Act; or
- any federal funds that are subject to distribution by state or local governments for the development or maintenance of new or existing advanced communications infrastructure.

S.B. 1897 requires the PUC to develop a map of known advanced communications infrastructure installed in Texas that was produced or provided by a federally banned company. The map must include the following:

- the location of the advanced communications infrastructure and the areas served by the infrastructure;
- the advanced communications service provider responsible for the advanced communications infrastructure; and
- a description of the advanced communications infrastructure, including the manufacturer and equipment type.

S.B. 1897 requires an advanced communications service provider that operates advanced communications infrastructure installed before September 1, 2025, that was produced or provided by a federally banned company, to do the following not later than January 1, 2027, as applicable:

- register with the PUC as required by the bill's provisions; and
- submit to the PUC the first reports required by the bill's provisions relating to requirements for participants in the federal Secure and Trusted Communications Networks Reimbursement Program.

EFFECTIVE DATE

September 1, 2025.