

BILL ANALYSIS

Senate Research Center
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S.B. 1897
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In recent years, there has been an increased call to enhance the security of advanced communications infrastructure in Texas. In November 2024, Governor Abbott issued Executive Order 48 that highlighted the need to strengthen the resilience of the critical infrastructure of Texas from foreign adversaries.

S.B. 1897 introduces several key measures to accomplish this:

Prohibition on Certain Equipment: Advanced communications service providers are prohibited from constructing infrastructure using equipment from federally banned companies after August 31, 2025. Providers with existing infrastructure from such companies must disable and remove it after this date when it is feasible.

Registration and Fees: Providers using infrastructure from federally banned companies must register annually with the Public Utility Commission (PUC) and pay a registration fee to cover administrative costs.

Reimbursement Program: Providers participating in the federal Secure and Trusted Communications Networks Reimbursement Program must report eligible equipment for replacement and the geographic areas served.

Penalties: Administrative penalties ranging from \$5,000 to \$25,000 can be imposed for violations, with each day of non-compliance considered a separate violation.

Funding Restrictions: Non-compliant providers are ineligible for state or local funds for infrastructure development or maintenance.

Mapping: The PUC is tasked with developing a map of known infrastructure installed by federally banned companies.

As proposed, S.B. 1897 amends current law relating to advanced communications infrastructure security, authorizes a fee, and provides administrative penalties.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle C, Title 2, Utilities Code, by adding Chapter 67, as follows:

CHAPTER 67. ADVANCED COMMUNICATIONS INFRASTRUCTURE SECURITY

Sec. 67.001, DEFINITIONS. Defines "advanced communications infrastructure," "advanced communications service," "advanced communications service provider," "company," and "federally banned company."

Sec. 67.002. ADVANCED COMMUNICATIONS INFRASTRUCTURE. (a) 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.

(b) 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. Provides that the advanced communications service provider is not required to apply for any applicable state or local permit to replace the removed advanced communications infrastructure if the provider notifies the relevant state agency or local entity of the replacement and the replacement infrastructure is similar to the removed infrastructure.

Sec. 67.003. REGISTRATION WITH COMMISSION. (a) Requires an advanced communications service provider that uses advanced communications infrastructure produced or provided by a federally banned company to register with the Public Utility Commission of Texas (PUC) annually.

(b) Requires each registered advanced communications service provider to 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 certain information.

Sec. 67.004. REQUIREMENTS FOR PARTICIPANT IN SECURE AND TRUSTED COMMUNICATIONS NETWORKS REIMBURSEMENT PROGRAM. Requires an advanced communications service provider that is a participant in the federal Secure and Trusted Communications Networks Reimbursement Program to 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 program and the geographic coordinates of the areas served by that equipment or service and submit a quarterly report to the PUC on the advanced communications service provider's compliance with the requirements of the program.

Sec. 67.005. ENFORCEMENT. (a) Requires the PUC to assess an administrative penalty in the manner provided by Chapter 15 (Judicial Review, Enforcement, and Penalties) in an amount of at least \$5,000 and not more than \$25,000 against an advanced communications service provider for each violation of this chapter. Provides that each day a violation continues or occurs is authorized to be considered a separate violation for purposes of imposing a penalty.

(b) Requires the PUC to assess an administrative penalty in the manner provided by Chapter 15 in an amount of at least \$10,000 and not more than \$20,000 against an advanced communications service provider that knowingly files a false registration under Section 67.003. Provides that each day a violation continues or occurs is authorized to be considered a separate violation for purposes of imposing a penalty.

(c) Prohibits an advanced communications service provider that does not comply with this chapter, notwithstanding any other law, from receiving state or local funds for the development or maintenance of advanced communications infrastructure, including disbursements from the state universal service fund established under Section 56.021 (Universal Service Fund Established), or receiving 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.

Sec. 67.006. MAP. (a) Requires the PUC to develop a map of known advanced communications infrastructure installed in this state that was produced or provided by a federally banned company.

(b) Requires that the map include 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.

SECTION 2. Requires an advanced communications service provider to which Section 67.002(b), Utilities Code, as added by this Act, applies, not later than January 1, 2026, as applicable, to register with the PUC as required by Section 67.003, Utilities Code, as added by this Act, and submit to the PUC the first reports required by Section 67.004, Utilities Code, as added by this Act.

SECTION 3. Effective date: September 1, 2025.