

ADOT Broadband Office: Right-of-Way Occupancy Compensation Overview

- [AZ HB 2596 \(Laws 2021\)](#) and [A.A.C. R17-3-602](#) requires ADOT to collect compensation from telecommunication providers for longitudinal access to highways
 - General:
 - encroachment permits on/after January 1, 2023
 - new installations only (aerial or underground)
 - 30 meters or greater (parallel to the highway)
 - traverse crossings are exempt
 - installing fiber into existing conduit is exempt
 - Compensation:
 - compensation can be monetary or in-kind
 - in-kind trade/swap will not compete with provider
 - annual, 20-year, or 30-year agreements
 - monetary compensation goes directly to O&M of state-owned conduit or future broadband projects (as required by law)



Questions?

Contact the [ADOT Broadband Office](#)

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Example: New Installation of 5 Miles of Underground or Aerial Conduit Along Different Highway Types

Type of Highway	Rate (2023)	Annual (Per Year)	20-Year*	Actual Effective Rate Per Foot**	30-Year*	Actual Effective Rate Per Foot**
Interstate (I-10)	\$1.00/ft	\$26,400	\$224,758	\$0.28/ft	\$248,871	\$0.31/ft
Controlled Access (SR-303)	\$0.50/ft	\$13,200	\$112,379	\$0.14/ft	\$124,435	\$0.16/ft
Non-Controlled Access (SR-64)	\$0.25/ft	\$6,600	\$56,190	\$0.07/ft	\$62,218	\$0.08/ft

***Incentivizing Long-Term Agreements:** 10% Discount Rate applied to Net Present Value (NPV) formula

****Effective Rate:** This is the actual rate per foot after the Discount Rate is applied to 20 and 30 Year Agreements