"Fireside Chat" – Foreign Investment in U.S. Wireless Infrastructure in the Current Administration

PRESENTATION HIGHLIGHTS
FOR
CENTER FOR INTERNATIONAL LEGAL STUDIES (CILS)
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Foreign Investment in U.S. Wireless Infrastructure Under the Trump 2.0

• Investment Opportunities:

- Spectrum, Fiber, Data Centers

• Entry Barriers:

- Regulatory
- Legislative

• European Investors:

- Mood Change
- EU Investment Still More Favorable into U.S.
- But KYC, Sanctions Diligence a Must
- Impact of Tariffs Uncertain

Foreign Investment in U.S. Wireless Infrastructure - Opportunities

• AI, 5G-6G, IOT

- Require exponentially more bandwidth (capacity)
- Create Investment Opportunities:
 - High /Ultra-high Licensed spectrum (radio waves)
 - Fiber providers
 - Towers
 - Data centers
 - "Roll-up" opportunities
 - Small /rural local exchange carriers
 - "Pure Play" fiber

Foreign Investment in U.S. Wireless Infrastructure - Entry Barriers

• "Traditional" U.S. Entry Barriers

Enforced by Federal Communications Commission (FCC)

Foreign Ownership Restrictions on Wireless Spectrum

Communication Act Title III (47 USC 310(a)(b))

20 % limit on Foreign Licensee

25 % on Indirect Ownership

But More than 25 % if in public interest

- Section "214" (47 USC 214) Entry/Control Transfer Regulations
- "Team Telecom" Review
 - FCC, Department of Justice (DOJ), FBI, Homeland Security (DHS)

Foreign Investment in U.S. Wireless Infrastructure - Entry Barriers

- U.S. Investment Opportunities with Fewer Regulatory Barriers to Foreign Entry
 - Fiber: State or Local Regulation only
 - Data Centers: None Private Property rights only
 - Towers: Easements, Zoning (Municipal Authorities)
 - Equipment:
 - Unregulated
 - But China (PRC) Imports National Security Threat
 - FCC: Huawei "Rip and Replace" Subsidy
 - Other PRC controlled entities under Congressional Scrutiny

Foreign Investment in U.S. Wireless Infrastructure - Entry Barriers

Legislative Barriers to Foreign Entry

- CFIUS: Committee on Foreign Investment in the U.S.
- FIRRMA Foreign Investment Risk Review Modernization Act
- (CTA) Corporate Transparency Act
- Foreign Adversary Communications Transparency Act (H.R. 906) Pending in U.S.
 Senate

For Details, please see our webinar and alert:

"Negotiable Hostilities Part II, Telecom Deals with Foreign Investors in the Current Administration:

https://wstelecomlaw.com/wp-content/uploads/2023/08/Attachment-B-Negotiable-Hostilities-Part-II-Power-Point.pdf

Foreign Investment in U.S. Wireless Infrastructure: Mood Change

Ú.S. Policy Climate Today

"America First" and national security priorities.

Push for 5G leadership and domestic control of critical infrastructure.

Increasing scrutiny on all foreign investment, not just from China.

Uncertainty!

Trade Wars,

Geopolitical Conflicts

Uncertainty, Tariffs,

U.S. Isolationism v. Free Trade

Emergence of BRICS & Global South

Foreign Investment in U.S. Wireless Infrastructure: Mood Change

Buy American Policies

- Preference for U.S.-made equipment in grant programs.
- No formal exclusion of foreign vendors, but practical preference for domestic vendors.
- Domestic sourcing often expected in federally supported projects.
- European Union (EU) Investors still treated favorably
- But "Know Your Customer (KYC)", Sanctions diligence a Must
- Impact of Trump Tariffs uncertain

Foreign Investment in U.S. Wireless Infrastructure: Mood Change

European Investors Viewed More Favorably Than Others

- EU seen as trusted allies vs. adversarial regimes.
- NATO and cyber cooperation enhanced trust.
- Trump-era reforms still shape the investment climate.
- CFIUS and FCC remain key gatekeepers.
- European investors active but strategic.
- Ericsson and Nokia as Non-Chinese 5G alternatives.

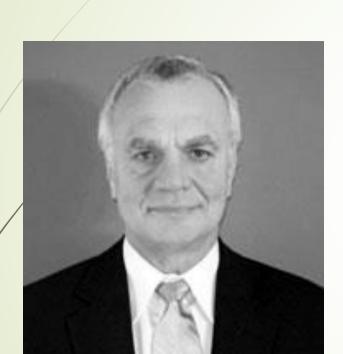
Foreign Investment in U.S. Wireless Infrastructure: Conclusion

Take-aways

- European investors have comparative advantage over others but still face barriers.
- Sanctions diligence and national security compliance required.
- Structure deals to avoid CFIUS triggers (non-voting, minority positions).
- Investment focus on towers, fiber, data centers.
- Dispute resolution to be discussed in separate publication on www.wstelecomlaw.com

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