

“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

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- **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))

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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

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- **Legislative Barriers to Foreign Entry**

- CFIUS: Committee on Foreign Investment in the U.S.
- FIRREA – 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

- **U.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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