

## Scoop: Trump team considers nationalizing 5G network



Photo: Chip Somodevilla / Getty Images

Trump national security officials are considering an unprecedented federal takeover of a portion of the nation's mobile network to guard against China, according to sensitive documents obtained by Axios.

**Why it matters:** We've got our hands on a PowerPoint deck and a memo — both produced by a senior National Security Council official — which were presented recently to senior officials at other agencies in the Trump administration.

**The main points:** The documents say America needs a centralized nationwide 5G network within three years. There'll be a fierce debate inside the Trump administration — and an outcry from the industry — over the next 6-8 months over how such a network is built and paid for.

Two options laid out by the documents:

1. **The U.S. government pays for and builds the single network** — which would be an unprecedented nationalization of a historically private infrastructure.
2. **An alternative plan where wireless providers build their own 5G networks** that compete with one another — though the document says the downside is it could take longer and cost more. It

argues that one of the “pros” of that plan is that it would cause “less commercial disruption” to the wireless industry than the government building a network.

**Between the lines:** A source familiar with the documents' drafting says Option 2 is really no option at all: a single centralized network is what's required to protect America against China and other bad actors.

- The source said the internal White House debate will be over whether the U.S. government owns and builds the network or whether the carriers bind together in a consortium to build the network, an idea that would require them to put aside their business models to serve the country's greater good.

**Why it matters:** Option 1 would lead to federal control of a part of the economy that today is largely controlled by private wireless providers. In the memo, the Trump administration likens it to “the 21st century equivalent of the Eisenhower National Highway System” and says it would create a “new paradigm” for the wireless industry by the end of Trump's current term.

- **But, but, but:** The proposal to nationalize a 5G network also only covers one part of the airwaves; there'd be other spaces where private companies could build.

**The PowerPoint presentation** says that the U.S. has to build superfast 5G wireless technology quickly because “China has achieved a dominant position in the manufacture and operation of network infrastructure,” and “China is the dominant malicious actor in the Information Domain.” To illustrate the current state of U.S. wireless networks, the PowerPoint uses a picture of a medieval walled city, compared to a future represented by a photo of lower Manhattan.

**The best way to do this**, the memo argues, is for the government to build a network itself. It would then rent access to carriers like AT&T, Verizon and T-Mobile. (A source familiar with the document's drafting told Axios this is an “old” draft and a newer version is neutral about whether the U.S. government should build and own it.)

- It's a marked shift from the current system where those companies each build their own systems with their own equipment, and with airwaves leased from the federal government.
- Nationwide standard: the federal government would also, according to the memo, be able to use the banner of national security to create a federal process for installing the wireless equipment, preventing states and cities from having their own rules for where the equipment could go.

**The bigger picture:** The memo argues that a strong 5G network is needed in order to create a secure pathway for emerging technologies like self-driving cars and virtual reality — and to combat Chinese threats to America's economic and cyber security. A PowerPoint slide says the play is the digital counter to China's One Belt One Road Initiative meant to spread its influence beyond its borders. The documents

also fret about China's dominance of Artificial Intelligence, and use that as part of the rationale for this unprecedented proposal.

- **There's even** a suggestion that America's work on a secure 5G network could be exported to emerging markets to protect democratic allies against China.
- "Eventually," the memo says, "this effort could help inoculate developing countries against Chinese neo-colonial behavior."

**AI arms race:** The memo says China is slowly winning the AI "algorithm battles," and that "not building the network puts us at a permanent disadvantage to China in the information domain." There is a real debate to be had over China and AI, but it's unclear what at all that has to do with a mobile network.

**Reality check:** The U.S. wireless industry is already working on deploying 5G networks, with AT&T, Verizon and T-Mobile, for example, investing heavily in this area. The process for setting 5G standards is well underway. Korea has been at the forefront of testing, as have Japan and others. It's not clear a national strategy would yield a 5G network faster or by the memo's 3-year goal.

*Get more stories like this by signing up for our weekly political lookahead newsletter, [Axios Sneak Peek](#).*

### Go deeper:

1. How 5G works
2. The concerns raised about nationalizing 5G
3. Read the full memo below

Show less