

From: Mike ORIelly
Sent: Sunday, January 28, 2018 6:51 PM
To: Erin McGrath; Brooke Ericson
Subject: Fw: Sneak Peek: Trump team debates 5G takeover — White House perjury panic — Trump's first State of the Union

From: Mike ORIelly <Mike.ORIelly@fcc.gov>
Sent: Sunday, January 28, 2018 6:50 PM
To: Gross, David
Subject: Re: Sneak Peek: Trump team debates 5G takeover — White House perjury panic — Trump's first State of the Union

That is the dumbest idea I've ever heard. The ability of an administration, especially this one, to carry it out is near zero.

From: Gross, David
Sent: Sunday, January 28, 2018 5:51 PM
To: Brendan Carr; Mike ORIelly; Ajit Pai
Cc: Thomas Sullivan
Subject: Fwd: Sneak Peek: Trump team debates 5G takeover — White House perjury panic — Trump's first State of the Union

Dear Chairman and Commissioners:

I wanted to make sure that you saw this article just released by Axios, especially as it could be the subject of questions, etc. at the MWC and elsewhere :

1 big scoop: Trump team mulls federal takeover of 5G

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.

- 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 paid for and built.

The 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.

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.”

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

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.

Go deeper:

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

4.

Best wishes,