



Written by [Alex Newman](#) on October 9, 2012

Chinese Telecom Threat Used to Push Cybersecurity Bill

A congressional investigation that highlighted national security threats posed by two Communist China-based telecommunications equipment companies, Huawei and ZTE, is being seized upon by lawmakers and at least one of the firms to push for more government control at the national and international level. The final report found that the companies pose multiple risks to the United States and should be avoided.



Members of Congress on both sides of the aisle claimed the danger could be lessened. However, to do that, lawmakers alleged, Congress must approve the deeply controversial so-called “[cybersecurity](#)” bill that would force private companies to help the federal government spy on Americans under the guise of protecting “the Homeland.”

“We need to have that bill passed in order for our intelligence community to be able to help and protect our networks,” claimed C.A. “Dutch” Roppersberger of Maryland, the top Democrat on the House Intelligence Committee. He also purported to be concerned about the [Chinese regime spying on Americans](#) even as the federal government ramps up its massive unconstitutional domestic espionage apparatus.

Despite fierce opposition from Internet-freedom activists around the world, the bipartisan establishment in Washington, D.C., has been working fiendishly to impose some sort of [federal “cyber-security” regime](#) on the American people for years. Critics have highlighted the potential threat to privacy, the danger to businesses, and the fact that the unconstitutional scheme would open the door to more federal intrusion into the internet.

When the cybersecurity plan failed in the Senate, some lawmakers [suggested that President Obama could simply bypass Congress](#) and implement the controversial legislation by [executive decree](#). The administration was apparently more than happy to comply, with a draft version of the lawless so-called “executive order” being [“leaked” last month](#).

Separately, one of the two Communist Chinese companies blasted in the congressional investigation as a national security risk responded to the allegations by calling for a planetary regulatory regime. “The only real solution to what is a real and universal and industry-wide challenge are global standards and disciplines that raise the bar for everyone,” said Bill Plummer, Huawei’s vice president of external affairs. “Anything else is a political illusion.”

Huawei is one of the biggest telecommunication equipment firms in the world today. However, like virtually all businesses with any ties to the ruthless communist regime on mainland China, experts have long warned about the potential security risk it represents – especially considering the sensitive sector in which the firm operates.

Among the many red flags raised by analysts and investigators is the fact that the company’s founder and CEO, Communist Party luminary Ren Zhengfei, established the company after leaving the



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dictatorship's so-called "People's Liberation Army" in 1987. Other concerns include the firm's backing by the brutal Chinese regime and the alleged theft of trade secrets that allowed it to become an industry leader.

U.S. counterintelligence officials said last year that the communist Chinese regime was the world's biggest perpetrator of economic espionage, with a potential to jeopardize hundreds of billions of GDP dollars every year. One of Beijing's primary methods, of course, is [the use of Chinese "companies" to gobble up intelligence and intellectual property](#).

Despite Huawei having hired six lobbying firms and spending close to \$1 million on lobbying activities in the first half of 2012, Congress was brutal in its verdict about the companies. It essentially said they should be blacklisted and viewed as threats to the United States.

"China has the means, opportunity and motive to use telecommunications companies for malicious purposes," the report concluded. "Based on available classified and unclassified information, Huawei and ZTE cannot be trusted to be free of foreign state influence and thus pose a security threat to the United States and to our systems."

Congressional investigators also reportedly uncovered evidence of criminal activity by Huawei including bribery, corruption, theft of intellectual property, immigration violations, and more, the report said, citing unidentified current and former employees. Those alleged violations have been reported to the FBI and other government agencies.

Among the top concerns relating to the two firms, however, is the fact that the Communist Chinese dictatorship may be using the two companies to hack into U.S. networks or steal intellectual property. Both companies came under fire earlier this year after [accusations](#) that some of their equipment had codes installed to send sensitive information to the ruthless regime in Beijing.

"The investigation concluded that the risks associated with these companies providing equipment and services to U.S. critical infrastructure undermines the core U.S. national security interests," House Intelligence Committee Chairman Mike Rogers (R-Mich.) said at a news conference, adding that the two firms "are not private entities" despite their protestations to the contrary.

The final report concluded that the U.S. government and its contractors should stop relying on the two firms and that American intelligence agencies should keep a close eye on the threat. Lawmakers also said in the investigation that the federal government should block mergers and acquisitions by either company, partly because the communist regime is known to buy up companies if they have secrets worth exploiting.

"Huawei and ZTE seek to expand in the United States, but as a result of our investigation, we do not have the confidence that these two companies with their ties to the Chinese government can be trusted with infrastructure of such critical importance," Rogers added. The investigation recommended that the federal Committee on Foreign Investment in the U.S. (CFIUS) should block any efforts by the firms to acquire American companies due to security threats.

Meanwhile, the productive sector of the economy should also carefully consider the implications before doing business with either of the Chinese firms, according to lawmakers and the congressional report. "Private-sector entities in the United States are strongly encouraged to consider the long-term security risks associated with doing business with either ZTE or Huawei for equipment or services," the report stated.



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Rogers [echoed those findings](#), saying in an interview with CBS that if he were an American company looking to do business with Huawei, he would consider other vendors. Among the reasons to avoid the Chinese company, the senior Republican and former FBI agent cited concerns about protecting valuable intellectual property, consumers' privacy, and U.S. national security interests.

Both companies slammed the investigation and denied the allegations, claiming that despite lawmakers' claims, they had cooperated fully with the 11-month probe. "Americans do deserve the truth. They did not hear it today, and they didn't get it in that report," said Huawei Vice President Bill Plummer. "The fact of the matter is that this is a global company that is well-respected and trusted in 150 markets globally by over 500 operators."

The brutal dictatorship ruling over mainland China, famous for mass murder and [one of the largest espionage operations in the world](#), also blasted Congress for issuing the report. "Chinese telecommunications companies have conducted their international operations based on market-economy principles," [claimed](#) Hong Lei, a spokesman for the communist regime's "Foreign Ministry." "Their investments in the U.S. reflect the mutual benefits brought about by U.S.-China trade relations," he added. "We hope U.S. Congress will put aside its prejudice, respect the facts and do more to promote China-U.S. trade relations, not the opposite."

Of course, experts and analysts have been sounding the alarm for years about Chinese "companies" — many of which operate as virtual agencies of the dictatorship despite purporting to be "private" firms. Exploiting the investigation's alarming findings to push for bigger and more centralized government in an effort to pass unconstitutional legislation, however, is hardly an appropriate response to the very real threat.

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