

Facing pushback from allies, U.S. is pressing its campaign to ban Huawei from 5G cellular networks

[Wall Street Journal, Jan 23, 2020](#)

[U.S. allies, notably in Germany and countries of the 'Five Eyes' spying alliance, are deliberating on a ban of Huawei's 5G network. A ban will cost billions of dollars to national governments and telecommunications industries. Canada, meanwhile, is chipping in by trying to convince Canadian courts to extradite Huawei CFO Meng Wanzhou to the U.S. court and prison gulag.]

BEIJING—The U.S. is preparing for a longer and broader campaign to banish Huawei Technologies Co. from next-generation 5G cellular networks around the world, as Washington faces resistance on the front line of its lobbying campaign, according to people familiar with the matter.

UK officials have indicated they would restrict but not forbid the use of Huawei equipment. The Trump administration sees Britain and Germany as bellwethers that could prompt other nations to welcome Huawei, a giant maker of cellular equipment that the U.S. [considers a spying threat](#).

“The UK is our closest intelligence partner in national security in the world,” said Tim Morrison, who was the White House National Security Council’s senior director for European affairs until November. If Britain accepts Huawei 5G equipment, he said, “other countries will read that to say, well, if the UK can do it, then we can do it.”

The latest setback came last week when [UK officials stood their ground](#) after the White House sent senior officials to Britain to present more evidence about the risks posed by Huawei. “We had already anticipated the kind of threat the new U.S. material demonstrates and have factored that into our planning,” said a spokesman for the UK government, which is expected to make a decision next week.

Huawei is the world’s biggest maker of telecom equipment, such as the hardware that hangs on cellular towers. U.S. leaders say Huawei couldn’t refuse an order from Beijing to spy or conduct a cyberattack, an accusation the company calls unsubstantiated. [Washington wants allies to ban Huawei](#) before the era of 5G, [a potentially transformative technology](#) that could enable driverless cars and internet-connected everyday objects such as pacemakers.

The U.S. campaign against Huawei has forced countries to weigh their relationships with Washington against the risk of upsetting Beijing. Foreign leaders also say building 5G networks could be costlier and slower without Huawei equipment.

British officials have played down a warning from Washington that the U.S. could reassess how it shares intelligence with the UK. The White House as well as lawmakers say they may escalate the pressure by telling Britain, which is looking to forge trade deals after it leaves the European Union this month, that accepting Huawei could impact economic ties. “The appetite for a U.S.-

UK trade agreement could be diminished by the UK making the wrong decision on Huawei,” a senior Trump administration official said.

A U.S. official said Washington is “engaged in all countries” and plans to give financial assistance to developing countries to use alternative suppliers in 5G networks via newly empowered government agencies and initiatives.

The official said Washington plans to use the State Department’s Digital Connectivity and Cybersecurity Partnership, the U.S. Agency for International Development, the Export-Import Bank of the U.S. and U.S. International Development Finance Corporation, or DFC, toward this goal. Such financial assistance would help wireless carriers in foreign countries buy equipment from Huawei’s rivals, which are chiefly Sweden’s [Ericsson](#) AB, Finland’s [Nokia](#) Corp. and South Korea’s [Samsung Electronics](#) Co.

The DFC last year was overhauled from a predecessor agency to aid developing countries while advancing American foreign-policy and national-security goals. A spokeswoman said it has a \$60 billion cap and has already committed \$1 billion in telecommunications and internet access in Africa, including by assisting a wireless carrier expand service.

In Britain, Washington isn’t concerned that classified intelligence would be vulnerable to Huawei interception, since those are transmitted via ultra-secure methods, the U.S. official said. The issue is that a cellular-hardware maker could glean intelligence, for example, via smartphone activity at a military base with a North Atlantic Treaty Organization presence.

Sen. Tom Cotton, (R., Ark.) earlier this month introduced a bill to prohibit U.S. intelligence sharing with countries that permit Huawei 5G technology. An aide added that Mr. Cotton may also oppose the U.S. negotiation of a free-trade agreement with the UK should Britain allow Huawei.

The international lobbying effort is only one avenue of Washington’s campaign against Huawei. The extradition case for Huawei Chief Financial Officer Meng Wanzhou, whom Canada arrested on behalf of the U.S. [for allegedly playing a role](#) in violating sanctions on Iran, [began this week](#). The Trump administration also plans to further restrict which supplies American companies can sell to Huawei.

Complicating Britain’s decision are its efforts to [potentially strike trade deals](#) with both the U.S. and China after leaving the EU on Jan. 31. A Chinese foreign-ministry spokesman said China hopes the UK can make an independent decision regarding Huawei. A nondiscriminatory environment “will help the Chinese companies to maintain their confidence” in the British market, said spokesman Geng Shuang last week.

British officials say they are mainly concerned with the quality of Huawei’s equipment. They have said for months that Huawei products [have major security flaws](#), but that they can mitigate them, in part by setting a quota on Huawei equipment in the country and by inspecting the company’s products in a special lab near Oxford, which is run by Huawei and overseen by UK officials.

Another British concern is the cost of barring Huawei from its telecom network. British wireless carriers have relied on Huawei's 4G equipment for years, and 5G is often built by adding equipment to existing 4G networks. British officials say switching to another supplier would cost billions of dollars, in part because they would have to replace the existing Huawei hardware on top of buying new equipment, and would delay Britain's 5G rollout by more than a year. [Some British wireless carriers](#) using Huawei equipment have already turned on 5G networks.

"The British public deserve to have access to the best possible technology," British Prime Minister Boris Johnson said in a television interview last week.

Huawei Vice President Victor Zhang said in a statement that "we strongly agree with the prime minister" on that point and that "we are confident that the UK government will make a decision based upon evidence, as opposed to unsubstantiated allegations."

Mr. Johnson also said he would consider whether Huawei would jeopardize Britain's relationship in the Five Eyes, the intelligence-sharing pact among the U.S., UK, Australia, Canada and New Zealand. "On the other hand, let's be clear, I don't want, as the UK prime minister, to put in any infrastructure that is going to prejudice our national security or our ability to cooperate with Five Eyes intelligence partners," he said. [Australia has banned Huawei](#) from its 5G build out, while Canada and New Zealand are [deliberating the issue](#).

British officials have said they don't believe that allowing Huawei in would damage their secret services' ability to share intelligence with the U.S.

Separately, a German decision on Huawei will come later this year. Chancellor Angela Merkel had said she was opposed to blocking an individual company from German 5G networks, and German wireless carriers have warned that excluding Huawei will add costs and time to rolling out 5G in a country [with outdated telecom networks](#). One of Germany's major wireless carriers, [Telefonica](#) SA, said last month that it [planned to use equipment](#) from Huawei and Nokia to build 5G networks—subject to Huawei equipment meeting government security standards.

But a growing, cross-party alliance of German legislators is working to amend legislation to prevent any Chinese company from competing for contracts related to the next-generation mobile internet. A vote on the legislation will take place in the coming months, with concerns that China could retaliate against a Huawei ban with restrictions on sales of German automobiles in the world's largest car market.

Germany is relevant as an EU leader and the largest economy in the bloc, said Mr. Morrison, the former National Security Council director. "Where Germany goes, Europe goes," he said. The chancellor of Austria said this week that the country was closely coordinating with other European countries and the EU on the matter.