

China slams US plan to expel phone carriers in tech clash

March 18 2021, by Joe McDonald



In this Oct. 14, 2020, file photo, people wearing face masks to protect against the coronavirus look at a display from Chinese telecommunications firm China Unicom at the PT Expo in Beijing. China's government on Thursday called on Washington to drop efforts to expel three state-owned Chinese phone companies, including China Unicom Americas, a unit of China Unicom, from the United States in a new clash over technology and security. (AP Photo/Mark Schiefelbein, File)



China's government on Thursday called on Washington to drop efforts to expel three state-owned Chinese phone companies from the United States in a new clash over technology and security.

The Federal Communications Commission voted Wednesday to begin revoking the companies' U.S. licenses. It said they are <u>security risks</u> controlled by the communist Beijing government.

The <u>foreign ministry</u> accused Washington of misusing security complaints to hurt Chinese commercial competitors.

The United States should "stop the wrong practice of generalizing the concept of national security and politicizing <u>economic issues</u>" and "stop abusing state power to unreasonably suppress Chinese enterprises," said a ministry spokesman, Zhao Lijian.

The decision adds to mounting U.S.-Chinese conflict over the ruling Communist Party's industrial plans, access to American technology and accusations of computer attacks and theft of business secrets.

President Joe Biden has said he wants a better relations with Beijing but has given no indication he will roll back sanctions imposed by his predecessor, Donald Trump, that limit Chinese access to U.S. technology and financial markets.

The latest announcement came as U.S. and Chinese envoys were flying to Alaska for the highest-level face-to-face meeting between the two sides since Biden took office in January.

Zhao said Beijing will "take necessary measures to safeguard the legitimate rights and interests of Chinese enterprises" but gave no details. Officials have issued similar warnings in the past but those usually have resulted in no action.



The latest action targets China Unicom Americas, a unit of China Unicom Ltd.; Pacific Networks Corp. and ComNet (U.S.) LLC, a unit of Pacific Networks. They sell international voice and data service.

The companies were ordered to explain their ownership and operations, and "failed to address the serious national security threats posed by their continued operation in the U.S.," said Commissioner Brendan Car in a statement.

National security officials "advise that traffic on these networks 'remains subject to exploitation, influence, and control by the Chinese government," Carr said. He said some Chinese telecom companies have operated in the United States for decades and "security threats have evolved substantially in the intervening years."

Earlier, state-owned China Mobile Ltd. was blocked in 2019 from entering the U.S. market on <u>security</u> grounds.

Trump also blocked access to most U.S. technology for telecom equipment giant Huawei Technologies Ltd. and some other Chinese tech companies. Trump issued an order prohibiting Americans from investing in securities of companies deemed by the Pentagon to be linked to China's military.

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