

Media Contact:

Anne Veigle, (202) 418-0506
anne.veigle@fcc.gov

For Immediate Release

**FCC DESIGNATES HUAWEI AND ZTE
AS NATIONAL SECURITY THREATS**

***Money in FCC's Universal Service Fund Can No Longer
Be Used on Equipment and Services from These Suppliers***

WASHINGTON, June 30, 2020—The Federal Communications Commission today took a major step in its ongoing efforts to protect U.S. communications networks from security risks. Specifically, the FCC's Public Safety and Homeland Security Bureau formally designated two companies—Huawei Technologies Company (Huawei) and ZTE Corporation (ZTE), as well as their parents, affiliates, and subsidiaries—as covered companies for purposes of the agency's November 2019 ban on the use of universal service support to purchase equipment or services from companies posing a national security threat. As a result of today's action, money from the FCC's \$8.3 billion a year Universal Service Fund may no longer be used to purchase, obtain, maintain, improve, modify, or otherwise support any equipment or services produced or provided by these suppliers.

“With today's Orders, and based on the overwhelming weight of evidence, the Bureau has designated Huawei and ZTE as national security risks to America's communications networks—and to our 5G future,” said FCC Chairman Ajit Pai. “Both companies have close ties to the Chinese Communist Party and China's military apparatus, and both companies are broadly subject to Chinese law obligating them to cooperate with the country's intelligence services. The Bureau also took into account the findings and actions of Congress, the Executive Branch, the intelligence community, our allies, and communications service providers in other countries. We cannot and will not allow the Chinese Communist Party to exploit network vulnerabilities and compromise our critical communications infrastructure. Today's action will also protect the FCC's Universal Service Fund—money that comes from fees paid by American consumers and businesses on their phone bills—from being used to underwrite these suppliers, which threaten our national security.”

In November 2019, the Commission unanimously adopted a ban on the use of universal service support to purchase, obtain, or maintain any equipment or services produced or provided by companies posing a national security threat to the integrity of communications networks or the communications supply chain. The Commission proposed that Huawei and ZTE be covered by this rule because of their substantial ties to the Chinese government, Chinese law requiring them to assist in espionage activities, known cybersecurity risks and vulnerabilities in their equipment, and ongoing Congressional and Executive Branch concern about this equipment. In the Orders issued today, the Public Safety and Homeland Security Bureau bases its final designations on the totality of evidence, including evidence supporting the Commission's initial designations and filings submitted in the record by Huawei, ZTE, and other interested parties. The final designations of Huawei and ZTE are effective immediately.

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Media Relations: (202) 418-0500 / ASL: (844) 432-2275 / TTY: (888) 835-5322 / Twitter: @FCC / www.fcc.gov

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