STATEMENT OF
COMMISSIONER BRENDAN CARR

Re: *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs*, WC Docket No. 18-89.

The rule of law. Clean and light-handed government. The values of a free society. The beginnings of representative government and democratic accountability. . . . Hong Kong's values are decent values. They are universal values. They are the values of the future in Asia as elsewhere, a future in which the happiest and the richest communities, and the most confident and the most stable too, will be those that best combine political liberty and economic freedom as we do here today. . . . Now, Hong Kong people are to run Hong Kong. That is the promise. And that is the unshakeable destiny.

— Chris Patten, the last Governor of Hong Kong, June 30, 1997, at the Handover Ceremony from British rule to the People's Republic of China

For the next 20 years, that destiny did not shake. Hong Kong prospered as a free, self-governing community: its judiciary independent, its markets open. And like Taiwan, it served as a potent reminder to Mainland China of what could be.

"One country, two systems" was guaranteed by law. Margaret Thatcher and Deng Xiaoping negotiated in writing 50 years of freedom for Hong Kong. It was the reformers' bet that the example of Hong Kong would inspire mainland Chinese to agitate for changes to their own government. And so Article V of Hong Kong's new constitution provided that "the previous capitalist system and way of life shall remain unchanged" for five decades.

But the reformers' hope for Hong Kong was not based on paper alone. By 1997, Hong Kong already had grown into a global financial center to rival New York or London. It was an international air and cargo hub. It was itself a member of the WTO, several years preceding China's admission. China's regime looked longingly at Hong Kong's success and had created the Shenzhen Special Economic Zone bordering Hong Kong to spur manufacturing and leverage the city's advantages.

In short, the theory was: Hong Kong would be too rich to fail. China had too much invested in Hong Kong's economic success spilling into the rest of China to risk a political clampdown.

Yet Beijing now has taken that risk. Two weeks ago, it imposed on Hong Kong a new security law, making it a crime to abet criticism of Beijing, stripping residents of their broad right to trial by jury, and easing extradition to the mainland, where durable rights against the government are rare. According to Hong Kong police, the very first arrest made under the new security law was for a man who had the audacity to unfurl a Hong Kong independence flag in public.

The U.S. government has been examining Huawei, ZTE, and other telecom suppliers with close ties to the Communist regime in China. We have cataloged a pattern of misdirected traffic, software vulnerabilities, and suspicious deployments. We have examined China's National Intelligence Law, which compels companies' aid in advancing a "comprehensive concept of national security." And we have observed the due process China's judiciary offers—and the conviction rate it delivers for the regime.

Huawei's and others' response, again and again, comes back to this: Why would we, successful international suppliers of telecom, risk our reputations and our profits by making our products insecure? And why would the Chinese regime risk its years of investment in these companies for a leg up on spying?

They were meant to be rhetorical questions. They can't be after Hong Kong.

If "one country, two systems" has revealed itself as a sham in Hong Kong, we cannot expect "one company, two systems" to fare any better at Huawei.

It's therefore right that Congress acted to protect our security against these threats, and through this order, again, so do we.

I thank the Wireline Competition Bureau and all of the Commission's staff for their work on this item. It has my support.