Huawei threatens the US-UK ‘special relationship’

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Largely overlooked against the backdrop of its then-loomimg exit from the European Union, the government of Boris Johnson in the UK made another — arguably equally momentous — strategic move last week. On Jan. 28, British officials announced that, after extensive internal deliberations, the government had decided to move forward with a limited partnership with China’s Huawei corporation to build 5G telecom networks in the country.

The move appears to be the product of forces within Whitehall that have convinced the Johnson government that 5G broadly — and partnership with Huawei in particular — are vital for the future of the British economy, especially as it begins to decouple itself from Europe. This argument, by necessity, minimizes the associated risks that an affiliation with one of China’s most prominent tech conglomerates might have.

Those risks, however, are significant.

Huawei is unquestionably a global leader in 5G technology, and that expertise has been in extensive demand abroad. But the company is also closely connected to China’s ruling Communist Party, and under the provisions of the PRC’s 2017 National Intelligence Law is mandated to share information with Beijing if ordered to do so by the Chinese government. That requirement means British data transmitted over a future Huawei-constructed 5G network could potentially be compromised. So, too, could sensitive intelligence that is routinely shared with the UK by its intelligence partners — chief among them the United States.

The British government has attempted to mitigate at least some of this risk. It has announced that Huawei will not have access to sensitive or core parts of its network and that 5G will not be made available on or near military bases as well as nuclear facilities. Under the Johnson government’s plan, Huawei’s access will be limited to 35 percent of the overall British telecom network — ensuring that it cannot erect a monopoly there.

Even so, it is clear that partnering with Huawei could end up being dangerous for Britain itself. The affiliation, however, also threatens to upend the long-standing “special relationship” between the UK and the United States — arguably the most important such bond in the world.

In Washington, worries over China and Huawei in particular now abound. Last summer, the Trump administration banned government agencies from working with Huawei because of concerns over potential espionage and other national security implications. Indeed, the White House has gone as far as declaring a national emergency on the matter. While not specifically mentioned by name, Huawei and China are clearly the targets of a May Executive Order which outlines that “foreign adversaries are increasingly creating and exploiting vulnerabilities in information and communications technology and services, which store and communicate vast amounts of sensitive information, facilitate the digital economy, and support critical infrastructure and vital emergency services, in order to commit malicious cyber-enabled actions, including economic and industrial espionage against the United States and its people.”

As such, the British decision has caused significant concern among U.S. officials, with key policymakers and statesmen threatening to pull back from intelligence sharing with the UK, or even to end it outright. Sen. Lindsey Graham (R-S.C.), for instance, noted that London’s decision “has the potential to jeopardize US-UK intelligence sharing agreements and could greatly complicate a US-UK free trade agreement.”

Trump administration officials are also worried. Following the British announcement, Secretary of State Mike Pompeo flew to London to discuss the matter with his British counterpart, Foreign Secretary Dominic Raab. In their meeting, Pompeo is said to have stressed that a partnership with Huawei represents a spying risk on the part of the PRC, and urged the UK to reconsider.

In his meeting with Raab, Secretary Pompeo stressed that Washington and London could jointly find a solution to the situation that works for both parties. If they do not, however, the results could be significant, and detrimental to the health of the bilateral relationship.

The timing of the British decision is curious, too. The UK is choosing to clash with its most powerful ally at precisely the time when that special relationship is needed most. Britain’s departure from the European Union means that it will need to establish its own, independent trade deals with international partners, and the Trump administration has signaled that it is prepared to step up cooperation as part of such an arrangement. The clock, moreover, is ticking; Britain only has the remainder of the year to make trade deals independently of the EU, so a new U.S.-UK trade deal should necessarily be a priority for London.

That, however, could end up being called into question by Britain’s new proximity to China, if the Johnson government is not careful. For now, at least, the Trump administration is accentuating the positive; in his meeting with Raab, Secretary Pompeo stressed that the U.S.-UK deal remains a top priority.
But it would be a mistake for British politicians to underestimate the depths of U.S. concerns over China's technological penetration abroad, and the PRC's foreign policy more broadly. At a time of acrimonious domestic politics in the U.S., these issues are a rare bipartisan topic of agreement — one that could end up negatively impacting Britain's most durable strategic bond.

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