

January 23, 2020

Mr. Robert O'Brien
Assistant to the President
for National Security Affairs
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Mr. Lawrence Kudlow
Assistant to the President
for Economic Policy
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Mr. Robert Blair
Special Representative for International
Telecommunications Policy
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Messrs. O'Brien, Kudlow, and Blair:

As conservative leaders concerned about maintaining the United States' global leadership position in creating, researching, and deploying next-generation wireless technology ("5G"), we urge the Trump Administration to protect U.S. national security by taking steps to develop a governmentwide strategy to protect our leadership position in critical technologies like 5G. We applaud the appointment of Mr. Blair to serve as the Administration's 5G lead, and hope that the White House will take an active role in promoting U.S. 5G leadership. In light of competition from Chinese companies that receive significant financial and political support from their government, the challenge of protecting U.S. leadership is truly a national imperative that requires a serious governmentwide approach, while working closely with private sector leaders.

Technological superiority is a critical part of our national security. In a report released in December, the Ronald Reagan Institute Task Force on 21st Century National Security Technology and Workforce noted, "China aims to supplant the United States as the world's leading technological power by 2030" and hopes to "lead the world in cutting-edge technologies that might allow it to leapfrog the United States both economically and militarily."

As the Reagan Task Force explains, in the U.S., "many of the technologies most important to national security are being developed and produced for civilian purposes by civilian actors who have no history with or connection to the national security community." China, on the other hand, drives innovation from the top down, with the most innovative Chinese companies working side-by-side with the Communist Party to develop technologies for both civilian and military use, including 5G. Our U.S. national security thus depends on U.S. innovators competing with — and beating — China in these critical technologies.

We caution that any strategy to protect U.S. national security from Chinese technological dominance in 5G must focus on maintaining U.S. leadership in 5G R&D. So-called "decoupling" — effectively creating two separate wireless technology regimes, one led by the U.S. and one led by China -- would undermine American companies' and thus America's ability to innovate in 5G, which is exactly the opposite of our goals. We must instead play to U.S. strengths, which include private property rights-based incentives, market competition, and R&D's risk and reward that may result in large payoffs for recouping sunk costs as well as dynamic competition benefitting consumers worldwide while fueling innovation in the U.S.A.

We're concerned that the risks to our national security of decoupling from China far outweigh any benefit. Thus, we urge the Trump Administration to consider the impact on U.S. innovation leadership when imposing restrictions on the ability of U.S. companies to sell non-national security technologies in China. Innovative U.S. businesses depend heavily on the licensing of U.S. patented technology and the sale of American products, technologies and services in the China market to generate revenue that they can spend on R&D, largely here in the United States. Dividing wireless technology into two spheres of influence would damage our national security, both by preventing China from adopting — and paying U.S. innovators for — U.S.-made wireless technology, and by restricting the ability of U.S. innovators to participate in the development of global wireless standards.

Decoupling threatens U.S. innovation, isolates the United States from the largest market in the world for wireless products, and threatens our national security by exposing global wireless networks to Chinese dominance. Instead, the Administration must ensure continued U.S. global leadership in 5G. This requires technology companies' ability to compete with China's on a global scale, and that U.S. technology play a leading role in developing global 5G standards. As you know, 5G standards-setting is reaching a critical stage, making pursuit of a competition strategy rather than decoupling all the more important. Our national security starts with the science and standards that form the foundation of any new technology. Ceding this leadership to foreign technologies will leave U.S. citizens, businesses, and governments vulnerable. One concrete step the Administration can take is to clarify that U.S. companies can fully participate in 5G standards development bodies that include Huawei and other Chinese companies without violating export controls regulations. Such guidance is critical to ensuring that standards bodies are not dominated by Chinese technologies and U.S. companies are on a level playing field.

We strongly believe that the White House must lead a comprehensive, governmentwide strategy to protect our national security in a connected world. Rather than broadly restrict business with China, we should leverage our most significant asset — unmatched innovation for next-generation wireless technologies like 5G and beyond — to ensure that these technologies, built on a U.S.-invented foundation, are adopted around the world. By this, we ensure a U.S. competitive and trade advantage over Chinese technology champions, forcing them to buy American core, state-of-the-art technology as 5G blooms and spurs new applications and uses.

We look forward to engaging further with you and the Administration on these issues, and working together to support continued U.S. leadership in global innovation.

Sincerely,

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Conservatives for Property Rights

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Chairman
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