

Congress of the United States
Washington, DC 20515

June 19, 2018

Secretary Betsy DeVos
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

Dear Secretary DeVos,

As Members of Congress, it has come to our attention that Huawei Technologies, a “national champion” of the People’s Republic of China, has formed a series of research partnerships with over 50 universities in the United States that threaten national security. As Huawei describes it, the “Huawei Innovation Research Program (HIRP) provides funding opportunities to leading universities and research institutes conducting innovative research in communication technology, computer sciences, engineering, and related fields.” We believe these partnerships may pose a significant threat to national security and this threat demands your attention and oversight.

As you know, it is a central pillar of the National Security Strategy, signed by President Trump in December of 2017, to “reduce the illicit appropriation of U.S. public and private sector technology and technical knowledge by hostile foreign competitors.” Additionally, maintaining the “technological advantage” of the Department of Defense was identified as a central goal of Secretary Mattis’ National Defense Strategy that was released in January of this year. Doing so, we believe, will require a whole-of-government solution to a whole-of-society challenge directed by the Chinese Communist Party.

Huawei is not a normal private sector company the way we have grown accustomed to thinking of the commercial economy in the West. As the bipartisan report of the House Permanent Select Committee on Intelligence in 2012 recommended, “[b]ased on available classified and unclassified information, Huawei and ZTE cannot be trusted to be free of foreign state influence and thus pose a security threat to the United States and to our systems.”

More recently, Christopher Wray, Director of the Federal Bureau of Investigation, stated in February 2018 during a hearing of the Select Committee on Intelligence of the Senate that he was “deeply concerned about the risks of allowing any company or entity that is beholden to foreign governments that don’t share our values to gain positions of power...[i]t provides the capacity to conduct undetected espionage.” And Admiral Mike Rogers, then Director of the National Security Agency and Commander of United States Cyber Command, added that Government programs need “to look long and hard at companies like this.”

The attached unclassified chart provided by the National Intelligence Council makes clear that research partnerships with U.S. universities are a primary mode of “China’s Toolkit for Foreign Technology Acquisition.” We urge that you promptly request a complete and classified briefing by the Federal Bureau of Investigation and the Director of National Intelligence on Huawei and Chinese technology acquisition modalities in general (as the technology transfer problem set is

bigger than Huawei). We further urge that the Department of Education immediately request (and require) information from the U.S. universities involved in any partnership with Huawei, especially those receiving any federal research funding (including Department of Defense funding) to gather information related to whether any such funding is involved in a Huawei partnership, and whether any research personnel (including Chinese nationals who may be involved in a so-called "Talents" program) are involved in these efforts. Lastly, we request you immediately convene a senior-level working group to understand how the People's Republic of China attempts to gather U.S. technology on U.S. university and college campuses and to develop recommendations (especially for those institutions that receive any kind of federal funding) for protecting the U.S. technology advantage.

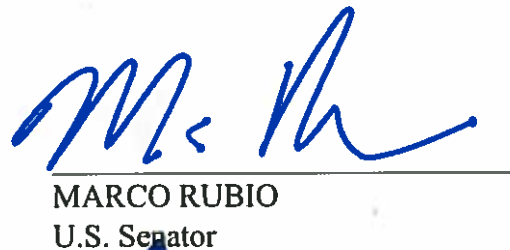
Looking forward, we ask that your Department work together with the Department of Defense, the Department of Homeland Security, and the Intelligence Community to protect U.S. national security. We stand ready to assist you in any way possible.

Thank you for your prompt attention to this important issue.

Sincerely,



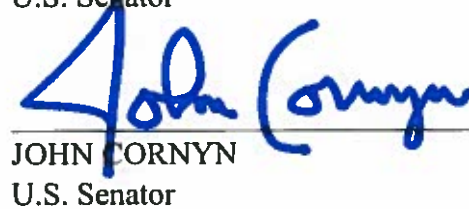
JIM BANKS
Member of Congress



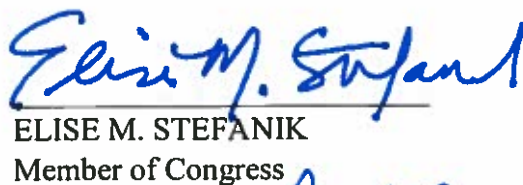
MARCO RUBIO
U.S. Senator



MICHAEL R. TURNER
Member of Congress



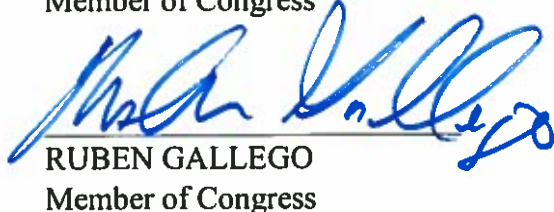
JOHN CORNYN
U.S. Senator



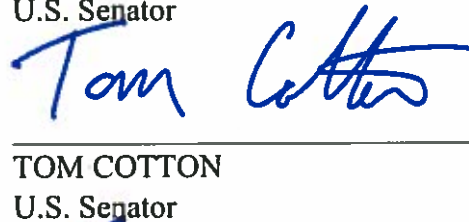
ELISE M. STEFANIK
Member of Congress



JAMES M. INHOFE
U.S. Senator



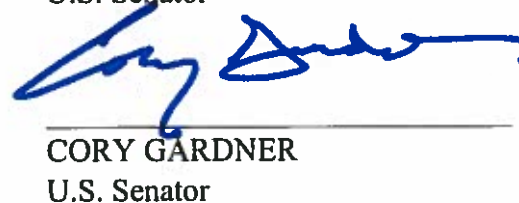
RUBEN GALLEGO
Member of Congress



TOM COTTON
U.S. Senator



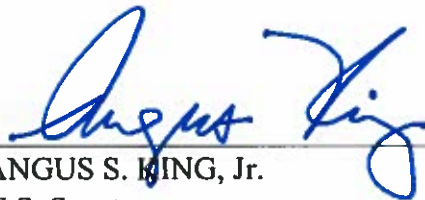
K. MICHAEL CONAWAY
Member of Congress



CORY GARDNER
U.S. Senator



MIKE GALLAGHER
Member of Congress



ANGUS S. KING, Jr.
U.S. Senator



MIKE COFFMAN
Member of Congress



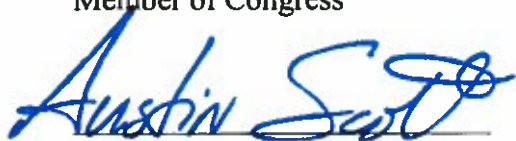
DOUG LAMBORN
Member of Congress



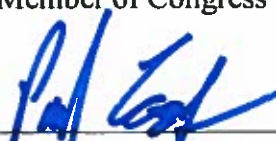
FRANK A. LOBIONDO
Member of Congress



WALTER JONES
Member of Congress



AUSTIN SCOTT
Member of Congress



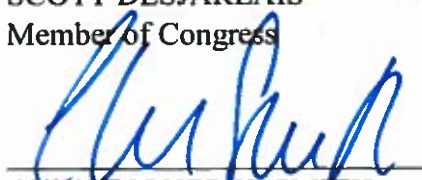
PAUL COOK
Member of Congress



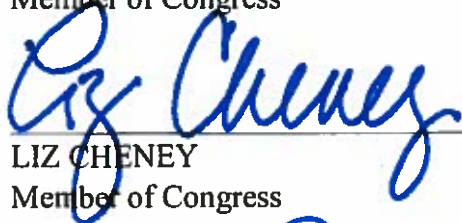
SCOTT DESJARLAIS
Member of Congress



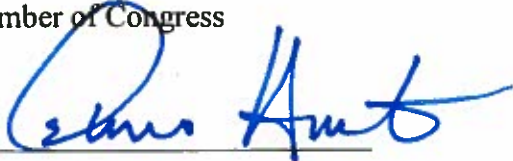
BRADLEY BYRNE
Member of Congress



CHRISTOPHER H. SMITH
Member of Congress



LIZ CHENEY
Member of Congress



DUNCAN HUNTER
Member of Congress



DANA ROHRABACHER
Member of Congress



VICKY HARTZLER
Member of Congress



PAUL MITCHELL
Member of Congress

ENCLOSURE
CC: FBI, DHS, DOD, DNI

(U) China's Toolkit for Foreign Technology Acquisition

Legal and Regulatory Environment



(U) In 2012, World Bank recommendations for sustaining China's long-term economic development included modernizing China's financial regulatory architecture by increasing legal, disclosure, auditing, and accounting standards and addressing pervasive and risky "shadow bank" loans.

Non-Traditional Collectors



(U) In May 2017, the US DOJ charged seven individuals with conspiracy to steal trade secrets related to high-performance, dual-use materials on behalf of a company in China, according to a DOJ press release.

Joint Ventures



(U) In November 2017, Chinese carmaker Zotye Auto signed a \$755 million joint-venture (JV) agreement with Ford Motor Company, the company's third JV in China, dedicated to building electric vehicles.

Research Partnerships



(U) In November 2017, the Qingdao National Laboratory for Marine Science and Technology announced it had established a joint laboratory with the US National Center for Atmospheric Research and Texas A&M University to develop advanced earth system modeling.

Cyber Theft



(U) In December 2017, the Department of Justice and Department of Commerce announced the unsealing of a 12-count indictment outlining various charges against Chinese nationals in relation to their cyber targeting of US victim companies.



S&T Investments

(U) As of December 2017, Chinese venture capital firms were among the top in the world for investment in virtual reality, autonomous vehicles, robotics, and artificial intelligence.



Mergers and Acquisitions (M&A)

(U) In 2017, state-owned enterprise ChemChina bought Syngenta, a leading multinational agricultural biotechnology firm, for \$43 billion.



Front Companies

(U) In 2016, the DOJ unsealed an indictment against one of the world's leading protein biochemists, who allegedly created companies in China and the US to profit from stolen trade secrets.



Talent Recruitment Programs

(U) In March 2017, a Chinese Academy of Sciences researcher credited a former Los Alamos National Laboratory researcher, who became a laboratory director at Peking University, as a key contributor to China's development of hypersonic weapons.



Security Services

(U) China's Ministry of State Security (MSS) is responsible for Counterintelligence and Counterintelligence, Foreign Intelligence, and Domestic Intelligence. China's Ministry of Public Security (MPS) is the National Police and also provides Domestic Intelligence functions.

