

U.S. Rep Gallagher: Introduces bipartisan bill to freeze Huawei from U.S. Financial System

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WASHINGTON, D.C.- Rep. Mike Gallagher (R-WI), alongside Reps. Ruben Gallego (D-AZ), Michael Waltz (R-FL), and Chrissy Houlahan (D-PA), today introduced the Neutralizing Emerging Threats from Wireless OEMs Receiving direction from Kleptocracies and Surveillance states (NETWORKS) Act, legislation that would add foreign companies producing 5G technology, like Huawei, to the U.S. Treasury Department's Specially Designated Nationals (SDN) List should they engage in economic or industrial espionage or sanctions violations.

Placing a company on the SDN List effectively freezes them from accessing the U.S. financial system and is one of the most effective tools the Treasury Department has to combat national security threats. The SDN List has previously been used against malign actors such as terrorist groups, Russian oligarchs, Iranian banks, and drug traffickers.

Senators Tom Cotton (R-AK), Chuck Schumer (D-NY), Rick Scott (R-FL), and Chris Van Hollen (D-MD) also introduced companion legislation in the U.S. Senate. Click [HERE](#) for bill text.

"While current export controls, including the Foreign Direct Product Rule, have played a critical role in countering Huawei's relentless campaign to dominate global telecommunications networks, recent reports that Huawei is leveraging a domestic chip manufacturing capability call the future effectiveness of these controls into question. It is time to respond by imposing maximum Treasury sanctions on bad actors like Huawei to protect our national security and send a clear message to anyone currently selecting vendors for their next-gen wireless and fiber telecom

networks,” **said Rep. Gallagher.** *“There is strong bipartisan support in Congress to defend US and allied 5G networks from CCP-dominated companies like Huawei and ZTE, and I’m proud to introduce the NETWORKS Act alongside a strong bipartisan coalition.”*

“The United States cannot stand idly by while our adversaries conduct economic and industrial espionage” **said Rep. Gallego.** *“Protecting our telecommunications and 5G networks is key to protecting the American people from companies controlled by China and other competitors. I’m proud to join my colleagues in this bipartisan effort which sends a clear message that the United States will never let kleptocracies and surveillance states use telecommunications companies to exert their influence.”*

“Our primary duty is to protect Americans and the NETWORKS Act will further secure American individuals and enterprise from 5G espionage from CCP-backed companies like Huawei,” **Said Rep. Waltz.** *“We need to make clear the United States will not stand for predatory economic espionage campaigns being carried out by the CCP and should use tools at our disposal like sanctions to prevent their spread,”* **said Rep. Mike Waltz.**

“In the two years since we first introduced the NETWORKS Act, China has only continued to prove itself as a threat to our national security—specifically as it relates to cyber,” **said Rep. Chrissy Houlahan.** *“We must hold our adversaries accountable for trying to access our banking systems, which is why I’m glad to join my bipartisan colleagues in reintroducing this vital legislation. My background is in supply chain management for major, international businesses, so I’m confident that our bipartisan, bicameral effort takes the necessary first steps to shore up our 5G infrastructure and to protect our digital network from malevolent actors.”*

The NETWORKS Act would:

- Require the President to place companies engaging in sanctions violations or economic or industrial espionage to be placed on the U.S. Treasury Department’s SDN List, cutting Huawei out of the US financial system
- Level the playing field for US companies by limiting the ability of any company, American or foreign, to transact with Huawei
- Exempt transactions involving existing 3G or 4G networks in order to minimize disruption to global networks
- Protect American technological leadership by allowing participation in

international standards-setting bodies