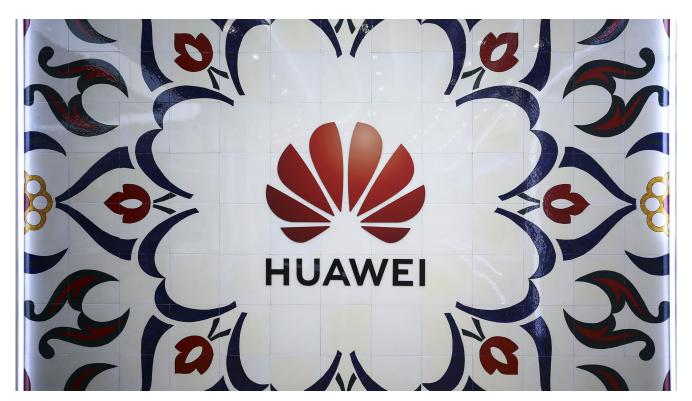
Huawei 5G battle opens rift between U.S. and Germany



The Huawei logo, taken from the firm's Istanbul office. Photo: Serhat Cagdas/Anadolu Agency via Getty Images

The U.S. has made its first threat to curtail sharing intelligence with an ally if that government ignores U.S. warnings about Huawei 5G equipment, the Wall Street Journal reported.

Why it matters: This is no small threat. The warning to Germany represents an escalation from previous American statements that raised the prospect of strained relationships and suggested the U.S. can't safely maintain a presence in countries where it believes infrastructure is not secure.

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The big picture: Washington is waging an international campaign to sour the world on China's Huawei, based on four ongoing controversies. Huawei may be, according to various U.S critics, any or all of the following:

- Complicit in Chinese espionage.
- Subject to Chinese policy that could force it to be complicit in espionage

in the future.

- A beneficiary of theft of trade secrets.
- A violator of trade sanctions.

And all this is also intertwined with President Trump's trade negotiations with Beijing.

The intrigue: If you set aside the potential espionage and other crimes, Huawei is an attractive supplier for 5G equipment. It offers price advantages in a thinly populated market for 5G equipment, and shunning the firm would harm Germany's economic relationship with China.

• Germany has argued it can take other steps to protect its cellphone infrastructure even if it uses Huawei's equipment. On Tuesday, German Chancellor Angela Merkel pushed back on the Trump administration's warning, saying Germany would define its own security standards, per Reuters.

What they're saying: Historically, presidents try not to play chicken with our allies.

- "Public threats with regard to intelligence sharing are not the way to go to influence policy in Berlin or anywhere else," said Michael Morell, former deputy director of the CIA and current host of the Intelligence Matters podcast.
- And the U.S. comes out ahead by sharing, noted Chris Painter, the State Department's former top diplomat for cybersecurity issues. "The U.S. shares sensitive information on threats and other issues for its own benefit — not just the benefit of the receiving country. Halting such sharing would undercut our ability to be aware of and collectively counter shared threats and would be shooting ourself in the foot."

Meanwhile, President Trump remains a wild card in the struggle to implement his own policies.

• Though there is bipartisan support to hang Huawei out to dry and the State Department is pursuing global bans on the firm, Trump also tweeted in April he wanted the U.S. to "win through competition" in the 5G race.

Source:

 $https://www.axios.com/huawei-germany-united-states-c3b78cc8-9f4f-412c-933c-8a\\7fa50d5667.html$

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