

Chairman Ron Johnson Opening Statement
“Supply Chain Security, Global Competitiveness, and 5G”
October 31, 2019

We are at a technological crossroads. While the development of 4G wireless technology made innovations like Uber and Netflix possible, the transition to 5G promises connectivity that is 100 times faster and five times more reliable. It will also enable us to connect exponentially more devices at the same time, a capability that will empower the Internet of Things, which will inter-connect all modern devices, as well as innovations like artificial intelligence and smart cities.

But this progress is not inevitable. According to FBI Director Christopher Wray, the vulnerabilities associated with the development and deployment of 5G technology, especially the threat posed by China, is one of the “generational threats that will shape our nation’s future.”

That threat relates both to national and economic security. When it comes to cyber attacks and cyber espionage, China is a known bad actor. China was responsible for the 2015 OPM data breach and is suspected to be behind other high-profile security breaches, like the Anthem and Marriott breaches. Whether highly-sensitive and classified national security information or the private information of American consumers, China will do whatever it can to steal information from competitors. Recognizing China’s intent and its domestic laws requiring its companies to do whatever is asked of them, there is serious cause for concern with having a Chinese-backed telecommunications company responsible for major components of 5G networks.

With regard to our economic security, winning the race to 5G is worth billions of dollars for the U.S. economy. It is imperative that the U.S. maintain its global leadership with 5G and not let adversaries like China and other competitors seize the first-mover’s advantage, which includes setting the standards for a host of related technologies, and the related economic benefits.

How are we, as a nation, planning to address the threat posed by China and ensure we win the race to 5G?

At the outset, it is imperative to recognize that the federal government cannot do this alone. Although recent legislation and an executive order include efforts to secure the federal government against threats posed by Chinese information communications technology, or ICT, companies, the vast majority of this risk rests with the private sector and state or local governments. The federal government must work in coordination with private sector experts to ensure that we have the processes, authorities, and resources necessary to address the challenges inherent in this effort.

These challenges are not restricted to the homeland. Even as the U.S. works to secure its own infrastructure, our increasingly interconnected world means that the U.S. is also at risk from the vulnerabilities in the wireless networks of other countries. Any country whose ICT supply chains run through China, a nation that uses cyber espionage as a way of doing business, is at grave risk. Thus, because of the nature of the problem, any true solution must be comprehensive, which requires the U.S. to act in concert with its international allies and partners.

The U.S. must also confront the reality that some allies and partners will not or cannot avoid entirely the use of Chinese ICT from essential parts of their 5G networks. What should we do in those instances?

This is an extraordinarily complicated task, but to make matters more challenging, I am not convinced that we have a consensus between the various federal government agencies on what the problem is that we are trying to tackle.

I am a businessman—a manufacturer—and one of the most important things I learned in that job is the value of strategic thinking and planning. But access to the most sound and creative thinking means little without the ability to transform it into action. To do that, we must be able to answer foundational questions: Who's in charge of guiding these complex conversations and making the tough decisions? Who will define what "success" on 5G looks like from a national security perspective?

Generational problems cannot be solved without a shared understanding of the problem and an agreed-upon approach for addressing it. I look forward to discussing how we can work toward these goals with the witnesses here this morning.