

**U.S. Senate Committee on Homeland Security and Governmental Affairs**  
**“Supply Chain Security, Global Competitiveness, and 5G”**

**OPENING STATEMENT OF RANKING MEMBER GARY C. PETERS**  
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**AS PREPARED FOR DELIVERY**

Our modern economy is truly global. Internet access is no longer a luxury. It is a necessity, and a vital tool that connects people with educational opportunities, creates jobs and drives economic development.

The introduction of 4G technology brought us live-streaming, ridesharing, on-demand delivery, and other innovations. And now, the 5G era is at hand.

This faster, stronger wireless connection will once again transform our digital world, enabling new technologies like precision agriculture, self-driving cars, and augmented reality.

5G networks and the new technologies they spur will create countless new jobs in Michigan and generate billions of dollars in economic growth across our country.

5G has the potential to unleash new productivity and help cement the United States as a global leader in innovation. But developing the infrastructure needed to support 5G networks across the country does not come without risks.

Today, China, arguably our nation’s greatest global competitor, is poised to lead the world in advancing this important technology.

China’s edge in the development of 5G equipment and standards poses a threat to both American economic dominance and to our national security. The U.S. is increasingly reliant on high-speed telecommunications services to support not only our broader economy, but also our entire defense industry.

In the race to expand 5G access, we face serious supply chain security risks by purchasing and deploying Chinese-made equipment from companies like Huawei and ZTE, companies our Intelligence Community has said may be beholden to the Chinese government.

The devices these companies provide potentially offer cost-effective solutions to help close the digital divide. But they also pose a serious national security risk and could open a backdoor into critical American security networks.

Given these serious national security risks, we must navigate a delicate balance of ensuring that emerging 5G networks are both secure and widely available in rural and urban areas.

China’s advantage in 5G may be a reality for now. But it is also something that we have the power to change.

The United States government, including this Committee, has an opportunity to play a key role in America's resurgence as a leader in the development of 5G networks. A challenge of this magnitude requires a strong, unified and collaborative approach – capitalizing on the full power of American ingenuity.

But to date, our efforts have been piecemeal and disorganized. We do not have the dedicated leadership or the coordinated national strategy needed to accomplish this critical mission. I am encouraged by the bipartisan agreement this Committee has made to support this goal.

Universal 5G connectivity would encourage renewed prosperity in both urban and rural communities, unlock tremendous economic growth, and reestablish America as a leader in global innovation.

I hope that this hearing will serve as a driving force to help usher in a new era and build momentum towards recapturing our place as the world's leader in communications technology.

Thank you.