

Mike Rogers, Michigan
CHAIRMAN

Mac Thornberry, Texas
Sue Myrick, North Carolina
Jeff Miller, Florida
K. Michael Conaway, Texas
Peter T. King, New York
Frank A. LoBiondo, New Jersey
Devin Nunes, California
Lynn A. Westmoreland, Georgia
Michele Bachmann, Minnesota
Thomas J. Rooney, Florida
Joseph J. Heck, Nevada

C.A. Dutch Ruppersberger, Maryland
RANKING MEMBER

Mike Thompson, California
Janice D. Schakowsky, Illinois
James R. Langevin, Rhode Island
Adam B. Schiff, California
Dan Boren, Oklahoma
Luis V. Gutierrez, Illinois
Ben Chandler, Kentucky

John A. Boehner, SPEAKER OF THE HOUSE
Nancy Pelosi, DEMOCRATIC LEADER

U.S. HOUSE OF REPRESENTATIVES
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE

HVC-304, THE CAPITOL
WASHINGTON, DC 20515
(202) 225-4121

Michael Allen
STAFF DIRECTOR

MICHAEL H. SHANK
MINORITY STAFF DIRECTOR

June 12, 2012

Mr. Charles Ding
Senior Vice President
Huawei Technologies Co., LTD.
875 15th Street, NW
Suite 825
Washington, D.C. 20005

Dear Mr. Ding:

As part of the House Intelligence Committee's investigation into the threat posed to United States national security interests by Chinese telecommunications companies, staff from the Committee met officials from Huawei Technologies at Huawei's corporate headquarters in Shenzhen, China, for over 11 hours on February 23, 2012. Subsequently, Members of the Committee met with you and other officials on May 23, 2012, in Hong Kong.

As you know, the purpose of our investigation is to examine the threat posed to our critical infrastructure and counter-intelligence posture by companies with potential ties to the Chinese government, and to review whether our intelligence community is appropriately focused and resourced to address this concern. From Huawei's February, 2011, open letter to the U.S. government, we understand that Huawei welcomes, and in fact requested, this investigation. And we note your stated desire to remain transparent, candid, and cooperative throughout this investigation. Accordingly, we now write to follow-up on our discussions and to seek additional information and documents supporting your claims.

Pursuant to House Rules X and XI of the U.S. House of Representatives, we request that you provide answers to the attached questions pertaining to the Committee's investigation no later than three weeks from the date of this letter. Should you have any questions or concerns regarding the investigation, please contact Committee staff at 202-225-4121.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Rogers", with the initials "M.C." written below it.

Mike Rogers
Chairman

A handwritten signature in black ink, appearing to read "C.A. Dutch Ruppersberger".

C.A. Dutch Ruppersberger
Ranking Member

An additional attachment provides information on how to respond to Committee document requests.

1. At the February 23rd and May 23rd meetings, you and other Huawei officials consistently asserted that Huawei is neither owned nor controlled by any part of the Chinese government. Rather, you stated that your interaction with the Chinese government is typical of a regulated company in the telecommunications sector.
 - a. Please describe Huawei's interactions and relationships with the following Chinese entities over the last 5 years. Please include the names and titles of government officials with whom Huawei employees most frequently interacted at each.
 - i. The Ministry of Industry and Information Technology (MIIT)
 - ii. The Ministry of Commerce
 - iii. The Ministry of Finance
 - iv. The Ministry of National Defense
 - v. The Ministry of State Security
 - vi. The Central Military Commission
 - vii. The People's Bank of China (PBOC)
 - viii. The China Investment Corporation
 - ix. The China Export Import Bank
 - x. The Chinese Communist Party (CCP)
 - b. Please describe in detail how the Chinese government regulates Huawei as an employee-owned company, including specific laws or regulations affecting how Huawei protects its shareholder interests.
2. At the May 23 meeting, Huawei officials admitted that Huawei maintains a "Party Committee," but could not provide more details on the composition, powers, and influence of the Committee.
 - a. Please list all current and past members of the Huawei Party Committee.
 - b. Please describe the professional backgrounds -- including each position held at Huawei and other entities, in chronological order -- of each past and present member of the Party Committee.
 - c. Please describe in detail the roles, responsibilities, and authorities of the Huawei Party Committee. In describing the Committee, be sure to include:
 - i. How members of the Party Committee are chosen;
 - ii. To whom the Party Committee reports and how often;
 - iii. When the Party Committee meets and where;
 - iv. What corporate decisions are reviewed by or briefed to the Party Committee; and

- v. Whether the Party Committee maintains a staff that is independent of Huawei, or composed on non-Huawei employees, and if so, who are those employees?
 - d. Please provide all documents relating to questions 2(a) through 2(c).
3. Please provide details for every contract for goods or services provided in the United States in which Huawei Technologies Co., Ltd., one of its subsidiaries, whether wholly or partially owned, including joint ventures, is a party. Specifically, please provide detailed information on the contract terms, including type of goods or services provided, price, quantity, location of services, period of performance, and all parties to the contract.
 4. The Chinese government over the past five years has provided funding for Chinese corporations' R&D in indigenous and innovative technologies.
 - a. Please describe in detail the specific grants or funding that Huawei has received from the Chinese government for this growing R&D? Your response should include a description of the specific technologies, equipment, or capabilities that the grant or other funding is supporting.
 - b. How much of this funding has supported Huawei's R&D activities in the United States?
 - c. Please provide all documents relating to this funding.
 5. During the February 23rd meeting, Huawei officials stated that the company does not seek to compete in the United States by providing less -expensive products or services. Rather, Huawei claims it competes only on quality. This suggestion does not, however, comport with information received by the Committee suggesting that Huawei USA provides significantly cheaper goods to the American market, often underbidding all other telecommunications providers by orders of magnitude. Please provide detailed answers to the following questions:
 - a. How does Huawei USA determine the price it will offer to costumers in the U.S?
 - b. When and how does the Huawei parent company control the prices or other terms offered by Huawei USA in the United States?
 - c. Whether Huawei USA is subsidized, supported, or otherwise given resources by other Huawei organizations, including the parent company?
 - d. Please provide all documents relating to (a) through (c) above.
 6. During the meeting on February 23rd, Huawei officials stated that pressure from NGOs and banks helped inform the company's decision purportedly to limit future business contracts in Iran.

- a. Please list which specific NGOs communicated to Huawei that the company should limit its operations in Iran?
 - b. Please list any other outside entities, governments, or individuals that contacted Huawei or otherwise influenced Huawei's decisions on Iran.
 - c. Please list any other countries with sanctions regimes with which Huawei has or will seek to limit its business dealings. Please explain how Huawei will implement its decision to limit those dealings, including details on all contracts that are being reviewed or not renewed.
 - d. Please provide all documents relating to Huawei's announced decision to scale back its business in Iran.

7. We understand that Chinese law provides that the Chinese government may task Chinese companies with providing information or acting on behalf of the Chinese government.
 - a. Has Huawei ever been ordered by the Chinese government to perform a task or seek information on behalf of the government?
 - b. If so, what did Huawei do in response?
 - c. If not, what is Huawei's corporate policy and strategy for responding to such government orders?
 - d. Would any such order by the Chinese government apply to Huawei's subsidiaries, including those within the United States?
 - e. Would Huawei disobey any orders or direction by the Chinese government or the CPP, including any direction or orders by individuals within the PRC or the CCP, to use Huawei equipment or access for purposes of economic or foreign espionage or other action against networks or other assets within the United States?

8. During the February 23rd meeting, you and other Huawei officials discussed the founding of Huawei and the professional background of Ren Zhengfei, Huawei's founder. We remain unclear on a number of points we discussed.
 - a. Please list each of the military positions held by Mr. Ren Zhengfei, including the military branch, title, responsibilities, and direct supervisor for each position.
 - b. Please list all positions held by Mr. Zhengfei after leaving the military and before founding Huawei.
 - c. Please describe how and under what terms or agreements Mr. Zhengfei left military service.
 - d. Please describe how and under what terms Mr. Zhengfei left his employment with Shenzhen South Sea Oil Company.

- e. Please describe Mr. Zhengfei's role in the 12th National Congress of the Communist Party of China in 1982. Has he been invited to or attended other National Congresses?
 - f. Does Mr. Zhengfei's continue to have any military-service obligations?
 - g. Please provide all documents relating to these questions.
9. You provided documents and information on Huawei's Employee Stock Ownership Program (ESOP). Although we spoke at length about the voting rights of shareholders and the process for choosing the shareholder representatives and Board of Directors, we remain unclear on the program. Specifically, it was not clear to us how shareholder representatives and Board members are chosen. Please answer the following questions, and provide supporting documentation, in English, for each question.
- a. How many employees participate in the ESOP? How many employees who are not Chinese nationals own shares in Huawei?
 - b. Please list the 10 largest shareholders and their number of shares.
 - c. Please describe in detail how the 51 Shareholder Representatives are nominated and chosen by shareholders.
 - d. Please explain how the first Board of Directors and the first Supervisory Board were chosen?
 - e. Please describe how all subsequent candidates for the Board of Directors were nominated to be on the ballot.
 - f. Please explain if and how, when voting for the Board, the Shareholder Representatives nominate or write-in candidates that were not already on the ballot?
 - g. Please describe in detail how the Supervisory Board of Directors is presently chosen.
 - h. Please list the educational and employment backgrounds, including each position held, title, and employer, of all individuals currently and formerly holding a position on the Board of Directors and Supervisory Board.
10. According to information you provided, Huawei provides products and solutions used by 45 of the top 50 global telecommunications operators.
- a. Please provide a list of those operators, in order of volume of sales.
 - b. Please also provide a list of United States telecommunications operators who use Huawei products or services (including Huawei Symantic and Huawei Marine).
11. Huawei officials reported in October 2011 that 20% of its global devices are sold on a white-label basis through carriers that rebrand the devices with their own labels.

- a. Please provide a list of which global telecommunication carriers cross-brand Huawei equipment, and where.
12. At the February 23rd meeting, you and other Huawei officials asserted that the Chinese government provides only standard export-buyer credits that are extended to international carriers for their equipment procurement.
 - a. Please provide detailed information about which international carriers have used this line of credit or other incentives by the Chinese government.
 - b. Please explain in detail how Huawei operates as an “intermediary & bridge between operators and financial institutions” when arranging customer financing with Chinese banks. Which individuals at Huawei interact with these banks?
13. The Committee learned at the meeting on February 23rd that Huawei is in the process of establishing 45 training centers worldwide.
 - a. Please provide a list of current and planned centers by location.
 - b. Does Huawei expect these centers to be permanent? If not, how long does Huawei expect each facility to exist at each location?
 - c. How many employees will work at each center? Are all the trainers and employees of the training centers Huawei employees?
 - d. Who is or will be offered services at these training centers? Is attendance limited to Huawei customers? If not, who may attend training at each of these centers?
 - e. Who pays for the training received?
 - f. Please provide a copy of training materials, manuals, or other documents typically provided at a training center.
14. At the February 23rd meeting, Huawei officials suggested that Huawei has a deep appreciation for and always protects intellectual property rights of other firms. In that regard, Huawei officials discussed at length Huawei’s cyber-security assurance system.
 - a. To your knowledge, has a Huawei employee, whether with the consent of supervisors or not, ever attempted to obtain private information from an individual, company, or government through Huawei’s network or equipment? If so, please list all such circumstances, and describe what actions were taken to reprimand or punish such employee(s).
 - b. To your knowledge, has Huawei ever been the victim of a cyber incident whereby an outside individual or company attempted to retrieve Huawei’s intellectual

- property by exploiting Huawei's networks? If so, please describe how Huawei learned about the incident(s) and any remedial action(s) taken.
- c. Has Huawei ever been the victim of cyber exploitation by the government of the People's Republic of China? If so, please describe how Huawei learned about the incident(s) and any remedial or follow-up action(s) taken.
 - d. Please provide all documents relating to any of these incidents.
15. During the meeting on February 23rd, Huawei officials discussed at length the 1999 investigation of Huawei by the Chinese government.
- a. Please list all government ministries and offices that were a part of the investigation.
 - b. Please list the names and titles of those government officials with whom Huawei employees interacted during that investigation.
 - c. Please list the names and titles of all Huawei employees who interacted with those government officials.
 - d. Please list the date, time, and location of all meetings between government officials and Huawei officials in the course of the investigation.
 - e. Please provide a copy of the original complaint and the original findings and conclusions made by the Chinese government. If no complaint exists, please describe in detail the nature of the claims made against Huawei.
 - f. Please describe any conditions or agreements made by Huawei officials in the course of that investigation. In particular, please describe in detail any condition or agreement made by Huawei officials to the Chinese government to effectuate, encourage, or ensure the closing of the investigation.
 - g. Please provide all documents relating to this investigation.
16. During the February 23rd meeting, you discussed a number of management consulting firms that have worked with or for Huawei in the past 15 years. Please provide the names of each consultant with whom you worked at the firms listed below. Please also provide copies of the recommendations provided to Huawei by each firm:
- a. IBM consulting
 - b. Accenture
 - c. PWC
 - d. Hay Group
 - e. FhG

Responding to Committee Document Requests

In responding to the Committee's document request, please apply the instructions and definitions set forth below:

Instructions

1. In complying with this request, you should produce all responsive documents that are in your possession, custody, or control or otherwise available to you, regardless of whether the documents are possessed directly by you.
2. Documents responsive to the request should not be destroyed, modified, removed, transferred, or otherwise made inaccessible to the Committee.
3. Documents should be provided in English, unless the original document was in another language, in which case the original plus an English translation should be provided.
4. In the event that any entity, organization, or individual named in the request has been, or is currently, known by any other name, the request should be read also to include such other names under that alternative identification.
5. Each document should be produced in a form that may be copied by standard copy machines.
6. When you produce documents, you should identify the paragraph(s) and/or clause(s) in the Committee's request to which the document responds.
7. Documents produced pursuant to this request should be produced in the order in which they appear in your files and should not be rearranged. Any documents that are stapled, clipped, or otherwise fastened together should not be separated. Documents produced in response to this request should be produced together with copies of file labels, dividers, or identifying markers with which they were associated when this request was issued. Indicate the office or division and person from whose files each document was produced.
8. Each folder and box should be numbered, and a description of the contents of each folder and box, including the paragraph(s) and/or clause(s) of the request to which the documents are responsive, should be provided in an accompanying index.
9. Responsive documents must be produced regardless of whether any other person or entity possesses non-identical or identical copies of the same document.
10. If any document responsive to this request was, but no longer is, in your possession, custody, or control, or has been placed into the possession, custody, or control of any third party and cannot be provided in response to this request, you should identify the document (stating its date, author, subject, and recipients) and explain the circumstances

under which the document ceased to be in your possession, custody, or control, or was placed in the possession, custody, or control of a third party.

11. If any document responsive to this request was, but no longer is, in your possession, custody, or control, state:
 - a. How the document was disposed of;
 - b. The name, current address, and telephone number of the person who currently has possession, custody, or control over the document;
 - c. The date of disposition;
 - d. The name, current address, and telephone number of each person who authorized said disposition or who had or has knowledge of said disposition.
12. If any document responsive to this request cannot be located, describe with particularity the efforts made to locate the document and the specific reason for its disappearance, destruction, or unavailability.
13. If a date or other descriptive detail set forth in this request referring to a document, communication, meeting, or other event is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, you should produce all documents which would be responsive as if the date or other descriptive detail were correct.
14. The request is continuing in nature and applies to any newly discovered document, regardless of the date of its creation. Any document not produced because it has not been located or discovered by the return date should be produced immediately upon location or discovery subsequent thereto.
15. All documents should be bates-stamped sequentially and produced sequentially. In a cover letter to accompany your response, you should include a total page count for the entire production, including both hard copy and electronic documents.
16. Two sets of the documents should be delivered to the Committee, one set to the majority staff, and one set to the minority staff, both of which are located in HVC-304 of the House Visitor Center. You should consult with Committee majority staff regarding the method of delivery prior to sending any materials.
17. In the event that a responsive document is withheld on any basis, including a claim of privilege, you should provide the following information concerning any such document; (a) the reason the document is not being produced; (b) the type of document; (c) the general subject matter; (d) the date, author and addressee; (e) the relationship of the author and addressee to each other; and (f) any other description necessary to identify the document and to explain the basis for not producing the document. If a claimed privilege applies to only a portion of any document, that portion only should be withheld and the remainder of the document should be produced. As used herein, "claim of privilege"

includes, but is not limited to, any claim that a document either may or must be withheld from production pursuant to any statute, rule, or regulation.

18. If the request cannot be complied with in full, it should be complied with to the extent possible, which should include an explanation of why full compliance is not possible.
19. Upon completion of the document production, you should submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control which reasonably could contain responsive documents; (2) documents responsive to the request have not been destroyed, modified, removed, transferred, or otherwise made inaccessible to the Committee since the date of receiving the Committee's request or in anticipation of receiving the Committee's request, and (3) all documents identified during the search that are responsive have been produced to the Committee, identified in a privilege log provided to the Committee, as described in (17) above, or identified as provided in (10), (11) or (12) above.

Definitions

1. The term "document" means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including but not limited to, the following: memoranda, reports, expense reports, books, manuals instructions, financial reports, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, interoffice and intra-office communications, electronic mail ("e-mail"), instant messages, calendars, contracts, cables, notations of any type of conversation, telephone call, meeting or other communication, bulletins, printed matter, computer printouts, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, power point presentations, spreadsheets, and work sheets. The term "document" includes all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments to the foregoing, as well as any attachments or appendices thereto. The term "document" also means any graphic or oral records or representations of any kind (including, without limitation, photographs, charts, graphs, voice mails, microfiche, microfilm, videotapes, recordings, and motion pictures), electronic and mechanical records or representations of any kind (including, without limitation, tapes, cassettes, disks, computer server files, computer hard drive files, CDs, DVDs, back up tape, memory sticks, recordings, and removable computer media such as thumb drives, flash drives, memory cards, and external hard drives), and other written, printed, typed, or other graphic recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, electronic format, disk, videotape or otherwise. A document bearing any notation not part of the original text is considered to be a separate document. A draft or non-identical copy is a separate document within the meaning of this term.

2. The term “documents in your possession, custody, or control” means (a) documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, or representatives acting on your behalf; (b) documents that you have a legal right to obtain, that you have a right to copy, or to which you have access; and (c) documents that have been placed in the possession, custody, or control of any third party.
3. The term “communication” means each manner or means of disclosure, transmission, or exchange of information, in the form of facts, ideas, opinions, inquiries, or otherwise, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether face-to-face, in a meeting, by telephone, mail, e-mail, instant message, discussion, release, personal delivery, or otherwise.
4. The terms “and” and “or” should be construed broadly and either conjunctively or disjunctively as necessary to bring within the scope of this request any information which might otherwise be construed to be outside its scope. The singular includes the plural number, and vice versa. The masculine includes the feminine and neuter genders.
5. The term “person” or “persons” mean natural persons, firms, partnerships, associations, limited liability corporations and companies, limited liability partnerships, corporations, subsidiaries, divisions, departments, joint ventures, proprietorships, syndicates, other legal, business or government entities, or any other organization or group of persons, and all subsidiaries, affiliates, divisions, departments, branches, and other units thereof.
6. The terms “referring” or “relating”, with respect to any given subject, mean anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is in any manner whatsoever pertinent to that subject.
7. The terms “you” or “your” mean and refer to you as a natural person, and Huawei Technologies Co., Ltd., and any of its subsidiaries, holding companies, joint ventures, subdivisions, officials, administrators, employees, attorneys, agents, advisors, consultants, staff, or any other persons acting on your behalf or under your control or direction; and includes any other person(s) defined in the document request letter.