



# WTH is going on with Huawei? Rep. Mike Gallagher on Chinese spying, and the threat to the US-UK alliance

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Danielle Pletka: Hi, I'm Danielle Pletka.

Marc Thiessen: I'm Marc Thiessen.

Danielle Pletka: Welcome to our podcast, What the Hell is Going On? Marc, what the hell is going on?

Marc Thiessen: What the hell is going on is we went up to Capitol Hill today to talk to one of my favorite Congressmen, Mike Gallagher. He had a really fascinating [column in the Wall Street Journal](#) recently about the danger that the Chinese telecom giant Huawei plays to our national security and our special relationship with Britain. Britain is using Chinese technology to build its 5G network.

Marc Thiessen: 5G is this new network that we're all going to be using soon that goes a thousand times faster than 4G. Instant downloads. Our whole architecture of the 21st century economy is going to be built on this. Mike had a great piece basically saying, "Hey Britain, you just did Brexit, you want a free trade deal with America? You can't let China build your 5G networks." I think he's absolutely right.

Danielle Pletka: American leaders have really been late off the mark, members of Congress are not very aggressive on this. A lot of people talk, but we really haven't seen a lot of serious legislation that protects us from the predations, the danger that is posed by the fact that the Chinese Communist Party, Xi Jinping's dictatorship, are totally integrated with Chinese corporations.

Marc Thiessen: No, absolutely right. One of the things that Mike tweeted out that I thought was really fascinating that puts this thing in perspective is he was quoting Deputy National Security Advisor, Matt Pottinger. He said, "Can you imagine a situation where in the 80s Reagan and Thatcher had a conversation and say, 'I think we should just have the KGB come in and build all our telecom and computer systems because they're giving us a great discount.'"

Danielle Pletka: I think it's a really effective analogy. But, again, all of these people—Donald Trump ran, I thought hugely effectively, on the threat that China posed on a series of economic issues.

Danielle Pletka: Again, I don't always agree with him because my feeling is if I can get a cheaper TV, I'd rather get a cheaper TV. But, the weird thing is, despite the fact that he's really

been a groundbreaker in changing the narrative here in Washington, along with a number of other people who really saw this before the zeitgeists changed about China, they've done absolutely nothing on this China tech nightmare. It's not just the Brits who are ...

Marc Thiessen: I don't know that that's true.

Danielle Pletka: It is actually true. Let me recount it for you and then you can, you can argue with me. On ZTE. ZTE is a company just like Huawei. It's a Chinese telecom company.

Marc Thiessen: He lifted the sanctions on ZTE.

Danielle Pletka: Right. He lifted sanctions on ZTE, fined them 1 billion bucks, then we went after Huawei. Again, it was a situation where this has been clear for a really long time. Yeah, I know. Not everybody knew what Huawei was a year ago, but on Capitol Hill and in the intelligence community, we have been talking about the danger posed by Huawei since John Kyl, Senator John Kyl, was in Congress, and there hasn't been enough leadership on this. Bottom line.

Marc Thiessen: Okay, well first of all, there's been no leadership on either side because the Senate Intelligence Committee, who's purview this is, has spent the last six months trying to impeach Donald Trump instead of having hearings and briefings and focusing on this. They've literally had no briefings or hearings, except for one or two, other than impeachment for six months. The Intelligence Committee is not doing its job. As someone who's just coming in to learn about this issue, like a normal American is, I just, "I want my cell phone to work really fast."

Danielle Pletka: You are just totally not a normal American, Marc Thiessen.

Marc Thiessen: Thank you. Like most of my fellow normal Americans, I want my cell phone to work. I want it to work fast.

Danielle Pletka: You want it to be cheap.

Marc Thiessen: I want it to be cheap. I want it to be reasonable. We're the technological leader of the world, and why the hell are we behind the curve on 5G? Why are we dependent? Why are we choosing between a state subsidized firm in communist China, or maybe like Ericsson and Nokia who can come in and save the day? Why isn't America leading the development of 5G technology? And everybody's coming to us to get this technology. Donald Trump keeps saying, "We're getting ripped off all around the world. We're going to be the leader in everything." Well, we should be the leader in 5G technology.

Danielle Pletka: Well, this is the dirty secret, Marc, is that this isn't just a congressional failure. They knew that Huawei was a major Intel threat. This isn't just an administration failure. They've been focused on China, but not sufficiently focused on the threat that Chinese telecom poses to everybody, not just the Americans or the Brits, but everybody, Africa. There've been some amazing stories, we can circle back to that in a minute, but it's also been a failure of American industry.

Danielle Pletka: We may think of 5G as the technology of the future and of the 21st century, but the bottom line is we knew there was a successor to 4G coming, and where were we?

AWOL. I think that there's a hidden story here about America's failure to innovate. America's failure to keep up. American industry's failure to actually take the lead on this. You know what? We're really good on the software side with the Googles and the Facebooks, but we're really not that awesome on the hardware side, and Huawei's eating our lunch

Marc Thiessen: If we become a socialist country, we'll be even more innovative. The irony is-

Danielle Pletka: Okay, that's fine. We can slam the Democrats, and we can slam socialism, and you and I are going to agree and sing from the same choir book on this, but the bottom line is, we are arguing against China, and the reason that these countries are going to China isn't because America's too expensive, or because America wants certain guarantees. They're going to Huawei because Huawei owns this sector and that's pathetic, reflecting on us.

Marc Thiessen: Also, they're using this, it's the same thing that they have with steel and with other technologies which is they're dumping. What they're doing is they're doing state subsidies to all of these things. Why does Britain want to go with Huawei? Because the Chinese government is effectively subsidizing their 5G network by making it cheaper than any of the competition by using state intervention. This is exactly what Trump is trying to break in his trade negotiations with the Chinese. Now, when it comes to steel, okay, who cares? We get cheaper steel. When it comes to building the architecture of our entire economy on which everything rests. Everything is going to rest on 5G. We should not be allowing China to do that.

Danielle Pletka: It's not just 5G, it's in a whole series of technological areas. One of the things I flagged at Mike, and you guys will hear this in our conversation is, what fucking hypocrites we are. I'm sorry. We had a president to prime minister—Bojo, Boris Johnson, to the Donald—argument, transatlantic fight over Huawei when the British government decided that they were not going to listen to our and the Australian's exhortations. They decided they'd go with 35% of their content being from Huawei, which is the same as being 100% in my mind. But Trump and Johnson had a huge fight about this.

Marc Thiessen: Very recently.

Danielle Pletka: Very recently. Again, you can't beat something with nothing. What's a better thing we're going to offer them?

Marc Thiessen: Because if I'm Bojo, I say to Donald Trump, "Okay, all right. Give me your 5G technology." Well I don't have some. Now, it's interesting, Attorney General Barr the other day put out the possibility that the United States should simply buy Nokia and Ericsson. I don't know how I feel about that, but we have to find some way to jumpstart America's.

Danielle Pletka: 5G.

Marc Thiessen: 5G.

Danielle Pletka: Or we need to have better technology and leapfrog over it. Right now, what we're looking at is at the moment that countries are investing, and it's not just the UK, we've had the same fight with our German allies. They also have gone the wrong

way. The bottom line about why they're going the wrong way is not because they want to screw us. It's not because they want to be lackeys for the Chinese. It's because it's cheaper. They're voting with their wallets, they're making a mistake, but they're voting with their wallets. This is where the United States I think really falls down on the job. We've talked about this on national security before. We need to compete. We need to compete with the Iranians in the Middle East. We need to compete with the Chinese in Asia. We can't just wander around going, "They suck, don't talk to them. We don't like them."

- Marc Thiessen: But we can put pressure on our allies to do the right thing and use the leverage that we have.
- Danielle Pletka: Yeah. But again, wouldn't it be ... Even you would agree.
- Marc Thiessen: We're not disagreeing. Even me, even I would agree. Even someone is stupid as you can get this point, Marc.
- Danielle Pletka: Marc totally got the subtext there.
- Marc Thiessen: One of the points that Mike makes is that this doesn't hurt just our economic and possible trading relationship with Britain, it hurts our intelligence sharing relationship with Britain. Because if we can't trust the security of their networks, then we can't share intelligence with them. Quite frankly, if Europe goes with Huawei, everyone's saying the threat that Donald Trump poses to the NATO alliance and the transatlantic relationship, no folks, if you're going to turn to Communist China, which is really the new national security threat that replaces—to form the backbone of your communications...
- Marc Thiessen: Can you imagine if in the Cold War, using his analogy, that all of our European allies decided to let the KGB build their networks, and then they turn to us and say, "Hey, share your secrets with us and cooperate."
- Marc Thiessen: The whole purpose of the NATO alliance was to counter the Soviet Union. If West Germany, and all the NATO allies at the time had said, "Yeah, we need your troops here and we need your help to counter the Soviet Union, but we're going to let Mikhail Gorbachev or Brezhnev build our computer architecture, we would've said, "You're crazy." I think the Europeans, their decision to go with Huawei poses much greater threat to the transatlantic alliance than anything Donald Trump has said about the article five commitment to defend Europe.
- Danielle Pletka: I want to raise an additional point that you made, but I'm going to do it after we talk to Mike because I really want to get to that conversation. For folks who don't know Mike Gallagher who really is a rising star in Congress, he spent seven years in the Marine Corps. I actually met him right when he got out and was looking for a job. Deployed twice to Anbar province in Iraq. He speaks Arabic. He went to Princeton, undergrad, got a master's and then a PhD at Georgetown. Why are we hanging around with this guy? He's too smart. It makes us look stupid.
- Marc Thiessen: It is, but his most important qualification is, like you and me, he was a staffer on the Senate Foreign Relations Committee.
- Danielle Pletka: He actually ended up in my old job at the Senate Foreign Relations Committee and I

actually recommended him for that job, which is why we're good friends and I'm super fond of him. A big fan. He was a Middle East staffer at the Senate Foreign Relations Committee. Went to work for Scott Walker's presidential campaign. Then he went briefly to work in business before he was recruited to run for Congress. He now represents Wisconsin in the House of Representatives, sitting just down the hall from Nancy Pelosi. Let's turn to our interview with Mike Gallagher.

Danielle Pletka: All right, so representative Mike Gallagher. Thank you for joining us.

Rep. Gallagher: Thanks for coming to my office. I'm honored by your presence.

Danielle Pletka: Well, we're delighted to be here just feet away from the Speaker of the House Nancy Pelosi. You're really close to the power in the building.

Rep. Gallagher: Marc just knocked out a set of pull-ups in the pull-up bar in my office. It's good. We're going to work out and we're going to talk about foreign policy.

Danielle Pletka: Okay. That is just a complete lie, but that's the last one we're going to tell, even though we are on Capitol Hill.

Marc Thiessen: We are clearly in a politician's office.

Danielle Pletka: You've been doing a lot of really great work. You had a terrific [op-ed in the Wall Street Journal](#). You've been talking a lot about, in the wake of Brexit, a US-UK free trade agreement. I want to start somewhere else, and Marc and I want to get to the free trade issues as well. But, one of the most interesting things you and others have said, both Republicans and Democrats, is that if the British are not serious about Huawei, the Chinese telecommunications big 5G company, that this is going to get in the way and not just of a free trade agreement, but potentially intel sharing and more. Start really basic for us. What's the problem with Huawei?

Rep. Gallagher: I think that the UK decision caught a lot of us by surprise for a variety of reasons. I think we've been making the case for a few years now, but it's really increased in velocity recently for why Huawei cannot be trusted to dictate the terms of the future of the internet, and 5G networks in particular. We've had multiple pieces in open source reporting, whether it was the extended Wall Street Journal reporting that showed for five years I believe, shortly after midnight every night at the African Union headquarters in Ethiopia, Huawei equipment would effectively exfiltrate data back to the Chinese Communist Party.

Rep. Gallagher: We had something called the Finite States Report, which was an intense analysis by a lot of nerds who know about the technological aspects of this far more than I do, basically showing what it seems people like Robert O'Brien and Matt Pottinger are now confirming publicly, and we're releasing Intel to our closest allies, Germany and UK, which is that there are back doors built into all of Huawei's equipment.

Rep. Gallagher: But then I would also say that there's a broader question as to whether any company, like Huawei or ZTE, that receives such generous state subsidies, whose founders and key executives all have close ties to the Chinese Communist Party, who live and work in a country where there's a law dating at least back to 2017 that requires those companies to surrender any data that the Chinese Commerce Party demands to them, whether they should be allowed to compete for the future of 5g. I think the

answer is definitively no. We can't have our closest allies with whom we share most, if not all of our intelligence, disagree with us on that issue. There's a lot of people in Congress that were surprised by that and are actively taking steps to convince the Parliament to now overrule Boris Johnson's decision.

- Danielle Pletka: Okay. Let's dumb this down for a second because we all talk about 5G. Oh, 5G, can't let the Chinese dominate 5G, blah, blah, blah, 5G. What the hell is 5G?
- Marc Thiessen: What the hell is 5G?
- Rep. Gallagher: Well, the simplest way to describe it: Super fast internet with zero latency. The next evolution of the internet that's going to make things like driverless cars possible, would theoretically allow a surgeon to conduct surgery even if they're not immediately in the room via a technology. I think what's critical about this is this argument that the Brits are making that they could somehow segregate the core of their network from the periphery, misunderstands how 5G works. In other words, the distinction between the core and the periphery of the network becomes very ambiguous when you have an internet that, like 5G, where radio access networks are going to have to be able to store data. It gets very technically complicated.
- Marc Thiessen: But explain what that means. What is their argument? Because what the British are saying is we're going to buy Huawei antennas, but the core stuff that we would depend on is not going to work... Explain what the British are saying that they can do and why their argument is wrong.
- Rep. Gallagher: Yeah. They're saying that they can basically erect a series of safeguards and firewalls within the core where the periphery, what we would think about as an antenna, but it's a little bit different with 5G, can have Huawei equipment that would not contaminate the core of the network. Every technical expert that I've spoken to outside of the Ministry of Defense in Britain has said that this argument is completely bunk. More to the point, I just would say this is not just about the Chinese being able to spy on a 5G network. That is a problem and something that should concern us.
- Rep. Gallagher: This is more about long-term, allowing the Chinese Communist Party to dominate the global telecommunications market itself. Imagine what that world would look like if Huawei is the only company that's capable of offering an integrated soup to nuts solution for 5G, 6G and beyond. They'll completely reverse the entire export control model, which we now use to influence our allies and the Chinese Communist Party itself. They can flip the script and say, "If you want access to our technology and our technology is the only technology in the game that can actually get you cheap internet, well then you're going to have to agree with our standards for what the internet looks like going forward." That to me is the primary concern or the bigger concern, more than just the immediate concern as to whether you can segregate the core from the periphery, which I don't believe you can,
- Danielle Pletka: Mike, a bunch of different problems here. Everybody should understand, our listeners should understand that part of the problem with the Chinese 5G is they're the cheapest in the market, and there are only two suppliers. There's Ericsson and Nokia I guess?
- Rep. Gallagher: Samsung, but they don't really compete in a lot of it.

- Danielle Pletka: Right. And then Huawei. It's not like there are any American competitors in this space. What's happened to the United States?
- Marc Thiessen: And this is also, to add onto, we're supposed to be the technological leader of the world, the innovator of the world. We're the people who gave you the iPhone.
- Danielle Pletka: We gave you the internet.
- Marc Thiessen: How does a communist country beat us in a technology race for 5G?
- Rep. Gallagher: Yeah.
- Marc Thiessen: I mean, what's wrong? Has the free enterprise system failed?
- Rep. Gallagher: Well, clearly the American Enterprise Institute has not defended the free enterprise. I'm joking, I'm joking.
- Danielle Pletka: That's the economist. We're always ready to fight.
- Rep. Gallagher: That's right. I would say at least a few things. While we have led the world in software technology, we have disinvested in key hardware. And this is part of the reason why we tried to create a fund two years ago at NDAA that would allow-
- Marc Thiessen: What is NDAA?
- Rep. Gallagher: The National Defense Authorization Act. One of the few bills that actually passes every year. And I'm on the Armed Services Committee. So we tried to create a fund where there would be a little bit of Pentagon money but it could be matched by private money that would allow organizations like a DIUX, Defense Innovation Unit Experimental, now it's just DIU, it's no longer experimental, to invest in hardware where there's a key national security need, which we no longer make your domestically in the United States. The other thing that makes this complicated is that the Chinese have been able to advance so rapidly because they've stolen a lot of our intellectual property, and one of the concerns with Huawei is that will further allow them to not only steal our intellectual property but steal the intellectual property of a lot of our allies around the world.
- Rep. Gallagher: That's why in my op-ed, I'm trying to encourage this emerging standard, which we've seen in Germany now, which is actually one of the hopeful subplots in all of this, where in order to compete for 5G and in other areas, a company would have to prove that it's free from extrajudicial state direction and effectively certify that it's not going to steal everyone's intellectual property and spy on foreign citizens, et cetera. So there's a variety of reasons I think we're falling behind in this space. We just don't make certain things domestically. But actually what's interesting in digging into this, a lot of our anti-monopoly and anti-cartel laws prevent us from working very closely with, let's say we wanted to do a digital development fund with Finland, Norway and South Korea, which would make sense in 5G given the companies that are involved here ...
- Danielle Pletka: Yeah.

- Rep. Gallagher: ... it'd be very hard to do that absent sort of changing some of the legal restrictions we've placed on ourselves and our allies. And that's important because I think we've come a long way in recent years. Remarkably, actually there's a ton of bipartisan consensus for getting tough on China and we've come a long way in playing the defensive game, excluding Huawei from our networks, we put Huawei on the Entities List. We then granted a bunch of exceptions that would allow companies like Microsoft and others to sell the Huawei. But we've basically been saying, "Huawei bad. Let's not do business with Huawei. Certainly don't let them into our market." In that way, we followed our Australian partners who were ahead of us on this issue, but what we haven't been able to do is figure out the offensive game. In other words, it's one thing to say, "Huawei bad. Don't come into our networks," countries in Africa, advanced countries like the U.K., still want cheap, reliable, 5G internet going forward and we don't really have an integrated free world solution for them.
- Rep. Gallagher: And it may require us to consider some things that we would describe as industrial policy to offer that. So a lot of different things going on here. But the final thing I'd say is, it's been remarkable to me to see... This is like the fundamental shift in US grand strategy in the last 20 years and there's no one in Congress, even the leftists aren't saying that this is the wrong shift. I mean, even Biden had to walk back some of the things he said that were friendly to China.
- Danielle Pletka: The only person in the presidential race who is truly friendly to China is Mike Bloomberg.
- Rep. Gallagher: Yeah.
- Danielle Pletka: And he is very much on the record on those issues. He's completely not solid because he's a businessmen, because he's a mercantilist, and because he doesn't understand and isn't aware of the national security issues. So that's a big problem for us. But you rightly say, there aren't answers. Why are the Brits, arguably our most important ally, our longest term ally, the country with which we do basically everything, part of the Five Eyes ...
- Marc Thiessen: Say what Five Eyes are?
- Danielle Pletka: So it's the intelligence cooperation between the United States, the U.K., Australia, Canada, and is New Zealand still in it?
- Marc Thiessen: New Zealand. Kiwis.
- Rep. Gallagher: Yeah.
- Marc Thiessen: Where we have amazing intelligence cooperation. We share everything and we agree not to spy on each other.
- Rep. Gallagher: Yes.
- Danielle Pletka: Right. Thank you Marc. And yet the Brits, they just gave us the finger. Why?
- Rep. Gallagher: I think there's a few things going on here and they did. It is a middle finger. I mean, let's not try and sugar coat it because we sent, we had our Deputy National Security Advisor going there, Pompeo went there directly. I think Mnuchin was there. I mean,



everyone, and then there's this report that BoJo and Trump had a very acrimonious conversation in the wake of the decision. I think there's a few things going on that explains this decision. One, there is a lot of economic anxiety surrounding what is Britain's future post-Brexit, right? And then more particularly, there's an anxiety around pissing off the Chinese because they have the same problem that we have. I mean, this kind of relates to your Bloomberg argument where there's a ton of Chinese capital flooding into the U.K. and they don't want to do anything that would prevent them from getting fat and happy off Chinese capital or cheap Chinese goods, particularly as they negotiate what their economic future looks like post-Brexit.

- Rep. Gallagher: I also think there's an under-explored set of issues around the way in which the Chinese are throwing money around, legally by the way, to influence our domestic politics and I would imagine the U.K.'s domestic politics.
- Danielle Pletka: Oh my, you should see, you just traveling in Europe at the airport you should see the Huawei advertising. I mean, it's not advertising for Huawei phones. It's advertising for Huawei's, "We're not bad guys. We're awesome guys. You love your phone." It's very aggressive.
- Rep. Gallagher: And my understanding is that they have on their payroll a lot of former MPs that are perpetuating the Huawei narrative that, "Hey, we're just trying to compete. We're a friendly telecom company." Here in the United States, for example, Huawei hired Obama's former cybersecurity czar, Samir Jain.
- Danielle Pletka: Incredible.
- Rep. Gallagher: They're hiring a lot of former members of Congress. ZTE has hired former senators to perpetuate their narratives.
- Danielle Pletka: They hired Joe Lieberman, our really, really good friend. I was really bummed to hear that.
- Marc Thiessen: Yeah. So the British argument is, "If we turn down this Huawei equipment, we're going to be five years later into the 5G era. There's no fast cheap alternative. You want us to say no to Huawei but okay, we'll buy your 5G. Where is it?" And we don't have it.
- Rep. Gallagher: It's that and the cost of ripping out and replacing Huawei equipment that is in their 4G network right now, is what they're saying. Now, there is going to be a cost associated with that and it's a cost that we should figure out creative ways to defray but it's less. I mean, there are Huawei alternatives, right? Nokia and Ericsson are alternatives to Huawei. They are signing contracts throughout Europe right now. But what's interesting about Huawei, as I understand it, and again I'm not a technical expert, I know enough to be dangerous in Congress at this point, but Huawei can offer everything you need for 5G, to put this in simplest terms. It's like 5G in a box. Whereas if you want to go with non-Huawei alternatives, you might find yourselves having to do business with two, three, four different companies to get all the stuff you need to make it work, which makes it much more complicated. And then finally, as we alluded to before, because it receives massive state subsidies, Huawei is able to undercut the price by 30% so if you're a country in Africa, you're probably less concerned.

- Marc Thiessen: This is a tech version of dumping.
- Rep. Gallagher: Exactly.
- Marc Thiessen: So I mean, one of Trump's arguments about why we needed the steel tariffs is because China dumped subsidized steel into the United States, which lowers the price, puts US steel manufacturers out of business, and then they raise the prices once we...
- Danielle Pletka: I'm much less concerned about using Chinese steel than I am about using Chinese telecom. If they want to rip off their people in order to subsidize American steel buyers, that's fine.
- Marc Thiessen: I'm not defending steel tariffs.
- Danielle Pletka: Good.
- Marc Thiessen: What I'm saying is that what they're doing is dumping.
- Rep. Gallagher: Yeah.
- Marc Thiessen: That they're basically subsidizing and selling below cost in order to make the whole world buy into this technology. You compare this to if the KGB offered us really cheap computer networks, would we take it?
- Rep. Gallagher: Yeah.
- Marc Thiessen: That's essentially what they're doing. It's an intelligence operation.
- Rep. Gallagher: There's a great young Member of Parliament named Tom Tugendhat who chairs their Foreign Affairs Committee who I think has been the most outspoken and has made that point very persuasively and has also tried to put this in the context of there is a difference between Chinese steel and China running the future of your internet, right? And it gets to a question of how are you a sovereign country? And I think the line he used, which was quite powerful is, "We have just taken back our sovereignty from Brussels only to surrender it to Beijing." And the final point I would make here, and Dany I think maybe this is what you're getting at, this is a complicated bigger question as to what extent can we or should we decouple our economy from China's.
- Rep. Gallagher: This is what makes this competition in some ways more difficult than that with the Soviet Union because our economy was not connected to that of the Soviet Union. But there's an argument and I think a smart one that says, had we chosen a strategy of engagement with the Soviets during the Cold War, we would have prolonged its collapsed by at least a decade. And so we are going to have to find a way to, if not decouple entirely, because we're going to want to sell Wisconsin soybeans to China and it's fine if we want to buy steel and tee shirts made in China, we are going to have to build a moat around key technologies that we don't want the Chinese to compromise.
- Danielle Pletka: One of the things I noticed is that a lot of these initiatives are from Republicans. A lot

of the letters are being signed by Republicans. What the heck? Do the Democrats not care? Can they not sign on with Republicans because of naked partisanship?

- Rep. Gallagher: So just as one data point, when the whole scandal around the GM of the Houston Rockets who tweeted something in support of the Hong Kong protesters, I mean, pretty vanilla, bland.
- Danielle Pletka: Right.
- Rep. Gallagher: The Commissioner of the NBA and the entire NBA sort of cracked down on him because the NBA is making a ton of money in China and they don't want to piss off, they don't want to sort of poke the dragon.
- Rep. Gallagher: We sent a letter to the NBA Commissioner and if you just look at who signed that letter, I mean, you had very hawkish conservative senators like Tom Cotton and Ted Cruz on the one hand, and then you had AOC on the other hand. And I don't know another issue in American politics that unites that wide range of people. So I will say there's a little bit of bipartisanship, but you're right, that on some of the more hardcore national security aspects, it does seem to be Republicans that are advancing the more hawkish argument. And I think it will be fascinating to see in this election whether the Democrats nominate someone like Bloomberg or Bernie or even Biden who is softer on China because I think that would be just tactically and politically a mistake for them to do that.
- Danielle Pletka: I agree. The other question I wanted to ask you was, okay, ZTE, which is basically a Chinese telecom company wrapped up with the Chinese Communist Party, very much like Huawei, slightly different sector but lots of overlap. ZTE was fined \$1 billion by the US government. They were barred from the US completely and then Donald Trump back down, gave them a \$1 billion fine and now they're operating in the US. Huawei, which we've just spent the last 15 minutes describing as one of the great modern menaces to freedom and to our Western allies and to ourselves is still allowed to buy stuff from Microsoft and buy US equipment. Okay, what kind of hypocrisy is this? What's going on?
- Rep. Gallagher: I do think it's fair to criticize kind of the two steps forward, one step back nature of all this. In other words, the administration has done some great work initially in getting the ball rolling, but then what we all get, both the administration and Members of Congress who are hawkish on this issue, when we do stuff like a denial order for ZTE or placing Huawei on the Entities List, which effectively is designed to prevent American companies from doing business with these companies. Industry in America pushes back hard. And so the argument you hear from a lot of sophisticated tech companies is, "Well, we have to sell software to Huawei because if we don't do it, they'll either buy it from a non-American company or they'll make it themselves." Where I think this argument is wrong is that if you sort of look at Made in China 2025, the strategy to source everything domestically, their goal is to make everything themselves eventually.
- Danielle Pletka: They're going to steal it anyway.
- Rep. Gallagher: You can get the short term profit now and then be kicked out of the market later on when you're on far less favorable terms, or you can do the right thing right now. And by the way, China uses that money to fund R&D that will eventually allow it to exclude US companies from doing business in China. So I think the argument's

wrong. I think any ambivalence we project only enhances China's case, but it does show what we know, which is we all got fat and happy off cheap Chinese stuff over the last two decades and so extricating ourselves from portions of the Chinese economy is not an easy thing to do. It's very difficult and it requires us to absorb some pain. Let's be honest, it's going to be painful, but it's a necessary evolution.

Marc Thiessen: I mean, in a way, the trade war is helping in that sense.

Rep. Gallagher: Yeah.

Marc Thiessen: Because people have been removing their manufacturing, the lines of production out of China into India, into other countries in Southeast Asia. So I mean, we probably do need to explore a broader decoupling. But I want to ask you something specifically about, I want you to walk us through the worst case scenario if Britain and the other European countries go through this. Why is this so bad? You said there were [two examples recently in Africa](#) where Huawei actively was helping the government spy on their political opposition. There was a [report in the Wall Street Journal](#) that they can get through encryption technology to access computer networks. If you're an average person out there, you know who says, "Why do I care if Huawei or somebody else is doing this? Why is this a bad thing?"

Rep. Gallagher: The worst case scenario kind of unfolds in two stages. One, my primary concern is not just the immediate threat it poses to our relationship with Britain, but the legitimacy that the U.K.'s decision is going to confer on Huawei's competition in Berlin, in every other European capital, because now we have countries that may have been fence sitters before, or where we were shifting the momentum in our direction. There's been a remarkable change recently. There's a sort of an insurgent group that's saying, "No, we're not going to allow Huawei on our networks." But now people that are less hawkish on China, less worried about Huawei and ZTE, more welcoming of this argument that you can isolate the core in the periphery in 5G networks are going to point to the U.K. and say, "Well, if the US's closest ally says this isn't a problem or this is a problem that can be mitigated, well then there's no problem for us. We can go with Huawei and ZTE," which will then allow them to further consolidate market share.

Rep. Gallagher: I think they're 35% of the market right now and that's been a rapid advance over the last decade, which means when it comes time to think about 6G or whatever the future is going to be like Space X satellites booming internet down to everybody, there will be no non-Huawei alternatives. And then in that world, let's say we get into a shooting war with China, they'll have the ability not only to steal secrets from us and our allies, they'll have the ability to shut down networks in the United States. That to me is the worst case dystopian scenario that we're trying to avoid. I'm not trying to freak out your listeners. In fact, you have a lot of smart, sophisticated listeners. If I'm wrong on any of the technical aspects of this, I'm open to it. Tell me how you make this work and you can mitigate the threat from Huawei and ZTE.

Rep. Gallagher: Again, I just try and talk to a lot of smart people on this and I haven't found anybody that's able to make that argument outside of certain interested and biased parties in the U.K. But I really do think that future, while dystopian and far off right now, could happen if we go further down.

Marc Thiessen: I mean, just ask yourself, if it wasn't China but it was Vladimir Putin who was proposing this, how many people would go for it?

- Rep. Gallagher: Yeah.
- Danielle Pletka: Well, that is what's weird about it. Let's just segue for a second. Talk about the US-U.K. FTA. One of the big things for Boris Johnson, important things for Boris Johnson, is after Brexit to restore a sense of stability and security to the U.K. economy. This is what's going to be the secret to him getting reelected. This is what is the secret to succeeding outside the European Union. This is a BFD for BoJo, if we can call it that.
- Danielle Pletka: But I think for a lot of us who respect the U.K. voters' right to actually secede from the European Union.
- Marc Thiessen: Just like we seceded from them.
- Rep. Gallagher: Yeah.
- Danielle Pletka: A free trade agreement would be a great thing. The President has really talked this up and I think the Secretary of the Treasury and Bob Lighthizer, US Trade Representative, are all really enthusiastic about this. What going to be the problem? There's going to be Huawei. That's going to be a problem.
- Rep. Gallagher: Yeah.
- Danielle Pletka: What else is going to be a problem? Is this going to be easy or not really?
- Rep. Gallagher: Well, I do think Huawei complicates things and it could be an insurmountable obstacle to a free trade agreement, which would be tragic because I do think there's a lot of desire on both sides of the Atlantic to get this done. The argument I try to make is that we have an opportunity to learn lessons from how the modernization of NAFTA with USMCA unfolded and fixed some of the deficiencies there.
- Danielle Pletka: And introduced some new deficiencies.
- Rep. Gallagher: Introduced, of course. But you look at people who are really thoughtful on trade, like Senator Toomey who opposed NAFTA for a variety of reasons. I think he did an event at AEI.
- Danielle Pletka: He did.
- Rep. Gallagher: Which was quite good. He's got a point, right? And I think given how advanced both of our economies are, we can rectify a lot of those deficiencies. But if we don't get on the page with respect to Huawei, it'll be impossible because in a digital economy, particularly where we are both global leaders in financial services, for example, there's just no way to go forward. And so the message I just would send to a lot of my friends who are in Parliament over there is we hope that you will reverse BoJo's decision because I do believe this will be fatal for our attempts to get a post-Brexit gold standard trade agreement with the U.K.
- Marc Thiessen: We should have a lot of leverage with them right now because they've just left Europe and they want to pivot to us, and they actually need a free trade agreement with us to replace what they've lost by leaving the EU. This goes back to Churchill and the Sinews of Peace speech. You know?

- Rep. Gallagher: Yeah.
- Marc Thiessen: Where he was talking about a union of English speaking peoples. We have an opportunity here to actually ... BoJo has to really cement Churchill's vision in a way that's never been possible before because of Britain's membership in the EU. Shouldn't that be a priority over Huawei?
- Rep. Gallagher: I think that's the precise right way of thinking about it. Because beyond the immediate economic leverage we have over the U.K., we have a proud history of both our countries standing together against totalitarianism.
- Rep. Gallagher: And I don't know another way of describing what's going on with China under Xi Jinping, other than it is a totalitarian state that is seeking to succeed where its predecessors have failed. Seeking to learn the lessons of the Soviet Union's collapse, which General Secretary Xi has studied in great detail. And I think our defense against that starts with the US and the U.K. standing firmly together.
- Rep. Gallagher: Now, the good news is there is a ... Did you see this article last week? I don't know if it's in the House of Lords or the House of Commons, but there's a group of elder statesmen in the U.K. that are fighting this, that are calling themselves the Wolverines. Which brings to mind, of course, Red Dawn, where we resisted Soviet-
- Marc Thiessen: Wolverines.
- Rep. Gallagher: That's right. Which further complicates things because the remake of Red Dawn was censored by the Chinese Communist Party and they remade the bad guys from being Chinese to being North Korean.
- Marc Thiessen: I remember that. Yeah, that's right.
- Rep. Gallagher: It all gets very, very complicated.
- Marc Thiessen: Because they would lose the Chinese market.
- Rep. Gallagher: Which I think in the way that we changed our rating system when westerns were being very cruel to horses in the late 30s, we now need a new rating system to show when movies, whether it's the Top Gun remake or Midway, are being influenced by Chinese propaganda.
- Marc Thiessen: Rated C for communist influence. Right?
- Rep. Gallagher: No, there's a serious point in that. But I think it gets to something you were talking about earlier, which is I've talked with the cyber work I'm doing with a group of Hollywood screenwriters, television screenwriters, and they'll be very honest that what happened in the NBA, what's happening in a lot of different industries is having a chilling effect on Hollywood.
- Danielle Pletka: Oh, there's no question.
- Rep. Gallagher: There's no appetite to criticize China.

- Danielle Pletka: We don't want to kill China. We still want cheap stuff at Target. We don't want to hurt the Chinese people. But we want to make sure that the Chinese government is not using its financial power, not to speak of its military power, to take advantage. And I don't understand why Congress has not been more forward leaning, even in legislating. Why hasn't Congress legislated on Huawei?
- Rep. Gallagher: You know what's interesting? There's like 50 pieces of legislation on Huawei, but there's such a collective action problem in Congress right now. And particularly when you're in the minority, it's hard to put all that together into a cohesive legislative package.
- Marc Thiessen: Well, hasn't the Intelligence Committee spent the last six months focusing on this?
- Rep. Gallagher: Exactly.
- Marc Thiessen: Or have they been otherwise occupied?
- Rep. Gallagher: Focused on the threat posed by China by the commies and the fascists. Just two quick points on that. One, I do think in our rhetoric, particularly those of us in public office, we do have to do a better job of making a distinction between the Chinese Communist Party and the Chinese people. The latter, we have no quarrel with and indeed are the biggest victims of the Chinese Communist Party's repression.
- Rep. Gallagher: The second point is when we talk about decoupling from China. To the extent it's even impossible, it has to start from a recognition that it is the Chinese Communist Party, out of fear of its own citizens and not wanting them to have access to knowledge or even knowledge of their own history, that has chosen to decouple itself from the rest of the world.
- Rep. Gallagher: And so, I just would remind everyone that Chinese decoupling from us, and China's accession to the WTO, has not resulted in any form of political liberalization. And I do think we have to keep that in mind when we consider how to decouple from China.
- Danielle Pletka: I think Marc has a big exit question for you.
- Marc Thiessen: Exit question, and one that's going to really upset my teenage daughters.
- Danielle Pletka: Oh, yeah, of course.
- Marc Thiessen: You have tweeted that it is beyond time for Congress to act on the threat that TikTok poses to our national security.
- Danielle Pletka: Not just your daughter, everybody's daughter.
- Marc Thiessen: Yeah, everybody's daughter. So my daughter spends hours and hours on TikTok and apparently the Chinese intelligence services know her every move.
- Danielle Pletka: Watch out.
- Marc Thiessen: And can replicate them.

- Rep. Gallagher: What's interesting is I think both the Navy and the Army have recently prohibited sailors and soldiers from using TikTok for this precise reason, that any Chinese company, you have to assume that the data is not secure and that it goes right back.
- Danielle Pletka: It's not just TikTok. It's pretty much any app made in China, apparently.
- Rep. Gallagher: We got a problem with ... look at the commercial drone market. DJI controls 80% of the market. We just don't make US alternatives.
- Danielle Pletka: That's a Chinese drone making company. Yeah.
- Rep. Gallagher: Exactly. So this is a huge issue. So with all apologies to your daughter and to all the millennials on my team that use TikTok, I was unaware of TikTok's existence.
- Rep. Gallagher: I'm supposed to be a younger Member of Congress. I'm like the least technologically savvy person.
- Danielle Pletka: Yeah, you get the appeal of TikTok. It's great. It's innovative. The problem is that like everything, everything has ... and the same with Huawei. Fine that it's technology. The problem is everything has an illegal backdoor.
- Rep. Gallagher: Yeah. Also for anyone below the age of 25, just the less you put out on social media, the better off you'll be. Particularly if you aspire to have a career in national security and foreign policy. I feel like I just got-
- Danielle Pletka: Wise words.
- Rep. Gallagher: ...under the radar. Facebook started when I was a sophomore in college and so it's just good life advice for anybody.
- Danielle Pletka: That is good at a good place to end for us. Mike, thank you so much for taking the time to chat with us. This has really been terrific, really illuminating.
- Marc Thiessen: Appreciate your leadership on this.
- Danielle Pletka: Yeah, and we'll be back.
- Rep. Gallagher: Everything I know, I learned from Dany Pletka.
- Danielle Pletka: We'll keep that part in, Marc.
- Marc Thiessen: We're cutting that.
- Danielle Pletka: So Mike didn't disappoint. He really is well versed in the issues. I think he really understands it. He's been willing to show leadership in Congress on these issues. He's really been upfront on the cyber issue as well. And the only question for me is, how we're going to manage this as a challenge with our allies?
- Danielle Pletka: Which brings me to the point I wanted to ask you about in the intro. One of the things that's driving this discord between us and the Brits, between us and the Germans, between us and others over Huawei, is that there really isn't consensus yet



about the fact that we're facing a threat from China. I don't think the Europeans are there yet.

Marc Thiessen: I thought it was Donald Trump.

Danielle Pletka: Yeah. Well, there's consensus about that.

Marc Thiessen: Consensus about the wrong problem. Yeah, exactly. Look, the reality is China poses the greatest existential threat to the United States in the 21st century. The rise of Communist China. We're seeing it. We just had Scott Gottlieb the other day on the podcast to talk about the coronavirus.

Marc Thiessen: And it literally is Chinese communism and authoritarianism that poses a public health threat. Because we've got this giant country that that lies about the number of cases, the number of victims, and all the rest of it. And stops us from dealing with the threat. Now China is quietly but actively building up its military. They intend to displace us in the Pacific.

Danielle Pletka: No, they've already displaced us as the greatest ship builder. They're building more ships than we are at this point.

Marc Thiessen: Absolutely.

Danielle Pletka: Yeah, they're building submarines.

Marc Thiessen: And many of them with stolen American technology.

Danielle Pletka: Right. Submarines, aircraft carriers.

Marc Thiessen: They're building up all this technology, military technology. They're going to build the cyber networks that undergird the Western economies. And then let's say they decide, "We're going to invade Taiwan." And we say, "No, you're not." And they say, "Yeah, we will. And if you try and stop us, we're actually not going to lob a missile at you. We're just going to shut down your electricity for a week. Or we're going to shut down your critical infrastructure. And look at all the things we can do through Huawei." They won't say it that explicitly, but we all know that's the reality. That they can get in through the back door to attack us without even having to use that military technology.

Danielle Pletka: Right? Doctrinally, I think we would view China shutting down our electrical grids as an act of war against us. I hope that they would be-

Marc Thiessen: But it's just a threat and deterrence. They just have to deter us.

Danielle Pletka: Right. And they are building a very substantial deterrent because, frankly, of their market share. But again, you can't beat something with nothing. And this is how we have disarmed ourselves. You don't like the INF Treaty. Okay. I don't like the INF Treaty as well either. But the reality is on this tech side, in 5G, we have unilaterally disarmed because we are going to Angela Merkel, we are going to Boris Johnson. We are going to-

- Marc Thiessen: We don't have an answer.
- Danielle Pletka: ...all these foreign leaders and saying, "Don't buy that. Don't buy anything." Sorry, that that doesn't work. And it is striking to me that a president who has taken, I think, a lot of hits for being very tough on China has not been strong enough on this issue. And that Congress, which has known about this ... You argue that they've been obsessed with impeachment. But let me tell you, this problem with Huawei was a problem before Donald Trump was a gleam in Nancy Pelosi's eye.
- Danielle Pletka: We've known about Huawei for years. Huawei came and tried to give AEI money probably 10 years ago. And we said no.
- Marc Thiessen: Good for us.
- Danielle Pletka: Yeah. Absolutely good for us. But not everybody said no. We knew then ... And our failure to get ahead of this, our failure to recognize, is in fact our failure. Not Boris Johnson's failure.
- Marc Thiessen: And another angle to this. So we worry about the ... we talked with Mike about the military possibilities of how they can get at our critical infrastructure. The other thing that Washington has been so obsessed about is political interference in our election, right?
- Danielle Pletka: No kidding.
- Marc Thiessen: We have, "Oh, my gosh. Russia is interfering in our elections." You think Russian interference in 2016 was bad? Look at what China's interference can be like in a few years if Huawei controls the technology. There've been some stories that ... So Huawei completely dominates African markets. They're completely there because they've got that.
- Marc Thiessen: And so in both Uganda and Zambia, Huawei officials have actively been helping the government spy on the political opposition and disrupt the political opposition in that country because they have the networks and the capability to get in through the back door into their computer systems. So you think that the Russia scandal of 2016 was bad? Wait for the China election interference scandal of 2024, or 2028, or whatever is coming up.
- Danielle Pletka: So maybe they're going to go for Mike Bloomberg because he's really the softest on China.
- Marc Thiessen: Well, there you go.
- Danielle Pletka: Look, we've talked about this before. Again, Australia was the canary in the coal mine on this. When Australia started seeing the Chinese interfering in their political processes, when they started busing around busloads of Chinese nationals who lived in Australia in order to protest things that the Chinese government didn't like in Australia; that was a huge wake up call to them.
- Danielle Pletka: And they've been with us lobbying on this Huawei issue. But I think you're completely right. If we cannot behave proactively, if we cannot anticipate these challenges and get ahead of them and be better, we are going to lose. And I would

never say we deserve to lose because this is a great country, but-

Marc Thiessen: We can't afford that.

Danielle Pletka: But we're looking for trouble.

Marc Thiessen: Yeah. But I just want to ... you always tease me for praising Trump.

Danielle Pletka: Yes, I do.

Marc Thiessen: But I will tell you this-

Danielle Pletka: More Trump praise coming, folks.

Marc Thiessen: He has-

Danielle Pletka: It's coming.

Marc Thiessen: Shut up. So you're absolutely right. George W. Bush didn't confront China.

Danielle Pletka: Barack Obama.

Marc Thiessen: Barack Obama didn't confront China. For all the imperfections of what he's been doing, no president has confronted China and taken on China the way Donald Trump has. And it's one of the few things that he's gotten bipartisan support for. So he deserves a lot of credit that, look, it's not perfect. It's not enough. Especially when it comes to Huawei.

Danielle Pletka: But we've got to do more.

Marc Thiessen: But he's moving us in the right direction and we have to do more.

Danielle Pletka: Right. We have to move faster in the right direction. We've got to be the something that beats that particular enemy and all the enemies like it.

Marc Thiessen: Amen.

Danielle Pletka: Amen. Thanks for listening, folks. And we mentioned a bunch of articles, both Mike Gallagher's piece and the Wall Street Journal.

Marc Thiessen: Yeah. We'll link to them on the website and we'll link to them in the transcript. When we send this podcast out, we always include the transcript. So look for that on our Twitter feed.

Danielle Pletka: Happy week. Bye.

Marc Thiessen: Bye.