

Congress of the United States
Washington, DC 20515

November 22, 2019

Hon. Wilbur Ross
Secretary
Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Hon. Robert Lighthizer
US Trade Representative
Executive Office of the President
600 17th Street, NW
Washington, DC 20508

Dear Secretary Ross and Ambassador Lighthizer:

We write to express our deep concern related to Chinese wireless equipment manufacturers that refuse to pay licensing royalties to American developers of standards-based wireless technology. Chinese wireless equipment manufacturers, like Huawei Technologies Co., Ltd. (Huawei), ZTE Corporation (including their U.S. subsidiary ZTE USA), Lenovo, TCL, and others continue to refuse to pay proper licensing royalties to U.S. developers of standard-based wireless technology.

This refusal of Chinese equipment manufacturers to pay appropriate royalties cost American developers billions of dollars in research and development funding which ultimately hinders future advancements in technology. Unfortunately, the billions of dollars owed to American developers remain at Chinese firms to help them outpace U.S. firms in the development of wireless networks and the technology that goes into creating them.

Furthermore, because the United States allows for the importation and sale of Chinese manufactured wireless products (mobile phones, computers, TVs, etc.) into every U.S. market, an unfair dynamic is created whereby their manufacturers can profit from the sale of unlicensed wireless products in U.S. markets all while refusing to pay licenses to U.S. developers. It is time to change this imbalance that erodes the ability of companies to develop advanced wireless technology in the United States, exacerbating what is already a national security risk.

American companies invest billions of dollars in research and development to maintain a competitive advantage with technology firms throughout the world. Their main source of revenue for their efforts is the ability to license these technologies. If Chinese companies continue to erode the profitability of wireless research and development, American companies will cease to develop advanced wireless technology, and Americans will ultimately suffer.

As such, we recognize the need to protect U.S. intellectual property and its ongoing development. Chinese refusal to pay licenses owed to American developers of advanced wireless technology, and the ongoing importation and sale of unlicensed Chinese wireless devices, are two holes creating a significant risk to the future security of our nation's wireless infrastructure and our national defense.

We ask that you address these concerns as part of your Administration's trade negotiations with China and consider banning the importation of devices from Chinese companies not properly licensed with U.S. developers.

Our national security depends on it. Thank you for your attention to this matter.

Sincerely,



Steve Chabot
Member of Congress



Bill Foster
Member of Congress