

CommsWire

Essential daily reading for the communications industry executive

An iWire publication

www.itwire.com

Editor: Stan Beer

Tuesday 16 July 2019

UK AND US AT LOGGERHEADS OVER HUAWEI BAN



CommsWire (ISSN 2202-4549) is published by iWire Pty Ltd. 18 Lansdown St, Hampton, Vic, 3188
CommsWire/Telecommunications Editor: Stan Beer

Staff writers: Peter Dinham, Alex Zaharov-Reutt, Sam Varghese. Columnist: John de Ridder

Advertising: CEO and Editor in Chief, Andrew Matler: andrew.matler@itwire.com • Tel: 0412 390 000

UK TECH PANEL FINDS NO EVIDENCE FOR COMPLETE HUAWEI BAN

The British Parliamentary Science and Technology Committee says it has no evidence that excluding China's Huawei Technologies from UK telecoms networks would constitute "a proportionate response to the potential security threat posed by foreign suppliers".

Norman Lamb, chair of the panel, said in [a letter](#) sent on Monday, to Jeremy Wright, secretary of state for Digital, Culture, Media and Sport, that a public evidence session had been held and relevant stakeholders quizzed before the letter was sent.

Lamb said in [a statement](#) that the panel he headed had concluded that there were no technical grounds for excluding Huawei entirely from Britain's 5G or other telecommunications networks.

"The benefits of 5G are clear and the removal of Huawei from the current or future networks could cause significant delays," Lamb wrote.

"However, as outlined in the letter to the Secretary of State for Digital, Culture, Media and Sport, we feel there may well be geopolitical or ethical considerations that the government need to take into account when deciding whether they should use Huawei's equipment.

"The government also needs to consider whether the use of Huawei's technology would jeopardise this country's ongoing co-operation with our major allies.

"Moreover, Huawei has been accused of supplying equipment in Western China that could be enabling serious human rights abuses. The evidence we heard during our evidence session did little to assure us that this is not the case.

"I hope the evidence we have gathered helps the government as it completes its Telecoms Supply Chain Review, which must be published by the end of August 2019."

In a slap to Australia, Lamb wrote that while the Australian Government had concluded "that the distinction between the 'core' and 'non-core' elements of 5G networks would be less clear than for previous technology generations, we heard unanimously and clearly that a distinction between the 'core' and 'non-core' parts of a 5G network will still exist".

He cited Dr Ian Levy, technical director of the UK National Cyber Security Centre as having said that, "from a purely technical point of view, geography matters in 5G", and quoted him as saying, "UK and Australia have very different geographies – so our laydowns will be very different to Australia's laydowns. So we may have exactly the same technical understanding, but come to very different conclusions."

Lamb pointed out a decision by British telcos to exclude Huawei gear from the core parts of their 5G networks was voluntary, adding that the government should mandate this and make clear the grounds on which such a decision was based so that other companies would have a clear line of reasoning to follow.

Sam Varghese

**Attend Australia's Original
Cyber Security Conference**



AUSCERT2019
Cyber Security Conference

REGISTER NOW →

HUAWEI SAYS AUSTRALIA YET TO GIVE REASON FOR 5G BAN

The UK has taken a much more intelligent approach to the 5G security issue than Australia and has conducted an open and transparent process around it, the local arm of China's Huawei Technologies says, adding that it had fully co-operated with the process.

Huawei was reacting to the publication of a letter from the UK Parliamentary Science and Technology Committee.

The letter [said](#) it had found no evidence to suggest that Huawei's complete exclusion from British telecommunications networks would constitute "a proportionate response to the potential security threat posed by foreign suppliers".



In a statement, Huawei Australia said the conclusion confirmed its own position "that it is perfectly possible for governments and network operators to work with Huawei on deploying 5G technology in a safe and secure manner".

It said this was already being done in many parts of the world, with Huawei having signed 50 contracts for commercial 5G deployment, more than half of which were in Europe.

The statement was not short on digs at the Australian Government, saying the UK report was "yet another repudiation of the rushed and chaotic decision to exclude Huawei from 5G by the Turnbull Government – based on inaccurate technical advice - in its dying final hours".

Huawei Australia also took a dig at the [claims](#) made by former Prime Minister Malcolm Turnbull that there was no separation between the core and non-core parts of a 5G network.

"It was particularly noteworthy that the Science & Technology Committee report also concluded – in direct contradiction to claims made by the Turnbull Government – that the Core Network and Radio Access Network can be separated on 5G networks," the statement said.

The head of the Australian Signals Directorate, Mike Burgess, was quoted last October in *The Australian* [as saying](#): "The distinction between core and edge collapses in 5G networks. That means that a potential threat anywhere in the network will be a threat to the whole network."

When *CommsWire* queried this statement, the ASD [claimed](#) that Burgess was referring to "mature" and "far more capable 5G network architectures".

But this was put in serious doubt during [a 3GPP panel discussion](#) in September last year.

Nigel Phair, director of UNSW Canberra Cyber, has also [parroted](#) this view.

The Huawei Australia statement said while the UK had discussed 5G issues openly, "in Australia Huawei has yet to even receive written confirmation of the 5G ban being in place and has still not been given an explanation as to why it was imposed".

Huawei Australia Corporate and Public Affairs director Jeremy Mitchell said: "It is very pleasing to see the UK government take an evidence based approach to this matter – there are clearly lessons to be learned here for the Australian Government.

"Huawei complies with all the local laws and regulations wherever we operate and we have always been willing to engage with the Australian Government to answer any questions they may have or to work through any concerns.

"We remain open to talking to the Australian Government and to taking whatever measures necessary to demonstrate the safety and security of our equipment – just as we are already doing in the UK and Europe.

"With so many Australians feeling let down by the speeds being delivered on the national broadband network, it is crucial that Australia gets the best possible 5G networks – as things stand that is not going to happen – and it will be Australian mobile users who pay the price."

Sam Varghese



John de Ridder

Telecommunications Economist

strategic management • wholesale and retail pricing • regulatory issues

[click here to go to www.deridder.com.au](http://www.deridder.com.au)

US ALLY MANILA TURNS TO CHINESE FIRM FOR 5G NETWORK BUILD

The Philippines has snubbed its long-time ally, the US, and opted to use a 5G network build from a Chinese state-owned company, according to The Wall Street Journal.

Manila got its first exposure to 5G in June, and a new carrier named Dito Telecommunity, backed by China's state-owned China Telecommunications, was being set up to build the network, the newspaper said in [a long and well-researched report](#).

The local partner for the joint venture is known as Udenna Group and it has no telecommunications experience, with interests in real estate, logistics and shipping.

The network will be designed in China and rolled out in the Philippines by Chinese engineers, with 40% of the new company being owned by China Telecom.

For a number of years, the US has been pushing countries it considers allies to avoid using equipment from Chinese companies, Huawei Technologies foremost, in 5G networks.

But Washington has produced no proof to back up its claims that these products could be used to spy for Beijing.

Only [Australia](#) and [New Zealand](#) have fallen in line with Washington's dictates.

But even Wellington is still [indicating](#) that the initial refusal for telco Spark to use Huawei gear is not the end of the matter.

Huawei [sued the US](#) on 7 March, seeking to be reinstated as a telco supplier in the country.

Two British telcos, [EE](#) and [Vodafone](#), have launched 5G services using Huawei gear in non-core parts of the network.

The *WSJ* report said China Telecom was keen to take up a majority stake in the Philippine joint venture and an official in Manila said the government was seeking to change the limits on foreign ownership to facilitate this.

Huawei already enjoys a dominant position in the Philippines, having supplied most of the equipment used by the two bigger local operators, Globe Telecom and Smart Communications.

Other American allies to have gone with Huawei's 5G system are South Korea and the United Arab Emirates.

Sam Varghese



**Chief Data & Analytics
Officer Melbourne**

9 September : Focus Day & Workshops
10-11 September : Main Conference

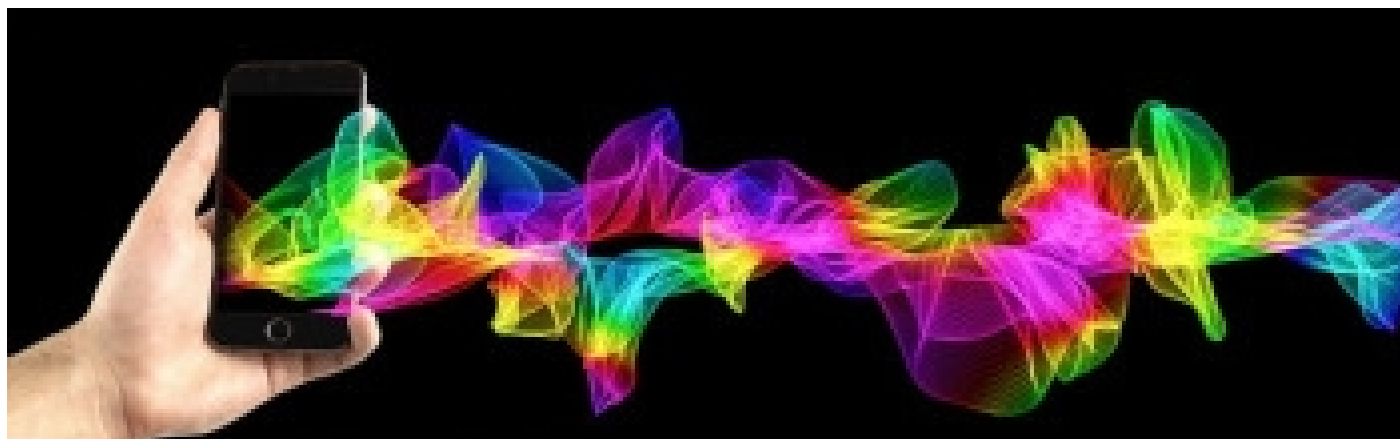
www.chiefdataanalyticsofficermelbourne.com

VODAFONE TO PAY DAMAGES OVER DIRECT CARRIER BILLING SERVICES

Telecommunications provider Vodafone Hutchison Australia has admitted it made false and misleading statements about its third-party direct carrier billing service and will pay damages to affected customers, the ACCC says.

The Australian Competition and Consumer Commission [said](#) it had investigated the matter under powers delegated to it by the Australian and Securities Commission.

An ACCC statement said Vodafone had confessed it was likely to have breached the ASIC Act from at least 2015.



Vodafone had provided the ACCC with a court-enforceable undertaking about the billing service, which sold ringtones, games and other content from third parties.

The service was enabled by default on Vodafone customers' accounts and content could be bought with a couple of clicks.

ACCC chair Rod Sims said: "Through this service, thousands of Vodafone customers ended up being charged for content that they did not want or need, and were completely unaware that they had purchased.

"Other companies should note, money made by misleading consumers will need to be repaid."

The statement said Vodafone had agreed to contact customers whom it judged to have been affected and offer them refunds.

While the telco began to phase out subscriptions to such billing services by mid-2015, one-off purchases took place until March 2018.

Vodafone is the third telecommunications service provider to be fined for these activities. Both Optus and Telstra were fined \$10 million apiece, the former in [February](#) and the latter in [April 2018](#), over similar offences.

Sam Varghese

IMPROVED MOBILE COVERAGE BOOSTS REGIONAL ECONOMY: GOVT

The Federal Government claims more than 700 new or improved mobile base stations are providing better mobile coverage in regional areas, while boosting Australia's regional economy, and with more Australians than ever before accessing mobile networks.

“This milestone is an impressive achievement with the new coverage not only helping people to connect, but also significantly boosting our regional economy,” said Minister for Communications, Cyber Safety and the Arts, Paul Fletcher.

“The first four rounds of the highly successful program will deliver 1047 new base stations in areas that are not commercially viable without Commonwealth investment.”



The Minister for Regional Services, Decentralisation and Local Government, the Mark Coulton, said Telstra had activated its 600th base station under the program on Tuesday, with the remainder delivered by Optus and Vodafone.

“The Mobile Black Spot Program is a terrific example of what can be achieved when the Federal Government, mobile industry, state and local governments,

local businesses and communities work together.”

Minister Coulton said the program was “ongoing proof” that the Government was committed to improving mobile coverage for regional Australians.

“The program helps people to stay connected with family and friends, undertake business, access education services and improve safety,” the Minister said.

“More than 20,000 Triple Zero emergency calls have been made possible through these towers being online and local community groups can engage directly with mobile networks to make them aware of the coverage issues in their area.”

The Ministers said in a joint statement issued on Tuesday that under the first four rounds of the program, the Federal Government's commitment has generated investment of more than \$760 million, with an additional \$160 million in new funding for rounds five and six of the program announced earlier this year.

Funding for round 6 commences from July 2020.

Peter Dinham

Not your copy of CommsWire? If so please join up!

All material on CommsWire is copyright and must not be reproduced or forwarded to others.

**If you have a trial subscription that you are finding valuable please subscribe formally via subscriptions@itwire.com
Subscriptions are very affordable for individuals, corporate and small teams/SMB. Special deals and discounts for PR firms**

**For editorial, contact, Stan Beer, CommsWire Editor: 0418 516 720 | stan.beer@itwire.com
To subscribe or advertise contact, Andrew Matler, CEO: 0412 390 000 | andrew.matler@itwire.com**