

Sprint, Softbank Near U.S. Deal to Restrict Huawei Gear

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Sprint and Softbank, the Japanese cellular company that intends to buy 70 percent of the U.S.'s third largest carrier, are expected to allow the U.S. government oversight in its choice of network suppliers.

The New York Times [reports](#) [1] the deal, which is being pushed as a possible contingency for approval of the acquisition, would enable the government to monitor changes to the combined company's network and possibly prevent it from using equipment manufactured by Chinese companies, particularly Huawei.

Both Softbank and Sprint have given their word to congress that no Huawei infrastructure equipment will be integrated with Sprint's U.S. mobile network. Clearwire, the WiMax provider of which Sprint owns half and is currently seeking to fully acquire, will reportedly replace all existing Huawei components of its network infrastructure.

Huawei, which is in the hunt to become the third largest smartphone maker in the world, has fallen under scrutiny by Congress due to its possible ties with the Chinese government. The White House ordered a review of potential security risks posed by Huawei products. The report concluded that network gear made by Huawei, along with that of fellow Chinese mobile company ZTE, posed a security risk to the U.S.

After the report, Huawei [released](#) [2] a statement saying that it has cooperated with the review and that it had been transparent but that the findings were inevitable.

"Despite our best effort, the Committee appears to have been committed to a predetermined outcome," Huawei wrote in the blog post.

Reuters [cited](#) [3] sources saying that the 18-month review last year found no substantial evidence to suggest that Huawei was spying for China, but did produce reason to believe that the company's network equipment was marked by vulnerabilities that could be exploited.

Huawei remains a big player in the global demand for wireless network infrastructure equipment, with a [report](#) [4] last year saying the company controlled 22.3 percent of worldwide market share.

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Published on Wireless Week (<http://www.wirelessweek.com>)

Source URL (retrieved on 06/12/2013 - 1:15pm):

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[1] http://www.nytimes.com/2013/03/29/business/sprint-and-softbank-near-agreement-to-restrict-use-of-chinese-suppliers.html?source=email_rt_mc_body&r=0

[2] <http://www.huawei.com/en/about-huawei/newsroom/press-release/hw-194454-hpsci.htm>

[3] <http://www.reuters.com/article/2012/10/17/us-huawei-spying-idUSBRE89G1Q920121017>

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