

# Sprint axes China's Huawei, ZTE on security grounds: WSJ

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The Sprint Nextel logo, seen in the window of a Sprint retail store in Chicago. Sprint Nextel is excluding China's Huawei Technologies and ZTE Corp. from a multi-billion dollar contract to upgrade its cellular network largely because of national security concerns in Washington, according to The Wall Street Journal report.

Sprint Nextel is excluding China's Huawei Technologies and ZTE Corp. from a multi-billion dollar contract to upgrade its cellular network largely because of national security concerns in Washington, The Wall Street Journal reported Friday.

The newspaper said the Pentagon and some US lawmakers are increasingly concerned about ties between the two Chinese telecommunications-equipment makers and the Chinese government and military.

Citing "people familiar with the matter," the Journal said the Defense Department and lawmakers are concerned about the security implications of letting the Huawei and ZTE equipment into critical US infrastructure.

The newspaper quoted unidentified officials as saying China's military could use Huawei or ZTE equipment to disrupt or intercept American communications.

US Commerce Secretary Gary Locke called Sprint chief executive Dan Hesse this week to discuss concerns about awarding the work to a Chinese firm, but did not ask Sprint to exclude the Chinese suppliers, the Journal said.

The Journal said the Department of Defense (DoD) declined to discuss Huawei or ZTE, but said it "is very concerned about China's emerging cyber capabilities and any potential vulnerability within or threat to DoD networks."

The Journal quoted an unidentified source as saying [security](#) concerns played a key role in Sprint's decision to exclude Huawei and ZTE but there were also doubts about the ability of Chinese companies to execute the job.

The newspaper said Huawei and ZTE had submitted bids that were lower than their competitors, Alcatel-Lucent, Telefon LM Ericsson of Sweden and South Korea's Samsung.

The Journal said the highest bids to modernize Sprint's existing [cellular network](#) came in at around 8.5 billion dollars, more than the company, the third-largest US wireless carrier by number of subscribers, is willing to pay.

The newspaper said Sprint is now renegotiating with Samsung and Alcatel-Lucent in the hopes they will submit lower bids.

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