

Federal Government Further Banned from Using Huawei

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The U.S. government continues its push against one of the world's largest telecommunications manufacturer, Huawei Technologies Co. Ltd. (Huawei), by issuing a ban on federal purchases from the tech giant.

On August 8, 2019, The U.S. Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA) issued an [interim rule](#) banning the federal procurement of telecommunications equipment from Huawei and four additional technology companies including: ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, and Dahua Technology Company. Specifically, the rule bans federal agencies from "procuring or obtaining, or extending or renewing a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as a critical technology as part of any system."

As a measure to implement section 889(a)(1)(A) of the [National Defense Authorization Act \(NDAA\)](#), passed just last year, the interim rule continues the U.S. government's endeavors to eliminate Huawei's access to the U.S. market, specifically the entrance of surveillance and other telecommunications equipment that would threaten U.S. national security.

The rule gives interested parties 60 days to offer comment once published in the federal register on August 13, 2019. The final rule will be effective exactly one year later, on August 13, 2020. As a potential reprieve, the rule does provide federal agencies with the ability to grant a one-year waiver of the effective date for the prohibition (not to exceed August 13, 2021). However, such a waiver can only be granted if the requester demonstrates both a compelling justification for additional time, a complete description of the telecommunications equipment at issue, and a phase-out plan for such equipment. Accordingly, even a granted waiver would not provide blanket authority to continue to use Huawei equipment.

This rule will largely impact both government contractors and any other companies in the government supply chain that use Huawei equipment or provide services related to such equipment. Accordingly, such companies should note the deadline for comment.

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