

Congress of the United States
House of Representatives

Secretary Henry Paulson
Department of the Treasury
1500 Pennsylvania Ave NW
Washington, D.C. 20220

October 11, 2007

Dear Secretary Paulson,

We urge the Committee on Foreign Investment in the United States (CFIUS) to implement measures contained in the Exon-Florio Provision of the Defense Production Act of 1950 (P.L. 81-774) to block Bain Capital and communist China's Huawei Technologies' acquisition of the 3Com Corporation.

If allowed to proceed, Bain Capital and communist China's Huawei Technologies' acquisition of the 3Com Corporation will gravely compromise America's national security. Presently, the 3Com Corporation is a world leader in intrusion prevention technologies designed to prevent cyber espionage and warfare in the computer networks of its customers, including the United States Department of Defense (DoD). In light of successful efforts in 2007 by the communist Chinese Peoples Liberation Army (PLA) to unlawfully hack into one of the DoD's computer networks and the German Foreign Ministry's computer networks, as well as continuous acts of cyber espionage against American companies, permitting this transaction would constitute an abject abnegation of CFIUS' fundamental goal: the protection of our free republic's sovereign citizens.

There should be no doubt about the aims of communist China's Huawei Technologies. As stated above, the Pentagon has identified communist China as the culprit in recent cyber attacks on our military's computer networks, which caused their shut down in June. Small wonder the pending sale to Huawei is deemed "really worrisome" by former Pentagon cyber security expert, Sami Saydjari.

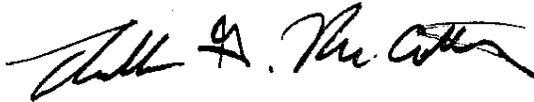
Nor is this the first time communist China's Huawei Technologies has raised legitimate American concerns. In *Newsweek's* Jan. 16, 2006 issue it described Huawei Technologies "a little too obsessed with acquiring advanced technology." Further, in Congressional testimony before the House Armed Services Committee on September 19, 2002 University of Wisconsin Law School Professor, Gary Milhollin, Director of the Wisconsin Project on Nuclear Arms Control, explained Huawei Technologies assistance in supplying technological support to our enemies in Iraq. Milhollin stated, "The history of Huawei shows how sensitive American exports can wind up threatening our own armed forces... So, when we talk about export controls, we are not just talking about money. We are talking about body bags." Even earlier, in 2000, the CIA discovered Huawei

Technologies was selling fiber optics equipment to Saddam Hussein to advance Iraqi's military technology and communications. This was in direct violation of the United Nations' international embargo.

Further, Huawei Technologies has been engaging in questionable and flagrantly illegal business practices. For example, in June 2004, *Business Week* reported a Huawei Technologies employee was caught photographing circuit boards inside Fujitsu networking equipment at the Chicago Supercomm trade show. Additionally, in 2004, Huawei Technologies was subsidized with \$10.6 billion in credit advances by government-run communist Chinese banks. Despite the appearance of direct communist Chinese government control, Huawei Technologies still refuses to publicly disclose its complete financial statements. Further, in 2003, Cisco Systems formally charged Huawei Technologies with grievous intellectual property violations such as infringing on its patents, copying its Inter-Network Operating System (IOS) source codes, and copying its Command Line Interface (CLI) and corresponding screen displays.

Given the above, we again urge you to initiate the process required to block the acquisition of the 3Com Corporation by Bain Capital and communist China's Huawei Technologies. All of America's public servants must send the communist Chinese this clarion message: America's security is not for sale.

Respectfully,



Thaddeus G. McCotter
Member of Congress

cc: President George W. Bush

CFIUS Members

Secretary Condoleezza Rice
Secretary Robert Gates
Secretary Michael Chertoff
Secretary Carlos Gutierrez
Secretary Samuel Bodman
Acting Attorney General Peter Kiesler

Ex-officio CFIUS Members

Secretary Elaine Chao
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