The US gives Huawei its third 90-day support exemption from export ban

Enlarge / A sign outside Huawai’s offices in Santa Clara, California, August 17, 2017.
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For six months now, the Trump Administration has banned US companies from doing business with Huawei. Nearly the entire time, there has also been a “temporary general export license” provision that allows current Huawei customers to continue to receive support for existing devices. The original order in May gave existing customers a 90-day license, and it was then extended for another 90 days after that. That leads us to November 18, and today the US has given Huawei a third 90-day support window.

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Huawei is the world’s largest telecommunications-equipment manufacturer and second largest smartphone manufacturer after Samsung (and before Apple). The company doesn’t have a huge presence in the US, in part because the US House Intelligence Committee has for years flagged Huawei as security threat

thanks to its close ties to the Chinese government. The US government has banned federal agencies from using Huawei equipment, and it has used political pressure to shut down consumer deals with US carriers. Huawei has still managed to get some telecommunication equipment in the US, though, particularly thanks to rural carriers in states like Wyoming and Oregon. A coalition of these smaller carriers, the Rural Wireless Association, estimates that replacing Huawei and ZTE equipment could cost its members up to a billion dollars.

“There are enough problems with telephone service in the rural communities—we don’t want to knock them out,” Commerce Secretary Wilbur Ross told Fox Business Network on Friday. “So, one of the main purposes of the temporary general licenses is to let those rural guys continue to operate.”

As far as smartphones go, Huawei could possibly build hardware without further assistance from US companies, but doing it without US software is tough. The company has already had to ship the Mate 30 Pro in Europe without the Google apps, meaning it’s one of the few Android smartphones that doesn’t come with Google Maps, Gmail, YouTube, and the Play Store (which provides access to 2.8 million Android apps). For now, Huawei is focusing on Android with its “Huawei Mobile Services” in lieu of Google apps. Huawei Mobile Services have been up and running in China for some time since Google Play is not available in China. The company is also working on its own operating system called “HarmonyOS,” but the company said that won’t be ready for smartphones for at least three years.

In the lead-up to today’s expiration or renewal deadline, Huawei has been out in force in the media. The overall messaging has been “the US needs Huawei more than Huawei needs the US.”

For instance, Huawei’s Chairman, Liang Hua, told CNBC today, “No matter whether there will be an extension, in terms of its real impact on Huawei, it will be very limited. Our products

are able to be shipped without the reliance on the US components and chips.” In translated remarks, Liang said banning Huawei would “pose a bigger damage” to the US than it would to Huawei, and the move would “only damage the broadband network suppliers in those rural areas. It would only cause a bigger digital divide in the US.”

This latest 90-day extension means we should be dealing with this again on February 17, 2020.

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