



Blacklisting and White-Labeling

The U.S. Government Ban on Chinese-Made Security Cameras - What You Need to Know

The [2019 National Defense Authorization Act \(NDAA\)](#), which was signed into law on August 13, 2019, included a ban on the purchase and use of certain video surveillance cameras manufactured in China. The law requires all federal government agencies, contractors, and critical infrastructure to immediately remove, or have a plan to remove these cameras by August 13, 2020. Based on Congressional testimony, the purpose for the ban mainly stems from cybersecurity and national security concerns due to the potential for mass espionage of U.S military and government facilities by the Chinese government.

The ban includes major Chinese camera manufacturers Hikvision and Dahua and according to the law: **“any subsidiary or affiliate of such entities”** and involves surveillance cameras used **“For the purpose of public safety, security of Government facilities, physical security surveillance of critical infrastructure, and other national security purposes,”**.

Who must comply with the ban?

While it's obvious that this ban applies to federal government and military use, the inclusion of “critical infrastructure” in the law could affect some non-government entities and businesses that fall under this umbrella. The U.S. Department of Homeland Security's website identifies the following as critical infrastructure sectors:

Chemical Sector

Commercial Facilities Sector

Communications Sector

Critical Manufacturing Sector

Dams Sector

Defense Industrial Base Sector

Emergency Services Sector

Energy Sector

Financial Services Sector

Food and Agriculture Sector

Government Facilities Sector

Healthcare and Public Health Sector

Information Technology Sector

Nuclear Reactors, Materials, and Waste Sector

Transportation Systems Sector

Water and Wastewater Systems Sector

Additionally, some experts believe that any institution that receives federal funding earmarked for the purchase of surveillance cameras, such as schools and local government, may also have to comply with the law.

Which cameras are banned?

Identifying the blacklisted cameras could be a tricky endeavor because Hikvision and Dahua are the original equipment manufacturer (OEM) for many other big-name surveillance camera companies and dozens of smaller ones. Companies like Honeywell, Bosch, Panasonic, Lorex, Stanley, and Tyco have used, and may continue to use components and cameras manufactured by Hikvision and Dahua and rebrand them as their own through a process called “white labeling”. Many experts believe that the use of the word “affiliate” in the law could be interpreted to include such OEM partners. IPVM.com has compiled a directory that lists the OEM partner companies that use Hikvision and Dahua components.



What should businesses do?

If your business does not have to comply with the ban and you are interested in purchasing Hikvision or Dahua camera systems, or if you already have these systems, you need to be aware of recent and proposed U.S. government sanctions on these companies. These actions are in addition to the NDAA ban and due to the use of their cameras in the surveillance of minorities and human rights abuses by the Chinese government:

- In October 2019, the U.S. Department of Commerce added Hikvision and Dahua to their “Entity List” which prohibits them from buying parts from U.S. companies without the government’s approval.
- In March 2019, the U.S. House Foreign Affairs Committee called for Magnitsky Act sanctions to be imposed on Hikvision and Dahua. If these sanctions are imposed, the U.S. government could halt the import of their products altogether.

When choosing a video surveillance system, decision makers need to take into consideration the possibility that they may not be able to get replacement cameras and parts for Hikvision and Dahua systems in the future. While the impact of these sanctions on the video surveillance market is yet to be determined, government and businesses alike need to make informed decisions when evaluating their options.

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