Group Calls on China to Improve Internet Security

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BEIJING (AP) — An American business group appealed to China on Wednesday to improve online security and ease restrictions on Web use by companies, warning that deteriorating access speeds might discourage foreign investment.

The American Chamber of Commerce suggested the Chinese government could speed up Internet access by permitting some companies to circumvent its extensive system of Web filters.

"When we compare the Internet in China to the Internet as it exists in other countries such as South Korea or the European Union or the United States, what we see is that it is significantly slower. It is also less reliable and less secure," said the chamber's president, Christian Murck.

Beijing's Internet controls and attitude toward data security have become politically sensitive after Mandiant, an American security firm, released a report in February on a wave of hacking attacks against U.S. companies it said were traced to a Chinese military cyberwarfare unit.

The American chamber warned that while two-thirds of its member companies use cloud computing, the number willing to base those operations in China has declined to below 50 percent due to security concerns.

In an annual "white paper" on policy recommendations, the chamber appealed to Chinese authorities to repeal restrictions imposed in 1999 on use of foreign encryption and security technology for sensitive data.

China has the world's biggest population of Internet users, with 564 million people online at the end of last year.

The government encourages Web use for business and education but tries to block access to material deemed subversive using filters that slow access and prompt widespread complaints.

The American chamber said its member companies have "noted deterioration in access speeds" to websites outside China and warned that will "eventually discourage investment in China."

It suggested Chinese authorities might certify companies that would be allowed high-speed international access that circumvents the filters. It said those companies might promise to use such networks only for business-related correspondence.

The chamber also appealed to Beijing to increase the size of stakes foreign investors are allowed to own in Chinese Internet and data storage companies.

It warned that security policies that "diverge from global practices" might hamper China's development and appealed to the government to embrace international standards.

U.S. officials are pressing Beijing to help combat Internet-based industrial spying. Pressure increased following the Mandiant report, which said a wave of attacks were traced to a building in Shanghai that is occupied by a Chinese military cyberwarfare unit. The attacks have prompted threats of commercial sanctions by Washington.

An American undersecretary of state, Robert Hormats, warned during a visit to Beijing this month that hacking from China was undermining its relations with Washington.

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