

U.S., China Talk Cyberhacking Amid New Allegations

Bradley Klapper & Louise Watt, Associated Press



Beijing

(AP) — Top American officials said Thursday they challenged their counterparts in China to rein in alleged cybersecurity infringements as a new allegation emerged of a brazen attempt by Chinese hackers to break into U.S. government personnel files.

U.S. Secretary of State John Kerry said the two powers had a frank exchange on the issue during this week's "Strategic and Economic Dialogue" in Beijing. However, Kerry said he and Treasury Secretary Jack Lew only were notified of the latest accusation of wrongdoing after the gathering's conclusion.

"We did not raise it in specific terms. We raised the subject, obviously," Kerry told reporters. He said the alleged incident referred only to an "attempted intrusion" still being investigated but said no sensitive material appears to have been compromised.

The New York Times reported that the hackers, who aren't believed to be government actors, sought information on people who were candidates for higher security clearances.

The issue of cybersecurity was already among one of the most sensitive at this year's dialogue after the United States unsealed indictments against five senior Chinese military officials in May. They are accused of stealing trade secrets from the

U.S., China Talk Cyberhacking Amid New Allegations

Published on Wireless Design & Development (<http://www.wirelessdesignmag.com>)

computers of American companies and passing them on to Chinese competitors.

In retaliation for the action, China suspended a working group on cyber-related matters. China has demanded the withdrawal of the charges, and foreign policy chief Yang Jiechi said Thursday the U.S. must first create the proper conditions for dialogue for the working group to be renewed.

Earlier, Kerry said the loss of intellectual property through hacking has had a "chilling effect on innovation and investment," and said such activity is hurting U.S. companies.

Yang described cybersecurity as a "common threat facing all countries." But, speaking through an interpreter, he suggested the issue was being abused: "Cyberspace should not become a tool for damaging the interests of other countries," he said.

Treasury Secretary Jack Lew also addressed the question of cybercrime, but highlighted some progress. He said China committed to vigorously prosecuting trade secret theft cases.

Lew also stressed Chinese pledges to reduce intervention in its currency "as conditions permit."

"China is making preparations to adopt greater transparency including on foreign exchange, which will accelerate the move to a more market based exchange rate," he said. Such actions will help level the playing field for American workers and companies, he added.

Cyberhacking was a rare issue of disagreement at a conference that otherwise highlighted the increasing levels of cooperation between the two countries over everything from the security threats posed by North Korea and Iran, to fighting climate change and combating wildlife trafficking.

Kerry said the two sides discussed ways to persuade North Korea to give up nuclear weapons. "We both understand that there's more we can do in order to bring North Korea into compliance with its obligations to denuclearize," he said.

The U.S. has long pushed for China to use its status as North Korea's only major ally, and a crucial source of fuel and food, to pressure Pyongyang to give up its nuclear capabilities. The U.S. and Western leaders saw President Xi Jinping's visit to South Korea last week as a positive sign.

Yang Jiechi, China's top diplomat, said it was important to maintain restraint in dealing with North Korea and said the two sides could do "more things to relax the situation."

Meeting later with Xi, Kerry said the two sides had come to an agreement "that we must press forward together in unity with respect to Iran's nuclear program." Kerry also said close cooperation between the two was essential to deal with other world

U.S., China Talk Cyberhacking Amid New Allegations

Published on Wireless Design & Development (<http://www.wirelessdesignmag.com>)

problems such as conflicts in Ukraine, Iraq and Syria.

The U.S. had hoped to secure stricter rules governing territorial claims in Asia's contested, resource-rich seas, but Yang signaled that Beijing's position hasn't changed. He urged the U.S. not to take sides and to adopt a "just and objective position."

American allies Japan and the Philippines, as well as Vietnam, have become increasingly worried by Chinese efforts to drill for oil or assert authority in waters they consider their own. China also has tried to enforce control over contested airspace.

Source URL (retrieved on 10/20/2014 - 10:57pm):

<http://www.wirelessdesignmag.com/news/2014/07/us-china-talk-cyberhacking-amid-new-allegations?type=headline>