

WHY THE U.S. AND OTHER COUNTRIES WANT TO BAN OR RESTRICT TIKTOK

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T he contentious debate over TikTok's future reached a new peak on Wednesday after the Biden

Administration threatened a nationwide ban on the popular video-sharing app unless its Chinese owner promised to sell its stake in the company, TikTok confirmed to TIME. The recent divestiture demand was first reported by the *Wall Street Journal*.

The apparent ultimatum by the Committee on Foreign Investment in the U.S. (CFIUS) marks a major escalation by White House officials in the long-running negotiations between the company's Beijing-headquartered owner ByteDance and federal officials who say that TikTok's link to China poses a potential national security threat.

Why does the U.S. want to ban TikTok?

Since its launch in 2016, the app has grown in popularity to over 1 billion active users, including more than 100 million in the U.S. But its growth comes with concerns from federal officials and security experts that China's Communist Party (CCP) could have unlimited access to sensitive data the company collects on Americans. As a Chinese company, ByteDance is subject to a national security law that requires it to turn over data to Chinese authorities on request.

"The biggest issue is that users are largely unaware of the true risks of foreign governments using their user data," says Anton Dahbura, executive director of Johns Hopkins University Information Security Institute. "People would be shocked about how our trails of breadcrumbs from our mobile devices and other platforms can be used in different ways that can be a threat to national security."

The push to ban TikTok in the U.S. is largely led by Republican lawmakers in Congress who are concerned ByteDance could be using user data to track browsing history and location and potentially drive misinformation efforts. Texas Republican Representative Michael McCaul, who is a member of the House Foreign Affairs Committee that sponsored the TikTok ban bill, has said, "Anyone with TikTok downloaded on their device has given the CCP a backdoor to all their personal information. It's a spy balloon into their phone." More Democrats, who have not been as vocal about advancing these security measures in the past, are beginning to show their support publicly.

TikTok, however, is adamant that the CFIUS's divestiture demand will not address security concerns. "If protecting national security is the objective, divestment doesn't solve the problem: a change in ownership would not impose any new restrictions on data flows or access," a TikTok spokesperson said in a statement to TIME. "The best way to address concerns about national security is with the transparent, U.S.-based protection of U.S. user data and systems, with robust third-party monitoring, vetting, and verification, which we are already implementing."

With political pressure mounting, TikTok CEO Shou Zi Che is set to testify next week on Capitol Hill, where lawmakers from both parties are expected to grill him over the perceived security risks presented by the app.

Which countries have already banned TikTok?

Several countries have already made the move to cut some level of ties with the platform.

In 2020, India imposed a ban against several Chinese-owned apps, including TikTok and WeChat, due to privacy and security concerns amid ongoing tensions at the China-India border. Pakistan has



Shouzi Chew, CEO of TikTok Inc., during an interview at the TikTok office in New York, Feb. 17, 2022.

Christopher Goodney—Bloomberg/Getty Images

temporarily banned TikTok at least four times, citing concerns that the app promotes immoral content. Afghanistan's Taliban government banned the app in 2022 for <u>"leading youth astray"</u>."

Meanwhile, a number of governments, including Canada, the U.S. and Taiwan, have moved to restrict access to the app on government-issued devices. On Thursday, the U.K. became the latest country to ban TikTok from government devices.

What does this mean for TikTok users?

Users of the platform are concerned over what a potential ban could mean for them, particularly for the content creators who earn a living from TikTok's <u>Creator Fund</u> payments and brand endorsements. Top earners on the platform can make up to \$250,000 for a sponsored post, according to <u>Forbes</u>. "So who's gonna tell the Biden administration that some of us have built our literal careers on TikTok and if it gets banned we will actually have nothing?" <u>tweeted</u> one user.

With uncertainty over the app's future, TikTokers have been sharing their grievances on the platform. "Well guys it's been fun, but it looks like it's over for us. We've learned a lot. We've laughed. We've cried," one user says in jest in a video with more than 100,000 views. The video's top comment reads, "See y'all on VPN Tok," one of countless comments from users suggesting they'll attempt to get around a potential ban by using a virtual private network to access the app.

A ban on TikTok could open the door for other companies, such as Meta's Instagram, to fill the video-sharing void. In October, Twitter CEO Elon Musk said he was thinking about bringing back Vine, the short-form video app that was discontinued in 2019.

Will divestment make TikTok more secure?

TikTok has been in negotiations with CFIUS about national security requirements for more than two years. Chew, TikTok's CEO, told the *Wall Street Journal* on Thursday that a sale of the company won't solve the American national security concerns over the app.

Instead, the social media platform says it has pledged to spend \$1.5 billion to safeguard U.S. user data and content from Chinese government access or influence. The plan involves hiring U.S.-based Oracle Corp. to store user data. "I do welcome feedback on what other risk we are talking about that is not addressed by this," Chew said. "So far I haven't heard anything that cannot actually be solved by this."

TikTok has also said that 60% of ByteDance shares are owned by global investors, including the American investment giants BlackRock, General Atlantic and Sequoia. (Like most startups, however, ByteDance's founders hold a controlling stake in the company.) Chew confirmed to the *Journal* that ByteDance has been actively thinking about a public offering of TikTok, but added that "there's no concrete plan right now."

The debate over TikTok's ownership has turned into a significant flashpoint in the U.S.-China conflict, creating a major challenge for the Biden Administration as it grapples with the new reality of an internet

dominated by non-American companies.

"It's not clear to me that the sale itself would do very much," says Harry Broadman, a former CFIUS official. "But this is opening up a larger debate about what methods will the U.S. government take to safeguard so-called personal information of U.S. citizens. The TikTok issue is a bellwether for that conversation."

"Divestiture is but one path, one instrument that might be used," Broadman adds. "It's the obvious option, but the question is: Is that sufficient?"

Last week, the White House endorsed a bipartisan bill that would grant the Commerce Department broad authority to ban or limit TikTok and other apps rooted in foreign countries, though efforts to ban a social media platform used by more than 100 million Americans could be challenged under the First Amendment.

China's Foreign Ministry spokesperson Wang Wenbin told reporters on Thursday that the U.S. has yet to provide evidence that TikTok threatens its national security and was using the excuse of data security to abuse its power to suppress foreign countries.

"The U.S. should stop spreading disinformation about data security, stop suppressing the relevant company, and provide an open, fair and non-discriminatory environment for foreign businesses to invest and operate in the U.S.," Wang said.

Broadman, who served on CFIUS, said the committee is likely looking at several other options in addition to requiring TikTok's parent company to sell its ownership stake in the app. One option, he says, is to give TikTok approval for its "Project Texas" plan, which would subject the app to closer government oversight than any U.S. social media company has ever faced. The plan involves hiring U.S.-government-approved employees and board members to run what would be a U.S.-based subsidiary of TikTok.

"The question for CFIUS now is whether their decision sets a precedent for the next case that comes before them, whether it's from China or another country," Broadman says.

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