

United States Senate

September 16, 2020

Hon. Steven T. Mnuchin
Chair, Committee on Foreign Investment in the United States
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Dear Secretary Mnuchin:

The Chinese Communist Party and its expansionist actions represent a threat the United States, its interests, and its allies. This Administration has correctly recognized this threat and has taken substantial counter-measures in response to protect our national security. I urge you to do the same when reviewing the newly submitted plan of a transaction between the Chinese company ByteDance and Oracle.

To protect national security, President Trump recently issued two executive orders against ByteDance. The first order banned transactions with ByteDance after 45 days.¹ The second, issued a week later, provided ByteDance 90 days to divest all interests and rights in American assets.² These orders meticulously explained how TikTok—a social media platform owned and controlled by ByteDance—is a national security threat. Not only does TikTok’s “data collection threaten[] to allow the Chinese Communist Party access to Americans’ personal and proprietary information,” but TikTok “censors content that the Chinese Communist Party deems politically sensitive, such as content concerning protests in Hong Kong and China’s treatment of Uyghurs and other Muslim minorities.”³

These orders correctly left ByteDance no choice but to sell TikTok to an American company to remove the influence and power of the CCP. Unfortunately, recent maneuvering by the CCP seems to have reset negotiations and circumvented the intent of the executive orders. Seeking to protect its asserted intellectual property rights—rights that the CCP routinely violates and exploits—the CCP has prohibited any American company from acquiring any of the underlying code powering TikTok itself.

The consequence is a planned “partnership” between Oracle and ByteDance. As opposed to a sale that could, with the right conditions, remove the CCP root and branch from TikTok, this planned partnership raises serious national security concerns. Indeed, reports indicate that other companies interested in purchasing ByteDance felt they were unable to address national security concerns under the conditions imposed by the Chinese government. It is hard to see how such a proposal can satisfy the spirit of the executive orders, and harder still to see how such an arrangement serves American interests.

¹ <https://www.whitehouse.gov/presidential-actions/executive-order-addressing-threat-posed-tiktok/>

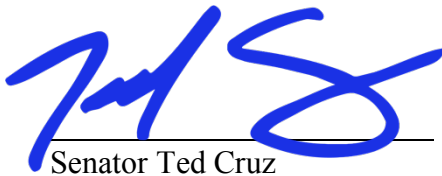
² <https://home.treasury.gov/system/files/136/EO-on-TikTok-8-14-20.pdf>

³ <https://www.whitehouse.gov/presidential-actions/executive-order-addressing-threat-posed-tiktok/>

In recent years, Americans have begun to understand that China is working relentlessly and systematically to undermine American national security, including through social media companies like TikTok that function as platforms for propaganda and censorship, as well as for gathering information on Americans. The CCP undoubtedly sees the enormous power American social media companies wield in manipulating our politics and elections. It has already shown its own willingness to block dissenting views and censor all media that threatens to reveal to the world the harms of its authoritarian rule and its systematic human rights atrocities. The only explanation for its position, then, is that it seeks to exercise some of the same power, and same influence, more directly here in the United States, with the goal being to control what Americans see, hear, and ultimately think. That is why any deal that fails to address all national security concerns, including both data security and the ability for the CCP to engage in the destructive and manipulative practices of large American technology companies, should be outright rejected.

I urge the Administration to take all deliberate action necessary to protect Americans and American interests in this matter, to carefully consider the proposed transaction, and to insist on an outright sale if that is what is necessary to protect American national security.

Sincerely,



Senator Ted Cruz