

# Biden backs off on TikTok ban in review of Trump China moves

February 10 2021, by Tali Arbel and Matt O'brien

---



In this Sept. 28, 2020 file photo, a view of the TikTok app logo, in Tokyo. The Biden administration is putting on hold a deal brokered by the Trump administration that would have had Oracle and Walmart buying a big stake in popular video app TikTok, according to a report in the Wall Street Journal, Wednesday, Feb. 10, 2021. (AP Photo/Kiichiro Sato, File)

The Biden administration is backing off former President Donald Trump's attempts to ban the popular video app TikTok, asking a court to postpone a legal dispute over the proposed ban as the government begins a broader review of the national security threats posed by Chinese technology companies.

A court filing Wednesday said the U.S. Commerce Department is reviewing whether Trump's claims about TikTok's threat to national security justified the attempts to ban it from smartphone app stores and deny it vital technical services.

Separately, the Biden administration has "indefinitely" shelved a proposed U.S. takeover of TikTok, according to [a Wall Street Journal report](#). Last year, the Trump administration brokered a deal that would have had U.S. corporations Oracle and Walmart take a large stake in the Chinese-owned app on national-security grounds.

The unusual arrangement stemmed from a Trump executive order that aimed to ban TikTok in the U.S. unless it accepted a greater degree of American control.

White House press secretary Jen Psaki did not deny the Journal report, but said Wednesday the Biden administration hasn't taken a "new proactive step" in the process.

Psaki added that the Biden administration is comprehensively evaluating risks to U.S. data, including those involving TikTok. A review of TikTok by the Committee on Foreign Investment in the United States, which considers national security implications of such investments, is ongoing, Psaki said. She didn't offer a timetable for that process.

Trump targeted TikTok over the summer with a series of executive orders that cited concerns over the U.S. data that TikTok collects from

its users. But courts temporarily blocked the White House's attempted ban, and the presidential election soon took overshadowed the TikTok fight.

While President Joe Biden has said TikTok is a concern, his administration hadn't said whether it will continue to try to ban TikTok or force a sale. Biden has so far taken a cautious approach to inheriting Trump's China policies and hasn't promised to scale back or cancel tariffs and other combative measures.

The Biden administration appears to be creating a clearer set of criteria to evaluate which Chinese technology platforms pose a legitimate security risk to Americans, said Samm Sacks, a China expert at Yale Law School.

"I don't think they see TikTok itself as a high-priority issue," she said, calling it a hypothetical future threat. "This one-off ban on a rotating cast of Chinese tech companies, that's not likely to continue."

In September, Trump gave his tentative blessing to a proposal by TikTok's Chinese owner ByteDance that would form a new U.S. arm of TikTok in partnership with Oracle and Walmart, who would make significant investments in the new company. The arrangement aimed to hand management of the app's U.S. user data to Oracle. CFIUS, however, has not completed its required review of the arrangement. A government deadline for TikTok to sell its U.S. operations has passed.

TikTok has been looking to the U.S. Court of Appeals for the District of Columbia Circuit to review Trump's divestment order and the government's national-security review.

TikTok and Oracle didn't return requests for comment Wednesday. Walmart declined comment Wednesday and referred questions to the

Biden administration.

The Treasury Department, which chairs the CFIUS agency reviewing the TikTok deal, did not reply to a request for comment. Neither did the Commerce Department, which last year had sought to enforce Trump's orders, nor the Justice Department, which is handling the court challenges.

The Chinese government's stance toward the deal is unclear. State media in September criticized the proposal as U.S. bullying and extortion.

Trump cited concerns that the Chinese government could spy on TikTok users if the app remains under Chinese ownership. TikTok has denied it's a security threat but said it was still trying to work with the U.S. government to resolve its concerns.

TikTok said Oracle and Walmart could acquire up to a combined 20% stake in the new company ahead of a TikTok initial public offering, which Walmart said could happen within the next year. Oracle's stake would be 12.5%, and Walmart's would be 7.5%.

Where Oracle stood to handle data management, Walmart said it would provide e-commerce, fulfillment, payments and other services to the new company. TikTok said in a November court filing that the new entity, owned by Oracle, Walmart and ByteDance's existing U.S. investors, would be responsible for TikTok's U.S. user data and content moderation.

The Trump administration's aggressive tactics were part of a broader effort to counter the influence of China. During his term in office, Trump waged a trade war with China, blocked mergers involving Chinese companies and stifled the business of Chinese firms like Huawei, a maker of phones and telecom equipment.

The Biden administration shares many of the Trump administration's concerns about Chinese technology and trade practices, but they're likely to use "different tactics and tone on how to achieve those strategic objectives," said Martijn Rasser, a senior fellow at the Center for a New American Security.

"They're taking a holistic, strategic approach to these issues and not going after these companies on a one-off basis," he said. "It's part of a broader reassessment."

© 2021 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Biden backs off on TikTok ban in review of Trump China moves (2021, February 10) retrieved 10 April 2024 from

<https://techxplore.com/news/2021-02-tiktok-sale-trump-shelved.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------