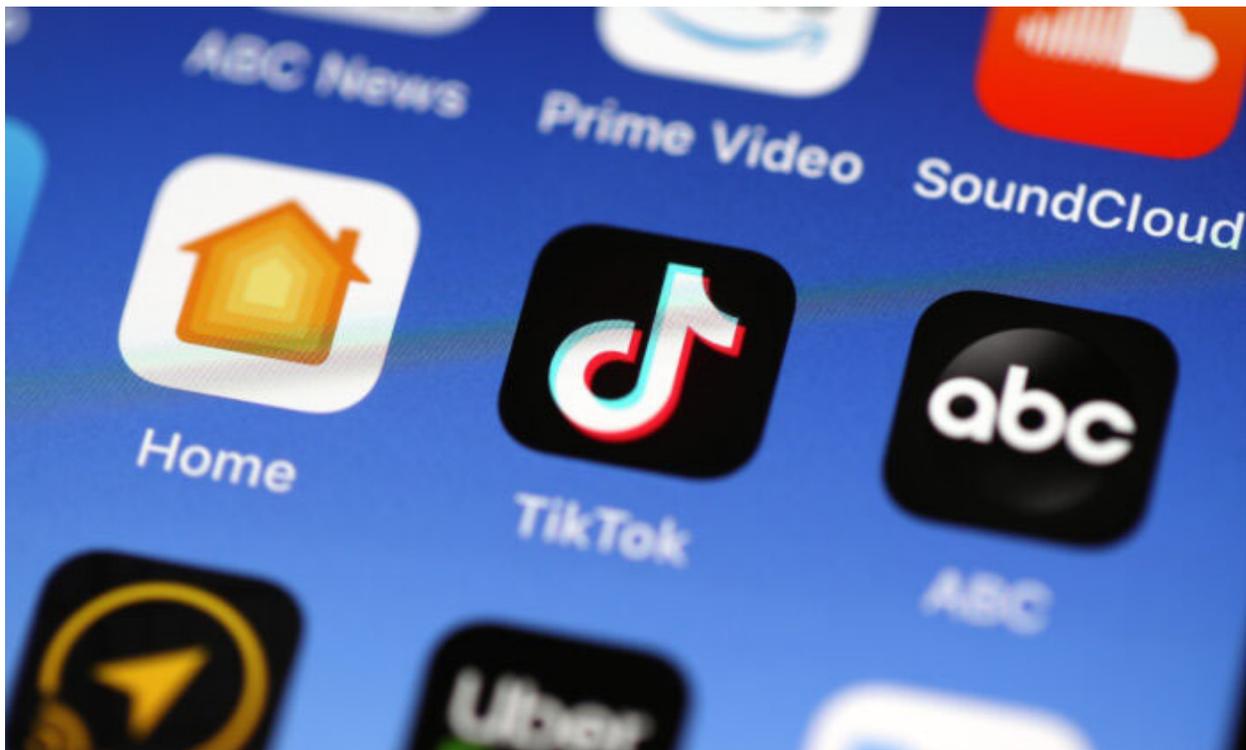




## Chinese App 'TikTok,' Popular With US Teens, Raises National Security Concerns

By Bowen Xiao - November 7, 2019



*In this photo illustration, the Tik Tok app is displayed on an Apple iPhone on Nov. 1, 2019 in San Anselmo, California. (Justin Sullivan/Getty Images)*

WASHINGTON—Chinese-owned video-sharing app TikTok, massively popular among teens in the United States, is facing a national security review over its \$1 billion acquisition of U.S. social media app Musical.ly. In a recent letter to U.S. lawmakers, the company insisted it's not controlled by the Chinese communist regime, but experts and politicians are becoming increasingly wary due to mounting concerns.

The app, acquired by Beijing-based ByteDance Technology Co. through a 2017 acquisition, is facing a probe by the Committee on Foreign Investment in the United States (CFIUS), which reviews deals by foreign acquirers for potential national security risks.

TikTok said it's hired a U.S.-based auditing firm to analyze the app's data security practices, in a letter to lawmakers at a hearing of a subcommittee of the Senate Judiciary Committee chaired by Sen. Josh Hawley (R-Mo.).

Hawley noted on Nov. 5 that all it would take is "one knock on the door of their parent company based in China from a Communist Party official" for the data to be sent to the Chinese Communist Party (CCP). He requested TikTok executives to testify before the panel, calling the company a threat to national security.

Nobody from TikTok showed up.

Experts in cyber intelligence, technology, digital privacy, and trade policy told The Epoch Times that the United States is right to sound the alarm about what it perceives as genuine threats to U.S. cyber security, and that it has a warranted distrust of emerging Chinese technologies. Concerns of censorship, surveillance, and about TikTok extracting data on U.S. citizens and sending it back to China were also brought up.

"We should expect foreign surveillance efforts from China to use platforms like TikTok because they are more modern and attract a younger, easily influenceable crowd," Charity Wright, a cyber threat intelligence adviser at IntSights with 15 years' experience with the U.S. Army and the National Security Agency, told The Epoch Times.

"Most Americans were not aware until this week that TikTok was owned by a Chinese company," she said. "I think understanding the culture and underlying purpose behind China's objectives is very important. China wants to be the superpower of the world and promote the CCP to the top. Right now, they have a very dangerous ability to surveil and censor."

The CCP has representatives in almost every large company in China, Wright said, adding that that shouldn't be taken lightly—it means they all have the same objective in carrying out the goals of the state. She noted that TikTok should be investigated, regardless of whether it was Chinese-owned or not, due to the sheer number of times that it's been downloaded.

Over the past 12 months, TikTok has been downloaded more than 750 million times, according to research firm Sensor Tower; that's more than companies such as Facebook, Youtube and Snapchat. In the first quarter of this year, TikTok was the most downloaded application worldwide on the App store.

The app, which allows users to create and share short videos, has surged in popularity among U.S. teenagers. About 60 percent of TikTok's 26.5 million monthly active users in the United States are between the ages of 16 and 24, the company said this year.

The concerns about TikTok come amid broader anxiety over forced technology transfers from U.S. companies to Chinese authorities and intellectual property theft. China has built up its technology largely on what it's stolen from the West, with the costs of intellectual property theft amounting to an estimated \$600 billion annually, while inextricably threatening U.S. national and economic security.

Neil Campling, head of technology, media, and telecoms research at Mirabaud Securities, told The Epoch Times it's difficult to explicitly pinpoint why the United States is going after ByteDance only now, two years after the acquisition.

"Perhaps, it is linked to the ongoing situation in Hong Kong and some suggestions that content is being filtered, which goes against the grain of what digital networks should offer," Campling said via email.

"However, some may argue that perhaps it is because China has a digital company that is now growing significantly in the West and the U.S. Whereas Alibaba and Tencent have become massive multibillion-dollar behemoths of scale, their growth and platform scale has always been anchored on China and Asia."

Other Chinese companies such as Huawei, the No. 1 telecom equipment company in the world, and Hikvision, another top surveillance technology company, have both been subject to U.S. trade restrictions, with ByteDance being the latest to face scrutiny, Campling said.

Economic espionage by China, which is the most active perpetrator, continues to grow, according to a White House Office of Trade and Manufacturing Policy report, titled "How China's Economic Aggression Threatens the Technologies and Intellectual Property of the United States and the World."

The report focuses on how China is acquiring key technologies and intellectual property from other countries and capturing emerging high-technology industries that will drive future economic growth and advancement in the defense industry.

When TikTok acquired Musical.ly two years ago, it didn't seek clearance from CFIUS, which gives the United States scope to investigate it now, the committee said.

In an Oct. 9 letter to Treasury Secretary Steven Mnuchin, Sen. Marco Rubio (R-Fla.) urged a national security panel to review the acquisition over concerns that Chinese-owned apps such as TikTok "are increasingly being used to censor content and silence open discussion on topics deemed sensitive by the Chinese Government and Communist Party."

A TikTok spokesperson didn't respond to a request by The Epoch Times for comment, but it told Reuters previously it "has made clear that we have no higher priority than earning the trust of users and regulators in the U.S. Part of that effort includes working with Congress, and we are committed to doing so."

Former U.S. employees of TikTok said ByteDance had the final word in deciding what content appears on the app, according to The Washington Post. In TikTok's letter to lawmakers, TikTok U.S. General Manager Vanessa Pappas said the company stores all U.S. user data in the United States, with backup redundancy in Singapore, according to Reuters.

Lawmakers have noted that ByteDance is governed by Chinese laws, while TikTok claims the Chinese regime doesn't have jurisdiction over the content of the app.

## **Trade & Emerging Tech**

Over the past decade, China has invested an enormous amount of resources into artificial intelligence and cognitive robotics. Beijing is also playing the field to its advantage by mandating that all IT companies operating in China store their data in Chinese data centers, according to John Boyd, founder of The Boyd Co., one of the top authorities on issues related to outsourcing and of China's business climate.

Boyd told The Epoch Times that TikTok is an easy target for U.S. lawmakers and also a "potential bargaining chip with Beijing," as the Trump administration continues its trade negotiations with China.

"We view the controversy over TikTok and data security as an economic development issue for both Republicans and Democrats," he said. "Why? While TikTok maintains that all of its data centers are outside of China, it has brought the data center industry into the 'reshoring' discussion and has created opportunities for lawmakers to craft new incentives and regulations to promote reshoring of data center operations to the U.S."

Ray Walsh, a digital privacy expert at ProPrivacy.com, told The Epoch Times the Trump administration is keen to demonstrate that it's curbing what's perceived as China's edge in emerging technologies and to show it's taking a strong stance against China's influence in the United States.

"The U.S. decision to investigate TikTok's business practices is yet another sign of the distrust felt by the U.S. toward emerging Chinese technologies," he said.

"I'm not surprised at all that TikTok is in the crosshairs of U.S. intelligence and investment officials," Dan Ikenson, director of Cato's Center for Trade Policy Studies, told The Epoch Times. "The simple fact is that there is broad bipartisan support in the United States for getting tough on Chinese tech companies."

Ikenson said there appeared to be a firm commitment to make matters tough for companies seen as benefiting from "Beijing's lavish subsidies in the various technology sectors." According to Ikenson, the current scrutiny of Chinese companies is based on "U.S. industrial policy masquerading as a security imperative."

“This is America’s way of countervailing those unfair benefits, so that U.S. companies might be put in a position to make up lost ground,” Ikenson said.

In October, the Trump administration placed 28 Chinese public security bureaus and companies—including Hikvision and seven other companies—on a blacklist due to concerns related to human rights abuses.

And a U.S. defense official recently warned at a Washington panel that China is setting the pace in a number of emerging technologies such as hypersonics, quantum sciences, autonomy, artificial intelligence, 5G, and genetic engineering.