

TikTok goes on Capitol Hill offensive

Article

The news: TikTok is trying to protect its booming US ad business by getting more aggressive in making friends in Washington, reports The New York Times.

- Its CEO met with influential think tanks and public interest groups in Washington to share details on how his company plans to prevent data on American users from ever leaving the US.
- The company has been in clandestine discussions with the Committee on Foreign Investment in the United States (CFIUS) for two years to address concerns about ByteDance's

relationship with Beijing's government and whether this connection could cause sensitive data of US users to fall into the hands of Chinese officials. CFIUS has reportedly not been getting back to TikTok on its proposals.

Shifting strategies: TikTok has typically kept a low profile in Washington and communicated with authorities privately, but it's now going on the offensive by:

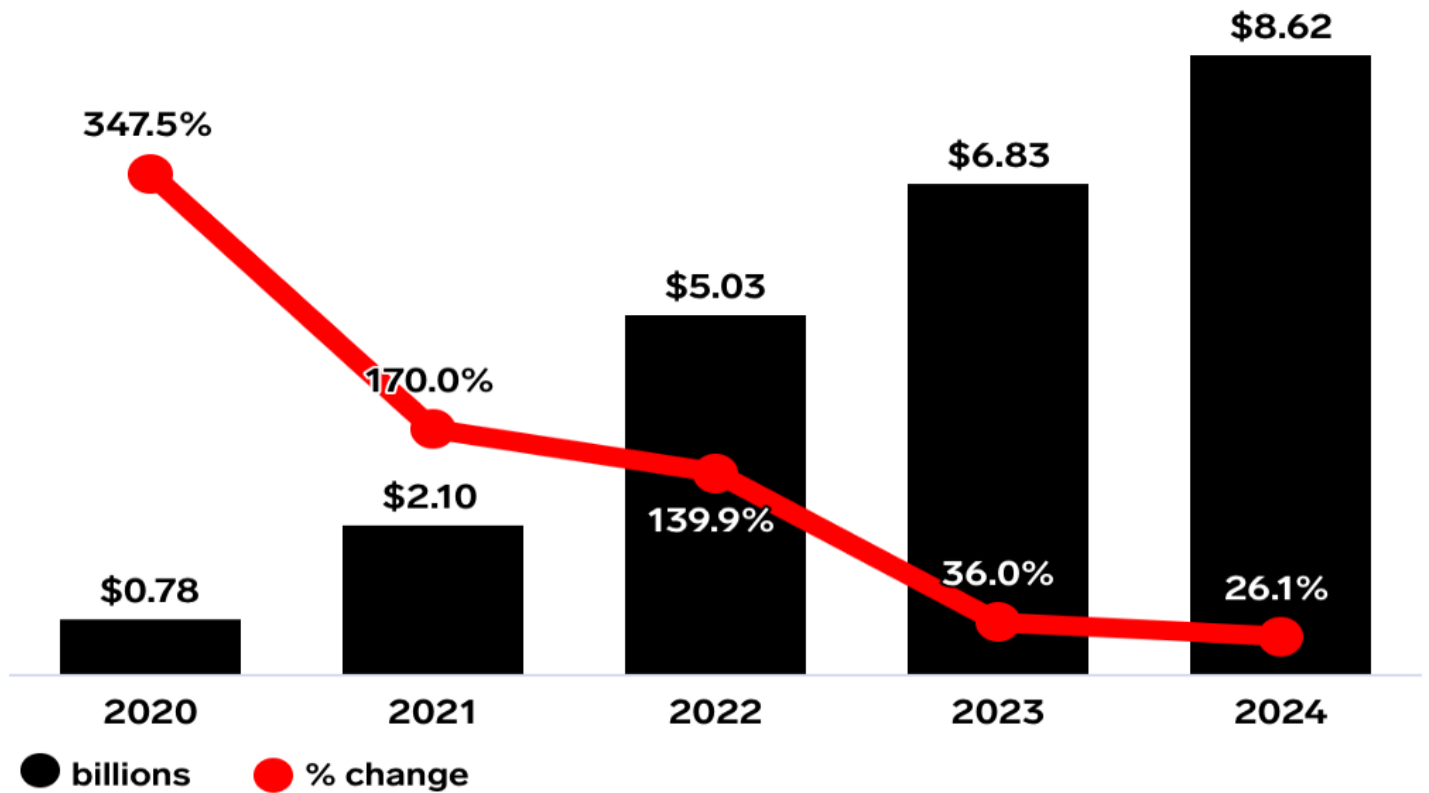
- Collaborating with academic institutions, public interest organizations, and think tanks to promote its new data security strategy, known as **Project Texas**, which would include 2,500 US-based technical staffers and trust and safety officials and be subject to regular audits by CFIUS.
- Publicizing multiple job positions in Washington for strategic communications and policy roles as well as inviting the media to visit its "transparency and accountability center."

Our take: TikTok has been the target of US authorities for years; both the Trump and Biden administrations have been concerned about the possibility that China's government could gather information about Americans who use the platform.

Gaining favor on Capitol Hill isn't easy, and can be even more difficult when you're not a US-based company. But even if the offensive doesn't entirely work, it could slow down the onslaught against the app at the state and federal levels.

TikTok Ad Revenues

US, 2020-2024



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites

Source: eMarketer, October 2022

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