

JOSH HAWLEY  
MISSOURI

KYLE PLOTKIN  
CHIEF OF STAFF

212 RUSSELL SENATE OFFICE BUILDING  
TELEPHONE: (202) 224-6154  
FAX: (202) 228-0526  
WWW.HAWLEY.SENATE.GOV

# United States Senate

WASHINGTON, DC 20510-2509

COMMITTEES  
JUDICIARY  
ARMED SERVICES  
HOMELAND SECURITY  
AND GOVERNMENTAL AFFAIRS  
SMALL BUSINESS  
AND ENTREPRENEURSHIP  
AGING

August 5, 2020

Satya Nadella  
CEO  
Microsoft Corporation  
One Microsoft Way  
Redmond, WA 98052

Dear Mr. Nadella:

Over the last few days, there have been a number of conflicting reports in the press about how exactly Microsoft hopes to take control of the popular TikTok app.

To name just a few examples: The *New York Times* reported on July 31 that “non-Chinese investors like Sequoia Capital, SoftBank and General Atlantic could purchase a majority stake in the app from ByteDance.”<sup>1</sup> An August 2 post on the *Official Microsoft Blog* stated that current proposals “would involve a purchase of the TikTok service in the United States, Canada, Australia, and New Zealand and would result in Microsoft owning and operating TikTok in these markets” and noted that “Microsoft may invite other American investors to participate on a minority basis in this purchase.”<sup>2</sup> *Protocol* reported on August 3 that your company is seeking a deal that would “cut[] off all ties between Bytedance, TikTok’s Chinese parent company, and the app itself.”<sup>3</sup> And a ByteDance internal employee letter circulated on the same day stated that “CFIUS determined that ByteDance must fully divest TikTok’s US operations” and that ByteDance has “initiated preliminary discussions with a tech company to help clear the way for [ByteDance] to continue offering the TikTok app in the U.S.”<sup>4</sup>

Based on these reports, it is not clear whether Microsoft is moving toward a *partnership* with ByteDance to continue offering the app in the United States, or whether Microsoft will be taking full and independent control of the app and its data. It is not clear whether the code Microsoft plans to offer in the United States might include potential vulnerabilities that would allow the Chinese government continued access to U.S. users’ data subsequent to any divestment. It is not clear whether the new entity’s operations will be run by former Bytedance engineers who answer to the Chinese government. It is not

---

<sup>1</sup> <https://www.nytimes.com/2020/07/31/technology/tiktok-microsoft.html>

<sup>2</sup> <https://blogs.microsoft.com/blog/2020/08/02/microsoft-to-continue-discussions-on-potential-tiktok-purchase-in-the-united-states/>

<sup>3</sup> <https://www.protocol.com/microsoft-buying-tiktok-issues>

<sup>4</sup> <https://pandaily.com/exclusive-official-english-version-of-bytedance-founder-zhang-yimings-all-staff-letter/>

even clear whether the Chinese Communist Party and proxies like Bytedance will be allowed to profit from the final settlement of this inquiry.

Let me be clear: Any resolution of the TikTok investigation that fails to sever all links between TikTok and potential proxies for the Chinese Communist Party, including but not limited to ByteDance, is unacceptable.

I have a number of questions about the proposed details of such an ownership transfer that will inform my view as to whether any acceptable divestment of TikTok's assets to Microsoft is even possible:

- If there are co-investors, what steps will Microsoft take to ensure that such partners' interests will not conflict with Microsoft's efforts to wall off TikTok from Chinese influence? When will Microsoft disclose the identities of these co-investors, and will said investors make themselves available to Congress so that we can conduct appropriate oversight of this deal?
- In the short term, what steps will Microsoft take to review the TikTok app code to ensure that the app is not sending user data, overtly or covertly, to Chinese stakeholders?
- What connection aside from branding will the American version of TikTok have with the Chinese version? Will the users of one of the two applications have access to videos from the other? If so, will popular Chinese TikTok videos, potentially promoted by the Chinese Communist Party itself, be promoted to U.S. users?
- Assuming all U.S. user data will be stored on U.S. soil, who will have access to this data? Will ByteDance's technical team, or other engineers potentially affiliated with the Chinese Communist Party, be involved with transferring user data over to your company or in the company's ongoing operations after such transfer? If so, how can Microsoft possibly ensure that backdoors are not being implemented behind the scenes on behalf of the Chinese Communist Party?
- How does Microsoft anticipate using TikTok user data? Does Microsoft plan a greater emphasis in the future on consumer advertising? What steps will Microsoft take to ensure that the underage userbase of this application is not exploited?
- What steps will Microsoft take to ensure that no TikTok user data or inferences and analytics derived from such data are transferred, whether intentionally or unintentionally, to or through Microsoft's large-scale data operations in China?<sup>5</sup> If Microsoft plans on training its artificial intelligence systems on TikTok data, how can any such separation even be possible?

---

<sup>5</sup> <https://techcrunch.com/2018/06/27/microsoft-launches-two-new-azure-regions-in-china/>

- Given the Chinese Communist Party's past efforts to censor content shared on TikTok, will Microsoft develop new terms of service regarding content moderation? If so, how does Microsoft plan to avoid the concerns about political censorship that have plagued other American social media applications?
- Will Bytedance be allowed to profit from the proposed acquisition?
- Will the United States government receive an appropriate share of the acquisition cost?

Thank you for your attention to these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Hawley". The signature is fluid and cursive, with the first name "Josh" being larger and more prominent than the last name "Hawley".

Josh Hawley  
United States Senator