Testimony Before the U.S. House Committee on Energy and Commerce Written Statement of Testimony Testimony of Shou Chew Chief Executive Officer, TikTok Inc. March 23, 2023

Chair Rodgers, Ranking Member Pallone, and Members of the Committee:

Thank you for the opportunity to appear before you today to talk about TikTok and our mission to inspire creativity and bring joy to more than 1 billion people worldwide. I look forward to discussing what makes TikTok so special to the diverse audiences it serves, as well as our efforts to promote minor safety, data privacy, and platform security. I also welcome the chance to update you about our efforts to develop cutting-edge, multi-pronged initiatives to address national security concerns.

My name is Shou Chew, and I am the Chief Executive Officer of TikTok. I am responsible for all of TikTok's business operations and our strategic direction worldwide. A third-generation Singaporean, I am a graduate of University College of London and Harvard Business School. I am a veteran of the Singapore Armed Forces, a husband, and a father, and I currently reside in Singapore with my wife and two children.

Long before I became CEO, I was a content creator, and I have seen firsthand the transformative capability of short-form video. I am passionate about TikTok's ability to brighten people's lives, introduce them to new ideas and interests, and help businesses connect to their audiences.

On TikTok, we aim to provide three things. The first is a window to discover. This window, the <u>For You feed</u>, opens to a stream of videos curated to your interests, making it easy to find content and creators you love. The second is a canvas to create. Whether it's demonstrating a new science experiment or the latest cooking trend, people around the world use TikTok to unleash creativity. The third is a bridge to connect. Through TikTok, people have discovered new communities, cultures, and interests. As an example, BookTok, with more than 100 billion views, has connected readers across the globe and changed the way people consume literature. Although some people may still think of TikTok as a dancing app for teenagers, the reality is that our platform and our community have become so much more for so many.

TikTok has empowered millions of Americans to express their voices in their own authentic way and has provided a global stage for their creativity in a way that cannot be replicated on any other platform or in any other medium. More than 150 million people in the United States use TikTok on a monthly basis, with the average user today being an adult well past college age. Their videos provide a lens through which the rest of the world can experience American culture. Examples include TikTok's role in bringing exposure to American musicians, artists, chefs, and many more. While users in the United States represent 10 percent of our global community, their voice accounts for 25 percent of the total views around the world. In addition to being a destination to express creativity, we pride ourselves on being a platform that helps companies—many of them small businesses—thrive. These are businesses like Country Lather Soap Works in Perkinston, Mississippi. Country Lather Soap Works is a no-frills producer of handcrafted soaps and bath products located on the Mississippi Gulf Coast. Founder Jessie Whittington had been making soap as a hobby for years before sharing her passion on TikTok while furloughed from her job as a bus driver. In a short time, sales exploded and she was shipping her products across the country, allowing her to quit her 9-to-5 and realize her dream of running her own small business.

TikTok enabled many small businesses to weather the darkest days of the pandemic, and a recent study found that an overwhelming majority of small businesses view TikTok as both fun and easy to use. TikTok's Small Business Resource Center helps people leverage the power and creativity of TikTok to grow their brands and better connect with their audience. If you talk to the millions of people and businesses who are on TikTok, I believe you'll hear incredibly powerful stories of discovery, creation, and connection that contribute to people's livelihoods and well-being.

Although I could talk all day about how TikTok enriches people's lives, I am also here to address concerns that have been raised by some members of this Committee. I know that trust is something that is earned through action, not words, and I welcome the opportunity to discuss not only our commitments, but also tangible evidence from TikTok's efforts to become a leader in safety and security.

Having met with a number of members of the Committee in recent weeks, the concerns that I have heard fall primarily into four categories: minor safety, data privacy and security, real-world harms from online activities, and the risk of foreign content manipulation. I would like to address each of these in turn. After that, I will compare some myths about TikTok to reality, including with regard to perceived foreign influence. First, however, I want to take a moment to highlight TikTok's commitment to an open and transparent relationship with Congress generally and this Committee specifically.

There are more than 150 million Americans who love our platform, and we know we have a responsibility to protect them, which is why I'm making the following commitments to you and our users:

1) We will keep safety—particularly for teenagers—a top priority for us;

2) We will firewall protected U.S. user data from unauthorized foreign access;

3) Tiktok will remain a platform for free expression and will not be manipulated by *any* government;

4) We will be transparent and give access to third-party independent monitors, to remain accountable for our commitments.

TikTok's Commitment to Transparency

Although this is my first time testifying before Congress, TikTok has long considered Congress an important stakeholder, and we have engaged actively with this Committee and others. TikTok routinely and voluntarily provides documents, briefings, and testimony to congressional committees. For instance, over the past several months, TikTok has provided four briefings to the bipartisan staffs of this Committee and the House Committee on Oversight and Accountability on issues including data access and security. We also separately briefed this Committee in January on our efforts related to minor safety. Through these briefings, TikTok has answered questions about our robust policies and the improvements that we have made and will continue to make to even further strengthen our capabilities.

Because we value Congress's important oversight role, we regularly provide documents and information well beyond our legal obligations. We look forward to continuing to engage in a transparent and productive dialogue with this Committee and others.

TikTok's engagement with Congress is emblematic of our broader approach to transparency. Every quarter, we release a Community Guidelines Enforcement Report. These reports contain detailed information about the type and volume of content we remove. Twice a year, we also disclose data about requests we receive from law enforcement or governments.

Additionally, we are developing platform research and content moderation Application Programming Interfaces (APIs) as part of our commitment to bringing transparency to how our platform operates. As of last month, we have launched a research API that allows U.S.-based academic researchers to more easily analyze public content posted to the platform.

We provide detailed information about our content moderation process and recommendation system in our Transparency and Accountability Center. After offering virtual tours during the pandemic, we recently opened the doors to the first physical Transparency and Accountability Center in Los Angeles. Another center is planned for Washington, D.C. We would be happy to arrange a virtual or in-person tour for Members and Committee staff at your convenience.

Minor Safety

Safety and wellness—in particular for teens—is a core priority for TikTok. And as a father of two, these issues are personal for me. Today's youth are growing up in a digital media world, and TikTok is eager to be part of the conversation about creating more robust protections. TikTok supports creating additional protections, including potential updates to the Children's Online Privacy Protection Act, to address the modern online ecosystem. We would similarly welcome a conversation around legislation to enshrine better industry standards for age verification. We are committed to working constructively and collaboratively with the Committee on this important legislation.

In addition to forward-thinking legislation, good product design is also central to minor safety. To help teens safely manage their experience, TikTok provides them with age-appropriate settings and controls. The settings TikTok has developed reflect careful consideration of not only the differences between people under 13 and teenagers, but also within the 13-17 teenage group.

As an initial matter, TikTok offers a separate experience in the United States for people under 13. In the United States, people under 13 are directed to a separate, curated viewing experience, with stringent safeguards and privacy protections designed specifically for them. In this experience, younger users can view on their devices fun, creative, and educational videos that are vetted by a third-party expert, Common Sense Networks. However, they cannot post videos on

the platform, comment on others' videos, message with others, or maintain a profile or followers. No advertisements are shown in the under-13 experience.

TikTok also has taken numerous steps to help ensure that teens under 18 have a safe and enjoyable experience on the app. Many of these measures impose restrictions not shared by other platforms. We launch great products with a safety-by-design mentality, even if those features limit our monetization opportunities.

For example, accounts registered to teens under 16 are set to private by default. They are also prevented from sending direct messages, and their content is ineligible for recommendation into the For You feed. These measures go far beyond what any of our peers do. We also prevent teens from receiving late-night push notifications and give parents and guardians the ability to create further restrictions on these notifications.

Additionally, only accounts registered to people 18 or older can host a livestream on the platform. All livestream hosts in the United States are required to have a minimum of 1,000 followers on TikTok. To participate in monetization programs such as gifts, they must also be at least 18 years old. In addition to an industry standard age gate, TikTok also uses both technology (*e.g.*, text-based models like Natural Language Processing) and human moderation to help determine whether a user may be under 18 years old. If a user is suspected of being under 18, the livestream is sent for human moderation. People on TikTok can also report potentially underage users. If a moderator concludes the host appears to be under 18 years old, the livestream is stopped immediately and the user is suspended.

Earlier this month, we announced that every account belonging to a person under age 18 will be set by default to a 60-minute daily screen time limit. We consulted experts from the Digital Wellness Lab at Boston Children's Hospital in choosing this limit. If the 60-minute limit is reached, teens will be prompted to enter a passcode in order to continue watching, requiring them to make an active decision to extend that time. In our under-13 experience, the daily screen time limit will also be set to 60 minutes, and a parent or guardian will need to set or enter a passcode to enable 30 minutes of additional watch time.

TikTok's Minor Safety team holds a high bar of rigor for developing policy. TikTok is staffed with experts from the fields of adolescent development, prevention science, and child protection. TikTok works with leading youth safety and well-being <u>experts</u>, as well as adolescent psychologists, to inform our approach, including the Family Online Safety Institute, Common Sense Networks, the Digital Wellness Lab at Boston Children's Hospital, ConnectSafely, and the Cyberbullying Research Center, as well as our own U.S. Content Advisory Council. TikTok is also active with the Technology Coalition, an organization that works to protect children from online sexual exploitation and abuse, and serves on its board of directors and as chair of its transparency committee.

TikTok rigorously screens content for indications of potential predatory or abusive behavior. TikTok's moderation system uses models to identify content, including videos, captions, and comments, that violates our Youth Safety and Wellbeing Policy. Each and every video uploaded to TikTok goes through automated moderation, and potentially violative content is automatically removed or escalated for human review by one of our expert moderators who have undergone specialized training to detect the signs of grooming or predatory behavior.

In addition to our own technology, TikTok has integrated with Hash Sharing Web Services from the National Center for Missing & Exploited Children (NCMEC) to enable the detection and removal of known violative content at the point of upload to TikTok. In 2021, we made 154,618 reports to NCMEC and were alone among major platforms in not receiving *any* takedown requests from NCMEC. Put differently, TikTok's swift actions resulted in the removal of abusive content before NCMEC received reports of it from other sources.

TikTok also recognizes that parents and caregivers are critical partners in ensuring the safety of teens. Parents and guardians cannot do it alone, and neither can we. TikTok is continuously looking for ways to involve parents and guardians in their teens' experience on the platform. To that end, in 2020, TikTok unveiled Family Pairing.

Family Pairing allows a parent or guardian to link their account (from the parent or guardian's device) with their teenager's account and enable privacy and safety controls. Parents and guardians can also set screen time limits and decide whether their teens can search for content, accounts, hashtags, or sounds. These features empower parents and guardians to customize their teens' privacy and safety settings, which TikTok continues to improve in consultation with youth and family safety experts.

Although we have accomplished a lot, we are always working vigilantly to stay ahead of the curve. As a result, we will never consider our work done, and we will never stop looking for ways to improve. I'm sure I will learn of new areas where we can improve today. I am both proud that TikTok has been a leader on these issues and encouraged to see that other platforms have adopted some of the protections that we have pioneered.

Data Privacy

Protecting the privacy of the people who use our platform is critical to our mission. To that end, we fully endorse congressional efforts to adopt comprehensive federal privacy legislation. This Committee, led by Chair Rodgers and Ranking Member Pallone, has been at the forefront of these issues, and we look forward to working with this Committee to help enact baseline privacy legislation that establishes consistent and strong privacy standards.

Privacy is built into TikTok by design so that our community can confidently discover, create, and enjoy entertaining content. People on TikTok have access to a wide range of privacy settings, including choosing whether their account is private or public; selecting to whom we may suggest their account; setting limits on who can interact with their videos, including with features like Stitch and Duet, or who can comment on their videos; and picking who can tag and mention them in a post, from "Everyone" to "No One."

We collect a limited amount of information when people set up an account, such as date of birth and username. Depending on how the individual signs up, we may also collect a phone number or email address. Unlike some other platforms, we do not require people on TikTok to provide us with their real names during registration, nor do we ask them about their employment or relationship status. Current versions of the app do not collect precise or approximate GPS information from U.S. users.

Another important part of being a responsible steward of user data is owning up to our mistakes and making changes to address them. That's why we promptly took action, including a companywide disclosure, when we learned late last year that certain (now former) employees had accessed TikTok user data in an unsuccessful and misguided attempt to trace the source of a leak of confidential TikTok information. We also notified this Committee about these ill-advised actions within moments of informing our employees. I condemn this misconduct in the strongest possible terms.

I understand that we have provided the Committee with a briefing on this subject and have committed to ongoing cooperation. In particular, to demonstrate that we have zero tolerance for the former employees' misconduct, we have provided the Committee with a full accounting of factual findings and remediation efforts through the outside law firm that is conducting the investigation into the matter. These remediation efforts include restructuring the department involved in the misconduct, creating a new Oversight Council, and strengthening policies and operational controls relating to U.S. user data access.

Keeping TikTok Safe for All

As CEO, I consider the safety of the platform to be paramount. More than 40,000 people globally work exclusively on trust and safety issues for TikTok. This includes in-house and contract moderators, as well as teams focused on safety policy, product, and operations. TikTok invests heavily in these teams, as well as in technology to detect potential violations and suspicious accounts at scale. For instance, in 2021, TikTok spent approximately \$1 billion on trust and safety. Trust and safety represents our largest labor expense for TikTok's U.S. operations.

We are very cognizant of the fact that online conduct can have real-world consequences. We strive to provide a safe environment for the TikTok community and to remove content that violates our policies, including those that prohibit bullying, hateful behavior, promotion of disordered eating, and violent extremism. Through our quarterly Community Guidelines Enforcement Reports, we regularly update the public on how we are measuring up to this ideal. For instance, in the third quarter of 2022, we proactively removed 96.5 percent of violative content before receiving any reports from users or others. In 92.7 percent of cases, the removal occurred within 24 hours of when the content was posted.

People come to TikTok to feel inspired, be creative, and watch uplifting content. It is not the platform of choice for individuals seeking to engage in harmful conduct. However, we also realize that threats to online platform safety are far from static. Content moderation, which is a core element of platform safety, is an exceptionally complicated, dynamic, and constantly evolving process. TikTok's content moderation successes—and challenges—reflect common industry experiences for digital and short-form video platforms. TikTok constantly works to improve, adjust, and make more consistent the development and implementation of content

moderation policies. Among other initiatives, TikTok's U.S. Content Advisory Council, which brings together outside experts, helps advise on how to respond to emerging challenges.

Our Advertising Policies also reflect our commitment to platform safety. We value being an environment where creative, joyful content can flourish, and we have made decisions that prioritize safety over short-term commercial success. For example, we do not allow paid political ads on the platform, even though they could be a source of significant revenue. Nor do we accept advertisements for categories of content that may hurt our efforts to support the safety of our community, such as advertisements associated with violence or threats, including guns, weapons, and tactical gear.

Other categories not permitted in the U.S. market under our Advertising Policies include promotion of: alcohol, invasive cosmetic procedures, and multi-level marketing recruitment, among many additional subjects. Our Community Guidelines apply with full force to all advertisements on the platform, such that any content that would not be permitted if uploaded by a user would not be allowed as a paid advertisement.

Data Security

I want to take this opportunity to address the work, of which I am incredibly proud, that TikTok is doing to become the most trusted and secure digital platform. But I know that simply describing our efforts is not enough. Congress and the American people understandably want proof that we are living up to our ideals. So I will also address the numerous layers of oversight that TikTok has voluntarily embraced.

Trust must be earned through action, not words. Building trust is above all an engineering and governance effort, not a public relations exercise. We will go above and beyond, so our community and regulators can see and verify our actions. And we hope you will give us that chance.

The centerpiece of our work is called Project Texas. Project Texas is an unprecedented initiative dedicated to safeguarding both U.S. user data and U.S. national security interests. This initiative addresses key issues of corporate governance, content recommendation and moderation, data security, and system access. It is a comprehensive package of measures with layers of independent oversight to protect against backdoors into TikTok that could be used to manipulate the platform or access U.S. user protected data.

Project Texas puts the concepts of transparency and accountability into action by addressing national security concerns head-on with concrete, measurable solutions. Project Texas is designed to introduce layers of transparency and vetting that are commonly used for defense contractors but are unheard of for consumer platforms.

Given that this is a fluid and dynamic process, I want to take some time to address what we've done already and what we're working on.

First, we have already taken substantial steps to make Project Texas a reality, including spending roughly \$1.5 billion to date on implementation. We have formed a special-purpose subsidiary, TikTok U.S. Data Security Inc. (USDS), that currently has nearly 1,500 full-time employees. We expect that number to grow significantly over the coming year. USDS includes the functions that oversee protected U.S. user data and the underlying TikTok U.S. platform.

To ensure that the data of all Americans is stored in America and hosted by an American headquartered company, we have contracted with Oracle, an industry leader in cloud-based services, to store TikTok's U.S. user data. Currently, 100 percent of U.S. user traffic is being routed to Oracle and USDS-controlled infrastructure in the United States. USDS is running our recommendation system for U.S. users, which determines what appears in the For You feed, in the Oracle Cloud Infrastructure. Moreover, Oracle has already begun inspecting TikTok's source code and will have unprecedented access to the related algorithms and data models. No other social media company, or entertainment platform like TikTok, provides this level of access and transparency. As of January 18, 2023, TikTok's access to systems containing new protected data are exclusively controlled by USDS.

Next, I want to address what we're working on now. I know that there has been a lot of speculation about Project Texas recently based on media coverage. While conversations with the government are ongoing, our work on Project Texas has continued unabated. We are working hard every day to reach new milestones. For example, earlier this month, we began the process of deleting historical protected U.S. user data stored in non-Oracle servers; we expect this process to be completed later this year. When that process is complete, all protected U.S. data will be under the protection of U.S. law and under the control of the U.S.-led security team. Under this structure, there is no way for the Chinese government to access it or compel access to it.

In addition, as of January 2023, all access to systems containing new protected U.S. user data has been exclusively controlled by USDS, and all access to the new protected data is limited to approved USDS employees. There are some limited exceptions where non-USDS employees may be granted access to protected data, for example, for legal and compliance, but such access must be expressly authorized by USDS pursuant to a robust data access protocol. Furthermore, no employees of Beijing Douyin Information Service Co., Ltd. have access to any databases that contain any protected U.S. user data.

We also have a vision for where we can go in the future. For instance, there would be clear eligibility criteria for new USDS personnel. Data access would also be subject to information security controls that would be approved by both a U.S. government-approved third-party monitor and a third-party auditor. And USDS employees would report into an independent USDS board of directors who would be approved by and owe a fiduciary duty to the federal government.

We are eager to hear feedback and to address any concerns. We continue to believe that imposing state-of-the-art access and security controls is the best path forward, not only for TikTok, but for the industry as a whole, and we remain committed to continued consultation and to finding innovative answers to what we firmly believe are solvable concerns. I am well aware that the fact that ByteDance has Chinese founders has prompted concerns that our platform could be used as or become a tool of China or the Chinese Communist Party. There have even been calls to ban us or require divestment.

I steadfastly believe that all concerns that have been raised have solutions. Bans are only appropriate when there are no alternatives. But we do have an alternative—one that we believe addresses the concerns we've heard from this Committee and others. We do not believe that a ban that hurts American small businesses, damages the country's economy, silences the voices of over 150 million Americans, and reduces competition in an increasingly concentrated market is the solution to a solvable problem.

Likewise, divestment doesn't address the fundamental concerns that I have heard, as a change in ownership would not impose any new restrictions on data flows or access. This is not an issue of nationality. All global companies face common challenges that need to be addressed through safeguards and transparency. I am proud that TikTok is taking the lead in this area, and I welcome the chance to continue having conversations with the U.S. government to make this model even better.

To be clear, our commitment under Project Texas is for the data of all Americans to be stored in America, hosted by an American headquartered company, with access to the data controlled by USDS personnel. We offer this framework so that we can continue to accomplish what we value most: being a platform for free expression beloved by more than 1 billion people, including over 150 million Americans.

Myths Versus Reality

Finally, I'd like to address some misconceptions about TikTok.

First, I understand that there are concerns stemming from the inaccurate belief that TikTok's corporate structure makes it beholden to the Chinese government or that it shares information about U.S. users with the Chinese government. This is emphatically untrue.

TikTok is led by an executive team in the United States and Singapore and has global offices, including in Los Angeles, Silicon Valley, Nashville, New York, Washington, D.C., Dublin, London, Paris, Berlin, Dubai, Singapore, Jakarta, Seoul, and Tokyo. Our headquarters are in Los Angeles and Singapore. TikTok is not available in mainland China. As CEO, I am responsible for all business operations and strategic decisions for TikTok.

TikTok, as a U.S. company incorporated in the United States, is subject to the laws of the United States. TikTok has never shared, or received a request to share, U.S. user data with the Chinese government. Nor would TikTok honor such a request if one were ever made. Indeed, a 2021 report from Citizen Lab, an internationally renowned security research laboratory, found that there was no overt data transmission by TikTok to the Chinese government and that TikTok did not contact any servers within China.

TikTok publishes information about all requests we receive from law enforcement in our semiannual Information Requests Report. This includes information about the countries from which the requests originate. As reflected in this data, no requests have come from China.

TikTok's parent company, ByteDance, was founded by Chinese entrepreneurs, but has evolved into a global enterprise since its founding. ByteDance is a privately-held global company, with

roughly 60 percent owned by global institutional investors (such as Blackrock, General Atlantic, and Sequoia), approximately 20 percent owned by the company's founders, and approximately 20 percent owned by its employees—including thousands of Americans. It is not owned or controlled by any government or state entity. ByteDance's board is comprised of CEO Rubo Liang, Bill Ford of General Atlantic, Arthur Dantchik of Susquehanna International Group, Philippe Laffont of Coatue, and Neil Shen of Sequoia China.

Let me state this unequivocally: ByteDance is not an agent of China or any other country. However, for the reasons discussed above, you don't simply have to take my word on that. Rather, our approach has been to work transparently and cooperatively with the U.S. government and Oracle to design robust solutions to address concerns about TikTok's heritage.

Second, there are misconceptions about the type of data that TikTok collects. For instance, there have been a number of press stories alleging that TikTok "tracks" people. This is not accurate. As noted above, current versions of the app do not collect precise or approximate GPS information from U.S. users.

These are just a couple examples of some common misconceptions. I look forward to addressing these inaccuracies and others during my testimony.

Conclusion

TikTok is a vibrant marketplace for a diverse group of more than 1 billion creators. As we fulfill our mission to inspire creativity and bring joy, we remain resolute in our commitment to safety and security, and we look forward to earning the trust of this Committee and the American public. We also look forward to partnering with the Committee on developing clear, consistent rules for the entire industry.

When it comes to protecting our community, we know there's no finish line. The industry as a whole faces dynamic and ever-evolving challenges. We will always work to deploy our teams, tools, and resources to meet them and to demonstrate our hard work and transparency.

Thank you for the opportunity to appear today and to answer questions on these important issues.