

How TikTok backed itself into a corner

You'd think that TikTok would have a Plan B by now.

It's now clear the company never planned for a scenario in which it would lose to the Supreme Court. Maybe it couldn't, given that the Chinese government ultimately has final say on a sale. Now, TikTok's leaders are banking on **Donald Trump** to save them in a last-ditch effort that will unquestionably come with strings attached.

Politically, TikTok misplayed its hand at every turn of this multi-year saga. Executives repeatedly dismissed the possibility of a ban, even going so far as to literally laugh at the idea. They were blindsided by Congress overwhelmingly agreeing on a ban. Then, they lost on appeal to the Supreme Court with only a day left before the law goes into effect. The only leverage they seemingly have left is that Trump thinks the app helped him win the election – plus their willingness to let him extract whatever pound of flesh he wants.

TikTok backed itself into this corner technically, too. It spent over \$1 billion on Project Texas to try and appease concerns about US data making its way to China. Amazingly, TikTok started Project Texas *before* the government gave its blessing, which of course never came. US data is now walled off in separate infrastructure maintained by Oracle, which will have to legally stop working with TikTok as of the 19th.

Undoing Project Texas now would be “a massive effort” involving many engineers, someone who worked on it recently told me. Shutting the app down, rather than merely removing it

from US app stores, is TikTok's only option. It's unclear how this would impact the experience of using TikTok outside of the US. It's an unprecedented situation.

Even still, TikTok is trying to play it cool externally. **Blake ChandLee**, the company's president, told advertisers after the Supreme Court's decision that "we're optimistic about finding the best path forward" and to expect "next steps" before the ban goes into effect. Employees have yet to receive other directions internally, I'm told. As I wrote earlier this week, the mood is grim, even among those who worked at TikTok during the first ban attempt four years ago.

Given that no one wins if TikTok goes away, Trump will probably still find a way to make sure the app stays running in the US. He's invited **Shou Chew** to sit on the inauguration dais and **Elon Musk** could be in play. But there's no denying that ByteDance put itself in this corner. To get out of it, there will be a price to pay, and it's going to cost more than money.

Some recent, noteworthy job changes in the tech world:

As always, I want to hear from you, especially if you're attending any tech inauguration parties this weekend. Respond here, and I'll get back to you, or ping me securely on Signal.

<https://www.theverge.com/2025/1/17/24346335/tiktok-bytedance-us-ban-project-texas>