



[Trump Administration's \\$10 Billion TikTok Deal Fee from Investors Elicits Concerns Regarding Government Overreach](#)

The Trump administration is set to receive a \$10 billion “brokerage fee” from investors for a TikTok restructuring deal, which has raised serious concerns over U.S. government overreach, lingering Chinese government influence, and a lack of transparency from both the Trump administration and TikTok. Some of the primary issues that critics have regarding TikTok relate to its parent company, ByteDance. Lawmakers from both parties have relayed unease over the prospect of TikTok potentially sharing U.S. user data with the Chinese government or influencer content through its tailored algorithm. These fears led to the 2024 “ban or sell law,” which resulted in a series of legal battles and lawsuits – but at the end of the year, the ban was not enforced. However, things have changed now that President Trump has signed an executive order saving TikTok from the ban. Despite this, the same security concerns from before, that were widely considered to be legitimate, are being brought up again – and this is why the latest \$10 billion transaction poses issues for many people.

Problems with governmental overreach are a core part of critics’ contention with the deal, especially when it comes to freedom of speech/privacy and the role of the state in the media. Under this new deal, the U.S.-based TikTok would take on responsibility for monitoring content, which indirectly gives online platforms the potential to influence people both politically and in other ways, depending on what their agenda is. This would allow companies the ability to essentially influence the algorithm – a worrying thought given that TikTok has over 150 million users. The platform is a large source of entertainment for many people, and it is also a major channel for news, culture, and other key societal aspects. Thus, giving any administration forms of influence over content moderation raises serious First Amendment concerns.

Another point of worry with this deal is that there is no clear legal precedent for the federal government to collect such a large fee for facilitating a private business deal. To put this in perspective, the government is taking a cut that is around 70% of the company’s valuation. Critics, including U.S. Senator Mark Warner (D-VA), have questioned whether this is legally authorized at all, or whether it is considered an unconstitutional “pay-to-play” arrangement. At the same time, the deal does not resolve any previous national security concerns it was supposed to address back in 2024. In fact, ByteDance is expected to retain about a 20% stake and continue licensing its algorithm, which is considered by many to be the most important

aspect of the platform. On top of that, if this kind of large fee is normalized, it could set a precedent where the U.S. government is allowed to insert itself into other private deals as a financial beneficiary, which raises a whole set of legal and ethical questions.

Finally, there is the issue of transparency, or the lack thereof. Both the Trump administration and TikTok have been relatively vague about how this deal was structured, how the \$10 billion figure was determined, and what rules are actually in place to limit privacy and freedom of speech violations. The involvement of politically connected investors, including Larry Ellison of Oracle, has also intensified scrutiny. Ellison is a big Trump supporter who has advised the president on technology-related operations and has held fundraisers for him in the past. The perception of insider access and preferential treatment undermines public trust and raises ethical concerns, not to mention questions about how far the government should go in intervening in private markets. Having the power to extract billion-dollar fees, influence ownership dynamics, and potentially affect platform governance starts to look like questionable participation in society and the economy. This kind of shift could have long-term consequences, from discouraging foreign investment to setting unheard-of precedents. In the end, the TikTok deal does not quell national security concerns, it seeks to reshape the relationship between the administration, technology platforms, and the wider public at large – and that is precisely why it is proving to be so controversial.