



Biden Admin Reportedly Unaware Of “National Security Review” Of Musk Ventures

Description

USA: Twitter is paring some of its overnight declines on reports that the **White House is not aware of national security review for Musk Ventures** (including Starlink and his deal for Twitter).



Of course, The White House is **not supposed to comment on (or in fact even know about) what The Committee on Foreign Investment in the United States (CFIUS) does**, so this statement is not entirely surprising.

“It does seem fanciful that the U.S. Government would view Twitter as a national security asset,” Canaccord Genuity’s Quest analyst Graham Simpson said in an email.

* * *

As we detailed overnight, one month ago we joked that should the Delaware judge force Musk to buy

Twitter, then none other than the US government would step in and prevent the South African from gaining control over the blue-checkmark echo chamber of record, the one social media network which congressional testimony after congressional testimony has argued it can manipulate the outcome of elections.

If Delaware orders Musk to buy TWTR how long until the Feds raid it and shut it down

— zero hedge (@zero hedge) [September 15, 2022](#)

Well, that prediction is about to come true, because according to Bloomberg, **the Biden administration is discussing whether the US should subject some of Elon Musk's ventures to national security reviews, including the deal for Twitter and SpaceX's Starlink satellite network**, citing people familiar with the matter.

In short, not only is the ~~deep-state~~ government preparing to block Musk's acquisition of TWTR on national security grounds (unclear what that would achieve as the stock would crater to single digits, especially after today's SNAP earnings, and so many of its employees have already quit), but it may "expropriate" Musk's satellite pet project too, all for daring to ask a question about the US involvement in Ukraine, and what exactly the endgame there is.

As Bloomberg adds, "US officials have grown uncomfortable over Musk's recent threat to stop supplying the Starlink satellite service to Ukraine — he said it had cost him \$80 million so far — and what they see as his increasingly Russia-friendly stance following a series of tweets that outlined peace proposals favorable to President Vladimir Putin. They are also concerned by his plans to buy Twitter with a group of foreign investors."

The discussions are still at an early stage, the people familiar said on condition of anonymity. Officials in the US government and intelligence community are weighing what tools, if any, are available that would allow the federal government to review Musk's ventures.

One possible legal pathway is through the law governing the Committee on Foreign Investment in the United States to review Musk's deals and operations for national security risks. The CFIUS was used extensively in the Trump admin to block and undo numerous Chinese deals, arguing they could pose a national threat to the US. Now, it's none other than Musk who has emerged as the deep state's biggest nemesis.

As a reminder, the interagency panel known as CFIUS reviews acquisitions of US businesses by foreign buyers. That said, it is not clear if a CFIUS review — which would involve assessments by the Departments of State, Defense, and Homeland Security, among others — would offer the government a legal way to conduct a review.

But one may not be necessary: just like the infamous FISA courts, the CFIUS panel operates in total secrecy, behind closed doors, and rarely confirms when it is conducting reviews. CFIUS also holds the power to review deals that have already been consummated... such as Musk's acquisition of twitter.

What apparently provoked the government into stepping in, is that Musk was reportedly chatting up a

firestorm with persona non grata #1. Recall that ten days ago Vice reported that “Elon Musk Spoke to Putin Before Tweeting Ukraine Peace Plan”, which followed Musk’s frequent, and high abrasive to bluechecks and those with a ukraine flag in their profile, tweeted proposals to end Russia’s war and threats to cut financial support for Starlink internet in Ukraine. His tweets and public comments “have frustrated officials in the US and Europe and drawn praise from America’s rivals” as Bloomberg put it.

Musk later backed down from his threat to stop deploying Starlink and said he would continue to bear the costs of the service. Starlink has become an essential tool for communications in Ukraine during the Russian invasion. Musk has been providing the service for free but has said SpaceX loses \$20 million a month providing it to Ukraine and he cannot be responsible for that cost indefinitely.

In short, Musk created just enough “pro-Putin” innuendo around himself – ostensibly even telling Ian Bremmer that he spoke directly with Vladimir Putin (Musk naturally denied this after it was published)...

Nobody should trust Bremmer

— Elon Musk (@elonmusk) [October 11, 2022](#)

... to provoke the US government to intervene on security grounds. After all, you can’t have the world’s most valuable public forum in the hands of a pro-Putin fanatic.

Which... may have been precisely what Musk wanted, as we said **ten days ago** when news of Musk’s Putin phone call first emerged, there is **“No easier way to kill the Twitter deal than have DOJ step in and prohibit it.”**

No easier way to kill the Twitter deal than have DOJ step in and prohibit it
<https://t.co/Fyr1iCha0x>

— zerohedge (@zerohedge) [October 11, 2022](#)

Indeed, when Delaware Chancery court is about to rule that you must consummate your \$44 billion acquisition of a company that, as SNAP today showed, is worth less than \$10 billion, your best... no, your **only** bet is to force the government to step in and demand the deal falls apart. And how do you do that? Why demand the judge pushes back the court case by a few weeks in which you blast out what to the Biden admin seems to be unhinged pro-Putin propaganda.

Well, Elon old chap, golf clap to a beautifully executed plan.

And while the world’s richest man would never come out and confirm any this, he did the next best thing late on Thursday when in response to a fellow reader’s reaction to the Bloomberg article, that “It would be hysterical if the government stopped Elon from over paying for Twitter”, Musk responded simply “??”... Because the collapse of the deal would be **just what Musk wanted (and intended) from the very beginning.**



by Tyler Durden

Category

1. Economy-Business-Fin/Invest
2. Main

Date Created

10/22/2022