

Silicon Valley CEOs didn't hide their distaste for Donald Trump. Now comes the reckoning

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Silicon Valley's entrepreneurs made little effort over the last year to conceal their distaste for **Donald Trump**, a candidate whose social media savvy belied what they saw as a staggering disregard for the innovation economy and the tech culture that has fostered it.

Now comes the reckoning.

Some of the nation's top tech CEOs will find out how much of a grudge Trump holds when they ride the elevator up to his office in Trump Tower on Wednesday.

Tech titans including <u>Apple</u> Chief Executive <u>Tim Cook</u>, Sheryl Sandberg of Facebook, Elon Musk of Tesla and SpaceX and <u>Larry Page</u> of Alphabet, the corporate parent of Google, have been summoned by Trump as firms scramble to adjust to a reality for which they had not prepared — a potentially hostile president-elect indebted to almost no one in Silicon Valley, save for an idiosyncratic fellow billionaire they don't particularly like.

In the new normal where no corporation is safe from the president-elect's incendiary and stockdeflating Twitter barbs, tech firms could make an inviting target.

In his campaign, Trump already unloaded on Apple for manufacturing iPhones in China and for using encryption technology that federal law enforcement agents have struggled to penetrate.

He is a fan of the intelligence agency surveillance tactics that have undermined confidence in cloud-based networking and threaten to cost U.S. firms billions of dollars in business that could go to offshore competitors.

And his history of inflammatory remarks about immigrants and women is anathema to a Silicon Valley ethos built on international talent and industry leaders who increasingly see the dearth of female coders and executives as a public relations and ethics emergency.

But Trump may yet find these liberal tech executives useful allies.

"The president-elect has said we need to get back to being innovators and inventing things and making things here in America," Trump spokesman Jason Miller said Tuesday during a call in which he alerted reporters that Trump would be meeting privately with Microsoft founder Bill Gates ahead of the larger group meeting.

Gates, for his part, may have shocked Silicon Valley on Tuesday when he likened Trump's vision for America to that of John F. Kennedy leading up to the moonshot.

Many of the executives are invested in Trump's plan to enable corporations to move tens of billions of dollars currently sheltered in off-shore accounts back into the United States by slashing the taxes firms would owe on the money. The overhaul of the tax code Trump envisions would give Silicon Valley a financial boost.

And tech firms are now finding solace in Trump's alliance with billionaire <u>Peter Thiel</u>, the contrarian co-founder of PayPal. They may find Thiel's personality difficult – and his politics outright distasteful – but his business interests align with theirs, and his influence in setting policy could prove a blessing for the companies.

"There are so many wildcards here," said Larry Downes, a Berkeley-based innovation scholar with the Georgetown University Center for Business and Public Policy.

One clear takeaway, Downes said, is that the election exposed again that in politics, much of Silicon Valley continues to play the part of novice.

"The way Silicon Valley conducted itself during the election made no sense," Downes said. "It is one thing to take a political position and support policies. But some of these CEOs went out of their way to antagonize, provoke and mock one of the major party nominees. Now he's won, and they find themselves in an awkward position."

The view, of course, is not universally shared in the Valley. Some executives not only have no regrets, but they have vowed to help lead the resistance.

A post-election, company-wide email from Grubhub Chief Executive <u>Matt Maloney</u> vowed to shield employees from Trump's "nationalist, anti-immigrant and hateful politics." Maloney called on any staffers who disagreed to "please reply to this email with your resignation because you have no place here."

Such open resentment of Trump has been the rule at many startups and among outspoken venture capitalists, but most of the giant tech firms that are expected to be represented at Trump Tower have been careful to hedge their bets.

Relationships built through years of doing business with a Republican Congress are now coming in handy.

Google, for example, has an impressive roster of GOP lobbyists and long-standing relationships with some of the right's favored think tanks. It sends checks to conservative groups including Americans for Tax Reform, the Heritage Foundation and the Cato Institute.

The company recently posted a job listing for a "Conservative Outreach Manager" to serve as "part organizer, part advocate and part policy wonk as you understand the world of third-party non-governmental advocacy organizations."

"Some of these companies have worked both sides of the aisle for years," said Reed Galen, a GOP strategist with clients in Silicon Valley. Still, he said, that positioning has grown much more complicated since Trump's views often don't align with those of the traditional conservative Republicans the companies have been cultivating.

Galen himself said he joked on Twitter recently that Trump's insistence on moving Apple's manufacturing onshore may just drive the price of an iPhone up to \$42,000.

Navigating the new landscape is no easier for executives than it is for partisans. At a tech conference in San Francisco last week, Twitter's chief executive, Jack Dorsey, said he felt "complicated" about Trump's heavy use of his social media platform. "What does this mean to have a direct line to how he's thinking in real time and to see that?" he said.

Tech leaders face immense pressure and almost inevitable conflicts as they try to please not just their customers and shareholders, but also the White House and their largely liberal workforce.

Trump's plans to wipe out Obama-era programs such as the Affordable Care Act and robust safety regulations at the Food and Drug Administration could face strong political opposition in Silicon Valley. They could also open new opportunities for biotech startups.

A burgeoning online lending industry is seeing dollar signs in Trump's promise to diminish consumer-protection regulations. And giants of the sharing economy, such as Uber and Lyft, may find less pressure to improve how they pay drivers as the transition team mulls an overhaul of the National Labor Relations Board to make it more friendly to independent-contractor arrangements.

The ride-sharing firms already have applauded Trump's pick of Elaine Chao as Transportation secretary. She's a former Labor secretary who has welcomed the so-called gig and sharing economy. His pick for secretary of Labor, Andrew Puzder, has talked about the benefits of replacing workers with robots.

But at the same time the firms look for potential upsides of a President Trump, they are bracing for the moment they get caught in the crosshairs. The Valley is rife with speculation about how Trump will engage the companies to grab headlines. Might he, for example, coax Apple to open

a manufacturing facility in America in exchange for increasing the number of visas available to tech workers from abroad?

"He's a marketer," said Vince Ponzo, senior director of the entrepreneurship program at Columbia Business School. "If they can come to some kind of tradeoff where everyone wins, he could come out looking good."

Meantime, tech workers are still struggling to reconcile how a president-elect they detest rode to power on the social media tools they perfected.

Already, some employees at Facebook have undermined their chief executive, Mark Zuckerberg, insisting the company could have done more to prevent fake news that many Democrats and independent analysts think helped Trump's campaign. And there is worry Trump will use the industry's most sophisticated tools to curtail freedoms and target opponents.

Justin Hamilton, a political advisor to tech firms who worked in the Obama administration, said Trump might present an identity crisis along with any opportunities for tech firms.

"Who's going to sign up to work at a place where they feel like they run the risk of undermining the values they hold dear?" he asked.