

# **SILICON VALLEY IS ONE BIG LIE**

**SECRETLY GAY TECH CEO'S RUN ALMOST THE ENTIRE ANTIFA PROGRAM**

## **Tech Goes From White House to Doghouse in Trump's Washington**

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- Google, Facebook under scrutiny on size, political inclination
- Issues include 'fake news,' net neutrality and search results

President Donald Trump is finding relations with business leaders strained as he disband his CEO advisory councils in the wake of his reaction to last weekend's violence in Virginia. Bloomberg's Kevin Cirilli reports on 'Bloomberg Daybreak: Americas.' (Source: Bloomberg)

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Google once had Barack Obama's ear, served as a revolving door for White House staff and saw its political agenda advance. In Donald Trump's Washington, some conservatives say it's gotten so powerful it should be regulated like a public utility.

Google is not alone in a fall from grace. Tech companies -- including [Facebook Inc.](#) and Amazon.com Inc. -- that were previously lauded as innovators are facing increased scrutiny over their size, their hiring practices and whether online news feeds skew liberal.



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"The mood in Washington, at least on the right side of the aisle, is more critical of companies like Google and Amazon," said Fred Campbell, a former Republican FCC aide and director of [Tech Knowledge](#), which promotes market-based policies.

The shift in tone comes as Congress and the Trump administration consider changing tax, energy and immigration policies important to Silicon Valley. A regulation that protects data flows is already slated for gutting by the Federal Communications Commission, and, in Congress, a law has been proposed that would bring internet companies under a privacy regulator. Another would increase legal liability for website operators as a way to combat online sex trafficking.

Meanwhile, tech's made no secret of its distaste for Trump policies. [Alphabet Inc.](#)'s Google, [Apple Inc.](#) and Facebook issued critical statements after the president [proposed](#) a ban on transgender people in the military, stepped away from the Paris climate accords and issued a ban on travel from majority Muslim nations.

## Advisory Councils

The Aug. 12 street violence in Charlottesville, Virginia, provoked another rift. After the president said "[both sides](#)" shared blame for the fighting, Apple Chief Executive Officer Tim Cook told his staff he disagreed with Trump. So many executives, including Intel Corp.'s Chief Executive Officer Brian

Krzanich, quit White House advisory councils last week in protest that Trump ended up disbanding them.

Amazon is doing great damage to tax paying retailers. Towns, cities and states throughout the U.S. are being hurt - many jobs being lost!

— Donald J. Trump (@realDonaldTrump) [August 16, 2017](#)

Amid the turmoil, Trump unloaded on Amazon, tweeting that the company is hurting other retailers, and causing shares in the online retailer to fall. “Towns, cities and states throughout the U.S. are being hurt - many jobs being lost!” Trump said in the tweet.

It was the latest conservative broadside on the technology companies over their size, influence and promotion of social policies on immigration, transgender rights and other matters.

[More: Trump Says in Tweet Amazon Does ‘Great Damage’ to Retailers](#)

Oregon Republican Representative Greg Walden, the chairman of the Energy and Commerce Committee, challenged tech and broadband executives to appear next month as his committee considers undoing the Obama-era net neutrality rules that Silicon Valley supports. In what could be interpreted as a snub, executives didn’t respond to the invitation by the deadline -- which has been extended.

“Republicans have always been fine with most of tech, because Republicans have usually defaulted pro-business,” said Bruce Mehlman, a Republican lobbyist and former Commerce Department official said in an interview. “This is less about any one issue and more about the new populist wing of the Republican party -- populism is suspicious of bigness, and the biggest companies now are tech.”

In this atmosphere, public-policy asteroids can strike suddenly and dent tech’s image in the capital. Google [dismissed](#) James Damore, an engineer who wrote about gender differences [and said](#) the company had a “left bias” that silenced dissenters. Washington noticed.

[Why Republicans Want to Nix U.S. Net Neutrality Rules: QuickTake](#)

“The mistreatment of conservatives and libertarians by tech monopolies is a civil rights issue,” Representative Dana Rohrabacher said in a tweet using the hashtag #googlememo. The California Republican is concerned tech giants may be excluding top talent for political reasons, said his spokesman, Ken Grubbs.

Trump adviser Kellyanne Conway tweeted an op-ed that Damore wrote in the Wall Street Journal about his firing, in which he called Google “ideologically driven and intolerant of scientific debate and reasoned argument.”

Fox News’s Tucker Carlson said Damore’s dismissal showed Google couldn’t be trusted, for instance in ways its algorithms determine [where to rank](#) fake news when returning search results. “Google should be regulated like the public utility it is, to make sure it doesn’t further distort the free flow of information to the rest of us,” Carlson said on his [Aug. 14 show](#).

Others on the right are sounding similar themes. Dominant companies such as Facebook, [Twitter Inc.](#) and Google “represent themselves as politically neutral while systematically promoting liberal views and limiting or even banning conservatives,” Phil Kerpen, head of the American Commitment policy group said in a memo urging congressional action that was obtained by Bloomberg News.

### [Why Google’s Gender Struggle Echoes Across Tech: QuickTake](#)

Kerpen advocated “clear disclosure of how traffic is treated” and “enforcement actions if they violate those representations,” according to his memo. Kerpen, a strategist who has worked for groups including the billionaire [Koch brothers’ Americans for Prosperity](#), didn’t return phone calls and emails.

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Amazon has become a target at least in part because of its size. The company with about 70 percent of all e-book sales and 30 percent of all U.S. e-commerce [drew criticism](#) from Trump that had started on the campaign trail when Trump said in February 2016: “Believe me, if I become president, do they have problems. They’re going to have such problems.” Trump’s also objected to coverage by the [Washington Post](#), which is owned by Amazon’s Chief Executive Officer Jeff Bezos, for instance [calling](#) the newspaper “FAKE NEWS” in a June tweet.

In July, a Democratic lawmaker from Rhode Island, David Cicilline, [called for](#) hearings on the online retailer’s proposed purchase of grocer [Whole Foods Market Inc.](#) Experts and analysts have largely dismissed antitrust threats, in part because the food-store chain has just 1.6 percent of the U.S. grocery market, according to Euromonitor.

### [Trump, Tech Clash Over Visas for Skilled Immigrants: QuickTake](#)

Democrats in their “Better Deal” package of [policy proposals](#) released in July called for tougher merger reviews. Regulators must “must explicitly consider the ways in which control of consumer data can be used to stifle competition or jeopardize consumer privacy,” according to the proposals.

Tech companies are spending more to make their case in the new Washington, and staffing up for better footholds in the Trump administration. Google hired Max Pappas, a veteran of Texas Republican Senator Ted Cruz’s office and the libertarian FreedomWorks PAC.

Google boosted its lobbying expenditure to \$9.5 million in the first half of this year, a nearly 18 percent increase from about \$8 million a year earlier, according to disclosure filings. Facebook’s first-half lobbying expenditures rose too, by about 12 percent to \$5.6 million from almost \$5 million. Amazon spent \$6.1 million, up from \$5.7 million for the same period a year earlier.

Immediate challenges for Silicon Valley include the move by FCC Chairman Ajit Pai, a Republican chosen by Trump, to weaken the Obama-era net neutrality rule that forbids broadband providers from

blocking or slowing web traffic, for instance in order to give their video an edge over rivals' programming.

Representative Marsha Blackburn, the Tennessee Republican who leads the House communications subcommittee, at a July 25 hearing took issue with the role played by web companies during an earlier [online protest](#) of Pai's plans.

"Internet giants Amazon, Facebook and Google recently joined with websites such as Pornhub and dark money groups Fight for the Future, [Demand Progress](#) and Free Press for a day of action to claim Republicans would break the net," Blackburn said. "Let me be clear -- Republicans have always supported a free and open internet."

Blackburn has introduced a bill to bring web companies and broadband providers alike under one privacy regulator. The Internet Association representing companies including Google and Facebook [objected](#), saying the measure "has the potential to upend the consumer experience online and stifle innovation."

Representative Walden called on the top executives of Facebook, Alphabet, Amazon, online video provider [Netflix Inc.](#) and others to appear before his committee at a Sept. 7 hearing on internet governance.

"It's time they came before us and directly shared their positions," Walden said.

Google, Facebook, Netflix and Amazon didn't respond to emailed requests for comment or declined to comment. AT&T Inc. said it was checking the schedule of Chief Executive Officer Randall Stephenson; [Charter Communications Inc.](#), Comcast Corp. and [Verizon Communications Inc.](#) didn't publicly respond.

— *With assistance by Bill Allison, and Mark Gurman*

## Silicon Valley Isn't Special

Tech has plenty of reasons to pretend it's an industry of upstarts. That facade is crumbling.

by

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"Better to be a pirate than join the navy," Steve Jobs said. Times have changed.

Photographer: Photographer: David Paul Morris/Bloomberg

Silicon Valley has a perception problem. Steve Jobs once said, speaking about the irreverent culture he helped create, that "[it's better to be a pirate than join the navy](#)." This ethos served the community well when its firms existed at "pirate scale." But now Silicon Valley's most successful companies have become some of the largest in the world. This culture must accept that it has become the navy, with its remaining pirates facing a choice -- enlist, or walk the plank.

Perhaps no company is struggling with this reality more than Google. Founded in 1998, the company famously adopted the motto "[Don't be evil](#)" around the year 2000. Ever since, whenever the company has run into controversy, such as [its censorship disputes with China](#), or its recent decision to [fire the author](#) of a controversial 10-page memo, critics have lashed out at the company over its betrayal of its founding values.

But it's not fair to hold Google, or its parent company Alphabet, to the same principles it adopted when it was a relatively inconsequential technology startup. In the year 2000, when it adopted "Don't be evil," Google had revenue of [just over \\$19 million](#). In 2017, it will have revenue of over \$100 billion. That's higher than the gross domestic product of [a dozen states](#). Google [dropped](#) the "Don't be evil" motto in 2015.

Google is by no means alone in being a large technology company struggling to balance historical "pirate" cultures with growing responsibilities as powerful corporations. Facebook has gotten in trouble for allowing "fake news" on its platform, influencing the 2016 election. Twitter has struggled with harassment and hate groups. And Uber has clashed with regulators, its drivers, and the impact of its internal culture on women.

Silicon Valley has a lot of self-interested reasons for preferring to maintain a facade that its culture is special, and that its industry is more innovative, virtuous and productive than every other industry. It serves as a great recruiting tool as the region competes for talent with other industries and areas. It allows insiders to maintain outsize control of their companies. And it is a way to prevent regulators from coming in and regulating Silicon Valley to the extent that it might otherwise seek to do.

But it's time to drop the pretense that Silicon Valley deserves special treatment. Facebook and Google are content and advertising companies, digital evolutions of print and television companies that came before them. Amazon's core e-commerce business is just a digital Wal-Mart. Apple's iPhone product cycle, with its annual incremental improvements, has parallels to the personal computer industry in the 1990s or even the Detroit "Big Three" automakers in the 1960s. They deserve the same scrutiny from regulatory and labor watchdogs that their old-economy peers get.

They shouldn't have multiple classes of shares that deprive investors of voting rights. Tesla and Amazon both show that investors are willing to look past a lack of near-term profitability if they believe in a company's vision. As Snap, the latest IPO that has fizzled, may be showing, when a hot growth story turns cold and investors lack voting rights, there's no opportunity for an activist or turnaround investor to come in and pressure management.

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And employees should stop thinking that working for a large technology company is fundamentally different from working anywhere else. Despite what Silicon Valley would like you to believe, employees at Google and Facebook should have the same expectations that workers at Goldman Sachs, General Electric or McKinsey have in terms of adequate staffing of human resources departments and what is considered acceptable speech at work.

Uber's CEO search, with leaders of "stodgy" companies having been floated as possible successors -- Meg Whitman of HP, and Jeffrey Immelt, formerly of GE -- shows that even the bad boy of tech may be getting the message. The sooner the whole industry wises up, the better.

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