

Uber CEO leaves Trump council, Tesla CEO Elon Musk to stay



FILE – In this April 29, 2014 file photo, Uber CEO Travis Kalanick arrives at the 2014 TIME 100 Gala in New York. (Photo by Evan Agostini/Invision/AP, File)

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SAN FRANCISCO — Uber CEO Travis Kalanick on Thursday said he will resign from President Donald Trump's business advisory council after facing intense public pressure to sever his ties with the administration.

The surprise move, which came as activists planned protests at Uber offices around the country, highlights the struggle Silicon Valley tech executives face as they try to balance working with the new president and his policies without alienating their customers or employees.

"Joining the group was not meant to be an endorsement of the President or his agenda but unfortunately it has been misinterpreted to be exactly that," Kalanick wrote his employees in an email, which was obtained by this newspaper.

Kalanick's departure from the committee is the latest sign of tension between tech companies and Trump. Ever since Trump signed an executive order last Friday that temporarily banned immigrants from seven Muslim countries and limited refugees, Silicon Valley leaders have been speaking out, highlighting the diversity of the valley.

Tesla CEO Elon Musk, who also has experienced a backlash over his involvement with the Trump administration, on Thursday confirmed that he will keep his seat on Trump's advisory council. Musk promised to object to the administration's immigration order during Friday's scheduled meeting.



Elon Musk says he plans to remain as a member of Donald Trump's business advisory council, despite criticism he has received. (Nicholas Kamm/Getty Images) Nicholas Kamm/Getty Images

"I understand the perspective of those who object to my attending this meeting," he tweeted, "but I believe at this time that engaging on critical issues will on balance serve the greater good."

Uber, the world's most valuable startup, is no stranger to controversy, but backlash against the San Francisco-based ride-hailing giant has ballooned since Kalanick joined Trump's advisory council in December. Users deleted their accounts in droves over the weekend, uniting under the #DeleteUber hashtag on Twitter, and the exodus caused Uber to fall behind much-smaller rival Lyft in the Apple App Store's rankings for the first time.

On Thursday, a handful of activists gathered outside Uber's Palo Alto office and its future headquarters in Oakland, and another demonstration was planned in San Francisco.

Anger directed toward Kalanick reached a boiling point after Trump banned refugees from entering the U.S. for 120 days, blocked Syrian refugees indefinitely and prohibited citizens of Sudan, Iran, Iraq, Libya, Somalia, Syria and Yemen from entering the country for 90 days. The order became a flashpoint in Silicon Valley. Executives from Box, Google, eBay, Apple, Twitter, Airbnb and Instacart were among those to condemn the order on social media and in messages to employees.

Kalanick raised issues with the order as well, writing in an open letter to Uber employees over the weekend that it would impact "many innocent people" and promising to address that concern with Trump during Friday's planned advisory council meeting.

But that response was perceived as tepid, said Jan Dawson of tech analyst firm Jackdaw. Kalanick followed up the next day by pledging to create a \$3 million legal defense fund for Uber drivers affected by the immigration ban, but that wasn't enough to appease his critics. Anger toward Uber intensified when the company continued sending cars to John F. Kennedy International Airport in New York during a taxi strike planned in protest of Trump's order — a move some saw as undermining the strike.

"It's kind of a no-brainer for Travis Kalanick as to whether he should continue to participate in this council, or whether he should do what he needs to get his business back on track," Dawson said. "In some ways, it's surprising it's taken him this long to respond in this way."

In his email to employees, Kalanick wrote he spoke to Trump briefly on Thursday about the immigration order and "its issues for our community," and told the president he wouldn't be able to serve on the council.

"There are many ways we will continue to advocate for just change on immigration but staying on the council was going to get in the way of that," Kalanick wrote in the email to employees. "The executive order is hurting many people in communities all across America. Families are being separated, people are stranded overseas and there's a growing fear the U.S. is no longer a place that welcomes immigrants."

Uber has previously refused to budge when it came under fire over accusations it treats its drivers unfairly, ignores local regulations and fails to protect the safety of its riders, making Kalanick's about-face on Thursday all the more significant.

But Dawson said it's hard to imagine the #DeleteUber movement would have damaged the company. Most people, despite what they post on Twitter, value the convenience of an on-demand ride above their principles, he said.

"I don't think it ever would have sunk the company," Dawson said. "Realistically, most users would not have deleted the app or deleted their profiles from Uber."

Jeffrey Buchanan, spokesman for the Silicon Valley Rising campaign that helped organize Thursday's Uber protests, said Kalanick's move was a good first step, but the company needs to do more to protect its immigrant workers.

"We need to see continued action from Uber and really from CEOs across the tech industry to stand up to hate and to bigotry and to some of these divisive policies that we're seeing," he said. "It's really a time for more than just words."



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