Internet of Things FTC Workshop November 19, 2013 Segment 2 Transcript

>> IT'S MY PLEASURE TO HONOR OUR KEYNOTE SPEAKER MR. VINT CERF. HE NEEDS TO INTRODUCTION. WE DO HAVE MATERIALS WITH HIS BIOS. LET ME GO OVER A FEW OF MY FAVORITE THINGS FROM HIS BIO AND NUGGETS. AS MANY KNOW HE'S VICE PRESIDENT AND CHIEF INTERNET EVANGELIST FOR DOING WHAT. HE'S BEEN KNOWN AS ONE OF THE FATHERS OF THE INTERNET. IN TERMS -FTS AWARDS HE HAS WON THEY INCLUDE THE PRESIDENTIAL MEDAL OF FREEDOM, QUEEN ELIZABETH PRIZE OF EPG NEARING. LIVING LEGEND MEDAL. MY SIMPLE FROM STANFORD ENGINEERING SCHOOL "HERO." SO MR. CERF HAS AGREED TO TAKE QUESTIONS. WE HAVE PAIR HRAOELZ COMING AROUND WITH NOTE CARDS. I WILL TAKE THE NOTE CARDS AND WE WILL HAVE TEN MINUTES OF MR. CERF'S PRESENTATION. MR. VINT CERF. >> THANK YOU, VERY MUCH. [APPLAUSE] >> I WAS GET NERVOUS WHEN PEOPLE CLAP BEFORE YOU SAID ANYTHING. IT WON'T GET ANY BETTER THAN THAT. MAYBE I SHOULD HIT DOWN. I HAVE A HARD STOP AT NOON. I WILL TRY TO LEAVE TIME FOR OUESTIONS. IT'S IMPORTANT FOR ME TO KNOW WHAT YOU REALLY WANTED TO HEAR OPPOSED TO WHAT I COMPOSED. I WILL START OUT GIVING YOU A SENSE OF WHAT THE INTERNET IS LIKE TODAY. IT LOOKS SOMETHING LIKE THIS. THE PICTURE IS REALLY COLORS OF DIFFERENT INTERNET SERVICE PROVIDERS. THERE ARE 500,000 INTERNET SERVICE PROVIDERS THAT MAKE UP THE GLOBAL INTERNET. WHAT IS INTERESTING IS THAT THIS IS NOT CONTROLLED FROM THE TOP. THIS IS COMPLETELY DISTRIBUTED SYSTEM. EVERY ONE OF THOSE INTERNET SERVICE PROVIDERS HAS HIS OR HER OWN BUSINESS MODEL. FOR PROFIT, NOT FOR PROFIT, GOVERNMENT, AMATEUR. THEY CHOOSE THEIR SOFTWARE. CHOOSE TO INTER CONNECT PEOPLE. NO DICTATED REQUIREMENTS, YOU DON'T HAVE TO PAY OR NOT PAY. IT'S GLOBAL IN SCOPE. IT'S ASTONISHING. HE T. HAS BEEN EXPANDED BY RF, **RADIO FREQUENTLY DEVICES** INCLUDING WiFi AND MOBILE COMMUNICATIONS CAPABILITIES. I WOULD LIKE TO POINT OUT TO YOU HOW INTERESTINGLY POWERFUL THE MOBILE HAS TURNED OUT TO BE. THE TWO THINGS. THE INTERNET AND MOBILE MUTUALLY **REINFORCE EACH OTHER THE MOBILE** ALLOWS YOU ACCESS TO THE INTERNET AT ANYTIME. ASSUMING YOU ARE IN RANGE OF THE BASE STATION. AND YOU GET ALL THE POWER AND THE FUNCTIONALITY. THE TWO ARE RAPIDLY EXPANDING AS A CONSEQUENCE. THERE R THESE ARE STATISTICS THAT ARE PROBABLY MID YEAR.

SLIGHTLY UNDER A BILLION DEVICES ARE ON THE NETWORK. THESE ARE -- THESE ARE DEVICES THAT HAVE DOMAIN NAMES AND FIXED IP ADDRESSES THAT YOU WOULD TYPICALLY FIND IF YOU'RE SEARCHING FOR THINGS. DOES NOT INCLUDE LAP TOPS, DESK TOPS AND MOBILES INTERMITTENTLY CONNECTED TO THE NETWORK. THE ABSOLUTE NUMBER OF INTERNET DEVICES COULD BE IN THE BILLIONS NOT ALL CONNECTED AT THE SAME TIME. THE NUMBER OF USERS AGAIN IS NOT EXACTLY WELL KNOWN. THERE IS THE ONE PLACE TO SIGN UP TO KEEP TRACK. A REASONABLE ESTIMATE IS ABOUT **3 BILLION PEOPLE.** WHICH MEANS THE INTERNET EVANGELISTS HAVE FOUR BILLION MORE PEOPLE TO CONVERT. I COULD USE HELP IF ANYONE IS INTERESTED. THERE ARE ON THE ORDER OF **7 BILLION MOBILES IN USE.** MANY PEOPLE HAVE MORE THAN ONE. MAYBE A BILLION AND A HALF OF PERSONAL COMPUTERS AND LAP TOPS. IT'S VERY LARGE, DISTRIBUTED GLOBAL SYSTEM. THIS IS MID 1975 WE'RE EXPERIMENTING WITH MOBILE RADIO IN, WE NEEDED THIS GIANT VAN. WE WERE IN MENLO PARK, CALIFORNIA. THE RADIOS WERE A CUBIC FOOT IN SIZE AND COST \$50,000. THE WHITE BOXES BEHIND THE LADY IN THE BOTTOM PICTURE ARE THE CUBIC SIZE RADIOS. THE POINT IS WE WERE **EXPERIMENTING WITH PACTELLIS** VOICE. MANY OF THE DEVICES YOU THINK

ARE KNEW TODAY HAD PIONEERING EXPERIENCE 35 YEARS AGO. THIS WAS AMUSING. TO DO THIS WE HAD A TO +\* TAKE THE **VOICE SIGNAL 54.000 BITS PER** SECOND AND COMPRESS IT TO 1800 BITS PER SECT. THERE WASN'T MUCH CAPACITY IN THE NETWORK THOSE DAYS. WHEN YOU DO THAT YOU BASICALLY MODEL THE VOICE TRACK AS A STACK OF CYLINDERS. YOU SEND THE PARAMETER, DIAMETER OF THE CYLINDER TO THE OTHER SIZE. THE OTHER GUY INVERTS THAT TO MAKE SOUND. IT MADE EVERYONE WHO TALKED THROUGH THE SYSTEM SOUND LIKE A DRUNKEN NORWEGIAN. THERE IS A STORY ABOUT DEMONSTRATING THIS TO THE AGAIN RALZ IN THE PENTAGON. IT'S AMUSING. THEY CAME AWAY IMPRESS WED COULD DO OTHER DATA WITH SYSTEMS LIKE THIS. WE WERE EXPERIMENTING WITH VIDEO AS WELL. YOU HEARD IT IN THE EARLIER PANEL, WHICH WAS REALLY GOOD. I ENJOYED LISTENING TO THE COMMENTS THAT WERE MADE. THE LIST IS REALLY OUITE LONG NOW OF THINGS THAT ARE EITHER CURRENTLY NETWORKABLE OR WILL BE NETWORKED IN THE FUTURE. TELEVISION IS MOBILE, TABLETS, PICTURE FRAMES AND THAT SORT. SENSORY SYSTEMS ARE PART OF THE ENVIRONMENT. IN THOSE SYSTEMS THEY'RE USED FOR A VARIETY OF DIFFERENT SERVES. SOME MAYBE FOR SECURITY. SOME FOR ENVIRONMENTAL

MONITORING. ONE CASE OF AGRICULTURE A GUY HAS A GPS LOCATION FOR EVERY VINE IN HIS VINEYARD. HE TAKES TRACK OF THE STATE OF THE SOIL, PH AND EVERYTHING ELLS ON A VINE BY VINE BASIS. HE USE THAT'S DATA TO DECIDE THE WATER AND NUTRIENTS FOR EACH VINE IN THE VINEYARD. THAT'S NOT UNREASONABLE. MEDICAL INSTRUMENTATION BECOMING VERY COMMON. HERE IS A SIMPLE EXAMPLE. A INSULIN PUMP KEEPING TRACK OF THE BLOOD SUGAR LEVELS ON A CONTINUING BASIS, THEN INSTRUCTS THE PUMP, BASED ON THE SAMPLING INFORMATION WHETHER TO INJECT INSULIN INTO THE BODY. THAT INFORMATION COULD BE CAPTURED, FOR EXAMPLE, BY A MOBILE. THEN USED FOR ANALYTICAL PURPOSES. I THINK THIS NOTION OF CONTINUOUS MONITORING THAT CAME **UP BRIEFLY IN THE PANEL** DISCUSSION IS IMPORTANT FOR SEVERAL REASONS. NOT THE LEAST OF WHICH CONTINUOUS MONITORING TELLS YOU ABOUT THE PROCESSES IN A MORE REFIND WAY THEN IF YOU SHOWED UP AT THE DOCTOR EVERY THREE OR SIX MONTHS, ONLY WHEN YOU'RE SICK. THIS TURNS OUT TO BE VERY IMPORTANT IN VALUABLE WAYS OF **OBSERVING DYNAMIC PROCESSES AND** USING THAT DATA TO ANALYZE THEIR STATE. FITNESS KINDS OF MEASUREMENTS MANY MAY WEAR FITNESS OR KEEPING TRACK OF MOVEMENT. WHETHER YOU WENT UP OR DOWN. SIDE WAYS OR STEPS YOU TAKE.

THIS IS IMPORTANT BECAUSE THERE IS A FEEDBACK LOOP HERE. ONE OF THE INTERESTING THINGS ABOUT GATHERING DATA IN THIS WAY IS THAT YOU GET FEEDBACK THAT TELLS YOU SOMETHING ABOUT THE CONSEQUENCES OF THE CHOICE OF YOUR BEHAVIOR IN THE COURSE OF THE DAY, MONTH OR YEAR. IN THE CASE OF ELECTRICAL APPLIANCES AS IN THE SMART GRID, IF YOU GET ENOUGH INFORMATION BACK ABOUT THE DEVICES YOU USE DURING THE COURSE OF THE MONTH THAT GENERATED A BILL THIS MAY TELL YOU, CAUSE YOU TO CHANGE THE CHOICE THAT'S YOU MAKE. BECAUSE THE COST MIGHT BE LESS. YOU CAN IMAGINE A THIRD PARTY ANALYZING THE DATA WHICH YOU PRESUMABLY AUTHORIZE TO TELL YOU THE STEPS YOU TAKE TO CHANGE THE WAY YOU USE ELECTRICITY AND POSSIBLY OTHER CONSUMABLE **RESOURCES LIKE WATER, GAS AND SO** FORTH. THERE IS ANOTHER IMPORTANT BENEFIT, POTENTIAL BENEFIT HERE WITH FEEDBACK TO US ABOUT THE CONSEQUENCES OF OUR BEHAVIOR WHETHER IT'S HEALTH CONS CONSEQUENCES OR SOMETHING ELLS. REMOTE CONTROL DEVICES ARE IMPORTANT ESPECIALLY IN A CRISIS **RESPONSE**. IT WAS MENTIONED KNOWING POWER IS OUT IN YOUR HOME IS, MIGHT BE A IMPORTANT THING TO KNOW ESPECIALLY IF YOU'RE NOT THERE. IT'S ALSO HELPFUL FOR THE POWER COMPANY TO KNOW WHAT HOUSES ARE OUT OF POWER. OFTEN THAT'S NOT AS EASY TO FIND OUT. IT'S CLUMSY TO HAVE PEOPLE CALLING A PHONE NUMBER TO REPORT

THAT.

THERE ARE AN INCREASE NUMBER OF DEVICES CALLED WEARABLES. I WANT TO EMPHASIZE SOMETHING ABOUT THIS INTERNET EN TABLED DEVICE.

THE GOOGLE GLASS IS A EXPERIMENT.

WHAT IS INTERESTING IT'S

ESSENTIALLY NO DIFFERENT THAN

STRAPPING THIS TO YOUR FOREHEAD. I CAN TELL YOU THIS IS VERY

UNCOMFORTABLE.

THE GOOGLE GLASS IS EASIER.

IT HAS A CAMERA, MICROPHONE, IT HAS A BONE CONDUCTION SPEAKER. YOU CAN HEAR WHAT IT IS SAYING AND NOBODY ELLS DOES.

IT LEAVES YOUR EARS FREE TO HEAR AMBIENT SOUND AND IT HAS A VIDEO DISPLAY.

IT BRINGS THE COMPUTER INTO YOUR AUDIO AND VIDEO ENVIRONMENT. IT SEE WHAT'S YOU SEE.

IT HEAR WHAT'S YOU HEAR.

HERE IS AN EXAMPLE WE CAN ALMOST DO.

IMAGINE YOU HAVE A BLIND GERMAN SPEAKER AND A DEAF AMERICAN SIGN LANGUAGE SPEAKER.

THEY'RE BOTH WEARING GOOGLE GLASS AND WANT TO COMMUNICATE WITH EACH OTHER THE GERMAN GUY SAYS -- SPEAKING GERMAN. GOOD AFTERNOON MY NAME IS VINT

CERF. THE DEAF GUY DOESN'T HEAR.

THIS THE TKPWAO +\*L DOING WHAT THE GLASS PICKS UP AND TRANSLATES

THE GERMAN FROM GERMAN TO

ENGLISH AND PRESENTS THE ENGLISH ON THE DISPLAY.

SO THE DEAF GUY CAN SEE THE

CAPTIONS.

NOW THE DEAF GUY RESPONDS BY SIGNING.

THE BLIND GUY CAN'T SEE. BUT THE CAMERA IN THE GOOGLE GLASS OF THE BLIND GUY CAN SEE THE SIGNS, TRANSLATES THE SIGNS TO ENGLISH. TRANSLATES TO GERMAN AND SPEAKS INTO THE HEAD OF THE BLIND GERMAN SPEAKER. SO THE TWO OF THEM ARE COMMUNICATING THINKS TO THE INTER MEDIATION OF THE GOOGLE GLASS. I DON'T WANT TO YOU MISLEAD YOU THINKING WE CAN DO ALL THAT. WE CAN COME CLOSE. WE CAN'T CORRECTLY INTERPRET SIGNS AT SPEED. THIS IS NOT CRAZE THAOEFPLT IS A ENGINEERING THING THAT'S POSSIBLE. OF COURSE AUTOMOBILES WITH ONSTAR BEING AN EXAMPLE. THERE ARE LOTS AND LOTS OF THOUGHTS ABOUT AUTOMOBILES COMMUNICATING WITH EACH OTHER WHEN YOU GET INTO SOME OF THE EXOTIC CASES OF GOOGLES SELF DRIVING CARS YOU SEE FASCINATING ABILITIES FOR CARS TO TALK TO EACH OTHER WHEN ALL FOUR AT A INTERSECTION. INSTEAD OF ONE BEING MACHO THEY RUN A STANDARD ALGORITHM TO SEE WHO GOES NEXT. THERE IS NO ROAD RAGE OR IMPATIENT YENS LIKE HUMAN DRIVERS. HERE ARE EXAMPLES OF THINGS IN USE. THE INTERNET ENABLED **REFRIGERATOR IS INTERESTING.** I THOUGHT, WHAT WOULD YOU DO WITH A INTERNET ENABLED **REFRIGERATOR.** ONE THING, IT MIGHT HAVE A NICE TOUCH SENSITIVE PANEL ON THE FRONT.

IT AWEINGMENTS THE ORDINARY AMERICAN FAMILY COMMUNICATION. PAPERS AND MAGNETS. NOW WE HAVE BLOGS AND E-MAILS. IF YOU HAVE AN RFID DETECTOR AND WHAT YOU PUT IN HAD CHIPS. THE REFRIGERATOR WOULD KNOW WHAT'S INSIDE. WHILE YOU'RE OFF AT WORK IT'S SEARCHING THE INTERNET FOR **RECIPES WITH WHAT YOU HAVE.** WHEN YOU COME HOME YOU COULD HAVE A DISPLAY. HERE ARE THE RECIPES TO MAKE. COULD YOU EXTRAPOLATE. YOU ARE ON VACATION. YOU GET AN E-MAIL FROM THE **REFRIGERATOR.** IT SAYS YOU PUT THE MILK IN THREE WEEKS AGO. IT'S GOING TO CRAWL OUT ON YOUR OWN. OR YOU'RE SHOPPING AND THE MOBILE GOES OFF, DON'T FORGET THE SAUCE, I HAVE EVERYTHING FOR A SPAGHETTI DINNER TONIGHT. NOW THE JAPANESE HAVE A INTERNET ENABLED BATHROOM SCALE. IT FIGURES OUT WHAT FAMILY MEMBER YOU ARE. IT GOES TO THE TKOGTER AND BECOMES PART OF YOUR MEDICAL RECORD. **IT'S REASONABLE BUT THE REFRIGERATOR IS ON THE SAME** NETWORK AS THE SCALE. SO WHEN YOU COME HOME YOU SEE DIET RECIPES COMING UP. EVERYONE IS FAMILIAR WITH INTERNET ENABLED PICTURE FRAMES. SOME PROBABLY HAVE THEM. THEY'RE ON THE NET. THEY PULL IMAGES FROM A SELECTED WEBSITE AND CYCLE THROUGH. WE USE THEM IN OUR FAMILY. WE HAVE MOBILE PHONES WITH

CAMERAS.

WE TAKE PICTURES UP AND LOAD THEM TO THE WEBSITE AND FAMILY PICTURE FRAMES DOWNLOAD THE PICTURES.

YOU WAKE UP AND SEE WHAT THE NIECES AND NEPHEWS AND GRAND CHILDREN ARE DOING.

THERE IS A SECURITY ISSUE HERE. IF THE WEBSITE HAS THE PICTURES ON IT AND IT GETS HACKED. THE GRANDPARENTS MAY SEE

PICTURES OF WHAT THEY HOPE ARE NOT THE GRAND CHILDREN. THE GUY IN THE MIDDLE HERE,

BUILT A INTERNET ENABLED SURFBOARD.

I HAVEN'T MET HIM.

I HAVE AAGE OF HIM WAITING FOR

THE NEXT WAVE THINKING IF HI A LAP TOP ON MY SURFBOARD I COULD

SURF THE INTERNET WAITING FOR THE NEXT WAVE.

SO HE BUILT IT IN NOW HE SELLS IT AS A PRODUCT.

IF YOU WANT TO GO OUT ON THE WATER AND SURF THE INTERNET WAITING FOR THE NEXT WAVE IT'S

TH +\* IS FOR YOU.

MOBILES ARE EVERYWHERE. INTERNET ENABLED LIGHT BULBS. I USE TO TELL JOKES ABOUT THIS TO YEARS AGO.

I SAID SOME DAY EVERY ELECTRIC LIGHT BULB WILL HAVE IT'S OWN IP ADDRESS.

I THOUGHT THAT WAS FUNNY UNTIL I WAS GIVEN A RADIO ENABLED LIGHT BULB.

THEY COST ABOUT \$20 LAST ABOUT 20 YEARS.

THE COST OF THE RADIO IS 50 CENTS OR SOMETHING LIKE. NOT BAD FOR THE PRICE OF THE LIGHT BULB.

IF IT LASTS FOR 15 YEARS MAYBE

IT'S NOT SO CRAZY. AND GOOGLE GLASS THERE. LET ME GIVE YOU ANOTHER EXAMPLE. I HAVE A SENSORY NETWORK IN MY HOUSE USING IPV6. IT'S A RADIO BASE 6LOPAN SYSTEM. IT'S A PRODUCT. NOT ME IN THE GARAGE WITH A SOLDERING GUN. THE COMPANY WHO MADE THIS IS ARCH ROCK WHO WAS ACQUIRED BY CISCO SYSTEMS. IT RUNS ON TWO DOUBLE A BATTERIES FOR NEARLY A YEAR. AS A EXPERIMENT I LET IT RUN UNTIL IT WOULDN'T WORK ANYMORE. WE GOT DOWN TO 2.4 VOLTS WHEN IT POOPED OUT. THE GUYS AT ARCH ROCK WERE ASTONISHED IT LASTED THIS LONG. THIS IS TH +\* IS A MESHED NETWORK AND IT SELF ORGANIZES WHEN YOU TURN IT ON. THE HOPPING TAKES THE DATA FROM EACH SENSOR AND DELIVERS IT THROUGH THE MESH NETWORK TO A SERVING THAT IS DOWN IN THE BASEMENT IN A RACK OF EQUIPMENT. SO, IT'S MEASURING TEMPERATURES IN EACH ROOM OF THE HOUSE EVERY FIVE MINUTES. THE COMMENT MADE EARLIER. THE COMMENT MADE EARLIER ABOUT -- IT'S POSSIBLE TO PRODUCE A SUBSTANTIAL AMOUNT OF INFORMATION. NOW IN MY CASE I'M INTERESTED IN GATHERING THE DATA THAT WAY. I KNOW IT SOUNDS LIKE SOMETHING ONLY A GEEK WOULD DO. THINK ABOUT HAVING A YEARS WORTH OF INFORMATION ABOUT HEATING. VENTILATION OF EVERY ROOM IN THE HOUSE. AT THE END OF THE YEAR YOU HAVE

AN IDEA HOW WELL THE HEAT WAS

DISTRIBUTED AND COOLING. YOU HAVE REAL ENGINEERING DATA. THAT'S USEFUL. I HAVEN'T GOT TO THE PRIVACY SIDE OF THIS. I'M NOT IGNORANT OF IT. NOWHERE WERE THE PANELISTS. I WANT TO KEEP GOING A LITTLE FURTHER. ONE OF THE ROOMS IN THE HOUSE IS A WINE CELLAR. I AM CONCERNED THE TEMPERATURE **STAYS BELOW 60° TPAEURPB HEIGHT** AND HUMIDITY ABOVE HOW % TO KEEP THE CORKS FROM DRYING OUT. THIS ROOM IS ALARMED. IF THE TEMPERATURE GOES ABOVE 60° OR A HUMIDITY CHANGES I GET A SMS ON MY MOBILE. ONE TIME I WAS AWAY FOR SEVERAL DAYS. MY WIFE WAS SOMEWHERE ELLS. **EVERY FIVE MINUTES FOR THREE** DAYS I GOT A MESSAGE, YOUR WINE IS WARMING UP. WHEN I GOT BACK HOME I CALLED THE ARCH ROCK GUYS AND THEY SAY YOU MAKE REMOTE ACTUATORS. >> I SAID DO YOU HAVE A STRONG AUTHENTICATION. I HAVE A 15-YEAR-OLD NEXT DOOR TKAO +\*R I DON'T WANT TO MESS WITH THE WINE CELLAR. I COULD TELL SOMEONE WAS IN THERE ABOUT DIDN'T KNOW WHAT THEY DID. IF YOU DID A TAG ON EVERY BOTTLE YOU COULD DO A INSTANT INVENTORY TO MAKE SURE NO BOTTLES LEFT. I DESCRIBED THIS TO A FRIEND. HE SAID THERE IS A BUG. COULD YOU GO INTO THE WINE CELLAR AND DRINK THE WINE AND LEAVE THE BOTTLE. SO, NOW WE HAVE TO PUT SENSORS IN THE COURT.

NOW YOU INTERROGATE THE CORK. IF THAT'S THE BODY UP TO 80° OR SOMETHING THAT'S THE BODY YOU GIVE TO SOMEONE WHO DOESN'T KNOW THE DIFFERENCE.

THIS IS A ENTIRELY PRACTICAL THING TO HAVE AROUND THE HOUSE. IN ALL HONESTY THOUGH THIS IS VERY COMMON KIND OF THING TO DO. I WOULD EXPECT THIS TO BE BUILT INTO MOST NEW HOMES.

IT WOULD BE CERTAINLY THAT PLUS MANY OTHER KINDS OF SECURITY CONTROLLING.

HEATING VENTILATION AND AIR CONDITIONING.

BUILDING ON THE NOTION OF THE SMART HOME THAT WE HEARD ABOUT EARLIER.

HERE IS AN EXAMPLE.

THIS ISN'T ABOUT THE BEER AS IT IS ABOUT A SENSOR THAT IS

CLEVERLY DESIGNED TO FIGURE OUT IF A KEG OF BEER IS EMPTY.

NORMAL WAY THIS IS DONE IS A GUY GOES BACK BEHIND THE COUNTER AND RATTLES THE KEGS AND LIFT THEM UP TO FIGURE OUT HOW MUCH BEER IS LEFT.

THIS COMPANY MADE A DONUT SHAPE SENSOR THAT GOES UNDER THE KEG. YOU OUT FIT IT WITH WHAT IS IN THE KEG WITH A SCANNER.

YOU KNOW, UNIFORM PRODUCT CODE. THAT OUTFITS THE SENSE WE ARE THE CORRECT INFORMATION. SO IT KNOWS HOW MUCH WEIGHT TO ANTICIPATE FOR A KEG FULL OF BEER OF THAT PARTICULAR VARIETY. SO, YOU JUST INTERROGATE THE SENSOR.

THIS DONUT THING AUTOMATICALLY TELLS YOU BASED ON THE WEIGHT HOW MUCH BEER IS LEFT IN THE KEG.

THIS IS A GOOD EXAMPLE OF SIMPLE

KINDS OF IDEAS THAT MAKE THINGS A LOT EASIER THAT WOULD OTHERWISE BE AWKWARD. THAT'S ALL ABOUT USING SENSORS AS A WAY OF MAKING LIFE A LITTLE EASIER TO SOLVE A VARIETY OF PROBLEMS.

THIS ALSO INTRODUCING A LOT OF THE PROBLEMS WE HEARD FROM THE PANEL.

SMART CITIES ARE ANOTHER EXTENSION OF THE SMART HOME. THE SMART GRID, SMART DEVICES. GIVEN THAT I HAVE TO BE CAREFUL WITH MY TIME HERE I DON'T KNOW I CAN GO THROUGH EVERYTHING HERE. YOU CAN IMAGINE FOR A MOMENT THAT A CITY THAT IS ABLE TO MONITOR WHAT IS GOING ON IN THE CITY, TRAFFIC FLOW BEING A **OBVIOUS EXAMPLE, COULD MAKE QUITE A DIFFERENCE FOR PEOPLE** SELECTING ROUTES TO TAKE. AT GOOGLE WE BOUGHT A COMPANY CALLED WAVES. YOU CAN IMAGINE INSTRUMENTING A CITY TO GET PRECISE DATA NOT ON VOLUNTEERING REPORTING. YOU CAN SEE OTHER INFORMATION LIKE OUTAGES AND OTHER GASES AND SO ON, ALL OF THAT INFORMATION COULD BE AVAILABLE TO A CITY. FOR USE IN MEDIATE OPERATIONS AND POSSIBLY ALSO IN USE OF PROJECTING DEMAND IN THE FUTURE. SO, I HAVE THIS SENSE OF MONITORING AND REPORTING AND THE CITY BEING POWERFUL IDEA. SOME CITIES LIKE BARCELONA ARE **RAPIDLY MOVING IN THAT** DIRECTION. SO. IF YOU'RE INTERESTED IN SMART CITIES YOU MAY DO A GOOGLE SEARCH FOR BARCELONA AND SEE WHERE THEY ARE. **IT'S OBVIOUS THERE ARE ALL KINDS** 

OF THINGS THE GOVERNMENTS CAN DO.

LOCAL AND STATE GOVERNMENTS TO COMMUNICATE WITH CITIZENS ABOUT THINGS THAT THEY CARE ABOUT. WHETHER IT'S LICENSE FEES, TAXES OR OTHER THINGS. IT'S YET ANOTHER EXAMPLE OF SMARTNESS. NOT SO MUCH SENSE RAOEZ BUT CITY SERVES BEING PRESENTED TO USERS ON A 24 HOUR BASIS. IT IS INTERESTING THAT THE GOVERNMENT, AFTER COMPANIES REALIZE THAT SHE SHOULD BE **AVAILABLE TO CONSUMERS 24 HOURS** A DAY THE CONSUMERS SAID WHY CAN'T THE GOVERNMENT DO THE SAME THING.

I DON'T WANT TO HEAR SORRY OUR OFFICES ARE CLOSED.

ANOTHER ISSUE IS ACCESS TO THE INFORMATION THAT THE CITY MIGHT BE ABLE TO PROVIDE.

IN SETTING ASIDE PRIVACY

CONCERNS NOT TO IGNORE THEM BUT RATHER TO SAY IF THERE IS

INFORMATION THAT DOES NOT HAVE PRIVACY ISSUE ASSOCIATED WITH IT OPEN ACCESS TO INFORMATION THAT THE CITY KNOWS ABOUT COULD FACILITATE THE CREATION OF NEW BUSINESS THAT'S GATHER THE DATA OR ANALYZE IT FOR PURPOSES OF

BEING USEFUL. THIS NOTION OF USING INFORMATION FROM AN ON-LINE ENVIRONMENT, MONITORED ENVIRONMENT IS ACTUALLY A OPPORTUNITY TO CREATE NEW BUSINESSES, JOBS AND THAT SORT.

IN FACT ONE OF THE INTERESTING STATISTICS I WISH I HAD AND DO NOT HAVE FROM THE, FROM THE LABOR DEPARTMENT IS SOME SENSE OF HOW RAPIDLY JOBS ARE CHANGING.

IT WOULD BE INTERESTING TO LOOK OVER A FIVE YEAR INTERVAL AT JOBS THAT ARE COMMONLY BEING OCCUPIED AND WHAT THE TASKS ARE. DO THOSE JOBS STILL EXIST OR HOW MANY JOBS ARE THERE THAT DIDN'T EXIST FIVE YEARS AGO.

I THINK IF YOU LOOKED CERTAINLY IN THE HIGH-TECH INDUSTRY WOULD YOU DISCOVER QUICKLY THAT JOBS IN THAT SPACE CHANGE VERY RAPIDLY.

THINK ABOUT THE WORLDWIDE WEB IN 1994.

THERE WERE NO WEB MASTERS. OF COURSE THERE ARE LOTS OF THEM NOW.

THEY FIGURED, THEY FIGURED OUT HOW TO BE WEB MASTERS LOOKING AT THE HTML CODE IN THE WEB PAGES. FINALLY THERE IS A SMART GRID PROGRAM.

I'M ASSUMING THAT WAS DISCUSSED. I WON'T BORE YOU WITH A REPEAT. HERE IS AN EXAMPLE OF A SELF DRIVING CAR.

THIS MAN IS BLIND, HE'S ONE OF OUR EMPLOYEES.

I HAVE A VIDEO HERE.

IT RUNS ABOUT THREE OR FOUR MINUTES.

HOW MANY ENGINEERS DOES IT TAKE TO TURN ON A COMPUTER.

I THINK I PUSHED THE WRONG BUTTON.

ADD TO FAVORITES.

I DON'T WANT TO DO THAT.

THERE.

NO.

THIS IS A MICROSOFT PRODUCT. THAT'S THE PROBLEM. THERE WE GO. >> LOOK, MA, NO HANDS. >> NO HANDS, NO FEET. >> NO NOTHING. >> I LOVE IT >> SO WE'RE HERE AT THE STOP SIGN. YEP, CAR IS USING RADARS AND LASER TO MAKE SURE NOTHING IS COMING ANYWAY. >> I FIND MYSELF LOOKING. >> OLD HABITS DIE HARD. >> THEY DON'T DIE. >> ANYONE UP FOR A TACO. >> YA, WHAT DO YOU WANT TO DO, **STEVE**? >> I'M ABOUT TACOS MYSELF. >> LET'S GET A TACO AT THE DRIVE-THRU. >> WE'RE TURNING INTO THE PARKING LOT. >> HOW NEAT. >> HERE WE GO. CREEP ALONG HERE. >> DOES ANYONE HAVE MONEY. >> I HAVE MONEY. >> I HAVE MY WALLET HERE. >> ROLL DOWN THE WINDOW AND ORDER A BURRITO. . >> HOW ARE YOU TODAY? >> WELL, THANK YOU. HOW ARE YOU TODAY. >> SOME GOOD, THANK YOU. >> THIS IS SOME OF THE BEST DRIVING I HAVE EVER DONE. >> 95% OF MY VISION IS GONE. I AM WELL PAST LEGALLY BLIND. YOU LOSE YOUR TIMING IN LIFE, EVERYTHING TAKES YOU MUCH LONGER. SOME PLACES YOU CAN NOT GO. SOME THINGS YOU REALLY CAN NOT DO. THIS WOULD CHANGE MY LIFE. IT WOULD GIVE ME THE INDEPENDENCE AND FLEXIBILITY TO GO THE PLACES I BOTH WANT TO GO AND NEED TO GO WHEN I NEED TO DO THOSE THINGS. [APPLAUSE]

>> ISN'T THAT GREAT. HOW DO I GET BACK TO MY SLIDES? THERE WE GO. I NEED TO GET TO SLIDE MODE. >> I'LL DO THIS. >> THIS IS AMUSING, ISN'T IT. >> OOPS. THE NEXT ONE. HERE WE GO. ANYWAYS. ONE OF THE THINGS I WANTED TO POINT OUT ABOUT THE SELF DRIVING CAR IT'S ONE THING TO GET A CAR TO DRIVE ON THE ROAD IN TRAFFIC. IT'S ANOTHER THING TO GO DOOR TO DOOR. YOU HAVE TO NAVIGATE UNDERGROUND PARKING AND THAT. IT'S ACTUALLY HARD. LET'S MOVE BACK DOWN TO THE INTERNET OF THINGS. THIS ARE ENORMOUS POTENTIAL HERE FOR ALL KINDS OF OPTIMIZATIONS BASED ON THE DATA THAT'S ACCUMULATED AND SHARED. WE SHOULD NOT LOSE TRACK OF THE FACT THAT HAVING GREATER KNOWLEDGE OF HOW RESOURCES ARE CONSUMED, WHEN THEY'RE CONSUMED, AND AT WHAT RATE, AND AGGREGATED OVER LARGER AND LARGER REGIONS COULD REALLY TELL US A GREAT DEAL ABOUT HOW TO MANAGE THE **RESOURCES BETTER.** THE SECOND THING IS STANDARDS ARE IMPORTANT HERE. INNER OPERABILITY IS VERY IMPORTANT. SO, FINDING STANDARDS THAT EVERYBODY CAN FOLLOW, EVEN THOUGH THERE IS A NATURAL TEND TENTENT SEE TO DO THINGS TO LOCK YOU INTO THAT STANDARD THERE IS PRESSURE RISING IN THE END TO HAVE COMMON STANDARDS. IF YOU GO AND BUY A INTERNET

ENABLED DEVICE FROM COMPANY A AND ANOTHER FROM COMPANY B THERE ARE GOOD REASONS TO KNOW THEY CAN BE MANAGED BY A PIECE OF SOFTWARE THAT UNDERSTANDS WHAT THE STANDARDS ARE AND NOT ADAPTED TO EACH PROPRIETARY PROTOCOL. IT DOESN'T TPHAEPB WE WILL END UP WITH ONE PROTOCOL BUT YOU DON'T WANT TOO MANY OF THEM. BY CREATING THE STANDARDS YOU CREATE THE OPPORTUNITY FOR NEW BUSINESSES TO FORM. MANAGE DEVICES, MAKE DEVICES, ANALYZE DATA FROM THE DEVICES, CONTROL THE DEVICES. THERE ARE NEW BUSINESSES THAT CAN BE FORMED. WE SHOULD CARE ABOUT THAT. THEY CREATE NEW JOB OPPORTUNITIES FOR ALL OF US AND IMPROVE GDP GROWTH. IT'S OBVIOUS WE HAVE HEALTH MANAGEMENT OPPORTUNITIES THROUGH THE CONTINUOUS MONITORING THAT WE TALKED ABOUT BEFORE. IF YOU HAVE INTERNET ENABLED DEVICES YOU MAY GET ACCESS TO INFORMATION FROM ANYWHERE. WE SEE THAT EFFECT IN THE INTERNET WITH MOOCs. IF YOU DO THE MATH WITH THE **REGARD TO THE ECONOMICS IT'S** PRETTY STUNNING. IF YOU A SRA +\*EU HUNDRED THOUSAND PEOPLE TAKING A CLASS AND CHARGE EACH TEN DOLLARS IT'S A MILLION DOLLAR CLASS. THIS AREN'T MANY PROFESSORS THAT CAN CLAIM THEY'RE TEACHING A MILLION DOLLAR CLASS. THE COST PER STUDENT IS LOW BECAUSE OF THE SCALING EFFECT. I'M EXCITED ABOUT THE POTENTIAL TO PROVIDE LARGE ACCESS TO

EDUCATIONAL MATERIALS AT MODEST COSTS TO A VERY BIG AUDIENCE. BY REDUCING THE COST YOU MAKE IT AFFORDABLE TO A LARGER GROUP OF PEOPLE.

THEY'RE ON-LINE AND YOU CAN TAKE THEM WHEN YOU WANT TO.

CONTINUING EDUCATION NOW BECOMES

A PRETTY ATTRACTIVE POSSIBILITY

FOR THOSE WHO WANT TO CONTINUE

TO GROW IN THEIR JOBS.

IT'S PRETTY OBVIOUS AS SOON AS IT'S EASY TO INTERNET ENABLE THINGS THEN PEOPLE WILL DO THAT.

THERE WILL BE NEW PRODUCTS AND SERVICES INVENTED ON THAT BASIS. THERE ARE CHALLENGES.

SO, I THINK WE SHOULD BRIEFLY

LOOK AT THOSE.

ONE OF THEM IS AGAIN STANDARDS. I'M A BIG FAN OF IP VERSION 6. I WOULD LIKE TO ASK YOU ALL A

FAVOR.

YOU UNDERSTAND THAT WHEN WE DID THE DESIGN OF THE INTERNET IN 1973 WE DIDN'T KNOW IF IT WOULD

WORK OR HOW BIG IT WOULD GET.

WE GETTED AT 4.3 BILLION

TERMINATIONS SHOULD BE ENOUGH FOR A EXPERIMENT.

THAT WAS A 32 BIT ADDRESS SPACE. IN FEBRUARY 2011 WE RAN OUT OF VERSION 4.

SO WE STANDARDIZED VERSION 6 TO 128 BIT ADDRESS SPACE.

WE TURNED THAT ON WITH ANY ISPs AND SERVICE PROVIDERS READY TO IMPLEMENT VERSION 6 ON JUNE 6th OF 2012.

THE 21st CENTURY INTERNET IS FUNCTIONAL BUT NOT ENOUGH PEOPLE HAVE IMPLEMENTED THIS AS THE ISP LEVEL.

WHAT I WOULD LIKE YOU TO DO IS ASK YOUR ISP WHEN WILL THEY HAVE IT AVAILABLE FOR YOU. THE REASON IT'S IMPORTANT IS A LOT OF THEM ARE SAYING NOBODY IS ASKING FOR IT NO REASONABLE CONSUMER SHOULD KNOW WHAT IPB4 OR IPB6 IS.

YOU CAN HELP BY ASKING THE PLAN. THIS IS A NUMBER ONLY THE CON GREENS TKPWR +\*ES CAN APPRECIATE I THINK.

THERE IS A VERY BIG PROBLEM IN CONFIGURING LARGE NUMBERS OF DEVICES.

YOU KNOW THE, ANYTHING WE CAN DO TO MAKE THAT EASIER, THE COMMENTS ABOUT SECURITY RESONATE

WITH ME. IT'S HARD TO EXPECT USEERS TO UNDERSTAND AND EVEN HAVE A REASONABLE, YOU KNOW, WORKING MODEL IN THEIR HEADS ABOUT WHAT THESE THINGS ARE DOING.

THE COMMENTS ABOUT PRIVACY AND ALERTING OF USERS TO THE USE OF INFORMATION, ALTHOUGH I THINK IT'S WELL INTENDED I THINK ABOUT THE ORDINARY USER WHO ISN'T REALLY EITHER SURE OR MAY NOT HAVE THE PATIENCE TO TRY TO

FIGURE OUT WHAT EXACTLY IT MEANS AND WHAT ARE THE IMPLICATIONS OF THIS PIECE OF INFORMATION BEING

MADE AVAILABLE.

SO, PEOPLE ARE LAZY.

THEY DON'T WANT TO BE BOTHERED. THEY WANT STUFF TO WORK. IT PUTS A BIGGER BURDEN ON THE

IMPLEMENTER SKP-SZ OPERATORS OF THE SYSTEMS TO BE COGNIZANT OF PROTECTING USERS SAFELY AND PRIVACY.

>> IT'S NOT SIMPLE TO FIGURE OUT WHAT TO DO WITH THE INSTRUMENTATION AND DATA COMING BACK.

I THINK THERE ARE HUGE OPPORTUNITIES FOR ANALYSIS OF THE INFORMATION. THE OTHER BIG PROBLEM IS THERE ARE GOING TO BE BUGS. THOSE BUGS CAN EITHER BE HAZARDOUS BECAUSE THEY'RE OFFERING AN ATTACK SERVICE TO ALLOW SOMEONE TO TAKE CONTROL OVER THE ADVISOR POSSIBLY THROUGH CONTROL GET TO OTHER DEVICES IN THE HOME NETWORK OR THEY WILL SIMPLY CAUSE PROBLEMS. GETTING THINGS FIXED IS HARD. ESPECIALLY IF YOU DON'T HAVE A GOOD MODEL IN YOUR HEAD FOR EXACTLY HOW THIS STUFF WORKS. BY THE WAY THAT MAY CREATE ANOTHER SET OF JOB OPPORTUNITIES FOR PEOPLE TO COME OUT AND HELP FIX THE INTERNET ENABLED DEVICES WHEN THEY DON'T SEEM TO WORK. THAT SUGGESTS AGAIN POTENTIAL **OPPORTUNITIES FOR THIRD PARTY** BUSINESSES.

>> THAT SAYS LUNCH. BEFORE WE BREAK FOR LUNCH I'M HAPPY TO SPEND TEN MINUTES ON QUESTIONS OR GO TO LUNCH EARLY. >> SHEAR THE FIRST QUESTION THAT HAS KOPLD IN FROM COMMISSIONER BRIL.

DO YOU WORRY WHAT IOT WILL DO TO DEEPEN THE DIGITAL DIVIDE FOR THOSE WHO CAN AFFORD A SMART HOME AND CAR AND THOSE WHO CAN NOT?

HOW SHOULD SOCIETY ADDRESS THESE CONCERNS?

IS COST ISSUE A CORRECT

INVESTMENT HORIZON, SHORT-TERM VERSUS LONG TERM.

>> MY FIRST REACTION IS I'M NOT

TOO WORRY ABOUT IT.

IT'S NOT A CAVALIER ANSWER.

PHYSICS IS WITH US HERE.

THE COST OF THE THINGS HAVE BEEN

DROPPING ON A REGULAR BASIS.

THE COST OF INTERNET ENABLING THINGS HAS COME DOWN. COST OF SERVICES AND DEVICES THEMSELVES. THEY'RE ALL DROPPING. THAT IS WHY WE SEE A EXPANDING NUMBER OF USERS OF THESE SYSTEMS. WE STILL HAVE DIVIDES BUT I THINK THEY WILL EVENTUALLY CLOSE UP BECAUSE THE COSTS WILL TEND TO COME DOWN. SCALING HELPS IN MANY RESPECTS. SO, MY BELIEF IS THAT WON'T BE A PROBLEM. AT LEAST IN TERMS OF AFFORD ABILITY. >> ALRIGHT. THIS IS A QUESTION -->> THAT'S THE ONLY QUESTION THERE WAS. >> I HAVE A BUNCH. I WILL ASK ONE. >> GO AHEAD. >> SO, I THINK EVERY TIME WE HEAR THAT THERE IS A TRANSFORM TIFF TECHNOLOGY TAKING PLACE WE HEAR, WELL, PRIVACY IS DEAD. GET OVER IT. OR WE HEAR THAT THE FAIR INFORMATION PRACTICE PRINCIPALS NEED TO BE MODIFIED OR ADAPTED. I WONDER WHAT YOUR VIEWS ARE ON THE SUBJECT. >> I WOULDN'T GO SO FAR AS BOLDLY A CERTIFICATE PRIVACY IS DEAD. ALTHOUGH SCOTT McNEALLY SAID THAT ABOUT 15 YEARS AGO. I THINK THAT'S ALMOST AN EXACT OUOTE. LET ME TELL YOU IT WILL BE INCREASINGLY DIFFICULT FOR TO US ACHIEVE PRIVACY. I WANT YOU TO THINK FOR A MINUTE ABOUT THE FACT THAT PRIVACY

MAYBE AN ANOMALY. I DON'T KNOW WHETHER OF YOU HAVE LIVED IN SMALL TOWNS. I LIVED IN A LITTLE TOWN IN GERMANY IN 1962 OF 3000 PEOPLE. THE POST MASTER KNEW WHAT EVERYONE DID. NOBODY HAD TELEPHONES. YOU WENT TO THE POST MASTER AND THEY PLACE THE KALE AND END YOU TO A BOOTH TO WHO THE CALLED PARTY WAS. ON TOP OF THAT THE TOWN OF 3000 PEOPLE THERE IS NO PRIVACY. EVERYONE KNOWS WHAT EVERYONE IS DOING. IT'S THE INDUSTRIAL REVOLUTION AND THE GROWTH OF URBAN CONCENTRATIONS THAT LEAD TO A SENSE OF ENMITY WHICH IN SOME WAYS LEADS US TO BELIEVE WE HAVE PRIVACY. NOBODY KNOWS WHO WE ARE.

I'M OVER SIMPLIFYING AND I HAVE DONE TERRIBLE DAMAGE TO THE FUNDAMENTAL CONCEPT OF PRIVACY. I DON'T WANT TO YOU THINK I'M THAT SHAP OWE ABOUT IT.

I WOULD LIKE TO OBSERVE OUR SOCIAL BEHAVIOR ALSO IS QUITE DAMAGING WITH REGARD TO PRIVATE SEE.

THE TECHNOLOGY WE USE TODAY HAS FAR OUT RACED OUR SOCIAL

INTELLECT.

IMAGINE YOU GO TO EGYPT. YOU'RE STANDING IN FRONT OF THE PYRAMID OF GIZA.

YOU WANT A PHOTOGRAPH OF YOU STANDING THERE FOR A WEBSITE SOMEWHERE.

YOU HAND THE CAMERA TO SOMEONE YOU DON'T KNOW TO TAKE A PICTURE.

LET'S SUPPOSE THAT SOMEONE IS NEARBY AND CAUGHT IN THE PICTURE. WE WILL CALL THIS PERSON "JOE." YOU HAVE NO IDEA WHO JOE IS. YOU DON'T CARE. ALL YOU WANT IS TO GET THE PICTURE OF YOU IN FRONT OF THE GREAT PYRAMID ON THE WEBSITE. YOU PUT IT UP. SOMEONE ELSE IS CALLING AROUND LOOKING FOR PICTURES OF THE PYRAMID. THEY RECOGNIZE JOE. THEY TAG JOE. SOMEONE ELSE IS LOOKING FOR A PICTURE OF JOE AND DISCOVERS THAT ONE. EXCEPT JOE SAID HE WAS IN LONDON. THAT PICTURE SHOWS HIM IN FRONT OF THE PYRAMID ON JUNE 25th, 19 -- 2015. IT WOULDN'T OF BEEN 1970, YOU'RE RIGHT. SO THE POINT HERE IS THAT JOE IS NOW EXPOSED AT HAVING MID LEAD SOMEONE BECAUSE OF INNOCENT ACTIONS. SO, I USE THIS AS A KIND OF A METAPHOR FOR OUR NEED TO DEVELOP SOCIAL CONVENTIONS. THAT ARE MORE RESPECTFUL OF PEOPLES PRIVACY. I DON'T THINK WE KNOW HOW TO SPECIFY THAT. THINK WE WILL LIVE THROUGH SITUATIONS WHERE PEOPLE GET EMBARRASSED, GO TO JAIL, HAVE OTHER PROBLEMS AS A CONSEQUENCE OF THE EXPERIENCES. OUT OF THAT MAY COME SOME SOCIAL PRACTICES THAT WILL BE MORE **RESPECTABLE OF PRIVACY.** I THINK THIS IS SOMETHING WE HAVE TO LIVE THROUGH. I DON'T THINK IT'S EASY TO DICTATE THIS.

SO, THAT'S WHERE WE ARE I THINK ON THE PRIVACY QUESTION. >> A RELATED QUESTION SO, THIS IS A STRAIGHT FORWARD QUESTION. SHOULD THE GOVERNMENT SEEK PRIVACY FOR INTERNET AND PROVIDERS. >> I HAVE TO TELL YOU REGULATION IS TRICKY. I DON'T KNOW. IF SOMEONE ASKED ME WOULD YOU WRITE A REGULATION FOR, THIS I WOULDN'T KNOW WHAT TO SAY. I DON'T THINK I HAVE ENOUGH UPBLDZING OF THE CASES THAT MAY ARISE TO IS A SOMETHING USEFUL ABOUT THIS. WHICH IS WHY I BELIEVE WE WILL END UP EXPERIENCING PROBLEMS BEFORE WE UNDERSTAND THE NATURE OF THE PROBLEMS AND NATURE OF THE SOLUTIONSES. I ALSO WANT TO ARGUE WHILE **REGULATION MIGHT BE HELP PHIL AN** AWFUL LOT OF THE PROBLEMS WE EXPERIENCE WITH PRIVACY IS A **RESULT OF OUR OWN BEHAVIOR WHICH** IS NOT SO MUCH ILLEGALITY OR SOMETHING OR VIOLATION IN A TYPICAL REGULATORY SENSE. IT'S REALLY JUST THE FACT THAT WE DIDN'T THINK ABOUT THE POTENTIAL HAZARD. SO, BEFORE WE RUN OFF TO WRITE **REGULATIONS I THINK WE BETTER** UNDERSTAND MORE DEEPLY WHAT THE **RISK FACTORS ARE.** I KNOW THAT I HAVE OFTEN WANTED TO BUILD A CONGRESSIONAL COMIC BOOK THAT I COULD MAKE AVAILABLE TO OUR FRIENDS IN CONGRESS TO HELP THEM UNDERSTAND -- LIT RALLYINGLY A CARTOON LEVEL HOW THE INTERNET WORKS. BECAUSE WITHOUT A REASONABLE UNDERSTANDING OF THAT IT'S HARD

TO WRITE LAWS, LET ALONE DEVELOP **REGULATIONS FOR THEM.** I NEED TO HAVE A LIGHTWEIGHT CARTOON MODEL, USED AS A METAPHOR. WOULD LEAD PEOPLE TO CORRECT UNDERSTANDING OF WHAT LAWS MAKE SENSE. OTHERWISE IT'S LIKE SAYING THIS NETWORK DOESN'T RUN FAST ENOUGH SO LET'S DOUBLE THE SPEED OF LIGHT. WELL, THAT'S HARD. SO, WE CAN'T DO THAT. ACTUALLY YOU CAN DO THAT. THE SPEED OF LIGHT IN A OPTICAL FIBBER IS 90,000 MILES A SECOND. IF YOU GET RID OF THE FIBER IT WILL GO 180 MILES A SECOND. SHE SAYS WE'RE OUST TIME. YOU HAVE ONE MORE QUESTION. ONE MORE QUESTION. ONE MORE QUESTION. >> SO, THIS IS COMING FROM A INDUSTRY PERSPECTIVE. HOW CAN INDUSTRY BEST CONTINUE TO INNOVATE WHILE PROTECTING AGAINST PRIVACY AND SECURITY CONCERNS NOT ONLY U.S. AND WESTERN COUNTRIES BUT FOREIGN REGIMES THAT VALUE PRIVACY. >> THE COMMENTS MADE EARLIER IN THE PANEL I MISSED SOME OF IT THE COMMENTS ABOUT SECURITY AND RULES FOR WHO HAS ACCESS TO WHAT INFORMATION UNDER WHAT CONDITIONS IS ESSENTIAL TO DEALING WITH THAT PROBLEM. IT'S REALLY, REALLY HARD TO MAKE SECURITY WORK WELL. ESPECIALLY IF YOU DON'T WANT TO OR DON'T BELIEVE THAT THE USERS ARE GOING TO BE SECURITY EXPERTS AND KNOW HOW TO DO CONFIGURATION AND EVERYTHING ELLS. FIGURING OUT HOW TO MAKE A SECURITY SYSTEM WORK WELL WHICH

DOESN'T REQUIRE YOU TO BE A EXPERT IS A BIG CHALLENGE. I BELIEVE WE HAVE TO FACE THAT AND TRY TO DO IT. WE HAVE TO TRY TO DO IT. SSL WHICH WE UNDERSTAND CAN BE BROKEN. THERE ARE MAN IN THE MIDDLE ATTACKS AND OTHER THINGS. IT'S AN EXAMPLE OF THINGS RELATIVELY INVISIBLE. YOU DON'T HAVE TO DO ANYTHING TO MAKE THE CRYPTO EXCHANGE HAPPEN. I'M NOT ARGUING THAT BUT IT'S DOESN'T REQUIRE USER INTERACTION TO EFFECT THE KEY DISTRIBUTION. THOSE SORTS OF IDEAS I THINK ARE IMPORTANT IN ORDER TO MAKE THE SYSTEMS ACCEPTABLE IN A SOCIAL SENSE. >> THANK YOU, VERY MUCH FOR ALLOWING ME TO CHEW UP YOUR TIME. >> THANK YOU.

[APPLAUSE]

>> BIG ROUND OF APPLAUSE.