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Episode 49 - Public Policy and Net Neutrality (w/ Ambassador Daniel Sepulveda)

Hosts: Phillip Jackson and Brian Lange

<http://www.futurecommerce.fm/episode-49-public-policy-net-neutrality-daniel-sepulveda>

Brian: Welcome to Future Commerce, the podcast about cutting-edge and next-generation commerce. Rated as one of Forbes' top six tech podcasts worth your time. I'm Brian.

Phillip: And I'm Phillip.

Brian: And as always, don't forget to sign up for our FC Insiders weekly newsletter and find out what's new and what's exciting and what's next in retail. Today, we have quite the guest, Daniel Sepulveda. Daniel is the Former Ambassador under a couple, or maybe even three administrations, Former Ambassador and Deputy Assistant Secretary of State. Welcome to the show, Daniel.

Daniel: Hi, thank you for having me.

Brian: You bet.

Phillip: Great to have you. So, just to kind of get a frame of reference for people who may not know you, what is your history? And maybe give us a little bit of your résumé and establish some of your authority in this space, because I think we're gonna go deep on a couple topics today.

Daniel: Right. So, I've been involved in this space for now close to 20 years. In the most recent capacity, I was as you said, a politically appointed ambassador. So, I was confirmed by the United States Senate to represent the United States abroad on issues of technology and telecommunications. And originally the post was created as the primary representative of the United States to the International Telecommunications Union, which was, before it was the International Telecommunications Union, it was created to govern international communications over telegraph. So, it's a very old specialized body of the United Nations, and it has a legal authority over international telephone and satellite communications. Though, historically, it's looked at what interconnection arrangements look like, what international contracts look like, termination costs, access to telephone networks, access to space in the nations or the world spectrum in the airwaves for the delivery of mobile communications and for satellite communications. So, beginning in really 2010, very dramatically in 2012 and ever since, there's been a debate about whether or not the International Telecommunications Union under the auspices of the United Nations should have authority over what we call Internet Communications, which the United States has staunchly opposed, as has most of the Western world. So, that lays out the corners of the debate. I was appointed to this position by the President, who I served in the United States Senate, and also by John Kerry, who I also served in the United States Senate. John Kerry was the chairman of the Commerce Committee, a subcommittee on technology and telecommunications, and I was his chief staffer on that as well as other economic issues. When he was appointed to be the Secretary of State he took me with him.

Phillip: Wow. So, you know one or two things about internet.

Daniel: And one or two things about politics and policy.

Phillip: Right, oh my word, yeah.

Daniel: Where those two worlds collide.

Phillip: And I think that's really what we'll tease out today, which is really how changes in policy and how really a global economy are being affected by those changes in policy, and how they affect retail, really. So, glad to have someone of your caliber here on the show. Brian, I know that you actually might have found Daniel through a little bit of a digging and found a Politico post specifically calling Daniel the ambassador to the internet.

Brian: Yeah, the closest thing the U.S. has to an ambassador to the internet, which is quite a title, I have to say.

Daniel: Yeah, it was a very friendly article.

Brian: Yeah, it was. No doubt, no doubt. And I think it was probably a good title. And obviously internet's such a worldwide thing, it almost needs its own ambassador, so I love that. In fact, at this point, how interconnected would you say the internet and commerce have become?

Daniel: Oh, they're completely interconnected. And it's not just what you think of as the internet or what most people think of as the internet, which is their understanding of it as the World Wide Web, and the consumer facing applications that we're all used to, like Facebook and Google. But beyond that, the internet is the interconnection of communications networks around the world built on internet protocol. And that is communicating everything from supply chain management to now the Internet of Things, to multinationals management of their human resources activities around the world. So, it really is just one thing now. There is now differentiator between what we used to call the internet economy and the regular economy, it's just the digital economy, it's just one big thing.

Brian: Yeah, I totally agree. I think at this point, the internet and commerce - there's no such thing as ecommerce, it's just commerce.

Phillip: Right.

Brian: Commerce and digital are so intertwined at this point that you can't separate them.

Daniel: Right, and if you don't understand that, if your business doesn't understand that, then you're not long for this world as a matter of business.

Phillip: That's a wonderful pull quote.

Brian: We're gonna tweet that one.

Phillip: We're gonna tweet that one. What's funny is, I found a little clip somewhere in amongst all of the Whole Foods Amazon hubbub with the acquisition recently, and somebody said something to the effect of, or quoted that, "U.S. ecommerce is only 8% of all retail transactions in the United States." You sort of recharacterized that as well, it may be 8% of consumer retail activity, but none of those businesses really could exist in the modern world without the support of the internet as the backbone by which we transact all kinds of exchanges, not just the payments and the catalogs. What do you think are other sort of fundamentals that go into how the internet works that we've also come to depend on but are sort of not visible or top of mind every day that we sort of take for granted?

Daniel: I think that the vast majority of people, including myself before I was really active in this space, were oblivious to how amazing the internet is as a voluntary act of human engagement. There is no law that mandates any network to connect to any other network. There is no law that says that communications firms have to accept internet protocol as the technology by which to connect networks. This was all born organically out of a DARPA contract from long ago that ended up by 1998 becoming the commercial internet through what became the International Corporation for Assigned Names and Numbers, or the Internet Corporation for Assigned Names and Numbers, which is called ICANN. So, there is really a handshake agreement among technologists and engineers and developers who use voluntarily agreed upon rules for the operation of the internet. And it is built on top of international telecommunications networks. So, we as governments, to the degree that we had a role in the creation of the internet, it was as a function of funding research and development through the Department of Defense, but it was really organically created first as a network for academics, and then eventually commerce saw its potential and has turned it into the baseline mechanism for the communications ... I mean, it's the basis of business to business communications, the basis of internal business communications, and the basis of external business communications. There really is no differentiator between what we call the internet and what we historically know as communication.

Brian: Wow. You mentioned ICANN. Maybe you could give our listeners kind of a brief summary. A lot of them will know what it is, but maybe a few won't. Just give a brief summary of what that is and how that functions, and since it is sort of a handshake agreement as you called it, maybe give some of the main schools of thought around how the internet should function and maybe some positives and negatives on different schools of thought.

Daniel: Right. So, ICANN manages the top level domain names of the internet. So, it makes sure that what is your internet protocol address matches up with the common language usage for an internet website. So, if you go to www.coke.com, it takes you to that particular internet protocol address. The dot com is what they manage, as well as what is dot net, dot org, dot defense, and then the country codes, so dot US, dot FR for France, et cetera. Now, again, that was all organic. Before there was an ICANN, there was a gentleman named Jon Postel who's a famous academic out of USC, and ICANN is based out of Los Angeles, largely because it descended from him. And he personally managed what were then the internet protocol addresses and ensuring that the internet, what it was then, worked. So, we have now what is ICANN, which is really now a huge nonprofit multinational organization that functions - a lot of people don't like to use this analogy - but as sort of the Yellow Pages of the internet. It lets you know how a number connects to a name and a particular device or computer to ensure that you get international interconnection. Now, that is outside the norm of really any form of international commerce. Almost every other form ... Every other form that I'm aware of of international commerce requires some degree of international agreement and regulation. So, you can't send a physical package across a border without paying a tariff, without ensuring that there is a customs agreement for how that package is sent and at what rate and at what tax level. You can't physically walk across a border without having that country's agreement to enter and exit. There are visas. The only thing that enters and exits a country without anybody having any regulatory control over it is data. Outside of that, I guess you could say climate. The air does the same thing, but we do have international agreements on how to treat climate. I apologize, those are my dogs.

Phillip: No, that's okay.

Daniel: So, it is a brand- Well, it's not brand new, right? I mean, the internet like I said, the commercial internet originates around 1998, the late 1990s. But as it relates to governing and international commerce, it is a brand new phenomenon. And we're trying to wrap our hands around that in large part because it respects no physical borders, and our international legal regimes are built on international borders. And that creates real challenges.

Phillip: And some of those international borders don't necessarily follow geographic borders either. I feel like that's where some of the complication comes in, especially with regard to trade, especially as global policies and economic policies are changing so dramatically here recently, I think it's hard to get a grasp on really even the state that things are in. So, I know you speak a lot about net neutrality, and I'm guessing that's sort of where this all heads, is that there's a big push to formalize a lot of these handshake sort of understandings, and a lot of people - I think probably rightly so - would like countries like the United States to have more say than less in how we move forward. So, maybe you could talk a little bit about how the U.S. policy around net neutrality might be changing.

Daniel: Well, the U.S. policy around net neutrality, there's a long history now in this space. Tim Wu, the academic from Columbia University is the original sort of thinker around network neutrality. And the idea of network neutrality is that the network operator, so your cable or your telephone company, is neutral as to how you use your connection to the internet. So, they provide you with connection to the internet, but once you get to the internet, you go and you use the services available on the internet as you wish. That's where the 'neutral' in network neutrality comes from. And networks, at least last mile networks to your home, are either local or national networks, depending on where you live. So, where I live, I have two options: I can either have Comcast or Verizon, and those two under current regulation, network neutrality regulation and under common practice, just as a general rule before Mr. Wheeler made it a rule, they don't tell me or encourage me to go anywhere on the internet or deny me access to anywhere on the internet. They don't have a gatekeeper function. And the point of network neutrality is to keep them from having a gatekeeper function. So, my bosses, first Barbara Boxer, then Barack Obama, and then John Kerry were all strong supporters of that concept of network neutrality in law and regulation. Ajit Pai, who is now the chairman of the Federal Communications Commission, and the President, and generally, the Republican Party do not believe that network neutrality should be a legal mandate. They believe that companies that deliver you access to the internet should, as a general rule, be free to manage that access as they see fit as a function of commerce. There has been some conversation about a compromise in which Republicans would agree that the rule would say that the companies cannot block you from accessing content, they cannot block you from attaching a device, a legal device, to that connection, and they cannot charge you on discriminatory terms. The one point on which there's still a debate domestically between the parties, is on whether or not someone should be able to pay the company that gives you access to the internet privileged access to you. So, that's a very emotional debate, there's a lot of debate around that question. When we came up with the concept of network neutrality, it kind of was exported and adopted abroad in multiple, multiple markets. And the degree to which we are now reversing as a government, our position on network neutrality or if Chairman Pai changes his position or the position of the country, we'll see what that does around the world and how other people feel about changing their positions as well.

Brian: What do you think it will do?

Daniel: What do I think? Obviously I've served in this capacity for a long time, so I believe, particularly when we first had this debate, that there were a large number of nascent services, including podcasting, but a number of other nascent technology services that could not compete and did not have the money to overcome a barrier to entry that a change to network neutrality would bring. So, that was the point. The point is to have democratic access to users to have the ends of the network, either you as a podcast are creating a service, and me as a listener or participant in this case, using the service and having no one come between us in that interaction. That there's utility in that. I still believe that there's strong utility in that, I know my party strongly believes that there's utility in that as a rule. Now, out of fairness, I've known Ajit Pai since we were both young men serving in the Senate. He worked for a Republican Senator, I worked for a Democrat Senator. I don't believe that he is ... There are people, activists on our side

who have called him a lot of names, and I don't agree with that. His fundamental view is that, if we allowed these companies to manage the networks as they saw fit and extract additional profit from the ability to charge companies or people to reach you on a preferential basis, that they would then have the revenue and the regulatory flexibility to build those networks out to more rural communities, to more poor people, that they could in turn maybe even provide some services for free. So, like, Facebook has this Free Basics program intended to provide a portion of the internet to people for free. And there's some question about whether or not that violates network neutrality. From my perspective it does, but I'm not sure it's terrible. So, I am more ambivalent today than I was 20 years ago about network neutrality. I still think as a general rule, the lack of competition in last mile service to your home requires a rule of network neutrality, but I could foresee a situation in which you allowed some degree of experimentation with that last mile management. If it had an overwhelming [Unclear] [unclear 00:18:42] [/Unclear] such as free access to the internet for the poor, or if they had an overwhelming [unclear 00:18:47] ...

Phillip: I'm so sorry to cut in there, we're having a little bit of trouble hearing you with the microphone, could you just repeat the last thing that you said?

Daniel: Yeah. So, the question now is is there a zone of agreement, an area of compromise? And where I would said that we should be looking at compromise is in structuring an agreement around what would constitute non-neutral behavior that would have very large public interest benefit or very large consumer welfare benefit. So, for example, the idea that the sender would be willing to pay access to the internet for the poor on the basis of pure advertising revenues. Is that a model that you could see as having such a public interest benefit that you should think about supporting it? I think that we should at least be considering a portion of that conversation. My concern remains that the last mile service to your home is a highly, highly concentrated market, and we should have rules of the road that protect against the abuse of that last mile access to you.

Brian: That's good. As we've mentioned, I think there's a lot of different types of technology that rely on the internet, and we talked about commerce, you mentioned Internet of Things ahead, and there are other technologies that are gonna really rely on the internet as well, like virtual reality and interactions in virtual reality and augmented reality and AI and big data that's associated with that, even robotics. As we kind of step into how the internet's being governed, do you see one road leaning towards advancement and adoption and another road sort of ... What are the pitfalls ahead there? What could we avoid as a nation, as a world, to ensure that adoption of tech happens at the fastest possible rate?

Daniel: I think that there are a multitude of both public policies and commercial incentives that you can create to maximize the public good of advances of technology. I am generally pro-technology and I am generally pro - I guess I'm a dying breed - but I'm a pro-technology, pro-trade, pro-immigration, pro-general openness of the nation. So, the degree to which that we stand or construct public policies that would discourage the development really of any technology because we fear it is a bad idea. So, there's a lot of talk about what robotics and artificial intelligence and the automatization of certain activities or even driverless cars, what they're going to do to the ability of working people to find work, to be able to have a living wage, or for entrepreneurs that don't come from California, Massachusetts, and New York to start businesses. Those are real concerns, and I would separate the concerns from the technology and try to find solutions to the outcomes of the development of technology rather than create regulatory or legal structures to deny the ability to build technology and services. The problem with that, the challenge with that is that we've had a very similar debate in the globalization arena, or in trade. So, those of us who are pro-trade argued for many, many years, look, globalization's generally good. Generally, it creates more wealth than it costs us. There are people who find challenges with shifting creation of commercial flows, but we can create programs to help those people, or they can move to where there is opportunity.

That proved to be an inadequate formula to deal with people's concerns, and it resulted in a populace uprising against trade. And what I fear is that if we do not help manage both the commercial changes, so, what happens to small businesses in the space that you all care about in retail, or what happens to workers when their particular services are no longer necessary. So, for example, if Amazon is successful at removing the cashier from the commercial experience, okay, what happens to those cashiers and what do we do about that? If we don't have real solutions to those challenges, if we don't create public policies that change the incentive to concentrate investment in three states, we're gonna have a populous problem. A real political problem that will result in an overcorrection, much the same way we had an overcorrection in trade and are seeing an overcorrection in trade now.

Phillip: I'm gonna take a little detour, because it's just top of mind and you mentioned something there which sort of sparked my thought process. There was a blog out on Medium recently, which I'm not gonna assume that you've read, by Scott Santens, who actually speaks a lot about basic income, and it basically goes a long way to try to prove out a theory that we hit peak labor somewhere around 1999 or 2000, and really everything that we've seen since then is really leading to more automation and less participation in the work force. And I wonder if there's someone out there who might draw a correlation to automation and freedom of information exchange as the kind of thing that not just sends jobs overseas, but creates less job opportunity for many people overall. Do you feel like that that's an argument that needs to be combatted and is that something that you think is a fair criticism?

Daniel: You know, there's a sort of universal basic income and peak employment debate occurring between really, really smart people, so I think actually, like, Zuckerberg and Eric Schmidt and Elon Musk have been engaging in this debate on opposite sides for a while now. In which, what is universal basic income? Universal basic income is the socialization, the communal acceptance that we have a problem, and then the communal pay for for that problem. Okay, so the problem being that in some theoretical world we reach peak employment, there will always be people who can't either get employment or hold employment for an extensive period of time because they don't have the skills or bring the wealth creation necessary to be a participant in the modern economy, so let's just pay them off to not work. Or ensure that we create a basic universal basic income that ensures they have a stability of wage over time if they are no longer or if we no longer have permanent employers and people are basically self-employed as a general rule. That's one line of thought. It certainly deserves exploration, because if that's where we're headed, if we're headed towards a gig economy where you pretty much just work for yourself and there are a variety of platforms that enable you to do that, everything from being a blue collar worker where you work on a construction site for a period of time and then that platform enables you to work on a different one, something like a TaskRabbit but for construction, then that's a real challenge, because our law and our public benefit systems are not built for a society in which people are largely self-employed. It's built for a society in which employers have responsibilities to workers, and we as a society have responsibilities to each other, and then also the services delivered by entities that are employers and companies have consumer protection responsibilities. If we're moving to a situation which that is no longer the structure of our economy, then we need a wholesale revisiting of everything from labor law to education and then back to what we were talking about before, as to what public welfare law looks like. To some degree, we have a universal basic income system, because if you become unemployed through no fault of your own, you get a check, you get unemployment insurance. And to some degree, through medicaid, we have health care for the poor, and medicare, we have health care for the old, we have a system, a social safety net, but it is not meant to carry the burden of a significant portion of the population. It is just not designed for that. So, there are people who hate the concept of universal basic income. Vice President Joe Biden is one of those people. He thinks it calls for denying people the dignity of work. He thinks that we need to be working to construct a system and an economy that produces viable living wage work for everyone, and that everyone has access to work. Okay, I accept that and I embrace it and believe it, but what does that

mean in terms of actual public policy? What does that mean around financial policy, tax policy, all kinds of challenges.

Phillip: The reason I bring it up, which I think it's sort of tangentially related to what we were speaking about, which is the sense that a world in which we're living right now - and probably one that's developing rapidly in front of us - where there is information and the access to that information is ubiquitous, is causing people, specialized professions that used to specialize in the aggregation of information and the delivery of information - librarian is one that comes to mind, that's probably the worst example - there were professions that have probably been outmoded by this explosion of accessible information. So, my sense is that there's an impact on retail, it's a knock-on effect that creates problems probably economically everywhere. And so, I guess I would ask you, what does a policy look like that allows us to sort of maximize a labor force, or maybe potentially, is it just reinvesting in new skills in trade and labor that are specifically digitally focused rather than trying to stimulate a manufacturing economy?

Daniel: It has to be much more than just skill development. To some degree, I think that's kind of the cop-out answer. Why don't we just give people vouchers to learn coding? And to some degree that was our answer to what was gonna happen to steel workers or coal miners. Their jobs were going to go abroad and we would give them training adjustment assistance, and we have such a program, and they would either get up and move out of their community to somewhere where jobs were bursting through the seams like Boston and Orlando, or they would stay there and acquire the skills to remotely work and create their own businesses. Neither of those things have happened, right? And those challenges are now concentrated in specific places because coal and steel production are very geographically specific, much like fishing. They're very geographically specific things. But like you said, technology is now going to displace workers across the entire spectrum of skills. Like patent lawyers, right? There are now artificial intelligence programs to make sure that you don't need a suite of patent lawyers to be able to find the information necessary to produce and apply for a patent. Okay, nobody's crying for patent lawyers and they're generally particularly well educated to find work. The question is really I think ... And I think actually Steve Case has been doing some interesting work around this. Ross Baird who's a venture capitalist, has as well, who wrote a book called "Innovation Blind Spots." We have to find ways to build the skill of entrepreneurship in people, which is a much harder skill than coding, right? And we have to encourage our financial system to invest ... Right now, venture capital spending, 90% of it is concentrated in three states around major universities, and it's concentrated in businesses that are built to be bought, built to exit. So you invest money for quick turnaround. So, those are just two fundamental things that we need to change. That our investment system ... One, we have to encourage longer term investments. And two, we have to encourage the development of entrepreneurs. People in place, people within geography to create and build community.

Brian: I love that.

Daniel: Right now, communities and cities are really embarrassing themselves trying to get the next Amazon headquarters to come to their city. The kind of [unclear 00:33:00] and spending and just general begging that's being done to bring an Amazon headquarters to a community is incredible. If you could take and harness that energy and communal money to be spent on the development of an entrepreneurial community, or entrepreneurship programs, or skill development, or better community colleges, or any number of other things, that would make a change. That would be a real change. The thing about the Amazon headquarters is that it's a sure thing. You give these guys whatever X millions of dollars to come to your community, and you know Y number of jobs will be created.

Brian: Yeah. You know, two points I'm hearing here, or two points I want to make off this. One, I think is a really great takeaway for our listeners, which is invest in your employees, right? And teach them to, if not become entrepreneurs, become

intrapreneurs. Find ways of driving new growth and new ... Teach them how to run their own businesses and take ownership and think out ahead. And then also, some of our listeners, you need to go start a business and get out there and be that part of the economy, and not hide your skills behind the walls of a corporation.

Daniel: And as a matter of public policy, we have to reward that. So, for example, we have a research and development tax credit for companies. That to the degree that they're investing their research and development - and usually it's more development than research, but that's fine - we give them a tax credit toward that end. We don't do that for investment and training, and the reason to do it is the same. The reason we give that tax credit to companies is because once something is invented, it's hard to contain the value of that invention. And the same thing is true for workers. If you train a worker, you invest a bunch of money in them, and they leave you a year later or two years later, you lose that money, right? It's hard to contain that investment. And to some degree we should encourage and reward the risk-taking that is an investment in your work. And so, there's a whole school of thought around that as well.

Phillip: The cynic in me finds the third takeaway, which is I don't feel like the policies being outlined by the current administration are going to be very friendly to a lot of these ideals. My sense is that we're sort of pulling back the rope on open trade and global trade, and we're looking to ... I do think that there's a sense, like, a desire there to put cities to work, and I would also like to see venture capital move to literally anywhere except for Silicon Valley; that would be wonderful. And I do think that, Daniel, you have a fantastic point in that cities are falling all over themselves to attract jobs, not just from Amazon, but from a lot of corporations. But my sense is that it likely gets worse before it gets better. So, the cynic in me is if that infuriates you enough or if that ignites something in you enough, maybe we should get more politically involved to try to put the right people into office who have the desire to see those policies carried out. Because I think it's not just about public action. It's not just about grassroots movement. I think those are valuable. Us getting angry on Facebook and FCC websites don't do anything, we have to have public policy shaped by the - like people have to actually be in office to shape public policy.

Daniel: Yeah.

Brian: One thing I want to make sure we hit on before we close out here - there's a few more things I'd like to hit on, but we might run out of time - but we've been kind of dancing around Amazon for a minute. So, Amazon kind of exemplifies a company that I think has kind of pushed entrepreneurship in some ways. And they're making larger and larger waves in commerce in general. How have you seen them enter the discussion about how the internet should function and how trade should function, what are they proposing, and what policies do you think would be most beneficial for them that maybe is like a sub agenda if you will.

Daniel: Amazon is to me, just in my opinion, the most interesting and strongest company we have in America, because it's not really just an internet company. Unlike Google and Facebook, which are incredibly, amazing companies, and I think have more valuation as a matter of stock than Amazon. Amazon is in everything, right? And they're a physical company. They have employees almost in every state in the Union, I'm sure. Facebook and Google do not. But Amazon is not just an internet powerhouse, it's an industrial powerhouse. And Jeff Bezos himself, he's a genius. I mean, the man is involved in everything from entering space to Washington Post to ... he's everywhere, right? And Amazon hires, I mean, they go after talent, at least in the space that I know very well which is government relations and political space, they have some of the most talented people in the game, and they know how this game works. And I think that they understand the necessity to spread value both to consumers and employees better than most companies. So, I'm saying all of that as very, very positive about Amazon. There is nonetheless a basic need in competition law and in antitrust law, and just as a matter of societal function, to understand the degree to which Amazon becomes the Walmart of the

internet. Can it squeeze suppliers and competitors to a degree that hinders productivity and innovation? And that requires some real quantitative analysis and some degree of expertise that I don't have, but it certainly requires investigation in a public conversation. And I don't know the degree to which Amazon is open to having that conversation. Obviously, it creates risks for them. But not having that conversation would be a failure of duty on the part of both public officials.

Phillip: That's basically the central topic in every one of our shows. We can't get away from Amazon, Brian won't let us.

Brian: That's true.

Phillip: I can appreciate that viewpoint. I share a similar sort of ... The antitrust sentiment is one that sort of comes near and dear to my heart, because I am the counterpoint on this show, to Brian. So, I guess I'd give you, Daniel, if you want to give us just a quick 30-second snapshot of what you think the next five years looks like ahead of us with regard to, well, I guess whatever. Trade, policy, network neutrality ...

Daniel: I'm gonna step back and tell you what I think about when nobody's paying me to think and what I worry about when nobody's paying me to worry. I think about the next five years as a period of time in which we risk an overcorrection to dealing with technology, to the fact that we have not had a proactive mechanism for working with Silicon Valley and companies that have now become undeniably giants. The idea that they are capable of drawing a line in the sand and keeping us from having what are difficult conversations - about competition, about consumer protection, about privacy, about the effects on labor, of modernizing technology - that what will happen to our tech policy is that it will boil, much the same way that you saw in trade. In that you would have an overcorrection, a denial in the distribution of data, a discouragement of the creation of technology, a discouragement of the use of data, because people are so afraid of how big these companies are becoming. That's not a necessary outcome, and what I would hope for is a positive and inclusive dialogue that creates reasonable guardrails and reasonable authority for individuals, consumers, and workers, relative to technology operators and owners for the assets in their lives, whether that asset be their personally identifiable information or their labor. That we have a conversation about what that means and how we better and more democratically distribute wealth. And how our system more democratically distributes wealth. That is not at this point a welcome conversation in Washington. The current administration is not particularly open to that conversation. The companies fear that conversation. Politicians fear losing the friendship of those companies as a part of leading on that conversation. But I think it is an absolutely necessary conversation, and one we're either going to have the hard way, like we're doing on trade, or one we're actually going to manage and work through as polity, as a community. And the people I've worked for, the people - and my first love is and will always remain public service, is to have a sense of communal responsibility and communal engagement, even on issues that seem technical or seem removed from the lives of everyday people, because they have wide societal impacts. And a way that we can have an effect at scale is through law and regulation. Now, there might be other ways to have an effect at scale. Like, I think what Steve Case is doing with Rise of the Rest is in effort to having an effect at scale on entrepreneurship in localities that haven't historically known entrepreneurship. That's awesome. But I really don't think that a private effort, sort of one company at a time or one rich guy at a time, is going to do it. We are going to need to make a communal decision to involve everyone in the modern digital economy, or we will have a bifurcated society. More bifurcated, more unequal.

Phillip: Wow, well, that's a really thought-provoking way to end our discussion today. Thank you so much. That's Daniel Sepulveda, the ambassador to the internet, the Former Ambassador and Deputy Assistant Secretary of State, and thank you so much for joining us. I'll close us out. Thank you so much for listening to Future Commerce. We want your feedback on today's show, and you can do that best by going to futurecommerce.fm and head down to the bottom of the page and hit that Disqus comment box. If you're

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Brian: Keep looking towards the future.

Phillip: Thank you so much. Thank you, Daniel.

Brian: Thanks, Daniel.

Daniel: Take care.