1   MR. SILVER: Well, it's getting to be about

2   5:30. How about a hand for our panelists?

3   (Applause.)

4   MR. SILVER: I also want to introduce my boss,

5   who is here with some closing remarks. He's the director

6   of the Division of Financial Practices, Joel Winston.

7   (Applause.)

8   **CLOSING REMARKS**

9   MR. WINSTON: I guess I get the final words,

10   and I want to thank all of you hardy souls for sticking

11   out the day. You're rewarded by having stayed here all

12   day, now you get to go outside when it's not raining.

13   So, congratulations.

14   I want to thank the panelists and the FTC staff

15   for their thoughtful work and enlightening discussion

16   today. This workshop had a different focus than the one

17   last month, but in many respects, the lessons are the

18   same -- that security technologies need to be easy to

19   use, compatible with other systems, and applications, and

20   built into the basic hardware and software consumers and

21   businesses use.

22   In addition, the two workshops together have

23   raised larger themes of how people, in general, can

24   better use technology to protect sensitive information,

25   whether they're engaging in commercial transactions or

1   simply carrying out their everyday affairs.

2   The day began with the release of a report

3   showing how businesses are currently addressing privacy

4   issues, including the security of information they

5   collect. It showed that businesses still have some work

6   to do in this area, work that could be helped along by

7   appropriate and accessible technological tools.

8   We then saw an impressive display of

9   improvisational skill as panelists discussed a

10   hypothetical illustrating how a medium-sized business can

11   take advantage of the Internet while at the same time

12   addressing privacy concerns.

13   The panelists collaborated to develop a risk

14   management plan to help make information and systems

15   safer.

16   We also heard about the wide array of

17   technological tools available to help businesses protect

18   personal information, including, for example, one that

19   can digitize a business' privacy policy to allow

20   automated monitoring of data flows consistent with the

21   policy.

22   Panelists addressed the issues these

23   technologies raise for businesses, including out-sourcing

24   issues for smaller businesses and the consequences of

25   poor inter-operability between different architectures

1   and vocabularies.

2   In addition, we learned about the various legal

3   standards and industry frameworks that have arisen in

4   recent years, efforts to expand their use and the

5   obstacles faced in implementing them.

6   Panelists also discussed marketplace incentives

7   for privacy improvements such as offering discounts or

8   adjusting contractual obligations.

9   While still not the norm, use of these

10   incentives is increasing rapidly.

11   Our final panel addressed the critical question

12   of how to design business technologies so that they

13   include built-in protections for consumer information.

14   As at our last workshop, panelists were critical of the

15   approach that has dominated the field thus far, which is

16   to purchase add-on products or issue patches, sometimes

17   hundreds of them, as problems arise.

18   Although the challenges are considerable, we

19   heard about several promising approaches toward building

20   a culture of security.

21   For example, at least one computer manufacturer

22   is shipping systems that are configured to meet

23   benchmarks defined by the Center for Internet Security.

24   As we heard, people, policies, and technologies

25   are all three necessary ingredients for a culture of

1   security.

2   The panelists also took up the debate about the

3   merits of open source versus proprietary technologies.

4   In the end, they agreed that no matter where the code

5   came from, the key ingredients for secure systems are

6   sound practices and rigorous quality control.

7   As to whether open source or proprietary

8   software more often meets these goals, I think I'll leave

9   that to the test of time and future discussions.

10   Clearly, this is all an organic process.

11   Virtually every day, new security concerns arise, and new

12   technologies for addressing them are developed. There

13   are no magic answers here, no easy solutions, but it's

14   critical to keep the dialogue going and the information

15   flowing.

16   It's an old saying -- I think it was originally

17   Thomas Edison who said that genius is 10 percent

18   inspiration and 90 percent perspiration. I think that's

19   a good formula for what we need here, some creative

20   thinking and lots and lots of hard work.

21   So, let me thank everyone again for coming.

22   Discussions like these demonstrate that talented and

23   dedicated minds are trying hard to find solutions to a

24   leading challenge of our information age, harnessing

25   technology to help consumers and businesses provide

1   better protection for consumer information.

2   I wish you all good fortune in this very

3   important endeavor.

4   Thank you.

5   (Applause.)

6   (Whereupon, at 5:32 p.m., the workshop was

7   concluded.)

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1   **C E R T I F I C A T I O N   O F   R E P O R T E R**

2

3   DOCKET/FILE NUMBER: P022106

4   CASE TITLE: HEALTH CARE AND COMPETITION LAW AND POLICY

5   DATE: JUNE 4, 2003

6

7   I HEREBY CERTIFY that the transcript contained

8   herein is a full and accurate transcript of the tapes

9   transcribed by me on the above cause before the FEDERAL

10   TRADE COMMISSION to the best of my knowledge and belief.

11

12   DATED: JUNE 11, 2003

13

14   _____

15   ANDREW N. SCHACHTER

16

17   **C E R T I F I C A T I O N   O F   P R O O F R E A D E R**

18

19   I HEREBY CERTIFY that I proofread the transcript for

20   accuracy in spelling, hyphenation, punctuation and

21   format.

22

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24   SARA J. VANCE

25

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