

**Opening Statement of the Honorable Michael C. Burgess, M.D.**  
**Subcommittee on Commerce, Manufacturing, and Trade**  
**Hearing on “The Internet of Things: Exploring the Next Technology Frontier”**  
**March 24, 2015**

Good morning. I want to welcome everyone to our hearing today to explore an emerging market in our digital ecosystem: the Internet of Things.

The Internet of Things marks a crucial juncture for the U.S. economy and American consumers as our country looks for new economic engines and more jobs. It promises a world in which digital and physical elements connect and gather information in real-time to predict circumstances, prevent problems, and create opportunities.

This morning we attended the Subcommittee’s Internet of Things showcase. We saw first-hand the innovative ways in which companies are using the Internet and networked sensors to create, enhance and customize products to better meet consumer preferences and demand. I thank all companies that participated in this event.

The products and services displayed at this showcase represent how, in just a short period of time, increased Internet connectivity, capability, and use have led to the creation of a vast ecosystem in which machines, devices, appliances, and a whole host of other things are able to connect to the Internet.

We may be most familiar with this concept in the context of a connected refrigerator that lets us know what we need to purchase at our next trip to the grocery store; or a smart watch that informs us when we've reached 10,000 steps and met our caloric intake for the day; or a video monitor in our homes that can be watched remotely when traveling for work or on vacation. These types of ground-breaking technologies - among many others – are providing valuable conveniences and information to users.

And yet this is just the beginning. Much of the excitement surrounding the Internet of Things lies in its immeasurable scope and

potential to touch everything, everyone, and every sector of the economy.

We are already seeing the fulfillment of this promise as this technology expands to other areas and captures more than just objects and things.

Internet connectivity is being integrating into industrial processes, transportation routes, workforce practices, buildings, and other operational systems and entities across several different industries and environments. This is improving and revolutionizing the efficiency, productivity, and effectiveness of the way individuals, businesses, and governments are conducting various tasks and responsibilities. The Internet of Things – or the Internet of *Everything* - is fundamentally transforming the way we operate and participate in today's world.

While this market is still in its infancy, the potential for growth, innovation, and advancement is limitless. As a licensed physician, I see

this potential first hand in the health care space. Medical professionals are able to interact with patients in revolutionary ways through connected devices that we only could have imagined just a few years ago. This technology is offering opportunities to reduce health care costs, improve health care quality, and most importantly, save lives.

The significance of the Internet of Things is that these types of benefits are not unique to health care. This technology truly has the potential to transform every sector of the economy in profound ways.

Notwithstanding the economic and societal benefits of the Internet of Things, the consumer impact of this market should be a key focus of our discussion today. While consumers are benefitting from these technologies, attention must also be given to appropriate consumer protections for privacy and security.

As we explore these issues, we should recognize that not all devices are created equally; they are manufactured for different

purposes, have different capacities and generate varying levels and degrees of consumer information. Unlike other established markets, the Internet of Things is still developing and we are still trying to understand the nature and basis of threats facing this ecosystem. In our examination of privacy and security issues, it is important that we balance these concerns with the creativity and innovation driving this market forward. Too much potential for economic progress and consumer welfare is at stake to act without a full appreciation for what this market can offer.

I thank the witnesses for their testimonies and I look forward to an engaging discussion on this very important topic.