



Consumer Electronics Association
1919 South Eads Street
Arlington, VA
22202 USA
866-858-1555 toll free
703-907-7600 main
703-907-7601 fax
CE.org

March 24, 2015

Chairman Michael C. Burgess and Ranking Member Jan Schakowsky
House Committee on Energy and Commerce
Subcommittee on Commerce, Manufacturing, and Trade
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Burgess and Ranking Member Schakowsky;

On behalf of the Consumer Electronics Association (CEA)® please accept our views on the role of government and industry in the next shift in innovation, the Internet of a Things (IoT).

CEA is the trade association representing the \$223 billion U.S. consumer technology industry. Every day, our more than 2,000 member companies are busy innovating; introducing extraordinary products and services and creating American jobs. At CEA, we work to advance government policies that encourage innovation and job and business creation.

CEA members are driving the growth of the IoT. Over 900 exhibitors displayed IoT devices at the 2015 International CES. The convergence of connected devices, cloud computing services, and powerful data analytics will help drive near to mid- term economic growth.

While businesses have been using connected devices, the IoT is new to the consumer market. Consumers are realizing its benefits, and our interactions with these devices will become so routine that they will go almost unnoticed. The IoT has profound potential to improve the lives of our citizens. Within a few years, Americans will be able to connect with their doctors remotely, share their health data and information and better manage their diseases. Home automation systems will enable consumers to manage their security systems, turn on appliances, and maximize their home's energy efficiency, all from a smart phone. Connected cars will eventually avoid collisions, but before then will notify first responders of an accident immediately, saving time and lives.

As this transition takes place, manufacturers and service providers will be focused on making good decisions about the privacy and security of information that devices collect and share. It is not only important to their customers; it is vital for them as well, because consumer adoption hinges on building trust. Devices that do not meet consumer privacy and security expectations will fail.

Along with the new capabilities that emerging technologies create also come questions about how to best protect users and promote consumer practices. CEA and others are exploring these issues and how best to ensure consumer privacy and security while enabling

new technologies to develop. We believe that industry-driven solutions are the best way to promote innovation while protecting consumers.

We are just beginning to understand the benefits and challenges of the IoT. In this dynamic and rapidly changing environment, governments should exercise regulatory restraint. Overly prescriptive mandates or technologically biased standards will stymie growth and become outdated. If governments must act, such actions should be narrowly tailored to address tangible harms without creating roadblocks for future innovation.

Please recognize that the evolution of *things* comprise only part of the value of the entire IoT ecosystem. Analytics software extracts value and finds useful patterns in data collected by IoT devices. Data analytics are a vital tool in understanding consumers' needs and uses for products and allow companies to both improve current products and create new ones that meet consumers' needs and desires. The Internet runs on data. Restrictions on data collection may hurt new services which provide personal and societal benefits. We ask policymakers to tread carefully as they explore the potential and growth of the IoT.

The connected world of tomorrow will improve people's lives. CEA is proud to represent the companies whose products and services largely comprise the Internet of Things, and we look forward to working with the Committee to ensure the government supports growth and innovation through thoughtful policies.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Shapiro". The signature is fluid and cursive, with a large initial "G" and "S".

Gary Shapiro
President and CEO