

Opening Statement of the Honorable Bob Latta
Subcommittee on Digital Commerce and Consumer Protection
Hearing on “Disrupter Series: The Internet of Things, Manufacturing and
Innovation”
January 18, 2018

(As prepared for delivery)

Good Morning, and welcome to the first Disrupter Series hearing in 2018. Today, we are continuing this Subcommittee’s efforts to examine new and innovative technologies, while learning directly from companies about what opportunities they see 5 to 10 years in the future. I’d like to thank all of our witnesses for being here today, and highlight that Owens-Illinois is headquartered in my district in Perrysburg, Ohio, and I’ve held two roundtables there to discuss IoT and cybersecurity issues with local businesses.

Last summer, this subcommittee hosted a showcase with IoT companies from many of our Members’ districts. We also held a hearing about how the IoT, an interconnected network of physical objects embedded with sensors and communications devices that exchange information, can improve productivity, increase response times, drive down costs, and benefit consumers. Today, we will discuss how IoT is making American manufacturing more competitive and how innovation is improving the lives of Americans. We will also learn about barriers to the continued expansion of IoT, and what policymakers should keep in mind as use of the IoT expands.

The ability of devices to communicate with other devices is revolutionizing industrial practices both in the U.S. and abroad. Already there are examples of smart components sending data about their performance and condition to workers, who can monitor the equipment and if necessary, replace it before it breaks down. Municipal water systems, embedded with sensors, can relay information about blockages or leaks that will help ensure the water keeps flowing. Another example is how electricity providers can monitor electrical grids embedded with sensors and relays that can identify outages or surges, locate alternative pathways, and ensure the electrons keep flowing.

Looking forward, the potential to further improve manufacturing processes through the combination of new technologies stretches the imagination. Utilizing IoT and other emerging technologies like augmented reality, workers will be able to virtually make adjustments to industrial systems to understand how to improve

efficiency, and then implement necessary changes, without interrupting the manufacturing process. IoT connected factories will be able to monitor their need for raw materials, and then order those materials from IoT connected warehouses. IoT connected transportation service providers will then deliver necessary products without the intervention of a human. These and other opportunities allow IoT connected manufacturing centers the ability to devise their own ways to run more smoothly.

The expansion of smart industrial processes will continue to create historic changes in how American companies build and deliver products. More efficient factories mean that consumers will have more choices for the goods they purchase, while being able to obtain them at lower cost. At the same time, like all new technologies, IoT will create disruption in the manufacturing economy. This disruption will create the need for new ways of educating and preparing our workforce, both now and in the future.

In addition, cybersecurity issues will remain an ever present concern for any internet connected service, and the IoT is no different. Constant vigilance and improved coordination will be required to ensure that bad actors don't take advantage of weaknesses in IT security policies.

Today we look forward to our witnesses describing how IoT is being leveraged in facilities to improve manufacturing processes, how to address concerns around cybersecurity, how this technology is likely to develop in the future, and what policymakers can do help promote continued innovation in American manufacturing.