

Making the Case for a US Law on Privacy

Cisco's top lawyer explains why it's time for the US to join other countries in adopting data protection laws.

Michelle Dennedy: Along with the European Union's general data protection regulation, comprehensive data protection laws have been adopted in more than 120 countries. That's a lot. Cisco CEO Chuck Robbins, our big kahuna, has publicly stated that it's high time for the US to follow suit. But what would a US law look like, and how should it differ from the GDPR? My guest today is Cisco's chief legal officer, Mr. Mark Chandler. Stay tuned for a chat about privacy and data protection at the US Federal level and beyond, with our favorite legal counsel. And I'm not just saying that 'cause he's here and he's really important.

Cybersecurity, data protection, privacy. You like to stay ahead of the curve and listen to experts who are leading the way in deriving greater value from data, with a more organized approach to data privacy. You're like us, just as few deviations pass the norm. You are a Privacy Sigma Rider.

Hello Sigma Riders, Michelle Dennedy here once again. For the last two decades (that's a long time), Mark Chandler has been Cisco's top lawyer and a member of its legal department since 1996, last century. That's a long time, Mark.

Mark Chandler: That's a long time ago.

Michelle Dennedy: In 2010 ... I'm gonna make him blush on the radio here. In 2010, the National Law Review named him one of the 40 most influential lawyers of the decade. That's not under the influence, that's influential. And in 2017 the Forum on Legal Evolution honored him with its Lifetime Achievement Award, citing that Mr. Chandler has been at the forefront of legal department innovation and thought leadership, challenging the industry to consider new and better ways to serve internal and external clients. Today he's addressing a major challenge and an opportunity facing us all, data privacy and American competitiveness through stronger data protection regs here in the US. Welcome to the show, Mark.

Mark Chandler: Thanks Michelle, it's great to be here with you.

Michelle Dennedy: I'm super excited about this. It's not every day that you get ... Mark is like the buttoned-up guy. You're the one that's like, "Okay, cool it down, be conservative, stay out of risk." So how did we convince you to come on the show today?

Mark Chandler: Well, I actually take a different view. My starting point and my belief is that our obligation is to do what we need to do to get ahead of risk and to seize opportunities. The biggest danger that we face right now, the risk is the action we can take is no action in a lot of cases. We have to do a step forward, seize the opportunities in front of us, and recognize that the biggest risks we face are when we don't act. And privacy is a great example where getting ahead of this and making sure that we're doing everything possible and working with stakeholders and government as well, to get ahead of it so that our customers will know that they can trust when they work with us, that their data is gonna be handled the way it should be; and that other countries will also be able to trust the system that we're part of, to know that we can move data

around the world in the most efficient way for our customers. And help them achieve their objectives. So it's incumbent on us not to step back and avoid risk, but to step forward, lean into it and make change happen that's gonna let us be a world leader.

Michelle Dennedy: Can I just stop for a moment and remind everyone that both of these people in this conversation actually took the bar exam, passed it, did some practicing? I didn't do as much as Mark, but we're talking about innovation here, and actually you were rewarded for your innovation. Let's put privacy on the sideline right now and how did you actually come to this philosophy of innovating forward, taking risks? Cisco, we could be in the background on a lot of these issues. How did you come to this mindset that it is incumbent on us to lead?

Mark Chandler: Well, the world's changing very, very quickly. And what's needed in that kind of environment is leaders who are gonna step forward, seize the opportunities that change creates and implement them in a way that is gonna be smooth and comfortable, and that people can trust. We look back a century to when World War I started and the social dislocation that was going on coming out of the industrial revolution because people didn't pay enough attention, leaders didn't pay enough attention to how people in general were reacting to change going on in their communities, change going on in their jobs, change going on in their society. And when you get that kind of disruption, you can have all sorts of bad effects in society. So the way to build a better world, one of the things you have to do when you're an agent of change, as Cisco is, is see ahead, see what the implications of that are gonna be and make sure that you're building a society that's gonna be durable and free and respectful of people's rights, as that change occurs. It's too easy to forget that sometimes when you love the technology you're building.

Michelle Dennedy: Yeah.

Mark Chandler: And I passionately believe that by getting ahead of that, Cisco is gonna make a real difference for building a better world.

Michelle Dennedy: Yeah, I think all of those things are so important, and we share a love of looking back at history to inform really where we're going, because I look at parallel to that time when we ended up in two world wars after the Great War to end all wars of course, and we haven't stopped warring with each other. But in that same trajectory, if you think from 2019, first of all, women couldn't even vote in the United States yet, and we've already had a strong run for the presidency here in the US in that century of time. We also have taken the telephone from a dream project in the 1940s into an essential must-have, almost human-rights-level possession. Talk to my 12-year-old; she'll tell you all about it. And data as well.

I think let's talk about preparedness for data and a mindset with data. I think the old fashioned, back in the '90s and earlier was, there is no privacy anymore because we the technologists are so big and smart, that we can take all your data, we can observe all your data and something magic is gonna happen. How did we get from that mentality of data is cheap, data doesn't matter, people don't really own their own data, I own my data if I'm smart enough to exploit it, to today, where we're toeing up to this, maybe even a US law on privacy?

Mark Chandler: Well I think we need a US law on privacy, and anybody who's involved in building the technology that allows people to collect large amounts of data and to analyze it and then deploy it, has a responsibility to make sure that they're supporting a legal regime that will protect that data and

allow people to have confidence in their own autonomy really. I think when you have a massive change in the quantity of data about people that's available, that people used to think was private, it changes people's experience of their own lives. It changes their sense of their own autonomy and their individuality. And when we forget that, we risk a backlash that can be really devastating, and an implication in terms of people's loss of freedom that can be devastating to the kind of open society that I believe in and our company believes in.

Michelle Dennedy: Yeah, I love that this is a much broader mindset because ... And we'll get into what we really want out of this legislation, but as we decided, "Why should we go out there?" It's very obvious that the over-the-tops that use an advertising model, they're basically online advertisers and they're the social medias and the entertainment companies and the B2C's. It feels like they are both A, in the best position to push for this type of legislation, but B, the least incented to push for some of these types of legislation. How do you see us and in picking the elements that you wanna see out of this US law is particular ... And then of course we're not talking about just the US, as the GDPR has proven, that was a global impact, even though it's a regional law. How do you see Cisco and the rest of the builders of society, the companies that are not the online advertisers. Where is our place, and how does that inform what you wanna see out of this bill? With this law eventually.

Mark Chandler: Michelle, we're entering a new era of the internet, and particularly driven by the deployment which will begin in earnest in the next 12 to 18 months of 5G technology. It's gonna allow billions and billions and billions of new devices to be connected to the internet in a way that will really provide tremendous benefits to people all over the world. Benefits of understanding what the indicators have [inaudible 00:08:58], how people can solve illnesses that we couldn't solve before and cure. How we'll make our cities work better, make our parking systems work better, make our schools work better. All that potential is out there. At the same time, the collection of the data that's necessary to do those analytics, and to allow for those efficiencies and improvements, also threaten people's autonomy. From our standpoint as a company that is really at the forefront of building internet of thing solutions, it's incumbent on us to take a leadership role and making sure that people have the confidence that the data that will be collected in this new era of the internet, will be handled in a transparent, accountable, appropriate way, so that there'll be confidence in implementing these solutions.

Mark Chandler: Because that upside, all those great solutions to problems comes with a downside in terms of social control, and in terms of people's loss of confidence in technology and in the solutions that can come about. If we're gonna realize those gains, we have to be protective of the downsides and avoid them. And that's why we need a clear law in the United States and provide leadership for what those laws need to look like globally, on how data in this new era of the internet will be protected.

Michelle Dennedy: So I have two questions for you, both are ... May throw you for a loop, I don't know. 5G, is this like a moment where 11 is just higher than 10 so you're going for it? What is the jump from 4G to 5G? I don't think a lot of people really understand what that means.

Mark Chandler: It's an exponential increase in the speed and throughput of networks that will carry data. Ability to download full length movies on a smartphone in seconds, is an example that I think we can all relate to. And that ubiquity of data availability will transform the need for Wi-Fi, for instance. Will transform the cable industry, for instance. All sorts of implications for industrial structure,

but also tremendous implications for how businesses operate, how we buy things, how we interact with each other electronically. And all of those things will use data, will allow data to be transmitted and will raise these kinds of social issues that we need to address through a fair open legislative process, so that everyone knows what the rules are and knows what will happen if they break them.

Michelle Dennedy: Yeah, and so I think that's a point that's often missed. It's like there's 4G and then there's 5G, there are some changes that are quantitative and so it's a little bit more convenient. And then there are some that leap to 5G, they become qualitative changes where what is possible ... Imagine what is possible in learning if you could download an entire lecture series and you're a teacher, and you have a question about something and you wanna show the best professor in your classroom, Bam. You don't have to sit around, listening to the virtual modem. I think that's a really important part. So you're touching on something that sounds a lot like ethics. Are ethics and big corp, are those antithetical, or is this really what you're talking about? A new way of leading and thinking about our position and our ownership of not just our technology, 'cause you're talking about people's lives being impacted and the social structure, and consumer confidence has been an economic term for a long time. When you keep saying confidence in the data, to me, I'm hearing in my brain, this is how we're getting quantitative and qualitative confidence measures that show economic might behind the ability to process data. So I just threw you like 17 [inaudible 00:12:45], you can pick one.

Mark Chandler: I think that the fundamental challenge that we have with the changes that are coming about through technology is to manage change in a way where people are confident that their rights are being respected. And that means corporate social responsibility, it means companies being willing to stand up and implement technology in a way that is respectful and respecting of those rights. But I don't think we can rely on corporations alone to make those judgments. I think having a clear set of rules for everybody to follow is the right way to go on this. And that does have an ethical component. Our laws are reflective of what our elected representatives in the democracy such as ours believe, should be the principles that should be reflected and should be followed by people.

Mark Chandler: There is an ethical component that's very, very important. And it's required to have some enforcement behind it as well so that those who break the rules are appropriately punished and sanctioned for doing so. I have no trouble viewing it as an ethical issue, I think it's a critical ethical issue to make the determination of how we're gonna interact with technology. What the limitations need to be, what the expectations are, so that people's rights are respected. I feel great being part of Cisco in this effort, because I feel that at our core, we view a tremendous alignment between that respect for rights and our ability to be successful as a company in bringing these new technologies to market.

Michelle Dennedy: Yeah, and so you're touching on something really important, and the naysayer is saying that this ... Cisco's involvement is some sort of a marketing effort, which I just dismiss. Nothing that I feel like us bringing decades of experience to the table, feels like a flash in the pan to me. But you've been sitting on two different flavors of executive boards, between our former CEO and our current CEO, and you're obviously on the board. What is the reception of hard core technologists? And one of the best CFOs I've ever worked with. And this kind of leadership where we have to make money, we have to have a quarterly foot. We have to report back to our shareholders. What's the conversation like at the very tippy top where you're saying, "Listen,

yes we might get punished too, but we believe that we need laws that are interoperable with the rest of the world here"?

Mark Chandler: Well, to cover your last point first, we won't get punished if we follow the rules...

Michelle Dennedy: Exactly.

Mark Chandler: And do a good job in implementing our responsibilities. So I'm not that worried about us being punished. And the reason is that--

Michelle Dennedy: That you have a great CPO, come on.

Mark Chandler: Well, [crosstalk 00:15:31] chief privacy officer, she is absolutely amazing.

Michelle Dennedy: My gosh, she is so smart.

Mark Chandler: That too. But we have ... In my 22 years at Cisco, I have to say, very, very consistent approach to ethics, with John Chambers and with Chuck Robbins continuing that, which is that a belief that ultimately if you're doing something wrong, you're gonna get caught.

Michelle Dennedy: Right.

Mark Chandler: And you might as well do it right from the beginning and bring that in as a core principle of how you do business. I've never found a time in 22 years at this company where there was any pressure to do something that I was the least bit uncomfortable with. And I think the women, men who make up our executive leadership team, all share that commitment from people who manage human resources, to people who manage technology. The leaders in our company recognize that our longterm success depends on our being on the side of the angels in terms of issues like this. Because otherwise we will lose the trust of our customers. And if we lose the trust of our customers, we won't be successful. So the question is, "Why is Cisco doing this?" There's no marketing effort that is successful if it isn't backed up by substance. 'Cause ultimately, people will see through it. And we come to this after years of actually putting substantive effort into it. If we're a marketing effort, it would have started years and years ago before we were actually doing something. Instead we're in a position now of looking at what we've built from a privacy standpoint, which you've provided tremendous leadership on Michelle...

Michelle Dennedy: Thank you, Mark.

Mark Chandler: And then taking that and saying, "This is a set of principles that we really need to make sure our country is putting into law so that the rest of the world can see what we're doing in order to respect rights."

Michelle Dennedy: Yeah. It's so important and I think I probably say this phrase on every single podcast, but culture eats strategy for breakfast. That aphorism is actually a truism I think, and that is exactly what I have found in my last several years here at Cisco is, yes people are busy and they will do the passive smile wave at you at first if they don't understand what you're talking about. But once people dial in and understand how important our global interaction is, how important

interoperating with Europe and Asia, having a discussion about the hard decision that you guys took several years ago, before I joined the company, not to provide back doors to any government, even governments that we "like today." I think those things are part of the culture. And you mentioned our HR programs, and I think that's a really important part of us. How do you lead your culture in your ... How many lawyers do you have now? Tons?

Mark Chandler: We have about 250 lawyers in the company.

Michelle Dennedy: So we're a good-sized law firm here, just at Cisco internationally. How do you build that culture across the globe? You've got people everywhere in the globe.

Mark Chandler: Well they are on every continent except Antarctica.

Michelle Dennedy: I bet you have a traveler there right now, they're a pretty adventurous bunch.

Mark Chandler: It's the right time of year so that's possible. I think the fundamental touchstones of the culture that we've tried to build in our legal organization are around two topics that we've been talking about in the last few minutes. First, a sense that we are not helping ourselves or our customers by worrying about risks that may not be real, theoretical risks. We need to focus on real risks, but more than that we need to focus on the risk that if we don't do the right thing to win the business for our customer and provide them the solutions they want, no one is gonna be better off. So we take start with the principle of saying, "We're not worried about protecting against our risk, we're worried about solving our customers problems." If we start with that, we're in a great place.

And second is to always approach the work with an ethical point of view, that says, "I am not afraid to escalate an issue if I think someone is doing something questionable. And I will get punished for raising it, I'll be rewarded for raising it. And the leadership of this company and this organization will be behind me in going on, solving the problem." And by doing those two things of being open to taking on what seem like legal risks, if it helps solve a customer problem. And being always committed to doing the right thing from an ethical standpoint. We've built a very strong culture at Cisco and we don't have to worry about culture eating strategy for breakfast because we have alignment.

Michelle Dennedy: Yeah, we have both, which is really fun. I think once you have the power of culture and strategy working and you're not spending so much time lying about your culture because you've got a bad one and you're not spending so much time pretending you have a strategy 'cause your culture won't follow it, that is the sweet spot. So I'm gonna close out a little bit, let's talk about Mark the person a little bit. Now he's getting like, "What are you gonna ask me?" Tell me how... You speak German, you travel a lot, you love to cook, you cycle everywhere, a crazy amount. Tell me about how do you blend your personal interests with how you're leading in this really exciting world and still stay sane? You're one of the most chilled people I've ever met and it's remarkable for a chief legal officer.

Mark Chandler: I think the important thing is to remember that we're all basically made of the same stuff, and no one is so special, I think there's a wonderful saying that the cemeteries of the world are filled with the bones of indispensable people.

Michelle Dennedy: I never heard that. I like that.

Mark Chandler: And remembering who we are and staying grounded in the communities that we're part of, and remembering that we're gonna get judged for the relationships we built and the way we treat other people and that's what we're gonna be remembered for more than anything else. And if you stay focused on that you can have an awful lot of fun and accomplish a lot of great things and make a lot of friends along the way.

Michelle Dennedy: I love that all day long. I don't think we can top that actually, so I'm gonna say thank you Mark, this is amazing having you on the show. And even more amazing partnering with you on this new adventure that we've set out for ourselves. I remember in 2016 I called you and I was like, "Mark, what is going on in this world?" And you said, "The Republic will stand Michelle, the Republic will stand." And you've been right, so far so good, the Republic has stood. It's a weird time all around the globe, lots of weird stuff going on, but ethics, culture, consistency and the bones of indispensable people. I don't think I could sum it up better than that. So thank you very much for your leadership and for your time today.

Mark Chandler: Thanks Michelle, look forward to coming back.

Michelle Dennedy: You will. You heard it here first. All right riders, it's a wrap. You've been listening to Privacy Sigma Riders, brought to you by the Cisco Security and Trust Organization. Special thanks to Kory Westerhold for our original theme music. Our producers are Susan Borton and David Ball, and a special shoutout and thank you to our Cisco TV production partners. You can find all our episodes on the Cisco Trust Center at cisco.com/go/riders, or subscribe wherever you listen to podcasts. Then please take a moment to review and rate us on iTunes. To stay ahead of the curve between episodes, consider following us on Facebook, LinkedIn and Twitter. You can find me, Michelle Dennedy on Twitter @mdennedy. Until next time.