

THE BROOKINGS INSTITUTION

THE "TOWN SQUARE" IN THE SOCIAL MEDIA ERA:
A CONVERSATION WITH TWITTER CEO DICK COSTOLO

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P R O C E E D I N G S

MR. TALBOT: Good morning, everybody. I'm Strobe Talbot, and it is my great pleasure to welcome you all here this morning for a conversation with Dick Costolo. As you're going to, well, all of you, obvious, already know, this is a guy who is all about innovation. And, Dick, I didn't have a chance to tell you this in the other room, but you are responsible for a major innovation from this podium. This is the first time in 11 years, and probably the first time in, whatever it is, 97 years, that the President of Brookings has appeared at this lectern without a tie.

Now, clearly, Jonathan Rauch did not get the word, but and, by the way, next time you come back, let's both lose the jackets, as well.

MR. RAUCH: Okay.

MR. TALBOT: I think the sartorial innovation is actually kind of a welcome thing here on the banks of the Potomac, there are a lot of things that could be fixed, here, and maybe if you brought a little bit more of the ethos of the Bay area, this place, Washington, D.C., would work even better. But Dick actually brings more than just a fresh note of how we ought to dress here in Washington, he's going to talk to us today in conversation with Jonathan about a revolution in

communications, networking, politics, governance, and, of course, commerce and entrepreneurship.

Twitter is only seven years old. Dick joined as COO in 2009, and became CEO the following year. There are now, as I think all of you know, about, what is it, 200 million active users who are tweeting something like 500 million times a day. A few of those have even come from me, and any of you in the audience who know me might find that as astonishing as I do. I've only been at this for 9 months, and I've already developed a sense of competition with others who are out there. I have to acquire another 9,200-- I'm sorry, 992,577 followers-- in order to catch up with Dick Costolo. But I have got some consolation in that he's got to get another 32 million in order to catch up with Barack Obama, which tells you something about the role of Twitter in governance and politics.

I've got to confess that I started out, being of a certain age and a certain background, always having worn a tie, to being very skeptical about Twitter when I first heard about it. I had to be pushed, some would say even dragged kicking and screaming into the use of Twitter, but now I am really glad to be part of this community. And that's for a couple of reasons, one of which I was discussing with Dick before we came in here, and that is that being on Twitter has

considerably both deepened and broadened my reading habits. It's exposed me, particularly through smart tweets, and there are a lot of those out there, and the links that go with them, the publications that hadn't been part of my life before, and it's also allowed me to engage in conversation with people all around the world on subjects that we have in common, although we very often have different views about.

As for the Brookings Institution, Twitter has become key to what we do and how we do it, it's given us an understanding of the role that Twitter has played, not only in our domestic politics in this country, but also around the world. And everybody here is, of course, aware of the role that Twitter played in the protests after the phony elections in Iran in 2009, and during the Arab awakening, not to mention its importance in 2012 Presidential election in this country. It's also instrumentally very valuable for us at Brookings because it gives us a way of promulgating our product, broadening our audience and enhancing our impact.

Just yesterday, for example, a number of us here at Brookings used Twitter to call attention to a new feature on our website called the Brookings Essay, which is an attempt to help resuscitate long form essay and journalism, and thus give us kind of an anchor to windward in more traditional kinds of

communication as we sail into the future of social media. So now I'm going to turn the proceedings over to my colleague, Jonathan Rauch, who is a Senior Fellow in Governance Studies, and in the spirit of the topic today, that conversation is going to include as many of you as possible.

Over the years, this is another Twitter-induced innovation, I've always ended these introductions by saying please turn off your mobiles and your cell phones, I'm looking at a number of you who are clearly not going to do that, and all of you are welcome to keep, as long as they're in silent mode, your devices at hand so that you can Tweet this event, and that is at #TwitterCEO, and if you want to send a direct message to Dick himself, it is @DickC. That's not dixie, that's Dick C.

Over to you, Jonathan.

MR. RAUCH: Thank you, Strobe. Thank you, Dick, it's a pleasure to have you at Brookings, thank you all for coming. We'll talk for 20, 25 minutes, and then open it up, we're taking questions by Twitter, we're taking questions in the room, the main rule is please don't filibuster, our time together here is short. The usual first question de rigueur is: when is the IPO? I'm not going to ask you that today; in fact, I don't even want you to tell us, even if you choose to. Topic

one in Washington is data mining, the NSA, the Snowden crisis, and everything else.

I know there are restrictions on what you can say, but tell us what your life has been like, what's been going through your head as CEO of a major information company since this story broke.

MR. COSTOLO: So, I think we've been very clear about having an articulated, a very principled policy around access to user data, which I will summarize as when, you know, when we receive a valid legal request in the countries in which we operate, we will abide by the rule of law. But our stance is that when, and those are specific legal questions, we will abide by the rule of law and do what, comply with that legal request. Other requests that may be more broad in scope, and not specific legal requests that don't meet our principle of being a specific valid legal request, we will push back on. And I think we've been very clear about that, we're very transparent about the requests we get and react to, we publish those with, Google, Google publishes theirs, as well. We would like to see more companies publish those.

We've got another transparency report for the six months ending about a week from now, coming up probably in about a month, I think. And so

people can see how, the kinds of requests that we get and how we respond to them.

MR. RAUCH: Can you tell us anything about what's true or false about the information out there about Twitter and these programs, for example, you were, Twitter was not mentioned on the famous PRISM slide. Do you feel dissed by that? (Laughter)

MR. COSTOLO: So I would just go back to, I kind of tried to speak to that in my first answer. I think we have a very specific what we feel is a principled approach to this, which is that we will comply with specific valid legal requests, and we stick to that line pretty hard and push back on things that don't, that aren't specific valid legal requests. And I think we've, historically, people have seen the kinds of attention and user privacy rights that we've defended in other cases like the Wikileaks case and others.

MR. RAUCH: You have actually fought some of these measures, yes? You fought a gag order that was attached to one of these orders some time ago.

MR. COSTOLO: Yeah. Well, I guess what I would say, generally speaking is, we feel that our users have a right to know when their information is

being requested, and some of those cases that we have fought are requests for user information that have resulted in us wanting to say we feel that the users should be informed that their information is being requested so that they can fight that request if they wish. And those are the kinds of ways we think about this, right, we just feel that the users, these kinds of users should know when their information is being requested.

MR. RAUCH: Has Twitter's pushing back on this elicited any negative problems with the government?

MR. COSTOLO: Well, so, again, generally speaking, I would say no, because we're sort of engaging in a discussion about the policy and the rule of law in the country. And, again, this is not just something that we deal with in the U.S. now, we have to deal with this in all the countries in which we operate. And, as you might expect, the laws in other countries are very, very different in regard to these matters, and so we're, I would say our policy internationally is evolving as we learn to understand the ways in which we have to take our general principle to these different places in which we operate.

MR. RAUCH: That's got to be very hard, you're dealing

MR. COSTOLO: Yes.

MR. RAUCH: you're dealing with an international, a global
service

MR. COSTOLO: Sure.

MR. RAUCH: in many countries. How many countries, 100some

MR. COSTOLO: Well,yeah.

MR. RAUCH: they all have different standards and different laws

MR. COSTOLO: Of course.

MR. RAUCH: how in the heck do you navigate that?

MR. COSTOLO: Well, you know, it's a process, and we're
learning, and I think getting better at it. You know, there are, again, specific,
specific laws, country specific laws that we comply with in the countries in which
we operate, and then there are the ways in which certain broad requests are made
in different countries that we are kind of discerning how to go deal with in the
different sorts of countries.

I would say that, initially, we were maybe a bit too, a bit too
parochial, I guess, is maybe the word, in the way in which we approached it, taking
our sort of local headquarters office perspective and saying, well, we'll just do the

same thing we do here. And, obviously, we've had to realize that that wasn't necessarily the right way to deal with things internationally.

MR. RAUCH: How much bandwidth does it take at Twitter dealing with laws, regulations, privacy, this must be a substantial portion of what you're doing?

MR. COSTOLO: Yeah. We have our General Counsel, Alex Macgillivray, has a significantly sized team that spends a good deal of time on this.

MR. RAUCH: And I'm guessing it comes up in your day pretty regularly.

MR. COSTOLO: It comes fairly regularly, yes.

MR. RAUCH: There's a poll out just the other day from Allstate National Journal Heartland Monitor, I don't know if you saw it, but the results are interesting. Because this is a poll that was taken before the NSA story broke, so none of that is taken into account, and it finds that a majority of adults believe the explosive increase in data available to business, law enforcement and government is more negative than positive, that's 55 percent negative; nine in 10 people believe the next generation will have even less privacy than they do now; 48 percent want more commitment by companies not to share users' information.

And social media ranks last, 14 out of 14 institutions that were asked about the question of trust to responsibly use information about so there's a big trust gap forming out there with the public in terms of privacy. But here's the odd thing; they are fatalistic about it. They say they don't want a lot of government intervention, and they don't really believe much can be done about it. So we find, you find yourself in this environment where people are pessimistic about privacy.

MR. COSTOLO: I think that the transparency reports go a long way toward helping people understand precisely what kind of when you don't have any idea what sorts of information is being requested, you know, you can assume anything you want to assume. So the transparency report that we provide, and the ability for anyone to go look at that up on the website makes it much easier for people to see, oh, okay, now I understand these are the kinds of things that are being requested, these were the kind of requests that were rejected as not legally valid, these are the kinds of requests this were, oh, that makes sense, that was a valid legal request for a very specific thing, pointing to some illegal piece of content, that makes sense to me, I get that.

So I think it is important, as I said earlier, for more organizations to participate in these transparency reports because it goes a long way toward

helping people understand what exactly is going on. Then, to be perfectly frank, you can then disagree or agree with the specifics instead of some assumption that may or may not be true.

MR. RAUCH: You've got another one coming out in a couple weeks?

MR. COSTOLO: Yes, in just a few weeks, I think it will be based on the last six months ending about a week from now.

MR. RAUCH: Now, you all joined Google, I think, and some other companies in asking the government for permission to reveal more than you've been allowed to?

MR. COSTOLO: We were, I think that was sort of anecdotally one of our attorneys jumped in on Twitter based on some conversation between a couple other companies, I don't think we've done anything formally there.

MR. RAUCH: How much more would you like to be reportable for the industry in general and country?

MR. COSTOLO: Again, I think, like I really sincerely believe that transparency in so many of these things goes a long way toward helping people having context for what exactly is going on. And I think that can be done okay, so

then you have to say, go down to the next step and say, well, if we're transparent about the requests that are being made, then that will help people understand what they, how to navigate around that. I think there are ways to be transparent about the requests that are being made without, you know, harming sort of the needs of the intelligence organizations.

MR. RAUCH: Is there a better way to think about privacy than we do traditionally in this world where everyone's relinquishing data all the time?

MR. COSTOLO: I think that this is going to be a constantly evolving thing, particularly with the just tremendously rapid migration to mobile. So I think that you will see, I mean, it's sort of fairly obvious, lots of emerging discussion about geolocation as people's location is constantly broadcasted, and issues or policies emerge around that. So I think it's going to start to have to evolve very, very quickly as these capabilities become ubiquitous and everybody from your 7 year-old to whoever is walking around broadcasting, with a device that's broadcasting location.

So I think that the discussion will need to catch up to this very quickly, but I think it will continue to evolve, and we'll see more of it, not less of it.

So when you said that people are sort of fatalistic about it, I do think you will see more discussion about this.

MR. RAUCH: Have you given any thought to a sort of successor regime for privacy?

MR. COSTOLO: I-- in what respect?

MR. RAUCH: Well, a lot of people say that, with all that data being relinquished voluntarily, that thinking about privacy the way the law traditionally has, you know, you've got your home and you've got copper wires, and all that's protected, but what you tell someone else is not private. This no longer makes sense when you can aggregate data, so people talk about standards around use rather than collection, and so on. Any of that surfaced on your radar?

MR. COSTOLO: Again, I think that stuff will evolve over time, we'll see how it goes. We're very, our geolocation service is opt-in, you opt-in before you select that you want to start broadcasting where you're Tweeting from, et cetera, and I think that something like that will emerge as a standard.

MR. RAUCH: The interesting thing about Twitter is so much of it is, by definition, already transparent, I mean, it's all there

MR. COSTOLO: Yeah, that's right

MR. RAUCH: you can look at it.

MR. COSTOLO: it's very, we like to say Twitter is the global town square, it's all public, real time conversational and widely distributed, and public is the first word in there. The fact that it's all public and broadcast, and not, you know, a private network conversation makes some of these things easier for us to deal with.

MR. RAUCH: Global town square, a sort of planetary conversation, is that how you-- what is Twitter, fundamentally? You're dealing with some, I'm a newbie to Twitter, a lot of people in Washington are, we're sort of the last redoubt of the old everything. What is Twitter?

MR. COSTOLO: Yeah. You just said it. We think of it as the global town square, right, this notion of a very, again, public, live, in the moment conversational platform. And I think that that is, those characteristics put together differentiate us from everything else that may be one or two, but not all of those things.

MR. RAUCH: It's mobile, right, it's in your pocket, it goes with you, it comes to you.

MR. COSTOLO: It's mobile and it's increasingly mobile, our usage is, has been primarily mobile for a while and is increasingly mobile. The fascinating thing about our mobile users maybe not surprising that they use it more than desktop users, but the fascinating thing about our mobile users is that they do everything more; they favorite things more, they Re-tweet more, they reply more, et cetera. So I think that this migration to mobile is something that very much favors services like Twitter and we'll see how that evolves.

MR. RAUCH: Is this part of what's driving, Twitter keeps popping up in social revolutions and change around the world, is this why? Because it's in your pocket, it's always with you, it's so easy to tweet and it's so easy to Re-tweet?

MR. COSTOLO: Well, I think it's the combination of all those characteristics, right, that make it this town square. The town square happens to be a particularly good place to aggregate and protest, right, and so you can have these direct conversations with everybody in the moment, real time, that feel similarly about some issue, or certainly want to debate some issue. So that town square aspect of it is, I think, why people take to it as a platform for organizing things like protests.

MR. RAUCH: There's a marvelous documentary I just saw about Ai Weiwei, the Chinese dissident.

MR. COSTOLO: Yeah.

MR. RAUCH: The Chinese authorities cut off his internet years ago, his standard web access. They could not or did not cut off his Twitter feed, that's what he uses.

MR. COSTOLO: Yeah. He's been, he's spoken very, very eloquently about Twitter on a number of occasions, we even have video clips of the kinds of things he's said about it, played it in the office in our all-hands meetings several times. He's a big supporter of the platform and a big fan of it, and I of him.

MR. RAUCH: Makes you wonder if Twitter had been around in 1776, would the Declaration of Independence have been written in 140 characters, all men are created equal #equality. (Laughter)

Here's a fact that maybe you didn't know about Twitter, this is also from the National Journal Allstate Heartland Monitor poll. You have to say all that in Washington polls, very sensitive. 18 percent of users, this is a polling sample, a population sample, 18 percent have used Twitter in the last month.

That's kind of astonishing, it's almost 1 in 5 adults surveyed in this poll are on Twitter.

MR. COSTOLO: Yeah. We have every belief in the company that we have an obligation to reach every person on the planet. You know, we saw time after time, whether it's things like you just mentioned, organizing protests, or emergency relief in the aftermath of the earthquake and ensuing tsunami in Fukushima, Japan, that it is a particularly great service at broadcasting necessary conversation. And so places that we can't get to and people that we don't get to yet, we want to be able to get to, and we'll do everything we can do to get to them.

MR. RAUCH: Do the trends look like linear or exponential, or hitting saturation, or what?

MR. COSTOLO: It changes. There are seasonal trends to growth where you'll see inflection points seasonally; there are holiday trends to growth, new devices come out, and you'll see the growth inflection change; there are country specific inflection points around things like events, the events in Turkey and Brazil, elections cause increases in active usage, et cetera.

So there are all sorts of interesting trends that drive inflection points and growth, certain, we call them VITs, Very Important Tweeters, certain

celebrities, or kinds of accounts that jump into a platform will cause dramatically increased usage, teams in the Bundesliga, the German soccer league participating in a cause, you know, a rapid increase in growth in Germany.

MR. RAUCH: Once people are

MR. COSTOLO: There are all sorts of different things that happen

MR. RAUCH: sticky, right? Once people get in, they tend to stick around.


MR. COSTOLO: I would say that once you are using, once you are a core user of Twitter, it becomes increasingly indispensable to you, so that's obviously another great trend for us.

MR. RAUCH: So you say you want everyone on the planet, you probably won't get everyone, is there a saturation point out there for this medium?

MR. COSTOLO: I don't think so, no.

MR. RAUCH: I guess, eventually, it's part of your phone's operating system, and it's just running in our lives in the background?

MR. COSTOLO: If that were the case, that would be just fine with us. (Laughter)

MR. RAUCH: You wouldn't mind that a bit? So where do you go with a service like this? I mean, you, people know how it works, it's developed its own  argut, what's next for Twitter?

MR. COSTOLO: There are lots of ways we can enhance that global town square experience. I just talked about things like unplanned events, natural disasters, protests, et cetera, versus, contrast that to a planned event like the Super Bowl; we know when it is, we know who the participants are, et cetera, and that ability to track and monitor the moments within an event either as they happen or to catch up with them is something we want to enhance.

For example, last night, again, the filibuster in Texas was the number one trending topic nationally here in the U.S. on Twitter, and that was an amazing thing, but if you were following on Twitter, it was fascinating to watch. We want to make that experience even better, so sort of curating the moments within the event, the media from it, and making it that much easier to navigate.

MR. RAUCH: Can you be a bit more specific about how you could do that?

MR. COSTOLO: Well, so, right now, you get purely the reverse chronological order of the Tweets, and you kind of go all the way through them. It

would be nice to see things like a graphic of spikes in the conversation, and what time did they happen, and, oh, that was a half hour ago, there was a big spike in the conversation about this particular trend, and be able to peel back, kind scroll back to that time and see what happened at that particular moment.

You can start to think about it in the context, start to think about that in the context of planned events like televised events that people might be watching on a delayed basis, and so forth, and being able to sort of follow along with Twitter in a DVR mode would be interesting.

MR. RAUCH: That idea might be sort of a

MR. COSTOLO: So those are the kinds of things we're experimenting with.

MR. RAUCH: Sort of a two layer sort of system where you can monitor the substance of the conversation and the trends in the conversation

MR. COSTOLO: Yeah, that's right, precisely.

MR. RAUCH: move back and forth in a parallel level. And this is in the works, or developing?

MR. COSTOLO: It's something we're experimenting with. I think that, when I've been talking about Twitter at events and Twitter as the second

screen for TV for a while, and we're playing around with different models and different ideas, but you'll see us continue to do a bunch of work there. One of the fascinating things about Twitter and events is this; people will frequently ask me, well, how do you surface the signal from the noise? Right there, if there are 500 million Tweets a day, and then the Super Bowl is on, or the Olympics are happening, or the World Cup is happening, two things that are going to happen next year in Brazil, how can you, when Brazil scores a goal in a soccer game and everyone in Brazil Tweets goal, and you have to scroll through, you do you surface the signal from that? (Laughter)

And so the fascinating thing about that, we tried a couple things during the Olympics where we said, well, we'll just curate the really high authority accounts of, you know, the commentators and the athletes, and we'll pull those Tweets out and show those as the event, and that will be interesting, and you won't have to dig through everything else. And the amazing thing about that was that you lost the roar of the crowd that really made Twitter feel like Twitter.

MR. RAUCH: It sort of flattened out?

MR. COSTOLO: It just felt, yeah, it felt like, you know when you're in a cosmopolitan city like this in your hotel room, you throw the window open, and

you can hear what's going on? It felt like you were in a very, very quiet studio, and every once in a while, something was being beamed in. So it lost that roar of the crowd that makes it, it makes it the public town square.

MR. RAUCH: So you're more of an aggregator and less of a

MR. COSTOLO: Yeah, suddenly more of an aggregator and less of the public town square. So we need to be able to maintain that roar of the crowd while surfacing these moments, and that's the kind of thing we're trying to do with the experiments we're running.

MR. RAUCH: Yeah. I'm a new user, I have trouble with the noise, it's, you know, it goes fast, and if you miss something, it's gone, and it's hard to find the good stuff in that stream. Maybe I'm not following the right people, but I'd like to see ways to get to the stuff that interests me faster, without losing the raw experience.

MR. COSTOLO: Yeah. I'm very excited about the kinds of things we're trying out now, that we're publicly experimenting with, and we'll see where they take us.

MR. RAUCH: It's also interesting this business people are Tweeting while they watch TV, and you start to wonder, well, life developed this

meta layer where we've got the layer at which we do things, and the layer at which we watch things, and then the layer which we watch what we watch.

MR. COSTOLO: Well, I think about it this way, our, Deb Roy, the founder of Bluefin Labs, the company we acquired likes to call Twitter the social sound track for TV. And I think that there's always been this desire to talk about the things we're experiencing it, it used to just be that you could only talk about them with the people either in the room or the "water cooler" the next day at work, and now, when you have the ability to talk about them with the people everywhere else in the world who are watching it, and some of the authorities on the subject, and some of the participants in that support or the politic or the, you know, the domain experts who are also commenting on it, and directly interact with them. That's fascinating, right?

I mean, again, when you think about, I use the public town square for a specific reason, it used to be the case, in the town square, before, thousands of years ago in the Greek Agora, that's where you went to find out what was going on and talk about it, right? You came and talked about what was going on in your part of the village, and I came and talked about what was going on in mine, and the politician was there, and we listened to the issues of the day, and a

musician was there and a preacher was there, et cetera, and it was multidirectional and it was unfiltered, and it was inside out, meaning the news was coming from the people it was happening to, not some observer.

And, you know, along comes the printing press, and then radio, and then television, et cetera, et cetera, and all of these advances in technology are in service to removing the friction of distance and time in distributing the information. So we get to the point, ultimately, with CNN World Wide News, that you've completely eliminated the friction of time and distance, and then along comes a service like Twitter that has the elimination of time and distance built into it, but also brings back all those capabilities of the Agora. It's inside out again, it's coming from the participants.

MR. RAUCH: Thinking through all this changes the experience of watching TV and doing stuff, right? Because, you know, in the Greek Agora, you're there, you're in the square, you're nowhere else. If I am watching TV and Tweeting about it, I'm in the room, I'm also in the TV experience, and I'm in the Twitterverse all at once, sort of navigating all these three levels.

MR. COSTOLO: I have to tell you, for me, it's absolutely for me, now, the case that when I'm watching some major event on television, if I don't

have my device with me and I'm not on Twitter during it, I feel like I'm watching it with the volume off.

MR. RAUCH: Increasingly common, I'm sure. Of course, this event is all about me, so I want to know is this curtains for me? I'm a long form journalist, I write narrative for places like the Atlantic, the world's second oldest journal, we are at Brookings, the world's oldest think tank, we specialize in the idea that people want to sit and think about be in that experience and not be distracted and really work something through.

Twitter is 140 characters, it's fast, it's instant, it's distracting; is this the end of my business model, is it the end of concentration, is it ADD forever?

MR. COSTOLO: No. And I'll answer that on

MR. RAUCH: All right.

MR. COSTOLO: Yeah, good. And I'll answer that on two sort of axes. One, I think that there's, I don't agree with the hypothesis that, because it's, like, 140 characters and it's short that it's distracting or causing us to not be thoughtful about things, et cetera. There are some incredibly thoughtful and eloquent 140 character Tweets, the author Salman Rushdie is one of the amazing

users of the platform and speaks eloquently about things like character development and the difference between novelists on it.

But, to the first part of the question, we are not going to be in the business, period, of synthesizing, analyzing, and I've already told you we proved to not particularly like the way we were curating experiences on Twitter. We're going to be the platform that distributes this information that the hundreds of millions of people around the world who use it want to talk about. I think it's the journalists and the news organizations in the world who will take all this information and analyze it and curate it and synthesize it, as they have always done.

Yes, it may be the case that, well, people are breaking these stories on Twitter now, so we're not going to be, we may or may not anymore be the first place to break something. But, look, it's now the case that when anyone, when something is broken on some televised news show, that everybody else picks it up instantaneously anyway, and the advantage is in the real journalism, synthesis analysis and curation of what's going on.

So I think that that's, all of that advantage and benefit of journalism doesn't go away at all, and is increasingly important, because you do have a lot of information coming in at once, and there have to be some organizations that are

synthesizing it and thinking about it and analyzing it, and writing up those analyses or broadcasting those analyses.

MR. RAUCH: Well, let's go to the audience. Before we do, a sign went up a bit earlier saying that the Supreme Court has ruled the Defense of Marriage Act unconstitutional; no precedent on gay marriage in Proposition 8, as well as expected; and same-sex marriage will, as a result, be legal again in California.

Only you guys filed, signed on to a brief supporting the overturning of the Defense of Marriage Act, if I'm not mistaken. So this is good news for Twitter why?

MR. COSTOLO: So, I think that the brief that we signed on to with hundreds of other companies, I think is correct, was all about, look, we just want to have some understanding of consistency in the way we're going to be able to, we've got employees all over the place, and we want to have some sort of consistent way of knowing how we're going to be able to deal with these things, which is what that brief specifically was about.

In our own case, now, separating ourselves from that particular brief, we've been very supportive as a company with our own employees of these progressive policies in the state of California, et cetera

MR. RAUCH: Thank you, I'm gay, I'm married, I appreciate that. Let's go to the audience. We'll start with the gentleman in the back. I'm going take two or three at a time and write them down so we can move through them a little faster. Please keep it short, and please keep it a question, I beg you all. Thank you, sir.

MR. LEVER: Yes, hi. Rob Lever from AFP. Getting back to PRISM, there are some things that we don't know about how it works and how companies respond. Can you say with any certainty whether companies like yours have the ability to opt-in or opt-out?

MR. RAUCH: Thank you. Let's go to a couple others and we'll come back.

MR. COSTOLO: You want me to not answer those yet?

MR. RAUCH: Not yet.

MR. COSTOLO: You're going to take them all.

MR. RAUCH: I'm going to try to move through them pretty quickly.

Let's go to the gentleman in the aisle, here.

QUESTIONER: Hi. I had a quick question regarding Turkey.

Turkish Prime Minister actually criticized Twitter because of the gatherings that happened in Turkey about the protest that you mentioned also, and he said Twitter is a menace for all the societies around the world, even though he was in Silicon Valley and he visited the companies, including two of them maybe, or even though he has millions of followers on Twitter.

So what is your take on this, I mean, how do you see it?

MR. RAUCH: Thank you, let's

QUESTIONER: and also a quick question regarding illegal basis of these protests. The Turkish police arrested some Twitter users in Turkey, did they contact you to get some private information about the users, and what is your response?

MR. RAUCH: Thank you. Let's do one more from this side, the gentleman, the second in from the aisle.

MR. VALDERRAMA: Rodrigo Valderrama, Plantation International. I have two kids in South America, 13 and 15, how is Twitter going to

be developing so that they can use this more in their education, as well as their social Tweets? Because they're getting into that already.

MR. RAUCH: Good. Do you want to talk about opting in or out of PRISM?

MR. COSTOLO: Yeah. I don't think it's and I'm not going to speak specifically about the PRISM stuff, I think I'll go back to what I said initially, I won't restate that here. But I think I gave about as clear a perspective on how we think about these things as possible. We're going to be principled, but abide by the specific rule of law in the countries in which we operate.

MR. RAUCH: Alas, folks, I don't think we're going to get much more out of Dick Costolo on PRISM today. Turkey, is Twitter a menace to society in Turkey, and have you been in touch with any of the folks arrested over there, or their lawyers?

MR. COSTOLO: I'm very familiar with Prime Minister Erdogan's comments, and obviously been watching and observing what's been going on there. The beauty of having this open public platform that allows everybody around you to see and hear what you think is that, is that, is that it's this public town square. That's what it is, we don't editorialize what's on it, we don't say, well,

if you believe this, you can't use our platform for that, you can use our platform to say what you believe.

So that's what the people of Turkey, and those elsewhere who are commenting on the events in Turkey, are using the platform for it.

MR. RAUCH: They're getting

MR. COSTOLO: So the platform itself doesn't have any perspective on these things, it's a vehicle for people to use to give their own perspectives. I would say that, in response to your other question, one of the fascinating things about Twitter is that, since, because you can use a pseudonym, it is a particularly helpful platform for political speech, because you can sign up with your ID, in fact, in Tunisia, one of the protestors was @slim404, who is now an Interior Minister in the new government in Tunisia.

And, you know, we don't ask for a phone number, or a mailing address, or things like that, so, of course, it's a great platform for the capability to use political speech. Of course, the flip side to that coin is, it also allows, frankly, for people to behave like trolls with celebrities and say all sorts of horrendous things, hiding behind a pseudonym that they might not normally say if they were saying it with their full name.

MR. RAUCH: We won't forget the education question, which is important, but this is a good time to interject with one that came from online. This may be a silly question, but as the CEO, why isn't your profile verified? (Laughter)

MR. COSTOLO: I always like to give different answers to that question that I get every day, like I'm verified on the inside

MR. RAUCH: You've had that question before, have you?
(Laughter)

MR. COSTOLO: My mom verifies me. We use verification, generally speaking, for things like are there, will it be hard for people to understand which of these is the real account, or are there impersonators of this account that make it important for us to verify this account, and then sort of several other items on the list. I have long felt that, within the company, we shouldn't just be verifying employees because they work at Twitter, as long as they don't meet some of the other criteria, and since nobody's pretending to be me on the platform, at least not anything except sarcastically.

There are a few fictional internal employee accounts that make fun of me that I'm perfectly fine with. But, I just don't worry about stuff like that.

MR. RAUCH: It could get hairy if someone impersonates the Associated Press, as we now know.

MR. COSTOLO: Well, they're verified, and most of the major news organizations are verified. That was a case where, I think, the account got phished, and we are working closely with news organizations now in a much more concerted and, I think, organized way to help them make sure they've got to right sort of security policies implemented around their accounts.

MR. RAUCH: Twitter and education, how can Twitter help the Brazilian gentleman's kids in school?

MR. COSTOLO: Oh, yeah, thanks for coming back to that one. You know, I think that one of the fascinating things about Twitter is that irrespective of the subject matter in which you're interested, the domain experts are on the platform. And I mentioned Salman Rushdie earlier, but there are tons of some of the world's greatest authors having conversations about character development or who's a better South African novelist, Coates, or this person.

And it's fascinating, if you're a student of literature, to follow these authors and see the kinds of conversations they have. If you're interested in, you know, cooking, the best chefs in the world are on there having conversations about

these things. These Arabic scholars are having, I remember talking to someone from a news organization that was researching where Mubarak had hidden assets, and found that the best place to go do research for this report about where Mubarak had hidden assets was a set of Arab scholars, Arabic scholars who were discussing this very topic on Twitter.

MR. RAUCH: Do you all have an educational division?

MR. COSTOLO: We have people within our, I guess we'd generally call it our media team who focus on specific verticals like news, sports, music, education, et cetera

MR. RAUCH: So you can't, like, sign up for a school Twitter feed

MR. COSTOLO: nonprofit, et cetera

MR. RAUCH: or use it as a pedagogically yet?

MR. COSTOLO: We just have a couple people who work on that stuff, so it's not a big group.

MR. RAUCH: This could get interesting. Let's go back to the back, here, let's go, we've got second from the aisle towards the back.

MS. GARBUTT: Hi, I'm from Georgia, my name is Julie Garbutt, and not the state Georgia, the country Georgia. And my question is the following;

in my country, it's not popular to Tweet, and there are people who use the other social media tools. So what's your strategy to get out there, and how do you want to popularize Twitter in countries like Georgia? Thank you.

MR. RAUCH: Thank you. Let's do another couple before we, the gentleman third from the aisle about halfway back in the dark suit.

QUESTIONER: Thank you. You mentioned how there is much anonymous nature for Twitter. The flip side of that is not only the trolls, but also in younger people, the cyber bullying, and I was wondering what is Twitter doing to combat this growing issue of cyber bullying?

MR. RAUCH: Thank you, these are great questions. And on the other side, gentleman in looks like a blue polo shirt.

MR. HERMAN: Joey Herman, University of Michigan. Just a quick question about, since its inception, Twitter has been a trendsetter, not only with the hashtag, but now the inception of Vine, and Facebook just came out with Instagram video, and I just wanted to know in regards to that, how you guys look to combat the innovations by your competitors and look to better your own products.

MR. RAUCH: Very good. Let's do those three. So, what efforts are you making to popularize Twitter in the Republic of Georgia?

MR. COSTOLO: So we have a specific international market development strategy that involves, really, a global approach to this with focuses on some regions and countries. And it generally involves making sure that we have an app that is fast and functional on the kinds of mobile devices that are the most prevalent in that area. In places, there are lots of places that smart phone penetration is still very, very small, and will be for some time. There are places in which it is helpful to have direct relationships with the mobile operators who will market your service and app as a part of, you know, using their particular plans.

So we have gotten, I think, a lot more savvy in the last, I would say, 12 months about doing those kinds of things. I think it's fair to say that we were a little bit later to doing that than some of our, than some of the other people in the space, but we think we have a good plan there now and will invest heavily in that.

MR. RAUCH: Are there any countries that just don't have Twitter, for whatever reason?

MR. COSTOLO: Well, we're blocked in Iran and China, and we would love to not be blocked there. Obviously, as you mentioned, when you talked about Ai Weiwei, there are

MR. RAUCH: There are ways around

MR. COSTOLO: lots of folks in China who know how to get around that, but we are blocked there, and we would love not to be blocked there.

MR. RAUCH: A milestone, like when CocaCola was in every country after the death of Salazar, when Twitter is in every country in the world.

MR. COSTOLO: That would be wonderful, we would dearly love for that to be the case.

MR. RAUCH: Cyber bullying, has that issue surfaced inside Twitter?

MR. COSTOLO: Yeah. So, I think that the point I would make there is that, again, because it's public, because it's entirely public, some of that is alleviated. Yes, you can still be a troll and hide behind an anonymous ID and say something horrible to someone, a lot of the historic cyber bullying cases have been on platforms where, as you know, it's a little bit harder for everybody to see what was going on, and it was just within this particular circle of people who knew each other who had access to each other's information.

So we have to do a better job on the at-connect experience, your reply stream of filtering out what are obviously just egregious and repeated, like,

harassment. We've been working on that for a little while, it's really a ranking problem, but the challenge there, you might say, well, if this person is just saying the same thing over and over again, why don't you pull that out. You want to come up with a scalable solution that doesn't eliminate the serendipity of hearing from someone you've never heard from before who just joined and has zero followers and says this amazing thing to you.

You want to retain that while eliminating the, you know, the trolling behavior or the abusive behavior. So we're working on that, we've tried several things, we have another experiment we're running now and trying out, and it's definitely something we continue to invest in it, and I continue to pay personal attention to. Because I do think that the flip side to the political speech enabling of using a pseudonym is one that we need to go combat and causes people all sorts of trauma.

MR. RAUCH: These are technological solutions you're talking about?

MR. COSTOLO: Yeah, they're technological solutions, that's right.

MR. RAUCH: Video, Facebook, breathing down your neck?

MR. COSTOLO: Oh, Instagram video.

MR. RAUCH: Yeah.

MR. COSTOLO: Look, people can do whatever they want to do, you know. Like we're going to continue to look forward to a point on the horizon that we want to move toward. And the beauty of Vine was that when Dom and Russ and Colin created it, and Jack and I saw, Jack saw it first sorry, Jack Dorsey, one of the founders of the company, of Twitter, an inventor of the product, called me and said you've got to see these guys before they go back to New York.

And we saw them and we bought the company before it even launched and then changed the product a little bit more before it launched here. We have a very specific notion of where we want to go, and it's this constrained media, public, real time, conversational, widely distributed, so Vine can be distributed anywhere, embedded in sites just like Tweets can, and other people can replicate that, or take pieces of it they like and pieces of it they don't like and do whatever they want to do, if that's what they want to do.

I am, everyone inside the company has heard me say the goals not competitors all the time. I think it's so much more important to understand the competitive landscape in the context of where you want to go, but not let what those guys are doing drive what you're going to do. And, you know, let the chips

fall where they may. No one's ever, you know, if we do what we want to do and go where we want to go, we'll be fine and everything will take care of itself, and we don't have to worry about how big that thing is or how fast this new thing is, really.

MR. RAUCH: Speaking about that this morning, it's not even clear to me Twitter actually has any real competitors, per se, it's just so different from everything else. Here's one from online, which I love. I hope you can answer this. How can we use

MR. COSTOLO: Wow.

MR. RAUCH: Twitter to improve decision making in Congress?

MR. COSTOLO: I don't know what the answer to that is.

(Laughter)

MR. RAUCH: Not even the genius from Silicon Valley has the answer to that one.

MR. COSTOLO: Pass.

MR. RAUCH: Maybe 140-character legislation. This does give me the opportunity to ask, we saw a Politico story about Twitter is hashtag lying low, but apparently, you've got a Washington operation, you've got seven or eight people here

MR. COSTOLO: Yeah, several of them are in the room. A couple policy folks here, the rest of the team is doing things like helping on board government agencies, working with folks in government to better understand the use of Twitter, some sales and marketing folks, et cetera. So we still have a pretty small group of folks here.

MR. RAUCH: What are your policy folks doing?

MR. COSTOLO: Paying attention to the policies that are being developed here in Washington.

MR. RAUCH: That's good. Are they lobbying for any particular policies at the moment?

MR. COSTOLO: We're you know, when I'm here, I spend all, most of my time, as do our policy folks here, listening, and just trying to understand the tenor of the discussion on, obviously, a variety of topics, as oppose to angling for anything specific. We're still quite small in comparison to some of these other companies.

MR. RAUCH: How does Washington look from where you sit?

MR. COSTOLO: Well, in what respect? One of the things I've noticed is that people dress up a lot more here, as Strobe pointed out. I threw you guys by putting a suit on this morning.

MR. RAUCH: I wonder what happens if someone gives you neckties at Christmas.

MR. COSTOLO: I'll say this; I think that sometimes, you know, if you're in Los Angeles, you get these discussions between, the difference between southern California and northern California, when you're in New York or here, you get these differences between east coast, west coast. I think that these tend to be exaggerated in many, many ways. Look, people in this, people here are, and it's kind of my answer to the previous question, how can Twitter be used to help the government make better decisions. It is a matter of fact that most of the folks, most of the representatives, most of the Senators are already on it and using it and leveraging it quite well, and paying, very much paying attention to it.

So I don't think that there's this, I don't think that there's really the sense of what needs to happen here to make it more like there. I just don't think that way. People tend to pigeon hole different parts of the world or different parts of the country as being more this than the other guys, I just don't think that's true.

MR. RAUCH: You guys move in minutes, Washington moves in years, decades, getting anything through this Congress, and so on. We have about two minutes left, so I'm going to call on two more people, and one of them is going to be Gary Mitchell, who is always brief, and one other person for quick questions, and we'll do a lightning round. Do we have one other person who wants to get in? Gary first.

MR. COSTOLO: I thought we were in the lightning round. We're going to the lightning round?

MR. MITCHELL: Thanks. I'm Gary Mitchell, and I write the Metro Report, or for this purposes, I'm at Mitch Report. So, about a year or so after Disneyland opened, Walt Disney was interviewed and asked where'd the idea come from. Presumption was that he would say, I created all these marvelous characters and I wanted to build a home for them, and he didn't. And he didn't hesitate, and he said, oh, it's very simple, I needed a place to take my daughter on the weekends.

So, where did the idea for Twitter really come from?

MR. RAUCH: Yeah, that's one you can answer in 30 seconds.

MR. COSTOLO: Yeah. So, Jack Dorsey, again, one of the founders and the inventor of the product had been fascinated by these dispatch systems when he was working as an engineer, and thought it would be compelling to create a system in which you could just broadcast your status or your location, or what you needed, and then everyone could see it instead of going through some sort of, as we all know, inefficient queing mechanisms for taxis as they exist today.

And that was the genesis of it, his fascination with these dispatch systems, and what if you could just broadcast where you were and what you needed and what was happening, and the things that would supply you would see that and could rush to you right away, and they'd all get the information at once. And he just extrapolated that to, well, wouldn't that be great if everybody could see that, and you'd be able to jump into those things.

MR. RAUCH: And it is a place to take your daughter. Let's do one more, we've got about a minute left. There was a young woman here right behind.

MS. SOLUCOM: Hi. My name is Elena Solucom with Reuters. You said that you would like to see Twitter be accessed by everyone, or accessible to everyone around the world. Part of the challenge there, of course, is not

everyone has access to the internet. Does Twitter have any plans to get involved in broadband expansion in the U.S., anywhere around the world, in the sort of kind of network level?

MR. COSTOLO: I think that we're still a small enough organization that we're focused more on the core product itself and know that other companies are focused on those efforts. It will probably be some time before we expand into anything like that. We work regularly, obviously, with the kind of the companies that are focused on those things, I mentioned relationships with the mobile operators in some of these countries, and we'll probably attack it from that angle, working with the existing providers in those locations, as opposed to doing it ourselves.

MR. RAUCH: Here is the last question to sign off on, this came from online. Do you have a favorite personal Twitter moment, a time when you looked at the way the service was used and were just blown away?

MR. COSTOLO: Well, it changes for me regularly, they happen over and over and over again. I certainly have some favorite Twitter moments, and I'll just mention one of them, which is, I remember Sarah Silverman, the comedian, sent out this Tweet that said, you know, it was around the holidays.

She said, if your family is really bugging you around the holidays, just pretend you're in a Woody Allen movie. And Mia Farrow responded, I tried that, it didn't work. (Laughter) So that's probably my favorite Twitter moment.

MR. RAUCH: Thank you, Dick Costolo, for being with us today.

(Applause)

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