

**John Hollar:** Good evening, everyone and welcome to the museum. My name is John Hollar. I'm the CEO. And on behalf of the trustees our staff, our members, and everyone involved with the museum it's a pleasure to welcome you here tonight to this event. It is the latest installment in our series of programs on the fortieth anniversary of the events that led to today's fully wired world. I want to begin by thanking Intel for serving as the lead sponsor of our Net@40 series. Intel is a very generous supporter and a good friend of the museum and we very much appreciate their underwriting of these programs. Along the way, we've also had support from Symantec Corporation and, of course, our donors and member who in the last 12 months have provided more than \$2 million in support for our work. Kepler's is the museum partner for books related to our programs as they are tonight. They'll be selling "The Facebook Effect" after our program. I want to thank Clark Kepler for their ongoing partnership. Clark is here tonight. Clark, thank you. And finally, thank you to HP and its MagCloud service which is the partner for the publication of the booklets that are on your chairs and around the museum tonight. All of our MagCloud publications are now available for purchase online in case you didn't get one tonight and you want to order one for a friend. A member of the museum emailed me a few days ago with this note he said, "I hope, when you're introducing the Facebook event you'll remind everyone that we're here tonight because two guys named Kline and Duvall were hunched over computers late one night in 1969 trying to send the letters L-O-G-I-N from SRI to UCLA over the ARPANET." So there, I've done my duty. Alphabet soup and all. The connection between the launch of the ARPANET and relative solitude 40 years ago and the explosion of Facebook is not linear, as we have covered in previous events and in the history that's printed tonight. But without question our global society is surely traveling at breakneck speed down a continuum that began with L-O-G-I-N and today connects billions around the world. This journey is at its core what this museum is all about. If you reduced all of recorded human history to a 24-hour day the birth of the Internet would amount to a fraction of a second. The birth of Facebook and the socially connected electronic world far less than that. And yet, consider the immensity of the reality that we are all living. In as little as two generations we are moving from a time of no electronic connections at all to a time when we can hardly imagine not being connected. We, therefore, confront an interesting paradox. The blockbuster innovations of the information age are coming thick and fast and their impact is enormous, as impactful as anything may have ever been. And yet, we risk losing their history as quickly as we see their history created. This is the essence of the work of the museum. We're seeking to capture the stories, the firsthand accounts, the lessons learned and the physical and digital products of both genius and failure in our time or as Donna Dubinsky put it in her famous analogy from the film you saw a moment ago, to talk to Michelangelo as he paints the Sistine Chapel. One big difference, of course, is that from time to time a historian of Michelangelo's era might have found him flat on his back atop a scaffolding. We don't find many people sitting still. So what we are attempting is contemporary history at speed. It's humbling and it's challenging. But with the help of many hundreds of people we're determined to make it work and to make it worthwhile for generations to come. That's why we have assembled the world's largest collection of more than 100,000 items related to computing going all the way back to Khipu sticks and the ancient abacus and all the way forward to the iPad. It's why we have recorded nearly 500 oral histories of the men and women who have made history here in Silicon Valley and around the world. It's why we have our fellows program, the 52 portraits of which are collected on the wall just outside this auditorium. They compromise some of the greatest figures in the history of technology. It's why we undertake 20 to 30 programs like this every year all of which are fully viewable on our branded YouTube channel. It's why we're the only major museum in the world with an Internet history program and a forth coming area of our revolution exhibit dedicated to the Web and networking. And finally, it's why we have a vast digital museum at computerhistory.org where among other things we released the original source code for MacPaint and QuickDraw, for the world to see for the first time yesterday morning, something our friends at Apple have at least to this point permitted only us to do. Those of us in this branch of contemporary history do better when we stick together. That's one reason why we're so delighted to be associated with David Kirkpatrick, author of the fascinating book that we're exploring tonight and Facebook CEO Mark Zuckerberg who just a few hours ago announced that the Facebook community has now exceed this milestone 500 million users. We may not know how history will ultimately write the Facebook story but two things are certain, David Kirkpatrick has made an excellent start and his help and support was clearly instrumental-- Mark's help and support was clearly instrumental to David's exceptional storytelling. All of David's experience is on full display in "The Facebook Effect". Twenty years as a senior writer at Fortune magazine, author of the Fortune column Fast Forward, founder, host and program director of the Brain Storm Conference Series, founder of the Techonomy conference kicking off next month at Lake Tahoe.

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Conducting this conversation between David and Mark tonight is NPR's Guy Raz, weekend host of "All Things Considered" one of the most sought after interviewers in the business. He has interviewed everyone from Ariel Sharon to Eminem. This marks a return trip to the museum for Guy who kicked off the Net@40 series in the spring by interviewing ARPANET pioneer Bob Taylor. If tonight is as freewheeling and candid as his evening with Bob Taylor was, we are in for a real treat. You can contribute to that with the question cards that are on your chair. You can write your questions down. We'll be collecting them for Guy once we get a little further into the program. Please join me in welcoming in Mark, David and Guy to the stage for tonight's program.

<applause>

**Guy Raz:** Okay. Thank you very much, John. And I'm going to dispense with any opening remarks and dive right into the questions because I think many of us here have many questions for both Mark and David. The first question is for you David and I just want you to give us a sense of what you mean when you talk about the Facebook effect, what is that?

**David Kirkpatrick:** Well, it's a generic kind of concept of all of the ways in which this massive social phenomenon, social and technological phenomenon is changing the world. And I talk about politics, government, business, marketing, identity, privacy, social life, and other areas. Really, when you get to 500 million people on any system there are enormous ramifications and Facebook was designed from the beginning in order to have certain ramifications that it's quite successfully having.

**Raz:** Mark Zuckerberg, obviously congratulations are in order because of the announcement today on your Facebook page. Was it your Facebook page that I saw? Or was it a blog posting?

**Mark Zuckerberg:** Yeah, we pushed it in a number of places.

**Raz:** Saw the video. Five hundred million users. That's double the number of users you had about a year ago. Give me a sense of a Facebook moment over the past year that has wowed you, something that had happened that you thought the thing that I created made that happen?

**Zuckerberg:** Well, I mean we just-- the thing that we did to commemorate now having 500 million people is assembled this collection of stories that the people who use our service have written into us over the years. And I can go give a few but they're really kind of amazing and very varied. I mean everything from the guy who's the last prime minister of Denmark found-- basically had a bunch of connections on his Facebook page and they became his jogging buddies.

**Kirkpatrick:** I was going to put that in my book and I think I forgot. Yeah, that's a good story.

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**Raz:** This is Anders Fogh Rasmussen, right.

**Zuckerberg:** Yeah. I mean there's a mayor in a city in Connecticut who found that one of his constituents needed a kidney and then went and donated his own kidney. So I mean the stories that we hear from people range from these kind of incredibly profound things like that, to just really kind of day to day things where people are just trying to stay connected with their friends and family and the people that they care about and now have a way to do that that's a lot easier than anything that they had before.

**Raz:** Do you ever get freaked about how powerful this tool that you invented has become that those things can happen? Do you ever think...

**Zuckerberg:** I mean it's people doing them. What we've really built is a platform. I mean we're not building a system where people are donating organs. We're building a system where people can stay connected with the people that they want to. And there's always been the ability for people to sit down face to face and have a conversation. For a while there's been the ability for people to call someone up and no matter where they are and it's gotten a lot cheaper recently but to be able to have kind of a synchronous one way conversation with people who you're willing to call up, right, and who you have that level of comfort with. But until recently there hasn't really been a good system for you to keep in touch with all of the other people who are in your life or you meet at some point who are important or were important and you want to keep up with but you don't have a way to talk to on a day to day basis and you wouldn't go out of your way to call and you would never sit down with in person. I mean the power that's unlocked from that is really what we're seeing here. And when you can build up all of the value of those latent connections and keep them open, this is the type of stuff that becomes possible. But it's people want to do it on their own anyway. We're just kind of allowing people to have the ability to do those things.

**Kirkpatrick:** And all of that is what I would call the Facebook effect. I mean it was designed to be a viral platform for communication. And I think it is a good point that Mark just made that Facebook is literally just a platform. It has no content of its own whatsoever. Everything there is created by its members. And I think this viral system that Mark effectively designed quite consciously where information flows especially because of the newsfeed from person to person with amazing efficiency if it's of interest, that is sort of the root of the effect that's at kind of the name of my book.

**Raz:** David, in John's introduction he mentioned Bob Taylor who was on this stage actually in your seat about two or three months ago. He is not an international celebrity. Most people in the world have not heard of Bob Taylor. Far more know who Mark Zuckerberg is. He is arguably the father of computer to computer communication. You mention him in your book, which by the way, is a great not just a primer on Facebook but a fun book to read.

**Kirkpatrick:** Thank you.

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**Raz:** I wanted to let you know that. Where does Mark Zuckerberg, in your view, fit into the history of the Internet, or the history of communications?

**Kirkpatrick:** Well, I think that anybody who's created a system that gets to 500 million people particularly in six years deserves a fairly great prominence in the history of innovators in communications. The world is changing so fast now that it's harder to put someone in the hierarchy the way we might have once felt comfortable doing. So is Mark more important than Alexander Graham Bell or equally important? I don't have a clue.

**Zuckerberg:** No.

**Kirkpatrick:** He doesn't think so. But we'll find out over time, but, you know, I mean Facebook will not last as long as the telephone did I can assure you of that. So we'll have to make our judgments more rapidly about these matters.

**Zuckerberg:** We'll see.

**Raz:** There you, you heard it here first.

**Kirkpatrick:** I'm not saying it's not a great thing, Mark, but it's not going to last-- telephone has been around for like 100 years. Do you think Facebook will be here in 100 years, literally, you really do?

**Zuckerberg:** I don't know but I don't know how long telephones are going to be around for.

**Kirkpatrick:** That, I agree with but I'm talking about from its inception to today, do you think Facebook has a prospect of 100 years?

**Zuckerberg:** I don't know.

**Kirkpatrick:** But this is a question I get all of the time, what's Facebook going to be in 10 years? And I always say I cannot even begin to answer any question like about any Internet business. Do you think it's a reasonable assumption that Facebook will be a strong and powerful business in ten years? What do you think? Is that a given?

**Zuckerberg:** Well, in ten years I hope so.

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**Kirkpatrick:** What about 40 years?

**Zuckerberg:** I think that these things change over time. I think that if you look at some of the great technology companies they made a huge change in the world and then transitioned into great long term businesses. So companies like IBM are maybe not kind of at the forefront right now of consumer technology but are still great companies long after being the massive innovators in their space. I think that these companies can be around for a very long period of time. But I certainly think that the trend that we're operating on now of helping people share information which is really something that going back 20 years ago most people in society did not have the power to do. I mean the Internet has really brought that about. Now, everyone can share their opinions, and information about themselves or what's going on around them and that's a new thing. And I think that's the trend that we're hoping to help push forward. And I think that that's going to be one of the most transformative trends in society over the next ten, fifteen, I mean who knows how long.

**Kirkpatrick:** But the fact that a system could have grown to 500 million in a little over six years does suggest that the pace of change is truly accelerating. So many other something else's are going to come along and burgeon with incredible speed. Tell me if I'm write, I say that you take as a mantra only the paranoid survive and one of the reasons why you make all of these changes that affect privacy and product is because you are literally afraid of the Foursquares and the Twitters and the other innovators and you do not want to be rendered irrelevant and you want Facebook to remain a vital cutting edge service and you know that requires constant change.

**Zuckerberg:** Well, I'd like to think we're a little more proactive than that.

**Kirkpatrick:** What do you mean?

**Zuckerberg:** I don't think that the changes are motivated out of fear as much as wanting to help move the world forward.

**Raz:** Let me ask you about this idea of moving the world forward because with this incredible product you offer I'm sure there isn't a person in this room who doesn't use it. I obviously use it. You also have a very powerful database, I believe, the largest database of personal information that exists outside the realm of government, right. Facebook if it were a country would be the third most populace in the world. I mean you are the head of a country. One out of fourteen...

<audience laughter>

**Kirkpatrick:** Don't tell that to the countries.

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**Zuckerberg:** There's a lot of assertions going on up here that I don't agree with.

<audience laughter>

**Raz:** One out of fourteen humans on planet earth has a Facebook profile.

**Zuckerberg:** It doesn't make us a country.

**Raz:** It does actually. Five hundred million does. it's an extraordinary number of people. Do you remind yourself daily of the responsibility that that puts in your hands. You're 26 years old. You are a young guy. I know you're reminded of that all of the time and I'm sorry to do it again, but you are and it's an immense amount of responsibility. What are you-- how do you handle that responsibility?

**Zuckerberg:** I think the main thing is we've just assembled a team at the company that has this tremendous sense of purpose for what we're doing. It goes back to some of the questions that you were asking about building companies, where a lot of the people at Facebook, including myself, never thought we would be a part of a company. I started Facebook and a lot of people who joined early on and, I think, still join the company are doing it just because they believe in what we're doing. And they believe that if you can give people tools to share information and to stay connected with the people that they care about, that that just opens up all of these possibilities. And then if you can build a development platform on top of which all of these other people can build social applications, then you can create a whole lot of new experiences that weren't possible before. But I think it's that kind of clarity around what we're trying to do that I think is what gives us the ability to keep on doing these rounds of innovation instead of the type of stuff you're talking about like becoming a company.

**Kirkpatrick:** People have a very hard time believing that about Facebook. That's a fact. I mean to be honest, I don't think you do as good a job communicating as you could the scope of the vision and the passion that you and your colleagues as you describe share. And it's one aspect of my book that people challenge me on everywhere I go. They cannot believe that Facebook isn't doing it for the money, for the ad marketplace, et cetera, et cetera. Could I just follow up with a specific question about this? One of the things that I know about you is you love product. You love engineering. What you would rather be doing is sitting at a terminal talking to the product team and the engineers to make the product better.

**Zuckerberg:** I'm doing that later tonight.

<audience laughter>

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**Kirkpatrick:** I know you will, probably every night. But Facebook is as Guy is implying at sort of a turning point where it's scale is requiring a new sort of responsibility on its part. And one of the questions that I have for you is, you know, do you really want to be the leader of a company that requires this constant interface with government and regulators around the world in order to keep explaining what it is you're doing because they are pushing back, as you well know.

**Raz:** And quite understandably because it's something you've described as a utility.

**Zuckerberg:** So I mean, the way that I think about this is, you know, a lot of people have asked me this question of okay, now that Facebook has 500 million people or is nearing 500 million people before today, a lot of the job has become in addition to building things, building out a team, communicating externally now and kind of dealing with a lot of these different constituents that we wouldn't have to deal with when we had 10 million people using our products. Those are things that are typically you see with a mature company. And I think the way that we think about this is that if we thought that Facebook was a mature company and was anywhere near the end of its trajectory in terms of being able to innovate or that the product was near maturity in terms of its development, if people were sharing on the order of the amount of information that we think that they'll end up sharing, then maybe those things would overwhelm how fun it was to build this. But we just don't think we're anywhere near the end. What we've seen is there's this massive trend on the Internet towards there being all kinds of information available. I mean when I was growing up Google came out when I was in middle school. And so there are these search engines. And so it's like growing up every year there was like some new cool thing. So it's like one year, all right, there's a search engine, now you can look for anything you want. Another year it's like all right, now there's Wikipedia, you can get reference material on anything you want. Now, there's Napster, you can get any song you want and there's all of these different services. But the thing I think is most interesting to people is other people. So I think it makes sense in a way that Facebook is, by far, the most engaging app that's been built online to date. I mean people who use Facebook spend much more time with Facebook per person than any other app. So what we did for the first few years of building the company from 2004 to 2007 was with really a small group of people we just started building versions of products that were designed from the ground up to be built around people. So we built things like photos and groups and events. And what we found was that each of these projects was built with a group of maybe two or three people because at the time the company was 20 or 50 people, or 20 to 50 people in that range. And so we built this photos application that didn't have a lot of the features of other photo applications. There were no high resolution photos. You couldn't print. Early on, you couldn't even reorder the photos in an album but what it had was it was built from the ground up so that as soon as you shared a photo all of your friends had it. And it turned out that that feature was more important than every other feature combined.

**Kirkpatrick:** And the tagging of people was the key.

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**Zuckerberg:** And the same thing for groups and the same thing for events. So what we have now is Facebook photos are used, I think, three, four, five times more than all other photo services on the Internet combined. And a similar story for groups and a similar story for events. And we hit this turning point in 2007 where we said okay we think that we can take basically any application and by building it to be around people which are the thing that people care the most about if we just-- if we did that then we think we can build a more engaging version of any application out there. But because there are so many applications that need to get built rather than trying to build these all of ourselves with teams of two or three people where we're not building all of the features that whole companies could let's build a development platform. And that's what we've been focused on since then. And what we've seen since then is just in the most recent release, we built this thing called social plugins where you can just-- any site can take a line of HTML copy and paste it and drop it into their site. For example, CNN.com has this and you can look at any news article and you can see which of your friends liked that article without CNN ever knowing who you are or who your friends are. It's a really cool experience. And what sites that have used these social plugins have seen is that the engagement that they've gotten from people using Facebook has gone up by about 2X, the referrals from Facebook. And that's just a simple integration. So you can imagine that people are doing a lot deeper things are getting even stronger results. And the first one that I think we're really seeing of an industry getting completely transformed is games. I think games are often an early indicator in a new platform. We kind of saw that with the iPhone.

**Kirkpatrick:** It used to be porn, but okay.

**Zuckerberg:** Fair. I think early PC there were a lot of games. Facebook games are really one of the first things that took off and there's all of these companies. there's Zynga. There's Playfish. There's Playdom, CrowdStar, a whole kind of new set of companies and I mean these are real companies. I mean Playfish was acquired for almost \$400 million last year. Zynga, on the secondary private markets has a market cap that's about half of that of EA with an eighth of the number of employees. I mean that's disruption. So I think what we're going to see-- so this is year one in terms of this industry is kind of the first one that's getting transformed but I just think over the next few years we're going to see it in every industry. So that's exciting. Now, back to your question about is it okay to spend some time interfacing with the media and governments and all of that, yeah, if you get to do that.

**Kirkpatrick:** But do you...

**Raz:** David, let me just interject here for a moment.

**Kirkpatrick:** Guy is the moderator, sorry.

**Raz:** I want to get back Mark to the idea of the question that I asked you and this idea of this immense database. And I don't mean to present it as some kind of nefarious thing that you're sitting atop, but we

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know that Facebook has this incredible ability to say to an advertiser, you want to target 26 year old women who like Bikram Yoga and we can get you there which is amazing. Now, I trust you and trust is your currency. And you're telling us to trust you and we do, let's say. But what happens in ten years or twenty years or thirty years when you're not let's say in charge of the company or your power is altered in the company and somebody in the company decides to take that data about us, the information that we have volunteered and handed over about our likes and dislikes, the music we listen to, our birthdates, who we're married to, what our kids' names are and sells that information. What kind of guarantee is there that that won't happen?

**Zuckerberg:** Well, I just think it would be the stupidest thing we could possibly do.

**Kirkpatrick:** So you're not going to be CEO or what?

**Zuckerberg:** I didn't say that. We're talking about how technology moves so quickly, and I think it's really easy to say that there's all of this information that Facebook has or something like that. But really what Facebook is today is this engine and this community of people sharing a lot of information on a day to day basis.

**Raz:** Except that information is in a centralized...

**Zuckerberg:** Well, actually I think that's maybe a misconception because the rate of information that people are sharing is increasing so quickly that the nature of any sort of exponential growth is that the amount of content that people had in the system last year will be just a fraction of the content that's in the system at the end of this year and it's going to keep on growing. And not only are more people signing up to use the service because they want to stay connected with friends and family but every day that goes back by each person on the service on average is sharing more information into the system. So here's an analogy that I think is actually pretty apt for this. Think about Wikipedia. Wikipedia has this policy where any person can go download all of Wikipedia and fork it and create a rival encyclopedia. And some people have taken some Wikipedia content and tried to do that but no one ever creates anything that anywhere comes near close to quality of Wikipedia. The reason for that is because the real thing that Wikipedia is isn't an encyclopedia. It's a community of people that build encyclopedias. So you can copy the encyclopedia somewhere else but you're not copying the community. Now, Facebook is very similar because we have all of these open APIs and we're building a platform like I was just talking about and people can go and they can take all of their information anywhere else. What Facebook is isn't a set of information today, it's a community of people who are using Facebook to stay connected and to share information. They're only going to do that as long as they trust us and as long as we're the best tool that exists to do that.

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**Raz:** So just to confirm, if they were to decide to leave it that data would be wiped out? You would no longer have that information?

**Zuckerberg:** Yeah. I mean people can use the API, they can take their information to all of these other services. Not only are we okay with that, we're encouraging it. That's the whole platform strategy that we're embarking on is by allowing people to do that we're allowing much more innovation and other apps that we would never get around to building.

**Raz:** We know that that for many people is not a choice any longer because so many people have come to depend on Facebook. It is not just a cultural phenomenon, it is an indispensable part of many people's lives. You've described Facebook as a utility, like the electric company, like the phone company. Two questions, why shouldn't it be regulated like a utility? And if it is a utility couldn't you make the argument that it's a monopoly?

**Kirkpatrick:** He doesn't mean that when he says utility. But he should not use the word utility because everybody thinks what you think about it.

**Zuckerberg:** So here's how...

**Kirkpatrick:** He should stop using the word utility...

**Zuckerberg:** ...how we started off talking about as.

**Kirkpatrick:** ...because utilities are regulated.

**Zuckerberg:** When we got started everyone compared us to MySpace and the big difference that we saw between ourselves and MySapce was that people used MySapce because it was cool and because it was fun. And people asked us this question all of the time, what's going to happen when Facebook is no longer cool? I mean it's been around for six years where things don't stay cool forever. My answer to that question is that our goal was never to build something cool. It was to build something useful. And something that's cool is not going to be around for a long time. Something that's useful is around for a very long time, potentially if it continues to be useful. So to me, when I say utility that's what I mean is that we're trying to provide people with utility, not having something that's fun. In terms of regulation I mean we get regulated by users.

**Raz:** And is that enough, you think?

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**Zuckerberg:** I think there's plenty of dialogue around what we do and important issues that are going on on the Internet. I think we've shown that we listen carefully to that and that influences our policies and the products that we make. And like I was just saying, we support this open platform and we want to design it so that people can go and they can take their information and go to any other service that they want.

**Raz:** Mark, in David's book you're quoted as saying, "having two identities for yourself is an example of a lack of integrity" which I think is an interesting quote. And it goes on to explain that people shouldn't have a different persona-- present a different persona to their coworkers and a different persona to their friends. So say I behave in a certain way around my family, and behave a slightly different way around my coworkers. You would argue that there's a lack of integrity there. I'm wondering why you think that is? I mean do you think that we should all interact in the exact same way with everybody we know?

**Zuckerberg:** No, I think that was just a sentence that I said. It wasn't some long quote argument.

**Kirkpatrick:** I was worried you were going to say that, oh gees.

**Zuckerberg:** I mean if you think about it, what is the definition of integrity? It literally is being the same thing in different faces.

**Raz:** Now, are you the same person right now that you are when you're with your friends or your peers?

**Zuckerberg:** Actually, probably. Yeah.

<audience laughter>

**Raz:** Fair enough.

**Zuckerberg:** Same awkward person. I think that that is the definition of integrity is that dictionary definition is having the same face-- not saying one thing to someone and saying a different thing to someone else. So I think actually by definition if you are presenting one face to one set of people and another to another, that is a lack of integrity. I wasn't making a value judgment.

**Kirkpatrick:** That's what happens when you talk to somebody who studied Greek.

**Raz:** The Janus head, right but you do talk a lot about this idea-- I want to explore this idea of transparency with both of you because I think it's fascinating. And I'm interested in this idea of

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transparency because there's different ways of looking at it. David Brooks of the New York Times writes about this a lot, he talks about transparency in government and how paradoxically it has created a climate where fewer Americans actually trust government. The more transparent government is, the fewer people trust it. You really push this idea of openness and transparency, what do you think it will lead to? Why do you think people should be willing...

**Zuckerberg:** What do I think of what?

**Raz:** What do you think it will lead to? Why do think people should be willing to reveal details about their lives, open themselves up to the world? I mean why not keep some things private and personal.

**Zuckerberg:** Well, I think people will always keep some things private. I think the big difference between now and 20 or 30 years ago is now everyone at least has the tools, if they want to, to share things. But a core tenet of Facebook has always been control, right. From the very first version of the site we built privacy controls that every single piece of information you put on the site you could say exactly who saw it. And one of the challenges that we've had as the company has grown is trying to make stuff that scales because now people are sharing way more things than they were at the beginning and we want to make sure that they continue to have controls for each thing but we don't want to have a 1000 different controls that they touch. So that's one of the big areas that we've been modifying and innovating on recently is just now, there's just one master control. You go to your privacy page, you can say in two clicks I want all of the content I share on a day to day basis to be visible to only my friends if that's what I want.

**Raz:** And clearly, that was a response to the criticism and that has dissipated by and large.

**Zuckerberg:** But going back to the question-- I'm sorry, if you want to ask a different question go for it.

**Raz:** No, please, please.

**Zuckerberg:** When people feel comfortable sharing information and they feel like they have control over what they share and who they share it with people become comfortable sharing more thing. So, for example, if I only could choose to share my mobile phone number with everyone on Facebook I wouldn't do it. But because I can do it with only my friends I do it. So now there's more ability for me to actually share those things. What I think that creates over time is there are these opportunities for people to share more things and a lot of people are realizing that hey it's really valuable for me to share more things in certain contexts and that leads to this kind of broader social change where I think now there's more transparency. More people are blogging. More people are using Facebook to share more stuff. More people are using Twitter. More people are posting stuff on YouTube. That means that if we want, there's more out there that we can go look at and research and understand what's going on with the people

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around us. And I just think that that leads to broader kind of empathy, understanding, just a lot of kind of good core human things that make society function better.

**Raz:** David has written a very interesting chapter on privacy in the book which I found very useful.

**Kirkpatrick:** Well, I was going to say first of all, I totally buy what Mark said. I mean the reason people put so much data on Facebook is because from day one it was the first place that ever existed on the Internet that had privacy controls. It was the only place anybody had ever put their real name and their cell phone number and their email address because they could control who saw their data. And I think one of the reasons this privacy issue is so fraught for Facebook and leads to so much discussion and controversy is because people have entrusted an enormous amount of data to it and I think they're worried that maybe their trust was misplaced. And this is where I think Guy's question before is a legitimate one about what would happen if you weren't in charge and there is this huge massive data in there. But rather than have you answer that again, I would like to ask you another question which is closely related and very related to what you just said. My own personal feeling and I spend a lot of time talking to people about Facebook. It's like all I've been doing for the last six or eight weeks because I've been promoting my book and I just came from Kansas City last night. So why doesn't Facebook make it much, much even easier than it is to set up group functionality so you can control like the family, the best friends, the high school friends, the church friends, the friends you just friended on Facebook because you couldn't say no.

<audience laughter>

**Kirkpatrick:** But each one of those is a different category for whom you want different visibility into you and you want to see different visibility into them. And it seems to me you would get more sharing if that functionality was radically improved. You've got it. It does exist.

**Zuckerberg:** Yeah, no you're right.

**Kirkpatrick:** But it's not easy enough to use and people don't even know it's there.

**Zuckerberg:** You're right.

**Kirkpatrick:** So how do you deal with that?

**Zuckerberg:** We need to do better. This is one of the core areas that we need to work on now and that we are working on. Is now people have all of these different groups of friends and it used to be that

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saying I want to share with my friends was a good-- that meant private. Like I don't want to share with everyone. I want to share with my friends. But now, I think, more and more people have subgroups of friends that they want to be able to share different things with subgroups. That, I think, is a really important case and we're cutting at it in a lot of different ways to get here and hopefully soon we'll have more to talk about.

**Raz:** To what extent does the success of Facebook depend on a majority of users choosing the least restrictive settings, privacy settings?

**Zuckerberg:** I don't really think that that matters much. I think the key is that people can share with whoever they want, right. I mean it goes back to the point I was making before with Wikipedia, what we have is a community of people here who are this engine for sharing and connecting. The key is that they can do in whatever way that they want. So I think the question that you're talking about of being able to segment into saying okay here's my family, here's my work friends, here are my school friends, here are my high school friends, whatever it is, that would be really valuable to do. But I think that that kind of gets to one of the core things in building Facebook is that designing products that do these things simply is pretty hard. And I think that that's one of the big innovations that we've had is-- I mean earlier on, like we were watching the video, I mean we're not designing microprocessors. But what we are doing is designing very simple ways for people to have social interactions that are very nuanced. And I think it's a lot easier in a lot of these cases to point to what a problem is, than to come up with what is a solution that people will actually use. So let me give you an example of something that we did that actually didn't work that well. Our first cut at trying to help people segment their friend list into groups was this functionality that we called friend lists. You can go and you can create a list of people and you can put whatever friends you want into whatever lists. You can say, okay, here are my high school friends, here are my work friends, whatever. It turns out that most people don't want to go and create lists of things. I mean most people would not even have a friend list to begin with except for the fact that the act of creating friends is a very nice social interaction, right. I mean you get to reach out to someone and say hey, I like you, will you be my friend? And then the person can say yeah. I mean that's nice. There's this nice feeling that goes along with that. And I think that that's why people do it. People aren't on Facebook because they want to list their friends. So that's what designing the product is about is kind of coming up with these ways that align what people are trying to do, which is stay connected, with building out this platform which is going to help them stay connected even more when you can do more things with it. So I think everyone agrees, no doubt, we would be in a better place and people would be able to share more if everyone magically had these subgroups created. I think that there is a solution to it and we need to get there but it's hard. And that's one of the big things that we work on.

**Kirkpatrick:** You know, this is a passionate subject for Sean Parker, as you know. I mean he believes that every time you see a name on Facebook you should have an easy drop down menu and you should be able to put people into a group based on your group's-- every time you see the name shove them into a different group, change their group of whatever. But you said something before that I think is really interesting and I'd like to just quickly-- I know it's sort of a dual interview here, but anyway you said it

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doesn't matter whether people use the everyone privacy setting that much. You made this change in December where you sort of forcibly caused people to use the everyone privacy setting and it led to a lot of controversy and you undid that later. Are you saying that when you undid it you didn't regret it and feel like oh we sort of lost the ability to do things I wanted to do? I mean I personally was not happy that I had always had my friends list, friends only and you undid that. Now, you've given me the ability to go back to the way I like it. But how important was it to you to try to make it the way that you tried to make it?

**Zuckerberg:** So honestly a lot of what we were trying to do was just create a very simple experience. We don't want to have a million different settings that people have to touch because if they do then they won't. And then they won't use the system because they don't feel like they can control their stuff. We tried to create a simple system for this based on the settings that we actually saw that people were using. And we made some mistakes and we got it wrong and it turns out that, even if only 0.1 percent of users use a setting they really care about that setting.

<audience laughter>

**Zuckerberg:** So it's fine, but that's our job is to try to balance that. We make a lot of these tradeoffs. I hope more often than not we get them right. Sometimes we make mistakes. We always listen. We try to make sure that when people have feedback that we take that into account and when it's real user feedback, not just some things that are getting kind of a lot of attention. But, you know, I think the reason why we made a lot of the changes is because we look at how people use the site, right. And the site has evolved a lot over time. It started off as this college thing, right. I mean I built the first version when I was in my dorm room at Harvard and the way that the site worked early on was you shared with the people around you in your college community and your friends. So it always had this element of it was your friends, but it was also the people around you because you wanted to share maybe with the people who were in your classes at school or the people who you were in a club with who weren't your friends yet and that was really valuable. Now, as we got out of college and more people started signing up we found that there weren't as good proxies in society as a college for like the social circle that surrounded your whole community so we tried other things, like the city around you and that worked pretty well. But then we were growing so quickly that what happened as we couldn't actually keep up and we couldn't actually provision a city for each geographic area. So what we ended up with especially early on when we didn't have a lot of international growth was we had these kind of crazy situations where a whole country would be a network. So Germany was a network. India was one network. China was a network.

**Kirkpatrick:** So every one of those countries could effectively see everybody's info?

**Zuckerberg:** Yeah, exactly. Now, the interesting thing is that those users were more engaged on the site than people who could only see and communicate with the people around them in college. So in the U.S. we almost had this completely different experience where a lot of us have these college networks. We

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have work networks or we have networks for our companies and that's been our experience. It's been a lot tighter and we enjoy that even though ironically it's led us to use the site less on average. Whereas, internationally we're now at 70 percent of our users are outside of the U.S. they are actually getting a huge amount of value out of sharing in that way and having those be the settings. So we decided, okay, well, go forward for new users let's so something that's more like that. So that's what we did. When we got feedback on that people wanted to make sure that they could tweak it more easily if they weren't happy with those settings, then we kind of holed up in a room for a few weeks and we build that, where we built this one control where now you go to your privacy page and there's just one control and you can click twice and have all of your content set to friends and you're good. But we really listened at how people use the site because people are the site. So we listen to what people say when they write into us. But we also listen to what they're actually doing. And when you look at the data of how people are using the site and we try to make informed decision based on that.

**Raz:** Mark, let me move away from the privacy issue for a moment. We still have lots of questions for you and I'm sure there's lots of questions out there as well, but I want to ask you about Apple. And I want to ask you about how much of an impact Apple has on how you are thinking about calibrating your products? As you're aware, many people are using Facebook on mobile devices increasingly, myself included. You cannot, right now, for example, upload a video you take with your iPhone directly to Facebook. As more and more people start to use Facebook on mobile devices, particularly Apple devices, will you start to alter your products to accommodate those users?

**Zuckerberg:** Well, I think in a way we all ready do. I mean we have an iPhone app which is specific to the iPhone which more than 50 percent of people who have iPhones have.

**Raz:** But the thing I'm talking about, for example uploading video, I mean obviously Apple has this issue, I think, is an understatement with Adobe. So what do you do about that?

<audience laughter>

**Zuckerberg:** We do the best we can.

<audience laughter>

**Raz:** You stay diplomatic.

**Zuckerberg:** I mean it's a great platform and a lot of people like using it. Actually, it is an interesting challenge developing things today because in 2004 when I got started with Facebook it was very clear what we were going to build. We were going to build a website. We weren't building desktop software.

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We weren't building something for the phone. The desktop software was the past. Phones were too far off in the future and not a mature enough platform yet. We built something for the Web. Today I think it's there are all of these opportunities and challenges because you have a Web version, you have an iPhone version, you have an Android version, you have an iPad version. You have a mobile Web version for phones that have touch interfaces. You have a mobile Web version for cheaper feature phones which don't have rich browsing interfaces. And it actually ends up being really challenging to develop for all of these environments but it reaches a lot of people. So it's how people want to use the service so we spend a lot of time doing it.

**Raz:** In a recent article in the New York Times, Miguel Helft wrote an article that said, "Google regards Facebook as its biggest threat today." Do you think that you threaten Google?

**Zuckerberg:** It's interesting that people talk about that so much because if you think about it on its face we don't do any of the same products. I mean it's like they do search, we don't do search. They have email. We don't do email. They have maps.

**Raz:** In terms of advertisers.

**Zuckerberg:** Yeah, but they do more direct response advertising and we do more brand advertising. So even that is quite different. I don't know. There's one perspective on Google which is that Google's market cap is greater than that of all other Internet companies put together. So from that perspective, they could see any growing company as a threat. But from our perspective they don't have to lose for us to win. More people are using Facebook every day and that doesn't mean people are using Google less. So what we're trying to do is just make it so that people can stay connected with their friends and the people around them better. That's just not a service that anyone else currently provides. We think it's important so we're going to try to do it as best as we can.

**Kirkpatrick:** I just wanted to make a point on the Apple issue, the Facebook app is so central to the success of the iPhone that if Facebook were to determine that the way Apple was handling video was truly problematic for Facebook, in my opinion, they would have more leverage than anybody probably on the planet to argue for a change in the way it's handled. I mean I firmly believe the iPhone would not have become nearly the phenomenon that it is, and I have one, if the Facebook app wasn't on it. It's a huge percentage of total application use on the iPhone. I'm sure if any of us heard the number which is a highly closely held secret it would be astonishing how high a percentage of usage it is. So Mark is not enthralled to Steve Jobs is what I'm saying. I think Facebook has extensive leverage if it needs to exercise it. I mean I doubt if Mark would confirm his opinion on that but that's my opinion. And I do know-- isn't true you've gotten to know Jobs pretty well, recently haven't you? Haven't you spent some time talking to him lately?

**Zuckerberg:** He's great.

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**Kirkpatrick:** Yeah. I think he spends a fair amount of time talking to him.

<audience laughter>

**Zuckerberg:** No. I mean I wouldn't say a fair amount. I spend all of my time building products. Yeah.

**Kirkpatrick:** There's that ambassadorial responsibility coming up again.

**Raz:** Speaking of competitors or potential competitors, what do you make of these groups of people who are working on open source social networks like Facebook where data would not be central, would not be stored in a central location, Diaspora, for example. You've got to be aware of this.

**Zuckerberg:** I donated money to them.

**Raz:** Reading David's book it reminded me and reading about how you guys created Facebook it seems like there's a lot of that kind of energy in Diaspora. A, does it worry you? B, does it remind you of yourself, three, four, five years ago?

**Zuckerberg:** I think it's cool. Early on at Facebook we had this project Wire Hog [ph?] that I think you cover a big in your book.

**Kirkpatrick:** A bit, yes.

**Zuckerberg:** And I don't know, I actually haven't read the book. I don't read stuff about me.

**Kirkpatrick:** Are you going to watch the movie, though?

**Zuckerberg:** Probably not.

**Kirkpatrick:** That's what I thought.

**Zuckerberg:** So we talked a little before about how photos ended up being such an important part of the Facebook ecosystem. And from early on our users were requesting that we add more photos to the site. And really early on we had no money and hosting photos is expensive. So we figured, okay, let's build a decentralized application that can plugin to Facebook that's a Web server, that looks a lot like what these

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guys are doing, where people can host their own photos and wouldn't that be great? And I think it just turned out, at least in our implementation, we couldn't get it to work as well as we wanted. And it turned out that us hosting the photos application and running that ourselves was a much better solution, once we had the resources to be able to do that. But I just think it's cool that all of these people are trying all of these different things.

**Raz:** <inaudible>.

**Zuckerberg:** Right, I mean I think some things, some technical systems because decentralized, some become centralized. And I think we can all probably agree that it would be pretty bad if the search index were to split on to ten different sites and you had to search in a lot of different places. I mean that's the service that I think makes a lot of sense to have centralized. So I don't know I just think it's cool to see what all of these people are doing. People are building great apps that use the social graph through Facebook like games, and all of these other applications. People are building other kind of alternative structures to mapping out the graph that I think are cool innovations. It's all cool.

**Raz:** Mark, in the spirit of openness and transparency, I do have to ask you some questions that you probably don't want to talk about but there is a Facebook fan page, 5,000 users have signed up to the fan page for a film called "The Social Network". It has a Facebook page. You know that...

**Kirkpatrick:** I have more than that for my book.

**Raz:** We all know that this is a telling of-- we'll just say a kind of telling or an imagined telling of-- or an imagined history of Facebook. First thing, do you plan to see the film?

**Zuckerberg:** Probably not. Generally, I don't read stuff or watch stuff that's...

**Raz:** Do you have any anxiety about it coming out? Do you have any worries or concerns? Is it annoying?

**Zuckerberg:** Honestly, I wish that when people tried to do journalism or write stuff about Facebook that they at least tried to get it right. That's why having not read all of your book and I read a part of it when you sent it to me, I at least appreciate the effort that you put in in terms of spending all of those hours and days talking to dozens of people in the ecosystem around us, at least trying to understand what's going on. So if I read your book I probably wouldn't agree with everything, but at least there's the sense that it's serious journalism. And at the same time, there was another book that was written about us that was written by a fiction writer and these guys decided to have this idea let's make a movie about Facebook. And they had two choices of books to base it on and they based it on the fiction book.

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**Raz:** I mean just in his defense, he did try to interview you for his book?

**Zuckerberg:** The reason why we didn't participate is because it was very clear that it was fiction from the beginning and we talked to him about that. And he basically told us is "What I'm most interested in is telling the most interesting story." And we want to make sure that we're never-- that we never participate in something like that. So then someone can take something that's really fictional and say and we talked to Mark Zuckerberg for this. So I think it's clear that it's fiction. All of the book reviews of that book from people who know it say that it's fiction. The movie is based on the book. I don't really know how much else there is to say about it.

**Raz:** Do you wish that Justin Timberlake was playing your character?

<audience laughter> <applause>

**Zuckerberg:** That really would not make a difference one way or another. You know, the guy who is playing me, his cousin works at Facebook.

**Raz:** And he still has a job, right?

**Zuckerberg:** He is currently the lead designer on newsfeed and I meet with him every week to go through the next version of what we're building. And I mean he's a cool guy and he's really talented. I'm sure all of the people involved in the movie are talented so that's cool, but the movie is fiction and I think that's really the most important thing to leave that.

**Raz:** And you'll just sort of let it go and hopefully it will pass.

**Zuckerberg:** Yeah, I mean I really believe that all we can do is focus on building the best thing and that overtime people will remember us for what we build and now what anyone said about us all along the way. And I mean maybe that's idealistic. Maybe I have to think that, but that's what I choose to focus on and what I want to keep the company focused on. But I think that that means you can't just I want to ignore things that sound bad or that are kind of made up about us. I think it's really important if you're going to have that perspective that you also don't pay too much attention when people are saying really good things about you either. We have a really strong sense at the company of what we're trying to do and that's what guides us.

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**Raz:** I mean do you sometimes wish that you could just sort of dropout and escape for a moment and get away from the inevitable celebrity that comes with being who you are and what you created? Do you sometimes just think God I wish I could shut it off for a day or two days or a week?

**Zuckerberg:** Well, I mean I can. It's called hanging out with my friends at home or at their homes.

**Raz:** You can't. You'd be recognized anywhere here.

**Zuckerberg:** Not in my house. <laughs> You can't come to my house.

<audience laughter>

**Zuckerberg:** A lot of my friends now, my closest friends are people who I've known throughout the whole experience or people who I have gotten to know by working with them really closely over the past few years. I mean as an example of one piece of fiction in the movie I think that they somehow try to portray it as if I'm building Facebook to get girls.

**Kirkpatrick:** Somehow? That's like the whole theme of the movie and the book.

**Zuckerberg:** Well, I haven't read the book and whatever, the truth is I've been dating the same girl since before I built Facebook. A lot of the people who have been through the story have been consistent throughout. It's that core group of people who work on this, who care about it, who are your friends, who are really the important people and that's what matters.

**Kirkpatrick:** But also wait, it's a much bigger issue for Facebook. The issue of how media, books, movies, change the image of Mark Zuckerberg and the company is a far smaller issue for them, in my opinion, than what governments and regulators are going to be saying and doing. And this is why I think this issue of, you know, do you really want to be out there meeting with David Cameron every week like you did the other day that's what you're going to have to be doing because whether you like it or not I don't think the movie really matters in the grand scheme of things from the standpoint of Facebook success or failure. I do think when you are maintaining all of this identity information for people and you're getting into areas where governments feel very threatened and this issue of privacy is of such great concern in so many jurisdictions, this is a real issue. I think the movie is something of a distraction. And I honestly would like to hear more about how you think you're going to handle this issue. I mean we've seen it with the privacy regulation-- the commissioner of Canada you guys negotiated with them for a full year and then she got mad again after you did the recent stuff. And the EU is coming at you, and the Australian government is coming at you. And this is a real-- you must think about that, don't you?

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**Zuckerberg:** Yeah. I think that they are important dialogues to have. And there are all of these folks that we work with. We, obviously, mostly listen to what our users want both in terms of what they do and what they tell us. We work with a whole set of nonprofit organizations who are the voice of users on privacy issues and security issues and things like that and we interface with governments. And what I find more often than not is that all of these people are reasonable and they all are doing what they're doing because they think it's good for the world. No one is coming at this with bad intentions. So I think the key is just to engage with all of these people who are trying to have this real discourse around serious issues and try to come to the right issues. Where the Internet isn't stopping...

**Kirkpatrick:** Are you personally willing to engage in that to the degree-- I think it's really going to be necessary for the CEO of Facebook whether it's you or somebody else to spend a very substantial percentage of their time doing that. And I wonder whether you want to do that. I mean Larry and Sergey hired Eric Schmidt. People ask me all of that time are you going to hire that kind of a person because you really are a product guy. I heard you did a great job with Cameron by the way, and the whole cabinet. That's very cool. And maybe that is what you're going want to do more of. And I'm not saying you can't succeed at convincing them of a lot of things you're talking about up here. But there are enormous misconceptions abroad about Facebook's reality and intentions. And when you are operating in literally every country on the planet except for North Korea, China and Cuba and a few others, you're going to have these issues coming at you day in and day out.

**Zuckerberg:** Yeah, and I think strategy is as follows. I mean we have a great team of people who are just top notch in this field. I mean we hire the best engineers and product folks. We also hire great policy thinkers because a big part of what we're doing is shaping Internet policy and how that plays out over time through our products. And like I said, we're not the last chapter in this. The Internet will not stop. The Internet is going to keep on going. These issues are going to be important issues. We want to make sure that we engage with the people who are having his debate to make sure that everyone gets to the right place. I think that the great people that we have on our team are actually going to be able to do a lot of it. Now, in terms of these companies, I don't know if the model of hiring a CEO to be externally facing while the people who are making a lot of the decisions aren't that person is really a viable model. I mean technologies companies really are product companies. And a lot of the most important decisions, I think all of the most important decisions come down to what you're offering to the people that you serve or who are your users in the end. And I think that that's the most important thing. So we need to make sure that we handle all of these things as part of the team and that's why we spend a lot of time just trying to get the most talented folks on all of these different realms to join us. But I think for the long term I think it gets back to what I was saying before about how I don't think we're anywhere near the end of developing the platform. The platform decisions we make, the product decisions, the technology decisions we make are going to be the most important decisions we make over the next five or ten years. And I think that that's what the roles are.

**Raz:** In the book, David describes a leather-bound notebook that you start carrying around in 2005. You used to scrawl notes in it. And as far back as 2005, you laid out your vision for the newsfeed, for opening

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registration to everyone, opening Facebook up to apps by outside developers. All of those things happened, what's in your book today? Or if you're not keeping a book anymore...

**Kirkpatrick:** He might be.

**Raz:** ...what are you thinking about? What's swirling around in your head?

**Zuckerberg:** I think I've talked about a lot of it but I mean the platform stuff I think there's so much more to do.

**Raz:** What should users of Facebook expect to see in the coming years? There's actually a good question here that ties into this. I mean will we be able to make phone calls or do two-way video chats or get CNN video, for example, 24/7 on Facebook is that a possibility?

**Zuckerberg:** I don't know if the goal is to get that inside Facebook.com. I think what people should expect over the next five years is that virtually every important service that you use online but eventually offline too are going to get remade and designed from the bottom up with people at their center. Now, that might happen from forward leaning incumbents in those spaces, or it might happen through disruption, through new entrepreneurs who structurally have more of an incentive to take risks and just will overturn things as like we're seeing with games, now. But I think that that's what's going to be exciting. We have a lot of work that we need to do to make sure that we build out that kind of plumbing properly right, and that we build all of the products on Facebook well enough to handle all of the different types of information that people are going to want to share and that are going to be flowing through the system. But if we can do that, then you can imagine the world is going to look a lot different. I mean everything from how we get news which won't necessarily be on Facebook but maybe the CNN of the future or the New York Times of the future just looks a lot more social. Instead of just getting the picks that are from editors, you get picks from the people who you trust the most and who have similar interests and the whole newspaper is personalized to the things that you've said that you're interested in. We've all ready seen experiences where you can go to Internet radio on Pandora and it automatically starts playing the songs that you like without-- you don't have to do anything because it's personalized. You can turn it off if you don't want that experience but it's a great experience.

**Raz:** We, of course, in our business know that there are major consequences for that as well.

**Zuckerberg:** And they're going to be good.

<audience laughter>

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**Raz:** I hope so. I'm going to turn to some questions from...

**Kirkpatrick:** I just want to say, you know, there is no question that what he's saying should be listened to by anybody who's concerned about the future of Facebook. Facebook's goal and strategy is not to be a website long term. They are very consistent about it. Mark and his engineering and product people all say the same thing, the platform is Facebook's future and that's basically what he's saying. That, you know, it won't happen inside the confines of Facebook.com. Facebook is aiming to be a set of services that are applicable to people no matter what they do and it really will extend beyond the Internet itself. It's going to be on your Web, on your phone, or your mobile device that you're going to carry with you and you're going to apply it increasingly to everything you do if he gets what he's trying to build implemented.

**Zuckerberg:** I think if we don't succeed at building it someone else will. So I just think that this is likely the way that things are going to go. If for no other reason that we've seen that every single app that has been built and designed with this methodology, this building a design around people is significantly more engaging and grows faster than all of the other types of apps that haven't. That doesn't mean that you can do it poorly and have it work but whenever there are good entrepreneurs whether it's folks who work at Facebook on photos or groups or events or the folks who are kind of tackling games now where people are working on ecommerce stuff in the future, when people hit that, it's going to work. And we can be the platform that provides that. I think we are certainly in the lead now but we're not near the end. So there's a lot of room for innovation left. And we need to keep on moving in that direction if we want to help support this.

**Raz:** Mark, I've got to get to some of these questions because there are some very good ones here. Here's one I like. The question is as CEO when was the last time you actually wrote code?

**Zuckerberg:** For Facebook or not?

**Raz:** Why don't you answer then in two parts now?

**Kirkpatrick:** You're not actually working on the product, again, are you?

**Zuckerberg:** I mean all of the time for fun. I mean I think it's really important that you use your own products. For example, I use Facebook.com all of the time and I use the mobile versions. I have an iPhone and I have an Android phone because I think it's important to use all of these different things. If you want to build a platform you also have to be a user of that. That means writing code. So on the weekends, sometimes I do. The most recent time that I checked in code for Facebook.com was actually for the platform as well. Leading up to F8 [ph?] which was in late April this year, that's our annual developer event the platform team was just kind of sitting there and they had this big monitor on the wall

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with the number of bugs that they had left to fix. And it was like 150 three nights before and everyone was pulling all-nighters constantly. So I was like all right, I've all ready written my keynote, I'll help out. I figure that's pretty good for morale, right. You get the people and Schroep joined in our head of engineering and we just kind of sat there and we fixed some bugs and we wrote tests to make sure it was going to stable when it launched it was fun. And it's also good because so much of the infrastructure of what we do requires having good code and good abstractions that actually being in there and being able to see the work that people are doing on a day to day basis just gives us a much clearer sense of kind of the investments that we need to be making to run the company better to build better products over the long term.

**Raz:** What are the issues or things that keep you up at night?

**Zuckerberg:** I mean the main thing is just that it just kind of gets back to this theme of there's so much more to do. And I mean we're just this little company. I mean we have 1500 people now...

**Raz:** A little company worth \$27 billion.

**Zuckerberg:** I mean who cares? I measure it in terms of the number of people who are working on it. And there are 400 engineers at the company and right now about 150 really excited interns who are writing code but that's it. There's no other organization on the face of the earth that has 500 million people that it's serving with 400 people writing code for that. So I think the biggest question when you look at the ecosystem and if you come to the conclusion that I have that we are not near the end, we are not in maintenance mode, there's a lot more innovation. There are a lot more people-- I mean 500 million people may be using the service today but I think that this is something that over time everyone is going to want to use. I mean everyone has friends and family and wants to stay connected with those people. So we have a lot more work that we need to do to get it there. The question is how do we get there? And are we moving fast enough and how can we move faster? So I mean we do all of these things and we try to be bold and we try to move quickly but I actually think the biggest challenge might be maybe how we can we move even faster?

**Raz:** Because you see other people creeping up?

**Zuckerberg:** It's just the opportunity is so big. I think if we fail then inevitably that will happen. But I think there are companies that their primary dynamic, that they're primarily limited by competition and they're in more of a zero sum market where their win directly means someone else's loss, I don't see that as much with us. I think there are competitors and that's important and we want to look out and see what good things other people are doing so we can learn from them. But it's not zero sum. I mean a couple of years ago there were many fewer people using Facebook. Now, there are a lot more. In a few years, there will be a lot more people using social networks. It's our job to make sure that we build the best one so it's

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Facebook that they're using. But the segment is growing. This behavior in the world is growing. I just want to make sure that we do our best at kind of getting the world there.

**Raz:** In David's book, he describes sort of the evolution of how you dealt with being a CEO, being 22, and now 26 and working with people older than you. Your COO, obviously, is 14 years older than you. What, in your opinion, this is a question from the audience, makes a successful entrepreneur? Why did you become a successful entrepreneur rather than others who had great ideas, who had some success but then failed? What do you think you did different? And are you still learning how to be a CEO?

**Zuckerberg:** So I think they're actually two different things being an entrepreneur and being a CEO. I spend a lot of time thinking about this because obviously it's a very important thing for me to reflect on and talking to the folks around me. And what I really think it comes down to are two key things for building something well. One is just having a really strong sense of what you want to do because along the way there are so many distractions that if you're not completely clear on what you want to do, you're going to get side tracked. I was watching this interview with Steve Jobs once where an entrepreneur asked him for advice and he's like, "What would you say to me as an entrepreneur?" And his advice was make sure that you really love and care about what you're doing because if you don't, it's so irrational the amount of time and energy that you have to put into building what you're going to build, that it's not just worth doing and you're going to fall off at some point along the way. So I think that's number one is being clear about what you want to do and really caring about it. Number two is building a good team. And like that's what I spend a huge amount of time on, when I'm not building products and I don't even really build products anymore. I work with teams who build products. So it goes all the way down the organization from a really good head of engineering who can scale out and really get the respective, the best hackers and engineers and people who want to build stuff to a head of product who can really communicate exactly what you're going to do to make sure that every person in your company knows exactly what the plan is. To really good business folks like Sheryl Sandberg who keep in mind, any of these people could run the company. To the question before, like should I be running the company or not? If I were to disappear any of them could run the company. And I just think that that's a really important thing when you're trying to build something is you need to get great people around you. But I think if you have a clear idea of what you're doing and you have great people the that's a lot of the battle.

**Kirkpatrick:** You know, the scope of the vision that he had from the beginning was quite extraordinary. I think that in his case was a secret sauce element. But it's really interesting that he has been able to hire people from the getting Sean Parker all the way through to Sheryl and all of the amazing senior leaders that he has now who really share the vision. I mean the scope of the vision to begin with was very, very, very big and he's done an amazingly good job at finding people who are good at all sorts of sub segments of the tasks who also shape the scope of the vision. That's kind of if I were a talking-- if you could mimic that you're going to have a successful company.

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**Raz:** Do you still sort of study how to be a CEO? Do you still think about what you need to do and what you need to learn to do that job?

**Zuckerberg:** Yeah. I mean I started this when I was 19 and I knew nothing. So I mean when I moved out here I was so lucky in terms of just happening to meet the right people who could help us with the simplest things about building a company, meeting venture capitalists to have seed investment so you don't have to keep on spending all of your college tuition, doing a contract to set up a data center. I mean I took computer science classes, none of them were on how to set up a data center. So yeah, I mean we've made probably every mistake that you can make at the company. I think that if the plan plays out and if the next five years are as exciting as the last five or six have been then there are going to be a lot of hard decisions to make and we better spend a lot of time thinking about how to get those right. And we're going to get a lot of them wrong and we better learn from that. So yeah.

**Raz:** I like this question. It says, "You are always asked the same questions in every interview about privacy and data. And are there any questions that you wished people would ask you?" What would you wish that I asked you or that David asked you?

**Zuckerberg:** There's this odd dynamic in these interviews where the stuff that I'm most excited about at any point in time is what we're building now and I can't talk about it.

<audience laughter>

**Raz:** What about openness and transparency, right?

**Zuckerberg:** I mean we can talk about the future. I mean I think we've touched on a lot of those topics. I don't know. Maybe I don't spend enough time thinking about that because I'm too busy answering the questions that I don't want.

<audience laughter>

**Raz:** But it is part of the price you pay for pursuing openness and transparency which I think is a good thing. But at the same time, there are responsibilities that come with the pursuit of those ideas, right. I mean fair enough isn't it?

**Zuckerberg:** Are you talking about just doing interviews and things like that?

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**Raz:** Yeah.

**Zuckerberg:** Yeah. I mean it's definitely important, I think, as the company has scaled to make sure that all of the people who use our service every day which I mean is actually perhaps one of the most amazing statistics about Facebook. I mean we talk about-- we just reached 500 million people are using Facebook. We've always had this crazy stat that more than 50 percent of our users use the site every day.

**Kirkpatrick:** That's still true.

**Zuckerberg:** That's still true. Yeah. And we figured it would-- as we got into people who use computers less that would stop being true but it hasn't. Actually, in the last year the percent has gone up which I guess means we're doing a good job.

**Kirkpatrick:** What is the percentage?

**Zuckerberg:** It varies so I don't want to give a specific number but you can say it's a little more than 50 percent use it every day.

**Raz:** Where do you see the largest growth potential, by the way?

**Zuckerberg:** Well, I mean there are different countries. So for a while our strategy was just kind of see where it grew. We had no targeted marketing or anything like that. I think that's an interesting thing about Facebook too is we don't do broadcast. We're not trying to market ourselves. The way that the site grows is because people tell their friends that they should be on it and then they get their friends on it. So the whole marketing for the service is us basically giving people the tools that they need to get the people that they want on to the site. So we never until very recently targeted a specific country as a place that we wanted to grow in. And we started off in colleges and then from very early on we just basically took requests. People emailed in and said okay launch it at this college. And then when we had servers, I mean early on, I was renting servers for \$85 a month. We put adds up. When we had enough money we rented more servers. When we had enough servers to have more capacity we basically stack ranked the colleges that wanted to get on Facebook by the number of requests that people had sent us and we opened it up to those colleges first. When we made it anyone can sign up, we built a tool so that users themselves could translate the service. So basically we had this thing where we opened it up and within two weeks all of our users had submitted and voted on all of these translations to translate every single string of text to which there are tens of thousands into Spanish. And then we opened it up to French and they translated it in one day. I guess they're really passionate about their language.

<audience laughter>

**Zuckerberg:** And that's kind of how it grew. And people who wanted in their country did the effort to get in their country. Now, it's only recently that we're doing more targeted things and the reason for that is that we ran out of countries. I mean there are a couple of countries where we aren't yet the leader, but I think the trajectory is pretty clear that we will be like Brazil. India, we just passed the previous leader there. So there are really only four countries that we're not the leading social network service in. That's Japan, Russia, South Korea, and China. So we're focused on that now. And this year we're focused on Japan and Russia. We have three engineers. We're just like all right, we've never done anything like this. We want to just get parachuted into Japan and we want to just rent an apartment and code and go rogue and it's like all right go for it and they're working on that. And in Japan I think we're all ready more than a million people and they've been there for six or nine months so that's going pretty well. So that's one area for growth are the countries that we haven't yet really gotten into. But the other one is just making it so that everyone uses the service. So I mean we've seen countries get up to as much as 80 percent of the Internet population on Facebook. And the theory is that it really is a universal service. Basically everyone has friends and family and they want to stay connected to those people. So people ask us these questions all of the time of how do people use it differently in different countries? How do people use it differently of different ages? And the thing that's crazy isn't how people use it differently. It's how similarly they all use it. So I mean there are differences here and there. There are different applications that people use in different countries, but by and large it's really similar and I think that that's why something like this will end up being extremely universal. So there are countries where we're at 80 percent of the Internet population are on Facebook. And there are countries like the U.S. where I think we're around 130 million people are using it and there's a lot more to grow. So I think it's just going to be really interesting over the next few years. And this is one of the challenges of the company that's really fun is that we get to build products both for countries where there are no users yet and for countries where a huge amount of people are on the service and the real challenge is getting people who barely use their computers to be able to ramp up and wire up in a social network.

**Raz:** Mark, last summer the state department reportedly asked Twitter to delay a routine maintenance outage and that was during the Iranian street protest, demonstrations against the reelection of President Mahmoud Ahmajinedad. If the government asked Facebook to do the same, to allow people to have access to a site where they can post information and videos and other material, would you honor that request?

**Zuckerberg:** I think it depends on what it is exactly. So we've never had that exact situation that they were in. I mean we've had other ones, but it is really interesting. Some of the most interesting use cases that we've seen have been of people using Facebook for political purposes. So there's this example, I think you cover in the forward of your book Oscar Morales.

**Kirkpatrick:** Yeah, that's where the book starts.

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**Zuckerberg:** And basically in Colombia there was the FARC and a lot of people in the country are really opposed to that group. But, I guess, the group has a massive amount of control over media and there was never before Facebook an outlet for people to organize or to express their concern about it. And this one guy was pretty brave and he went out there and he made a group and it was pretty easy to do and he started spreading it and before long...

**Kirkpatrick:** Ten million people in the streets one month later. That's kind of amazing.

**Zuckerberg:** Yeah, all cities across the world protecting FARC. And FARC had recently taken hostages and there were a lot of things going on around the time. So I don't think that he really claims credit for this but I think that this was one of the things that put pressure on that organization to release the hostages which they ended up doing. And I think things like that, that large scale political movements are pretty interesting to see play out in this new medium. And so it's all of this stuff. It's YouTube. It's Twitter. It's Facebook. And all of this other stuff that's going to get built on top of these social platforms going forward. But I don't know it's one of the really gratifying things about building this and we get to be just a part of kind of empowering people to do those things that they couldn't do before.

**Kirkpatrick:** I think one of the most interesting things about Facebook is the tension that its in so many countries literally every country pretty much and so many of those countries are not truly free and democratic. And yet, the government's let the Internet operate and let Facebook operate and a tension is developing in a number of countries which I consider extremely healthy which Facebook is playing a very prominent role in, in countries like Egypt where it's been playing out very dramatically just in recent weeks. But you see it in different ways in Indonesia, Bangladesh even and centrally Venezuela, Colombia. It's really, really interesting that a-- I always say Facebook is a platform for the empowerment of its members. And one of the things that I think people don't appreciate about the difference between Facebook and Twitter is that people get on Twitter to be broadcasters, right. But people get on Facebook to say let's meet at the mall. But once they get on Facebook to meet at the mall, they happen to have acquired a broadcast platform that when they get upset about something political they have at their disposal. So ordinary people find themselves in control of this political tool at the very moment when they need it. And it is not something a lot of governments are going to be that comfortable about going forward. And I think that's great.

**Raz:** Where do you draw the line? Mark, as you know, in Pakistan for some time the government blocked Facebook. There was a page set up by somebody, it was called a submit your cartoons of Mohamed. I mean are you ever worried that you might be sort of targeted by some group that feels well, you know, you're in charge of this company and you haven't shut it down.

**Zuckerberg:** Actually, I think someone is trying to get me sentenced to death in Pakistan now.

<audience laughter>

**Zuckerberg:** That's not a joke. I mean it might be funny but it's not a joke. I mean this is where you were asking before what you have to do to build something like this and you have to really believe in what you're doing, right. I mean we think that what we're doing is a really valuable thing in the world. And I hope I don't get killed.

**Raz:** Obviously, there are restrictions on pornography. How do you sort of decide-- I know there's a policy but how do you decide what skirts the line and what doesn't?

**Zuckerberg:** One of the approaches that we take is-- I think there are a lot of companies that now we're serving a very international user base, but really espouse American values. And to a point where I think it's almost close minded how much they only have American values and write off the values of other countries. And I think with our user base and the community of people that are using Facebook we really have a goal to be an international company. We have 70 percent of people who are using Facebook outside of the U.S. And like you were saying, different countries have different standards for what hate speech is. For example, in the U.S. we have one standard. In Germany it's illegal to post anything with Nazi content. It's in law, you can't post anything with Nazi content. And that's the decision that they made because they felt that it was very sensitive after World War II. So our stance is that we respect that if it's a law. Different countries have different stances on what hate speech is, right. Now, if Germany came to us and said don't allow Nazi content anywhere around the world, that would be ridiculous. And some people have-- I mean there have been blog posts written about this, why does Facebook allow Holocaust denial and things like that, especially when the person running the company is Jewish? And it's like because we believe in free speech. So that's why we do that. But we also don't want to take an American-centric approach to it. So where we think we draw the line is when a country has a clear standard that's written into law and isn't just being arbitrarily enacted by the country. But I think these are some of the really interesting questions that have to get resolved over time. But I think that for this next wave of companies, I mean there are so many more people outside the U.S. than inside the U.S. I think you want to have that global perspective. We believe in certain things. We believe that openness and transparency and free speech are good and that giving people the tools to share things are general going to be valuable all over the world. But we also believe that you should respect other cultures. So I don't know that's our take.

**Raz:** Last question for you, Mark, before we have to wrap up. On paper, of course, we all know that you are a billionaire. You're a very wealthy guy, or you have the potential to be if you sold the company and you head up opportunities. Where do you see yourself in 20 years and beyond? I mean with your name on buildings, public philanthropy following in the footsteps of Bill Gates, running a different company, even living here in Silicon Valley?

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**Zuckerberg:** You know, it's funny to think about. I don't know many of you guys know Kevin Rose. He's the founder and CEO of Digg. He once had this awesome quote that, you know, there's this story on the front page of I think it was Business Week, it was like how this kid made \$80 million or \$60 million in two years. And it's like this is ridiculous. This is a private company. I don't have any money. And he does this weekly video where he sits on a couch with another guy and they talk about whatever the biggest issues are that facing Digg. And someone asked him what he thought of that piece. And he goes, "It's funny. I'm not a millionaire. I'm not even a thousandaire [ph?]. I had to borrow money to buy the couch that we're sitting on." So I don't know, in terms of that really I don't think it affects me.

**Kirkpatrick:** I did once hear Mark ask Jim Breyer for a raise because he was moving into a bigger place.

**Zuckerberg:** So the most important thing to me and this is maybe kind of a funny story, I just want to live within walking distance of our office. It's California. It's beautiful. I want to be able to walk to work. And we moved offices from downtown Palo Alto University Ave to California Ave and to get a bigger building so we can have everyone in one place. So we moved to this new place. And I just wanted a new apartment that was within walking distance of the office. So my assistant was looking for an apartment for weeks and weeks and weeks and finally I was out traveling somewhere and I get this phone call and she calls me and goes, "All right, I found a small house. I'm renting it." So I literally I hadn't even seen the house before I moved in because I don't care. It's like I don't spend any time there. I'm at the office the whole time. I'm like what I want to be able to do is be able to walk home at the end of the day, sleep and then go back to the office. So I don't know, that's me.

**Raz:** And in 20 years from now, Bill Gates philanthropy?

**Zuckerberg:** I think we'll see. I really care about what we're doing. I think there's a lot more to do. This trend towards people sharing more, towards the world becoming more open and transparent is, I think, one of the most transformative things in society over the next ten or fifteen years, maybe longer. Who knows. But that's what we're focused on. There's a lot more to do. it's really exciting.

**Raz:** Mark Zuckerberg, David Kirkpatrick. Thank you.

END OF LECTURE