

To Cloud or Not To.

An exploration of the economics
of clouds and cyber-security.



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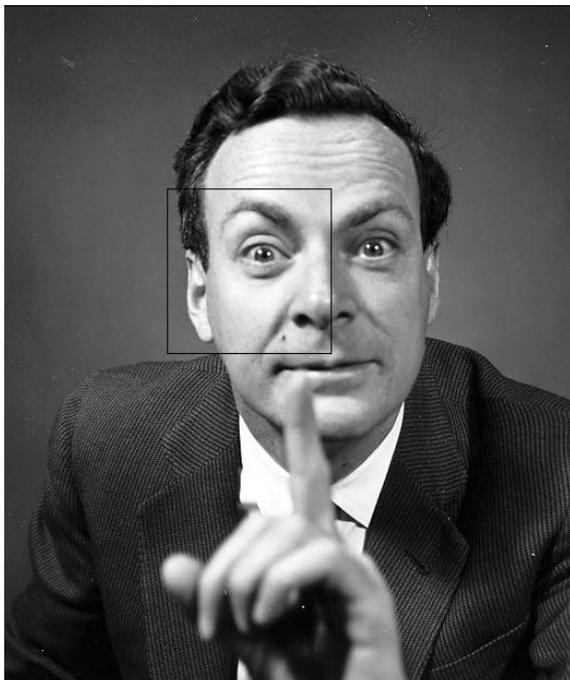
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National Science Foundation
WHERE DISCOVERIES BEGIN

**STONY
BROOK**
COMPUTER SCIENCE

Feynman Moment

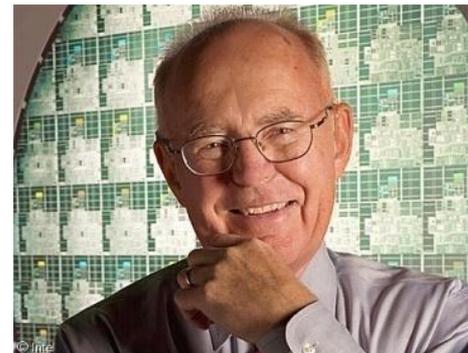
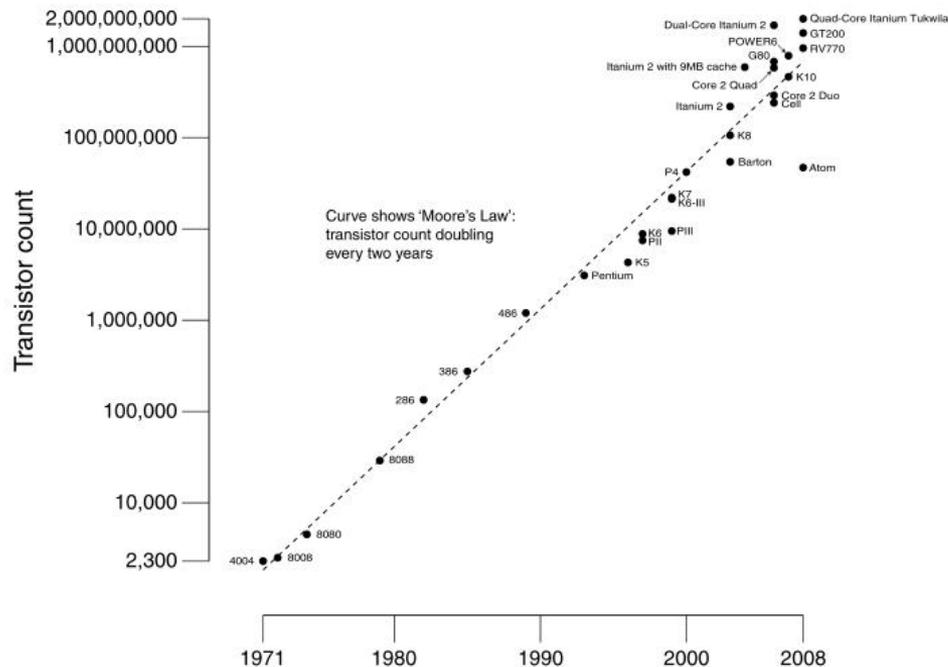


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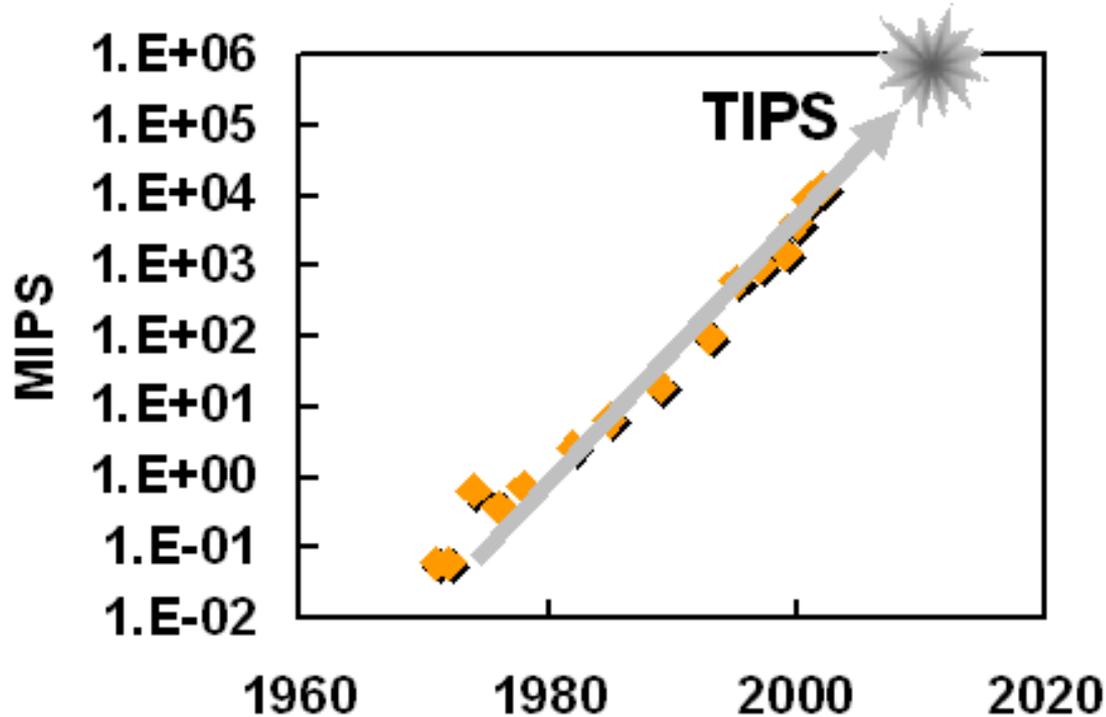
“I have experience only in teaching graduate students [...] and as a result [...] I know that I don't know how to teach.”

please interrupt and engage!

Density

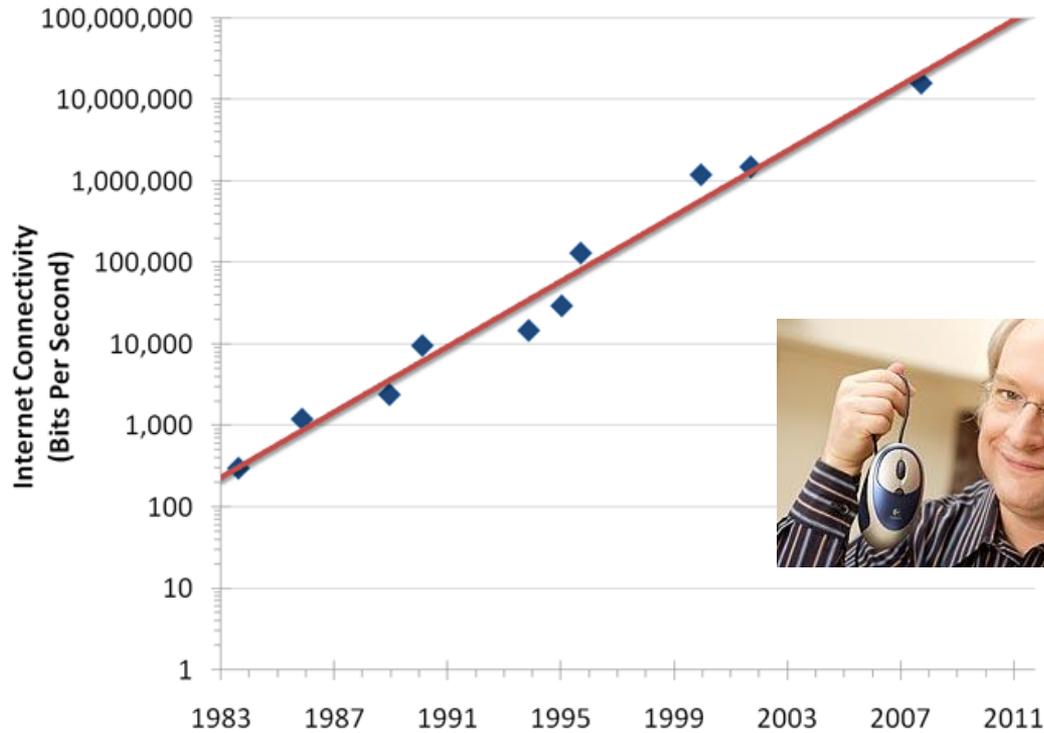


Speed



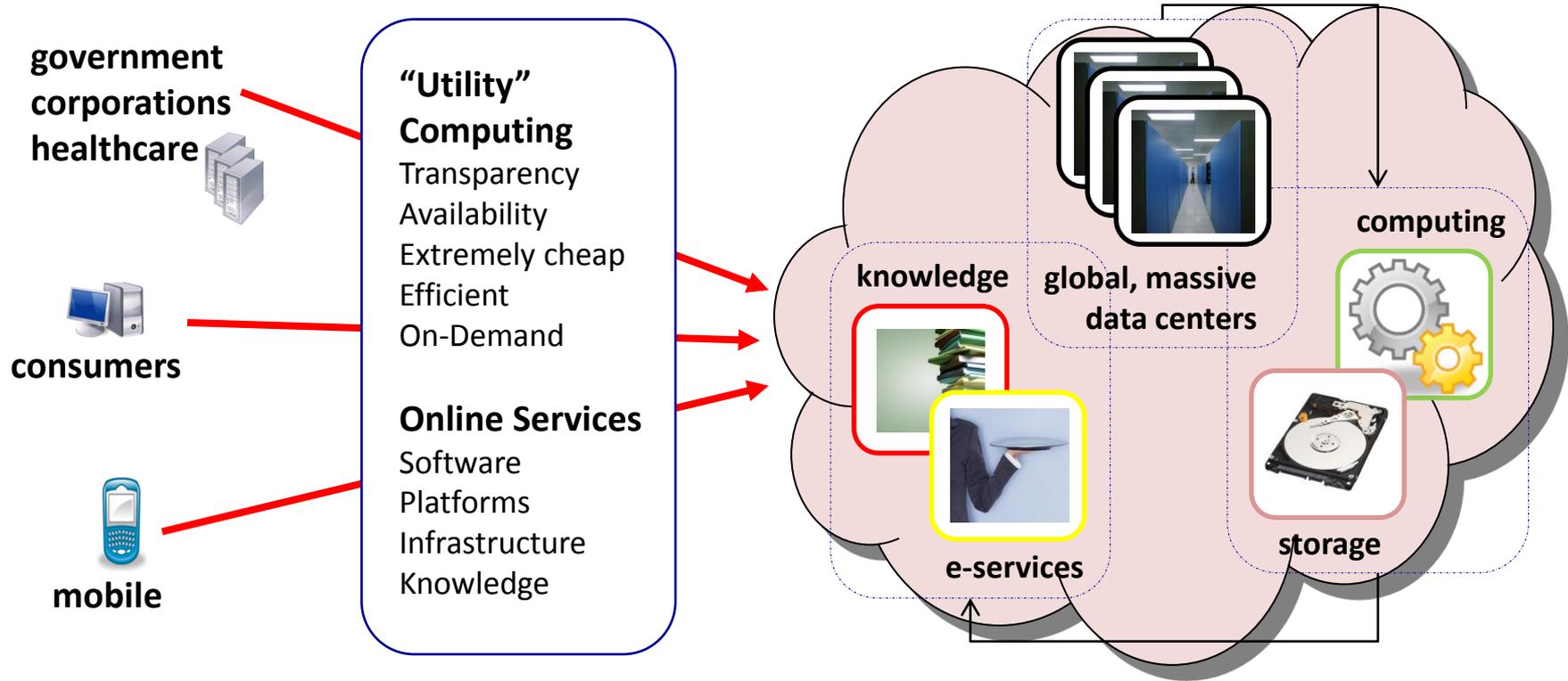
Source: “Gigascale Integration- Challenges and Opportunities”,
Shekhar Borkar, Director,
Microprocessor Technology, Intel

Networks



“high end connection speed grows 50% per year”

The cloud



- + **Control Structure**
- + **Illusion of “Unlimited”**
- + **No up-front commitment (“pay as you go”)**
- + **On-demand**
- + **(Very) Short-term allocation**
- + **Close to 100% Transparency**
- + **Increased Platform Independence**
- + **It is actually here and happening!**

Buzzword Bandwagon



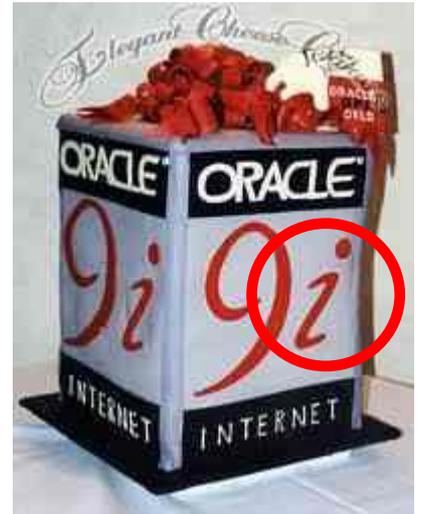
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Traditional Outsourcing [(Semi)Private Clouds]

ACME Corp. manages servers for XYZ Financials

Clouds

Amazon EC2, Google Apps, MS Azure

Managed servers

Un-managed hardware



Should I buy it?

costs vs. benefits

costs

technology costs
cost of security
etc.



clients

benefits

availability
opportunity
consolidation
etc.

the "cloud"

Core costs of computing

- + Storage ($\$/\text{MByte}/\text{year}$)
- + Computing ($\$/\text{CPU Cycles}$)
- + Networking ($\$/\text{bit}$)

Reality is way more mundane

Hardware

servers, disks, **network**, racks, power, cooling

Energy

power, cooling, infrastructure

People/Service

maintenance, development

Space



Size does matter

Home Users (1-10 CPUs)

“no” rent/cooling/administration

Small Enterprises (up to 1k)

no custom hardware, low utilization

Mid-size Enterprises (up to 20k)

better network service, better utilization

Large/Clouds (50k+)



Clouds

- + Custom hardware
- + Efficient cooling
- + Cross-timezone load shifting
- + High CPU utilization
- + Preferential network deals
- + High Power Usage Efficiency (PUE)



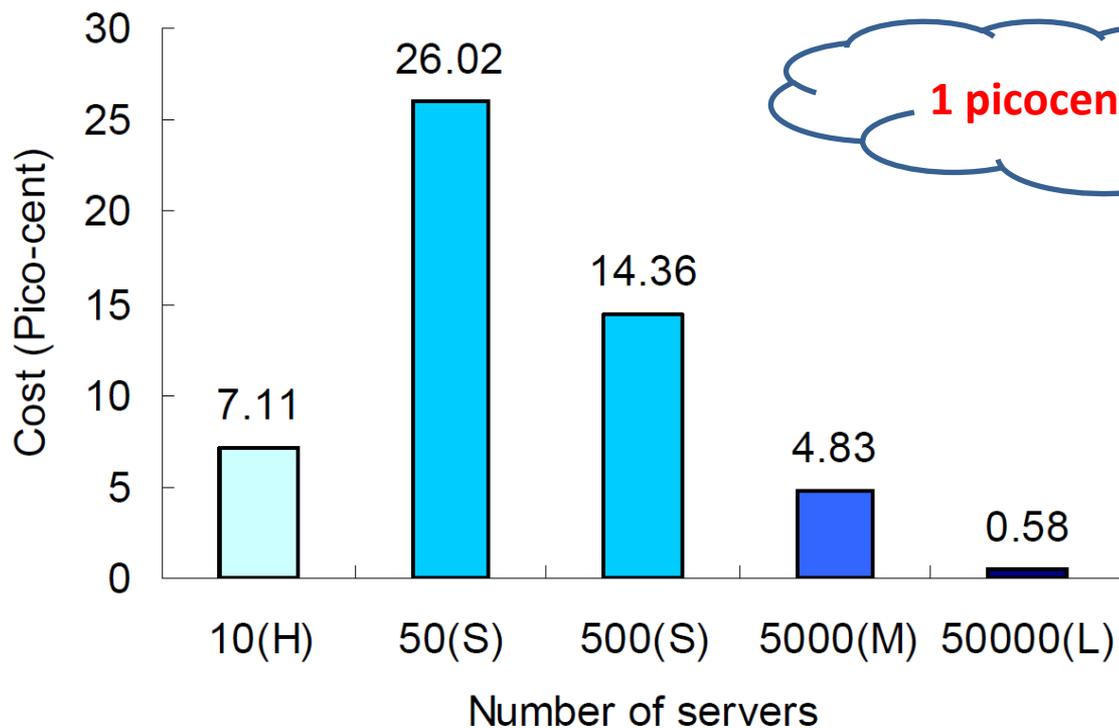
Understand cost of CPU cycle



Parameters	H	S	M	L
CPU utilization	5-8%	10-12%	15-20%	40-56%
server:admin ratio	N.A.	100-140	140-200	800-1000
Space (sqft/month)	N.A.	\$0.5	\$0.5	\$0.25
PUE	N.A.	2-2.5	1.6-2	1.2-1.5

$$\frac{\lambda_s \cdot N_s / \tau_s + (w_p \cdot \mu + w_i \cdot (1 - \mu)) \cdot PUE \cdot \lambda_e + \frac{N_s}{\alpha} \cdot \lambda_p + \lambda_w \cdot N_w / \tau_w + \lambda_f \cdot \frac{(w_p \cdot \mu + w_i \cdot (1 - \mu)) \cdot PUE}{\beta}}{\mu \cdot \nu \cdot N_s}$$

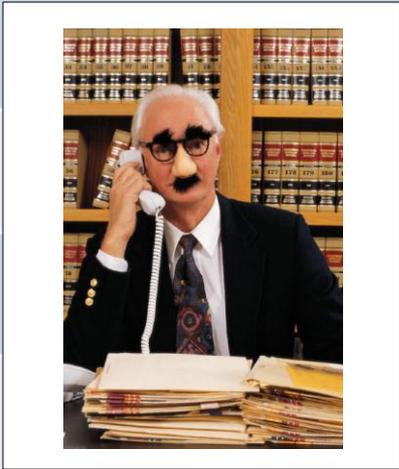
CPU cycle cost (circa 2009)



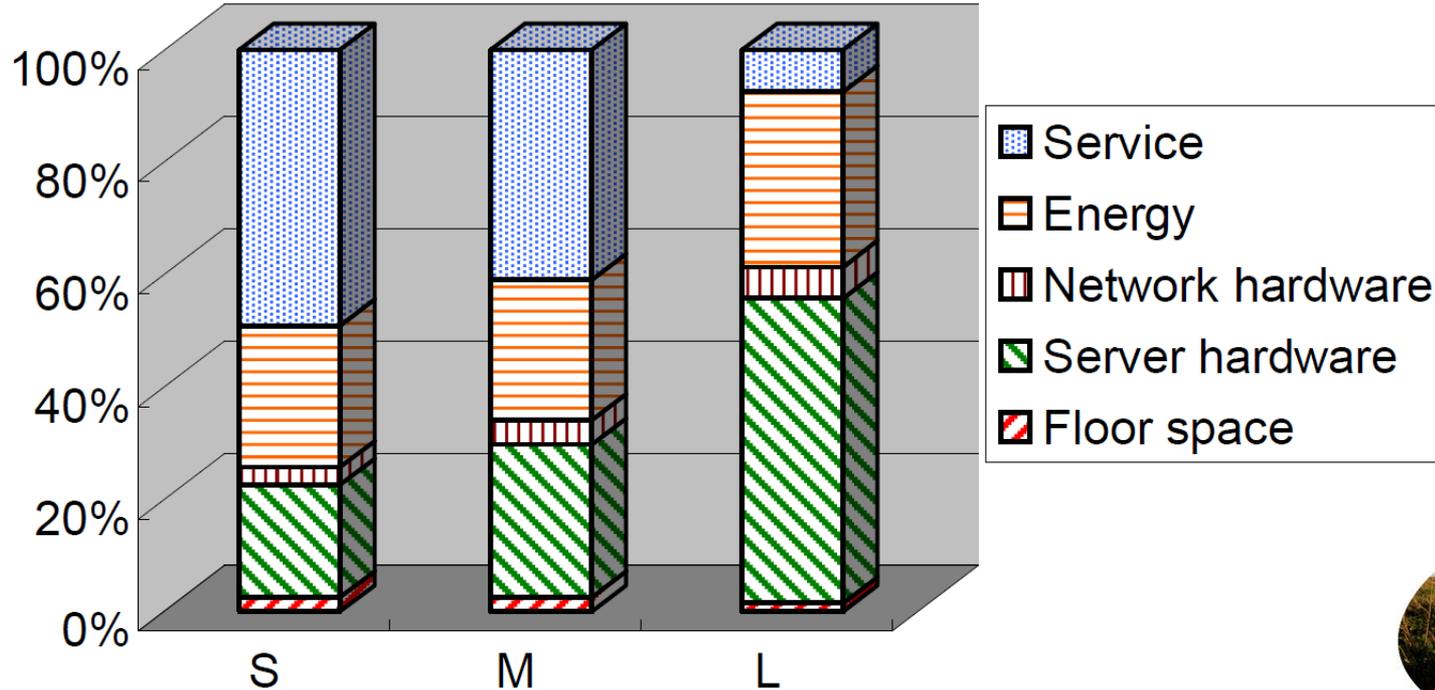
1 picocent = 10^{-14} USD



Consumer clouds today

Provider	Picocents
	0.5 – 2.31
	0.7 – 1.96
	0.93 – 2.36
	0.02 – 2.4

Breakdown



So: is it worth it?

Mostly yes ...

Why ?

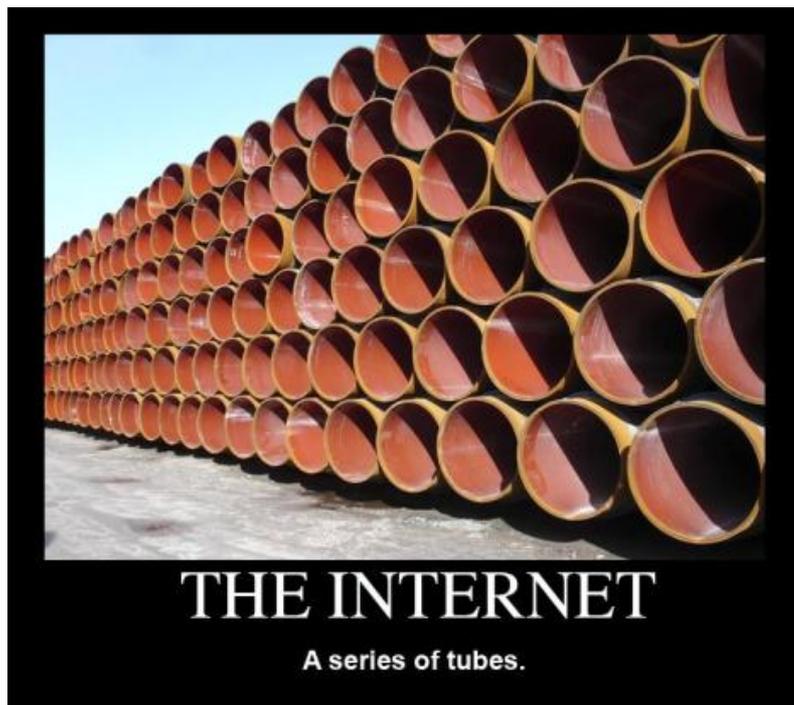
1 client cycle
6-27 US picocents



clients

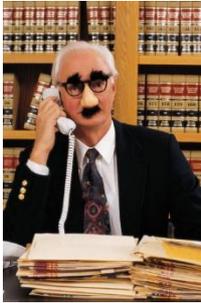
1 cloud cycle
0.58 picocents

What about the tubes?





We are far!

provider	monthly	bandwidth (d/u)	pico-cent/bit
	\$29.95	15 Mbps /5 Mbps	77/231
	\$44.9	30 Mbps /5 Mbps	58/346
	>\$1000	5-1000 Mbps	5000 (est.)
	\$19.99	1 Mbps/384 Kbps	771/2008
	\$29.99	3 Mbps/768 Kbps	386/1506
	\$42.99	7.1 Mbps/768 Kbps	233/2160
Mid-size	\$95 (est.)	1 Mbps (dedicated)	3665 (est.)
Large/cloud	\$13 (est.)	1 Mbps (dedicated)	500 (est.)

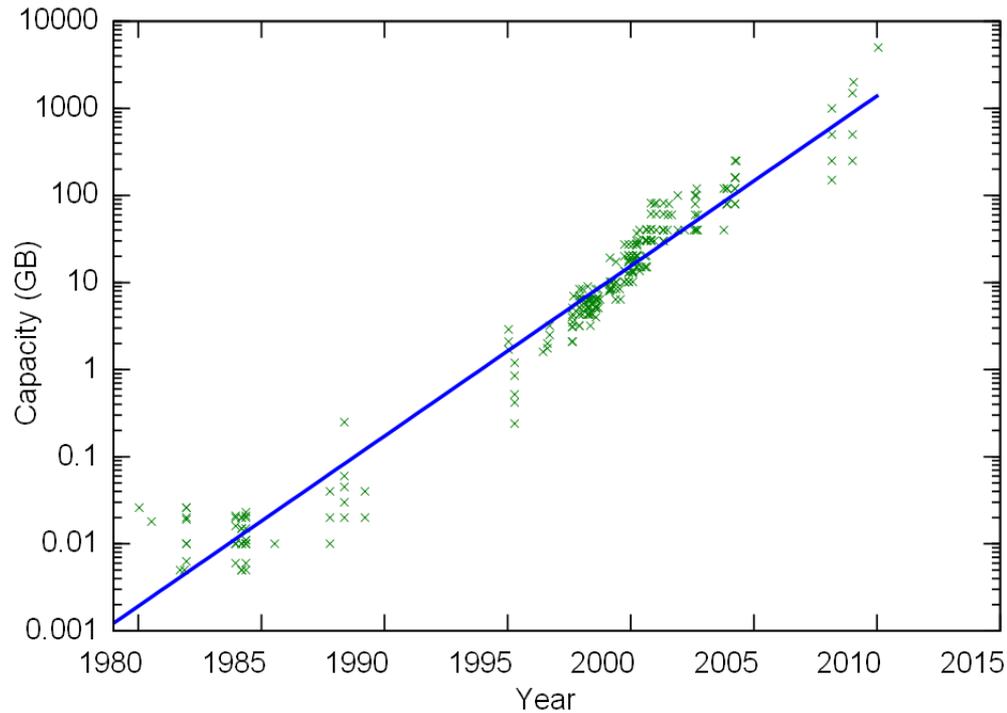
Additional ammunition?

Disk	cap. (GB)	price (USD)	Adj. MTBF (mil.hrs)	amort. acq. (pcent/bit/yr)	power seek (W)	power2 idle (W)	power3 (W)	power cost (pcent/bit/yr)	total cost (pcent/bit/yr)	acq. %	avg. seek time (ms)	avg. seek4 cost (pcents)	power5 read (W)	read cost (pcent/bit)
Maxtor Diamond Max	500	53	0.35	32.89	13.6	8.10	10.85	237.62	270.50	12.16	9.00	377542	11.16	0.03
Hitachi Deskstar 7k500	500	67	0.29	49.89	15	9.60	12.30	269.37	319.26	15.63	8.50	407953		
Hitachi Ultrastar A7K1000	1024	153	0.35	46.36	14	9.00	11.50	122.97	169.33	27.38	8.20	417631		
WD Caviar GP Low Power	1024	103	0.29	37.45	7.5	4.00	5.75	61.49	98.93	37.85	8.90	271994	7.40	0.02
Seagate Barracuda 7200.10	750	63	0.35	26.06	12.6	9.30	10.95	159.87	185.93	14.02	9.25	369615	13.00	0.06
WD Caviar SE16	500	62	N/A		8.77	8.40	8.59	188.01			9.90		8.77	0.04
Samsung SSD	32	269	0.29	3129.65	1	1.00	1.00	342.19	3471.83	90.14	1.70	47912	0.5	0.0017
Intel SSD X18-M	80	389	0.35	1508.59	0.15	0.06	0.11	14.37	1522.96	99.06			0.15	0.0002
Intel SSD X25-M	160	765	0.35	1483.38	0.15	0.06	0.11	7.19	1490.57	99.52			0.15	0.0002

Up to 350 for 3 year lifetime!



Storage capacity over time



So: should I buy a piece of sky?

... not always.

CPU Cycle

6-27 picocents

1 bit storage/year

6 picocents



clients

1 bit network transfer

800-6000 picocents

CPU Cycle

0.58 picocents

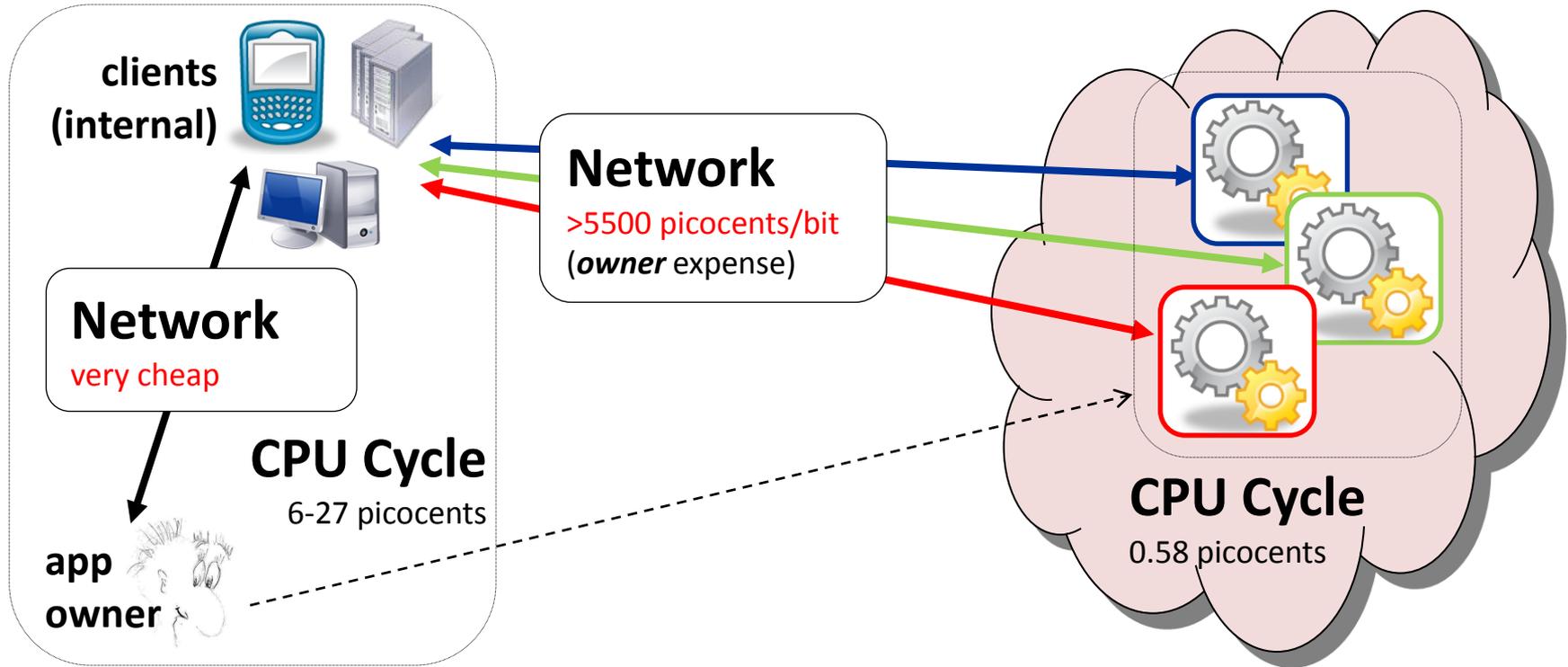
1 bit storage/year

5.3-6 picocents

**LIAR
LIAR**

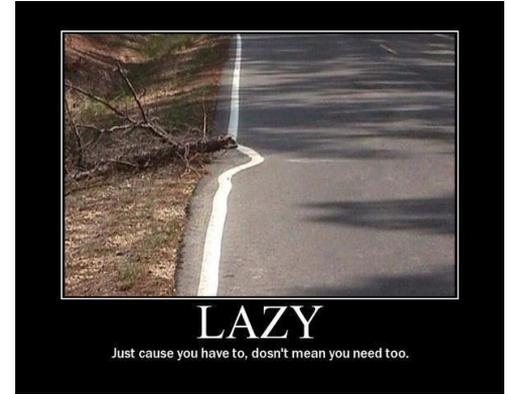


App Owner = Sole Client



So when is it clearly worth it?

Q: is the application doing enough computation work (cheaper) to offset the distance cost to the cloud?



First Principle of Cloud Viability

It is not worth outsourcing any task of less than 4000 CPU cycles per transferred 32-bit input.

Why should this hold tomorrow?

Difference of exponentials is exponential 😊
Moore vs. Nielsen

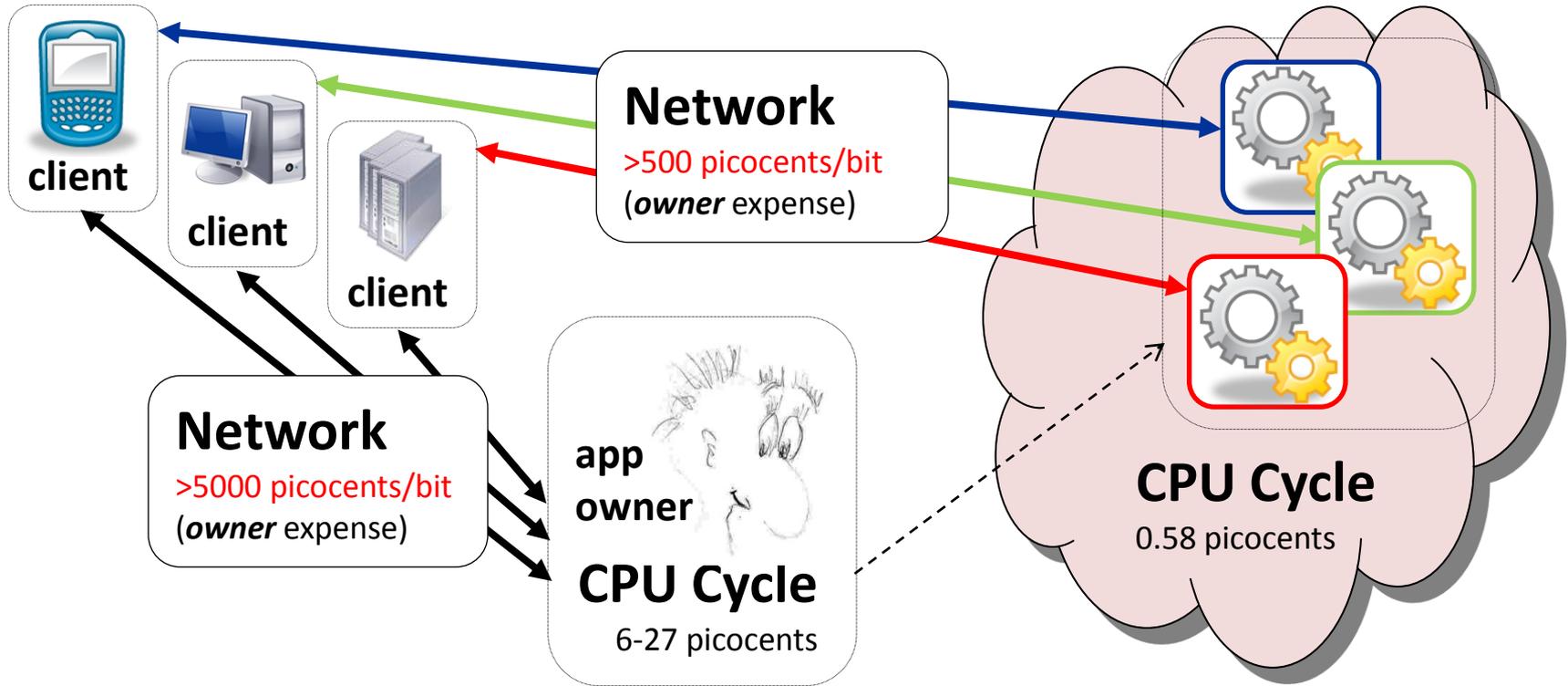


We had only partial view

The **actual question** to ask: what is the overall application profile (comp+net+storage)

Second Principle of Cloud Viability (paraphrased)
“It is almost always worth outsourcing”

App Owner != Client(s)



cloud deployment saves
+ >4500 picocents per client-to-app traffic bit
+ tens of picocents per CPU cycle.

What about other goodies?

Primitive	Picocents
CPU Cycle	0.58 - 26
Disk Access /bit	0.02 - 0.06
Disk Access+DMA /bit	0.023- 0.11
Disk Seek	270,000 - 417,000
Disk Store /bit/hr.	0.011 - 0.036
Disk am. acq. /bit/hr.	0.003 - 0.0057
SDRAM am. acq. /bit/hr.	5.96 - 32.96
SDRAM Access /bit	0.003 - 0.05

Are clouds more or less secure?

+ Yes

+ But what is security?!

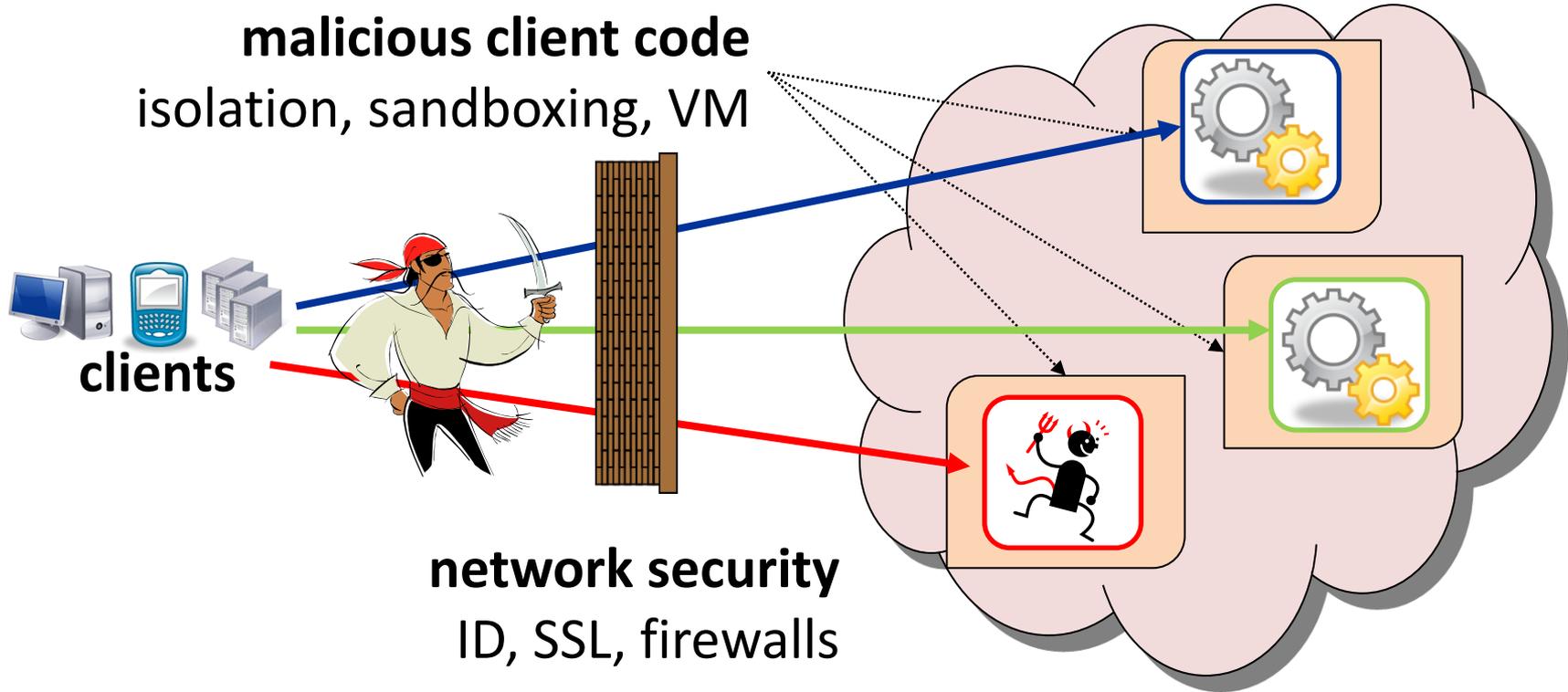
Usually the monkey gets you



_____ Voting Machine



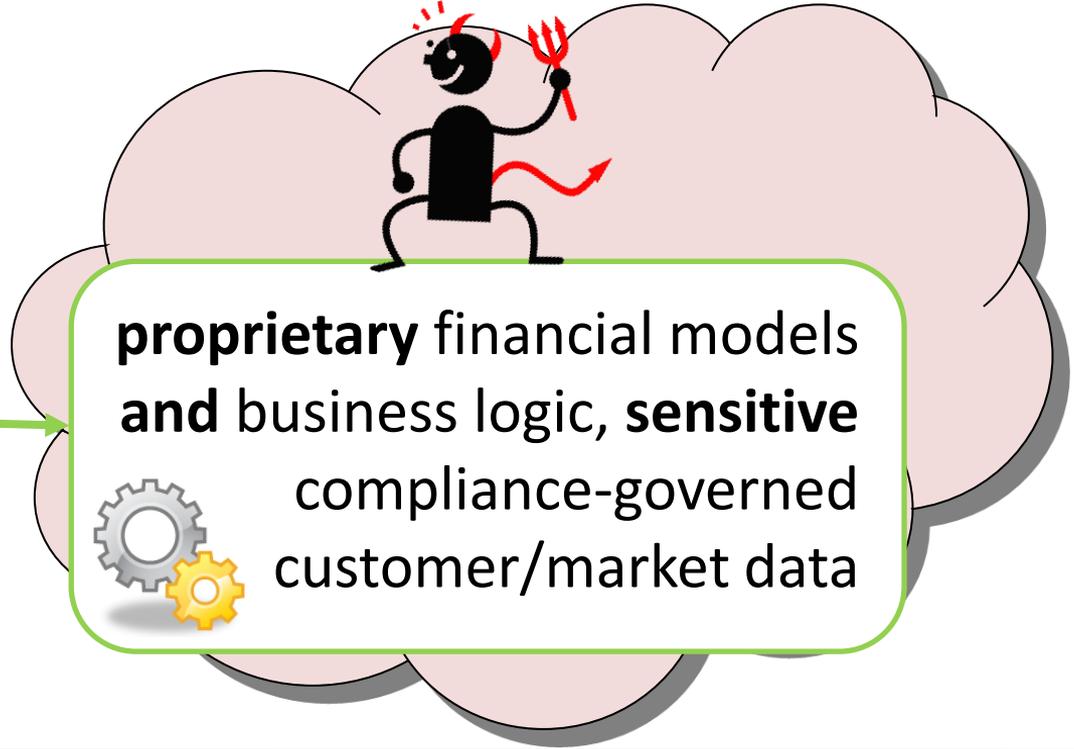
Usual suspects



Secure Outsourcing



**Finance
Inc.**

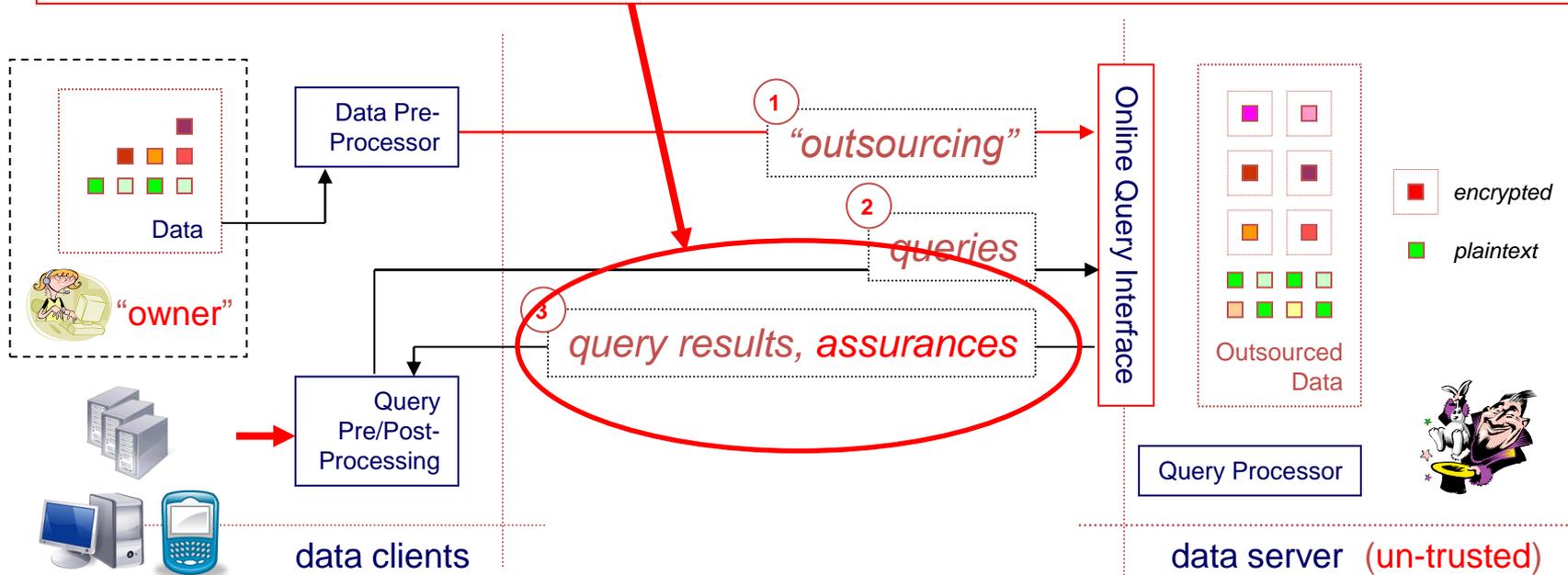


proprietary financial models
and business logic, **sensitive**
compliance-governed
customer/market data



Ideas

$assurances \subseteq \{query\ correctnes, data\ confidentiality, access\ privacy\}$



Brute-forcing 80 bit key?

Oracle costs ~ 1 picocent/bit.

$2^{80} \times 80 / 2 = 5 \times 2^{83}$ picocents
 \sim **\$483.5 billion**

for 64 bits ... **\$5 million** 😊



What can you buy with \$1 ?

500,000 2048-bit DSA sigs
(in the comfort of your home)





