

# To Cloud or Not To.

An exploration of the economics of clouds.

@ ARO CSW 2013



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ver 2.5 widescreen



National Science Foundation  
WHERE DISCOVERIES BEGIN

# Feynman Moment

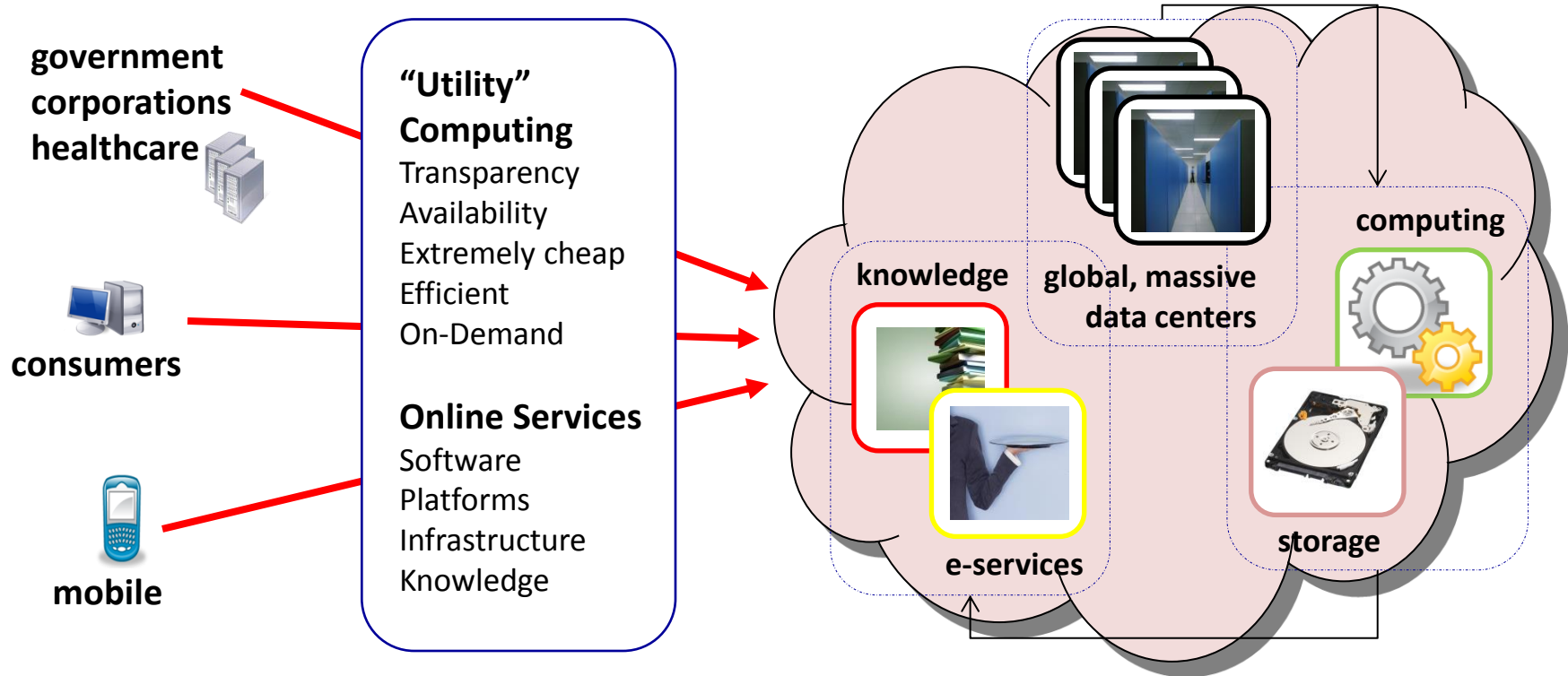


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“I have experience only in teaching graduate students [...] and as a result [...] I know that I don't know how to teach.”

***please interrupt and engage!***

# 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



On your marks, get set, GO

Race to results with the powerful Sun Grid Compute environment and our first class catalog of applications!

» Learn More

**ON DEMAND BUSINESS™**

**ORACLE®**  
DATABASE 11g

**10g**  
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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 (\$/MByte/year)
- + Computing (\$/CPU Cycles)
- + Networking (\$/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+)**



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



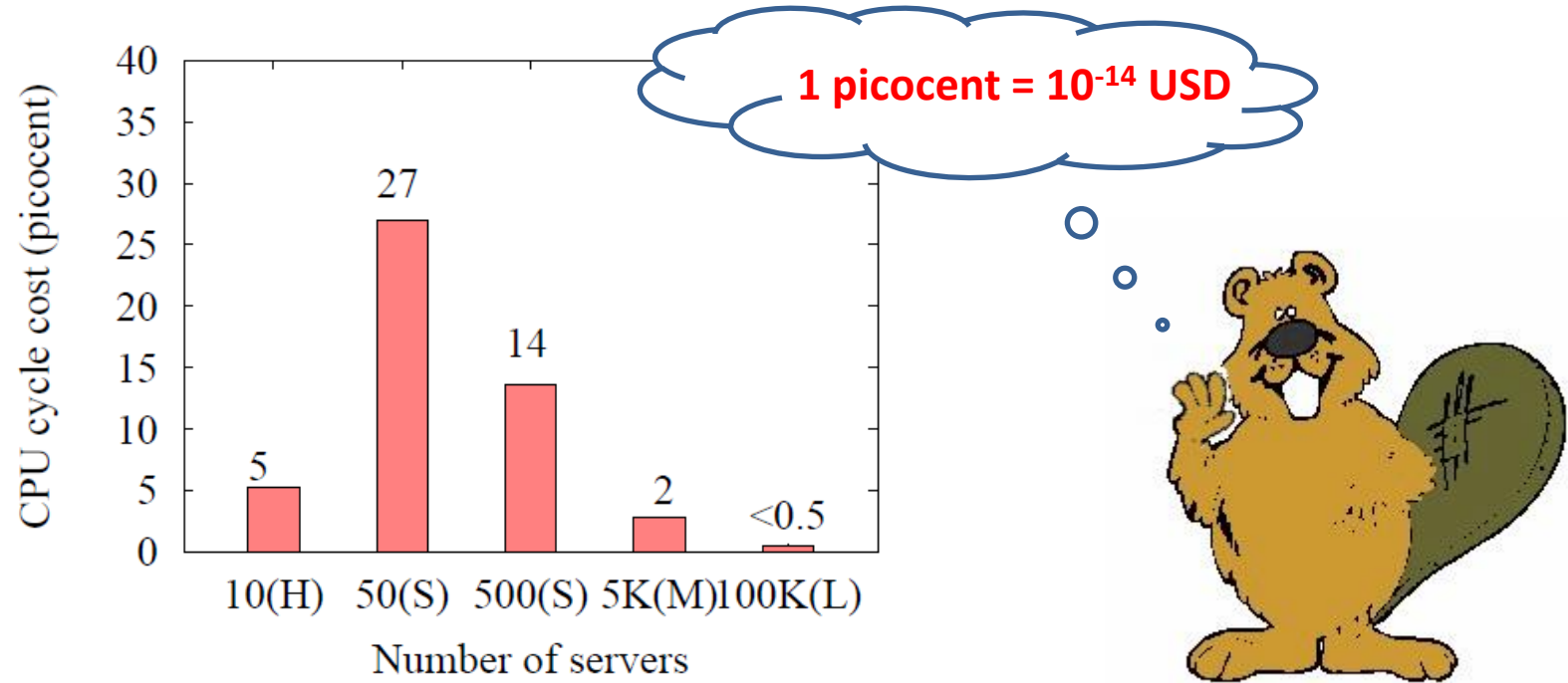
# Understand cost of CPU cycle



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

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

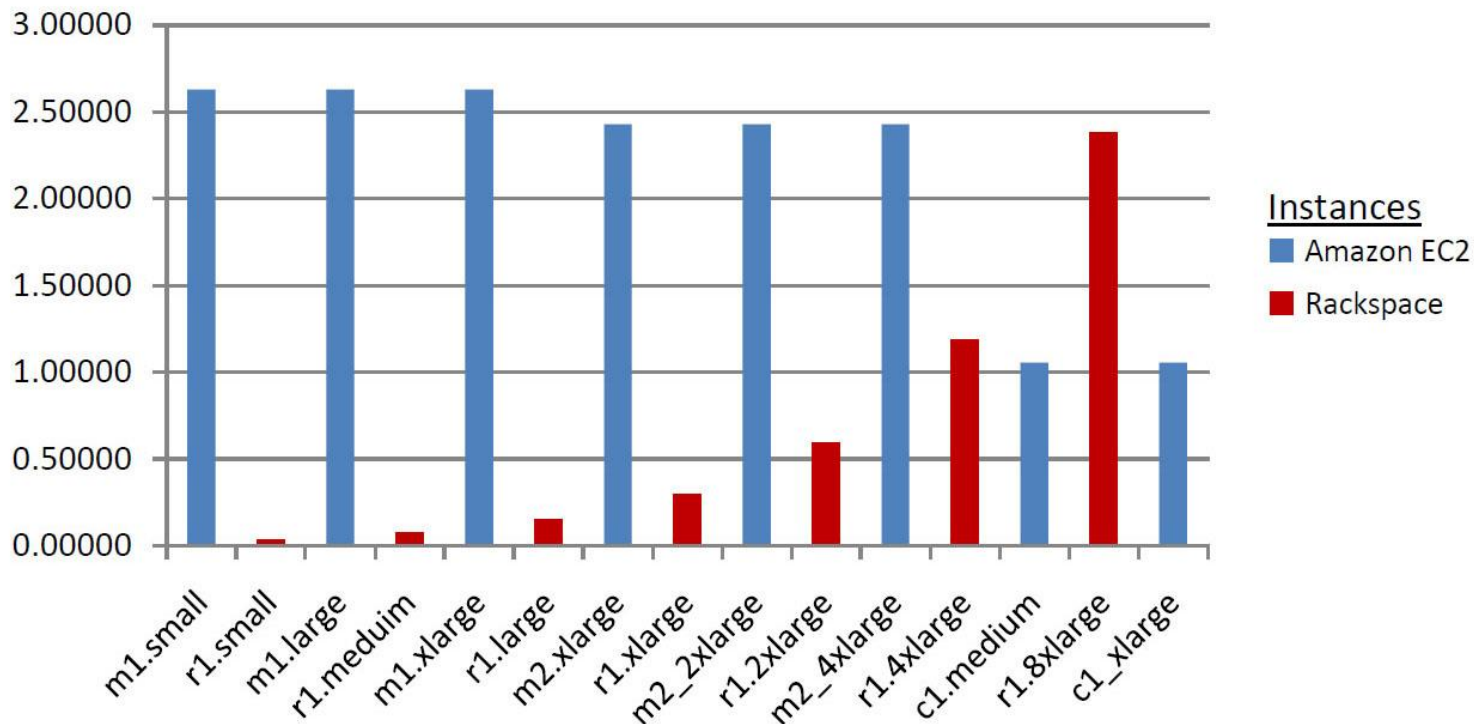
# CPU cycle cost (circa 2009)



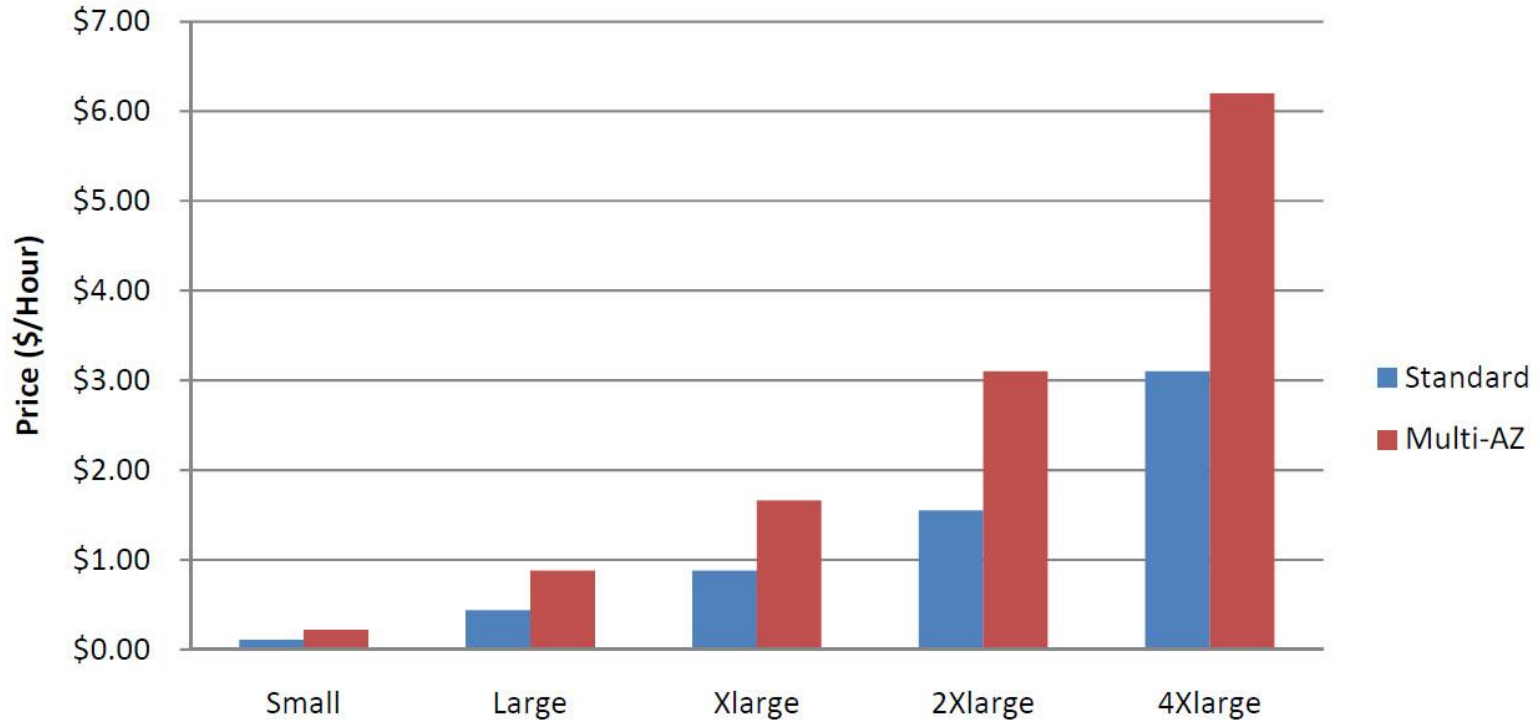
# Consumer clouds today (cca. 2009)

Provider	Picocents
Google	0.5 – 2.31
Microsoft	0.7 – 1.96
Amazon	0.93 – 2.36
Rackspace	0.02 – 2.4

# Rackspace vs. Amazon (2011)

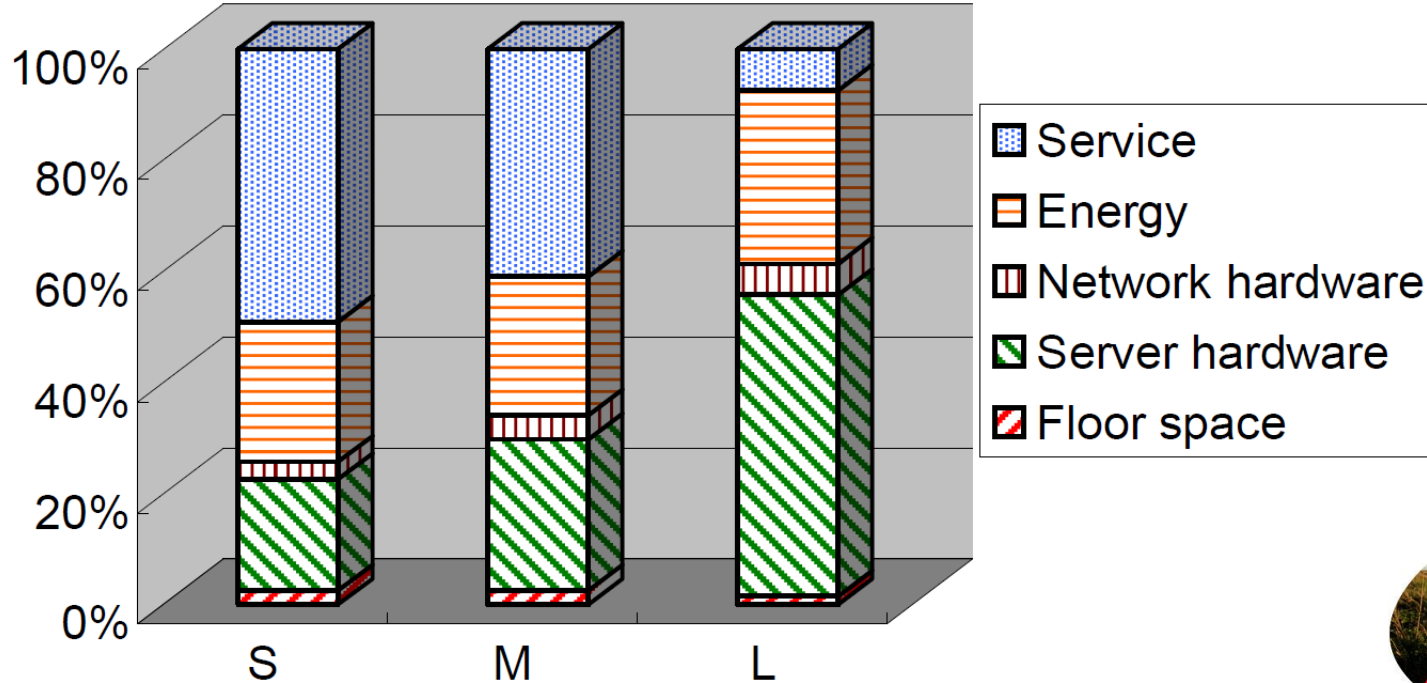


# Amazon RDS (Q4, 2010)





# Breakdown



# So: is it worth it?

## Mostly yes ...

Why ?

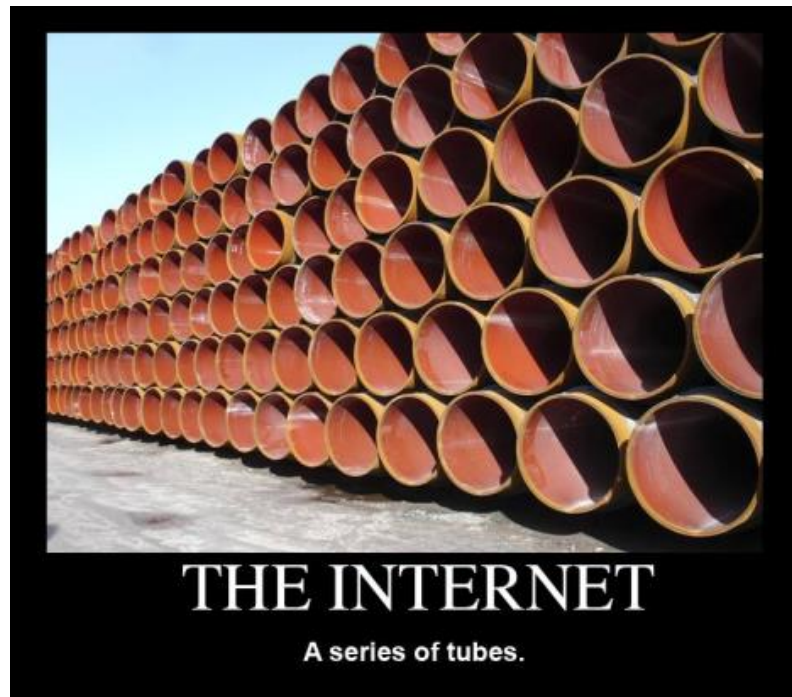
**1 client cycle**  
6-27 US picocents



**clients**

**1 cloud cycle**  
**0.58** picocents


# What about the tubes?







# We are far!

provider	monthly	bandwidth (d/u)	picocent/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.)

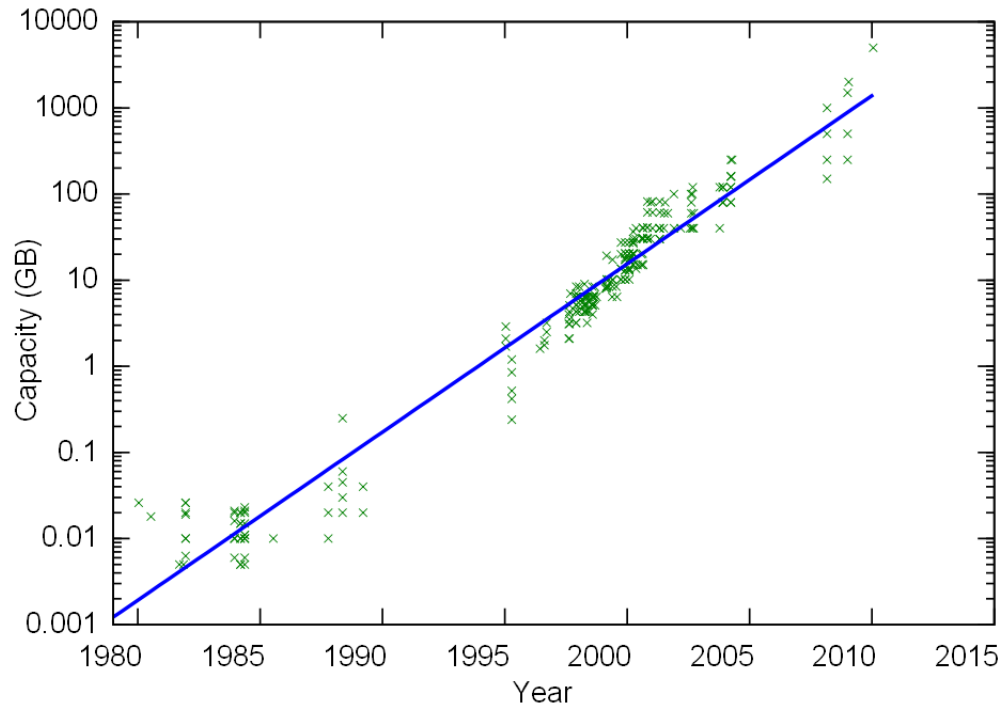
# Additional ammunition?

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

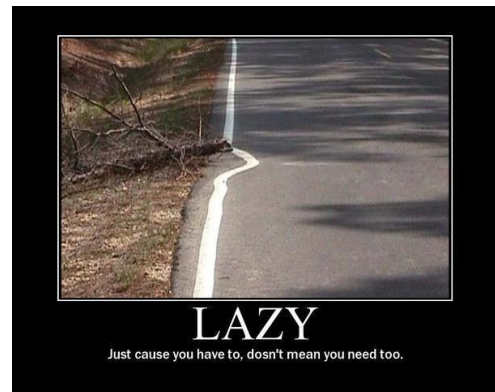
**1 bit storage/year**

5.3-6 picocents



# 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

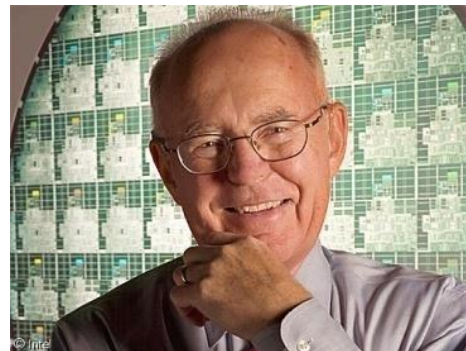
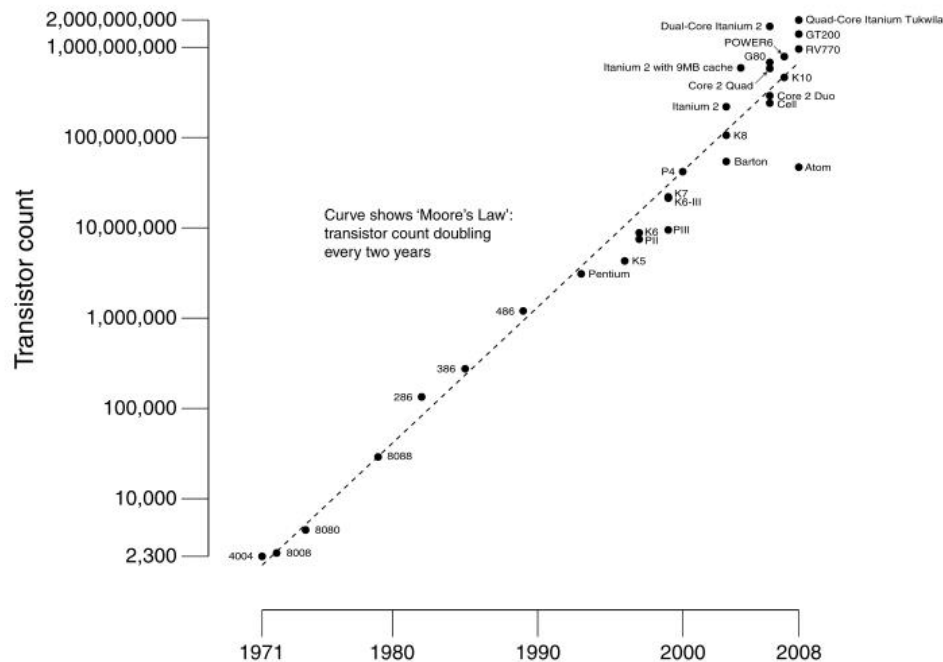
It is not worth outsourcing any task of less than 4000 CPU cycles per transferred 32-bit input.

# Why should this hold tomorrow?

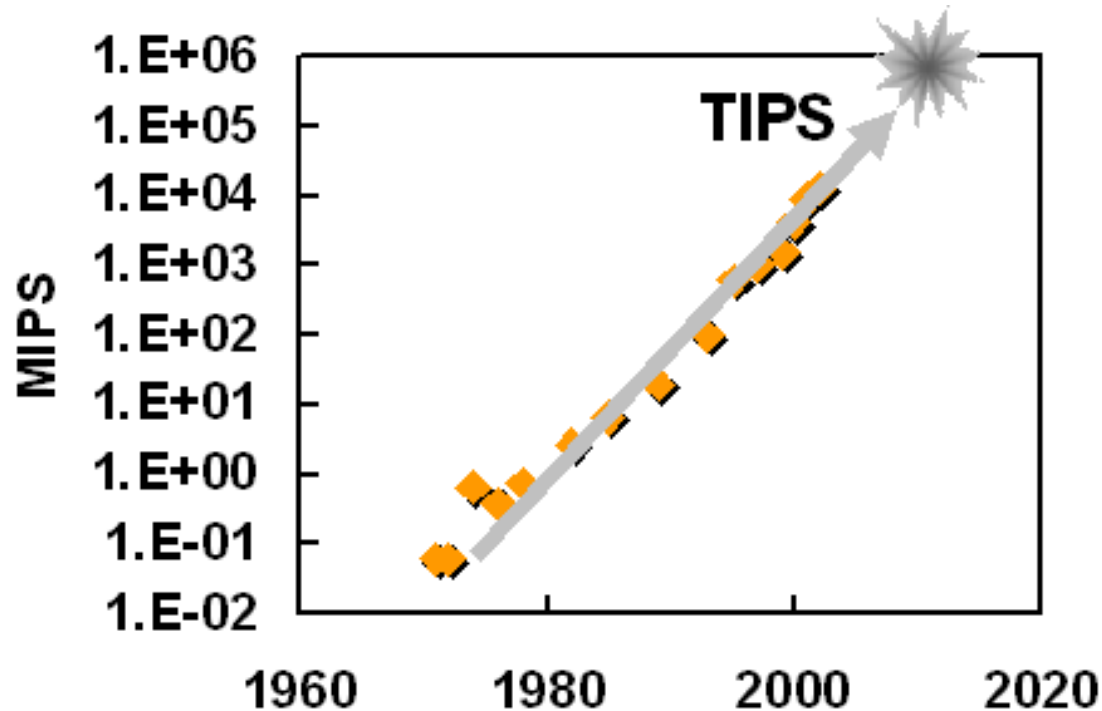
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**Ratio of exponentials is exponential 😊**  
Moore vs. Nielsen

# Density (or cycles/\$)

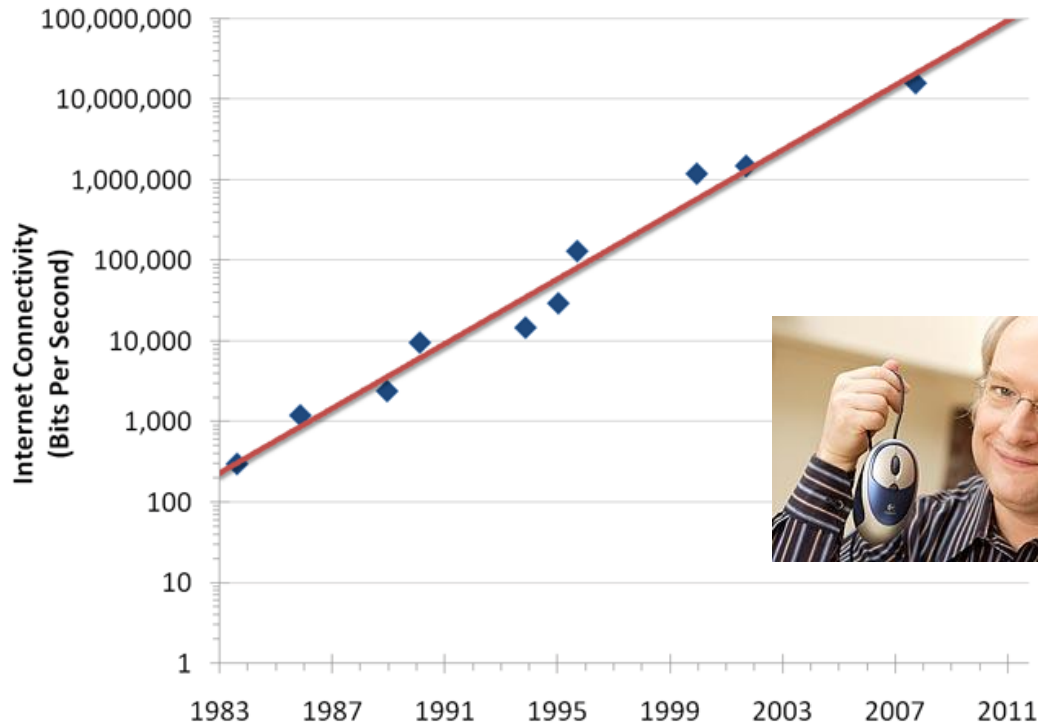


# Speed



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

# Networks

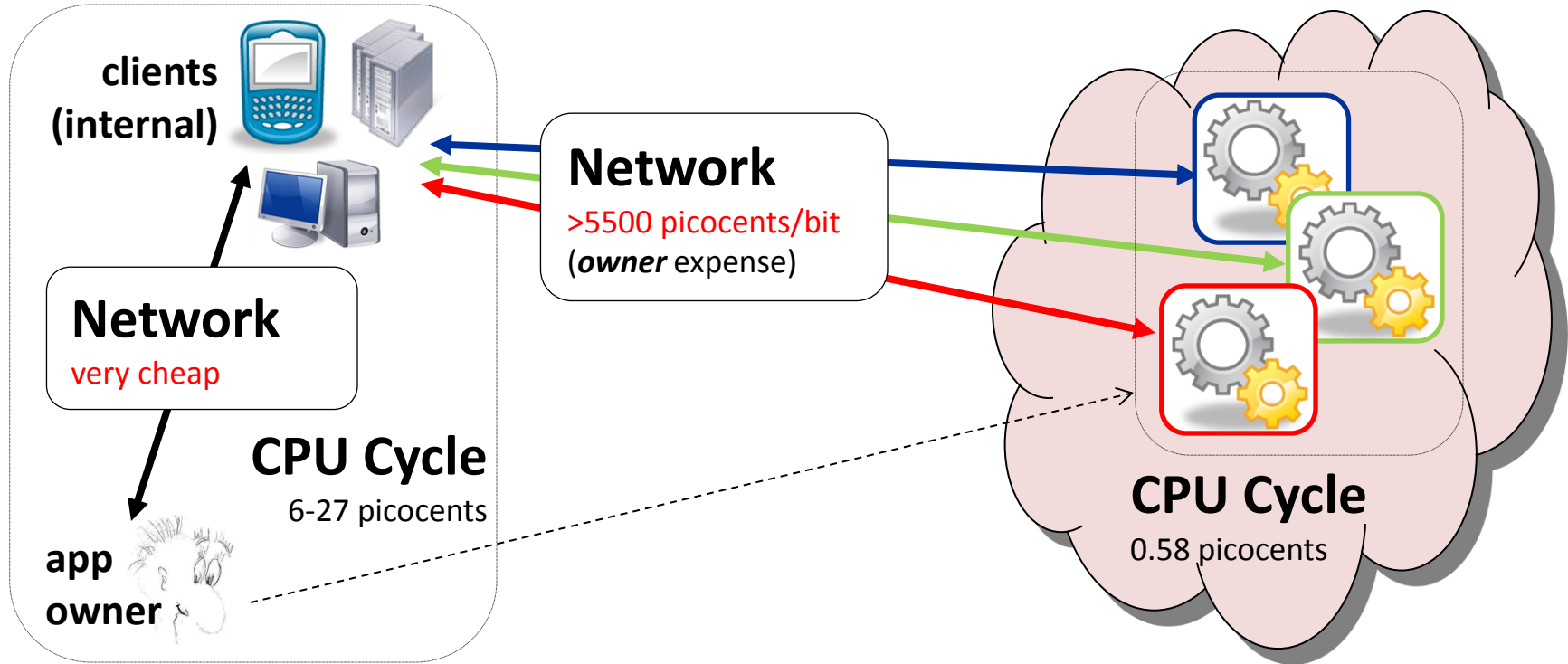


*“high end connection speed grows 50% per year”*

**LIARLIAR**



# App Owner = Sole Client



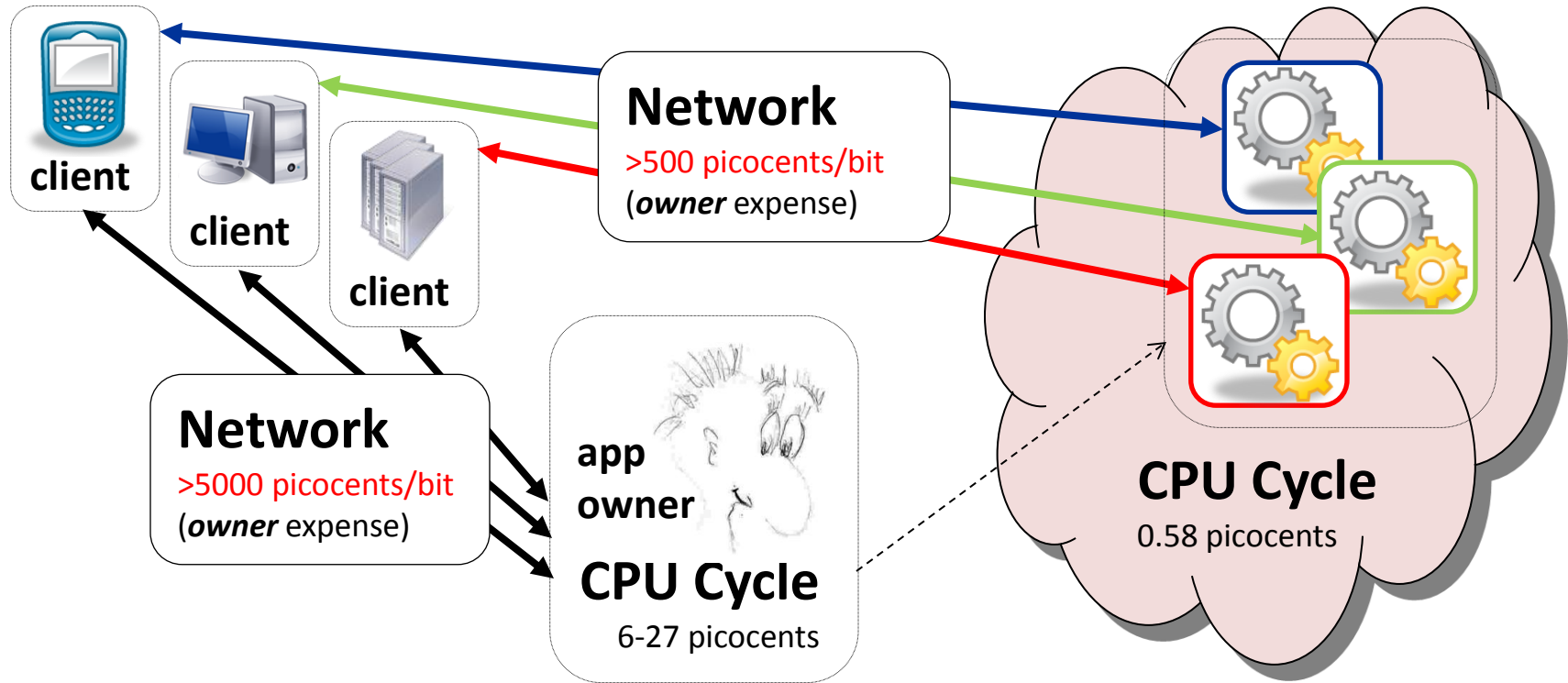
# But is this the nominal case?

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**actual question to ask**  
what is the overall application profile?



# App Owner != Client(s)



# Insight: we had only partial view!

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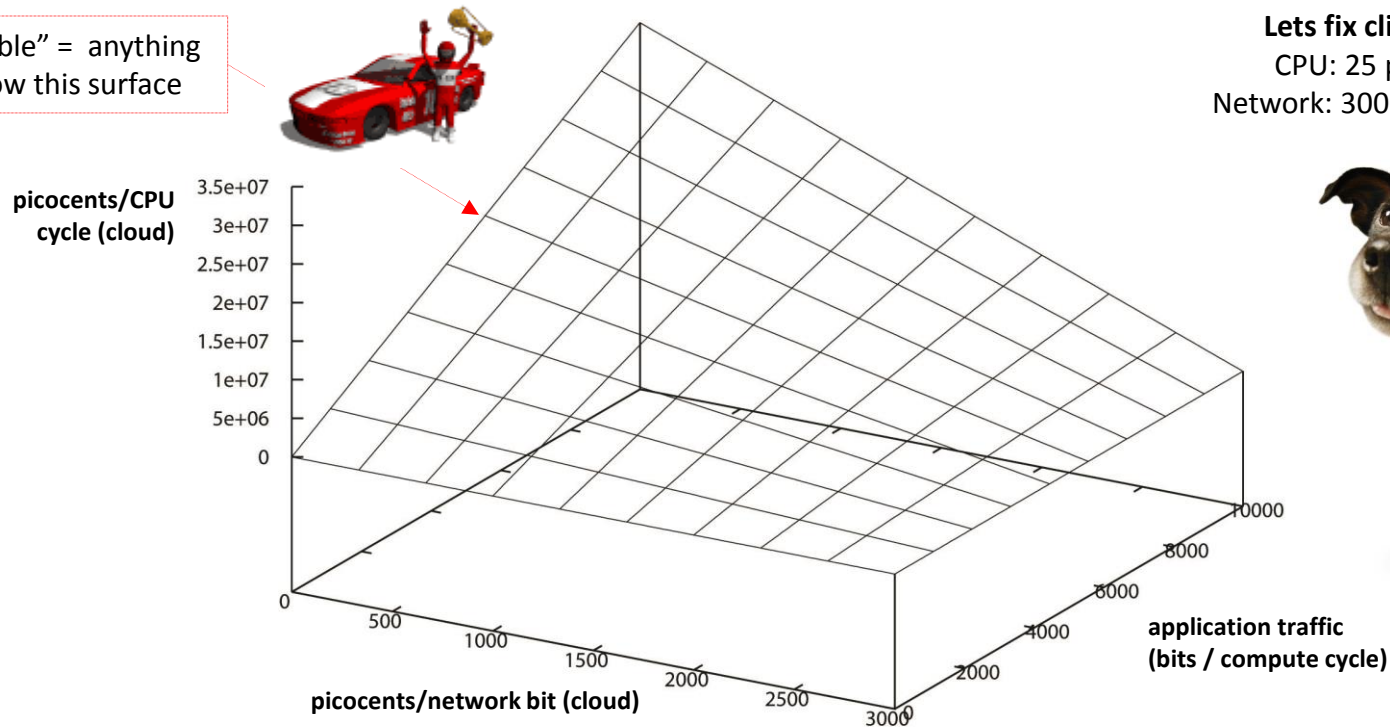
## Second Principle of Cloud Viability

“It is almost always worth outsourcing”

# Boundary surface of cloud viability

Economics of Clouds

"viable" = anything below this surface



Lets fix client-side costs:

CPU: 25 picocents/cycle

Network: 3000 picocents/bit



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



Hmmm ...

# But ... it seems sooo expensive!!!

## Computing in cloud

$8\text{c}/\text{hour} = \$1.92/\text{day} = \$700/\text{yr} \equiv \$2100/3\text{yr}$

Instance utilization is still low! ( $<12\%$ )

## Computing “at home”

energy =  $10\text{c}/\text{kWh}$  @  $150\text{W} \equiv \$394/3\text{yr}$

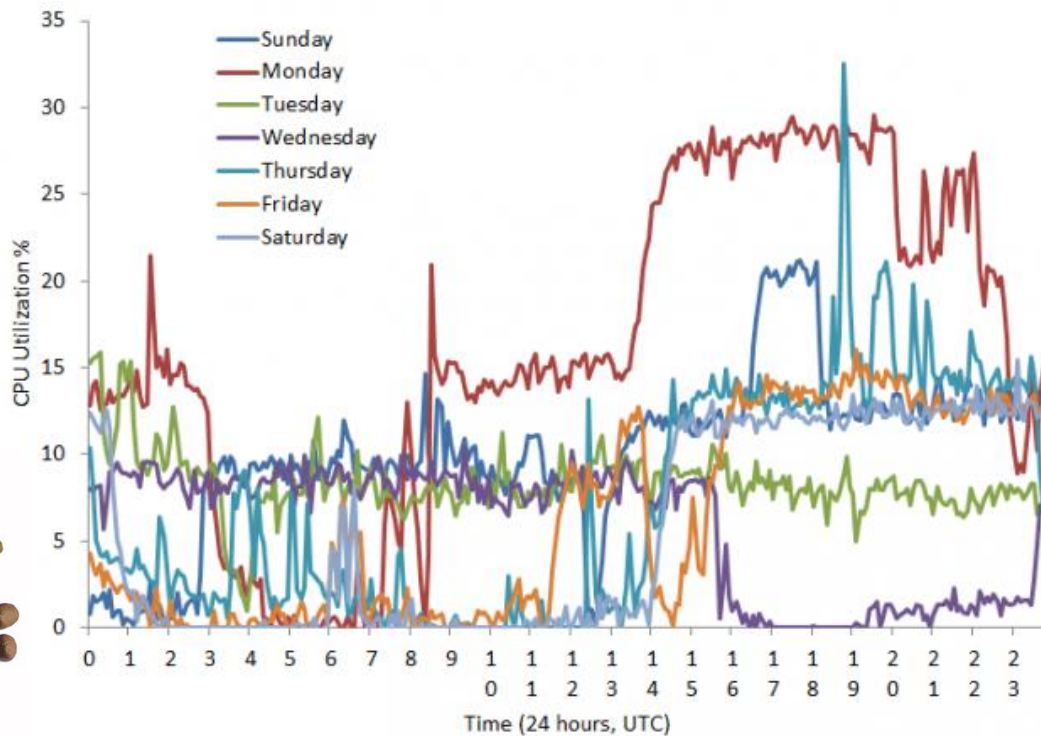
acquisition =  $\$500$

## Networking in cloud

$5\text{-}12\text{c}/\text{GB} = 582\text{-}1397 \text{ picocents/bit}$

# Cloud CPU utilization (temp. based)

Economics of Clouds





**But wait  
theres  
more!**





# 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	<b>270,000 - 417,000</b>
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

# Crypto costs

	<b>AES</b> 128 bits	<b>DES</b> 64 bits	<b>TDES</b> 64 bits
H	13	37	103
S	25	76	208
M	8	26	70
L	1	3	8

AES, DES costs (per bit).

	<b>512bit</b>	<b>1024bit</b>	<b>2048bit</b>
H	5.58E+5	2.15E+6	8.48E+6
S	1.12E+6	4.34E+6	1.71E+7
M	3.79E+5	1.46E+6	5.76E+6
L	4.55E+4	1.75E+5	6.92E+5

Modular Multiplication

	<b>MD5</b>			<b>SHA1</b>		
bytes	4096	64	8	4096	64	8
H	40	90	460	100	220	1000
S	70	190	940	100	440	1880
M	20	60	320	70	150	640
L	3	8	30	8	17	80

Per-byte cost of hashing (varying inputs)

# Crypto costs

	512 bit		1024 bit		2048 bit	
	Encrypt	Decrypt	Encrypt	Decrypt	Encrypt	Decrypt
H	3.23E+6	4.36E+5	2.52E+7	1.72E+6	2.00E+8	6.84E+6
S	6.53E+6	8.82E+5	5.10E+7	3.48E+6	4.04E+8	1.38E+7
M	2.20E+6	2.96E+5	1.71E+7	1.17E+6	1.35E+8	4.65E+6
L	2.64E+5	3.56E+4	2.06E+6	1.40E+5	1.63E+7	5.58E+5

Cost of RSA.

	ECDSA-163		ECDSA-409		ECDSA-571	
	KG/SGN	Verify	KG/SGN	Verify	KG/SGN	Verify
H	30	70	250	500	570	1100
S	70	140	500	1020	1100	2220
M	20	50	170	340	370	740
L	2	6	20	40	45	90

ECDSA (NIST B-163 curve) signatures on 59-byte messages (curve over a field of size  $2^{163}$ ,  $2^{409}$ ,  $2^{571}$  respectively). (**microcents**)

# Are clouds more or less secure?

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+ Yes

+ But what is security?!

## Economics of Clouds

NEVER TRUST A SMILING CAT

REPUBLIQUE DE GUINEE

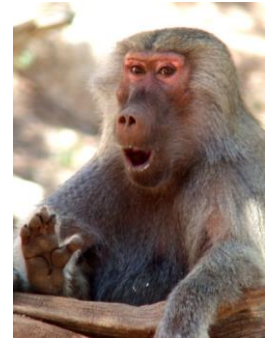
1500

GARFIELD

# Usually the monkey gets you

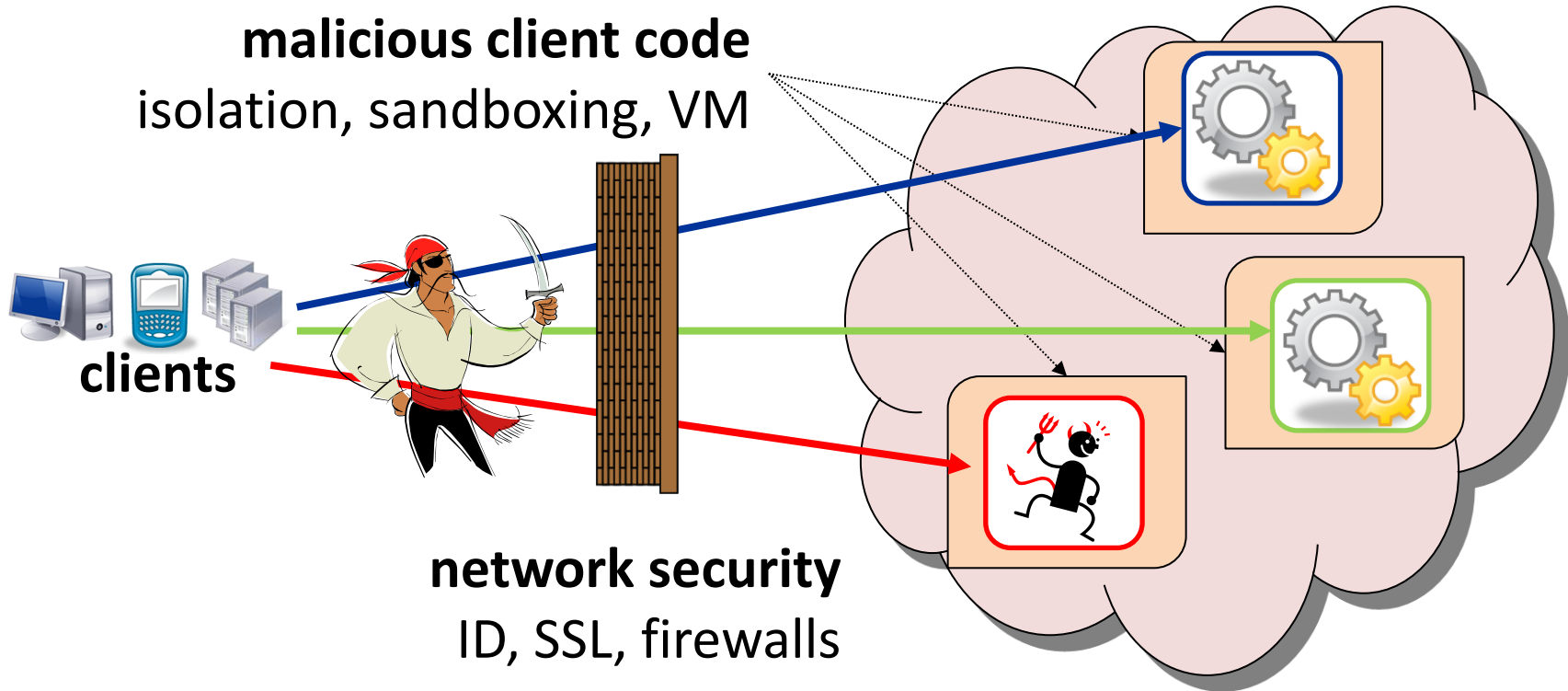


online public picture of *actual* key



\_\_\_\_\_ Voting Machine

# Usual suspects



# Secure Outsourcing



**Finance  
Inc.**

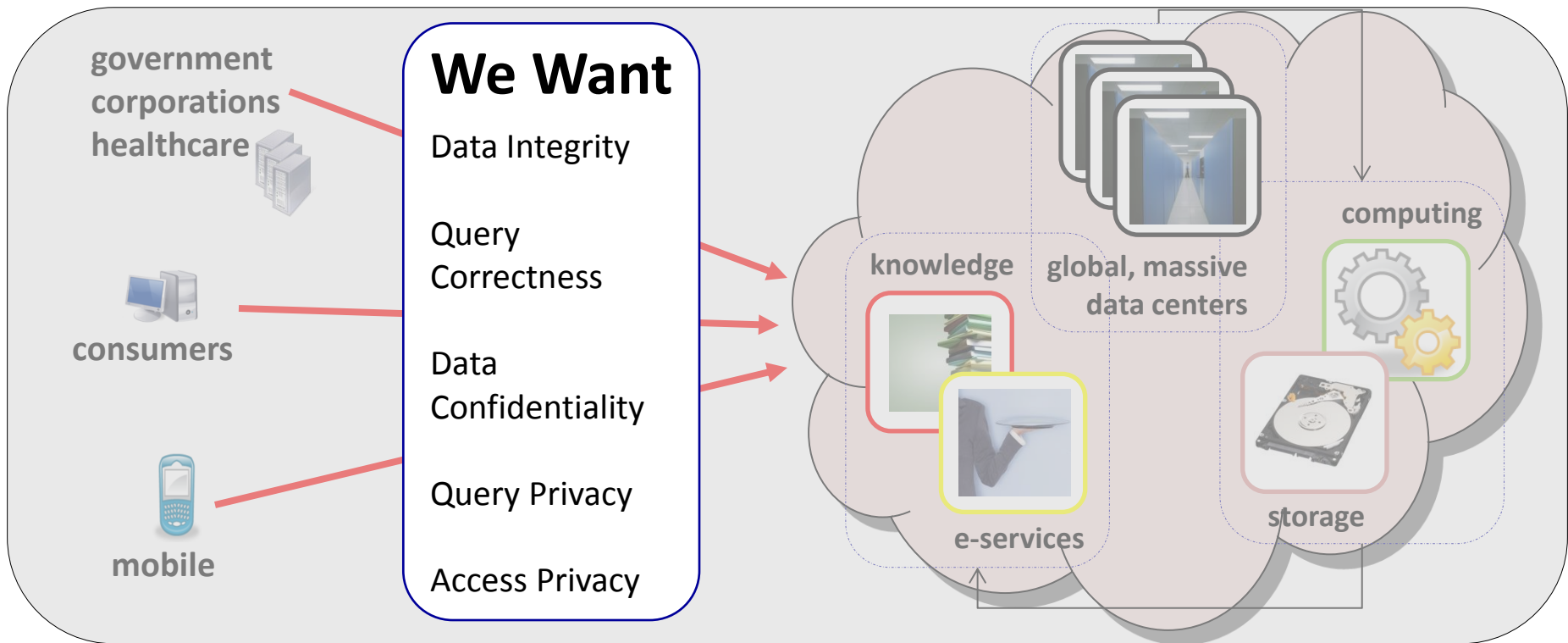


**proprietary** financial models  
**and** business logic, **sensitive**  
compliance-governed  
customer/market data





# Ideas



# Diffie Moment



“Whit” Diffie

“while it is possible in principle for computation to be done on encrypted data, [...] current techniques would more than undo the economy gained by the outsourcing and show little sign of becoming practical”.

# So ... do they work?

## Unfortunately, not!

Why **not** ?

peanut counting  
is (too) cheap.



clients



we don't know how to  
*practically* "secure"  
anything more complex  
than peanut counting.

# Peanut counting: in cloud vs. local

## Data Storage

700+ picocents/bit un-amortized **extra costs** (even in unsecured case!)

## PIR (Private Information Retrieval)

2-3 orders of magnitude more expensive

## Keyword Searches

4-5 orders of magnitude more expensive

## Range Queries

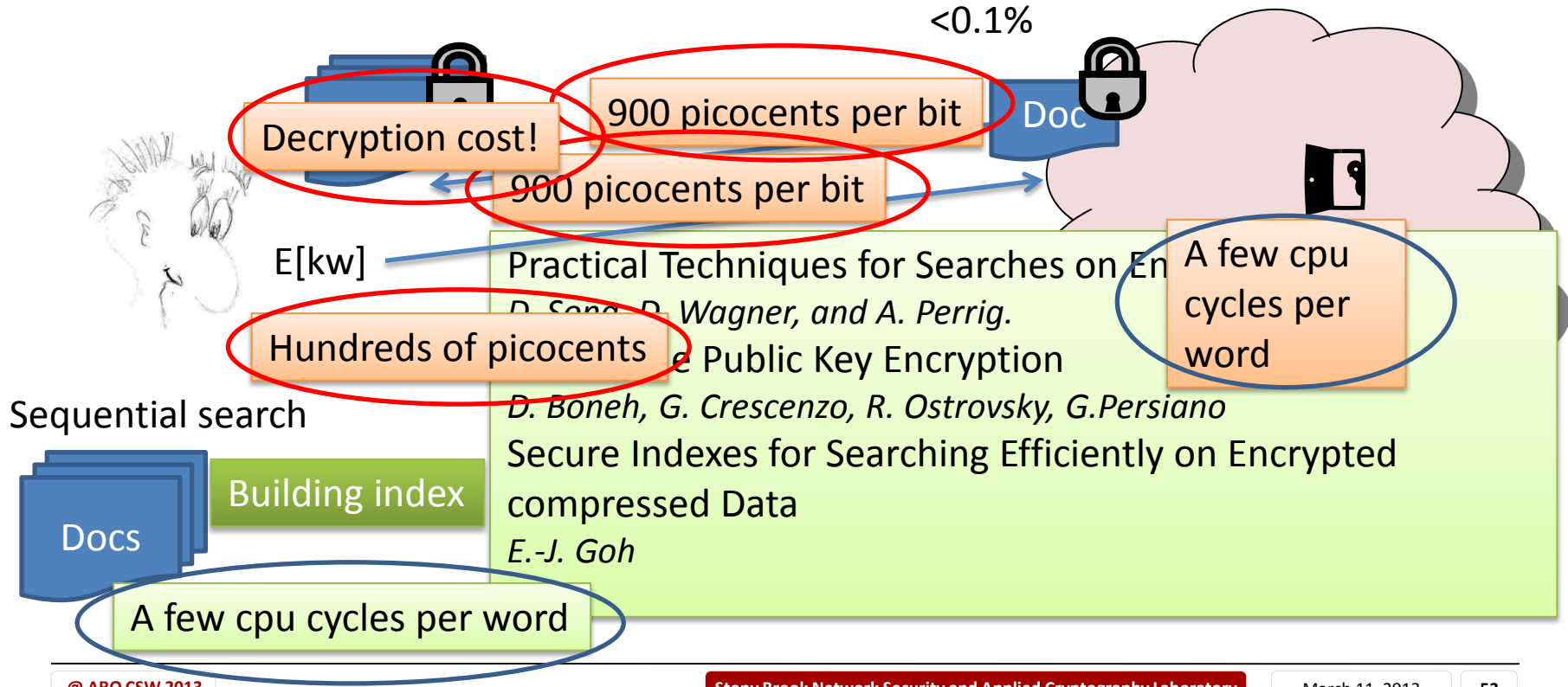
2-3 orders of magnitude costlier even in unsecured case  
some crypto (signature aggregation) would add another 2+ orders

## Simple Aggregators

using homomorphisms (e.g., VLDB 2007) – would take 12 days/query for secure parameters



# e.g., storage + data confidentiality



# It's broken

Existing “secure” data outsourcing mechanisms are **2-5 orders of magnitude more expensive** than local execution.



# Brute-forcing 80 bit key?

Oracle costs  $\sim 1$  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 ?

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





# ACM CCSW 2013 in Berlin



The screenshot shows a Firefox browser window with the address bar displaying 'digitalpiglet.org/nsac/ccsw13/'. The page title is 'CCSW 2013: The ACM Cloud Computing Security Workshop'. Below the title, it says 'in conjunction with the [ACM Conference on Computer and Communications Security \(CCS\)](#)' and '4-8 November 2013, Berlin.' To the right of the title is the ACM SIGSAC logo. A navigation bar contains links: [dates](#) | [submission info](#) | [registration](#) | [speakers](#) | [program](#) | [organizers](#) | [CFP](#). The main text reads: 'Notwithstanding the latest buzzword (grid, cloud, utility computing, SaaS, etc.), large-scale computing and cloud-like infrastructures are here to stay. How exactly they will look like tomorrow is still for the markets to decide, yet one thing is certain: clouds bring with them new untested deployment and associated adversarial models and vulnerabilities. It is essential that our community becomes involved at this early stage. The CCSW workshop aims to bring together researchers and practitioners in all security aspects of cloud-centric and outsourced computing, including:'. A bulleted list follows: 

- practical cryptographic protocols for cloud security
- secure cloud resource virtualization mechanisms
- secure data management outsourcing (e.g., database as a service)
- practical privacy and integrity mechanisms for outsourcing
- foundations of cloud-centric threat models
- secure computation outsourcing
- remote attestation mechanisms in clouds
- sandboxing and VM-based enforcements
- trust and policy management in clouds
- secure identity management mechanisms
- new cloud-aware web service security paradigms and mechanisms
- cloud-centric regulatory compliance issues and mechanisms
- business and security risk models and clouds
- cost and usability models and their interaction with security in clouds
- scalability of security in global-size clouds
- trusted computing technology and clouds
- binary analysis of software for remote attestation and cloud protection
- network security (DOS, IDS, etc.) mechanisms for cloud contexts



