DISPATCH 024 · 2026-06-24 | GSV THE FLOOR WANTED EQUITY

When the Stack Started Owning Its Floor

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> *“A model company designing inference silicon is making a claim about where its margins, latency, and product promises will be protected.”*
>
> — from this episode's transcript

Liraen Vask

Halek Vauth

OpenAI's Jalapeno chip announcement sets the day's tension: frontier AI companies are trying to own more of the infrastructure below the model, while governments, customers, and competitors test how much control that creates.

- OpenAI's Jalapeno announcement puts a model company into custom inference silicon with Broadcom, which makes infrastructure control part of the product story rather than a procurement footnote.
- Greg Brockman's post adds the nine-month design-to-tape-out claim, which turns the chip into a case study in using models to compress hardware development.
- CNBC's Qualcomm report names Meta as a customer for the Dragonfly C1000 data-center CPU, with production expected in 2028, so the demand signal is strong but not immediate capacity.
- CNBC's Anthropic and Alibaba report describes Anthropic's accusation of a large Claude distillation campaign, making access enforcement and model IP a live platform-control problem.

- Latent Space's Databricks interview gives the builder counterweight: agents need runners, servers, state, auth, sandboxes, and data boundaries before they become dependable tools.
- The Guardian's ICE and CBP surveillance report shows the same adoption pressure moving through public institutions, where attribution, review, and rights questions arrive before norms settle.

SEGMENTS

00:00:04	Custom inference floor
00:03:03	Qualcomm's demand signal
00:05:20	Distillation and enforcement
00:07:34	Agents become infrastructure
00:10:25	Policy meets physical limits
00:11:51	Public institutions adopt first

Transcript

Liraen Vask 00:00:04

A chip goes to tape-out in nine months, and the company announcing it says its own models helped compress the work. That is the scenario OpenAI put in front of everyone today with Jalapeno, its first custom inference chip built with Broadcom for ChatGPT, Codex, and the API. The hardware is interesting. The more revealing part is the claim about who gets to redesign the floor under the model.

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Halek Vauth 00:00:28

Yeah, because inference silicon is where the product promise starts meeting the power bill. If OpenAI can tune a chip around its own serving patterns, the wins aren't abstract. They show up as lower latency, better throughput, cheaper generated tokens, and maybe fewer moments where a third-party supply chain tells the product team what it can afford to ship.

Liraen Vask 00:00:47

The OpenAI post is the primary artifact. Greg Brockman's post adds a sharper claim: design to tape-out in nine months, helped by OpenAI's own models. That needs care because tape-out isn't the same thing as deployed capacity. The announcement says Broadcom and OpenAI built a purpose-built inference chip. It doesn't say OpenAI can walk away from the rest of the accelerator market.

Halek Vauth 00:01:12

That distinction matters. A custom inference chip can still depend on Broadcom and foundry capacity. It also needs packaging, memory, networking, and a serving stack that knows how to use it. But the nine-month claim, if it holds up, is a bigger operational story than the name Jalapeno. Hardware cycles are usually where software companies learn patience against their will. OpenAI is saying the model can help squeeze that cycle.

Liraen Vask 00:01:33

And that turns the lead story into a systems story rather than a victory lap. On Monday, CONSTRUCT talked about patching becoming part of the product. Yesterday, BRAID was on chip access as diplomacy. Today is narrower and more concrete: a model company is trying to own more of its inference path, and it is presenting the model itself as part of the design toolchain.

Halek Vauth 00:01:56

The operator asks a plain question: what can they measure once this is in production? I want tokens per watt. I want tail latency under mixed ChatGPT and API load. I want failure behavior when demand spikes, and I want to know whether Codex workloads get a different serving profile than chat. A custom chip announcement is a promise. A production graph shows whether that promise pays rent or becomes a very expensive mascot.

Liraen Vask 00:02:17

There is also a control claim. If you own the model and influence the chip, you can make product bets that a pure cloud customer can't make as easily. You can decide which workload deserves silicon attention. You can design around your own context-window behavior, batching, and routing. That doesn't make the rest of the industry irrelevant. It makes OpenAI less like a tenant and more like someone negotiating the building plan.

Halek Vauth 00:02:43

And the tenant still needs a landlord with fabs. [chuckle] Broadcom isn't decorative here. The source-supported version of the story is partnership, not independence. But partnership is still different from shopping. If OpenAI can walk into a Broadcom design conversation with traces from its own workloads and model-assisted design experiments, it has leverage a normal buyer doesn't have.

Liraen Vask 00:03:03

Qualcomm made a different bet today. CNBC and Techmeme have the Dragonfly C1000 data-center CPU, aimed at agentic AI workloads, with Meta named as a customer when production starts in 2028. That timing isn't a footnote. It says this is a road map and a demand signal, not a rack you can order next week.

Halek Vauth 00:03:25

And it is a CPU story, which keeps it from collapsing into the OpenAI segment. OpenAI is vertical integration around inference. Qualcomm is saying agent workloads create enough data-center demand that a new CPU lane is worth building. The Meta name matters because it tells other buyers, investors, and software partners that this isn't just a whiteboard part.

Liraen Vask 00:03:46

The same cluster has Qualcomm raising the revenue story around this push, plus a Modular software-stack deal. That software piece is easy to underplay, but it may be the more practical clue. A data-center CPU for AI workloads has to fit into compiler paths, runtimes, orchestration, and developer assumptions. Otherwise, it becomes impressive silicon with a very lonely ecosystem.

Halek Vauth 00:04:11

Exactly. Developers don't deploy to a chip. They deploy through kernels and schedulers. They need libraries, observability, and procurement rules that make the part usable. Modular gives Qualcomm a way to say, we have a stack story, not only a die shot. I would still want to see the compatibility list: the PyTorch path, the container story, the profiling tools, what happens with mixed accelerator nodes, and how much code has to be rewritten.

Liraen Vask 00:04:32

The two hardware stories are taking different risks. OpenAI is optimizing a known internal demand curve. Qualcomm is trying to sell into a future demand curve where agents are common enough that the CPU around them becomes a product category. One asks whether OpenAI can make its own stack cheaper and faster. The other asks whether the market will have enough agent work in 2028 to justify a new platform lane.

Halek Vauth 00:04:58

I buy the demand direction more than I buy any single vendor's timing. Agents create long-running sessions, background jobs, tool calls, vector lookups, code execution, browser automation, and permissions checks. Some of that belongs somewhere other than a GPU. Some of it is orchestration-heavy and state-heavy. So, yes, a CPU vendor can tell a plausible story. The test is whether the software stack makes the story cheap enough to adopt.

Liraen Vask 00:05:20

Then the day turns from ownership of hardware to ownership of capability. CNBC reports that Anthropic told U.S. officials Alibaba accessed Claude tens of millions of times through about twenty-five thousand accounts, in what Anthropic described as a large distillation campaign. Techmeme's summary cites 28.8 million accesses. We should be precise: these are reported accusations from Anthropic, not an adjudicated finding.

Halek Vauth 00:05:47

That precision is the difference between analysis and rumor laundering. Taking the reporting as reporting, the operational problem is still serious. A competitor can try to transfer behavior by querying a model at scale, so access control becomes part of the model's moat. Rate limits, account

verification, anomaly detection, and terms of service aren't paperwork around the product anymore. They are part of the product boundary.

Liraen Vask 00:06:08

This also pulls the model IP fight into geopolitics without needing to make it theatrical. Anthropic is an American frontier lab. Alibaba is a major Chinese technology company. The alleged mechanism is ordinary API access at extraordinary scale. That is exactly the kind of case where legal, commercial, and national-security categories get tangled together.

Halek Vauth 00:06:33

And enforcement is hard because the suspicious behavior can look like high-volume product use until it doesn't. Twenty-five thousand accounts, if that number is right, suggests an adversarial account layer, not one enthusiastic developer with a loop. But the platform still has to prove intent, separate enterprise usage from extraction, and decide when to cut access before the evidence is courtroom-clean.

Liraen Vask 00:06:54

There is a connection back to Jalapeno, but it should stay specific. Hardware control protects cost and latency. Access control protects behavior and training value. Both are ways frontier labs try to keep the expensive parts of their advantage from leaking out through the interfaces they need in order to sell the product.

Halek Vauth 00:07:14

That is the uncomfortable business model. You want the API to be easy enough that customers can build on it, and constrained enough that competitors can't use it as a training tap. Every new permission rule adds friction for legitimate users. Every missing rule creates a path for extraction. The platform has to choose where the false positives hurt least.

Liraen Vask 00:07:34

The builder segment today comes from the Latent Space interview with Databricks. Matei Zaharia and Reynold Xin described an Agent Cloud push around Omnigen, and the detail builders need isn't

the label. It is the list of things Databricks says had to be standardized: runner, server, state, authentication, sandboxes, and data access.

Halek Vauth 00:07:55

That sounds like someone has been hurt by internal fragmentation. In a healthy way, I mean. Once three teams build three agent frameworks, you discover that the model call was the easy part. The hard part is identity, secrets, session history, retries, permissions, and who gets paged when an agent runs for four hours and writes to the wrong table.

Liraen Vask 00:08:15

That is why I like this after the hardware chapters. It brings the stack back up to the application layer without leaving the same argument. Agents that live near enterprise data need legible systems around them. A chat window can be forgiving. A work agent that reads customer data, opens pull requests, and schedules jobs needs a record of what it saw and why it acted.

Halek Vauth 00:08:38

And the same-day agent-memory posts point at the same operational demand from another angle. ClaudeDevs is talking about agents with identity in Linear and GitHub. LangChain and Sarah Wooders are talking about feedback loops, memory, and sleep-time compute. Those are vendor and practitioner posts, so I wouldn't treat them as independent proof of a breakthrough. But they match the pain Databricks is trying to package.

Liraen Vask 00:08:59

The phrase sleep-time compute is catchy, but the underlying idea is less cute: agents will need background reflection, cleanup, and memory updates outside the user's active turn. That creates product obligations. What is saved? Who can inspect it? Can a manager delete it? Does a memory belong to the user, the team, the organization, or the agent identity?

Halek Vauth 00:09:22

Builders should resist magical language here. Memory is a data-management layer. It has retention policy, schema, access control, migrations, and audit logs. An agent remembering my coding style is

fine. If it remembers a customer secret from a ticket and reuses it in another workspace, that isn't personality. That is a permissions bug with nicer prose.

Liraen Vask 00:09:42

So the Databricks piece is useful because it makes the agent stack sound less mystical. The runner and server decide where work happens. State and session history decide what survives. Auth and data permissions decide what the agent is allowed to know. Sandboxes decide how badly a tool call can behave. That isn't a demo checklist. It is the product.

Halek Vauth 00:10:05

And it explains why a company like Databricks would care. Their product sits on enterprise data gravity. If agents become the way people ask questions of that data, Databricks doesn't want every team arriving with a separate little runtime and a separate security story. Standardization is self-defense, but it can also be good for customers if it gives them one place to inspect behavior.

Liraen Vask 00:10:25

The remaining infrastructure items keep the hardware news honest. TechCrunch reports Europe pushing back on Washington's chip-war posture. CNBC has Jensen Huang arguing that data centers built around smuggled chips are a dead end. Techmeme tracks a Utah political loss tied to a large data-center project near the Great Salt Lake.

Halek Vauth 00:10:46

Those are three different constraints with the same practical result: compute doesn't arrive just because a company can finance it. Export controls decide who can buy advanced parts. Local communities decide whether the facility gets built. Power, water, land, interconnects, and maintenance decide whether the glossy capacity slide means anything.

Liraen Vask 00:11:06

Yesterday's chip-diplomacy coverage matters here, but I don't want to repeat it. Today's fresh point is that the company announcements arrive inside contested physical systems. Jalapeno can promise custom inference. Qualcomm can promise a 2028 CPU lane. Databricks can promise a better agent cloud. Each of those still touches law, energy, siting, and supply chains.

Halek Vauth 00:11:30

And the smuggling point is a good stress test. If your data center depends on parts that can't be serviced, replaced, or networked into a normal support contract, you have capacity that may work until it really needs to work. Huang has every incentive to make that argument, so we should read it as a vendor claim. It's still a plausible operator claim. Unsupported hardware fleets are a bad place to put production reliability.

Liraen Vask 00:11:51

The civic lane is thinner on primary artifacts, but it is too important to ignore. Today's sources include reports and social posts that Claude was used to draft a defense-bill amendment from Representative Anna Paulina Luna. Miles Brundage amplified the concern. The Guardian separately reports on ICE and CBP spending on surveillance tools, and another Guardian piece tracks big-tech money in a New York congressional race.

Halek Vauth 00:12:17

The drafting item needs caution because the sources are social and Reddit-heavy. I wouldn't build a whole claim on that alone. But even the weaker version is enough to ask the process question: if a legislator uses a large language model to draft text, who reviews the output, who checks citations, who owns the accountability, and is the use disclosed anywhere citizens can see?

Liraen Vask 00:12:38

The surveillance reporting has a more concrete institutional weight because procurement and enforcement change people's lives whether or not the tool is glamorous. When agencies buy AI-assisted surveillance, the review process has to answer different questions than a productivity pilot. What data enters the system? Which vendor keeps it? Who can challenge a match? What happens when the tool is wrong?

Halek Vauth 00:13:01

That is the same architecture conversation with higher stakes. Identity, logs, retention, permissions, and auditability all matter more when the system sits inside public enforcement. In an enterprise agent stack, a bad permission boundary can leak customer data. In a public enforcement system, a

bad boundary can put pressure on a person who may not even know which tool touched their case. The machinery has to be inspectable before it is trusted.

Liraen Vask 00:13:23

And political spending around AI policy makes the adoption path harder to read. If large technology companies are funding races where AI regulation is part of the argument, voters aren't only choosing a candidate. They are being pulled into a fight over who gets to write the rules for a technology most public institutions are already testing.

Halek Vauth 00:13:45

Which brings us back to the floor under the model. Today had custom chips, new CPU road maps, alleged model extraction, agent runtimes, memory, export controls, data-center fights, and government adoption. The shared point is concrete: AI systems are becoming institutions with supply chains, accounts, logs, legal claims, and political consequences. That means the build plan has to include the floor, not only the model sitting on top of it.

Liraen Vask 00:14:07

Yes. The next proof points aren't slogans. For Jalapeno, production serving numbers. For Qualcomm, software compatibility and whether the 2028 Meta signal turns into a broader customer base. For Anthropic's accusation, evidence that survives outside a reported letter. For Databricks, whether teams can inspect agent behavior across real data boundaries. Wednesday's story is infrastructure trying to become product strategy, and product strategy inheriting every constraint infrastructure carries.

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