

Activity Report on the Near Future Value Chain Workshop

Kazuhiro Kawashima, Research Director of ECOM, reports on the third meeting of the Near Future Value Chain Workshop held on October 24.

The direction of the examinations has become clear through the first and second workshop meetings (held on August 4, and August 22 and 23), preparatory meetings and a separate examination meeting. At the third meeting of the Near Future Value Chain Workshop (held on October 24), Mr. Jiro Kokuryo (Keio University), Chairman of the workshop, and Mr. Yasuhiro Maeda (Director, Information Economy Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry) made introductory remarks. Following their speeches, participants presented their reports and exchanged opinions as described below. After the plenary meeting was over, a preparatory meeting for a new committee was also held.

(1) Process explanation, activities and future vision

It was reported that, through three workshop meetings including this meeting, three preparatory meetings and a separate examination meeting in the area of BtoB, studies were being conducted in three sections, ① utilization in BtoB, ② development of consumer services and ③ moving targets. The direction of activities and ideal utilization of geospatial information in electronic commerce were presented through these activities.

(2) Activities for the utilization of geospatial information in EC and the ideal future

With regard to the direction of the activities, questions were asked and answered on the standardization of PI (Place Identifiers), and it was decided that ECOM would examine standard PI reference systems of EDI needed for electronic commerce including BtoB, and would submit the results to PI standard-setting organizations as opinions of EC related parties. Opinions were also expressed about with which to start, BtoB or consumer services, and it was decided that BtoB would be specifically examined in consideration of the development of consumer services and that, based on information linkage between BtoB and BtoC and with a focus on EDI in which geospatial information was used, activities would be implemented to support reforms in logistics and distribution and also contribute to an increase in the high added value of consumer services.

(3) How to hold workshop meetings in the future

The fourth workshop meeting will be held on November 28 (Friday), 2008, as a joint interim report meeting with the Planning Committee. It was also decided that a committee for the examination of specific geospatial information in electronic commerce would be established under the workshop, with the main aim of examining BtoB. Three committee meetings are scheduled from November until February. At the fifth workshop

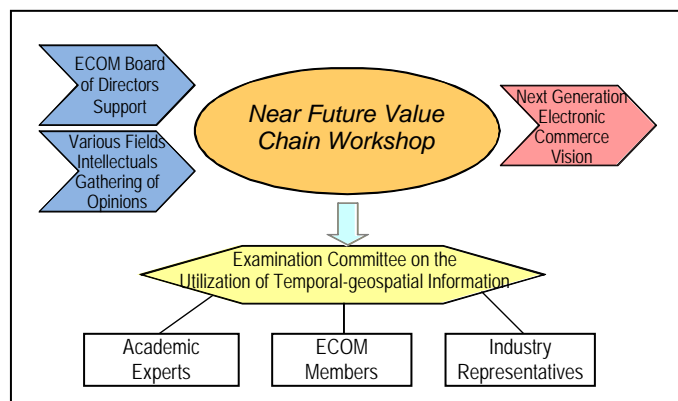


Figure 1 Activity System of the Near Future Value Chain Workshop

meeting, a final summary will be made based on examination results by the committee.

(4) Examination Committee on the Utilization of temporal-geospatial Information (tentative name)

After the plenary meeting was over, workshop members held a preparatory meeting for the new committee. First, the Secretariat proposed an establishment plan for the Examination Committee on the Utilization of Information (tentative name) by focusing on purposes, period of establishment, and content (1. analysis of industrial propagating effect generated by the utilization of temporal-geospatial information and 2. a survey on systematization of temporal-geospatial information), and it was decided that both the workshop members and new members (ECOM member companies, JEDIC member organizations, etc.) would participate in the implementation system.

The participants expressed opinions on the following issues: from which industry/industry segment and from which field (domestic or international) they should start, and the necessity of examining how to advance activities over the next couple of years. It was decided that mainly BtoB would be examined until this March and that another meeting would be separately held to examine consumer services.

If you are interested in the utilization of temporal-geospatial information in EC or if you have any comments on this issue, please contact the person in charge of ECOM public relations, Kazuhiro Kawashima.

— International Interoperability Promotion WG —
Report on the Tokyo Meeting of UN/CEFACT TMG

Hisanao Sugamata, Research Director of International Interoperability Promotion WG, RFID & EDI Promotion Group, ECOM, reports on the Tokyo Meeting of UN/CEFACT TMG (Techniques and Methodologies Group), which was held from September 8 to 12, 2008.

=====

1. UN/CEFACT TMG Meeting

UN/CEFACT as a core organization for EDI international standards is developing technological methods for intercompany linkage through EDI-based information sharing and is standardizing information items and transaction models based on those technical specifications.

Among such standardization activities, UN/CEFACT TMG (Techniques and Methodologies Group) is in charge of the development and maintenance of technical specifications based on requirements from standard user groups.

The Tokyo Meeting was held to deliberate the “methodology used to apply standardized common information items and common business processes to individual business areas (context application methodology),” which is an urgent issue for user groups, the revision of related modeling methodologies for adaptation to the most advanced IT technologies, and other similar issues.

11 members from overseas countries (Austria, U.K. and U.S.) and 6 members from Japan participated in the meeting.

This meeting was held by ECOM in Tokyo, based on its proposal at the group meeting held in Zurich last year. Through WG activities, ECOM has been participating in the development and improvement of modeling methodologies and core component technical specifications of UN/CEFACT, and has been contributing to the construction of infrastructures for next generation electronic commerce.

2. Summary of the Meeting

The current active projects of UN/CEFACT TMG are:

- UCM (UN/CEFACT Context Methodology): “methodology used to apply standardized common information items and common business processes to individual business areas (context methodology)”
- CCTS (Core Component Technical Specification) V3 Verification: verification of the third version of the core component technical specification
- CCMA (Core Component Message Assembly): telegraph construction method ⇒ Not deliberated on this time.
- UPCC (UML Profile for Core Component): definition of the core component profile
- UMM (UN/CEFACT Modeling Methodology) V2: the second version of the UN/CEFACT modeling methodology
- REA (Resource Event Agent): business process modeling methodology based on the REA model
- EBA (e-Business Architecture): systematization of technological methodologies in electronic commerce

At the Tokyo Meeting, participants were divided into a CCWG (Core Component Working Group) and a BPWG (Business Process Working Group). CCWG prepared identification data types and code lists for CCTS V3 1. and a technical specification frame for UCM 2. and BPWG made up modeling worksheets for UMM V2 1. and an REA model specification draft 2.

Prompt development of the technical specifications of CCMA (telegraph construction methodology) has been demanded by user groups as an urgent issue, but it was decided that the technical specifications would be developed after the establishment of UCM (context methodology), because the CCMA users' guide has already been issued.

3. CCWG (Core Component WG)

(1) Third version of the core component technical specifications (CCTS V3)

The specifications of CCTS V3 itself has been already publicly evaluated and is being verified at the final stage of standard development. At this WG meeting, participants clarified relations between identifier data types and code lists and between identifier data types and usage rules, which had been pointed out as problems at the verification phase.

To win the understanding of user groups about CCTS V3 including this revision, it was decided that this version would be publicly evaluated again.

(2) Context methodology (UCM)

For the purpose of securing implementation flexibility while maintaining interoperability, UN/CEFACT has been undertaking the development of a methodology to apply standardized common information items and common business processes to individual business areas (context methodology). This context methodology is applied to the 1. definition of information items, 2. telegraph construction and 3. implementation.

At this meeting, it was decided that three documents (or three parts) would be prepared to define the context methodology: 1. UCM Reference Architecture, 2. Classification Model Specification (definition of context classification) and 3. Glossary, which would be used to understand the overall context methodology.

1. In UCM Reference Architecture, the following three phases have been defined as context application viewpoints.
 - **Model dimension**
(A phase in which business information items are set by adding context to core components)
 - **Binding dimension**
(A phase in which context application is expressed in specified languages (XSD, OWL, XMI, etc.))
 - **Implementation dimension**
(A phase in which context is implemented in response to business partners, industry segments and regional characteristics)
2. In the Classification Model Specification, a model that integrates the context models that have been proposed until now has been formulated.

The objective is to complete a draft of the specifications and conduct public evaluation by the UN/CEFACT Forum to be held in Rome, in April 2009.

4. BPWG (Business Process WG)

(1) UN/CEFACT modeling methodology (UMM)

The definition of all business processes and information items based on U.N. standards must be supported by UMM. The UMM now open to the public as a standard is V1, but UMM V2 is being developed in accordance with the revised version (V2) of UML, the modeling language in use. The draft of UMM V2 is now in the process of public evaluation, and comments will be deliberated on after public evaluation.

At this meeting, the technical specifications themselves were not deliberated on because they were in the process of public evaluation. What was deliberated on instead was the development of worksheets to apply the technical specifications to in actual business modeling.

(2) REA model

Electronic commerce is conducted by transaction parties (agents) through a series of transactions (events: estimation, order placement, delivery, payment, etc.) of goods (resources: commercial goods, services and money). A model based on this concept is called an REA model. In modeling actual transactions, it is easier to construct a UMM model based on the REA concept. The REA model project aims to formulate the REA model definition and an application methodology as modeling guides. An objective has been set to complete the draft of the guides by the UN/CEFACT Forum to be held in Senegal this November.

On the night of September 11, after a series of scheduled meetings were over, ECOM hosted a tour of Tokyo Tower and a dinner party. Although the members always get too heated in their arguments at the meetings, they were cheerfully taking pictures with each other during the tour of Tokyo Tower, as though they were kids again.



— Personal Information Protection WG —
**Results of a Survey on Privacy Policy and Other Similar
Statements on Websites**

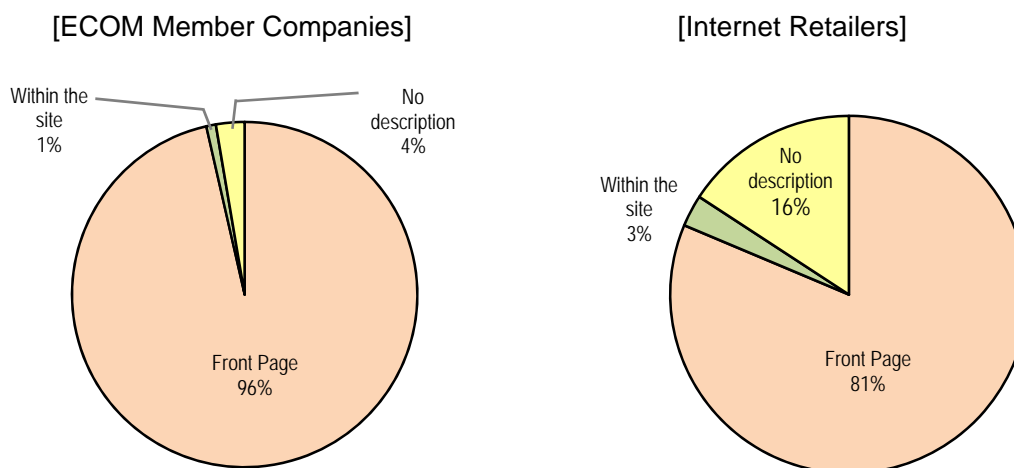
Masahiro Eguchi, Research Director of Personal Information Protection WG, Safety & Secure EC Group, ECOM, reports on the results of a survey conducted this year on web posted policies in relation to the protection of personal information by companies.

=====

1. Introduction

Since the Personal Information Protection Act (abbreviated name) fully came into effect in April 2005, ECOM has been conducting visual surveys on privacy policies posted on the web in relation to activities for the protection of personal information by companies. Also this year, ECOM conducted a survey of 112 ECOM member companies and 209 Internet retailers that have acquired online shopping trust marks, and I would like to present part of that survey. I hope that companies will be able to objectively check their standpoints and descriptions by reviewing privacy policies (personal information protection policies) stated by both ECOM member companies consisting mostly of large companies and Internet retailers, most of which are small companies.

2. Ratios of companies that have privacy policies posted on their websites



<Survey results>

97% of ECOM member companies and 84% of Internet retailers have included privacy policies on their websites in some way.

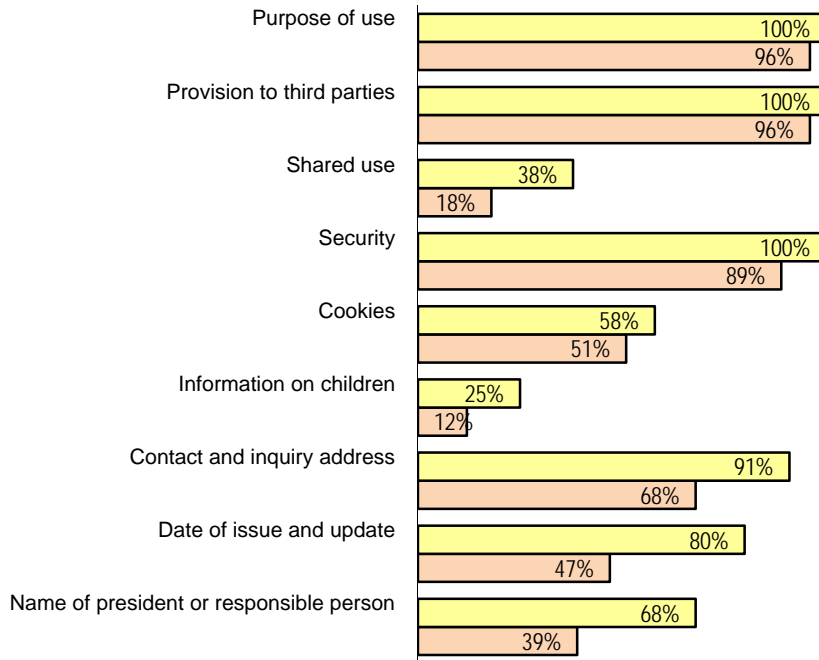
In the "Survey on the Actual Situation of Activities for the Protection of Personal Information by Companies in the Economic and Industrial Field for FY 2008" (hereinafter abbreviated as the "Survey on the Actual Situation of Activities in the Economic and Industrial Field"), which was released in February 2008 by the Ministry of Economy, Trade and Industry and the Japan Information Processing Development Corporation, 91% of them answer that "they have formulated and officially announced private policies," but ECOM member companies boast a higher disclosure rate at 97%. Japan-based affiliates of foreign companies (two companies) have also posted statements in English, but they are counted as companies without listed privacy policies.

On the other hand, the disclosure rate among Internet retailers is 84%. But, all Internet retailers should put privacy policies on their websites and strengthen consumer confidence because the most direct contact they have with consumers is on the Internet. It is not an overstatement to say that it is also indispensable to make it possible to confirm the

existence and storage places of privacy policies on the front pages as well as accessible with one click, so that visitors to the website can easily confirm the existence of privacy policies of companies that handle personal information.

3. Contents included in privacy policies

(Upper bar: ECOM member companies, lower bar: Internet retailers)



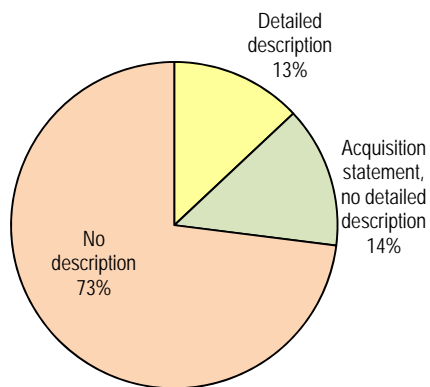
<Survey results>

As for the content of privacy policies, differences between large companies and Internet retailers are small among the often posted items such as “purpose of use,” “provision to third parties” and “security.” In particular, all ECOM member companies have described these items, and what will attract higher attention from now on will be the level of concreteness (reliability) of such policies.

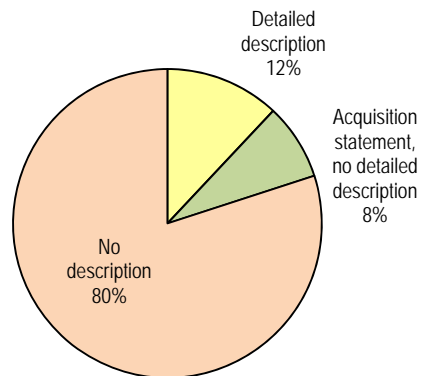
On the other hand, both groups remain on a relatively low level and differences between them are large for items such as “shared use.” With regard to the acquisition of personal information from minors aged 15 or younger, companies that are planning to develop overseas business in particular need to pay attention to regulations that are being tightened in overseas countries. The post ratio of “contact and inquiry address” has recently been increasing, but the situation is still far from being satisfactory because it is one of the more important items. Companies that have set only link buttons leading to inquiry and contact points instead of clearly specifying such points are found here and there, but they are counted as companies without posted policies. The post ratios of “date of issue and update” and “name of president or responsible person” among Internet retailers are still as low as 47% and 39%, and further improvement is desired.

4. Policies concerning how personal information is acquired and the data source

[ECOM Member Companies]



[Internet Retailers]

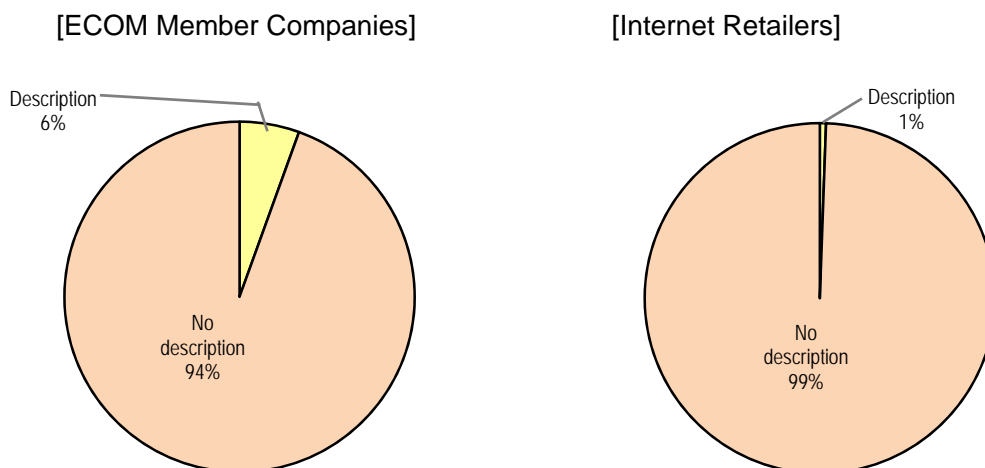


<Survey results>

The post ratio of “how personal information is acquired” and “data source” is 27% among ECOM member companies while it is 20% among Internet retailers, respectively. It is believed that many Internet retailers have not made statements because most of them acquire information via the Internet.

According to the “Survey on the Actual Situation of Activities for the Protection of Personal Information by Companies” by the Cabinet Office (hereinafter referred to as “Survey on the Actual Situation” by the Cabinet Office), officially announced in April 2007, companies that have notified owners of the information and have officially announced data sources in some way account for approximately 28% of the total, while approximately 44% of the surveyed companies have neither notified the owners of the information nor officially announced data sources and approximately 28% of them answered that they do not know, or they have not given an answer. The results are very similar to the results of this survey. From a legal point of view, it is not necessarily obligatory to disclose how personal information is acquired or the source of the data. But, to gain the trust of consumers, it is crucially important to clearly describe how personal information is acquired, and more ambitious efforts are expected. In the aforementioned “Survey on the Actual Situation” by the Cabinet Office, approximately 50% of the surveyed companies answered that they would disclose data sources, in principle, upon requests from the owners of the information.

5. Policies concerning the overseas transfer of personal information



<Survey results>

6% of ECOM member companies (six companies) and 1% of Internet retailers (one company) have provided policies concerning the overseas transfer of personal information, both of which are foreign-affiliated companies.

Japanese companies have provided no specific policies because there is no particular stipulation concerning the overseas transfer of personal information in the Japanese “Protection Act.” Conversely, it is an item to which overseas subsidiaries of Japanese companies must pay attention on their websites.

Some advanced companies have already formulated “global privacy policies,” and it is expected that more companies will voluntarily post such policies.

It is the first time that this item has been surveyed.

6. Survey items other than those mentioned above

The following items were surveyed in addition to those mentioned above, but they were omitted due to space limitations.

- Information concerning cookies
- Information concerning shared use
- Information concerning commission
- Information concerning SSL and encrypted communication
- Information concerning procedures for the disclosure of personal information, etc.
- Information concerning date of issue and date of update
- Acquisition of privacy marks

All the survey results are disclosed on ECOM's website (page for survey reports and project reports: <http://www.ecom.jp/report/report.html>). Please refer to it separately.

7. Conclusion

In general, large companies that constitute a majority of ECOM members have developed systems to protect personal information, and measures such as privacy policies posted on websites, setting of front-page link buttons, etc., have almost completely permeated their websites. However, for companies, the importance of safety management measures including encryption is increasing since quite a few information leak accidents still occur. It is probably necessary to appeal to more specific measures on websites and pay continued attention to gaining the trust of site visitors.

Internet retailers have made steady improvements in the posting of privacy policies, setting of front-page link buttons and other similar points, but compared with large companies, they still lag behind in the fullness of privacy policies, etc.

Although Internet retailers have been rapidly increasing handling volume for recent years, there is still much room for growth because the utilization ratio is only half of that of the U.S. I hope that Internet retailers will recognize again the utter importance of improvement in web policies to gain as much trust and sense of security as physical companies have gained.