

X3T9.2/92-42

Accredited Standards Committee  
X3, INFORMATION PROCESSING SYSTEMS\*

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Date: December 30, 1991  
Reply to: Richard B. Gibson  
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TO: Members of X3  
Chairmen of all X3 Subgroups  
All Billable Members of X3 Subgroups

SUBJECT: International Participation Fee

As you are already aware from the bills you received in early December, the 1992 annual service fee for participation in X3 subgroups has been increased by \$50 to \$300 per instance. These X3 fees are used to pay the cost of the X3 Secretariat operation which provides the basic support required for the overall X3 organization. The enclosed bill, another \$300 for each billable member, is to cover a different set of costs beyond X3.

The purpose of my letter is to provide you some of the rationale for this bill (also attached is an ITCC document which addresses some of the questions that you may have). While no increase in fees can ever expect to be popular, and certainly not in the rather bleak economic times we are currently experiencing, this bill represents an equitable way for the U.S. to cover its share of the costs of the international IT program that is intimately linked to the work of our national X3 committee.

As you know almost all of the work in X3 has an international counterpart in JTC1 and the X3 committee has several times endorsed the view that its principal focus is on international standards. Indeed, with an increasingly global economy, it is difficult to find an area of work that does not have international implications. In years past, the principal focus of the X3 program was to produce national standards. Now national standards are more a byproduct of a program that is primarily focused on international standards in ISO/IEC JTC1.

Just as the X3 Secretariat services are not free, so also the Secretariat services required to distribute documents, administer ballots, etc. for JTC1 and its SCs in the international arena are not free. Beyond the services of ISO/IEC central staff (the U.S. share of which is paid for from ISO and IEC dues which ANSI pays from general revenues), individual nations share the cost of the overall JTC1 operation by volunteering nationally to fund specific SC Secretariats or the Secretariat of JTC1 itself.

The U.S. currently holds the Secretariats for JTC1 (and its SWGs) as well as the Secretariats for four key SCs (6, 11, 18 & 21; see attachment). This substantial commitment (on the order of \$1.4M annually) to the international standards process reflects both the importance the U.S. IT community places on international standards as well as some special advantages that the U.S. gains by holding the particular Secretariats that it does. For example:

- leadership for the U.S. in the overall IT effort and in important technical areas
- common culture and convenient access in both time and distance to Secretariat consultation
- assurance of a job well done for administrative tasks such as document processing.

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While one could debate the merits of holding any particular Secretariat at some point in time (and such debates are important), it should be clear that if the U.S. desires international standards then it must be willing to pay for a portion of the administrative support required to produce them. With the threats to the international process posed by regional initiatives, it is particularly important and timely that the U.S. demonstrate its interest by putting its money where its mouth is.

In years past, ANSI funded the cost of the JTC1 (old TC97) Secretariats from general revenues. The ANSI Board determined four years ago, as a matter of general ANSI policy, that all specific international Secretariats should be funded by the industry concerned (as distinct from TAG coordination activities that are still funded from ANSI general revenues). As a result of this policy, the ITCC (Information Technology Consultative Committee) was created as an advisory committee to the ANSI Board to coordinate the required funding from the IT sector. The dues from the 20 or so members of this group (either \$15K or \$75K per year) together with an ANSI contribution have funded the JTC1 Secretariats for the past three years. Current ITCC member commitments are not sufficient to cover the costs of the program and this has caused the ITCC to develop both cost reductions and revenue sources.

ITCC concluded that a broad based funding mechanism is needed in order to share the financial responsibility among all of those who benefit from the international IT program. This broad based funding mechanism will go hand in hand with continued efforts in the following areas:

- reduction of the cost of the program (significant reductions have already been made)
- continued examination of the number of Secretariats the U.S. holds
- continuation of ITCC member contributions, and
- direct financial support from ANSI general revenues

After much deliberation and consultation with the Finance Committee of the ANSI Board, the ITCC has unanimously adopted an international participation fee program which is the basis for the bill you have received. Under this program, each SDO with work relating to JTC1 (e.g., X3, IEEE, EIA, etc.) will charge a \$300 annual fee for technical committee participation in each of its groups where the work relates to matters within the JTC1 work program. The exact means (service fee, participation fee, etc.) and the timing are matters left to each SDO in order to minimize the billing costs. In effect, each SDO will act as a billing agent to collect the participation fee and will forward the revenue to ANSI to support the international IT program. It is important to note that this fee is not optional. Failure to pay it will result in the same sanctions that the SDO would apply for failure to pay existing fees.

In recognition of a shortfall in the current source funding of the 1991 program and a projection of a continuation of this shortfall into 1992, ITCC decided to go forward with a full year (1992) billing of the international participation fee for X3. X3 has the largest technical overlap with JTC1 and this billing will help to ensure that the U.S. will continue to be able to meet its international commitments. Depending upon their internal procedures (including any waiver provisions), all SDOs will implement equivalent programs.

It is important to keep in mind that this fee does not duplicate the fees for services you already support. Rather, it completes the funding of the administrative costs required to produce the international standards that the U. S. community desires. The overall administrative costs can be categorized in three distinct parts:

- 1) internal SDO expenses for overall standards development in the national arena which are recovered by each national SDO through various means (e.g., service fees such as the X3 service fees, meeting participation fees, document fees, etc.),

- 2) U.S. national level expenses for coordination of national standards programs and U.S. participation in the overall international process, paid by ANSI out of general revenues from dues and document sales (e.g., ISO/IEC dues, coordination of TAG activities, national standards processing, etc.), and
- 3) international standards development expense in the international arena (the operation of JTC1 itself) which is shared among national bodies by the distribution of JTC1 Secretariats to national bodies and the associated national funding of these Secretariats (e.g., the international participation fee you have just received).

I hope that this has given you a better understanding of what you are supporting with this fee. Support of the international standards infrastructure is of critical importance to our national interests, individually and collectively. One way or another, the benefits of the international standards process accrue to us all. Our national standards groups, such as X3, provide an opportunity for all individuals to influence international standards, whether or not they directly participate in international meetings.



Richard B. Gibson  
Chairman, X3

## U.S. Funding for International Standards

United States leadership in international standards for information technology is being threatened by a lack of funding. To respond to this crisis the ANSI Information Technology Consultative Committee (ITCC), a subcommittee of the ANSI Board of Directors responsible for the IT standardization program within the institute, has determined that it is necessary to implement an annual \$300 fee for each participant in the information technology standards process which will take effect in 1992.

The U.S. now manages a number of key international technical committees under ISO/IEC JTC 1 (Joint Technical Committee 1 for Information Technology); we are currently responsible for JTC 1 itself and the key subcommittees for OSI, Data Base, Distributed Processing, Office Systems, and Flexible Magnetic Media. (Attachment 1 is a short description of the technical committees and subcommittees currently supported.) Under ISO rules, each country is responsible for the administrative support of the committees it manages. This support is provided by the committee Secretariat - an organization which provides the services necessary for the committee to do its work. The costs associated with this Secretariat function are primarily the support staff and their travel, reproduction services, and postage costs. The U.S. costs for its Secretariats, which is therefore the U.S. share of the infrastructure costs associated directly with JTC 1, is now just over \$1.3 million per year. (This expense does NOT include the U.S. membership in ISO and IEC or the costs associated with running the overall standards process in the U.S. Those costs are borne by ANSI out of its general membership dues. It does include, in addition to the Secretariat, expenses associated with being a P Member of JTC 1 and the associated national program.)

Why is this important? There are a number of strategic business benefits which the United States and U.S. organizations gain by holding the Secretariats for these technical committees. They are:

1. The U.S.-operated Secretariats are the best in the world at keeping things organized, getting documents distributed, and all of the other administrative tasks necessary for success. This ensures the timeliness of standards, a critical factor when availability of information has "time to market" implications.

2. Having a Secretariat staff that can understand a U.S. perspective - and who are in close geographic and time proximity to U.S. participants - has been a definite factor in our success. Their attendance at our meetings provides valuable insight and coordination; loss of these advantages would have a negative impact on our competitive position. (Consider the difficulties associated with getting a last minute interpretation on a document or a ballot - from Tokyo!)
3. The country holding the Secretariat also names the committee chairman, giving that country the leadership position worldwide for that committee. This provides clear benefits to U.S. industry since leadership in standards can be translated into product and profit leadership.

These are significant benefits, particularly when you consider that the amount of money required to administer the process is minuscule compared to the money spent by the thousands of participants in the standards process through their time (in committee meetings and doing homework), travel expense, and overall membership dues. The estimated annual fee per participant is less than the average air fare for one meeting!

Until now, close to 50% of these costs have been covered by funding from the general revenues of ANSI and 50% by members of the ITCC, who contribute up to \$75,000 to belong to the committee. ANSI has agreed to continue to pay up to 25% of the total costs. But, as costs increase, it is necessary that all those who benefit from the JTC 1 program help to pay; thus the new fee program. Within the overall funding made available ITCC can then, in conjunction with the affected Standards Development Organizations (SDOs) and Technical Advisory Groups (TAGs), determine which international activities can be supported by U.S. interests.

The SDOs in the information technology standardization field will be communicating further details to their participants. In the meantime, Attachment 2 contains a series of questions and answers designed to illuminate important aspects of the specific program as well as overall aspects of standardization.



## Attachment 1

### U.S. Managed Secretariats

The following information summarizes the ISO/IEC JTC 1 subcommittees for which the U.S. holds the Secretariat.

#### ISO/IEC JTC 1

AREA OF WORK: Standardization in Information Technology.

MAJOR TOPICS: All IT standardization. The JTC 1 parent committee is supported here, as well as all special groups and workshops on such topics as security. This is the management organization for the rest of the technical work.

AFFECTED ORGANIZATION: All U.S. standards organizations interested in information technology, and all other organizations who base their products or buy products based on open systems.

#### ISO/IEC JTC 1 SC 6

AREA OF WORK: Standardization, in the field of telecommunications and OSI, of systems functions, procedures and parameters, as well as the conditions of their use, for the four OSI layers that support the Transport Service.

MAJOR TOPICS: data communications, local area networks

U.S. STANDARDS GROUPS: X3S3, IEEE 802, EIA/TIA TR30

#### ISO/IEC JTC 1 SC 11

AREA OF WORK: Standardization of flexible magnetic media, such as tapes, tape cassettes, tape cartridges, and flexible disk cartridges, and the recording of data on them for the purpose of digital data interchange.

MAJOR TOPICS: flexible disks, tapes

U.S. STANDARDS GROUP: X3B5, X3B8

Attachment 1  
(con't.)

ISO/IEC JTC 1 SC 17 WG 5

AREA OF WORK: Registration Management Group for Identification and Credit Cards.

MAJOR TOPICS: Registration management

U.S. STANDARDS GROUPS: X3B10

ISO/IEC JTC 1 SC 18

AREA OF WORK: Standardization in the field of text and office systems related to Office Document Architecture; Procedures for Text interchange, including Distributed Office Services; Text Description and Processing languages; and user-system interfaces and symbols.

MAJOR TOPICS: SGML, SPDL, ODA/ODIF, font standards, keyboard standards, user interface, design multimedia standards.

U.S. GROUPS: X3V1

ISO/IEC JTC 1 SC 21

AREA OF WORK: Standardization in the field of representation, formatting, storage, retrieval, transfer and management of data and information services.

MAJOR TOPICS: OSI reference model, standards for OSI layers 5 - 7, network management, and applications; ASN.1 and data representation; SQL, IRDS, and other data base standards; open Distributed Processing reference model.

U.S. GROUPS: X3T2, X3T3, X3T5, X3H2, X3H4

## ATTACHMENT 2

### FUNDING FOR INTERNATIONAL JTC 1 SECRETARIATS KEY QUESTIONS AND ANSWERS

As part of its responsibility to the ANSI Board of Directors for standardization in the Information Technology area, the Information Technology Consultative Committee (ITCC) determines how funding for sector programs is to be obtained. ITCC has determined that the fairest method for supporting the ANSI-held international secretariats is through a fee assessed against all of the participants in standards committees which contribute to the work of JTC 1. The following question and answer dialogue is intended to cover the highlights of the program and other related issues.

#### Why does ANSI need this money?

Each international technical standards committee has a need for administrative support. (This support is generally called secretariat services, and the organizations which provide it are secretariats.) At the international level this support consists primarily of four elements: receiving, copying, and mailing documents to the key participants from each nation; attending plenary meetings of the committee and providing administrative support; monitoring activities in the committee to ensure fairness and due process; and maintaining meeting schedules and other administrative documents.

Within ISO the secretariat services for each technical committee are provided by one of the member nations. The American National Standards Institute (ANSI), as the ISO member body for the United States, is therefore responsible for providing 'our fair share' of the cost of the international process. In the case of the Information Technology area, which is of key importance to the United States, ANSI provides secretariat services for the JTC 1 parent committee and its key subcommittees SC 6 (data communications), SC 11 (flexible magnetic media), SC 18 (text and office systems), and SC 21 (OSI, data base, IRDS, and distributed processing.) The money is therefore needed for copying committee documents, mailing them all over the world, and paying the salaries and travel expenses of the people who do the secretariat work.

#### What are the real benefits I get for paying this money? What can I tell my boss?

The real benefit is the continuation of the infrastructure necessary for the existence of the international standards process. You and your organization have shown, by your



participation in the development of IT standards, that those standards are important; without the infrastructure, those standards could not exist. If you work for one of the companies or government organizations which are members of ITCC, then you have already been paying this but in a different way. If you work for one of the smaller organizations who have not been part of ITCC, then you will now be paying your fair share of the infrastructure cost.

There are, of course, real benefits to U.S. management of the secretariats. The people are nearby, and easy to contact. They share a common language and culture. And as the holder of the secretariats, the U.S. gets to name the chairman. All of these things benefit U.S. industry generally, and make our participation more effective. It is also worth noting that the U.S. secretariats are considered the best, so there is a worldwide benefit as well. But in the end it comes down to a simple fact - we are paying for international standards. Without these organizations, there would be no international IT standards; and holding secretariats in the United States is the best way to get vendor, user and government participation on international standards issues.

What if I don't want to have the U.S. support an international committee - what if I just care about national standards?

From a practical standpoint there are really no "national" standards efforts in Information Technology; virtually every standards project is part of an international effort or is intended to become an international standard. So we really can't separate the two and talk about a purely national process - it just doesn't exist. The international nature of the process, in fact, is one of its greatest strengths - our industry is way ahead of most in establishing a truly worldwide market.

I never had to pay anything for this before. Why now?

In the past, the expenses were covered by general ANSI dues. But as the JTC 1 program has grown, ANSI has been unable to handle the increase. Four years ago, in response to this problem, a group called the Information Technology Consultative Committee (ITCC) was formed to provide a funding solution. Its members agreed that their organization would provide the funding necessary so that over a four year transition period the IT industry could take over the funding responsibility.

In 1990 the ITCC was revitalized, and given the charter to oversee the overall context of IT standardization and to advise the ANSI Board of Directors on issues of interest to the IT community. At the current time the ITCC consists of 16 companies and government agencies who pay up to \$75,000 per year. This is the funding that has supported the secretariats. The new ITCC,

however, has determined that support by these core organizations is insufficient for the task at hand. Moreover, those organizations who have chosen not to join ITCC has gotten a "free ride" - gaining the benefits of what others pay for. ITCC has therefore decided that the fairest method of support for the U.S. program is to establish a program where the participants, who presumably benefit the most, pay for the benefits received.

Does this mean that additional fees like those proposed for JTC 1 are common in other sectors?

No, because ANSI generally does not directly hold the secretariats. Instead, ANSI authorizes and monitors some other organization (typically the trade association for that industry) to provide the actual secretariat services. That group then gets its funding from its members or through meeting fees or other arrangements. In the case of JTC 1, however, there is no single trade association that has most of the industry participants as members and (more importantly) is willing to undertake the responsibilities involved.

My company is already a member of ANSI. Shouldn't this JTC 1 funding come out of the dues we pay?

ANSI dues are used to fund the general activities of ANSI. This includes membership dues in the international organizations ISO and IEC. It also includes the basic administrative services associated with U.S. membership in international technical committees. It does not, however, include the cost of supporting international secretariats. The Board of Directors of ANSI has determined that such sector-specific funding should be supported by those in the sector of interest rather than the entire ANSI membership.

How much will the fee be, and how will it be determined? Who will collect it? What happens if I don't pay it?

ITCC will determine the fee by taking the total number of participants and dividing it into the total cost. The fee will therefore be the same for all participants, no matter which SDO is involved. Fee determination will be done on a yearly basis. The SDO will determine who is a valid participant, will collect the money, and will remove privileges (e.g., voting rights, document distribution rights) from those who do not pay.

Our current estimate is that it will cost each participant about \$300 per year; this is based on our best knowledge of the number of participants and the current cost of the secretariats. While secretariat costs increase with inflation like any other costs, we hope that this cost will decrease in future years because of automation projects currently underway under the supervision of ITCC.

When will this program start?

We plan to start the program in 1992.

If I belong to three different standards committees or subgroups, do I have to pay three times?

Yes, because you are getting the same benefit as three separate participants. You do not, however, have to pay another three times if you belong to the Technical Advisory Groups (TAGs) for these committees. This fee is being assessed to the standards developers because benefits go to all those who develop a standard, not just those who choose to actively participate in the actual international work.

What happens if I can't afford to pay?

ANSI requires that SDOs allow all interested and affected parties to participate in the standards process. As a result, each SDO has its own method for providing a waiver of any substantial fee involved.

Don't organizations like CBEMA and IEEE hold secretariats already for JTC 1 groups like the JTC 1 TAG? And if I pay to belong to the organization which is developing the standard here, why should I have to pay again?

The other groups use their funding to provide for United States participation in the international technical committees. The secretariats held by ANSI support the international committees - so the services are provided to all the member nations rather than just the U.S. participants. So it isn't a case of paying again - it's just paying separately for separate things.

It seems that to participate in standards I not only have to contribute my time and pay for my travel, but I have to pay all sorts of fees to all sorts of different organizations. Why can't there be one fee - wouldn't it be smaller?

Unlike many other nations, the United States has a "federated" system. This means that we have many independent standards developers, and a separate organization (ANSI) to make sure that the rules are followed, to approve "American National Standards" developed by the SDOs, and to represent the United States in the international standards process. Each of the independent standards developing organizations has its own expenses (some of which are not associated with standards development - professional societies, for example), and therefore its own fees. These expenses are associated with different activities than the ones we're talking about, so combining them really wouldn't save

any money. TAG fees may be separate from basic SDO fees because "due process" requires that anyone may be a member of a TAG - even if they don't join the organization which is developing the standards initially. And ANSI, of course, has its own expenses for staff as well as ISO and IEC dues.

Many people would like to have a simple system where they pay once and get all the benefits. But in a system like ours, where each standards development organization is independent and subject to "market" forces with regard to their activities, it simply isn't possible to bundle all the expenses into one process. Actually our current system has significant advantages. Even though the administration may be complex, the federated system allows you to more precisely choose (and pay for) the activities in which you wish to participate.

How can I make my wishes known with regard to holding secretariats and other related JTC 1 issues?

There are several ways. Basic recommendations are made by the JTC 1 TAG, and you can participate directly. In addition, your SDO is a member of the TAG and you can help develop a consensus position within your SDO. Finally, you can join ITCC and be a part of the direct determination of the funding process.

What is the Information Technology Consultative Committee (ITCC)?

The ITCC is a committee of the ANSI Board of Directors, whose charter is "to ensure that the U.S. pursues a strong leadership role in the development and harmonization of global information technology standards". Members in ITCC pay to belong, with a fee ranging up to \$75,000. The funds realized have provided the majority of the support for the JTC 1 secretariats held by ANSI. ITCC is responsible for ensuring that the necessary funding is available. It also oversees the expense side of ANSI's IT operation to determine priorities and develop cost reduction programs.

In addition to its funding responsibility, ITCC represents our industry on the ANSI Board of Directors and advises the Board on matters such as negotiations with the European Community on standards, testing, and certification; plans and budgets for IT programs, including the establishment of program priorities; and the U.S. approach to IT industry test and certification issues.

Membership on ITCC is open to any ANSI member who is willing to pay the membership fee. With the initiation of the participant fee described in this letter, the membership fee for ITCC will be substantially reduced.



### PROGRAM POINTS

The following are specific points related to the JTC 1 funding program. They define those elements necessary for implementation by the SDOs affected.

- The program applies to all SDOs "whose technical scopes are consistent with that of JTC 1". For operating purposes this means any standards developer who submits work to any JTC 1 subcommittees.
- The program is intended to be based on a charge to each individual participant in the standards process. The amount of the fee will be determined by ITCC. This determination will be based on the total amount of funding required, the total estimated number of participants, and any other factors deemed necessary or desirable by ITCC.
- Each SDO will determine who is a "participant" in the sense of this program. The SDO will annually convey their best estimate of the number of such participants and will provide a list of those participants for audit purposes.
- The fee will be a fixed amount for each of the following two years, and ITCC will determine the amount and notify the SDO no later than July 31 of the year preceding the year in which a new fee is to take effect. The fee for 1992 and 1993 will be \$300.
- The program is intended to utilize the SDO's current method of funding in order to minimize any additional expense. The SDO will determine who, in its judgement, are "participants" in the sense of this program and will collect the funds required from those participants in whatever way best suits its own methods.
- Any waiver process utilized by the SDO to reduce or eliminate funding will be applied on a proportional basis to the ITCC charge. (For example; if the SDO funding was \$700, and a waiver was granted such that the participant paid only \$200, then the ITCC charge for that participant would be \$60 rather than \$300 and the SDO would get \$140.)
- The SDO will apply sanctions (e.g., loss of voting privileges, loss of document distribution) to the individual participant who fails to pay on the same basis that they would use if the individual failed to pay the SDO fees. If no sanctions currently exist then the SDO will, at a minimum, remove the participant's right to vote and eliminate any document distribution.



- . The SDO is under no obligation to "make up" funds for those who cannot or will not pay.
- . The SDO shall be entitled to a reasonable fee for any additional cost incurred in the collection of these funds. The amount of such incremental reimbursement will be agreed between the SDO and ANSI.
- . SDO transactions may be consistent with the SDO fiscal calendar where appropriate.