

OPEN INTERCHANGE CONSORTIUM

PO Box 517 NEUTRAL BAY NSW 2089

T: {61}(2) 9953-7412 F: {61}(2) 9966-5999 E: info@oic.org

08:22 Wed 09 Jun 2004

REF:ZXAAEC33

Y/R: Senate Inquiry

TO:	Senator Peter COOK	FROM:	Stephen GOULD
	Chair		Chair Management Committee
	Australian Senate Inquiry		XZIG
	AUSTRALIA - UNITED STATES		OIC
	FREE TRADE AGREEMENT	cc	Senator LUNDY

Dear Senator COOK

REASONS FOR AUS GOV E-COMMERCE GOVERNANCE COMMITTEE

This document is sent with the web-links to provide the evidence to support this addendum to the Public Hearing Submission on Tue 08 Jun 2004.

The addendum is to provide the reasons for a proposed Australian e-Commerce Governance Committee to ensure that Australia's Trading Partners conform with the appropriate Standards to facilitate trade for Australian organisations.

This document is sent to Senator LUNDY Shadow Minister of Information Technology as she:

- 1 addressed the [OIC Seminar about AUS-USE-FTA on 20 May 2004](#)
- 2 will be able to appreciate the technical issues involved with conflicts in E-Commerce standards.
- 3 may be prepared to chair the proposed Government E-commerce Governance Committee

PURPOSE

Further to my submission Tue 08 Jun 2004 to the Senate Inquiry on Chapter 15: E-commerce, of the Aus-USA Free Trade Agreement [AUS-USA-FTA] this addendum has been included following your questions re an appropriate option for consideration.

I outline the reasons for establishing a Governance committee to oversee the e-Commerce aspects of the [AUS-USA-FTA].

Your previous relevant Ministerial experiences (as the Minister for Shipping and Aviation Support [92-93] and Minister Industry Science and Technology [94-96]) has enabled you to appreciate how, similar to the issues involved with adding time and trade costs with the different Railway Gauges, different e-Commerce Standards will add considerable cost, time and frustration for businesses wishing to benefit from Trading Treaties concluded by the Australian Government.

Aus-USA-FTA SENATE INQUIRY

SUBMISSION - ESTABLISH E-COMMERCE GOVERNANCE COMMITTEE

This addendum on the proposed e-Commerce Governance Committee is indexed as follows:

- A Concern over Aus-USA FTA E-commerce Standards
 - a Electronic Industry Association
 - b Trade Documentation Processes
 - b Australian EDI Standards Committee
- B Background to ANSI X-12 and EDIFACT
- C Australian and US State E-tender processes
- D Proposed members, objectives of E-commerce Governance Committee
- E Next Steps

A CONCERNS OVER AUS-USA E-COMMERCE STANDARDS

This issues of the potential conflict between the ISO EDIFACT Standard and ANSI X-12 Standard for Electronic Commerce only became apparent when reviewing the Speech by Ambassador ZOELLICK on 25 May 2004 to the Electronic Industry Alliance [EIA].

This speech was 1 week after the AUS-USA-FTA had been signed by Trade Minister VAILE

<http://www.ustr.gov/speech-test/zoellick/2004-05-25-eia.pdf>

The Speech was given at the "2004 Government - Industry Dinner" and it refers to the President of EIA David MCCURDY who is the current President of the Electronic Industry Association and was in Congress as a Senator when Ambassador ZOELLICK used to work for him "I very much appreciate his leadership then and his leadership now"

The issue of concern is that the EIA web site states that it is accredited to the American National Standards Institute (ANSI).

In 1985 ANSI issued an E-commerce Standard called ANSI-X12 which was implemented by many large American Corporations and Government organisations.

a ELECTRONIC INDUSTRY ASSOCIATION

<http://www.eia.org/>

"Accredited by the American National Standards Institute (ANSI), EIA provides a forum for industry to develop standards and publications throughout the electronics & high-tech industries

Promote the market development and competitiveness of the U.S. high-tech industry through domestic and international policy efforts."

These are the members and links to the Electronic Industry Association Members many of whose members will have implemented the ANSI-X12 Standard

Aus-USA-FTA SENATE INQUIRY

SUBMISSION - ESTABLISH E-COMMERCE GOVERNANCE COMMITTEE

MEMBERS OF EIA - 6 Major Associations

1 Consumer Electronics Association - CEA

<http://www.ce.org/>

With more than 75% of CEA's current membership constituting companies with sales under \$30 million, CEA realizes the value of small business in consumer technology. Recently, members joined together for the Small Business Strategy Conference to examine the newest trends in strategic planning, marketing and more.

2 Electronic Components, Assemblies & Materials Association - ECA

<http://www.ec-central.org/>

3 Government Electronics & Information Technology Association - GEIA

<http://www.geia.org/>

4 the Joint Electron Device Engineering Council - JEDEC

<http://www.jedec.org/>

4 National Science & Technology Education Partnership

<http://www.nationalstep.org/>

6 Telecommunications Industry Association - TIA

<http://www.tiaonline.org/>

b TRADE DOCUMENTATION PROCESSES

In December 1987 following the EDI Forum in Melbourne, an EDI Consultant Colin SHAW and myself were invited by the Association of Australian Port and Marine Authorities [AAPMA] to review the trade [information flow documentation](#) in the United Nations Port Information Management System [PORTMIS]

This documentation identifies import and export documentation which is obviously a key part of AUS-USA-FTA

There 12 different industry groups involved with the Export documentation flows:

- | | | | |
|----|-------------------------|----|-----------------------|
| 1 | The Exporter | 2 | The Insurance Company |
| 3 | The Chamber of Commerce | 4 | The Shipper |
| 5 | Forwarding Agent | 6 | The Haulier |
| 7 | The Shipping Company | 8 | Customs |
| 9 | The Port Authority | 10 | The Wharfinger |
| 11 | The Stevedore | 12 | The Ship |

There are 16 different cargo export documents. The main document being the Manifest

Aus-USA-FTA SENATE INQUIRY

SUBMISSION - ESTABLISH E-COMMERCE GOVERNANCE COMMITTEE

In January 1988 we were invited to provide a quotation by the [Australian Association of Port and Marine Authorities \[AAPMA\]](#) to meet the requirements of the UNESCAP Manual for Ports

16 years later, in Nov 2003 the Australian Federal Treasury announced a Public Consultation in for a "[Best Practice Model \[BPM\] for E-commerce](#) "

There were 18 submissions in total. 5 of those submissions were from OIC members.

One of the submissions from EDI Consultant Ben ANSON of Sydney Port Corporation outlines the problems encountered by Australian Ports with [E-commerce manifests](#)

As Ben ANSON has confirmed the problems still encountered by Australian Ports after 15 years of Customs using E-commerce, there are very real concerns with the Chapter 15: Government Procurement when all 9 Australian Governments [State and Federal] all use different e-Tender systems and more important different software coding systems for each field.

How is this going to improve Trade with Government Procurement with the US when each State in the US may also uses a different Tender format ?

And Tenders are only the first step in the Government e-Procurement process !
[Tender e-Business process](#)

This will become a very major problem when the various State Governments move to the next steps of the e-Business process as the Western Australian Government Department of Housing has done with issuing this tender for "[Tender/Contract Management](#)"

c AUSTRALIAN EDI STANDARDS COMMITTEE IS/11

The concerns were amplified by the fact that EIA is an "accredited by the American National Standards Institute". This re-awakened experiences when I represented the Australian Small Business Association [ASBA] on the Standards Australia Committee IS/11 - Electronic Data Interchange from 1988-1989.

IS/11 was Chaired by Michael Baker of the EDI Council of Australia [EDICA]. It comprised 42 members the majority from Australian Associations.

Key members included the Australian Bankers Association, the EDI Council of Australia, Australian Customs, the Australian Association of Port & Marine Authorities [AAPMA], Australian Information Industry Association [AIIA] and Overseas Telecommunications Commission (Australia) OTC

In Sep 1988 the members of the Australian Bankers Association proposed that Australia adopts ANSI-X12 as an interim standard for 2 years

Aus-USA-FTA SENATE INQUIRY

SUBMISSION - ESTABLISH E-COMMERCE GOVERNANCE COMMITTEE

I pointed out that EDIFACT had been released as ISO Standard 9735 in Sep 1987 and Australia had agreed to comply by ISO Standards.

In Dec 1988 IS/11 confirmed that ANSI-X12 is published as an interim standard for 2 years. This was against the declared Federal Government policy of complying with ISO Standards. A copy of that directive from Standards Australia was provided in the Submission on Tue 08 Jun 2004.

At least it was a reason for employing more people to re-write software 2 years down the track and keep the GDP figures moving !

However it becomes an expensive and frustrating exercise for a Small or Medium size Enterprise [SME] trying to use E-commerce.

In Oct 1989 at EDI'89 in Los Angeles USA Michael BAKER was the Chairman of the Conference and there were presentation by 5 members of the Australian EDI Standards Committee including 3 by the Australian Bankers Association.

In 1989 EDICA in conjunction with the AAPMA (\$ 250,000), Australian Customs (\$250,000) and Qantas (\$250,000) formed Tradegate ECA.

Six (6) Australian Small Business Associations involved with the Ports were offered "Stakeholder" options within Tradegate ECA for a contribution \$ 50,000 each.

I believe these Associations included:

- 1 Australian Customs Agents Association
- 2 Australian Freight Forwarders Association.
- 3 Australian Road Hauliers Association
- 4 Australian Customs Broker Association

In 1999 Sun Microsystems Australia joined the OIC to sponsor the proposed [XML & E-commerce Special Interest Group](#)

In 2000 Tradegate ECA hosted a meeting with UN/EDIFACT and OASIS (US unincorporated Association - Organisation for the Advancement of Structured Information Standards) to establish ebXML Australia.

eXtensible Markup Language [XML] was being promoted as the next step for E-commerce.

The OIC attended all the ebXML Australia meetings from Jun 2001 - Dec 2003.

Aus-USA-FTA SENATE INQUIRY

SUBMISSION - ESTABLISH E-COMMERCE GOVERNANCE COMMITTEE

In Jul 2002 the OIC Tender Information Management Service [TIMS] was submitted as an Australian XML Standard for Government tenders.

In Dec 2003 Tradegate ECA withdrew from hosting the ebXML Australia meetings and ebXML Australia has not held another meeting.

C AUSTRALIAN AND US STATE E-TENDER PROCESSES

Currently there are the following main Australian Government Tender sites

FEDERAL

[Federal](#)

STATE

[ACT](#)

[NSW](#)

[Victoria](#)

[Queensland](#)

[South Australia](#)

[West Australia](#)

[Tasmania](#)

[Northern Territory](#)

Each tender site has a different way to download tender attachments relating to the tenders and a different way to lodge tender documentation

LOCAL GOVERNMENT

Many Local Government webs site can host their tenders. In addition they are published in the electronic version on the [Age, Australian and Sydney Morning Herald](#)

If you now add the 27 US States which now provide tenders as well as the US Federal Web site, it is very difficult to see how the FTA will facilitate trade if Australian Business have to learn different systems to respond to tenders.

While variety with different systems will stimulate interest, the key issue about e-Commerce is that the "behind the scenes" computer field codes must be the same for e-Commerce to operate.

Currently we believe each Australian Government Tender site codes the fields differently although they should all be using EDIFACT and each US Government Tender site will probable be different field codes although they may be using ANSI-X12 or EDIFACT

These details on how all Government Procurement tenders are structured needs to clarified for both the Australian Government sites and the proposed 27 US Government Sites.

Aus-USA-FTA SENATE INQUIRY

SUBMISSION - ESTABLISH E-COMMERCE GOVERNANCE COMMITTEE

Please find attached the spreadsheet list of 27 US State Sites listed in Annexure C to Chapter 15: Government Procurement.

These 27 US Government State Sites along with 8 Australian State sites (Cumulative GDP US\$ 409 Billion) are also as a [web-page](#)

D PROPOSED E-COMMERCE GOVERNANCE COMMITTEE

a Draft Objectives

It is proposed that the Senate Inquiry recommends that the Australian Government establishes an Government E-commerce Technical Committee to:

- 1 Ensure that Australia complies with its Treaty to implement ISO Standards unless there is not an appropriate Standard
- 2 Ensure that all Australian Government tender sites use the appropriate e-Commerce Standard to facilitate Trade
- 3 Ensure that All International trading Partners that wish to provide electronic Tenders use the appropriate ISO Standard to facilitate Trade for Australian businesses

b Possible Members

It is proposed that there are 6 members and 1 Chairperson

Chair: It requires either Senator Peter COOK or Senator Kate LUNDY to ensure there is the appropriate authority to inspect Trading Partners e-Commerce Structures.

Possible Members

Daniel PETRE - Federal Government Treasury Group of Experts on E-commerce

Stephen GOULD - recognised by IBM UK as leading World expert on e-Commerce issues

At least 4 other members should be very conversant with computer coding systems and defining business rules

There are a number of Consultants that have been involved with OIC projects in the past and may be prepared to contribute to this project using the OIC E-Credits system and long-term Intellectual property Royalties [IPRs]. These people include:

Aus-USA-FTA SENATE INQUIRY

SUBMISSION - ESTABLISH E-COMMERCE GOVERNANCE COMMITTEE

Guy BLOMBERG	Database
Ken BROMFIELD	Web Techniques
John BROWN	Japanese
Jordon GOA	Chinese
Herman INOZ	Russian
Mervat KAFRAWI	Arabic
Francoise LEFRANCE	French
Geoff MAY	Communication
Lee MURRAY	Coding Structures
Menano PIRES	Portuguese/Spanish
Kelvin PLATT	Association Structures
Chris PUTTOCK	German
Colin SHAW	EDIFACT
Lars SORHUS	Web Techniques

However this will depend on their current commitments

c Proposed method of operation

To utilise the OIC Electronic Committee/Work Group Management System

Eg The XML & E-commerce Special Interest Group format
<http://www.oic.org/3a4a1.htm>

NEXT STEPS

Senator COOK if required I would be prepared to come to Canberra to discuss the proposed Government e-Commerce Governance Committee and its significance to facilitate Trade with the AUS-USA-FTA and other similar Treaties in more depth.

Yours sincerely

Stephen GOULD
Chair Management Committee
OIC XML & E-commerce Special Interest Group
OPEN INTERCHANGE CONSORTIUM