

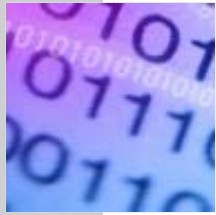
Smart Card Alliance

19 April 2006

Elizabeth Board
Executive Director

EPCglobal Inc Public Policy Steering Committee

EPCglobal ™



EPCglobal part of GS1



103 GS1 Member Organizations • One Million Members • 160 Countries
Not for Profit Organization • Head Office, Brussels, Belgium



GS1



The Global Language of Business

OVERALL BENEFITS:
Improving efficiency & visibility in supply and demand chains

 **Global standards for automatic identification**

RAPID AND ACCURATE ITEM, ASSET OR LOCATION IDENTIFICATION

 **Global standards for electronic business Messaging**

RAPID, EFFICIENT & ACCURATE BUSINESS DATA EXCHANGE

 **Global Standards for data Synchronisation**

STANDARDISED, RELIABLE DATA FOR EFFECTIVE BUSINESS TRANSACTIONS

 **Global Standards for RFID-based Identification**

MORE ACCURATE, IMMEDIATE AND COST EFFICIENT VISIBILITY OF INFORMATION



EPCglobal Community

- **Established** - Nov. 2003; license from MIT

- **Mandate**
 - Develop global, user-driven standards for EPC
 - Leverage 30+ year expertise in managing UPC and barcode

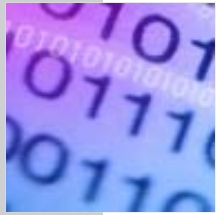
- **Principles**
 - Not for profit standards organization
 - User driven and governed
 - Committed to working with government, industry associations, other standards bodies

- **Subscribers**
 - Over 800 Companies with \$3 Trillion in Revenues
 - 20 out of top 31 Fortune 500
 - 12 Major Industries and 51 industry segments



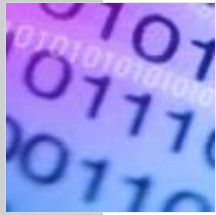
The EPC/RFID Benefits are Significant Today

- **29% increase in promotional execution resulting in a 20% - 60% increase in sales** - February 18, 2006: *RFID Update - Recap of the RFID ROI Summit*
- **63% quicker in elimination of out-of-stocks = 16% reduction in stock-outs** - February 18, 2006: *RFID Update - Recap of the RFID ROI Summit*
- **Accounts payable reduced from 30-45 days to minutes** - January 2006: *rfidwatch - transmissions from the RFID front lines*
- **Reduction of pallet build from 90 to 11 seconds** - August 2005: *World Trade Magazine - RFID: Taking Stock of the Wal-Mart Pilot*
- **3-5% decrease in supply chain costs** - March 2004: *UsingRFID.com: AMR Research Study*
- **7.5% reduction in warehouse costs** -2005: *Proceedings of the 2005 Southern Association for Information Systems Conference*
- **10% reduction in manual orders** – March 17, 2006, *Baird Research*



But Many Consumer Benefits Significant in the Future

- EPC can evolve to offer benefits to the consumer
 - Safer prescription drugs
 - Reduction of counterfeit products
 - Safer, fresher food supply
 - Faster, simpler, more accurate product recalls
 - Faster receipt-free returns



Guidelines on EPC for Consumer Products

- Consumer **Notice**
- Consumer **Choice**
- Consumer **Information**
- **Record Use, Retention and Security**
 - As with barcode, data managed/stored/protected according to all applicable laws
 - Companies will publish, in accordance with law, info on policy regarding use, retention, protection of PII associated with EPC
- **Guidelines will evolve as technology advances**



Messages

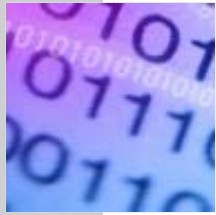
- Committed to understanding and addressing privacy concerns/addressing privacy is as important as anything we do
- EPC data is about products not people
- EPCglobal subscribers adhere to published public policy guidelines protecting consumer privacy
- Consumers, business and government will reap benefits from the use of RFID and EPC technologies
- Technology is new, restrictions can have unintended consequences



Europe Update

EU Data Protection Commissioners reviewing what is considered “personal data”

- Effort could possibly result in RFID specifically being included in the Data Protection Directive
- Several positive meetings held with policy makers who can help promote EPC and RFID as an economic benefit to the EU
- EC initiated a formal RFID consultation in March 2006
 - http://europa.eu.int/information_society/policy/rfid/workshops/index_en.htm



European Commission Workshops

- **15-16 May** **RFID Application domains and emerging trends**
- **16-17 May** **End-user/consumer issues**
- **TBC June 1** **Interoperability, standardisation, Intellectual Property Rights**
- **TBC June 2** **Frequency spectrum requirements – status and trends**



What Can We Do?

- Now is the time to pay attention and get it right
- Think about societal preferences, not just the law
- Show industry can be a model of self-regulation
- Positive messages
- Drive industry to speak with a unified voice



Contact

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