

**Minutes of the Meeting of  
Board of Overseers  
Technology Board  
Auto ID Center  
UPS Headquarters  
Atlanta GA  
February 27, 2003**

A joint meeting of the Board of Overseers and Technology Board of the Auto ID Center was held at UPS Headquarters, Atlanta GA, on February 27, 2003. Executive Director Kevin Ashton convened the meeting at 8:05 a.m. He welcomed all attendees to the ninth meeting of the Board. After thanking our host, United Parcel Service, he introduced Mike Eskew, CEO of UPS, who discussed what UPS thinks it can do with the work of the Auto ID Center.

Chairman of the Board of Overseers Dick Cantwell noted that there are 93 sponsors present at this meeting, including five new end user sponsors, Kelloggs, Carrefour, Smurfitt, Lowe's, and Wegmans. He proceeded to review the Guidelines and Principles for Auto ID Center meetings. Mr. Brown next gave the antitrust caution to guide the group's discussions.

The minutes of the November 14, 2002 meetings were unanimously approved without reading.

The first topic for the joint session was a discussion on the **future of the Auto ID Center**. Mr. Cantwell noted that the development of the first generation of Auto ID technology is nearly complete. Many sponsors are already running pilots and building business cases. As we enter our next generation, the Board has decided that the research and administrative elements be separated into different organizations. Management and implementation of the technology will be vested in a new entity called Auto ID Inc., which will be wholly owned by UCC and EAN. The research will be controlled by MIT and conducted through Auto ID Labs.

Mr. Henneberry reported that MIT is enthusiastically engaged in negotiations with UCC/EAN. MIT's Technology Licensing Office has the responsibility for seeing that the research is commercialized. In this instance, MIT is not seeking a royalty stream to come back to MIT. Instead, there will be a stream of research funding. He noted that MIT and EAN.UCC are working together collaboratively.

Mr. Di Yeso reported on EAN and UCC's plans for the future state of the Auto ID Center. It is all about implementations, he said. There is a need for industry support, education, training, and future development. In developing our plan we have interviewed key stakeholders. Our goal is to complete a contract with MIT in March, to become effective in October.

Mr. Brown gave the group a status report on the investigation of IP issues. With respect to marketing and communications, we need to be sure the message is clearly managed by Auto ID Inc. We are working on the transition now. Our intent is to take full responsibility for the message by May 1, 2003. Mr. Di Yeso stressed the importance of managing expectations—everyone's credibility is at stake.

Auto ID Inc. will establish standards for EPC numbers and work through a recognized standards process. It will also find an appropriate home/process for the Software Action Group. The UCC has applied for a technology grant through the Wright Center of Innovation in Ohio. If received, the grant will be used to establish an EPC Certification Test Center, for field and laboratory testing, and software models.

Turning to the business model for the new organization, Mr. Di Yeso commented that the sponsorship model is not sustainable. Therefore, we plan to move to a fee based membership model. The membership fee will support further research and development, and provide the resources to bring the EPC to market. The current plan is for an initial membership fee coupled with an annual renewal. We have not set the amounts yet, but the cost will be lower than the cost of sponsorship. Auto ID members will be entitled to membership on the Implementation Task Group, which we plan to launch in April.

The direction of future research was presented by Mr. Sarma. This will include further work on ONS, Savant II, security, reader collision, and ONS II. Other topics under consideration are packaging related work, shelving, ubiquitous computing, Class II & III tags, RFID sensors, UWB/100KHz; data mining, transportation/scheduling, materials handling, location related research, product lifestyle, anti-counterfeit, and device management.

Finally, Mr. Ashton discussed the path forward. He promised the transition process will be as clear as we can make it. While the successful launch of the new corporation will receive priority, the preservation of the global research organization is also important, as is the maintenance of the community.

These presentations were followed by a lively question and answer session.

The next subject was **Public Policy** presented by Elliott Maxwell, Chair of the Public Policy Council. He observed that public acceptance affects the adoption rate. We can also be sure that there are people who are waiting to complain. The Public Policy Council had its first meeting last November. Since then it has had monthly conference calls as well as a meeting connected with the Board meeting. He stressed the importance of being able to provide a quick response as issues arise. The Council recommends the adoption of a set of guiding principles that anticipate and address potential concerns. There should also be a credible way of enforcing those principles. Mr. Maxwell's presentation was also followed by a question and answer session.

Mr. Ashton presented the first draft of a policy. The policy stressed the protection of the right to privacy, the protection of health and safety, and provides for dialogue and feedback.

The meeting adjourned at 11:05 a.m.

Respectfully submitted,

Stephen A. Brown