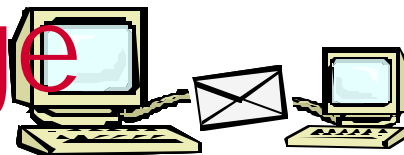




The Open Group EMA Forum

The Message



Volume 2 Issue 2

March 2002

Exploring Legal and Regulatory Issues of Information Exchange: Should the Industry Self-Regulate

One of Washington, DC's leading law firms, Steptoe & Johnson LLP is co-sponsoring with The Open Group a half-day workshop, *Liability and Information Assurance: The Role of Law, Regulation, and Self-Regulation*. The March 21, 2002 program will focus on an issue of increasing importance to businesses and governments: Allocating liability for breaches of information security.

Of interest to CTOs, CIOs, attorneys, general counsels, insurers, and auditors, the program continues the work of the Active Loss Prevention Initiative presented at The Open Group conference in Amsterdam (October 2001). The workshop will explore the various roles that law, regulation, and private contractual agreements can or should play in allocating responsibility for information security failures.

In recent months, this issue has taken on increased prominence as businesses, consumers, and governments become more concerned about the potential consequences of network intrusions, viruses, and software flaws that have the potential to expose sensitive or commercially valuable information. In Washington, some policymakers have begun to wonder whether there is a need to allocate liability for these types of incidents by law or regulation, so that suppliers of information technology products and services have a greater incentive to avoid security vulnerabilities.

At the same time, many large companies have started paying closer attention to their potential exposure to information security losses, as well as to potential recourse against IT vendors and under insurance policies. While the tradition of disclaiming almost all liability for informa-

(see Self-Regulation, page 4)

Mobile Management Forum Invites EMA Forum to Participate in Developing Policy Making Guide

The MMF is seeking participation from EMA Forum members to ensure that all business concerns are addressed as the MMF begins developing a guide for corporations working on determining policies about wireless technologies.

There is no single policy or plan that will fit all companies. By leading the reader through a series of structured and annotated questions, the MMF will steer businesses to face issues they need to address in deciding wireless policies. Contact Teresa Schauer (t.schauer@opengroup.org) to join the MMF effort 

Inside

- Industry Message* Page 2
- Interview with Ian Lloyd* Page 3
- Insights from In3* Page 5
- Capitol Message* Page 7
- Seeing The Challenge in Action* Page 8
- Upcoming Events* Page 8

Message Board

Demonstrating the best in international corporate collaboration in working to solve common business problems was the Secure Messaging Challenge Demo that the EMA Forum showcased in Anaheim (see story on page 8). The demonstration offered a glimpse into the Challenge's activities and results.

The Boeing Company wanted to respond to growing demands of its customer base to use encrypted email and believed that The Open Group offered the opportunity for developing an open (non-proprietary) standard. By using existing products in a new way, the Challenge sent approximately 600 strongly encrypted emails.

The EMA Forum is indebted to the team (The Boeing Company, Lynx Consulting, NASA, MaXware, FTT Consultants, DirectoryWorks) and greatly appreciates its efforts and support, which promise to make a difference in our business lives.

In the same spirit of the Secure Messaging Challenge, EMA Forum members are invited to participate in the Mobile Management Forum's activities (see story on page 1). By working with other forums in The Open Group, our members will continue to demonstrate the value of integrated activities in helping businesses respond to a constantly changing set of demands.

Industry Message

The Wall Street Journal,
January 15, 2002

email Risks Doctors traditionally engage in assessing medical risks. What about assessing risks of practicing medicine via email? Some 13% of the medical profession provide email consultation without charging patients. More would use email if they could charge, guarantee patient privacy, and avoid new malpractice risks.

CIO Magazine,
February 1, 2002

Encryption Technology Harvard University computer science professor Michael Rabin has developed Hyper-Encryption that hides coded messages within random bits that transmit at a super high speed. By creating a dedicated global satellite system, Rabin believes implementation would be possible.

International Herald Tribune,
February 5, 2002

Broadband Europe's three largest Internet markets (the UK, Germany, France) appear unwilling to pay for high-speed access due to high subscription rates. Without a rate reduction, only 10 percent of households will have fast Internet access by 2005. (GartnerG2)

The Washington Post
February 10, 2002

Instant Messaging Users of AOL, ICQ, MSN, and Yahoo IM want to chat across different networks. Working through these barriers will require pro-

(see Industry, page 5)



The Open Group EMA Forum

The Open Group's EMA Forum is a leading association for the e-business and messaging industries. The Forum's

diverse membership focuses on providing interoperable solutions for business leaders through informing and educating, fulfilling customer driven requirements, promoting and endorsing standards based solutions, and influencing public policy.

Steering Board

Chair

Dean Richardson

The Boeing Company
dean.richardson@boeing.com

Vice Chair

Dennis Cannon

Compaq Computer Corporation
dennis.cannon@compaq.com

James A. McDermott

ExxonMobil
james.a.mcdermott@exxonmobil.com

Glenn Parsons

Nortel Networks
gparsons@nortelnetworks.com

Michèle Rubenstein

solutions4networks
mrubenstein@s4nets.com

David Zimmer

American Eagle Group
dazimmer@ameagle.com

EMA Program Manager and
Editor-in-Chief. . Teresa L. Schauer

Managing Editor. . Renée Barnow

The Message

is published bi-monthly
by the

The Open Group
EMA Forum
Phone +1.703.549.2417
Fax +1.560.258.2622

Any unauthorized reproduction
constitutes a violation of federal law.

Submit comments or articles to
Renée Barnow
rbarnow@writelineunlimited.com
Fax +1.202.686.3550

The Message Interviews Ian Lloyd, Director of the Active Loss Prevention Initiative

The Message : What is the Active Loss Prevention (ALP) Initiative?

Lloyd: The ALP Initiative is a consortium of insurers, auditors, lawyers, and information technology users and vendors dedicated to identifying and minimizing losses and liability from the unauthorized use of Information System resources.

The Message : How will the ALP Initiative accomplish these objectives?

Lloyd: The ALP Initiative won't eliminate risk, but will help companies create risk profiles. The profiles will help insurers offer appropriate insurance and help lawyers define liability boundaries. This risk information can then be communicated in a standard form.

The Message : How does your work relate to that of the EMA Forum?

Lloyd: There is no direct relationship with the work of the EMA, however, there are likely to be many areas where working together will bring benefits to both groups.

The Message : Where did the concept of ALP originate?

Lloyd: ALP is based on fire control models that have regulations and procedures that are checked regularly to reduce the risk of fire. These controls also

minimize the impact of a fire if one starts, and if one does start and burn out of control, there is an insurance policy to allow for restitution of the property. These procedures also lessen the liability of the individual or business who built or maintained the building. We aren't concentrating on controlling fires once they start, but rather on stopping them before they start. This idea was transferred to the realm of e-business. If controls and risk models and liability definitions are in place for e-business as they are in a building fire code, then minimizing damage becomes second nature.

The Message : What events of the late '90s do you believe changed the role of IT security?

Lloyd: Rather perversely, it has been the number of attacks or the public knowledge of these attacks that has started the process of raising awareness of security issues. After all, the threats are not new—theft, fraud, and espionage have been around for a long time. The new factor is the medium of the attack and the speed with which attacks can occur. The ALP Initiative is seeking to address these concerns of e-business and keep the damage of such attacks to a minimum.

The Message : What is one of the major stumbling blocks you face?

Lloyd: The lack of acceptance and awareness in the general user population of security issues. This flows right up to companies' boards of directors. Giving business professionals the tools they need in insurance and liability areas and with legal issues is the way to combat this, and the ALP Initiative is aiming to establish a program to produce tools such as best practices, identification of standards, and risk assessment criteria.

The Message : Once past Y2K issues, to what do you attribute the increased awareness of security issues?

Lloyd: As above, the public knowledge of the effect of attacks has increased. This increased awareness has raised expectations for some solution. However, the combination of the general lack of a clear solution and accountability in the software industry plus the difficulty in implementing those that are provided leads to little improvement. This is where ALP comes in. Clearly defined accountability and liability will allow for far easier risk assessment.

The Message : How do the events of September 11 affect

(see Interview, page 6)

(Self-Regulation, continued from page 1)

tion security failures remains strong, major purchasers of IT products and services are beginning to demand that vendors assume greater acceptance of liability. Some innovative vendors are responding by incorporating premium warranty programs into their service offerings, and the insurance markets are likewise responding with new products to address information security risks. One of the greatest challenges that industry faces as it heads down this path is the lack of common definitions, well-established standards of care, and solid data on information security-related losses.

This jointly-sponsored workshop will explore these issues, through presentations on emerging legal issues, possible government responses, and the role that industry can play in shaping common standards and definitions for information assurance. This workshop emerges from Steptoe's leading practice in the area of information security law, and from the Active Loss Prevention initiative of The Open Group, which is seeking to define internationally-accepted procedures and standards for managing IT and e-business risks. The workshop will offer the opportunity for an informal exchange of ideas on potential industry responses to these issues, potential legislative or regulatory action, and the definition of specific requirements that need to be addressed.

Beginning with breakfast at

8:30, the program will continue with a series of brief overview presentations by speakers from Steptoe, The Open Group, and the National Academy of Sciences (which recently issued a major study in this area). A moderated discussion of the issues raised will follow the presentations.

Steptoe's *Stewart Baker* (cited in *The Message*, Vol 2 No 1), "one of the most techno-literate lawyers around" (The Washington Post, November 20, 1995) will make opening remarks. Mr. Baker's



practice focuses on computer security, electronic surveillance, privacy, national security, encryption, digital commerce, and export controls. He has advised hardware and software companies on US export controls and on foreign import controls on encryption. In the area of authentication and digital signatures, his clients include major banks, mortgage companies, and credit card associations, as well as technology companies.

Mr. Baker is the former General Counsel of the National Security Agency (1992-1994) and author of the book, *THE LIMITS OF TRUST: CRYPTOGRAPHY, GOVERNMENTS, AND ELECTRONIC COMMERCE* (1998), as well as various other publications and articles on electronic commerce

and international trade.

Mr. Baker has been named to numerous US government and international bodies dealing with electronic commerce and related topics, and currently serves the following organizations: Defense Science Board's Task Force on Information Warfare; President's Export Council Subcommittee on Encryption; Free Trade of the Americas Experts Committee on Electronic Commerce; UNCITRAL Group of Experts on Digital Signatures; and International Chamber of Commerce Group of Experts on Electronic Commerce.

Also participating from Steptoe is *Matthew Yeo*, who practices in the firm's Technology and International groups. Mr. Yeo has spoken widely on US and international legislation in the



area of electronic signatures and electronic contracting, including making a presentation at The Open

Group October 2001 conference.

Mr. Yeo has extensive expertise advising clients on the development and implementation of secure electronic commerce solutions. He is a leading practitioner in the area of public key infrastructure (PKI) technologies, and has worked on PKI implementations in the health

(see Self-Regulation, page 6)

Mobilize to Attend Managing the Mobile Workforce



By 2005 the workforce will be an easy click away from the office, if people go to an office at all. In the next 3 years, the number of telecommuters is expected to almost double from 28 to 53 million (Allied Business Intelligence; Yankee Group; International Telework Association; Gartner Research; IDC). The data are compelling reasons to attend The Open Group conference 8-12 April in Paris that will focus on issues facing the rapidly changing and increasingly mobile world of work.



Spend the first day and a half listening to presentations from people involved in mobile workforce policy and practice—

- Industry leaders and the European Commission members who will provide details of the dramatic growth of the mobile market
- IT users from various industry sectors who will explore the effects of mobile operations, business benefits, and security challenges

For those working on LDAP, Wednesday, 10 April offers a full-day opportunity to attend the LDAP Developers Conference.

Spend April in Paris. A bien tôt

(Industry, continued from page 2)

viders to move to the new world of standards, possibly giving up advertising revenue. The new standards would make IM as useful a tool as email.

The Wall Street Journal, February 25, 2002

IM technology needs to mature so businesses can take the same advantages as home IM users (approximately 70 million in the US). Technically sophisticated workers have quietly brought IM into the workplace, but moving the technology forward will require real innovation.

The New York Times, February 14, 2002

Wireless Surveillance With 802.11b or Wi-Fi and D-LinkAir DCS-1000W, people can protect their homes. Through the wireless network and D-Link's digital camera people can check the safety of their homes remotely.

Getting In on the In Thing: Insights from In3-2002

In his welcoming remarks at the January conference, Integrated Information Infrastructure (In3-2002), *Allen Brown*, President and CEO of The Open Group, described the organization's increased global coverage and growing membership during a difficult year. He also shared plans for promoting the values of The Open Group and creating brand equity.

The first speaker, *Dawn Meyerriecks*, CIO/CTO of DISA, the US Department of Defense's integrator, continued

Mr. Brown's vision by explaining that it is only through partnerships that advances in integrating information infrastructures will be made. Ms. Meyerriecks indicated DISA is seeking partners that will move beyond thinking in terms of engineering exercises to developing actual products.

Following Ms. Meyerriecks was *Carl Jones*, Director of Desktop Messaging & Web Technology at The Boeing Company who discussed the challenges of conducting e-business with partners. Mr. Jones applauded

the EMA Forum for its work on the Secure Messaging Challenge (see story on page 8), suggesting that by winning the single battle of successfully sending strongly encrypted email, companies will be able to influence and control the flow of information and knowledge, thus answering legal, national security, and business priorities.

Presenting information from the US Department of Commerce's Critical Infrastructure Assurance Office was *Nancy Wong*, Deputy

(see Insights, page 8)

(Self-Regulation, continued from page 4)


care, mortgage finance, insurance, and financial services industries. Mr. Yeo has advised clients on a wide array of legal and policy issues associated with implementing secure B2B models and with the migration of existing business processes to electronic environments.

Speaking from The Open Group is *Ian Lloyd*, director of its Active Loss Prevention



Initiative. Mr. Lloyd has been the focal point for starting the initiative and is now leading it through its

early growth. With a 20-year background in the IT industry, Mr. Lloyd brings a wealth of experience to the Active Loss Prevention initiative. Having worked in large and small organizations, plus serving in technical and business roles, he is highly qualified to bring together the worlds of business and technology worlds to address the risks facing companies in doing their business over the Internet or other IT infrastructures.

Persons interested in attending what promises to be a valuable half day should direct their intention to attend to salbertaz@steptoe.com or contact mschneck@steptoe.com for more information 

(Interview, continued from page 3)


the industry and what outcomes do you expect?

Lloyd: 9/11 has had many effects on the industry. In some ways it has raised awareness of the need to act now. In others it is diverting attention to the critical infrastructure arena. A positive outcome would be using these forces to build general awareness levels of the need for security awareness and the requirement for security products' vendors to work together to benefit industry and the public. This work is focused on creating a secure and trusted environment where we can do business electronically.

The Message : In what ways do you see increased visibility of The Open Group in the area of security?

Lloyd: Within The Open Group, we are finding an increasing convergence on security issues from several forums. The Directory Interoperability Forum is investigating links to security through the needs of identity management. The Real Time Forum is looking at the special needs of embedded and real time systems. The Security Forum is working on links with the Architecture and the Directory Interoperability Forums for patterns and identity management. The number of publications these forums are issuing is increasing, which is having a beneficial effect on awareness of the work of The Open Group.

The ALP Initiative will have a longer term effect on the secu-

rity industry, because it is taking a longer term view to identifying and solving IT-related business issues. This contrasts with the current fire fighting occurring in much of the industry 

Memorable Messages

From WEIRD IDEAS THAT WORK
“...to foster creativity, . . .hire misfits, goad them to fight and pay them to defy convention and undermine prevailing culture.”

Robert Sutton
Professor of Management Science and Engineering
Stanford University

From Forbes

“Only half of the revolution has happened. In five years we will be connected everywhere.”

Gil Shwed
Founder and Chairman
CheckPoint

From GWSAE Fast Read

“Hell, there are no rules here—we’re trying to accomplish something.”

Thomas Alva Edison

From Fast Company

“... technology is an enabler. The end goal is to drive business. . . .”

Frances Karamouzis
Research Director, Gartner Inc.

“Don’t worry about stockholders or employees. If you take care of your customers, everything else will fall into place.”

Lee Iacocca
Founder and Chairman
EV Global Motors Inc.



Capitol Message

CIO Magazine,
January 15, 2002

In efforts to expand the pool of US citizens or permanent residents who hold science, math, engineering, and technology degrees, thus creating a larger pool of high-tech workers, Sen. Lieberman (D-Conn) is co-sponsoring with Rep. Sherwood Boehlert (R-NY) the "Tech Talent" bill.

CIO Magazine,
January 23, 2002

e-government is improving, with public sector Web sites responding well to users' needs and becoming more sophisticated. In fact, customers of government services are discovering that transacting business with the government seems more relationship-focused than information-based.

The New York Times (editorial),
February 24, 2002

As part of a legal settlement, Eli Lilly & Company promised the Federal Trade Commission that the company would improve its online security after unintentionally disseminating email addresses of more than 600 people taking Prozac.

Call for Contributions

The Message is seeking articles on legal and regulatory issues relating to electronic information exchange. Persons interested in writing an article are encouraged to contact Renée Barnow (+1.202.363.4548; rbarnow@writelineunlimited.com)

International Herald Tribune
February 25, 2002

Accessing government information is changing as evidenced by visitors to the Internal Revenue Service reading room who are shadowed by IRS employees. Congress has before it approximately 30 bills that attempt to redefine what the government is required to release to the public under the Freedom of Information Act.

Washington Technology,
February 27, 2002

In its efforts to expand Web-based government services, the Bush administration unveiled a redesigned FirstGov.gov Web site, which is one of its first high-profile accomplishments. FirstGov starts the deployment of the federal e-government strategy.

EPIC, March 1, 2002

On February 28, the US government and Nicoderno Scarfo entered into a plea agreement on the "key logger" case reported in the last several issues of [The Message](#).

Message Metrics

CIO.com

Critical Skills Being a successful CIO requires skills other than technical ones according to CIOs who rated critical skills as follows: ability to communicate (70%), understanding business processes and operations (58%), and strategic thinking and planning (46%). Less than one-third of the CIOs listed the importance of technical proficiency and then at only 10%.

CRM Companies will invest more in CRM than any other e-business initiative in 2002. (AMR Research)

PDA's By 2007 PDA sales are expected to total 80 million, with the number of PDA phones increasing from 900,000 in 2001 to 49 million in 2007, of which 14 million will be in the US.

Remote Workers More than 70% of the 78 million remote workers in the United States believe that email is their most critical remote application. The 78 million spend more than 20% of their work year traveling or telecommuting.

BusinessWeek online

email Corporate email volume is expected to grow 60-80% in 2002. The size of individual messages will increase as well because email often contains HTML, a memory hog. Demand for software that manages email is expected to increase to keep pace with the surge in email.

Companies continue to expand their email marketing campaigns. By the end of 2002, it is estimated that companies will spend \$1.8 billion, more than quadrupling the \$400 million spent in 2000.

Message Corner

From CIO Magazine,
February 1, 2002

Privacy and e-commerce.

Q. Will privacy regulations help or hurt e-commerce?

A. Help 90% Hurt 10%

N=86 IT executives

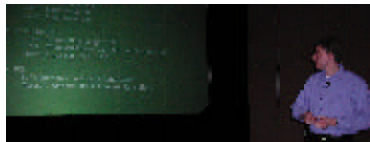
Seeing the EMA Forum Secure Messaging Challenge in Action

Within 6 months of its formation, the Boeing-sponsored EMA Forum Secure Messaging Challenge conducted a demo on 22 January at The Open Group conference in Anaheim. Designed to solve an immediate business need for exchanging strongly encrypted email, Challenge team participants presented live, real-time exchanges between The Boeing Company (Seattle, WA) and Lynx Consulting (Muenster, Germany).




Wen Fang, The Boeing Company

To be meaningful, the Challenge team knew they had to prove that encrypted messages were received and decrypted, which



Stephan Wappler, Lynx Consulting

was done using ten different test scenarios.

The Challenge was “interoperability in spades” (*Mike Lambert*, The Open Group Vice President and CTO) and the team demonstrated the essence of The Open Group—members jointly solving problems of common interest 

Upcoming Events

19 March 2002 Trust Services: Exploring New Technology's Impact on Business
Bristol, England

By Invitation Only

21 March 2002 Liability and Information Assurance: The Role of Law, Regulation, and Self-Regulation
Washington, DC

8-12 April 2002 Managing the Mobile Workforce
Paris, France

10 June Regional Meeting
Dayton, OH

22-26 July 2002 Quarterly Conference
Boston, MA

(Insights, continued from page 5)


Director of National Outreach and Awareness. Ms. Wong explained the need to have the government as an honest broker bringing together different perspectives and different stakeholders.

While people tend to focus on infrastructure, Ms. Wong suggested that the issues are really those of business rather than IT. A key challenge is integrating physical and cyber worlds while securing infrastructures, all the while remembering that information security is a system comprising procedures, people, and technology.

Offering another industry perspective was *James McKinley*, IT Architecture Manager at HP. Mr. McKinley believes that IT must transform the way business is conducted and stressed the following themes:

- Standardization and industry standards
- Business and IT agility
- Collaboration and synergy
- Adaptability and change

On Wednesday conference speakers focused on identity management, with *Jamie Burton*, CEO and Research Chair of The Burton Group providing the keynote for the day. He acknowledged that while companies use networks to do business, business is really about building relationships and that legal, social, and regulatory trends are raising the bar for protecting networks, identities, brands, and content.

Other speakers from various industry sectors included *Jason Polli*, Director of Physician Informatics Memorial Health Services; *Dean Richardson*, The Boeing Company, who discussed managing suppliers' identities; *Ed Harrington*, VP Business Development & Strategy, Nexor Plc, who talked about identity management in mobile environments; and *Vance Heron*, NASA Jet Propulsion Laboratory, who looked at role-based authorization and access control 

For your interest—The Message body text is “A Caslon Regular” and headline text is “Broadband ICG.”