

ECEBS NEWS

REVOLUTIONARY
TECHNOLOGY
SIMPLIFYING THE
DEPLOYMENT AND USE
OF SMARTCARDS

ISSUE 3



NERSC CHOOSES MULTEFILE



NERSC, the North East Regional Smartcard Consortium of Local Government authorities have selected Ecebs' Multefile for a wide-ranging programme of multi-application pilots within the Newcastle and Sunderland areas this year.

Applications as diverse as remote network login, PKI based digital signatures and interoperable ticketing will be provided on one dual interface smartcard.

"We see Local Government based smartcard infrastructure as requiring highly flexible and adaptive components to deliver the plethora of services envisioned for the future" said Mr Conn Crawford, Strategic Projects Officer, IT dept of Sunderland City Council. "We selected Multefile from Ecebs to provide us with the best combination of applications in one card-platform neutral layer, enabling us to avoid proprietary technology lock in."

NERSC chose the JavaCard version of Multefile on-card layer in the knowledge they can change horses later if required with minimal disruption and incremental cost. "We have Multefile running on MULTOS, JavaCard or native card operating

platforms," said Barry Hochfield, Ecebs Technical Director. "Our on-card layer hides the platform differences for both operation and management thus enabling freedom and choice of supply for the higher volume elements of a card scheme, the card hardware itself. This, along with Multefile's easy to use security policy management technology gives the level of assurance needed for deployment decisions of this complexity and magnitude."

After a series of pilots where over 50,000 Multefile cards will be issued to schools, colleges, football clubs and other sites, NERSC plan a larger scale rollout in 2005.

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SMARTCARDS COME OF AGE?

Although the smartcard cannot be considered new - it has been around for a long time particularly as prepaid phone cards and in GSM mobiles - exciting new deployments are emerging.

In this issue of Ecebs News we look at initiatives in diverse sectors of the smartcard market - local authorities, transport and payment. This shows that the need for smartcards is spreading as the technology finally meets the requirements of the card issuers and users. We have contact and contactless technology being used across all sectors and now at realistic prices. Just as importantly, the management and evolution of smartcard deployments can be controlled and operated by the card issuer and owner.

Smartcards have truly come of age.

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UK LEADS THE WAY ON SMARTCARDS IN THE PAYMENTS INDUSTRY



Garry Hoffman, CEO of Barclaycard

Fraud on payment cards is a global problem. The UK is currently leading the way in the implementation of Chip and PIN, which will replace the current magnetic stripe technology. While it has served the industry well for a number of years, the magnetic stripe is now easily compromised, and the use of signature is no longer as effective as it was.

France developed its own chip payment card standard and implemented Chip and PIN technology some 12 years ago, which resulted in a dramatic reduction in domestic fraud losses, but gave no protection when cards were used abroad. Visa and MasterCard have since developed an international standard (EMV) and most countries in Europe and SE Asia are now working on programmes to implement EMV Chip and PIN cards and terminals.

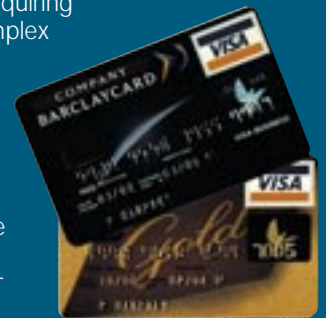
Following a successful trial in Northampton in 2003, the UK is actively rolling out Chip and PIN nationally. The implementation of this technology represents a major challenge for banks, cardholders and retailers.

For banks, it will require the replacement of 140 million credit and debit cards, new PIN change and unlock facilities to be delivered via the ATM networks and a major customer communications programme.

For retailers, it will require the installation of chip card readers and PIN pads at every point of sale, coupled with software changes and the introduction of key management. Each individual installation has to undergo a certification process to ensure that card acceptance and international interoperability is maintained, before Chip and PIN transactions can be processed in a live environment.

Cardholders will need to remember a PIN for all of their payment cards or change the numbers to something that is memorable. The transition from a signature to PIN based environment may well last two years, during which time there will be a mix of signature and PIN cards in customer's pockets, and retailers will be at varying stages of their upgrade programmes. A robust communications strategy, developed by the banks and retailers, is already in place to ensure that customer confusion is kept to an absolute minimum.

Garry Hoffman, CEO of Barclaycard comments "Our customers are the number one consideration when we introduce changes of this nature and we have to get it right for them. For Chip and PIN we not only have to consider the needs of our millions of cardholders but also of the hundreds of thousands of retailers with whom we have a transaction acquiring relationship. This is a highly complex programme with many and varied stakeholder groups. The implementation challenges are difficult but are not insurmountable. We are well on the road to successful implementation that will beat the fraudsters and retain public confidence in payment cards for the future".



HAPPY BIRTHDAY TO US

Although it seems such a short time since the company was founded, Ecebs is now in its fourth year of operation. "At the outset, we had a very clear plan concerning our target products and the unique technology we would develop to provide them" says Mel Pashley, Sales Director. "We have made a massive investment in developing Multefile and the benefits are really starting to be appreciated by our customers. It totally justifies our business plan and investment".

Multefile is Ecebs core technology, which enables card issuers to manage their multi-application card estate themselves and represents a radical departure from traditional smartcard deployments. Pashley continues "We have used this technology to provide significant advantage to our customers in our primary markets of Payment, Transport and Secure Identity".

By using Multefile as the core technology in these seemingly diverse product areas it has demonstrated the unique ability to simplify what had previously been enormously complex processes. "The added benefit of being able to simultaneously update both terminal and on-card software is groundbreaking," says Mike Peters, Principal Systems Architect. "By bringing this capability to business owners themselves with the simplest of controls, it really is revolutionary technology simplifying the deployment and use of smartcards" he concludes.



ECEBS AWARDED INVESTORS IN PEOPLE STATUS

Ecebs have been awarded the prestigious 'Investors in People' standard at a presentation evening in May.

Russell McCullagh commented "We are very proud to have attained this standard. It demonstrates that we do believe and recognise the value of all the Ecebs team, their performance and contribution to the success of the Company. We now need to ensure that we continue to develop, improve and move ahead after achieving this landmark."



Ecebs receive the IIP award

Investors in People is a national quality standard which sets a level of good practice for improving an organisation's performance through its people. Organisations achieving the award have to demonstrate that it is:

- fully committed to developing its people in order to achieve its aims and objectives
- is clear about its aims and its objectives and what its people need to do to achieve them
- develops its people effectively in order to improve its performance
- understands the impact of its investment in people on its performance



INVESTOR IN PEOPLE

UK WIDE E-PURSE AT LAST

'The history of the Electronic Purse is a long and varied one. A deeply fragmented story, both geographically and business case wise, driven by the wide variety of profiles of purse scheme operators: Retail Banks, Local or National Government, Universities and other private campus operations. Now both UK Transport industry and Local Government are researching e-purse feasibility. These studies have taken different paths but there is a major opportunity for convergence.

Local Authorities under the auspices of the National Smartcard Project have investigated various solutions already available with a view to adoption. On the surface this seems a most sensible approach, avoiding reinvention of any wheels. However selecting an existing solution does not come with the advantages one might expect.

The first obvious place to look is the banks including initiatives from Visa and/or MasterCard. These institutions have long been involved with such projects as Visa Cash, Mondex, Proton, the list goes on, but so do the degrees of complexity and caveats to match. Even the banks' Common Electronic Purse Standard (CEPS) is not at all common nor standard. Now with the introduction of the "pre-authorized off line debit" profile into the Chip and PIN standard EMV, banks have all but abandoned CEPS before it was fully proven. To make matters worse, costs of deploying a CEPS infrastructure even within the banks would be comparable to that of EMV itself, and with no business case to sustain that; CEPS RIP.



So Local Government and Transport must follow another strategy and ride the wave of an even more suitable smartcard infrastructure deployment - ITSO.

But, is ITSO really fit for this purpose? The short answer is yes, providing a few reasonable constraints are followed. For example a memory card is not secure enough for an e-purse, but a processor card with appropriately secure messaging is. ITSO supports both so with the e-purse product loaded only onto suitable CPU cards, it will comply with requirements. There are other similar factors to consider but once these are addressed, both the Transport and Local Government sectors can truly maximise return on investment in the ITSO infrastructure by taking full advantage of its e-purse capabilities along with its many others.'

For more information about ITSO contact
www.itso.org.uk

MAJOR NEW SMARTCARD INITIATIVES IN UK TRANSPORT SECTOR



Announcement of Manchester Readycard

More announcements have been made concerning major new smartcard initiatives in the UK adopting the ITSO specification.

In Greater Manchester, plans to introduce an electronic smartcard that can store travel tickets and money for bus journeys moved a step closer after transport bosses agreed a detailed programme, which will transform the way people travel by bus in the region.

Called Readycard, the new electronic pass will be credit card sized, feature a photo of the passenger and will enable concessionary passengers to make their journeys without having to carry money. The first Readycards will be issued to concessionaires in Autumn 2005 in a scheme delivered by Prepayment Cards Limited.

More than 1,700 ITSO Security Application Modules (ISAMs) from Ecebs

will be delivered to transport consortia in South East Wales, North Wales and Cheshire as local authorities in those regions switch to transport smartcard schemes compliant with ITSO – the 'industry standard' for interoperable transport solutions.

The South East Wales Transport Alliance (Sewta), a consortium of 10 local authorities, is implementing an ITSO-compliant transport system throughout the region following a pilot project in Caerphilly. Caerphilly Council is the lead authority for the project. So far, over 165,000 smartcards have been issued to eligible residents of six of the local authorities – a further 65,000 will shortly be issued to residents of the other four authorities in the consortium.

Says Huw Morgan, principal passenger transport officer for Caerphilly: "The Welsh Assembly Government has advocated that transport schemes throughout Wales should move towards ITSO. This is particularly important for free travel because we need to have an accurate recording of the journeys being made and smartcards are the ideal way to do this; they give us a far better audit trail than was possible before."

In North Wales, the TAIH consortium of six authorities is about to introduce a concessionary smartcard scheme and Cheshire County Council is working with

TAITH to ensure that the cross-boundary interaction they have with their vehicles runs as smoothly as possible and that true interoperability is achieved.

Cheshire's award-winning interoperable scheme is uniquely commercially based. Travelcard Development Officer Helen Mitchell says: "Once we've moved to ITSO we will have all the infrastructure in place to consider expansion of the scheme, both geographically and to other transport applications. Co-ordinating the move to ITSO with TAIH is essential because we have several buses that run between Wales and Cheshire and we need to maintain full interoperability on those routes."

Our photographs show the Manchester team announcing the Readycard project and the Cheshire team who received the Bus Industry award for 'Innovation' for the Cheshire Smartcard scheme.



Cheshire's award winning team

SMARTER HEALTH



There are many massive projects underway internationally to transform the way in which patient records are managed. The traditional paper based folders, which occupy acres of storage space and never quite seem to be in the right place at the right time, are being replaced by electronic patient record systems.

The primary reason for the use of a smartcard is for security. There is nothing the medical profession regard more importantly than patient confidentiality and therefore the security of medical data is paramount. The combination of electronic patient records and smartcard security represents an opportunity for technology to radically transform people's lives for the better.

"At Ecebs we have significant experience in bringing the additional benefit of smartcard convenience to work with electronic patient records," says David Braddock. "There are a variety of methods to combine the two, ranging from secure smartcard based ID for medical professionals to be able to access appropriate parts of a patients record, through to full 'on card' records."

Given the sensitive nature of the data, appropriate security can be enforced in several ways. "The attainment of internationally recognised smartcard security standards such as ITSEC and Common Criteria establishes a benchmark to give confidence," he continues. "This means that all parties from medical professionals to insurance companies, and most importantly the patient, have trust in the new technology. Attainment of these standards will give users greater confidence in the robust security provided by smartcards while increasing acceptance of the technology."

