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Sent: Tuesday, June 14, 2005 3:04 PM
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Subject: NAESB Certification Work Paper

Leigh, Jim,

Attached is the example I promised of how certification may be implemented that mirrors ebay certification.

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Suggestions for eBay-like NAESB Vendor Certification.

Foundation

eBay vendors are rated constantly on their sales volumes and on feedback from customers. This document suggests establishing a NAESB certification process that mirrors this certification model.

NAESB members are certified based on

- a) claims of compliance verified by NAESB member trading partners
- b) actual production verified by NAESB member trading partners.

NAESB Certification Tiers

Tier 1 Certification

(aka basic, silver, standard)

A party can claim to be NAESB certified without demonstrating production proof of this. This would be comparable to a 'Hilton Honors' membership that one can get for just filling out an application.

A fee and officer signature would keep this from being abused.

Tier 2 Certification

(aka gold)

A party that can demonstrate actual production using NAESB standards should receive a higher certification.

An additional fee and officer signature from both member and their trading partner(s) keep this from being abused.

Tier 3 Certification

(aka platinum, 'powered by', premier)

A party that can demonstrate actual production using NAESB standards in more than 10/50/100 accounts should receive a higher certification.

This number may vary by certification level (e.g. Internet ET v. RXQ Enrollments).

No additional fee is required, as these members demonstrate commitment to NAESB. No additional signatures are required outside of those submitted as part of the Tier 2 certification.

Certification Opportunities

RXQ

Internet ET

A party can be certified that they have an Internet ET solution

RXQ Markets

A part can be certified that they support RXQ markets (EDI transactions, flat-files, etc)

Example

Acme Utility develops a NAESB Internet ET solution and a NAESB RXQ market solution.

Their president submits the certification application along with the Tier 1 fee. They now have Tier 1 certification for both solutions.

Acme implements their Internet ET solution with one trading partner. Both their trading partner and Acme's president submit a letter to NAESB witnessing to this. Acme now has Tier 2 certification for Internet ET and Tier 1 for RXQ markets.

Acme implements 24 additional trading partners using their Internet ET. Each trading partner submits a letter witnessing to this. Acme's president submits a letter for each trading partner. Acme now has Tier 3 certification for Internet ET (assuming 25 required TP's) and Tier 1 certification for RXQ markets.

Acme implements their RXQ Markets solution with one trading partner. Both their trading partner and their president submit a letter to NAESB witnessing to this. Acme now has Tier 2 certification for RXQ Markets.

Once Acme has 25 RXQ market clients they receive Tier 3 certification.