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[Pat Farrell & Christopher Allen dug this up, and posted it to the Cypherpunks list. The general opinion is that this is "anti-DigiCash" - a move to get in on an electronic money scheme now, that provides no anonymity, no privacy protection, and is specifically degined for tracking purchases and other traffic analysis, in hopes of nipping REAL DigiCash in the bud before it spreads from Europe. Article and commentary follows press release below.]

03/22 VISA ESTABLISHES INTERNATIONAL CONSORTIUM FOR ELECTRONIC PURSE SPECIFICATIONS

SAN FRANCISCO, March 22 /PRNewswire/ -- Visa today formed an international consortium of market leaders in the consumer payments industry to develop common specifications for a new way to pay -- an "Electronic Purse," a card with a micro chip that can be used instead of cash and coins for everything from vending machines to public transportation.

The Electronic Purse would consist of a micro-chip embedded in a credit card, debit card, or stand alone card to store value electronically. The card would replace cash and coins for small-ticket purchases (less than U.S. \$10), such as gasoline stations, pay phones, road/bridge tolls, video games, school cafeterias, fast food restaurants, convenience stores, and cash lanes at supermarkets. Cardholders can "reload" the micro-chip and control the amount of value stored in the card's memory. The Electronic Purse provides cardholders with the security and convenience of carrying less cash and coins, eliminating the need for exact change. Many participants in this worldwide effort are currently pilot testing electronic purse products, additional pilots are expected in late 1995.

Joining forces with Visa to develop international technical specifications for the Electronic Purse are: Banksys; Electronic Payment Services, Inc., (EPS); Financial Information Systems Center, (FISC); Groupement des Cartes Bancaires, (CB); NationsBank Corporation; Sociedad Espanola de Medios de Pago, (SEMP); Sociedade Interbancaria de Servicos, S.A., (SIBS); and Wachovia Corporation. To ensure worldwide representation, limited additional payment systems that have invested energies in open-market electronic purse projects, will be invited to join. In addition, Visa will form a parallel group with technology companies to ensure the specifications support low-cost, efficient production of necessary equipment.

"The goal of our combined efforts is to lead the market into the next frontier of payment processing -- the automation of cash and coins," said Ed Jensen, president and chief executive officer, Visa International. "The highly complementary capabilities of the participating companies will allow us to

address issues for all aspects of smart card-based electronic purse solutions, including the cards themselves, point-of-sale systems, networks and back-end interchange and settlement systems."

This announcement reflects Visa's commitment to providing superior, convenient payment services to its member financial institutions who serve consumers and merchants around the globe. The consortium was formed in response to member requests that Visa take the lead in facilitating the addition of an electronic purse to existing credit and debit cards, as well as the introduction of a stand alone card. Visa will leverage its global brand presence by teaming up with strategic partners to develop common standards.

"The most critical step in making this concept a global market reality is the definition of open standards that can be shared among all participants," said Wesley Tallman, president, Visa Products and Information Services. "Recognizing that important domestic electronic purse developments are underway, the consortium will leverage the expertise of all participants. Group 'knowledge sharing,' especially with our European participants that have made significant advancements in the chip card arena, will facilitate the development of a specification that is relevant to markets worldwide." The technological specifications will govern the standards needed to establish an infrastructure that supports electronic purse payments.

The worldwide market for automating cash transactions remains virtually untapped. According to the Bank for International Settlement, consumer cash transactions in the U.S. alone exceed 300 billion per year. By contrast, bank-facilitated consumer transactions, such as credit and debit cards, checks, and wire transfers total only 60 billion per year. As these figures indicate, there is a vast market potential for automating cash transactions. "EPS has been investing significant resources to develop smart card solutions since 1991," stated David Van Lear, chairman and chief executive officer of Electronic Payment Services, Inc. "Combining the resources of these industry leaders will accelerate market acceptance."

Just as the standard operating environments have fueled the growth of the personal computer industry, the specifications that emerge from this collective effort will provide the essential framework to ensure compatibility, reduce development time and cost, and open up the market for others.

International payment system participants included in this cooperative effort are:

Banksys -- based in Brussels, Belgium, is a leading European specialist in electronic funds transfer (EFT) and payment security. Banksys operates the automated teller machine (ATM) and point-of-sale (POS) network on behalf of all card issuing banks in Belgium. Besides Belgium, 10 other countries are equipped with the Banksys system. Banksys is entrusted with the development of the Belgian Electronic Purse project, with pilot testing expected to begin in December 1994.

Electronic Payment Services, Inc. (EPS) -- based in Wilmington, Del., is the leading electronic funds transfer company in the United States with an annual transaction volume of 1.7 billion. EPS is the holding company for BUYPASS Corporation and MONEY ACCESS SERVICE INC., operator of the MAC(R) network.

Financial Information Systems Center (FISC) -- based in Taipei, Taiwan, is a government organization that supports electronic purse initiatives in that country. Through its members, FISC has issued 80 thousand integrated circuit cards and has installed more than one thousand point-of-sale systems with integrated circuit card readers.

Groupement des Cartes Bancaires (CB) -- based in Paris, is the country's payment cards organization that has succeeded in launching the world's largest integrated circuit card program, with more than 22 million cards in circulation generating 2.2 billion transactions per year.

NationsBank Corporation -- headquartered in Charlotte, N.C., is the third largest banking company in the United States with approximately \$158 billion in assets, more than 1,900 retail banking centers in nine states and the

District of Columbia, and consumer offices in 33 states. NationsBank is a financial services company providing products and services nationally and internationally to individuals, businesses, corporations, institutional investors and government agencies.

Sociedad Espanola de Medios de Pago (SEMP) -- based in Madrid, SEMP is a sister company of Visa Espana, a group member of Visa banks in Spain. SEMP operates Sermepa, the card processing company of Visa Espana.

Sociedade Interbancaria de Servicos, S.A., (SIBS) -- based in Lisbon, Portugal, is the country's leading bank payments company which provides electronic clearing services and operates the national Multibanco ATM and EFT/POS networks. As an extension to its service offerings, SIBS, is introducing the Multibanco Electronic Purse, (MEP).

Visa International -- headquartered in the United States, is the world's leading consumer payments system with more than 333 million cards issued, more than 11 million acceptance locations, and the largest global ATM network.

Wachovia Corporation -- with dual headquarters in Atlanta, and Winston-Salem, N.C., is one of the United States' leading debit card issuers and provides credit card services to three million cardholders nationwide.

/NOTE TO EDITORS: In December 1993 Visa International, MasterCard International and Europay announced an agreement to form a joint working group to develop a common set of technical specifications for the integration of microprocessor chips in payment cards -- commonly known as "Integrated Circuit," "Chip," and "Smart" cards. The electronic currency specifications referenced in this release will enable the electronic purse application to be added to the integrated circuit cards./

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09:05 EST

PR NEWSWIRE

03/28 VISA TECHNOLOGY GROUP SUPPORTS ELECTRONIC PURSE SPECIFICATIONS

SAN FRANCISCO, March 28 /PRNewswire/ -- Visa today announced the formation of a technology group of international manufacturers to support the adaptation of specifications for a variety of technologies that will facilitate the issuance and acceptance of the "Electronic Purse" -- a payment card that stores value electronically and is designed to replace cash and coins for a wide range of low-value (under U.S. \$10) consumer payments.

The technology group will work with Visa who recently formed an international consortium of payment systems that will develop common specifications for Electronic Purse programs. Because plans are underway for the card to be used globally in a variety of venues -- including, gas/petrol stations, grocery stores, convenience stores, fast food restaurants, school cafeterias, and for such routine items as telephone calls from pay phones, road/bridge tolls and video games -- a number of technologies required to support card acceptance in global markets will be examined by the group.

The first suppliers to join the international technology group are VeriFone, Inc., the leading global provider of point-of-sale transaction systems, and Gemplus, SCA, the world's leading manufacturer of smart cards. VeriFone and Gemplus have formed a joint venture, called VeriGem, to pursue electronic purse opportunities. To ensure worldwide representation, additional technology leaders who have invested energies in electronic purse applications will be invited to join the group.

In addition to acceptance technologies, "loading" systems that enable cardholders to restore currency value into the micro chip will also be analyzed. Automated Teller Machines (ATMs) are expected to play an important role in loading value into the electronic purse. Future loading methods, such as specialized devices located at merchant locations or in the home, will also be explored. Operating both the largest international consumer payment network, VisaNet, and the world's largest ATM network puts Visa in a unique

position to lead this global effort.

"As with all emerging technologies, consultation with suppliers responsible for physically implementing the technology is critical to ensuring the viability of the product design," said Wesley Tallman, president, Visa Products and Information Services. "As market leaders in the payment systems field, all of those who have joined us in this initiative are truly partners in paving this 'express lane' of the electronic payment superhighway."

Tallman emphasized that the technology group will be charged with ensuring that the specifications developed by the consortium support low-cost, efficient production of necessary systems and equipment.

This group approach has been a key tool in support of Visa's product and market development efforts. In December 1992, Visa formed a manufacturer's group to support development efforts for security specifications of integrated circuits on payment cards. Still active today, this group lends critical on-going support and expertise to Visa's chip card efforts. Participants in this international group include: Bull, CPS (France); Gemplus, (France); Giesecke and Devrient (Germany); Schlumberger Industries (France); and Toshiba Corporation (Japan). Visa expects and welcomes the participation of these and other technology partners in the electronic purse effort.

Hatim Tyabji, chairman, president and chief executive officer of VeriFone, agreed with the need for a supplier's group that would lend systems expertise to this effort. "Establishing worldwide specifications is the essential first step in the global standardization of the electronic purse, uniting all industry participants on a common playing field with a common set of rules. The endorsement and support of the electronic purse by Visa, its member banks and leading worldwide payment systems send a strong message to the industry -- the electronic purse is no longer merely a possibility, but a real market direction," said Tyabji.

"With their high storage capacity, programmability and increasing affordability, smart cards are now poised to move beyond specialized applications and become a truly universal payment medium," said Dr. Marc Lassus, president and chief executive officer of Gemplus. "We share the consortium's vision of the electronic purse, and are excited about helping to bring speed, reliability and efficiency of smart card-based electronic cash to markets around the globe."

Visa International, headquartered in San Francisco, California, is the world's leading consumer payments system with more than 333 million cards issued, more than 11 million acceptance locations, and the largest global ATM network.

VeriFone, Inc., based in Redwood City, California, is a leading global provider of Transaction Automation solutions used to deliver payment processing and other transaction services to various retail market segments, as well as the healthcare and government benefits market. The company has more than 30 facilities located throughout Asia, Europe and the United States. To date, VeriFone has shipped more than 3.4 million Transaction Automation systems, which have been installed in more than 70 countries. Net revenues in 1993 were U.S. \$258.9 million.

Gemplus Card International, based in Gemenos, France, is the leading worldwide manufacturer of smart cards. Gemplus' cards are used for secure transactions in public and cellular telephone, banking, pay TV, transportation, healthcare and defense applications. The company has three manufacturing facilities: two near Marseilles, France, and one near Stuttgart, Germany. Current Gemplus production exceeds 14 million cards per month. The company has direct sales offices in 12 countries and a distribution network covering an additional 50 countries worldwide. The company's 1993 revenues were U.S. \$130 million.

NOTE: Gemplus is a registered trademark of Gemplus Card International. VeriFone is a registered trademark of VeriFone, Inc. Visa is a registered trademark of Visa International, Inc.

/NOTE TO EDITORS: On March 22, 1994, Visa announced the formation of an

international consortium to develop worldwide technical specifications for the Electronic Purse. The supplier's group discussed in this release is a complementary effort, serving Visa in a consultative or advisory capacity.

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08:45 EST

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From: tcmay@netcom.com (Timothy C. May)
Subject: The AntiCash -- was: Electronic Purse Press Release
Date: 4 Apr 1994 16:04:42 -0400

Thanks to Christopher Allen for passing on that latest "Digital Purse" proposal. I won't quote-and-comment here.

Does this system provide any protection againt fine-granularity monitoring of payer identity? The talk of "clearinghouses" and the involvement of VISA International and the Usual Suspects suggest identity-blinding protocols are not in use. I also see no mention of DigiCash, or even RSA (but maybe I missed that--and the presence of RSA would not necessairly mean identity-blinding protocols were being planned).

Likely Scenario: This is **not** digital cash as we think of it. Rather, this is a future evolution of the cash ATM card and credit card, optimized for faster and cheaper clearing.

Scary Scenario: This could be the vehicle for the long-rumored "banning of cash." (Just because conspiracy theorists and Number of the Beast Xtian fundamentalists believe it doesn't render it implausible.)

There are many "reasons" to ban cash and make it all electronic:

- * War on Drugs....need I say more?
- * surface the underground economy, by withdrawing paper currency and forcing all monetary transaction into forms that can be easily monitored, regulated, and taxed.
- * reduce theft of welfare checks, disability payments, etc....a problem in some locales, and automatic deposit/cash card approaches are being evaluated.
- * illegal immigrants, welfare cheats, etc. Give everyone a National Identity Card (they'll call it something different. to make it more palatable, such as "Social Services Portable Inventory Unit" or "Health Rights Document").

There was a time when I would've said Americans, at least, would've rejected such a thing. Too many memories of "Papieren, bitte. Macht

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