Electronic Commerce Customer Guide

Overview

Electronic Data Interchange - Electronic Funds Transfer

Building Electronic Partnerships For The Future...Today

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Preface

Since 1984, AT&T has been involved in developing various technologies associated with Electronic Commerce (Electronic Data Interchange and Electronic Funds Transfer). AT&T offers electronic billing and electronic payment services. A long term objective is the end-to-end completion of a business transaction solely by electronic exchange whenever economically practical.

This particular document, the AT&T Electronic Commerce Customer Guide (hereafter referred to as the “guide”), provides an overview of SBC’s Electronic Data Interchange (EDI) and Electronic Funds Transfer (EFT) processes. This guide documents the activities required for successful implementation and operation of an Electronic Commerce Trading Partner (TP) relationship.
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1 Introduction

1.1 Purpose of Guide

The purpose of this document is to provide a general overview of Electronic Commerce implementation issues with specific information on AT&T's use of Electronic Commerce.

This guide, along with referenced materials, provides information needed to implement an Electronic Commerce business arrangement with AT&T. Where appropriate, some checklists and forms have also been developed to assist with Electronic Commerce implementations.

1.2 Scope and Applicability

This guide serves as the primary reference for AT&T and its trading partners when conducting electronic commerce related to billing and payment of telecommunications services.

1.3 Contact Information

Inquiries concerning Electronic Commerce can be referred to your AT&T representative.

Inquiries concerning Electronic Funds Transfer (EFT) should be directed to:

AT&T EFT Control Center
Two Bell Plaza, Room 1375
Dallas, Texas 75202

EFT Enrollment Hotline: 214-464-4529

Inquiries concerning the Accredited Standards Committee (ASC) X12 Committee, X12 Standards and Updates, or the Data Interchange Standards Association (DISA) should be directed to the ASC X12 Secretariat at:

Data Interchange Standards Association, Inc.
333 John Carlyle Street, Suite 600
Alexandria, VA 22314-5743
Phone: (703) 548-7005

Inquiries concerning the National Automated Clearing House Association (NACHA) operating rules and standards, or local Automated Clearing House (ACH) associations should be directed to NACHA at:

National Automated Clearing House Association
13665 Dulles Technology Drive, Suite 300
Herndon, VA 20171
Phone: (703) 561-1100
1.4 Introduction to Electronic Commerce

Information, or rather the access to information, is the glue that binds companies together. Everyday a tremendous barrage of paper, from purchase orders to invoices, is distributed throughout all companies. The manual delivery of the information costs time, labor and postage.

But there's an alternative: Electronic Commerce, which boosts the efficiency of routine paper activities by sending and receiving business information through data communication networks. With Electronic Commerce business information can now be moved from one company's computer to another company's computer completely error free and untouched by human hands. Electronic Commerce is the transmission of business information in a national standard format.

The sending company eliminates the costs associated with paper documents. It also experiences reduced order lead-time, which permits decreased inventory requirements. Invoices are also delivered sooner, allowing the potential for quicker receipt of payment.

The receiving company significantly reduces key entry time and associated key entry errors. This permits business transactions (e.g., orders, invoices, and payments) to be processed faster and with fewer errors. Mailing and handling costs are also reduced or eliminated. Both the sending and receiving company gain the ability to fully control and audit the end-to-end business transaction.

While Electronic Commerce improves efficiencies within both companies, the most significant improvement is in the enhanced relationship between the two companies. In order to exchange business information, companies discuss how the information is used. Through this exchange of information, companies come to understand one another better and build more cooperative relationships. For this reason, the two businesses refer to each other as Trading Partners.

The following diagram (Figure 1.4) depicts the end-to-end processing of a typical Electronic Commerce (EC) transaction. The application programs on the far left and right represent internal proprietary formats and computing systems. The Electronic Commerce translation software portions are available from various software vendors to run on various hardware platforms, but each must provide a standard Electronic Commerce output (e.g., X12 or NACHA) to allow for the translation and exchange of information. The translation process may be performed by a third party, such as a Value Added Network (VAN) or a Value Added Bank (VAB). The communications path often makes use of a VAN provider to address differences in communication software and protocols. The communications path could also be a direct communications link between the two companies.

Figure 1.4 - Electronic Commerce Systems Environment
2 Legal and Audit Considerations

The full integration of Electronic Commerce into a business process represents a totally new way of doing business. In addition to reviewing administrative processes and business flows, a review of contracts and other legal documents should also be conducted.

2.1 Record Keeping

Unlike paper-based commerce, Electronic Commerce provides additional capabilities in terms of audit trails and electronic data backups of business transactions.

Each company's requirements for maintaining records of Electronic Commerce transactions vary considerably. In addition to company policies, government laws and regulations will also influence record keeping and retention practices. Policies applicable to paper transactions are usually applicable to electronic transactions.

Information originators of documents must ensure that records (electronic and/or paper) are retained long enough to satisfy business and legal needs.

2.2 Authentication

In the traditional paper environment of business, the signature has been viewed as the binding authorization for a business transaction to occur. In the Electronic Commerce environment, the exchange of electronic mail-boxing information, sender/receiver IDs, or authorization/security information may be used to represent the traditional signature. Both trading partners need to agree upon an acceptable alternative to the traditional signature.

2.3 Trading Partner Agreements

Trading Partner Agreements may be necessary to protect the interests of both AT&T and its trading partners. AT&T has standard Trading Partner Agreements drafted for each Electronic Commerce business function.

2.4 Electronic Funds Transfer Authorization

An Electronic Funds Transfer (EFT) Authorization is necessary before AT&T can begin to accept payments. AT&T has a standard authorization form that authorizes the trading partner to make payments for goods and services via EFT and specifies the selected depository institution for EFT payment. An EFT authorization form (ECF12) is required by AT&T.
### 2.5 Third Party Agreements

Additional agreements related to trading partner arrangements may involve a communications agreement with a VAN provider. Some companies also contract with third party firms to provide data processing and/or translation on their behalf. Each trading partner should individually contract for these services as needed.

### 2.6 Security

Special hardware/software deployments may be required to provide the proper level of security for sensitive Electronic Commerce transmissions (e.g., payment and remittance information).

As with paper documents, each participant in the preparation, transfer and receipt of Electronic Commerce transmissions is expected to provide the appropriate level of security to protect Electronic Commerce transactions.

The Trading Partner Agreement referred to in section 2.3 can be used to address security issues.

### 2.7 Recovery Procedures

Just as in traditional office and postal mail environments, occasional errors may occur and data may be lost or destroyed. In order to be prepared for such an event, each trading partner should be capable of reproducing all Electronic Commerce transactions transmitted and/or backup paper documents within established or negotiated time-frames to meet legal and/or business requirements.

Likewise, each trading partner should also ensure that disaster recovery procedures are in place to ensure appropriate retention of required information.

### 2.8 Audit Considerations

One advantage of Electronic Commerce is the audit trail it provides. Due to the use of computers throughout the Electronic Commerce process, Electronic Commerce operations can readily provide precise tracking information related to all Electronic Commerce transactions.

AT&T makes use of the ASC X12 Functional Acknowledgment (997) with its trading partners for EDI transaction sets received through a VAN or a direct connection to further expand this audit trail. Use of the Functional Acknowledgment not only provides notification that a business transaction was transmitted successfully, but also indicates whether the data sent complied with the industry standard in use. While a Functional Acknowledgment does acknowledge the receipt of a transaction with correct syntax, it does not verify if the content of the data is correct or acceptable at the application level.
2.9  Version/Release Timing

AT&T will not maintain a transaction set for each version and release of every transaction. AT&T transaction sets for ASC X12 transactions will not all be maintained at the same version and release level.

AT&T will work with current Electronic Commerce trading partners to schedule migration to new versions and releases of standards as business needs dictate.

AT&T will provide at least six weeks' notice of any planned changes. Likewise, AT&T requests at least six weeks' notice from a trading partner of any planned changes.

2.10  ASC X12 Standards Exceptions

AT&T does not utilize the NTE (note/special instruction) segment in any of its ASC X12 transactions since it can interfere with completion of end-to-end electronic processing.
3 Computer Communications

As the use of paper business documents migrates to standard formatted electronic transactions, the electronic communications path becomes extremely important. This portion of the guide addresses that electronic communications path.

AT&T makes use of both direct Electronic Commerce connections and Value Added Networks (VANs) for interfacing with its trading partners.

Implementation of a direct connection depends upon various business and communication factors. Both trading partners must agree upon this type of arrangement before the link is established. AT&T will evaluate the cost effectiveness of the direct communications option on a case-by-case basis with interested trading partners.

3.1 Communications Costs

Cost of a point-to-point communications link will be split equally between AT&T and Trading Partner. Both trading partners must agree upon this type of arrangement before the link is established.

VAN charges will be split between the Trading Partners. The sending Trading Partner pays all charges (including network interconnect charges) required to place the transactions in the Trading Partner's electronic mailbox. The receiving Trading Partner pays any charges required to retrieve the transactions from its electronic mailbox.

Each Trading Partner is responsible for the provision of its own hardware, software, and network interface.

3.2 AT&T Value Added Network Information

When sending transactions, AT&T will incur any transmission costs in delivering the transactions to the trading partner's mailbox on any major public VAN. The trading partner is responsible for all other costs. These costs may include mailbox fees, transmission of transactions from the trading partner's mailbox to trading partner's computer, or VAN interconnection set up fees.
4  Forms and Documents

4.1  AT&T Supplied Forms and Documents

Below is a list of all AT&T forms, documents and reference sheets related to Electronic Commerce. All necessary forms should be available in electronic or paper format from your AT&T billing and payment representative.

Forms

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<thead>
<tr>
<th>EDI Billing Related</th>
<th>Number</th>
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<tbody>
<tr>
<td>AT&amp;T Trading Partner Profile for EDI Billing</td>
<td>ECF01</td>
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<tr>
<td>Sample Electronic Data Interchange Billing Agreement</td>
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<table>
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<tr>
<th>EFT Payment Related</th>
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</thead>
<tbody>
<tr>
<td>AT&amp;T Customer Information Form for Electronic Payments</td>
<td>ECF11</td>
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<tr>
<td>AT&amp;T Customer Information Form for Electronic Payments (for Government Agencies)</td>
<td>ECF11G</td>
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<tr>
<td>AT&amp;T Electronic Funds Transfer Authorization</td>
<td>ECF12</td>
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<tr>
<td>AT&amp;T Trading Partner Profile for Electronic Payments</td>
<td>ECF13</td>
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Overview Documents

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<th>EDI Billing Related</th>
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<td>Billing Systems Overview</td>
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<table>
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<tr>
<th>EFT Payment Related</th>
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<tbody>
<tr>
<td>Billing Systems Overview</td>
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<td>Electronic Payment Overview</td>
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Reference Documents

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<tbody>
<tr>
<td>Summary Information/Requirement Sheet</td>
<td>ECR51</td>
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4.2 Telecommunications Industry Forms and Documents

This Implementation Guide should be used in conjunction with the current version of X12 standards and the TCIF Customer Services Implementation Guideline. The TCIF Customer Services Implementation Guideline may be found on the ATIS TCIF home page.