

**in030014**

December 24, 2002

**Subject: Panasonic Technologies Comments in Response to IT/02-1294 -  
Disposition Comments Submitted in Response the First Review of  
the Draft Procedures for the New Organization (IT/02-1186)**

**From: Terry Nelson, Panasonic Technologies**

Hi Jennifer,

In IT/02-1294 dated December 19, the Transition Team disposed of my comment on budgetary control as follows:

**"Disposition of Panasonic Comment: The Transition Team noted that ITI will retain the budget approval authority, however, there will be a Finance Board Committee that will have the ability to exert influence on the budget. The change was not accepted."**

This disposition is not acceptable for the following reasons:

1. Consolidation was approved by INCITS Letter Ballot 4505 and by JTC 1 TAG at its meeting in August. Both resolutions approved creation of a new organization, as outlined in IT/02-0681, **"with equal responsibility with ITI for approving its budget."**
2. At the last INCITS meeting in Washington, D.C. on November 13, ITI President Rhett Dawson told us that ITI will continue to approve the budget and cannot legally delegate responsibility to INCITS for its own budget.
3. At the same meeting, however, a letter (IT-02-1154) from the Venable Law Firm was posted to the agenda advising that (quote) ... **INCITS is not a "committee" of ITI ... Instead, INCITS is an unincorporated association - it is not a subsidiary to or otherwise controlled by ITI. ITI merely acts as Secretariat to INCITS, an administrative position.** (endquote).

In conclusion, we have the Transition Team siding with Mr. Dawson against the express will of the members of the former INCITS and JTC 1 TAG supported by Venable's opinion. I think now is a good time to take a stand on the principle that **INCITS cannot continue to surrender budgetary control to ITI and still claim to be a consensus body.**

Best Regards,  
Terry