



*Mission bells were used in colonial California for telling time, announcing events, and for passing on news from one city to another. Our symbol is the classic outline of a mission bell because THE BELL newsletter serves similar purposes.*

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- Internet Voting FAQ

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## A Step Toward Internet Voting

**The State of California, Contra Costa County and Safevote have signed an agreement for a shadow election test this November, taking another step toward Internet voting in public elections.** During the period of early voting, voters will first use the voting system in the county election office to cast their legally binding vote and then have an opportunity to cast a mock Internet vote at the same location – not from home. **“The Internet Voting Task Force appointed by Secretary of State Bill Jones recommended a phased, cautious approach to Internet voting. We believe that this shadow election test is designed to do just that,”** said Alfred Charles of the California Secretary of State’s office.

Two other Internet voting companies, **VoteHere.net** and **election.com**, are also being considered by California to conduct Internet shadow election tests in November at election offices in other counties. The technology to be used by each company will be subject to prior verification by California. A diversity of companies and test conditions provides an opportunity to learn more about what works and what does not. It will be instructive to see how privacy, security, auditing and other issues are handled by each of the companies. The tests will also provide data on voter response. **THE BELL is inviting all three companies to present a report in our next issue.**

## The Private Sector Won't Wait, Part II

The July issue of THE BELL began a series on the vigorous growth of Private Sector Internet voting, including Internet voting from home. Readers were surprised. This study brings out the facts on this emerging market.

(continued on p. 5)

## THE BELL™ Newsletter

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## From the Editor

Dear Reader:

It is quite a challenge to develop standards for Public Sector Internet voting that will inspire confidence in using the Internet to cast ballots in public elections. The Internet Voting Technology Alliance (IVTA) was founded in February 2000 in Washington, D.C. to provide a basis for such confidence by developing voluntary Internet voting standards in an open peer review environment where companies, government sectors and individuals can participate. The IVTA has identified two main areas of development: protocol standards for technology specifications and certification standards for reliance and test specifications of implementations. This month, the IVTA has reached final call on its Articles of Incorporation. THE BELL's section on the IVTA includes several pointers to the ongoing discussions and results.

The Federal Election Commission (FEC) contracted the consulting company American Management Systems to update the voluntary national Voting Systems Standards of 1990. There will be a public meeting with the FEC's project team and the National Association of State Election Director's Voting Systems Board to discuss the standards in Washington, D.C. on Friday, August 11. According to the FEC, policy and technical representatives and all of the voting system vendors have been invited to participate in the meeting. Poll site Internet voting will be one of the topics discussed but remote Internet voting is not covered by the FEC standards. THE BELL will publish a report about the meeting in our next issue. Reader's comment are welcome.

Up until last month, THE BELL's website was essentially an archive for the newsletter. Not any longer. Starting in July with the "Overview of Certification Systems" paper, the site is already more than the newsletter. Long papers or studies may be entirely contained in the website, with just one or two parts being published in the actual newsletter.

We have also implemented a new publication policy. Subscribers receive THE BELL in the first week of the month, in PDF or hard copy. Non-subscribers can download the PDF version of the current issue for FREE after the second week of the month.

We are collecting a series of "frequently asked questions" for a future FAQ section. If you have a good question about Internet voting, or a good answer, please send it to us. Readers have also requested a cryptography primer and you may also wish to suggest a topic for it. There is still time to submit your ideas.

Eva Waskell, Editor  
Communications Director  
Safevote, Inc.

### THE BELL'S MISSION STATEMENT

Our mission is to contribute to the public dialogue on Internet voting as well as to lead discussions on collaborative decision-making in general. THE BELL intends to provide high-quality, non-partisan, timely and useful information regarding privacy, security, technology, voting, their markets and relevant policy issues.

# Technology Assessment of Election Systems

by Roy G. Saltman\*

*This article is an overview of technology assessments useful to evaluate and design voting systems. In previous issues, The Bell published reviews by the author on punch card, mark-sense ballot systems, and DRE (Digital Recording Electronic) systems, as well as a comparison between precinct- and central-count systems.*

## Introduction

An election system includes all the machinery, people, and operating procedures involved in party and candidate acceptance on the ballot, voter registration, voting, determination of election out-comes, and dissemination of results to the media and the public.

The need for a technology assessment may be considered when problems are perceived in the operation of an election system, and it is postulated that a change in technology will substantively improve operations.

## The Nature of the Process

The process of a technology assessment is likely to be iterative in its execution, and it may proceed in various directions and result in unexpected outcomes. For example, it may be proposed at first that a particular change in technology could be advantageous, but additional analysis and examination might show that either the technology will not really fix the problem, or it will fix it but the cost is unacceptably high, or the technology is not yet sufficiently proven to be dependable, or the infrastructure which would support it is not sufficiently reliable.

Furthermore, investigation might establish that the problem is not technological at all, but occurs for another reason, e.g., an institutional issue, an inter-organizational conflict, a lack of training of certain personnel, or unavailability of particular supplies, etc.

## Quantification, if Possible

A first step is to understand the problems of the system in a quantified way, as much as that is possible, and it might not be possible for all aspects of the problem. It is usually not good enough to state that an error rate is "too high."

Those who must approve an expenditure, purportedly to make the error rate lower, will want to receive some cost-benefit figures, that is, what numerical percent reduction in error rate will result from what numerical amount of expenditure, and some explanation as to why the action is really worth its cost.

An important "bottom line" in election system evaluation is "public confidence." Unfortunately, despite what just has been said, public confidence is not a parameter that is easily quantified, although public opinion polls are a step in that direction. That is why public confidence must be gauged by politicians who have been elected to do just that, and their job is to appropriate resources accordingly. Nevertheless, it is the responsibility of officials appointed by those elected to present the quantitative figures and to let the politicians decide the ultimate policy issues.

## Performance Criteria

Criteria to be used to evaluate system performance must be identified. A useful parameter is the time in which certain operations are accomplished. For example, it may take too long to (a) verify the names of citizens on petitions, or (b) to verify a voter's identity at the polling station, or (c) cast a complete set of votes for all offices and issues, or (d) summarize the outcomes from all local precincts to produce national totals, where the specific average numbers of seconds, minutes, or hours are specified.

Here again, even if absolute numbers are given, the question may be asked as to whether these numbers are too high compared with what?

The experiences of another county or country in similar circumstances may be cited. Criticisms by media commentators or in letters to editors of newspapers may be cited, or anecdotes told to election officials may be relayed, all for the purpose of bolstering the case to be made to political authority.

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Another useful parameter is error rate. There may be too many errors in (a) voters being able to vote more than once, or (b) voters being able to use someone else's identity, or (c) votes being summed incorrectly at local precincts, or (d) votes tallied incorrectly for groups of precincts. Quantification of the problem is useful here, simply in order to assure that facts, not rumor, are presented to financial decision-makers.

User-friendliness is an important parameter, and by this term is meant whether the voter clearly understands how his or her choices are to be correctly entered into a voting machine, and whether the voter can accomplish this without error.

Each different type of voting system is simple in some ways, yet complex in others. Research into actions taken by voters by reviewing of ballot outcomes may provide understanding of the current state of user-friendliness, but this research must be done carefully, possibly with mock elections, in order not to violate voter privacy and anonymity.

## Levels of Technology

In major areas of an election system, adoption of automation is not a yes-or-no decision. There are different levels of complexity of technology that can be adopted, and often cost correlates with complexity.

In voter registration, verification technology may vary from manual comparison of signatures on paper-based cards, to manual review of a plastic-based identity card with a photograph and counterfeit-prevention technology, to automated comparison of fingerprints.

In totaling votes from individual precincts, methods can vary from manual summation of printout values, through use of computer-based summation of results stored on removable magnetic media that are manually transported, to electronic transmission of precinct results directly to a central computer.

Selection depends not only on cost, but on other criteria as well.

## Selection Criteria

Several criteria may be identified, but an important one is "consistency with the national culture."

For example, the use of a fingerprint may not be acceptable in a country in which this process is associated with a criminal history and a loss of civil rights.

Signature comparison, whether done manually or

automatically, may not be acceptable where a significant fraction of the population is not literate and is not used to writing their signatures.

It may be considered rude and unacceptable in some places for a citizen to be forced to submit to being photographed. In voting, it may be helpful to illiterates to provide logos or photos on ballots in addition to candidate names, as well as provide the identification of candidates by unique numbers.

The history of paper ballot frauds in a particular county or country may make citizens leery of the use of mark-sense or punch-card ballots, even if automation will significantly reduce errors in counting. On the other hand, the lack of ballots in a direct-recording electronic system may raise questions in the minds of those suspicious of what is going on inside a computer that they believe to be controlled by their political enemies.

## Quantitative Criteria and Sensitivity to Human Factors

There are selection factors that are based on quantitative criteria, for example, whether the technology is affordable, even if it is introduced incrementally over a period of time, or whether the balance sheet and other financial parameters of the prospective vendor demonstrate that deliveries are likely to be made on time with the expected quality.

However, human factors also must be considered, e.g., user-friendliness and national culture, already mentioned, and additionally the political consequences of a possible failure of the new system to deliver as promised. The latter should affect the risks to be taken in adopting advanced technical concepts. Technology assessment, despite its engineering context, has much of the arts about it.

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**Read also by Roy G. Saltman:**

Voting Systems, in *The Bell*, Vo.1, No.1, May 2000, p. 13. ISSN 1530-048X.

Voting Systems, Conclusion, in *The Bell*, Vo.1, No.2, June 2000, p. 7. ISSN 1530-048X.



# The Private Sector Won't Wait, Part II

Edited by Ed Gerck, Ph.D.\*

*As the Private sector vigorously embraces Internet voting, the Public sector is taking a close look at how to utilize this tool. Understanding Internet voting in these two sectors is critical to everyone involved. With this issue, Part II brings out the facts on Internet voting in the Private sector and discusses some of the regulatory issues under the PIN authentication model used in the Private sector.*

## Introduction

According to our research, Internet voting is legal and thriving in more than 25 U.S. states. The reasons for this are: increased participation, dramatically lower costs than paper ballots (10x lower) and faster results. This is not the future of public elections, it is the present of private Internet voting. Privacy and security considerations are, however, of lesser concern in the private sector. But the stakes are not that much lower, as Fortune 100 companies decide life and death issues with votes cast on the Internet.

In response to the above paragraph, which summarizes the first part of this series published last month, a reader wrote in an email to us: *"I highly doubt that 25 states allow internet voting. The Dept of Defense has tried for several years to pilot a project utilizing the internet for voting, but state regulations have denied the process. There have been too many issues regarding security, as well as confidentiality in voting."*

Another reader asked us to provide *"the authority or source for including Oklahoma in the list of 25 U.S. states and territories where Internet voting is allowed"* in the private sector.

From the UK, a reader joined the dialogue and provided some insights into the terminology used in the UK in the private sector – essentially agreeing with the same distinctions that we found in the U.S. and named as "transfer proxy voting" and "delegation proxy voting."

This second part of the series provides further facts and references on Internet voting in the private sector. This part also answers the specific questions from readers mentioned above, except for the UK comments and our reply that are given on p. 14 of this issue.

The relevance of these issues is that, as we noted last month, **"proxy voting" in the private sector is a process similar to elections in the public sector.** Why? In the private sector in the U.S. and in the context of voting in corporations, a "proxy" is a document that contains a vote by a voter, is

sent to a transfer agent, and is valid for tabulation at an assembly without requiring the presence of the voter (cf. The Bell, July 2000). Thus, private sector "proxy voting" is similar to public elections, where a voter goes to the poll site (transfer agent, by analogy) and casts a ballot (a proxy, by analogy), which is later on tallied at the end of the election period (tabulation at an assembly, by analogy). To make the analogy clearer, we called this case "transfer proxy voting" or simply "proxy voting" (following usage) where a document (proxy, ballot) is transferred from the voter to the tallying process. In contrast, we called "delegation proxy voting" the case where a voter is represented by a person who will actually cast a vote to be tallied on behalf of the voter. Corporations, as noted, may allow one or both types of proxy voting (transfer and delegation), but the majority of uses of the term "proxy voting" refers to transfer proxy voting.

Thus, legislation and rules introduced in the private sector may serve as limits for legislation in the public sector. It is highly doubtful, for example, that an Internet voting process found insecure for proxy voting in the private sector should be used in public elections.

## Objectives

The objectives of this study are to uncover the following information about the U.S. proxy, union and related voting segments of the private sector market for Internet voting systems:

- SEC regulations regarding proxy voting and the use of the Internet to conduct proxy voting.
- Delaware and New York State regulations and approval process for allowing corporations chartered in these states to collect proxy votes over the Internet.
- The voting methods currently used by selected Fortune 100 companies, mutual funds and unions.
- Cost data on the proxy voting methods currently used.

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- The decision-making process for acceptance of Internet voting.
- Selection criteria for choosing providers of Internet voting.
- Providers of Internet voting for corporations and unions currently using Internet voting.
- Other providers of Internet voting considered, but not selected.
- Satisfaction with Internet voting amongst corporations, mutual funds, and unions currently using Internet voting.
- Unmet needs and security concerns related to Internet voting.
- Objectives and expectations related to Internet voting and its impact on the voting process.
- Voter feedback obtained by current users of Internet voting, and differences in feedback from individual vs. institutional shareholders.
- Reaction to allowing voters to vote (through a link) on the user organization's web site vs. directing voters to a third party site for Internet voting.

## Study Scope

This study provides in-depth information on the voting methods currently used; costs, selection process, and anticipated benefits of Internet voting; voting method usage trends; privacy and security concerns; and web site preferences for Internet voting. Most of the data was collected by Elaine Maurer Associates, under contract with Safevote. The data is cited with permission.

While it is common for transfer agents to rely on the customer (the corporation) regarding whether or not Internet voting is legal for each corporation (which also depends on the corporation's bylaws), large transfer agents will eventually collect a wealth of data on the status of Internet voting for each state. It is thus useful to interview transfer agents and verify what trends or rules they have identified in terms of regulation. This study did not, however, stop at the declarations by the transfer agents but verified regulations on Internet proxy voting both at the federal as well as state level. Delaware and New York regulations were studied because of the large number of incorporations in these states. California, Oklahoma, Ohio and a few other states were also included in the legislation research.

Initial interviews with corporate issuers revealed the role of **transfer agents, proxy solicitors, proxy research and advisory companies, and technology companies** in the proxy voting process. In order to fully describe the dynamics of proxy voting in the corporate market, interviewing included companies in each of the aforementioned segments:

### Transfer Agents

- ChaseMellon Shareholder Services
- Harris Bank Shareholder Services

- Norwest Shareowner Services  
(now, Wells Fargo Shareowner Services)

### Proxy Solicitors

- Geogeson Shareholder Communications, Inc.

### Proxy Research and Advisory Companies

- Proxy Monitor

### Technology Companies

- ADP Investor Communications Services (ICS)
- Corporate Document Systems
- Proxy Services Corporation
- Shareholder.com (Direct Report)

The rationale for the selection of each of the above companies was provided during the study, as follows:

- In the transfer agent segment, ChaseMellon Shareholder Services was selected because of its relationship as the transfer agent for PG&E and its use of a technology partner (Corporate Document Systems) to offer Internet proxy voting. Harris Bank Shareholder Services was selected because of its relationship as the transfer agent for Intel Corporation, its role as one of the first transfer agents to offer Internet proxy voting, and its internal development of a system for Internet proxy voting. Norwest Shareowner Services was selected because of its affiliation with Wells Fargo (via merger), its position as a high service provider targeting companies with smaller shareholder bases than the other transfer agents included here, and its use of a technology partner (Corporate Document Systems) to offer Internet proxy voting. Additionally, ChaseMellon Shareholder Services, Harris Bank Shareholder Services and Norwest Shareowner Services represent transfer agents in the East, Midwest, and Midwest/West respectively.

- Geogeson Shareholder Communications, Inc. was included because of its position as the oldest and largest proxy solicitor and its internal development of an Internet proxy voting system.

- Proxy Monitor was included because of its position as one of the leading providers of proxy research, vote recommendations and voting agent services for institutional investors. Additionally, Proxy Monitor has developed an Internet proxy voting system for international investments. CalPERS is currently considering this system.

- ADP ICS was included as a technology company because it processes over 90% of all of the votes for annual meetings. Additionally, ADP ICS has developed an Internet proxy voting system for beneficial and registered shareholders, and an electronic proxy voting system (ProxyEdge) for institutional shareholders.

- Corporate Document Systems (CDS), Proxy Services Corporation, and Shareholder.com were also identified as

technology companies providing Internet proxy voting for registered shareholders. Lucent Technologies is using the Shareholder.com system through its transfer agent, the Bank of New York. PG&E is using Corporate Document Systems through its transfer agent, ChaseMellon Shareholder Services. Intel uses Harris Bank Shareholder Services' internally developed Internet proxy voting system. SunGard Data Systems Inc. was named as a potential supplier of Internet proxy voting, but was not confirmed.

### Corporate Issuers

Lucent Technologies, Intel Corporation, and PG&E were selected based on status as Fortune 100 companies, location, incorporation in states that currently permit Internet voting, use of different transfer agents and systems for Internet voting, and a mix of high technology and traditional industries.

### Mutual Funds

Calvert Group was selected as a mutual fund because it was one of the first mutual funds to use Internet proxy voting.

### Institutional Investors

An institutional investor was substituted for one of the mutual funds initially targeted for inclusion as interviews conducted in the early phases of the research indicated the existence of a different set of voting systems and selection factors for institutional vs. individual shareholders. CalPERS was selected as an institutional investor because of its position as the nation's largest public pension fund with investments spanning domestic and international markets. Additional perspective on the institutional investor segment was gathered from the Council of Institutional Investors, Proxy Monitor and Institutional Shareholder Services (ISS).

### Unions

The Seattle Professional Engineering Employees Association (SPEEA) was selected as a union because it is the largest independent professional labor union in the United States and because it has tried Internet voting and is committed to further usage of this method. The Airline Pilots Association (ALPA) was selected because of its size, election complexity and frequency, challenges of conducting elections with a mobile work force and interest in considering new voting methods.

## **Study Methodology**

This in-depth qualitative study was conducted through telephone interviews with managers and executives at the

organizations noted above. A combination of online legal research and telephone interviews was used to develop the information for the SEC, Delaware and New York State Reports. Interviews typically lasted 45 minutes to one hour. A complete list of the persons interviewed for this study is held by Safevote.

The goal of qualitative research is to develop an understanding of the needs, concerns and dynamics of a target market, and to learn the "language" the market participants use to articulate those needs and concerns. In contrast, quantitative research is used to develop statistically significant data on the percent of the market that has the needs, concerns, etc. identified in the qualitative research.

## **Use of Study Findings**

This qualitative study provides in-depth information on a limited number of states, corporations, mutual funds, institutional investors and unions.

For the corporate proxy voting market the study reveals key issues and trends in Internet proxy voting and the electronic distribution of shareholder materials. The information provided by the three corporate issuers in combination with the information provided by other industry participants yields a fairly broad perspective on the corporate proxy voting market. However, considering the size and complexity of this market, the possible existence of additional market participants who were not identified in this study should be recognized.

The information on mutual funds, institutional investors and unions provides an excellent starting point for understanding the voting requirements and dynamics of these segments. However, given that the scope of this study was limited to just one or two entities in each of these segments, it is more difficult to generalize the findings.

## **Corporate Proxy Voting**

Technology is changing the proxy solicitation and voting process. Increasingly companies are distributing their proxy materials and annual reports on the Internet, and allowing shareholders to cast their proxy votes electronically, either by telephone or via the Internet.

Proxy voting presents a complex landscape of regulations and industry players.

In 1997, John C. Wilcox, Chairman of Georgeson Shareholder Communications wrote [in SHAREHOLDER COMMUNICATIONS, [Electronic Communication and Proxy Voting](#), [The Governance Implications of](#)

Shareholders in Cyberspace by: John C. Wilcox, March 1997, <http://www.georgeson.com/pubs/insights.html>]:

*"America's proxy system has always invited controversy. Measured in terms of results, it performs extremely well. U.S. companies achieve quorums averaging more than 80 per cent of outstanding shares, and their proxy disclosures play a central role in the transparency that makes U.S. financial markets the most successful in the world.*

*But to know the proxy system well is not to love it. Many corporations openly resent their annual meeting and proxy obligations. Those who deal frequently with the proxy process, while praising its neutrality, will often use less than flattering terms to describe its mechanics and inner workings. "Cumbersome," "confusing," "inefficient," "costly," "slow," "outdated," "overregulated," "of Byzantine complexity," and "inhibiting" are among the complaints voiced by critics.*

*In fact, most users and observers - even regulators - don't fully understand why the proxy system works the way it does. They see it as an impenetrable thicket of state, federal and stock exchange regulations governing a highly complex infrastructure of depositories, nominees, custodians, agents and service providers, all working on behalf of a shareholder population whose diversity is itself a source of confusion. "The eyes glaze over" is a phrase seemingly invented to describe the inner workings of the proxy system."*

## The Regulatory Environment

Before implementing electronic proxy distribution or electronic voting, a corporation must consider both federal and state laws, the rules of self-regulatory organizations ("SROs"), such as the New York Stock Exchange (the "NYSE") or the Nasdaq, and its company's own internal governance documents.

### Federal Law

The SEC is the agency of the United States government that is responsible for implementing the various United States securities laws, including the Securities Exchange Act of 1934 that governs the solicitation of proxies by public corporations in connection with matters to be addressed at stockholders' meetings. The SEC's proxy rules govern everything from the content of the proxy materials to the time they must be delivered to the stockholders.

The legal framework for electronic proxy voting is evolving through SEC releases and the laws of certain states that have already addressed the validity of electronic transmission of proxies. The SEC has issued three releases that address electronic communications. The first of the SEC releases, issued in October 1995 (the "October 1995 Release"), addresses how issuers can deliver materials electronically, including proxies, in compliance with the federal securities laws. A second release, issued in May

1996 (the "May 1996 Release"), supplements the October 1995 Release and addresses the use of electronic media by broker-dealers, transfer agents and investment advisors. A third release, issued in April 2000 ("the Internet Release") updates previous guidance on the use of electronic media to deliver documents under the federal securities laws.

### State Law

The SEC permits Internet proxy voting to the extent that it is permitted by the state of incorporation. State corporate statutes generally allow shareholders to vote at a meeting "in person or by proxy." If a shareholder votes "by proxy," the proxy must comply with the relevant state corporation statute. Shareholders also must receive a "written" notice of meeting under most state corporation statutes.

**The primary consideration in offering an Internet alternative for proxy voting is thus the state law governing the validity of electronic voting.**

Electronic voting, also called datagrams, has been used for more than 20 years. In 1989 electronic voting received a temporary set-back in Delaware due to a decision handed down in the case of *Parshalle v. Roy*. The court ruled that datagrams (e.g. A toll-free number to telephonically vote a proxy) did not have sufficient indicia of authenticity. Essentially, the person making the call could not be reasonably verified to be the shareholder. Accordingly, the datagrams lacked the one "fundamental" attribute required in all proxies, i.e., "to be accepted as valid evidence of an agency relationship, the proxy must evidence that relationship in some authentic, genuine way." The 1990 amendments to Section 212 represented an effort to keep the law current with evolving technology. Accordingly, a stockholder should be able to grant a proxy using the Internet, provided it can be determined that the transmission pursuant to which the proxy was granted was authorized by the stockholder. Such verification information may include a Social Security number, birth date, or other fact known only to the stockholder. The use of a personal identification number (PIN) or control number may also be appropriate.

Thus, in what may be significant to Internet voting in the public sector, ten years ago Delaware issued legislation to clarify the conditions under which electronic voting could be utilized. The statute requires that "it can be determined that the telegram, cablegram or other electronic transmission was authorized by the stockholder" (Del. Stat. Ann. Tit. 8, S 212(c)).

Since then, other states have passed similar statutes that permit electronic voting. California (Calif. Corp. Code Sec. 178) was the second state after Delaware to permit Internet voting in the private sector. The majority of states follow the Delaware and California provisions. For example, New York (see New York State Business Corporation Law) and most states that permit electronic voting also specifically



require that some form of verification exist to authenticate the proxy sender, as in Del. Stat. Ann. Tit. 8, S 212(c). Minnesota's statute (Minn. Stat. Ann. 302A.449 (1)) is, however, silent on this requirement.

**A list of U.S. states and territories allowing private sector Internet voting (presented in the first part of this series) was obtained from various sources**, one of which was Norwest Shareowner Services of St. Paul, MN, a transfer agent recently acquired by Wells Fargo and named Wells Fargo Shareowner Services. The original list included 25 states and territories, but was by no means complete. Recent references indicate there are 28 states and territories: *Arizona, California, Colorado, Delaware, Georgia, Illinois, Indiana, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Ohio, Pennsylvania, Puerto Rico, Rhode Island, Tennessee, Utah, Virginia, Wisconsin, Wyoming.*

Besides the specific references provided above for **Delaware, New York** and **California**, the provisions for **Oklahoma** are given in 18 O.S. § 1057 (OSCN 1999) [<http://www.oscn.net/pinpoint4/applications/navigation/statute.asp?listorder=334&title=18>]. In **Ohio**, Internet proxy voting is supported by a legal advice in <http://www.securities.state.oh.us/Information/e-proxies>

While some states' statutes may not specifically address the acceptability of electronic voting, many feel that such **voting would be accepted in court if both sides used the method in a proxy contest or if there were some means of reasonably verifying that the shareholder originated the datagram.**

For electronically submitted proxies, some form of authentication is thus required under state law to assure that the sender authorized the proxy. One means of authenticating a proxy vote is by using personal identification numbers (PIN) that are unique to each shareholder. PINs are printed on the proxy card, and the shareholder provides the PIN along with his or her voting instructions. PINs have been used for authentication by companies that have implemented electronic voting for annual meetings. **It is not known whether or not PINs have been tested in a proxy fight.**

#### Self-Regulatory Organizations (SRO)

Electronic communications must comply with the relevant rules of self-regulatory organizations, such as the NYSE, the Nasdaq or other exchanges. The NYSE requires annual reports and proxy statements to be filed in paper form, on the rationale it conducts an immediate review of these materials to ascertain whether broker-dealers may vote certain routine items pursuant to NYSE Rule 452 [Under New York Stock Exchange and American Stock Exchange rules, member organizations have the right to give and vote

proxies without instructions from the beneficial owners if the matters to be voted on are not contested or do not fall into one of eighteen specified "non-routine" areas. See also the Council of Institutional Investors' view of broker voting at <http://www.cii.org/brokervoting.htm>] and to be alerted of possible changes to a company's board of directors. The Nasdaq does not require paper filings, and encourages listed companies to "consider additional technological methods" to communicate information to shareholders "in a timely and less costly manner" as technology becomes available. SRO rules change frequently.

#### Corporate Bylaws

Companies must also comply with their own articles of incorporation and/or bylaws. Some bylaws provide that proxies must be "signed," "written" or delivered by "mail."

## Fortune 100 Companies

### Individual Shareholders

The study revealed several different "models" for Internet proxy voting for corporations' individual beneficial and registered shareholders:

Beneficial (Street Name) Shareholders - When investors purchase securities and the securities are held for them by the broker, they are listed in the broker's name, or "street name". The corporation does not know the identity of individual shareholders that hold their securities in this manner. The corporation knows only that a broker holds a certain number of shares or principal amount, which may be for any number of shareholders.

Registered Shareholders (Shareholders of Record) - Registered shareholders hold shares in their own names (rather than having their broker hold them in "street name," as discussed above). The corporation's transfer agent maintains an account for each stockholder of record, and sends all dividend payments, 1099 tax forms, annual reports and proxy materials directly to the address for that account.

A proxy solicitor contacts shareholders to secure the necessary vote with as great a margin as possible.

A transfer agent and registrar for a corporation that issues stock keeps a record of all stock certificates issued by the corporation and the name of the person or entity that is named on each certificate - the registered holders. When stock is transferred from a seller to a buyer, or to any other new holder, the transfer agent and registrar records the transfer on behalf of the corporation.

The study identified tabulators that have technology partnerships with providers of Internet proxy voting services. Although we did not encounter any tabulators

that have developed an Internet proxy voting system internally, we note that the possibility does exist.

### Beneficial Shareholders

Banks and brokerages control the names of beneficial shareholders and have responsibility for proxy voting for beneficial shareholders. Banks and brokerage firms outsource the distribution of proxy materials and other investor communications to ADP's Investor Communication Services (ADP ICS). ADP ICS provides a voting instruction card to the beneficial shareholders. The voting instruction card indicates the available voting methods: traditional mail, telephone, or Internet. Shareholders choosing Internet voting are directed to [www.proxyvote.com](http://www.proxyvote.com) where they enter a 12 digit control number that is provided on the voting instruction card. All shareholders, regardless of the corporate issuer, are directed to the same voting site. ADP ICS passes the bank and brokerage votes to the corporate issuer's tabulating agent, who is traditionally a transfer agent.

ADP ICS maintains a strong control on proxy voting for beneficial shareholders. Corporations have no influence over the voting methods offered to beneficial shareholders. Beneficial shareholders generally make up the majority of the shareholder base.

The transmission of beneficial owners' voting instructions to the record holders (banks and brokerage firms) via the Internet does not implicate state laws.

### Registered Shareholders

Corporate issuers have several options for providing Internet voting to their registered shareholders:

- Corporations that serve as their own transfer agent may contract directly with a provider of Internet proxy voting services.
- Corporations may provide Internet proxy voting services through an external transfer agent. The transfer agent may have a "technology partnership" with a provider of Internet proxy voting services or may develop an Internet proxy voting system internally.
- Corporations using a tabulator that is not the transfer agent may provide Internet proxy voting through the

tabulator. The tabulator may have a "technology partnership" with a provider of Internet proxy voting services or may (potentially) develop an Internet proxy voting system internally.

- Corporations using a proxy solicitor may provide Internet proxy voting through the proxy solicitor. Some proxy solicitors also provide tabulation services.

**The following table presents the Transfer Agents and Suppliers of Internet Voting systems used by the three corporate issuers included in this study:**

Corporation	Transfer Agent	Supplier of Internet proxy voting
Lucent Technologies	Bank of New York	Shareholder.com
Intel Corporation	Harris Bank Shareholder Services	Harris' Internet proxy voting system
PG&E Corporation	ChaseMellon Shareholder Services	Corporate Document Systems (CDS)

**The table below presents the Technology Partnerships cited by technology partners interviewed in this study:**

Technology Partner (Supplier of Internet proxy voting)	Service Providers	Service Provider's Business
Corporate Document Systems (CDS)	ChaseMellon Shareholder Services	Transfer Agent
Corporate Document Systems (CDS)	Norwest Shareowner Services	Transfer Agent
Proxy Services Corporation	First Union	Transfer Agent
Proxy Services Corporation	Corporation Trust Company	Transfer Agent
Proxy Services Corporation	CT Systems, Inc.	Proxy tabulation services
Shareholder.com	Bank of New York	Transfer Agent
Shareholder.com	EquiServe	Transfer Agent
Shareholder.com	Corporate Election Services	Proxy tabulation services
Shareholder.com	Ellen Philip Associates	Proxy tabulation services

### Other Company Relationships

- Proxy Services Corporation is an affiliate of the proxy solicitation firm of Morrow & Co., Inc.
- Proxy Services Corporation is Harris Bank Shareholder Services' and Norwest Shareowner Services' technology partner for telephone voting.
- Corporate Document Systems is 50% owned by DST Systems, a transfer agent for registered shareholders of mutual funds and provider of software systems for the securities industry.
- DST Systems maintains a significant ownership position in EquiServe.
- Harris Bank Shareholder Services was recently acquired by Computershare, an Australian company that provides a range of software products and services used by securities industry participants in over 15 countries around the world.

**To be continued in the September 2000 issue.**

# Internet Voting Technology Alliance

*The Internet Voting Technology Alliance (IVTA) serves the public by acting as an information center, discussion forum and voluntary standards setting body and web publisher focused on Internet voting.*

## The IVTA Closes Final Call on Articles of Incorporation

The Internet Voting Technology Alliance (IVTA) has closed the period of final call on its Articles of Incorporation, which were discussed in the ADM Workgroup. The final draft is archived at <http://www.ivta.org/adm/ArticlesOfIncorporation.txt>. The ADM Workgroup charter is available at <http://www.ivta.org/adm/charter.txt>.

## TECH Workgroup Discusses Standard Classification

According to a discussion led by Thom Wysong and Einar Stefferud, the IVTA envisions a three-step process in setting public standards for Internet voting. The first step involves creating notes and commentaries on various related

developments and situations, which are not on any kind of standards track, but have some relevance to the IVTA work. The second step is by publishing drafts in the process of development toward possible adoption as a standard. The third step is by publishing adopted standards, after their adoption by the industry. The TECH Workgroup charter is available at <http://www.ivta.org/tech/charter.txt>.

## Web Archives of TECH and ADM Workgroups

The messages in the TECH and ADM WGs are archived at <http://www.mail-archive.com> under the names tech & adm. The lists continue to be hosted at <http://www.ivta.org>. The email addresses of list participants continue to be private information. The public mail archive was subscribed to the lists and receives a copy of all messages.

## Interactive Glossary

*coordinated by Ed Gerck, Ph.D.*

*This glossary is the result of an ongoing dialogue with our readers. Definitions are discussed before they are decided upon. Comments are welcome.*

### We are discussing coherence as a model for identification.

In general, when we can define coherence by a mathematical expression or algorithm, we say that we have a logical connection and we are able to describe it quantitatively. However, when we cannot define coherence in logical terms but there is a natural connection purportedly observed, coherence may still be expressed in quantitative terms – for example, as a table of values. In the latter case, it is irrelevant whether we can account for the values in the table, as long as those values represent (within an acceptable error margin) the observed ranges of the variables that have the noted coherence.

The question whether the connection type is logical or natural does not seem thus to be a matter of major importance. Natural but quantitative connections can be represented by a table or by a database.

Since we do want to use computer protocols, a quite different question is whether we can deal only with those cases where coherence can be expressed quantitatively. Can we forget qualitative aspects of coherence and treat coherence simply as “connections”?

In hindsight, no – we need to compare apples with apples.

In fact, it is easy to see that coherence can be modeled into two broad categories or types, which we will call “conceptual” and “perceptual.” Conceptual coherence is characterized by connections between the observer and the observable. Perceptual coherence, on the other hand, depends only on connections between parts of the observable. Since (by definition) the observer has no parts, there are no other coherence types but “conceptual” and “perceptual.” But there are sub-types, derived from these.

For example, if I receive one photo of a “gizmo,” it is possible to define whether that photo is in focus or not, even if I never saw a “gizmo” before. This is conceptual coherence (CC). If I receive 100 photos of a “gizmo” it is possible to define whether the photos refer to the same “gizmo,” which is perceptual coherence (PC). The two types are quite independent and each type can have two values, ‘yes’ or ‘no’. Since an object may have both CC and PC qualities, it may be classified into one of four sub-types of coherence: (CC=yes, PC=yes), (CC=yes, PC=no), (CC=no, PC=yes), and (CC=no, PC=no).

In other words, by introducing an appropriate metric we can now distinguish **four different types of connections**. The next article will apply these four coherence types to identification.

### 1. VoteHere.net Brings Online Voting Technology to the Republican National Convention

The GOP's foray into digital democracy comes at a time when more Americans are looking to the Internet for information on elections. In fact, industry analysts predict the 2000 general election may be the last presidential election to only offer in-person voting and absentee ballots. <http://votehere.net/VH-Content-v2.0/RNC.html>

### 2. Democratic National Convention Names election.com as the Official Voting Services Provider

The 2000 convention will be the country's first-ever Democratic National Convention to use Internet voting. With only a click of the mouse, delegations can cast their votes and the public can view the proceedings in seconds, both on the convention floor and on the Internet. <http://election.com/us/pressroom/pr2000/0712.htm>

### 3. eballot.net Will Administer the Reform Party's Presidential Primary

Reform Party members will be mailed a ballot packet containing both a paper ballot and a unique personal identifier with instructions that will enable the voters the option of casting their ballots online over the Internet <http://www.eballot.net/news/jun21.asp>

### 4. Is Internet Voting Fair?

Internet voting initially presents itself as a benevolent new platform for election administration, with the potential to reach voters not currently engaged in the process. But given the inequities of access to the Internet, "remote" Internet voting - voting via the Internet in a nonpolling-place environment such as a home, office or library - results in discrimination. Equity of access is easily addressed by simply removing remote Internet voting from the election equation. By confining Internet voting to polling places, you immediately bring parity to the process, while gaining time to address the complex issues of how to bridge the digital divide. Otherwise, the premature use of remote Internet voting will result in an America where all voters are created equal, but some are more equal than others. <http://www.nwfusion.com/columnists/2000/0626facen.o.html?nf>

### 5. Study Finds Strong Demand for eGovernment Services; Driver's License Renewals, Internet Voting Are Top Applications

NIC, the world's largest eGovernment solutions provider, has issued a report entitled "Benchmarking the eGovernment Revolution: Year 2000 Report on Citizen and

Business Demand." The study found a strong demand for eGovernment services and applications. The top three applications based on citizen demand are the ability to use the Internet to renew a driver's license (47 percent), vote in major elections (38percent), and access one-stop shopping for all government services, regardless of jurisdiction (36 percent).

[http://www.prnewswire.com/cgi-bin/micro\\_stories.pl?ACCT=146412&TICK=EGOV&STORY=/www/story/07-26-2000/0001275593&EDATE=Jul+26,+2000](http://www.prnewswire.com/cgi-bin/micro_stories.pl?ACCT=146412&TICK=EGOV&STORY=/www/story/07-26-2000/0001275593&EDATE=Jul+26,+2000)

### 6. Some Comments on the California Internet Voting Task Force Report of January 2000

By Douglas W. Jones, Associate Professor of Computer Science at the University of Iowa. Jones notes that the Task Force Report is a very important step in assessing the problems and potential benefits of use of the Internet to conduct elections, but states that the Report is incomplete in several ways. "I have the impression that the Task Force was working under a fairly strict timetable aimed at putting some groundwork in place for experimental use of Internet voting in the Fall 2000 general election, and that this explains the somewhat jumbled structure of the Report. Furthermore, it is evident that some of the major insights that the Task Force arrived at came late in the drafting of the report."

<http://www.cs.uiowa.edu/~jones/voting/california.html>

### 7. A True Democracy for a New Millennium

Vivarto Voting Systems proposes a new idea on how to combine efficiency, democracy and expertise in governing large organizations with the help of modern information and communication technology. The company is expanding the concepts of direct democracy as it has been practiced in Switzerland for 150 years with two major innovations, the Idea Greenhouse and the representative system.

<http://www.vivarto.com>

### 8. Research Projects and Publications on Internet Voting

Lorrie Faith Cranor is a Senior Technical Staff Member at AT&T Labs-Research. Her graduate work focused mostly on electronic voting and a novel voting procedure called declared-strategy voting. Cranor's home page contains links to her papers and research projects related to Internet voting.

<http://www.research.att.com/~lorrie/#voting>

### 9. The California Voter Foundation Member Survey

Several members of the California Internet Voting Task Force task force asked, "How do Californians really feel



about Internet voting?" To help begin answering this question, CVF undertook an informal survey of its members. The results presented are in no way scientific, but rather represent the opinions of a small group of engaged and "wired" California citizens.

<http://www.calvoter.org/membership/surveys/netvoting.html>

## 10. Examining Internet Voting in Washington State

David M. Elliott, Assistant Director of Elections for the State of Washington, reviews three Internet voting models, security, digital signatures, regulations and other assorted issues. Voter interest in Internet voting is growing and will continue to grow, he reports. However, current systems have the advantage of being based on commonly understood systems like the US mail, poll sites, and the telephone. The Internet, while people are learning how to use it, is largely unknown.

<http://www.electioncenter.org/voting/InetVotingWhitePaper.html>

## 11. People for Internet Responsibility: PFIR Statement on Internet Voting

Certainly all software involved in the election process (even when online voting is not contemplated) should have its source code subject to inspection by trusted experts unrelated to the firms providing those software systems.

<http://www.pfir.org/statements/voting>

## 12. E-voting? Electronic-election Business Campaigns Hard

The prospect of Internet and other electronic voting is boosting revenues of existing firms and tantalizing the software and systems sectors as elections become big business around the world. Safevote, Inc., a software company devoted exclusively to the privacy and security of voting systems, estimates public elections alone constitute a market of \$10 billion a year globally. However, there is a proviso. All experts say there will be no Internet or other type of new-technology voting without privacy, security and safety concerns being met.

<http://www.montrealgazette.com/technology/pages/000518/4124613.html>

## 13. Stan.Comment: Internet Voting

A newly-formed group called the Internet Voting Technology Alliance is trying to sort through the myriad thorny issues that'll have to be resolved before electronic balloting becomes widespread. Companies like Safevote are busy trying to work out the details, but it's clear that online voting is a very different beast from online shopping. For one important thing, voting must offer both security AND privacy. One can't be compromised for the other's sake.

<http://www.newmedianews.com/stan/2000/s030200.html>

## 14. Lawmakers Introduce Privacy Bill in the Wake of Toysmart Scandal

A pair of senators today introduced legislation that would prevent Internet companies from selling their customers' information to help pay off bankruptcy debts. The bill's introduction comes just days after a pair of lawmakers introduced related legislation in the House.

<http://www.newsbytes.com/pubNews/00/152015.html>

## Links

ELECNET

<http://www.debexar.com/elecnet/>

Elections Canada

<http://www.elections.ca>

National Election Studies

<http://www.umich.edu/~nes>

U.S. Securities and Exchange Commission

<http://www.sec.gov>

A Comprehensive Collection of Internet Voting Information

<http://www.SecurePoll.com>

Internet Voting for the 21st Century

<http://www.internetvoting.com>

Internet Voting: Spurring or Corrupting Democracy?

[http://www.cfp2000.org/news/student\\_reports/vnote-hanna.html](http://www.cfp2000.org/news/student_reports/vnote-hanna.html)

Internet Voting

[http://www.polkom.de/election/brennpunkt/mail\\_vote.html](http://www.polkom.de/election/brennpunkt/mail_vote.html)

Developing a Context for Internet Voting

<http://www.egroups.com/message/do-wire/352>

Computer Security Is No Sure Thing

<http://www.forbes.com/tool/html/00/jul/0731/featb.htm>

Vendors Send Personal Information to Marketing Firm, Despite Policies

[http://www.sfgate.com/cgi-bin/article.cgi?file=/news/archive/2000/08/01/national0056EDT0418.DTL&type=tech\\_article](http://www.sfgate.com/cgi-bin/article.cgi?file=/news/archive/2000/08/01/national0056EDT0418.DTL&type=tech_article)

Georgia House of Representatives HB 1762 (Internet voting systems; provisions)

[http://www2.state.ga.us/Legis/1999\\_00/leg/fulltext/hb1762.htm#status](http://www2.state.ga.us/Legis/1999_00/leg/fulltext/hb1762.htm#status)

*(continued on page 14)*

(continued from page 13)

The National Voter Registration Form  
<http://www.fec.gov/votregis/vr.htm>

### Related Links on Privacy and Security

<http://www.pfir.org/statements/e-sigs>

<http://www.usatoday.com/life/cyber/tech/cti146.htm>

<http://www.mercurycenter.com/svtech/news/breaking/merc/docs/003013.htm>

<http://www.zdnet.com/zdnn/stories/news/0,4586,2602727,00.html>

<http://www.zdnet.com/zdnn/stories/news/0,4586,2601502,00.html>

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## From Our Readers

### From Lonn Fluke, IS Senior Deputy Supervisor, Orange County, FL:

"I'm happy with it. The Bell is very informative. I send the PDF version to all of the senior staff. Some of the newsletters I read cover only one area like the Federal Election Commission. But The Bell brings interesting information together from outside the election community. It also keeps me informed about what other counties are doing regarding Internet voting."

### From Erik Caldwell Johnson, Knowledge Management Officer, World Bank Institute:

"I found The Bell very informative. It has a lot of good information from different sources all in one place."

### From Michelle Townsend, Registrar of Voters, Riverside County, CA:

Just want to provide some feedback on your first issue of The Bell. It was sent to the County Clerk in Riverside County who does not have responsibility for elections; but it eventually was forwarded to me. I am the Registrar of Voters for the County of Riverside and report independently as a separate Department Head to our Board of Supervisors. I found The Bell to be extremely informative, and look forward to receiving future issues.

You may or may not be aware that Riverside County just purchased Sequoia-Pacific's DRE Touch Screen Voting System, The Edge. To provide for a county of 7200 square miles and nearly 1,000 polling locations, we invested \$14 million in purchasing 4,250 units. It is a tremendous challenge, particularly in a Presidential election year. Currently, we have a 20-year old mark-a-vote voting system, which has served us reliably. However, for all the reasons pointed out in your columnist's [Roy G. Saltman] comparison of voting systems, we were compelled to search for a replacement, particularly for a county of our size with its inherent escalating printing costs. We were investing more than \$1 million in printing costs; and when 50% or

less turn out at the polls, we must destroy that major tax investment with each election even though we are required to print sufficient ballots for the electorate.

Sequoia-Pacific's Edge met all the criteria for a new voting system you outlined on page 7 and more in our evaluation. Primarily, it offers the security of a stand-alone system with individual units that are not connected to a network. It also has a closed operating system that is not able to be accessed from unauthorized intrusion. Its multi-lingual programming capability, larger font size flexibility, and each self-contained unit is a combined voting booth, electronic ballot and tabulator which is accessible for those in wheelchairs and motorized scooters. Next year, we will be adding the audio component for the visually-impaired voters. We estimate that the DRE touch-screen units will save a minimum of \$600,000 in printing costs for each election. On November 7th, we will be implementing it county-wide so I will look forward to sharing the results with you. We are also interested in Internet voting applications as an option once certification is achieved; but in the meantime, we had to move forward with a certified alternative that achieved all the criteria you listed plus another important one...and that is the simplicity of its design and functionality which are extremely intuitive for our pollworkers and voters.

Thank you again for the service you are providing through this new periodical and the commitment you share with elections administrators to provide voting systems which are accurate, secure, rapid in tabulating results and engender the confidence of the public.

### From Dr. James Gilmour, Edinburgh, Scotland, UK:

"The Private Sector won't wait" in the July issue of The Bell usefully distinguishes 'delegation proxy voting' from 'transfer proxy voting'. In the article it is suggested that this difference aligns with proxy voting in the public sector and the private sector respectively. This may be the case in the USA, but it is not so in the UK. Established proxy

practice in the private sector also appears to differ markedly between the USA and the UK.

The development of a general taxonomy in this field will be useful, but it will have to take note of differences in practice around the globe as the Internet becomes more widely used for formal voting and similar legally controlled purposes. A taxonomy based solely on US practice is unlikely to aid common understanding and may hinder adoption of the technology.

In the UK 'a proxy' is not usually "a written authorization", but rather a person who has been authorised to act on behalf of someone else. The instrument appointing the proxy must be in writing and must be signed by the person authorizing the proxy. If the written instrument has been effected under a power of attorney or other authority, it must be accompanied by a certified copy of that power of attorney or other authority (Note: The use of electronic signatures for legal purposes is not yet permitted in the UK, although the primary legislation is now in place).

In UK public elections the person appointed as proxy always casts a 'delegated proxy vote' as there is no way the authorizing elector can confirm that his or her wishes have been followed. As we have the option of postal voting if we cannot attend a polling place, it is only those who are unable to read or mark the ballot paper themselves who are likely to engage a proxy for public elections.

In the private sector in the UK, the person appointed as proxy may cast a 'delegated proxy vote or a 'transferred proxy vote' or any combination of the two, depending on the authorization given by the person entitled to vote. For a company general meeting, a shareholder may appoint as his or her proxy the chairman of the meeting or any other person who need not be a shareholder in that company. The shareholder can give the proxy complete discretion about how the proxy vote should be used (a series of 'delegated proxy votes') or can mandate the proxy as to how the vote is to be cast on all the issues specified on the agenda by appropriate indications on the instrument of authorisation (a series of 'transferred proxy votes'). When the shareholder mandates the proxy on only some of the issues, the result will be a mixture of 'delegated proxy votes' and 'transferred proxy votes.' For company general meetings, the instrument of authorization (the 'proxy form') usually lists the issues on which votes will be required, with boxes for the shareholder to mark 'For' or 'Against'. Many private organizations, not controlled by UK company law, operate similar arrangements, though they may restrict the choice of proxy to someone who is a member of the organization.

An issue that arises from time to time in private organizations is what discretion a fully mandated proxy should have in votes on issues not specified on the agenda of a meeting. These can be important procedural motions or amendments to listed motions where the constitution of

the organization allows such amendments to be tabled at the meeting. An absent member may be quite happy to allow full discretion to a fellow member of his or her own choosing, but may have reservations about giving such discretion to the chairman of the meeting as the chairman may not share that member's views. If the Internet makes proxy voting more common, this is an issue private organizations will have to address.

#### Reply from Jim Hurd:

Thank you for your timely commentary. I was the editor of the paper collecting text from Dr. Gerck and also from Elaine Maurer. That classification was an attempt by Dr. Gerck to distinguish two equally named but different voting processes in public and private sectors. As the article directly noted, "*...if additional items come up for a vote at the meeting, that were not in the proxy document, then the proxy document may authorize management to use its best judgment to vote on those issues – which corresponds to delegation proxy voting.*" Thus in the U.S., private sector "proxy voting" can be either "delegated proxy voting" or "transferred proxy voting" – but the mainstream usage is the latter form.

The word taxonomy that you apply (and which the article does not) is appropriate here but only if we abandon the designation "proxy," that is completely misleading as the article notes, when one compares public with private voting. In fact, that classification could delete the word "proxy" and just talk about "delegation voting" and "transfer voting" However, doing so would not in my opinion do much to shed light on the inconsistent use of the designation "proxy voting" between the private and public sectors in the U.S. And, of course, in the U.S. "proxy" also usually denotes a person (as in the UK), which adds another potential pitfall.

*We thank our readers for their comments and regret not being able to include them all.*

#### The COOK Report on Internet

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