

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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THIS JUST IN!

IBM ACQUIRES VENICE BRIDGE

Recognizing enterprise content management (ECM) needs to be inclusive rather than exclusive, **IBM** has acquired **Venetica**. Venetica is the developer of the unique *Venice Bridge* technology for connecting multiple document repositories. *Venice Bridge* will be combined with IBM's existing *DB2 Information Integrator*, an application that can connect databases and e-mail systems.

"We now have the most comprehensive information integration platform in the industry," said Nelson Mattos, IBM Distinguished Engineer and director of Information Integration. "Venetica's technology is important because analysts estimate 75% of content management users have more than one repository. Twenty-five percent have more than 15."

Venetica has approximately 50 customers. "IBM has worked on some big projects with Venetica, including one involving Homeland Security," said Mattos. Other Venetica customers include **Allstate**, **Wachovia**, **GE Capital**, and **Bank of America**. Venetica advertises pre-packaged connectors to most major content management repositories and offers a toolkit to create additional ones. Mattos credited Venetica's work with J2EE for making *Venice Bridge* particularly easy to deploy.

Venetica is currently licensing *Venice Bridge* through OEM agreements to **FileNET** and **Interwoven**. Mattos indicated he hoped those relationships would continue. The acquisition was announced the same week that another IBM rival, **EMC Documentum**, introduced an aggregated search application [see story on page 8]. "Venetica offers more than extended search capabilities," said Mattos. "With *Venice Bridge*, you can not only access documents from multiple repositories, you can update, insert, and delete from those repositories."

Title App Developer Scanning more than 1 Billion Images

Zenodata is currently converting more than 50,000 microfilm images per day to digital images. Within seven years, the company expects to have more than a billion images online. Zenodata currently employs more than 400 people, including an offshore data entry operation in Barbados. However, its current annual revenue is under \$1 million. So, who is footing the bill for Zenodata's operations?

The taxpayers... no, just kidding... that was the Census Bureau story we did last month. Actually, it's venture capitalists, believe it or not. Yes, it seems VCs are finally recovering from the major burns inflicted by the dot-com crash and re-opening their wallets for innovative start-ups. Their support of Zenodata is further proof that document imaging is finally a hot technology.

No, Zenodata is not a traditional document imaging software or services company. It is a vertically-focused application developer that happens to leverage document imaging in a major way. As we saw with last year's acquisition of **Advanced Imaging Concepts** by **Allscripts** [see *DIR* 9/5/03], as well as this year's **WebMD** purchase of **dakota** [see *DIR* 4/23/04]—a vertical focus can be a major valuation driver.

Attacking a \$5 Billion Market

Zenodata's vertical is real estate, with title searches being its niche. The company's business plan is to put online, in a single database, all significant title-related information for the largest 500 counties in the United States. According to Dave Williard, operations manager for Zenodata, an estimated \$5 billion per year is spent on title searches. "Eighty percent of that is related to those 500 counties," Williard told *DIR*.

Williard divided Zenodata's primary customer base into two categories. "One is the banks and lenders who finance real estate transactions," he told *DIR*. "The other consists of a group of national organizations that provides services related to real estate loans. These include title research, credit checks, and setting up

escrow accounts for taxes. These national organizations are a recent phenomena, and many are owned by large banks."

Zenodata's database information is derived from a variety of documents, including deeds, mortgage contracts, liens, tax documents, marriage and death certificates, and property descriptions. "The majority of these documents can be found at the county clerk's office," said Williard. "However, depending on the regulations in a particular state, a researcher would typically need to go to a couple other places to do a complete title search."

"We had to come up with a way of cost-effectively and accurately getting our information online. Had we followed the existing processes for putting title information online, it would have cost us \$3-4 billion."

- Dave Williard, Zenodata

Zenodata is offering to remove the legwork for its customers. "Before we put a county's data online, we research the processes involved with a title search in that county," said Williard. "We then obtain either microfilm or digital images from the appropriate offices and extract the information. Our database has more than 75 fields of information. We also make images of the documents available for reference."

Depending on the amount of information being sought, Zenodata charges \$10-\$75 for a customer to perform a title search and \$30-\$150 to do the search for the customer. Subscription rates are available for higher volume users. "We estimate we can help customers reduce their title search costs by 20-30%," said Williard. "In addition, we have a turnaround time of minutes for a process that typically takes hours. This speed can be used as a competitive advantage by our customers."

Google-izing Title Searches

Zenodata's infrastructure is a combination of tried-and-true imaging technology and some innovative data processing. "We spent our whole first year basically doing research," said Williard. "We had to come up with a way of cost-effectively and accurately getting our information online. Had we followed the existing processes for putting title information online, it would have cost us \$3-4 billion."

According to Williard, Zenodata has set out to "Google-ize" real estate title information. "If Google worked the way most title searches work today, you'd type in 'Zenodata' and three days later an unorganized pile of information would come back to you," he said. "We not only provide information, we organize it, map it, and link it."

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Zenodata, which is headquartered in Louisville, CO, just outside of Boulder, first went live in 2003 offering title searches for nearby Weld County, CO. "Our initial work with Weld County basically proved the concept," said Williard. "We presented our database to a number of potential customers and asked them to compare the results of our system with 30 recent title searches they had done. Their positive feedback helped us raise more funding. Based on what we learned, we also decided to revamp our process."

Quality Images Reduce Costs

Zenodata's current process utilizes a microfilm scanner from **nextScan**—a Danville, CA-based company that was launched in 2002 with the promise of marketing higher quality scanners than the legacy models competing in a basically flat market. According to David Granger, VP, engineering at Zenodata, nextScan has delivered. "Originally we were using a **Mekel** scanner [now marketed by **Crowley Micrographics**, see *DIR* 9/13/03], but it was slower and the images were not as good," Granger told *DIR*.

Image quality is a big issue when it comes to automating Zenodata's data extraction process. "If we can automate the entry of 5% more information because of better image quality, with the volume we are doing, it pays off," said Granger.

The nextScan machine also enables Zenodata to output bi-tonal and grayscale images simultaneously. "Basically, we hang on to a grayscale image in case the bi-tonal version is unusable," said Granger. "Especially in cases where documents contain handwritten information, we need to go to grayscale."

A Look at the Process

Williard estimates that approximately 75% of the images Zenodata will eventually put online will be converted from microfilm. The other 25% have already been digitized by county governments. "We will accept digital images that have been scanned from paper, but not from microfilm," said Granger. "If they have been scanned from microfilm, we would rather have the microfilm and scan it ourselves. Chances are, if the county hired someone to scan the microfilm, it was the lowest bidder, and they produced 200 dpi black-and-white digital images. We prefer to work with 300 dpi grayscale because the quality of microfilmed images is often suspect to begin with."

Zenodata has not had to purchase a paper scanner yet, but foresees possibly adding one in the future. "At some point, we'll have to come up

with a way to deal with items like loose paper, books, and maps," said Granger. "However, a lot of that will probably have to be captured on site at the county office, so we have to consider that."

Once Zenodata's images are scanned, cleaned up, and paginated, OCR is applied in combination with manual data entry. "Accuracy is very important in our business, so we have to be careful how we apply OCR," said Granger. "We really have to watch out for false positives. Using blind double key-entry returns better than 99.5% accuracy. Any way we use OCR has to at least match that."

To assist its key entry personnel, Zenodata has developed a proprietary system for automatically locating required fields on various types of documents. "This increases our data entry productivity three times," said Granger.

When a title search is performed using the Zenodata application, information is returned to the user on an organized data sheet, which can be converted to an XML stream to populate other applications.

Aiming for \$500 Million in Six Years

Zenodata has recently added three counties in Florida to its database. "We are now adding about a county per month," said Williard. "Our goal is to increase that to a county per week within the next 15 months."

By the time its conversion work is complete,

BÖWE TO COMPLETE BUYOUT BY 2009

Böwe Systec has announced plans to complete its buyout of **Bell & Howell**. Böwe is the German mail systems specialist that acquired a 50% stake in Bell & Howell last year [see *DIR* 2/21/03]. Böwe recently announced it will increase its investment to 60% starting at the beginning of 2005. Böwe will purchase the remaining 40% of the company in 10% annual increments from the Chicago-based investment firm **Glencoe Capital**, from 2006-2009.

For 2005, Böwe has projected corporate revenue of 500 Euro or 600 million U.S. Dollars. Although the former Bell & Howell Scanners makes up only a minority percentage of that number, the stability of a single owner should be a good thing for the scanner business. So far, the division's relationship with Böwe seems to be going well. Under Böwe's watch, Bell & Howell has introduced a new product line at each of the last two **AIIM** shows, and its operations have remained consistent with pre-acquisition operations.

For more information go to <http://boewe.newsfactory.de> and <http://www.bbhscanners.com>

Zenodata has set a goal of \$500 million in annual revenue. "This is not a small opportunity," Williard told *DIR*. "We currently have about 30 customers. Potentially, there are a large number of customers in each county, as well as 100-200 national services."

As far as competition goes, Williard does not seem overly concerned. "We have filed for 10 patents on our system," he said. "We've totally reconstructed the way title searches are done. There are other companies putting title records online, but they don't offer nearly the level of service we do. I'd compare them to local courier services trying to deliver packages nationally. They can do it, but it won't be very efficient. We're like FedEx; we've set up an infrastructure to handle national delivery on a large scale."

The VCs seem to agree with Williard on Zenodata's potential. The company recently secured \$10.5 million in a round of funding led by Chicago-based **Adams Street Partners**. That brought to \$27.1 million the total amount of money that has been invested since Zenodata was founded in 2000. This includes \$12.3 million in the third quarter of 2003.

It's good to see VCs willing to take chances again and even better to see them backing a business that relies so heavily on document imaging. Yes, as we've said more than once in the past year, imaging is finally cool. Add a vertical focus, and it's more than cool—heck it's even worth something...

For more information, check out <http://www.zenodata.com>; <http://www.nextscan.com> **DIR**

Pegasus Beefs Up Document Imaging Portfolio

Pegasus Imaging's recently announced plans to acquire the Component Product Technology division of **TMSSequoia** will give the imaging tools specialist a more robust offering to go after the growing document imaging market. Pegasus has been in imaging compression since 1992. In addition to tools for document imaging, Pegasus also offers packages for medical imaging and graphics/color photo editing.

"The fact that we have three target markets helped us fare better than some of the other document-imaging tools vendors when that market went through a bad spin a couple years ago," noted Jack Berlin, president and founder of Pegasus. "In many cases, TMSSequoia has a better name than us in document imaging. We haven't been in the document imaging market half as long as they have. However, they were hamstrung by being a public

company and couldn't figure a way out without selling."

Last month, TMS announced that Pegasus had agreed to pay \$2.2 million for its components business and assume \$700,000 worth of liabilities [see *DIR* 8/20/04]. The total of \$2.9 million was approximately equal to the revenue generated by the TMS division in 2003. The deal is expected to close in October following a vote by TMS' shareholders. "Pegasus is not making a formal announcement until the deal closes," Berlin told *DIR*. "I can't imagine why it wouldn't, but it ain't over until it's over."

According to Berlin, Pegasus had been in talks with TMS for more than a year. "They have licensed our bar code reading and JPEG compression technology for several years," he said. "Even though we have a couple product overlaps, we don't have much overlap in customer base. And some of TMS' technology is probably more advanced than ours. I haven't done a full review of it in a few years, but at one time *FormFix* was the best forms processing tool on the market."

TMS also has tools in the areas of image viewing and image processing for bi-tonal, color, and grayscale images. In addition, TMS markets a TIFF and PDF document viewing application used by approximately 2,000 businesses. TMS also recently received a patent for digital mark recognition (DMR) technology. The future of that patent is somewhat unclear.

While Pegasus is entitled to all TMS' patents under the terms of its deal, Berlin indicated the company has no plan to go after the test scoring market, where the DMR technology is initially being applied. **Measurement Incorporated (MI)**, TMS' partner in a test-scoring venture would seem to have more use for DMR. TMS still needs to work out an agreement with MI before the deal with Pegasus can close.

Pegasus Introduces JBIG2 Compression

In addition to the TMS acquisition, Pegasus made another recent announcement that could impact its document imaging business in the future. Pegasus is now offering JBIG2 compression and viewing tools. JBIG2 is a lossless (it also can be applied as lossy) standard for compressing bi-tonal documents.

The standard was finalized in 1999, but its commercial adoption has been slow. However, **Adobe's** inclusion of JBIG2 as an option in the latest version of PDF could help make JBIG2 the heir to Group 4 in the document imaging space.

"Group 3 and 4 compression have dominated

document imaging since 1982," Berlin told *DIR*. "Speeds have picked up, and hardware costs have gone down, but the way people do document imaging has not changed a whole lot. The only exception has been PDF becoming a format to be reckoned with. However, PDF documents created from scans today are mostly just multi-page TIFFs.

"JBIG2 offers a better lossless compression than Group 4 by a significant amount—anywhere from 20-40%. I don't know what the future market is for JBIG2, but we are offering it mostly for lossless compression improvements in PDF files."

When "Free" gets Expensive

Berlin added that JBIG2 does not have the same patent concerns that retarded the adoption of its predecessor, JBIG1. Patent concerns are an area very close to Berlin's heart, as Pegasus was one of the first companies to sign a licensing agreement with **Forgent Technologies** regarding the use of patented technology in JPEG compression. Pegasus signed a deal with Forgent in 2002. Earlier this year, Forgent announced it was filing suit against 31 companies for patent infringement [see *DIR* 5/21/04].

The suit involves a patent Forgent acquired from **Compression Labs** in 1997. "Forgent's patent is valid," asserted Berlin. "A scientist from Compression Labs sat on the JPEG committee, as did one of our scientists. I'm not saying it's fair to sit on a patent for seven years and then come out of the woodwork, and I'm not saying that Compression Labs intended their patent be used this way, but their intentions were never made clear and this is what happened."

Berlin indicated that Pegasus paid a significant amount for a settlement which protects all its customers against Forgent's claims. "Most businesses using JPEG compression developed their own applications using the free source code available from the **Independent JPEG Group**. Now, they are finding out what 'free' really is.


"If they had licensed JPEG compression from us, they would have been protected. For a large company to use free source code is akin to investing in a house and not having it inspected for termites. I think we are going to see even more claims against JPEG 2000. We are offering to indemnify our customers against claims related to JPEG 2000 as well."

All the Pieces in Place for MRC

Berlin concluded by saying that Pegasus is the only company he is aware of that has all its own compression code—for formats including Group 4, JPEG, JPEG 2000, and now JBIG-2. This led us to question if Pegasus at some point would venture into

the mixed raster content (MRC) tools market. MRC is a method of separating the textual, graphical, foreground, and background information on a document to achieve maximum compression using a variety of compression technologies. A variable of MRC is supported in the latest version of PDF.

"We are not seeing demand for MRC compression," Berlin said. "The fact is, MRC processing is still too slow for most businesses that have a large enough volume of documents to warrant that kind of advanced compression."

For more information check out <http://www.pegasusimaging.com> 

Daeja Introduces Java-based Universal Viewer for COLD

Java-based viewer specialist **Daeja Image Systems** has announced a COLD module designed to enable browser-based viewing of documents from any COLD application. Daeja is the U.K.-based company whose *ViewOne* application is licensed by **FileNET** through an OEM agreement. "FileNET was getting requests from customers who wanted the same Web-based access to COLD documents that they had to other types of images," said Jeremy Jones, marketing director for Daeja.

Despite the tight relationship with FileNET, Daeja is touting the module's universal applicability. "It's worked with everything we've tested so far," said Jones. "We are currently encouraging COLD users to send us sample files, so we can continue to test the viewer with more applications."

The module is being sold as an option for Daeja's *ViewOne Pro* application, which was launched at **AIIM 2004**. Like the rest of Daeja's product line, the COLD module is optimized for speed. "Most COLD applications separate documents into foreground and background layers," said Jones. "The background layer represents a document type. A customer might have 20 of these. The first time a *ViewOne* user views a particular type, the appropriate background will be downloaded and cached. From then on, the user will only need to download the foreground data each time he views that type of document."

This concept is similar to the "modular on demand" concept employed throughout the *ViewOne Pro* line. "We've set up our viewer so that functions only download when a user needs them," said Jones. "For example, we recently licensed **Adobe's** PDF library, which is like a 2 MB file. If a

user is only viewing TIFFs, then that library won't be downloaded onto their browser."

Daeja was founded in 1997. *ViewOne Standard* was initially intended to enable better access to document images on the Worldwide Web. "Our pricing model goes back to our roots," said Jones. "For a list price of less than \$2,000, a user can load *ViewOne Standard* on their Web server. Usage is limited by the limits of the Web server."

At AIIM this year, Daeja announced *ViewOne Pro*, a modularly architected version of its product. In addition to COLD, Daeja offers print acceleration, annotation, PDF, and DjVu modules. Jones stressed that *ViewOne's* focus is specifically on document images.

"It is not a universal viewer," he said. "Rather we focus on popular document imaging formats and add functionality around them. For example, combining our PDF and annotation modules creates a very inexpensive alternative for collaboration when compared to Adobe Acrobat," said Jones. "Now that *ViewOne Pro* is off and running, we are excited about introducing a number of new modules for it in the upcoming year. *Pro's* architecture enables us to plug-and-play with a variety of third-party tools."

According to Jones, Daeja has nearly 6,000 installations in a variety of verticals. *ViewOne* supports 18 languages and will automatically display in the language a browser is set to. About 70% of Daeja's business comes from North America, and the company is considering opening a U.S. office. In addition to FileNET, legal case management software specialist **iConect** also resells *ViewOne*. "We have about 60 resellers, but no one else the size and scale of FileNET," said Jones. "Up to this point, we've been hesitant to target other large document management companies, but FileNET has indicated it's perfectly happy if we do that."

For more information, e-mail Jones at jeremy@daeja.com; or go the Daeja Web site for a free trial download of *ViewOne*, <http://www.daeja.com>. ■■

Vignette Gives Facelift to Tower Products

Vignette has released rebranded and slightly refurbished versions of the applications it picked up with the acquisition of **Tower Technology** earlier this year [see *DIR* 2/6/04]. Tower was an Australian-based high-volume document imaging specialist. Vignette is a one-time high-flying Web content

management software vendor that has recently been cashing in its stock windfall to increase its breadth of ECM offerings.

Tower's cash cow, which is installed at some 200 customers, has been rebranded as Vignette *IDM*. Tower's *Seraph* product, a java-based EDM and records management solution, which was introduced at **AIIM 2003**, is now called Vignette *Records & Documents (RDS)*.

New features in *RDS* include improved document review and case management capabilities. "We are approaching functional parity between the two product lines," said Bruce Milne, senior director of product marketing at Vignette. "Even though *IDM* makes up the bulk of our sales, *RDS* is becoming our flagship product. That does not mean we have dropped support for *IDM*. *IDM* still makes the most sense when users are dealing with high-volumes of documents in very structured processes, such as claims adjudication for insurance. In those cases, the functionality of *IDM's* thick client is still appropriate."

Evidence of where Vignette is headed with *RDS* can probably be found in the Webcast the company had scheduled for this week. Entitled "The Road to Compliance: Six Steps to an Efficient, Compliant Enterprise," the Webcast features former **SEC** Chairman Harvey Pitt. This reflects the fact that Vignette is excited about marketing its new records management functionality to its existing base of more than 1,500 customers. "Vignette has traditionally targeted the Fortune 2500," indicated Milne. These are primarily the publicly traded companies who are most affected by new SEC regulations.

Related to *IDM*, Vignette has announced improved retrieval from **EMC's** Centera magnetic WORM storage system, as well as support for **NetApp's** SnapLock WORM storage. "When EMC purchased **Documentum**, it bought one of our rivals," said Milne. "Strategically, we needed an option to taking Centera into every account that wanted magnetic WORM storage. Of course, optical is still an option, especially for our customers who are in no hurry to move out of their legacy storage environments."

Tower Sales on Target

Vignette recently reported its financial results for the second quarter—the first full quarter during which Tower's business was part of the company. For the quarter, Vignette showed top line growth of just \$6.5 million. Based on Tower's acquisition price of \$125 million, we assumed its historic quarterly revenue was significantly greater than that. We asked Milne if Tower's business has suffered since

the acquisition was announced.

"There is some seasonality that is not surprising to us," he said. "For example, in the third quarter, there is a major government budget flush that we expect to drive sales. Also, the sales cycle for Tower's applications is typically 6-9 months, and we've only recently begun marketing the products to our legacy customer base. Tower brought over a fair-to-middling sales pipeline, and I'd say we've converted an expected number of those deals.

"I will add that when Tower got a chance to compete, they typically won. However, they were often hindered by being a private company. Because there was no visibility into their revenue stream, their stability and future were often questioned. Also, being owned by Australians was a hindrance in some federal deals. Our acquisition has removed both those obstacles."

Vignette Touts Mature Products

Milne concluded by challenging any ECM vendor to compare its suite of applications against Vignette's on the basis of maturity. "Our document and records management, portal, collaboration, and content management applications can all be seen in production at customer sites today," he said. "I can point to all our competitors [except for maybe **IBM**] and say some part of their suite is not yet in production."

For more information: <http://www.vignette.com> 


Documentum Introduces Search Aggregator

Less than five months after completing the acquisition of search aggregation specialist **askOnce** from **Xerox**, **EMC Documentum** has released its first product based on the technology. Last week, the company announced its *Enterprise Content Integration (ECI) Services* application. *ECI* is designed to intelligently organize simultaneous search queries from multiple sources.

Special *ECI* adapters enable the application to leverage existing indexing information from sources like databases, document management systems, specialized news feeds, and Web search engines. "We have about 300 adapters," said Lubor Ptacek, director of product marketing for EMC Documentum. "In our early adopter sites, we've seen an average of between 12 and 35 adapters being used. Some of the more popular ones are for **Lotus Notes**, the **Oracle** database, and the **Microsoft** Index Server."

ECI provides end users with more than a list of results. It offers features like document snippets, snapshots, conceptual organization, translation, export, and automatic notification. "We are really focused on what end users do after they get their search results back," said Ptacek. "We want to enable them to focus and narrow down their research without having to be a champion in SQL. *ECI* is designed to be an out-of-the-box application that requires no training. You just install the adapters, and you're ready to go."

According to Ptacek, early adopters have been in "research intensive industries," such as life sciences, manufacturing, and law. He estimated an average *ECI* installation would cost around \$100,000.

For more information visit,
<http://www.documentum.com/solutions/eci/index.htm> 

Municipal Gov't Expanding Scope of Imaging Apps

The evolution of departmental document management into enterprise content management (ECM) has trickled down to the local government level. This is according to John Devine, director of government programs at **LaserFiche**. Since it was founded in 1987, one of LaserFiche's specialties has been converting local governments from microfilm to digital imaging systems. LaserFiche boasts a total of 1,300 municipal government customers.

Devine joined LaserFiche more than four years ago following a stint as executive director of the **International Institute of Municipal Clerks**. "The local government market has matured, even in the short time I've been at LaserFiche," Devine told *DIR*. "When I started, most municipalities were looking for departmental solutions. Now most are looking for something scalable that will integrate with other systems.

"Not only are municipal clerks interested in imaging to organize public access documents, the police want it for their records—and want it integrated with their GIS (geographic information systems) applications. Municipal accounting offices want the same imaging system integrated with their software. Local governments are taking a more holistic view of records management and document imaging.

"Five years ago, you may have been able to sell an imaging system by meeting only with the head of a certain department. Today, it's important to include IT in the process, because they want an application that can run across departments."

Despite this vision of enterprise apps, Devine admitted that most municipal government applications still start out in a single department. Toward this end, LaserFiche recently introduced *Agenda Manager*, a pre-packaged application to facilitate digital distribution of the agendas for municipal council meetings. Typically, municipal clerks are in charge of assembling these agenda packages, which can be a labor- and paper-intensive process.

Devine credited municipal clerks as often serving as the catalyst for document imaging applications. "LaserFiche recently presented Technology Leadership Awards to three municipal clerks who

acted as liaisons for government-wide installations of our software," said Devine. "In Farmington Hills, MI, for example, in addition to the clerk's department, our software will be used by the police, public works, and planning and engineering departments."

LaserFiche focuses on municipalities with a population range of 10,000-250,000. "There are only 200 municipalities in the United States with populations greater than 200,000," Devine told *DIR*. "We estimate our target market to be about 6,800 municipalities."

For more information go to <http://www.laserfiche.com/products/agendamanager.html>

NARA OPEN TO TIFFS UNDER RIGHT CIRCUMSTANCES

As a follow-up to our recent article on the 2010 U.S. Census project, we queried the **National Archives and Records Administration (NARA)** about the possibility of keeping TIFF images of census documents for long-term storage. These documents are released for public consumption after 72 years in storage, so obviously NARA needs a format that will last. In 2000, the TIFF images created by the **Census Bureau** for data processing had to be microfilmed before NARA would accept them.

The recent Electronic Records Archiving (ERA) initiative launched by NARA [see *DIR* 8/20/04] made us think the organization might be warming up to electronic archiving. In fact, although ERA does not specifically address the conversion of paper documents to digital images, it seems an earlier initiative did. Following is an e-mail response we received from Dr. Mark D. Giguere, Lead Information Technology (Policy and Planning) & ERM eGov co-Program Manager, Modern Records Programs, NARA: "NARA does accept TIFF format as one acceptable format for scanned images of textual records that have been scheduled and appraised as permanent (for information on the appraisal guidelines, visit http://www.archives.gov/records_management/initiatives/scanned_textual.html). This work was accomplished with federal agency partners under the auspices of the President's Electronic Records Management E-Government Initiative and was adopted well after the 2000 Census appraisal was conducted."

In response to the question: Will NARA accept TIFF images for the 2010 census? Giguere replied, "If/how records are transferred to NARA is the function of an evaluation process called appraisal. The 2010 census records have not yet been appraised, hence no decision has been made regarding whether they would come to NARA and, if so, in what format that would occur."

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