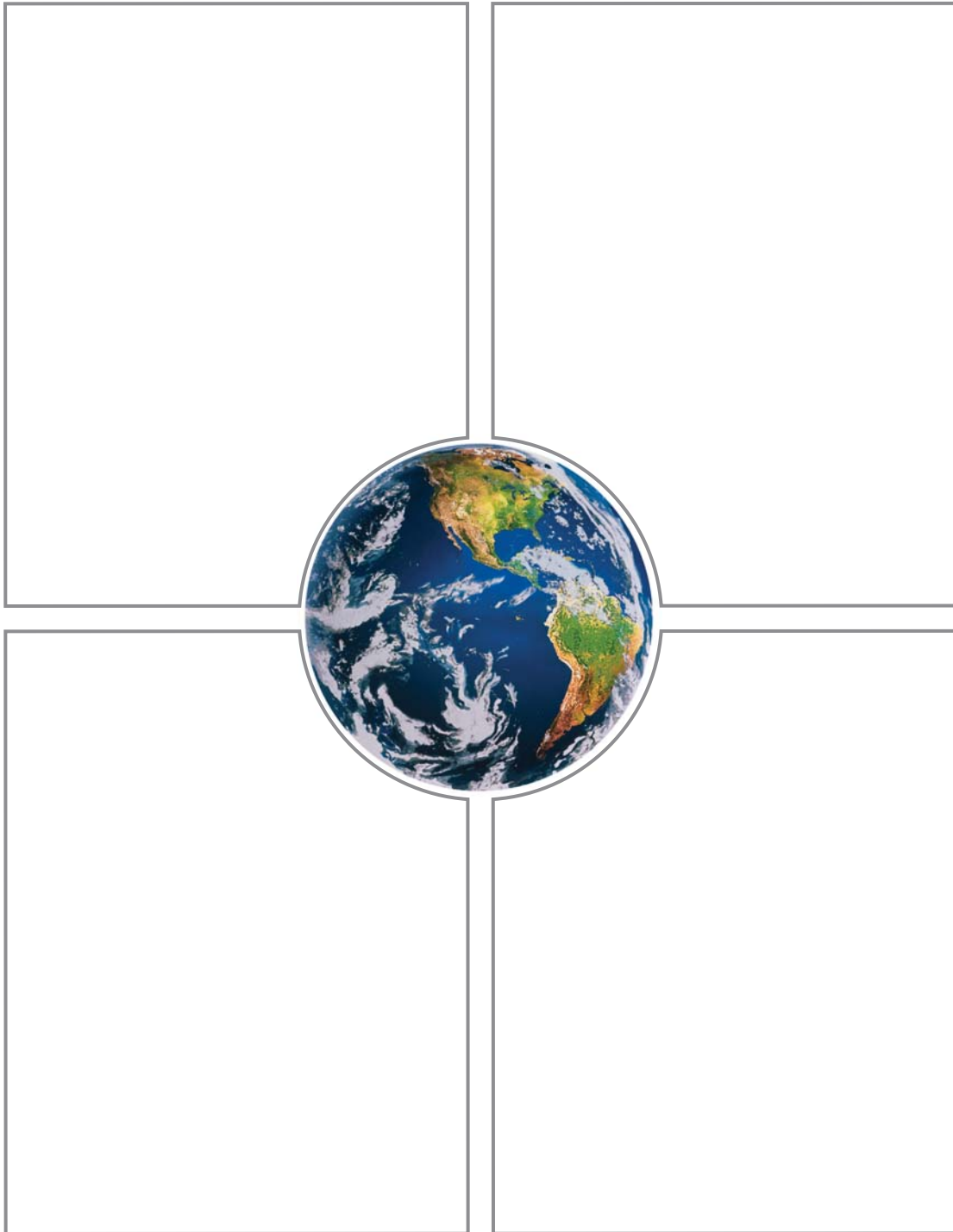


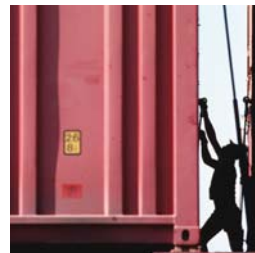
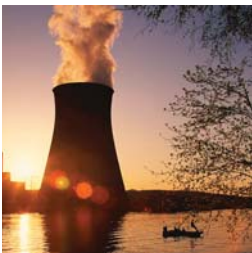
The American National Standards Institute | **2002 Annual Report**

ONE WORLD



ANSI MISSION

To enhance both the global competitiveness of U.S. business and the U.S. quality of life by promoting and facilitating voluntary consensus standards and conformity assessment systems, and safeguarding their integrity.



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PHOTOS: Getty Images (www.gettyone.com)

CULTURAL NOTES: *Kiss, Bow, or Shake Hands: How to Do Business in Sixty Countries* by Terri Morrison, Wayne A. Conaway and George A. Borden 1994

Global Relevance

Strength

Diversity

Choice

Value



2002 Annual Report



When a market has not made up its mind on a particular technology, or when economic, legal, political or cultural considerations come into play, competing standards may arise.

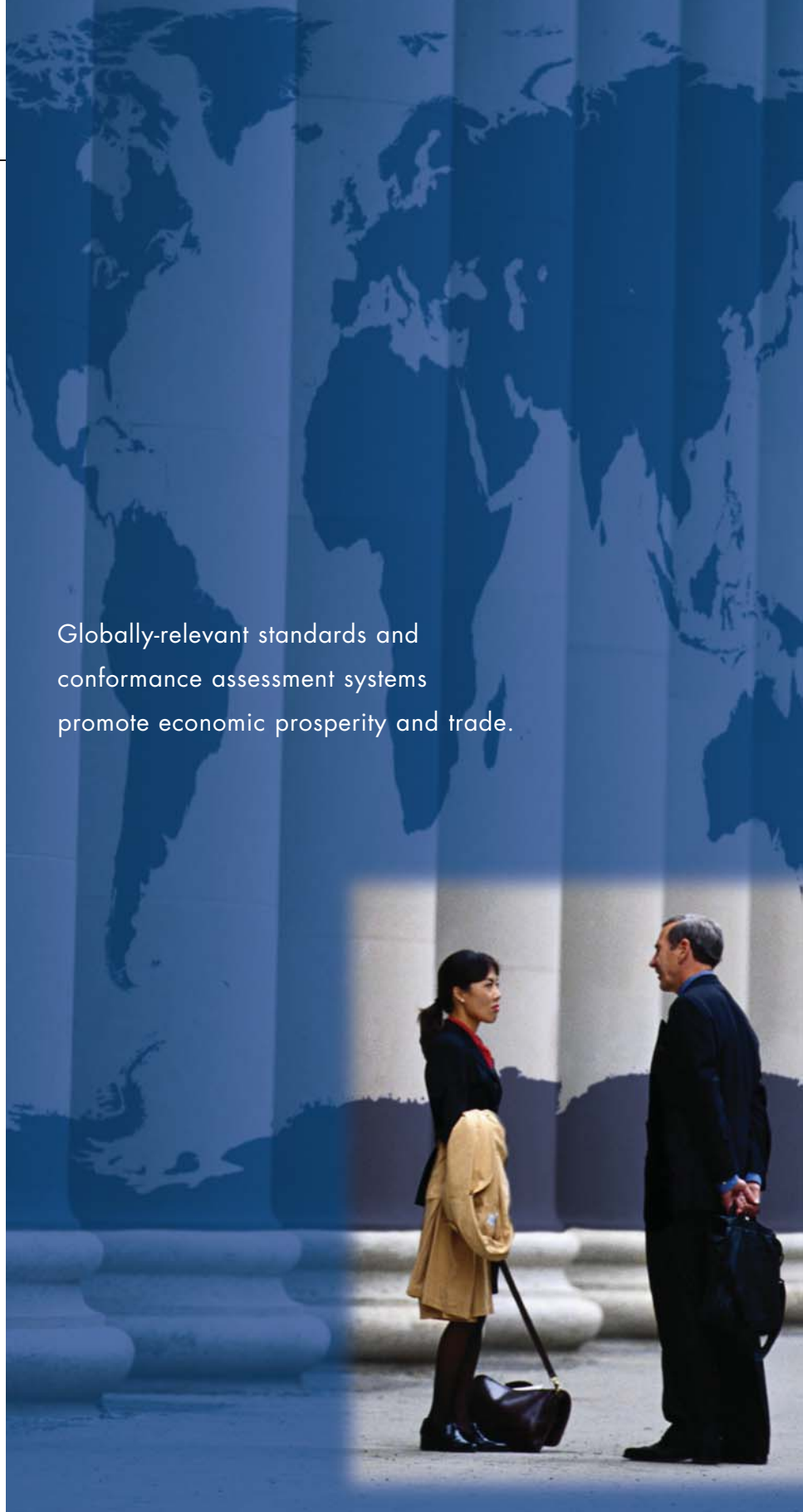
As the standardization “infrastructure” becomes increasingly visible to those who participate in the global market, senior managers are recognizing that standards are highly-effective tools that heighten confidence in terms of performance, inter-connection and interoperability, reliability, overall quality, and safety.

Recognizing this, the American National Standards Institute (ANSI) turned a keen focus on global activities during 2002. The Institute has been a strong advocate of the *global relevance* concept within both the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC).

Domestically, the Institute’s activities illustrated the ongoing strategic importance of advancing principles of the National Standards Strategy for the United States (NSS), including education and outreach to government agencies and legislators.

ANSI’s 2002 activities emphasized the bridge between voluntary standardization, the health and safety of U.S. citizens and the global competitiveness of U.S. business.

Globally-relevant standards and conformance assessment systems promote economic prosperity and trade.



CULTURAL NOTE Switzerland has four official languages: French, Italian, German, and Romansch. In addition to one or more of these languages, most business people in the cities also speak English.

Choice and value

I was extremely proud and honored when, at the end of 2002, I was appointed to serve as chairman of the American National Standards Institute.

As a former Board member and officer, and through my participation as a member of several ANSI committees, I recognize that the Institute has an incredibly important and compelling public service mission. We are clearly focused on activities that will advance trade, protect our environment, improve safety and health, promote quality, ensure that products will interoperate and meet consumer needs, and contribute to the betterment of our lives and the global economy.

The ultimate goal of standards-setting is to reflect the best technology and eliminate non-tariff, technical barriers to trade. Globally harmonized standards will become critical factors in meeting the requirements necessary to promote economic prosperity. We must constantly reassess and refine our programs to meet changing market needs. We must continue to work to make the standards process much faster, more cost-effective and flexible. We must also recognize the role of non-traditional standards developers such as consortia in the overall system. Different nations, economies, industries and consumer or user groups all have a role to play.

As an example, the standards community is focusing special attention on urgent national priorities such as homeland security and trust in business, pooling the resources of expertise comprised of our members and the extended standards-setting network. These standards must meet the needs of all interests, enable valid tests and support valid assessments of conformance.

ANSI is steadfast in its support of a voluntary, consensus-based process that develops standards for products, systems or services usable around the world. We also believe that this system should be led by the private-sector and supported by the public-sector, thereby allowing the market to dictate the timing, content requirements, and number of

standards that are to be developed. We believe that the decentralized nature of the U.S. standards system has contributed significantly to the strong innovation and technological leadership that are hallmarks of our economy.



One of the challenges continuing to face the standards community is the relatively low level of awareness of the vital and strategic role that standards play. In this regard, a major initiative that was launched during 2002 is a campaign to educate the public so that consumers, businesses and government can realize the greatest benefit from standards. The Institute's outreach efforts working with engineering and business schools to include standards in their curricula are particularly important as a long-term investment in educating the next generation of business leaders on the strategic impact of standards and conformity assessment.

It is these diverse public- and private-sector actions and initiatives that propel the Institute forward as we remain committed to enhancing the quality of life for all global citizens.

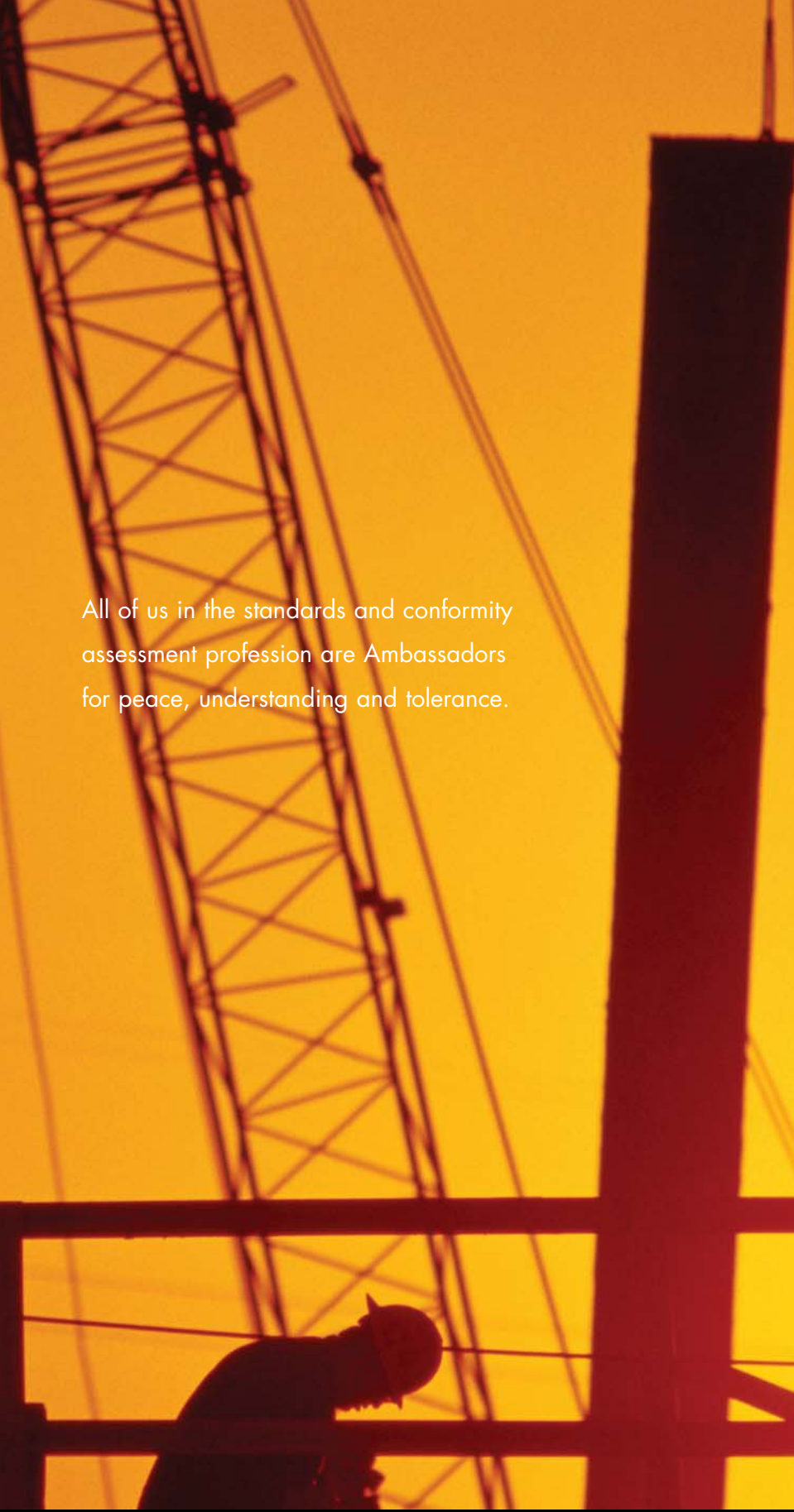
On a final note, I would like to extend sincere gratitude to my predecessor, Oliver Smoot. Throughout his tenure, Ollie worked diligently to promote and support cross-industry collaboration. Under his direction, the Institute approved and made significant progress towards implementation of the U.S. National Standards Strategy, a document that provides focus and structure for the standardization efforts of U.S. interests in all industries.

Ollie is now serving as president of the International Organization for Standardization. He has provided dedication and long-standing support to the standards community and is now positioned to provide the same level of dedication and leadership at the international table. We wish him well.

As chairman, I look forward to working directly with ANSI's members, constituents and staff, and with our colleagues around the globe, in pursuit of our shared objectives and our ultimate goal.

A handwritten signature in black ink that reads "George W. Arnold". The signature is fluid and cursive, written over a light grey rectangular background.

Dr. George W. Arnold
Chairman, ANSI Board of Directors



All of us in the standards and conformity assessment profession are Ambassadors for peace, understanding and tolerance.

Strength and diversity

The American National Standards Institute represents a federation of interests comprising hundreds of industries. Each has its own area of active involvement in national, regional and international standardization initiatives. It is neither appropriate nor efficient for the diverse standards needs arising from this myriad of industry sectors to be addressed by a single, rigid, top-down system of standardization. Rather, each sector must select the process and venue most appropriate for the users, producers and regulators within that community.

The decentralized standardization system that has developed in the U.S. over the past century has been extremely effective in responding to industry's needs, adequately addressing public interest concerns, and, as appropriate, developing standards that are suitable for global application.

The strength of this system is its diversity. It is market-driven, with private sector leadership and full government participation. It is responsive to the unique requirements of many different sectors. And it offers multiple choices to users and consumers, as well as to those who develop standards.

There is no single model for U.S. standards developers to follow. Instead, there are countless different models serving hundreds of different communities.

Some industries rely upon the efforts of standards developers that have been accredited by ANSI and some rely upon the work of consortia or other non-traditional standards-setting bodies. Many use a combination of methods. Further, some standards are produced, implemented and completely

CULTURAL NOTE Personal contacts are essential for business success in Spain. While business may be conducted over meals, many Spaniards go home for lunch.



Inset photo: Spain, Basque Country Landscape

superceded within a period of months. Others are issued, maintained and revised for many years via a comprehensive process of receiving comments and input from users with a consequent need for interpretations and revisions. Some are sold and some are given away. There are, no doubt, additional models as well. We respect this diversity.

Increasingly during the past year, however, we have been hearing that “the business model of the standards community needs to change.” This reflects a fundamental misunderstanding about the value that arises from the multiplicity of standards developers and the many different communities they serve.

It is dangerous to try to simplify this complex system, and probably not a good idea. A “one size fits all” model has potentially serious undertones. During the past year ANSI has also been working to foster an understanding of, and gain support and appreciation for, the “global relevance” model. In so doing, we expect to achieve a level playing field in the international standards arena, and an assurance that the needs of all nations are taken into account in international standards development. We will not endorse requirements and specifications that satisfy the needs of only one region of the world.

The IEC has made steady progress in advancing this concept, approving at the 2002 General Assembly meeting in China an implementation plan for a revised set of procedures that will help make a single standard applicable in every region of the world.

ANSI is also working to promote discussions of global relevance within ISO, emphasizing how important this concept is to every nation of the world. Industry, organizations and government agencies must work even more closely together to embrace and advocate the appropriate standardization principles and technological advancements within their areas of influence. Reaching out to other countries and regions is key to establishing positive working relationships and to understanding their viewpoints.

Standards development must be a global effort, focused on market needs and facilitated by full and open cooperation and collaboration among industry participants worldwide. We must

focus on fostering positive relationships with our global partners if we are to be successful.

Efforts at increasing efficiency have been occurring in other areas of ANSI as well. In early 2002, the ANSI Executive



Standards Council reached the culmination of a three-year effort to publish a new set of *Essential Requirements for the Development and Coordination of American National Standards* that distills the core requirements of the ANS process while consolidating and clarifying the related administrative requirements.

In late September, the ANSI Board of Directors approved the first-ever U.S. *National Conformity Assessment Principles* document. This document articulates principles for U.S. conformity assessment activities that will improve the ability of consumers, buyers, sellers, regulators and other interested parties to have confidence in the processes of providing certification services.

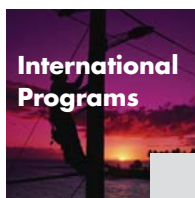
The Institute has also been active in its efforts to develop and strengthen relationships with federal, state and local government agencies. In addition to the “ANSI Amendment” of the Defense Authorization Bill, the American Homeownership and Economic Opportunity Act, and work on Federal Election Reform, ANSI and its members devoted considerable time and effort to developing a positive relationship with the new U.S. Department of Homeland Security (DHS). Through the ANSI-Homeland Security Standards Panel formed in early 2003, we plan to work closely with the DHS in the identification of standards and conformity assessment systems to meet the needs of the nation in this extremely important area. A comprehensive review of ANSI’s various accomplishments can be found on the following pages.

As I look back on 2002 and the past several months, I think of the expression, “World peace comes through better understanding.” By working together in the standardization community, we can not only seize the opportunity for change in our own industry, but we can set an example of mutual understanding that all people can follow towards a more peaceful world.

A handwritten signature in black ink that reads "Mark W. Hurwitz". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dr. Mark W. Hurwitz
ANSI President and Chief Executive Officer

2002 ACCOMPLISHMENTS



An underlying theme of the *National Standards Strategy for the United States* (NSS) is articulating to colleagues around the world that the international standards system must work effectively to support existing standards that are globally relevant. ANSI's 2002 initiatives to advance this concept within ISO and IEC include:

International Electrotechnical Commission (IEC)

At its 66th General Meeting in Beijing, China, the IEC approved an implementation plan for a new Global Relevance policy. The U.S.-supported policy promotes the worldwide application of IEC standards by accommodating the inclusion of alternate solutions to account for essential regional differences within a standard, and will allow products complying with IEC standards to meet the different needs of major segments of the global market.

The IEC and the U.S.-based Institute of Electrical and Electronics Engineers (IEEE) announced a "dual-logo agreement" in which the logos of both organizations will appear on IEEE standards accepted and approved by the IEC. Such cooperative agreements with IEC open the door for additional standards developers to have their documents accepted as dual-logo IEC standards.

The U.S. National Committee of the IEC (USNC) approved an update to its mission statement and strategic objectives. USNC goals include developing and implementing an outreach program in the U.S. to increase diversity and involvement in IEC participation. Other objectives include working within the IEC to develop and implement sector-specific strategies, and working with IEC governance bodies to achieve more balance and diversity in the IEC process to increase participation from affected industry groups.



International Electrotechnical Commission

Participating "P" Memberships	159
Percent of total	91%
Technical Advisory Groups	153
U.S.-Administered TC Secretariats	13
U.S.-Administered SC Secretariats	16
U.S.-Held Chairmanships	21



International Organization for Standardization

Participating "P" Memberships	568
Percent of total	80%
Technical Advisory Groups	184
U.S.-Administered TC Secretariats	32
U.S.-Administered SC Secretariats	102
U.S.-Held Chairmanships	127

International Organization for Standardization (ISO)

A new ISO policy statement clarified the rules for making normative references within ISO standards to other types of existing documents. This provision helps to increase the speed of standards development, reduces duplicative efforts and unnecessary expenses to both the developers and users of standards, and preserves the scope and global applicability of ISO documents.

ANSI representatives participated in an ad hoc group established to further explore and develop the suite of possible options to address global relevancy in ISO, including a more flexible sector-based structure and management.

The Institute supported the ISO Council Standing Committee on Strategies' (CSC/STRAT) recommendations to increase ISO's responsiveness to the broadest possible groups of stakeholders, and participated in discussions that considered whether a closer alignment to the IEC global relevancy policy would be beneficial.

Through ISO CSC/STRAT, ANSI provided input on future ISO objectives, including potential efforts toward greater

consumer and public interest participation. This led to the launch in 2003 of the *ISO Horizons 2010* long-range strategic planning survey.



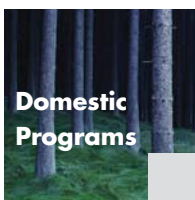
ANSI's international outreach program.

ANSI delegations met with representatives of Argentina, Brazil, China, Japan and the Russian Federation to discuss strengthening ties and to investigate opportunities for future initiatives. ANSI and IRAM, Argentina's national standards body, signed an agreement of cooperation

CULTURAL NOTE Verb tenses do not exist in the Chinese language. Time frames can only be determined by the context of the sentence, or by time indicators like "tomorrow." Be very specific on time and dates for appointments, contracts, and so forth.

to promote free trade and the global use of international standards.

- Two U.S. delegates attended a series of meetings in Rabat, Morocco, demonstrating a show of support to develop stronger ties with industry representatives from sixteen nations in the Arab world.
- A 14-member ANSI delegation attended the Pan American Standards Commission (COPANT) General Assembly, supporting the approval of the COPANT Strategic Plan and its potential to facilitate social, industrial, scientific and technological growth. A 13-person delegation attended the Pacific Area Standards Congress (PASC) meeting, where ANSI was recognized for its support of the PASC website. This tool has become valuable in promoting communication and interaction within the region.
- Members of the ANSI Federation hosted representatives from CEN, CENELEC, and ETSI in Washington, DC for the 17th bilateral meeting to review opportunities for cooperation and collaboration with the European standardization organizations.



These groups worked cooperatively to develop voluntary, consensus-based American National Standards.

American National Standards (ANS)

- The culmination of a multi-year effort to streamline and increase the flexibility of the procedures that govern the ANS development process was completed when members of the National Policy Committee (NPC) approved the *ANSI Essential Requirements: Due Process Requirements for American National Standards*. The document illustrates the manner in which ANSI serves the voluntary consensus

ANSI continued to provide a forum for its nearly 270 accredited standards developers, which represent more than 190 distinct entities. These groups worked

ANSI-Accredited Standards Developers

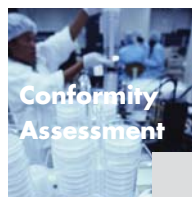
Total Accreditations	267
Distinct Entities Accredited	193
Canvass Sponsors	97
Committees	100
Organizations	70
American National Standards	10,225

ANSI-Accredited Certification Programs

Product Certification Programs	32
Unique scopes represented	80
ANSI-RAB Accredited Quality Management Systems	72
ANSI-RAB Accredited Environmental Management Systems	35

standards system in the U.S. by providing and promoting a fair and open process that withstands scrutiny.

- Program improvements were introduced that streamlined the requirements and improved the flexibility associated with implementation of the mandatory audit of all ANSI-accredited standards developers. The ANSI Standards Developer Audit Program is intended to confirm adherence to ANSI accreditation criteria.



In September, the Board of Directors approved a new reference document, the *National Conformity Assessment Principles for the United States*. This text articulates the principles for U.S. conformity assessment activities and is intended for use as a companion document to the NSS. During 2002, ANSI experienced growth in the area of conformity assessment, with expanding programs in product certifier accreditation and preparation for the launch of a new program for personnel certifiers.

- North American market demand for equivalency of registration certificates for Quality and Environmental Management Systems (ISO 9000 and ISO 14000) resulted in the formation of a Harmonization Committee for the enhancement of a Mutual Recognition Agreement between the National Accreditation Program of ANSI-RAB Registrar Accreditation Board and the Standards Council of Canada (SCC).

- ANSI became a full member of Pacific Accreditation Cooperation (PAC). One of the forthcoming initiatives of the PAC is to implement mutual recognition among accreditation bodies for product certifiers.

- The ANSI accreditation program for product certifiers was recognized by EUREPGAP (Euro-Retailer Produce Good Agriculture Practice) to accredit certification programs in accordance with ISO/IEC Guide 65, *General requirements for certification bodies*



CULTURAL NOTE Visitors to Argentina are expected to be punctual for business appointments, but social occasions have different rules. Guests are expected to be thirty to sixty minutes late for dinner or parties, but should arrive “on the dot” for lunch and for events with a scheduled starting time.

Conformity Assessment (continued)

operating product certification systems. ANSI is the only recognized accreditation body for this certification program in the U.S.

- Domestically, state recognition of the ANSI Accreditation Program for Product Certifiers continues to increase.
- The NIST/NVCASE (National Voluntary Conformity Assessment System Evaluation) program evaluated and reconfirmed ANSI’s accreditation program for telecommunication certification bodies in accordance with ISO/IEC Guide 61, *General requirements for assessment and accreditation of certification/registration bodies*, and Federal Communications Commission (FCC) regulations.
- In preparation for an early 2003 launch of the Institute’s new accreditation program for personnel certification bodies, five organizations participated in a pilot program per the requirements of ISO/IEC 17024, *General requirements for bodies operating certification systems of persons*. This program will increase the potential for national and international reciprocity of certified individuals and personnel certification bodies, and will help to create an internationally recognized framework and evaluation system.
- A new partnership between ANSI and the Conference for Food Protection will offer third-party accreditation for bodies that certify personnel involved in the food protection industry. Preparations and planning for a 2003 program launch was conducted during 2002.



In an especially productive year on the public policy front, ANSI’s activities during 2002 were concentrated efforts aimed at building and strengthening relationships with federal, state and local government agencies.

- The Institute gained a running start in December 2001 when President Bush signed into law the Defense Authorization

Public Policy / Government Affairs

Presentations to Congressional staff and members	22
Testimonies	2

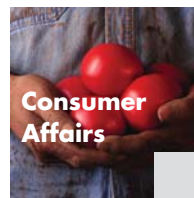
New Initiatives:

Public Policy webcast, held Earth Day 2002, addressing use of the ISO 14000 series on Environmental management systems

Outreach to state legislators at National Conference of State Legislators convention

Bill, which included the “ANSI Amendment,” protecting the ability of federal government employees to attend and participate in standardization activities.

- Another success was the *Help America Vote Act*, passed in October 2002. The Act calls for the creation of a Technical Guidelines Development Committee that will contribute technical expertise to support improvements to the voting system, with participants drawn from ANSI, IEEE, and NIST.
- During 2002 ANSI received more than \$550,000 in federal grants for projects to strengthen U.S. representation in the international standards community and for the development of materials that will encourage federal, state and local officials to use voluntary consensus standards to protect the environment.



In 2002, ANSI continued its efforts to broaden consumer awareness of and participation in ANSI activities.

- Working with the leadership of the Consumer Interest Forum (CIF), two additional consumer representatives were nominated and elected to serve on the ANSI Board of Directors and additional participants were identified for the CIF. Information targeted for the consumer-interest audience was developed and provided via the Institute’s websites, publications and at numerous meetings.

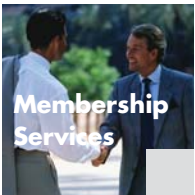
- The ANSI CIF remained active in ISO’s Consumer Policy Committee (COPOLCO). The U.S. led a working group that explored issues regarding the development of ISO standards for tourism services and participated in an initiative considering the development of ISO standards for corporate social responsibility.
- ANSI’s International Committee agreed that a percentage of the Institute’s contribution to the DEVCO Funds-In-Trust program should be earmarked for training of consumer representatives.

CULTURAL NOTE Speaking Spanish should be avoided in Brazil. Business travelers are encouraged to ensure that important documentation — including business cards — is printed in both Portuguese and English.



At the close of 2002, following a multiyear effort aimed at streamlining governance processes and creating opportunities for greater member participation, ANSI members amended the Institute's Bylaws and approved the rollout

of a new governance structure for implementation beginning January 1, 2003. The new structure provides for enhanced membership opportunities in the Institute's six policy committees and a mechanism for a designated representative from any interested ANSI member organization to participate in the deliberations and other policy-setting activities of these groups.



In line with the enhanced opportunities for member participation in ANSI policy-setting activities provided by the new governance structure, and taking into account the results of an early 2002 member needs assessment survey, the Board of

Directors approved a new membership structure that will roll out over 2003 and 2004. ANSI's membership recruitment and retention efforts will be focused on the design and delivery of programs and services that will best meet those needs and that will provide members with maximum flexibility and value.

- Recognizing that strong brand recognition is imperative when solidifying the linkage between an organization and its members, ANSI introduced a new "ANSI Member" icon for use by ANSI members on their respective websites.



The Institute's communications and outreach efforts during 2002 put compelling statements of value in front of

members, constituents, corporate decision makers, subject matter experts, and members of the media.

- The Institute devoted considerable attention during 2002 to the comprehensive redesign and relaunch of its website, ANSI Online (www.ansi.org). The upgrade provided a new "look and feel" and greatly improved navigation, functionality and document delivery tools. The updated site was launched on January 2, 2003 and is bringing greater benefits and services to members and visitors.
- The Institute focused on electronically delivered news and information, centering on *What's New?*, a bi-weekly electronic newsletter distributed to ANSI members and constituents free of charge. The newsletter includes synopses and links to the most recent news, events and publications available on ANSI Online.
- The *Standards That Make a Difference* survey called for the identification of standards considered to be "most valuable." The survey results demonstrated the critical role that specific documents play in enhancing business competitiveness and improving societal issues such as safety, health and the quality of life.

Membership

ANSI is comprised of businesses, professional societies and trade associations, standards developers, government agencies, and consumer and labor organizations.

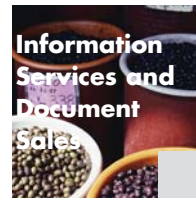
The ANSI Federation represents the diverse interests of more than 120,000 entities and 3.2 million professionals worldwide.

Communications and Public Relations

ANSI Online news items	228
Marketing pieces published	38
Editorial placements	74
Speeches and presentations	31
Conferences and trade shows	11

Customer Service

Responses to customer inquiries	34,000+
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Meeting member and customer needs continued as a top priority for ANSI

during 2002. The Institute's customer service team remained at the front line for document sales, online support and customer inquiries.

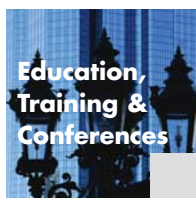
- ANSI launched a member benefit for up to 10% savings on the single-user purchase of standards from an inventory of thousands of documents available from its Electronics Standards Store (ESS) (webstore.ansi.org). The Institute initiated the savings program as part of an enhanced focus on delivering value-added services and benefits packages to ANSI members.



CULTURAL NOTE In Canada, the French language predominates only in Quebec, where there are very stringent French-language requirements for all commercial endeavors. Within this region, French is the only legal language in which to conduct business. Travelers should note that all signs are posted in French only.

Information Services and Document Sales (continued)

- In 2002, the number of standards available on the ANSI Electronic Standards Store increased by more than 27.5 percent, bringing the total number of documents to more than 70,000. Since its inception in 1998, ANSI's Site License program has steadily increased to meet the needs of many small, medium and large enterprises.
- Information resources contained within the *NSSN: A National Resource for Global Standards* online databases continues to expand. The site can now be reached via www.StandardsMall.org.
- A Standards Registry Committee (StdsReg) comprised of ANSI staff and industry experts began working during 2002 to develop a metadata specification to promote the exchange of information in XML between standards developing organizations (SDOs). This would make more coherent and systematic information about these organizations' activities available to their peers and the general public. When complete, the new specification will be applied to the NSSN.



Standards-related education and training took a front seat during 2002 as the Ad Hoc Committee on Education launched several initiatives, including a new e-learning site.

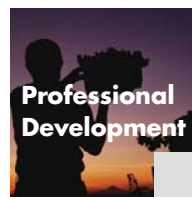
- A series of panel discussions provided academic, industry and government representatives with a forum to build an agenda on how to introduce standards into higher education curricula and research strategies. Steps were taken to begin developing an action plan to raise the understanding of standards in many areas of higher education, particularly in schools of management, engineering, economics, law, public administration and social sciences.
- As an alternative to instructor-led courses, in October ANSI launched an e-learning program offering online seminars for the general public and members of business, government or industry that are new to

the world of standards. More than 225 students took the introductory course, *Why Standards Matter*, during the last quarter of 2002.

- "Webcasting" debuted as an online delivery mechanism for education programming for ANSI in April 2002. Held on "Earth Day," an environmental summit explored how the standards community can work with U.S. government policy makers to reduce regulatory burdens and redirect resources to focus on crucial environmental concerns.
- The 2002 ANSI Annual Conference was a two-day, intensive exploration of key issues affecting global commerce and trade within the context of standards and conformity assessment activities. Held in conjunction with the World Standards Week celebration in Washington, DC, the event featured nearly 20 international panelists and keynote speakers and attracted an audience of more than 150 persons.
- The annual SDO Legal Issues Forum, which addressed a variety of legal issues of concern to standards developing organizations, was held in conjunction with the Annual Conference. A forum on the accreditation of personnel certification bodies was also held in early February.
- ANSI testified on "Standards-Setting Practices: Competition, Innovation and Consumer Welfare" during a series of FTC and Department of Justice hearings in 2002. With the George Washington University Law School and Oracle Corp., ANSI also co-sponsored a symposium on "Patent and Related Issues in Standards Setting."

Education and Training

Instructor-led courses available	14
Instructor-led courses presented	37
Participants	229
E-learning courses launched	1
E-learning course participants	227



The 2002 Summer Internship

Program was its largest to-date. A total of nine

interns — selected from a pool of nearly 500 résumés — worked in the Institute's Washington, DC, headquarters and the New York operations office.



CULTURAL NOTE Among Indians, a side-to-side toss of one's head indicates agreement, although Westerners may interpret it as meaning "no." On the other hand, the North American up-and-down head nod (used to signify "yes") has the meaning of "no" in India.

FINANCIAL STATEMENTS

Year Ended December 31, 2002

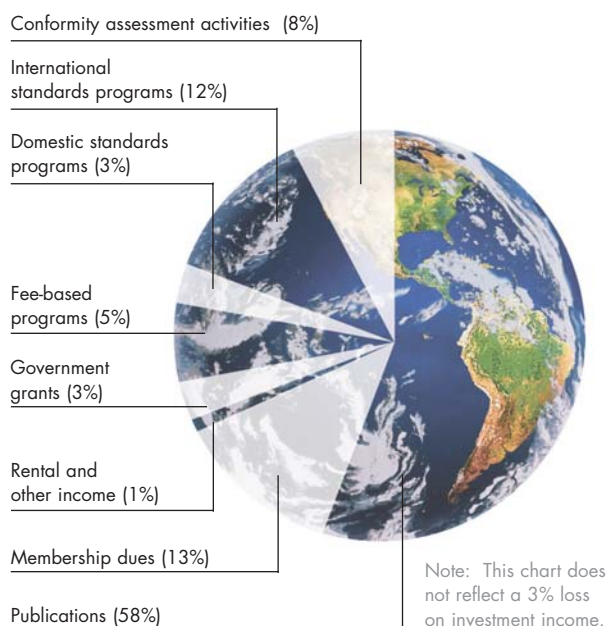


DESCRIPTION OF ORGANIZATION

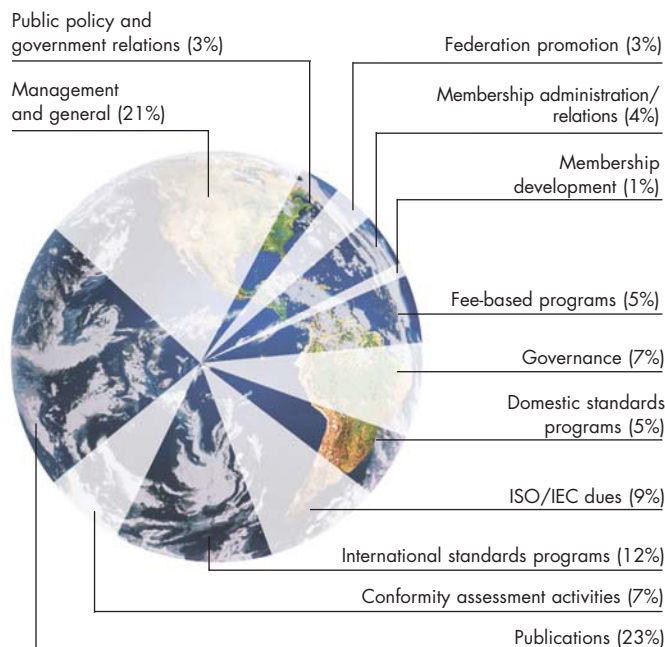
The American National Standards Institute (ANSI) is a nonprofit organization that coordinates the development of U.S. voluntary consensus standards. In fulfilling its mission, ANSI:

- Serves as the policy forum for the U.S. standards and conformity assessment communities and is recognized by both the public and private sectors as such.
- Approves standards as American National Standards (ANS) and safeguards the integrity and value of the ANS designation by requiring openness, balance, due process, consensus and transparency to all directly and materially affected interests in the private and public sectors.
- Is the official U.S. representative to non-treaty, regional and international standards and conformity assessment organizations and, as such, facilitates access by U.S. interests to those organizations and promotes U.S. interests abroad.
- Provides a means for assessing the need for new standards activities and conformity assessment programs and promotes the resolution of identified needs.
- Accredits standards developers, U.S. Technical Advisory Groups (TAGs) to ISO and conformity assessment programs.
- Serves as an interface with U.S. and other governments on standards and conformity assessment issues.
- Provides a central resource, using the most modern means available, for timely, relevant and easily accessible information and education on standards, conformity assessment programs and related activities in the U.S. and abroad.
- Coordinates the efforts of companies and consumers to make products and systems safe, efficient and globally relevant.

SUPPORT AND REVENUE*



EXPENSES*



* For more information, please refer to the Statement of Activities shown on page 18.

STATEMENT OF FINANCIAL POSITION

Year Ended December 31, 2002

	Unrestricted	Temporarily Restricted	TOTAL	
			2002	Summarized Information 2001
ASSETS				
Cash and cash equivalents	\$ 3,412,488	\$ 1,172	\$ 3,413,660	\$ 4,579,411
Receivables:				
Publications and royalties	1,728,326		1,728,326	1,462,745
Dues (net of allowance for doubtful accounts of \$209,000 for 2002 and \$170,686 for 2001)	2,746,712		2,746,712	2,632,609
Other	7,124		7,124	74,885
Investments	4,888,033	180,322	5,068,355	4,965,094
Prepaid expenses and other assets	127,951		127,951	67,335
Property & equipment, net	1,568,857		1,568,857	1,646,820
Total assets	\$ 14,479,491	\$ 181,494	\$ 14,660,985	\$ 15,428,929
LIABILITIES & NET ASSETS				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,870,208		\$ 1,870,208	\$ 2,477,705
Obligations under capital lease				9,771
Deferred dues and fee income	4,544,753		4,544,753	4,963,775
Deferred rent	383,558		383,558	272,755
Total liabilities	\$ 6,798,519		\$ 6,798,519	\$ 7,724,006
Net assets:				
Unrestricted net assets:				
Operating fund	\$ 1,578,402	\$	\$ 1,578,402	\$ 1,678,885
Board-designated permanent reserve	5,600,832		5,600,832	5,570,143
Specific-purpose fund	501,738		501,738	245,808
Temporarily restricted net assets		181,494	181,494	210,087
Total net assets	\$ 7,680,972	\$ 181,494	\$ 7,862,466	\$ 7,704,923
Total liabilities & net assets	\$ 14,479,491	\$ 181,494	\$ 14,660,985	\$ 15,428,929

STATEMENT OF ACTIVITIES

Year Ended December 31, 2002

			TOTALS			
	Unrestricted	Temporarily Restricted	2002	%	Summarized Information* 2001	%
Support & revenue:						
Membership dues	\$ 2,178,654		\$ 2,178,654	13%	\$ 2,272,120	14%
Publications	10,005,129		10,005,129	58%	9,963,250	60%
Conformity assessment activities	1,452,856		1,452,856	8%	784,558	5%
International standards programs	2,082,795		2,082,795	12%	1,961,864	12%
Domestic standards programs	511,576		511,576	3%	529,705	3%
Fee-based programs	987,384		987,384	5%	916,079	5%
Government grants	509,066		509,066	3%	490,934	3%
Rental and other income	166,000		166,000	1%	11,130	0%
Investment income	(561,506)	\$ (28,593)	(590,099)	-3%	(233,199)	-2%
Total support & revenue	\$17,331,954	\$ (28,593)	\$ 17,303,361	100%	\$16,696,441	100%
Expenses:						
Publications	\$ 3,958,821		\$ 3,958,821	23%	\$ 3,832,437	25%
Conformity assessment activities	1,132,417		1,132,417	7%	762,898	5%
International standards programs	2,107,922		2,107,922	12%	2,012,963	13%
ISO/IEC dues	1,592,504		1,592,504	9%	1,501,184	10%
Domestic standards programs	823,794		823,794	5%	861,152	6%
Governance	1,209,579		1,209,579	7%	1,036,590	7%
Fee-based programs	901,008		901,008	5%	788,636	5%
Membership development	245,560		245,560	1%	76,781	0%
Membership administration/relations	605,109		605,109	4%	519,078	3%
Federation promotion	506,559		506,559	3%	343,139	2%
Public policy and government relations	429,761		429,761	3%	365,288	2%
Management and general	3,632,783		3,632,783	21%	3,433,419	22%
Total expenses	\$ 17,145,818		\$ 17,145,818	100%	\$ 15,533,565	100%
Change in net assets	\$ 186,136	\$ (28,593)	\$ 157,543		\$ 1,162,876	
Net assets, beginning of year (as restated)	7,494,836	210,087	7,704,923		6,542,047	
Net assets, end of year	\$ 7,680,972	\$ 181,494	\$ 7,862,466		\$ 7,704,923	

* **NOTE** In past Annual Reports, "Membership fees" included membership dues, domestic activity fees and international activity fees. International and domestic fees are now incorporated into "International standards programs" and "Domestic standards programs" respectively in the 2002 figures and the 2001 Summarized Information. Other minor adjustments were made to better represent and align with current program activities.

NOTES TO FINANCIAL STATEMENTS

Accounting policies

Basis of Financial Statement Presentation

The American National Standards Institute, Incorporated (the "Institute") is a not-for-profit service organization, founded in 1918. It is the coordinating organization for the United States' voluntary standards system. The Institute does not develop standards. It provides the means for determining the need for standards and ensures that organizations competent to fill these needs undertake the standards development work.

The programs of the Institute are carried out through the Board of Directors, six policy committees and twelve program oversight committees. The Institute is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code, and from state and local taxes under comparable laws.

Cash and Cash Equivalents

The Institute considers all highly liquid investments with original maturities of less than three months to be cash equivalents, except for such amounts held in the Institute's investment portfolio, which are considered to be held for long-term purposes. The carrying amount approximates the fair value because of the short maturity of these investments. Sometimes deposits have been pledged as collateral for a letter of credit and for foreign exchange transactions.

Investments

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair values, with realized and unrealized gains and losses included in the accompanying statements of activities. Investment income is recorded as unrestricted and restricted, in accordance with donor intent.

Property and Equipment

Property and equipment are stated at their costs at the dates of acquisition. Leasehold improvements are also capitalized, whereas costs of repairs and maintenance are expensed as incurred.

Depreciation of furniture and equipment is provided using the straight-line method, over the estimated useful lives of the

respective assets, ranging from two to ten years. Depreciation of leased assets is computed using the straight-line method over the life of the asset. Leasehold improvements are amortized over the lesser of the estimated useful life of the specific asset or the term of the applicable lease.

Deferred Rent

Rent expense is recognized using the straight-line method over the terms of the lease. The difference between rent expense incurred and the amount paid, which is attributable to scheduled rent increases, is reported as a deferred rent liability in the accompanying statements of financial position.

Net Assets

The net assets of the Institute and changes therein are classified and reported as follows:

Unrestricted net assets represent those resources that have no donor restrictions as to their use. In 1969, the Board of Directors designated a *permanent reserve fund* for the establishment of new standards programs and to fund future operating deficits. The *permanent reserve* is funded by the operating fund and invested subject to approval by the finance committee. In 1973, the Board of Directors established the *international fund* to assist the Institute in its international standardization and related activities. Expenditures from the income of the fund must be authorized by the Board of Trustees of the international fund.

Temporarily restricted net assets consist of resources the use of which has been restricted by donors to specific purposes. Net assets released from restrictions represent the satisfaction of the restricted purposes specified by the donor.

Revenue Recognition

Revenue from publication sales is recognized when the customer purchases an electronic copy of the publication through the Institute's E-commerce website or when the order was fulfilled by third party resellers. Membership dues and fee-based programs are credited to income over the period to which they apply. Membership dues and fee-based programs for future years are deferred until that year.

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Year Ended December 31, 2002

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*Senior Manager, Strategic
Standardization and Global
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Siemens ICN CN*

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Mr. Keith B. Termaat
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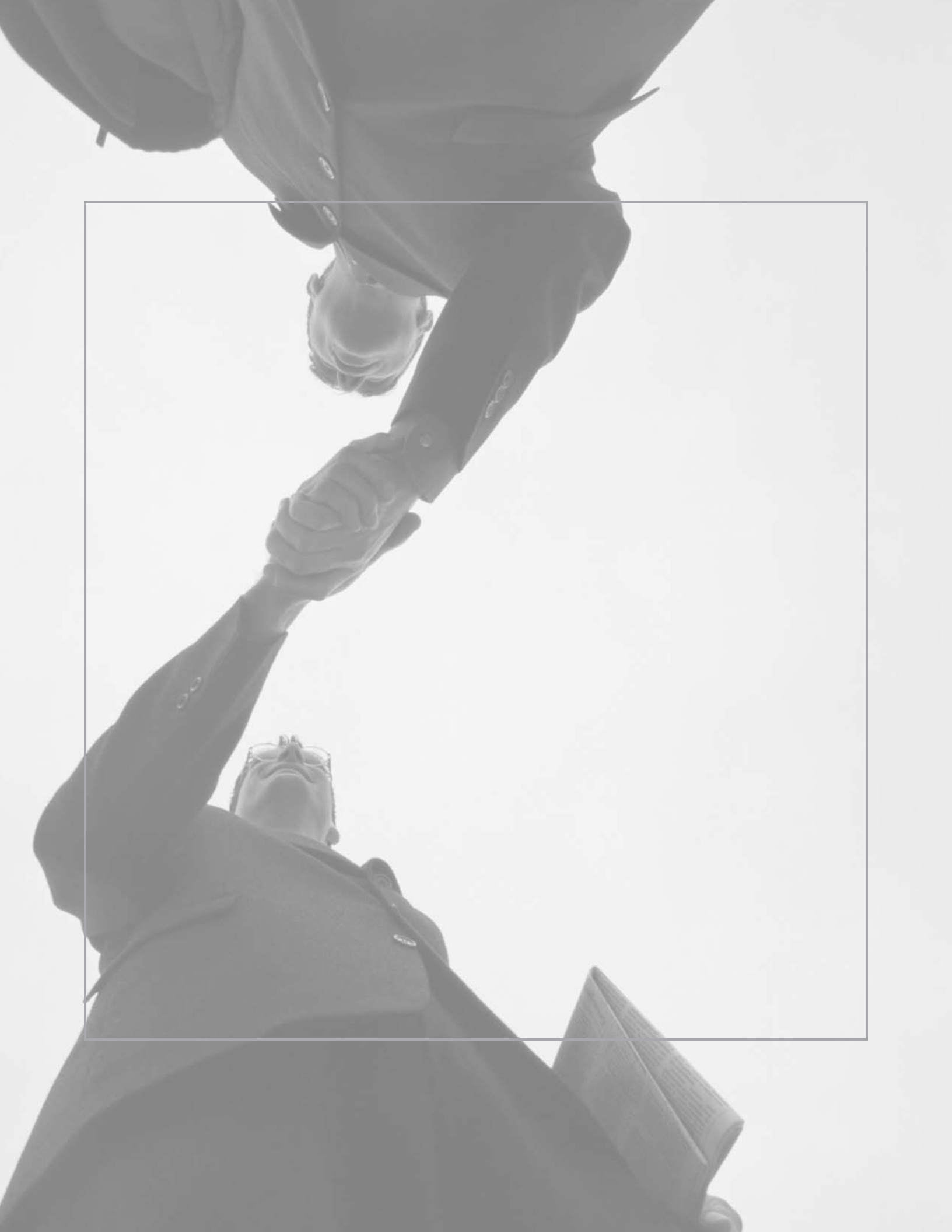
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RDW International

Ms. Theresa C. Zuraski
*Vice President, Standards,
Association for the
Advancement of Medical
Instrumentation*



ANSI SENIOR MANAGEMENT TEAM AND FACILITIES

Year Ended December 31, 2002

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President and Chief Executive Officer

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Senior Vice President

Bob Feghali
*Vice President, Business Development
and Chief Information Officer*

Lane Hallenbeck
Vice President, Conformity Assessment

John J. Harrington, Jr., CPA
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John A. Kalemkerian, CAE
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David Karmol
Vice President, Public Policy and Government Affairs

Gary W. Kushnier
Vice President, International Policy

Amy A. Marasco
Vice President and General Counsel

ANSI HEADQUARTERS

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202.293.8020

*Primary Functions in this office include:
Office of the President and CEO; Conformity Assessment
Programs; International Policy Programs; and Public Policy
and Government Relations Programs.*

OPERATIONS

25 West 43rd Street
Suite 400
New York, NY 10036
212.642.4900

*Primary Functions in this office include:
Administrative Operations; Membership Services;
Domestic Standards Facilitation Programs; and
International Standards Facilitation Programs*



CULTURAL NOTE The business card is extremely important for establishing credentials in Japan; one side should be in English and the reverse side in Japanese. Following the bow or handshake, a card should be presented in such a manner that it can be read immediately. Handle the cards very carefully. Never write on a person's business card.



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