

American National Standards Institute



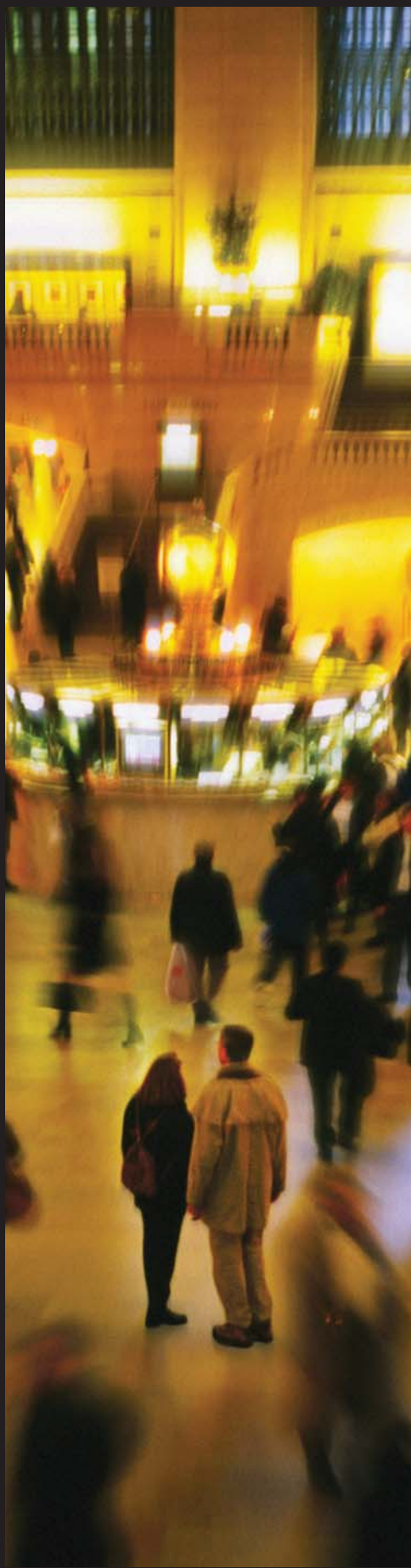
everyday people

2004-2005 Annual Report

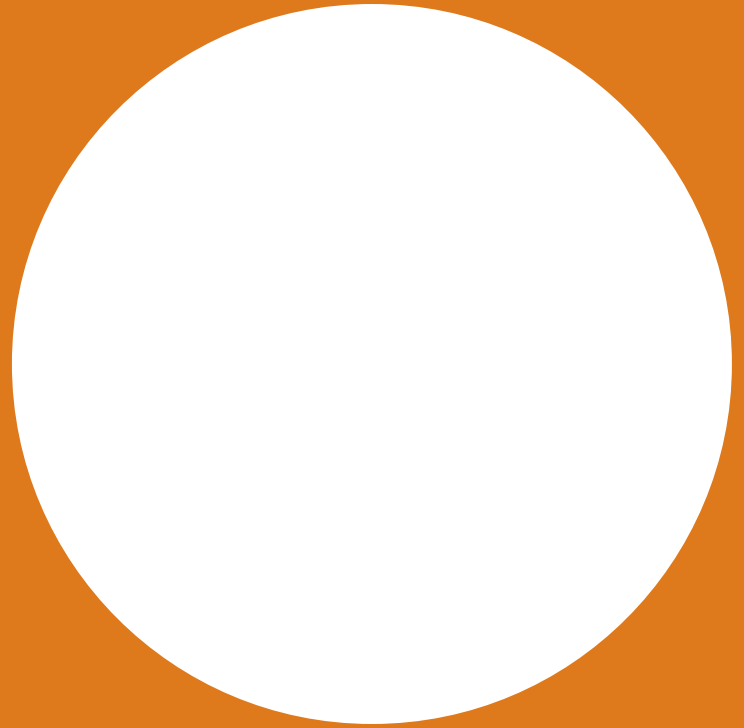
2004-2005 Annual Report

everyday people

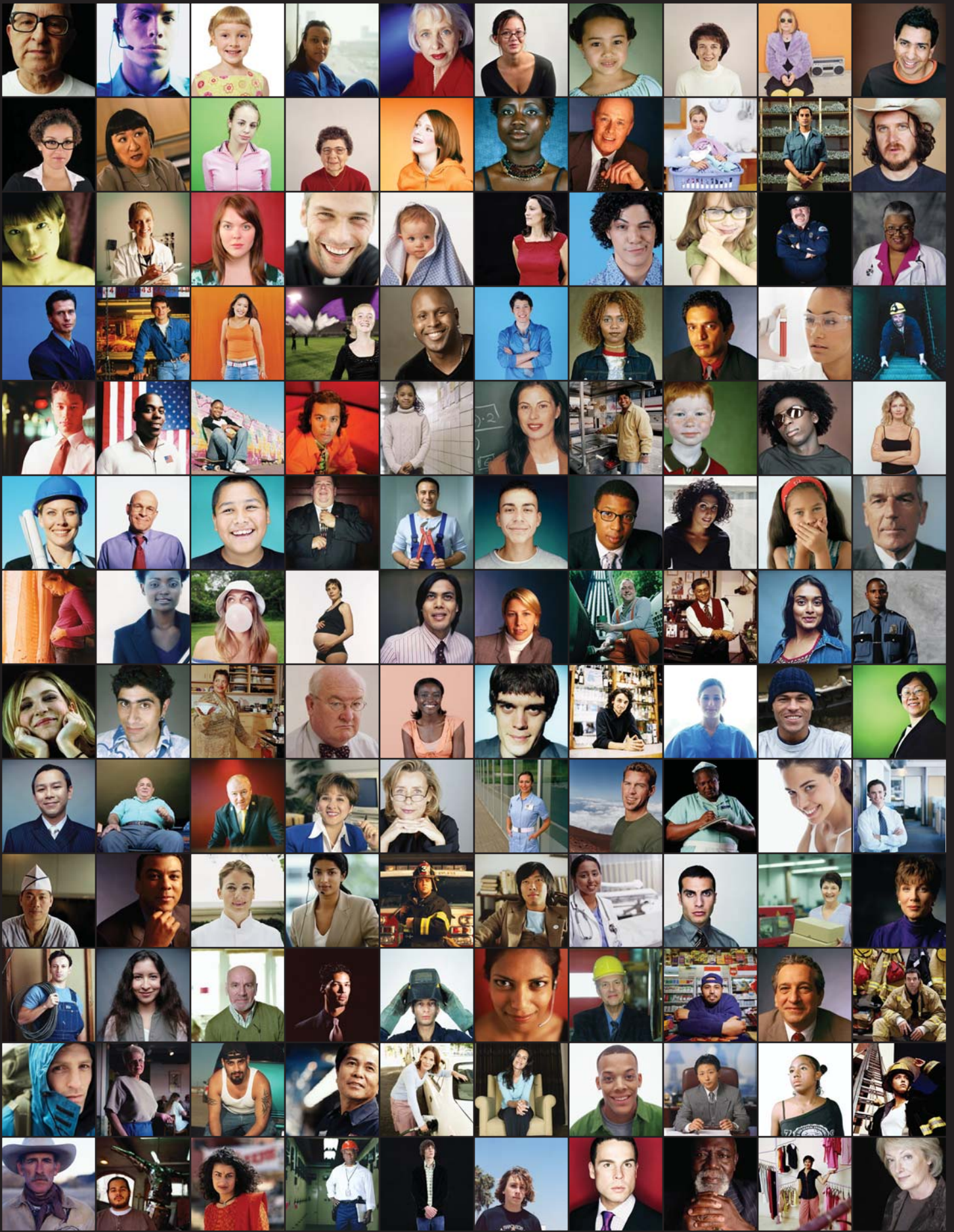
The American National Standards Institute is an umbrella organization comprising a diverse federation of thousands of organizations and millions of people working together to promote a strong U.S. voice within a collaborative standards and conformity assessment system. The volunteers that develop and maintain standards do so in the interest of the everyday people they serve. Standards and testing protect our health and our homeland, our infrastructure and our environment. From tiny toy pieces to clean drinking water to e-prescription guidelines, standards reach into our everyday lives in important and meaningful ways.



The mission of the American National Standards Institute is to enhance both the global competitiveness of business and the quality of life for all citizens by promoting and facilitating voluntary consensus standards and conformity assessment systems, and safeguarding their integrity.



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everyday people



We live in a world profoundly reliant on standards, says the World Trade Organization's (WTO) 2005 World Trade Report. Standards provide compatibility and information—they are key instruments in connecting the global village. Common protocols allow us to communicate over the Internet or wirelessly through phones and other personal devices, while computer codes allow businesses to share software and information from Baltimore to Bangalore. Standards ensure that tools and products work together and are interoperable despite where they are made. They keep our water clean and our food safe. Everything that we do, everyday, is in some way made safer, faster, or more efficient because of the role that standards play. And the people that depend on standards most are everyday people: our friends and families, coworkers and neighbors.

Around the world, standardization systems of different nations have variations in their approach sometimes small, sometimes profound—but essentially they all function to serve the world's citizens. To make sure that standards are effective and sound, all that participate in their development must adhere to globally-accepted principles of transparency, openness, impartiality, relevance, consensus, due process, and balance.

The American National Standards Institute is committed to supporting a U.S. standardization system that upholds these principles, in order to eliminate technical barriers to trade and promote the competitiveness of U.S. businesses operating in the global marketplace. ANSI is also dedicated to serving our members through our various program areas and information channels, to best support the work that they do across a wide-ranging spectrum of industries—from those that are well-established to new and emerging sectors.

As the Institute reflects on its accomplishments and looks ahead to future endeavors, we shall continue to be true to the everyday people we serve.





Dr. George W. Arnold
Chairman
ANSI Board of Directors

letter from the chairman

I am pleased to introduce the 2004-2005 Annual Report of the American National Standards Institute (ANSI) and to highlight our progress in the past twelve months. Change has been rampant and we have seen significant advancements in each of our identified priority areas.

With an eye on the future, we have been leading an update of the U.S. strategic standardization framework document that was first published in 2000. The revision process we have facilitated has been open, balanced and welcoming of the diversity of U.S. stakeholders—from traditional standards bodies to organizations such as consortia and other forums. The revision is nearly complete and by year-end the ANSI Board of Directors will be asked to consider the new text, the *United States Standards Strategy*, for approval.

In line with the principles of the proposed *Strategy*, ANSI's leadership and influence in various regional and international organizations supports our advocacy for standards and systems that are globally relevant and that will not restrict the free flow of goods and services across national boundaries. In cooperation with our members and constituents in both the public and private sectors, ANSI has turned its attention to efforts that foster closer cooperation on strategies, issues and concerns of mutual interest with the People's Republic of China. From educational events such as the 2004 Annual Conference to reciprocal delegation visits, and from formal commercial agreements to make our respective standards available in each nation to consideration of an ANSI presence in China, we are vigorous in our efforts to strengthen this relationship.

ANSI's standards panels are addressing harmonization activities in areas critical to the nation. Our efforts in areas such as homeland security and emergency preparedness, nanotechnology and health-care information technology are serving as the building blocks for the next generation. We have found unprecedented opportunity to meet changing market needs and we are taking great strides to make our work much more visible. Directly and indirectly, expanding awareness is an integral part of the Institute's role.

We are investing in the future by developing outreach programs that are designed to help tomorrow's experts complete their college training with a solid basis of understanding about standards and conformity assessment. We are providing information and resources that help to educate the public so that consumers, businesses and government realize the greatest benefit from standards. And we are investing in the infrastructure that will enable us to deliver the value-added information services that are needed by ANSI's members, customers and constituents.

The opportunities presented to ANSI during the past year were seized with determination and a resounding sense of purpose. It has been my honor to serve as ANSI's chairman during a period when so many positive changes have been accomplished. I thank you for your efforts and constant support.





Dr. Mark W. Hurwitz
ANSI President and CEO

The American National Standards Institute had an excellent year, concluding 2004 with more than \$9.3 million in net assets, a 3.5% increase over the previous year.

The financial base provided by ANSI's membership dues and assessment fees remains constant at roughly 25% of total support and revenue; we have set a goal of increasing total member count by 10% during 2005 and improving the membership retention rate to at least 90%. Within the broader standards community, we have seen an influx of diverse new participants, many of whom are engaging in standards-related activities for the first time. ANSI is building and enhancing our relationships with these groups and seeking to increase membership and participation from these bodies, with particular emphasis given to growing the base of consumer organizations, organized labor and non-governmental organizations in new initiatives that support the services industry, security, and other dynamic social issues.

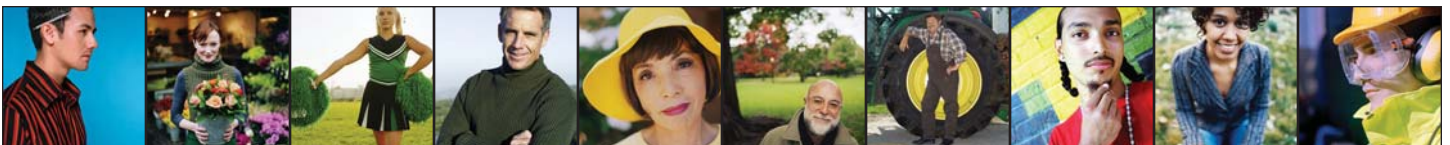
Innovative projects are being launched to support stakeholder needs: new standards and systems have been or are being created to assist in areas as diverse as protecting the food supply chain, enhancing the security of data and information systems, and promoting social responsibility. The activities emerging today will become the common tools used by people around the world, every day, well into the future.

In early 2005, a major cable television news network published its own "Top 25" list of innovations. With rare exception, each was deeply rooted in standards: the Internet, cell phones, personal computers, fiber optics, e-mail, commercialized GPS, portable computers, memory storage discs, digital cameras, and radio frequency identification tags rounded out the top entries.

Aligning standardization and conformity assessment work with market and consumer needs, as well as government requirements, depends upon close cooperation and collaboration. The ANSI Federation has a nearly 90-year history of bringing together stakeholders for the purpose of consensus-building. We have helped the development of thousands of voluntary consensus standards for the U.S. and the global community. From what I can see, the pace of new activities seems only to be escalating.

Most recently, a groundbreaking coordination effort has begun that will bring together a broad range of stakeholders to facilitate the widespread interoperability of healthcare information technology. This is in support of a Nationwide Health Information Network (NHIN) for the United States, one of the key priorities identified by President Bush in his 2004 State of the Union Address.

This is one of many activities in which ANSI has been interfacing with government during the past year. We presented progress reports on the new *United States Standards Strategy* and provided testimony to a Congressional committee regarding the impact of standards and trade with other nations. We developed and launched a new database of standards needed by the Department of Homeland Security and first responders, and we created a web portal to support the Department of Energy and its National Renewable Energy Laboratory on codes and standards related to hydrogen as an alternative energy source.



ANSI is an information pipeline, delivering editorial content and real-time access to information and standards for those who need it. Year-end 2004 data showed an average of nearly 160,000 visitors—and nine million hits per month—to the Institute’s website, ANSI Online, and more than three million visitors to the eStandards Store. With an ever-increasing inventory and an expanding cadre of features, the store and our publication sales activities continue to provide more than half of ANSI’s annual support and revenue.

Global recognition of the Institute’s accreditation services programs increases in stature and volume, as does the program’s contribution to ANSI’s bottom line. Our accreditation activities for product and personnel certification bodies, combined with the new ANSI-ASQ National Accreditation Board (ANAB) program for quality and environmental management system registrars, comprise 11% of ANSI’s total support and revenue during 2004.

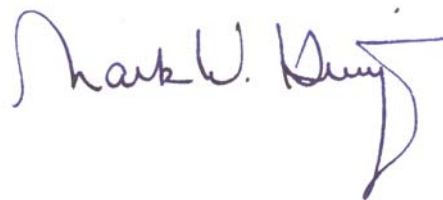
Even with this growth in ANSI’s product and service areas, neither the Institute nor its members are able to compete individually with the resources that are being made available in some other regions of the world to support technical assistance endeavors and outreach to developing nations. ANSI is communicating to the U.S. government that its support of, and cooperation with, the private sector is essential for activities such as research and education. Assistance is needed in order for industry and the standards community to provide technical support and resources that will assure adequate U.S. competitiveness in the global marketplace.

As I prepare to close my commitment to ANSI and the standards community in order to begin retirement and the next phase of my life, I discover a deep satisfaction and pride when I look back and see what the Institute has achieved.

We have undertaken a wide array of programs to network with and learn from our colleagues in the global community, and we have clearly recognized the value of bringing together a disparate group of people—with a wide range of talents and from a remarkable variety of cultures—for a common purpose. For ANSI and the members of the federation to adequately prepare for the future, we must next conduct an honest assessment of our preparedness and our ability to meet emerging needs. We must ask ourselves whether the standards-setting models that are being used today will still be relevant in the future. We must consider whether we have the experience and the resources to address standardization needs in areas that are critical to the nation and the global economy. And we must explore how to attract the stakeholders that will enable us to produce the best possible standards.

The 2004-2005 ANSI Annual Report offers a wonderful snapshot of what this organization is able to accomplish, and I trust that it will give the reader confidence and enthusiasm for all that is yet to come from ANSI.

It has been a great honor to count you as colleagues and friends.



accomplishments

selected accomplishments from the program areas identified in the *ANSI Framework for Action*



GOVERNANCE

■ A new edition of the *ANSI Constitution and By-Laws* was approved by the ANSI Board of Directors in December 2004 and became effective January 1, 2005. Among the key changes in the document was the establishment of an ANSI Intellectual Property Rights Policy Committee (IPRPC) to address all issues of strategic importance to the Institute relating to intellectual property. The focus of the existing Patent Group and the Copyright Ad Hoc Group, which have been incorporated into the ANSI IPRPC, will be expanded, strengthening their respective roles and complementing their activities in a number of important ways.

The Patent Group will eventually be integrated as a standing committee of the IPRPC with reporting responsibilities to the IPRPC chairman. The group will continue developing Institute requirements and procedures in the areas of embedded intellectual property rights and will be primarily responsible for drafting the revised Patent Policy and Guidelines that will help explain and illustrate the often complex policy considerations relating to these issues. The Copyright Ad Hoc Group continues its important work in the identification and review of issues relating to the assertion of copyright in standards, and will eventually report to and be incorporated into the IPRPC as well.

■ Efforts also intensified to finalize the *United States Standards Strategy* (USSS), a revision of the *National Standards Strategy for the United States*. The committee convened by ANSI to spearhead this effort dedicated itself to public outreach and awareness. An open forum and several sector-focused workshops, including one for consortia and other forums, were held to solicit public comment. The new draft continues to support the current U.S. sectoral approach to standardization while placing additional emphasis on global relevance and support of the World Trade Organization's internationally recognized principles for standards development.



DOMESTIC PROGRAMS

■ Established in August 2004, the ANSI Nanotechnology Standards Panel (ANSI-NSP) has been operating as the cross-sector coordinating body for the development of standards in this burgeoning industry. Representatives of academia, the legal profession, industry, government, standards developing organizations and other subject matter experts gathered in September 2004 for the Panel's first meeting and established a set of priority recommendations for those activities that have the most urgent need for standardization.

Following the establishment of a technical committee on Nanotechnologies in the International Organization for Standardization (ISO/TC 229) in early 2005, the ANSI-NSP also began to serve as an interim U.S. Technical Advisory Group (TAG) to the new ISO activity. To assist in the facilitation, development and harmonization of standards in support of its members, ANSI is serving as Administrator of this U.S. TAG.

■ The ANSI Homeland Security Standards Panel (ANSI-HSSP) marked its second anniversary in February 2005. Its impressive inventory of accomplishments have been built upon widespread participation and far-reaching promotion of the crucial role that standards and conformity assessment play in the overall homeland security effort.

The Panel is addressing key standards issues in areas such as biological and chemical threat agents, emergency communications, and training programs for first response to weapons of mass destruction events. The ANSI-HSSP also helped to lead the Institute's efforts in the development and launch of a database of standards needed by the U.S. Department of Homeland Security and first responders.

■ The infrastructure of the American National Standard (ANS) process was strengthened on January 1, 2005, with the launch of a new system that helps to stabilize the budget planning processes for ANSI-accredited standards developers. The ANS development process and regular audits of the accredited developers helps to ensure the integrity of the U.S. standardization system.





INTERNATIONAL AND REGIONAL PROGRAMS

- Demonstrating keen interest in the harmonization of initiatives on a global scale, ANSI and its members are leading and influencing key standards and conformity assessment organizations around the world.
- Chaired by Frank K. Kitzantides of the United States (NEMA), the IEC Standardization Management Board developed and approved a strategy that will help shape, lead and manage the technical work of the IEC.
- In 2004, the U.S. became the first nation to file *Essential Differences in Requirements* (EDRs) under the IEC Global Relevance Policy. These filings establish the conditions under which certain essential differences may be included, on an equivalent basis, in an IEC standard. Also in 2004, an IEEE-developed standard was the first to be published by IEC under a Dual Logo agreement, a new program that delivers a global benefit by recognizing existing standards that have market relevance and meet stakeholder needs. These initiatives each promote the adoption of a single standard that will meet the needs of diverse markets.
- In direct response to its first-ever constituent survey, USNC/IEC developed an online training program that will help to educate U.S. experts who are creating and implementing standards for the electrotechnical industry.
- In remembrance of the September 1904 meeting in St. Louis, Missouri, that ultimately led to the establishment of the IEC in 1906, ANSI and its U.S. National Committee proudly hosted a Centennial Celebration on September 22, 2004, during which the mayor of the city issued a proclamation declaring the date "IEC Day in St. Louis."
- As former ANSI chairman Oliver R. Smoot concluded his term as president of the ISO at year-end 2004, Dr. George W. Arnold, chairman of the ANSI Board of Directors, was put forth as the U.S. nominee for ISO vice-president—policy, a post that will become vacant in 2006. Dr. Arnold is currently serving as convener of the ISO/IEC Strategic Advisory Group on Security.
- With an aim of supporting the needs of an ever-growing base of stakeholders impacted by international standards, an ISO Working Group was launched in early March 2005 to pursue development of a new work item that will provide guiding principles on social responsibility (SR). Strengthened by the active participation of U.S. experts, ISO expects that the standard for doing business in a manner that meets or exceeds the ethical, legal, commercial and public expectations of society will be developed in approximately three years.
- U.S. leaders of ISO and IEC Technical Committees came together in November 2004 at a conference designed to facilitate and encourage a coordinated and strategic U.S. approach to international standardization. The open dialogue among leaders representing a wide range of industry sectors helped to shape U.S. strategic perspectives and positions on policy and technical initiatives impacting global standards setting. A second conference is planned for November 2005.
- ANSI hosted representatives of the European Standards Organizations in Washington, DC, during the 18th in an ongoing series of bilateral meetings between the organizations. U.S. delegations also attended meetings of the Pacific Area Standards Congress (PASC) and the Pan American Standards Commission (COPANT), addressing themes of safety and security standards. These meetings with other national and regional standards organizations are an important element of ANSI's ongoing efforts to learn more about the standardization models used by its counterparts while also helping to impart information on the decentralized, market-driven, and sectorally-focused U.S. standards system.
- Developing an effective interface with counterparts in China, and keeping ANSI's constituents informed of related activities, has been a top priority for the Institute during the past year. ANSI worked with the U.S. Department of State and other contacts in developing a guidance document to assist delegates from the People's Republic of China in their efforts to obtain visas to attend standards-related meetings in the United States.



accomplishments

selected accomplishments from the program areas identified in the *ANSI Framework for Action*



ACCREDITATION SERVICES

■ On January 1, 2005, ANSI and the American Society for Quality (ASQ) formed the ANSI-ASQ National Accreditation Board (ANAB), a separate legal entity that replaces the ANSI-RAB National Accreditation Program for quality and environmental management systems. Formation of ANAB was necessary to meet requirements of both the ISO/IEC standard under which the program operates, and the International Accreditation Forum (IAF). ANAB is a signatory to the IAF multilateral recognition arrangements.

At year-end 2004, the U.S. was ranked sixth in the world for the largest number of certificates issued under both ISO 9001 and ISO 14001.

■ At the beginning of 2005, the Food Marketing Institute (FMI) selected ANSI to accredit the certification bodies that audit suppliers under FMI's Safe Quality Food (SQF) Program. This partnership is designed to help strengthen food safety procedures and improve quality for consumers. The National Institute of Standards and Technology (NIST) also renewed its recognition of ANSI's conformity assessment program as an accreditor of Telecommunication Certification Bodies (TCBs). The scope of the recognition includes the Federal Communication Commission's TCB program and Certification Bodies (CBs) for Industry Canada's requirements. ANSI administers more than 30 distinct product accreditation scopes—ranging from appliances and bottled water to plumbing products and produce.

■ As the first national body to launch an accreditation program for personnel certification bodies based upon the international standard ISO/IEC 17024, ANSI is opening new doors to facilitate the mobility of personnel across borders. With estimates of more than 2,000 personnel certifiers in the U.S. alone, the opportunity for growth is unaparalled. Ten entities are already accredited and more than 20 applicants are currently in some stage of the application process. Program participants range from corporate interests, to professional societies and organizations, to government agencies at the federal level.



PUBLIC POLICY AND GOVERNMENT AFFAIRS

■ ANSI and the standards community were proactive in keeping policymakers apprised of relevant issues, particularly on topics such as China's influence in world trade and reports on the technical assistance to developing nations that is being provided by the European Union. In April, ANSI submitted written testimony to the U.S. House of Representatives Ways and Means Committee on U.S.-China economic relations and China's role in the world economy. A month later, representatives of the Institute presented oral testimony during a U.S. House of Representatives Committee on Science hearing on the issue of technical standards as trade barriers in Europe and China. The dialogue expanded beyond activities in these regions and offered a thorough discussion of the U.S. standardization system in general, as well as the development of the *U.S. Standards Strategy*.

■ In July, ANSI hosted a reception to introduce members of Congress and their staff to the *United States Standards Strategy*. During this event, participants were invited to explore two important online resources that had been contracted by government agencies in 2005.

— The ANSI Homeland Security Standards Database (www.hssd.us) is the result of ANSI working with the U.S. Department of Homeland Security, standards developing organizations, and other stakeholders to identify and classify those standards that are pertinent to the area of homeland security. The HSSD provides a single, comprehensive source for standards that relate to homeland security and are critical to the jobs of first responders, code officials, and others charged with keeping America safe.

— The Hydrogen Codes and Standards Portal (hcsp.ansi.org) grew out of discussions between ANSI and the Department of Energy's National Renewable Energy Laboratory (NREL). Designed as a single point for information about the various codes, standards, and regulations that apply to the use of hydrogen as a fuel source, this ANSI-coordinated effort brings together NREL and other federal government agencies, private sector SDOs, and state and local governments.





MEMBERSHIP

■ During 2004, an ad hoc group of the ANSI Board of Directors finalized a “tiered” membership structure that links the ANSI membership dues structure to the financial size of corporate and government members.*

Among the value-added benefits now reserved for Full Members is the ability to nominate candidates to the ANSI Board of Directors and Policy Committees. The tiered structure provides greater incentive and flexibility for a corporate or government member of any size to participate and encourages the increased involvement of Basic Members.

■ With the new structure approved and effective for members joining from January 1, 2005, ANSI turned its focus to activities that would grow the breadth and diversity of the Federation while continuing to provide top-tier information, products and services to the current base of nearly 1,000 members. As of year-end 2004, the top five industrial sectors represented by ANSI’s members include:

Engineering / Machinery	15%
Professional Services / Consulting	13%
Telecommunications / Information Technology	13%
Electronic / Electrical	11%
Healthcare / Pharmaceutical / Biotechnology	10%

■ Standards harmonization activities in areas such as homeland security, nanotechnology, social responsibility, complaints handling and more have led to an influx of new participants, many of whom are engaging with the standardization community for the first time. Educational resources, awareness campaigns and targeted outreach to these audiences help the stakeholders understand opportunities for participation, influence and leadership in the development of standards that will impact their respective industries. Strategic membership and marketing partnerships with key industry groups are also being pursued.

**Organizational members continue to support the Institute at a fixed rate that may be supplemented by fee-based services.*



CONSUMER RELATIONS

■ During 2004-2005, ANSI expanded its multi-pronged efforts to educate consumers and public interest stakeholders on the value of standards and standards participation. By leveraging the importance of initiatives underway in the areas of tourism, social responsibility, food safety, accessibility, the global market and privacy, ANSI is strengthening relationships with consumer and labor groups, and many non-governmental organizations.

Several consumer organizations have joined the Institute as members and consumer advocates have been added to the rosters of the National Policy Committee, the Board of Standards Review, and the Committee on Education. Contributing to these successes were the introduction of nominal ANSI membership dues for consumer organizations and an increase in the financial incentives program that ANSI has established to enable consumer representatives to participate in standards activities.

In addition to providing information on-line, ANSI participated in consumer conferences and submitted articles for publication in academic consumer journals. ANSI also created opportunities for consumer perspectives to appear in print on issues such as standardization of water services and financial services. Through its Consumer Interest Forum (CIF), ANSI provided a venue for consumer interests to dialogue with standards developers on ways in which consumers can be more fully engaged in the standards development process.

In the international arena, ANSI continues to be a respected leader and advocate for consumer protection and participation in the ISO’s Committee on Consumer Policy (COPOLCO). The committee’s 2005 workshop on safety and security included presentations from ANSI’s Chairman of the Board and the Chairman of the U.S. Consumer Product Safety Commission. Other ANSI and CIF members were actively involved as sponsors, speakers and trainers at the COPOLCO workshop and regional training seminar for developing country consumer representatives.





EDUCATION AND TRAINING

■ ANSI confirmed that standards education is one of its top ten priorities. Providing students with opportunities to enhance their knowledge of standardization will give the next generation a competitive edge when entering the workforce.

During 2005, the ANSI Committee on Education's launched its university outreach program, which aims to raise awareness of standards and incorporate standards-related information into the curriculum of colleges and universities. A pilot program is now underway that provides complimentary standards from select collections available to universities for use in the classroom. The Committee is also compiling resources to be able to provide case studies, model tutorials, and other supporting material to university faculty. The Institute reached out to SDOs in July 2005 to invite the contribution of educational and technical content that will help to support this initiative.

■ ANSI, in conjunction with members of the Committee on Education, hosted two faculty workshops at Fairleigh Dickinson University and the Catholic University of America, respectively. Entitled "*Incorporating Standards into Capstone Design Courses*," the workshops helped to define the minimum standards literacy for students in engineering, business, government affairs and public policy, law and more. Engineering educators also gained a better understanding of the importance of standards in the design experience and in practice in the working world, and received techniques and tips for incorporating standards into their curriculum.

■ Finally, as a part of its contribution to an Environmental Protection Agency-sponsored competition for sustainable design, ANSI developed a web portal for use by students and faculty in support of the "P3" project. The P3 project is a national competition that enables college students to research, develop and design scientific, technical and policy solutions to sustainability challenges. The portal identifies resources and connects student design teams directly to the appropriate contacts at participating SDOs. These connections helps to bolster the "real-world" relationship between design, sustainability, standards and conformity assessment.



COMMUNICATIONS AND OUTREACH

■ ANSI provided strong communications outreach and support during the 2005 rollout of the *United States Standards Strategy* public review. Public relations efforts encompassed outreach to new audiences, including a landmark meeting between representatives of consortia and standards developing organizations. Other meetings included a caucus for manufacturing interests, a public forum, and reception for members and staff of the United States Congress.

■ The Institute saw across the board increases in the number of speeches and presentations across the country and around the world, ongoing relevant and informative news from ANSI Online and the biweekly e-newsletter *What's New?*, and increased contacts with the media resulting in an ever-growing number of editorial placements in myriad publications. ANSI was recognized with honors by the League of American Communications Professionals for its 2003-2004 Annual Report as well as several other print materials.



PUBLICATIONS MANAGEMENT

■ ANSI and the Standards Press of China (SPC)—the publishing division of the national standards body, the Standardization Administration of the People's Republic of China (SAC)—signed a reciprocal agreement in July 2005 to distribute standards. According to the agreement, Chinese standards will be made available for electronic purchase on ANSI's eStandards Store (webstore.ansi.org), and China will distribute the ANSI collection of U.S. standards via SPC.

■ In addition to the thousands of documents in dozens of new collections, ANSI and its eStandards Store (eSS) were recognized in 2005 as an approved U.S. General Services Administration (GSA) Federal Supply Service (FSS) vendor. In support of implementation of the National Technology Transfer and Advancement Act, GSA customers began to receive special discounts when purchasing standards from the eSS (webstore.ansi.org). An incentive program on the eSS also matches dollars spent on standards purchases with frequent flyer miles on two major airlines.



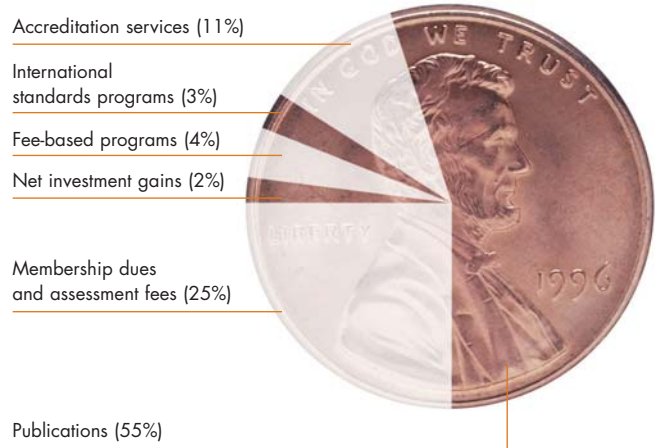


description of organization

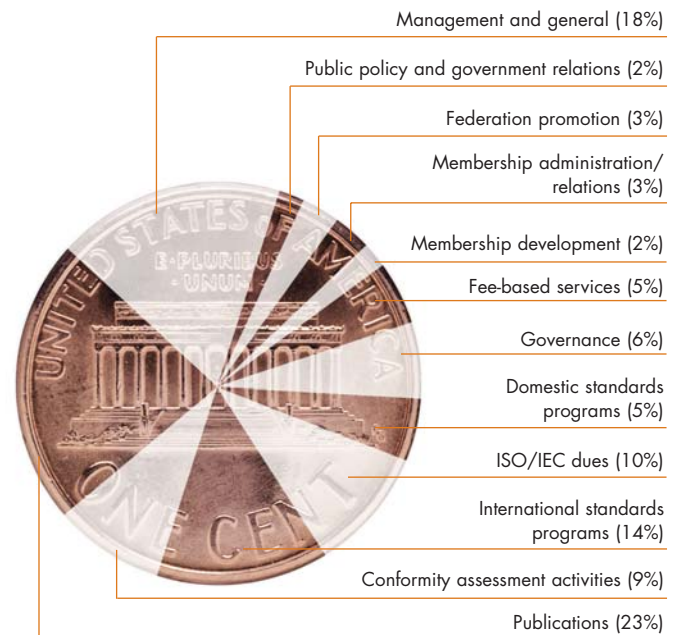
The American National Standards Institute (ANSI) is a 501(c)3, not-for-profit organization that coordinates the development of U.S. voluntary consensus standards and standards policy. In fulfilling its mission, ANSI:

- 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 16.



Year Ended December 31, 2004

	Unrestricted	Temporarily Restricted	TOTAL	
			2004	Summarized Information 2003
Assets				
Cash and cash equivalents	\$ 4,714,288	\$ 2,657	\$ 4,716,945	\$ 3,022,921
Receivables				
Publications and royalties	1,153,815		1,153,815	1,415,362
Dues	2,890,729		2,890,729	2,581,397
(net of allowance for doubtful accounts of \$242,000 for 2004 and \$180,000 for 2003)				
Other	5,831		5,831	26,328
Investments	6,275,824	208,629	6,484,453	7,262,415
Prepaid expenses and other assets	163,082		163,082	77,630
Property and equipment, net	1,383,279		1,383,279	1,579,800
Total assets	\$ 16,586,848	\$ 211,286	\$ 16,798,134	\$ 15,965,853
Liabilities				
Accounts payable and accrued expenses	\$ 2,010,222		\$ 2,010,222	\$ 2,147,019
Deferred dues and fee income	4,919,948		4,919,948	4,332,520
Deferred rent	539,736		539,736	472,732
Total liabilities	\$ 7,469,906		\$ 7,469,906	\$ 6,952,271
Net assets				
Unrestricted net assets:				
Operating fund	\$ 2,721,673	\$	\$ 2,721,673	\$ 2,681,509
Board-designated permanent reserve	5,600,832		5,600,832	5,600,832
Specific-purpose funds	794,437		794,437	530,294
Temporarily restricted net assets		211,286	211,286	200,947
Total net assets	\$ 9,116,942	\$ 211,286	\$ 9,328,228	\$ 9,013,582
Total liabilities and net assets	\$ 16,586,848	\$ 211,286	\$ 16,798,134	\$ 15,965,853



statement of activities

Year Ended December 31, 2004

			TOTALS			
	Unrestricted	Temporarily Restricted	2004	%	Summarized Information 2003	%
Support and revenue						
Membership dues and assessment fees	\$ 4,759,526	\$	\$ 4,759,526	25%	\$ 4,739,290	25%
Publications	10,516,442		10,516,442	55%	9,779,470	53%
Conformity assessment activities	2,076,448		2,076,448	11%	1,666,055	9%
International standards programs	652,206		652,206	3%	572,950	3%
Fee-based programs	855,128		855,128	4%	315,441	2%
Government grant				0%	550,000	3%
Net investment gains	295,377	36,251	331,628	2%	869,484	5%
Support and revenue before release from restrictions	19,155,127	36,251	19,191,378		18,492,690	
Net assets released from restrictions	25,912	(25,912)	0			
Total support and revenue	\$ 19,181,039	\$ 10,339	\$ 19,191,378	100%	\$ 18,492,690	100%
Expenses						
Program expenses:						
Publications	\$ 4,316,703		\$ 4,316,703	23%	3,771,898	22%
Conformity assessment activities	1,667,547		1,667,547	9%	1,246,237	7%
International standards programs	2,648,949		2,648,949	14%	2,408,468	14%
ISO/IEC dues	1,882,182		1,882,182	10%	1,891,288	11%
Domestic standards programs	892,320		892,320	5%	947,499	5%
Governance	1,102,767		1,102,767	6%	1,235,319	7%
Fee-based services	1,032,605		1,032,605	5%	679,319	4%
Total program expenses	13,543,073		13,543,073		12,180,028	
Management and general:						
Membership development	312,817		312,817	2%	253,371	1%
Membership administration/relations	630,945		630,945	3%	729,203	4%
Federation promotion	493,544		493,544	3%	430,799	3%
Public policy and government affairs	389,649		389,649	2%	337,239	2%
Other management and general	3,506,704		3,506,704	18%	3,410,934	20%
Total management and general	5,333,659		5,333,659		5,161,546	
Total expenses	\$ 18,876,732		\$ 18,876,732	100%	\$ 17,341,574	100%
Increase in net assets	\$ 304,307	\$ 10,339	\$ 314,646		\$ 1,151,116	
Net assets, beginning of year	8,812,635	200,947	9,013,582		7,862,466	
Net assets, end of year	\$ 9,116,942	\$ 211,286	\$ 9,328,228		\$ 9,013,582	



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' national 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, the Executive Standards Council, the Board of Standards Review, and three operating councils. 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.

ACCRUAL BASIS OF ACCOUNTING

The financial statements of the Institute have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America, as applicable to not-for-profit entities.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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. Net 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

three to ten years. Likewise, depreciation of leased assets is computed using the straight-line method over the life of the assets. Leasehold improvements are amortized over the lesser of the estimated useful life of the specific asset or the term of the applicable lease.

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. Recognition of revenue from membership dues and fee-based programs relating to a future year is deferred until that year.

DEFERRED RENT LIABILITY

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 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 Board's finance committee. In 1973, the Board of Directors established a special-purpose, *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.

The Peralta Charitable Remainder Unitrust was established in 1993. Upon the death of the Unitrust beneficiaries, the principal and income of the trust will be distributed to the Institute to be used for educational purposes.

The USNC/IEC Fund was established in 1981, upon receipt of assets from the members of the United States National Committee ("USNC"). Expenditures from the fund must be authorized by the executive committee of the USNC of the International Electrotechnical Commission ("IEC"), and the Institute's finance committee.



board of directors Year Ended December 31, 2004

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ANSI FACILITIES

Headquarters

1819 L Street, NW,
Suite 600
Washington, DC 20036
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*





Headquarters

1819 L Street, NW
Sixth Floor
Washington, DC 20036
Tel: 202.293.8020
Fax: 202.293.9287

Operations

25 West 43rd Street
Fourth Floor
New York, NY 10036
Tel: 212.642.4900
Fax: 212.398.0023
Web: www.ansi.org