

<b>S. Joe Bhatia</b> President and CEO American National Standards Institute	<b>Standards Edge Conference</b> Washington, DC March 22, 2007  Panel Four 10:00 – 11:45 am  <i>Remarks: 1228 words (10 minutes)</i>
--	--

**Conference:** STIMULATING VS STIFLING: Standardization’s Role in Innovation

**Panel Four:** Policies for National Prosperity

### **Biography**

Joe Bhatia has been a member of the standards and conformity assessment community for nearly four decades . . . first as a user, then as a developer and implementer, and now as a facilitator and advocate.

He began his tenure as president and CEO of the American National Standards Institute on January 1, 2006. At ANSI, Joe oversees the Institute’s coordination and facilitation of standards and compliance programs and its representation of U.S. stakeholders in bilateral, regional and global bodies such as the International Organization for Standardization, the International Electrotechnical Commission, and the International Accreditation Forum.

Prior to joining ANSI, Joe held the position of executive vice president and chief operating officer of the international group at Underwriters Laboratories Inc. (UL). During his 35-year tenure with the organization Mr. Bhatia assumed positions of progressive leadership in global business operations. His areas of responsibility included engineering, governmental and congressional liaisons, external affairs, follow-up (certification) services and direction of UL’s \$300+ million international operations.

Joe is also a member and past chairman of the U.S. Department of Commerce and U.S. Trade Representative’s Industry Trade Advisory Committee Standards and Technical Trade Barriers (ITAC 16).

**Conference:** STIMULATING VS STIFLING: Standardization's Role in Innovation  
**Panel Four:** Policies for National Prosperity

---

## Remarks

Good morning.

Mark Twain once said, "There is no such thing as a new idea."

He justified his observation by using the analogy of a kaleidoscope . . . saying that we take a lot of old ideas, give them a turn, and they make new and curious combinations.

Innovation can be described in the same way. It is the evolution of an existing idea that is applied in a commercially successful way.

The linkage between standards and innovation is equally clear. Both represent good ideas that have taken hold and been embraced for widespread use.

But there is no steadfast rule that one must come before the other:

**Standards CAN stimulate innovation . . . just as innovation CAN stimulate standards.**

- In some cases, a standard precedes innovation by establishing a baseline for design and performance that will satisfy user requirements. That standard must provide enough flexibility that suppliers or manufacturers can vary features, function or price to establish a niche that positions them with a marketplace advantage. These variances help to elevate user expectations and raise the bar for the next edition of the standard.
- In other cases, innovation comes first. A standard becomes the physical documentation of an agreed-upon solution that has already been time-tested and proven. A single set of performance or design criteria are agreed upon and serve as the baseline for ongoing improvements.

Each issue has different elements. And every industry and stakeholder group has unique needs. A one-size-fits-all approach doesn't make sense. The approach must be fluid.

This is one of the hallmarks of the U.S. standardization system. Ours is a flexible, demand-driven environment. We maintain a close watch of the marketplace to evolve – i.e., innovate – even the most established products, services and systems.

(pause)

Innovation and information and communication technologies go hand-in-hand.

- Two years ago, CNN ranked the top innovations since 1980. Half of its top ten list were ICT products and services: the Internet, cell phones, e-mail, memory storage discs, and radio frequency ID tags.
- Ten of the twenty companies that appeared on last year's *Business Week* ranking of the most innovative companies in the world were ANSI members – most of whom are prominent players in the ICT industry.

Companies in this community represent over 13% of ANSI's membership. This is a very large segment of our constituency that we intend to satisfy and keep happy. At last count, the number of ISO, IEC and ANSI-approved standards that either directly or indirectly support the ICT industry number more than 11,500.

But innovation applies to other sectors as well. As do the fundamental values of standardization – openness, balance, due process, transparency, and consensus.

These common values help to guide the way that standards and conformity assessment activities are developed in a market-driven system.

(pause)

As a member of this panel, I was asked to make specific recommendations for strengthening the U.S. standardization system so that it yields economic and social benefits. Though the intent was to offer recommendations for policy makers, my comments will apply equally to both private and public sector stakeholders.

I believe that one of our biggest obstacles is a lack of understanding of the importance of standards and conformity assessment by those who sit in the corner offices of corporate America and those who sit on Capitol Hill.

My first recommendation is this:

**We must educate business leaders and policy makers and encourage their investment and participation in standards and conformity assessment activities.**

Recently, I met with a high-level government executive to explain the U.S. standards system. This official had been charged with advancing an executive level-objective that could only be realized by establishing one or more standards. Because he was not familiar with the system and activities that were already in place, he was ready to create a new infrastructure to develop and deliver the standards that were needed.

Now, with his better understanding of the system that is already in place, he recognized that there is no need to reinvent the wheel. He seems ready to rely upon the private sector to identify existing standards, perform a gap analysis, and – as necessary – develop any new standards that are needed.

(pause)

Investment fuels the innovation that creates new products and technologies, delivers them to market, and supports their acceptance.

The American Competitiveness Initiative commits \$5.9 billion in FY 2007 to increase investments in research and development, strengthen education, and encourage entrepreneurship. Over 10 years, the Initiative commits tens of billions more in research and development to keep America's economy strong by fostering knowledge and generating new technologies.

Standards are the tools that can be used to document and disseminate knowledge about best practices and technologies. They are an essential part of the process.

By delivering clear and consistent messages about the strategic impact of voluntary standards as the vehicles that take innovations to the market, we can:

- facilitate domestic and international trade, commerce, and innovation;
- advance the national economy, and
- protect the public health, safety, and environment.

(pause)

**We must promote cooperation and coherence within the U.S. system by working together to reduce duplication of effort and eliminate areas of redundancy.** This is my second recommendation.

The National Technology Transfer and Advancement Act (NTTAA) is a success story that demonstrates how billions of dollars can be saved by eliminating duplication and overlap. This legislation compels federal agencies to turn decisively to consensus-based, voluntary standards as alternatives to specifications that had previously been developed only for government use.

Many agencies have leveraged the NTTAA to accomplish their mission; but others have yet to come fully onboard. In some cases, the agency's needs may best be met by a traditional SDO – such as an ANSI-accredited standards developer; in other cases non-accredited organizations like consortia groups may be more appropriate.

Because so many organizations are involved in delivering the codes and standards that are needed to address national priorities, the need for cooperation and coherence increases as government reliance on the private-sector-led system increases.

One of ANSI's primary areas of involvement right now is the active engagement of stakeholders in the harmonization work that we do through our standards panels:

- In 2004, the ANSI Homeland Security Standards Panel supported a special project on private-sector emergency preparedness that had been requested by the 9-11 Commission. The panel continues to provide ongoing support for the Department of Homeland Security and other agencies.
- At the request of the Office of Science and Technology Policy in the Executive Office of the President, ANSI launched the Nanotechnology Standards Panel to facilitate the development of standards for nanotechnology nomenclature and terminology; materials properties; and testing, measurement and characterization procedures.
- Our Healthcare Information Technology Standards Panel is under contract with the Department of Health and Human Services to assist in establishing a national health IT network for the United States. Its first set of Interoperability Specifications was completed in less than eight months.
- Our fourth panel is supporting all of us in its efforts to facilitate the identification and development of standards for identity theft protection and identity management.

Outreach and engagement are strategic priorities for the Institute. We are committed to working with the full spectrum of stakeholders, including consortia and many other sectors that are either minimally or not at all engaged with the Institute or the traditional standards community.

Our efforts are aligned with the *United States Standards Strategy*, an overarching framework document that calls for responsiveness to emerging national priorities, new technologies, and consumer interests.

(pause)

Clearly, there are many other recommendations that can be made. But I am confident that our collective support of the two that I have identified in these brief remarks will carry us forward with great success.

On behalf of the members and staff of the American National Standards Institute, I look forward to working beside you to turn these recommendations into realities.

Thank you.

<END>