

EVENT BRIEF
(READERS VERSION – August 10, 2006)

Group: Standards Engineering Society

Conference Theme: Standards Rock! Achieving Business Harmony

Date: August 14, 2006

Location: Wyndham Hotel at Playhouse Square
Cleveland, Ohio

Point of Contact: Glenn Ziegenfuss, SES

Attire: Business

Presentation: Keynote Address

Time: 9:15 – 10:00 am
25 minutes of prepared remarks followed by 20 minutes Q&A

Duration: 45 minutes total speaking time
25 minutes of prepared remarks followed by 20 minutes question/answer

Title: *I Heard It Through the Grapevine:
Standardization to Meet Stakeholder Needs*

Abstract: S. Joe Bhatia joined the American National Standards Institute (ANSI) as its president and CEO on January 1, 2006. Though he is no stranger to standards and conformity assessment, Bhatia is dedicating much of his first few months to meeting and discussing with stakeholders the issues that are of utmost importance to them. Joe’s goal is to “absorb the information that is being shared, organize it in my own mind, talk about it with others, and use it to make well-informed and educated decisions”

During his keynote address, Bhatia will share some of the insights he has gained on how standards and conformity assessment programs are evolving to reflect the changing needs of business. He will explain how this input is helping to foster the establishment of new relationships between the Institute and groups that have traditionally operated outside the federation. He will explain ANSI’s new approach to membership growth, partnerships and revenue diversification and explain how this fresh outlook will enable the Institute and its members to better meet emerging needs in areas ranging from the service sector to the aging populations and those with disabilities.

Mr. Bhatia’s remarks will include an update on implementation of the *United States Standards Strategy* and will be followed by an open dialogue with conference attendees.

I Heard It Through the Grapevine: Standardization to Meet Stakeholder Needs

Word Count: 2,967

Total Speaking Time: 25 minutes (based on 120 words per minute)

Good morning, everyone.

It's great to be here again. Last year I stood before you to talk about the development of the *United States Standards Strategy*. This year I'm wearing the new hat of ANSI president.

Thirty five years at UL helped me gain a solid understanding of standards and conformity assessment. But it wasn't until I immersed myself in development of the *Strategy* – and now in the day-to-day operations of ANSI – that I came to fully appreciate the value, impact and complexities of the U.S. standards system.

In my new role, I'm spending quite a bit of time on the road – traveling to various meetings and commuting between the Institute's offices in Washington and New York. I'm meeting people from our community – both individually and in groups – in offices across the country and in conference rooms around the globe.

I see Jim Walters all over DC. I've met with Art Cote in Boston; George Arnold in Austria; June Ling in Geneva; and the list goes on.

Along the way I've been asking a lot of questions. Absorbing information and hopefully using it to make well-informed decisions that will help us shape the future. There has been a lot to soak in and your insights are always helpful.

But I was glad to have an opportunity earlier this month to sort through some of the thoughts I've been "hearing through the grapevine."

Punita and I had taken our sons to Europe for a family vacation. It was nice to get away from the meetings, phone calls and e-mails for some quiet time and reflection. While there, I was reminded of a wonderful story that I thought might set the stage for my comments. I'd like to share that story with you:

Centuries ago, during construction of one of the great renaissance churches in London, an inspector from the King went to the building site. He approached one of the workers and asked, "What are you doing?"

"I'm cutting stone," he replied.

Then he asked another worker, "What are you doing?"

"I'm making 5 shillings, 2 pence a day," he said.

Then, he asked a third worker, “What are you doing?”

The man put down his chisel and said, “I’m helping build a magnificent cathedral.”

Now, all three of these men had the same job, but only the last man could see beyond the slabs of stone to the future splendor of a soaring cathedral.

(pause)

Our job as standards professionals is to focus on details. But when we get too caught up in the details we risk losing sight of the big picture.

In this case, the “big picture” is a unified vision of the future. Once we have that, we can make the choices that will:

- strengthen our nation’s competitive position in the global marketplace,
- help transform our new technologies and innovations into commerce, and
- respond to emerging national priorities.

We will need to take regular snapshots of how we’re doing. Evaluate the progress that is being made. And adjust accordingly. We must also ask ourselves some pointed questions, and be honest about the answers.

For instance, . . .

As standards organizations, are we evolving fast enough to keep pace with globalization?

Probably not.

Are we responding to changing marketplace and stakeholder demands?

Not as fast as we should be.

Why not? Quite simply . . . it's in our nature.

Traditionally, we have responded to emerging priorities as they are identified. We have been reactive. Today, the tide is turning. We are becoming *more proactive* and solutions-focused.

But we still have a lot of work to do. We need to have a long-term perspective and be more strategic. This was the focus of our discussions in Gaithersburg last month at the "Options for Action Summit" that ANSI sponsored with NIST.

- At that meeting, we agreed that effective partnerships between government and industry are necessary if we are to build capacity in developing nations.

- We agreed to help transform developing economies into new markets for U.S. exporters.
- And we agreed that members of the standards community must become more actively engaged in trade policy activities.

(pause)

There is no question that standards and trade are linked.

As standards professionals, we know that. Dozens of studies from Commerce, the U.S. Trade Representative, and the WTO back up the statement with data. Even mainstream culture gives us references.

In his book, *The World is Flat*, Tom Friedman says that we must accept that today's demands are increasingly coming from Beijing. From Mumbai. From Seoul and Taipei. And from across the Eastern Bloc.

Globalization is reshaping economic, cultural and political landscapes.

Some developed nations are leveraging their greater resources to provide technical assistance to emerging economies. This gives them an inherent trade advantage.

The EU and its member nations are spending tens of millions of Euros annually to provide technical assistance to China and other countries. They are providing free standards, training and even translations of standards. In return, the recipient nations are committing to adopt and use European Norms and – in turn – European products.

Some U.S.-based developers have begun to individually promote their catalogs to emerging nations. This is a step in the right direction. But no single industry or government group is able to match the large investment being made by the Europeans.

Developing economies need information and access to innovations and technology, standards, and solutions that come from the United States.

It's taking us too long to set priorities and take action. We need to pool our resources and begin to make some progress. And we need to do this now.

A single, aligned approach should not be so hard to achieve.

Let's pick a country. Or two countries. Or a region.

Let's combine funding and commit resources from the private- and public-sectors. Let's advance U.S. interests globally.

We may have a perfect opportunity right now. Dave Karmol, ANSI's vice president for public policy and government affairs, has been engaged by NIST to go to Iraq to help rebuild its standards system. We have someone on the ground – in the Green Zone – in a country that's starting over. We can make something positive happen.

I recognize that it takes a lot of capital – both financial and human – to assure adequate U.S. competitiveness in the global marketplace. That is why I continue to stress that cooperation between the government and the private sector is essential. We will need a coordinated approach . . . especially for activities such as research, needs analysis, education, and technical support.

Identifying the actions to be taken is only the beginning. Implementation is a much different challenge. But each step takes us closer to our goal of meeting stakeholder needs. And every time we address issues head-on we make progress.

(pause)

This conference moves us forward. In fact, I wanted to congratulate you on a very impressive agenda. I have a personal interest in your discussion of competition, harmonization and the 1-1-1 principle because these are issues that I'm monitoring on an ongoing basis.

I've seen firsthand that some nations feel very strongly that ISO and IEC are the only paths to achieve a global standard. As you well know, the U.S. sees it differently.

We believe that a globally relevant standard is one that is (A) technically suitable and (B) able to be used throughout a given market sector worldwide. This means that we rely upon a wide range of organizations – both traditional and non-traditional developers – to supply the standards we need.

Too frequently, we hear from experts in the field that there is an undue European influence during standards-setting at the international table. We need the standards that ISO and IEC produce to be viable for use in the United States. That is why ANSI and the USNC pushed so hard for the approval of global relevance policies in both organizations.

Unfortunately, I'm not confident that those policies are working like they were supposed to. Some members of ISO and IEC have not committed to their implementation. . . . and I'm not sure that they ever will.

Why?

Because the global relevance policies are intended to account for unique needs and essential infrastructure differences between countries and regions. Yet some countries say that they cannot support a standard that offers multiple solutions to the same problem

– even if they are equivalent. When push comes to shove, the U.S. usually does not want to give up a solution that works for us. But neither do the Europeans, nor any of the other nations that are involved.

Is it possible to find a single standard . . . a single test . . . or a single mark of compliance that will make everyone happy? Maybe not in all cases, but it should be possible in some. Those are the cases that ANSI will continue working to support.

(pause)

I see that tomorrow morning you'll also be giving attention to education and training.

Those of you who know Don Purcell – or who read his article in the latest issue of *Standards Engineering* – have certainly heard his call for an increased investment in standards education.

Don and I share strong feelings about the importance of developing the workforce of the next generation . . . building their awareness of standards and compliance and providing them with the skills they need to be successful.

Here, too, I question why it's taking so long for us to make progress. Under Bill Kelly's leadership, ANSI's education committee has been providing faculty and students with access to ISO and IEC standards for use in university classrooms. But few other

developers have signed on to provide access to their standards. It shouldn't be an issue of delivery or protection – we already have technology solutions for that. So I'm curious about the hesitation.

Don't we want students to learn about current technology?

I do.

It's also been a challenge to come up with the supporting materials that will help faculty and students understand why standards are important. I encourage you to join with Greg Skinner, Teresa Cendrowska (*sen draw ska*), Ted Bickart and others on the ANSI Education Committee who are tackling this project. We need all the assistance we can get. If we don't finalize a plan of action soon I think we should accept that the next generation's workforce will not be prepared to step into our shoes.

The timing is right. The American Competitiveness Initiative announced in the President's 2006 State of the Union increases Federal support for research and improvements in math and science education for America's students. Let's jump on board while the momentum is building.

(pause)

This brings me to what I consider one of the most engaging elements of your program: your discussion of the impact of innovation and social change.

Standardization and Innovation is the theme of this year's ANSI annual conference on October 11. We've invited Commerce Secretary Gutierrez to attend and tell us more about the American Competitiveness Initiative.

We also plan to explore how innovation is being viewed: From a national perspective. Within industry sectors. By specific organizations. And by policy leaders and technologists. We need to understand more about the impact of innovation on organizations that are engaged in standards setting and compliance activities.

ANSI's innovative and proactive approach to social change has come in the form of our standards panels.

These groups have proven to be very successful, results-focused models. They ensure that the needs of standards stakeholders are heard, understood, and satisfied.

Those of you who were in New York for the Open Forum for Standards Developers in June heard the presentation by Dr. John Halamka. He described the work of the Healthcare Information Technology Standards Panel and how the HITSP is focusing on a "use-case" approach to harmonize hundreds of standards into a manageable number that will support a functioning National Health Information Network for the United States.

This effort began at the very top, when President Bush called for every American to have an electronic health record by 2014. As consumers and patients, this is something we can all appreciate. We can access our bank statements online, but our doctors can't get to our medical records with remotely the same ease.

That's going to change.

(pause)

Another of our panels is helping to shape one of the newest technical activities to arise in both ISO and IEC . . . nanotechnology.

Nanomaterials are already in marketplace products like bicycle tires, cosmetics, and stain-resistant fabrics. Scientists are predicting countless future applications—like ribbons of carbon nanotubes forming the cable of an elevator from earth to space. This is an industry that is moving so quickly, we haven't had a chance to come up with names for some of the technology that already exists. And for something that is 80,000 times smaller than a human hair, its scope of impact is huge.

(pause)

Our flagship panel, addressing Homeland Security, recently hosted a workshop on lessons learned from Hurricane Katrina and the role of standards and conformity assessment in emergency preparedness. Domestically, the ANSI-HSSP recommended to the 9-11 Commission that NFPA 1600 be recognized as the national standard for emergency preparedness and business continuity in the United States. This recommendation was included in the 9-11 Commission's final report to Congress and the President.

Globally, we saw at an ISO workshop in Florence that many countries have strong opinions on what they consider would make the best international standard in the area of emergency preparedness. Our recommendation wasn't the "home run" that we had expected. It's a good example to keep in mind during your Session Two discussions later today.

(pause)

Now, ANSI is in the midst of planning for the launch of our latest effort . . . a standards panel addressing identity theft protection and identity management.

Identity theft is one of the fastest growing criminal activities in the United States, costing consumers and financial institutions upwards of \$50 billion each year. Working in partnership with the Council of Better Business Bureaus, we will form a new panel to identify existing applicable standards and to identify where new standards are needed.

I have challenged ANSI staff to be watching for areas where the Panel approach can provide a standards-based solution to emerging issues.

I believe one of the reasons the panels are so effective – and so progressive – is because they bring new participants to the table. Often, these are groups and subject matter experts with unique perspectives that have either operated outside ANSI’s usual network or that are minimally engaged.

In May, ANSI’s chairman created an ad hoc group to focus on building formal partnerships with these “new” stakeholder groups. Our aim is to become informed about their needs and find ways to provide assistance. We want to work together toward common goals and eliminate any obstacles that would impede our collaboration.

For instance, as more groups enter the standard-setting arena, it has become harder to distinguish who is doing what, why they are doing it, and for what customer. We have heard a call for a comprehensive database to assist in determining if a needed standard already exists. This came up at the Open Forum in June and again at the Options for Action Summit last month.

I believe a solution exists.

The *NSSN* is an online information portal that warehouses data on standards and specifications. It was developed in the mid-1990s because many of you needed a networked system of standards information.

Earlier this year we did a complete overhaul of the search engine technology and re-launched an update of the site. Last week, we issued an invitation for new organizations – including consortia and other forums – to contribute to the database.

ANSI is prepared to build upon this existing system and make it better. Over time, I'm certain that additional modifications will be necessary to meet current trends. But there is no need to start from ground zero – there is little value in reinventing the wheel.

(pause – begin conclusion)

When I began my remarks, I told a centuries-old story about a stone cutter who had vision. So I'd like to end my formal remarks with another story one that is more current.

It's about two young men who sat in a Stanford University dorm room and developed a new approach to using the Internet. That vision quickly spread to information seekers around the globe. The idea became a reality and the website became recognized as the world's largest search engine – an easy-to-use, free service that returns relevant results in a fraction of a second.

What an amazing trajectory. One year they were struggling graduate students with a new idea. Less than a decade later, their invention has connected millions upon millions of people, and arguably changed the fabric of society.

Last month “google” was added to the dictionary as a regular part of the English language.

Once upon a time, we “heard it through the grapevine.” Today, we “google” it.

Those young men had a vision that will go down in history.

(pause)

Leaders have the vision to see what needs to be done and the willingness to push for change.

I encourage SES and its members to “lead with vision”

- help [me] strengthen relationships between partner organizations in government and industry.

- help [me] pursue a level playing field that will strengthen U.S. competitiveness in the global marketplace.

- help [me] push for standards and testing programs that take into account the interests of all nations.

- and help [me] develop innovative and proactive solutions to emerging social and technological needs.

On behalf of the American National Standards Institute, I look forward to working beside you to make these solutions a reality.

Thank you.

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SUPPLEMENTAL INFORMATION FOR POSSIBLE USE DURING THE Q/A:

▪ **NTTAA Anniversary**

In March, we marked the ten-year milestone of the approval of the National Technology Transfer and Advancement Act. This law was the vision of a group of legislators who recognized that standards developed with a private sector lead could save the government billions of dollars.

Today, thousands of government employees sit on standards developing committees addressing issues of economic growth, consumer protection, national needs, threats and priorities and tens of thousands of the standards are being referenced as alternatives to agency-developed specifications.

▪ **Trade Statistics**

I'm sure that most of you have heard the Commerce Department estimates that standards now impact 80 percent of world commodity trade. In dollars and cents, this means that standards influence an estimated \$8 trillion worldwide every year.

But trade encompasses much more than manufactured products. As Commerce Secretary Gutierrez says, "Manufacturing stimulates growth." It spurs demand for everything from raw materials to components, to a whole range of services.

Services represent the largest and most dynamic segment of the world economy. And they account for nearly three quarters of our U.S. gross domestic product . . . 8 out of 10 jobs . . . and roughly 30 percent of the total value of America's exports.