2001 became a year devoted to building stronger relationships — both between ANSI and its members and global colleagues, and amongst citizens of the world.
Never doubt that a small group of thoughtful, committed people can change the world. Indeed, it is the only thing that ever has.

— Margaret Mead
2001 became a year devoted to building stronger relationships — both between ANSI and its members and global colleagues, and amongst citizens of the world.
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.

CARDINAL PRINCIPLES

Openness. Any materially affected and interested party has the ability to participate.

Balance. The standards development process should have a balance of interests and participants from diverse interest categories shall be sought.

Due Process. All objections shall have an attempt made towards their resolution. Interests who believe they have been treated unfairly shall have a right to appeal.

Consensus. More than a majority, but not necessarily unanimity.
Dear Friends,

I am pleased to present the American National Standards Institute (ANSI) 2001 Annual Report. This document expresses our gratitude for your past support, details responsible fiscal management and improved financial strength, and provides a summary of numerous successful projects undertaken by the Institute during the past year. I hope that in your review of the pages that follow you will share my pride in one of the finest associations in America and one of the world’s leading standards and conformity assessment organizations.

— Dr. Mark W. Hurwitz
ANSI President and CEO

Today’s world of global collaboration is transforming itself.

ANSI members are industry leaders — the visionaries and pioneers who drive the profound transformations that make innovation possible.
Introduction

AN ANY GIVEN DAY, a person with a problem encounters someone who can help — an individual, often a volunteer, from one of the thousands of organizations developing standards and conformity assessment programs that will benefit the nation and the world.

The public and its quality of life are the driving forces behind ANSI’s activities. The real meaning of standards-related work comes down to the impact of our community’s endeavors, day in and day out, on persons trying to learn, grow and succeed; to overcome handicaps; to emerge from difficulties and to forge a better life.

ANSI’s 2001 report focuses on relationships: within the standardization community; between industry and government; between consumers and manufacturers; and among domestic, regional and international interests. Key among these is the relationship between those who develop standards and conformity assessment programs and those who use them.

We will also highlight on these pages — through both word and image — the human aspect of the work ANSI does to inform and educate people and to facilitate processes that lead to improved products, a cleaner environment, enhanced health and safety measures, and an overall better world for people everywhere.

The opportunities where a helping hand can do the most good must be identified by ANSI’s constituents within the sectors they represent. We will call upon you all for continued support.
In the first moments of crisis, our nation turned — by instinct — to those people and things that were known and trusted. Citizens relied upon emergency personnel, who in turn relied upon common equipment and procedures. Loved ones tried to connect with those they care about via telephone and e-mail. Families and friends gathered around radios and televisions for news. All were in need of comfort and support.

ANSI is proud of our staff, who rallied with persons and organizations across the nation to provide donations of food and medical supplies to local support centers in New York and Washington, DC; financial support to the American Red Cross; and volunteer manpower at centers supporting search and rescue efforts at Ground Zero. We are also incredibly proud of the valuable role that the standards and conformity assessment community played in the relief and recovery efforts of September 11.

Today, we look ahead to new efforts that are only just beginning. Our community will continue to contribute to America’s recovery by investigating how new and improved standards and related programs can strengthen current systems and either eliminate or minimize the impact of future crises.

With each new step forward we focus on a view of rebuilding what has been lost.

On September 11, 2001, Americans were shocked to discover how quickly a familiar world could change to one that was utterly foreign.
R E L A T I O N S H I P S DO NOT DEVELOP OVERNIGHT. Those that are most successful are carefully nurtured over time and involve mutual dealings between people or parties or countries.

This simple philosophy summarizes the reason for ANSI’s existence and the approach governing those two initiatives we view as most critical: improving the global competitiveness of U.S. businesses and strengthening the quality of life for American citizens. Longtime objectives that have driven the organization since it was founded, these two initiatives rely heavily upon strong, cooperative interaction among the Institute’s members, volunteer leadership, staff and constituents.

These relationships served ANSI well during 2001 and we enjoyed many successes — including an increase in net assets of nearly $1.2 million. We made use of our strong financial position; an integrated program and strategic planning focus; and an increasingly strong technology base to develop new and strengthen existing relationships, both domestically and internationally. The year’s activities were guided, in large part, by our commitment to advance implementation of the U.S. National Standards Strategy — a report of which is included as a supplement to this document. We have worked to advance the notion that standards and conformity assessment programs are a global effort, focused on market needs and facilitated by full cooperation among industry participants worldwide.

“Global relevance” has become such an important focus for the nation that many U.S.-based standards developers, including several of ANSI’s members, have changed the name of their organization to include “International” in the titles. ANSI solidly supports any efforts that will lead to the development of standards and technologies that have global application and that represent a consensus of parties who embody global as well as domestic interests. However, there continue to be numerous reasons that national standards may be required. We do not expect to be getting away from a national standardization infrastructure anytime soon.

ANSI’s membership in the International Organization for Standardization (ISO) and, via the U.S. National Committee, the International Electrotechnical Commission (IEC) also continues to be of utmost importance for the United States. ANSI remains actively involved in the leadership of these two bodies. [NOTE: ANSI is especially pleased to report that Chairman Smoot has been elected as ISO President-elect for the 2002 term; he will become ISO President for a two-year term beginning January 2003.]

As ANSI’s global outreach efforts expand in various regions of the world — particularly in developing nations within the Pacific Rim and in Latin and South America — our network extends commensurately. A $500,000 grant awarded to ANSI by the National Institute of Standards and Technology (NIST), our second in two years, provided the resources for ANSI to initiate even more new educational and training outreach programs. One such activity was the hosting of a delegate from the Brazilian Association of Technical Standards for four months. The benefits of this program were many: he studied U.S. standardization practices and methods; ANSI learned more about the Brazilian system. Together we developed new and stronger relationships.

By helping other countries of the world become more actively involved in technical programs, we increase the range of different economies and the number of nations participating in standardization work at the international level.
Involvement in several international and regional arrangements for multilateral recognition also continued during 2001 as the Institute worked to strengthen its relationships with accreditation, certification, inspection, registration, and testing bodies around the globe. Development of a National Conformity Assessment document was launched with a focus on frameworks to preclude redundant and costly barriers to trade. As a further acknowledgment of the need for equivalency across borders, ANSI announced an expansion of its conformity assessment programs to include a new program area for the accreditation of personnel certification bodies — an area that is expected to receive considerable attention from both the public and private sectors.

Effective coordination between government and industry remains an invaluable component of the Institute’s success. As an example, a new Memorandum of Understanding (MoU) was signed between ANSI and the Occupational Safety and Health Administration (OSHA) while work also continued with NIST and the Federal Elections Commission on new election reform legislation. ANSI was featured prominently in Section VI of the American Homeownership and Economic Opportunity Act and, in late 2001, Congress passed the “ANSI Amendment” in the Defense Authorization Bill, a legislative change that protects the ability of federal government employees to attend and participate in standards development activities.

Through an expansion of our membership, communications and education activities in 2001, ANSI has taken proactive steps to enhance public recognition of the vital role of standards and conformity assessment in our daily lives. We are committed to enhancing the Institute’s value proposition to current and potential members. We have, through the Board of Directors’ task force on governance, examined the ways in which ANSI might streamline its processes to do things more efficiently and more productively while allowing members to participate directly in the policy development processes that are so critical to fulfilling our mission. This group’s final recommendations were forwarded to the entire membership for vote in May 2002.

Moving forward, we will continue to explore opportunities to build value at all levels of the organization. We will work in close harmony with representatives of industry, government, consumers, academia and standards-setting bodies; we will promote and ensure the integrity and relevance of U.S. and international standardization initiatives; and we will continue to cultivate positive change and progress.

To all of you who touch ANSI in any way, we thank you for your ongoing support and look forward to working with you in the coming year.

Oliver R. Smoot
Chairman of the Board

Mark W. Hurwitz, CAE
President & Chief Executive Officer
SINCE ITS APPROVAL IN 2000, the National Standards Strategy (NSS) has been ANSI’s roadmap towards developing reliable, market-driven standards in all sectors and improving U.S. competitiveness abroad. Implementation efforts have garnered significant support from numerous industry groups and government agencies.

In May, ANSI received its second consecutive $500,000 grant from the National Institute of Standards and Technology. The monies were awarded in recognition of the Institute’s role as an advocate for U.S. interests in international standardization and conformity assessment activities that influence international trade and regulations. Over the next seven months, the funds were used to advance the aims of the NSS, including educational initiatives and an outreach program that promotes the value of U.S. technology, standards and processes. One component of the program allowed ANSI to host a delegate from the Brazilian Association of Technical Standards for four months as he studied U.S. standardization practices and methods.

A comprehensive review of ANSI’s implementation activities is included in the back folder of this Annual Report. Additional 2001 accomplishments are summarized on the following pages.
Standards are just good ideas unless products, processes, personnel and systems conform to them. Since ANSI promotes and facilitates standards that define requirements, it’s logical that the Institute is concerned with and involved in activities that assess conformity.

Early last year, an ad hoc group of the Board Committee on Conformity Assessment (BCCA) was formed and charged with defining the structure and principles of a proposed National Conformity Assessment document that is intended to outline a national framework for conformity assessment topics. Following a September workshop, efforts focused on an agreement of the principles to be addressed and the development of a draft for review and comment. The draft is targeted for early- to mid-2002.

ANSI also launched a new accreditation program for personnel certification bodies that will operate under the proposed ISO/IEC standard General Requirements for Bodies Operating Certification Systems of Persons (ISO/IEC DIS 17024). This program will be vital for the multilateral recognition of personnel qualifications between countries and the maintenance of highly skilled personnel, particularly within industries that have an impact on public safety. Dr. Roy Swift joined ANSI staff in September as the program’s director.

During 2001, ANSI’s Executive Standards Council (ExSC) accomplished numerous objectives, including the development of procedures for the rapid national adoption of ISO and IEC standards and a mechanism to ensure transparent maintenance of the procedures that govern the American National Standards (ANS) and ISO participation processes. In addition, the Audit program was made more efficient by the increased use of electronic communications.

A second Legal Issues Forum for Standards Developers was held in July. Topics covered copyright and antitrust law as well as a discussion of recent negligence and tort liability claims asserted against standards developers.

At year-end, there were 271 ANSI-accredited standards developers (63 accredited organizations; 105 accredited standards committees; and 103 canvass sponsors). The total number of active ANS was approximately 11,800. This decrease from the previous year’s count of 13,000 was due, in part, to a concerted effort to announce and withdraw overage standards as a result of the ANSI Audit, which identifies overage standards and requires developers to act on them, as well as a special initiative within the Procedures and Standards Administration (PSA) Department, with the concurrence of the ExSC, to review and withdraw overage standards.
The U.S. continued to provide leadership in moving both ISO and IEC further toward a more flexible, sector-based structure and management and in further streamlining their processes and operations.

ANSI successfully promoted within ISO the launch of a discussion of “global relevance” following the successful initiation of consideration of this subject within the IEC by the USNC (NOTE: see next column). We also broadened the scope of the cooperative partnership agreements (e.g., “pilot projects”) already under way with three U.S.-based standards developers. These initiatives are intended to save time and money by establishing a single set of ISO Standards in a technical area whose content is harmonized and maintained on an ongoing basis with the SDO documents upon which they are based.

After several months of successful campaigning efforts, Mr. Oliver R. Smoot, chairman of the ANSI Board of Directors, was elected by the ISO General Assembly as the organization’s next President. He began a one-year term as ISO President-elect in January 2002, which will be followed by a two-year term as ISO President.

At year-end, there were 185 ANSI-accredited Technical Advisory Groups to ISO Technical Committees (TCs) and Subcommittees (SCs); the U.S. held the Secretariat for 30 ISO/TCs and 106 SCs and leadership positions in hundreds of working groups.

U.S. National Committee of the IEC (USNC/IEC) officials noted two key accomplishments for IEC during 2001.

The first, a “Global Relevance” proposal for the IEC, recognizes that the content of standards may be significantly impacted by regional differences such as extensive infrastructure, climate and safety that cannot be practically changed. A set of revised standards development procedures, which were proposed and promoted by the U.S., requires that alternate solutions to account for essential regional differences be included in the main body of the standard.

The second, a cooperative agreements initiative, allows the IEC to partner with standards development bodies so that an SDO’s document might be submitted for publication as a dual-logo IEC Standard. Though this process will primarily be used only in an area where IEC is not doing development work, it will minimize the potential for overlap or duplication of effort. The Institute for Electrical and Electronics Engineers will be the first candidate SDO considered under the procedures.

As of December 31, 2001, there were USNC-approved TAGs to 159 IEC Technical Committees and Subcommittees; the U.S. held the Secretariat for 12 IEC/TCs and 17 SCs and the chairmanship for 24 committees.
ANSI participation in the activities of regional standards organizations continues to be critically important. These forums are used to elicit support for a single, globally accepted standard, which then prevents regions from using local standards to favor local industries.

In addition to participation in the annual Pacific Area Standards Congress (PASC) meeting, a 13-member ANSI delegation traveled to the People’s Republic of China in mid-April at the invitation of the China State Bureau of Quality and Technical Supervision. The impetus of the visit was to exchange views and opinions and for the U.S. to present an overview of the American standards and conformity assessment community. This was the first visit of U.S. delegates to China under the 1999 MoU between the two nations.

Further defining a management structure proposed in 2000, the Pan American Standards Commission (COPANT) elected its first Board of Directors, which included ANSI representative Dr. Mark W. Hurwitz.

The annual meetings between U.S. delegates and officials of the European Standards Organizations were held in November. U.S. delegates also attended a tenth anniversary celebration of the Vienna Agreement and the opening of new facilities for AFNOR, the French national standards body.

In 2001, ANSI continued to provide funding to support participation by representatives of nationally recognized consumer organizations in ANSI governance and policymaking bodies. In a related initiative, the ANSI Board of Directors established an ANSI Consumer Participation Foundation for the purpose of facilitating participation in standards related activities by consumer interests. The Board granted continuing authorization for the acceptance of contributions, including grants, to support the foundation.

ANSI’s Consumer Interest Council (CIC) set the course for its future strategic direction by outlining a comprehensive program to promote consumer interest participation in standardization. Items addressed included: developing a definition of “consumer representative”; conducting a survey of ANSI-accredited standards developers and U.S. TAGs on the extent of consumer involvement in their activities; highlighting the need for training of consumers on both procedural and technical standardization issues; and identifying standardization areas of priority interest to consumers.

Demonstrating its commitment to consumer involvement in standards-setting, ANSI addressed the 2001 ISO General Assembly on the subject of consumer interest representation in standardization, calling upon the national standards bodies of ISO to actively seek out and promote the use of consumer representatives.
Voluntary standards and conformity assessment systems serve U.S. interests well because government, consumers, and industry work together to create them. Thus, the Institute remained very active in its efforts to develop new and further strengthen existing relationships with federal, state and local government agencies. The year began with the renewal of Memorandums of Understanding between ANSI and the National Institute of Standards and Technology (NIST) and another with the Occupational Safety and Health Administration (OSHA).

An invitation for the bipartisan involvement of ANSI members in leading appropriate standards development activities to support election reform measures was met with limited response, though ANSI was later invited by the Federal Elections Commission (FEC) to participate in a public review and comment of proposed voluntary standards for computer-based voting systems. The IEEE (Institute of Electrical and Electronics Engineers), an ANSI member and accredited standards developer, was selected to develop guidelines for the evaluation of voting equipment that will be included in a set of revised FEC documents forthcoming in mid-2002. In December, ANSI was cited in proposed voting reform legislation (i.e., “Help America Vote Act”) that would establish a committee to create new and modify current voting systems and equipment standards.

The Institute led the effort in Congress to include a provision dubbed the “ANSI Amendment” in the 2001 Defense Authorization Act (S.1438). This legislation protects the ability of federal government employees to attend and participate in standards development activities. This bill was signed in January 2002.

The U.S. Department of Housing and Urban Development (HUD) recognized the value of ANSI accreditation and procedures in carrying out the goals of its manufactured housing program to ensure the development, revision and interpretation of performance-based construction and safety standards. ANSI and its procedures were specifically referenced in the “American Homeownership and Economic Opportunity Act of 2000.”

In June testimony before the House Subcommittee on Environment, Technology and Standards, ANSI representatives pointed out the flexibility of the sector-based approach to standardization, citing the success of the information technology industry in utilizing both the formal standards process as well as alternate means such as those used by consortia groups. Speaking before the House Committee on Education and the Workforce in November, ANSI’s newly appointed director of public policy and government affairs, David Karmol, presented a strong case for the use of voluntary consensus documents to assist in enhancing national health and safety regulations emanating from OSHA.
In accordance with the Institute’s strategic objectives, last year saw the launch of new outreach efforts to deliver an explicit statement on the value of ANSI membership and efforts to effectively recruit new and retain current members.

John Kalemkerian joined ANSI staff in July as vice-president of membership marketing, communications and education; Gregory Fine joined the membership team in December as director of membership marketing. During 2001, we began the development and implementation of an aggressive strategy to grow the number and diversity of ANSI’s membership. Preparations also began for the launch of a comprehensive member needs assessment survey that would be conducted in early 2002.

A new affinity services program was launched in August with a specialized insurance product designed to meet the unique needs of the standards and conformity assessment community. Developed by Near North Insurance Brokerage, the “Boardroom Plus” package combines Director’s and Officer’s Liability (D&O), Employment Practices Liability (EPLI) and Errors and Omissions Liability (E&O).

ANSI also renewed its MoU with the Standards Engineering Society; the new agreement incorporates many of the ideals presented in the U.S. NSS.

The Institute introduced during 2001 several new features in its lineup of information services; it also launched the development of a comprehensive communications and public relations plan to strengthen public awareness of the value of standards and conformity assessment programs.

The newly created President’s Leadership Award for Journalism was debuted during the 2001 ANSI Annual Awards Banquet and Ceremony. The award, which honors a journalistic work that helps to illuminate the role that standardization and conformity assessment activities play in improving the health and safety of Americans and in strengthening the competitiveness of U.S. business in a global marketplace, is intended to help increase public awareness of standards issues.

A bi-weekly electronic newsletter, What’s New?, was launched in January as a free service for members. This e-mail update provides members with the latest news, and links to information about events and publications published on ANSI Online. The Institute’s biweekly public review vehicle, Standards Action, was expanded to include updates on international metrology activities.

Advertising opportunities for both print (ANSI Reporter) and electronic media (ANSI Online, the Electronic Standards Store and the NSSN) were also introduced.
The NSSN: a National Resource for Global Standards (www.nssn.org or www.standardmall.com) was redesigned and relaunched in December. The improved site provides enhanced search capabilities, improved access to standards information and enhancements for network site license customers. The addition of a cross-referencing system created by RegScan assists both regulators and standards developing organizations in identifying references to standards incorporated in U.S. regulatory documents.

Inventory on the Electronic Standards Store (webstore.ansi.org) increased significantly during 2001 with the addition of several large collections from U.S.-based standards developers.

A new marketing function was created in the spring to focus attention on enhancing awareness of the ESS, its standards collections, the site-license program and the NSSN website. An electronic marketing program was developed as an outreach mechanism to existing customers. ANSI also exhibited at two trade shows during 2001 and began planning for seven shows in 2002.

A Board Ad Hoc Committee on Standards Awareness and Education was formed in the spring. Under the leadership of Dr. William E. Kelly, the group is working to advance the objectives of Goal 11 of the U.S. NSS and will explore new educational initiatives to increase public awareness of the value of standards and conformity assessment; the group also laid the groundwork for the introduction during 2002 of an online learning portal and the development of a comprehensive online database of educational opportunities for ANSI members and constituents.

Pamela Suett joined ANSI staff in March as director of education, filling a post that had been vacant for more than a year. Recruiting efforts were launched to build a team of freelance trainers; several courses were revised and a number of new programs were introduced.

Also reintroduced during 2001 was the ANSI Annual Conference. Held during World Standards Week, “Priority 2001: Global Standards — Global Trade” featured a host of international panelists and keynote speakers. The conference was followed by an Open Forum on the XML Programming Language, a venue for ANSI-accredited standards developers and those from consortia groups to exchange views and explore opportunities for cooperative initiatives. A Standards Registry Committee formed as a result of the forum has continued to work on a set of deliverables due in 2002.
The ANSI Board of Directors Task Force on Governance, which was formed in 2000 under the direction of Dr. John V. Bergen, continued its efforts to re-examine the ways in which the Institute is organized to serve the needs of the standards and conformity assessment community. The group’s objective is to see if ANSI can streamline its processes to do things more efficiently and more productively while allowing members to participate directly in the policy development processes that are critical to fulfilling its mission.

The task force made several presentations to the Board of Directors and the member councils during 2001. A final proposal, including a set of revised by-laws and a plan for a new governance structure, will be circulated for a vote of the members during the spring of 2002.

A major focus of the Institute’s New York team was the relocation from 11 West 42nd Street to the new facility at 25 West 43rd Street. In an effort to minimize service disruptions and resume normal operations quickly, the move was conducted over a weekend in April by a team of staff volunteers.

Approximately 65 employees transitioned to the new offices, which will remain home to ANSI’s domestic and international standards facilitation programs and administrative operations including communications, publications, finance and sales.
Financial Statements
Year Ended December 31, 2001
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

- Conformity assessment (5%)  
- Fee-based programs (5%)  
- Government grants (3%)  
- International standards programs (3%)  
- Membership fees (27%)  
- Publications (59%)  

EXPENSES

- Government affairs (2%)  
- Management and general (22%)  
- Federation promotion (2%)  
- Membership administration/relations (3%)  
- Fee-based services (5%)  
- Governance (7%)  
- Domestic standards programs (4%)  
- ISO/IEC dues (10%)  
- International standards programs (16%)  
- Conformity assessment (5%)  
- Publications (24%)
## Statement of Financial Position
Year Ended December 31, 2001

### ASSETS

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### LIABILITIES & NET ASSETS

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## Statement of Activities

**Year Ended December 31, 2001**

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<td>Conformity assessment</td>
<td>784,558</td>
<td>784,558</td>
<td>5%</td>
<td></td>
<td>926,329</td>
</tr>
<tr>
<td>International standards programs</td>
<td>547,437</td>
<td>547,437</td>
<td>3%</td>
<td></td>
<td>69,493</td>
</tr>
<tr>
<td>Fee-based programs</td>
<td>796,095</td>
<td>796,095</td>
<td>5%</td>
<td></td>
<td>688,674</td>
</tr>
<tr>
<td>Government grants</td>
<td>490,934</td>
<td>490,934</td>
<td>3%</td>
<td></td>
<td>500,000</td>
</tr>
<tr>
<td>Rental &amp; other income</td>
<td>11,130</td>
<td>11,130</td>
<td>0%</td>
<td></td>
<td>104,771</td>
</tr>
<tr>
<td>Investment income</td>
<td>(202,943)</td>
<td>(30,256)</td>
<td>-2%</td>
<td></td>
<td>345,252</td>
</tr>
<tr>
<td><strong>Total support &amp; revenue</strong></td>
<td><strong>$ 16,726,697</strong></td>
<td><strong>$ (30,256)</strong></td>
<td><strong>100%</strong></td>
<td></td>
<td><strong>$ 16,192,673</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publications</td>
<td>$ 3,701,721</td>
<td>$ 3,701,721</td>
<td>24%</td>
<td></td>
<td>$ 3,471,000</td>
</tr>
<tr>
<td>Conformity assessment activities</td>
<td>762,898</td>
<td>762,898</td>
<td>5%</td>
<td></td>
<td>819,982</td>
</tr>
<tr>
<td>International standards programs</td>
<td>2,411,494</td>
<td>2,411,494</td>
<td>16%</td>
<td></td>
<td>2,039,041</td>
</tr>
<tr>
<td>ISO/IEC dues</td>
<td>1,501,184</td>
<td>1,501,184</td>
<td>10%</td>
<td></td>
<td>1,710,490</td>
</tr>
<tr>
<td>Domestic standards program</td>
<td>633,992</td>
<td>633,992</td>
<td>4%</td>
<td></td>
<td>531,940</td>
</tr>
<tr>
<td>Governance</td>
<td>1,036,590</td>
<td>1,036,590</td>
<td>7%</td>
<td></td>
<td>1,034,726</td>
</tr>
<tr>
<td>Fee-based services</td>
<td>747,981</td>
<td>747,981</td>
<td>5%</td>
<td></td>
<td>650,767</td>
</tr>
<tr>
<td>Membership development</td>
<td>76,781</td>
<td>76,781</td>
<td>0%</td>
<td></td>
<td>46,949</td>
</tr>
<tr>
<td>Membership administration/relations</td>
<td>519,078</td>
<td>519,078</td>
<td>3%</td>
<td></td>
<td>457,041</td>
</tr>
<tr>
<td>Federation promotion</td>
<td>343,139</td>
<td>343,139</td>
<td>2%</td>
<td></td>
<td>234,389</td>
</tr>
<tr>
<td>Government affairs</td>
<td>365,288</td>
<td>365,288</td>
<td>2%</td>
<td></td>
<td>220,864</td>
</tr>
<tr>
<td>Other management &amp; general</td>
<td>3,433,419</td>
<td>3,433,419</td>
<td>22%</td>
<td></td>
<td>3,622,653</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$ 15,533,565</strong></td>
<td><strong>$ (30,256)</strong></td>
<td><strong>100%</strong></td>
<td></td>
<td><strong>$ 14,839,842</strong></td>
</tr>
</tbody>
</table>

| Change in net assets                | $ 1,193,132  | $ (30,256)             | $ 1,162,876 |    | $ 1,353,531           |

| Net assets, beginning of year       | 6,301,704    | 240,343                | 6,542,047   |    | 5,188,516             |

| Net assets, end of year             | $ 7,494,836  | $ 210,087              | $ 7,704,923 |    | $ 6,542,047      |
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.

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 instruments. 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.

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.

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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Office of the Chief Engineer, NASA Headquarters

Mr. Robert D. Wurzel
RDW International

Dr. Joseph L. Wysocki
National Program Leader for Indoor Environments, U.S. Department of Agriculture CSREES

Ms. Theresa C. Zuraski
Vice President, Standards, Association for the Advancement of Medical Instrumentation
U.S. National Standards Strategy: Implementation Report

Approved by the ANSI Board of Directors on August 31, 2000, the U.S. National Standards Strategy (NSS) establishes a framework for use by all interests — companies, government, nongovernmental organizations, standards developers and consumers — to improve U.S. competitiveness abroad while continuing to provide strong support for domestic markets and, at the same time, addressing key quality-of-life issues such as the environment. ANSI, on behalf of the U.S. standards community, has responsibility for tracking implementation efforts. The enclosed report documents initiatives undertaken from approval of the NSS through year-end 2001.
Standards are just good ideas unless products, processes, personnel and systems conform to them.