

S. Joe Bhatia President and CEO American National Standards Institute	Welcome Address Workshop On Standards: Better Regulation and Innovation, The European and American Experience February 24, 2010 – Madrid, Spain
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Thank you very much and good morning, everyone.

My name is Joe Bhatia, and I am president and CEO of the American National Standards Institute. ANSI is pleased to act as an organizing partner of this workshop, and I am happy to welcome you to this exciting event.

For those of you who don't know us, ANSI is a non-profit organization that coordinates the U.S. private sector standards and conformance system – a system that relies upon close collaboration and partnership between the public and private sectors. I am here representing thousands of member companies, organizations, and individuals who rely upon standards and conformance to increase efficiency, improve competitiveness, and foster international commerce.

For more than ninety years, ANSI and its members have worked to demonstrate the strength of market-driven, standards-based solutions that are characterized by consensus, openness, and balance. Currently, we are tackling such front-page issues as cybersecurity, healthcare information technology, upgrading the national electrical grid, and environment and climate change.

Standards and conformance play a critical role in the economy, impacting more than 80% of global commodity trade. The jury's still out on what that meant for 2009 . . . but in 2008, that 80% impact came to roughly 13.5 trillion dollars.

The U.S. and the countries of the European Union are leaders in this global marketplace. We represent one of the largest bilateral trading partnerships in the world . . . and we depend on one another to remain competitive in the international landscape.

Statistics prove that the Transatlantic Trade Partnership is more important today than ever. Just listen to the numbers...

- In 2008, the EU had the world's highest gross domestic product, coming in at \$14.8 trillion dollars. The U.S. had the second highest, with \$14.29 trillion.
- Bilateral trade of goods between the U.S. and the EU has increased almost 150% since 1994.

- In 2008 alone, the value of U.S. exports of goods to the EU was nearly 275 billion dollars – that’s 195 billion Euros – up 11% from 2007. The EU goods exported to the U.S were nearly 368 billion dollars, or 262 billion Euros – up 3.8% from 2007. .
- And today, the transatlantic economy employs 14 million people within its boundaries through mutually “insourced” jobs on both sides of the Atlantic.

These statistics drive home the clear and important need for standards – and related conformance programs – that can be accepted at the regional and global levels.¹

For over twenty years, ANSI has been part of a partnership and dialogue with the European Standards Organizations (ESOs) and the European Commission on standards and conformance in support of U.S.-EU trade. The ANSI-ESO – Joint Presidents Group (JPG) meetings provide the ANSI and ESO staff and governance leadership an opportunity to address high priority issues, as well as both the areas of concern and cooperation in transatlantic standardization.

We have worked together, both the public and private sectors in the U.S. and Europe to increase mutual transparency of each others systems, as well as to address the appropriate ISO and IEC policy issues. Over the years, this dialogue has evolved into its current four-sided table format, which includes:

- ANSI (both public and private-sector representatives),
- the ESOs – that is, CEN, CENELEC, and ETSI,
- the European Commission, and more recently
- the European Free Trade Association (EFTA)

This format has proven highly effective in ensuring that all of the appropriate private and public sector standardization experts from the U.S. and the EU are at the same table. Together, we successfully address complex transatlantic standards and conformance issues, such as those identified by the U.S.-EU High Level Regulatory Forum (HLRF), the Transatlantic Economic Council (TEC), and the Transatlantic Business Dialogue (TABD).

One of the biggest challenges we face is a lack of knowledge. Many key stakeholders are confused about the difference between standards and regulations. They don’t understand that the U.S. and EU standards

¹ Figures from the Office of the U.S. Trade Representative: <http://www.ustr.gov/countries-regions/europe-middle-east/europe/european-union>.

systems are not government driven, but are private sector-led initiatives that are supported by governments. And they often don't know the difference between technical regulations as government-created mandatory requirements and standards as private sector-created voluntary documents. This mindset means that industry is missing out on the opportunity to write the standards on both sides of the Atlantic.

Voluntary standards and related conformity assessment activities that are developed with a private-sector lead with public sector participation, often serve as the foundation upon which regulations are based.

Increasingly, standards – whether in whole or in part – are referenced in new or revised regulations.

Taking a seat at the table where standards are set can be the most effective way for companies to influence future regulation. However, businesses are not the only stakeholders that will benefit from an enhanced transatlantic trade partnership. Policy makers and regulators in our respective governments also recognize the significant benefit of standards and conformance procedures that can be accepted everywhere.

Policies and directives are already in place to guide government reliance on standards and conformance . . .

In the U.S., we have the National Technology Transfer and Advancement Act (NTTAA). This law requires all federal government agencies to use, wherever feasible, standards developed or adopted by voluntary consensus standards bodies in lieu of developing government-unique standards or regulations. The NTTAA also requires government agencies to participate in the standards development processes, given that such involvement is in keeping with an agency's mission and budget priorities.

The EU policy is called the New Approach. Under it, European regulators can set performance-based requirements (called essential requirements) in the form of an EU Directive and then task the European private sector standards developing organizations of CEN, CENELEC, and ETSI with the development of specific technical criteria used to show compliance with these Directives.

We already have the tools – what we need to focus upon is greater government awareness and participation in these fora to meet their public mandates. By working in tandem with policy makers, we can leverage our solutions to pre-empt duplicative or otherwise costly regulatory requirements. We already have a successful public-private partnership . . . but let's do all we can to make it even stronger.

At yesterday's informative ANSI-JPG meeting we heard quite a bit about the importance of standards and conformance, and the need for better regulation. Reports were delivered on recent news from the TEC and the HLRF, and we discussed how standards and regulation will affect new technologies.

Building on the discussions initiated at yesterday's ANSI-JPG meeting, today's sessions will focus on identifying ways to improve regulations and capture innovative new technologies in globally relevant standards. We will learn more about the interplay between standards and regulation in shaping four key areas of interest for our nations: eco-design, electric vehicles, smart meters, and smart grids.

Each of these four areas poses some serious challenges... and some exciting opportunities. It is clear that effective utilization of standards and conformance promotes technological interoperability and the global competitiveness of all businesses. And greater transatlantic cooperation and information sharing will improve the bottom line – clearly a top priority in today's economic landscape. When individual businesses do well there is a corresponding improvement in our national economies.

Simply put, standards boost business. When used effectively, standards and conformance can build consumer confidence and restore trust, provide extra cost savings, increase efficiencies, attract and retain customers, foster innovation, and facilitate trade – enabling companies to survive, grow, and thrive.

To me, it is clear that the transatlantic trade partnership is more important now than ever as we seek out standards-based solutions to the challenges that face us all.

I'd like to take this opportunity to express my thanks to our host for the week: AENOR (the Spanish Association for Standardization and Certification), and the ESOs for their dedication to ensuring the success of this week's meetings and today's workshop. I am also looking forward to hearing about tomorrow's U.S.-EU Standards Dialogue, which is geared to examine how our respective governments are working to leverage transatlantic standards and conformance programs and tools. As I said earlier, greater government awareness and participation are key to building an even stronger partnership between the public and private sectors.

Once again, I am pleased to welcome you all and thank you very much for your participation. Without further adieu, it is my pleasure to welcome the next speaker to the podium to commence today's first session on eco-design.

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