

Thank you Mr. Chairman. Good afternoon everyone.

This may be my first report to you as ANSI president and CEO, but I am no stranger to the ANSI community.

Thirty plus years at UL prepared me with a solid understanding of standards and conformity assessment. Ten of those years were spent as a member of the ANSI Board of Directors, and – more recently – nearly two years as chair of the United States Standards Strategy Committee.

It wasn't until I immersed myself in development of the USSS that I came to fully appreciate the value, impact and complexities of the U.S. standardization system.

Today, I have a deeper understanding of the breadth and scope of ANSI's programs and services and I see how ANSI supports each of its constituencies in different ways. But the learning continues . . . and it always will.

The one constant is this: ANSI has an important mission. We provide the foundation for our national standards and conformity assessment system. We are a critical focal point organization for the U.S. . . . . and, even though ANSI is not a large organization, the impact of our efforts is far reaching.

*(pause)*

ANSI's unique role as coordinator and facilitator of this system is explicitly stated in the *United States Standards Strategy*.

The Institute's Board of Directors recognized early on that the *Strategy* would be a flexible, yet very powerful tool for our community. They demonstrated their support last December by becoming the first entity to officially endorse the *Strategy*.

*(pause)*

I congratulate ANSI's governance leadership for the proactive role that they are taking in a number of areas. The Board has shown a great deal of support, understanding and responsiveness to the Institute needs.

In particular, I would like to acknowledge the Board Officers who have been generous in offering their input and guidance throughout this . . . my first year at the helm.

The Institute's vice chairmen:

- Art Cote
- Mary McKiel
- Steve Oksala and
- Ron Silletti

Our immediate past chairman:

- George Arnold

And, of course, our chairman, my boss:

- Bob Noth.

*(pause)*

Working with our governance leadership, various constituency groups and members, we have been laying out a view of the current standardization and conformity assessment landscape. We are positioning ourselves so that we can address these head-on.

Our mission will remain constant:

- ANSI will continue to accredit standards developers, U.S. Technical Advisory Groups and certification bodies in accordance with our requirements.
- We will continue to coordinate and harmonize standards work across industry sectors – domestically and internationally.

- And we will continue to support the transformation of U.S. innovations into commerce and help to strengthen the long-term competitive position of the U.S. in global markets.

But ANSI must become a stronger organization if we are to maximize our effectiveness in these areas and keep pace with the evolving needs of our members.

- We must bring new groups to the ANSI table.
- We must find new ways to harmonize standards and compliance activities in emerging areas and converging technologies.
- We must educate those who sit on Capital Hill and in the corner offices of corporate America about the important work we all do. We must help them understand the impact of standardization and conformity assessment on business and industry . . . and solicit from them a commitment of support.

*(pause)*

At your seats is a copy of the 2005-2006 Annual Report. Its premise, “*Building for Strength*,” will be the driver of the Institute’s activities over the next several years.

The theme speaks to the momentum we are building to deliver standards and conformity assessment-based solutions to national, regional and even global priorities . . . solutions sought by our industry, government and other groups.

Our standards panels, for example, are ANSI’s innovative approach to addressing social and technological change, and the accompanying needs. They are demonstrating that the Institute is transitioning smoothly from a reactive to a proactive organization.

For four years, the Homeland Security Standards Panel has been taking a close look at emergency preparedness and identifying areas where standards and conformity assessment programs can be most effective.

Those of you planning to attend our conference tomorrow will have the opportunity to meet Dr. Clayton Teague, chair of the Nanotechnology Standards Panel (NSP), and Dr. John Halamka, chair of the Healthcare Information Technology Standards Panel (HITSP).

The NSP is helping to shape U.S. involvement in the nanotechnology activities arising in both ISO and IEC, and has been an important source of information for the U.S. TAG.

The HITSP has relied on a “use-case” approach to harmonize hundreds of standards into a manageable number that will support a National Health Information Network for the United States.

In a matter of days, the panel will be delivering to the Department of Health and Human Services three interoperability specifications for electronic health records, biosurveillance, and consumer empowerment.

Our latest initiative, the Identity Theft Prevention and Identity Management Standards Panel, was launched in September as a partnership between ANSI and the Better Business Bureau. ID theft is one of the fastest growing criminal activities in the United States, costing consumers and business institutions upwards of \$50 billion each year. More than 18 million Americans have been victimized over the past two years. The issues are important enough that AT&T, Choicepoint, Citigroup, Dell, Intersections, Microsoft, Staples, TransUnion and Visa USA have all come on board as Founding Partners. Many more are in the process of joining as participating members. So, the needs identification and solution formulation will come from the broadest range of our economy.

ANSI’s standards panels are doing a great job. But the Institute can do more.

I encourage all of you to watch for other areas where ANSI coordination can provide a standardization-based solution to emerging issues. I know that Ron (Silletti), Mike (Taubitz) and Nina (McClelland) have some good ideas that are being considered within our Company Member Forum.

The CMF has used its Emerging Issues process to actively monitor specific topics. The CMF joined with NIST and several other organizations recently to sponsor a workshop on developing strategies for some of the chemical issues facing manufacturers. Standards developers and companies need to be informed about government controls and chemical regulatory programs. ANSI plans to host the second chemical issues summit next year.

We must continue to focus on anticipatory activities like these that will have a long-range strategic benefit for our members and that will also generate a positive return on our investment.

*(pause)*

On another front, ANSI's Accreditation Services program is experiencing a great deal of positive change and growth. We will be examining new markets in areas such as inspection, auditing and laboratory accreditation.

Personnel certification looks to be a particularly fertile area for new customers, with more than 1700 known U.S. certification programs in the U.S. Interesting new fields are opening up in the product certification area as well . . . . For example, we have started accrediting the certification bodies that audit suppliers under the Food Marketing Institute's Safe Quality Food Program.

Through the ANSI-ASQ National Accreditation Board we have accredited more than 120 certification bodies for quality and environmental management systems.

At year-end 2005, the U.S. was ranked sixth in the world for the largest number of certificates issued under both ISO 9001 and ISO 14001. China issued the greatest number of ISO 9001 certificates worldwide, and the second greatest number for ISO 14001. India is also in the top ten.

*(pause)*

Both China and India are priority countries for ANSI. Developing economies are the new players that are making a strong entrance on the global scene.

This was the focus of a series of discussions in July 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 strengthen the competitive position of the U.S. in the global marketplace.

And we agreed that members of the standards community must become more actively engaged in trade policy activities. This will help to transform developing economies into new markets for U.S. exporters. Standards influence an estimated \$8 trillion in global commerce every year. The cost is too great for us not to play an active role in helping to cultivate future trading partners.

China in particular is a central figure.

Surveys conducted by the U.S.-China Business Council in 2005 and 2006 show that standardization issues rank sixth among the top ten concerns of U.S. companies doing business in China.

To smooth the progress of the trade between our two nations, the Institute partnered with NIST and the Standardization Administration of China to launch a new standards portal last month.

Designed primarily for industry stakeholders and policy officials, the website contains dual-language educational materials on the structure, history, and operation of the U.S. and Chinese standards systems. It houses a database of 2,000 standards considered vital to successful trade between the two nations. It also links to nearly 300,000 other national, regional and international standards, codes and guidelines.

The new Standards Portal is good, but it is a drop in the bucket compared to the financial energy that European nations are funneling into their technical assistance programs. We cannot afford to be outpaced by the trade advantages they are gaining.

*(pause)*

The impact that regional and global standardization activities have on the flow of trade is a message that we are taking to our representatives in government.

Many of our trade association members have solid relationships with government leaders and Congress. They are proving to be important partners for the Institute and are helping us collectively address specific issues such as:

- energy efficiency regulations via DoE or globally,
- safety concerns via CPSC or in China, and
- educating lawmakers on Capital Hill or at the State legislators about the impact of standards and conformity assessment.

*(pause)*

Today we are tapping into new networks, and along the way, identifying many new participants. As Bob mentioned, many of these groups or subject matter experts have either operated outside ANSI's usual network or are minimally engaged. We are embracing the activities of non-traditional standards developing groups such as consortia and other forums, and finding ways in which we can support their business needs. By focusing on creating formal partnerships with some of these new stakeholder groups, we can become informed about their requirements and work together toward common goals.

*(pause)*

ANSI is pursuing business partnerships and other opportunities where we can deliver value-added products and services to our members — products and services they need.

Last year we partnered with a third-party training provider to offer courses on management system standards. We are currently working in cooperation with the Kavi Corporation to deliver a new application specially designed for ANSI-accredited standards developers. The result is an Internet-based platform that will accelerate development, lower IT costs, and automate operations.

Through a partnership with the ISAlliance, we are offering businesses a practical tool for securing management practices and protecting their information systems. And by the end of the year, we will have launched a new program in partnership with Amazon.com, to deliver hard

copies of ISO and IEC International Standards. We can do more to streamline processes and make them more efficient.

Financially, we will be working to diversify our revenue streams by leveraging these new kinds of partnerships and associations; and by seeking other joint ventures. Diversification will give us greater flexibility and the capacity we need to be more effective and do more for our members, and for our community.

*(pause)*

These are but a few of ANSI's ongoing initiatives.

In the coming weeks, I will be presenting the full slate of the Institute's priorities for 2007 to the Executive Committee and Board of Directors.

As we look to the future, we are focused on *building a stronger ANSI*. We have a solid foundation on which to build.

*(pause)*

ANSI is well-positioned – largely due to the efforts of its members, staff and a strong governance leadership team.

This afternoon, I would like to specifically acknowledge four individuals who will be finishing their terms as chairs of our Member Forums:

- Judy Gorman, Organizational Member Forum
- Ron Silletti, Company Member Forum
- Greg Saunders, Government Member Forum
- Barbara Gregg, Consumer Interest Forum

Thank you all for your dedication and for your efforts on behalf of the Institute.



And thanks to all of you. I look forward to working with each of you during the coming year as we continue on our path for success.

*(pause)*

Now I would like to invite Bob to join me at the podium and we will open the floor for questions.

*(Pause for questions)*

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