

ANSI Annual Business Meeting 2007

Report of the President

Mr. S. Joe Bhatia

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Thank you Mr. Chairman. Good afternoon everyone.

ANSI is growing . . . branching out to support a broad range of stakeholder needs.

The Annual Report you found at your seats speaks to our dedication to enabling solutions that will support long term growth.

As Bob indicated, we are building upon a solid foundation to address an ever-expanding array of national and global priorities.

We are reaching out and working with a wide range of groups—and industries—to identify innovative ways to address emerging issues and keep pace with evolving technologies. Along the way, we are expanding our reach and spreading our messages to representatives of government and corporate America.

(pause)

Issues from the headlines provide opportunities for ANSI to take a leadership role in enabling solutions in sectors where we had not previously been engaged.

For example, emerging chemical controls and regulations are having a significant impact on many of ANSI's members, particularly in the manufacturing sector.

We convened a two-day conference in August to address these issues and subsequently partnered with NAM to form a new Manufacturers Network on Chemical Regulation.

The Network had its first meeting yesterday morning, and the response was quite impressive.

But foreign chemical regulations aren't the only issue affecting the cross-border movement of goods. Anyone who has picked up a newspaper in the past several months realizes that consumer safety issues are causing a nationwide crisis of confidence.

You heard in the Joint Member Forum this morning that ANSI has stepped forward to coordinate this community's response to product safety concerns. We are working hard to ensure that only safe products will be found on America's shelves.

Our support of the Toy Industry Association and its Toy Safety Coordination Initiative was the first step in this new effort. We broadened this discussion during the *Building Consumer Confidence* conference in late September.

At that event, Nancy Nord, acting chair of the Consumer Product Safety Commission, said that ANSI and ANSI-accredited organizations are key in developing, updating, and overseeing the standards and compliance activities that make products safer.

We must continue to keep policy makers informed about our important role.

We've already testified before the President's Interagency Working Group on Import Safety and before the Senate's Subcommittee on Financial Services and General Government.

In my remarks to the Subcommittee, I stressed the importance of a system that is consistent, sustainable, and relevant to the entire supply chain. Our next steps will focus attention on two areas . . . improving how products are evaluated . . . and assessing who is conducting the evaluations.

U.S. citizens count on us — the standards and conformity assessment community — to work in partnership with government to uphold the highest possible level of safety.

(pause)

In the past year, the Institute has focused on creating a stronger presence in Washington – both for national and international issues. Our efforts will intensify as we plan for the transition to a new administration in 2009.

Further, ANSI was recently selected by the U.S. Trade Development Agency to carry out a standards training program for Vietnamese stakeholders. This new program will facilitate trade between our two nations, and will provide the Vietnamese with a stronger understanding of this country's market-driven approach to standards and conformance. We thank USTDA for this support and welcome their representatives who are with us for today's meeting.

(pause)

ANSI has focused a great deal of attention on our bilateral and regional outreach efforts this year.

In January, I traveled to India to meet with representatives from a broad range of industries. The next month, I spoke with electrotechnical industry representatives to discuss common strategies that would apply across the Americas. Of course, Bob has already mentioned the very large delegation that traveled to China in May.

Within the past month, ANSI signed Memoranda of Understanding (MOUs) with the national standards bodies of Brazil, Saudi Arabia, and Thailand. These MoUs help to stimulate industry-to-industry cooperation, international standardization, and trade facilitation.

In fact, we've been working very closely with our counterparts in Brazil – and also CEN in the European Union – to address issues related to the large-scale commoditization of biofuels. ANSI became involved when the State Department asked for our help in creating a biofuels standards roadmap.

This activity set the course for the launch of the Biofuels Standards Coordination Panel which has received great support from our friends at DOE.

Hratch Smerjian is here with us today . . . Hratch helped to get us started by chairing the first meeting of the ANSI-BSP. As many of you know, this is the latest addition to ANSI's family of standards panels . . .

(pause)

- The Homeland Security Standards Panel continues to support the DHS and other agencies. Early this month, we saw a changing of the guard as the Panel's first co-chairs, Dan Bart and Mary Saunders, turned over the helm to Chris Dubay of the National Fire Protection Association and Gordon Gillerman of NIST.
- The Nanotechnology Standards Panel and the U.S. TAGs to the related ISO and IEC committees are facilitating the development of standards for the nanotechnology industry.
- Secretary Leavitt of the Department of Health and Human Services accepted the first set of Interoperability Specifications developed by the Healthcare Information Technology Standards Panel. The panel's continuing work on quality . . . security . . . privacy . . . and consumer access to healthcare information is supporting the establishment of a national health IT network for the United States.
- I announced at this meeting last year that ANSI had partnered with the Better Business Bureau to launch a panel in the area of identity theft prevention and ID management. The panel met late last month and confirmed that it is on track to deliver its recommendations early next year.

(pause)

Our accreditation services group is doing a great job of responding to emerging issues as well.

New standards development activities are underway in areas such as project management, psychological assessment, and the handling of biological resources.

We also updated the ANSI patent policy this year to include important clarifications that will make it clearer and more adaptable to the policies of ANSI-accredited SDOs.

In the conformity assessment arena, we have also launched several new initiatives that protect the public from misleading practices and unqualified workers . . . The Commonwealth of Massachusetts recognized ANSI as an accreditation organization under new regulations that protect senior citizens from unethical business practices in the financial services sector. In addition, we are in the introductory phases of launching a new accreditation program for bodies that issue educational certificates.

The ANSI accreditation program for product certifiers garnered further recognition by becoming a signatory to the Multilateral Recognition Arrangement at both the International Accreditation Forum and the Pacific Accreditation Cooperation.

And we've added laboratory accreditation to the Institute's conformity assessment portfolio. ACLASS, a well-known lab accreditor, was acquired in September by the ANSI-ASQ National Accreditation Board.

(pause)

New partnerships, associations, and acquisitions are helping to strengthen ANSI's financial integrity.

As I described last year, we are indeed diversifying our revenue streams . . . and we're continuing to seek out new opportunities for growth.

We're investing heavily in our technological infrastructure, developing powerful web tools and services that meet our members' needs.

Over the summer, we relaunched our electronic Standards Store. We've built up our inventory of standards and related documents, and we have focused on making it easier and faster to find exactly the information you're looking for. We've also launched specialized tools and databases to support the homeland security and hydrogen industries.

We've given our online education resources a complete overhaul, relaunching StandardsLearn.org with new courses and content that is being used by the current and emerging workforce. And we've rolled out the "My ANSI" account management system, providing our members with greater flexibility and control over their ANSI online experience.

(pause)

Now that you've heard me talk about all of these new initiatives, I think you'll agree that ANSI is dedicated to growth, change, and continuous improvement . . . all in the service of our members — and the others who rely upon us.

I pledge to you that we will constantly examine our offerings . . . identify what is working . . . capture those successes . . . build upon them . . . and make them better.

(pause)

This includes building our revenue and effectively managing our expenses.

A summary of the Institute's financial status as of year-end 2006 can be found in the overview, beginning on page 9 of the annual report. You will see that ANSI concluded the last fiscal year with more than \$11 million in net assets and an operating budget of nearly \$25 million. Next month, I will be presenting to our Board Executive Committee a budget proposal of more than \$29 million for 2008.

On the membership front, we have retained all of our largest members from this time last year, and have exceeded our projections for new growth. We predict an even greater number of new organizational members during 2008 as we roll out a new tiered dues structure – bringing this category in line with the models used for government and companies.

(pause)

I'd like to congratulate ANSI's governance leadership for their support, understanding, and responsiveness to the Institute's needs. In particular, I would like to acknowledge the Board Officers who have been generous in offering their input and guidance.

The Institute's vice chairmen:

- Art Cote
- Mary McKiel
- Jim Pauley and
- Steve Oksala

Our immediate past chairman:

- George Arnold

And, of course, our chairman:

- Bob Noth

Not much would happen without his personal support and guidance.

Thanks to these officers for your dedication and for your efforts on behalf of the Institute.

And thanks to all of you. Everything we do as an Institute is made possible through your active participation as members. I look forward to working with each of you during the coming year as we continue on our path for success.

Before we conclude, I'd like to take a moment to congratulate the members of the U.S. National Committee of the IEC on their centennial anniversary.

(pause)

Tomorrow actually marks the 89th anniversary of ANSI's own founding . . . this time next year we will be celebrating nine decades of service to the U.S. standards and conformity assessment community . . . and to the stakeholders that this community supports.

The next twelve months will be exciting for ANSI . . . the actions we are taking today are moving us quickly towards an even better tomorrow.

Thank you.

(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)