

**ANSI Annual Business Meeting 2008**  
**Report of the President**

**Mr. S. Joe Bhatia**

**Word count: 2,225 (17.5 min)**

Thank you Mr. Chairman. Good afternoon everyone.

Standards and compliance activities build bridges to new markets . . . and create gateways for businesses in this increasingly complex world of global access. For the next few minutes, I would like to review with you how ANSI and its members are working to demonstrate the strength of standards-based solutions to national needs and global priorities.

*(pause)*

In 2007, the United States imported more than 2 trillion dollars worth of consumer goods, from fun things like food and toys to essential items like electrotechnical equipment.

In the wake of continued national concerns about safety, many government agencies and Congress have turned to ANSI . . . and our members . . . to aid in developing solutions that will restore confidence in imported products.

*(pause)*

At last year's Annual Business Meeting, I mentioned that one of my biggest goals was to keep policy makers and regulators informed about the importance of voluntary consensus standards and conformity assessment programs.

As you might suspect, these efforts will intensify even more as we plan for the transition to a new administration in 2009.

We have responded to both the Obama and McCain teams as they work to better understand some of the same standards-related issues that we will be speaking about today. We will continue the education and outreach process with the new Administration.

*(pause)*

I am pleased to report that we have already made significant headway with current officials. For example, President Bush's Interagency Working Group on Import Safety has published an Action Plan that specifically cites the Toy Safety Certification Program as an example of a private-sector led initiative to strengthen conformance systems for consumer products.

And this summer's passage of the Consumer Product Safety Improvement Act of 2008 has made the implementation of two American National Standards for toys and all-terrain vehicles mandated by law.

Under the terms of the Act, I'm pleased to report that ACLASS – now a part of the ANSI family – is a qualified accreditor of testing laboratories for children's products.

*(pause)*

But we're not just working with the public sector on issues of import safety. ANSI partnered with the Grocery Manufacturers Association (GMA) and ten other leading associations and representatives of the President's Interagency Working Group to co-host the Import Safety Summit in July. This event brought together nearly 450 interested stakeholders, including CEOs from companies like Campbell Soup, Red Lobster, and WalMart, and government leaders like HHS Secretary Leavitt.

Why were these top-level folks there? To discuss the need for a stronger public-private partnership on import safety.

During the Summit, I moderated a panel that addressed how private-sector led third-party certification – in contrast to mandatory government programs – works to build consumer confidence.

In December, we are partnering again with GMA, FDA and others to co-host a follow-up conference to address food safety. Our pilot, believe it or not, is a third-party certification program involving farm-raised shrimp.

With more than 825,000 importers sending goods into over 300 U.S. ports each day, we have a lot of work to do.

Standards help.

*(pause)*

But the challenge is a lack of compliance to standards.

*(pause)*

On a broader front, the ANSI family of standards panels continues to enable standards-based solutions for a wide variety of industry sectors.

Earlier this year, members of the Biofuels Panel collaborated with colleagues from the EU and Brazil to define common specifications. This is helping to pave the way for the international compatibility of biofuels standards.

Our Nanotechnology Panel continues to work in conjunction with the U.S. TAG to ISO TC 229 to facilitate the development of standards supporting the rapidly growing nanotechnology industry.

This year, our Healthcare IT Panel saw its first set of Interoperability Specifications officially recognized by HHS Secretary Leavitt. Six more specs have just been released . . . the panel's website has undergone a major facelift . . . and a series of educational webinars is introducing HITSP's work products to its user community.

In January, the Identity Theft and Management Standards Panel (IDSP) released a comprehensive report to help organizations strengthen the way they protect personal data.

And earlier this week, ANSI co-hosted a press conference at the National Press Club to launch a new report from the Homeland Security Standards Panel that aids chief financial officers in determining the financial impact of cyber risk.

*(pause)*

Many of you are already involved in the ANSI/NAM Network on Chemical Regulation. Starting from just six individuals on our first teleconference back in August 2007, the network has grown to more than 370 subscribers. Participants share information and best practices as they struggle to meet chemical regulations like REACH and RoHS.

*(pause)*

Our panels and the network are just a few of the ways that the Institute reaches out to new stakeholder groups.

Our annual Open Forum for Standards Developers is another . . . This event demonstrates that SDOs and consortia often travel along similar paths and face similar challenges. This year's Forum was our second largest, with two-thirds of the 80 participants attending for the first time.

On a broader scale, increased engagement by small to medium enterprises and their respective trade associations is a key priority for ANSI. So is outreach to state and local government entities as well as unrepresented sectors of the growing service economy.

*(pause)*

On another front, a new pilot accreditation program for bodies that validate and verify greenhouse gas emission assertions brought seventy new applicants to the ANSI table in its first cycle. The number of applicants is more than triple what we expected. This is a huge issue – the DoE estimates that the U.S. emits more carbon dioxide every year than any other country in the world.

*(pause)*

Last year, the Commonwealth of Massachusetts recognized ANSI's accreditation program for personnel certification bodies involving financial advisors for the elderly. Building upon this accomplishment, the State of California recently granted ANSI's petition for recognition as an accrediting body for crane operator certification programs.

Just a few weeks ago, the Institute signed an MoU with the Toy Industry Association, making ANSI the official accreditor under the Toy Safety Certification Program. And ANSI's new agreement with the International Accreditation Forum brings worldwide recognition and acceptance to our programs for product certification bodies.

ANSI and ACLASS have also agreed to conduct joint assessments on product certification bodies, inspection bodies, and testing and calibration laboratories. With our customers in mind, we are providing a cost-effective, one-stop resource to those organizations that must undergo multiple conformity assessments.

*(pause)*

All of these diverse activities and outreach initiatives have resulted in some very exciting developments on the membership front.

Of the 110 new members that joined ANSI so far this year, about twenty are from the service and retail sectors. Five more came as a result of their interest in phase two of the IDSP, and several more have signed up from the manufacturing, construction, ICT, and healthcare sectors.

In 2008, the number of organizational members in the ANSI Federation surpassed 300.

Accreditation was a huge draw. The number of organizations that joined in order to develop American National Standards more than doubled . . . and the number joining to administer a TAG to an ISO committee more than tripled.

*(pause)*

Whether we are talking about standards or compliance activities, international market access, or enabling solutions to national and global priorities, I am dedicated to strengthening ANSI's – and by extension, the U.S.'s – leadership role in the global arena.

The WTO has predicted that global export trade will approach 16.75 trillion dollars by the end of this year. Standards and compliance activities influence an estimated 80% of all exports – that is roughly 13.5 trillion dollars in 2008 alone.

Through the re-launch of our Standards Portal website, ANSI works to facilitate international trade by helping companies to better understand the standards, regulatory, and conformance-related technical requirements they face in the huge U.S., Chinese, and Indian economies. We have taken care to build in the flexibility necessary to include information for even more countries in the future.

ANSI has continued to build a strategic relationship with the U.S. Trade and Development Agency (USTDA). This year, we completed the Vietnam Standards Training Program. Looking ahead, ANSI and USTDA will continue to work together on the U.S. – India Standards and Conformity Assessment Cooperation Program.

Over the past year, ANSI staff and members of our Board have been on the road in support of the Institute and the U.S. system. From Buenos Aires . . . to Barcelona . . . to Beijing . . . we have collectively visited twenty-four countries and nearly every U.S. state.

We have signed MoUs with the national standards bodies of China, Egypt, India, and Israel. And just this past week in Dubai, on the margins of the ISO General Assembly, we signed or initiated five new ones.

Within ISO and IEC, the United States continues to demonstrate strong leadership and active participation.

In fact, just last Friday Rob Steele of New Zealand – a friend of the U.S. and not a European! – was selected as the new ISO Secretary-General.

We are a participating member on eleven of the fifteen new ISO committees formed in the past year, and we hold four new ISO chairmanships or secretariats. Of the three IEC TCs and SCs that were launched since October 2007, the USNC is actively participating on every one of them.

And we've joined our colleagues from other nations in a discussion of strategic issues – from the February Interoperability Conference that was held in Warsaw to last month's Supporting Transatlantic Trade event where ANSI hosted the ESOs, EFTA, and the European Commission in Washington, DC.

Wherever we have been, we have worked to stimulate inter-industry cooperation, support international standardization, and facilitate global trade.

*(pause)*

We are also working to raise ANSI's profile with various high-level business and political fora, including the U.S. Chamber of Commerce, the Transatlantic Economic Council, the European American Business Council, and the U.S.–China Business Council, among many, many others.

*(pause)*

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

Via a partnership with Citation Technologies, this summer we launched ANSI iPackages, a new standards delivery mechanism that allows users to customize and share content according to the particular needs of their organization.

In the long term, the Institute continues to position itself as a one-stop resource for standards, conformity assessment, and related information. More than twelve million users visited our electronic Standards Store over 2008. Even in a difficult year, we saw a 10% overall increase in online sales over 2007.

*(pause)*

We are also strengthening StandardsLearn.org with a collection of business case studies that is currently being written for use in university classrooms.

*(pause)*

Now that you've heard me talk about all of these new initiatives, I think you will 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.

This includes building our revenue and effectively managing our expenses.

You'll find a summary of the Institute's financial status as of year-end 2007 on page 9 of the annual report. ANSI concluded its last fiscal year with more than \$11.6 million in net assets

and an operating budget of more than \$29 million. Our latest estimates indicate that we will meet our targeted revenue and operating surplus budget for this year.

Next month, I will be presenting our 2009 budget proposal to the Board Executive Committee. As Bob Noth mentioned earlier, we recognize that the nation is facing trying economic times. That is why we are going to focus on cost containment, and ensure that our budget for 2009 is fiscally responsible while still allowing the Institute to pursue exciting new growth opportunities.

*(pause)*

I would 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 extremely generous in offering their input and guidance.

The Institute's vice chairmen:

- Art Cote
- Laura Hitchcock
- Jim Pauley and
- Jim Thomas

Our immediate past chairman:

- George Arnold

And, of course, our chairman:

- Bob Noth . . . who is serving his last term as our fearless leader.

Bob, it has been a real pleasure to work with you. You have been a collaborative mentor, a strategic partner, and an enthusiastic supporter from the very first day I stepped into my role as the ANSI CEO almost three years ago. For that, I am extremely grateful.

I know I speak for all of us here when I say how much you will be missed as chair. We look forward to your continuing engagement as an officer of the Institute.

*(lead applause for Bob)*

Finally, we express our appreciation to all of you. Everything we do as an Institute is made possible through your active engagement as members. Thank you for your ongoing support.

*(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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### **Standards That Make a Difference Survey Drawing**

*during the last few minutes of the Annual Business Meeting Luncheon*

Before you all run back to this afternoon's meetings, it's time to select the winners of our Standards That Make a Difference survey.

We had over 200 entries this year – I think it was a great success. If you have a chance, take a look at the survey results, which can be found over in the exhibit area. Remember, if you submitted an entry, you have a chance now to win one of three \$100 American Express Gift Cards.

Since cash is on the line, I guess we'd better get started.

*(You and Bob take turns pulling three names and reading the prize winning entry.)*

The first winner is . . . (name, company, name of standard)

The second winner is . . . (name, company, name of standard)

The final winner is . . . (name, company, name of standard)