

<b>S. Joe Bhatia</b> President and CEO American National Standards Institute	<b>CANENA Members Forum Meeting</b> Opening Remarks February 28, 2007   9:15 – 10:00 am  <i>2,000 words – approximately 16 minutes speaking time</i>
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## **CANENA’s Role in Common National Standards Strategies**

Good morning. Thank you for the warm welcome.

When John Collins and Tim McNieve invited me to join you here in Tucson, I was eager to accept.

First, Tim and I both spoke at a NEMA-hosted event last summer. Ten days later, Tim introduced CANENA to a group of standards developing organizations that ANSI convened in New York City. Unfortunately, our travel schedules were out-of-synch and we missed each other at both of those meetings.

So, Tim, it looks like the third time really is the charm . . . we’re finally attending the same meeting and in the same room at the same time!

(pause)

I was also glad to accept this invitation because I knew that this would be a setting in which we can make connections, share ideas and engage in a conversation about the alignment of CANENA’s priorities and those of the U.S. standards and conformity assessment system.

Before we continue, let me explain that I have a very personal interest in the work of the electrotechnical industry. I started my career as an electrical engineer at the very ripe age of 21, and served for three decades at Underwriters Laboratories before I came to ANSI.

Over the years, I came to understand the economic impact of standards, codes and compliance requirements. And I have seen industries leverage standards, technical regulations and the related compliance programs to boost their competitive position in the domestic and global marketplace.

According to the WTO, global export trade surpassed \$12.5 trillion in 2005. Current estimates maintain that standards and conformity assessment influence 80% of all exports – that’s more than \$10 trillion.

(pause)

Obviously, those who understand how to effectively influence standardization and compliance programs will have the greatest success.

(pause)

In the interest of full disclosure, at this point I will admit that I am not an expert on the daily activities of CANENA.

But I do know that, since your organization was formed 15 years ago, CANENA has stepped forward to play a leading role in the facilitation of harmonization activities throughout the Americas.

You bring together a wide range of organizations from Canada, Mexico, the United States, and other regions – and you promote their engagement in standard-setting activities.

During my remarks today, I will encourage you – collectively and individually – to commit new vigor to the harmonization of standards at the regional and global levels.

ANSI is a staunch advocate of the premise that we must all work towards the goal of a single set of globally-accepted standards.

Products, services, systems and personnel that comply with globally relevant standards should be able to move freely across national or regional borders. The commonality of these requirements will also help to improve the overall health, safety and quality of life for citizens around the globe.

We also believe that the protection and advancement of research, technology and intellectual property depends on a strong standardization system at home and abroad.

Another reason for our support is that companies in the electrical and electrotechnology community represent 25% of ANSI's membership. This is a very large segment of our constituency that we intend to satisfy and keep happy.

Because few of those companies do business solely in the United States, when it comes to codes, standards and the related compliance programs, they make it clear that they want to “do it once, do it right, and do it globally.”

We simply cannot afford to engage in multiple standards-setting activities for the same purpose.

The alliances that are built on a regional basis help to bolster our collective influence in organizations such as the IEC and ISO. These alliances also help to provide the Americas with an effective counterbalance to other regional pressures.

(pause)

I would like to see all the nations of the Americas working together to support a global standards system that is flexible, sector-based and market-driven.

This is the foundation of the *United States Standards Strategy* that was published in December 2005.

(pause)

As the theme of tomorrow's Council meeting suggests, you will be hearing about several national standards strategies. I'm sorry that a scheduling conflict will keep me from participating in that larger discussion, but feel confident that you will hear some common themes arising from that dialogue.

For instance, the U.S. and Canadian strategies provides similar direction on how standardization can best advance the social and economic well-being of our citizens in a global economy. Though I am less familiar with the strategies of Mexico and Costa Rica, which you will also hear about tomorrow, I would be surprised if those phrases did not carry through their strategies as well.

But the strategies will contain differences, too. Each has been tailored to meet specific needs. The diversity that sets the U.S. system apart from other nations is integrated into a coordinated standards plan.

We began development of our first strategy in the late 1990s and, in 2000, the *National Standards Strategy for the United States* was published. With an understanding that the evolution of time would bring about change, beginning in 2004, I chaired an independent group convened by ANSI to lead the review and revision of the NSS. Our job was to ensure that the U.S. standards strategy would reflect the current standardization landscape. More than 20 months later, we had a new document.

The NSSS published in 2000 and the USSS published in 2005 have a lot in common. They both articulate a framework that can be used by all stakeholders to address trade issues in the global marketplace, advance U.S. viewpoints in regional and international arenas and, at the same time, enhance consumer health and safety.

The Strategies simply documented those principles that govern the U.S. standardization system.

This in itself has tremendous value – largely because our standards system is quite different from the systems of other nations. The United States relies on a wide range of organizations to deliver the standards, codes and regulations needed for any number of industry sectors and building applications. This is in sharp contrast to most other industrialized nations, which usually rely on a government-administered, top-down approach to standard-setting.

(pause)

Specifically, the USSS contains principles and concrete goals that drive the U.S. standards system. I'll tell you about a few of them:

First, the *Strategy* reinforces the advantages of government use of voluntary consensus standards, and emphasizes the critical need for leaders in government and industry to support standards-related activities.

Second, it calls for responsiveness to emerging national priorities, new technologies, and consumer interests. ANSI's standards panels are an excellent example of how the Institute is responding to the critical needs of the nation, embracing emerging technologies and protecting consumer interests. The panels are actively addressing standardization issues in identity theft prevention, healthcare information technology, nanotechnology and homeland security.

Next, the *Strategy* calls for improved cooperation and coherence. To accomplish this, we need to reduce duplication of effort and eliminate areas of redundancy. We are broadening the scope of stakeholders, reaching out to non-traditional standards developing groups such as consortia and other forums, and actively engaging members of the academic community.

The USSS also calls for the consistent worldwide application of internationally recognized principles in the development of standards. The common acceptance of principles such as transparency, openness, balance, and due process will only make the international standards system better. The benefits can be seen in the easier cross-border trade of goods and services. Whether counted in dollars or pesos, the reduction of trade barriers will have a positive financial impact for the providers of electrotechnical products and services.

(pause)

I've mentioned just a few of the strategies contained within the full USSS. But rather than continue through an entire list of twelve initiatives, I can summarize the basic premise like this:

Different groups can select and derive value from those elements of the USSS that resonate most clearly with their own needs. The *Strategy's* intent is to support all types of standards developers and standards users in all types of sectors.

For example, some feel strongly that certain standards bodies – among these IEC and ISO – are the preferred path to achieve a global standard. Other sectors may rely on any of hundreds of other entities that develop standards for global use.

In either case, the USSS promotes any specification that is:

- technically suitable,
- used throughout a given market sector worldwide, and
- developed in accordance with the principles for standards development expressed in the WTO's Technical Barriers to Trade Agreement.

You may recall that I mentioned these principles – transparency, openness, balance, and due process – just a moment ago.

But I think it's important to acknowledge that not all nations fully embrace the WTO's principles. Further, some do not respect intellectual property rights and may try to impose the use of a national standard as a barrier to trade or as a mechanism for sheltering one of their own industry sectors. And some nations do not invite open and inclusive participation or balance the interests of all stakeholder groups so that the outcomes are representative and broadly supported.

As called for in the USSS, ANSI actively promotes widespread adoption the WTO principles, especially in our bilateral meetings with other countries. We are equally vocal about our support for standards that are globally relevant.

In the latter case, the IEC offers a great case study . . .

A large number of IEC Technical Committees have been incorporating globally relevant conditions in standards for years. Today, IEC has a formal global relevance policy that calls for all its new standards to be inclusive and have widespread applicability.

(pause)

CANENA is making great contributions in this area, as well. Your mission to facilitate the harmonization of electrotechnical standards within the Americas is a stepping stone to greater harmonization at the IEC.

CANENA also brings experts from the region together. You help them to get to know each other. And you help them understand how each other thinks technically. This is translated into a more uniform set of positions from the Americas at the international table.

### **BEGIN CONCLUSION**

Our ultimate goal is to achieve a level playing field. We want to drive toward an assurance that the needs of all nations are taken into account when developing standards and conformity assessment programs that support free and fair trade.

Personally, I find the prospect of increasing the free flow of commodities and services trade to be exciting.

The easy exchange of technologies and solutions will make our lives easier, our property safer and our bodies healthier are equally stimulating.

In the U.S., we have laid out a framework that makes exciting success stories possible. The *United States Standards Strategy* defines a set of principles that support open and transparent markets, protection of the environment, and enhanced consumer health and safety. It calls for better coordination between the private and public sector, stronger support from the federal government, and a higher level of awareness of the value of standards and their applications as the means to achieve these goals.

(pause)

I began my presentation by telling you that I will encourage CANENA and its members to commit to even greater participation in the harmonization of international standards. I close my remarks by reinforcing that message.

The electrotechnology industry is not unique. The benefits of harmonization at the regional and global levels apply to other sectors as well. But a journey of a thousand miles – or kilometers – always begins with a single step. Someone has to start and everyone will have a role to play.

That is why I encourage CANENA – as an organization – to support its member's efforts to build awareness and understanding of their respective national standards strategies. And to promote

implementation of those aspects of the strategies that will further our shared objectives to “do it once, do it right, and do it globally.” Our shared success will return many rewards.

Thank you for your attention . . . I look forward to your questions.

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