

Opening Remarks

Good morning, and thank you for the introduction, Sujeet.

For those of you who may not be familiar with ANSI, we serve as the coordinator of this nation's private-sector led and public sector-supported voluntary consensus standards and conformity assessment system. ANSI accredits standards developers in dozens of industries. In a similar fashion, we accredit organizations that are engaged in conformity assessment . . . also known as *compliance* . . . activities.

We also speak as the U.S. voice in standardization forums around the globe. Through our network of members, we represent the interests of more than 125,000 companies and 3.5 million professionals worldwide.

When ANSI was founded in 1918, our attention was focused on support of the industrial revolution . . . Our efforts have grown beyond technical specifications for nuts and bolts to encompass a broad range of products, services, systems and personnel.

Within the past year, ANSI has turned its attention to issues such as identity theft protection, energy management and alternative energy resources, chemical regulations, consumer protection and biotechnology . . . just to name a few.

This audience also recognizes that standards, regulations and testing have been making headlines during this summer's discussions of toys . . . and a range of other products.

Many of these topics became issues of consumer angst because some suppliers were not complying with the rigorous standards and regulations that have been established to keep citizens safe.

Standards and compliance programs *must* be designed to meet the needs of the global village . . . and there *must* be a consistent and sustainable way of verifying that these standards are being followed.

The scope is huge. The Commerce Department estimates that standards impact roughly 80% of all world commodity trade.

Today, there are few companies that are not somehow engaged in the global supply chain . . . either as a vendor or as a user of a component that is produced in another nation.

Many companies – such as Rockwell – are themselves global in scope. This reinforces the need for standards and compliance procedures that have global relevance.

The *United States Standards Strategy* states that a globally relevant standard is one that is:

- A . . . technically suitable, and
- B . . . able to be used throughout a given market sector worldwide.

A standard that is globally relevant recognizes unique needs and infrastructure differences among nations – differences that may be necessary due to different parameters of health, safety and environmental criteria.

ANSI and our U.S. National Committee worked very hard to support ISO and IEC as they introduced formal global relevance policies.

But we also recognize that many other organizations are developing standards and compliance systems that meet global needs. . . .

There are multiple paths to achieving global relevance. It is up to each market to choose the path that best meets its needs. The stakeholders within those markets must be actively engaged in order to have their voices heard.

Like never before, standardization has been recognized as a playing field for competition and political maneuvering.

Some developed nations are effectively leveraging their resources to provide technical assistance efforts that will foster trade with emerging economies such as China and India. The EU, for example, has been spending tens of millions of Euros annually to provide technical assistance to China. In return, they are seeking commitments to adopt or otherwise use European standards.

There have been no long-term financial resources available within the larger U.S. standardization community, from either industry or government, to match the large investment being made by the Europeans.

This is placing the U.S. in a position of *strategic disadvantage*.

ANSI, along with our members and constituents, is working to rally government and industry to work at a single purpose so that we can strengthen our efforts to introduce U.S. technology into the global marketplace.

I congratulate Rockwell for organizing this event – and thank them for extending to ANSI an invitation to participate – so that we can help to raise the awareness of leaders in government and industry about the very important role that standards and conformity assessment activities play in the global marketplace.

I look forward to hearing the perspectives of my fellow panelists, and to engaging with all of you in a dialogue later in this panel.

Questions for Panelists

- 1. Why are standards critical and why do they demand the attention of the executive levels of corporations? What do the readers of the publications represented here today need to know about standards?*

About Standards

Standards have become such an integral part of our existence that most people give them little or no thought. But standards and the related compliance programs are more essential today than at any time in history. Voluntary consensus standards are at the foundation of the U.S. economy and are fundamental to the success of robust, fair and free trade.

They offer benefits to all segments of business and industry, government and consumers. They help to advance scientific discovery, and keep people safe by minimizing injuries and protecting key environmental resources.

When we talk about standardization, we're actually discussing a broad range of activities and ideas – from the actual development of a standard to its promulgation, acceptance and implementation.

Standardization also includes the methods of evaluating whether products, processes, systems, services and personnel comply with a standard – this evaluation is known as conformity assessment. Standards development and assessing conformity to standards go hand-in-hand.

About Executive Participation

As an executive, you really have two choices: position your organization to take a seat at the table and be part of the standards-setting process, or to let your competitors dictate the way you will be doing business.

“Engineer it, patent it, and then sell it” used to be the formula for success. But that isn't enough to capture today's global marketplace. When executives participate in standards-setting activities, they are bringing their concerns and needs to bear on the process.

Executives who participate in the process are not only able to influence the content of standards, but they can also learn about market trends and gain networking opportunities. This can lead to the development of new markets for their products, services and technologies, as well as strategic positioning within those markets.

What your readers need to know about standards

In this room today are journalists, along with representatives of industry, manufacturers, standards developers, and compliance bodies.

Though our professional perspectives are different, we are all consumers. We rely on standards and conformity assessment programs to keep us safe and ensure the quality of the products we buy.

Toys . . . ladders . . . batteries . . . appliances . . . for all of these products, U.S. citizens count on industry to work in partnership with government to uphold the highest possible level of safety.

When the public and private sectors work together, we develop viable, standards and compliance-based solutions to address the issues we know about . . . and to safeguard against issues that may arise in the future.

2. *Your comments indicate the increased involvement of governments in defining standards and regulations. How does the current governmental regulatory environment impact standards development and what are the consequences of a standards development process weighted too heavily towards regulation?*

Many standards are developed to meet regulatory needs. But governmental approaches to regulation often differ, resulting in incompatibilities, redundancy, and unnecessary expense.

Standards developed through a voluntary consensus process have proven to be very effective at meeting both regulatory and market needs.

ANSI has always worked to forge a strong partnership between the private and public sectors, and one of the best examples of this partnership is the National Technology Transfer and Advancement Act.

For those of you who are not already familiar with the Act, this law directs federal agencies to use wherever possible technical standards that have been developed or adopted by voluntary consensus standards bodies. This is in lieu of developing government-unique standards. The same holds true for compliance solutions.

The NTTAA also makes it clear that government should participate as a partner in private-sector led standards development activities.

Since the law was passed in the mid-1990s, standards have helped the government by:

- increasing operational efficiency,
- reducing regulatory compliance and procurement costs,
- avoiding duplication of effort caused by having separate private sector and government-unique solutions,

- enabling the government to take advantage of private sector technology and expertise in establishing standards and compliance programs that serve national needs, and

- contributing to economic prosperity and growth.

We must always be mindful of the NTTAA's success and work towards balancing those issues that must be addressed by regulation with those that would be best-served by a private-sector led standards and conformity assessment-based solution.

3. *All of you agree that harmonization – one standard, one test, accepted everywhere – is the best approach for the future of standards development. Please describe, from your perspective, how you envision the implementation of this vision... how close are we really? What is your organization doing to help us get there?*

The *United States Standards Strategy* – with ANSI as its staunch advocate – strongly supports the concept of “one standard – one test – accepted everywhere.” ANSI carries this message forward to the many regional and international standards and conformity assessment organizations where we represent U.S. interests.

This shared vision is an important one, but it cannot happen overnight. Companies, nations, and regions must work together to expand awareness of international standardization. We must make every effort to minimize conflict and duplication in our standards development activities. And, we must jointly recognize those groups who perform conformity assessment and testing activities, so that their evaluations of competence can cross borders.

This year’s consumer product recalls are an unfortunate but strong example of the importance of our shared vision. Some suppliers are not complying with the rigorous standards and regulations that have been established to keep our citizens safe.

That’s why ANSI is already working with the Toy Industry Association to reinforce the toy safety system through standardized conformity assessment processes. As we examine the existing system, we are going to identify what is working . . . capture those successes . . . build upon them . . . and make them better.

In addition, the Institute has recently taken a major step toward the global recognition of one of our accreditation programs. Just last month, we signed a Multilateral Recognition Arrangement with the International Accreditation Forum that ensures the worldwide acceptance of ANSI-accredited product certification bodies. Earlier this summer, we signed a similar arrangement with the Pacific Accreditation Cooperation, ensuring the recognition of ANSI accreditation in the Asia-Pacific region.

At the same time, we must be aware that our collective vision of “one standard – one test – accepted everywhere” may not always be possible. Differences in industry sector, regional practices, and economic maturity will always arise, and may prohibit us from fully achieving our vision.

Ultimately, I think that this vision will be embraced on a broad scale. The benefits to industry, government, and consumers the world over are simply too great to ignore.

4. *One of the key messages we want to convey to the global media here with us today is the critical need for all players in the manufacturing industry to participate more actively in the standards development process. It's especially important for small to medium-size OEMs and the end-user manufacturers regardless of their industry segment. What are you looking for from these OEMs and End-Users? How do they participate?*

Everyone should be participating in the standards-setting process. Not just large corporations. Not just SMEs. And not just the major industry associations.

For a standard to be truly effective, it needs to have been developed by all affected stakeholders. Small and medium-size businesses that leave standardization activities to larger organizations are distancing themselves from a process that can have a large impact on their bottom line. It simply makes good business sense to be involved.

Participating in standards-setting activities can also give organizations a leg up on emerging issues and obstacles. For example, a recent ANSI-hosted conference on new global chemical requirements resulted in the launch of a Network on Chemical Regulation. In cooperation with the National Association for Manufacturers, ANSI established this Network because we saw a need for increased cooperation and information sharing among industry leaders. By assisting manufacturers with compliance activities and fostering collaboration, the Network puts manufacturers ahead of the curve, helping them to have a better long-range view of their business.

Small and medium-size businesses looking to participate can contact their respective industry associations for more information. They can also go to ANSI's website to learn more about the process and get involved in some of our activities.

5. *Globalization and increased regulation are new market drivers for standards development, especially for automation and controls. Innovation, however, has always driven standards evolution. How do standards foster innovation and market access and what do we need to do so that the standards development process doesn't stall today's rapid pace of innovation?*

Innovation is the fuel of economic engines, and standards are a critical element of the formula.

In some cases, a standard will precede innovation by establishing a baseline for design and performance that will satisfy user requirements. That standard must provide enough flexibility that suppliers or manufacturers can vary features and function to establish a niche that positions them with a marketplace advantage. These variances help to elevate user expectations and raise the bar for the next edition of the standard.

Other times, an innovative idea that finds its place in the market becomes the foundation of a new standard . . . which then becomes the physical documentation of an agreed-upon solution that has already been time-tested and proven.

Taken together, innovation and standardization create new opportunities for growth and reshape familiar landscapes.

Renowned innovators – from Thomas Edison to the guys at Google – were always able to convince others of the power of their good ideas and the benefits that would come with acceptance and implementation.

Standardization must be approached in the same way. Standards are good ideas that take hold and are embraced for widespread use. The issue today, however, is awareness and understanding. Our challenge is to help business and government leaders understand that market-driven, voluntary consensus standards are good ideas to be embraced and implemented.

6. *Looking forward, what emerging technologies are you keeping an eye on and what are the consequences of these emerging technologies on standards.*

Voluntary consensus standards and conformity assessment programs are driven by requirements for continuous quality improvement – especially as technology changes and evolves.

I mentioned earlier that ANSI has recently launched new initiatives in areas such as identity theft protection, energy management, alternative energy resources, biotechnology, to name a few. And while each of these technology areas may serve a specific need, it is even more interesting to look at what is happening in areas that cross industry sectors . . . issues such as the regulation of chemicals used in manufactured goods, the safety of consumer products – especially those imported from other countries – and the education of our current and emerging workforce.

ANSI's standards panels are one of the primary means for addressing emerging issues and technologies. These panels have brought many new participants to the ANSI table. They are an important part of our effort to get ahead of the curve and become better at anticipating and embracing new opportunities to coordinate and harmonize U.S. standards and compliance activities.

- The first of our standards panels helped to develop the information superhighway.
- Our Homeland Security Standards Panel supported a special project on private-sector emergency preparedness that had been requested by the 9-11 Commission and continues today in support of the Department of Homeland Security and other agencies.
- We launched the Nanotechnology Standards Panel to facilitate the development of standards for the burgeoning nanotechnology industry.
- Our Healthcare Information Technology Standards Panel is moving at an incredibly rapid pace to support the Department of Health and Human Services in establishing a national health IT network for the United States.

- Last fall, ANSI partnered with the Better Business Bureau to launch a panel to address the need for standards in the area of identity theft prevention and ID management.
- And earlier this year, we turned our attention to alternative energy resources with a new coordination activity in the area of biofuels.

No matter the topic, we can provide the neutral forum where stakeholders work together to

- identify existing and emerging regulations, requirements and supporting standards and compliance programs,
- define where gaps exist, and
- recommend where additional work is needed.

7. *Briefly, offer us a final thought – what is the one point you would like the media joining us today to explore more fully for their readers?*

The most important piece of advice I can offer to anyone interested in standardization is: don't reinvent the wheel.

We spoke earlier about our vision for “one standard – one test – accepted everywhere.” To make this a reality, we need do everything we can to stop duplicative standards-setting activities. It benefits us all to collaborate on a single set of standards that meet the needs of all stakeholders, from industry and manufacturers to consumers and government.

The National Technology Transfer and Advancement Act has had a positive impact on the way that the U.S. government uses standards. We must continue to educate and help leaders in government understand that voluntary consensus standards and conformity assessment programs often provide a more flexible, appropriate and timely solution than regulations.

Let's be wary of supporting actions that move too quickly. After all, the recalls and challenges that arose this summer highlighted that there isn't always a problem with existing standards . . . or a lack of standards. The issue may be that some suppliers – particularly those who are exporting products to U.S. soil – are not complying with the rigorous standards and regulations that have been established to keep our citizens safe.

Let's do what's necessary to protect consumers, but make smart choices about how we meet our goals.

Building consumer confidence is not just a government issue . . . nor is it just an industry issue. It affects all of us, and we all have a role to play in determining the proper solution.

I challenge each of you . . . and for those journalists in the audience, I challenge your readers . . . Work with us to help find standards-based solutions to emerging issues. There has never been a more exciting time to get involved.