

<b>S. Joe Bhatia</b> President and CEO American National Standards Institute	<b>Keynote Address: CSA America Awards Ceremony</b> Westin La Paloma Resort – Tucson, Arizona Tuesday, September 30, 2008 – approximately 7 p.m.
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*2,482 words, approximately 19.8 minutes + Q/A*

Good evening, everyone.

On behalf of the American National Standards Institute, it is my pleasure to be with you tonight.

It's good to see many of you again. Some of you I had an opportunity to work with during my previous life at UL.

Thirty plus years with UL helped me gain a solid understanding of standards and conformity assessment. But it wasn't until I immersed myself in the day-to-day operations of ANSI that I came to fully appreciate the value, impact and complexities of this truly global system.

Tonight I would like to shed some light on how the work you are doing within CSA is interwoven with the efforts of thousands of experts, managers, business leaders and policy makers in hundreds of other standards-related activities.

I'm not here to say anything profound, but I'll share what I think are some important thoughts.

And trust me . . . I've been in your seat before and know what it's like to have to listen to prepared remarks after a couple of drinks and just before delving into the more social aspects of the evening. So I promise to keep my prepared remarks brief . . . no more than an hour or two – tops! Just Kidding!

*(pause)*

My first point relates to the basic value of standards to business.

Those who develop standards engage all interested parties to define a solution that can be accepted by everyone.

ANSI and our members are constantly seeking to develop consensus agreements among manufacturers . . . producers . . . suppliers . . . customers . . . regulators and policy makers.

All this so standards do not dictate a solution like a regulation might. All this so it is a voluntary, private sector driven and government supported solution.

Standards create a solid foundation upon which to build for the next generation of products and services.

*(pause)*

When Henry Ford began building cars, he made certain that the windshield was always significantly larger than the rear view mirror . . . his focus was always on the road ahead.

Standards help us look ahead and help us pave the way for innovation. They are the fuel of the nation's economic engine.

And even though our nation is facing some troubling economic times right now, we must continue to invest . . . in fact we must increase our investment. . . in standardization.

This is essential if we intend to maintain a U.S./N.A. leadership role in the global marketplace.

*(pause)*

Experts say that at the end of the Apollo space program, the U.S. was contributing 75% of the technological breakthroughs in the world. Today, we contribute only 25%.

The Alliance for Excellent Education says that in the past decade the U.S. has dropped from a number one position among the nations studied to 21st in science, 25th in math, and 24th in problem solving.

In terms of the nation's workforce, a couple of decades ago, when we hired an engineer, we used to get a measure of knowledge that would last for most of a career. Today, a degree in engineering or business is like milk – with an expiration date stamped right on the carton. Technology is evolving fast – it is an increasing challenge to keep up. And it is a challenge to keep the business leaders informed.

*(pause)*

For its part, ANSI has made a commitment to helping senior-level leaders such as yourselves understand the importance of active involvement in voluntary consensus standards and conformity assessment programs.

We are looking through the windshield and investing in our future.

And you may ask, why have we made this commitment? Three reasons:

- First, ANSI is recognized as the coordinator and voice of the U.S. standards and conformity assessment system.
- Second, we believe that the protection and advancement of U.S. research, technology and intellectual property depends on our ability to support a strong standardization system at home and abroad.
- Finally, we believe that private-sector led standards and conformity assessment programs are emerging as the leading solution for harmonizing market access and acceptance practices across national borders.

*(pause)*

Our intent is to mitigate non-tariff trade barriers and to better facilitate the free flow of goods and services.

But I know I'm preaching to the choir . . . You've already made a commitment to the cause.

In fact, some of you will be recognized tonight for the leadership you have demonstrated within CSA's standard-setting committees and the CSA-administered TAGs to ISO and IEC.

Among us, we have literally hundreds of years of experience in standards-related activities. We have led the development of thousands of guidance documents that make life easier, safer, and more convenient – and documents that facilitate commerce.

Department of Commerce data confirm that standards and related compliance influence an estimated 80% of all exports – that roughly \$13.5 trillion in 2008 alone.

But we cannot ignore that there are still many leaders of industry and government that do not fully grasp what it is that we do.

I sit on an industry advisory committee to the U.S. Department of Commerce and the United States Trade Representative that focuses specifically on standards, compliance and market-access related matters. I see first-hand that our initiatives – which literally affect every industry in every country around the world – are not well understood.

*(pause)*

As American management theorist Peter Drucker once said: “*Education has become a condition of national survival.*”

The power of new knowledge to generate economic growth is helping to wake those who sit in the corner offices and on Capitol Hill to the importance of science and technology.

From the Internet to biofuels, many of society’s most recent advancements are the result of federal government investment. But support from both the public and the private sectors is necessary to develop new products and services, deliver them to market, and support their acceptance.

New technologies can change the world.

That’s true of such inventions as the Gutenberg printing press which was the first true information explosion . . . the steam engine which powered the industrial revolution . . . and the electric light bulb without which we would all be running our personal computers by candle light.

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

Standards are good ideas that take hold and are embraced for widespread use.

That’s why we must work together to educate and convince business and government leaders that market-driven, voluntary consensus standards and compliance are good ideas to be embraced and implemented.

*(pause)*

As recognized leaders in the standardization community, I’m calling upon you for help.

We must reverse the thinking that standards and innovation are at opposite ends of the spectrum – that one is old fashioned and the other is new and exciting.

There are plenty of examples to support our cause.

*(pause)*

Within the past year, ANSI has turned its attention to issues such as identity theft protection, greenhouse gases and carbon trading and alternative energy resources.

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 and the safety of consumer products – especially those imported from other countries.

ANSI, in recent years, has started establishing what we call standards panels. These panels are one of the primary means for addressing emerging issues and new technologies. They are an important part of our effort to get ahead of the curve and become better at anticipating and embracing new opportunities, national priorities or international challenges.

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 have been requested by the 9-11 Commission. The Panel continues today in support of the Department of Homeland Security and other agencies.

We launched the Nanotechnology Standards Panel to support a fast growing industry with terminology that would allow labs and manufacturers to speak the same language, and with safety requirements that would keep producers and users safe.

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 nationwide health IT network. It originated as a result of an ambitious request from the White House to establish an electronic health record for every American by the year 2011.

In January, our Identity Theft Prevention and Identity Management Standards Panel, IDSP, released a report that examines the entire life cycle of identity management, providing a resource for businesses, government agencies, and other organizations in the fight against the theft of personal and financial information. This problem is a \$200 billion hit to our economy every year.

In three weeks, we will be releasing a comprehensive new report for industry that lays out the questions businesses must ask in order to effectively protect themselves from the financial impact of cyber attacks.

And . . . near and dear to the hearts of this audience . . . is our work in the area of alternative energy resources.

Last year, ANSI launched a new coordination activity for biofuels. By working in conjunction with colleagues in Europe and Brazil, we reviewed existing bioethanol and biodiesel standards to identify where greater compatibility could be achieved.

The experts from all three countries now have a better understanding of the reasons why regional differences exist. And a new atmosphere of collegiality has been created – not only between countries but also between the private and public sector representatives.

In addition to these coordination efforts, ANSI and ABNT – our counterpart in Brazil – are leading a new ISO subcommittee that will address terminology, classification, and specifications for liquid biofuels, as well as analysis and testing for pure liquid biofuels.

ISO has also launched a new project committee on energy management, while IEC – within the past two years – has established two new committees on wind and maritime energy.

*(pause)*

Across the board, committees in ANSI, ISO and IEC are exploring ways to make products, processes and systems more energy efficient.

But let's be clear . . . ANSI is not itself a standards developer. We rely on organizations like CSA America to develop the standards and certification programs that facilitate trade, preserve the environment, and ensure public safety and health.

Since 1970, your organization has been a vital part of the ANSI Federation of members, and I thank you for that.

As an ANSI-accredited standards developer, you have been writing American National Standards for the design and safety of alternative fuels, gas appliances and related accessories.

And as an ANSI-accredited product certification body, you certify a wide range of products including food equipment, gas oil appliances and accessories, drinking water additives and treatment units, and plumbing products.

CSA America is also very active internationally, participating on a number of U.S. TAGs and IEC technical committees. In fact, you have been leading the U.S. TAG to IEC TC 105 on *Fuel Cell Technologies* since that committee's inception in 1998.

You've also made a generous commitment to assist in sponsoring the IEC 2010 General Meeting in Seattle.

CSA America has definitely stepped forward to assume a leadership role in the development of globally relevant standards that can be adopted for use anywhere.

As CSA members – whether your organization is itself global, or whether you rely upon suppliers and vendors from other markets – you recognize that a single standard . . . a single test . . . and a single acceptance will be hugely beneficial for your bottom line.

*(pause)*

Speaking of lines . . . .

I'm reminded of a story about a man who was given the job of painting the white lines down the middle of a highway.

On his first day he painted six miles; the next day three miles; the following day less than a mile.

When the foreman asked the man why he kept painting less each day, he replied "I just can't do any better. Each day I keep getting farther away from the paint can."

*(pause)*

This tells us that it's important to keep our tools close at hand, not miles away . . . and today – more than ever before – standards are the tools that are critical for business.

I encourage CSA members to remain close to ANSI.

Certainly, I encourage you to continue working through CSA. But I also invite you to take your individual seat at the ANSI table and to make your business needs heard. Specific interests and broader issues can be better represented this way.

There's just too much at stake to allow your competitors or your detractors to set the rules by which you must play.

Plus, the game is constantly changing.

Standardization has rapidly evolved beyond technical specifications for nuts and bolts to encompass a broad range of products, services, systems and personnel, all intertwined with public policy and international issues.

Here's an example . . . .

Within the past twelve months, nearly every industry has taken steps to examine, re-evaluate and enhance the safety of its consumer products.

U.S. citizens and Canadian citizens are counting on industry to work in partnership with government to ensure that the food we eat . . . the toys we give to our children . . . and the products we use ourselves meet the highest possible levels of safety.

Standards can help keep us safe.

But in many cases, as we saw in the toy industry last year, the required standards – both at the national and global levels – already exist. The challenge was not a lack of standards, but a lack of compliance to standards.

*(pause)*

It is difficult to keep pace with the growing number and complexity of standards, regulations, testing and auditing programs.

How do suppliers and retailers that do business globally meet the unique national requirements of many countries?



How does one identify what standards, tests, auditing and accreditation schemes are available . . . which ones are accepted – by whom and where . . . and what is still needed?

These are the challenges that ANSI and organizations like CSA America are working to address.

In fact, ANSI has already taken a significant step forward by relaunching its [www.StandardsPortal.org](http://www.StandardsPortal.org), an information resource that helps reduce barriers to trade and increase understanding between the U.S. and evolving economies like China and India. Under consideration are additional countries like Thailand and Vietnam. And just last week we made a similar proposal to the nations of the EU. The intent is to help our industries better understanding in their key trading markets and vice versa.

*(pause)*

All this will be more effective if we collaborate here at home as well.

On behalf of ANSI, I invite CSA America and its members to be our partners – and active participants – in numerous initiatives that may interest you individually or collectively.

Like Peter Drucker said: *“the best way to predict the future is to have a hand in shaping it.”*

Thank You!

Now I'd like to open the floor to questions.

*(pause)*

Thank you to Spence Grieco for inviting me to participate in this evening's festivities – it has been wonderful to be with you all.

And now, without further ado, on to the awards!

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