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LOG OF MEETING

SUBJECT: American National Standards Institute (ANSI), Rod

DATE: September 20, 21, 1994

PLACE: Chantilly, Virginia

LOG SOURCE: Colin B. Church, CPSC *Q3c*

CPSC ATTENDEE: Colin B. Church, (Sept. 20, 1994 only)

NON-CPSC ATTENDEES: See Minutes of Meeting attached

MEETING SUMMARY

See Minutes of Meeting attached.

Attachment

**Minutes of the ANSI Board of Directors' Meeting
September 20-21, 1994
Westfields International Conference Center
Chantilly, Virginia**

See attached attendance list.

Opening Remarks:

Chairman Anthony O'Neill introduced the following guests:

Dr. Belinda Collins (representing A. Prahbakar)
Diego Bentencourt (representing F. Faramarzpour)
Rocky Arnold (representing J. Lapping)

Announced new material distributed at the meeting:

- Final Recommendations from the ExSC (item 6).
- Report from L. Walser, copies of two presentations (Information Central and ANSI University) (item 16).
- Announcement regarding World Standards Day.
- Hearing on September 22, 1994 before a Subcommittee of the House Science, Space and Technology Committee.

Agenda was approved with the following additions:

- Item #11 - CMC will report on the SDI project.
- Item #16 - Report from the Education Committee.

Approval was moved and seconded. Vote in favor was unanimous.

Agenda Item 1: Introduction of New ANSI Staff

Sergio Mazza introduced new staff members:

Amy Marasco, Vice President and General Counsel
Mike Hoynes, Vice President of Marketing

Agenda Item 2: Report of the Consensus Management Group

The Chairman announced that CMG completed its report recommendations regarding membership and dues alignment. On September 21, 1994, prior to the Strategic Planning Retreat, Linda Shinn will make a brief presentation and there will be an opportunity to discuss the report in detail. The Board was not asked to take action on the report at this meeting. On September 21, 1994 the Board should determine whether there are any

“showstoppers” (things the Board does not want staff to pursue). President and staff will review the report and propose actions at the December Board meeting.

Mr. Mazza commented that the report is not an action plan. It is a series of recommendations only. The Board should determine if it supports the idea of staff formulating an implementation plan based on the recommendations. This implementation plan should be ready prior to the next Board meeting.

Agenda Item 3: Approval of March 2, 1994 Board Meeting Minutes

Moved and seconded to approve the minutes. Approved unanimously.

Agenda Item 4: Report of the Executive Committee

The Chairman reported that the Executive Committee met on June 30, 1994. The Executive Committee took two actions:

- Formed the IISP (by letter ballot)
- Approved revision to the pension plan to accommodate long-term employees who wish to be exempted from benefits.

Other issues considered:

- Heard the Finance Committee's report.
- Reviewed status of the meetings the President and Chairman had with councils (OMC, GMC and CMC) regarding a MOU with NIST. Produced a straw-man MOU based on discussions and forwarded to NIST. Scheduled an October 24, 1994 meeting with NIST to further discuss MOU. In the process of negotiating the wording with understanding that final version will have to come to the Board for final approval.
- Brief review of the CMG report.
- Heard status report on Strategic Planning activities.
- Issue was raised regarding the activities of VITA. The Executive Committee determined that the issues raised come under the jurisdiction of ExSC and BSR (and possibly the Appeals Board).

Moved and seconded and unanimously approved to accept the report of the Executive Committee.

Agenda Item 5: Approval of Nominations to Fill Board Vacancies and Positions

A Vice-Chairman, Jerry Oleksiw, retired from J.C. Penney and resigned from the Board. Reuben Autery was unanimously elected to fill this unexpired term.

Hans Kluge unanimously approved by Board to serve as Chairman of the Audit Committee.

Nancy Kippenhan was unanimously approved as a member of the Audit Committee.

Glenn Harvey was unanimously approved as a Member of the Board of Trustees for the International Fund.

Greg Saunders and Paul Borawski were unanimously approved as members of the Strategic Planning Committee.

Hans Kluge was unanimously approved as a member of the International Advisory Committee.

Two Board members (elected as CMC directors), whose terms do not expire until December, 1996, resigned:

Robert O'Halla (Johnson & Johnson)

Terry Rahmeier (DuPont)

Recommended by the CMC and unanimously approved by the Board to fill these vacancies:

Jerry Ritterbush (Caterpillar)

Dr. Ronald Simpkins (DuPont)

The Board was reminded that Board seats are not "owned" by a particular organization. Vacancies are filled by persons from the same interest category.

Two additional vacancies:

Gary Handler (Bellcore) - term to expire in December, 1994.

Phil White (FDA) - GMC will recommend replacement.

D. Dutton and A. Marasco to prepare Board resolution commending J. Oleksiw for his many years of service (and inform the management of J.C. Penney). Moved, seconded and unanimously approved.

Agenda Item 6: Report of the Executive Standards Council

Three proposed amendments to the By-Laws. The ExSC wants the Board to approve them for membership review and a final Board vote in December, 1994. So moved and seconded. It was then moved and seconded that the corresponding changes to the *ANSI Procedures* be presented to the Board for review and approve at the same time as the By-Law changes (which would be in connection with the December, 1994 or March, 1995 Board meeting). The proposed amendment was unanimously approved. Moved and seconded that the Board approve the proposed recommendations as submitted as the basis for staff to draft and submit appropriate By-Law changes for membership review and comment. The By-Laws and specific procedural changes (when ready) will be submitted together to the Board for final approval.

There was discussion of the proposal that certain approved standards developers would be able to designate their standards as American National Standards without BSR review.

Some of the points made were as follows:

- Approved standards developers who are accredited under one of the three current methods would be given the opportunity to use the new option as an alternative method to using the BSR. The BSR review would be replaced with an audit review. The proposal is fully consistent with the Blue Ribbon Panel recommendations.
- In response to concerns about conflict and duplication, the point was made that these approved standards developers would be required to use the PINS system and announce public reviews in *Standards Action*. Getting more standards developers more involved in the system should result in less conflict and duplication. Regular audits will also uncover these types of problems.
- The issue of self-designation arose because many standards developers assert that their process duplicates those processes required by ANSI. This process will speed up the process for designation ANS. All the procedural safeguards will be maintained.
- Many standards developers could not or would not be able to use this process. The criteria for those developers that could use the system will be developed by the ExSC, and the ExSC/BSR will determine which developers will be able to have this authority.
- Duplication: BSR has responsibility to address duplication. However, it can only be addressed if someone brings it to their attention. Need to put in place a quality control system to monitor the process.

A motion was made to call the question. Motion passed 18/13. A vote was taken on the amended motion. The motion was approved unanimously.

An additional By-Laws change (Board approved it in part at March, 1994 meeting) regarding Section 5.02. This section outlines the terms of membership on ANSI Councils, Boards and Committees. Last March the Board approved the proposed language change with respect to the ExSC. The exception should also apply to the BSR, Appeals Board and Accreditation Committee.

Motion to approve the change. Seconded. Vote in favor was unanimous.

The ExSC proposed changes to Annex A, B and C to the *ANSI Procedures*. Approval was moved and seconded. Vote in favor was unanimous.

Motion to require the BSR and ExSC to review ANSI's procedures to ascertain that we have procedures in place to end up with quality standards (the focus is on the process and not the product). They should look at the speeding up the process, addressing duplication issues and the criteria for accreditation.

Motion was seconded and approved unanimously.

Agenda Item 7: Approval of Confidentiality of Information Policy

There may be information that the Board or members of ANSI Councils and Committees need to know that is not to become general knowledge. Therefore a policy was developed. The President and the Chairs are responsible for designating what is confidential. Policy also includes an appeals process.

Editorial change in the last sentence -- "verbal reports" should be "oral reports".

N. McClelland asked if the policy includes applications for accreditation. D. Dutton stated that any information that needs to be confidential can be so designated by the ANSI President.

N. McClelland asked if the procedure would specifically state that some information that is already identified as confidential cannot be opened up by the Board in accordance with these procedures. S. Mazza stated that this will be included.

G. Saunders pointed out that confidential information should be designated as "ANSI Confidential" because the Government has certain requirements regarding the use of "Confidential".

Motion that the document needs additional changes based on today's discussion. The Board should authorize the Executive Committee to take final action. Motion was seconded and unanimously approved.

Agenda Item 8: Approval of Investment Policy

The Finance Committee prepared an investment policy for the Institute. The policy already was reviewed by the Executive Committee.

H. Roux commented that the broker or dealer needs to be on the primary list of broker/dealers propounded by the Federal Reserve Board. Also the Finance Committee should choose the broker or dealer.

M. Rumbaugh: Page 3, fourth dot. Re: saving accounts. Need to qualify that savings accounts must be at banks that are FDIC insured.

Motion that the Broker/Dealer must be from the primary dealer group as listed by the Federal Reserve Board. Motion was seconded and unanimously approved.

Motion that the selection of the Broker/Dealer be approved by the Finance Committee. Seconded. Vote was two in favor and the rest opposed. The motion did not pass.

Motion that the item on page 3 (the fourth dot) regarding savings accounts be revised so that savings accounts must be at banks that are FDIC insured. Seconded. Unanimously approved.

Agenda Item 9: Approval of Procedure To Introduce New Activities Scope or Basis Changes to ANSI's Budget

Procedure states the correct method by which scope changes to the ANSI budget are proposed. This is an attempt by the Finance Committee to clarify how scope changes are to be handled.

H. Kluge suggested that the "etc." in the second to last line be removed.

G. Leyh suggested that the two "should(s)" in lines 7 and 8 be changed to "shall".

Motion to approve the proposed procedure with the suggested changes identified above. Seconded and unanimously approved.

Agenda Item 13: Report of the Finance Committee

Brief report with details included in the written report. Year-to-date income versus expenses is well-in-hand. At this point in time, we have a smaller variance in projected income than in prior years. Based on the third quarter forecast, we are still well on track to having net income of \$400,000.

Agenda Item 10: Proposal to Host 1998 IEC General Meeting

U.S. National Committee is working to garner the resources so that the United States will be able to host the 1998 IEC General Meeting.

B. Falk was candidate for IEC President. He was confirmed as President-Elect at the IEC meeting a week earlier.

The USNC constituency believes that it would be good for the U.S. to host an IEC meeting during Falk's term. The USNC launched a small committee to prepare a business plan. Final plan is scheduled to be completed by end of the month and will be used to solicit funds and letters of commitment.

Soon the project will become a financial issue because the Institute has to underwrite the event (and pay if other funding falls through).

Motion that the Board authorize the Finance Committee to review the business plan for IEC 1998 General Meeting (to be submitted by the USNC) and make appropriate recommendations to the Executive Committee for recommendation to Board. Seconded and unanimously approved.

Meeting would encompass about 1000 technical people and 500 accompanying persons for two weeks. The next General Meetings will be in South Africa (1995), Germany (1996), India (1997) and Japan (1999). The U.S. has not made any official offer. It will have to do so next year in October.

Agenda Item 11: Reports from Boards, Committees and Councils

Committee on Conformity Assessment:

N. McClelland for R. Autery: Business plan has been prepared and reviewed by BCCA; there will be some minor modifications and will be implemented in 1995. Reached a consensus on the goal for BCCA. Rick James, Director of Conformity Assessment, has been hired by ANSI (NAHB - ISO 9000 expert).

Discussions regarding the North American Tri-lateral meetings. Plans to develop MOU with Canada and Mexico.

Committee to working with IAC on international policy matters dealing with conformance.

The Ad Hoc Group on the Meaning and Value of the ANS Designation:

H. Roux: A questionnaire (including a key word list) was sent to the standards community.

A summary of the responses (over 100) was contained under item 11. It is being provided for use in development of the strategic plan. Report was prepared as an attempt to order the responses in a meaningful way.

There will be a final report prepared by the Ad Hoc Group to be presented to the Executive Committee at its next meeting.

Strategic Planning Committee:

Will meet after the Board meeting to discuss how to structure tomorrow's meeting. The Committee has developed suggested wording for a mission statement, core competencies and core strategies and an outline for possible goals to consider.

CMC:

Provided a final report on the Strategic Development Initiative.

Agenda Item 12: Report on International Activities

In November there will be the ninth round of discussion with Europeans (CEN, CENELEC, EC) in Brussels. (See Joe Tretler for further information).

Description of ETSI Intellectual Property Rights Policy. Under the proposed policy, you had to license if your technology was included in an ETSI standard. The owner could lose control over the intellectual property. Disputes would be settled in the French courts. Due to a lot of support from government and industry, it has been proposed that the ETSI IPR undertaking be withdrawn, with final ETSI General Assembly action to take place in November, 1994. The issue could be raised again or in other arenas (particularly in European Community).

General Assembly/ISO Council Meeting:

QSAR proposal was reviewed. Council accepted objectives of the proposal. Accepted the concept of peer recognition, but not at certification level. Rejected autonomous entity to manage this.

ISO Guides can be converted into standards only if they go through a committee and goes through due process/consensus. The issue on how to convert guides to standards has been sent back for further review so that the process has due process/consensus.

A joint IEC/ISO committee met to consider a revision to the patent policy. Ed Kelly chaired the meeting. Policy was presented to the Council. The U.S. had problems with one item. The proposed policy was sent back to committee to review this one point and some issues raised by Sweden.

J. Pearse reported that the following Council members were elected: Group 3 - Malaysia, South Africa and Saudi Arabia; Group 4 - Chile, Tunisia, Slovakia.

Pacific Area Standards Congress (PASC) - there was some concern regarding the relationship of PASC and the Asian Pacific Economic Cooperation (APEC). An ad hoc PASC working group meeting was held in July, and a special meeting of PASC was held in September.

H. Kluge pointed out that the meeting considered formalizing a Secretariat of PASC due to the need for closer coordination with APEC. G. Kushnier attended the ad hoc group meeting which prepared recommendations for the special meeting of PASC held in September. A Standing Committee of PASC on Standards and Conformity issues was formed, with Australia serving as its secretariat for a three year term.

R. Jones noted that the IEC meetings started after the ISO meetings were completed. Brazil and the North Korea suspended for non-payment. No country south of Mexico participated. Not unusual for ISO and non-IEC participation.

Copyright issues were discussed. Agreement that IEC and ISO reach agreement/MOU that the ANS designation is for U.S. national standards.

B. Falk in election became the Chair of two committees: (1) Re-write of IEC's master plan and (2) IEC management of technical work.

M. Rumbaugh reported that an environmental standard is being processed in the same way that the ISO 9000 series was developed through the EC. This is a document that companies will be expected to meet. He met with the people in Great Britain who wrote ISO 9000 and are writing this environmental standard. They are putting it on hold so that a broad management standard can be written.

M. McKiel reported that ISO TC 207 is interested in the auditing standards as well as the system management standard. U.S. industry should to be involved in this.

N. McClelland stated that she will be in Mexico on November 26 and 27 for a tutorial on what is happening in TC 207. Environmental area must be an area of interest for companies. Because we are underrepresented by persons who are going to Mexico, we cannot assume as strong a leadership position. NSF has invested heavily in this activity and encourages better participation so that U.S. can take a stronger leadership position. We have not been represented by EPA at some meetings.

Agenda Item 14: Report of the President

S. Mazza discussed the following goals:

- Facilitate a sense of what ANSI's role is. An Ad Hoc Group made up of large standards developers and chaired by Jim Thomas has prepared a list for discussion on what ANSI should do and what the SDOs should do. Henry Line is chairing a CMC Ad Hoc Group reviewing criteria for accrediting SDOs and other issues. Jim Turner (Chief Staffer for the House Subcommittee on Science, Technology and Aviation) has held meetings addressing what the standards community should be doing.
- Develop a set of common objectives with government agencies. NSSN is an example. Applied for a grant from the EPA to promote TC 207 activities. (Have received verbal approval for the grant.)
- Find a sensible way to help move consortia-sponsored activities into the voluntary standards system.
- Information Infrastructure Standards Panel covers so many sectors and will impact so many - need to take a broader approach than usual. Next week is the first full meeting (100 - 150 attendees expected).
- Work with SDOs to promote international adoption of U.S. standards. In the fourth quarter there will be a MSTQ conference. The U.S. has embarked on a program to assist third-world countries to help them set up standardization programs.

- ANSI, NFPA and COPANT signed an agreement to the effect that COPANT will encourage the use of NFPA standards where there is no ISO standard. JTC 1 TAG and IEEE have finalized synchronized procedures.
- ANSI University.
- SDI.
- Conformity Assessment.
- Dadie Perlov Study.
- Staff is developing appropriate measures of productivity and automation.
- Will have a LAN by year-end with e-mail gateway.
- Training program in the use of IT tools for ANSI staff.
- Offering some employees personal developmental training.

Upcoming Events:

- September 22 House Subcommittee hearing.
- CEO Round-Table as part of the World Standards Day.

Identified new staff who have experience and skills that have been missing at ANSI:

Rick James, Director of Conformity Assessment

Ken Peabody, Director of Information Central

Mike Ginsberg, Certified CPA, Controller

R. M. Hayden, Director of IISP Effort

For additional information, see the accompanying written report.

Agenda Item 15: Report of Legal Counsel

On August 24, 1994, ANSI was served with a summons and complaint. It was being added as a defendant in a state court case in Michigan regarding a gas hot water heater.

Agenda Item 16: Other Business

B. St. John gave presentations on Information Central and ANSI University.

L. Walser gave a status report on the Board Committee on Education and Training.

Motion made to approve the title, scope, terms of reference, initial membership list and operating procedures of this Committee. Seconded and unanimously approved.

Meeting adjourned until 8:00 a.m. the next morning.

Continuation of Board Meeting on September 21, 1994 at 8:00 a.m.

Ms. Linda Shinn from Consensus Management Group made a brief presentation of their report.

Some of the comments made were as follows:

- Conformity Assessment issues need more emphasis.
- Need to add value for different dues levels.
- Service volume is important.
- Perhaps ANSI should “get out” of all competition with its members or else forge partnerships.
- Higher percentage of revenues would come from SDOs.
- Should ANSI consider one dues structure if \$10,000 is the maximum? (Government and non-profits could pay more?)
- Timetable is too generous.
- Focus should not be retention of current revenue, but a new level of revenue.
- Educational and consumer representatives cannot afford to pay fees to have a more active role.
- Difficult to assess the scheme without “crunching the numbers”.
- Government could contribute by facilitating specific projects.
- Static model or growth mode? ANSI should restructure and focus on change. Maybe members should contribute to endowment to capitalize changes and dues restructuring. Staff should assess growth potential in addition to “crunching numbers”. Timetable is too long.
- ANSI probably should not set up a for-profit subsidiary.
- ANSI should be more aware of its competition and market share.
- ANSI needs to focus more on the future and the changes it should be making to stay vital.
- Report was pragmatic; focused on consensus, direction and willingness to pay. Difficult to determine what is the perception of the value of services. Is ANSI value-added?
- ANSI should stay out of competitive areas and focus on cost recovery. May need short term endowment fund to finance initial changes.
- Need to delineate between infrastructure and services.
- ANSI should begin making changes and should not wait until an entire plan is conceived.
- No plan will satisfy everyone. It is important to begin making changes and increasing awareness.
- It is necessary to take risks in order to change. ANSI has dynamic leadership. This leadership is capable of coming up with one plan and the Board should support it in taking risks. It is the best way to be focused when so many of ANSI’s constituencies have different agendas.
- It is hard to get closure in an open forum. S. Mazza should be empowered to steer changes.

T. O'Neill proposed that the Board meet for more than one day in December, 1994.

S. Mazza commented that if ANSI is to have any value it has to act as a federation. The competition is on the outside. ANSI as staff, SDOs, companies, government agencies, etc. have to learn to work together as a partnership or there will be no federation. We need a clear definition of roles. We need equitable funding. Too much energy is spent on disagreeing. There is not enough awareness of the globalization of markets. Finding a solution to how to restructure ANSI's funding will be a complex task, because different organizations ascribe different values to things. The process probably cannot be simplified. ANSI will not go into the testing and certification business.

S. Mazza stated that the key issues were as follows: (1) How quickly is the ANSI community prepared to change? There is a lot of fear of change in this community. We have to change and change quickly or will we become obsolete. Change, however, implies risk. (2) What is the appropriate balance of funding? We should not waste time on infighting. (3) We must focus on ANSI's strategic plan and its mission, and must determine what is the value and meaning of the ANS designation. What is ANSI's role as opposed to that of the SDOs? What are ANSI's domestic and international roles? ANSI should not be afraid of change. For example, permitting certain SDOs to self-designate ANSs is essential to bring everyone together.

Some of the comments then made were as follows:

- The President should lead us. He should form an advocacy position and should perform a control function for us.
- The President identified some key issues. He should come up with a plan and execute it, and we will support him 100%.
- The Board should add time at the next meeting to discuss whatever S. Mazza proposes. Most of their agenda items can be resolved by letter ballot prior to the meeting.
- The Board should not micro-manage.
- There is value in the ANS designation. ANSI should charge for it and transfer the costs to the users.

T. O'Neill asked for a show of hands in favor of having (1) the President finalize the strategic plan with the changes he feels are necessary and important and (2) the implementation of the President's strategic plan and the 1995 budget be the focus of the December 1994 Board meeting, with other issues being the subject of a letter ballot. He proposed that the Board meet on the afternoon of December 7 in addition to December 8. The vote was unanimous in favor of the Chairman's proposal.

ATTENDANCE
Board of Directors Meeting
September 20, 1994

Westfields International Conference Center
Chantilly, Virginia

Present

Dr. Ronald H. Abrahams
Dr. G. Fredric Bolling
Mr. Paul E. Borawski
Mr. Arnold W. Braswell
Mr. Samuel D. Cheatham
Mr. Colin B. Church
Mr. Frank M. Coda
Mr. Francis L. Criqui
Mr. Douglas E. Dutton
Mr. George L. Edwards
Mr. Glenn F. Harvey
Dr. Robert J. Hermann
Mr. Ronald L. Jones
Ms. Nancy A. Kippenhan
Mr. J. Hans Kluge
Mr. George F. Leyh
Dr. Nina I. McClelland
Ms. Mary C. McKiel
Mr. Richard G. Meier
Mr. Paul W. Mercer
Mr. J. Edward Muns
Mr. Stephen P. Oksala
Mr. Joseph F. O'Neil
Mr. Anthony R. O'Neill
Mr. James N. Pearse
Mr. Terry N. Rahmeier
Mr. Ronald H. Reimer
Mr. Henry J. Roux
Mr. Max E. Rumbaugh, Jr.
Mr. Gregory E. Saunders
Mr. Richard J. Schulte
Mr. Howard Seltzer
Mr. Oliver R. Smoot
Mr. Keith B. Termaat
Dr. F. LeRoy Walser
Mr. Lawrence L. Wills

Others Present

Mr. Charles Arnold (for Mr. Jim E. Lapping))

Mr. Diego Betancourt (for Mr. Fara Faramarzpour)

Ms. Belinda Collins (for Dr. Arati Prahbakar)

ANSI Staff

Mr. Sergio Mazza
Mr. Michael Hoynes
Mr. Gary Kushnier
Ms. Amy Marasco
Ms. Bernadette St. John
Ms. Frances Schrotter
Ms. Beth Somerville
Mr. Paul Szymialowicz
Mr. George Willingmyre