



February 4, 2005

Mr. Gene Kohlenberg
Executive Director
Optics and Electro-Optics Standards Council
PO Box 25705
Rochester, NY 14625-0705

Dear Mr. Kohlenberg:

Dr. Hurwitz has asked that I respond, on his behalf, to your letter dated January 15, 2005 that addresses international assessment fees paid to ANSI. I appreciate OEOSC's concerns, and I am sympathetic to your organization's budget constraints.

ANSI makes every effort to ensure that fees that support our programs are fair and reasonable. In the same light, we work hard to ensure that our international programs are managed efficiently and effectively. In order to ensure effective representation of U.S. interests in the work of ISO, both at the technical and policy levels, ANSI engages in the following activities:

- Manage and facilitate outreach to ISO, IEC and JTC1 P-membership programs (our interface with US/TAGs and US-held secretariats);
- Manage and coordinate ANSI governance groups such as the ANSI International Policy Committee, the ANSI International Council, and USNC/IEC Technical Management Committee (bodies that help us establish U.S. consensus positions on policy matters);
- Advocate US positions through direct participation in ISO and IEC policy committees such as ISO Technical Management Board and IEC Committee of Action (bodies that set procedural and/or policy directions for the ISO and IEC);
- Payment of annual dues to ISO and IEC (approximately \$2 million/year).

Currently our international fee structure is based on the P-membership and Secretariat activity level of an organization, not on the size or budget of an organization. The current mechanism of using activity levels to determine international assessment fees dates back to the 1980's. As time progressed, U.S. involvement in global standardization activities rose sharply and ANSI found itself faced with serious deficits related to our international programs. By the late 1990's it became apparent the ANSI needed to make significant changes to its funding model.

During this period of time ANSI (via an ad hoc group of the ANSI Organizational Member Council) considered various options and alternatives to this fee mechanism,

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including some of the ideas you suggest in your letter. These options were presented to the entire OMC and, in the end, it was determined that the current activity-based mechanism for calculation of international assessment fees was favored by the majority of our members. The decision was taken to retain the model but increase the fee schedules and, for organizations with ISO activity, the implementation of an additional assessment fee of \$490 per P membership was instituted. The current fee levels have not changed since 1999.

As an ANSI member OEOSC is certainly aware that the costs for programs and services we provide to our members continue to rise. At the same time, sources that helped ANSI to fund international programs in the past, such as a substantial \$500K government grant award, are no longer available to us.

ANSI's international annual program costs, including dues paid to ISO and IEC, are over \$4.4 million. Fee and assessment revenue accounts for \$1.85 million or 42% of our total cost. Thus, international programs must be subsidized by other general revenue sources such as publication sales. Since we can not always rely on general revenue sources to provide sufficient revenue to subsidize international programs (as well as many of our other important programs), moving forward ANSI must look to ways we can improve direct funding of programs.

ANSI expects that it will be necessary to raise international activity fees in 2006, for the first time since 1999. We are currently exploring how best to implement a new funding model and we will certainly consider the points you raise in your letter. I can not promise that OEOSC's international activity fees will not increase in the future, but I will assure you that we will work hard to minimize the impact on organizations with lower levels of international activity.

We appreciate the effort and contribution that the OEOSC and organizations like it around the country make to the furtherance of U.S. and global standardization goals. If you have any questions or would like to discuss this matter further, please do not hesitate to contact me (212.642.4934) or Mr. Joseph Tretler, ANSI's Business Director, Standards Facilitation (212.642.4977).

Sincerely,



Frances E. Schrotter
Senior Vice President and COO

Copy to: M. Hurwitz
J. Tretler