

Program Overview and Highlights

| INTERNATIONAL ACCREDITATION SERVICE, INC. (IAS) |

Now in its fifth year of independent operation, IAS is progressing from one success to another. With revenues projected to reach 12 percent above 2007, IAS will once again finish the fiscal year in the black. In its first five years of operation, the organization has doubled its staff, increased its contract assessor base by more than 50 percent, raised overall revenue two-and-one-half times and, except for a nominal fee adjustment in the Building Department Accreditation (BDA) Program, managed to keep fee increases in check.

While the competitive environment in which IAS operates hasn't changed much, the fact that a for-profit competitor has joined with a nonprofit standards body is causing some concern. We are, however, quite confident that IAS's name recognition, service quality and competitive fees will continue to attract new clients.

The IAS revenue stream has already benefited from investment in new business areas such as inspection programs for the metal building industry; rapid growth in the testing laboratory accreditation area; and from a new program for accreditation of product certifiers under ISO Guide 65. These steps, coupled with increasing demand for accreditation of special inspection agencies (as signified by the recent decision of New York City), bode well for the future of accreditation in general, and indicate a solid future for IAS.


Demand continues to climb for training in conformity assessment standards. During the past 12 months, building department lead evaluator training classes have been held in Nevada, Oregon and California. A three-day session is scheduled to coincide with the International Code Council Annual Conference in Minneapolis. Training in three entirely new areas was held in 2008: a two-day session for lead assessors for the curriculum development and instructor training under IAS's accreditation criteria AC371 and AC372; a two-day program in Vancouver, British Columbia, for those seeking to be credentialed as certified calibration technicians (CCTs); and a pair of two-day training sessions for inspectors involved with the metal building fabrication industry. Meanwhile, IAS's core training areas involving ISO 17020 (for inspection agencies), ISO 17025 (for testing and calibration laboratories) and Measurement Uncertainty, continue to grow. Of particular interest is the newly emerging sustainability (green building) area, where IAS is partnering with an Indian company to deliver training under the U.S. Green Building Council's LEED standard and the emerging ICC 700-2008: National Green Building Standard for residential construction.

IAS's recognition in the international arena continues to expand, as with recent renewal for a full four-year term of its status in the Mutual Recognition Arrangement of the Asia Pacific Laboratory Accreditation Cooperation (APLAC). An international team of evaluators from Japan, China and Taiwan spent eight days in November 2007 evaluating IAS's accreditation infrastructure and recently concluded that IAS was operating in full compliance with the international standard ISO 17011 for accreditation bodies.

2008 started with several significant changes in IAS's board of directors. James L. Brothers (Decatur, Alabama) and Sheila S. Lee (Santa Clara, California) retired from the board after serving with great distinction. They were replaced by Guy Tomberlin (Fairfax County, Virginia) and Isam Hasenin (City and County of San Francisco, California). To enhance its international image and operations, the International Code Council Board appointed Dr. I. E. Katkhuda of the Arab Center for Engineering Studies, Amman, Jordan, as the first international director of IAS. A new industry representative position also was created on the IAS board and has been filled by James Toscas, P.E., president of the Precast/Prestressed Concrete Institute. This year, two new members were appointed to the IAS Accreditation Committee. The first, Imad Eldurubi, from Pompano Beach, Florida, became the first industry representative ever appointed to the Accreditation Committee. The second, Jonathan Barr, is a licensed civil engineer working for the Clark County Building Department in Nevada. Eldurubi and Barr replace Mr. Hasenin and Mr. Tomberlin, who moved on to the IAS Board of Directors. Under Chairman William Dumbaugh's leadership, the Accreditation Committee provides transparent oversight of IAS accreditation operations.

With establishment of a new Technical Advisory Council (TAC) for product certification agencies, IAS now has five TACs in operation to help guide the organization on technical issues. Specific program requirements and technical issues are referred to the TACs which are comprised of members selected from senior management positions within testing laboratories, inspection agencies, calibration laboratories, product certification agencies and governmental or regulatory organizations. The TACs act in an advisory capacity on matters regarding accreditation protocol, conformity assessment, testing, inspection, calibration, certification and other subjects relating to IAS accreditation activities. The current IAS TACs include: Laboratories, Inspection Agencies and IBC Special Inspection Agencies, Building Departments, Qualification Programs, and Product Certification.

IAS is deeply indebted to the outstanding individuals who serve on its board, committee, and councils and contribute their time and talent to strengthen the organization. IAS is truly blessed to have outstanding full-time and contract personnel that rally behind our banner of quality and integrity.



The May 2008 IAS Board meeting in Washington, D.C., established several firsts for the Board. IAS Board members, as a group, and the executive staff volunteered at a Habitat for Humanity build site. This activity, coupled with the Code Council's donation to the local Habitat chapter, exemplifies both organizations' spirit of service and helps to bring affordable, green and energy-efficient homes to Washington, D.C., families in need. At a reception at the U.S. Capitol, Board President Steve Shapiro honored IAS board member Ravi Shah, Director of Urban Development for the City of Carrollton, Texas, for his efforts to raise the bar for code officials through creation of the Building Officials Association of Texas Best Practices Award by presenting him with the Code Council Building Safety Award. Also during Building Safety Week, IAS board members and executive employees joined a delegation from the International Code Council and visited Capitol Hill to build support for the Community Building Code Administration Grant (CBCAG) Act.

Thanks to volunteers from the Code Council membership, IAS is able to staff its Board of Directors, Accreditation Committee, and Technical Advisory Councils with outstanding individuals. Voluntary assistance from leading governmental officials also permits IAS to field nationally recognized experts for its BDA program, leading to a positive peer-review process which is critical to the program's success. Finally, the Code Council membership is assured of high-quality services and high integrity from testing and calibration laboratories, special inspection agencies, and fabricator inspection programs, through recognition of IAS accreditation of the agencies that perform such work.

This annual report would not be complete without recognizing the efforts of IAS's dedicated employees; employees that work tirelessly to make IAS a success.

It gives me great pleasure to report on the continued success and expansion of IAS throughout 2007 and during the first half of 2008. But the best is yet to come with new initiatives developed by IAS employees that bring great promise for increasing IAS's technical capabilities and financial health. IAS continues to expand and to explore new areas of accreditation in its efforts to provide value to industry and especially to the International Code Council membership. International growth continues to develop, with new IAS accreditations and training programs completed in the Middle East and Canada, and with more opportunities on the horizon. IAS's core business of accrediting laboratories, inspection agencies and fabricator inspection programs continues to show steady growth. The challenges IAS faces in the latter half of 2008 and in 2009 are being addressed with added employees, technical experts and an improved information technology system to ensure that IAS will continue to provide the service to which its customers have become accustomed.

I would like to take this opportunity to thank my fellow board members for their support, and especially the IAS employees for their dedication, hard work and proactive mind-set that has carried IAS to new heights. I would also like to recognize the efforts of the IAS Accreditation Committee and the volunteers who serve on IAS's Technical Advisory Councils, for their keen insight and ability to help the organization maintain its splendid reputation for technical excellence. Finally, I would like to thank the International Code Council Board and staff for its full support. I urge Code Council members to learn about IAS and to tell us about their needs in order for us to serve them.



A handwritten signature in black ink, appearing to read 'Majed A. Dabdoub'.

Majed A. Dabdoub, P.E.
Chair of the Board
International Accreditation Service, Inc.

In early April 2008, under the threat of an impending national recession, the IAS family gathered to plan for the next three years. In preparation for this meeting, several employee teams worked for weeks to examine the strengths and weaknesses of the organization and to develop the three-year business plan which was discussed and adopted. What I saw at this meeting was convincing proof that the entire IAS staff was willing and able to assume the hard work and sacrifices needed to make the IAS brand the most sought-after mark in accreditation.

Given the increasing interest in IAS services from the Middle East, a new Arabic section was added to our website in August 2008. This, coupled with the appointment of Dr. Izz Eddin Katkhuda of the Arab Center for Engineering Studies to the IAS board of directors, demonstrates further our commitment to the Middle East and the international arena.

In another significant move, a new industry representative position was created on the IAS board, and James Toscas, P.E., president of the Precast/Prestressed Concrete Institute was appointed to fill the position. The recent addition of Dr. Katkhuda and Mr. Toscas adds significantly, we think, to the technical and business vision of the IAS Board of Directors.

I believe in the saying that if there is thirst from below, grace will surely be bestowed from above. The entire IAS team, from the Board of Directors and the Accreditation Committee to the advisory councils and all of our employees, contract assessors and technical experts, has consistently responded to the demands placed on them with no expectation of rewards or honor. The regular feedback I receive from our clients indicates a very high level of satisfaction with our services. What more can one ask for?

The number and complexity of accreditation programs offered by IAS has grown substantially this year, adding to the demands on our employees for specialized expertise.

I want to take this opportunity to thank the IAS Board for its clear direction, the Accreditation Committee for its astute decision-making and the advisory councils for their technical guidance.

Without the Code Council's encouragement, many of our ambitious projects would not have gotten off the ground. We are thankful for its strategic guidance and support.



A handwritten signature in black ink that reads "C. P. Ramani". The signature is written in a cursive, flowing style.

C. P. (Chuck) Ramani, P.E., C.B.O.
President
International Accreditation Service, Inc.