The American Association for Laboratory Accreditation

A2LA
2005 Annual Report

May 31, 2006

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MESSAGE FROM THE PRESIDENT

We are proud to provide you with the 2005 annual report.

A2LA significantly grew in 2005, a recognition of the premier status that we have in this country. A2LA has, by the end of 2005:

1803 accreditations, and
143 applicants in the process of achieving accreditation.

We take pride in providing value-adding services to our customers and continually improving our day-to-day activities. Part of that continual improvement included an examination and re-evaluation of the governance strategy employed by our Board of Directors. A2LA's Vision Statement was revised, now simply stating that our aim is:

"To be the premier provider of accreditations accepted everywhere."

The Mission statement was similarly finessed to clarify our commitment to:

"Provide world class accreditation and training services for laboratories, inspection bodies, proficiency testing providers, reference material producers and product certifiers. These and other future services are intended to create stakeholder confidence in the competence and integrity of all A2LA-accredited organizations. Support continual improvement of services for existing and emerging needs of stakeholders."

Ends policies were developed related to global acceptance, accreditation programs, business development, processes, customer relationships & satisfaction, human resources, and fiscal integrity – all of which lay the foundation for establishing measurable strategies and tactics for A2LA's continued growth and ability to provide a value-added service to our customers and the world community well into the future.

Although we remain the largest multi-discipline accreditation body in the United States, we continue our proactive marketing efforts to enhance the value of and acceptance of our programs and internationally recognized accreditations. These efforts ultimately benefit the organizations that choose to seek accreditation from A2LA.

We salute our Association members, accredited and applicant organizations, stakeholders, assessors and countless volunteers for the significant contributions made to our organization in 2005. As always, we count on your support and participation.

For the Board of Directors

Peter S. Unger, President

INTRODUCTION

The AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION (A2LA) is a nonprofit, nongovernmental, public service membership society dedicated to the formal recognition of competent laboratories and related activities.

During 2005, A2LA operated the following different types of voluntary accreditation programs to recognize competency in support of assuring the quality of data used in decision-making:

- Accreditation of testing and calibration laboratories (regardless of ownership); the essential requirements are technical competence and compliance with ISO/IEC 17025:2005;
- Accreditation of inspection bodies to ISO/IEC 17020:1998;
- Accreditation of proficiency testing providers to ILAC G-13:2000;
- Accreditation of reference material producers to ISO Guide 34:2000 in combination with ISO/IEC 17025;
- Accreditation of product certification bodies to ISO/IEC Guide 65:1996.

During 2005, A2LA maintained a membership of 417 individuals and organizations. Membership in A2LA is separate and distinct from accreditation. Members elect the Board of Directors and receive discounts on training and accreditation fees.

Recognition of the A2LA laboratory accreditation program comes from organizations around the world with which A2LA has mutual recognition arrangements or other forms of recognition.

A2LA's conformity assessment programs are described in the paragraphs that follow.

DESCRIPTION OF A2LA ACCREDITATION PROGRAMS

LABORATORY ACCREDITATION

Laboratory accreditation is that part of the conformity assessment process that recognizes the technical competence of laboratories providing calibration or test data. A2LA accredits all types of laboratories and thus provides one place where a laboratory can achieve accreditation for all of its testing and calibration activities.

A2LA uses ISO/IEC 17025:2005 as the general requirements for accreditation of laboratories. The conditions for accreditation (the laboratory's commitment) and a description of the accreditation process are maintained in A2LA's document General Requirements for Accreditation of Laboratories.

Because of the needs of users (users of accredited laboratories) and specifiers (organizations that require accreditation, including government and private sector), specific technical criteria have been developed to amplify the requirements of the general criteria (ISO/IEC 17025) for several of the programs and fields of testing and calibration.

A separate Scope of Accreditation is given for each field. It lists specific tests, types of tests, or calibrations for which the laboratory has been found competent. For calibration laboratories, scopes of accreditation also include a description of the laboratory's capabilities in terms of measurement parameter, range, best measurement capability expressed as an uncertainty, and technique and/or equipment.

The application for accreditation describes the many technical fields and programs for which a laboratory may apply. These include the programs listed in Table 1.

Table 1. LABORATORY ACCREDITATION FIELDS AND SPECIAL PROGRAMS

* *Fields and special programs with additional requirements beyond ISO/IEC 17025*

Acoustics & Vibration Tests involving the measurement of noise emission, noise exposure, sound transmission, sound absorption, and vibration.

Biological Biological, microbiological and biochemical testing and measurement, including examination of foods and pharmaceuticals.

- Food Microbiology *
- Veterinary Diagnostics*

Calibration * Measurements typically conducted by standards and calibration laboratories for a variety of measurement quantities.

Chemical Chemical analyses and detection including instrumental and automated methods, and associated physical tests on materials and products.

- Animal Drug Testing *
- Coal
- Fertilizers
- Fasteners and Metals
- Paint
- Food Chemistry *
- Veterinary Diagnostics*
- Aerospace*

Construction Materials * Tests to determine the engineering properties of materials and products used in construction.

Electrical Tests of an electrical and electronic nature performed on instruments, equipment, appliances, components, and materials. Includes EMC, CTIA, Specific Absorption Rate (SAR) and Bluetooth testing.

- Automotive EMC *

Environmental.* Tests for constituents in various EPA environmental media.

- Air
- Water
- Radon
- Asbestos
- Bioassay
- Solid/Hazardous Wastes
- Environmental Lead (Pb) *
- Underground Storage Tanks (KY & WY) *
- TX Department of Health Indoor Air Quality*

Geotechnical * Tests of soil and rock to provide engineering data.

- Putting Green Materials *

Mechanical Tests, measurements, and evaluation of physical properties of materials, components, and assemblies.

- Fasteners and Metals
- Paint
- Paper
- Plastics
- Rubber
- Windows and Doors
- Aerospace*

Nondestructive* Examination of materials, components, and assemblies to detect discontinuities without damaging the material, component or assembly.

Thermal Tests involving the measurement of fire, heat, flow, temperature, and humidity.

- Fire Testing
- Insulation Performance

INSPECTION BODY ACCREDITATION

For the purpose of accreditation, inspection is defined as the examination of a product, design, service, process, plant, material, component, or assembly to determine conformity with specific requirements or, on the basis of professional judgment, general requirements. Inspection of processes includes personnel, facilities, technology and methodology that make up the process. The results of inspection may be used to support certification.

A2LA recognizes the close relationship between inspection, sampling, testing and measurement, yet understands that inspection includes a variety of activities not covered in testing laboratory accreditation. Different but related requirements are needed. A2LA is committed to using the latest international standards and so uses as the general requirements for this program ISO/IEC 17020: 1998, *General Criteria for the Operation of Various Types of Bodies Performing Inspection*. A2LA interpretations of this Standard are taken from the IAF/ILAC-A4: 2004 – *Guidance on the Application of ISO/IEC 17020*. Added requirements deemed necessary to clarify issues related to the use of the A2LA-Accredited symbol on inspection reports and the relationship of inspections versus tests and measurements that may be involved as part of the inspection process are also included.

Accreditation is based on the assessment of the performance of an inspection body including procedures, staff competence and reporting. It is available to all types of inspection bodies including in-house services. A2LA acknowledges that some user organizations may choose to accept only inspections conducted by third party (independent) bodies. It is up to such organizations to decide which accredited inspection bodies they will accept.

An inspection body can be an organization, or part of an organization, but must be discretely identifiable in order to be accredited. An inspection body engaged in testing, measurement or sampling work may apply for accreditation for its work as a laboratory concurrently with its application for accreditation for inspection or add some simple tests to its inspection scope.

A2LA welcomes applications for the accreditation of all types of inspection work. The following are examples of work for which accreditation may be sought:

- Agricultural products
- Bulk cargoes (e.g. coal, iron ore, petroleum)
- Cargoes in containers and packages
- Cast products
- Cranes
- Electrical equipment
- Foods
- Forged products
- Mechanical equipment
- Pipelines
- Protective coatings
- Rolled products
- Structures (e.g., concrete, steel, timber)
- Textiles
- Welding

PROFICIENCY TESTING PROVIDER ACCREDITATION

Proficiency testing (PT) programs are used by A2LA as part of the laboratory accreditation assessment process to determine the ability of laboratories to perform competently tests or calibrations for which accreditation is held. Proficiency testing programs are also used to monitor accredited laboratories' continuing performance.

The A2LA Accreditation Program for Providers of Proficiency Testing Programs is designed for proficiency testing providers who wish to demonstrate their competence by formal compliance with a set of internationally acceptable requirements for the planning and implementation of proficiency testing programs. The program also provides users of proficiency testing programs (laboratories, accreditation bodies such as A2LA, technical assessors, etc.) increased confidence that the PT programs being relied upon are being operated competently in accordance with specified technical and management system requirements.

The specific assessment requirements for this program are based on the requirements contained in ILAC G-13: 2000, *Requirements for the Competence of Providers of Proficiency Testing*. These requirements are based upon ISO Guide 43-1(1997) and on the relevant elements of ISO/IEC 17025:1999 applicable to characterization, homogeneity, and stability testing of proficiency testing materials.

A2LA has also been recognized by the National Environmental Laboratory Accreditation Program (NELAP) as a proficiency testing oversight body/proficiency testing provider accreditor (PTOB/PTPA). By virtue of this recognition, A2LA is able to conduct assessments to the stringent NELAC requirements and offer accreditation that covers all of the NELAC fields of proficiency testing. The A2LA NELAC PTOB/PTPA Program is based on the following requirements: ISO Guide 34:2000, ISO Guide 43:1997, ISO/IEC 17025-2005, NELAC Chapter 2: 2003, the relevant sections of NELAC Chapter 5: 2003, and the EPA National Standards for Water Proficiency Testing Studies, Criteria Document 1998.

A2LA recommends that wherever possible, A2LA-accredited testing and calibration laboratories use accredited proficiency testing (PT) providers to meet the accreditation requirements for participation in proficiency testing.

REFERENCE MATERIAL PRODUCER ACCREDITATION

The A2LA Accreditation Program for Reference Material Producers is designed for producers of reference materials who wish to demonstrate their competence by formal compliance with a set of internationally recognized criteria. The program will provide users of reference materials, such as testing and calibration laboratories, with increased confidence that the reference materials being relied upon are being produced in accordance with specified technical and management system requirements and are of appropriate quality.

The requirements for this program are based on those contained in ISO Guide 34, *General Requirements for the Competence of Reference Material Producers*, in combination with ISO/IEC 17025. ISO Guide 34 sets out the general requirements that a reference material producer has to demonstrate that it operates in compliance with, if it is to be recognized as competent to carry out the production of reference materials. It is recognized that each reference material needs to be characterized mainly to the level of accuracy required for its intended purpose (i.e. appropriate measurement uncertainty.)

PRODUCT CERTIFICATION BODY ACCREDITATION

A2LA recognizes the very close relationship between certification and testing yet understands that certification includes a variety of activities not covered in testing laboratory accreditation. Certification includes the examination of test reports for compliance with specified criteria – both domestic and international. As such, A2LA introduced an accreditation program for product certification bodies in December 2005. A certification body may apply for accreditation separately or, if they are also engaged in testing, measurement or sampling work, they may apply for accreditation for this work concurrent with their application for accreditation of their certification activities.

The general criteria for A2LA accreditation of product certification bodies are contained in ISO/IEC Guide 65:1996, *General Requirements for Bodies Operating Product Certification Systems*. Additional criteria may be needed depending on particular user needs (e.g. FCC).

A2LA accreditation attests that a product certification body has demonstrated:

- that it is competent to perform specific product certifications or specific types of product certifications;
- that its quality system is documented, is fully operational, and addresses and conforms to all elements of ISO/IEC Guide 65:1996;
- that it is operating in accordance with the required quality system; and
- that it conforms to any additional requirements established by A2LA.

Accreditation is based on A2LA's assessment of a product certification body's performance including procedures, staff competence and reporting. It is available to all certification bodies including in-house services.

LABORATORY ACCREDITATION ACTIVITY

At the end of 2005, A2LA had 1,793 laboratories accredited in 48 states, Australia, Canada, Cayman Islands BWI, Chinese Taipei, Ecuador, Egypt, France, Germany, Guatemala, Hong Kong, Israel, Italy, Japan, Kazakhstan, Korea, Mexico, the Netherlands, Republic of China, Qatar, Thailand, Trinidad & Tobago and the United Kingdom, an increase of 3.9% over 2004. During this same period, 94 accreditations were withdrawn. A 15-year growth rate is shown in Figure 1. A comparison of accredited laboratories in various fields of testing and calibration with previous years is shown in Table 2 below.

The number of entities enrolled has shown a net increase of 92 (1854 at the end of 2004; 1927 at the end of 2005). For the year, a total of 172 new applications for accreditation were received and 134 entities were in the process of becoming accredited at year's end.

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Figure 1

TABLE 2

Field of Testing	A&V	Bio	Cal	Chem	CMT	Ele	Env	Geo	Mech	NDT	Ther	Total
Dec. 31, 2005	21	70	453	235	70	189	40	36	652	19	8	1,793
Dec. 31, 2004	22	59	422	231	73	160	48	35	641	24	8	1,723
Dec. 31, 2003	22	44	379	216	74	157	50	34	646	23	6	1,651
Dec. 31, 2002	21	37	356	207	72	146	59	35	648	23	8	1,612
Dec. 31, 2001	23	35	292	211	83	124	72	34	669	19	11	1,573
Dec. 31, 2000	20	26	180	219	82	126	90	34	690	12	12	1,491
Dec. 31, 1999	17	23	91	212	80	102	93	35	667	16	12	1,348
Dec. 31, 1998	13	19	42	204	80	83	98	34	598	16	8	1,195
Dec. 31, 1997	11	7	12	185	75	63	122	32	457	15	8	987
Dec. 31, 1996	7	5	9	184	74	25	120	32	407	15	4	872
Dec. 31, 1995	6	5	6	158	61	22	113	27	356	17	3	774
Dec. 31, 1994	5	5	9	155	56	6	103	24	307	18	2	700
Dec. 31, 1993	5	4	6	138	51	10	76	22	265	14	2	593
Dec. 31, 1992	3	3	1	108	42	7	60	22	200	13	1	460

ACCREDITED LABORATORIES BY MAJOR FIELD:

The number of A2LA ACCREDITED LABORATORIES in each field is summarized in Figure 2. Details about tests, types of tests, or calibrations included in a laboratory's accreditation are identified in a Scope of Accreditation and can be obtained by visiting our website or contacting A2LA.

A laboratory may be competent to perform tests, types of tests, or calibrations other than those listed on its scope or may not perform the tests or calibrations exactly as written for some customers. The laboratory and its customer must agree on the method to be used. If a laboratory presents data on a test report or calibration certificate carrying an A2LA Accredited symbol, however, that data must be as a result of using a method identified in the scope as stated. Data resulting from an unaccredited method and reported on an endorsed test report must be clearly identified as such.

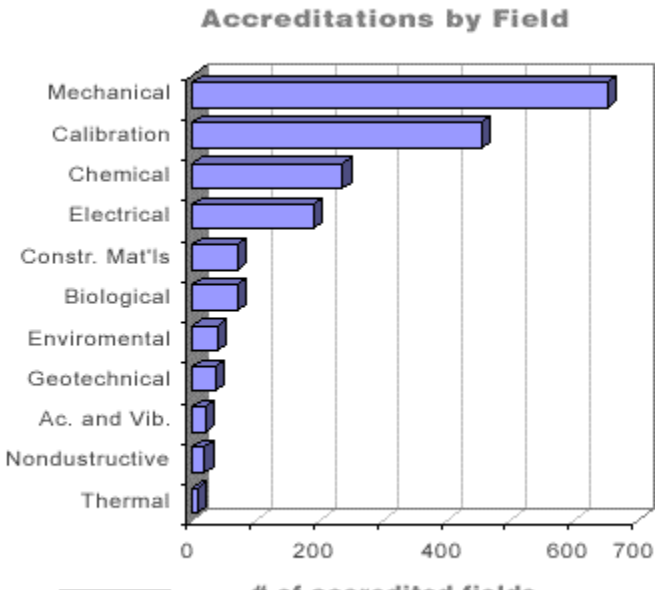


Figure 2

ASSESSORS

Assessor selection is based on confirmation of the assessor's technical expertise, successful completion of the training process, and continued satisfactory performance of assessments. The key requirement is knowledge of the technology in the areas the assessors will be assessing. All assessors are required to pass the four-day A2LA assessor orientation course that includes instruction on ISO/IEC 17025 and on A2LA's policies and procedures for performing assessments.

A2LA lead assessors must be approved by the A2LA Board of Directors (BOD) on a yearly basis. The names of new lead assessors are submitted to the BOD once they have successfully passed the staff evaluation to conduct the technical and quality systems portions of the on-site assessment. Returning assessors must also be evaluated on a regular basis. There were more than 100 contracted assessors in 2005.

Ten additional new assessors were initiated into the assessor training program, four of whom successfully completed the A2LA assessor evaluation process and were approved as lead assessors by the end of 2005. Over 100 names of additional testing and calibration experts are on file as potential assessors.

More than 100 assessors attended the annual Assessor Conclave in Columbia, Maryland to discuss issues affecting accreditation and to develop policies to further consistency and uniformity in assessments. Measurement uncertainty, traceability, and ISO/IEC 17025 interpretations were the main topics of discussion. Assessors also met with Accreditation Council members and participated in technical committee meetings. Training sessions to orient new assessors, to discuss updates to the automotive EMC program, and to provide routine refresher training for environmental Lead (Pb) assessors were held.

TRAINING AND SEMINARS

Training course enrollment was very strong in 2005. The following classes were offered publicly in 2005:

- ISO/IEC 17025 and Accreditation
- Introduction to Measurement Uncertainty
- Assessment of Laboratory Competence
- Control Charting for Metrology Applications

In addition to the public offerings, A2LA sponsored many in-house courses to satisfy the needs of our larger laboratory clients.

INTERNATIONAL ACTIVITIES

Internationally, A2LA continues to participate in the activities of the International Laboratory Accreditation Cooperation (ILAC) and associated regional bodies.

In 2000, A2LA signed the International Laboratory Cooperation (ILAC) Mutual Recognition Arrangement (MRA) between 36 accreditation bodies from 28 economies worldwide. Since then, additional accreditation bodies from other economies joined the MRA. Established in 1977, ILAC is the premier international forum for the harmonization of laboratory accreditation procedures and policies as a means of reducing technical barriers to trade and the promotion of laboratory accreditation as a mechanism to enhance confidence in testing and calibration facilities, both domestically and internationally.

Other international cooperation arrangements in effect during 2005 included the MRA with the Asia Pacific Laboratory Accreditation Cooperation (APLAC), the bilateral agreement with the European Cooperation for Laboratory Accreditation (EA) MRA members and the multi-lateral agreement with the Inter-American Accreditation Cooperation (IAAC). Information about the international accreditation systems with whom A2LA has a valid agreement as of May 31, 2006 is presented in Appendix A of this Annual Report. Copies of the MRAs are available upon request. A2LA will testify to the competence of each accreditation system with whom it has an MRA and attest to the fact that they follow the recognized norm for operating such systems, ISO/IEC Guide 58 (which is currently transitioning to ISO/IEC 17011), and use ISO/IEC 17025 as the basis for the accreditation of laboratories. Up-to-date information on cooperating laboratory accreditation systems can be obtained by visiting our website or contacting A2LA Headquarters.

Staff members from A2LA continue to hold key leadership positions in ILAC and APLAC. Peter Unger, A2LA President, stepped down as chair of the International Laboratory Accreditation Cooperation (ILAC) Arrangement Management Committee (AMC) and the Asia Pacific Laboratory Accreditation Cooperation (APLAC) as well as convener of the working group on ILAC Arrangement documentation. Mr. Unger was elected as ILAC Vice Chair for 2005-2006. Mr. Unger also represented the United States on the ISO/CASCO Working Groups (WG) for ISO/IEC 17011 (replacing ISO/IEC Guide 58) and amendments to ISO/IEC 17025.

Roxanne Robinson, A2LA Vice President, has been appointed as one of the Evaluation Managers for the ILAC Arrangement and as a convener of the ILAC WG on assessor qualifications and competence and is recognized as a lead evaluator for ILAC. Ms. Robinson has also been appointed Vice Chair of the ILAC Arrangement Committee and she is co-chair of the ILAC/IAF joint working group on the A series documents and convenor of the ILAC working group on revision to the P series documents.

NATIONAL ACTIVITIES

Standardization activities in accreditation and conformity assessment remain a high priority for the Association. In addition to its ISO standards activities, A2LA participates on ASTM Committee E36 on Conformity Assessment. The Committee is involved in accreditation and inspection standardization activities that A2LA considers important to support. Staff members are also involved in numerous ASTM, ANSI and NCSL International committees related to technical and accreditation issues.

RECOGNITION OF A2LA PROGRAMS

Recognition of A2LA programs includes formal written agreements between A2LA and users of accredited laboratories, officially documented endorsements of A2LA programs, and informal acceptance between A2LA and various parties. Below are listed the Federal agencies, State agencies, and private sector parties with whom A2LA has some type of formal written agreement of recognition or documented endorsement in 2004.

- The Environmental Protection Agency's (EPA) Office of Pollution Prevention and Toxics (OPPT) formally recognizes A2LA as a laboratory accreditation body working in cooperation with the EPA National Lead (Pb) Laboratory Accreditation Program (NLLAP) to accredit lead (Pb) testing laboratories. Laboratories seeking to be listed on the NLLAP approved list must comply with the additional Environmental Lead (Pb) Program Requirements.

- The U.S Federal Aviation Administration recognizes A2LA as an "evaluation authority" as specified in ASTM C1077 "Standard Practice for Laboratories Testing Concrete and Concrete Aggregates for Use in Construction and Criteria for Laboratory Evaluation", Sections. 3.1.1.1 and 11, and as a "national authority" as specified in ASTM D3666, "Standard Specification for Minimum Requirements for Agencies Testing and Inspecting Road and Paving Materials", Section 8.1.5, Note 8.

- The U.S. Federal Communications Commission (FCC) requires that manufacturers and suppliers of personal computers and computer peripherals who intend to use a "Declaration of Conformity" on their products must have the products tested by an accredited Electromagnetic Compatibility (EMC) laboratory. A2LA is one of the approved accreditation bodies under this program. Laboratories seeking to be accepted by the FCC by virtue of their A2LA Electrical (EMC) accreditation must also meet the technical requirements contained in FCC Part 15 and 47 CFR parts 2 & 15.

- The Naval Sea Systems Command (NAVSEA) and A2LA have signed a formal Memorandum of Understanding (MOU) recognizing the equivalence of the A2LA and the Naval Shipyard Laboratory Accreditation Program (NSLAP) and agreeing to accept data from laboratories accredited in either system. This program is open only to government facilities accredited in the environmental field of testing.

- The National Institute of Standards and Technology (NIST) has formally recognized A2LA as competent to accredit testing laboratories to meet the technical requirements for acceptance by European Union Member State Governments under the EMC Annex of the U.S. - EU Mutual Recognition Agreement. NIST has also recognized A2LA as an authorized body under the provisions of Phase I of the Asia Pacific Economic Cooperation (APEC) MRA.

- The National Environmental Laboratory Accreditation Program (NELAP) has recognized A2LA as a proficiency testing oversight body/proficiency testing provider accreditor (PTOB/PTPA). By virtue of this recognition, A2LA is able to conduct assessments to the stringent NELAC requirements and offer accreditation that covers all of the NELAC fields of proficiency testing.

Florida

The State of Florida Building Commission has formally recognized A2LA accredited laboratories as meeting the requirements for testing laboratories that conduct tests on products related to its system for product approval under Florida building code. The system is meant to ensure that safe products and technologies are used in building construction and also to encourage new products and technologies that can increase safety or meet safety requirements through less expensive means. Criteria has been established for approval of public and private entities that test, evaluate and certify panel walls, exterior doors, roofing products, skylights, windows, shutters and structural components as well as new and innovative building products. This approval may be obtained through either local jurisdictions for local approvals or the Florida Building Commission for statewide approval.

Georgia

A formal Memorandum of Understanding (MOU) establishes an agreement between the Georgia Environmental Protection Division (EPD) and A2LA. The purpose of this MOU is to formally recognize A2LA as a laboratory-accrediting agency for commercial laboratories, accredited by A2LA for environmental tests, to be recognized as approved under the EPD's Rules for Commercial Environmental Laboratories.

Kentucky

Under Kentucky statute KRS 224.60-130(2)(a), the Office of the Petroleum Storage Tank Environmental Assurance Fund has established criteria to accredit laboratories that contract with owners or operators of underground storage tanks (UST) to perform analytical testing related to Kentucky's underground storage tank program. All UST owners and operators are required to have certain types of analytical testing performed at an A2LA accredited laboratory to be eligible for Fund participation, pursuant to statute 415 KAR 1:140. This program covers certain parameters and methods as noted in the specific program requirements and falls under A2LA's Environmental program. This program was initiated in 1999.

New Mexico

A formal Memorandum of Understanding (MOU) establishes an agreement between the New Mexico Environment Department and A2LA whereby the State of New Mexico will certify laboratories to perform compliance testing for drinking water samples based on the laboratories' A2LA accreditation.

Texas

The Texas Department of Health now recognizes accreditations granted by A2LA to laboratories performing preparation and analysis of mold associated with mold-related activities that affect indoor air quality.

Washington

The State of Washington Department of Ecology references A2LA in its Procedural Manual as an acceptable third party accreditation program for non-potable water testing laboratories.

Wyoming

Wyoming Department of Environmental Quality, Water Quality Division (WDEQ/WQD) Leaking Aboveground and Underground Storage Tank (LAUST) Program Policy Number 35 requires that laboratories performing work for the program must be A2LA accredited under the "Wyoming LAUST Remediation Program". The scope of the program covers specific EPA methods for laboratories that are registered with the State of Wyoming and authorized to do business in Wyoming. To be certified by the LAUST Remediation Program to perform analytical testing related to the program, laboratories must provide evidence of their current accreditation from A2LA to the WDEQ/WQD.

Automotive Industry

- A2LA is formally recognized by GM as an approved third party laboratory accreditation body that suppliers to GM may use in order to meet the requirements of General Motor's GP-10 accreditation program.

- A2LA has signed an MRA with the "Big Three" for administration of an Automotive EMC laboratory accreditation program. Laboratories seeking to be recognized under this program in the Electrical field of testing must meet the additional program requirements of the Automotive EMC Program Requirements.

- A2LA's Calibration Accreditation Program has been recognized within QS-9000:1998 Third Edition as one option that commercial and independent calibration facilities serving the automotive industry can select in order to satisfy the portion of Clause 4.11.2.b.1 which requires accreditation of calibration facilities serving the automotive industry.

United States Golf Association

A2LA's Putting Green Materials Testing Program for soils and turf is formally recognized by the United States Golf Association (USGA)

Safety Equipment Institute (SEI)

SEI administers third-party certification programs to test and certify a broad range of safety and protective products. Safety and protective products certified by SEI must periodically undergo compliance testing to specified standards at independent testing laboratories that have been evaluated and awarded contracts by the SEI Board of Directors. In an effort to minimize redundant assessments, SEI has agreed to rely on the laboratories' A2LA assessments in place of SEI evaluations. The agreement between A2LA and SEI was signed on May 7, 2002. SEI is accredited to ISO/IEC Guide 65: 1996 by the American National Standards Institute (ANSI) and the Standards Council of Canada (SCC).

Bluetooth

A2LA has signed an MOU with the Bluetooth Special Interest Group (SIG). Bluetooth has established a Qualification Program to test and qualify products using Bluetooth wireless technology to be certified as Bluetooth compliant pursuant to the specifications for such Products as determined by Bluetooth. As part of the Qualification Program and according to the Bluetooth Qualification Program Reference Document, the Bluetooth Qualification Review Board (BQRB) administers the recognition of facilities as Bluetooth Qualification Test Facilities (BQTF's), based on accreditation by A2LA. Laboratories seeking to be recognized under this program in the Electrical field of testing must meet the additional program requirements of the Bluetooth SIG.

Cellular Telephone and Internet Association (CTIA)

A2LA is recognized by the Cellular Telephone and Internet Association (CTIA) to provide laboratory accreditation services in support of CTIA's certification program to verify conformance of wireless products to established industry standards.

SBC

SBC has issued SBC-TP-76200 *Network Equipment Power, Grounding, Environmental and Physical Design Requirements,* Issue 5, which formally recognizes A2LA for the ISO/IEC 17025 accreditation of Network Equipment Building Systems (NEBS) testing laboratories.

Aerospace Industry

- Boeing: Boeing's document, D1-4226 (NADCAP Information Revision EJ) under the heading "Exceptions When NADCAP Accreditation is Not Required" states: "NADCAP accreditation for MTL is not required for companies holding ILAC recognized accreditations for the applicable test methods."

- General Electric (GE): With the incorporation of ISO 17025 in S-400, GE allows more flexibility in the approval process. Subsequent to initial approval by GE, a laboratory can get recertified for GE work by (1) a GE on site audit, (2) a SNECMA or AIRBUS audit, (3) an ISO 17025 performed per GE additional requirements by NADCAP recognized accreditors, e.g., A2LA, etc., or (4) a PRI-NADCAP audit.

- Hamilton Sundstrand: Has made a formal announcement to waive their NADCAP mandate for material test labs accredited by A2LA.

- Pratt & Whitney: Has made a formal announcement to waive their NADCAP mandate for material test labs accredited by A2LA.

- Sikorksy: Sikorsky's Approved Source List (ASL) contains a statement recognizing A2LA as an alternative to NADCAP. The A2LA accreditation covers eleven specific testing disciplines along with the general requirements of ISO/IEC 17025 for testing and calibration laboratories. Special Process Laboratory Suppliers designated by Approved Source List Note 7, may now use the A2LA accreditation as a direct substitute to NADCAP certification.

- Other Primes – One Prime has made an informal announcement that it will add to their first article drawing, “to include NADCAP certified vendors (along with A2LA and NVLAP).” An official announcement and/or documentation from this Prime is pending.

BOARD OF DIRECTORS

The Association is managed by its Board of Directors (BOD). The 2005 Officers and BOD included:

Executive Committee:

CHAIRMAN: William G. Kavanagh, SAIC
PAST CHAIRMAN: Doug Berg, GM Powertrain
FIRST VICE CHAIRMAN: J. Trevor Boyce, Microbac Laboratories, Inc.
SECOND VICE CHAIRMAN: William M. Harral, Arch Associates, LLC
SECRETARY: Nancy Foncannon, Quality Systems Consulting, Inc.
TREASURER: Frank Banda, Reznick Group
CHAIRMAN, CRITERIA COUNCIL: Kenneth Stoub, Group Seven Environmental Services, Inc.
CHAIRMAN, ACCREDITATION COUNCIL: Alex Klein, Inland Steel

Members:

Francis Azzarto, General Electric Aircraft Engines
Daniel Becker, Sikorsky Aircraft
Keith Bennett, Transcat
Carroll Davis, Alcoa Technical Center
Nancy Foncannon, Quality Systems Consulting, Inc.
James Galipeau, Plastics Technology Labs, Inc.
William Hanrahan, Consultant
Michael Kesselmayer, Professional Service Industries, Inc.
Alex Klein, Inland Steel
Tony Pellegrino, Defense Logistics Agency
Richard Smittle, Consultant
Joan Sterling, ITS/Intertek Services
Woodward Vogt, Paradigm Consultants, Inc.
John Wehrmeyer, Quality Consultants of NY
Chuck Wibby, Wibby Environmental
Herbert Wilgis, Consultant

Liaison Members of the Board:

Lara Autry, USEPA
Drew Azzara, ASTM
Charles Parfitt, FDA Office of Regulatory Affairs
Charles Pixley, USDA FSIS LQAD
George Salem, FDA
Paul Schlecht, NIOSH

Counsel:

James Hostetler, Kirkland & Ellis

STAFF

(as of December 31, 2005)

Peter Unger, President
Roxanne Robinson, Vice President
Teresa Barnett, Quality Manager
Lisa Drake, Financial Services Manager
Trace McInturff, Operations Manager
Daren Valentine, Communications Manager
Phil Smith, Business Development Manager
Roger Brauninger, Senior Laboratory Services Officer
Atefeh Fathi, Laboratory Services Officer
Beth Hackett, Senior Laboratory Services Officer
Berta Hakes, Executive Assistant
Mike Hart, Laboratory Services Officer
Ada Hensley, Senior Laboratory Services Officer
Dana Leaman, Program Manager
Teresa McCarthy, Accounting Officer
Steve Medellin, Program Manager
Kimberly Miller, Laboratory Services Officer
Robert Miller, Senior Laboratory Services Officer
Bradley Moore, Senior Laboratory Services Officer
Randy Querry, Program Manager
Timothy Rasinski, Senior Laboratory Services Officer
Brandy Rowe, Financial Services Associate
Karen Rudd, Office Coordinator
Robert Saylor, Accounting Manager
Elizabeth Smith, Laboratory Services Officer
Julie Stevens, Training Coordinator
Wendy Wagner, Administrative Associate
Sara Weitzel, Laboratory Services Officer
Tiffany White, Laboratory Services Officer
Marie Wright, Accounting Officer
Pamela Wright, Laboratory Services Officer

ACCREDITATION COUNCIL

The Accreditation Council is appointed by the Board of Directors and, at the end of the year, consisted of 60 people. This Council reviews and takes final action, subject to the rights to appeal otherwise provided for in the Bylaws, on accreditation applications to the Association or to revoke accreditation once granted. All decisions relating to accreditation or revoking accreditation must be approved by 2/3 of those voting on the Accreditation Council. At the end of 2005, the Accreditation Council members included:

Chairman: Alex Klein, Inland Steel
Vice Chairman: Stephen L. Kaiser, Pro Mix Technologies

Members:

Timothy Angel, Consultant;
Doug Berg, Consultant;
Andrew Blackwood, Ph.D., Structure Probe, Inc.;
Chuck Blank, Consultant;
H. Bruce Brummel, P.E., Ph.D., Consultant;
Shuya Chang, Ph.D., Paxon Polymer;
Henry Chernow, Consultant;
Edward Colbert, Bayer Corporation;
Michael Deen, Consultant;
William Dingeldein, Consultant;
Karen Dunning, RD2 Systems;
Frank Durham, Consultant;
David Evanson, Consultant;
Nancy Foncannon, Quality Systems Consulting, Inc.;
Jesus Garcia, Consultant;
Mark Gerfin, Sherwood;
Gregory Gogates, Fasor Technical Services, Inc.;
Anne Gray, Inergy Automotive Systems;
Frank Hagan, Consultant;
Carl Hayden, Quality System Management, Inc.;
Robert Holcombe, Safety Components Fabric;
Jason Holliday, Ph.D., ATEC Environmental;
James Ingram, Consultant;
William Johnson, Consultant;
Ray Kletke, Consultant;
Doug Lentz, Consultant;
Dennis McCully, Consultant;
Sean Mason, Consultant;
Dawn Mettler, Rockbridge Laboratory Services;
David Miller, Consultant;
Harry Moody, Consultant;
Laura Moss-Williams, Consultant;
Leslie Murphy, Brown & Williamson Tobacco Corp.;
Marcus Nachman, Nachman Precision Systems, Inc.;
William Peverill, Consultant;
John Pio, Pio Enterprise;
Larry Presley, National Medical Services;
George Purvis, Consultant;
Gary Scalise, Consultant;
Werner Schaefer, Schaefer Associates;
Raymond Schiltz, Jr., PhD., Engineering Matters, Inc.;
James Scott, Scott Consulting Services;
Dan Sigouin, Consultant;
Thomas Smith, Consultant;

William Sorrells, Consultant;
Bradley Stawick, Consultant;
Steven Steiro, Consultant;
Phillip Stoll, P.A. Stoll Consulting;
Mike Suraci, Consultant;
Samual Tyson, Consultant;
Derek Walton, Consultant;
Craig Willan, Omega Research Inc.;
Susanne Wood, Consultant;
Niel Zuern, Consultant.

CRITERIA COUNCIL

The Criteria Council is appointed by the Board of Directors and includes at least one person having particular expertise or qualifications for each field of testing/calibration in which the Association is offering accreditation. The Council shall act to define the fields of testing/calibration in which the Association shall grant accreditation and approve general and specific criteria for each of the fields of testing. The 2005 Criteria Council members included:

Chairman: Kenneth Stoub, Group Seven Environmental Services, Inc.
Vice Chairman: David MacLean, Ph.D., Consultant
Vice Chairman: Richard Kistner, P.E., Raba-Kistner Consultants, Inc.

Cathy Burns, Food and Drug Administration;
Gary Cornell, Consultant;
Fred Fetterolf, FETTCO NDE Services;
Dean Flinchbaugh, Flinchbaugh Consulting;
Arlene Fox, AOAC International;
Klaus Jaeger, Jaeger Enterprises;
Alex Klein, Inland Steel;
Albert Liabastre, Consultant;
Dawn Mettler, Rockbridge Laboratory Services;
Mitzi Miller, Environmental Quality Management;
Martin Mitchell, Certified Laboratories Inc.;
Tim Osborne, Dynamic Technology, Inc.;
Charles Parfitt, FDA Office of Regulatory Affairs;
Charles Pixley, USDA FSIS LQAD;
Werner Schaefer, Schaefer Associates;
Tom Smith, Consultant;
Ralph Veale, Consultant;
John Wehrmeyer, Consultant;
Neal Zuern, Consultant.

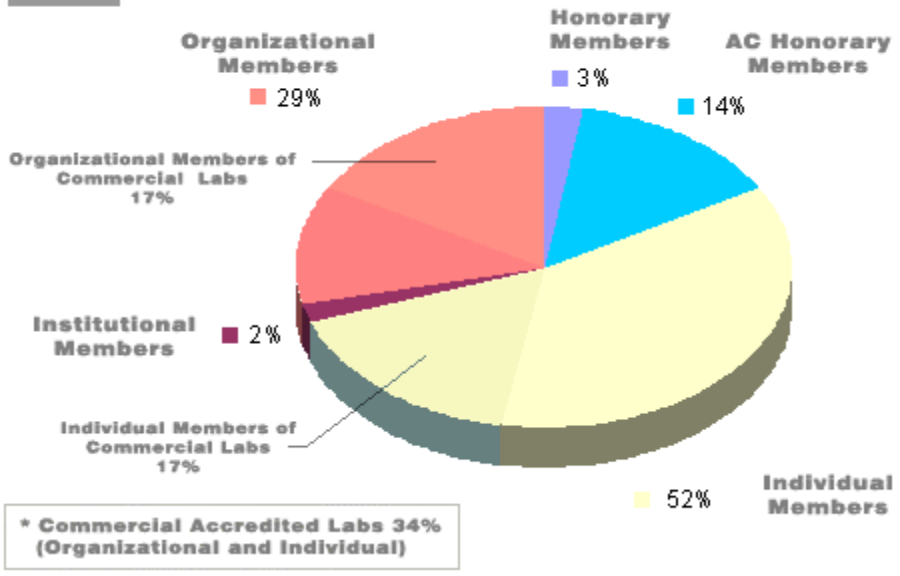
MEMBERSHIP IN THE ASSOCIATION

As of December 31, 2005, the membership in the Association was as follows (see Figure 3):

Honorary Members	11
AC Honorary Members	58
Individual Members	221
Individual Members of Commercial Accredited Labs	70
Institutional Members	8
Organizational Members	119
Organizational Members of Commercial Accredited Labs	70
TOTAL MEMBERS:	417

MEMBERSHIP TYPES

Figure 3



FINANCIAL SUMMARY

A comparison of the financial status (in $1000s) for the years since 1995 is shown below.

Year	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Total Revenue & Support	$7,754	$7,795	$7,056	$6,980	$6,542	$6,685	$5,349	$4,340	$3,853	$2,744	$2,326
Total Expense	7,678	7,218	6,713	6,814	6,370	6,232	5,109	4,431	3,568	2,655	2,186
Excess	$261	$577	$343	$166	$172	$453	$240	$(91)	$283	$89	$140

INTERNATIONAL MUTUAL RECOGNITION (APLAC)

The Asia Pacific Laboratory Accreditation Cooperation (APLAC)
Mutual Recognition Arrangement (MRA)

On November 19, 1997, A2LA signed the Asia Pacific Laboratory Accreditation Cooperation (APLAC) mutual recognition arrangement.

The arrangement is intended to facilitate the acceptance of test and calibration data with a number of Asia-Pacific countries whose national accreditation bodies have signed the APLAC arrangement. APLAC promotes the recognition and acceptance in all the signatory countries of certificates and reports issued by organizations accredited by national accreditation bodies that have signed the arrangement.

By signing the arrangement, the signatory accreditation bodies commit to promoting acceptance of the test reports/calibration reports issued by the laboratories accredited by the signatory accreditation bodies. However, accreditation bodies cannot guarantee acceptance by their stakeholders. As such, one of A2LA's primary functions is to assist A2LA-accredited laboratories in gaining acceptance of their data in the countries of the APLAC arrangement signatories. Likewise, A2LA is committed to helping laboratories accredited by the APLAC arrangement signatories obtain acceptance in the United States.

Through the APLAC MRA evaluation process, a uniform level of competence of the accredited bodies is assured, and the need for multiple assessments is diminished or eliminated. Ideally, a supplier would only need one certificate or report to satisfy the entire Asia-Pacific market and all governments.

In addition to A2LA, signatories to the APLAC MRA as of May 31, 2006 include:

NATA (Australia)
SCC (Canada)
CAEAL (Canada)
CNAL (PRC)
HKAS (Hong Kong)
NABL (India)
KAN (Indonesia)
JAB (Japan)
IAJapan (Japan)
VLAC (Japan)
KOLAS (Korea)
DSM (Malaysia)
IANZ (New Zealand)
SAC (Singapore)
TAF (Taipei)
TLAS (Thailand)
DMSc (Thailand)
ema (Mexico)
IAS (USA)
NVLAP (USA)
BOA (Vietnam)
BPSLAS (Philippines)

A2LA staff is able to provide specific details regarding the names and contact information for the accreditation body in a specific country/economy listed above.

INTERNATIONAL MUTUAL RECOGNITION (EA)

The European cooperation for Accreditation (EA)
Mutual Recognition Agreement (MRA)

On September 21, 1999 A2LA signed a bilateral mutual recognition agreement with the European cooperation for Accreditation (EA).

The agreement is intended to facilitate the acceptance of test and calibration data with a number of European countries whose national accreditation bodies have signed the EA Agreement. EA promotes the recognition and acceptance in all the signatory countries of certificates and reports issued by organizations accredited by national accreditation bodies who have signed the agreement.

By signing the agreement, the signatory accreditation bodies commit to promoting acceptance of the test reports/calibration reports issued by the laboratories accredited by the signatory accreditation bodies. However, accreditation bodies cannot guarantee acceptance by their stakeholders. As such, one of A2LA's primary functions is to assist A2LA-accredited laboratories in gaining acceptance of their data in the countries of the EA agreement signatories. Likewise, A2LA is committed to helping laboratories accredited by the EA agreement signatories obtain acceptance in the United States.

Through the EA MRA evaluation process, a uniform level of competence of the accredited bodies is assured, and the need for multiple assessments is diminished or eliminated. Ideally, a supplier would only need one certificate or report to satisfy the entire European market and all governments.

There are a number of different areas within the EA agreement, including testing laboratories, calibration laboratories, certification bodies (products, quality systems, personnel, environmental management systems) and inspection bodies. The bilateral agreement signed between A2LA and EA Multi-Lateral Agreement (MLA) signatories is for testing and calibration laboratories as outlined below (as of May 31, 2006):

EA MLA SIGNATORIES (For Testing)

BMwA (Austria)
BELTEST (Belgium)
CAI (Czech Republic)
DANAK (Denmark)
FINAS (Finland)
COFRAC (France)
DACH (Germany)
DAP (Germany)
DATech (Germany)
IPAC (Portugal)
INAB (Ireland)
EAK (Estonia)
RENAR (Romania)
TURKAK (Turkey)
SINAL (Italy)
LA (Lithuania)
RvA (Netherlands)
NA (Norway)
PCA (Poland)
SNAS (Slovakia)
ENAC (Spain)
SWEDAC (Sweden)
SAS (Switzerland)
UKAS (U.K)
LATAK (Latvia)
ESYD (Greece)
SA (Slovenia)

EA MLA SIGNATORIES (For Calibration)

BMwA (Austria)
BKO-OBE (Belgium)
CAI (Czech Republic)
DANAK (Denmark)
FINAS (Finland)
COFRAC (France)
DKD (Germany)
SIT (Italy)
INAB (Ireland)
LATAK (Latvia)
ESYD (Greece)
SA (Slovenia)
LA (Lithuania)
RvA (Netherlands)
NA (Norway)
PCA (Poland)
SNAS (Slovakia)
ENAC (Spain)
SWEDAC (Sweden)
SAS (Switzerland)
UKAS (U.K)
EAK (Estonia)
IPAC (Portugal)
TURKAK (Turkey)

EA has also established Bi-Lateral Agreements for testing and calibration with (in addition to A2LA):

NATA (Australia)
SANAS (South Africa)
HKAS (Hong Kong)
ISRAC (Israel)
IANZ (New Zealand)
SAC/SPRING (Singapore)
INMETRO (Brazil)

A2LA staff is able to provide specific details regarding the names and contact information for the accreditation body in a specific country/economy listed above.

INTERNATIONAL MUTUAL RECOGNITION (ILAC)

The International Laboratory Accreditation Cooperation (ILAC)
Mutual Recognition Agreement (MRA)

On November 2, 2000, A2LA signed the mutual recognition arrangement with the International Laboratory Accreditation Cooperation (ILAC). The Arrangement was signed in Washington, D.C. at the General Assembly of the International Laboratory Accreditation Cooperation (ILAC) and entered into force on January 31, 2001. More than 30 accreditation bodies from 26 economies signed the arrangements. Since then, additional accreditation bodies have become signatories.

A cornerstone of the ILAC MRA is the utilization of existing or developing regional arrangements established in the Americas (IAAC), the Asia-Pacific region (APLAC), Europe (EA) and Southern Africa. The bodies participating in these regional arrangements are responsible for maintaining the necessary confidence in the competence of their member accreditation bodies that are signatories to the new ILAC Arrangement.

By signing the ILAC MRA, the signatory accreditation bodies commit to promoting acceptance of the test reports/calibration reports issued by the laboratories accredited by the signatory accreditation bodies.

As of May 31, 2006, the following accreditation bodies were signatories to the ILAC MRA:

OAA (Argentina)
NATA (Australia)
BMWA (Austria)
BELTEST OBE/BKO (Belgium)
CGCRE/INMETRO (Brazil)
SCC (Canada)
CAEAL (Canada)
CNAL (PRC)
ONARC (Cuba)
CAI (Czech. Rep.)
DANAK (Denmark)
NLAB (Egypt)
FINAS (Finland)
COFRAC (France)
DAP (Germany) – testing only
DACH (Germany) – testing only
DKD (Germany) – calibration only
DATech (Germany) – testing only
ESYD (Greece)
HKAS (Hong Kong)
NABL (India)
KAN (Indonesia)
INAB (Ireland)
SINAL (Italy) – testing only
SIT (Italy) – calibration only
ISRAC (Israel)
JAB (Japan)
IAJapan (Japan)
KOLAS (Rep. of Korea)
DSM (Malaysia)
EMA (Mexico)
RvA (The Netherlands)
IANZ (New Zealand)
NA (Norway)
BPSLAS (Phillipines)
PCA (Poland)
RENAR (Romania) – testing only
SAC (Singapore)

SNAS (Slovakia)
SA (Slovenia)
SANAS (South Africa)
ENAC (Spain)
SWEDAC (Sweden)
SAS (Switzerland)
TAF (Chinese Taipei)
TISI (Thailand)
BLQS-DMSc (Thailand) – testing only
UKAS (United Kingdom)
A2LA (USA)
IAS (USA)
NVLAP (USA)
VILAS (Vietnam)

A2LA staff is able to provide specific details regarding the names and contact information for the accreditation body in a specific country/economy listed above.

INTERNATIONAL MUTUAL RECOGNITION (IAAC)

The Inter-American Accreditation Cooperation (IAAC)
Multi-Lateral Arrangement (MLA)

On October 24, 2002, A2LA, INMETRO (Brazil) and SCC (Canada) signed the Inter-American Accreditation Cooperation (IAAC) multi-lateral arrangement.

The IAAC is an association of accreditation bodies and other organizations interested in conformity assessment in the Americas. As of May 31, 2006 signatories to the IAAC MLA are:

A2LA (United States)	OAA (Argentina)
INMETRO (Brazil)	ema (Mexico)
SCC (Canada)	ONARC (Cuba)

By signing the arrangement, all six organizations agree to formally recognize and promote the equivalency of each other's laboratory accreditations.

APPENDIX B, A2LA 2005 ANNUAL REPORT

A2LA 2005 FINANCIAL AUDIT REPORT

Financial Statements

For the Years Ended December 31, 2005 and 2004