



2 June 2009

Visions on the future of European standardisation

Executive Summary

In this paper BUSINESSEUROPE sets out its views on the future European standardisation system, in the framework of current work being undertaken by the Expert Panel for the Review of the European Standardisation System (EXPRESS).

BUSINESSEUROPE would like to highlight some issues for the Panel's consideration in the development of future standardisation policy, in particular:

- The European standardisation system needs to be improved but not radically overhauled.
- The overall goal for business is to have “one standard – one test – accepted everywhere”. This means that in principle standardisation should continue to start at the international level and international standards should be fully transposed, without national deviations, and applied globally.
- At the European level, standards should be developed in areas where Europe has a specific interest which is not shared by the international community or in areas which have a specific regional characteristic (e.g. construction materials).
- The European Standardisation Organisations (ESOs) should be more critical in assessing the impact of new work items and more active in informing society of the relevance of standards.
- Regarding the institutional set-up, the system of national delegation must be kept at both the European and international level.
- As for the legal framework, the benefits of the present system need to be preserved. In particular, standards intended to provide a presumption of conformity with EU regulatory requirements need to reflect the full consensus of all interested parties and undergo public enquiry.
- While the proposed adaptations to ICT standardisation are useful they should not be included in the general legal framework as this could jeopardise the status of the ESOs and the coherence of the European standardisation system.
- A prerequisite for extended use of standards is that the European standardisation system produces good quality and market-relevant standards in a timely and efficient manner.
- Concerning IPR and standards, BUSINESSEUROPE recommends that all public policies, in particular public procurement, preserve the existing sound balance of rewards for R&D to fuel European innovation versus fair and reasonable terms to use new technology as required by standards.



Visions on the future of European standardisation

Introduction

Over the last twenty years European standardisation has successfully contributed to the implementation of European policies and legislation, in particular to the Internal Market legislation following the “New Approach” in major industrial sectors. The role of European standardisation in support of EU legislation has recently been confirmed in the legislative package providing for a common framework for marketing products¹. Furthermore, the Commission has reiterated the importance of standardisation in its recent Communication on standardisation and innovation² as well as in a number of other policy initiatives³.

In response to the mandate given by the Council of the EU⁴, the European Commission has launched a review of the European standardisation system. The Expert Panel for the Review of the European Standardisation System (EXPRESS) was set up by the Commission at the end of 2008 and is composed of 30 members belonging to European and national standardisation bodies, industry, SMEs, NGOs, academia and public authorities from Member States.

The objective of the Panel is to deliver a report by the end of the year containing strategic deliverable recommendations allowing European standardisation to capitalise on its strengths and values in the global standardisation context.

The European Commission intends to then use the Panel’s advice in view of forthcoming policy-making and any potential legislative proposals, currently foreseen to be presented by the Commission in 2010.

BUSINESSEUROPE, whilst not a direct member of the Panel, is actively involved in this field and hopes, with this paper, to contribute to the upcoming report of EXPRESS.

¹ Decision 768/2008/EC, OJ L218, 13.08.2008, p. 82

² Communication (2008)133 of 11.03.2008 "Towards an increased contribution from standardisation to innovation in Europe"

³ Communication (2007) 860 "A lead market initiative for Europe"; COM(2008) 394 final "Think Small First", A "Small Business Act" for Europe

⁴ Council Conclusions of 25 September 2008 on standardisation and innovation



1. Business views on a revised role for European standardisation

BUSINESSEUROPE believes that Europe's existing standardisation system functions rather well and is beneficial to European stakeholders. Therefore, the European standardisation system needs to be improved but not radically overhauled.

International aspects

The overall goal of business is to achieve global market access on the basis of 'one standard, one test, accepted everywhere'. In practice, this means having fully transposed international standards, without national deviations, that are applied globally. However, whether the development of standards should take place at the international or European level also depends on the characteristics of the products and services in question and whether common global specifications can be found.

Most formal standardisation nowadays takes place at the international level, supporting the global economy, in line with the Vienna and Dresden agreements⁵.

In this context, the European Standardisation Organisations (ESOs) should take a more proactive and strategic role in analysing the impact of a future international standard on the European market. They should for instance look for possibly conflicting national or regional standards or legislation and analyse what the probability of global application would be.

Furthermore, the ESOs should establish enhanced coordination mechanisms to promote European positions at international level and ensure adequate European participation in relevant international standardisation committees.

BUSINESSEUROPE believes that the move towards the international level should be maintained and stressed further. However, the rise of new economic powers such as China, India and Russia introduces an element of diversity into this landscape and some of these new players may wish to use standardisation as a trade policy instrument. While the EU shapes regulation to create a single open market with a level playing field, not all economic regions have the same policy.

European aspects

At the European level standards should only be developed in areas where Europe has a specific interest which is not shared by the international community or in areas with specific regional characteristics (e.g. construction materials or railways).

Mandated standards can also start at the international level, but in this case the ESOs should ensure that the standard is coherent with European legislative requirements.

⁵ The Vienna agreement is an agreement on technical cooperation between ISO and CEN. The Dresden agreement is between CENELEC and IEC.



Regarding new work items these should be created as part of an overall standardisation strategy and better *impact assessments* should be carried out using a two-step process: 1) Before accepting a new work item the *market relevance* for the main economic players must be demonstrated. 2) Before the final vote, the ESOs should establish an *informed basis for voting*, i.e. a neutral impact assessment of the pros and cons of the standard.

The ESOs should also play an *informative role*, communicating the importance and relevance of standards to both European society and third countries to help create an understanding for a wider implementation and use of standards. This task is to be fulfilled in cooperation with the European Commission.

Organisational aspects

It is essential for the system to be driven by the main users and contributors and to remain as close as possible to where the technical experts and interested parties can effectively contribute, which is at the national level. Therefore, the system of national delegation must be kept at both European and international level. It is the best way to ensure the access of a wide range of stakeholders, including SMEs.

Furthermore, the national standards bodies (NSBs) should remain free to organise themselves according to the national context with respect to financing, structure, priorities, business composition and specific sectors. However, the business community expresses its concern with regard to the existing co-existence and financing models between standardisation and certification functions within some standardisation bodies, which may lead to conflicts of interest. Standards should be developed to meet the needs of the main stakeholders, not to boost business for certification bodies to the detriment of others. More transparency would also be necessary concerning national government support to NSBs.

CENELEC has been instrumental in serving the needs of the electrical sector and the ETSI mixed membership model is of great value to the telecom sector. Therefore the three ESOs each have their own good reason for existence. BUSINESSEUROPE believes that it is important in the short term to ensure close cooperation between the ESOs and efficient work processes to avoid double work and gaps.

2. Global challenges

The WTO Technical Barriers to Trade Agreement acknowledges the importance of international standards for international trade and sets down common principles for the development and use of international standards. However, there is a weakness in implementing the principles as there is still no consensus on how to define an 'international' standard. This leads to the existence of competing standards in the global market place.

Also, it is not sufficient to have a common set of principles for the elaboration of standards, if the regulatory frameworks do not allow their uniform application. Therefore, the starting point is to identify and agree on common regulatory objectives,



followed by the development of a conformity assessment procedure, decisive for market access. BUSINESSEUROPE invites the European Commission to continue its efforts to push for a common understanding to reach these objectives.

In this context, BUSINESSEUROPE suggests that the ESOs take a more active role in clarifying the barriers for proper global implementation of the ISO/IEC/ITU standards and in opening the road for having one set of standards globally. This could take into account the relative levels of influence by different regions/ nations in ISO, IEC and ITU at present; how they can be expected to evolve in the coming 20 years due to shifts of economic and political dominance; and what strategy Europe should adopt to best serve European interests in this context.

European business backs up the centralised standardisation system embodied in ISO, IEC and ITU. However, it must be recognised that standards are developed in many different fora and industry consortia. A system of cooperation with such fora or recognised consortia must be established so that standards of general importance can be integrated into the centralised system to benefit from the synergies and resources spent and to avoid double work.

3. Legal framework for European standardisation

European standardisation has been framed by two legislative instruments: (1) Directive 98/34/EC, which lays down the general framework for the European standardisation system and (2) Council Decision 87/95/EEC, which provides a specific complementary framework for the development of European standardisation in the field of ICT.

This legal framework is generally valued as having made a significant contribution to the successful development and implementation of the Single Market.

Directive 98/34/EC

For business the value of European harmonised standards, developed under mandate as foreseen by Directive 98/34/EC, lies in the fact that they provide a presumption of conformity with EU legislation following the New Approach, which has been successfully used for a wide range of public interest issues, such as safety, health, electromagnetic compatibility and, increasingly, environmental protection.

The benefits of the present standardisation system need to be preserved. More specifically:

- There is no need to review the current list of recognised ESOs. Issues such as greater efficiency of the standardisation process or the uptake of work results from fora and consortia should be addressed through the relevant procedures within the ESOs and the NSBs.
- As for the institutional set-up, the European system should continue to function as an efficient cooperation of NSBs, which facilitates the participation of all interested parties, including in particular SMEs and civil society.



- Standards intended to provide a presumption of conformity with EU regulatory requirements related to issues of public interest protection need to reflect the consensus of all European stakeholders and therefore to undergo public enquiry to benefit from the necessary level of democratic legitimacy.
- BUSINESSEUROPE rejects the idea of opening up the system to provide for the general possibility of issuing mandates to standardisation organisations other than the ESOs, or to consortia and fora, since this would undermine the status of the ESOs and the coherence of the system:
 - It is not necessary to include a list of internationally agreed standardisation principles in the body of the Directive. The ESOs have been recognised as such for the purpose of the Single Market and the development of a coherent European standardisation system. It is therefore sufficient for these principles to remain in the recitals of the Directive and in the cooperation guidelines as is presently the case.
 - However, for those specific fields where the development of normative documents takes place exclusively within the relevant internationally recognised organisations the Commission should be given the possibility of issuing mandates directly to these bodies. For this purpose, *an additional Annex* could be introduced, listing organisations such as the 'Organisation Internationale de Métrologie Légale' (OIML).
- The procedure for the issuing of standardisation mandates should be reviewed to require the Commission to carry out a thorough business impact assessment before any draft mandate is submitted to the Committee on standards and technical regulations (98/34 Committee).
- When standards are developed in services, in line with the provisions of Directive 2006/123/EC on services in the internal market, Directive 98/34/EC should be taken into account.

Council Decision 87/95/EEC

Standards intended to provide a presumption of conformity with EU legislation in the ICT domain should also continue to be developed under mandate by the ESOs exclusively. In those cases in which it is necessary or largely beneficial to use work results produced by formal standardisation organisations other than the ESOs, or by fora or consortia, this should be achieved by feeding such results into the relevant procedures established by the ESOs, as successfully carried out in the past.

BUSINESSEUROPE would however support a revision of Council Decision 87/95/EEC to extend the possibility of using deliverables from standardisation organisations other than the ESOs to support EU legislation on IT services and wider EU policies in the area of ICT (e.g. elearning and eaccessibility). For this, a series of principles would need to be respected:



- Acceptance of deliverables should be on the basis of the international standardisation principles, to be complemented by the FRAND (licensing on fair, reasonable and non-discriminatory conditions) principle
- There should be no possibility of conflict with a market recognised European standard, either adopted or under development within the ESOs
- These other standardisation organisations should have adequate membership and voting rules, guaranteeing openness and the possibility for participants to influence the outcome

Unlike for other areas of technology, standardisation in the ICT field has been characterised by the strong presence of non-European standards-developing organisations (e.g. the Institute of Electrical and Electronics Engineers) and of consortia and fora, and of the widespread uptake of their work results by the relevant market. These considerations are specific to the ICT domain, and the proposed adaptations for ICT standardisation should therefore not be included into the general legal framework of Directive 98/34/EC as this would undermine the status of the ESOs and jeopardise the coherence of the European standardisation system.

Standardisation and intellectual property rights

The relationship between intellectual property rights and standards is complex. BUSINESSEUROPE recommends that all public policies, including in particular those for standardisation and public procurement, preserve the existing sound balance of rewards for R&D to fuel European innovation versus fair and reasonable terms to use new technology that is required by standards. Solid rules on IPR handling are thus indispensable in standard developments. However, any public policy that would insist on free licences for IPR in standards would interfere with the level playing field and not be in the interest of European prosperity.

4. Development of standards

Efficient process

BUSINESSEUROPE believes that a strict policy should be followed of only developing standards for which a market need is clearly demonstrated. A standardised set of criteria or easily applicable evaluation methods should be provided. This should also apply to mandated standards which should only be issued where they are necessary to support legislation or European policies.

Such methods would also allow for an assessment of whether a revision of a given standard after a given time span is necessary or not, helping to avoid unnecessary work from technical experts and unnecessary adaptation costs to companies.

In conjunction with the above the need for maintaining standards and/or Technical Committees should be reviewed on a regular basis with the aim of avoiding unnecessary costs and work without a real ongoing market need.



We further suggest examining how the ESOs can be subjected to stronger stakeholder pressure to adopt a continuous improvement practice as to effectiveness and efficiency.

A large amount of information flows through the various Technical and Standardisation Committees and it is essential that this is properly managed through effective project management including a 'track changes' system and a clear indication of the current state of the process in each standardisation project. Executive summaries could prove to be useful for instance. In addition, the right technologies should be used. Communication tools like RSS feeds could help to filter the information according to individual needs.

The overall objective should be to create one user-friendly entry portal to European standardisation for technical experts and steering committees. The European and NSBs have taken some steps in this direction but further efforts are necessary.

Access to standardisation development

The European standardisation process formally allows for participation and input from all interested stakeholders via the NSBs for work done in CEN and CENELEC or via direct participation and the NSOs cooperating with ETSI. Stakeholders represent organisations or constituencies such as large enterprises, SMEs, consumer associations, trade unions, environmental organisations, public authorities, academia and research organisations.

BUSINESSEUROPE believes that stakeholders who participate must be committed, knowledgeable and relevant to the development of the standard in question. In addition the right balance needs to be struck between facilitating access to standardisation by stakeholders and the required speed of the standardisation process.

Additional efforts can be made on two levels:

1) Action at national level

BUSINESSEUROPE considers it important to keep the national delegation structure. However certain improvements should be made:

- Easier access to information on work items and better information on the impact and importance of the draft standard in question
- Better information and education at society level on the general importance of standards
- Adequate training in 'standardisation techniques' for new participants
- Active investigation from the NSB to pinpoint possible relevant participants

From a financial perspective, we consider it important to explore possibilities in which to support parties actively participating in standards development work by for instance reimbursing a certain proportion of their costs. This practice currently takes place in Finland and could be extended to other countries.



From an organisational viewpoint, considering that time is the most valuable resource for business people, and especially for SMEs, EXPRESS should investigate measures leading to a more efficient management of standardisation committees as outlined in the section on 'Efficient process'.

2) Action at European level

The effort to improve the access of certain stakeholders by supporting these at European level could jeopardise the system of national delegation. Furthermore, organisations claiming to represent public interests should not be supported in general but only for specific, politically recognised public interests.

Access to standardisation by SMEs and societal stakeholders

BUSINESSEUROPE represents 20 million small, medium and large companies. It is in the interest of SMEs that they are also adequately represented and have access to standardisation when pertinent and most effectively through the national delegation system.

One common obstacle for SMEs is a lack of resources and technical expertise to participate in the process, which in turn can affect the consensus-reaching process and cause delays in the development of standards.

Considering the need to ensure that stakeholders are committed, SMEs and other parties with insufficient capabilities to participate should be helped to organise themselves appropriately, into federations, to coordinate their interests and views.

However, it should be stressed that if and when SMEs or other stakeholders hire consultants to represent them, such persons should declare openly who they represent.

Much of the dissatisfaction with access to standardisation could be relieved by not allowing unnecessary standards to become effectively unavoidable for businesses, which can happen due to decisions by authorities as well as private parties, despite a formal absence of legal obligations.

5. *Wider use of standards*

As the use of standards is, and must remain, voluntary, standards are used only if they are attractive, easy to access and their use is understood to bring added value. A prerequisite for extended use of standards is thus that the European standardisation system produces good quality and market relevant standards in a timely manner.

The following measures should be considered by EXPRESS to facilitate the use of standards and to increase stakeholders' understanding of the benefits of using standards:

- standardisation organisations should publish good quality summaries of new standards, including a clear description of the scope, and publish summaries free of charge



- when a new version of a standard is published summaries of the main changes made in the standard should be published
- standardisation organisations should create websites which give specific sectors an overview of the standards that are useful to them
- standards should be drafted in a form that is user-friendly: e.g. more use of drawings, pictures and even film-clips. In certain cases a short version of the standard might be appropriate.

Lower priced or free standards would be beneficial for business but we expect the effect on wider use of standards to be minor. European business needs a healthy standardisation system and the ESOs and NSBs depend heavily on the sales of standards. The pricing of standards should only be revised as part of an overall financial model that preserves the strength and independence of these organisations.

The main problem for many small enterprises is the comprehension and application of standards, which can entail production process and organisational changes. In addition, many mandated standards refer to a number of other standards, which can also make the application burdensome.

Training programmes, sectoral information material and an explanation of the benefits of using standards could help to raise awareness of the advantages of their use. Marketing of standards should also be improved, made more targeted and be based on prioritisation and analysis of the most relevant standards.

BUSINESSEUROPE notes that the role of standards to support innovation has been endorsed by the Competitiveness Council. As reiterated in previous BUSINESSEUROPE positions⁶ while standardisation is an essential means of facilitating innovation, it does not drive innovation. To understand the role of standardisation in support of innovation, it is important to differentiate between the different phases of innovation where standardisation plays a role and can be used. For the users of the deliverables standards provide the basic conditions for interoperability and economies of scale, as well as a basis for possible further product development and application of new technologies.

* * *

⁶ BUSINESSEUROPE position paper on Creating a pro-active standard-setting policy for innovation (July 2007), available at www.businessseurope.eu