DIGITALEUROPE

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DIGITALEUROPE position on the request for information from Technopolis on questions related to the EC Impact assessment study on the "Standardisation Package"

DIGITALEUROPE welcomes the opportunity to provide input to the EC Impact assessment study on the "Standardisation Package" that is currently conducted by the Technopolis Group on the request of the European Commission.

DIGITALEUROPE regards the reform of the EU legal standardisation framework as envisaged by the "Standardisation Package" as crucial to improve the competitive position of the European industry within the Digital single market and the promotion of innovation in ICT.

DIGITALEUROPE has actively participated in the ICT Steering Committee, which is advising the European Commission, where the reform of the EU legal standardisation framework for the ICT domain has been extensively discussed. This has resulted in the publication by the EC of their White Paper "Modernizing the ICT Standardization in the EU – The Way Forward" (COM(2009) 324 final). DIGITALEUROPE regards the proposals made in the White Paper as mature and has asked the EC to urgently implement them in a revised Council Decision 87/95.

DIGITALEUROPE Positions regarding the reform of the EU legal standardisation framework

1. Global standards are a priority in the ICT sector:

   DIGITALEUROPE appreciates the fact that priority is given, by DG Enterprise, to global standards. Most of the standards used in the ICT domain are global, sometimes (the majority for IT) they are developed by Fora, Consortia. The direct referencing in EU policies to global standards in market oriented areas is essential to avoid market fragmentation and allow fair access to the worldwide market for all companies (in particular the SMEs). Direct referencing of such standards is also critical for the European public sector, e.g. for procurement of products or services, for innovation policies, and for a coordinated European approach. Several European countries have already developed national guidance documents to help public procurers refer to the relevant global standards. Additionally the European Commission has a key role in promoting this direct referencing of global standards in the overall globalization context.

DIGITALEUROPE aisbl
Rue Joseph II, 20 >> B-1000 Brussels [Belgium]
T. +32 2 609 53 10 >> **F.** +32 2 609 53 39
www.digitaleurope.org

2. No need for transposition into European formal standards:

Very few of the global standards developed by fora or consortia have been transposed as ISO/IEC standards (either via Fast Track or PAS transposition process). Such transpositions are always performed upon request of the Forum, Consortium, or SDO that owns the specification. A European transposition process for ICT standards developed by fora or consortia is not needed for standards related to the market-oriented domain.

3. The European "New Approach" model is highly valued in developing countries:

Developing countries (like the so-called BRIC countries) do value the European "New Approach" model and there is benefit in helping them develop and implement a similar model in their own country.

DIGITALEUROPE believes that the European Commission has a key role in promoting the "New Approach" model with trading partners in the overall globalization context.

4. Implementation of the recommendations included in the ICT White Paper:

The ICT White Paper focuses on the implementation and use of standards. Thus, it mainly deals with the non-regulated areas including the referencing of global standards developed by fora or consortia in EU policies and public procurement. It does not address the development of formal standards by the European Standards Organisations (ESOs) and the National Standards Bodies, Committees and Organisations (NSBs, NSOs, NCs). Therefore, the ICT White Paper and the recommendation of a revision of Council Decision 87/95 is an important complementation to a planned revision of Directive 98/34.

DIGITALEUROPE supports the proposals included in the ICT White Paper, e.g. to allow the direct referencing in EU policies of standards developed by fora/consortia, and to allow upfront consultation of European industry in ongoing standardisation policy and strategy discussions through the establishment of a multi-stakeholder ICT platform including both member states and experts from all relevant stakeholders (High Level Strategy Platform). The recommendations outlined in the ICT White Paper are based on a broad stakeholder consensus developed in the ICT Steering Committee and are now mature for implementation. Such implementation is of high importance for the ICT industry, which is characterized by its short development cycles, fast technology progress and global reach.

DIGITALEUROPE responses to some of the provisions under consideration

Provision 3 would place an obligation on each National Standards Body to notify all national standards and other normative documents to the Commission, opening the possibility for the Commission to impose standstill procedures and request those standards to be developed at European level. The Commission wishes to understand the effect on stakeholder involvement in national-level standards development activities were such a provision to be adopted. We therefore have the following question:

Q1 - What would be the effect on stakeholder involvement if all national-level standards development activities (e.g. on normative documents, publicly available specifications, etc.) had to be notified to the Commission and could potentially have standstill imposed on them?

DIGITALEUROPE Response:

1. In the ICT sector, companies of all sizes depend on the success of global solutions for communication, information technology and data processing. International trade, the elimination of obstacles to trade, and a seamless European internal market are of great relevance to the ICT sector, and for the many sectors where ICTs are enabling technologies. For the same reasons, the standards relevant to ICT companies are generally global standards. National standards by definition have the potential to affect international trade and to divide markets, including the European market. Any partitioning of the European market, or indeed the global market place, through diverging standards has a negative impact on the ICT sector. DIGITALEUROPE and its members have consistently stressed the importance of global standards for the ICT sector.

2. EC Directive 98/34 includes some important steps to help mitigate or avoid any negative effects of diverging standardisation for standards relating to goods. The transparency resulting from the notification requirement and the integration of European standardisation benefits industry players of all sizes and in particular SMEs, that often need to be aware of standards across the European market but do not have the resources to follow standards developments in all member states. Given the importance of the services sector for the European market and European competitiveness and innovation, the application of notification requirements and the availability of standstill procedures to standards relating to services would have a positive effect on the ICT industry. Also, an explicit extension to standards relating to services will help avoid artificial distinctions and create greater clarity, given that in the ICT sector many relevant standards can be implemented in either services or goods or indeed in a melange of both.

3. For consistency and completeness, the requirements to notify the work items of NSBs should extend to all their norm-setting work and not be limited to any particular type of deliverable. All normative work results of NSBs have the potential to directly or indirectly affect trade and the internal market and should be visible to the Commission and be subject to alignment. Some NSBs develop work products that do not fit the definition a national standard because they are developed within a shorter space of time based on slimmer procedures with lower thresholds for what constitutes consensus; however they still have the potential to affect markets and trade and should be subject to the same requirements.

Provision 19 would extend the list of recognised ESOs beyond CEN, CENELEC and ETSI and make it possible to allocate standardisation requests (mandates) to these other organisations. The Commission wishes to understand the effect on stakeholder involvement in European standards development activities were such a provision to be adopted. We therefore have the following question:

Q2 - What would be the likely impact on stakeholder participation in EU standards development if the number of 'recognised' ESOs developing EU standards were to be increased?

DIGITALEUROPE Response:

1. The three recognized ESOs of today, CEN, CENELEC and ETSI, cover the spectrum of European standardisation with clear linkages to international standardisation via the Dresden and Vienna Agreements as well as the global success and outreach of ETSI. In this way, the European standardisation system (ESS) is a comprehensive, regional model combining the advantages of a national representation model with one of direct industry representation with common goals which include most notably promoting the single market and the use of industry-led standards on a voluntary basis in support of European regulation/legislation and policy making.

2. Most of the ICT standardisation work is global in nature and is often done in organisations outside of the formal standardisation system namely in so called 'fora' and 'consortia', global organisations that are not formally recognised but of which some have evolved into well established, open organisations that operate in accordance with the WTO TBT Principles for the Development of International Standards, Guides and Recommendations.

3. As other stakeholders, DIGITALEUROPE is active in both the formally recognised standards bodies and in global fora/consortia. Given the high global outreach and high impact for the global market, participation in fora/consortia is both desirable and strategically relevant for industry. Essentially global fora/consortia operate complementary to the formally recognised standards bodies.

4. It is questionable whether additional ESOs would actually gain market acceptance. Those areas that are today not covered in the three existing ESOs are to a large extend areas of global relevance where stakeholders have a strong preference to work in global organisations like fora/consortia with a focus on producing fast results and having immediate global outreach for broad market penetration. And duplication of work at a regional level with one or more additional ESOs would thus be counter-productive to the competitiveness of industry and to effective standards development.

5. Likewise, for existing fora/consortia which produce widely used and implemented specifications with broad global market acceptance there is no added value in becoming an ESO and thus narrowing their prime focus to one specific region. They are global organisations with global membership and targeting the global market.

6. A better solution than having one or more additional ESOs is to implement mechanisms for being able to directly reference relevant and widely used and implemented

specifications from global fora/consortia in EU policies and public procurement. One example is, for instance, the internet with specifications from the IETF, IEEE, OMA, W3C or OASIS. These specifications are of high relevance for Europe. They were developed in open and transparent processes in accordance to the WTO TBT Principles, and they have proven quality and demonstrated interoperability. On this basis it should be allowed to directly refer to them in EU policies and public procurement. This issue was addressed in the recent EU Commission White Paper on "Modernising ICT standardisation in the EU – the way forward" (COM(2009) 324 final). This White Paper proposes concrete solutions to the issue of making global specifications available for use in Europe via a review of Council Decision 87/95 including the introduction of a set of "attributes" as criteria for evaluating the eligibility of the respective specifications..

Conclusion:

1. The number of 'recognised' ESOs should not be increased.
2. DIGITALEUROPE strongly supports the proposals as contained in the EU Commission White Paper on "Modernising ICT standardisation in the EU – the way forward" (COM(2009) 324 final)
3. DIGITALEUROPE urges for a fast implementation of the White Paper recommendations

Provision 20 would see the European Commission able to co-finance participation of experts in international standardisation. The circumstances under which such financing would be provided have not yet been made clear, although it is likely that this support would be used to increase the participation of specific stakeholder groups. At this stage the Commission wishes simply to understand the likely 'unit' costs of an expert working in an international standardisation committee across the three-year timeframe that is typical for international standards development. The specific question to be answered by the study is therefore as follows:

Q3 - What would be the average costs of financing one expert working in an international standardisation committee across a three-year period (time, fees, expenses, etc.)?

DIGITALEUROPE Response:

As stated in the section on the DIGITALEUROPE Positions regarding the reform of the EU legal standardisation framework, the development of global standards is a priority for DE as most of the standards used in the ICT domain are global. It should also be noted that in many cases these standards are developed by fora / consortia.

DIGITALEUROPE is of the opinion that market-oriented global standards development should be undertaken primarily by the involved market parties. These market parties are very keen in supporting and progressing the standards development work of new and existing technologies in those standards development organizations (SDO) that have established themselves as leading in the related technology areas. Again these are not only the international standards bodies ISO, IEC or ITU, but also fora / consortia such as OMA, IEEE or IETF. It should also be noted that ETSI is often involved in creation of globally applicable standards development (e.g. NGN, xIPTV, and through partnership projects such as 3GPP with other SDOs).

DIGITALEUROPE understands that the financial burden for some stakeholders, e.g. SMEs, can

prevent them from actively participating. From our experience in active participation in standards development organisations all over the world, we see that SMEs in the ICT sector also value direct participation because it allows them better to represent their business interests, and where the contribution to standards development is part of an SME's business case the respective SME very decidedly contributes to global standardisation.

It is quite difficult to state what the likely 'unit' costs of an expert working in an international standardisation committee are. Therefore DIGITALEUROPE can only provide you with a review of the parameters that most likely will determine the 'unit' costs of an expert.

In general three categories of the costs can be distinguished, namely

- The membership fee or participation fee.
  Here a large variety exists, but typically a membership fee ranges from 2k Euro to 10kEuro per year, depending on the SDO. Sometimes a global forum does not have a membership fee but has only a participation fee, e.g. the IETF. Also cases exist where both types of fees are possible, e.g. the IEEE. A typical participation fee is 400 Euro per meeting. It should be noted that stakeholders are sometimes participating via the SDO membership of their branch association.

- Travel and lodging costs.
  Meetings are often organized at places around the world that are easily accessible by an airplane. Please note that airplane prices very much depend on the destination. A usual meeting duration is 3-5 days with the committee meeting on the average 4 times per year. Travel costs may also include train and taxi costs. Only a range for the total costs per meeting can be given as this very much depends on the location where the meeting will be held. Typical travel and lodging costs range from 900 to 1500 Euro per meeting.

- Expert time in preparing, participating, reporting and driving the standards development work.
  This cost factor very much depends on the level of participation of the expert in the standards development process. Also the country of origin of the expert plays a significant role. Typically an expert would cost (excl. travel and lodging) around 600-1000 Euro per day.

Obviously the expert time is the most important cost factor to determine the likely 'unit' costs of an expert working in an international standardisation committee across the three-year timeframe that is typical for international standards development. Therefore it is important to determine the level of standards development participation.

In general three levels can be distinguished:

- Monitoring the standards development.
  Typically this can be done remote by reading and/or scanning emails from the related SDO email exploders, contributions, meeting minutes, etc. A stakeholder can in this way be up-to-date regarding the direction the standards development takes and can implement the resulting standards in its products. Here often the only cost factor is the time the expert spends, which typically amounts to about 2-5 days per year.

- Participating in the standards development.
  The stakeholder wants to increase its knowledge and understanding regarding the involved technologies for inclusion in its own products. This basically means that the expert is working in an active participation mode, but he is normally not creating contributions to influence standards development work. Here the involved stakeholder is participating in all the committee meetings of the involved global SDO. A membership of the SDO is needed because of the possible IPR implications (e.g. need to declare own IPR). A stakeholder expert is on the average spending 6-10 days to prepare for the meeting and report after the meeting.

- Driving the standards development.
  Here the stakeholder is typically trying driving the standards development work, e.g. to get its own technology included in the resulting standard. This requires the creation of contributions. Also the involved expert may occupy the editorship of the related standard. Full membership of the global, international SDO is needed. When driving the standards development work, a stakeholder expert is on the average spending 15-30 days to prepare for the meeting and report after the meeting.

As a concluding remark, DIGITALEUROPE would like to note that in case of complex standardisation projects or parallel meetings of WGs of the committee in question, it may be needed to send more than one expert to an international standardisation committee.

ABOUT DIGITALEUROPE

DIGITALEUROPE is the pre-eminent advocacy group of the European digital economy acting on behalf of the information technology, consumer electronics and telecommunications sectors. We are dedicated to improving the business environment, and to promoting industry's contribution to economic growth and social progress in the European Union.

DIGITALEUROPE ensures industry participation in the development and implementation of EU policies. DIGITALEUROPE's members include 58 leading corporations and 40 national trade associations from all the Member States of EU; altogether 10,000 companies with 2 million employees and €1,000 billion in revenues. You can learn more about our activities via http://www.digitaleurope.org

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