

ROADMAP	
TITLE OF THE INITIATIVE	Communication on a more integrated European Standardisation System and legislative proposal on standardisation, covering inter alia the ICT sector
TYPE OF INITIATIVE	<input checked="" type="checkbox"/> CWP <input type="checkbox"/> Non-CWP <input type="checkbox"/> Implementing act/Delegated act
LEAD DG – RESPONSIBLE UNIT	ENTR/C/5
EXPECTED DATE OF ADOPTION	Month/Year: 2011
VERSION OF ROADMAP	No: 6 Last modification: Month/Year: 9/2010

A. Context, problem definition

- (i) What is the political context of the initiative?
- (ii) How does it relate to past and possible future initiatives, and to other EU policies?
- (iii) What ex-post analysis of the existing policy has been carried out and what results are relevant for this initiative?

Standardisation is one of the key factors of the internal market. The use of standards facilitates cross-border trade and increases the competitiveness of European enterprises, inter alia by allowing suppliers to achieve economies of scale through lower per-unit costs by producing large homogeneous batches. The European standardisation bodies and their members were frontrunners in developing very successful and widely accepted standards. Standards are the fruit of close cooperation between economic actors as well as between businesses and non-governmental organisations within civil society. Yet, the increasing globalisation, the necessity to further develop a European economy based on knowledge and innovation and the ambition to transform Europe into a more resource efficient, greener and more competitive economy present new challenges for standardisation bodies and the users of standards. This initiative implements the Europe 2020 Strategy and will be one of the principal initiatives of the EU2020 Flagship on the Innovation Union [COM(2010)546], the forthcoming "Single Market Act", the forthcoming EU2020 Flagship on Industrial Policy and the Digital Agenda [COM(2010)245].

The future of European standardisation was discussed extensively at the European Parliament. In October 2010, it adopted a report on the future of European standardisation [A7-0276/2010] according to which the review of the European standardisation should preserve its many successful elements, improve its deficiencies and strike the right balance between the European, national and international dimensions. The European Parliament stressed that the proposed review should build on the strengths of the existing system, which constitute a solid basis for improvement, while refraining from any radical changes that would undermine the core values of the system

The standardisation package will be the conclusion of a long process of reflection and broad consultation of stakeholders. In its Communication COM(2008)133 of 11 March 2008, the Commission pleaded for a reform of the European Standardisation System (ESS), in order to make it more reactive to innovation and more supportive to competitiveness of EU enterprises. In its Conclusions of 25th September 2008, the Council encouraged the reform of the ESS, and invited the Commission to review its action plan for standardisation. In addition, the Small Business Act [COM(2008)394] encouraged the European Standards Organisations to review their Business Model and called for an adaptation of the ESS to the needs of SMEs. In addition, the consultation on the "White Paper" for a new ICT Standardisation Policy [COM(2009)324] has demonstrated the urgency of a reform of the ICT standardization system in Europe. A study on "access to standardisation" examined how all interested parties could be more closely involved in the standardisation process (final report published in April 2009). An independent advisory Expert Panel for the Review of the European Standardisation System (EXPRESS) made recommendations on how standardisation can bring greater value to Europe and can capitalise on its strengths and values in the global standardisation context.

What are the main problems which this initiative will address?

Standards fulfill a variety of functions. They convey information, allow interoperability between products and processes, guarantee minimum levels of quality and safety, and result in economies of scale by reducing variety. Positive economic effects of standards include their ability to exploit network externalities, to enhance productive and innovative efficiency, to reduce imperfect information, to diffuse information on innovation, and to promote competition. Although European standardisation is highly beneficial for the EU and the functioning of the internal market, the following main problems will be addressed by this initiative:

1. The contribution of European standardisation to innovation within the EU and its role in the internal market is tremendous, especially in the field of product standards:
 - a) Standards play an important role for innovation. By codifying information on the state of the art of a particular

technology, they enable dissemination of knowledge, interoperability between new products and services and provide a platform for further innovation. For example, the opening of the telecommunications market combined with the GSM standard laid the foundation for Europe's success in mobile phones. However, standards play this useful role only if they keep pace with the development of new technologies. The rapid shortening of innovation cycles and the convergence of technologies across the boundaries of the three European standardisation organisations are a particular challenge. If not able to adapt, the European standardisation system risks becoming irrelevant with companies turning instead to other instruments (as could be seen in the ICT sector) or worse could start to work as a brake on innovation. A dynamic standardisation system is also a pre-condition for the EU to maintain and further reinforce its impact on the setting of standards at global level, where other countries are increasingly seeking to set the rules. In addition, new standardisation needs and integration of standards into R&D projects could be much improved.

b) Compliance with harmonised standards provides a presumption of conformity with the corresponding requirements of the 'New Approach' directives and other relevant directives. Manufacturers can use harmonised standards to demonstrate that products comply with EU legislation. In other fields, however, European standardisation did not yet fully play the role which it deserves or evolved outside the formal channels, such as in the field of services. Moreover, other fora have elaborated innovative solutions that stakeholders recognize as de facto standards. However, their lack of formal status prevents Member States to use them, for example for public procurement.

2. In the digital economy, Europe does not yet reap the maximum benefit from interoperability. Weaknesses in standard-setting, amongst others, prevent digital services and devices used by Europeans from working together as well as they should. The Digital Agenda can only take off if its different parts and applications are interoperable and based on standards and open platforms. However, the currently applied specifications which are widely accepted by the relevant stakeholders are not recognised as having the same value as a formal standard.

3. A greener European economy requires greener standards. In several fields, there is hardly a legal basis for the development of standards to support green policies, e.g. the measurement of greenhouse gas emissions, the introduction of renewable energies, the improvement of energy management, etc. Furthermore, the revision of environmental parts of existing harmonised or other European standards in order to adapt them to new technological development is often a laborious process so that the development of the internal market of green products often does not keep pace with the technological evolution of these products .

4. Standards share four major characteristics: they are the result of a work carried out among interested parties, they are based on scientific and technical data, they rely on consensus, and their application remains voluntary. European standards institutes provide for the participation of various representatives: from trade unions, consumer groups, local governments, national government officials, individual firms, and trade associations. Standard-setting thus constitutes a procedure in which the participants have formally the same rights and the same influence. However, there are generally profound inequalities between them in terms of access to information and technical expertise. For example, small and medium enterprises (SMEs) and non-commercial stakeholders rarely have the capacity to take an active part in standardization work. Despite the consensual mode of establishment of standards, there are risks that standards development may be biased in some cases by an over-representation of specific vested interests.

Who will be affected by it?

Businesses, European and national standardisation bodies, public authorities and civil society.

(i) Is EU action justified on grounds of subsidiarity?

(ii) Why can Member States not achieve the objectives of the proposed action sufficiently by themselves? (Necessity Test)

(iii) Can the EU achieve the objectives better? (Test of EU Value Added)

European standards are an inherent part of the internal market for goods since more than 25 years. European standardisation necessarily takes place at EU-level. Around 90 % of standards applicable in the EU are either European or international standards. More than three quarters of European standards do not come under a directive but result from a market initiative. At European level, there are three recognised European Standards Organisations (ESOs): CEN, CENELEC and ETSI. National standards bodies are members of CEN and CENELEC, which are based on the principle of national delegation in their governance and procedures: national members take decisions at European level. In contrast with this, ETSI functions on the basis of direct membership of companies, administrations and other organisations. There are 3 recognised international standards organisations: ISO, IEC and ITU. National standards bodies are also the members of ISO and IEC, whereas the members of ITU, which is part of the system of United Nations, are national governments. Consequently, problems related with European standardisation can only be solved by action at European level.

B. Objectives of the initiative

What are the main policy objectives?
The main objective of the initiative, which will inter alia cover the ICT sector, is to speed up and modernise standard-setting to enable interoperability and foster innovation in fast-moving global markets. Moreover, new standardisation needs should be anticipated and standards should be integrated into R&D projects in the research Framework Programme. In a longer term perspective, the initiative should ensure that the standardisation system is able to adapt to the quickly evolving environment and to contribute to Europe's strategic internal and external objectives (relating, among others, to innovation and technological development).
Do the objectives imply developing EU policy in new areas?
No.

C. Options
(i) What are the policy options being considered? (ii) What legislative or 'soft law' instruments could be considered? (iii) How do the options respect the proportionality principle?
<p>Option 1 : No action</p> <p>Option 2 : a Communication accompanied by a legislative proposal on standardisation, which will inter alia cover the ICT sector, in order to speed up and modernise standard-setting to enable interoperability and foster innovation in fast-moving global markets. It would consist of the following main elements: a) Standardisation in the field of services; b) Increase transparency and efficiency of European standardisation; c) Possibility to recognise existing de facto standards in certain fields, especially IT services and products; d) Strengthen involvement of stakeholders.</p> <p>Option 3: a Communication accompanied by a legislative proposal in order to improve the functioning of EU standardisation by an increase of the budgets and the revision of Decision 1673/2006/EC (partly legislative initiative): a) Increase budgets for standardisation; b) Include IT operability in Decision 1673/2006/EC and repeal Decision 87/95/EEC; c) Conclusion of separate agreements with ESOs; d) Formal Commission recommendation on fundamental principles of European standardisation.</p> <p>Option 4: a Communication setting out the main elements of new agreements with ESOs and other interested bodies that play an important role in European standardisation (non-legislative)</p> <p>Option 5: Abolish the involvement of the EU in European standardisation (legislative).</p> <p>The last option is clearly disproportionate. All other options fully respect the proportionality principle.</p>

D. Initial assessment of impacts
What are the benefits and costs of each of the policy options?
<p>Option 1 does not solve any problem. It would deny requests from the EP, the Council, ESOs and all other stakeholders to address certain problems.</p> <p>The benefit of option 2 is its general and overall approach whereby the fragmented legal framework would be put together and adapted to the new needs. If a regulation or decision would be used, the costs would be minimal.</p> <p>The benefit of option 3 is its flexibility and the possibility to react fairly quickly to new developments, which could be interesting in the field of innovation. An amendment of Decision 1673/2006/EC could permit an extension of the situations in which activities in the area of standardisation could be financed. The main disadvantage is that it does not offer an appropriate solution for the formal recognition of existing de facto standards for IT interoperability. Option 3 could also suffer from budgetary constraints.</p> <p>The advantages and drawbacks of option 4 are more less the same as those of option 3. Yet, an complementary drawback would the fact that any possibility to finance new standardisation activities would not necessarily be possible under Decision 1673/2006/EC.</p> <p>Option 5 would have probably no benefits and would only create additional costs for all stakeholders.</p>
Could any or all of the options have significant impacts on (i) simplification, (ii) administrative burden and (iii) on relations with other countries, (iv) implementation arrangements? And (v) could any be difficult to transpose for certain Member States?

<p>Option 5 would cause a heavy additional administrative burden for national authorities, national standardisation bodies and businesses. None of the other options would have significant impacts on administrative burden..</p> <p>At the moment, none of the options seem to have significant impacts on simplification, relations with other countries and implementing arrangements. No transposition difficulties could be identified at this stage.</p>
<p>(i) Will an IA be carried out for this initiative and/or possible follow-up initiatives? (ii) When will the IA work start? (iii) When will you set up the IA Steering Group and how often will it meet? (iv) What DGs will be invited?</p>
<p>Yes. The IA work is ongoing since 1 December 2009 under the auspices of an IA Steering Group. The most important services users of standards within the Commission, i.e various units of DG ENTR, ENV, SANCO, MARKT, TRADE, INFSO, BUDG, SG, COMP and TREN, have been invited.</p>
<p>(i) Is any of options likely to have impacts on the EU budget above €5m? (ii) If so, will this IA serve also as an ex-ante evaluation, as required by the Financial regulation? If not, provide information about the timing of the ex-ante evaluation.</p>
<p>An increase of or re-orientation within the EU-Budget for standardisation (currently around 20 to 24 Million €/year) might be necessary under options 2, 3 and 4. According to Article 6(1) of Decision 1673/2006/EC, the Commission is obliged to evaluate the relevance of the standardisation activities receiving Community financing in the light of the requirements of Community policies and legislation and inform the European Parliament and the Council about the outcome of such evaluation at least every five years.</p>

E. Evidence base, planning of further work and consultation
<p>(i) What information and data are already available? Will existing impact assessment and evaluation work be used? (ii) What further information needs to be gathered, how will this be done (e.g. internally or by an external contractor), and by when? (iii) What is the timing for the procurement process & the contract for any external contracts that you are planning (e.g. for analytical studies, information gathering, etc.)? (iv) Is any particular communication or information activity foreseen? If so, what, and by when?</p>
<p>(i) The initiative is the result of preparatory work, which is available as reports and documents :</p> <ul style="list-style-type: none"> - a report drafted by an independent group, the Expert Panel for the Review of the European Standardisation System (EXPRESS): this group was established by the European Commission in January 2009 to review the entire ESS, its functioning, coherence, financing and legal framework. The Panel was composed of 30 individual experts from European, national and international standards organisations, industry, SMEs, NGOs, academia, and public authorities from EU Member States and EFTA countries. The European Commission is using the Panel's advice via the report that EXPRESS delivered in February 2010. - Evaluation of the contribution of community financing of standardisation to the fulfilment of policy objectives of the Commission (30 June 2009) - Access to standardisation – Study for the European Commission, Enterprise and Industry Directorate General (Final report, 10 March 2009) - SME Access to European Standardisation (Report commissioned by CEN and CENELEC – Final version available in September 2009) - Reforming the European standardisation system (Internal DG ENTR Note dated 29 October 2008) - CEN/CENELEC/ETSI common objectives (June 2006) - Economic benefit of standardisation – DIN (2000) - The empirical economics of standards (DTI – 2005) - Impact économique de la Normalisation (AFNOR – June 2009) - Standards and economic growth in Denmark (DS – 2003). <p>(ii) and (iii) At the moment, sufficient information seems to be available.</p> <p>(iv) The outcome of the IA and the corresponding decision of the Commission on the preferred option will be the subject of a press release and specific messages to stakeholders via the specialised channels of the DGs. A press conference could be envisaged.</p>
<p>Which stakeholders & experts have been or will be consulted, how, and at what stage?</p>
<p>The following stakeholders were closely involved in all the preparatory works:</p> <ul style="list-style-type: none"> - the European Standards Organisations, CEN, CENELEC and ETSI as well as some of their national members - Industry federations (e.g : BusinessEurope, Orgalime, UEAPME) - Organisation representing stakeholders in standardisation (ANEC, ECSO, ETUI and NORMAPME) <p>The open consultation took place from 23.03.2010 until 21.05.2010. Its results are available on http://ec.europa.eu/enterprise/policies/european-standards/public-consultation/index_en.htm</p>

