BUSINESSEUROPE

August 2021

Standardisation Strategy Roadmap

KEY MESSAGES

1. The performance of the European Standardisation System (ESS) is intrinsically linked to the system for harmonised European standards. We welcome measures to solve systemic bottlenecks in harmonised standardisation and, together with industry partners, we provide tangible **recommendations** to restore an effective harmonised standardisation.

2. We acknowledge the increasing geopolitics of standardisation and welcome policy driven engagement in anticipating and defining standardisation priorities. However, further discussions to anticipate and define standardisation priorities at political level must not impede market-driven standardisation and should always involve stakeholders along the way.

3. A strategic approach to lead on standardisation for new and critical technologies is welcomed but should not undermine our commitment to international standardisation.

4. We welcome further clarification and assessment from the European Commission on the benefits for services standardisation.

BusinessEurope welcomes further opportunities for a constructive dialogue to the Commission's Standardisation Strategy. In the meantime, we outline our reaction to the Commission's roadmap consultation, below.

COMMENTS

1) IS THE CURRENT EUROPEAN STANDARDISATION SYSTEM FIT FOR PURPOSE TO SUPPORT EUROPEAN STRATEGIC INTERESTS ?

Anticipation and definition of standardisation priorities

The European Standardisation System, which is based on the Regulation 1025/2012 on European standardisation, has offered a successful and reliable model under the New Legislative Framework for Products for many years. Nevertheless, we concur with the ambition to take a more proactive approach towards strategy setting for standards,

notably to support the twin digital and green transition. BusinessEurope is committed to new endeavours that can support the implementation of Europe's strategic priorities, while preserving a market-driven standardisation environment and the EU's close linkages to international standardisation.

Standards are market-driven tools that are developed on a voluntary, consensus basis. Their success rests on their market relevance and the significant legitimacy that results from the wide contribution of stakeholders to the standards-making processes. While we welcome policy driven engagement in defining standardisation priorities, attempts to steer the market or irrelevant direction setting will only draw resources away from activities that could have real benefit. Therefore, future discussions to better anticipate and define standardisation priorities at political level must not impede market-driven standardisation and should always involve stakeholders along the way, for example with (but not limited to) further involvement of the Standards Market Relevance Roundtable (SMARRT) and the Multi-Stakeholder Platform on ICT Standardisation. This would notably help standardisation priorities to be more aligned, and deliverables streamlined.

In addition, further allocation of EU industrial resources can effectively support the identification and development of standards for emerging technologies, from pre-standardisation activities to the final standard development (e.g., by stimulating standardisation in EU research programs).

Skills, expertise, and education

Businesses invest most resources and time in standardisation processes, by allocating scarcely available experts that are responsible for drafting standards that are understandable to the target audience, workable in everyday practice, useful to help comply with global and EU legislation, and considered adequate to give presumption of conformity to specific EU requirements. Independently of a well-structured European Standardisation System, this investment has recently not been justified in the development of harmonised European standards due to the overly bureaucratic and legalistic processes that slow down the roll out of state-of-the art standards. To this end, we welcome further incentives from public authorities and assistance to support stakeholders, such as the provision of legal support to assist standards writers in navigating the legal complexities of European legislation in the respective Technical Committees. Increased participation by national authorities in standardisation would also improve the quality of market surveillance at national level.

Standardisation in services

Regarding standards for services, BusinessEurope would welcome further clarification and assessment from the European Commission on the benefits of such ambitions, of which we are not convinced. We stress the strategic role services play in Europe's economy, including in the industrial value chains. However, services carry specific and very dynamic features which cannot be set and locked through standards or attributed to any specific industrial eco-system where the Commission would see standardisation as important tool.

Indeed, we recommend taking into consideration the specificity of services, which are by essence client oriented and adapted to special market conditions and structures, as opposed to goods. Fixed standards for services, as currently done for goods under the New Legislative Framework, could hamper the customer relation and create further administrative burden for businesses. Therefore, we recommend first carrying out a thorough analysis of the structure of the services sector, notably on a case-by-case

basis, in order to understand the benefits of standardisation for services, and also taking into consideration the learnings from the Joint Initiative on Standardisation.

Furthermore, the European Commission must avoid introducing standards that could impact the autonomy of social partners or affect the system of industrial relations (e.g., Introducing standards for Human Resources Management).

2) HOW THE EU CAN LEVERAGE AND PROMOTE GLOBAL LEADERSHIP IN STANDARDS-SETTING ?

International standards promote open international trade and are crucial for the competitiveness of European companies in third-country markets. BusinessEurope acknowledges the increasing geopolitics of standard-setting, notably for the global governance of emerging technologies. A first mover advantage in setting standards in new and critical technologies while preserving our standardisation system and upholding our continued commitment to international standardisation will be crucial to safeguard our competitiveness.

For businesses, problems arise when standards adopted in a country are not recognised by importing countries, who use instead their own, competing standards. This situation generates market fragmentation and leads to substantial problems in global supply chains. Enhancing cooperation and dialogue with international partners on standards is crucial to prevent fragmentation and distorted competition. In this context, we welcome further synergies with like-minded international partners and recommend making standards a central element of the EU's trade agreements. BusinessEurope also welcomes the establishment of the EU-US Trade and Technology Council, notably the Working Group for technology standards cooperation, and stands ready to contribute to its work. More specifically, through this new platform, we recommend enhancing cooperation and a common approach in innovative fields, such as AI, cybersecurity, 6G and Quantum Computing.

Furthermore, starting standardisation activities for critical technologies at European level may be a viable approach when it is done with the aim to push the standards to the international level or promote further alignment with international standards, to avoid creating market fragmentation and to preserve the integration of our European Standardisation System (ESS) into the international standardisation system. In this context, we must preserve and further strengthen the engagement and leadership of CEN and CENELEC members within the International Standardisation Organisations (ISO, IEC).

As previously expressed, the EU's global leadership in standardisation is closely tied to the effective functioning of our own standardisation system, i.e., its ability to maintain its tradition of strong cooperation between all interested stakeholders to maintain a sustained impact on the technical content in international standards. Systemic bottlenecks and issues in the European standardisation system have significantly reduced incentives for companies to invest in harmonised standardisation, which is negatively impacting our ability to influence international standardisation forums.

3) ARE CHANGES IN GOVERNANCE AND WORKING METHODS REQUIRED TO IMPROVE THE PERFORMANCE OF THE EUROPEAN STANDARDISATION SYSTEM?

Restoring an effective harmonised standardisation

BusinessEurope welcomes the Commission's ambitions to address bottlenecks within the ESS and stands ready to support future endeavours to restore trust and a successful public-private partnership. More particularly, BusinessEurope sees the issue of harmonised European standards as intrinsically linked to the performance of the ESS.

We concur with the dual function of harmonised European Standards: they enhance market access for businesses while serving as compliance demonstration tool as they grant their users presumption of conformity. Still, while the Commission has a legitimate role in requesting the development of harmonised standards to comply with essential requirements set in legislation, its ambition to specify the content, form, and timeline of these deliverables in detail and to examine harmonised standards in a legalistic manner should not result in either detailed requirements regarding the technical content of the standard or in disproportionate verification schemes. In our view, harmonised European standards should be put back in the hands of stakeholders who benefit from the relevant technical expertise, with public authorities in a guiding and guarding role rather than the driving seat.[1]

Fundamental principles of the New Legislative Framework for Products (NLF) are essential for the well-functioning of the ESS and vital to upholding and securing Europe's competitiveness. BusinessEurope urges the European Commission to preserve the stability of the basic NLF principles of separation of the essential requirements laid down in product legislation, on one hand, and description of their technical realization according to the state of the art in product-specific voluntary standards on the other. The creation of parallel approaches to standards-setting, i.e., Implementing acts, codes of conduct or legislative and other related technical specifications, by the European Commission should be avoided wherever they are intended to replace standards. Such an alternative approach would be only acceptable, when used exceptionally and under strict and clear criteria, in reference to topics for which standardisation is not appropriate. The opposite would seriously undermine the ESS.

BusinessEurope remains convinced that the European Commission's interpretation of Regulation (EU) 1025/2012 following the ruling of the European Court of Justice, known as the 'James Elliott ruling' (C-613/14) of October 2016, should be reassessed. We also welcome the recent ECJ ruling on Case T-185/19, recalling that in the 'James Eliott ruling" the "Court of Justice held in particular that a harmonised standard **such as that at issue in the main proceedings** (…) forms part of EU law", rather than across all sectors.[2]

Nevertheless, in a spirit of cooperation and to support endeavours to fix harmonised standardisation, we provide the following recommendations (see annex I for more detailed recommendations developed with industry partners):

1. More flexibility in Standardisation requests;
2. Clear and reliable criteria for the assessment of harmonised standards;
3. Transparent status and progress communication between experts, Commission consultants and the European Commission (e.g., establishing a dashboard on

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[1] See our open letter: *Industry competitiveness heavily relies on effective harmonised standardisation - Open letter to the EU Council Presidency, chair of the Competitiveness Council Mr Pedro Siza Vieira*

[2] Outcome of the ECJ Ruling available here.

internal stages for processing of harmonised standards in the Commission to enhance predictability for stakeholders);

4. Short processing time for citation of harmonised standards in the OJEU.

Governance of the European Standardisation System

The governance system of the ESS, which is based on the Regulation 1025/2012 on European standardisation, has proven to work well over the past decade. Therefore, we appeal to the Commission not to open the "Pandora-box" by proposing a revision of the legal framework, as it risks undermining the core foundation of the ESS. Nevertheless, BusinessEurope would see benefits in further alignment with the international standardisation system and would welcome further synergies and cooperation between European Standardisation Organisations (CEN-CENELEC-ETSI) to avoid fragmentation of initiatives, duplication of efforts and ultimately to lower the entry barrier for stakeholders in the European standardisation processes. In addition, we recommend reducing complexity of the standardisation processes and increasing digitalisation, to promote an enhanced participation of stakeholders and to speed up the development and consensus processes.

Annex I: Joint Industry Recommendations for effective harmonised standardisation