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ETSI Opinion on the Reform of the European Standardization System

ETSI supports the reform of the EU standardization system undertaken by the European Commission and the overall objectives to make the system more responsive to very challenging ICT markets as well as to increase the role of standards in fostering the internal market and EU competitiveness.

Thanks to its membership of 750+ that encompasses most segments of the ICT ecosystems, ETSI is in a position to provide detailed comments to the Draft Regulation put forward by the EC. These comments relate to three points that ETSI sees critical for the implementation of the reform to fulfil the objectives:

- Process and tools to select fora and consortia specifications for public procurement and policies
- Chapter VI of the Draft Regulation (Delegated Acts)
- EU competitiveness

ICT is intrinsically a global industry and a very competitive sector in which business cycles are ever accelerating and innovation often comes “from the edge”. Standardization is embedded in the economic and industrial context of the markets it serves, and it must reflect the dynamics of those markets in order to bring value to industry and consumers and to support policy and regulation when relevant.

ETSI welcomes the Commission endeavour to strengthen the system of standard-setting in Europe and backs the overarching goals of the reform to strengthen the single market for ICT goods and services in EU and support EU competitiveness on the global market.

In particular, ETSI supports the following elements- some of which are already included in ETSI modus operandi:

- Extension of the scope of the legal framework to standards and interoperability tools for services
- Recognition of eligible standards developed by ICT fora and consortia to enhance efficiency of the standardization system in EU
- Provision of means to contribute to standards making for all relevant economic agents (in particular SMEs) and societal stakeholders.
- Overall streamlining of the processes

Based on its broad expertise in standardization ETSI wishes to highlight the following points that its membership considers critical to secure a successful implementation of the reform:

1) Regarding the direct referencing of ICT fora and consortia specifications in EU policies and public procurement, in areas where no significant standards development work has taken place within the ESOs.

In its daily work, ETSI operates with a network of partners –SDOs, fora, consortia- and is at the origin of the creation of some global partnerships such as 3GPP or MESA. Therefore we support the proposal to allow the referencing of ICT fora and consortia standards that meet eligibility criteria and we support the view that such specifications can be used to complement European standards/deliverables.

With regards to the implementation process and tools, the draft Regulation (whereas#20) mentions a *“procedure for the selection of standards in the field of ICT that could be used in public procurement, involving a broad consultation of a large spectrum of stakeholders including the ESOs, enterprises and public authorities”*

ETSI believes that this “procedure for the selection of standards” is pivotal to the effectiveness of the reform. In particular, it will be crucial to define the proper dimensioning of the “multi-stakeholders consultation platform”, its membership and operating processes (e.g. eligibility assessment) as well as the decision-making processes within the platform. ICT is a sector with specific characteristics also in standardization because of the ever shortening time-to-market for ICT products and services and the variety of variables that contribute to a “standards success”: interoperability and backwards compatibility, IPR regime, etc. In addition there must be a mechanism to ensure specification providers are responsible and accountable for this eligibility during the maintenance phase of the specifications.

The model followed for the ICT Steering Committee could be used as guidance, and it must be kept in mind that the overall objective of the reform is to enable a subtle trade-off between efficiency and serving best EU competitiveness and internal market objectives.

2) ETSI has some concerns over the phrasing of Chapter VI of the Draft Regulation regarding the tasks listed that would fall under the responsibility of the Commission.

Standardization in EU is a voluntary, market driven process. Chapter VI empowers the Commission to adapt the criteria for recognizing ICT standards (VI, 16-b), and adapt the criteria for organizations representing SMEs and societal stakeholders (VI, 16-c). ETSI believes the phrasing of this provision may induce a risk of unbalance between stakeholders and may challenge the openness and transparency of the process. As per Art.18 *“the Commission shall be assisted by a committee”*, however there is no specific information on the committee’s rules and terms of reference.

ETSI believes some clarification is necessary with regards to the implementation of this provision.

ETSI also sees a risk of implying that policy makers (i.e. EC) ultimately select specifications and players for the EU ICT market. We think the wording must be carefully chosen in order to avoid all possible ambiguity vis-à-vis trade partners on the fact that standardization in EU is a voluntary market-driven process.

3) About EU competitiveness

As mentioned in COM(2011)311 as well as in several EU2020 flagship initiatives of the European Commission¹, standards in general and ICT standards in particular are a key element of EU competitiveness, which in turn is an overarching objective of EU2020.

In this respect, the reference to international standards taken “as a basis” (for EU standardization) in the draft Regulation (Chapter II, Art 3.2.c) raises some concerns within ETSI. As mentioned above, ICT is indeed a global industry and industry does favour global standards; for that matter ETSI has produced and continues producing globally applicable standards. However, the phrasing of Art 3.2.c (and the vision it expresses) seems to us to be misleading and potentially hamper EU pro-activity in standards development and promotion:

- a. Several standards production systems co-exist with differences regarding their international, regional or national scopes as well as differences between their roles where “formal” organizations would produce formal standards and fora/consortia would produce standards for a fast changing business. The reform should not ignore the fact that global standards can happen and are happening regardless of the legal status of the originator or its geographical scope - TCP-IP, DVB are examples of this. The objective of reinforcing the visibility, transparency and “formality” of standards production in particular for the EU internal market should not take precedence over that of enhancing EU competitiveness.
- b. In addition, the standards production market is subject to a fundamental tension between the need for global standards and the logic of regional blocks that the emergence of new regional standards producers just reinforces. EU policy should ensure that the EU standards production system has the means to be a relevant player in international standardization arena. Yet, EC also recognizes that global standards do not necessarily happen in formal international organizations and it must support the fact that in some areas (e.g. security and e-ID, ITS, energy efficiency) EU is and has the ambition to “be taken as a basis” and have standards “made in EU for global use”.

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ETSI produces globally-applicable standards for Information and Communications Technologies (ICT), including fixed, mobile, radio, converged, aeronautical, broadcast and internet technologies and is officially recognized by the European Union as a European Standards Organization. ETSI is an independent, not-for-profit association whose more than 750 member companies and organizations, drawn from 62 countries across 5 continents worldwide, determine its work programme and participate directly in its work. For more information please visit: www.etsi.org

¹ COM(2010) 245, A Digital Agenda for Europe
COM(2010) 546, Innovation Union
COM(2010) 614, An Integrated Industrial Policy for the Globalisation Era