

# COMMISSION OF THE EUROPEAN COMMUNITIES

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## COMMISSION COMMUNICATION

STANDARDIZATION IN THE EUROPEAN ECONOMY

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(Follow-up to the Commission Green Paper of October 1990)

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(92/C 96/02)

## I. INTRODUCTION

1. On 28 January 1991 the Commission published in the *Official Journal of the European Communities* a Green Paper on the development of European standardization<sup>(1)</sup>, a consultation paper open for comment by all interested parties. The comment period ended on 28 April 1991.
2. The Green Paper was intended to be the most wide-ranging review to date of European standardization. Although its publication was mainly stimulated by concern that the European standards needed for Community product legislation would not be produced in time, it addressed wider issues, in particular the place of standardization in the European economy and the responsiveness of European standardization to new demands from legislators and the market. While recognizing the private and voluntary character of standardization, the Commission made over 40 detailed recommendations aimed at promoting more efficient and market-responsive European standardization as a means of achieving the full benefits of a single European market. The Commission invited all those concerned to express their views on the Green Paper.
3. This second communication summarizes the response to the Green Paper, makes recommendations for the development of European standardization in the 1990's and proposes greater use of European standardization in Community policy.

The Council is asked in particular to confirm its agreement with the content of this communication by means of a resolution outlined later in the text.

## II. THE RESPONSE TO THE COMMISSION GREEN PAPER ON THE DEVELOPMENT OF EUROPEAN STANDARDIZATION

4. The Green Paper has been widely recognized as addressing an important issue for the success of the Community's internal market. A debate has been

organized in all Community Member States, within the Community institutions, and within European standardization bodies and European-level industrial and professional organizations. The Commission has received more than 250 comments from interested parties, a good number of which reflect extensive consultation at national or European level; a number of comments were also received from third countries. In terms of focusing public attention on standardization, the Green Paper has been an unqualified success.

5. The Commission has received overwhelming support for its objective — the establishment of a more efficient and market-responsive machinery for European standardization, which is recognized as a fundamental instrument for achieving the full economic benefit of a single market.
6. On the issues identified by the Commission as priorities — greater efficiency and flexibility in the standardization process, wider representation of economic interests and greater openness to international standardization — there is a wide measure of agreement on the need for change and the methods proposed. On other points, such as new organizational structures and a distinct status for European standards, there are reservations as to whether such radical change is necessary or useful. Even on these points, however, there is a willingness on the side of the standards organizations to go some of the way and respond to the underlying concerns of the Commission.

*Comments on the main points of the Green Paper*

A summary of the comments received is provided below. A more detailed review, giving the reactions to each of the Commission's recommendations, will be sent to those who commented on the Green Paper and is also available on request from the Commission<sup>(2)</sup>.

<sup>(1)</sup> OJ No C 20, 28. 1. 1991, p. 1.

<sup>(2)</sup> Copies may be obtained from the Directorate-General for Internal Market and Industrial Affairs, Unit III.B.2, Rue de la Loi 200, B-1049 Brussels.

**(i) The role of industry**

7. The importance of standardization for European industry was universally accepted. Most commentators, however, felt that it was unreasonable to ask for a greater financial contribution from industry, as opposed to government. Industry also expressed a strong wish for clearer priorities to be set for European standardization work and better management of the process.

**(ii) Standards organizations***Efficiency*

8. Comments have confirmed the need, particularly in CEN, to improve efficiency. The standardization bodies have committed themselves to better programming of standardization, the establishment of clearer priorities, and more effective monitoring of the progress of work. (The Commission and Council are also urged to assist the standardization bodies by giving clearer guidance for their work.)

Particular recommendations that have received support are more flexible working methods (including the use of project teams, feeder organizations or associated standardization bodies), the use of new technology, and clear rules on the use of majority voting. Other practical suggestions include the use of a single working language in European standardization, and accelerated translations for adopted texts; it has also been proposed that an external management audit of European standards bodies should be carried out.

A general cautionary note has been expressed: quality is as important as speed in standardization, and undue acceleration of the standardization process could reduce the opportunity for all interested parties to be involved.

*Coordination and structures*

9. The suggestion that there could be more European standardization organizations in addition to CEN, Cenelec and ETSI has been strongly rejected. Similarly, there has been considerable opposition to the creation of new bureaucratic layers to supervise or direct the activity of existing bodies (such as the European Standardization Council).

Nevertheless, the three European standardization organizations have accepted that there are political arguments in favour of establishing a common consultative body (to be called the European Standardization Forum) in which economic interests could be directly represented, and to reinforce their

cooperation within the CEN/Cenelec/ETSI Joint Presidents Group. The precise character, tasks and composition of the Forum is still open for discussion.

*Membership and international cooperation*

10. The recommendation that the standardization bodies of all European countries be eligible for 'affiliate' (observer) status in CEN, Cenelec and ETSI has been accepted. Most of the bodies concerned have now applied and been accepted.

Cooperation with the international standardization bodies has recently been improved by CEN and Cenelec and this process is expected to continue further. Most commentators on the Green Paper have confirmed that international rather than European standards must remain the main objective of standardization activity and would be concerned if more effective standardization within Europe seriously undermined the long-standing commitment of Europe to international standards.

*Accountability*

11. CEN and Cenelec have recently announced measures which are intended to increase the representation of European-level organizations in their work alongside national delegations; however, implementation of these measures may still take some time and will have to be closely monitored.

*Financing*

12. Most of the Commission's proposals, and in particular the scheme for direct funding of European standardization through sales of European standards, have been rejected by the standards bodies and have not received strong support from other quarters.

There has, however, been general agreement on the need to assure longer-term planning in the financing of European standardization, and all organizations are working on this.

*Information*

13. The Commission's criticism of the poor quality of information concerning European standardization was very widely supported. All of the European standardization bodies, and CEN in particular, have accepted that measures must be taken quickly to give a higher profile to their activity.

*Status of European standard*

14. The Commission's proposal that European standards should exist in their own right was among the most controversial. It was strongly supported by a number of industrial sectors (particularly for new technologies) and even by some of the smaller national standards organizations. The majority view, however, appears to be that presentation of European standards at national level is a key factor in their market acceptance, at least for the next few years.

CEN and Cenelec have accepted the need for greater visibility for the European standard at the national level and much faster transposition: discussion on the details are still going on.

*Testing and certification*

15. The Commission proposal for a single mark of conformity to European standards was strongly supported by some parts of industry, but dismissed as unrealistic in the short term by others. CEN has now initiated discussions on the possibility of a single mark of conformity to European standards, to be accompanied by the relevant national mark or mark of the body that carried out the certification.

**(iii) The role of governments**

16. There was general support for a renewed Council commitment to European standardization which might include a provision for pluriannual funding. Most commentators expressed the view that governments should do more, not less, to fund standardization, in view of its general economic benefits.

Some commentators have also questioned whether Community financial support can be limited to payment for services (through 'mandates'); they believe that an element of permanent but limited subsidy will be necessary at the European level (as is already recognized at national level).

**III. COMMISSION RECOMMENDATIONS FOR FOLLOW-UP ACTION**

17. In the light of the comments received, the Commission has consulted each of the European standardization bodies and the CEN/Cenelec/ETSI Joint Presidents Group on the Green Paper. These discussions produced a reasonable degree of

consensus on most points, although important differences remain on some issues. On this basis the Commission is now in a position to put forward to the Council and to the main parties concerned strategic guidelines for future European standardization policy, based on closer cooperation and partnership between all the interested parties.

18. The Commission wishes to underline, as it previously did in the Green Paper, that the main responsibility for the management of standardization remains with the standardization organizations and the interested parties themselves. It is they, rather than public authorities, who will decide the pace and the direction of change. This second Commission communication is, however, intended to assist and promote democratic self-management of standardization by indicating the changing political context in which European standardization takes place, the fundamental principles on which standardization should be based and the organizational changes which may be needed to ensure that those principles are fully observed.
19. The Commission's main recommendations can be summarized as follows:

*European standardization organizations*

- Rapid implementation of measures designed to improve day-to-day management and efficiency.
- Implementation of their commitment to provide for observer (non-voting) participation by relevant European interest groups at every level of their work.
- Publication of the statutes of the CEN/Cenelec/ETSI Joint Presidents Group and its rules of procedure.
- Establishment of a European Standardization Forum in the light of the Luxembourg Conference of December 1991.
- Amendment of internal rules to provide for transposition by endorsement of adopted European standards and other measures to improve their visibility and availability at national level.
- Development with the European Organization for Testing and Certification (EOTC) and the other parties involved of a single mark designating conformity to a European standard.

- Increased coordination of technical assistance to third countries, especially in central and eastern Europe.

#### *The Commission*

- Conclusion of new guidelines for cooperation and a new framework agreement with CEN/Cenelec/ETSI.
- Follow-up reports on:
  - (i) the effect of measures taken by the European standardization organizations to improve on efficiency; and
  - (ii) new possibilities for reference to standards in other areas of Community policy.
- Introduction of programming mandates for major new areas of standardization.
- Direct reference in future proposals for Community legislation to European standards rather than to national standards transposing them.
- Presentation of a proposal in early 1992 to amend the notification procedure for national standards in Directive 83/189/EEC.
- Development and implementation of its current programme of technical assistance to central and eastern Europe and other third countries.

#### *The Council of Ministers*

- Adoption of a *Council resolution* confirming agreement with the broad policy guidelines of this communication and drawing particular attention to:
  - the commitment of the Community to international standardization,
  - the political importance of a European standardization system based on transparency, openness to all interested parties, independence of vested interests, efficiency and decision-taking in accordance with the basic principles which govern decisionmaking at the political level,
  - support for the proposed European Standardization Forum, which will increase the cohesion and responsiveness to market needs of European standardization,

- the willingness of the Council to pursue a policy of reference to standards in Community legislation in appropriate areas, subject to respect of the basic principles indicated above,

- the intention of the Council to continue, subject to overall budgetary constraints, to give adequate financial support to European standardization bodies (at current levels over the period 1992 to 1994), in order to permit the delivery of standards needed for Community legislation and of other standards required in order to complete the internal market, particularly in areas which affect a wide range of sectors, such as energy.

#### *The budgetary authority (Council of Ministers and European Parliament)*

- Support for maintenance of current levels of Community financial support to standardization for the period 1992 to 1994.

#### *European economic and social interests*

- More effective coordination in order to ensure input into the standardization process.

#### *The Member States*

- Appropriate measures at national level to ensure compliance of national standardization bodies with common rules relating to notification of national activities and the transposition of adopted European standards.
- Maintenance and, where necessary, increase of financial support to national standardization bodies.
- Consideration of support to non-manufacturing interests to facilitate their participation in standardization, having regard, *inter alia*, to the Council resolution of 4 November 1988 on the improvement of consumer involvement in standardization.

The following sections of this communication explain these recommendations in more detail:

- Section IV (Future Directions for European Standardization) outlines policy guidelines for European standardization in the 1990's,
- Section V (Standardization and Community Legislation) proposes that European standardization should be used more within the framework of other Community policies.

#### IV. FUTURE DIRECTIONS FOR EUROPEAN STANDARDIZATION

20. This chapter addresses the main themes which have emerged from the Green Paper debate rather than individual recommendations in that document. Its objective is to identify the direction of future standardization policy in the context of a single European market.

The themes to be addressed are:

- (i) priority setting and programming;
- (ii) efficiency and openness;
- (iii) effective participation by interested parties;
- (iv) structures for coordination and consultation;
- (v) stronger links with international standardization;
- (vi) implementation and visibility of European standards;
- (vii) information about European standardization;
- (viii) access to European standards;
- (ix) external cooperation in standardization;
- (x) partnership with public authorities;
- (xi) other issues.

##### (i) Priority setting and programming

21. A major concern of those commenting on the Green Paper, in particular from the point of view of industry, has been the absence of clear priorities for European standardization work. A common reaction to the large number of standards now under preparation within the three European standardization bodies, CEN, Cenelec and ETSI, has been to question whether all of those standards are really necessary for the operation of the single Community market. Industry is worried that scarce technical expertise is being dissipated in over-ambitious standardization programmes, rather than being concentrated on what is essential in the short term.

22. Criticism for failing to set priorities has been directed at the Community institutions, especially the Commission, and at the standardization bodies. The Commission, it is alleged, has not set sufficiently clear priorities in its standardization mandates and has left the detailed programming to the European standardization bodies. The latter, it is suggested, have not been able to establish priorities either, and have tended to include within the European standardization programme all or most of the proposals put forward by the nationally-organized membership

without any serious process of selection. Thus, although the total programme of CEN, for example, has expanded rapidly to about 4 000 work items, it does not yet cover all the priority subjects linked to achievement of the Community's internal market legislation and would have to expand still further in order to do so. The effectiveness of European standardization will depend on the careful identification of priorities and self-discipline in taking on more work.

23. The Commission and the European standardization bodies have recently discussed ways of improving priority setting, especially (but not exclusively) in respect of those European standards to be referred to in Community product legislation. It has been agreed that in future the planning and programming of European standardization should be separated as far as possible from the drafting of the standards. The Commission will give 'programming mandates' to the European standardization bodies in areas where a significant number of European standards are required for EEC legislation, under which a full programme of standardization work for the sector concerned will be drawn up after consultation with all parties. On the basis of this proposed programme the Commission will, after consulting the Standing Committee for Technical Regulations and Standards, determine what work will be covered by a standardization mandate.

24. This two-step mandating procedure would have a number of advantages:

— the programme developed under a programming mandate would in principle cover all aspects of standardization in the sector concerned, not just those relevant to EEC legislation, and would thus provide an opportunity for interested parties to set priorities for other, market-led standardization,

— consultation on the work programme would give European industry and other parties an opportunity to express their views before standardization work is under way,

— programming would allow the standards bodies to identify alternative sources of technical input into the work and new working methods (such as use of project teams, 'feeder organizations' or associated standardizing bodies),

- the Commission and Member States could better verify that proposed standardization work was matched to the essential requirements and the needs of the conformity assessment procedures of Community legislation, as this would be indicated in the proposed programme,
  - the programming mandate would provide an opportunity for the standardization bodies to draw attention to difficulties arising from insufficiently precise essential requirements in proposed legislation,
  - the programming would allow the better delineation of the scope for standardization with respect to related areas or areas which the legislator wants to regulate.
25. A first set of programming mandates will be given in sectors where Community legislation is either in place or to be proposed (machinery, medical devices, pressure systems). A separate priority-setting exercise for the construction products Directive is being managed by the Commission with the assistance of the standing committee of that Directive. In parallel, the Commission is re-examining with the European standardization bodies standardization work already under way for existing mandates (for example, for machines or construction products) in order to ensure that priorities are properly followed.
- A second potential area for standardization programming concerns the development of trans-European networks, where, as the Commission has already stated in its communication to the Council of 10 December 1990, a significant effort of coordination of standardization will be needed in order to establish clear priorities for the creation of such networks.
- (ii) **Efficiency and openness**
26. The comments on the Green Paper have shown that there is general agreement on the need to make European standardization more efficient. This has already led the European standardization bodies to consider how better management control, new working methods and quicker procedures may be applied to make agreement on standards as rapid as possible, while keeping in mind the need to maintain a high level of quality in European standards. Examples of successful new working methods are the Cenelec 'Vilamoura' procedure for information and cooperation on national standardization projects, and the programming of standardization work in ETSI and EWOS.
27. A recurring theme in discussions on efficiency in standardization, however, is that no single formula can meet all situations. On the contrary, efficiency is dependent upon flexibility, that is, an ability to match the standardization method to the particular circumstances, as the following examples may show:
- small, full-time project teams may be useful where original working documents are needed to advance discussion, but less so in areas where a large number of national standards already exist,
  - more sectorally-based industrial organizations could be encouraged to contribute to the standardization process, perhaps through the creation of associated standardization bodies, but the sector concerned must be relatively autonomous so as to limit the need for managing the interface with other standardization work,
  - public enquiry periods can be shortened in cases where European standardization is limited to taking over international standards, but this is more difficult for innovative European work and where due account must be given to the needs of small, medium-sized and craft enterprises.
28. The rules of the European standardization bodies already provide for some flexibility of approach, but too little use has been made of these possibilities so far. It is now accepted that the options available should be better publicized and more frequently used, and that new working methods may still be necessary in order to widen the base of European standardization. The Commission notes that CEN, for example, has announced its intention of making known among industrial circles its various working methods and is prepared to explore the possibility of working with more associated standardization bodies. Cenelec, too, is discussing how it can cooperate with so-called 'feeder organizations' which can submit their own technical documents for acceptance as European standards. Such changes in procedures will require an educational process amongst the national membership, who are mainly responsible for the work of the European organizations.
29. In parallel with the introduction of more flexible working methods there is a concern within the European bodies, and particularly CEN (which is responsible for most European standardization work), to develop more effective management control over a highly decentralised system for technical work in which individual technical committees organized by a national member body have enjoyed considerable autonomy. The contractual commitments made by CEN, for example, to deliver a large (and still growing)

number of European standards to the Commission within a given time is forcing that organization to demand more accountability from the technical committees which actually carry out the work. The progress of work against agreed timetables is being more carefully monitored and the possibility of changing the allocation of secretariats between member bodies in the event of poor performance is now being considered. The Commission, and, more importantly, European industry, would welcome a more businesslike approach to the delivery of European standards.

30. It is not yet possible to assess how much the efficiency of European standardization will be improved by the changes now under discussion in the European standardization bodies. Even if all the proposed changes are agreed, their implementation will take some time. The Commission intends, however, to monitor the implementation of these measures and will produce a further progress report in due course.

31. In any event, the Commission concludes from the Green Paper comments that there is a link between the efficiency of standardization and public awareness of what is going on. The demand for information about European standardization is practically unlimited, from both within and outside Europe. It comes from potential users of European standards and potential contributors to the standardization process. If the European standards organizations can better publicize their current and planned activity (and the programming mechanism discussed in the previous section would provide an additional opportunity) they will increase the range of expertise available for their work as well as the market for their end-product. Industrial and other interested partners may provide additional resources, by making experts available or by putting forward technical documents as a basis for European standardization. Hence the importance of an effective information policy (see section VII below).

### (iii) Effective participation by interested parties

32. The Green Paper debate has shown that national representation in standardization discussions and national decision-making on proposed European standards are regarded as fundamental to the European standardization process. Most interest groups, and some in particular, such as craft, small and medium-sized companies, look to their national

standards body as the natural means for advancing their point of view at the European level, and consider the development of a national position which takes account of all interests as the most practical way to negotiate European standards.

33. The primacy of the national route to European standards-making should not, however, be a monopoly. The responses to the Green Paper also indicate that in the fast-changing Europe of today many economic and industrial interests are organizing themselves at European level and expect direct input into European-level standardization; examples are the railways, banking, electrical power, gas and medical device industries (besides telecommunications and electrotechnology which already have sectoral standardization bodies at the European level). European-level input into the standardization process may be particularly important for industries which are coming to standardization for the first time, such as those operating public transport and utility networks. In other sectors too, European industrial trade union, consumer, craft and SME federations can help to identify common interests or priorities as a complement to the nationally-based consensus-building process. For some sectors, it may even be possible to organize standards-related work at the European level under the aegis of an industry-led association, which will then pass on the results of such work to the European standardization bodies for consideration as European standards.

34. For these reasons the European standardization bodies must allow the direct participation of representative European-level organizations in their work. Such participation, even in the form of non-voting observership, must be possible at every stage of the standardization process and at every level of the standardization body concerned, from working group to General Assembly. In the case of the social partners, the Commission considers, with the European Parliament and Economic and Social Committee, that such direct participation is a political precondition for the acceptability and further development of European standardization.

35. CEN has, following an open session of the General Assembly in Milan on 23 October 1991, taken note of the intent of CEN's main national European economic and social partners to become more directly involved in the policy-making of CEN and has confirmed its intention to address the issue of involvement of CEN's social and economic partners within the constitution of CEN. Cenelec, following its General Assembly in Toulouse on 29 and 30 October 1991, has decided to submit for approval to



its members draft decisions according to which representatives of European-level industry associations, trade unions and consumer groups should be invited to attend, as observers, future General Assembly sessions and, during discussion of relevant agenda items, Technical Board meetings. ETSI already provides for the possibility of interested parties to become members of the organization.

The Commission welcomes the initiatives of CEN and Cenelec and will be interested to see how these policy decisions will in future allow for genuine direct participation. The Commission believes that the Council should unequivocally confirm the importance of the right to direct representation of European-level organizations in European standardization.

36. For interested parties the possibility to participate constitutes an important responsibility and a challenge. Success of their involvement will depend on their ability to get properly organized at European level to develop a clear position and to feed substantial input into the standardization process. For some parties, however, the right to participate in standardization may be an empty letter without the means to do so. Comments on the Green Paper coming from user interests, ranging from consumer organizations and trade unions to professional groupings such as architects or the medical profession, have pointed out that without some public financial support for their participation in standardization the outcome is likely to be determined by manufacturer interests, which may not be appropriate in the case of standards linked to Community legislation whose purpose is to achieve high levels of safety.
37. The Commission is sensitive to these difficulties. It has already provided financial support to the European trade unions to establish a Technical Bureau to coordinate views on standardization matters, as well as to European consumer organizations for their effective participation in standardization work, and it has assisted, because of the distances involved, the participation of experts from certain Member States (Portugal, Ireland and Greece) at some meetings related to mandated standardization work. These measures have not been a significant charge on the Community budget. Similar assistance is also being considered for small and medium-sized enterprises. Such aid will, however, have to remain modest if it is not to raise the cost to the Community budget of European standardization significantly. Supplementary efforts may therefore be needed at national level.

(iv) **Structures for coordination and consultation**

38. As a complement to the effective participation of all interested parties in each European standardization body, there is a need to ensure that the work of all

European standardization bodies, taken together, corresponds to the objectives of those operating in the market and to the principles of openness, independence and fairness which must govern European standardization. The view is widely held that the links between the European standardization bodies should be strengthened and that the European standardization system as a whole should demonstrate support of the parties at European level.

39. The Green Paper debate has shown that, although the detailed proposals on structure suggested in the Green Paper are not acceptable, further consolidation of the existing standardization organizations at European level would be welcome. The purpose of such consolidation would be two-fold:

- to ensure permanent coordination between CEN, Cenelec and ETSI by formalizing, making public and strengthening the tasks of the *Joint Presidents Group* as an alternative to the European Standardization Board, and secondly
- to establish a permanent dialogue between the European standardization bodies, on the one hand, and the main economic and social partners engaged in standardization activity, on the other hand, by setting up a *European Standardization Forum* as an alternative to the European Standardization Council.

*Joint Presidents Group*

40. The Joint Presidents Group (JPG) of CEN/Cenelec/ETSI is intended to coordinate the work programmes of the three European standards bodies and, where possible, to develop a common approach to issues of common concern (such as, for example, the Commission Green Paper, information policy on European standardization or the relationship between intellectual property rights and standardization). It is also beginning to address other tasks such as the development of common rules for European standardization or a common database for standardization projects. It represents, at the highest level, the management function of European standardization.

The Commission accepts that through proper functioning of the JPG, coordination needs in European standardization can be met. At the request of the Commission the JPG is now preparing a consolidated version of its statutes, as well as those of its subsidiary committees, in order that its role and functioning can be more clearly perceived.

*The European Standardization Forum*

41. The idea of a European Standardization Forum (ESF) has been put forward in comments on the Green Paper and discussions with the European standardization organizations as an alternative to the European Standardization Council. The ESF would be a broadly-based body, intended to be the focal point for debate on major standardization policy issues in Europe. It would bring together all the principal interested parties at European level in order to develop, where possible, consensus-based recommendations on future strategy in European standardization. It would also provide a regular and wide-ranging dialogue between the European standardization bodies and the 'customer' interests they serve, both public and private.

42. The Commission agrees that such a consultative body can play a useful role in European standardization and that therefore its setting up and operation should be given careful thought. As far as the Commission is concerned, the following elements should be examined:

## (a) Tasks

The ESF would be able to address any issue which it considered relevant to the success of European standardization. Among these might be:

- the current activity of the European standards bodies (as presented in reports by the Joint Presidents Group),
- application of the basic principles of standardization by European standardization bodies (such as openness, the right of participation for interested parties, independence of vested interests, etc.),
- the criteria for representativity of European organizations wishing to participate in standardization work,
- relations between public authorities and the European standardization organizations,
- information on and access to standardization work,
- conditions of access to adopted standards (including sales and distribution systems, the price of standards and information on standards),
- new subjects for standardization,
- the interface between standardization and conformity assessment activities,

— relations with international standardization,

— technical assistance from standardization bodies to non-member countries and cooperation with affiliate members.

## (b) Output

The conclusions of the ESF could take the form of resolutions addressed to all or any of the parties concerned with European standardization, that is to say, standardization bodies, users of standards, manufacturing industry, the social partners, or public authorities. ESF resolutions, although not binding, would be likely to carry considerable weight.

## (c) Composition

The composition of the ESF should ensure the widest possible participation of interested parties and a reasonable balance between national and European-level interests. The Commission would therefore suggest the following:

- one delegate from each Member State of the Community and each EFTA country, to be designated by national authorities,
- five representatives of the Joint Presidents Group,
- 12 representatives of European manufacturing and service industries (including small and medium-sized firms),
- three representatives of consumers,
- three representatives of trade unions,
- three representatives of professional users of standards (such as architects, doctors, insurance companies, testing organizations),
- one representative of the European Organization for Testing and Certification,
- one representative of the Commission of the European Communities,
- one representative of the EFTA Secretariat.

As proposed in the Green Paper concerning the European Standardization Council, the President of the ESF could be a European industrialist.

**(d) Activity**

The ESF should decide its own rules of procedure and the frequency of its meetings; the Commission recommendation would be, however, that during its start-up phase it meet at least twice a year. Members of the Forum would bear their own costs; secretarial costs should be borne by the Joint Presidents Group.

43. Following discussion with Commission Vice-President Bangemann in July, the Joint Presidents Group announced that it intended to organize a two-day conference open to all the main interests on 3 and 4 December 1991 in order to discuss the recent development of European standardization and the role and tasks of the European Standardization Forum. Results of the conference would be coordinated with the Commission and EFTA.

**(v) Stronger links with international standardization**

44. The overwhelming majority of those responding to the Green Paper confirmed the Commission view that international standards should remain the main objective of standardization work. European standards, although more important for the European economy than purely national standards, will often be second-best.

45. The European standardization bodies have already taken steps to improve coordination with their international counterparts. CEN and Cenelec have concluded agreements with the ISO and IEC respectively for regular discussion of their work programmes with a view to avoiding overlap and deciding where the work should take place. Cenelec and IEC have gone further, by providing for arrangements for 'parallel voting' on each others' draft standards, which may lead to the simultaneous adoption of the same text as a European and international standard (at present, 54 IEC draft standards are being dealt with under this procedure). ETSI is also cooperating with its Japanese and United States counterparts to improve coordination of standards-making in the telecommunications sector.

46. The achievement of the internal market and the implementation of the Community's new approach to technical regulation must take account of this commitment to international standards. Where possible, the Community should have recourse to international standards rather than devise standards at the regional level. This idea could be extended to

include use of current international standardization work in areas where new standards are requested of CEN or Cenelec for EEC product legislation, so long as the following conditions are met:

- the standards can still be delivered by the international standardization body within the time-scale imposed by EEC legislation,
- the essential requirements laid down in EEC legislation are fully taken into account,
- the European standardization bodies retain final contractual responsibility for delivery of the standards.

This procedure of European standardization bodies referring some mandated standardization tasks to the international standardization bodies in appropriate circumstances would not affect the operation of the framework contract governing relations between the Commission and the European standardization organizations.

47. The international standards bodies may find it difficult to meet these conditions. The average time accorded to CEN/Cenelec and ETSI under Community standardization mandates to deliver new standards is between two and three years; the time taken to deliver an ISO standard is usually double that. Other parties in international standardization may not wish to aim at the high level of performance required by the standards needed for Community product legislation, or may not be interested in the development of some standards because their national authorities directly regulate the sector in question. In spite of these uncertainties, the Commission has invited the international standardization organizations to take up the challenge implicit in the Community's commitment to give them an opportunity to meet European needs. A similar position has also been expressed by other international partners; following political-level contacts between the Commission and the United States Government in June 1991, the main European and United States standards organizations have agreed jointly to promote the faster development of international standards in the international standardization organizations and to identify priority areas in which international work could be intensified.
48. The Commission must, however, repeat what it said in the Green Paper concerning the need for commitment to international standardization to be shown by all participants, particularly by taking over

at the national level international standards that have been agreed with a large measure of consensus. It would be pointless and politically unacceptable for the Community to transfer work to the international standardization bodies if only standardization bodies in Europe were to take over the international results.

**(vi) Implementation and visibility of European standards**

49. The Commission Green Paper recommended that 'European standards should exist in their own right and should not have to be transposed at national level before they can be used' (paragraph 83). Comments on this suggestion indicated that there are divergent views. European industry, through UNICE, has declared in favour of the recommendation. The same is true for the telecommunications sector. Similarly, European interest groups, such as consumers, have given support. Most Member States that have commented on this issue can agree with the principle of direct applicability, provided an appropriate solution can be found for practical problems, and only a few have rejected the idea. Within the European standardization bodies themselves, opinion is divided.

50. One of the difficulties raised by direct applicability of European standards is the need to ensure that new standards are brought to the attention of those who use them. This is even more important when the standards are given particular status under Community legislation, either by conferring presumption of conformity to the requirements of a Directive or as an obligatory reference for purchasing entities falling under the public procurement Directives.

51. National standardization bodies are the usual source of information on standards at national level and are therefore best suited to ensure the 'visibility' of European standards in the market. The Commission is prepared to take this situation into account, but believes that, in order to meet the sense of comments received on the Green Paper:

— European standards should be visible as such, even if transposed into national standards (many commentators agree that further action is necessary to make European standards visible),

— transposition should be rapid and effective: national standardization organizations themselves do not always attach sufficient importance to transposition, which has been slow in many cases and non-existent in others.

52. The Commission therefore proposes that additional measures be taken by the European and national standards bodies and national authorities to make transposition effective. These measures would be based on the principle that European standards exist and are made available for use immediately after their adoption at European level:

(i) the internal rules of CEN, Cenelec and ETSI would provide for mandatory endorsement (i.e. publication of the common reference, title and number) of newly adopted European standards by national standardization bodies within a short time of their adoption;

(ii) national standardization bodies would commit themselves to completing within six months other action provided for in the internal rules, such as withdrawal of any conflicting national standards, as well as publication of the new standard in the national language where deemed appropriate by the national body, to be monitored under a centralized information system;

(iii) the internal rules of the European standardization bodies would limit the right of those member bodies to sell European standards to those standards that have been endorsed in the country concerned;

(iv) national standards bodies would apply a single numbering system for all European standards, in which only the designation of the national standards body would accompany the designation 'EN' or 'ETS' and the European number, with no additional national number;

(v) national authorities would agree to take all appropriate measures to ensure that national standardization bodies fulfil their obligations under European standardization rules.

53. Under Community law *any* national standard transposing a harmonized European standard may be used for the purposes of compliance with EEC legislation, irrespective of the country of origin of the product or of the manufacturer. The Commission nevertheless considers that, in order to avoid any dependence on the national transposition of standards for the effective application of EEC legislation, it would be appropriate that such legislation refer in future to European standards rather than to the national standards which transpose them. Future proposals for Directives will contain such a formulation.

54. A single mark of conformity to European standards would be a further contribution to visibility for such standards, as well as a tangible indicator of high quality common to the whole European market. The Green Paper proposal in this sense was strongly supported by some industrial sectors, although concern was expressed that the competence and reputation of individual testing and certification bodies should also be reflected in marking. The Commission notes with interest that CEN is now discussing the possibility of introducing a common mark of conformity to European standards, to be accompanied by the relevant national mark or the mark of the body that actually carried out the certification of conformity. This could represent a significant step forward in achieving market visibility for European standardization if done with the firm support and participation of Cenelec, ETSI and the EOTC.

(vii) **Information about European standardization**

55. Most commentators on the Green Paper strongly supported the Commission's recommendations for better quality information about European standardization. There appears to be an urgent need for up-to-date information on the work programme of each of the European standardization bodies, an indication of which standards are linked to Community mandates and which are not, much wider availability of working documents so as to allow non-participating parties the opportunity to comment and, not least, more rapid availability of European standards once they have been adopted. Particular measures to improve access to information by craft, small and medium-sized enterprises are also necessary.

56. The European standardization bodies are aware of this demand for information and are taking some steps to meet it. The CEN/Cenelec/ETSI Joint Presidents Group has decided to produce a new brochure in order to promote European standardization and to familiarize potential participants with

the various organizations involved, as well as a common bulletin of European standardization to be issued regularly. CEN has developed a comprehensive (500-page) introduction to its entire technical programme, which may be regularly updated in future for subscribers. Cenelec now produces an Annual Report in addition to its six-monthly Report on Current Activities. ETSI, too, has produced its own publicity material. Publications of this kind, provided that they give complete and timely information, are certainly useful. The standardization bodies should, however, regularly consult interested parties in order to ensure that information about standardization is provided in the way they want. A closer partnership between standardization bodies and professional information service providers could also be helpful in accelerating the diffusion of this information.

57. Besides information about current activities there is a need for information about existing standards, either European or national. The Commission has in the past discussed with the standardization bodies the creation of a single European Standardization Database (ESD) which would provide up-to-date bibliographical information on current standards. In parallel, the three major national standardization bodies (BSI, DIN and AFNOR) have, with Commission financial assistance, launched a commercial product, Perinorm, which provides to subscribers bibliographic information on the standards of each participant. The Perinorm system was initially limited to the standards produced by the three original participating bodies. It is now open to other CEN members, and it is expected that over time this system will contain information on most, if not all, existing standards in western Europe. If Perinorm were to provide a comprehensive information system, the Commission considers that there would be no need to press ahead with a publicly funded ESD.

58. A final point concerns the need for better information on national standardization activity. The Commission proposed in the Green Paper that the standardization bodies should take the initiative to reinforce the procedure for mutual information on national standardization work laid down in Council Directive 83/189/EEC, which has been the subject of criticism in two successive Commission reports on the operation of the Directive<sup>(1)</sup>. In particular, the Commission would like to see the introduction of a *status quo* system for proposed new national activity, in order to allow time for comment from other national and European standards organizations, as already exists in the so-called 'Vilamoura Procedure'

<sup>(1)</sup> The most recent Commission report (for the years 1988 to 1989) is document COM(91) 108 final, 5 April 1991.

applied by Cenelec since 1988. So far no action has been taken by CEN to reconsider the information procedure.

In the absence of an effective information procedure applied on a voluntary basis (which it would much prefer) the Commission has decided to include in its forthcoming proposal for amendments to Directive 83/189/EEC a revised information procedure for standards to ensure effective transparency of national standardization work.

(viii) Access to European standards

59. The comments made in the Green Paper concerning the conditions of distribution and sale of European standards were regarded by the standardization bodies as interference in a purely internal matter. The Commission disagrees. It considers that access to adopted European standards is an important element in the efficiency of the single European market. The cost of obtaining standards is a matter of public concern (as recent questions in the European Parliament have confirmed), and the conditions of sale of standards, including the degree of competition permitted, are critical in determining the final cost. While standards should not be made freely available (unless standardization costs are to be borne entirely by public funds) they should be marketed at a price that promotes their wide distribution, that is to say, the price set by the most efficient producer or distributor within the relevant market.

60. CEN has informed the Commission that previous restrictions on competition between its members in the sale of European standards have been lifted. The Commission does not have sufficient information concerning these new arrangements to know whether all its concerns have been met. Discussions on this subject should be pursued, not merely between the Commission and the standardization bodies but between all parties concerned and represented in the European Standardization Forum.

61. The effects on some national standardization bodies of more competition in sales of standards need, however, to be understood. The revenue from sales of standards of some national organizations, which can be an important part of their total income, could be reduced by such competition, which may require that income be raised by other means, such as by payment for previously free services or by increased financial support from the public authorities at national level. This issue should also be addressed by the European Standardization Forum.

(ix) External cooperation in standardization

(a) Community technical assistance in standardization

Through the Commission's programme of external technical assistance, the Community is committed to assist the lesser developed economies of the world. Demand for assistance in standardization increases as the positive implications of the Community's 1992 programme is better understood. Helping the emerging market economies of eastern Europe, South America, the Mediterranean, Asia, India and Africa to understand and apply European standards will greatly facilitate their future economic development.

Many assistance programmes in standardization are already underway including projects in the ASEAN countries, India, Poland, Hungary, Yugoslavia as well as a regional quality assurance programme in Central and Eastern Europe.

The Commission reaffirms its belief that European standardization bodies have an important role to play in these programmes. The first steps have been taken. CEN has established a third-country unit to provide information on European standardization and to coordinate technical assistance projects for the European standardization organizations. The Commission has now concluded an agreement with CEN under which the third-country unit provides services upon request to the Commission in administering technical assistance programmes to third countries.

b) Standardization in central and eastern Europe

62. The major political changes that have taken place in central and eastern Europe have opened the way to the development of a truly continental-scale European market economy in which standards and standardization will play a critical role. Helping the emerging market economies of the east to understand and to apply the standards of the west will greatly facilitate their future economic development. A massive programme of information, training and technical assistance will be needed in order to effect such a difficult transition. The Commission reaffirms its belief that the European standardization bodies must assume responsibility for the coordination and management of such a programme.

63. CEN and Cenelec have admitted a number of other European countries to participate in their work as 'affiliates', which will assist those countries to familiarize themselves with European standards; ETSI has admitted some of them as full members. The establishment of the CEN third-country unit and the agreement concluded with the Commission should considerably assist the implementation of the Phare regional programme for technical cooperation in standardization, certification and quality which is designed to address the needs of central and eastern European countries; exploratory missions have been made to each beneficiary country in order to assess priorities and discuss practical arrangements. Further steps, such as the organization of conferences and exchanges of experts could also take place in future.
64. The likely needs of these countries in the field of technical cooperation pose an additional challenge to the European standardization system at a time when its work to meet the needs of western Europe is already expanding quickly. Additional resources in terms of finance and expertise will have to be mobilized in order to ensure that the integration of these economies into the rest of the European economy does not occur at the expense of the Community's internal priorities. The Commission intends to discuss further with the standardization bodies and other interested parties how to obtain these additional human resources.
- (x) **Partnership with public authorities**
65. European standardization is, and must remain, a voluntary activity managed by private organizations. Today's discussion within the institutions of the European Communities about its future development is not intended to change that fundamental principle. The Community authorities recognize the strengths of voluntary standardization and its importance for the promotion of efficiency in the European economy. Their main concern is to ensure that this private activity effectively serves the public interest, in terms of its openness to all parties and its efficiency. This interest is particularly acute when standardization is used to complement technical regulation, since in this case standardization bodies are often assuming responsibilities previously held by the public authorities themselves. Provided that this basic concern is met, public authorities should leave the parties concerned to manage the standardization system.
66. Most commentators on this issue in the Green Paper consider that the public benefit derived from standardization as an economic instrument and a means of managing the interface between regulation and technology must be matched by support for standardization from the public authorities at European and national level. In return for the services rendered to the economy or to the legislator, public authorities must ensure that the European standardization system remains strong enough to respond to new demands. But the relationship between public authorities and standardization bodies is one of partnership and mutual dependence, not of authority and subservience.
67. As far as Community support for European standardization is concerned, the Commission considers that its relationship with the European standardization bodies should be that of a customer with a service provider. In other words, the Commission should pay for the services provided by the European standardization bodies under contract within the context of 'mandated' standardization work. In line with what has been said in section (i) above, the scope of mandated work and the terms and conditions for carrying it out should be agreed beforehand between the two sides. The Commission is now close to reaching agreement with the European standardization bodies on a new framework contract, which will introduce greater clarity into the estimation of the costs of future standardization work and give those organizations the assurance that their actual costs will be reimbursed, subject to compliance with the other terms of the contract, such as delivery times.
68. Some commentators, particularly from within European industry, have suggested that Community financial support of European standardization should go beyond payment for contracted services to include an element of general subsidy for the overall costs of standardization organizations. Such subsidies are a general practice at national level. The Commission accepts that standardization is unlikely to be economically self-sustaining in all its activities and that its 'public interest' character justifies some degree of financial assistance from public authorities. In the case of European standardization, however, the Commission believes that any general subsidy at European level could lead to a risk of duplication with national-level subsidies to standardization organizations and should therefore be avoided.
69. The Community may, nevertheless, wish from time to time to encourage certain activities within European standardization other than the delivery of particular standards. These could include, for example, the promotion of European standardization, the improvement of information systems, the reinforcement of management or accounting infrastructure, or technical assistance to third countries. In the absence of appropriate funding by the standards bodies themselves, such occasional public intervention should not be excluded.

70. The long-term budgetary implications for the Community of this policy are difficult to quantify but it is clear that substantial provision in the EEC budget for the financing of European standardization work will be necessary for the foreseeable future.

For at least the next three years (1992 to 1994) the annual cost of new standardization work contracted by the Community will remain at, or close to, its current level in real terms (ECU about 33 million), as important pieces of Community product legislation, such as the Directives on machinery, construction products, medical devices, measuring instruments, and so on are put into place and as standardization is stimulated in areas of industrial economic policy (such as in information technology, telecommunications and energy supply or in sectors dominated by public procurement). (An indication of how current Community spending on European standardization is allocated is annexed.)

From 1995 onwards the amount of mandated work is likely to decline from its present high level, although demand from the Community authorities for European standards will continue from requests for the up-dating or improvement of existing harmonized standards or from the use of standardization in new areas related to legislation, or major industrial projects such as the trans-European networks. Incidental support for the infrastructure of European standardization would have to be added, as would payments for the translation of European standards into all official Community languages (which already costs ECU 3 million per year). The long-term cost to the Community budget of maintenance of the European standardization system is estimated to be no less than ECU 15 million per year at current prices. Any major policy initiatives requiring additional standardization effort, or any extension of financial support to interested parties to allow them to participate in European standardization would increase that figure.

(xi) **Other issues**

71. In the Green Paper the Commission discussed the relationship between intellectual property rights (IPR) and standardization and called for the development by standards bodies of clear conditions for the inclusion of IPR in standards, based on practice in the international standardization organizations. In view of the importance and complexity of the issue for IPR, standardization, competition and trade policies, the Commission intends to produce a separate communication on this subject. Meanwhile work is going on in the European standardization bodies on a common approach to handling IPR in standardization and the results expected at the beginning of 1992 will be carefully examined.

**V. STANDARDIZATION AND COMMUNITY LEGISLATION**

72. The Commission has diversified its links with standardization since the adoption of the new approach to technical harmonization in 1985. Mandates for the development of European standards now go beyond the area of product safety legislation. They include information technology standards, standards for motor fuels, advanced ceramic materials, and measurement methods for emissions from waste incineration plants; mandates are currently being considered for power generation equipment, methods of analysis for foodstuffs, biotechnology equipment and auditing methods for monitoring compliance with EEC public procurement Directives. The versatility of standards is becoming more widely appreciated by those responsible for Community policy.

73. If the European and national standardization bodies implement the measures aiming at efficiency and openness indicated in the preceding section of this communication, Community regulations could and should make even greater use of standardization than they do today. The advantages of recourse to standardization as a method of determining technical requirements are worth repeating:

- standardization is a highly transparent process in which all interested parties may be involved,
- it combines the advantages of democracy with the ability to reflect the technological state of the art,
- standards can be easily modified to reflect technological development,
- reference to standardization in legislation means that most of the costs of production of technical specifications are transferred from the public to the private sector,
- to the extent that many sources of expertise are available for standardization work, and the final outcome must receive support from interested parties in order to be accepted, standardization may be more efficient than technical regulation, in so far as it will better reflect technical reality in the market.

74. Some of the broad economic sectors where more voluntary standardization will clearly assist in the creation and consolidation of the Community's internal market have been mentioned: information technology, telecommunications, energy and



transport. The Commission is ready to take further action in these areas. Others where initiatives to encourage standardization may be considered are standards related to environmental protection and foodstuffs, although in these areas some specific regulations may still be necessary.

75. Standardization, whether national, European or international, cannot substitute for, weaken or contradict legislation. Standardization organizations however, remain free to elaborate standards within the limits set by regulation.
76. Where standardization is related to legislation, it will remain necessary for the public authorities to fix the parameters within which standardization may take place, and to monitor the standardization process, by direct participation if necessary, in order to ensure that these parameters are adhered to. The legislator must also be satisfied that interested parties are as directly involved in standardization as they would be in the regulatory process; hence the Commission's insistence, in the Green Paper and in this communication, on the need for full transparency and the right to participate in European-level standardization.
77. For its part, the Commission intends to undertake an internal review of the possibilities for greater use of standardization in future Community legislation, and will report to the Council on its outcome.
78. This prospect of a developing partnership between regulators and standardizers in the Community framework underlines the importance of the decisions now facing the European standardization system. For public authorities to have the confidence to make more use of voluntary standardization, standardization bodies must demonstrate that they are efficient, transparent and fair, and capable of producing high-quality output. The process of critical self-examination and reform now going on within the European standardization bodies is a promising sign, but there must be no doubt about the cost to the European economy of failure to carry this reform out. In the absence of an effectively managed European standardization system the Community legislator will be forced to resort to technical regulation, with the inevitable risk of arbitrariness and loss of efficiency.

The challenge to the European standardization system is to prove itself worthy of the responsibility now placed on it.

## ANNEX

## Community financing of European standardization

The standardization work currently attributed to CEN, Cenelec and ETSI relating to the internal market, information technology and telecommunications concerns the drafting of about 1 950 European standards, broken down as follows:

<i>(in million ecus)</i>		
Area	Number of Standards	Amount financed
New approach Directives		
— Pressure vessels	42	1,15
— Toys	7	0,37
— Construction products	484	13,33
— Machines	184	3,79
— Personal protective equipment	102	3,17
— Medical devices	42	2,06
— Gas appliances	54	2,91
— Electromagnetic compatibility	23	0,42
	938	27,21
Other work		
— Information technology	257	13,37
— Telecommunications	30	5,57
— Public procurement	216	3,91
— Eurocodes	27	4,69
— Steel	129	3,80
— Advanced ceramics	42	0,59
— Aerospace	300	1,29
	1 001	33,21
Total	1 939	60,42
During 1991, CEN, Cenelec and ETSI were asked to produce 828 standards for a sum of about ECU 28 million, broken down as follows:		
New approach Directives		
— Toys	1	0,10
— Construction products	220	6,37
— Machines	60	1,93
— Medical devices	42	2,06
	323	10,46
Others		
— Information technology	80	7,00
— Telecommunications	5	
— Public procurement	216	3,91
— Eurocodes	27	4,69
— Steel	27	0,98
— Aerospace	150	0,80
	505	17,38
Total	828	27,84
Other annual expenses for support to standardization (translations, information procedure, etc.)		3,70