



Executive Office of the President
Office of Management and Budget



Executive Office of the President
United States Trade Representative





Executive Office of the President
Office of Science and Technology Policy


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MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

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SUBJECT: Principles for Federal Engagement in Standards Activities to Address
National Priorities

On February 4, 2011, the President released "*A Strategy for American Innovation: Securing Our Economic Growth and Prosperity*"¹ and directed Federal agencies to increase their efforts to catalyze technology breakthroughs to advance national priorities. Pursuant to the *Strategy for American Innovation*, the Office of Science and Technology Policy (OSTP), the Office of Management and Budget (OMB), and the Office of the United States Trade Representative (USTR) are issuing this Memorandum to clarify principles guiding Federal Government engagement in standards activities² that can help address national priorities.

The vibrancy and effectiveness of the U.S. standards system in enabling innovation depend on continued private sector leadership and engagement. Most standards developed and used in U.S. markets are created with little or no government involvement. This approach – reliance on private sector leadership, supplemented by Federal Government contributions to discrete standardization processes as outlined in OMB Circular A-119, "Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities"³ – remains the primary strategy for government

¹ <http://www.whitehouse.gov/innovation/strategy>.

² http://www.whitehouse.gov/omb/circulars_a119/.

³ http://www.whitehouse.gov/omb/circulars_a119/.

engagement in standards development. Consistent with the Administration's commitment to openness, transparency, and multi-stakeholder engagement, all standards activities should involve the private sector.

In limited policy areas, however, where a national priority has been identified in statute, regulation, or Administration policy, active engagement or a convening role by the Federal Government may be needed to accelerate standards development and implementation to help spur technological advances and broaden technology adoption. In these instances, the Federal Government can help catalyze advances, promote market-based innovation, and encourage more competitive market outcomes. The Federal Government should clearly define its role, and then work with private sector standardization organizations in the exercise of that role.

For example, the *Strategy for American Innovation* describes national priorities with respect to achieving breakthroughs in health care technology and promoting clean energy. In both of these areas, the Federal Government is making substantial technology investments – electronic health record systems and smart grid technologies – to produce productivity gains and improve outcomes. And in both of these technology markets, interoperability standards are needed to decrease the risk that sizable public and private investments will become obsolete prematurely. To accomplish these objectives, the Federal Government, as directed by Congress, is taking a convening role to accelerate standards development, by working closely with domestic and international private sector standards organizations.

The principles and related directions to agencies outlined in this Memorandum are intended to be followed in those limited instances in which the Federal Government engages in a convening or active engagement role together with private sector standardization organizations to address a national priority. Such engagement should be undertaken pursuant to existing legal and policy obligations and the principles identified in the Appendix.

Federal Government Objectives for Standards Engagement to Address National Priorities

Once a national priority has been identified, it is important for the Federal Government to engage private sector stakeholders early in the process of identifying technology, regulatory, and/or procurement objectives. The Federal Government's engagement should be broad-based, and it should rely on open and transparent processes. Broad-based engagement provides public officials with the opportunity to obtain information that often is widely dispersed across the economy.⁴

At the outset of engagement, the Federal Government should:

- Clearly identify the standards-based challenges it is encountering in addressing a national priority;
- Define its goals as precisely as possible;
- Provide a reasoned analysis of what has led to the perceived standards gap and what needs to be done to close it (including any relevant and appropriate science-based data); and,

⁴ http://www.whitehouse.gov/the_press_office/TransparencyandOpenGovernment/.

- Commit, to the extent feasible and appropriate, to support the technical work necessary to achieve the defined goals.

Federal Government engagement in standards activities should be guided by five fundamental strategic objectives:

- Produce timely, effective standards and efficient conformity assessment schemes that are essential to addressing an identified need;
- Achieve cost-efficient, timely, and effective solutions to legitimate regulatory, procurement, and policy objectives;
- Promote standards and standardization systems that promote and sustain innovation and foster competition;
- Enhance U.S. growth and competitiveness and ensure non-discrimination, consistent with international obligations; and
- Facilitate international trade and avoid the creation of unnecessary obstacles to trade.

To realize these objectives, the Federal Government works with the private sector to address common standards-related needs, taking on a convening and/or active-engagement role where necessary to ensure a rapid, coherent response to national challenges. In undertaking such work, the Federal Government may play various roles in the standardization system – user, specifier, participant, facilitator, advocate, technical advisor/leader, convener, or source of funding – to assure that key public policy goals are achieved in a timely and effective manner. Successful achievement of these goals also requires an active effort to promote information sharing and coordination across the Federal Government.

When addressing national priorities, standardization activities should recognize the global nature of many markets. In the context of communications technologies, for example, both users and vendors realize enormous economies of scale when standards are globally developed and deployed. Users benefit from lower prices offered by vendors able to realize the economies of scale of a globally sized market. When diverse national standards are imposed, however, products must conform to diverse requirements for each national market, raising costs for government and private sector users, limiting the flexibility needed for efficiency and innovation, and reducing profitability.

Agency Responsibilities

Agencies considering a convening or active engagement role in private sector standards developing organizations in order to address a national priority area should state their reasons plainly (including why private sector leadership alone is insufficient). Further, agencies should accept and act on feedback on their rationales before assuming this convening or active-engagement role in a private sector standards developing organization. In all cases, agencies should ensure effective intra- and inter-agency coordination of engagement in standards development activities. When an agency commits to a cooperative standards development effort with industry, that commitment should be maintained, as resources permit, and the resulting standards should be used where feasible.

Agencies should use existing processes and, where necessary, establish new processes for open, transparent, and effective two-way communication with private sector interests, ensuring that concerns from private sector entities are given thorough and objective consideration. To the extent feasible and appropriate, agencies should also provide continuous support for their technical experts' participation and leadership activities in mission-critical standards-setting activities and standards organizations, including standards organization-specific training and mentoring. Agencies should periodically review their standards activities to identify gaps in representation for mission-critical areas as part of their long-range planning and adopt policies that value and reward participation in standardization activities.

Agencies should explicitly include consideration of conformity assessment approaches that take account of elements from international systems, to encourage private sector support and minimize duplicative testing. Agencies should evaluate whether their objectives necessitate creating government-unique conformity assessment schemes, which may be expensive to develop and maintain, may impose additional costs on the private sector, and may not be recognized beyond national boundaries. In doing so, agencies should use existing best practices and leverage available resources in the private sector as well as within the Federal Government. Such expertise is available at the National Institute of Standards and Technology (NIST), which has statutory authority to coordinate conformity assessment activities of Federal, State and local governments, and the private sector.⁵

Both in national priority areas and more generally, agencies should take into account the impact of their standards-related choices on innovation and the global competitiveness of U.S. enterprises,⁶ including the impact of intellectual property incorporated in standards, consistent with international obligations. On these matters, agencies should consult with USTR, which has statutory authority on international trade issues arising from standards and conformity assessment procedures.

OSTP, OMB, and USTR look forward to working cooperatively with you and your staff to promote engagement in standards activities that support national priorities.

⁵ http://standards.gov/standards_gov/ntaa.cfm.

⁶ Agencies should review OMB Circular A-119, section 6(f) for considerations regarding the use of a standard.