

NBSIR 88-3793-1

**A SUMMARY OF THE NEW EUROPEAN
COMMUNITY APPROACH TO STANDARDS
DEVELOPMENT**

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August 1988

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Approach to Standards Development

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NOTE

This revision of NBS IR 88-3793-1 results from meetings in Brussels, Belgium, with EC officials and attendance at the EC "Symposium on Organizing Certification and Testing For Europe". Slight changes have been made in the Text to reflect more accurately the current EC policies.

A SUMMARY OF THE NEW EUROPEAN COMMUNITY
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Abstract

This paper summarizes European Community (EC) plans to aggressively pursue its goal of achieving an "internal market" by 1992 and the standards-related implications of such a program on U.S. exporters. U.S. exporters will be affected by the implementation of EC directives, the harmonization of standards, and the strengthening of European regional standards bodies and other trade policy considerations affecting market access, including EC testing and certification programs. U.S. Government and EC contacts for obtaining additional information are provided.

1. Overview

- The European Community (EC)¹ plans to complete the "unification" of Western Europe through 1) further reductions of internal barriers to the freer flow of goods among Member nations, 2) regional currency considerations, and 3) a stronger European Parliament. The obvious aim is to improve marketing conditions for Members, both "at home" and abroad.
- The EFTA countries² are also involved. Cooperative arrangements with the EC -- including harmonization of technical regulations -- are underway to create a European Economic Space in parallel with completion of the EC's internal market.
- It is not yet clear how non-members will fare in the new single market, hence the time is ripe to look after U.S. interests. The U.S. Government's position has been, and is, to promote free trade - with the minimum number of restrictions.

¹ The Member States of the European Community include Belgium, Denmark, France, Germany (F.R.), Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, and the United Kingdom.

² The Member States of the European Free Trade Association (EFTA) include Austria, Finland, Iceland, Norway, Sweden and Switzerland.

- Harmonization of standards is the easiest action to take, resulting in considerable progress to this point.
- Certification procedures and acceptance of test data may be more important issues but they have not yet developed. Attendant issues include the ability to enter the single market through multinational corporations or European subsidiaries of American manufacturers and mutual recognition of laboratory accreditation schemes.

2. New European Community (EC) Initiatives

The Commission of the European Communities (EC) is acting swiftly and deliberately to turn the twelve European countries into a single, integrated market of 320 million people by the end of 1992. The basis for this effort is a 1985 EC White Paper entitled "Completing the Internal Market."³ That paper sets a timetable for the measures needed to ensure the free circulation of persons, products, services and capital among the twelve member states. The EC has already initiated a program to eliminate the many differing national standards and technical regulations; it has drawn up more than 200 EC directives aimed at harmonizing the various national requirements.

3. The Single European Act

The program being implemented by the EC has been further expedited by the Single European Act which was adopted in February 1986. It amends (for the first time) the 1957 Treaty of Rome, which serves as the EC's founding charter. The Act spells out the following major objectives:

- o completion of the European⁴ internal market by the end of 1992 to create a continental trade area;
- o improved regional research and technological development;
- o progress toward a European economic and monetary union; and

³ The paper is identified as COM (85) 310 final, "Completing the Internal Market" Commission of the European Communities, Brussels, June 14, 1985. This 93 page paper is available from the National Center for Standards and Certification Information (NCSCI) at the National Bureau of Standards (301 975-4040).

⁴ Hereafter the term "European" is intended to be limited to the European Community (EC) and its member countries unless otherwise indicated.

- o improvement of the environment and working conditions in European countries.

In order to facilitate the EC decision-making processes, the Single Act provides for qualified majority voting (in place of the previous unanimity requirement) on issues related to completion of the internal market. This revised approval requirement strips individual EC countries of their earlier veto powers.

4. Standards-Related Measures--The "New Approach"

An approach initiated in 1979 resulted in a ruling that any product legally manufactured and marketed in one Member State must, in principle, be admitted to the markets of all the other members. On that basis, the EC is now developing policies intended to prevent new impediments to trade, based on the mutual recognition of test data and product certifications within the EC.

If it is necessary to establish a European Directive, it shall be limited to essential requirements for protection of health, safety, and the environment. The task of establishing European technical standards for products will be left to European standardization bodies set up by industry such as CEN,⁵ CENELEC,⁶ CEPT⁷ and other European sectoral standardization bodies supported by European governments. In general, access to these European regional standardization bodies on behalf of U.S. interests has been either very limited, restricted to U.S. companies operating in Europe, or non-existent. In the absence of standards to be harmonized or cited, the CEN-type organizations are to develop standards based on international standards developed by such groups as the International

⁵ European Committee for Standardization (CEN) promotes European regional standardization in the non-electrotechnical field. CEN is the world's largest regional standards group. It is composed of European member bodies within the EC and EFTA countries.

⁶ European Committee for Electrotechnical Standardization (CENELEC) promotes European standardization in the electrotechnical field.

⁷ European Conference of Postal and Telecommunications Administrations (CEPT) publishes recommendations to harmonize and improve administration and operational services. CEPT has established a special body to prepare the necessary European standards for a unified telecommunications system. The new body is known as the European Telecommunications Standards Institute (ETSI). ETSI will have headquarters in Nice, France.

Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC). Failing that, individual Members may adopt appropriate National standards establishing health, safety, and environmental requirements.

The EC has recently made two significant changes regarding European standardization activities:

- o the existing European national standardization bodies have been restructured into a coherent group with a clear framework for mutual consultation and decision-making; and
- o work has been initiated on the expeditious development of a body of technical European standards that will be applied to "high technology" products and equipment sold within Member States (e.g., advanced composite materials and telecommunications equipment).

The EC and its Member States are now setting standardization priorities. In addition, the private standards organizations (CEN, CENELEC and CEPT) will, as a function of these priorities, generate European standards in consultation with the existing national standardization organizations. In some cases, new CEN Technical Committees have been established to facilitate the process (e.g., TC127 on Fire Safety). CEN, CENELEC and CEPT will be advised by a single technical committee consisting of both industry officials and users. (See Fig. 1 attached.) There are three significant changes from previous standards development procedures in the EC:

- o For the first time, a single, Government-body will set standardization priorities and require that all EC Member States adopt standards that conform to the essential features established by the directive.
- o A majority vote of EC Member States, rather than unanimity, will determine agreement on standards.
- o When an EC standard is agreed upon, conformity to it will then have legal weight in all Member States.

5. U.S. Standardization Concerns

The EC legislation dealing with standardization is likely to have a profound effect on U.S. exports since harmonization directives may be framed, albeit inadvertently, so as to exclude or hinder the entry of U.S. products into the European market. Of further significance will be the effect on U.S. imports from the EC since European products are likely to become less costly due to operational economies of scale and other economic benefits derived from standardization. At the present time, interested parties in the United States do not have the opportunity to

review and comment on proposed EC standards and directives during the development phase, i.e., before they are published in final proposed form. This prevents the review and full consideration of U.S. inputs at a time when they might be persuasive.

6. EC Schedule for Industrial Standards

It has been reported that the EC intends, by the end of 1988, to complete the submission of all of its 39 White Paper proposals on industrial standards. They include the following "high priority" subject areas:

- gaseous emissions (motor vehicles and commercial vehicles);
- diesel particulates (passenger cars);
- food law (quick frozen foods, flavorings, extraction solvents, preservatives, infant formula, modified starches, food additives, materials and articles in contact with food, food labeling, etc.);
- pharmaceuticals and high technology medicines;
- chemical products (restrictions on the marketing and use of asbestos; classification, packaging and labelling of dangerous preparations; liquid fertilizers);
- construction and construction equipment;
- tower cranes (permissible sound levels);
- cosmetics;
- consumer protection regarding pricing of foodstuffs and non-food products;
- helicopter exhaust noise; and
- good laboratory practices for non-chemical tests.

The list of product categories covered by EC harmonization is constantly increasing. Parallel activities to regulate telecommunications in the EC are also underway. Although the White Paper identified the areas listed above as high priority areas, it does not preclude future standards work in other areas.

The EC is also working on directives for the mutual recognition of test data and certification in order to avoid wasteful duplication of effort in product approvals. This initiative will involve the drawing up of common conditions and codes of practice for implementation by testing laboratories and certification bodies. It will most probably lead to agreements for reciprocal recognition of national laboratory accreditation programs.

7. Further Information

- o Additional information on the EC Internal Market program, the activities under the Single Act of 1992, and EC policies and programs that may impact U.S. commercial interests may be obtained by contacting the Office of European Community Affairs in the International Trade Administration (See Appendix B).

- o Copies of the following documents may be obtained when available, from the NBS Office of Standards Code and Information (See also Appendix B):
 - Draft EC Directives (proposed rules)
 - Approved (final) EC Directives
 - European Regional Standards
 - and
 - Standards-related documents published by CEN, CENELEC, CEPT and ETSI.

8. Conclusion

The EC is proceeding aggressively with plans to transform its 12 member countries into a single integrated market with harmonized standards and regulations by 1992.

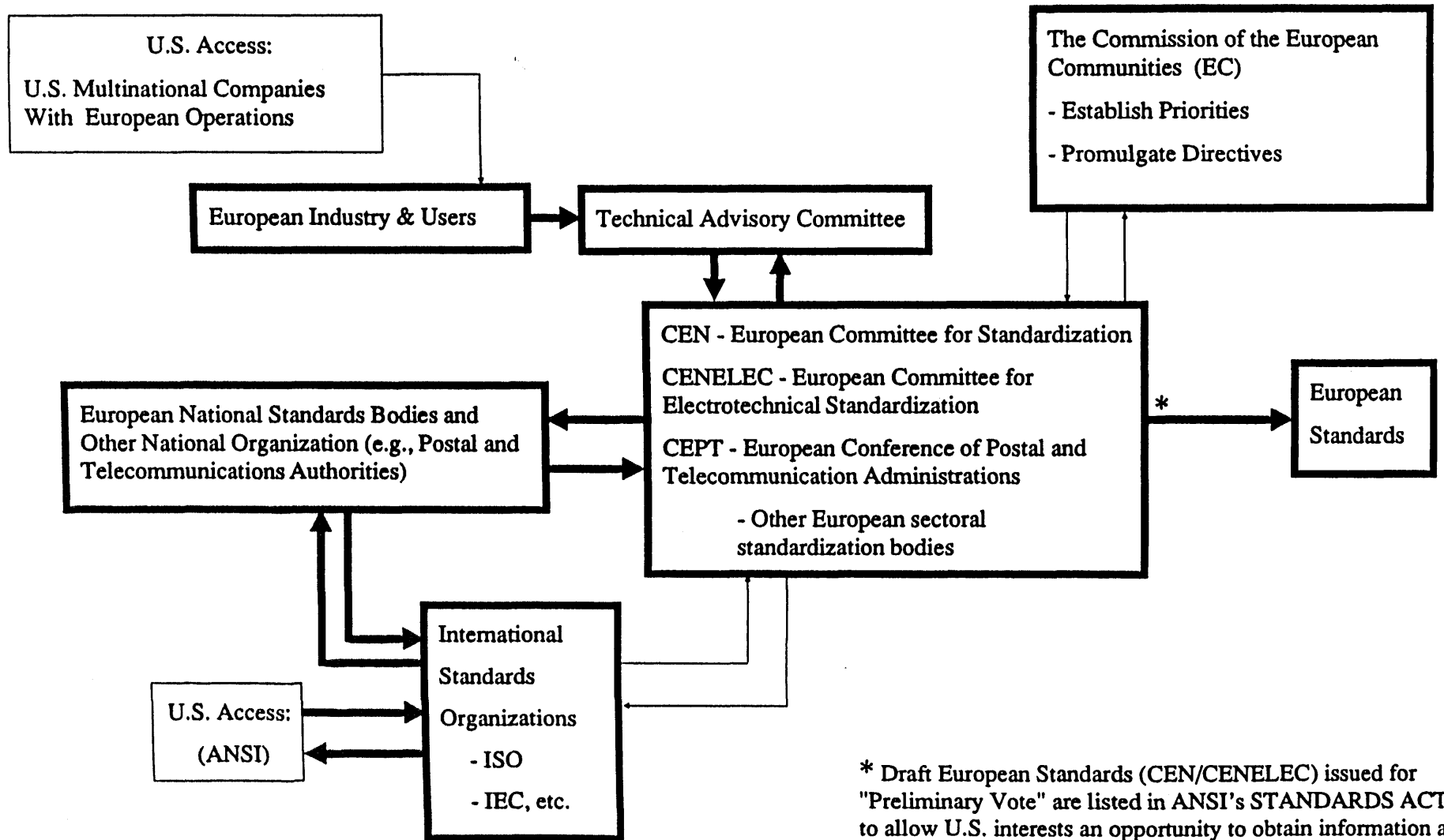
The time for U.S. interests to react to the new policies and programs of the European Community is now. If we do nothing, it may become very difficult or expensive to market U.S. products in Europe in the future.

9. Recommendations

U.S. business interests should establish communications with their European subsidiaries, distributors, or their American industry associations to obtain up-to-date information regarding the development of European Directives and harmonized standards.

U.S. companies should seek and take opportunities to comment on, and attempt to influence, proposed European Directives and standards whenever such documents become available.

Figure 1
 Diagram Depicting Interrelationships of Entities Influencing the
 Development of European Standards



* Draft European Standards (CEN/CENELEC) issued for "Preliminary Vote" are listed in ANSI's STANDARDS ACTION to allow U.S. interests an opportunity to obtain information and provide comments (through ANSI).

(STANDARDS ACTION is published biweekly by the American National Standards Institute, 1430 Broadway, N.Y., N.Y., 10018.)

Appendix A
E.C. Contacts for Additional Information on
European Standardization Matters

EC information offices in the United States are in Washington, D.C. and New York City -

European Community Information Service
2100 M Street, N.W., Suite 707
Washington, D.C. 20037
Tel: (202) 862-9500

European Community Information Service
305 East 47th Street
3 Dag Hammarskjold Plaza
New York, NY 10017
Tel: (212) 371-3804

In Europe, the principal point of contact is:
Commission of the European Communities
Directorate-General Information, Communication, Culture
Rue de La Loi 200
B-1049 Brussels, Belgium

CEN and CENELEC are headquartered in Brussels and have the same address -

European Committee for Standardization (CEN)
and/or
European Committee for Electrotechnical Standardization
(CENELEC)
2 Rue Brederode
Bte. 5
B-1000 Brussels, Belgium
Tel: (011) (32) (2) 519-6811

CEPT (European Conference of Postal and Telecommunications Administrations) is headquartered in Paris -

Secretariat Permanent du Comite de coordination de
l'harmonisation
CEPT/CCH/SP
9, rue Georges Ptiard (24 eme)
75015 Paris, France
Fax No. (011) (33) (1) 43 06 15 45
phone (011) (33) (1) 47 34 53 03

Appendix B
U.S. Government Contacts with Information on
Various Aspects of EC Activities Related to Standardization

1. Office of European Community Affairs
International Trade Administration
Department of Commerce
Room H-3036
Washington, D.C. 20230
Tel: (202) 377-5276

2. Office of Standards Code and Information
National Bureau of Standards
Administration Building, Room A629
Gaithersburg, MD 20899
Tel: (301) 975-4040
Telex TRT 197674 NBS UT

3. Office of the U.S. Trade Representative
Technical Barriers to Trade
Room 513, Winder Building
600 17th Street, N.W.
Washington, D.C. 20006
Tel: (202) 395-3063

U.S. DEPT. OF COMM. BIBLIOGRAPHIC DATA SHEET <i>(See instructions)</i>	1. PUBLICATION OR REPORT NO. NBSIR 88-3793-1	2. Performing Organ. Report No. 131	3. Publication Date AUGUST 1988
4. TITLE AND SUBTITLE A Summary of the New European Approach to Standards Development			
5. AUTHOR(S) Patrick W. Cooke			
6. PERFORMING ORGANIZATION <i>(If joint or other than NBS, see instructions)</i> NATIONAL BUREAU OF STANDARDS U.S. DEPARTMENT OF COMMERCE GAITHERSBURG, MD 20899			7. Contract/Grant No. 8. Type of Report & Period Covered
9. SPONSORING ORGANIZATION NAME AND COMPLETE ADDRESS <i>(Street, City, State, ZIP)</i>			
10. SUPPLEMENTARY NOTES <input type="checkbox"/> Document describes a computer program; SF-185, FIPS Software Summary, is attached.			
11. ABSTRACT <i>(A 200-word or less factual summary of most significant information. If document includes a significant bibliography or literature survey, mention it here)</i> This paper summarizes European Community (EC) plans to aggressively pursue its goal of achieving an "internal market" by 1992 and the standards-related implications of such a program on U.S. exporters. U.S. exporters will be affected by the harmonization of standards, implementation of EC directives, strengthening of European regional standards bodies and other trade policy considerations affecting market access, including EC testing and certification programs. U.S. Government and EC contacts for obtaining additional information are provided.			
12. KEY WORDS <i>(Six to twelve entries; alphabetical order; capitalize only proper names; and separate key words by semicolons)</i> European Community; harmonization; international trade; regional standardization; single European Act; standards; U.S. exports.			
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