



ITI VIEWS ON STANDARDS AND TECHNICAL REGULATIONS

ICT's Economic Importance & Global Reach:

The information and communications technology (ICT) sector is truly global, with manufacturers, suppliers and customers in every significant market in the Americas, Europe, the Middle East, Africa and Asia. Despite recent economic fluctuations, total worldwide ICT spending continues to grow at a steady rate, due to heavy investments by governments and industries in ICT products and services to meet increasing demand for solutions enabled by ICT. Both developing and developed economies are relying on an ICT infrastructure and industry presence for improving quality of life, stimulating economies, and meeting global market needs. As a result, the ICT sector is expected to remain one of the strongest opportunities for economic growth globally.

Standards are Critical: Standards are fundamental to the global ICT economy and provide many benefits such as:

- Creating value and aggregating markets;
- Facilitating technology diffusion;
- Promoting production efficiency and product interoperability;
- Enhancing competition;
- Reducing costs;
- Making modern communication networks possible; and
- Enabling the communication of important information among buyers and sellers.

The ICT sector depends heavily on standards. Diverse and global standards development processes must be relevant and keep pace with today's fast changing, global ICT market.

Public Policy, Standards & Technical Regulations: Standards can be defined as the definition of terms; classification of components; delineation of procedures; specification of dimensions, materials, performance, designs, or operations; measurement of quality and quantity in describing materials, processes, products, systems, services, or practices; test methods and sampling procedures; or descriptions of fit and measurements of size or strength.

Technical regulations, by contrast, are those that government specifies are mandatory (legal) requirements that (1) must be met under specific laws and (2) implement general agency objectives. These requirements typically address health, safety and environmental issues, consumer protection, and packaging and labeling. A regulation may consist of agency-developed technical specifications or requirements, or may permit use of particular private sector standards as a means of compliance.

ITI recognizes that standards and regulations are not only the domain of the technical and business communities. Policymakers and industry leaders are increasingly interested in and active on a range of standards and technical regulatory issues because standardization can drive market growth, facilitate trade and enhance competition. ITI developed this vision statement for voluntary standards, standards referenced in regulations, and technical regulations to frame our discussions with policy makers as we work cooperatively to address critical policy matters and define appropriate roles.



ITI VIEWS ON VOLUNTARY STANDARDS

Voluntary standards are completely market- and consumer- driven. What makes a standard voluntary is that it is developed by stakeholders – sometimes including the government and regulatory bodies – and its use is completely optional. Under certain circumstances, voluntary standards can become required by government regulation.

The development and use of voluntary standards contribute to creating and expanding ICT markets, and help to maximize benefits to societies, consumers, and companies. Industry responds to the marketplace and consumers as the ultimate arbiters when it is developing and using voluntary standards.

In all industries, standards are important tools for interoperability, production efficiency and global deployment. Throughout the ICT sector, voluntary standards are important and pervasive. They are used in hardware, software, and communications, and convergence has blurred the distinction. Voluntary standards are the foundations of the Internet and e-commerce. Industry business models differ, which can influence how companies view standards issues.

In developing voluntary standards, ITI and its members seek both to create customer value (e.g., consumer choice, lower costs, etc.) and facilitate market development by addressing product interoperability and other ICT marketplace challenges. Industry supports the development of voluntary standards through a variety of standard setting organizations (e.g. ISO, IEC, ITU ETSI, CCSA, IEEE, INCITS, ECMA, IETF, UPnP, W3C,). As a result, multiple bodies and organizations develop numerous voluntary standards to serve various stakeholder groups. In this manner, customers are able to select from multiple products and solutions using different standards that best meet their needs.

ITI advocates for **GLOBAL**, **MARKET-LED**, voluntary standards that provide **CUSTOMER VALUE** and facilitate **ICT MARKET DEVELOPMENT**.

- Voluntary standards are **GLOBAL** when they avoid unnecessary national or regional specifications. Their global designation should be determined by market adoption not simply by a particular organization's endorsement.
- Voluntary standards are **MARKET-LED** rather than unique, government developed specifications. The development process (e.g., ranging from Special Interest Groups to open, formal organizations) should correlate to market needs.
- Voluntary standards provide **CUSTOMER VALUE** by resulting in higher quality, interoperable, more cost-effective products and by conveying understandable product information.
- Voluntary standards facilitate **MARKET DEVELOPMENT** by promoting technology diffusion, production efficiency, enhanced competition, interoperability, and by addressing needs such as security and accessibility.
- Voluntary standards meet the above criteria when developed in an industry-led, consensus-based, open and **TRANSPARENT** environment.



ITI VIEWS ON STANDARDS REFERENCED IN REGULATIONS

Governments may reference standards as the basis for technical regulations. This is appropriate under certain, limited circumstances.

Standards referenced in regulations applicable to the ICT sector have been increasing globally over the past decade. Examples include standards that are referenced in national regulations, such as product safety (e.g. IEC 60950) and electromagnetic interference (EMI) (e.g. IEC CISPR 22). They also include standards referenced in regional regulations (e.g. European Union's EMC directive and IEC 61000-3-2, 61000-3-3).

With voluntary standards intended for use in regulations, it is critical for industry to focus on the content of the standard, its development process and the breadth of its adoption. More specifically, industry supports reference to those standards that meet the tests of real usage (e.g. responsive to the real-world, performance-based, technically sound). Additionally, standards considered for use in regulations should be developed through a process that is both open and global. Ultimately, industry seeks to provide market and customer value through a technologically neutral, level-playing field when standards are referenced in regulations.

When standards are intended to be the basis for technical regulations, ITI advocates that they be developed in an **OPEN** and **BALANCED** process to ensure that they are **PERFORMANCE-BASED**, **TECHNOLOGICALLY-NEUTRAL**, **TECHNICALLY SOUND** and widely **IMPLEMENTED**.

- Participation is **OPEN** globally to all interested parties from both the private and public sectors. **BALANCE** is sought among all interested parties.
- Standards are **PERFORMANCE-BASED**, specifying essential characteristics not detailed designs or the means to achieve essential characteristics.
- Standards are **TECHNOLOGICALLY-NEUTRAL** with respect to market access by refraining from choosing a “technology winner” or an implementation method.
- Standards are **TECHNICALLY SOUND** and useful to consumers, industries, and governments on a global basis.
- The mandated elements of standards are tested to ensure they can be **IMPLEMENTED**.



ITI VIEWS ON TECHNICAL REGULATIONS

Technical Regulations: Governments create technical regulations by mandating technical requirements. This may include procedures for testing, conformity assessment, and ongoing compliance. These requirements may embrace internationally recognized procedures or they may be unique to a country or region. Technical regulations can limit manufacturing flexibility, inhibit innovation, delay time to market, and distort product design.

They can limit market choice and slow consumer price reductions. They can force companies to spend resources complying with procedural requirements that satisfy no real world need and add no value to products. They can obscure legitimate regulatory requirements and widen the gap to enabling technology.

ITI's view is that the objectives for technical regulations should be to ensure safe and legal products. Technical regulations should never be more trade-restrictive than necessary and governments should consider alternatives whenever possible. If technical regulations are necessary, governments should fairly consider the costs and time to-market delays associated with implementation and enforcement. ITI supports a simple "design once – test once – single conformity assessment" global system rather than closed regulations with redundant procedures, market delays, and unwarranted costs.

| |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| When technical regulations are necessary, ITI advocates that they adhere to the principle of 1-1 SDOC whenever possible and that they be developed in accordance with WTO TBT principles. |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

For ICT products, ITI advocates for **1-1SDOC**, that is - one globally applied standard (as opposed to conflicting standards) and one globally accepted supplier's declaration of conformity with the appropriate level of post-market surveillance by governments.

Under **WTO TBT** principles, proposed technical regulations should be the least-trade restrictive means to achieve a legitimate policy objective that is justified by sound science. They should be developed in a transparent manner with open participation. They should not be maintained if the circumstances and objectives giving rise to their adoption no longer exist or can be addressed in a less trade-restrictive manner.