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DRAFT REPORT

European Standards – implementation of Regulation (EU) No 1025/2012
(2016/2274(INI))

Committee on the Internal Market and Consumer Protection

Rapporteur: Marlene Mizzi

Rapporteur for the opinion (*):
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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on European standards – implementation of Regulation (EU) No 1025/2012 (2016/2274(INI))

The European Parliament,

- having regard to Regulation (EU) No 1025/2012 of the European Parliament and of the Council of 25 October 2012 on European standardisation, amending Council Directives 89/686/EEC and 93/15/EEC and Directives 94/9/EC, 94/25/EC, 95/16/EC, 97/23/EC, 98/34/EC, 2004/22/EC, 2007/23/EC, 2009/23/EC and 2009/105/EC of the European Parliament and of the Council and repealing Council Decision 87/95/EEC and Decision No 1673/2006/EC of the European Parliament and of the Council,
- having regard to the Commission report of 1 June 2016 entitled ‘The implementation of the Regulation No 1025/2012 from 2013 to 2015’ (COM(2016)0212),
- having regard to the Commission staff working document of 1 June 2016 entitled ‘Analysis of the implementation of the Regulation No 1025/2012 from 2013 to 2015 and factsheets’ (SWD(2016)0126),
- having regard to the Commission communication of 1 June 2016 entitled ‘European standards for the 21st Century’ (COM(2016)0358),
- having regard to the Commission staff working document of 1 June 2016 entitled ‘Tapping the potential of European service standards to help Europe’s consumers and businesses’ (SWD(2016)0186),
- having regard to the Commission communication of 1 June 2016 entitled ‘The annual Union work programme for European standardisation for 2017’ (COM(2016)0357),
- having regard to the Commission staff working document of 1 June 2016 entitled ‘The implementation of the actions foreseen in the 2016 Union work programme for European standardisation, including the implementing acts and mandates sent to the European standardisation organisations’ (SWD(2016)0185),
- having regard to the Commission communication of 19 April 2016 entitled ‘ICT Standardisation Priorities for the Digital Single Market’ (COM(2016)0176),
- having regard to the ‘Joint Initiative on Standardisation’ under the Single Market Strategy’ (COM(2015)0550),
- having regard to its resolution of 21 October 2010 on the future of European standardisation¹,
- having regard to the European Economic and Social Committee opinion entitled ‘European standards for the 21st Century’,
- having regard to the European Economic and Social Committee opinion entitled

¹ Texts adopted, P7_TA(2010)0384.

‘European standardisation 2016’,

- having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee of the Internal Market and Consumer Protection and the opinions of the Committee on Industry, Research and Energy and the Committee on Transport and Tourism (A8-0000/2017),
- A. whereas the Commission’s action to set out a common vision for European standardisation is a direct result of the Juncker Commission’s ten priorities and, in particular, the priorities on Connected Digital Single Market and the Single Market Strategy;
- B. whereas an efficient European standardisation system should be based on close partnership and cooperation between industry, public authorities, standardisation bodies and other interested parties, such as the Annex III organisations recognised under Regulation 1025/2012;
- C. whereas European standards need to be developed in an open, inclusive and transparent system, based on consensus among all stakeholders, with the aim of defining strategic technical or quality requirements with which current or future products, production processes, services or methods may comply;
- D. whereas standards are a necessary tool for the operation of the Single Market, and whereas they can enhance European competitiveness, growth and innovation, and support quality, businesses performance and the protection of consumers, workers and the environment;
- E. whereas two different standard development systems coexist in Europe – one based on the national delegation principle and the other on the direct involvement of stakeholders through membership – and there is a need to evaluate both systems with a view to identifying existing challenges and good practices;
- F. whereas Regulation 1025/2012 has brought improvements to the standardisation process by integrating, for the first time, societal stakeholders and SMEs as part of the legal basis of the European standardisation system;
- G. whereas ICT standards make it possible to develop interoperable solutions for complementary products and for the various parts of a particular product, which is particularly important for the development of the ‘internet of things’ (IoT);

General considerations

1. Welcomes the overreaching Commission standardisation package, which together with the ICT Standards Communication and the Joint Initiative on standardisation, aims at setting out a coherent European Standardisation System (ESS);
2. Acknowledges the specificity and importance of the ESS to all stakeholders, including SMEs, consumers and workers, and calls on the Commission to ensure that the European system will continue to exist and that it maintains sufficient resources to fulfil

the objectives of Regulation 1025/2012;

3. Notes that standards are a voluntary, market-driven tool providing technical requirements and guidance that can help implement European legislation and policies when they are developed in a transparent and inclusive way, but stresses that the political decisions regarding the level of protection of health, safety and environment should be left to the legislator;
4. Deems it important that European standards are promoted at a global level and that the Commission and Member States work in this direction, and pay more attention to the global role and relevance of standards, when getting involved in standardisation work;
5. Stresses that standards adopted by international organisations, especially ICT standards, are developed outside the scope of Regulation 1025/2012, and recommends the European Standardisation Organisations (ESOs) to endorse them only after an internal approval process involving representatives of Annex III organisations, especially for standards supporting European legislation;
6. Is of the opinion that the ESOs should always develop inclusive, sustainable, safe and good quality standards with fair access for, and treatment of, all stakeholders, with minimised impact on the environment and adequate protection of personal data and privacy;
7. Notes that Regulation 1025/2012 has improved the inclusiveness of the ESS, but regrets that there are still many practical barriers for SMEs, consumers, workers and environmental organisations to participate actively in the standardisation process, and calls on the Commission to address the challenges to further involvement;
8. Acknowledges that the delivery speed of standards has improved, and recalls the importance of striking the right balance between the need to ensure timely development and the need for the standards to be of high quality;

ICT Standards

9. Welcomes the Communication on the ICT standardisation priorities setting out a strategic approach to standardisation for ICT technologies, but calls on the Commission clearly to identify the alignment between the Communication and the ICT Rolling Plan, the package ‘Standards for the 21st Century’ and the Annual Work Programme;
10. Supports open standardisation processes as a driver of innovation, interconnectivity and deployment of technologies, but recalls that it is also important to ensure proper investment and expertise in, and the development of, cutting-edge technologies;
11. Urges the Commission and the ESOs to produce a set of high-quality and interoperable standards to tackle the development of the digital technologies, which will contribute to the social, economic and environmental sustainability of ICT value chains and confirm commitment to the public interest of ensuring privacy and data protection;
12. Supports the Commission’s proposal for a trusted IoT label and certification system, and recommends that the label provides cybersecurity ratings, and indicates the risks

associated with the operation and use of an IoT device, on the basis of the requirements spelled out in the NIS Directive;

13. Acknowledges the concerns, in particular as regards the IoT, about how standard essential patents (SEPs) are related to standards; stresses that unfair and unreasonable IPR policy creates barriers in the single market that can hinder the take-up of the digital single market and of new technologies;
14. Urges the Commission to clarify without delay the core elements of an equitable, effective and enforceable licensing methodology based on the FRAND principles (i.e. that ensure fair, reasonable, and non-discriminatory terms), taking into account the fair return on investment, a sustainable open standardisation process and the wide availability of technologies in an open and competitive market;

European standards for the 21st Century

15. Welcomes the Commission Standardisation package ‘Standards for the 21st Century’ and takes the view that the standardisation system should be made more inclusive with a view to fully integrating the concerns of citizens, consumers and SMEs;
16. Regrets that it was not consulted prior to the adoption of the package, and urges the European institutions to align the different initiatives into a single strategic, holistic work programme avoiding duplication of actions and policies;
17. Calls for greater reinforcement, coherence and improvement of the Annual Union Work Programme (AUWP);
18. Stresses that the next AUWP needs specifically to address actions aligning ICT and non-ICT standards, coordinating the rules of different national standards bodies (NSBs) and advancing the inclusiveness of ESOs by paying better attention to the role of stakeholders listed in Annex III;
19. Stresses the importance of the interinstitutional dialogue for the preparation of the AUWP, and encourages efforts to involve, prior to the adoption of the AUWP, all relevant stakeholders in an Annual Standardisation Forum to discuss new fields, existing challenges and necessary improvements of the standardisation process;
20. Welcomes the Joint Initiative on Standardisation (JIS), recommends that Parliament also be invited to participate and contribute to the JIS and underlines that the rules of such public-private partnerships need to be respected by all stakeholders;
21. Welcomes the commitment, made in the context of the JIS, to develop a study on the economic and social impact of standards, and invites the Commission to base the study on quantitative and qualitative data, and to analyse both the business model of the standardisation process and the different financial models – including opportunities and challenges – for making access to harmonised standards freely available;
22. Urges the Commission to ensure that services standards are developed with the objective of improving the safety and quality of services and of prioritising areas with the highest detriment to consumers without encroaching upon existing national

regulatory requirements, in particular provisions on labour law, collective agreements and bargaining;

23. Is of the opinion that the increased complexity resulting from a proliferation of standards, and the diversity of technical communities, creates barriers and costs that affect access rights to standards for SMEs and microenterprises; stresses the importance of supporting measures to improve SMEs' access to means of developing and using standards;

European Standardisation Organisations (ESOs)

24. Welcomes the role played by the ESOs, but encourages further initiatives to improve their openness, accessibility and transparency, and recommends that their work be guided by European interests;
25. Recognises that the national delegation principle is fundamental for the European system, but warns that there are differences in terms of resources, technical expertise and stakeholder involvement at national level, and recommends that the work of the national delegations needs to be complemented;
26. Is aware of the decreasing citation of referenced standards in the *Official Journal of the European Union* and calls on the Commission to investigate and address the reasons for this;
27. Repeats that a more transparent and accessible appeal mechanisms would build trust in the ESOs and in the standard-setting processes;

Strategic recommendations

28. Calls on the Commission to enhance the synergies and coordination between the European institutions, the ESOs, the NSBs and all relevant stakeholder organisations through the Annual Standardisation Forum;
29. Calls for strict application of the Regulation 1025/2012 as regards recognition of Annex III organisations and for the publication of the reports provided for in Article 24 of the Regulation;
30. Urges the Commission fully to harmonise conditions for Annex III organisations and for the removal of de facto obstacles to their effective involvement at national and European level;
31. Recommends that Annex III organisations be given specific member status, and that a separate category be created for partnerships of societal stakeholders' organisations, with specific rights and obligations, such as a reinforced right of appeal, consultative powers, a right of an opinion before adopting the standard, and access to mirror committees, especially for standards supporting EU legislation;
32. Calls on the Commission and the ESOs to ensure that that ISO-CEN Vienna Agreement

and other measures to speed up standards will not prevent or jeopardise the participation in the standardisation process of Annex III Organisations or NSBs with limited capacities;

33. Invites the Commission to adopt an easy to use single point of access to standards that can provide assistance and information to the standards' users on the available standards and their specifications, and that can help them find the standards that best match their needs;
34. Calls on the Commission to monitor international ICT standardisation developments and, if necessary, to finance the participation of experts in leading positions within the international standardisation bodies, and in strategically important standardisation projects, in order to promote the European regulatory model and interests;
35. Calls on the EU institutions, the national governments and the ESOs to develop training guidelines for policy-makers to help them overcome inconsistencies arising from the use of disparate working methods in different departments and institutions, and to create a standardisation culture and an understanding of how standards processes work and when they can be used;
36. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

1. Background

On the 1st of June 2016, the European Commission presented a package of Communications outlining the Commission's vision on how European standard setting should evolve in the next few years.

The package consists of four Communications: Communication on 'the European standards for the 21st century', Dedicated Guidance on service standards: 'Tapping potential of European service standards to help Europe's consumers and businesses', Article 24 Report and REFIT evaluation Staff Working Document and the Annual Union work programme for European standardisation for 2017.

The package also includes a Commission decision providing the framework for the Joint Initiative on Standardisation (JIS), which is a close partnership between public and private organisations to address current challenges in the standard development process and to promote a European standardisation hub, where standards are developed in a timely, open, transparent and inclusive manner.

The Joint Initiative on standardisation is complemented by the European Commission Communication on 'ICT standardisation Priorities for the Digital Single Market' adopted in April 2016. The ICT Communication proposes concrete measures to speed up the ICT standard setting process by focusing on five priority areas: 5G, cloud computing, internet of things, data technologies and cybersecurity.

The overarching Commission standardisation package together with the ICT Standards Communication and with the JIS aims at setting out a single and coherent European Standardisation System (ESS) that adapts to the changing environment, supports multiple policies and brings benefits and predictability to consumers and businesses.

Currently, the European Standardisation policy is developed through different policy instruments, such as the Annual Union Work Programme for European Standardisation (AUWP) and the ICT Rolling Plan and various platforms such as the Committee on Standards and the European Multi-stakeholder Platform on ICT Standardisation.

The Commission in its package acknowledges that there is a need to align those initiatives. In this regard, the Commission is proposing the adoption of the AUWP in July every year, which, as of 2017, will be preceded by an inter-institutional dialogue with the full involvement of the European Parliament and other EU institutions. Each year the inter-institutional dialogue will be based on a single report from the Commission on the implementation of the above mentioned initiatives.

The European Parliament report aims to contribute to the idea of a single and coherent EU standardisation policy, which features higher on the political agenda, and where the priorities are regularly discussed with the European Parliament.

The objectives of the Rapporteur is to contribute to the ongoing debate and to set the European Parliament's priorities in response to the Commission standardisation package, the Joint initiative on Standardisation and the ICT Communication. Furthermore, the Report will contribute to the first Inter-institutional Dialogue planned for the spring of 2017 and to the AWUP 2018, which will be adopted by the Commission in July 2017.

II. Rapporteur's general considerations

This Report is based on a number of salient points that the Rapporteur believes are essential to consider when discussing the future of the European standardisation system.

The Rapporteur is of the opinion that standards are an important tool for the operation of the Single Market, to enhance European competitiveness, growth and innovation, to support quality, performance and protection of consumers, business, workers, and environment and to develop interoperability of networks and systems.

However, based on new technologies and the progressive integration of digital solutions in industrial global value chains, as well as the fast evolving international context, the standardisation environment is changing rapidly and a new momentum is needed to respond effectively to the standards needs of industry, consumers, workers and environmental organisations and other stakeholders.

The Rapporteur welcomes the overreaching Commission standardisation package, together with the ICT Standards Communication and with the Joint Initiative on standardisation. Still, the Rapporteur believes that there are a number of practical barriers that need to be addressed in particular to inclusiveness, openness and transparency of the system and representations of stakeholders' organisation from Annex III.

The Rapporteur believes that most successful standards are the ones that have been developed with the broad support of the industry, public authorities, consumers, workers and citizens. Therefore, the Rapporteur supports the unique European system, which takes into account not only the contributions of the big industry and public authorities, but as well as of SMEs, consumers and citizens.

The Rapporteur believes that an efficient European standardisation system needs to be based on a close partnership and cooperation between industry, public authorities, standardisation bodies and other interested parties, which are working together in a system founded on inclusiveness, openness, transparency and consensus to define strategic technical or quality requirements of current or future products, production processes, services or methods.

The Rapporteur further recognises that standards are a voluntary market-driven tool providing technical requirements and guidance that can help implement European legislation and policies when they are developed in a transparent and inclusive way, but stresses that the political decisions regarding the level of protection of health, safety and environment should be left to the legislator

Last but not least, the Report recognises the importance of promoting European standards and the European standardisation system at a global level and calls on the Commission and on Member States to work towards this direction to pay more attention to the global role and relevance of standards, when getting involved in standardisation work.

III. ICT Standards

The Report recognises that interoperability and standardisation each play a key role in the digital transformation. Convergence of technologies and the digitalisation of society, businesses and public services blurs the traditional separation between general standardisation and ICT standardisation, but the Commission is still proposing different policy instruments to plan ICT standardisation and non-ICT standardisation activities.

Therefore, the report calls on the Commission to clearly identifying the alignment between the

Rolling Plan and the Priority ICT Standards Plan, the package ‘Standards for the 21st century’ and the Annual Work Programme and makes some suggestions on how to improve the Internet of things (IoT).

The Rapporteur stresses that Europe should support open standardisation processes as a driver of innovation, interconnectivity and deployment of technologies based on fair, reasonable and non-discriminatory licensing terms (‘FRAND commitment’) to address the legitimate interests of both SEP holders and of potential licensees and safeguard that standardisation is a level playing field, where companies of all sizes can collaborate in a mutually beneficial manner.

IV. Need for a Holistic approach for European standards for the 21st Century

The Rapporteur is of the opinion that there is more to the standardisation process than just being solely tied only with the economic aspects. Stresses that stakeholders involved in the development of standards must adopt a holistic and a common approach whereby SMEs, consumer and citizen goals, particularly those related to economic, social, health and environmental concerns are fully integrated into the standardisation process.

Furthermore, the Rapporteur regrets that the European Parliament was not properly consulted prior to the Commission adopting the package and urges the Commission together with the other European institutions, ESOs and other relevant stakeholders to align the different initiatives into a single strategic holistic work programme.

The Report also suggests greater reinforcement, improvement and coherence of the AWUP in particular aligning ICT standardisation and non-ICT standardisation activities and creating an Annual Standardisation Forum prior to the adoption of the AWUP for a better involvement of different stakeholders in the Inter-Institutional dialogue.

The Rapporteur welcomes the Joint Initiative on Standardisation (JIS) and suggests that the study on the economic and social impact needs to also include data on the impact of the business model of the standardisation process, as well as on the different financial models.

In its Communication on services standards, the Commission promotes the development of standards in the services sector. The Rapporteur supports the Commission approach but believes that this should be done with the objective of better understanding of stakeholder needs and of prioritising areas with the highest detriment to consumers, without encroaching upon existing national regulatory requirements and in particular labour laws provisions, collective agreements and collective bargaining.

The Rapporteur also stresses the importance of supporting SMEs participation in the standards development process and in using the available standards.

V. European Standardisation Organisations (ESOs)

The Rapporteur also makes some suggestions on how to improve the accessibility and transparency of standardisation procedures in CEN, CENELEC and ETSI and how to strengthen the system by safeguarding that the development of standards remains open, transparent and guided by European interests, providing equal access and taking into account the interests of all stakeholders who wish to influence the standardisation process and to take part in developing standards.

VI. Strategic recommendations

The Report makes some strategic recommendations to be taken into account by the European Commission in the Inter-institutional dialogue and the annual Work Programme for 2018.

The Rapporteur suggests that the Commission needs to enhance the synergies and coordination between the SSOs and stakeholders' organisations and to adopt an action plan for the removal of de facto obstacles to an effective involvement of Annex III organisations. The report suggests strategically giving Annex III Organisations specific member status with specific rights and obligations and to fully harmonise conditions for those organisations at national and European level.

To further improve access of SMEs to the standardisation process, the Rapporteur suggests the creation of easy-to-use single points of access to provide assistance and information for standards' users.

To improve the key role of the ESS at global level, the Rapporteur suggests that the Commission need to monitor international ICT standardisation and if necessary finance the participation of European experts at international level to promote the European regulatory model and interests.

Finally, the Rapporteur suggests increasing awareness and knowledge about standards by developing Guidelines for education and training of policy-makers to explain how standardisation works and when it can be used.