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The Association of Swedish Engineering Industries' (Teknikföretagen) remarks on the Standardization Package

Pertaining to the Communication from the European Commission on An EU Strategy on Standardization: Setting global standards in support of a resilient, green and digital EU single market; and Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1025/2012 as regards the decisions of European standardization organizations concerning European standards and European standardization deliverables.

Key recommendations

- *Remove bottlenecks in the system for harmonized standards*
Global competitiveness and leadership in global standards setting starts at home, with a well-functioning European standardization system. In recent years, the process for developing harmonized European standards has become increasingly burdensome for industry due to increased political involvement and a more prescriptive approach from the European Commission, resulting in a legislative framework that is less responsive to technological developments. We call for the European Commission to engage in meaningful dialog with industry and the European standardization organizations to remove bottlenecks in the system for developing harmonized European standards, based on the recommendations expressed by European industry outlined below.
- *Safeguard market driven standards development process*
A key condition for the responsiveness of the European standardization system is a voluntary, market driven standards development process. While supportive of better coordination among actors involved in the standardization system, especially pertaining to public actors, we stress that newly established bodies shall primarily have coordinative rather than managing functions in order not to create a parallel governance structure to that of the standardization organizations. Maintaining a transparent governance structure with industry involvement in the decision-making process is instrumental for ensuring market relevant European standards.
- *Avoid politically driven decoupling process from global markets*
It is essential that set criteria are established for when common or technical specifications can be developed via implementing acts. An overuse of technical specifications may make the EU legislative framework less responsive to technological advancements and limit the alignment between European and international technical requirements. Similar effects can be seen from negative assessments resulting in technical modifications to a harmonized standard after the approval of the requirements in an international standard. Finally, an amendment to Regulation (EU) 1025/2012 must not limit the participation of standardization organizations currently participating in the process for developing harmonized standards, which may have a negative effect on regulatory cooperation with key trading partners for European industry.

Summary

The Association of Swedish Engineering Industries (Teknikföretagen) represents over 4,300 member companies that constitute one third of Sweden's exports, making Teknikföretagen the primary representative of Swedish industry. Our member companies comprise both major, renowned, global corporations as well as a majority of micro, small and medium-sized enterprises. A common denominator is that they develop technologically advanced products and services exported in fierce global competition.

The mission of Teknikföretagen as an organization is to strengthen the competitiveness of our member companies. To that end, Teknikföretagen welcomes the acknowledgement of the strategic importance of technical standardization and setting international standards for European industry's global competitiveness, and the affirmation that this requires the European standardization system to become more agile and responsive to technological advancements.

While in support of a strategic approach to standardization in order to strengthen European industry's global competitiveness, Teknikföretagen stresses that the standardization package fails to address the current systemic issues facing the European standardization system today, primarily pertaining to an increased political management and overly prescriptive approach by the European Commission to the development of harmonized European standards and timely citation thereof in the Official Journal of the European Union.

Teknikföretagen continues to assert that the current approach inhibits the European standardization organizations to develop standards that respond to the latest technological advancements and European industry in setting global standards and may discourage experts from participating in the standards development process. Therefore, the approach may be detrimental to an innovative and long-term competitive European industry, ultimately undermining the ability for European industry to contribute to highly set political ambitions, such as the green transition and digital transformation.

Additionally, Teknikföretagen is concerned that the standardization package, if implemented as currently presented, may exacerbate a politically driven decoupling process caused by diverging technical requirements in European and international standards. Rather, the primary objective of European standardization should be responsiveness to technical advancements while ensuring technical alignment with international standards to facilitate market access.

General Comments

The European standardization system is a cornerstone for a well-functioning Single Market. Ensuring a standards development process in Europe that is responsive to new technological advancements is a key enabler for an innovative and globally competitive European industry. Therefore, it is instrumental in order for the EU to reach highly set political ambitions such as the green transition, digital transformation and increased resilience.

Teknikföretagen's overall assessment of the standardization package presented by the European Commission is that it fails to address the systemic issues facing the European standardization system (pertaining to harmonized standardization) outlined in Teknikföretagen's input during the consultation process for the standardization strategy¹, echoing the concerns expressed by no less than 18 European industry organizations² and 17 Member States³. Rather, Teknikföretagen asserts that the standardization package, if implemented as currently presented, may further undermine the European Standardization Organizations' (ESOs) ability to develop state of the art standards that reflect the latest technological advancements while ensuring technical alignment with international standards.

This would be counterproductive to set objectives with the standardization package, namely the responsiveness of the European standardization system (ESS) and maximizing the EU's ability to impact international standards.

Teknikföretagen continues to stress that leadership in global standards setting starts at home, with a well-functioning and innovation-friendly European standardization system. Teknikföretagen would therefore like to reiterate the actions outlined in the joint industry recommendations for effective harmonization standardization⁴, providing tangible recommendations to remove bottlenecks in the system for the development of harmonized European standards (hENS) and the publishing thereof in the Official Journal of the European Union (OJEU).

While cognizant that the European Commission is adamant to increase legal certainty relating to essential requirements in union legislative acts and commensurate hENS, Teknikföretagen stresses that such pursuit must ensure a smooth standards development process that is fit for purpose for an innovative and globally competitive European industry. In this regard, it is important to separate

¹ Teknikföretagen's feedback on the roadmap for the European Commission's standardization strategy can be found [here](#).

² See joint industry letter from BusinessEurope, DigitalEurope, Orgalim, European Round Table for Industry, APPLiA, CECIMO, COCIR, Toy Industries of Europe, EUROM, EGMF, EuropaCable, Euralarm, ELA, AESGP, EHIMA, FEM, FIDE and CAPIEL to the Council Presidency [here](#).

³ Please find the recommendations made by seventeen EU delegations (CY, CZ, DE, DK, EE, ES, FI, HU, IE, LU, NL, PL, PT, RO, SE, SI, SK) on EU industry competitiveness and effective harmonized standardization [here](#).

⁴ The joint industry recommendations for effective harmonized standardization from BusinessEurope, DigitalEurope, Orgalim, APPLiA, COCIR and Toy Industries of Europe can be found [here](#).

the system for developing hENs and market driven European standards (ENs). The former developed upon request by the European Commission and characterized by a larger degree of political intervention in the standards development process; and the latter responding to market needs as indicated by the stakeholders represented in the technical committees of the ESOs.

In recent years, an increased political intervention by the European Commission in the process for developing hENs has rendered the system increasingly burdensome for the ESOs and, consequently, for the experts involved in the standards development process. Issues include:

- Prescriptive requests for the development of hENs that limit the flexibility for the ESOs regarding which standards are needed to illustrate conformity with essential requirements in EU legislation.
- Different technical assessments from Harmonized Standards (HAS) consultants that inhibits the timeliness of hENs, largely due to a lack of resources and different HAS-consultants being involved in the development of hENs.
- Negative assessments being issued subsequent to the enquiry stage during which the technical requirements are set, undermining the functionality of the Vienna and Frankfurt Agreements and thereby limiting European influence on global standards setting.
- Slow process for publishing references to hENs in the OJEU.

Teknikföretagen is understanding of the importance to ensure legal certainty of standards that give presumption of conformity with EU legislative acts, noting that the European Commission ultimately decides if the technical content of hENs adequately respond to the essential requirements or characteristics in commensurate legislative acts, by deciding upon citation in the OJEU. In order to both uphold legal certainty and ensure fit-for-purpose standards that are responsive to market needs, it is imperative to work towards removing the bottlenecks in the harmonized standardization system.

It is important to note that the ESS is only as good as the experts participating in it, and an unnecessarily burdensome standards development process may discourage experts from participating, resulting in a diminished European leadership in standardization.

Therefore, Teknikföretagen calls on the European Commission to engage in meaningful dialogue with the ESO and industry to identify and remove bottlenecks in the system for developing hENs and restore trust among the actors in the ESS.

Finally, Teknikföretagen notes that only a targeted consultation process was carried out preceding the proposal to amend regulation 1025/2012, with a limited scope and very succinct deadline, illustrating a democratic deficit in the legislative process.

Detailed Comments

On leveraging the European standardization system – to deliver on the twin green and digital transition and support the resilience of the Single Market

While in general supportive of ensuring alignment between policy objectives on a strategic level, Teknikföretagen is hesitant to the sectoral and technology specific priorities expressed in the strategy, reiterating the need for a systemic approach to the ESS to promote market relevant standards regardless of sector or technology.

[O]n top of the ongoing standardization work across the industrial ecosystems, the European Union faces today critical 'standardization urgencies', areas in which standards are needed in the coming years in order to avoid strategic dependencies and to manifest the EU's global leadership in green and digital technologies. Stemming from the analysis of strategic dependencies in the updated Industrial Strategy as well as stakeholder input through the industrial alliances, an urgent need for the development of standards has been identified in the following strategic areas: standards to overcome current obstacles in COVID-19 vaccine and medicine production; standards to support the recycling of critical raw materials (CRM); standards to support the roll-out of the clean hydrogen value chain; standards supporting low-carbon cement given the significant emissions-saving potential; standards for the certification of chips in terms of security, authenticity and reliability; and data standards enhancing data interoperability, data sharing and data re-use in support of the Common European Data Spaces.

(COM 2022 31, p. 1-2)

For specific issues pertaining to the European Commission's industrial ecosystem approach, the ongoing work with addressing European industry's so-called 'strategic dependencies', the process for identifying areas for industrial alliances and the governance model of said alliances, Teknikföretagen reasserts the organization's comments expressed on the European Commission's updated industrial strategy, published on May 5, 2021⁵.

To address the standardization urgencies mentioned in the strategy, the Commission expresses it intends to:

1. Precede market needs and launch standardization requests to be prioritized by the ESOs.
2. Establish a new High-Level Forum to advice on future standardization needs, coordinate effective representation of European interests in (international) standardization fora, strengthen technical expertise and skills in standards, with dedicated subgroups to drive the work forward at operational level.

⁵ Teknikföretagens comments on the European Commission Communication on Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery, taking into account the accompanying European Commission Staff Working Documents on the Annual Single Market Report 2021, Strategic Dependencies and Capacities, and Towards Competitive and Clean European Steel, can be found [here](#).

3. Together with the High-Level Forum launch a process for reviewing existing standards to meet the objectives of the European Green Deal and Europe's Digital Decade.
4. Establish an 'EU excellence hub on standards' on a technical level, to better coordinate and leverage standardization expertise within the Commission, EU agencies and Joint Undertakings, to work on anticipating future standardization needs, support the work in priority standardization areas and monitor international standardization activities; and create the function of a Chief Standardization Officer to steer the work of the excellence hub with overall oversight and coordinate standardization activities across the Commission.
5. In partnership with the ESOs, work on solutions and set clear targets to accelerate every step of the development of standards that underpin the implementation of EU legislation.

While in support of better coordination among actors involved in the ESS, especially pertaining to public actors such as Director-Generates within the European Commission and Member States, Teknikföretagen is concerned that initiatives contained in the strategy will establish parallel governance structures – juxtaposed to the ESOs – resulting in an increased political intervention in the ESS that may potentially limit the market relevance of the system.

Teknikföretagen calls for clarification in the role of the High-Level Forum as well as its relation to the Committee on Standards and other groups established by the European Commission, such as the Industrial Forum. Regarding the EU excellence hub, its primary role should be (1) coordinative to ensure alignment within the Commission and (2) consultative to provide coherent input to the work conducted by the technical committees in the ESO throughout the process for developing hENs. In order to maintain market relevance of European standards, it is essential that the ambition of the EU excellence hub is not to precede market driven standards, nor to replace hENs with technical specifications developed by the Commission.

Teknikföretagen also stresses that technical committees of the ESOs, representing the collective expertise and stakeholders in respective fields, continuously assess the technical content of standards to ensure market relevance and that there already is a systemic review function inherent to the standards development process for the same purpose. Teknikföretagen asserts that the technical committees of the ESOs must remain the sole fora for developing hENs.

Teknikföretagen welcomes the ambition to remove bottlenecks in the system for developing hENs, while expressing disappointment over the lack of initiatives in the standardization package to address the issues currently facing the system. As expressed in the general comments, the main concerns expressed – by industry and Member States alike – ahead of the standardization strategy primarily pertained to the decelerate and increasingly burdensome process for developing hENs, calling on the European Commission to take the opportunity to address these issues in the standardization strategy⁶. This is essential to ensuring an EU

⁶ See footnotes 2–4.

legislative framework that can easily adopt the latest technological advancements, which – apart from being a cornerstone for a well-functioning Single Market – is fundamental for an innovative and long-term competitive European industry that can contribute to the twin green and digital transitions and strengthening European leadership in setting international standards.

The potential in the strategy regarding the functionality of the standardization system lies in the possibility to utilize (1) the High-Level Forum to involve representatives from the ESOs' technical committees earlier in the legislative process, preferably by systemic interaction with corresponding Administrative Cooperation Groups; and (2) representatives from the EU excellence hub to assume the responsibility of the HAS-consultants (or closer monitoring thereof), currently contracted by the Commission, to ensure continuity and reliable assessment on draft harmonized standards.

While understanding of the Commission's ambition to ensure legal certainty in hENs, Teknikföretagen maintains that the process for developing hENs is served better by limiting Commission involvement to a minimum, preferably to issuing standardization requests containing the essential requirements/characteristics and ensuring legal certainty by reviewing the technical content in the enquiry stage after which only editorial changes are allowed, followed by timely citation in the OJEU. Issuing negative assessments with technical modifications to a harmonized standard after the enquiry process or formal acceptance will undermine the functionality of the Vienna and Frankfurt Agreements, thereby negatively impacting the conformity of technical requirements in European and international standards. This would also have a negative effect on European industry's impact on the technical content in international standards, undermining the expressed objectives of this strategy and limiting European industry's global competitiveness.

Teknikföretagen's overall assessment of this standardization package is that it presents a failed opportunity to address the systemic issues relating to harmonized standardization and we continue to refer to the joint industry recommendations on harmonized standardization for additional suggestions on how to remove bottlenecks in the standardization system⁷.

On upholding the integrity, inclusiveness and accessibility of the European standardization system – putting good governance principles in place

Teknikföretagen understands the Commission's concern of non-EU/EEA influence in the decision-making for standards developed to provide presumption of conformity with EU legislation, which primarily relates to the governance of ETSI. However, we stress the importance of adequate representation of industry stakeholders and note that direct industry membership and participation in decision making is an important element of achieving this in ETSI. Openness, transparency and inclusiveness are enhanced by involving private companies directly into the standards development process to ensure that adopted standards align with business and technology realities and that market incentives can work to amplify policy objectives.

⁷ See footnote 4.

By leveraging the industry's broad and deep experience, market driven ETSI standards can effectively support the twin transitions and reinforce European industry's competitiveness on the global stage. European leadership should be achieved and maintained in collaboration with, not in isolation from, the private sector and other global players and regions. We encourage learning from EU success stories in setting global standards. Projects like the 3GPP and the worldwide membership in ETSI have successfully brought global players together in Europe to work towards standards that benefit Europe and are adopted globally, thereby increasing the market and competitiveness for all European companies.

Teknikföretagen is concerned that the European Commission's proposal for a regulation amending Regulation (EU) No 1025/2012 may have an adverse effect on the use of European or joint European and international standards in non-EU countries and that it may also discourage future regulatory cooperation.

The proposal prescribes that to be eligible for a standardization request from the Commission, the delegates of the national standardization bodies of the EU and the EEA must be the ones with the decision-making power in each stage of the development of a standard request by the Commission. This would eliminate both the UK and Switzerland, as well as national standardization organizations of acceding countries and candidate countries from participating in the decision-making process in the harmonized system. Explicitly decisions on:

- a) The acceptance, refusal and execution of standardization requests.
- b) The acceptance of new work items.
- c) Decisions on the adoption, revision and withdrawal of European standards or European standardization deliverables.

Teknikföretagen is concerned that excluding non-EEA countries from the decision-making process may disincentivize them from participating in the ESS and from engaging in meaningful dialogue on regulatory cooperation, thereby exacerbating a politically driven decoupling process. Teknikföretagen notes that there has been an intensive work carried out within CEN/CENELEC to accommodate the British Standards Institution (BSI) continued membership in the organizations, as well as in the European co-operation for Accreditation (EA) to enable the continued membership of the United Kingdom Accreditation Service (UKAS). These are two important cornerstones to limit technical barriers to trade from arising in trade between EEA countries and the United Kingdom – as all CEN/CENELEC members shall adopt European standards at national level and withdraw national conflicting standards (with certain exceptions); and the EA Multilateral Agreement binds its signatories to recognize and accept the equivalence of the accreditation systems operated by the signing members, and the reliability of the conformity assessment results provided by Conformity Assessment Bodies (CABs) accredited by the signing members. Undermining these arrangements is not in the interest of European industry. Further, adverse effects on the Northern Ireland Protocol should be considered.

Therefore, Teknikföretagen calls on the European Commission to engage in an extensive stakeholder dialogue to ensure the continued participation of national standards bodies from non-EEA countries currently participating in the process for developing hENs, while safeguarding the national delegation principle.

In the strategy, the Commission expresses a concern that the "decision-making processes within the European standardization organizations, in particular in ETSI,

allow an uneven voting power to certain corporate interests: some multinationals have acquired more votes than the bodies that represent the entire stakeholder community”. We note that the Commission and Member States already approve standardization requests and that decisions in ETSI on the approval of hENs are taken on the basis of a national vote under ETSI’s rules. As such, Teknikföretagen does not find the legislative amendment to provide any added value. Further, if the primary objective of the regulative amendment is to limit direct representation from industry in the decision-making, it would be better formulated and clarified in the recitals that *national standardization organizations* (not only ‘bodies’ as outlined in recital §6, excluding organizations from non-EEA countries) recognized by the EU can participate in the decision-making process for hENs, preferably including those of acceding countries, candidate countries and suggestively also preferential trading partners extended such privileges. This would allow for the EU in collaboration with the ESOs to recognize the national standards organizations of likeminded non-EEA countries that can participate in such processes.

Such governance would potentially allow for the EU to extend the scope of the technical barriers to trade chapter in preferential trade agreements to include participation in the ESS, increasing the attractiveness of both EU trade agreements and the European Single Market.

The European Commission also calls on the ESO to make proposals by the end of 2022 to modernize their governance, including suggestions to address “uneven and intransparent representation of industrial interests” and to “consider free access to standards and other deliverables”. And, “[if] insufficient progress is made, the Commission will consider proposing a revision of Regulation (EU) No 1025/2012, as necessary.” The Commission will also launch an evaluation of the regulation in the second quarter of 2022.

Teknikföretagen would like a clarification what the Commission means by “uneven and intransparent representation of industrial interests” and how this could be carried out in practice. National standardization bodies already strive towards a balanced representation of stakeholders from both industry (including SMEs), authorities and interest groups, and it is unclear how a revision of the regulation could (or should) interfere with this process, without significantly distorting the private law governance model that the ESS rests upon. Additionally, the functionality of this model in many Member States relies on membership and participation fees, as well as the sales of standards. Potential requirements on free access to standards could therefore undermine the functionality of the ESS and, with that, the Single Market.

On technical or common specifications, the Commission expresses the following:

Recent legislation and Commission proposals provide for a Commission power to adopt technical or common specifications via implementing acts in specific cases. Given the role of harmonized standards in EU harmonization legislation, this option has been integrated as a fallback solution, so also to ensure that the public interest is served where harmonized standards are absent and insufficient. To avoid a fragmentation of sectoral approaches, the Commission will work towards a horizontal approach in terms of criteria and process for when and under which conditions the Commission could be empowered to develop common specification via implementing acts, in those cases where the relevant legislation provides for this. This could, for example, be the case when standards are late or the process is blocked due to a lack of consensus between stakeholders. The newly created *EU*

excellence hub announced in this strategy will provide the necessary technical expertise to develop those common specifications.

(COM 2022 31, p. 5)

While supportive of avoiding a fragmentation of sectoral approaches, Teknikföretagen is deeply concerned by the increasing inclination to allow the Commission power to adopt technical or common specifications through delegated or implementing acts in several recent proposals for EU legislation. Teknikföretagen stresses that such option must be used only in exceptional cases and adhere to strict criteria set in close dialogue with stakeholders, primarily the ESOs and industry itself. Teknikföretagen would also welcome a clarification of when the Commission assess hENs to be “insufficient”. In the absence of hENs because delays in the system or lack of consensus between stakeholders (presumably the Commission and the ESOs), Teknikföretagen and several other industry organizations on European level have outlined options for removing such bottlenecks in the harmonized system that should be exhausted before taking steps that undermine the fundamental principles of the New Approach. Teknikföretagen considers having such technical or common specifications drafted by the Commission’s newly created *EU excellence Hub* via implementing acts a significant step back towards the traditional or “Old Approach” with detailed texts containing all the necessary technical and administrative requirements, for EU legislation for goods.

Such development would severely limit the responsiveness of the legislative framework in the EU to adopt technological advancements, and lead to a less innovative and globally competitive European industry.

Finally, Teknikföretagen questions if this is a development that is compatible with the principles of transparency, openness, impartiality and consensus established in the World Trade Organization Agreement on Technical Barriers to Trade.

On global standards-setting: supporting the EU’s leading position as a forerunner in key technologies and promoting EU core values

Teknikföretagen welcomes a more strategic EU approach to international standardization activities in international standardization organizations, global partnerships, fora and consortia. We also continue to stress that increased influence in the technical content of international standards and global standards setting starts at home, with a well-functioning ESS, and refer to previous comments on how this can best be achieved.

On both a political and technical level, Teknikföretagen is an adamant supporter of building stronger partnerships, especially with likeminded countries, in the area of standardization. In this regard, we welcome the intention to closer coordination with both the G7 and within the EU-US Trade and Technology Council. We also support deepening the provisions in EU trade agreements pertaining to technical barriers to trade and regulatory cooperation, with the objective to promote the use of international standards – and the principle of one standard, one test, accepted everywhere. In this regard, we welcome the intention to work with neighboring countries and other partner regions to promote and facilitate the adoption of European and international standards. International development and quality infrastructure projects can be a useful instrument for this purpose, especially in connection to the implementation of trade agreements.

On cutting-edge innovation that fosters timely standards; and ensuring future standardization expertise – the need for education and skills

Teknikföretagen strongly agrees that innovation is key to global leadership in standardization and welcomes the ambition to foster stronger ties between EU research and development activities and European standardization.

Proper resource allocation to pre-normative research and transferring relevant research for uptake in standards can strengthen European standardization in strategic areas. We support the ambition to build bridges between research, innovator and standardizer communities and believe that programs such as Horizon Europe and the Digital Europe Programme can have valuable input to the technical work carried out in the ESO with the added value of engaging the research and innovation community early in the standards development process. In this regard, we find the launch of the Standardization Booster to support researchers under Horizon 2020 and Horizon Europe to test the relevance of their results for standardization as well as the development of a Code of Practice for researchers on standardization to strengthen the link between standardization and research/innovation through the European Research Area (ERA) to be positive initiatives.

In this context, and in light of Europe's strong track record in telecom standardization, incentives for private companies to contribute their cutting-edge research to develop standards also need to be maintained. Since these investments often start a decade before the release of the standard, and the standardized technologies are available for implementation as soon as the standard is released, it is crucial to ensure that implementers are incentivized to negotiate in good faith and sign a license to the technology they are already using in a timely manner. Only once the license is agreed, the technology contributor who has made its investments years before can begin to be fairly and adequately rewarded for the use of its technology, and thereby also able to continue investing in the next generation of standards development.

Teknikföretagen agrees with the Commission's assessment of importance to ensure competencies and skills in standardization, which is aggravated by an upcoming generation change, and stresses that the ESS is only as good as the experts participating in the standards development process. Teknikföretagen supports the Commission's initiative to organize Standardization University Days to promote standardization awareness among academics and to deploy initiatives for young researchers and networks from Horizon Europe and the Euratom Research and Training program for the valorization of research and innovation through standardization and pre-normative research.