

Position

EU Standardization Strategy

Comments from the automotive industry



#weareready

Berlin, March 2022

1. Introduction

The German Association of the Automotive Industry (VDA) brings together more than 650 manufacturers and suppliers under one roof. The VDA is thus the voice of the entire industry. Our members design and produce cars and trucks, software, trailers, bodies, buses, parts and accessories, as well as ever new mobility offerings.

The VDA welcomes the European Commission's standardisation strategy and its efforts to strengthen Europe's position in international standardisation activities. In this respect, the VDA supports the position drawn up by the Federation of German Industries (BDI). This paper elaborates on the specific aspects of standardisation in the automotive sector.

Standardisation is an indispensable tool to promote the dissemination of state-of-the-art technology and solutions and to accelerate the processes of market introduction and penetration. It supports the industry in the implementation of business objectives while taking societal needs into account.

The EU Standardisation Strategy aims to increase the competitiveness of the member states of the European Union while addressing the challenges of the transformation to a resilient, green and digital economy. While the VDA members are aligned with these objectives, these need to continue to be implemented with the appropriate and equitable participation of industry and society.

In principle, it should be noted that the European standardisation system has a long tradition, is supported by industry and society and is also generally competitive at the international level. Standardisation is primarily driven and supported by the industry. The way the European standardisation system is currently organised ensures that the necessary standards are drawn up at the right time and with the right content.

This document explains the position of the VDA on standardisation and makes reference to the measures envisaged in the EU's recently published standardisation strategy.

2. The role and importance of Europe in the context of global standardisation

2.1 Competitive advantages through standardisation

The Commission notes that other regions and emerging economies are trying to gain competitive advantages through disproportionate involvement in standardisation activities. This takes place through broad and state-sponsored involvement in the bodies of the established international standardisation organisations IEC, ISO and ITU, but also in private consortia and fora or through national initiatives. The Commission rightly fears that this involvement will lead to a push-back against European values and interests when it comes to setting international standards.

Business today is global, and industrial companies operate on a multinational basis and strive to serve the global market as a whole. The purpose of standards is to foster the convergence of markets and to promote global exchanges and trade by creating a level playing field. At the same time, this ensures that new technologies spread quickly for the benefit of society.

For these reasons, the focus must be on global dialogue and not on the isolation of individual economic areas. Multinational companies can promote such dialogue. Strengthening all other European stakeholders in their involvement in standardisation activities at the international level within the ISO, IEC and ITU is the best way to establish European values worldwide.

2.2 International standards take precedence in a global world

The harmonisation of European standards with international standards should therefore be a priority. Standardisation projects that are in the European interest and serve to strengthen European values on the world market should preferably be launched in parallel at the European and international levels. Developing such important projects sequentially, starting first at the European level, will always lead to competing initiatives in other economic areas. This results in competing standards, which can often only be transposed into international standards by compromising on European values. The parallel approach that we are proposing here may seem slower at first glance and certainly poses a challenge, but the final result will strengthen Europe and the European standardisation system and be much more efficient.

Europe must therefore always engage in standardisation at the international level first. The existing processes within the international organisations ISO and IEC, as well as the agreements on the joint, parallel publication of standards (EN ISO / EN IEC) create the necessary conditions for this work. In this context, Europe's diversity is certainly an advantage if the interests of the individual European countries and stakeholders can be optimally pooled. In exceptional cases where this is required in order to safeguard and protect European interests and values, it makes sense to implement international standards by means of European adaptations.

3. Managing standardisation

3.1 Adequate involvement of all stakeholders

Standardisation is a key element in opening up and entering markets. By defining the state of the art, standardisation creates a transparent framework of conditions that apply to all stakeholders equally, based both on what is currently technically feasible and on innovative technological solutions. In this way, it promotes competition and innovation in equal measure. Key objectives of rulemaking include the attainment of high levels of technical quality, as well as the compatibility and safety of products, manufacturing and services.

Numerous experts are already making significant contributions to the development of standards. The equal participation of all interested parties, as laid down in the rules and regulations of the established national and European standards organisations, guarantees the balanced consideration of economic and social interests. SMEs are thus just as rightfully involved in the decision-making process as consumer and environmental protection organisations.

In this regard, the primary task of standards organisations is to manage the standardisation process efficiently and to establish generally accepted rules for standardisation in order to ensure equal participation of all sectors as well as compliance with legal requirements and European values. As such, these organisations make an essential contribution and support business and society in their involvement in standardisation activities.

3.2 Standardisation mandates and NLF

With the new legislative framework (NLF), the EU has created a common framework for market surveillance and conformity assessment. The aim of awarding standardisation mandates to the European standards organisations (ESOs) CEN, CENELEC and ETSI is to strengthen European values. To ensure that multinational companies do not exert disproportionate influence on the decision-making process, the Commission seeks to reform the governance structures of the ESOs and adapt the decision-making rules of the national standards bodies (NSBs). In addition, the purpose of adapting the governance structures is also to help strengthen the representation of the interests of civil society.

Multinational stakeholders often have national subsidiaries in multiple European countries and are thus able to exert more influence on ESO decisions. However, the planned reform process must not lead to a one-sided restriction of the business community's right to be heard. We would like to see an alignment of the rules for the adoption, implementation and approval of standardisation projects across all three ESOs. With regard to the rules established by ETSI, we would welcome greater involvement of the NSBs. Encouraging SME involvement in the standardisation of telecommunications will help to broaden the basis for decision-making.

4. Innovation and standardisation needs

4.1 Standardisation mandates as a supplement to directives and regulations

Standardisation can accelerate the introduction of innovative technologies to the market. In this regard, technology neutrality must have the highest priority. Sound and balanced judgement is therefore required, especially when it comes to the standardisation of interfaces. There must be no purely political prioritisation.

Generally speaking, the awarding of standardisation mandates to accompany or supplement the implementation of European regulations contributes to strengthening the European standardisation system. Often, however, it is not possible to draw up harmonised European standards (hEN) or European standards (EN) quickly enough. In these cases, the Commission would like to reserve the right to use specifications established by means of implementing acts. This approach counteracts the standardisation efforts and contradicts the aim of involving all interested parties in drawing up specifications on the state of the art or the necessary interfaces while avoiding any politically motivated prioritisation.

Moreover, the process for the preparation and approval of hENs has become increasingly complex and complicated in recent years. Unfortunately, the involvement of consulting firms in ensuring compliance with the European legal system all too often hinders the finalisation/publication process and therefore urgently needs to be more closely aligned with practice.

4.2 Setting the theme for innovative technologies

The automotive industry welcomes the Commission's initiative to support the role of standards in opening up markets and implementing societal goals for a climate-neutral, resilient and circular economy through appropriate measures, while at the same time continuing to focus on maintaining the European value system.

To achieve these goals, the Commission has proposed the creation of a high-level council of experts to set priorities, formulate recommendations and identify needs. In cooperation with existing expert groups, this new body is also meant to coordinate the European standardisation activities.

In principle, we support this strategic analysis and the resulting prioritisation via a top-down procedure. However, for this to work, all current and planned projects must be included, both at international, European and national level, as well as those being pursued within privately organised forums or consortia.

This top-down approach can support capacity planning for more targeted work within these bodies, but the aim must be to make the successful work being done in bottom-up bodies more efficient. The principle of business-led and business-driven standardisation has proved its worth. The role of standardisation management is not to set themes or identify topics and objectives, but rather to relieve experts of the burden of performing official tasks and clarifying the overarching objectives while ensuring optimal working conditions.

4.3 The fundamental principle of the voluntary nature of standards

The principle of the recognition of standards, including their voluntary nature and observance, is a valuable asset. The balanced coexistence of voluntary business-driven standardisation and legal requirements aimed at safeguarding fundamental values for the protection of society and the environment and has not only proven its worth, but also conforms to the democratic self-image of the European community.

The measures envisaged by the Commission in its standardisation strategy must not undermine this fundamental principle. The work of the proposed council of experts must therefore be guided by this principle. Any review of the entire body of standards to identify the changes needed to meet the objectives of the Green Deal, the circular economy and resilience set out in the EU strategy should only lead to a set of recommendations. The final decision, however, must be made by the technical committees in the tried and tested manner.

5. Promotion of standardisation

5.1 Coordination of subject matter experts

The European standardisation strategy envisages measures to quickly and specifically identify the need for standards in new and developing technologies and help build innovative expertise. The aim of establishing an *EU centre of excellence* is to coordinate existing expertise in support of standardisation. It will also promote standardisation in priority areas and monitor international standardisation activities. A “*Chief Standardisation Officer*” will be responsible for supervision and coordination of the overall process.

From an industry perspective, such an initiative can shore up the day-to-day standardisation activities. However, it must be ensured that the activities of the Commission and the ESOs do not compete with each other. In line with the parallel approach at European and international level described in Chapter 2, the *EU centre of excellence* could support the coordination process of the member states and promote a division of responsibilities and tasks among the European stakeholders involved.

5.2 Strengthening standardisation through university education

The *centre of excellence* can also harness expertise from the fields of research and teaching. The significance and use of standardisation for opening up markets and safeguarding societal interests should become a fundamental part of educational processes in Europe. The functioning and management of standardisation activities is highly complex. Promoting corresponding offers and programmes at higher education institutions on the basis of the EU Standardisation Strategy could help ensure the availability of suitable experts at an early stage.

In this way, young experts could be deployed to represent European interests in international standardisation bodies directly after completing their education. Industry and academia, supported by government funding, must work closely together to ensure that graduates already have standardisation expertise at their disposal when they complete their university education. Supported by experienced experts from the world of business, young employees can thus engage in international standardisation activities at the beginning of their careers, thereby gaining experience while also increasing the know-how of the companies they work for.

5.3 Encouraging involvement in standardisation

This approach also supports European involvement in the field of new and emerging technologies. Incentives need to be created to train experts in the standardisation of emerging technologies at an early stage. At present, the lack of capacity and know-how often prevents involvement in standardisation, because the capabilities that exist are primarily used for internal company projects and development work. At the very least, such incentives would improve the availability of experts for the standardisation of emerging technologies as they are being developed.

In addition, targeted, technology-related funding programmes with a focus on supporting standardisation can help to advance the development of standards. In principle, the only way to properly respond to the need for specific standards is to involve the technical experts working within the various bodies, supported by the standardisation organisations, in the tried and tested manner. However, targeted support measures can accelerate the development process. This applies in particular to new technologies that are just emerging from the research stage. Publicly funded standardisation activities during the development phase (an example being the ELSTA project in Germany) are an effective means of achieving this. They should be expanded in the areas of both public and private R&D and used specifically for important new technologies.

Key messages:

- **Harmonisation of European standards with international standards:**
standardisation projects that are in the European interest and serve to strengthen European values on the world market should preferably be launched in parallel at the European and international levels.
- **Managing standardisation:**
The rules and regulations of standards organisations stipulate the equal participation of all interested parties and the balanced consideration of economic and social interests. Any upgrade to the governance structures of the European standards organisations and their decision-making processes must not be allowed to lead to a change in this fundamental principle.
- **Implementing acts:**
In these cases, the Commission would like to reserve the right to use specifications established by means of implementing acts. This approach contradicts the aim of involving all interested parties in drawing up specifications on the state of the art or the necessary interfaces while avoiding any politically motivated prioritisation.
- **Retaining a tried and tested principle:**
The creation of a centre of excellence and the position of Chief Standardisation Officer must not counteract the bottom-up principle of project approval and the content-based nature of the various bodies.
- **Standardisation as part of higher education:**
The field of standardisation must be increasingly integrated into higher education. State-sponsored training of experts in emerging technologies, combined with knowledge of standardisation, can help to alleviate today's shortage of experts.

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