

## U.S. Department of Commerce ICT Equipment Roundtable (6/26/2003)

The International Trade Administration and Technology Administration hosted the ICT Equipment Roundtable on Standards on May 19, from 1:00 to 4:00 p.m. Phil Bond, Under Secretary for Technology Administration, noted that standards are especially important for the ICT sector and the economy. The Technology Administration supports a "market-based" approach and discourages top-heavy, government-led regulations and standards. Industry should take the lead in setting standards. This is the best strategy for U.S. firms and is consistent with the Administration's position on "American Jobs and American Values."

Jon Menes, Executive Director for Trade Development, commented that the ITA has seen that standards are increasingly becoming a barrier to trade, which hurts the competitiveness of U.S. firms and lessens global economic growth. Consequently, standards have become a priority at the Department.

Following Jon Menes' remarks, representatives from various trade associations made the following points:

Information Technology Industry Council (ITI)

ITI represents the top U.S. providers of information technology products and services. ITI advocates policies that: advance industry leadership in technology and innovation; open access to new and emerging markets; promote e-commerce expansion; protect consumer choice; and enhance the global competitiveness of its member companies.

· General Approach to Standards:

- ITI's approach to standards is summed up in two documents available on their website,
- "Vision for Standards and Technical Regulations;" and
- A March 19, 2003 press release that commended the DoC Initiative.
- ITI supports many of the Eight Points of the Department's Standards Action Plan, particularly:

- Training for Commercial Officers,
- Expansion of an early warning system on changes to standards,
- Cross-agency approach and close coordination, and
- Expansion of the standards attaché program worldwide.

· ITI's responses to the questions forwarded by DoC for the Roundtable discussion:

- Timely, low-cost market access is among the highest priority standards issues facing the ICT industry.
- Redundant testing remains a significant problem
- Technical regulation should be voluntary, and the
- Public sector role should be minimal.
- ITI supports the development of voluntary standards through formal and informal organizations, such as the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), the International Telecommunications Union (ITU) outside of the United States, and ASTM, the Institute of Electrical and Electronics Engineers (IEEE) and InterNational Committee for Information Technology Standards (INCITS) within the United States.

- Voluntary standards should be global to avoid unnecessary national or regional specifications.
- Target markets include Korea, China, Mexico, other Latin American countries, especially Argentina and Brazil, and the European Union.

· Specific Issues of concern:

- Latin America, particularly Argentina, and the Market Swelling Control Resolution
- Korea and electromagnetic compatibility (EMC) labeling issues-the Commercial Service was particularly helpful on this issue
- China on the China Compulsory Certification (CCC) Mark.
- The new conformity assessment regulations and utility standards in Mexico.

#### Telecommunications Industry Association (TIA)

The Telecommunications Industry Association (TIA) is the leading U.S. trade association serving manufacturers in the communications and information technology industry. TIA is accredited by the American National Standards Institute (ANSI) to develop voluntary industry standards for a wide variety of telecommunications products. TIA also works closely with international standards-setting and coordination bodies, such as the International Telecommunication Union), the Inter-American Telecommunication Commission (CITEL), the Asia-Pacific Economic Cooperation's Telecommunications and Information Working Group (APEC TEL), and the International Electrotechnical Commission (IEC). TIA is an Organizational Partner of and also serves as the Secretariat for the Third Generation Partnership Project 2 (3GPP2). The project is a collaborative third generation (3G) telecommunications specifications-setting project.

· General Approach to Standards:

- Prefer open, transparent, fair, standards setting process that is market driven and led by the private sector.
- Generally oppose government mandates for use of specific technologies.
- Collaborate whenever possible with ITU-T, ITU-R, CITEL, APEC and other multilateral bodies.
- Encourage the use of global standards where possible.
- Commerce standards initiative should work closely with the private sector.

· Specific Issues of Concern:

- Countries often use standards or conformity assessment issues to protect domestic industries or block U.S. companies from entering a market.
- In some cases, conformity assessment processes are slow, duplicative, confusing and expensive. This delays the deployment of technologies, harming industry and consumers.
- In certain markets, companies are not allowed to participate in the standards-setting process, placing them at a severe disadvantage to domestic competitors.

#### Semiconductor Industry Association (SIA)

The Semiconductor Industry Association (SIA) is the leading trade association representing the U.S. microchip industry. SIA members comprise 90 percent of U.S. semiconductor production and a domestic workforce of more than 283,000. SIA provides a forum for domestic semiconductor companies to work collectively to advance the competitiveness of the billion-dollar U.S. chip industry.

- General Approach to Standards:
- Prefer market driven, transparent, standards setting process.
- Firm participation, national treatment and scientific principles should be the basis for standards.
- Would like to see the adoption of international standards and the elimination of redundant testing
- Specific Issues of Concern:
- Increase in the number of European Commission (EC) regulations and the lack of transparency and sound scientific basis.
- Development of the Environmental Directives, specifically, Waste in the Electrical and Electronics Industries (WEEE), Restrictions of Hazardous Substances (RoHS), and Impact on the Environment of Electrical and Electronic Equipment (EEE) and the EC Chemicals Policy.
- SIA wants polymers exempt from the Chemicals Policy Directive since this has a major impact on global semiconductor production and U.S. industry.
- EC environmental regulations are becoming de facto standards.
- Desired Government Assistance:
- Engage the EC in bilateral talks to encourage the EC to adopt more "industry friendly" standards.
- Work to discourage China from adopting EC environmental standards, and "hazardous substances" standards similar to the EC RoHS Directive.

#### Cellular Telecommunications & Internet Association (CTIA)

CTIA is an international organization that represents all elements of wireless communication: cellular, personal communication services, and specialized mobile radio. It serves the interests of service providers, manufacturers, and others. CTIA's purpose is to represent its members in dialogues with policy makers in the Executive Branch, the Federal Communications Commission, and in Congress. CTIA has industry committees that address the areas of taxation, roaming, safety, regulations, fraud, and technology

- General Approach to Standards:
- In the past, wireless standards were done on a regional basis, now the process has become more international.
- Standards creates economies of scale which help drive down the cost of wireless handsets.
- CTIA member companies prefer technology neutrality as this approach helps promote innovation.
- Specific Issues of Concern:
- Governments should not select standards to mandate. When governments mandate which standards can be deployed in certain spectrum bands, the networks cannot be updated.
- Wide variation between countries' standards makes it hard for companies to deploy.
- Environmental regulations are becoming more of a concern.
- Customizing solutions for each market (due to standards) is overly expensive and especially difficult in today's economy.
- Desired Government Assistance:
- Support the adoption of industry-driven global standards to help spur product innovation

#### IPC, Association Connecting Electronic Industries

IPC serves 2,400 member facilities that represent the electronics interconnection (Printed Circuit Boards and electronics assembly) industries. IPC has over 150 internationally recognized active standards for PCB design, manufacturer and electronics assembly. An IPC Technical Activities Executive Committee governs the creation of its standards and certification programs. As an

ANSI accredited standards developing organization, IPC and its members perform a rigorous and prescribed process for standards setting that entails industry review and comment resolution throughout the development of the standards document.

- General Approach to Standards:
- IPC has taken the lead on an Industry Roadmap.
- Works closely with ANSI, Wiring Harness Manufacturers Association (WHMA), Electronics Industry Association (EIA), Joint Electron Device Engineering Council (JEDEC) and National Electronics Manufacturing Initiative (NEMI).
- Works in several international bodies, including the IEC, ISO and World Electronics Circuit Council (WECC).
- IPC's standards are internationally recognized.
- Provides standards translations.
- Specific Issue of Concern:
- China is the highest priority
- IPC has met with the China Electronics Standards Institute to encourage acceptance of IPC standards.
- Violation of IPC's intellectual property in China - Chinese firms are reselling IPC documents without paying royalties to IPC.
- Translations are very costly and IPC needs the revenue stream from the sale of standards.

AeA, Advancing the Business of Technology

AeA is one of the nation's largest high-tech trade associations, representing more than 3,000 companies with 1.8 million employees. AeA companies span the high-technology spectrum, from software, semiconductors, medical devices and computers to Internet technology, advanced electronics and telecommunications systems and services. AeA Europe has two Committees in Brussels - the Environment, Health & Safety Committee, as well as the Standards & Certification Committee. Those groups advocate on behalf of U.S. industry with the European Commission, European Parliament, and Member States on a number of EU legislative and regulatory issues.

- General Approach to Standards:
- Standards are the number one problem facing the electronics industries and becoming the major trade barrier worldwide.
- There is a lack of time, staff, and money in the private sector when it comes to addressing standards.
- Industry leaders don't recognize the importance of standards.
- Technical standards are ideally voluntary, industry led, and developed in standards bodies.
- However, governments often make voluntary standards a requirement by referencing them in technical regulations.
- Regulations should be developed in transparent, open processes that are accessible to all interested parties.
- Specific Issues of Concern:
- In Europe, AeA members face difficulties in E-Signatures, Data Privacy, RoHS, Electro-magnetic compatibility, low frequency emissions (EMC-LFE) and EEE Directives.
- Within APEC markets, the Mutual Recognition Agreement (MRA) for Electrical and Electronic Products still has some problems.
- In China, regulations impacting the wireless local area network devices limit sales to that market.
- Korea has burdensome EMC labeling requirements;

- In Mexico, industry is concerned about the standards and the conformity assessment process.
- In Brazil, standards are based on IEC standards.
- In Argentina, industry is concerned about the country's conformity assessment requirements.
- Desired Government Assistance:
  - Increase funding to assist in the standards setting process.
  - Increase funding for training Commercial Service Officers on standards-related issues.
  - Supplement industry efforts and resources in the policy area.
  - USG negotiators must work to ensure that regulations:
    - Adhere to the World Trade Organization's Technical Barriers to Trade Agreement.
    - Use science-based risk assessment.
  - Permit U.S. firms to participate in the standards setting process and ensure that the process is transparent.
  - Are subject to appeal and independent review.

#### Discussion

- Lucent supports developing a best practices database, which is part of Commerce's initiative; believes that the EU approaches the standards process as a method of increasing the competitiveness of their domestic industry.
- ITI suggests using NIST's training programs to influence foreign governments (esp. developing countries) to develop and adopt market driven standards;
- AeA noted that Commerce should not wait for other government representatives to come here, but that the Department should provide in-country technical assistance overseas.
- ITI said that the problem with some of these issues is that they do not always include provisions in the TBT Agreement, so the challenge becomes how to address these issues using other arguments.
- ITI said another problem is that because resolutions take so long, this creates a difficult situation Most industry standards move so fast that. the standard is overtaken by events.
- IBM wants to know if standards can be addressed in Commerce's Trans-Atlantic Business Dialogue (TABD) when it is re-launched.
- CTIA believes governments can address other aspects of the standards process (i.e. up front work on issues like cost-benefit analysis and scientific evidence) that will smooth out the resolution of problems and believes government should focus its resources in those areas in order to ensure an open, transparent process.
- AeA said that developing countries usually simply adopt standards rather than create their own, therefore, the problems are more of a regulatory nature in those countries. These countries typically develop their own standards and mandate them if they have a domestic manufacturing industry and/or large foreign investment in the sector.