Economic and Social Council

ECONOMIC COMMISSION FOR EUROPE

COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT
Seventh session, 13 and 16 May 2003
Item 10 of the provisional agenda

Telecom Industry and Market Surveillance Initiatives of the UNECE Working Party on Technical Harmonization and Standardization Policies

Note by the secretariat

Document for Information

This document contains information about the “Telecom Industry Initiative” and the “Market surveillance Initiative”, which are the latest projects initiated by the Working Party on Technical Harmonization and Standardization Policies (WP.6) at its twelfth session in October 2002.
A. “Telecom Industry Initiative” (proposal on the harmonization of technical regulations in the telecom sector as a contribution to the facilitation of trade)

Introduction

1. The globalization of business operations and the growing involvement of companies in international trade are the most striking features of today’s world economy. When companies move away from their domestic markets to compete internationally, their success or failure often depends on how familiar they are with the regulations and standards in export markets.

2. As trade becomes increasingly international, obstacles to international trade become increasingly apparent. For instance, the relative importance of non-tariff barriers is growing in the form of different technical regulations and standards in different markets. Significant differences between national and international standards are also making it more difficult for local companies, and especially small and medium sized enterprises, to sell in foreign markets.

3. The usefulness of eventually harmonizing regulations and standards internationally is evident. In the meantime, Governments and national bodies should try to create a simple and transparent framework for adopting and applying their national technical regulations and standards.

4. The member States of the United Nations Economic Commission for Europe (UNECE) currently number 55, including not only western, central and eastern Europe but also Israel, the United States and Canada. For a region comprising several subregional economic groupings, the importance of approximating technical regulations is obvious.

5. The UNECE Working Party on Technical Harmonization and Standardization Policies (Working Party 6), a UNECE subsidiary body, provides a unique forum for debating and anticipating problems that might otherwise arise, with equal participation by all Governments concerned and with input from international, regional and national organizations as well as the private sector.

6. It is a major concern of the Working Party to encourage the development, adoption and application of harmonized technical regulations and standards, as well as conformity assessment operations, in member States of the UNECE region.

7. With this in mind, in 1999 the Working Party established an ad hoc Team of Specialists on STandardization And Regulatory Techniques (“START” Team), which suggested a project entitled “International Model for Technical Harmonization based on good regulatory practice for the preparation, adoption and application of technical regulations via the use of international standards”.

Purpose of the Project

8. The main objective of the project is to support the development of good regulatory practice, by providing examples of mechanisms and principles which might be used by countries for the harmonization of technical regulations in a particular sector, or for a product, product area or service.

9. The basic principle of the “International Model” is that the technical content of regulations should be drafted in terms of broad objectives (addressing safety, environmental and other legitimate concerns of Governments) and refer to international standards for more detailed performance-based technical or conformity requirements.

10. On a procedural level, in the case when the need for regulatory convergence has been identified and supported by Governments, the “Model” suggests starting a dialogue not from the basis of existing national technical regulations but of discussing and agreeing on which safety, environmental or other legitimate requirements should be met by a technical regulation. On the basis of such agreed and concrete legitimate concerns (which are called in the “Model” -“common regulatory objectives”), countries should then agree which existing international standards could provide for technical implementation of the agreed “common regulatory objectives” or call for the elaboration of new international standards to this end.

11. It is expected that such principles will stimulate a wider use of international standards and will make technical regulations more concise and transparent, thus reducing the regulatory burden for businesses.

Expected results/deliveries

12. Countries wishing to harmonize their regulations might wish to use the framework suggested in the “Model” for such cooperation.

13. Should countries be able to arrive at successful results in drawing up agreed safety and other essential requirements, it will be a practical contribution to eliminating technical barriers to trade and the facilitation of international trade.

14. Implementation of the “Model” would allow companies that are manufacturing regulated products or providing regulated services according to relevant international standards to obtain conformity with technical regulations, and thus contribute to establishing a level playing field for the benefit of all market players (industry, trade, consumers, etc.).

15. From the point of view of international standardizing organizations, use of the principles of the “Model” would enhance the relevance of existing international standards and would allow them to identify areas where further international standardization work is required.

16. What would be the interest of countries in transition in the “Telecom Industry Initiative” project?
17. First of all, it would help local companies. Communication today is an important factor in raising the operational efficiency of a company, streamlining its operations, in generating substantial cost savings, in allowing access to much wider markets at low cost and providing a means to enter into competition with more developed economies.

18. Wider use of trade facilitation tools (including participation in electronic commerce) is a strategic imperative for companies but also for Governments, as these tools can enable them to make public services available to everybody at any time, at any place. New information technologies and cheaper telecoms equipment should allow citizens have easier access to information, in particular if supported at a community level through local networks and other initiatives.

19. From the point of view of transition economies in general, this project could contribute to improving their telecommunications infrastructure, thus making access to the Internet more affordable and providing these countries, their companies and citizens with an important tool for accelerating economic development and integration.

**Current Status of the Project**

20. The first draft of the “International Model for Technical harmonization” has been prepared by the “START Team” and has been submitted for information to a number of international forums (UNECE, World Trade Organization (WTO), Organisation for Economic Co-operation and Development (OECD), Commonwealth of Independent States (CIS), etc.).

21. After discussions on the “Model”, Working Party 6 finally adopted it in 2001 as a new voluntary UNECE recommendation on standardization policies (Recommendation “L”). In this context, it was noted that there was a clear market need and an interest from Governments in further reduction of trade barriers and that this Model could contribute to facilitation of market access by providing a voluntary framework for establishing sectoral agreements between interested member countries.

22. At present, the secretariat is studying a number of sectors to explore the possibility of starting pilot projects in these areas based on the principles proposed in the “International Model”.

**“Telecom Industry Initiative”**

23. In 2002, the UNECE secretariat and the “START Team” conducted consultations with a number of telecom companies that had demonstrated the industry’s interest in the application of the “International Model” in this sector. During 2002, two informal meeting were held in Geneva to discuss the need for improved market access and to explore the possibilities for a sectoral initiative in telecoms. Meetings were attended by members of the “START Team”, delegates from the European Commission (EC) and the International Telecommunication Union (ITU), and by a number of private company representatives (business associations from Australia and from Japan were also represented).
24. As a result of these discussions, industry participants agreed that there were a number of globally traded product areas where it was possible to facilitate trade significantly and to establish a set of sectoral arrangements following the principles of the “International Model”. They decided to draft proposals for CROs (“common regulatory objectives” as proposed in the “International Model”) based on applicable international and regional standards. This project was named the “Telecom Industry Initiative”.

25. Thus, draft proposals for administrative and technical requirements for CROs for a number of products (GSM, IMT-2000, Wireless LAN, Bluetooth, Personal Computers, Public Switched Telecommunications Network (PSTN) Modem) were prepared and agreed upon by industry participants. These draft CROs are available at the WP.6 web page (http://www.unece.org/trade/stdpol under “START” Team and then “Telecom Industry Initiative”). One example of a prepared draft CRO is also contained in document TRADE/WP.6/2002/8/Add.1 which was submitted to the WP.6 session in October 2002. It consisted of: the Justification for Common Regulatory Objectives for ICT Equipment (annex 1); Common Regulatory Objectives for ICT Equipment (annex 2); the Justification for Common Regulatory Objectives for Bluetooth Equipment (annex 3); and the Common Regulatory Objectives for Bluetooth Equipment (annex 4). It is foreseen that all types of ICT (information and communication technology) equipment would have to meet the general requirements for all ICT equipment (annex 2) and specific requirements for a particular type of equipment (as in the example of “Bluetooth” equipment (see annex 4 to TRADE/WP.6/2002/8/Add.1)).

26. The “Telecom Industry Initiative” and draft CROs were presented to the October 2002 session of the Working Party, which supported this initiative and invited UNECE member countries to inform the secretariat of their interest in participating in the regulatory convergence activities proposed by the “Telecom Industry Initiative” (for details, see the report of the twelfth WP.6 session –TRADE/WP.6/2002/17).

27. The UNECE secretariat invites interested Governments, organizations and private companies to participate in this project or other sectoral initiatives (the secretariat has received a note of interest from a number of companies about initiating a similar project in the area of earth moving machinery).

B “Market Surveillance Initiative”

28. On 29 October 2002, in conjunction with the annual session of Working Party 6, an International Forum on Market Surveillance was held in Geneva.

29. The Forum was organized in response to requests from a number of delegations (including from CIS States) to provide an exchange of information on market surveillance issues. Similar interest had also been expressed during the UNECE Workshop on Standardization and Conformity Assessment Matters in Transition Economies, held in Bratislava in December 2001.
30. The purpose of the Forum was to present national experiences with market surveillance systems and practices with a view to ensuring the fulfilment of legitimate objectives in existing legislation, such as the protection of human health or safety, animal or plant life or health, or the environment. Three sectors were discussed in detail: electrical household appliances, machinery (for private and professional use) and cosmetics.

31. More than 120 representatives of regulatory and market surveillance authorities, international, regional and national bodies engaged in standardization and conformity assessment activities, consumer and business associations from western, central and eastern Europe, the Commonwealth of Independent States and North America took part in the discussions.

32. Delegates acknowledged the importance of market surveillance issues and the necessity to follow up on this event, as a result of discussions the Working Party agreed, inter-alia:

- to promote (and, when necessary, initiate) good practices in market surveillance methods within the UNECE region, making use of available expertise; to increase transparency and attract attention to the responsibilities of public authorities and their staff for market surveillance;

- to recommend the establishment of a Team of experts in order to consider the “list of issues of concern and suggestions” brought forward during the Forum and other relevant market surveillance issues and to prepare proposals for the 13th session of the Working Party; and to invite delegations to nominate experts for participation in the Team.

33. In 2003, the secretariat will take actions to organize the preparatory meeting of the ad hoc team of experts on market surveillance to decide on its future activities.

34. The UNECE secretariat invites interested Governments, organizations and private companies to participate in the market surveillance project and to bring their experiences with a view to preparing a compendium of good practices and procedures in this area.

35. For further information on these projects please contact Mr. Serguei Kouzmine, Secretary to WP.6 (Tel: +41 22 917 2771, Fax: +41 22 917 0479 and e-mail serguei.kouzmine@unece.org).

* * * * * * *