



## Supporting Transatlantic Trade

Standards and Conformance  
for Business and Regulators



# Rockwell Automation

## The Importance of Standards Participation to Industry

*Presented by*

Alec McMillan

Director, Global Standards & Trade, Rockwell Automation

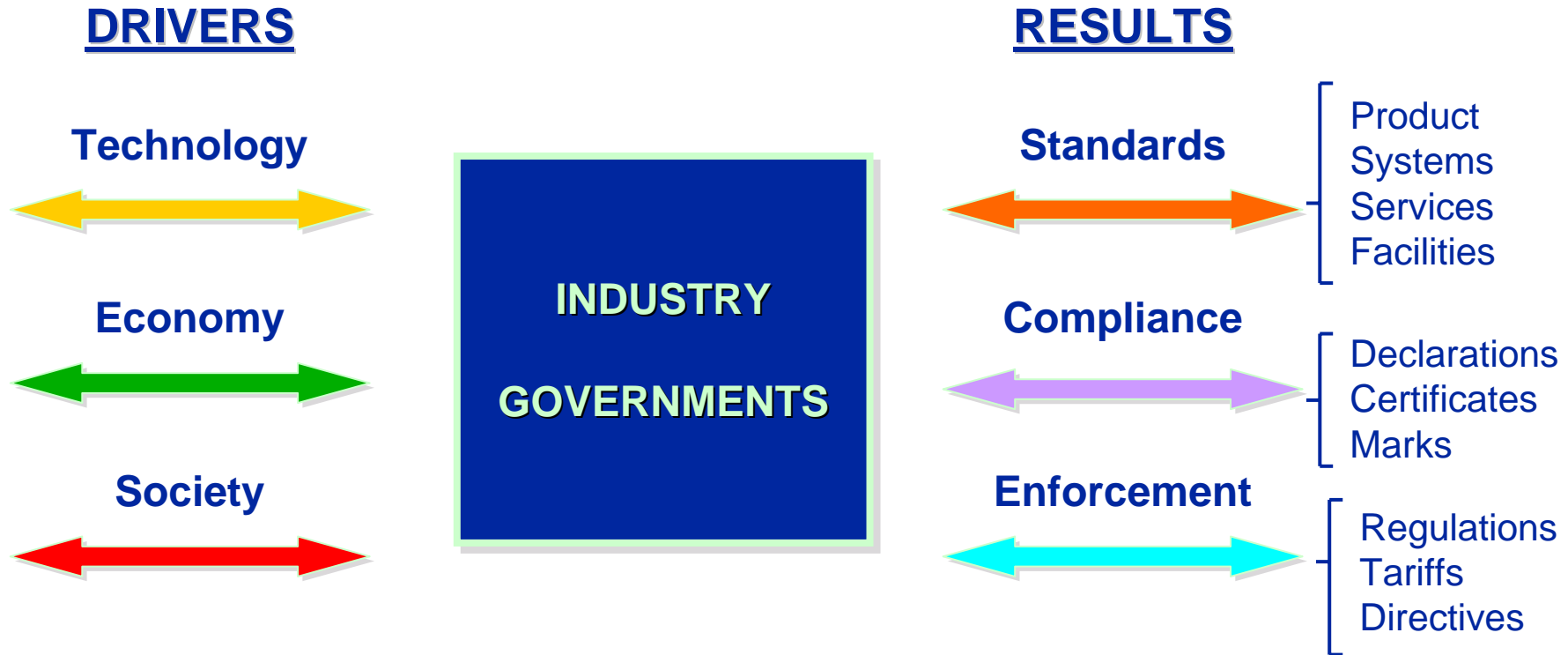
VP Finance, IEC US National Committee

a conference organized by the American National Standards Institute  
in cooperation with the European Standards Organizations

# Overview

- Standards development is a simple process,
  - but global stakeholder consensus is complex
- Standards are facilitation tools,
  - while implementation and adoption are valued solutions
- Standards need to be focused for specific markets,
  - while broad scopes lead to reduced value
- Standards facilitate trade, serve & protect society,
  - Should not be prescriptive, constrain value add
- Standards utilization can be a market confidence builder,
  - if appropriate conformity assessment methods are selected
- Standards development needs to be efficient and cost effective
  - while equally open to a recognized balance of all stakeholders

# Standards development is simple



Industry and Governments seek to produce results that facilitate trade and protect society.

# Achieving consensus is complex

- Industry - “Promote / Protect Business Interests”
  - Local, National, International, Global
  - Companies, Trade Associations, Consortia,
  - Focus on open markets, free flow of goods, “Local Treatment”
- Governments - “Promote / Protect National Interests”
  - Local, National, Regional, and International - Rule Of Law
  - Politicians, Administrations, Agencies, Regulators, Labs
  - Focus on Industry & Community national interests
- Communities - “Promote / Protect Quality Of Life”
  - Consumers, Employees, Academics, Students, Retirees
  - Advocacy Groups, Unions, Associations
  - Focus on Health, Environment, Energy, Safety, Security

# Standards are facilitation tools

- Standards are consensus documents, not instant solutions
  - Industry achieve value through adoption / implementation
- Standards are specifications, rationale left in committee room
  - Participants gain understanding and early warning
- Published Standards, yield little value when not used
  - Industry concerned with potential waste of resources
- Standards produced , maintained, supported, and used
  - Industry recognizes as high value
  - Industry investment is returned through timely product delivery

# Implementation and Adoption Value

- Standards that are complex, may not be widely adopted / used.
  - Industry needs to interpret, implement and comply
  - Participants need to focus on practical implementation
- Standards exhibit unique scope , result of a specific process
  - Require appropriate review before use in a different market
- Standards developed with different stakeholder goals
  - Should not be started
- Standards developed by a stakeholder minority
  - Will face competition in the market place

# Standards need to be market focused

- Goal is “One Standard - One Test - One Acceptance”
  - One standard and one test for one defined market
  - One recognized acceptance
- Satisfy customer, shareholder, community, employee
  - Support global alignment of regulatory approach
  - Support performance standards that facilitate innovation
- Preference for voluntary system
  - Oppose “mandated” non-value-add 3rd party certification
  - Focus on “value” proposition for participation, implementation

# Standards facilitate trade

- Government mandates
  - EU New Approach & Precautionary Principle
  - US Voluntary Market Driven Model
  - China Compulsory Certification model
- Government standards priorities and capabilities
  - Technical leadership
  - Resource investment, skills development
  - Limited balanced stakeholder participation
- Divergence in market access requirements
  - Conformity Assessment replacing tariffs
  - Source of revenue; technology acquisition



# Standards serve and protect society

- Regulatory harmonization benefits industry
  - Risk based approach, cost effective implementation
  - Areas include safety, security, environment, energy and health
- Proliferation of Management Systems Standards
  - Useful guides for business operations
  - Certification of a process delivers low value
  - Personnel training delivers better value
- Standards business model is not understood within society
  - Improve education and understanding
  - Recognize investments, value, risks, trade offs, results

# Efficient / Effective standards process

- Standard life cycle has to be funded
  - Development, publishing, distribution, maintenance
  - Training, implementation, testing, certification
- Participants invest the majority of the “IP” and resources
  - Intellectual Property has to be rewarded
- Participants (contributors) , reviewers (observers)
  - Efficiency impacted by participant mix
  - Effectiveness impacted by participant expertise
- Confidence in the process
  - Trust in qualified subject matter expert participation
  - Stakeholders may not get opportunity to participate