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HOTREC reply to the Commission consultation on the Review of the European standardisation system

HOTREC¹ welcomed, as a key step in the right direction, the reflection process on the reform of the European standardisation system, launched by the European Commission with the Communication “*Towards an increased contribution from standardisation to innovation in Europe*” of March 2008.

Similarly, HOTREC welcomes this open consultation, as a unique opportunity to reiterate the views of the European hospitality sector with regard to the functioning of the European standardisation system and the development of standards in relation to hospitality services.

As expressed in its reply to the 2008 Communication, HOTREC is of the opinion that **indeed a review of the working process of standardisation bodies at national, European and international level is absolutely necessary**. HOTREC, which is not against standards *per se*, considers a transparent and facilitated access to standardisation as essential.

[HOTREC and several of its Member Associations have followed, over the last years, the work of technical committees dealing with tourism and related services provided by hospitality businesses, at national / European / international level. The replies to this consultation are therefore largely based on the practical experience gained from such involvement.]

1) Do you think that service standards (including process standards) and alternative standardisation documents should be included in the scope of Directive 98/34/EC or its successor?

In principle, HOTREC would welcome the extension of the notification procedure of draft national technical regulations and standards for products to the area of services. HOTREC has always called for greater transparency in the legislative process at EU level. The same call applies in relation to the adoption of national standards with a likely impact on the internal market of services.

¹ HOTREC represents the hotel, restaurant and café industry at European level. It counts 1.7 million businesses, with almost 92% of them being micro enterprises employing less than 10 people. The micro and small enterprises (having less than 50 employees) in the hospitality industry representing more than 99,5% of businesses make up some 62% of value added. The industry provides some 9,5 million jobs in the EU alone. HOTREC brings together 40 National Associations representing the interest of the industry in 24 different European countries.

However, this does not mean that the development of formal standards in support of EU legislation and policies is neither desirable nor appropriate with regard to services. On the contrary, HOTREC is of the opinion that **the “New approach” legislative technique should not be extended to services**. As noted in the report by the EXPRESS Panel, *“the services sector is very broad and heterogeneous, and standardization is a very controversial subject for some services stakeholders”*. This is certainly the case for standardisation and the tourism sector.

HOTREC considers that a “top-down approach” to services standardisation, whereby formal standards are developed at the own-initiatives of public authorities or standardisation bodies, is not appropriate. Moreover, the need for standardisation of services, in particular hospitality services, is not as obvious as it is for goods. Hospitality services are generally custom-made and tailored to the customer. This is very different from goods where, for instance, the diameter of a tap must correspond exactly to the diameter of the tube it has to adjust to. Heterogeneity is a main competitive feature for the hospitality industry: success is based on differentiation.

In addition, caution is needed to avoid that service standards be developed to create “new markets” to boost the businesses of consultants, certification bodies, suppliers, etc. rather than to support the users concerned.

2) Are you aware of specific cases where national service standards and alternative standardisation documents have caused technical barriers to trade?

No.

3) For areas other than Information and Communication Technology (ICT), should it be possible to refer to documents developed by fora and consortia in legislation and public policies? If it should, how should it be implemented?

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4) How could ESOs and NSOs be encouraged to accelerate their standards development process? Should for example the Community financing for standardisation be subject to conditions in terms of speed of delivery whilst maintaining the openness of the process?

Community financing of standardisation and “the speed of delivery” of standards are two issues that should not be linked. Community financing of standardisation may distort the system and wrongly lead to the proliferation of standards which are not necessarily needed by the industry, but which would be developed to take advantage of the available funds.

If a standard is really needed and has the broad support of stakeholders and the industry concerned, the level of consensus necessary for its speedy adoption through the various stages of the process will be easily reached. On the contrary, if there is no consensus on the key elements of the standardisation initiative (scope of work, etc.), the process will be delayed. Therefore, it is essential that standardisation activities be launched only in those fields where there is a true demand from the market (users and consumers) and a broad, unequivocal support from the industry concerned.

The simplification of the rules and procedures governing standards-making could further facilitate the “speed of delivery” of standards as well as ease access to the process, increasing

transparency and legal certainty. The speed delivery of standards should not be achieved at the detriment of open, transparent and consensus-based processes.

6) Should the WTO principles of transparency, openness, impartiality, consensus, efficiency, relevance and consistency¹² be integrated in the legal framework of European standardisation (especially in EU Directive 98/34/EC or in its successor)? How should this be implemented?

Standardisation procedures at international, European and national level should be reassessed to increase transparency and the balanced representation of stakeholders. HOTREC and many of its Member Associations have been encountering difficulties over the last years with regard to the working process of standardisation bodies at all levels.

Therefore, HOTREC would welcome the inclusion of “the WTO principles” in the legal framework of European standardisation. As regards the practical implementation of the principles, the following points should be considered:

- **Clear criteria to define the representativeness of all parties consulted and involved** in the development of standards. Details on the representativeness of the stakeholders consulted at national and European level should be made available. Particular attention should be paid to the participation of consultants (and certifiers) who get paid for developing standards and, later on, for certifying on the basis of such standards;
- **Early information and free access to all working documents** for stakeholders;
- **Transparency in the voting regime** has to be ensured in order to allow identifying who voted on behalf of a standardisation body, especially when the vote is taking place by correspondence. The reliability of the vote by correspondence should be carefully reassessed;
- More generally, all **rules** governing the development of standards should be **simplified**; the concept of “consensus” should be **defined** in a precise manner.

7) How could the participation of consumer organisations, environmental NGOs, trade unions and social partners, and SMEs be best promoted? What should be the role of public authorities (European Commission and Member States) in supporting such a participation in a transparent, open, impartial, consensual, efficient, relevant and consistent European standardisation system?

The prerequisite to facilitate a balanced participation of *all* stakeholders in the standardisation process is to ensure that the “WTO principles” are properly implemented by standardisation bodies at all levels.

The principle of representation at European level via the “national delegation” system should be maintained, as it facilitates access to the process, in particular for SMEs. European level participation should complement and not compete with the principle of national delegation. At the same time, proper and verifiable consultation of all relevant stakeholders at national and European level must be ensured. Representatives of the sectors concerned by potential standardisation projects should always be informed and consulted when assessing the desirability / viability of “new work item” proposals.

At European level, sectoral industry associations have a limited access to the system. They can only apply for a “Liaison status” with technical committees and working groups. The Liaison status with a technical committee does not even allow access to the documents developed at working group level within the same committee. Moreover, the non-voting status of Liaison-organisations often precludes meaningful representation of the sector concerned by the standards under development. The status of Liaison organisations should be reassessed and enhanced.

Amongst others, the following actions should be considered:

- Simplification of rules and procedures;
- Wider public consultation at all levels, with a special focus on those stakeholders likely to be directly affected by any standards under development;
- Facilitated and open access to working drafts and related information (e.g. access to contact details of the experts and organisations actively involved in the drafting of standards);
- Enhanced access to the system at European level for Liaison organisations (including information on proposals to set up new technical committees and open new fields of activities);
- National level participation of all relevant stakeholders should be facilitated (e.g. reduction of fees, etc.) strengthened and monitored.

The role of public authorities and standardisation bodies should be to provide the appropriate framework to create, as much as possible, a level playing field for all the players involved.

7)² How could the NSOs (National Standards Organisations) deepen their cooperation, and mutualise their activities? Could the following tasks be shared amongst several NSOs?

- 1. Management of the Secretariats of Technical Committees?**
- 2. Notification of new national standardisation projects?**
- 3. Promotion/sales of standards?**
- 4. Other?**

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8) Without prejudice to the national delegation principle, how could the European Standards Organisations (ESOs) manage directly, on a case by case basis, some standardisation activities, especially some Technical Committees?

The national delegation principle should not be weakened or by-passed.

9) What support should the European Commission provide to facilitate the use of European standards as a means to open global markets? What would be the operational means that the Commission should use? (Support experts’ participation in international standardisation activities, translation of European standards into extra-community languages?)

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² The original Commission consultative document has two questions number 7 and no question number 5

10) Under which conditions do you think that the European Commission could launch, on a case by case basis, calls for tenders, open to the ESOs and to other organisations, to develop standards supporting EU policies and legislation?

The objective should be to reduce the complexity of the system (rules and procedures), in order to ease access and allow participation of stakeholders. Any new EU initiative should avoid the risk of increasing fragmentation and overlaps at the detriment of open, transparent and consensus-based processes.

Moreover, it is crucial that standardisation remains market-driven and work be undertaken only with the broad support of stakeholders (in particular, of the industry concerned). The use of standards should remain voluntary.

11) What is, in your view, the most efficient level of participation in the process of standards development: national, European, international?

The most efficient level of participation will vary with the issues at stake and priorities of the players involved. It can also vary with the conditions of access to the standardisation system (membership fees, costs, etc.).

Transparency and openness of the whole process, at all levels (national, European and international) will also be a key element. The three levels of consultation / participation should complement and integrate one another.

However, it has to be kept in mind that at European and international level, membership of the technical committees is reserved for the national standardisation bodies. The European industry can only apply for “Liaison status”, and the acceptance of the application again depends on the national standardisation bodies. Even when a Liaison status is granted, consultation of the industry at European and international level can be by-passed under the argument that it has - supposedly - already taken place at national level. Furthermore, Liaison status does not provide any voting right.

12) In your opinion, where is the major added value in European standardisation with respect to national standardisation?

Standards, at whatever level, can add value only if they are developed with the broad support of all stakeholders (including the industry concerned) and if they are based on commercial considerations as well as on a proper business impact assessment. This is essential to avoid that standards be developed to mainly promote the business of consultants, certifiers and the “sales” of standardisation bodies, with no real benefits for the enterprises which will have to bear the costs of compliance. Too many experts on the various technical committees and working groups are, in fact, consultants who develop their own activities by advising on the development of standards and, later on, by certifying on the basis of such standards.

13) What are, in your view, the most serious barriers to the use of standards by enterprises: costs of standards (purchasing price)? Costs of operational implementation? Access to information? Knowledge of existing standards?

- **Cost of compliance / operational implementation.** When standards are developed at the own-initiative of consultants, certifiers, etc. without the genuine involvement and wide

support of the industry concerned, the outcome may be a document which ignores the specificities of the sector and whose implementation is too difficult and burdensome, especially for small and micro-enterprises. In such cases, “*the most serious barrier to the use of the standards by enterprises*” can be “the content of the standard itself” (complexity, disproportionate requirements, not adequate to small and micro-enterprises, etc.);

- **Impact on competitiveness:** the consequence that small businesses have to pay proportionally more than large enterprises to adapt to standards should be taken in close consideration;
- **Complexity:** the standard “jargon” and the availability of documents in English only can be additional barriers to the use of standards;
- **Cost of deliverables.** The fact that standards have to be purchased to be read comprehensively is an additional barrier to their use (it is a paradox that even the stakeholders who participate actively in the standard-making are only entitled to one free copy). Moreover, a standard may include cross-references to other deliverables, therefore requiring the purchase of additional documents.

14) What could the standards organisations do, in addition to their current practice, to facilitate the access to standards, especially by SMEs?

- **Increasing transparency** of all work undertaken: including early information and free access to all working documents for stakeholders;
- **Rules** governing the development of standards should be **reassessed** and **simplified**;
- **Free access to the process:** in many countries, participation to standardisation works is not free of charges. Several of HOTREC national Member Associations have to pay to participate in the activities of their standardisation body, not only relating to the development of a national standard, but also for the participation in “mirror committees” related to CEN and ISO. The fact that national situations concerning the modality and costs of participation in standards-making vary so greatly from country to country contributes decisively to create an uneven playing field, denying some stakeholders the possibility to be involved and contribute on equal foot to the development of “supposedly European” standards. This element, in addition to the fact that standards have to be purchased, casts serious doubts about the legitimacy and appropriateness of using standards in support of EU legislation and policies.

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ANNEX

- [HOTREC updated position paper on the development of standards at European and international level](#), November 2009
- [HOTREC reply to the Commission Communication “Towards an increased contribution from standardisation to innovation in Europe”](#), April 2008