Conformity Assessment: An Industry Perspective

Presentation by Josh Rosenberg

WTO Committee of Participants on the Expansion of
Trade in Information Technology Products
Workshop on Non Tariff Barriers Affecting Trade in ICT Products

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About ITI

- The Information Technology Industry Council (ITI) is the premier policy and advocacy organization for the world's leading innovation companies.

- We advocate for global policies that advance industry leadership; open access to new and emerging markets; promote e-commerce expansion; drive sustainability and efficiency; protect consumer choice and enhance the worldwide competitiveness of our member companies.

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Conformity Assessment: The Impact on Trade in ICT

Trade of ICT products is especially affected by standards and conformity assessment requirements, because ICT products typically-

- Are designed for the global market
- Have a large number of components and rely on global supply chains
- Are constantly evolving in response to user demands and technological advances
- Are deployed in a wide and varied array of scenarios and sectors
- Are highly configurable. (One product family can have hundreds of different configurations.)

The Goal: A Simple Equation

Manufacture a single product for the global market.

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Test one time to a globally recognized standard.

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Meet conformity assessment requirements that are risk-based and least trade restrictive to meet legitimate regulatory objectives.

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The Reality: A Complex Challenge

- Over 80 countries have product regulations for safety, electromagnetic compatibility (interference), and telecom approvals
  - Most countries reference international standards/specifications. Some have national standards with significant deviations.
  - Many accept test results from any competent (e.g. accredited) lab. Others require testing be performed by local designated labs.
  - Many accept Supplier's Declaration of Conformity. Others require third-party certification by designated bodies.
  - Some require factory audits and accept results from other certification bodies. Others require that they conduct the audits themselves.
  - Many conduct market surveillances. Many others do not.

- The result: A patchwork of regulations (duplicating, conflicting, diverging) that work counter to having an efficient and effective program that maximizes worldwide leverage and minimizes cost.

High Stakes

- **Costs to industry include:**

  - Redundant, often unnecessary testing and/or certification procedures

  - Additional administrative ‘paperwork’ burdens

  - Back up of products at the border, or at test labs, or within the supply chain which result in delays to market

  - In some cases, manufacturers / importers may need to reconsider costs of market entry

- **Real $$$:**

  - Depending on the market, initial (fixed) costs for a single country can be $10,000,000s to meet CAPs

  - Longer term losses (e.g. from delays to market to complete stoppage of imports) may be $100,000,000s - $1,000,000,000s.

These translate into country costs of higher prices and lesser availability of the latest technologies needed to compete in the global economy.

Conformity Assessment Options

How to best assure conformance to technical requirements?

- "Pre-market requirements" vs. Post-Market Surveillance"
- Self declaration and third party certification
- Other considerations

General Recommendations

- Determine need for voluntary or mandatory requirements
- Seek alignment of requirements worldwide
- Seek input from industry and other stakeholders
- Understand and take into account the global nature of the ICT industry and its products
- Consider timelines for adoption, implementation, and transitions
- Follow a risk-based conformity assessment model
- Leverage existing international resources and agreements
- Set minimal marking/labeling requirements

Bottom Line: Both industry and economies have much to gain or lose.

More Specifically for ICT

- Generally low-risk products built to meet or exceed globally recognized standards (e.g. product safety and EMC)
- Long history of product compliance with minimal issues in the field
- SDoC recognized as preferred conformity assessment for EMC for ICT products
  - (See ITA Guidelines for EMC/EMI Conformity Assessment Procedures, 2005)
- ITI supports this position and encourages governments globally to consider it
- We also look to multilateral solutions including discussions in APEC and are actively working on it in the TPP.

Thank You

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Additional Materials

WORLD TRADE ORGANIZATION G/IT/25 - 17 February 2005 (05-0659)
Committee of Participants on the Expansion of Trade in Information Technology Products
GUIDELINES FOR EMC/EMI CONFORMITY ASSESSMENT PROCEDURES

These "Guidelines" for EMC/EMI Conformity Assessment Procedures, as prepared by the Committee of Participants on the Expansion of Trade in Information Technology Products, are a result of its work undertaken in the NTM Work Programme. Such Guidelines have no legal status nor do they have any implications for participants' rights and obligations under the WTO.

I. CONFORMITY ASSESSMENT PROCEDURES FOR EMC/EMI

The EMC/EMI survey conducted by the Committee identified different types of conformity assessment procedures used by ITA participants in respect of ITA products. They are summarized below in descending order of complexity:

(a) Certification by a regulator or delegated entity – the equipment has to be submitted to the regulator or its delegated entity for certification.

(b) Certification by 3rd party – the equipment has to be submitted to certification bodies recognized (or approved) by the regulator for certification.

(c) Supplier's Declaration of Conformity (SDoC) type 1 – the supplier or manufacturer of the equipment declares the equipment meets the technical and administrative requirement. A testing laboratory recognized by the regulator tests the equipment and the supplier registers this equipment with the regulator.

(d) Supplier's Declaration of Conformity (SDoC) type 2 - the supplier or manufacturer of the equipment declares the equipment meets the technical and administrative requirements on the basis of test reports by a testing laboratory recognized by the regulator. No registration of the equipment with the regulator is required.

(e) Supplier's Declaration of Conformity (SDoC) type 3 – the supplier or manufacturer of the equipment declares the equipment meets the technical and administrative requirement. The supplier registers the equipment with the regulator. Testing of the equipment by recognized testing laboratory is not mandatory. If testing is undertaken, the choice of the testing laboratory rests with supplier or manufacturer.

(f) Supplier's Declaration of Conformity (SDoC) type 4 – the supplier or manufacturer of the equipment declares the equipment meets the technical and administrative requirement. Registration of the equipment with the regulator is not required and testing of the equipment by recognized testing laboratory is not mandatory. If testing is undertaken, the choice of the testing laboratory rests with supplier or manufacturer.

Additional Materials

The above is a generic description of the procedures. In practice, ITA participants may use different or alternative titles and names to describe their procedures.

II. GUIDELINES

1. The types of conformity assessment procedures for EMC/EMI used by ITA participants should be limited to the six procedures listed in Section I (a to f).

2 An ITA participant that has, at present, no mandatory conformity assessment procedures should be encouraged to maintain the status quo. If conformity assessment procedures are to be adopted, the types of procedures used should be in accordance with Guideline 1 above.

3. ITA participants using type (a) or (b) procedures listed in Section I should consider changing them to type (c), (d), (e), or (f).

III. TRANSPARENCY

A list of ITA participants should be drawn up and categorized by the type of assessment procedure adopted. The list should identify which type of conformity assessment procedures each ITA participant uses. The Secretariat could draw up such a list based on participant input.

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