**Source:** Committee T1

**Title:** **IISP reply to European Commission proposal for an "International Charter"**

**Agenda item:** **11**

**Document for:**

| | |
|---|---|
| Decision | |
| Discussion | |
| Information | **X** |

## 1 Decision/action requested

***Attached are two documents for information regarding an European Commission proposal for an "International Charter" to harmonize global legal and regulatory frameworks for electronic commerce on the Information Superhighway. Specifically, attached is an ANSI IISP response to the EU and a News Release.***

## 2 References

- *Global Standards Conference, "Building the Global Information Society for the 21st Century," Brussels, 1-3 October 1997*
- *GSC(98)13 - Review of the Global Standards Conference*
- COM(98)50, http://www.ispo.cec.be/eif/policy/com9850en.html

**Annex 1** contains News Release

**Annex 2** contains letter from Oliver Smoot (Chair, IISP) to The European Commission

GSC4(98)51 ANNEX 7

ANSI American National Standards Institute 11 West 42nd Street, New York, New York 10036

NEWS RELEASE

Contact: Richard J. Wagner
ANSI
(212) 642-4905

## New EC Framework for Info Superhighway Unnecessary, U.S. Panel Says

NEW YORK, Mar. 31 – The U.S.-based Information Infrastructure Standards Panel (IISP) today strongly disagreed with a European Commission proposal for an "International Charter" to harmonize global legal and regulatory frameworks for electronic commerce on the Information Superhighway, calling the charter unnecessary because it adds another layer of potential governmental intervention to the process.

IISP expressed its comments in a paper in response to the European Commission's (EC) solicitation of comments on its proposal (www.ispo.cec.be/eif/com9850.html). While agreeing with the reasons for a global legal and regulatory environment that facilitates electronic commerce, the Panel questioned the need to create yet another "framework" or layer of potential governmental intervention and control.

The paper, which was signed by Oliver Smoot, IISP chair and Executive Vice President of the Information Technology Industry Council (ITI), stated "while IISP focuses on standardization issues, we disagree with the Commission's conclusion of the need for 'a framework'" The paper also states that "multiple frameworks for standardization exist today, and while the amount of communication increases steadily, our view is that communication, not coordinated, top-down decision making is the optimal approach for standardization."

The IISP paper further notes that "within the context of standardization, IISP does not understand how the consultative process described by the Commission would add value to the resolution of standardization issues, as standardization has already a well developed international framework..." Mr. Smoot also made reference in the paper to an EC-hosted GIS Standards Conference in 1997, in which an Electronic Commerce Workshop Report urged that a new framework not be created.

### EC Claims New Framework Needed

The EC's proposal, on the other hand, sees a need to create a new framework for this harmonization effort. In a September 1997 speech, EC Commissioner Martin Bangemann stated: "It will not be possible to achieve a satisfactory international framework only on the basis of strengthened industrial cooperation and existing international organizations."

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Contact:
Public Relations Department 212 • 642 • 4900
FAX: 212 • 398 • 0023

Commissioner Bangemann also outlined a pivotal EC role and a very broad scope for the proposal. "The European Union, through its widespread experience of multi-lateral frameworks, can make a useful contribution to setting up international mechanisms for achieving mutual recognition of standards, licensing arrangements, and regulations in general," he said. (www.ispo.cec.be/infosoc/promo/speech/geneva.html).

At a recent IISP meeting, however, a U.S. Department of Commerce spokesperson described the Administration's vision of global electronic commerce by stating that "governments must adopt a non-regulatory, market-oriented approach."

IISP is a U.S.-based organization, sponsored by the American National Standards Institute (ANSI), whose mission is to identify standards critical to the implementation of the Global Information Infrastructure GII/Global Information Society (GIS). It is a cross-industry effort focused on facilitating standards cooperation among the many sectors converging in the GIS (computer, telecommunications, cable, broadcast, wireless, satellite, etc., and interested users such as government agencies, representatives of the disabled, publishers, etc.).

**For More IISP Information**

Additional information, including the IISP paper referenced above, may be obtained by logging on to the IISP World Wide Web site (http://www.ansi.org/iisp/); or by contacting Michelle Maas (212) 642-4884, email – mmaas@ansi.org, or R.M. "Chick" Hayden, (603) 964-6349, email – chayden@ansi.org.

ANSI is a private non-profit organization that administers and coordinates the U.S. voluntary standardization system. Its mission is to enhance U.S. global competitiveness and the American way of life by promoting, facilitating, and safeguarding the integrity of the voluntary standardization system. ANSI is the official U.S. representative to the world's leading standards bodies, the International Organization for Standardization (ISO) and, via the U.S. National Committee, the International Electrotechnical Commission (IEC).

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To: The European Commission **Annex 2**

Subject: Comments by the Information Infrastructure Standards Panel on "The Need For Strengthened International Coordination"

Reference: COM(98)50, http://www.ispo.cec.be/eif/policy/com9850en.html

The Information Infrastructure Standards Panel (IISP) appreciates the opportunity to comment on the Commission's Communication, as solicited in the referenced document. IISP is a U.S.-based organization, sponsored by the American National Standards Institute (ANSI), whose mission is to identify standards critical to the implementation of the Global Information Infrastructure (GII)/Global Information Society (GIS). It is a cross-industry effort focused on facilitating standards cooperation among the many sectors converging in the GIS (computer, telecommunications, cable, broadcast, wireless, satellite, etc., and interested users such as government agencies, representatives of the disabled, publishers, etc.). IISP makes the results of its programs, including IISP-identified standards needs, widely available, especially to national, regional and international standards organizations, to encourage the global focus so critical to the GIS. IISP has a very active international liaison program. The IISP web page can be seen at www.ansi.org/iisp/

We have actively addressed the issues of how standardization, interoperability, cross-sectoral understanding and technical advances can best support development of a vibrant, socially positive GIS since July 1994. Thus we welcome the Commission's attention to the various issues commonly raised as challenges to our mutual success. Our comments specifically focus on the standardization issues raised by the Communication.

While the Communication addresses standardization as a separate issue as have other policy papers such as the US's "The Framework for Global Electronic Commerce" (http://www.whitehouse.gov/WH/New/Commerce/index.html), standardization is relevant to most of the other issues raised. However, a distinction must be maintained between the policy, regulatory and rules portion of the global society and the standards-setting processes. The formation of the "what" - privacy, trade agreements, taxation policies, etc. - are not the content of standards. However, once those issues have been resolved, the how - implementation of databases, use of security, an on-line transaction, etc. - should be developed in the voluntary standards arena. This will result in a very synergistic approach to moving forward where policy makers can be sure their concepts can be implemented and standards makers sure their work programs are market-relevant.

A major insight of IISP's work is the pervasive need for continuous information sharing among isolated communities of interest ("stovepipes"), whether these are industry sectors, different professions or nations. Thus, we support those aspects of the Communication that call for increased communication. Specifically, IISP believes

the October, 1997 GIS Standards Conference, hosted by the Commission and sponsored

by International Organization for Standardization (ISO), International Electrotechnical Commission (IEC), and the International Telecommunications Union (ITU), to have accelerated creation of necessary standards for the GIS by focusing on the importance of market-driven, voluntary consensus standards processes.

Within the context of standardization, IISP does not understand how the consultative process described by the Commission would add value to the resolution of standardization issues. Follow-on activities to the 1997 GIS Standards Conference will take place in September 1998 to assess progress. In addition, standardization issue discussions frequently occur as part of the discussion of the other issues raised in the Communication. Unlike many of those issues, however, standardization has already a well developed international framework based on ISO/IEC/ITU.

These organizations have responded well to the demand for GIS standardization by working together and with others as demonstrated in the 1997 GIS Standards Conference. In addition, standardization bodies of key global, regional and national importance (e.g., Committee T1, Telecommunications Industry Association (TIA), Digital Audio Visual Council (DAVIC), Internet Engineering Task Force (IETF), Object Management Group (OMG), European Telecommunications Standards Institute (ETSI), etc.) can and do process their documents through ISO/IEC/ITU when formal recognition is beneficial.

The key need for standardization is the identification, by those addressing the other issues raised in the Communication, of standards needs and the communication of those needs to the various standards organizations. The IISP focused on the identification of standards needs for its first three years, and the results are available at www.ansi.org/iisp/. Many different standards organizations could respond to such needs. IISP supports having standards developed by the standards organization chosen by the materially interested parties for that technology area - suppliers, users and general interest parties, including consumers and governments. This ensures that the process is market-relevant.

The Communication correctly focuses on "interoperability" as a key concept (Section 2.2), but it undervalues its full benefit. While IISP is a technical standards-focused organization, many of its participants believe that the concept of interoperability: the ability to define interfaces that permit and support effective operation within and across disparate systems - can help resolve the other issues raised by the Communication. Coming to global consensus on the socio-political issues listed in the Communication could be exceedingly difficult, whereas defining legal or political interfaces among the existing structures may be much easier.

Within this context, while the Commission is understandably proud of the European Global System for Mobile (GSM) experience (Sections 2.1 and 2.2), we are surprised

that it does not recognize the global solution to mobile telephony standards taking shape within the ITU IMT-2000 project.

The discussion in the Communication of open standards (Section 2.2)confuses several issues. Misunderstanding those issues could lead the Commission and others to erroneous conclusions. The Domain Name issue is important; however, it does not illuminate standardization issues. Therefore, it should be separated from the discussion of: The Internet standardization process, "open standards" and intellectual property within standardization. Comments on these latter topics will follow.

Internet standards are "open standards" as we understand the Commission's use of this term. The "browsers" mentioned as examples in the Communication are competitive, commercial products. Their success or lack of success in the marketplace may or may not depend on use of open standards. The Communication might be ready to advocate that successful GIS products somehow take on public utility status, i.e., a franchise is available, but changes in the product are subject to government review. This goes against the basic concept of a market-led GIS and the utilization of "open standards" or even use of formal international standards in such products. The choice of "browsers" is not a standards issue, but rather a marketplace issue.

Finally this paragraph's mention of "licensing schemes" might be misread to imply that licenses of intellectual property should not be part of products utilizing standards. Many formal standards require users of the standards to obtain licenses of intellectual property (IP) that are essential for implementing the standard or risk patent infringement. Because of this, an IP policy that promotes both innovation and standardization is a key aspect of standardization. Such policies are pro-competitive by making licenses available on reasonable and non-discriminatory terms and are reflected in the procedures of all major standardization organizations.

One of the significant results of the IISP standards needs process was the high priority given to security standards. Such standards also help to maintain the privacy of communications and personally identifiable information. We, thus, support the Communication's call (Section 2.4) for further work in this area, but we note that security standards are already high priority activities within ISO and ITU. Since many IISP member participate in these activities, we ask the Commission and others who have security standards needs to express those needs to the relevant technical committees.

IISP has addressed the standards implications of the different societal views on harmful and illegal content, data protection and other social needs (Section 2.4). IISP concluded that technical standards can provide the basis for the development of products and services that empower the individual or organization to make choices appropriate to his, her or its needs. Once again, IISP would focus policy makers' attention on the interoperability aspects of the social and legal processes, rather than

seeking global policy uniformity. Technical standards exist that can accommodate differing policy objectives.

While IISP focuses on standardization issues, our own experience causes us to disagree with the Commission's conclusion of the need for "a framework," (Section 2.5)

except in the most general sense of increased, steady communication. The Electronic Commerce Workshop Report from the Commission-hosted October, 1997 GIS Standards Conference referenced earlier also urged that a new framework not be created. Multiple frameworks for standardization exist today. The amount of communication increases steadily, reinforcing our view that communication, not coordinated, top-down decision making is the optimal approach for standardization. Thus, to the extent that an International Charter would "be a multi-lateral understanding on a method of coordination to remove obstacles for the global electronic marketplace" which in standardization would "recognize the work of existing international organizations," IISP would support it.

Oliver Smoot
Chair, IISP
Executive Vice President, Information Technology Industry Council (ITI)