

Standards – Who Benefits? Who Pays? Is There a Connection?

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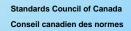
2nd National Standards System
Conference
Fuelling the System – Economic
Realities
Tuesday November 16, 2004



TFUNS

 Task Force on Innovative Funding Solutions for the Development of Standards

 Task Force of Standards Council of Canada's Advisory Committee on Standards (ACS)







TFUNS Membership

- 1 SDO representing the four Canadian SDOs
- 2 industry (lumber, electricity supply)
- 1 consumer & public interest
- 1 provincial regulatory authority
- 4 SCC staff



TFUNS Time Frame

Created in September, 2001

First report December, 2002

Second report June, 2003

Final report June, 2004



TFUNS Introduction

- To develop recommendations for innovative and sustainable approaches –
- for the funding of standards
 development and maintenance –
- within the jurisdiction of the National Standards System of Canada



TFUNS Goal & Mandate

- To examine the nature and scope of funding challenges facing standards development
- To propose methods whereby Canadian standards development activities can be sustained into the future



TFUNS Project Stages

- First: definition of the problems and issues
- Second: proposals to address the issues



TFUNS Philosophy

TFUNS work was predicated upon:

- A belief in the value of standards for Canadian society and business
- The need for an effective, autonomous and sustainable system for standards development in Canada



TFUNS Philosophy

Principle of Equity:

 Those who benefit from standards should help to pay for the development and maintenance of those standards



TFUNS Philosophy

Financial Sustainability and Viability:

- Three elements:
 - demonstrate the "value equation" to stakeholders and engage them as partners
 - acquire support (and funding) from stakeholders
 - develop multiple funding streams that are not overly dependent on any one source



- Funding from conformity assessment activities
- Tax credits for work on standards
- Standards in both of Canada's official languages
- Advisory Committee on Industry (ACI)
- Accords between NSS partnership and governments/industry
- Compensation for referencing of standards into Regulation
- Facilitate participation of all stakeholders







Funding from conformity assessment activities

- invokes principle of equity beneficiaries pay
- beneficiaries include:
 - product user (industrial, commercial, consumer)
 - product provider (manufacturers, distributors)
 - owners of test certificates
 - management system claimants
 - certified personnel
- requires implementation at international level for viability
- history: problem arose in 1980s when certification became competitive

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Tax credits for work on standards

- Objective: to facilitate the participation of volunteer committee members
- Method: to suggest that companies structure their involvement into specific projects
- Next Step: to confirm and then communicate to existing and potential participants



Standards in both of Canada's official languages

- Actuality: Canada has two official languages, with many users of standards being proficient in only one or the other language
- Challenge: to identify which standards need to be in both languages, and fund the translation



Advisory Committee on Industry (ACI)

- Objective: to establish significant connections to key stakeholders
- Challenge: to make the topic relevant, exciting and worthy of their attention
- Result: to ensure that they provide the human and financial resources



Accords between NSS partnership and governments/industry

- Objective: to create high level awareness and thus commitment
- Challenge: to deliver a value proposition that has relevance and impact
- Result: to focus resources to provide long-term stability for all participants







Compensation for referencing of standards into Regulation

- Objective: to encourage the use of standards as referenced requirements, following Good Regulatory Practices
- Confounding issue: recent litigation indicates that referenced standards may be regarded as government publications and therefore may need to be "free"
- Challenge: to supply adequate funding for an independent system and that can provide tools for government regulation

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Facilitate participation of all stakeholders

- Objective: to facilitate the participation of all stakeholders
- Fact: SMEs are the current engine for the Canadian economy
- Fact: consumers and public interest groups are individually incapable of subsidizing Canadian society
- Challenge: to establish a "foundation" to support individuals participating on behalf of Canadian society

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TFUNS Further Reflections

- Standards development, by its consensus building nature, is a deliberate and thoughtful process
- Yet the environment it supports is now fast-paced, ever-changing and constantly impacted by national, regional, and international events



TFUNS Further Reflections

- The ongoing funding of standards is a complex issue that requires equally complex answers
- The solutions will neither be simple nor quick
- No single recommendation can be implemented by itself, nor provide the solution by itself



TFUNS Further Reflections

- TFUNS has initiated the development of a long-term strategy for sustainable standards development
- These principles and recommendations need to be nurtured, supported, readjusted and consistently monitored into the future

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Thank you for your attention Questions?

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