



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

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Fuelling the System – Economic
Realities
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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

TFUNS 7 Action Items



- 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

TFUNS Action Item 1



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

TFUNS Action Item 2



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

TFUNS Action Item 3



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

TFUNS Action Item 4



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

TFUNS Action Item 5



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

TFUNS Action Item 6



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

TFUNS Action Item 7



- 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

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



Thank you for your attention

Questions?

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