

CEN and CENELEC contribution to the ITRE discussions and future resolution on the competitiveness of the European rail supply manufacturers

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Executive Summary

In summer 2015, the European Parliament's Committee for Industry, Research and Energy (ITRE) decided to prepare a Resolution on the Competitiveness of the European Rail Supply Industry. Being aware of the importance to support the leadership and competitiveness of this important sector, CEN and CENELEC welcome this initiative and offer the following input in this context.

The European single market for railway equipment and services is currently far from being completed. This suggests a burden for the European rail supply industry and the lack access to economies of scale of offering their products and services in a wider market. In this context, European Standardization is a powerful tool to help achieve harmonization of markets (inside Europe and with neighboring countries). For instance, CEN and CENELEC, together with their international partners with ISO and IEC, support the rail supply manufacturers in the following ways:

- Help Europe to maintain its technology leadership
- Enable the widening of the Single European market
- Support the access to international markets

Help Europe to maintain its technology leadership

European standards and other deliverables are key to facilitate market access of innovative technologies and solutions. Thus, CEN and CENELEC can support the rail industries' contributions in research projects addressing standardization, such as Shift2Rail under Horizon 2020. In addition, CEN and CENELEC can help research projects in the rail supply sector to transfer their findings into the content of the standards, in order to facilitate market access of their innovative solutions.

It is widely accepted that economic growth relies on research, innovation and successful transformation of business. Digitalization is transforming every area of economic life. New

sources of growth will undoubtedly come also from the incorporation of transformative technologies such as smart technologies, M2M and Internet of Things. European standardization is an essential tool for integration of digital technologies into rail products, systems and services because interoperability can be ensured through a coherent set of standards in Europe.

CEN, CENELEC, ISO and IEC (together with ITU) have a common policy on the inclusion of (essential) patents in standards since 2007, our practices are therefore based on the same principles and are very similar. European rail supply companies can therefore benefit from a transparent and coherent process when they include innovative technologies (through essential patents) in the European Standards, especially, if these EN are promoted at international level.

SMEs in the rail supply sector face increasing competition. CEN and CENELEC have put in a great effort to support European SMEs to benefit fully from standardization (using standards and contributing to their development). Examples are the Information Alert System, the e-learning tool or the toolbox, together with the strong network of national members, which ensure proximity to SMEs in their own language. These solutions will allow more SMEs in the rail supply sector to keep updated on the latest standards and specific news.

CEN and CENELEC have an initiative to deepen the understanding of standardization (the benefits, the strategic role, greater operational efficiency and cross-border trade). The aim is to support the business community to fully exploit standardization through staff education on standardization (formal and vocational) on the application of standards through to company standardization strategies including the benefits of participating in standardization activities.

Enable the widening of the Single European market

The European Standardization System is based on a 'unique standard' model, that avoids fragmentation in the market, and provides coherence and transparency to market operators. The 33 CEN and CENELEC members adopt the European Standards identically at national level, and remove any national conflicting standards. This provides equal market access opportunities to business that operate inside the European Single Market and beyond, and offers a level-playing field for them to compete with innovative differentiation factors.

Standardization for railways in CEN and CENELEC is undertaken mainly in two technical committees (CEN/TC 256 Railway applications & CLC/TC 9X Electrical and electronic applications for railways). They have produced more of 400 European standards and other deliverables, with some 150 harmonized standards supporting the Directive 2008/57/EC on Interoperability of the Rail System, and other standards support the Directive 2004/49/EC on Safety on the Community's railways.

In addition, these two technical committees have more than 130 draft standards in progress, which cover many important topics such as safety, interoperability, test methods, telematics applications for passengers, signaling, energy measurement, storage, energy efficiency, urban rail and accessibility of people with reduced mobility, amongst other. Some of this work is

developed through our cooperation agreements with ISO and IEC, facilitating global market access.

Coordination and information is always important for standardization, but this is particularly the case also for the railway sector. CEN, CENELEC (and ETSI) have a platform called Sector Forum Rail which facilitates the exchange of information between the different stakeholders in the railway sector, coordinating and identifying the standardization needs.

CEN, CENELEC (and ETSI) are currently updating the Memorandum of Understanding with the European Railway Agency (ERA), in the light of the 4th Railway Package and the application of the Regulation 1025/2012 on European standardization, for the development of standards in support of the regulatory needs. In that context, CEN and CENELEC welcome the open and effective collaboration with ERA. The European Railway Agency is increasingly relying on voluntary standardization. Though there are still areas for improvement, respecting in all cases the voluntary nature of European standards, as standards are different from regulations.

Reinvigorating the Public Private Partnership that underpins European standardization has an important relevance in support of the European rail supply manufacturers. CEN and CENELEC call for a more intensive and effective involvement of the European standardization community and their stakeholders in regulatory and policy initiatives well in advance. Vice versa, it is also important to reinforce the involvement and participation of European and national regulatory authorities in European (and international) standardization.

CEN and CENELEC invite European and national regulatory authorities:

- to simplify the regulatory framework, getting closer to the New Approach principles, based on voluntary references to European standards, as a preferred solution through Communications in the OJEU (indirect reference), rather than mandatory reference to part of standards through the TSIs (direct reference). The voluntary and indirect reference to European standards has well proven advantages, such as supporting the competitiveness of rail supply manufacturers, while enabling smart and innovation-friendly regulations, and
- to promote an enhanced use of European standards in public procurement processes,
- to extend the reference to European standards (ENs), many of them aligned with International standards (ISO and IEC) in regulations to other areas, such as telematics applications for passengers, or signaling.

Support the access to international markets

CEN and CENELEC commitment to international standardization through their respective partnership with ISO and IEC, makes Europe the region with the greater level of alignment with international standards. Moreover, European standards for rail equipment and components are often adopted by neighboring countries and far beyond: 1760+ national adoptions of European standards in Albania, Belarus, Bosnia and Herzegovina, Georgia, Moldova, Montenegro, Morocco, Serbia, Tunisia, Ukraine, Botswana, Kazakhstan, Mongolia, South Africa and Japan, amongst others.

In addition, CEN and CENELEC gives the option, subject to certain conditions, to accept a limited number of experts from third markets for which their standardization body is an Affiliate, Partner Standardization body or has an agreement with CEN and or CENELEC. This is the case for observers from the Russian Federation, Mongolia, Bosnia and Herzegovina or Montenegro in the CEN and CENELEC committees for railways, and a European observership in a Russian committee representing the CENELEC TC.

This global outreach potential is key in the context of the rail supply manufacturers, as it helps to promote the European technology abroad, supporting Europe's leading position worldwide. Especially, this is more and more relevant if we take into account that some foreign countries, such as China, have an specific strategic plan for standardization in their "One belt, One road" policy, which intends to extend the influence and market reach for the Chinese companies.

The adoption of European standards as national standards for the rail sector in third countries also contribute to more open public procurement processes in those markets, at least for what concerns the requirements to be met.

Taking all of that into account, the considerable export capacity of the European rail supply manufacturers would be maintained and even increased if European standards (including ISO and IEC standards adopted in Europe) are systematically considered as an asset in trade negotiations with third countries and regions, and if the European standardization community are better involved in these processes.

About CEN and CENELEC

CEN (European Committee for Standardization) and **CENELEC (European Committee for Electrotechnical Standardization)** are recognized by the European Union (EU) and by the European Free Trade Association (EFTA) as European Standardization Organizations responsible for developing and defining standards at European level. These standards set out specifications and procedures in relation to a wide range of products and services.

The members of CEN and CENELEC are the National Standards Bodies and National Electrotechnical Committees of 33 European countries including all of the EU member states plus Iceland, Norway, Switzerland, Turkey and the former Yugoslav Republic of Macedonia.

European Standards (ENs) are developed through a process of collaboration among technical experts nominated by business and industry, research institutes, consumer and environmental organizations and other societal stakeholders. Once adopted, these standards are implemented and published in all of the 33 countries covered by CEN and CENELEC.

CEN and CENELEC also work to promote the international harmonization of standards in the framework of technical cooperation agreements with ISO (International Organization for Standardization) and IEC (International Electrotechnical Commission).

For more information, please see: www.cencenelec.eu
