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## EDITORIAL:

### H.R. 5116: It's Time to Close the “Standards Sophistication Gap”

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One of the key goals of any properly motivated government is to ensure that its domestic industries will enjoy fair access to foreign markets – in other words, to assure the proverbial level playing field. With globalization and the penetration of the Internet becoming more complete, achieving that goal for U.S. interests is becoming both more achievable – and also more difficult. More achievable, in that our economy is increasingly based on the provision of services, and more and more services can now be delivered remotely. But also more difficult, because the same holds true in both directions.

This dichotomy applies in many other areas as well: those goods we still manufacture competitively tend to be high value, innovative goods (e.g., technology products) that can be marketed globally, because they conform to globally-adopted standards. But that edge disappears when the same products become commoditized.

In short, competing on a level playing field means that you still need to put the best team on the field, or you're no better off than before.

Just as the design of the equipment, and even high tech attire, of Olympic athletes can now spell the difference between success and failure, prowess in addressing the finer points of international trade competition increasingly separates the winners from the losers. The role of governments can therefore no longer end once the trade barriers have come down. This is particularly true if governments abroad are forming more effective public-private partnerships in pursuit of international trade opportunities.

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One area where this is already happening involves standards, because standards can play a huge role in closing - as well as opening - markets to foreign competition. While there are protections against the former under the Agreement on Technical Barriers to Trade (applicable to those that have acceded to the World Trade Organization), those protections are at best cumbersome, complex and slow

moving. By the time that a standards-based complaint has been brought to the attention of the Department of Commerce, registered internationally, adjudicated and settled, years of damage will already have been done.

The better way, as with any other area of international relations, is to spot and act on problems when they are brewing, rather than react to them after hostilities have already broken out. In the standards arena, that requires two competencies that have historically been in short supply in the United States: institutionalized, intra-agency sophistication and cooperation on standards matters, and a government-wide awareness that standards and competitiveness are inextricably intertwined.

Why worry now? Because the two largest markets in the world today besides our own, China and the European Union, are years ahead of the U.S. in their breadth and depth of institutional understanding of the relationship between standards and trade. They are also far ahead in integrating standards development and uptake into their international trade policies, and in connecting their public and private sectors to advantage in capitalizing on their standards policies in areas such as aerospace (in the EU) and wireless telephony (in China).

Meanwhile, in the private sector in the U.S. – by its own choosing – largely goes it alone when it comes to standards. Under the Technology Transfer and Advancement Act of 1995, the leadership of the private sector in standards development was not only recognized, but the federal agencies were directed to use private sector standards rather than developing its own.

In the past, this “bottom up” system has served the national interest well, in part because the U.S. has also been a leader in standards development in economically vital areas such as information and communications technology. In the future, however, that advantage will be increasingly challenged, as massively standards-dependent, policy-imperative goals such as deploying SmartGrid technology provide commercial opportunities too large for governments to willingly cede to foreign vendors.

Happily, there is a bill in committee in the House of Representatives that, if passed in its current form, would take an important first step towards making America more standards-competitive in international trade. In short, towards closing what might fairly be called an incipient “Standards Sophistication Gap.” That legislation is found in Title IV of the *America COMPETES Reauthorization Act of 2010* (H.R. 5116), and is titled the *National Institute of Standards and Technology Authorization Act of 2010*.

Among other actions, the bill would elevate the Director of NIST to Undersecretary status and approve an extensive internal reorganization of the National Laboratories. Section 4.05 of the bill would also expand NIST’s historical standards-related mission, by empowering and directing the agency to play a more central role in coordinating standards-related matters of importance among the increasingly technology-dependent federal agencies. NIST has already been authorized to play such a role to support specific policy initiatives, such as developing the extensive framework of standards needed to make the SmartGrid a reality.

By institutionalizing this role, administrations could more easily recruit NIST in the future in support of important standards-dependent initiatives requiring public-private collaboration. Similarly, NIST would be encouraged to invest in the resources needed to train personnel and evolve methodologies to perform this function in the most effective and cost-effective manner.

Less noticeably, but equally significantly, H.R. 5116 would also recruit NIST to support national competitiveness by tasking it with bringing national and international standards-related issues to the attention of Congress at a time when those issues are just emerging, and can therefore be addressed in the most opportunistic and productive fashion. This would be a dramatic shift from the present, when standards related issues, if they reach Congress or the Administration at all, are likely to do so in a more urgent, damage-control mode after we have already been challenged abroad.

H.R. 5116 alone will not close the Standards Sophistication Gap. It does not, for example, instruct NIST to proactively and preemptively develop an ongoing, formal interface between the public and private sectors so that possible new initiatives in areas such as cyber security and global warming could be launched in a less ad hoc fashion. But it is a first, important step towards recognizing that our government must raise the level of its game at home if U.S. commercial interests are to truly capitalize on the benefits of a level playing field abroad.

I urge you to lend your support to H.R. 5116.

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