

Comments of the Air-Conditioning, Heating, and Refrigeration Institute

**on The United States Department of Commerce
National Institute of Standards and Technology
Request for Information**

**Effectiveness of Federal Agency Participation in Standardization in Select Technology
Sectors for National Science and Technology Council's (NSTC)
Sub-Committee on Standardization**

March 7, 2011

The Air-Conditioning, Heating, and Refrigeration Institute (AHRI) appreciates the opportunity to offer comments as invited by the National Institute of Standards and Technology (NIST) in its December 8, 2010 Federal Register Notice, Vol. 75, No. 235, Page 76397.

AHRI is the trade association representing manufacturers of air-conditioning, heating, and refrigeration equipment and water heaters. An internationally recognized advocate for the industry, AHRI develops more than 80 globally applicable standards for and certifies the performance of many of these products. AHRI's 300 member companies account for more than 90 percent of the residential and commercial air-conditioning, space heating, water heating, and commercial refrigeration equipment manufactured and sold in North America.

The current U.S. model of a private-public approach to domestic standards development has been successful in the past, and AHRI would like to see it evolve to become an even stronger and more exportable model in the future. AHRI's comments will focus on improvements that must be made to the standards development process and its relationship to the public sector in both the international and domestic spheres. AHRI believes that improvements in both spheres, as well as the effectiveness of U.S. government participation in select technology sectors, must be addressed to improve U.S. competitiveness. The U.S. government's ability to help increase the competitiveness of American products globally can be achieved through the promotion of U.S. standards abroad and will subsequently help to realize the administration's National Export Initiative goal to double exports over the next five years.

1. Global Issues - U.S. Competitiveness in a Global Standards Contest

Declining U.S. Government Support for International Organization for Standardization (ISO) Work in the HVACR Sector

The prior level of participation of the public sector in promoting U.S. standards abroad has led to successes in numerous industries, of which there are multiple examples. Yet AHRI observes that the level of participation has been inconsistent over time, creating a scenario where industry's global success has fallen short of expectations. One such example involves the participation and subsequent non-participation of DOE and NIST in some of the ISO Technical Committee (TC) 86, Refrigeration and Air-conditioning, subcommittee deliberations. NIST staff was able to partner with and assist industry to champion the utilization of AHRI and DOE's testing procedure for central air conditioner standards during the initial undertaking by ISO. This effort was advantageous to U.S. competitiveness because it allowed the current testing standards to be the same on the international scale. Unfortunately, U.S. government has not been present during the recent ISO Working Group meetings and U.S. interests have suffered from a lack of U.S. expertise to backup industry preferences. Consequently, an ISO Working Group is currently moving toward a Japanese-backed testing procedure. In general in the HVACR (heating, ventilation, air-conditioning and refrigeration) sector, U.S. global influence has waned as U.S. government participation declined.

The Need For A New Public/Private Standards Model For U.S. Foreign Economic Policy

The role of U.S. standards in promoting U.S. competitiveness can be and perhaps is being compromised by two things: the competitive nature of the global standards landscape and the nature of the current public/private sector relationship in the United States' standards system.

The global standards landscape is characterized by sharp competition among national or regional standards development. The drive to dominate or heavily influence the content of internationally used standards stems from the drive to increase global economic influence and exports. Although ISO has approximately 190 members, the global standards scene in the HVACR sector is dominated by three converging and often conflicting standards regions – Asia, Europe, and North America. Each seeks to optimize its access to global markets while at the same time lowering costs this results in a scenario where companies export to areas whose standards favor whatever unique technology that exporter has. This leads to a global market in which standards can be used to create technical barriers to trade. What must be realized is that success in promoting the use of standards globally is often more a function of the relative economic power of the promoter than of the standard's technical superiority.

The advantage that Asia and Europe have in this competition is that their respective standards development systems are top-down, state influenced, and partially financed. Standards development is part of a general economic policy with government bodies, such as the Ministry of Economy, Trade and Industry (METI) in Japan, heavily involved in determining both

industrial and business priorities, and the requisite changes in international standards needed to accomplish that.

In this competition, the U.S. is working from a disadvantage – its own standards system. There is no question that the U.S. standards system is a proper reflection of the federal nature of government and the traditional division of responsibilities between the public and private sectors. And, short of a revolutionary usurpation of the private sector’s role by government, the system will not and need not change significantly – domestically. What must change, however, is the relationship of the public/private sector relationship in standards regarding the competitiveness of U.S. products abroad. There needs to be a new model of cooperation regarding foreign economic policy developed. This means a public/private entity that systematically integrates governmental incentives to certain growth industries with a standards strategy to make needed changes in both domestic and international standards, or to write new standards. It means trade agreements that more regularly allow the importation of products to the U.S. that meet various U.S. private sector standards and it means developing a financial model with U.S. standards developers who sell their standards that allows the U.S. to give free copies of the standards to trade partners. These or other steps are needed to overcome the inherent weakness of the U.S. standards system – an arms-length relationship between standards developers and the U.S. government borne out of respect for a proper public/private relationship and a fear of “too much government” in our standards system.

U.S standards developers can (and do) produce world class standards, but absent an increased and coordinated role with government, they won’t succeed in harmonizing their standards globally versus those of their competitors.

2. The Domestic Arena: Increasing the Public/Private Partnership

Government Involvement in Standards for Federally Regulated Products

Domestically, particularly with federally regulated AHRI products, there is a need for DOE and NIST to work more closely with the AHRI standards-writing committees.

Government agencies are involved in different levels in the standards development process on an industry-specific basis. An effort to have a stronger presence in the development process for standards of federally regulated products would save time, money and confusion for both the public and private sectors. When government representatives and experts are not involved in the development of the standards, they miss much of the reasoning behind decisions and the technical discussions that can later lead to a divergence in the standards and regulations. Greater involvement in the start of standards’ development would eliminate many of these challenges.

In October 2010, the American National Standards Institute (ANSI) created a document entitled "[Forging an Even Stronger Public-Private Partnership](#)" for the leadership of the National Science and Technology Council's (NSTC) Subcommittee on Standards. This document provides many well made points and improvements that need to be made, which AHRI would like to reiterate below.

- Public Sector's Utilization of Voluntary Consensus Standards
"As one of the biggest users of standards, the U.S. government's participation in standards development activities is of the utmost importance. In keeping with the tenets of the National Technology Transfer and Advancement Act of 1995 (NTTAA), the standardization community highly values the expert input that government employees provide and the reliance that agencies demonstrate by adopting and relying on voluntary consensus standards and compliance programs."
- The Clarification of Rules of Engagement for Government Employee Participation
"Although the NTTAA encourages government employees to participate fully in standards development activities, questions often arise due to staff turnover and some apparently conflicting or inconsistent agency policies on membership dues, travel costs, and other aspects of standards development. An underscoring of the NTTAA language by the NSTC Subcommittee would help stakeholders to better understand the rules of engagement. Some of the most frequent questions raised include whether government employees may:
 - Serve as a voting member of an SDO without such participation being interpreted as an endorsement of a particular standard or related product
 - Serve in a leadership capacity as an SDO committee officer
 - Expend appropriated funds to pay for membership fees in standardization organizations
 - Contribute knowledge and expertise to the development of information and documents where intellectual property rights are to be held by SDOs."
- The Necessity for a Real-time Communication Mechanism for the Public and Private Sectors
"The NTTAA is clear on the need for government agencies to rely on private-sector standards wherever possible. But the next step has not yet been taken, and that is the creation of a real-time mechanism for the government to let the impacted community know when a standards-based solution is needed, and for standards developing organizations (SDOs) to let the government know when key standards are being revised. Until such a mechanism is in place, the public sector will not be maximizing its ability to consistently and effectively capitalize upon the strengths of the robust private sector-led standardization system."
- The Ongoing Sharing of Information

"Together, the public and private sectors can share information about key standards-related topics, strategies, and policies. The public-private partnership should focus on deepening and extending this ongoing dialogue, and should not be limited to one-off events that disband once the immediate objective is accomplished."

- The Need for a Process to Incorporate Revised Standards in Regulations

"Standards are routinely revised to reflect changes in technology, industry practices, and new hazards, but all too frequently when standards are referenced in regulation, the revised versions of the standards are never considered, resulting in many standards currently in force of law that are out of date. By working closely with the private sector to get information about new revisions, the Subcommittee will promote a process that facilitates more regular updates to those regulations and mandates that make reference to current voluntary consensus standards."

- The Government's Alignment of Goals Within Agencies

"Wherever possible, [the government should] work to increase alignment of standardization goals within agencies, especially in cross-cutting areas. Conflicting agency objectives may lead to duplicative efforts, and can even create confusion on the international stage, where a multitude of voices from the United States can hamper effective uptake of U.S. positions in standardization and policy venues."

AHRI appreciates the opportunity to comment on this aspect of the competitiveness issue. If the commission has any questions, please contact: James Walters, Vice President, International Affairs, (p) 703 600 0338, (e) jwalters@ahrinet.org.