

Changing Dynamics of the Global Standards Community and the Potential Impact on  
Trade

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Global Policy Summit on the role of Performance-Based Building Regulations in  
Addressing Societal Expectations, International Policy, and Local Needs  
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The phrase “global village” was coined in 1967 by the brilliant Canadian-born intellectual, Marshall Herbert McLuhan. Commenting on the effects of television and the Internet, he said, and I quote,

*The new electronic interdependence recreates the world in the image of a global village.<sup>1</sup>*

Unquote. We speak of a global market. We call our building regulatory community a global community and our standards community a global community. And yet, I am reminded that what he said was not that our electronic interdependence would recreate the world in a global village, but that it would recreate the world in the *image* of a global village.

Good afternoon. It is a distinct honor to be here today. ASTM International and the building community share a long and auspicious history. It started in 1898, with the formation of the first ASTM technical committee: Committee A-1. A-1 immediately began to draft specifications for steel used in buildings and bridges; and by 1901, it had developed one of ASTM’s first standards, a specification for structural steel for bridges. ASTM International was then known as the American Section of the International Association for Testing Materials. Today, Committee A-1 has approximately 600 members, and jurisdiction over 485 standards. In 1902, another committee was formed: C-1 on cement; and from that day to this, the building community has been an indispensable part of the ASTM International process. The same is true of the regulatory community. You are the largest single user of ASTM standards, and an active partner in developing them. Over 1,550 ASTM construction specifications, practices, and test methods now appear in international building codes and regulations around the world. The connection between our communities is crucial because, like threads in a cloth, they are interwoven and interdependent. If we are indeed to build a global village and a coherent global market, we will have to do it together. I am, therefore, gratified that standardization has a place in this discussion.

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<sup>1</sup> *The Medium is the Message*, 1967.

The global standards community is a mirror that reflects conditions in the world market. This was dramatically evidenced in what was perhaps the first notable shift in the standards community in the last century - the formation of consortia, where traditional processes were traded for those that were designed for speed. This was most noticeable in the information technology and automotive industries; but in the United States and in other parts of the world, other sectors were beginning to demand global standardization that was direct, efficient, and flexible, standardization that was evolving in tandem with the world trading system.

As the role of tariffs decreased in the global marketplace, the role of standards increased. In the global marketplace, standards were now expected to act as passports to multiple markets, the means by which producers were able to satisfy ranges of regulatory requirements. And they were expected to act as technical competitive devices as well, able to imbue products with exciting new qualities and advances in technology. Producers, now newly invested in the development of these very effective market tools, began to pay more attention to the processes by which they were developed. Products with short shelf lives required a standards process that was streamlined and built for speed. Others needed unencumbered, direct participation in a global process in which they could develop high quality, cutting edge technology, market relevant standards. Still others preferred to achieve market success using a process whereby national delegations developed standards that were aligned with industrial policies. Some required a process that included a wide range of interests and geographical diversity, while others chose national or regional interests exclusively. In short, producers had discovered the value and the logic of performance-based processes for developing standards, and there was no going back. The global market and the General Agreement on Tariffs and Trade created the environment for the rise of a global standards system that was flexible and responsive to sector-specific requirements. But while the changes in the system have proved to be extremely effective, they have created unrest in those who are still invested in the more traditional - and prescriptive - methods of standardization. There is disagreement among the ranks.

The World Trade Organization/Technical Barriers to Trade Agreement, the follow-on to the General Agreement on Tariffs and Trade, is a focal point for much of the dispute. While the goal of the Technical Barriers to Trade Agreement is to liberalize trade through the fair practice of standardization, it also offers guidance and principles for governing the development of standards. It advocates the use of international standards and performance-based standards, two topics that relate directly to this summit meeting. Wisely, the Agreement does not prescribe the methodology by which standards are to be developed. It has not explicitly chosen one process over another. It is this point that is the subject of debate; questions surround its intent.

The debate inspired the U.S. domiciled standards community to examine the question of performance based standardization processes. It first noted the fundamental difference in philosophy that exists between the United States and most of the rest of the world. The American regulatory framework, for example, reflects the realities of market forces and the involvement of societal interests. Likewise, regulators are more directly

and equitably involved in the standardization process than in other parts of the world. Government use of voluntary standards and the practice of government-private collaboration in the development of standards are codified in the National Technology Transfer Advancement Act<sup>2</sup>. Three years ago, a group of regulators, industries, and standards organizations, under the aegis of the American National Standards Institute, formulated a National Standards Strategy for the United States. It espoused a liberalized world standards system that reflected a liberalized world trading system. It embraced the principles of the World Trade Organization/Technical Barriers to Trade Agreement. It states that global standardization is appropriate wherever it best serves the interests of its stakeholders. Like the Technical Barriers to Trade Agreement, it does not prescribe the methodology by which global standards are to be developed.

The global standards community is clearly in a time of transition and evolution. What has been the effect on the global market? It pragmatically selects the process and venue most appropriate and uses the standards that are most successful. It is, at times, at odds with regulatory policies that prescribe unrealistic or unworkable standards solutions. That is why this summit is so important, and this discussion so vital.

In the organization I represent, that selection process has resulted in a membership that now includes citizens from one hundred and four countries. The standards that are produced by the ASTM International process have been selected for use in more regulations in more countries than we have been able to count. We believe that it is our system of direct participation, unqualified openness, and dedication to freedom of choice that attracts our global participants. What is perhaps most important, however, is that we know that where these standards are used, the levels of health and safety are raised. We know that the quality of life is enhanced, and that the environment is more sustainable. All evidence seems to point to the conclusion that the selection process has raised the bar for excellence in all the processes. And that is a clear benefit for everyone. It is global progress.

We know that the term “global”, no matter how hopefully it is used, is not a synonym for cohesion or congruity. Upon what, then, can differing systems agree? In the standards experience, it has been the principles that underpin standardization: Openness, transparency, impartiality, and consensus, the same principles that are outlined in the Technical Barriers to Trade Agreement. They are greater than our institutions, and greater than our differences. They are beyond dispute and above the debate. Many of today’s global industrial leaders are indifferent to that debate in any case; and the next generation will most likely find it irrelevant. One day, the debate will be history. And the principles will still be there to guide us, to offer us the cohesion, congruity, and freedom of choice that we hold before us. And we will, at last, live up to our image.

Thank you for your kind attention.

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<sup>2</sup> The National Technology Transfer and Advancement Act of 1995