

Position Paper

Radio Equipment Directive (2014/53/EU): Upcoming Serious Issue for Market Access in Europe

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Bitkom represents more than 2,300 companies in the digital sector, including 1,500 direct members. With more than 700,000 employees, our members generate a domestic turnover of 140 billion Euros a year, exporting high-tech goods and services worth another 50 billion Euros. Comprising 1,000 small and medium-sized businesses as well as 300 start-ups and nearly all global players, Bitkom' members offer a wide range of software technologies, IT-services, and telecommunications or internet services. They produce hardware and consumer electronics or operate in the sectors of digital media and the network industry. 78 percent of the companies' head-quarters are located in Germany with an additional amount of 9 percent in other countries of the EU and 9 percent in the USA as well as 4 percent in other regions. Bitkom supports an innovative economic policy by focusing the modernization of the education sector and a future-oriented network policy.

Background:

Millions of radio devices and thousands of different types of radio products are placed on the European Single Market every year.

"Radio products" encompass transmitters and receivers alike for consumers and businesses. The range and volume of products is expected to increase significantly due to the overall trend of digitalization, e.g. WLAN, Bluetooth devices, TV and radio broadcast receivers, smartphones, machine to machine (M2M) communication, Internet of Things (IoT) and Industrie 4.0 (Advanced Manufacturing).

Today, radio products (transmitters and receivers) must comply with the outgoing R&TTE Directive 1999/5/EC or the new Radio Equipment Directive 2014/53/EU (RE-D) in order to be placed on the European market. From June 2017 on, RE-D must be applied without alternative.

The RE-D is an NLF (New Legislative Framework) directive, that relies for one of its conformity assessment procedures (Module A, "self-assessment"), entirely on the

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availability of Harmonized Standards, to enable manufacturers (many of them being SME's) to demonstrate conformity with the legal obligations ("essential requirements") before placing products on the Single Market.

Problem statement:

Looking towards June 2017 (the end of the transition period from the outgoing R&TTE Directive), it is absolutely certain that for many products it will be impossible for manufacturers to demonstrate conformity of radio products with RE-D on the basis of testing to Harmonized Standards and, therefore be unable to legally gain market access for their products. The reason is that key Harmonized Standards under RE-D will not be available by June 2017.

The required Harmonized Standards are not available mainly because the European Commission has issued the respective Mandate M/536 to cover the new RE-D much too late (in August 2015). This leaves less than 1.5 years for the generation of more than 200 required Harmonized Standards and has proven to be unrealistic.

As the only alternative to self-assessment against Harmonized Standards, the RE-D mandates that manufacturers use the services of a Notified Body in order to demonstrate conformity. However, because the number of Notified Bodies for the RE-D is very limited, it will not be feasible for them to cover all radio products from all manufacturers.

This shortage of capacity is likely to lead to a massive delay for shipment of innumerable wireless devices – existing device types as well as new products. The economic damage caused to vendors, retailers and customers alike could be dramatic. The use of a Notified Body to declare conformity would entail high costs for the manufacturers as well as a great amount of administrative work. The biggest damage would be caused to small or medium sized manufacturers that offer a broad range of radio products and have a comparatively small sales volume per device type. This includes many of the European-based hardware vendors. With just months until the end of the transition, many such SME's may yet be unware of the situation and unfamiliar with Notified Body procedures.

It is essential for manufactures to know the exact requirements (technical standards) when starting to design new products. The development process usually takes several months up to years followed by conformity testing. This approach ensures competitiveness in the market place and avoids disproportionate costs, especially for SME.

The way forward: Amending RE-D (2014/53/EU)

The only feasible solution to allow for the timely production and delivery of Harmonized Standards is to extend the transitional period (Article 48) of the RE-D until June 2019.

In practice, this would mean that economic operators have additional time until June 2019 during which they could still sell radio equipment in the Single Market under the previous R&TTE directive by applying existing Harmonized

¹ Calculated from August 2015 to December 2016 as the required Harmonized Standards need to be available at least half a year (usually one year) before the respective products enter into market. The technical parameters of the products, the testing procedures and documentation need to be adjusted to the new standards.



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Standards. This will also provide more time for standards organizations to complete the required Harmonized Standards at an appropriate level of quality.

As a result, standardization bodies, the European Commission, national market surveillance authorities and finally industry would have sufficient time to ensure full compliance under RE-D, thus avoiding any major disturbance in the Single Market for businesses and consumers alike.

Required change:

Article 48 (RE-D): Transitional provisions

Member States shall not impede, for the aspects covered by this Directive, the making available on the market or putting into service of radio equipment covered by this Directive which is in conformity with the relevant Union harmonisation legislation applicable before 13 June 2016 and which was placed on the market before 13 June 2019 (currently 2017).