

**ANSWERS TO THE EUROPEAN PARLIAMENT  
QUESTIONNAIRE TO THE COMMISSIONER-DESIGNATE**

**Margrethe Vestager**

**Executive Vice-President-designate for a Europe fit for the Digital Age**

**1. General competence, European commitment and personal independence**

**What aspects of your personal qualifications and experience are particularly relevant for becoming Commissioner and promoting the European general interest, particularly in the area you would be responsible for? What motivates you? How will you contribute to putting forward the strategic agenda of the Commission? How will you implement gender mainstreaming and integrate a gender perspective into all policy areas of your portfolio?**

**What guarantees of independence are you able to give the European Parliament, and how would you make sure that any past, current or future activities you carry out could not cast doubt on the performance of your duties within the Commission?**

My hearing in the European Parliament in October 2014 was an unforgettable experience - I have since described it as a 3-hour oral exam in the full syllabus and more. The hearings are important because they represent the uniqueness of what we have created together: a democratic system where voters all over Europe can vote for their preferred candidate to represent them in the European Parliament. And the assurance that those - like me - who have not been chosen by voters but appointed by their government as Members of the Commission, still have to be checked and accepted by the European Parliament.

It is now more than 30 years ago that I started in politics. I have always tried to enable other people to live their lives as they wish - in respect of others having the same chance. A society where we as individuals can pursue our dreams. A society where we, together, aim to make a better world.

I have had the privilege to work as Competition Commissioner. For me, the competition rules are not there because we think competition is a good thing in itself. The competition rules are there to make sure that the market serves the consumer/customer and to make sure that all businesses have a fair chance of success. That is one piece of the puzzle to make our society a better place to live.

That goal is also my motivation as a politician. In my experience, it is only possible to achieve your goals through teamwork - that is also true for the European part of our democracy. The Parliament, the Council and the Commission have different roles but we must work together as a team. I will aim to continue my work in the Commission with the same belief that has been part of the everyday work with competition rules for the last almost five years: to ensure that we have choices. The choice to find a better price, or a wider range of products. To seek

out better quality, whatever that means to us – whether it's a more reliable car, or a social network that protects our private data better. By doing our job –enforcing the competition rules in our Treaty – we do our bit to make Europe a fairer place to live.

I will continue to strive to fulfil the fundamental promise: that small and big are treated equally. By not being bullied, excluded or misused by the ones who have the strength and may intend to misuse their power. That we create opportunities to see ideas grow and come to life. That we create prosperity and the possibility for people to fulfil their dreams.

The willingness to work together is built on proud, profound and visionary ambitions. We built the European Union on the ashes of two World Wars. We have shown to the world that we created something that is not out of a textbook, nor a copy of something else. To create a Europe where we can live in peace and in relative prosperity. Our commitment to the values that built our Europe, values like freedom and fairness and democracy, gives us the solid foundation that should be reflected in all our decisions and on our strategic agenda: To strive for a better society for all of us and to place Europe in the heart of the action.

As Commissioner in charge of competition, diversity in my teams and in decision-making has always been at the top of my priorities. This will continue to be the case. I will remain committed to improving gender balance and to implementing gender mainstreaming using all the tools at my disposal in all the areas where I am responsible.

I admire and respect the foundations on which we have built Europe: the fundamental respect for our democratic authorities and institutions, the Rule of law, equal treatment, proportionality and prosperity. I commit to comply with the highest ethical standards and the obligations set out in Articles 17.3, 245 and 339 TFEU and the Code of Conduct for Commissioners. I will neither seek nor take instructions from any external institution or entity. My aim is to consider all interests at stake, irrespective of any national, regional, professional or personal origin. My declaration of interest is complete and accessible to the public and will be updated should there be changes.

For me, independence is non-negotiable. I will avoid any situation where my impartiality and independence could be questioned. I will inform the President of the Commission of any situation which might involve a conflict of interest.

## **2. Management of the portfolio and cooperation with the European Parliament**

**How would you assess your role as a Member of the College of Commissioners? In what respect would you consider yourself responsible and accountable to the Parliament for your actions and for those of your departments?**

**What specific commitments are you prepared to make in terms of enhanced transparency, increased cooperation and effective follow-up to Parliament's positions and requests for legislative initiatives? In relation to planned initiatives or ongoing procedures, are you ready to provide Parliament with information and documents on an equal footing with the Council?**

Life has taught me the value of listening. I think there's a reason why we as humans have been provided with two ears and one mouth - we should listen more than we talk. Because it is important to listen in order to have a dialogue. Especially if you do not agree. Dialogue in politics is a path for decisions. For consensus. To seek to find common ground and solutions where everyone can see themselves reflected. Democracy means being able to express your opinions. But democracy also means listening to others express their opinions.

In May, we heard the voices of many European voters. More than half of all European voters. A high point that we had not reached since 1994. We have to show the voters that we can work to meet their expectations. If we choose to work together, we can create a better Europe and a stronger world. We need a European leadership that reflects Europe. With the next Commission, we will deliver on the principle that women and men should be represented equally when it comes to European leadership.

I will take responsibility and be accountable for the decisions made in the Commission as a College. Most importantly, I will do so with respect for the citizens in Europe. I have already had the pleasure of visiting all Member States, but look forward to revisiting them and also to visit more than the capitals.

If confirmed, I will act in full cooperation with the other Members of the Commission and the working methods established by the President-elect. In relation to the Commission services under my responsibility, I wish to establish a relationship of mutual trust and transparency.

There are so many things still to be done and we need to further develop our political visions so we can contribute and work for a better Europe. A Europe fit for the Digital age. A Europe that makes markets work better for consumers and businesses.

We will need to focus on the effective application and enforcement of EU law, at national, regional and local level to ensure the day-to-day functioning of an internal market without barriers.

Competition will be central to what we want to create both in and for Europe. Competition policy is key to success for our agenda for creating jobs, growth and investments - and the best solutions for fighting climate change. This must be reflected in our long-term strategies for our industry and for our SMEs. This will have to be part of how we approach Artificial Intelligence and upgrade our liability and safety rules for digital platforms, services and products. This will be necessary if we want create a resilient and forward-looking new green deal and a climate change policy.

I commit to openness, fairness and to a level playing field. For citizens and society. Where technology and digitisation are to the benefit of us as consumers and citizens. As humans.

I will work closely together and engage in open, structured dialogue with the European Parliament. I believe in being transparent about policy rationale, economic background and overall thinking behind our rules and our decisions. I will also ensure that the European Parliament is regularly briefed, notably before major events and at key stages of international negotiations in areas under my responsibility.

President-elect von der Leyen supports a right of initiative for the European Parliament. She committed that her Commission will follow-up on Parliamentary resolutions adopted by a

majority of its members with a legislative act, in full respect of proportionality, subsidiarity and better law-making principles. I fully subscribe to this objective and will make sure that in my areas of responsibility, the Commission responds to parliamentary resolutions or requests made on the basis of Article 225 TFEU, within 3 months of their adoption.

## **Questions from the Committee on Industry, Research and Energy (ITRE):**

### **First Question**

**1. What are the main policy priorities you intend to pursue within the part of your portfolio that falls within the remit of the ITRE Committee, namely Digital Economy and Society, Industry, SMEs, Defence Industry and Space? What are the specific legislative and non-legislative initiatives, including financial instruments, you envisage for achieving those priorities? What specific measures do you envisage in the context of the new long-term strategy for Europe's industrial future and the new SME strategy, as referred to in your mission letter? What action do you envisage with regard to a new Digital Services Act and legislation on Artificial Intelligence within the first 100 days? What would be the main content and timetable for all your initiatives? How will they fit in with the European Green Deal and the 2050 climate-neutrality target referred to in the political guidelines for the next European Commission? How will you concretely apply the 'One In, One Out' principle in relation to the legislative proposals on Artificial Intelligence and a new Digital Services Act? Furthermore, how will you ensure full and effective implementation of existing legislation within your portfolio? What concrete means and measures will you apply to ensure implementation and enforcement of the EU acquis by the Member States?**

### *General policy objectives*

My main priority as regards a Europe fit for the Digital age is to ensure that technological progress and digital transformation serve citizens and respond to society's needs. This means we need to shape the digital transformation to ensure that everybody can benefit – society, consumer and businesses, and that new technologies serve our values. We need to strengthen Europe's digital leadership, catching up where needed and moving first on new technologies. And we need to recognise that there are only two types of business: those that are already digital and those that soon will be. So this is truly a horizontal task.

For Europe to remain a global industrial leader, industry will not only have to accelerate its digital transformation but also its transition towards a climate-neutral economy. I see three main principles underpinning an industrial policy: It should be green, for all and based on fair competition. Industrial policy should foster the right environment to support European businesses of all sizes to develop or strengthen their global leadership in clean technologies, building towards a sustainable economy. The greening of the economy will be a major challenge as well as an opportunity to develop innovative products and production processes, and the circular economy.

European businesses are very diverse. Some are big. Many are small. Some are young, dynamic start-ups, whilst others have a long history, successfully developed over decades. With access to a large integrated market of half a billion consumers, all these firms can grow and scale up across borders.

Ensuring a fully functioning Single Market will therefore be a major priority, and this will also include developing a new SME strategy to tackle the specific challenges faced by SMEs. Single Market rules may need to be reviewed and adjusted to ensure that they also remain fit for a digital age. More targeted measures to support strategic technologies and value chains may be required, grounded on principles of openness, knowledge dissemination and focusing on areas where support is required.

Ensuring a global playing field in terms of competition is of the utmost importance, in particular when our competitors are not subject to the same rules as regards State subsidies. This is why I will work on developing the appropriate tools to guarantee fair competition both in the Single Market and at the global level.

I am also committed to ensuring synergies and cross-fertilisation between civil and military sectors, notably between civil, defence and space industry. Space and defence are both of strategic importance for Europe's future, and are important economic sectors in their own right. Here too, my immediate priority will be to work with the Commissioner for Internal Market to conclude the negotiations on the European Defence Fund and on the Space programme under the next Multiannual Financial Framework as soon as possible.

In all these areas, and beyond the finalisation of the Multiannual Financial Framework negotiations, my prime focus will be on delivering the initiatives set out in the Political Guidelines and in my Mission Letter, as I will explain further below.

### ***New long-term strategy for Europe's industrial future and the new SME strategy***

A key task for me will be to develop a long-term strategy for Europe's industrial future. I will lead on this together with the Executive Vice-President for an Economy that works for people. A thriving industry is essential for the Union's long-term prosperity and competitiveness. For the Union to strengthen its economic leadership at the global level, our industry will have to participate in the transition caused by globalisation, digitisation and the transition to a climate neutral and sustainable economy. At the same time, our industry should contribute to shaping these developments by creating new products and services, and by supporting our European social model. These challenges call for increased investments in research and innovation, including in innovative digital technologies and their application.

I am convinced that our industrial strategy should mobilise the EU toolbox to support the development of key value chains and technologies that are of strategic importance for Europe. These should be selected on the basis of objective criteria, i.e. because they contribute to technological sovereignty or because of their enabling character for a wide range of industries throughout Europe. They should be open, truly European, innovative and lead to widespread knowledge dissemination. Our role should be to identify where support is required in these strategic value chains and address them in partnership with Member States and all relevant stakeholders.

Deepening and modernising our Single Market should also be a priority. The Single Market is a key asset for industry, promoting its growth and stimulating innovation. It offers access to a large, integrated market underpinned by a single set of rules. By providing a safe space to experiment and innovate, it allows businesses to grow and scale up. We need to ensure that the Single Market remains relevant. One of my key tasks will be to work on removing new and remaining barriers while also adjusting legislation to the changes brought by digitisation.

SMEs are the backbone of the European economy. They face specific challenges when trying to increase their operations across Europe. Although SMEs are an important source of innovation, they often encounter difficulties in accessing the necessary financing. In addition, they can struggle to identify and comply with all the European and national regulatory and administrative rules when trying to expand across borders. Similarly, European start-ups and SMEs need help to make full use of the opportunities that EU trade agreements provide.

To ensure that we have a comprehensive approach to addressing the different barriers that SMEs continue to face, such as access to finance, access to markets or administrative burden, I will lead the work on a dedicated SME strategy together with the Executive Vice-President for an Economy that works for people, covering a wide range of measures in all relevant policy areas. For example, we will need to examine the role of public procurement in supporting the growth of SMEs.

### ***Digital Services Act***

Digital services are present in all parts of the economy and have become an increasingly common element of European citizens' every-day life. The Digital Services Act will aim at ensuring that digital platforms and the services they offer are there to serve citizens rather than the other way around, and that a strong ecosystem of digital players, including from Europe, can develop and thrive in all sectors of the economy. To achieve these ambitious objectives, any legislative initiative in this sector, including the Digital Services Act, would need to address complex issues. These include upgrading our liability and safety rules for digital platforms, services and products, the treatment of so-called 'platform workers', as well as the role of certain platforms as gatekeepers for users and for businesses in a number of key sectors of the digital economy.

Given the complexity of the issues at stake, a wide and thorough consultation of all stakeholders would be required. Any legislative initiative in this area will therefore follow a robust evidence-based analysis and an inclusive stakeholder dialogue. We will look carefully at its impact across the board and make sure that our new rules are targeted, proportionate and easy to comply with, without creating any unnecessary red tape.

### ***Artificial Intelligence***

Artificial intelligence can serve us in many sectors of the economy, such as health, transport, communication and education. It can enable a wide-scale automation of decisions and processes that has an enormous potential to increase quality, efficiency and productivity. It will impact many aspects of our lives, from self-driving cars to improved medical procedures. At the same time, this technology, which is based on self-learning and self-improving algorithms, can raise many policy issues, for instance issues such as accountability or social acceptance. In this context, the President-elect entrusted me with the responsibility to coordinate work on a European approach on Artificial Intelligence, including its human and ethical implications. This effort will feed into the broader work stream on industrial policy and technological sovereignty, as we must ensure that European citizens and companies can reap the benefits of this technology as well as shape its development. Our work will also build on the existing policy achievements, in particular the ethical guidelines that were adopted in June 2019. Their application is currently being tested.

It is therefore our intention in the first 100 days of the new Commission to put forward proposals developing the European approach for Artificial Intelligence.

Our objective is to promote the use of Artificial Intelligence applications. We must ensure that its deployment in products and services is undertaken in full respect of fundamental rights, and functions in a trustworthy manner (lawful, ethical and robust) across the Single Market. This approach must provide regulatory clarity, inspire confidence and trust, and incentivise investment in European industry. It should improve the development and uptake of Artificial Intelligence in the EU while protecting Europe’s innovation capacity. As part of our approach to an overall framework for Artificial Intelligence we will also review the existing safety and liability legislation applicable to products and services. This will ensure in particular that consumers benefit from the same levels of protection independently of whether they are using traditional products or smart, digitally-enabled products (e.g. smart fridge, smart watches, voice-controlled virtual assistants).

Given the complexity of the issues at stake, a wide and thorough consultation of all stakeholders, including those who have participated in the pilot on implementing the ethics guidelines developed by the high-level expert group, would be required. We will look carefully at its impact across the board and make sure that our new rules are targeted, proportionate and easy to comply with, without creating any unnecessary red tape.

### ***Links with the European Green Deal and 2050 climate-neutrality target***

Our European industrial strategy must complement the transition to a climate-neutral and sustainable economy. Stimulating the use of Artificial Intelligence, for instance, can make an important contribution toward a climate-neutral economy by improving our energy storage, by increasing the energy efficiency of products and services, or by optimising the selection of suitable sites for renewable energy production. In this way, the new industry strategy will contribute to the objectives of the European Green Deal.

### ***One in, one out principle***

EU legislation can achieve objectives and deliver benefits that Member States acting separately cannot do. However, to achieve its objectives, EU legislation can lead to burdens on final beneficiaries or users. The ‘One In, One Out’ principle will alleviate these burdens: every legislative proposal creating new burdens should relieve people and businesses of equivalent existing burdens at EU level in the same policy area.

The ‘One In, One Out’ principle will be applied by looking at an entire policy area. This will ensure that we achieve our overarching policy objectives efficiently and with minimum burden and that the Commission has the leeway to act where needed.

The new instrument to support the implementation of the ‘One In, One Out’ principle will be developed by the Vice-President for Inter-institutional Relations and Foresight.

### ***Implementation and enforcement***

The Single Market provides huge opportunities for citizens and businesses as well as a greater choice and lower prices for consumers. However, these benefits can only be realised if Single Market rules are properly implemented, applied and enforced. Uneven enforcement of EU rules undermines the level playing field for businesses on our Single Market. In addition, non-compliance with Single Market rules puts the health and safety of consumers at risk of harm.

In light of its role as guardian of the Treaties, it is the responsibility of the Commission to ensure that Member States implement and enforce Union rules properly. This is one of the core functions of the Commission and a major priority for me. The smooth functioning of the Single Market is a shared goal and responsibility of the Commission and Member States.

My activities in this area will therefore focus on further developing and strengthening the partnership with Member States. Starting with the implementation of EU legislation, I will want to hear from Member States how the Commission can further support them in their work. As regards enforcement, I will mobilise all existing tools to improve cooperation between national authorities. I will also look at how we can further support the capacity and competence of national authorities to step up enforcement in order to tackle persistent problems, such as the import of non-compliant products. This will build on the implementation of recent legislative initiatives, such as the reform of the market surveillance framework for products, and previous initiatives to facilitate administrative cooperation, exchange of information and joint enforcement actions, for example in the area of consumer protection.

## **Second Question**

**As Executive Vice-President for a Europe Fit for Digital Age, how will you and your services ensure efficient coordination with the Commissioners whose policy areas have an impact on, or are affected by your work, in particular the Commissioner for Internal Market and the Commissioner for Innovation and Youth? In your capacity as the Member of the European Commission responsible for competition, how do you envisage the role of competition policy in relation to the future European industrial strategy? How will you personally ensure the good quality of legislative proposals, full transparency of lobbying activities (directed at you and your services), and consistent and balanced consultation of all stakeholders taking also into account the need to carry out thorough impact assessments, in particular concerning the impact of all proposed legislation on SMEs?**

### *Coordination with Commissioners*

As Executive Vice-President-designate for a Europe Fit for Digital Age, I will lead a Commissioners' Group to steer the work on this priority and to ensure that all aspects of the policy are fully taken into account. To deliver on the key initiatives set out in the Political Guidelines, I will work particularly closely with the Commissioner for Internal Market and the Commissioner for Innovation and Youth, with the aim of building a genuine partnership based on an open, inclusive and cooperative way of working. Regular meetings of the Commissioner's Group and meetings of the Executive Vice-President with Commissioners and the senior management of their relevant Commission services (Jour Fixes and Strategic Jour Fixes) will help take stock of our progress and ensure that we are collectively working towards the same objectives.

With the help of inter-service groups, the same level of partnership and cooperation will be ensured at the technical level, drawing on the expertise and creativity of Commission services.

### **Role of competition policy in relation to the future European industrial strategy**

Competition policy is a cornerstone of the Single Market. It ensures that businesses can compete on equal terms in the Single Market and that, consequently, European consumers

benefit from low prices and a greater choice of better quality and more innovative products and services. Fair competition is also a major driver of companies' competitiveness, making sure that companies have incentives to innovate and invest, and therefore remain competitive globally. The competition rules do not stand in the way of European companies expanding and succeeding on global markets. Competition policy and industrial policy therefore go hand in hand.

That said, it is crucial to ensure that competition rules are up to date with respect to market and technological developments.

As a matter of fact, during my current mandate I have already launched the review of the competition rules that apply to horizontal cooperation agreements (the so-called 'horizontal block-exemption Regulation' and the guidelines for the assessment of horizontal cooperation agreements) and to vertical agreements (the so-called 'vertical block exemption Regulation' and the guidelines for the assessment of vertical restraints). In State aid, the Commission is currently evaluating most of its guidelines to determine whether they continue to be fit for purpose (the 'fitness checks'). Once we have the findings of the fitness checks, we will have a basis for consideration of potential future review of the rules.

More generally, during my current mandate, I launched a reflection process on the suitability of the EU competition rules in the digital era, which culminated with a conference here in Brussels in January and a report drafted by three Special Advisers on digitisation and competition that was published in April 2019. The report includes several suggestions on how to shape the enforcement of the competition rules in the next mandate.

For example, with specific respect to merger control, the Special Advisers suggested that it is too early to change the EU merger notification thresholds to tackle the issue of so-called 'killer acquisitions', by adding thresholds based on the value of a transaction. In this respect, I am convinced that our merger enforcement must capture all mergers that can harm competition across borders in the Single Market. It will therefore be one of my priorities to examine whether the current merger rules allow us to sufficiently catch all important deals that can have this effect.

To conclude, it will continue to be my utmost priority to ensure that the competition rules remain fit for purpose, in particular in a digital economy.

### **Quality of legislative proposals, transparency of lobbying activities, stakeholder consultation**

I firmly believe that a thorough consultation of all key stakeholders, including, but not only, SMEs, is key to ensure the good quality of any legislative proposal. This is even more the case when such proposals have to address very complex issues, such as those revolving around digital services and Artificial Intelligence. In other words, in my view, quality of legislation and stakeholder consultation go hand-in-hand. Appropriate stakeholder consultation will therefore be key to inform the content of any legislative proposal I will put forward.

As regards transparency of lobbying activities, consistent with what I have done in my current mandate as Commissioner for Competition, I will continue to publish any meeting, which does not concern ongoing cases, that my staff or I will have with stakeholders in the Commission's Transparency Register.

### **Third Question**

**How will you and your services ensure enhanced cooperation with the ITRE Committee? Do you intend to appear regularly in the ITRE Committee meetings in the context of the structured dialogue? What concrete steps will you take to ensure that the ITRE Committee is given in a timely and proactive manner the same information, as Council and Member States, with respect to planned legislative initiatives or other major initiatives? How will you facilitate scrutiny by the ITRE Committee of legislative and non-legislative procedures, providing at an early stage all necessary information concerning the preparation of legislative acts, delegated and implementing acts, and facilitate monitoring of their implementation? How do you intend to ensure that ITRE is kept appropriately informed and involved in relation to any international agreements in your policy area?**

#### ***Cooperation with ITRE***

The European part of our democracy is based on mutual trust and openness. This is fundamental if the Parliament is to exercise its democratic oversight effectively. In this spirit, I commit to engage in a constructive and regular dialogue with the European Parliament.

I intend to develop a very close working relationship with the European Parliament and its committees, including with the Committee on Industry, Transport and Energy. I will attend Committee meetings regularly and ensure a frequent and direct flow of information. I am available for informal discussions and bilateral contacts with your Members.

This close cooperation is very important to me. If confirmed, one of my immediate priorities will be to steer, together with the Executive Vice-President for an Economy that works for people, the work on a long-term strategy for Europe's industrial future. I will need your support for this major initiative of the new Commission. I also hope to benefit from the valuable input and contribution of the Parliament on all the issues that I have outlined earlier.

#### ***International agreements***

For agreements falling under my responsibility, I commit to ensure that the Parliament is kept fully informed, at all stages of the negotiations. This includes:

- sharing with the Parliament all draft negotiating directives that are recommended to the Council;
- regular briefings to the European Parliament before major events and at key stages on international negotiations;
- sharing with the European Parliament, the text of international agreements at the end of the negotiations, as initialled by the Chief Negotiators;

However, the precise modalities for ensuring the confidentiality of such information, where it is sensitive and/or classified, will need to be worked out, including the appropriate steps to be undertaken in the event of unwarranted disclosure of the documents themselves or their content, also taking into account the Framework Agreement on relations between the European Parliament and the Commission.

## Questions from the Committee on Internal Market:

### First Question

**Following the actions pursued in the context of the 2015 DSM Strategy, what will be now the most important strategic actions necessary to complete the Digital Single Market for consumers and businesses? What action will you take to ensure that existing and future regulatory initiatives promote economic opportunities and digital innovation, while ensuring all citizens benefit from digitisation? How do you plan to work with other Commissioners to ensure a coherent approach to policy making so that Europe is fit for the Digital Age?**

#### *Strategic actions to complete Digital Single Market*

The current Commission has laid strong foundations for a Europe fit for the digital age with the measures adopted under the Digital Single Market strategy. Enforcing these rules will be essential over the coming years, so that they become a reality for citizens and businesses. Markets and technologies continue to evolve. We need to make sure that Europe plays a leading role in shaping the digital world of the future. In this way, we will also be able to ensure that European values will be respected, consumers protected and businesses flourish. Europe has no lack of innovative digital business ideas but only a few of our innovative European companies grow and expand in Europe or shape these emerging global markets. Artificial intelligence is likely to play a crucial role in these developments, and the President-elect has entrusted me to coordinate the work on a European approach in this area. Artificial intelligence is rapidly turning into one of the most important technologies of the 21st century. New opportunities are emerging across all sectors of the economy, be it health, mobility, industry, finance or agriculture. This holds major potential for Europe's future competitiveness and growth. To reap those benefits, we need coordinated action across Europe to increase investment, make more data available, foster talent and ensure trust.

I am convinced that the Single Market is our crown jewel. The free movement of goods, services, people and capital offers a wealth of opportunities for both people and businesses. We can no longer afford the traditional distinction between 'brick-and-mortar' markets and the digital industry. On the contrary, we have to use all available tools to bring our economy and society into the 21<sup>st</sup> century. One of the priorities in this context will be the new Digital Services Act, which aims to upgrade our rules for online platforms, services and products. Finally, the EU should ensure an inclusive digital transformation that benefits everyone. We need to step up efforts across the EU to ensure appropriate, high quality connectivity infrastructure. We also need to address any potential labour market disruption. Investment in skills, in particular digital skills, will be paramount to address the widening skills gap in society. Digitisation is massively increasing the demand for ICT specialists in the labour market. But that alone is not enough: we will also need to boost basic skills amongst the work force and population at large. Digital literacy has to be a foundation for everyone.

#### *Coordination with other Commissioners to ensure coherent digital policy*

As Executive Vice-President-designate for a Europe Fit for Digital Age, I will lead a Commissioners' Group to steer the work on this priority and ensure that all policy dimensions are fully taken into account. In order to deliver on the key initiatives set out in the Political Guidelines, I will work particularly closely with the Commissioner for Internal Market and the Commissioner for Innovation and Youth, with the aim to build a genuine partnership

based on an open, inclusive and cooperative way of working. Regular meetings of the Commissioners' Group and Jour Fixes will help take stock of our progress and ensure that we are collectively working towards the same objectives.

With the help of inter-service groups, the same level of partnership and cooperation will be ensured at the technical level, drawing on the talent, expertise and creativity of relevant Commission services.

## Second Question

**The Digital Revolution has changed the way we do business, exchange goods and services or interact socially, bringing several new challenges for policy makers. During the last mandate, many steps forward were taken to complete the digital single market, but there are still many gaps that need to be addressed. In this sense, digital services are fundamental to the prosperity and competitiveness of European service providers, as well as to the well-being of consumers. Commission President-Elect Ursula von der Leyen thus announced a new Digital Services Act, which could be an additional step forward to the consolidation of the digital single market. Which existing regulations do you see as fundamental for the DSM and will you propose to preserve and enforce the protection of fundamental rights, the single market freedoms in the DSM, ensure fairness and transparency, create a level playing field for all digital companies and the protection of consumers, as well as accountability? Will this new Act include a revision of the e-Commerce Directive, and specifically in the area of intermediaries' liability?**

The digital and industrial transformation of the EU economy will require substantial public and private investments in research and innovation, up-to-date and secure infrastructure and deployment of new technologies. Many of the EU funding programmes under the next Multiannual Financial Framework, such as Horizon Europe, the Digital Europe Programme and InvestEU, will help step up investments in strategic areas, such as research, digitisation and transition to a climate-neutral economy. I will work with my colleague Commissioners in charge of these programmes to help conclude the negotiations in the European Parliament and in Council as swiftly as possible.

Digital services are present in all parts of the economy and have become an increasingly common element of European citizens' every-day life. The Digital Services Act will aim at ensuring that digital platforms and the services they offer are there to serve citizens rather than the other way around, and that a strong ecosystem of digital players, including from Europe, can develop and thrive in all sectors of the economy. To achieve these ambitious objectives, any legislative initiative in this sector, including the Digital Services Act, would need to address complex issues. These include, amongst others, upgrading our liability and safety rules for digital platforms, services and products, the treatment of so-called 'platform workers', as well as the role of certain platforms as gatekeepers for users and for businesses in a number of key sectors of the digital economy.

Given the complexity of the issues at stake, a wide and thorough consultation of all stakeholders would be required. Any legislative initiative in this area will therefore follow a robust evidence-based analysis and an inclusive stakeholder dialogue. We will look carefully at its impact across the board and make sure that our new rules are targeted, proportionate and easy to comply with, without creating any unnecessary red tape.

### **Third Question**

**New developments in the digital sphere create economic opportunities but also consumer-protection challenges. In the context of a new AI regulatory framework for AI-enabled goods and services, what action will you take to promote the global competitiveness of European businesses and to increase regulatory clarity for them and supervisory bodies, while ensuring a high level of consumer protection, in particular ensuring that machine-learning algorithms are transparent and explainable, use high-quality data, and do not expose consumers to discrimination or unfair commercial practices?**

Artificial intelligence can serve us in several sectors of the economy, including health, transport and education by enabling a wide-scale automation of decisions and processes that has an enormous potential to increase quality, efficiency and productivity across all economic sectors. It will impact many aspects of our lives, from self-driving cars to improved medical procedures. At the same time, this technology, which is based on self-learning and self-improving algorithms, can raise many policy issues, for instance issues such as accountability or social acceptance. In this context, the President-elect entrusted me with the responsibility to coordinate work on a European approach on Artificial Intelligence, including its human and ethical implications. This effort will feed into the broader work stream on industrial policy and technological sovereignty, as we must ensure that European citizens and companies can reap the benefits of this technology as well as shape its development. Our work will also build on the existing policy achievements, in particular the ethical guidelines that we adopted in June 2019, and which are currently being implemented by a number of stakeholders as part of a pilot project.

It is therefore our intention in the first 100 days of the new Commission to put forward proposals developing the European approach for Artificial Intelligence.

Our objective is to ensure and promote the deployment of Artificial Intelligence applications and of concrete uses cases for this technology, as well as to ensure that its deployment in products and services is undertaken in full respect of fundamental rights, and functions in a trustworthy manner (lawful, ethical and robust) across the Single Market. This approach must provide regulatory clarity, inspire confidence and trust, and incentivise investment in European industry. It should improve the development and uptake of Artificial Intelligence in the EU while protecting Europe's innovation capacity. As part of our approach to an overall framework for Artificial Intelligence we will also review the existing safety and liability legislation applicable to products and services. This will ensure in particular that consumers benefit from the same levels of protection independently of whether they are using traditional products or smart, digitally-enabled products (e.g. smart fridge, smart watches, voice-controlled virtual assistants).

Given the complexity of the issues at stake, a wide and thorough consultation of all stakeholders, including those who have participated in the pilot on implementing the ethics guidelines developed by the high-level expert group, would be required. We will look carefully at its impact across the board and make sure that our new rules are targeted, proportionate and easy to comply with, without creating any unnecessary red tape.

### **Questions from the Committee on Economic and Monetary Affairs:**

#### **First Question**

**How will you ensure a clear separation between the two key elements of your portfolio, competition and digital? How do you want to manage possible trade-offs between competition and digital strategy design and ultimately make EU competition rules fit for purpose for the digital age? In view of latest developments, do you plan to update the concept of “relevant market” as necessary to access the existence of relevant dominant positions?**

*Clear separation between different elements of the portfolio*

The credibility of the enforcement of EU competition law relies on independent and impartial handling of individual cases, in full respect of the integrity and confidentiality of the investigations.

That is why, the Commission’s decision-making process in individual cases features a number of internal checks and balances, including an independent Chief Economist and the Legal Service, together with the collegiality of the Commission’s decision-making. These are precisely aimed at ensuring the independence and impartiality of the Commission’s decision-making process. And we should not forget the role of the European Courts, whose task is to ensure the legality – on substance and process – of decisions adopted by the Commission in the field of competition law.

As I have said repeatedly, independence in our casework is simply non-negotiable.

In keeping with the oath I swore when I took office in 2014, I will continue enforcing the law without fear or favour, and remain committed to the principles of fairness, good administration, transparency and due process.

*Possible trade-offs between different elements of the portfolio*

That said, competition policy is part of the overall Commission’s broader objectives and should help achieving them.

Competition rules and enforcement cannot tackle all the challenges of the digital transformation. Regulation and competition enforcement must work hand-in-hand, complement and reinforce each other. Competition enforcement has triggered and complemented regulatory initiatives in many fields in the past and it is essential that regulatory proposals are informed by sound competition policy. But each of the tools has its role to play. When we detect systemic problems with the functioning of our markets or when the root of the problem is not flawed competition, regulation is a better solution.

It is for this reason that I see no trade-offs between the two legs of my portfolio, but rather synergies: it will allow me to use the insights and general market knowledge acquired under the competition portfolio when designing regulatory initiatives in digital matters.

*EU competition rules fit for the digital age*

There is a widespread climate of reflection on competition in the digital economy around the world.

When the President-elect asked me, in my Mission Letter, to take responsibility for making Europe fit for the Digital age as well as continuing my work on competition, she stressed that

we must focus on making markets work better for society, consumers and business. She also stressed that we must support industry to adapt to globalisation and to the transition caused by globalisation, digitisation and the transition to a climate neutral and sustainable economy.

During my mandate as the Commissioner for Competition, I have learned a lot about what we can and cannot do with the competition rules. Recognising the particular challenges that digitisation presents to our economy and society, I reached out to experts in this field, three independent Special Advisers, to advise the Commission on what is needed to enforce our competition rules in the digital age. They drafted a report, which was published in April 2019. It includes several suggestions on how to shape the enforcement of the competition rules in the next mandate.

I am committed to work across the Commission services to make a Europe fit for a Digital Age. I will also examine the practical aspects of our enforcement, including aspects such as market definition, and will evaluate and review our rules to ensure that our competition policy and rules continue to keep markets efficient, thereby contributing to a strong European industry at home and in the world. By working with my colleagues across the Commission, and by building on my experience in competition enforcement, I will help to ensure that the European Commission remains at the forefront of enforcement and regulation in digital and tech markets

## **Second Question**

**Could you specify your priorities regarding the digital tax agenda and especially in view of the on-going International Tax Reform led by the G20? In particular, do you intend to implement a fair European digital tax agenda regardless of the outcome of the on-going negotiations? Will you update State aid rules and guidelines to reflect existing and emerging aggressive tax planning practices and to align them better to the Paris Commitments?**

### ***Digital taxation***

I believe that we need to shape digitisation in a way that meets the needs of Europe's economy and our society. One important part of this is that all companies, big or small, traditional or digital, pay their fair share of tax. For this, we need fair international taxation laws.

The current international corporate tax framework is out of step with the realities of the modern economy. It is too complex and does not ensure that profits are taxed where they are generated. Analysis has also shown that on average digital companies face a tax rate of just 9 percent compared with 23 percent for traditional business. This distorts competition between traditional and digital businesses, and calls into question the sustainability of Member States' tax bases and the fairness of tax systems.

Therefore, we should continue to lead international efforts to find an agreed approach on digital taxation at the level of the G20 and the Organisation for Economic Co-operation and Development. The proposal the Commission put forward in March 2018 on digital taxation already helped to spur further progress at international level. The global solution we seek must enable the effective taxation of the digital economy. It should also be simple to administer and provide certainty for businesses, be compatible with the rules of the Single Market, and bring benefits to the EU and its Member States.

The next months will be crucial to make progress. If an effective global agreement is reached, this will require coordinated implementation in the EU in order to reduce compliance costs and increase tax certainty for businesses. If no effective agreement can be reached by the end of 2020, the EU should be willing to act alone. We will need a solution at EU level that responds to the challenges of the digital economy, brings benefits to the EU and enables us to find an agreement between Member States. This becomes especially pressing, also to preserve the Single Market, since several Member States are taking steps to address these challenges.

### *State aid rules and guidelines*

As regards aggressive tax planning, there are various ways in which we give guidance, and I will continue to do so. As a result of its case work, the Commission has taken eight decisions explaining aggressive tax planning practices in detail, and why they were considered to be illegal State aid or not. In 2016, the Commission gave guidance to Member States and businesses on how tax planning practices could breach EU State aid rules, in the Notice on the notion of State aid, and in the Working Paper on State aid and tax rulings. Based on this guidance, a number of Member States have taken measures to amend their legislative framework or tax ruling practice to avoid the granting of illegal State aid.

At the moment, a number of formal investigations are ongoing, and some of our decisions are being scrutinised by the Court. The judgments already handed down by the General Court have confirmed that, while Member States have exclusive competence in determining their laws concerning direct taxation, they must do so in respect of EU law, including State aid rules. Furthermore, the judgments also confirmed the Commission's approach to selectivity and to assess whether transactions between group companies give rise to an advantage under EU State aid rules based on the so-called 'arm's length principle'. At the same time, each case has its own specificities.

All this implies that we still need to develop more practice before being able to consolidate the acquired experience in a more formal way. In the meantime, it will continue to be a main priority for me to look into aggressive tax planning measures under EU State aid rules to assess if they result in illegal State aid.

I will work with my fellow Commissioners to tackle the important challenges posed by climate transition. Current State aid rules, especially the guidelines on State aid for environmental protection and energy, and the corresponding parts of the General Block Exemption Regulation, already give Member States many possibilities to support measures for the protection of the environment and the reduction of CO<sub>2</sub> emissions in line with the Paris Agreement. As announced early in 2019, the Commission has launched a 'fitness check', by which we evaluate most of our guidelines to determine whether they continue to be fit for purpose (the 'fitness checks'). Once we have the findings of the fitness checks, those findings will serve as a basis for considerations of potential future review of the rules. Any possible revision of relevant State aid rules would of course take place against the background of the climate policy ambitions expressed in the Commission's upcoming Green Deal Communication.

### **Third Question**

**Competition policy needs to benefit the consumer and therefore ensure that the cost of sanctions for infringements are not ultimately borne by citizens. Instead of fines only,**

**would it be appropriate to have structural remedies such as for example divestitures, transfers of tangible and intangible assets or know-how transfers?**

Fines serve an important goal of deterring companies from infringing the competition rules. But fines are not the only tool that we use to remedy competition concerns. We have the power to impose both structural and behavioural remedies that are necessary to bring an antitrust infringement effectively to an end or to clear a merger. Structural remedies can be imposed in antitrust cases where they are necessary to avoid a lasting or repeated infringement that derives from the structure of the firm. Although we have so far not used that power in antitrust prohibition cases, we have a lot of experience with antitrust commitment cases and in merger procedures. This notably includes remedies involving transfers of businesses but also technology transfers or obligations to ensure the interoperability of products or services. Our experience in this area would certainly be useful and instrumental when designing appropriate remedies in the antitrust area.

I would also like to recall an important recent development in competition policy, which is the implementation of the Damages Directive in all Member States in 2018. The Damages Directive removed obstacles for victims of anticompetitive behaviour of companies to claiming damages for their loss.