BRIEFING

Commissioners-designate hearings September - November 2019



Commitments made at the hearing of

THIERRY BRETON

Commissioner-designate Internal Market



The commissioner-designate, Thierry Breton, appeared before the European Parliament on 14 November 2019 to answer questions put by MEPs from the Committees on Industry, research and energy (ITRE) and Internal market and consumer protection (IMCO). During the hearing, he made a number of commitments which are highlighted in this document. These commitments refer to his portfolio, as described in the <u>mission letter</u> sent to him by Ursula von der Leyen, President-elect of the European Commission, including:

- The digital economy and society;
- A future-ready European industry and single market; and
- Defence industry and space.

Please note that the quotes included in this document only make reference to oral commitments made during the <u>hearing</u>. The <u>verbatim report</u> of the public hearing is available on the <u>Commissioner-designate hearings website</u>. The Commissioner-designate was also sent some written questions in advance of the hearing to which he provided <u>written answers</u>.



The digital economy and society

Enhancing Europe's technological sovereignty

"There is an urgent need to prepare tomorrow's growth by investing today in the critical technologies of the future. I'm thinking of 5G, of course, but you also have to start preparing for 6G, artificial intelligence, the cloud and already the post-cloud, edge computing, the internet of things, cybersecurity of course, the blockchain [...]. And then, it will not surprise those who know me, for quantum technologies."

"In terms of strategic sovereignty, we must, with Mariya Gabriel, accelerate the development of a European Innovation Council, which is a kind of European DARPA, which we need on our continent."

"We will have to reinvest massively in key technologies. They will concern, obviously, all that pertains to industrial property, but also cybersecurity because, in this subject, cybersecurity will become an essential issue."

"First, it is absolutely essential to diversify the sources of supply. I would remind you that in 2017, 27 critical substances were published. A new publication is expected in 2020, I will really look at it because it is a subject I know well. I'm going to look at it very quickly."

Artificial intelligence and the new Digital Services Act

"We will thus present in the hundred days, with Margrethe Vestager, a European framework of artificial intelligence. I want to accompany it with a European strategy towards the establishment of a common data market."

"I'm not saying we're going to regulate in those 100 days. We'll see what the college says, I'll see what happens. I will be extremely supportive, but I will not, for the time being, speak for regulation. First of all, I would like us to try to see together, to have a vision together, to be able to share with you, of course. We will consult a lot during these hundred days and the Parliament will be fully involved in this reflection, because you represent the 511 million of our fellow citizens, you have your say, we will hear it, that's for sure. In the back, obviously, we're going to have guidelines, I would say, to know what we can do and what we can't [...]."

"Data are my life, so you can be convinced that I want a Europe that masters its data, that can also share it, according to clear criteria, especially now in an industrial aspect, it will be essential for the Internet of Things and industry 4.0."

"Artificial intelligence for the industry is an absolutely major issue, it goes beyond industry 4.0."

"We have not lost the artificial intelligence war against the Americans and the Chinese at all, I tell you. I will be there, I hope, with all those in the four corners of the continent who will accompany me in this fight. This is my deep conviction."

"Thank you for allowing me to clarify. I take the obligation not to put in question [the limited liability clause of the E-commerce directive]."

"[Looking into the future] involves as well an evolution of rules of the Internal Market which need to be completed in the light of the real needs of our enterprises. This will be done by means of the Digital Services Act with aim to regulate, in particular, big, digital platforms."

"[...] with reference to the Digital Services Act and a potential modification of E-commerce directive [...] obviously there will be no introduction of general surveillance, no review of the origin principle nor modification of responsability. Clearly, obligations and responsabilities of platforms will be addressed."

"I will introduce a media and audiovisual action plan."

Single market for cybersecurity and joint Cyber Unit

"The cybersecurity dimension is naturally essential to prevent our information space from being torn up one day. This is a subject that is close to my heart, as you all know, for a long time, and on which I intend to get personally involved in all the components of the portfolio. It concerns all activities of the internal market, end to end. It is therefore clearly structuring."

"We will have to ask ourselves the problem of cybersecurity, including when we manufacture objects [...]. So cybersecurity by design is something I really want to work on with you on, because it's something I think we need to go further."

A future-ready European industry and single market

Long-term strategy for Europe's industrial future

"For this purpose, I will work on three main priorities. First, the modernisation of the single market. There is still a lot to be done and we know that. We need a critical mass. Borders must obviously be lowered [...]."

"What is absolutely crucial in this portfolio is that all sectors of our business are involved economy - services in their multitude, industry (and industry, it is obviously 99.8% of the SMEs, but they are also cultural industries and of course tourism) - are affected by the digital. And

PE 642.340 2

so, my role will really be to be an actor everywhere to help the whole of our industries to transform."

Circular Economy

"Together with all my colleagues at the college, I will contribute to an ambitious Green Deal to make Europe the first carbon-neutral continent by 2050. And with Frans Timmermans, I will bring together the industrial pillar of the "Green Deal", a new strategy for the circular economy, a reorientation towards public procurement policy, or still a transition to zero emission vehicles because we have to learn the lessons and get out of the dieselgate."

"For the rest, green policy is at the heart of my activity. I said that we will invest massively in transitional technologies [...] this is a subject where Europe can, must and will win."

SME strategy and SME Envoy

"My role will also be to protect SMEs, start-ups, and support new forms of employment by ensuring fair competition with giants from other continents, and in particular by ensuring that everyone enjoys social rights."

"We must help SME to adapt, but also simplify their lives, by all means, so that they can grow in and through the internal market, for example by facilitating access to dedicated funding, public procurement or helping them protect their knowledge."

"[The five components of the SME strategy will be:] The first point is removing regulatory and administrative barriers. The second point is to improve the application of the Late Payment Directive. This is still the reason for nearly 30% of SME bankruptcies. The third point is to actively support SME financing. And there are tools, we will increase it. The fourth point is to adapt the single market to the specificities of SMEs, we talked about the barriers. And then, the fifth point is to develop skills, especially digital skills. I said it and it's very important. I did not talk about it before but it's very important too: sustainability. Because, obviously, when we talk about the building, there is all that is insulation, zero energy buildings, zero CO2. That's a lot of skills to have. This is a subject I have already discussed with Commissioner Nicolas Schmit; we are obviously going to work together on this last point. And then I say it again, but it's an important topic, the SME Envoy I have not named yet, of course, I have not seen anyone yet, it's very premature - will play a role very important to be the relay of the Commission on the ground."

Day-to-day functioning of the single market

"I will work on [...] modernisation of the Internal Market. There is still a lot to be done. We need to achieve the critical mass. Obviously, we need to lower barriers [...]." "[...] all sectores of our economy [...] are affected by the digital. Therefore, my role will be to help entire industry in its transformation."

"For the single market within this portfolio, I would say that what I want is a three stroke engine it is about protection, transformation, and then looking to the future."

"First of all protection, so for the Internal Market and the rules that pertain, allow millions of products to be sold and bought every day, whilst bringing about consumer protection. This Internal Market protection is also for European workers who may freely provide their services in all Member States of the Union through the recognition of their professional qualifications."

"We also have to ensure that rules of the Internal Market are properly applied so that they can continue to promote convergence and growth for all the countries of the Union. I stress all countries, without bringing prejudice to the protection of workers and their work conditions."

"I will also ensure that the single market protects from the competition from outside when it is unfair."

"It is a question of anticipating and accompanying this transformation, which is also an opportunity to help all those who need to qualify themselves or requalify or reskill for new jobs. The third challenge, the social challenge, will be just as important to my portfolio as the other two, the environmental and the digital challenges."

"I would like to indicate very clearly that I am against any new barriers. It is a sensitive topic. We sometimes saw barriers being raised and some states did not play according to the rules. Therefore, I will support the Parliament in the effort to make sure that the rules are respected."

"I would like to indicate very clearly that I am not going to reopen the Services Directive. [...] However, I plan to improve its implementation beacause it is there and should be appplied according to the rules."

"I will fight against regional protectionisms."

"I gladly accept the obligation [to remove obstacles to cross-border service provision]."

Level playing field

"Let me say on this that we have to support a new growth strategy for Europe. The single market should have favourable rules for all companies, and I stress all companies. Small, medium and large."

Defence industry and space

Oversight of the European Defence Fund

"Obviously, the subject of defence will be an absolutely major point, thanks to the European Defense Fund which will benefit, I will be particularly careful, to all SMEs."

Strong and innovative space industry

"Let me be clear: the space industry is absolutely essential. Europe is the second largest continent in the world in terms of space, and it will remain so. This is essential for our autonomy, for our independence."

"To project oneself, it is finally to show ambition in defense industry, in the field of space. Europe must of course have autonomous access to space, but also continue to invest in world-class systems such as Copernicus or Galileo. Obviously, I'm going to work on it."

Tourism

"Our goal must be to create [...] a value chain strategy, and value chains in all sectors, [including] tourism, which will have to accompany the transformation of the entire ecosystem in the face of mass tourism and the emergence of new platforms, in order to maintain Europe as the first global destination in the tourism sector."

Conflict of interest and ethics

"It means very precisely that I sold through the market all the shares I owned, even before I came to you. I also resigned from all my mandates, I say all. [...] On this point, I also want to be clear: this eventuality is strictly impossible. There are rules that have anticipated these issues within the European Commission. These are very specifically Articles 2.6 and 4 of the Code of Conduct for Commissioners. I will simply be held, like all the other commissioners, to respect them scrupulously and transparently. So, as provided for by the code of conduct, on any financial subject directly related to the company I just left or one of its subsidiaries, I will automatically recuse myself, in agreement with the president."

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