

Committee on Industry, Research and Energy
Committee on the Internal Market and Consumer Protection
Committee on Economic and Monetary Affairs
The Chairs

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CONFIDENTIAL

Antonio TAJANI
Chair
Conference of Committee Chairs
European Parliament

Ref: D (2019) 35737

Subject: Evaluation letter for Margrethe Vestager, Executive Vice-President-designate for a Europe fit for the Digital Age

Dear Mr Tajani,

The Committee on Industry, Research and Energy, the Committee on the Internal Market and Consumer Protection, and the Committee on Economic and Monetary Affairs, in accordance with Rule 125 of the Rules of Procedure of the European Parliament, held a public hearing on 8 October 2019 with Ms Margrethe Vestager, who, subject to the positive outcome of the nomination procedure, will be the Executive Vice-President for a Europe fit for the Digital Age.

On 27 September 2019, the three committees responsible for the hearing, pursuant to Rule 125 of the Rules of Procedure and Article 2 of Annex VII thereto, received the letter by the Committee on Legal Affairs regarding the scrutiny of the declaration of financial interests of Ms Vestager.

Prior to the hearing, Parliament had sent Ms Vestager a list of written questions. Our committees noted that she answered those questions satisfactorily.

Ms Vestager opened the hearing by making a statement in which she referred to the following:

-) The importance of a common European approach to addressing the challenges of climate change, digital transformation and global competition;
-) The need to ensure that competition rules make markets work for European consumers, and not vice versa;

-)] The need to review the rules on antitrust, mergers and state aid to adapt them to a fast changing world, and the need to ensure that state aid does not harm competition;
-)] The need to develop a new long-term strategy for Europe's industrial future and a new strategy to support SMEs;
-)] The need to upgrade liability and safety rules for digital platforms, services and products;
-)] The need to consider regulating the way that companies collect, use and share data;
-)] Her commitment to put forward proposals, within the first hundred days of her term in office, to develop a European approach for Artificial Intelligence;
-)] The need to make sure that digital companies pay their fair share of tax, and her commitment that the EU will act by itself by the end of 2020 in the absence of a global agreement;
-)] Her commitment to work openly and cooperatively with the European Parliament.

The introductory statement of Ms Vestager was followed by a first round of 7 questions from representatives of each political group and a second round of 18 questions by Members, including also a representative from the non-attached Members.

In her replies, Ms Vestager made the following specific commitments regarding her future action:

A Europe fit the digital age

-)] To develop a new long-term strategy for Europe's industrial future and a new strategy to support SMEs;
-)] To ensure that digital transformation serves citizens and respects Europe's fundamental values, in particular trust, humanity and fairness; and to make digital literacy for everyone a priority;
-)] To put forward proposals developing a European approach for Artificial Intelligence within the first hundred days of her term in office, building on ethical guidelines and ensuring that Artificial Intelligence policy is designed to benefit people, to respect their privacy and fundamental rights, to create consumer trust in products with embedded artificial intelligence, and to tackle bias in artificial intelligence;
-)] To work on a Digital Services Act that includes upgrading liability and safety rules for digital platforms, services and products;
-)] To promote a more strategic use of public procurement inter alia for the benefit of European SMEs; and to work with her colleagues to finalise the International Procurement Instrument, ensuring reciprocity with third countries;
-)] To ensure that digital platform workers enjoy fair working conditions, including the right to organise themselves;

- J To address, in cooperation with other Commissioners responsible, the need for geographic balance among participants in European programmes;
- J To lead international efforts to find an agreed approach at the level of G20 and OECD that enables effective taxation of the digital economy; to put forward a solution at EU level, if no agreement can be reached at international level by the end of 2020; to work, in that context, towards a minimum corporate tax rate coupled with a common corporate tax base; to consider the possibility to use article 116 of TFEU for that purpose.

Competition

- J To review the rules on antitrust, mergers, and state aid and to examine the practical aspects of enforcement of competition rules, including the “market definition” and, in relation to big data, to consider market power;
- J To ensure absolute independence in enforcing competition rules, which will be further guaranteed by the individual Commissioners in charge of the different policies making the relevant legislative proposals, as Ms Vestager showed awareness of the fact that her portfolio includes both competences on rule making and law enforcement;
- J To ensure consistency between promoting European champions and ensuring fair competition in every jurisdiction;
- J To look into aggressive tax planning measures under EU state aid rules to assess if they result in illegal state aid; to work, in that context, towards the development of public country-by-country reporting, also in the non-financial sector;
- J To consider the review of state aid guidelines in light of the climate policy ambitions of the upcoming European Green Deal and in relation to energy regions in transition;
- J To design appropriate remedies in the antitrust area, not limited to fines, in order to react more rapidly to abuses of dominant position;
- J To develop tools and policies to better tackle the distortive effects of foreign state ownership and subsidies in the internal market.

Before the end of the hearing, Ms Vestager made a brief closing statement in which she stressed the importance of appropriate funding to promote growth and innovation. In that context, she called for an ambitious MFF to be put in place as quickly as possible. She also reaffirmed her European commitment and willingness to cooperate closely with the European Parliament.

On the basis of the responses to the Members present at the hearing, as well as the discussion among our committees’ coordinators, who met in camera after the hearing under our chairmanship, we hereby give the following assessment:

Ms Vestager is a well-qualified candidate with a high degree of professional aptitude, experience and European commitment, as also demonstrated by her record as Commissioner for Competition over the last five years. During the hearing, she demonstrated that she is an experienced politician and an articulate communicator.

She also demonstrated her ability to grasp all important aspects of her future portfolio, and displayed her willingness to continue working openly and cooperatively with the European Parliament, in particular the committees responsible for the policy areas falling within her portfolio. Parliament will have the opportunity to assess this commitment in the course of the present legislative term.

During the hearing, she gave to Members clear and convincing answers and she overall outlined her main priorities in a satisfactory and comprehensive manner. However, on occasions, her replies lacked some detail and specific commitments in terms of translating her priorities into tangible policy initiatives. Some political groups would have appreciated more clarity, or more detailed commitments, as regards the following:

- Z With respect to the policies within her portfolio, the EPP and ECR Groups raised concerns that this is the first time that a Commissioner's portfolio comprises both competition rules and their enforcement as well as the regulation of sectors highly exposed to competition, and that this could lead in some cases to a conflict of interest;
- Z With respect to the need to fight climate change, the Greens/EFA Group expected further actions and ambition on aligning the industrial strategy and competition rules, in particular state aid, with the EU climate targets and the commitment on a European Green Deal;
- Z With respect to Artificial Intelligence, the Greens/EFA Group expected more clarity on how fundamental rights would be safeguarded and on how to set clear targets and measures to ensure that Artificial Intelligence made in Europe is ethical, leading the way towards elimination of bias and discrimination;
- Z With respect to addressing the risk of disinformation campaigns, the Greens/EFA Group insisted on there being clear coordination within the Commission, with Ms Vestager in a leading role;
- Z With respect to the banking sector, the Greens/EFA and GUE/NGL Groups expected a clearer commitment on updating the 2013 Banking Communication in order to align it with the Bank Recovery and Resolution Directive, as well as on monitoring closer and restricting aid granted to the banking sector;
- Z With respect to industrial policy, the GUE/NGL Group questioned how she would ensure fair development of all regions, especially coal regions, and what the role of state aid would be. They also pointed out that competition per se is not sufficient to create new

industrial jobs. The GUE/NGL Group also expected a clear commitment that the review of the state aid framework would resolve ambiguities in EU legislation following recent Court judgments.

In conclusion, the general outcome of this hearing is that Ms Vestager demonstrated her aptitude to be a member of the College of Commissioners and her ability to carry out the specific tasks assigned to her.

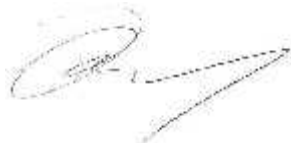
Therefore, in accordance with Rule 125 of the Rules of Procedure and Article 4 of Annex VII thereto, the ITRE/IMCO/ECON coordinators representing a majority of more than two-thirds of the committees' membership decided that Ms Vestager is qualified both to be a member of the College of Commissioners and to carry out the specific tasks assigned to her.

We would be grateful if you could bring this assessment to the attention of the Conference of Presidents.

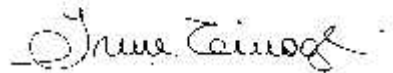
Yours sincerely,



Adina-Ioana V LEAN
ITRE Chair



Petra DE SUTTER
IMCO Chair



Irene TINAGLI
ECON Chair

Annex: Opinion of the Committee on Legal Affairs

**OPINION OF THE COMMITTEE ON LEGAL AFFAIRS
ON THE EVALUATION OF MS MARGRETHE VESTAGER,
EXECUTIVE VICE-PRESIDENT-DESIGNATE FOR A EUROPE FIT FOR THE
DIGITAL AGE**

Ms Vestager's comment that when it comes to artificial intelligence we need to build trust and that Europe will not be a global leader in artificial intelligence without ethical guidelines, as artificial intelligence has to have the purpose to serve humans, is considered of great importance. Such ethical rules should ensure adherence to fundamental rights and respect for the rules of GDPR.

The Executive Vice-President-designate's priority to endeavour to unblock the e-privacy directive has been welcomed.

Note has been taken of Ms Vestager's statement that the newly adopted copyright legislation should not be reopened during the national implementation or in the context of the coming Digital Services Act.

Note has been taken of the position that a level playing field should be created as regards taxation of businesses, and in particular by way of a digital services tax. Such a tax should primarily be achieved by agreement on the global level under the process currently under way in the OECD. The Executive Vice-President-designate's favourable position to country-by-country reporting has been welcomed and hope that it will be achieved has been expressed.

As regards platforms, the statement of the Executive Vice-President-designate that she would aim to ensure that they would function in a fairer way has been reassuring. Amongst the issues, she particularly mentioned the situation of platform workers, but also the possibility for platform users to influence their terms and conditions.

A clear majority of the coordinators of the Committee on Legal Affairs concluded that Ms Margrethe Vestager is qualified to be Executive Vice-President for the "Europe fit for digital age" portfolio.