

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

**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?**

**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?**

It is 25 years since I signed up and formally began my political engagement. Since then I have taken part in a dream to create a better world. A society in which people could fulfil their own dreams and a vision that together we could create something better for all people.

That dream is my motivator as a politician. That dream is also the foundation for my contribution as part of a team in a working relationship. A relationship where we will work together - the Parliament, the Council and the Commission. I will strive to work as I have always done: to contribute to a balance so that small as well as big are being treated equally. By not being bullied, excluded or misused by the ones who have the strength, muscle or will to misuse their power. I believe that with a free and fair competition we have an opportunity to see ideas grow and come to life. A free and fair competition will give consumers the possibility to choose at reasonable prices. This creates jobs. This creates freedom. This creates prosperity and the possibility for people to fulfil their dreams.

I was minister for Economic Affairs and the Interior in my country for almost three years. Every month I participated in the meetings of the Ecofin Council. I particularly remember my first Ecofin meeting that took place only the day after I took office. It was on October 4th 2011 and I remember that during the meeting it was as if everyone around the table - all Ministers of Finance and Economy in Europe - literally had a feeling as if they sat with their countries' economy in their hands. The situation was very fragile and most uncertain. But I also remember, both during that first and all subsequent meetings, how there was an enormous will to find solutions together. Even though the situation for some countries was both dangerous and had terrible implications there was a strong, unified and united responsibility to solving the problems we faced, together. The will to act in a European interest within the treaties of the EU. This responsibility is a great motivator for me to pursue solutions and to develop Europe.

The willingness to work together is built on proud, profound and visionary ambitions that were taken in a post war era in order to ensure peace. We have shown to the world that we for many years have had both the discipline and the will to create something better. To create a Europe where we can live in peace and in relative prosperity. This should be our aim both in all our decisions and on our strategic agenda: To make Europe move forward, to strive for a better society for all of us and to place Europe in the heart of the action. Competition is the key to the success of our jobs and growth agenda. Competition should contribute to steering innovation and making markets deliver clear benefits to consumers, businesses and society as a whole. Every effort should be made to maximise the positive contribution of our competition policy in support of our overall priorities and to explain and demonstrate its benefits to citizens and stakeholders at all levels.

Democracy and democratic processes are the crux to a free society. I admire and respect the obligations on which we have built Europe: Rule of law, equal treatment, proportionality and prosperity. Therefore, I will neither seek nor take instructions from any institution or entity at all. My aim is to consider all interests at stake, irrespective of any national, regional, professional or personal origin.

My obligation will be 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. My declaration of interest is complete and accessible to the public and I will amend it should there ever be changes.

I will also always avoid any situation where my impartiality and independence could be drawn to question and will inform the President of the Commission of any situation which might involve a conflict of interest.

I fully support our new commitment to transparency set out in the political guidelines by the President-elect. I commit to making public all the contacts and meetings I hold with professional organisations or self-employed individuals on any matter relating to EU policy making and implementation.

## **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?**

The political environment which I was brought up in has taught me the value of the willingness to listen. To listen to other people and to have a dialogue. Also if you do not always agree on matters. To me dialogue is a path for decisions. Democracy is both to be able to express your opinions and, just as importantly, to be able to listen to others and to seek to find common ground and solutions where everyone can see themselves reflected.

In May we heard the voices of the many European voters. To them we have to show that we listen and that we will work to respond to meet their expectations. When we work together we can create a better Europe and a stronger world. Therefore, I will consistently engage and act responsibly and in a fair and neutral manner, and be accountable for decisions made in the Commission as a college, towards the European Parliament and, most importantly, to the citizens of Europe.

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

I look forward to discussing the political visions of how we can develop and contribute to our common goal of a prosperous Europe. I do not see the competition portfolio as a lonely portfolio. On the contrary, competition is central to things we want to create both in and for Europe. Competition policy is a key to success for our agenda for job, growth and investments, for how to create a connected Digital Single Market as well as a resilient Energy Union that includes a forward-looking climate change policy. I have elaborated on my commitments and ideas for cooperation in the answer of question 5.

I believe it is possible to be transparent about policy rationale, economic background and overall thinking behind our rules and our decisions. I commit to openness, fairness and to a level playing field. I will therefore work closely together and engage in open dialogue with the European Parliament and I intend to involve the EP as much as possible in the legislative process.

Concerning the follow-up to European Parliament's positions and requests, I will apply the provisions of the Framework Agreement and, in my areas of responsibility, make sure that the Commission responds to parliamentary resolutions or requests made on the basis of Article 225 TFEU, within 3 months after their adoption. In this context, I support and fully endorse the commitment made by President-elect Juncker that the future Commission will be particularly attentive to legislative initiative reports.

## Questions from the Committee on Economic and Monetary Affairs

### 3. Competition policy and SMEs

**How would you promote a competition culture in the EU and world-wide? How would you ensure that competition policy delivers both global competitiveness for European companies and a level-playing field in the internal market where SMEs can compete? Would you support stronger settlement mechanisms based on concessions?**

If confirmed as Commissioner, I will enforce a fair and neutral competition policy. I will endeavour to maximise the positive contribution of the competition policy in support of our overall policy of the Commission. I will do my best to explain and demonstrate the benefits of our competition policy to citizens and stakeholders at all levels. Without an understanding of what we are trying to achieve, citizens will continue to feel detached from the work we are doing in their name.

I am aware that the Commission's ability to ensure fair competition and promote competition culture in a globalised environment depends on its capacity to cooperate with other relevant authorities. This is true not just as regards other competition authorities within the EU and our traditional trading partners but must also include emerging economies. I will engage in a constructive international dialogue with these partners to increase international cooperation and ensure that issues with an international dimension are approached in an as consistent and coherent way as possible.

Large companies may be better equipped to operate more effectively in an international field, but it is SMEs that are the backbone of our economy. Their health and success will benefit us all and I will use all the competition policy instruments at my disposal to protect fair competition in the internal market, and thus give SMEs a fair opportunity to flourish. Without an effective EU competition policy, the single market cannot reach its full potential. Healthy companies that are able to compete in domestic markets without being sheltered from competition are best equipped to compete also in the global market place.

The State aid framework was recently modernised to help guide public support to areas where it matters most for growth and competitiveness in Europe. An important aspect of this reform was to give Member States the right tools to facilitate access to finance, a key issue for SMEs at the current juncture. The new rules also facilitate investments in research and development and the digitalisation of our economies. I will ensure that these new rules are used to the best effect.

Our new State aid Block Exemption Regulation generally allows Member States to grant State aid to SMEs for key expenditure without having to notify this to the Commission, thereby speeding up disbursement.

In the area of State aid, another issue of crucial importance for SMEs is transparency. Our new rules will require Member States to disclose detailed information about support measures that have been granted. I will make sure that those principles are fully implemented by Member States. I will also push for greater transparency on subsidies at the international level.

Turning to the other tools at the disposal of the Commissioner for Competition, enforcing the EU antitrust rules will prevent dominant firms from excluding competitors from the market. This is especially important for small players such as SMEs. It is also worth mentioning that the Commission's "De Minimis Notice" provides a safe harbour for minor agreements between companies below certain market share thresholds. Such agreements are considered to have no appreciable effect on competition and thus fall outside the scope of Article 101 TFEU. The Commission has expressly committed not to initiate proceedings in cases covered by the De Minimis Notice, and I will stand by this commitment. At the same time, merger control will keep preventing the creation of excessive market power, which may impede SMEs from competing on equal terms.

Business success is not just about building markets: firms need access to fairly-priced input. Cartels often concern input and intermediate products and are likely to make EU produced goods less competitive internationally, harming companies further down the supply chain. I will pursue effective enforcement against cartels as a top priority during my mandate.

Concerning the last part of this question, the commitment procedure is a very useful tool to speed up our decisions and a more efficient use of resources; I am confident that the Commission will continue to apply this

option where appropriate. But let me remind you that the priority is always how best to address the competition concerns in a specific case. I will not negotiate or compromise by accepting commitments that do not fully address the Commission's competition concerns.

#### **4. State aid to the banking sector**

**The European Parliament has called in its last three annual competition reports for an end to the state aid crisis regime for the banking sector as soon as possible. Given the new insolvency and single resolution mechanisms for banks, how do you see competition policy, notably state aid, evolving in this new legal framework in the future?**

Since the beginning of the financial crisis, the Commission has acted quickly by adapting the application of state aid control to the special crisis context in a flexible way. Between 2008 and 2013, the Commission issued seven communications, based on the exceptional legal basis of Art. 107(3)b) TFEU. This provision considers that state aid can be declared compatible with the internal market if it is granted to "remedy a serious disturbance of the economy of a Member State".

I have noted the call of the European Parliament to end the application of this exception. I agree that we have to come back to the usual application of State aid control in the banking sector. I am ready to do so as soon as the market conditions permit. At the same time, I also want to highlight that the banking crisis rules have not only given guidance on the use of public support (guarantees, recapitalisations or impaired asset measures), but they also imposed tough conditions for financial institutions which received such aid. The Commission's State aid control aimed to ensure that financial institutions that received state-aid were adequately restructured to become viable again or – if viability could not be restored – were taken out of the market (like Dexia, WestLB, Hypo Alpe Adria, Kommunalkredit, Anglo Irish and others). In the same vein, state aid control dealt with the distortions of competition created by the aid received while at the same time maintaining financial stability, safeguarding the internal market and protecting the interests of taxpayers.

On the 1st of August 2013, with a new Banking Communication, the Commission made further important steps to protect the taxpayer and limit the amount of aid that banks may receive. In an environment where banks' bail-outs have put a significant burden on the fiscal position of many Member States, the new Banking Communication raised the contribution of stakeholders to the restructuring costs of a bank in order to limit the aid to the minimum necessary and to reduce moral hazard. Since then, state support can only be granted, if all possible capital raising measures as well as the bail in of shareholders and junior debt holders are insufficient to fill the capital shortfall. This is a high price to pay for receiving State aid. This provided the necessary transition to the full Banking Union and already helps breaking the link between the sovereign and the banks.

I am aware about the detailed discussions during the trilogues on the interaction between the State aid rules and the Single Resolution Mechanism (SRM). The adopted text preserves the Commission's competence in relation to the State aid control over the use of the Single Resolution Fund (SRF). Besides the use of national resolution funds, which are subject to State aid rules, the co-legislators ensured that the same State aid rules and control apply to the use of the Single Resolution Fund, in order to make sure that the resolution takes place at the same terms for ins and outs of the Banking Union when resolution funds are used. Needless to say that the Commission practice has proven that it is well equipped and it is ready to react at very short notice to provide its State aid assessment, like it proved it in the case of the resolution of Banco Espírito Santo S.A. (BES) some months ago. Thus, I want to reassure the Members of the European Parliament that the Commission has the State aid tools and competences to respond to the responsibilities given by the co-legislators.

#### **5. Role of the European Parliament in Competition policy**

**In line with other areas of market integration and economic regulation further to the entry into force of the Lisbon treaty, will you commit to putting forward future proposals shaping the design of EU competition policy under a legal base which involves the European Parliament as a co-legislator, using the ordinary legislative procedure?**

**Will you notably involve the European Parliament in the design of rules regarding fines applicable to companies that infringe EU competition law? Do you agree to an inter-institutional agreement between the European Commission and the European Parliament to ensure proper scrutiny by the Parliament in competition issues?**

EU competition policy proposals will be based on market realities and reflect the latest economic and legal thinking. Legislation is not an end in itself: what is important is to steer innovation and make markets deliver clear benefits to consumers, businesses and society as a whole. I am committed to maximising the contribution which competition policy can make in support of the Commission's overall priorities, and will work closely with my Commission colleagues to achieve this.

In that context, I fully acknowledge and respect the Parliament's role as the direct representative of Europe's citizens, and its part in the development of competition policy through debates, through its Resolutions, and through the legislative process. Therefore, I will always listen to what Parliament has to say about competition policy and I am looking forward to an active dialogue. I therefore welcome the new permanency given to the ECON committee's competition working group, which will facilitate our exchanges.

I note with satisfaction that the Lisbon Treaty increased the scope of co-decision and the Parliament's role in the legislative process. The possibility of applying the ordinary legislative procedure also to proposals in the competition field depends on the content of the proposal. I note that in the case of the Directive on antitrust damages actions, where the ordinary legislative procedure applied given the internal market implications, the Parliament's active involvement helped to achieve a well-balanced result.

I am committed to informing the Parliament of new policy initiatives early enough for it to contribute to the debate and public consultations, whether or not a formal consultation is required. For example, Vice-President Almunia wrote to your new Chair, Mr Gualtieri, in August 2014 to inform him of the start of the internal reflection process on the Insurance Block Exemption Regulation, announcing the launch of a public consultation. Beyond that, if and when the Commission sends a legislative proposal to the Council for consideration, I will ensure that it is sent to Parliament at the same time.

Fines are a key element of deterrence, and I will always be happy to explain the criteria set out in the Fining Guidelines, and have an open dialogue with the Parliament on the underlying principles. The current fining guidelines ensure transparency and predictability, while at the same time allowing some discretion to take the specificities of each individual case into account. The European Courts have upheld the Commission's approach on this matter in many occasions; few provisions have had such intense scrutiny by the Courts. Should there be a need for any legislative step, the content of this initiative will determine the legal basis.

Any reconsideration of Parliament's position in competition matters within the Inter-institutional Agreement would need to comply with the Treaty rules and would require formalisation of an overall Inter-institutional Agreement between the institutions. Therefore, I would propose that we start our dialogue through my regular appearances before the ECON committee, and regular meetings with the honourable Chair of ECON, and that I communicate my reflections on a continuous enhanced dialogue with the Parliament to you. I commit to making myself available for discussions with you on important policy developments in the field of competition policy, and to answering your questions.

As you know, most of the work of the Competition Directorate General concerns enforcement, but where we need legislative and non-legislative proposals, I will present high quality proposals that respect the principles of subsidiarity, proportionality and better regulation. We will look for the most efficient and least burdensome approach, and will continue to rely on extensive public consultation, and on market knowledge. In this context I will use every opportunity to benefit from the Parliament's collective experience and opinions, to contribute to an enhanced dialogue in competition policy matters.