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By AUDE VAN DEN HOVE

with FRANCESCA MICHELETTI and AOIFE WHITE



SNEAK PEEK

- The AI Action Summit in Paris shed light on what artificial intelligence means for workers.
- The European Union's foreign subsidies rules are of limited use in a trade war with the United States, according to one academic.
- Business groups want to see the European Commission act decisively

against countries not following the rules.

Welcome to Fair Play!

Tips, comments, and coffee invitations are welcome at fmicheletti@politico.eu, audevdhove@politico.eu or awhite@politico.eu or find us on X at <a href="mailto:fmiche.mich.miche.miche.miche.miche.miche.miche.miche.

DRIVING THE DAY

AI AND WORKERS: Artificial intelligence is taking over Paris this week with the AI Action Summit pulling in entrepreneurs, academics and heads of state. Some are looking at how the machine-learning revolution will affect workers, our tech colleague Pieter Haeck writes in to report. He caught up with Austrian trade unionist Oliver Röpke, who is president of the European Economic and Social Committee, a forum for workers and employers.

There's no stopping it: The rollout of AI could come with "huge opportunities," Röpke said, and it makes no sense to try to stop it. But AI should be applied throughout the economy in a way that "is not harmful and not disruptive" for the workforce. "Artificial intelligence can also bring the risk that it will deepen existing inequalities. We have to look especially to marginalized groups, to more vulnerable groups, the older workforce," Röpke told Pieter.

Legislative framework isn't enough: The EESC voted on an opinion on pro-worker AI last month, which sees the current legal framework as lacking. The General Data Protection Regulation "is not specifically designed to address workplace data protection issues," it said. The AI Act is also "not specifically designed to address workplace issues," it said, while it identified "several loopholes ... with respect to fundamental rights in the workplace." The Platform Work Directive contains certain "provisions," but these only apply "to persons performing platform work."

What it wants: The EESC wants the "Commission to address the context of AI clearly in an ad hoc instrument, in order to take into account the dynamic dimension of social dialogue and the health and safety risks assessments of AI systems."

Don't hold your breath: The Commission's employment chief Roxana Mînzatu said she isn't in a rush to come up with new legislation as existing provisions may be sufficient (and the Commission is under pressure now to simplify or even reduce regulatory requirements). She told the EESC last night that she'd be carefully assessing what rules are already in place.

INDUSTRIAL POLICY

THE 2025 WORK PROGRAM: The Commission's legislative plans for this year will be adopted at their weekly meeting this afternoon but made public on Wednesday. You can already see the details after our colleague Mathieu Pollet got hold of the document. On top of the omnibus package due this month to simplify sustainability rules, it promises a second and third package on small and medium enterprises and investment rules. The new packages will create a new regulatory category for small-mid caps which will benefit from a lighter load of administrative burden since they have fewer means.

SINGLE MARKET

REMOVE THOSE BARRIERS: Business groups want the upcoming Single Market Strategy to focus "on removing concrete barriers for businesses with clear roadmaps and timeframes," according to a <u>joint statement</u> from BusinessEurope, DigitalEurope, Eurochambres, the European Round Table for Industry, SMEunited and EuroCommerce.

Implement the rules: The groups want the Commission to "re-intensify" infringement procedures against member countries that aren't following the rules and "reassort its role as guardian of the treaties." The number of procedures have dropped 80 percent between 2020 and 2023 and there's an "urgent need to address non-compliance," they said. Public-private partnerships in market surveillance could also be used, the groups said.

Strengthen the single market: For the groups, the policies should be redesigned to strengthen the single market. "The [European Union] must overhaul its lawmaking process to ensure that impact assessments are conducted in all phases of EU-decision-making," they said. This could mean giving more power to the Commission's internal Regulatory Scrutiny Board, which can put a brake on draft legislation before it's proposed.

FOREIGN INVESTMENT AND FOREIGN SUBSIDIES

PLAYING THE FOREIGN SUBSIDIES CARD: The EU's <u>rules</u> targeting foreign subsidies are unlikely to be much help in a potential U.S. trade war, according to Vienna University's Lena Hornkohl.

The options: "In case of tariffs on imports of EU steel to the U.S., the FSR [Foreign Subsidies Regulation] would [...] have no role at all, Hornkohl told Fair Play. The rules largely target companies that bid for government tenders or are engaged in a merger and can also be used to examine a subsidized company that may have an unfair advantage in the EU market. Finding an ex officio case in the latter category would not be difficult, she said, as the U.S. tends to subsidize its industry "quite heavily."

Staff constraints: Director General Olivier Guersent <u>told</u> a conference in November that DG COMP's headcount was too stretched to allow for more ex officio foreign subsidies investigations.

Combined tools: Hornkohl said that "we should not overlook the potential of overall antitrust enforcement," including the <u>Digital Markets Act</u>, as well as tools to screen foreign direct investment and the outbound investment control initiative. "Any trade war might lead member states to agree to stricter rules or more power on the EU level," she said, noting that both tools are under legislative review.

COURTS

HOW VESTAGER FARED IN COURT: A <u>new study</u> by VU Amsterdam's Thibault Schrepel shows that just under 30 percent of decisions signed by former Competition Commissioner Margrethe Vestager were at least partially overruled by EU courts.

Abuse probes and mergers: Vestager held an excellent track record on abuse of dominance and merger cases, with most of the losses concerning cartels or cases involving a

mix of cartels and abuse of dominance (Articles 101 and 102). DG COMP only lost one pure Article 102 case, and saw only 0.05 percent of merger decisions overturned. DG COMP's 18 losses on state aid cases were most often based on substantive rather than procedural grounds, the study found.

METAL PACKAGING CARTEL: Crown Holdings took its battle against a <u>metal packaging</u> <u>cartel</u> fine to the Court of Justice of the EU, arguing that the lower court had misrepresented its arguments "appearing to conflate these with arguments put forward" by fellow cartelist Silgan, according to a <u>filing</u> published in the Official Journal on Monday. The case is <u>C-855/24 P</u>.

RWE COAL AID: German energy companies are challenging <u>EU approval</u> for Germany's €2.6 billion <u>subsidy</u> to help phase out RWE's lignite-fired power plants, arguing that the Commission didn't properly state reasons for the approval or investigate the facts sufficiently, according to a <u>filing</u> published on Monday. The case is <u>T-630/24</u>.

RYANAIR VS. LUFTHANSA: Ryanair is attacking the Commission's refusal to demand Lufthansa repay state aid that is <u>still under investigation</u>, according to a legal <u>filing</u>. The Commission opened a fresh probe of a ≤ 6 billion German recapitalization of Lufthansa last year, more than a year after a court <u>struck down</u> an earlier approval. The case is <u>T-629/24</u>.

MERGERS

NETWORK INFRASTRUCTURE: Telecom tower operator Phoenix Tower International <u>agreed to sell some towers</u> to win conditional Irish approval for its €970 million <u>takeover</u> of rival Cellnex.

COMPETITION

POLISH FINE: The Polish competition authority <u>fined</u> HRE Investments and nine of its related companies some €1 million for delaying answering officials in a probe into practices that violate consumers' rights.

MOVERS AND SHAKERS

Anastasija Rogozianskaja is now an <u>assistant director for mergers</u> at the United Kingdom's Competition and Markets Authority.

Daniel Guarnera was <u>appointed</u> as the U.S. Federal Trade Commission's director of competition.

AGENDA

COMMISSION: Ursula von der Leyen meets with U.S. Vice President **JD Vance** in Paris where she attends the <u>AI Action Summit</u> alongside **Henna Virkkunen** and **Stéphane Séjourné.**

The weekly commissioners' meeting in Strasbourg <u>discusses</u> their 2025 work program and preparation for EU budget talks.

Roxana Mînzatu attends a European Parliament intergroup on education and skills.

Valdis Dombrovskis meets with the European People's Party SME Circle at the Parliament.

PARLIAMENT: Lawmakers' <u>plenary</u> session in Strasbourg debates potential U.S. tariffs from 9 a.m. and labor conditions in health care from 1 p.m.

CONFERENCES: Informa private enforcement <u>conference</u> with DG COMP's **Zsuzsa Cserhalmi**.

MARK YOUR CALENDAR: <u>Standard essential patents</u> are penciled in for a meeting of the Council's Intellectual Property working party on Feb. 27, according to a draft agenda seen by Fair Play. The proposal is <u>expected</u> to see new momentum under Poland's EU presidency.

BEFORE YOU GO

The French competition authority is probing Microsoft over access to its search engine Bing, Bloomberg <u>reports</u>.

The Commission published a <u>summary of its decision</u> not to designate X as a gatekeeper under the <u>Digital Markets Act</u>.

Dutch antitrust chief Martijn Snoep made the case (again) for the <u>new competition tool</u> in a <u>speech</u> last week.

Snoep <u>talks to</u> Thibault Schrepel's podcast about computational antitrust and how competition lawyers could use generative AI.

Microsoft has offered to adjust its Office-Teams pricing to avert a possible EU antitrust fine.

Monday's newsletter has been updated to clarify the temporary state aid framework and the number of measures that are still in place. Our apologies. You can read the corrected version <u>here</u>.

HEADLINES

Here's a recap of yesterday's news, along with Pro articles and alerts from overnight.

Inside the divided coalition coming for the Green Deal

Intentionally or not, concerned businesses, the ascendant far right and traditional conservatives are coming together to rewrite green rules.

By Karl Mathiesen, Marianne Gros, Zia Weise, Leonie Cater, Louise Guillot · Feb 11, 2025, 3:40 AM

EU needs 'critical chemicals act' to save shrinking industry, France says

The law should list certain chemicals as critical to Europe's strategic autonomy, copying similar policies for minerals and medicines.

By Leonie Cater · Feb 10, 2025, 6:56 PM

EU airlines question Qatar aviation deal amid corruption allegations

An aviation lobby wants "full transparency and a legal investigation" into the open skies deal with Gulf state.

By Tommaso Lecca · Feb 10, 2025, 6:30 PM

<u>French billionaire: Musk is 'the world's greatest entrepreneur and ...</u> sometimes a dick'

Xavier Niel shared his brutally honest assessment of the tech icon during an interview Monday.

By Giorgio Leali · Feb 10, 2025, 12:58 PM

<u>Document: EU to beef up small-scale nuclear alliance, present atomic industry report</u>

By Victor Jack, Pieter Haeck · Feb 10, 2025, 12:38 PM

EU promises to simplify its AI and digital rules

The European Commission has been under pressure to pause new tech regulation. By Pieter Haeck \cdot Feb 10, 2025, 11:21 AM

Document: Commission's red tape kill list includes FiDA, e-Privacy bills

By Mathieu Pollet, Ellen O'Regan, Pieter Haeck · Feb 10, 2025, 11:10 AM

EU vows to react to Trump's 'unlawful' tariffs

A truce on a 2018 trade dispute on steel and aluminum between Brussels and Washington is set to lapse at the end of March.

By Camille Gijs, Elena Giordano · Feb 10, 2025, 9:20 AM

Pro Intelligence Connections

2012/0011(COD) Personal data protection: processin...

Discussions within the Council or its preparatory...

2020/0374(COD) Digital Markets Act

Final act published in Official Journal

2021/0114(COD) Regulation on distortive foreign su...

Final act published in Official Journal

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