

Committee on the Internal Market and Consumer Protection
The Chair

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Committee on Economic and Monetary Affairs
The Chairwoman

CONFIDENTIAL

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Mr Jerzy Buzek, MEP
President of the
EUROPEAN PARLIAMENT
PHS 11 B 11

Dear President,

In accordance with Rule 106 of the Rules of Procedure of the European Parliament, the Committee on the Internal Market and Consumer Protection, together with the Committee on Economic and Monetary Affairs held a public hearing on Wednesday 13 January 2010 with Mr Michel Barnier, Commissioner designate, who, subject to the positive outcome of the nomination procedure, will be responsible for Internal Market and Services.

Prior to the hearing, Parliament had sent the Commissioner designate a list of written questions. Our committees noted that Mr Barnier answered those questions satisfactorily.

Internal Market issues

Mr Barnier opened the hearing by making a statement in which he highlighted the need to put citizens, men and women, consumers and businesses at the heart of the internal market. He outlined four priorities to give a new momentum to the internal market 20 years after the achievements of the Delors Commission: strengthening consumer confidence, promoting creation and innovation, giving a social dimension to efficient markets, and, using better regulation to make the single market an engine of economic growth.

During the hearing, the Commissioner designate answered questions relating, in particular, to the following issues:

- the implementation of internal market legislation, in particular the Directive on Services and the Directive on Mutual Recognition of Professional Qualifications;

PE 432.442/CPG/LT 2

- the social dimension of the internal market and services of general economic interest;
- concessions and public-private partnerships;
- the block exemption for motor vehicles;
- internal market compatibility test for new legislation;
- fight against counterfeiting and piracy and the development of a European Observatory for Counterfeiting;
- defence procurement;
- the development of a European patent system;
- strengthening of small and medium-sized enterprises;
- the principle of the country of origin, the fight against social dumping and the posting of workers.

The nominee Commissioner was fluent and relaxed during his Hearing and convinced the Members of his skills as a politician and an articulate communicator, with a clear and political vision for the future development of the Internal Market. He displayed a detailed command of the diverse range of policies for which he will be responsible and put a notable emphasis on enhancing the benefits of the single market for citizens.

He made a number of specific pledges to produce new proposals, notably in the areas of professional qualifications, patents, copyright, counterfeiting and public procurement. He also showed a strong awareness of the need to encourage small enterprises to participate in the single services market and to cut inappropriate administrative burdens. He noted the importance of public procurement to promote environmental and social goals, as well as to encourage innovative solutions and providers.

Mr Barnier emphasised his strong personal commitment to the social market economy and continually expressed his view that market efficiency must be combined with social progress. His pledge to examine the regime for social and competitive enterprises backed up this commitment.

Financial Services

After having reaffirmed his conviction that ethics should be at the heart of financial markets, Mr Barnier opened the ECON part of the hearing by making a short statement. Quoting Chancellor Merkel that no market, no financial player, no product, no territory should be able to escape anymore relevant regulation and effective oversight, Mr Barnier indicated his strong willingness to reform and to give to the European Union the leadership it deserves. He believes that stability and innovation will bring a competitive advantage to the EU and is committed to complete the on-going reforms such as supervision of financial markets, crisis prevention and crisis resolution, strengthening the banking system, reforming derivatives and alternative investment funds markets, revising the MiFID, the Market Abuse Directive, adjusting the SEPA and tackling shortselling. He will pay particular attention to consumers and SMEs.

Members then asked questions on commodity derivatives, his future relations with ECON, specific powers of the future supervisory authorities, accountability and responsibility of supervisory authorities, remuneration, international role of the EU (on issues such as international accounting standards, Basel Committee), his intention beyond the ongoing reform concerning, for example, a financial transaction tax, dark pools, investor protection agency, tax havens. They also requested some assurance on his independence from governments and European administration, and on his willingness to include the European Parliament in the preparation of legislation (including experts groups).

During the debate, Mr Barnier committed to intelligent legislation, to fulfil the objectives of the G20 roadmap, not to water down the Commission proposal for a European supervision of financial markets, to control and increase transparency of commodity derivatives, to encourage standardisation and traceability of financial products, to address short selling, to envisage a financial transaction tax that could possibly be used for global challenges such as climate change and development. Mr Barnier committed to fully take into account the interest of consumers, trade unions, small investors and SMEs, and to work on information and financial education. He is fully aware that citizens lost their confidence in financial markets and that this confidence should be restored.

Mr Barnier reaffirmed numerous times the importance and the central role of the European Parliament when preparing major legislation. He gave an affirmative response to the Chair's request to involve the Parliament more at the earlier informal and drafting stages and to take steps to analyse the cumulative impact of the post-crisis legislation program. Mr Barnier agreed to sign the commitments proposed by the ECON Chair (annexed). He also said that he was confident that the European Parliament will add value to the current proposals for legislation concerning European supervision in discharging its role as co-legislator.

Mr Barnier undertook to scrupulously defend the European general interest.

Before the end of the hearing, the Commissioner-designate made a brief closing statement in which he reiterated his belief in intelligent regulation and quoted Adam Smith by reminding that without rules, nor ethics, the market could not work.

Evaluation

(On Financial Services issues)

On the basis of the responses of the Members present at the hearing, as well as the comments made by our committee's coordinators, the ECON Committee give the following assessment: As a former Commissioner, former Member of the European Parliament and former Minister in his Home country, Mr Barnier has the experience and personal qualification needed to become member of the College of Commissioners. His background brings him a solid knowledge of the functioning of the European Commission, but also of the two co-legislators, the European Parliament and the Council. His past work demonstrates a personal commitment to the European goals and his intention to collaborate with the European Parliament. His hearing today clearly confirmed his qualities as candidate commissioner as well as his strong European commitment, it also proves his knowledge of financial services, although he maintained that he was not yet in position to answer technical or very precise questions regarding legislation.

(On Internal Market issues)

Although the IMCO Committee was impressed with his ideas and vision for the future of the internal market, his presentation and responses did not always respond fully to the need for practical implementation measures. However, it was noted that he made clear commitments to work closely with national and regional administrations to ensure that single market rules would be effective in practice.

In demonstrating his willingness to take political initiatives and to involve the European Parliament at the appropriate stages of the legislative procedure, the Commissioner designate gave a convincing demonstration of his personal and professional capabilities. He assured the Members that he wanted the job of European Commissioner, and that he would put his European responsibility before personal and national considerations. Members were satisfied that he was committed to the European Union and capable of assuming high public office as a Member of the European Commission

Overall, the IMCO Committee members considered that Mr Barnier met all the criteria needed to provide strong and decisive leadership to the internal market portfolio, and drive forward new initiatives in various areas. His sensitivity to the social and environmental context in which the single market would develop was also noteworthy. He clearly expressed his vision of a single market producing benefits for consumers, small enterprise and social progress. The Committee considers that he has the personal qualities and experience that would carry strong weight within the College of Commissioners.

Accordingly, the IMCO Committee is pleased to endorse his nomination.

Overall outcome

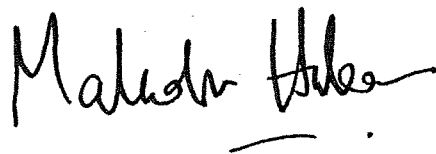
The general outcome of this hearing is that the Commissioner designate gave a convincing demonstration of his aptitude to be a member of the College of Commissioners and to carry out the specific tasks assigned to him.

This represents the opinion of a consensus of the IMCO Members, and a large majority of the ECON Members, who attended the hearing.

Yours sincerely,



Sharon BOWLES
Chairwoman of the Committee on
Economic and Monetary Affairs



Malcolm HARBOUR
Chairman of the Committee on the
Internal Market and Consumer Protection

Attachment:

Michel Barnier

ECON Chair's Opening Remarks

1. During the financial crisis the three Commissioners responsible for Economic and Monetary Affairs, Financial Markets and Competition have had to work closely together, and it is presumed this cooperation will need to continue. ECON has responsibility for all of these policy areas and wishes to participate in this vital joining up of policy. **So we would appreciate your commitment to assist in the inclusion of the Committee in this inter-portfolio area.**

2. In your written response you have indicated that you will do impact assessments on everything proposed in your mandate. **Will you also agree take steps to address the cumulative impact of the post-crisis financial legislation program, especially where there are inter-related proposals.**

3. I welcome your readiness to come to Committee and to inform and closely involve the Parliament in your work and considerations. I am very interested in your new ideas for cooperation with MEPs and the Committee – on the assumption that this means more interaction. This could be very useful for dealing with the volume of financial legislation foreseen, and with added pressure from the timetable imposed by G20. **Additionally we suggest that you involve Parliament more at the draft stage, making us more equal with Member States' experts.**

D'acord

Q. Schulz

le 13 janvier 2010