

virtual, 17 March 2022

Meeting conclusions

Participants	<p><u>Visitors' delegation:</u></p> <p>[REDACTED] Microsoft</p> <p>[REDACTED], Microsoft</p> <p>[REDACTED]</p> <p>Microsoft</p> <p><u>COM:</u></p> <p>Executive Vice-President Margrethe Vestager</p> <p>Werner Stengg, Penelope Papandropoulos, [REDACTED]</p>
Objective of the meeting	Discuss the digital regulatory agenda
Issues raised & follow-up	<p>As regards the successful enforcement of the <i>DMA</i>, [REDACTED] stressed the importance of increasing DG COMP staff, citing higher staff numbers and recent increases at comparable regulatory agencies, and the interest of the industry for broad, fast and high quality application of <i>DMA</i>.</p> <p>On <i>cloud</i>, he underlined the massive investment the main players are making in Europe (40% of 2021-2022 CapEx by AWS, Google and Azure), but recognised that European companies are only niche players. He expressed Microsoft's openness to pursue a European cloud initiative building strong partnerships with those companies, [REDACTED]</p> <p>[REDACTED]. Microsoft is working on specifics to pursue the initiative, and will likely be able to present details in May.</p> <p>On the <i>gaming industry</i>, [REDACTED] Microsoft's [REDACTED]</p> <p>[REDACTED]</p> <p>Microsoft also wants to pursue its <i>universal app store concept</i> to make shopping for games possible for anyone on any platform. With its published open app store principles, Microsoft is aiming to get ahead of legislation, and the competition.</p> <p>As regards <i>Microsoft businesses in the scope of DMA</i>, the company is concerned that Bing may be covered and sees it as too small. [REDACTED]</p> <p>[REDACTED] The company understands the focus on <i>gatekeepers and platforms</i>, and wants to avoid being seen as a bottleneck for the economy.</p> <p>In a discussion on <i>recommendations without profiling</i>, Mr. Smith highlighted the Netflix approach, which is based on very narrow profile (viewing history) and on what others in a community watch (top 10 in your country this week.).</p> <p>On Europe's <i>digital transition</i>, Microsoft sees a lot of potential in its partners combining digital with traditional European strengths, such as</p>

	<p>green energy. It is concerned, however, about the AI Act, which may be too early and slow down critical sectors of the EU economy.</p> <p>Finally, Mr. Smith called for digital-driven coordination among regulatory fields inside a jurisdiction, recognising the fact that digital innovation is driving fast paced change in every area of life, and for more cross border cooperation as well, to avoid business having to deal with regulatory issues across dozens of jurisdictions.</p> <p>EVP Vestager informed of the possibility on a political agreement on the DMA before end of March. This means it may come into effect by January 2023, requiring a lot of preparatory work in 2022, and then ongoing regulatory dialogue. She nevertheless underlined the importance of internal industry discussions to resolve issues, including in cloud.</p> <p>She pointed out that, concerning cloud services, European reluctance is rooted in extraterritorial jurisdiction, lack of transparency, switchability, and joint efforts at delivering solutions based on European values would ease the discussions.</p> <p>On AI, EVP Vestager pointed out that Europe has large public sectors, which won't open up to the use of AI if those with political responsibility don't trust it.</p> <p>On <i>digital regulation in general</i>, EVP Vestager underlined the need to catch up urgently after a long period of lack of regulation.</p>
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