

FAIR PLAY



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with VARG FOLKMAN, EDITH HANCOCK and AOIFE WHITE

SNEAK PEEK

— **Social Europe gets a summit today** and a pledge to strengthen dialog between employers and workers after the failure of talks on telework and amid plans to discuss labor shortages.

— **Tech advocacy groups want Microsoft and OpenAI** to get a very thorough examination from the European Commission.

— **DG COMP's Ben Smulders says the EU isn't fueling a transatlantic subsidies race** that it "won't be able to win anyway."

Good morning and welcome to Fair Play.

Tips, comments and coffee invitations are welcome at ehancock@politico.eu, vfolkman@politico.eu,

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DRIVING THE DAY

OVERHAUL THE SOCIAL DIALOG AND TACKLE LABOR SHORTAGES: European Commission President Ursula von der Leyen, Belgian Prime Minister Alexander De Croo and the heads of EU employers' and workers' organizations will today sign a declaration on European social dialog at a [social partners' summit](#) at [Val Duchesse](#), a chateau in southern Brussels that hosted a landmark 1985 meeting intended to spark a "social Europe."

Much ado about nothing? The summit wasn't supposed to be just a signing ceremony starting at 1 p.m. with [livestreamed signatures](#) at around 3.15 p.m. The Belgian Presidency and the Commission originally planned to have a deal on a [telework directive](#) to show off at the meeting. Unfortunately, employers' organizations walked out of negotiations with workers after two years of talks, meaning there still aren't common rules on remote work, marring plans for the event today to re-focus attention to employer-worker

relations.

Why we need stronger dialog: “Especially after the failure of this negotiation, we have to make sure that the European social dialog goes on,” Jobs Commissioner Nicolas Schmit told Fair Play in an interview last week. The urgency behind the green transition requires “better social dialog, dialog with employers, industries, farmers, but also with the workers and their unions,” he said.

A common plan on labor shortage: The summit will also be the starting point for an EU plan – and linked national plans – to tackle labor shortages and mismatches in the labor market which Schmit said is “a big issue” in Europe. He also mentioned that it could be an opportunity to talk about technology (read artificial intelligence) in the workplace.

Follow-up: “It’s not in two hours with a nice paper you have set everything. There should be a follow-up organizing a more continuous social dialog on the economic and social topics which are present now and which lie ahead,” Schmit said. The Commission has already scheduled a legislative follow-up for April 23.

Uncomfortable truths: Tackling labor shortages isn’t easy and forces policymakers to air uncomfortable truths. “We have a demographic issue in Europe. That’s

clear. We have to live with that. And even if suddenly things change, it will take some years,” Schmit said. He said it’s important to bring more people into the labor market, tackle childcare and give young people more secure work. “But even if we are doing that, we still will need additional workforce, which is not here in the Union. And that puts the question of legal, organized, targeted migration,” he said.

AGENDA

COMMISSION: Ursula von der Leyen and Belgium’s Alexander de Croo host the [social partners’ summit](#) in Val Duchesse. **Nicolas Schmit** and **Margaritis Schinas** also attend.

Margrethe Vestager and **Valdis Dombrovskis** meet with U.S. Treasury Secretary **Janet Yellen** in Washington D.C. and speak at a [green marketplace event](#) from 3 p.m. or 9 a.m. EST. They also discuss economic security at the [Center for Strategic and International Studies](#) at 12.30 p.m. or 6.30 p.m. EST.

Schmit goes to an S&D Group [conference on the right to disconnect](#) at 10 a.m.

The commissioners’ weekly [meeting](#) discusses renewing import duties and quotas for Ukrainian and

Moldovan exports which will be presented at a press conference by **Maroš Šefčovič** and **Schinas**.

COURTS: General Court rules on a [challenge](#) to the Commission's decision to allow Nidec to buy back a divestment made in a [2020 takeover](#).

CONFERENCES: Cristina Caffarra's [antitrust conference](#) kicks off at 8.20 a.m. with DG COMP's **Olivier Guersent** and hears from the General Court's **Marc van der Woude**, U.S. Trade Representative **Katherine Tai**, the U.S. Justice Department's **Jonathan Kanter** and U.S. Federal Trade Commission Chair **Lina Khan**.

Concurrences conference on [EU business law](#) in Paris from 2 p.m.

CEPS [event](#) on a program for the single market from 11 a.m.

MARK YOUR CALENDAR: The next EU-U.S. Trade and Technology Council will take place in spring in Belgium, according to a [press release](#) after Tuesday's meeting.

INDUSTRIAL POLICY

TAKE ACTION: Web browser Mozilla, tech advocacy group Foxglove and other campaign groups [called on](#) Commission competition enforcers to take a tough line

on Microsoft's investments in OpenAI, citing a laundry list of problems for the tech sector. Competition chief Margrethe Vestager earlier this month said she is [looking into](#) whether merger rules could be used to examine the partnership.

Influence: The groups' seven-page letter to DG COMP alleges that "Microsoft's influence over OpenAI goes far beyond its reported \$13 billion financial investment" and that the recent firing and rehiring of OpenAI boss Sam Altman shows "the strength of the tech giant's influence over its smaller partner."

"Only by acting early and aggressively against anti-competitive behavior in AI can regulators prevent this oligopolistic control from being extended further," they said. The letter tells DG COMP to look for "tacit or explicit agreement with OpenAI" that would stop it from competing with Microsoft and to check how much insight Microsoft has into the models OpenAI develops.

INDUSTRIAL POLICY

MEAGER MATCHING AID: The ["very limited" use](#) of matching subsidies to keep EU projects from moving to the U.S isn't "a major contribution of the European Union to a subsidy race," said DG COMP's state aid chief Ben Smulders, a race it "won't be able to win

anyway.” He told a [Commission webinar](#) that temporary state aid frameworks to tackle crises were “not a case of watering down the rules, but of knowing when and under which conditions to break the glass in case of emergency.”

Not enough: French centrist lawmaker Stéphanie Yon-Courtin decried the lack of funding for the STEP fund, where governments only want to add [as little as €1.5 billion](#) in new money. “The funding is not ambitious at all. And that does not send the right signal, I think, to address the risk of fragmentation of the single market,” she said.

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SINGLE MARKET

OPENING UP SERVICES: A Centre for European Policy Studies report on strengthening the single market suggests a program to revive the Services Directive by

2028, which could power up efforts to knock down barriers within the EU to professional services, retail and construction. The study, signed by academic Jacques Pelkmans and delivered later today, proposes a [10-point action plan](#).

MERGERS

SPANISH FERRIES: Spain's National Commission for Markets and Competition (CNMC) warned of a potential fine for ferry operator Naviera Armas for failing to comply with 2018 merger commitments and allow rival FRS to run a route from southern Spain to Melilla in North Africa and to the Canary Islands. The authority already ruled in September that Naviera Armas breached its merger pledge. Officials now have three months to decide on a fine.

COMPETITION

MONDELEZ UPS FINE PROVISION: Mondelēz increased to €340 million a provision for a potential Commission fine to settle a [probe](#) into cross-border sales of cookies and chocolate, up from [€300 million](#), it said in a [filing](#) on Tuesday. "During the fourth quarter of 2023, the company determined that it is likely to achieve a resolution with the European Commission that is expected to result in a liability of approximately €340

million (\$375 million) in total,” it said.

GERMAN FOOTBALL: The German Federal Cartel Office [blessed](#) the Deutsche Fußball Liga’s plans to sell media rights to Bundesliga and Bundesliga 2 football matches from 2025, saying it had made sure “that the highlights remain available on the main TV channels and not just on the internet.” The new sales plan drops a “no-single-buyer rule” which the authority said it could live with because there’s now more competition with coverage of live football thanks to DAZN, RTL and Amazon.

UK SUPERMARKETS: The U.K.’s Competition and Markets Authority is [looking into](#) supermarkets’ loyalty pricing programs to see if they risk misleading consumers and could affect competition in the grocery sector. The CMA plans to finish its review by the end of the year and publish an update on its work in July.

AUSTRIAN CONSTRUCTION: The Austrian cartel court [imposed](#) a €63,000 fine on construction firm Simsek Bau at the request of the Austrian Competition Authority. The case was the [country’s first](#) cartel investigation based on recorded telephone conversations from a Vienna police criminal probe.

CZECH CORRUPTION KERFUFFLE: The Czech Office for the Protection of Competition defended a decision to restructure its appellate committees after the

newspaper [Seznam Zprávy reported](#) that it let go of two anti-corruption experts. The experts were supposed to help rid the Office of “suspicions of corruption” under its former leadership, the newspaper said. A [statement](#) by the Czech Office said the media report tried to “unnecessarily look for a sensation where there is none.” It said it simply wanted to restructure the committees to add transport infrastructure experts and shed the two external experts from underused committees.

STATE AID

Sweden's tax exemptions for biogas and bio-propane used for heating or motor fuel will be [investigated](#) by the Commission after the General Court rejected a 2020 approval on procedural grounds, saying the Commission should have opened a probe to examine potential overcompensation. The cases are [SA.22194](#) and [SA.49893](#).

Germany won [EU approval](#) to spend around €1 billion in direct grants to livestock farmers to upgrade pig breeding and welfare standards. The cases are SA.107835 and SA.107837.

Italy got EU approval to provide €550 million in direct grants to businesses that substitute fossil fuels used in