

2 December 2024

Commissioner Michael McGrath European Commission Brussels, Belgium

Dear Commissioner Michael McGrath,

On behalf of Chamber of Progress – a tech industry association supporting public policies to build a more inclusive society in which all people benefit from technological advancements – I write to congratulate you on your successful appointment as Commissioner for Democracy, Justice, the Rule of Law and Consumer Protection.

President von der Leyen has tasked the new College of Commissioners with addressing the urgent need to close Europe's innovation gap and ensure competitiveness on the global stage, initiatives which we fully support.<sup>1</sup> As highlighted in her Competitiveness Compass, achieving this goal requires a cohesive approach to reducing regulatory fragmentation, fostering innovation, and creating an environment where entrepreneurs and industry leaders can thrive.<sup>2</sup>

Your role as Commissioner for Democracy, Justice and the Rule of Law places you in a pivotal position to contribute directly to these goals. During your hearing, your support for streamlined legal frameworks and balanced regulation aligned with three of our priorities necessary to empower Europe's digital and innovation sectors.

## A Single Framework for Startups

Europe boasts immense talent, but red tape at the national level often stifles the potential of its entrepreneurs. By advancing the creation of a single, harmonized framework for startups — referred to as "EU Inc." or the "28th regime" — you can

<sup>1</sup> 

https://progresschamber.org/wp-content/uploads/2024/07/Chamber-of-Progress-Letter-to-President-Von-der-Leven-2 2-7-24.pdf

<sup>&</sup>lt;sup>2</sup> Speech by President von der Leyen at the European Parliament Plenary on the new College of Commissioners and its programme (27 November 2024), available <u>here</u>.

progresschamber.org | 1390 Chain Bridge Rd. #A108 | McLean, VA 22101 | EU Transparency Register: 882546891537-88

remove significant barriers to growth. This approach would simplify business formation and scaling across borders, enabling startups to thrive.

The EU Inc petition, which has garnered substantial support across the continent, highlights the urgency of this reform.<sup>3</sup> We are grateful for your acknowledgement in response to questions from MEP Repasi that bringing this forward will be "an important piece" of your work, and we intend to support your consideration of the details. We hope that, with your leadership, the Commission can develop the "28th regime" from mere concept to reality.

## **Prioritizing Innovation**

Excessively precautious regulations often impose real costs on Europe's competitiveness while defending only against speculative and theoretical harms. GDPR, while achieving important goals, illustrates how overly burdensome compliance can hinder innovation.

As you emphasized in your hearing, ensuring that enforcement and legislative approaches are balanced and forward-looking is essential. We are grateful for your commitment to simplification of the digital rulebook, which can help businesses innovate confidently, while still addressing genuine consumer harms. This focus can ensure competitive yet responsible governance of the digital sphere.

## Establish a Compliance One-Stop-Shop

Legal uncertainty and fragmented enforcement create significant obstacles for businesses attempting to scale in Europe. Companies often face conflicting decisions from multiple regulators, forcing them to navigate disparate rules, and forestalling innovation.

A compliance one-stop-shop, where enforcers collaborate to harmonize guidance and resolve overlapping concerns, would reduce administrative burdens and foster confidence among businesses. This initiative aligns with your portfolio's goal of strengthening the rule of law across Member States, ensuring coherence and clarity for businesses and enforcers alike, and thereby encouraging further investment and growth.

<sup>&</sup>lt;sup>3</sup> <u>https://www.eu-inc.org/petition</u>

If there is anything we can do to help you progress on these priorities, please rest assured that we will. Chamber of Progress looks forward to supporting your Commission in advancing technological progress during the next five years, and beyond. We wish you the greatest success.

Sincerely,

Kayvan Hazevii Jebelli

Kayvan Hazemi-Jebelli Senior Director for Europe