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in charge
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Andrus Ansip
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and
Vice President of the European Commission
European Commission
200 Rue de la Loi
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Dear Vice-President,
Dear Commissioners,

The ongoing digital revolution, especially in the areas of artificial intelligence and distributed ledger technology (DLT), brings enormous economic and societal opportunities for Europe, but also substantial challenges. Current events, including the unresolved problems with Facebook and Cambridge Analytica, serve as important reminders that Europe must aim to lead rather than lag behind on the technological and regulatory fronts. In this context, we welcome the Commission's MFF proposal to increase significantly expenditures on the digital agenda. However, we would be grateful for the following clarifications with regards to the underlying strategy.

1. European Digital Strategy:

- i. Innovation in the digital space moves much faster than the usual pace of policy making. How does the Commission intend to ensure, together with the relevant institutions including the European Parliament, the continuous update of its digital strategy along with its spending and regulatory priorities?
- ii. Specifically, how will the Commission ensure that its digital expertise is on par with the expertise available in the tech sector, in order to assure the timely development of pioneering public sector use-cases and timely regulatory responses to opportunities and risks?

iii. Should there be a specific digital agency at the European level to supervise artificial intelligence, algorithms, DLT, pooling the relevant expertise? Or should a largely technology neutral allocation of responsibilities remain, relying primarily on decentralised responsibilities according to the different domains such as financial regulation, intellectual property rights, or digital networks?

iv. How will the Commission ensure that sufficient financial resources will be available to fund the transition towards a digital society and the effective regulation of technologies, with a view to the post-2020 Multiannual Financial Framework? What instruments should be used, and specifically, how will the future Digital Europe Programme contribute to the questions raised in this letter?

2. Distributed Ledger Technology and the EU Blockchain Observatory and Forum:

i. What concrete steps has the Observatory taken since its establishment in February 2018 to fulfil its objectives?

ii. How and according to which criteria was the service provider of the Observatory selected?

iii. To what extent will the European Parliament be informed about the current status of the Observatory? Can the Parliament expect to be presented an interim report? When will first results be published?

iv. How will the Commission ensure that new technologies are monitored after this pilot project ends and might the Observatory serve as an example of how to monitor and harness the potential in other areas of rapidly evolving digital innovation, such as artificial intelligence?

v. How will the Commission react to any findings by the Observatory that some DLT applications are set to become systemic in the future? Can the Commission ensure a swift publication of recommendations by the Observatory for the response to those challenges for the Unions' regulatory framework?

vi. The current debate on cryptocurrencies revolves around the question of what regulatory approach should be taken. How should the EU balance the construction of new regulations and the application of existing ones? What strategy does the Commission propose to regulate DLT-related applications, especially with regards to cryptocurrencies?

vii. Regarding the different ongoing initiatives in Member States, is the Commission considering the introduction of a 29th European regulatory regime for relevant blockchain applications in order to pre-empt legal

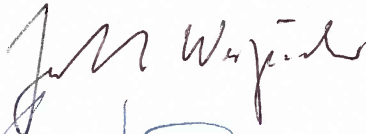

fragmentation among member states before it even has arisen, for example in the area of initial coin offerings?

We look forward to a continued close cooperation in making the most of the opportunities and addressing the challenges of these new technologies.

Yours sincerely,

Members of the European Parliament

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Germany - S&D

Sirpa Pietikäinen
Finland - EPP



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