

# Rescue the Register !

**How to make EU lobby transparency credible and reliable**

Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU)

June 2013



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## How to make EU lobby transparency credible and reliable

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**Updated version, 21 June 2013:** we have made a correction in the list of unregistered industry lobby groups on page seven: the Confederation of Danish Industries was mistakenly mentioned as unregistered, but has in fact been registered since September 2008.

**Updated version, 25 June 2013:** General Motors Europe does not exist anymore as a legal entity. The GM Group is registered via its main European subsidiary, Adam Opel. General Motors has therefore been removed from the section on unregistered companies on page 6 and from Appendix 1. Three additional mistakes have been corrected in Appendices 1 and 2.

The **Alliance for Lobbying Transparency and Ethics Regulation** (ALTER-EU) is a coalition of about 200 civil society groups, trade unions, academics and public affairs firms concerned with the increasing influence exerted by corporate lobbyists on the political agenda in Europe, undermining democratic decision making in the EU and resulting in urgently needed progress on social, environmental and consumer-protection reforms being delayed, watered down or even blocked. ALTER-EU is registered in the EU Transparency Register under number: 2694372574-63

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Disclaimer: ALTER-EU's research was carried out in May 2013. All Transparency Register data in this report (unless otherwise stated) refer to entries as they were before 7 June 2013. The actual information in the Transparency Register (which can be updated at any time, without records of changes being available) may have changed since. The figures used in this report pertaining to financial disclosure in the Transparency Register refer (unless otherwise stated) either to the exact stated amount in an entry, or where declarations give a bandwidth, an average of the two

# Executive summary

We have now reached a critical juncture in the debate on lobbying disclosure and reform in Brussels. The European Commission and European Parliament are reviewing their Joint Transparency Register, and considering how best to secure lobbying transparency at EU level. All the signs emerging from the Commission are that they would prefer to retain their voluntary and 'light touch' approach to lobbying regulation.

The findings of this report show that this approach is unsustainable, misguided and simply not credible. The experiment with the voluntary system to date, and the evidence presented in this report, clearly shows that the effectiveness of the voluntary register is unconvincing at best, and dismal at worst.

- ▶ Over 100 large companies involved in EU lobbying are missing from the register, as are numerous consultancies, lobby groups and MEP-industry forums. Law firms that lobby continue to boycott the register, with the meaningful participation of law firms actually having decreased in the last year. With so many major players missing, the register is clearly not 'de facto mandatory'.
- ▶ The financial information in the register continues to be far too unreliable, with many of those that appear to be the biggest spenders in fact being small players. At the same time, there remains a big problem with large players under-reporting on the size of their lobby expenditure. The result is that the register gives a misleading picture of who is lobbying and with what resources.
- ▶ Numerous entries in the register provide incomplete and outdated information, demonstrating that the register's monitoring and enforcement remains far too unambitious.

Given the widespread and routine non-compliance with the register by many of the most active and effective lobbyists in Brussels, as documented in this report, the Commission simply cannot claim that the current system is working, or that it is likely to work in future.

The Commission appears to be in denial about the very obvious problems with the current system. Voluntary transparency permits those most reluctant to be transparent to continue lobbying in the shadows. There is compelling evidence that the voluntary approach is inherently problematic, and it is now clear that there is a legal base for adopting a mandatory approach. All that is currently missing is the political will to reform this broken system.

# Introduction

ALTER-EU has been engaged in the debate on lobbying transparency in Europe since its foundation in 2005. Our analysis is founded on the premise that a democratic European Union (EU) needs to be transparent, accountable and avoid developing policies to suit narrow sectional interests. In short, the EU needs to end the culture of secretive lobbying and privileged access that has developed over the last decades.

We see lobbying transparency as one important democratic reform that is urgently needed to restore some credibility and trust in EU decision-making. ALTER-EU's analysis and critique of the voluntary approach to lobbying disclosure is by now well known among policy-makers in Brussels. We have repeatedly pointed out the serious flaws and short-comings of an 'opt-in' system of oversight.

It is now five years since the European Commission created its lobby transparency register and two years since its relaunch as the European Commission and European Parliament Joint Transparency Register. Although the European Parliament has called for a mandatory register,<sup>1</sup> the Commission insisted that the joint register should remain voluntary.

The responsible Commissioner, Maroš Šefčovič, presented the new register as *"good news for the transparency of policy-making in Europe"* and made some bold promises. The register would be *"de facto mandatory"* and cover *"everybody who wants to participate in the policy debate in the EU"*.<sup>2</sup> It would *"provide more information than before, such as the number of staff involved in advocacy, the main legislative proposals they have covered, as well as the amount of EU funding they received"*.<sup>3</sup> Commissioner Šefčovič also pledged that those responsible for the register would be *"very serious about verifying all financial disclosures. This is very important for the credibility of the register."*

ALTER-EU's first review of the joint register, the June 2012 report 'Dodgy Data: time to fix the EU Transparency Register',<sup>4</sup> showed that these promises had not yet been delivered. The register's

<sup>1</sup> Decision adopted by European Parliament vote, 11 May 2011: "Repeats, however, its call for the mandatory registration of all lobbyists on the TR and calls for the necessary steps to be taken in the framework of the forthcoming review process in order to prepare for a transition to mandatory" (P7\_TA(2011)0222).

<sup>2</sup> Interview with Commissioner Šefčovič, 'Open for business', Parliament Magazine, 28 June 2011, <http://www.theparliament.com/latest-news/article/newsarticle/open-for-business-4/> (accessed 30 May 2013)

<sup>3</sup> 'Commission and European Parliament launch Joint Transparency Register to shed light on all those seeking to influence European policy', European Commission press release, 23 June 2011, <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/773&format=HTML&aged=o&language=en&guiLanguage=en> (accessed 30 May 2013)

<sup>4</sup> Dodgy Data report, ALTER-EU, June 2012, <http://www.alter-eu.org/sites/default/files/documents/Dodgy-data.pdf> (accessed 4 June 2013)

## Transparency Register review process

According to the June 2011 inter-institutional agreement between the European Commission and the European Parliament on their Joint Transparency Register, the register *"shall be subject to review no later than two years following its entry into operation."*<sup>5</sup>

This review was specifically included at the request of the European Parliament, to ensure that its demand for a mandatory register could not simply be ignored or forgotten. The Parliament had earlier issued a resolution *"for the necessary steps to be taken in the framework of the forthcoming review process in order to prepare for a transition to mandatory registration"*.<sup>6</sup>

The preparations for the review started earlier this year with three stakeholder meetings between representatives of the Transparency Register secretariat and a range of EU-level organisations. Initially, the Commission steered the process towards a short and narrow review focusing on 'technical issues', but after pressure from transparency groups and Members of the European Parliament (MEPs) the Commission agreed to a more comprehensive review.<sup>7</sup> Commissioner Šefčovič attended the third of these stakeholder meetings, on 5 June 2013. Negotiations on changes to the Transparency Register are to take place in an Inter-Institutional Working Group (IIWG), consisting of MEPs from the different political groups and Commissioner Šefčovič. The process will start as soon as the European Parliament appoints MEPs to the IIWG.

<sup>5</sup> [http://europa.eu/legislation\\_summaries/institutional\\_affairs/decisionmaking\\_process/ai0045\\_en.htm](http://europa.eu/legislation_summaries/institutional_affairs/decisionmaking_process/ai0045_en.htm) (accessed 11 June 2013)

<sup>6</sup> European Parliament decision of 11 May 2011 on conclusion of an inter-institutional agreement between the European Parliament and the European Commission on a Joint Transparency Register; <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2011-0222+0+DOC+XML+Vo//EN> (accessed 11 June 2013)

<sup>7</sup> [http://europa.eu/rapid/press-release\\_SPEECH-13-235\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-13-235_en.htm) (accessed 11 June 2013)

first year in operation had been a disappointing failure of the voluntary approach, with numerous gaps, misleading disclosures, and weak oversight and enforcement by those overseeing it.

This year's report '**Rescue the Register! How to make EU lobby transparency credible and reliable**' provides further evidence of the continued inadequacies of the voluntary Transparency Register. After two years in operation, which marks the start of the official review process involving the European Commission and European Parliament, ALTER-EU gives its final verdict.

Our report highlights the key questions for the review of the Transparency Register: Is it 'de facto mandatory' in the sense that virtually all Brussels-based lobbyists are registered? Does the register provide substantial and reliable information on who is lobbying, on whose behalf, on which issues and with what budgets? And perhaps most importantly, what should be done next to improve lobbying disclosure and oversight?

## New study showing legal base for a mandatory lobby register

One of the European Commission's main arguments for a voluntary lobby transparency register has been that the EU treaties do not contain a practicable legal basis for a mandatory register. The only treaty article that could underpin a mandatory register would require unanimity among EU member states, the Commission argues.

A new study by Markus Krajewski, Professor in Legal Studies at Erlangen-Nürnberg University in Germany, however, concludes that the EU Treaties do provide a legal base for a mandatory lobby register.<sup>8</sup> In this legal opinion, published in June 2013, Professor Krajewski concludes that a legal base for a mandatory register can be found in Article 298 (2) Treaty on the Functioning of the European Union (TFEU), at least concerning lobbyists when they target the EU institutions in their administrative tasks. Based on the implied powers doctrine, this could be extended to

cover all activities addressing EU organs and institutions engaged in legislative as well as administrative tasks.

A regulation based on Article 298 (2) TFEU and the implied powers doctrine could be adopted through the ordinary legislative procedure (in which member states decide by qualified majority). Professor Krajewski also concludes that until a binding regulation is adopted, the EU institutions can amend their rules for staff in order to address their behavior vis-à-vis lobbyists. Furthermore, the EU institutions could change their own rules of procedure to regulate access of lobbyists to their premises. This might then have a factually binding character.

<sup>8</sup> "Legal framework for a mandatory EU lobby register and regulations", Markus Krajewski, June 2013, <http://www.alter-eu.org/documents/2013/06/legal-study> (accessed 18 June 2013)

# 1. Lobby register: Major actors still absent

Two years since the Joint Transparency Register was launched, ALTER-EU research continues to show that hundreds of actors involved in EU lobbying<sup>9</sup>, particularly law firms, remain absent from the register<sup>10</sup>.

The number of registered organisations and firms has gradually increased since the lobby register's inception, but many key players are still missing. In some categories, notably law firms, meaningful participation in the register has actually decreased. Other types of organisations, such as MEP-industry forums, remain largely absent.

The ongoing avoidance of the Transparency Register by so many major lobby groups means that there are significant gaps in coverage. This undermines the credibility of the current system. The register is not de facto mandatory, it is de facto incomplete and unreliable.

## 1.1. Companies

We have identified over 100 unregistered companies (105) with a representative office in Brussels or known to have been lobbying the EU.<sup>11</sup> The list includes major companies like ABN-Amro Bank, Adidas, BBVA Group, Apple Inc., Belfius (formerly Dexia), Heineken, Porsche, Rio Tinto plc, Disney, Shanks Group, SAP, Time Warner, Nissan, Northrop Grumman and many others.

Of the unregistered companies that we listed in our last report, only a minority – 15 of the 120+ we listed – have since registered. The chemicals and biotechnology firm Monsanto re-joined the register last month, after being absent from the register since Spring 2012.

The Monsanto example reveals that under the current voluntary model companies are free to register and de-register as they please. This shows that it is unrealistic to expect the voluntary model to paint an accurate picture of lobbying activities in Brussels. It also reinforces the criticism of the EU's register by the Center for Responsive Politics, which notes that the voluntary register, while not delivering full transparency, nonetheless gives the public 'false confidence' that there is oversight of lobbying.<sup>12</sup>

The recent lobby battle around new European legislation on data privacy highlights weaknesses in the voluntary approach, with prominent companies such as Adobe, Amazon and First Data all failing to sign-up to the lobby register. Despite the fact that they are lobbying MEPs, sending them position papers on how to vote and proposing amendments (as documented by the lobbyplag.eu project). Adobe is also paying consultancy Hume Brophy to lobby on its behalf, and Amazon is a client of Brunswick, according to these consultancies' registrations, but the multinationals themselves continue to shun the transparency register.

Other prominent non-registrants include at least ten banks from the FT 500 list of the world's largest companies: Banco Santander, BBVA Group, Belfius

<sup>9</sup> Interest representation - or lobbying - covers "activities carried out with the objective of directly or indirectly influencing the formulation or implementation of policy and the decision-making processes of the EU institutions, irrespective of the channel or medium of communication used, for example outsourcing, media, contracts with professional intermediaries, think-tanks, platforms, forums, campaigns and grassroots initiatives. These activities include, inter alia, contacting Members, officials or other staff of the EU institutions, preparing, circulating and communicating letters, information material or discussion papers and position papers, and organising events, meetings or promotional activities and social events or conferences, invitations to which have been sent to Members, officials or other staff of the EU institutions. Voluntary contributions and participation in formal consultations on envisaged EU legislative or other legal acts and other open consultations are also included." <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:191:0029:0038:EN:PDF> (accessed 28 May 2013)

<sup>10</sup> To assess how many relevant EU lobby players are still missing from the register, we used external directories of lobby firms and corporate EU affairs offices and lists of participants in EU stakeholder consultations and established which of the bodies on those lists are not in the Transparency Register. As the directories used are not necessarily comprehensive, it is likely that there are other companies which lobby in Brussels but which are not on the transparency register.

<sup>11</sup> This list is based on entries in the register on 7 June 2013. For the full list see Appendix 1.

<sup>12</sup> [http://www.theparliament.com/no\\_cache/latestnews/news-article/newsarticle/eu-lobby-register-fails-to-increase-transparency/](http://www.theparliament.com/no_cache/latestnews/news-article/newsarticle/eu-lobby-register-fails-to-increase-transparency/) (accessed 13 June 2013)

(Dexia), la Caixa, Erste Group Bank, Goldman Sachs, HSBC, Nomura, Nordea, Rabobank, Royal Bank of Scotland, Swedbank and UBS.<sup>13</sup>

For a full list of the companies identified as missing from the Transparency Register (on 7 June 2013), see Appendix 1. It should be noted that this list is not exhaustive and that there are undoubtedly more than 100 companies that are actively lobbying but are not registered.

## 1.2. Industry lobby groups

Numerous industry lobby groups also remain unregistered (the category in the register describes them as 'Trade, business & professional associations'). Many groups involved in major lobbying battles around EU decision-making are entirely absent from the register.

Examples include:

- ▶ the Association of Petrochemical Producers in Europe (lobbying for Shell, Tar Alliance, BP, Lukoil, ExxonMobil, etc.),<sup>14</sup>
- ▶ Friends of ETS (lobbying for E.ON, Shell, Unilever, GE, etc)<sup>15</sup>
- ▶ the Community of European Shipyards' Associations (representing companies such as AVEVA Solutions, Rolls-Royce, Maersk etc., through their national associations)<sup>16</sup>
- ▶ the Nordic Securities Association (representing Danske Bank, Nordea Bank, Jyske Bank, Swedbank, RBS Finnish Branch, Citibank International, etc., through their national associations)<sup>17</sup>
- ▶ the alcohol industry's Portman Group (lobbying for AB InBev, Bacardi Brown-Forman Brands, Carlsberg UK, Heineken UK, etc.).<sup>18</sup>

<sup>13</sup> Deutsche Bank was initially included in this list, as they were not in the register during our initial research phase in mid-May. However, Deutsche Bank registered on 30 May 2013. The last check of unregistered companies was done on 7 June 2013, which is when this list pertains to. See Appendix 1.

<sup>14</sup> <http://www.petrochemistry.eu/> (accessed 4 June 2013)

<sup>15</sup> <http://www.friendsofets.eu/> and <http://www.business-green.com/bg/analysis/2264888/did-your-company-inadvertently-help-wreck-the-eu-emissions-trading-scheme> (accessed 11 June 2013)

<sup>16</sup> <http://www.cesa.eu/> (accessed 4 June 2013)

<sup>17</sup> <http://nsa-securities.com/> (accessed 4 June 2013)

<sup>18</sup> <http://www.portmangroup.org.uk/?pid=1&level=1> (accessed 4 June 2013)

## 1.3. MEP-industry forums

There is a key category in EU lobbying that is largely absent from the register: cross-party groups of MEPs and business representatives. MEP-industry forums are comparable to the intergroups that are officially recognised by the European Parliament, but industry forums are not subject to any regulation.<sup>19</sup> These forums, typically run and funded by corporate members, offer opportunities for lobbying during working breakfasts, lunch events, dinner debates, seminars for MEPs' assistants, cocktail events and excursions, all paid for by industry members.

A May 2011 report by Corporate Europe Observatory identified at least 15 MEP-industry forums.<sup>20</sup> Only five of these groups are in the Transparency Register, including the European Forum for Renewable Energy Sources, the Forum in the European Parliament for Construction and the Kangaroo Group.<sup>21</sup> Ten out of the 15 MEP-industry forums identified are unregistered, including:

- ▶ European Energy Forum (members include Statoil, Shell, Vattenfall, E.ON, etc.)
- ▶ European Forum for Manufacturing (involves Bayer, Daimler, Philips, Toyota, etc.)
- ▶ European Internet Foundation (representing Apple, Google, Microsoft, etc.)
- ▶ Transatlantic Policy Network (lobbying on behalf of Bayer, Arcelor Mittal, Syngenta, etc.)<sup>22</sup>

There are however huge discrepancies in the levels of disclosure by these groups. Among the MEP-industry forums that are registered, we have identified the following inconsistencies: the European Parliamentary Financial Services Forum is registered as 'in-house lobbyists and trade/professional associations' (subcategory 'other organisations'); the European Forum for Renewable Energy Sources (EFRES) is in the 'NGO' category; the Forum in the European Parliament for Construction is registered as a 'consultancy'; and, the Forum for the Automobile

<sup>19</sup> Some 60-80 cross-party groups currently bring together groups of MEPs from different political groupings but with a common interest in a particular issue, which they discuss with outside interests. Around 25 of these are officially recognised and registered as intergroups, but the rest are not. ALTER-EU recommends that MEP-industry forums be subject to the same rules as intergroups (rules which should themselves be strengthened) including on transparency about their financial backers.

<sup>20</sup> <http://corporateeurope.org/news/lobbying-under-radar> (accessed 30 May 2013)

<sup>21</sup> The other two registered MEP-industry forums that we identified are the European Parliamentary Financial Services Forum and the Forum for the Automobile and Society

<sup>22</sup> Other unregistered MEP-industry forums include the European Life Sciences Circle, European Parliament Ceramics Forum, Land Use and Food Policy Intergroup, GLOBE, K4I (Knowledge for Innovation) and Rail Forum Europe.

and Society and the Kangaroo Group are registered as 'think tanks'.

Consequently, because of the different disclosure requirements for different categories, there are different degrees of transparency about each MEP-industry forum. EFRES discloses its budget, lists its members and specifies that its income is from members and sponsorship. The Forum for the Automobile and Society lists its members, whereas the Kangaroo Group, which is also in the think tank category, only mentions that it has a budget of 280,120 euro per year, but does not disclose its income sources. The Kangaroo Group's choice to register as a think tank – and therefore to avoid disclosing funding sources or members, as think tanks are not required to do this – appears contrary to the spirit of the register, and is likely in violation of the register's compliance guidelines.<sup>23</sup>

#### 1.4. Think tanks

Most of the larger EU-focused think tanks are now in the register, but many others continue to avoid disclosure, including the European Centre for International Political Economy (ECIPE) and the European Council on Foreign Relations (ECFR), both of which were highlighted in our last report.

Furthermore, the Centre for European Reform (*"a think tank devoted to making the European Union work better"*), Forum Europe, RAND Europe, the Centre for European and International Policy Action (CEIPA), the Global Warming Policy Foundation, Institut Thomas More, Institut Economique Molinari, the Stockholm Network, and numerous other think tanks active on EU policy issues remain unregistered.<sup>24</sup>

<sup>23</sup> The Transparency Register's Section IV ("Think tank, research and academic institutions") is for entities with research as a primary purpose and "which do not include any profit-making entities or associations of profit-making entities in its membership". Because the Kangaroo Group has profit-making entities as members (as we know from the EPA membership fee documents), it would appear that it should register in section II (lobby groups). Transparency Register Compliance Guidelines, Edition N°2 – 04 October 2012, [http://europa.eu/transparency-register/pdf/guideline\\_en.pdf](http://europa.eu/transparency-register/pdf/guideline_en.pdf) (accessed 30 May 2013)

<sup>24</sup> Other examples include: Trans European Policy Studies Association (TEPSA), Institute for European Studies (IES), German Marshall Fund of the United States (GMF), Transatlantic Centre, Egmont – Royal Institute for International Relations, the Conference Board Europe, CIPI Foundation, European Centre for Public Affairs 2.0, the Club of Madrid, Centre for Clean Air Policy-Europe (CCAP-Europe) and many others. These are all think tanks that are active in EU policy debates. Many are also listed as think tanks in the European Public Affairs Directory, but are not in the Transparency Register.

In addition to the absence of many of these organisations from the register, disclosure requirements for think tanks are very weak. Currently think tanks do not have to reveal details of their funding beyond identifying whether it is public or private. Some think tanks do voluntarily provide more information on funding sources, but Open Europe, Ludwig von Mises Institute Europe and many others do not.

The limited disclosure obligations for think tanks mean that corporations and wealthy donors can covertly fund think tanks (and other groups which inaccurately choose to register as think tanks, because of the weaker funding and member disclosure rules) to promote their interests in EU decision-making. This creates a major loophole in the Transparency Register. Similar problems exist for NGO registrations, where disclosure requirements are also limited. This could be one of the reasons why so many industry lobby groups have registered as NGOs.<sup>25</sup>

#### 1.5. Lobby consultancies

While most of the larger Brussels-based lobby consultancies are now registered, we found 55 small and medium-sized lobby firms that are active in EU lobbying but are not in the register. This list includes the Eacon Group, EUTOP International, Ketchum, PACT European Affairs, PDC EU Affairs, Sovereign Strategy and European Communications.<sup>26</sup>

European Communications, with offices in Munich and Brussels, is a particularly remarkable omission from the register, given that it is led by former MEP Ingo Friedrich, who was the rapporteur on the Parliament's 2008 report on the European Transparency Initiative. European Communications has partnerships with, for example, the Bavarian Business Association (VBW) and the German Federation of Service Industries (BDWi).<sup>27</sup>

<sup>25</sup> An academic study by Greenwood and Dreger found that 15 per cent of entries in the register's NGO category are "somewhat mis-placed", most of them actually belonging in the category of business lobby groups. See Box on p.10

<sup>26</sup> This list is based on entries in the register on 7 June 2013. For the full list see Appendix 2.

<sup>27</sup> [http://www.european-communications.eu/eu-communications/european-communication/meldungen/meldungen/article/partner-von-european-communications.html?tx\\_ttnews\[backPid\]=186&cHash=f4b53491f3a4ce90d7d9597708a00b](http://www.european-communications.eu/eu-communications/european-communication/meldungen/meldungen/article/partner-von-european-communications.html?tx_ttnews[backPid]=186&cHash=f4b53491f3a4ce90d7d9597708a00b) (accessed 12 June 2013)

The list of missing lobby consultancies also includes several that are represented in EPACA and SEAP, the associations lobbying on behalf of Brussels-based lobby consultancies.<sup>28</sup>

For a full list of the unregistered lobby firms identified (on 7 June 2013), see Appendix 2.

## 1.6. Law firms

Law firms that offer lobbying services remain a law unto themselves, continuing their de facto boycott of the register, either by not registering at all, or by not disclosing who they lobby for.

All of the large Brussels-based law firms that we noted as absent from the register last year - Covington & Burling<sup>29</sup>, DLA Piper<sup>30</sup>, Field Fisher Waterhouse<sup>31</sup>, Freshfields Bruckhaus Deringer<sup>32</sup>, Mayer Brown<sup>33</sup> and WilmerHale<sup>34</sup> - have still not registered.

Other law firms that provide lobbying services to clients also remain unregistered, such as Clifford Chance, whose 'political advocacy strategy' department offers clients assistance in "shaping law and policy as it evolves."<sup>35</sup>

Of the law firms that have registered, many violate the requirement to disclose their lobby clients. Following our last report, at least two such firms we named - 'White and Case' and 'Reed Smith LLP' - were suspended from the Register for breaching this rule. Reed Smith LLP was reinstated after listing only one client, but chose to leave the register following an ALTER-EU complaint. The third law firm we named last year for not disclosing clients - Linklaters LLP - remains in the register, refusing to list any lobby clients, despite an ALTER-EU complaint. (See section 2.3, 'Incomplete client lists' and 4.5 to 4.7 in section 4, 'Overlooking oversight').

<sup>28</sup> For example, of EPACA's 42 members (see <http://epaca.org/en/about-epaca/epaca-members/>), six have failed to sign up to the lobby register; Action-Europe - Cabinet de Conseil en Lobbying et Affaires Publiques, DLA Global Government Relations, EACON, Eurofacts OY, Le Public Système and Sovereign Strategy.

<sup>29</sup> <http://www.cov.com/brussels/> (accessed 24 May 2013)

<sup>30</sup> <http://www.dlapiper.com/belgium/services/> (accessed 24 May 2013)

<sup>31</sup> <http://www.ffw.com/offices/brussels/competition---eu-regulatory.aspx> (accessed 24 May 2013)

<sup>32</sup> [http://www.freshfields.com/en/global/what\\_we\\_do/our\\_services/EU\\_regulatory\\_and\\_public\\_affairs/](http://www.freshfields.com/en/global/what_we_do/our_services/EU_regulatory_and_public_affairs/) (accessed 24 May 2013)

<sup>33</sup> <http://www.mayerbrown.com/locations/Brussels/> (accessed 24 May 2013)

<sup>34</sup> [http://www.wilmerhale.com/eu\\_regulatory/](http://www.wilmerhale.com/eu_regulatory/) (accessed 24 May 2013)

<sup>35</sup> [http://www.cliffordchance.com/legal\\_area/public\\_policy/political\\_advocacy\\_strategy.html](http://www.cliffordchance.com/legal_area/public_policy/political_advocacy_strategy.html) (accessed 24 May 2013).

Our attempts to ensure implementation of the register's rules regarding client disclosure have thus led law firms either to abandon the register, or simply to refuse to comply with transparency rules on lobby clients. The fact that this level of non-compliance and defiance is tolerated by those responsible for the integrity of the register is a very worrying feature of the voluntary approach and seriously damages the credibility of claims that the current system is working to deliver proper transparency.

## 1.7. Voluntary register fails to give complete picture

ALTER-EU research has uncovered large numbers of missing lobby players. An academic study published earlier this year furthermore found that 27% of companies with a lobbying office in Brussels are absent from the register, along with 24% of lobby consultancies and a substantial share of NGOs.<sup>36</sup> Faced with the absence of so many major lobbying actors - companies, industry lobby groups, MEP-industry forums, think tanks, lobby consultancies, law firms and NGOs - it cannot be said that the voluntary transparency register has become 'de facto mandatory'.

There have been some minor changes to the register in the last year but the main problem remains unsolved: those who do not want to be transparent can simply not sign up, or can register but refuse to provide meaningful data if they want to keep certain activities, clients or expenses undeclared. Indeed, the experience of law firms abandoning the register when asked to follow the rules shows that only a mandatory register with consistently enforced rules can make law firms more transparent about their lobbying practices.

The Commission continues to point to the growing number of registrations, but this is not the right indicator for judging the effectiveness of the register. Many of those joining the register are hardly involved in EU lobbying at all, whereas many key players (large companies, consultancies and lobbying law firms) remain outside of the register.

**SOLUTION:** Two years after the voluntary Joint Transparency Register was put in place, the evidence shows that mandatory registration and disclosure are necessary to ensure citizens have a complete and accurate picture of lobbying in Brussels. Citizens have a right to know who is trying to influence their laws, and a system where lobbyists can choose whether or not to be transparent does not fulfill this right.

The review of the register by the European Commission and European Parliament, beginning in June 2013, must take the necessary steps to put in

<sup>36</sup> See box in p.10

place a mandatory lobby register. In the meantime, Commission and Parliament should adopt measures such as refusing to meet unregistered lobbyists- it is currently common practice in the European Commission to meet with unregistered lobbyists. The case of European Commission Vice-President, and Commissioner for Economic and Monetary Affairs, Olli Rehn, illustrates how non-compliance is tolerated: 62% of the meetings that the Commissioner had, between January 2011 to February 2012, were with unregistered bodies, including three meetings with unregistered global banking firm Goldman Sachs.<sup>37</sup>

Beyond making the register mandatory, the disclosure requirements for certain types of registrants - such as think tanks and NGOs - should be upgraded, particularly on the disclosure of funding sources.

## No 'academic seal of approval' for the existing voluntary register

In the run-up to the review of the Transparency Register, Commissioner Šefčovič has given a number of speeches, written various blogs and tweeted in defense of the existing voluntary register.<sup>38</sup> In one tweet, Commissioner Šefčovič referred to an academic study by Greenwood and Dreger<sup>39</sup>, claiming that "Europe's transparency register gets academic seal of approval". As Transparency International pointed out in a response to the Commissioner, it is misleading to use this academic study as an argument for preserving the status quo.<sup>40</sup>

In fact, the Greenwood and Dreger study points out a number of fundamental weaknesses in the EU register, for instance that:

***"neither disclosure requirements nor enforcement mechanisms [...] compare with the extensive arrangements of schemes in North America."***

Greenwood and Dreger furthermore estimate:

***"its coverage of the intended population to be approximately three-quarters of business-related organisations and around 60 per cent of NGOs. These are sizeable proportions for a voluntary (albeit incentivised) register, but not sufficient yet to justify the 'de-facto mandatory' claim for it made at its launch in 2011."***

The study moreover points out that "*leading members of ALTER-EU have had an active role in monitoring*" the register, but that there are continued problems in the quality of the data. Due to "*faults of design and nomenclature*", 15 per cent of entries in the NGO category are "*somewhat mis-placed*", most of these more accurately belonging in the category of business lobby groups.

Finally, the study does not assess the pros and cons of a voluntary versus a mandatory register and thus cannot be used to claim that the Commission's current approach has the 'academic seal of approval'. In fact, it concludes that the existing register's "*issues will doubtless be considered in the upcoming review of the scheme, including the key question as to its voluntary nature.*"

<sup>38</sup> See for instance Commissioner Šefčovič's blog 'Getting it right on transparency', <http://blogs.ec.europa.eu/sefcovic/getting-it-right-on-transparency/> (accessed 11 June 2013)

<sup>39</sup> 'The Transparency Register: A European vanguard of strong lobby regulation?', Justin Greenwood and Joanna Dreger, 2013, <http://www.palgrave-journals.com/iga/journal/v2/n2/full/iga20133a.html> (accessed 19 June 2013)

<sup>40</sup> 'A quick reply to: Getting it right on transparency', Ronny Patz, Transparency International, 27 May 2013, <http://www.transparencyinternational.eu/2013/05/a-quick-reply-to-getting-it-right-on-transparency/> (accessed 11 June 2013)

<sup>37</sup> <http://corporateeurope.org/blog/commission-gives-warm-welcome-unregistered-lobbyists-dalli-not-alone-ignoring-transparency> (accessed 4 June 2013)

## 2. Lobby register: unreliable data

In last year's report, we pointed out numerous examples of under- and over-reporting of lobby budgets. In response, the register secretariat addressed some of the more extreme cases, but the problem remains that the register fails to systematically provide reliable financial information.

There are several issues with regards to the data published in the register that remain unsolved. These include outdated information, undisclosed lobby clients or incomplete client lists, as well as widespread under- and over-reporting of lobby expenditures. The extent and scale of the unreliable data in the register puts the credibility of the entire register at risk.

### 2.1. Under-reported lobby expenditures

When checking some of the register's entries, widespread under-reporting of lobby budgets is evident. Many of the reported lobbying expenditures are unrealistically low if one considers that registrants are meant to include all costs for lobbying activities, including the cost of office space, staff costs and fees paid to consultancies to lobby on their behalf.

For instance, a very active EU lobby, FoodDrinkEurope, claims to have just two lobbyists and to spend only 225,000 euro per year on lobbying the EU. Earlier, in response to a complaint about FoodDrinkEurope's under-reporting in 2011, the organisation had reduced its reported number of lobbyists from ten to two, instead of increasing its lobby expenditure to a more realistic figure.<sup>41</sup>

E-commerce firm Ebay - which has recently been active lobbying on data privacy legislation - claims to

<sup>41</sup> In 2011, CEO filed a complaint against FoodDrinkEurope's entry in the former lobby register of the European Commission, but this did not lead to a serious correction in the figures. Our complaint against the group (at that time still called CIAA) pointed out that "according to its annual report, the CIAA in 2009 employed more than 21 full-time staff and they spent over 1,800,000 euro in wages. [...] it is impossible that only less than 14% of the staff cost of an EU-level lobby group is related to its lobbying. [...] The CIAA currently has 10 accredited lobbyists at the European Parliament, another signal that the real figure for its lobbying expenditure is far higher than what is reported."

The screenshot shows the 'Transparency Register' interface for 'eBay EU liaison office'. The 'Financial data' section is highlighted with a blue arrow. It lists the financial year as 01/2011 - 09/2011, with estimated costs of 50,000 €. Procurement and grants are both listed as 0 €. A note at the bottom right states: 'Our direct lobbying efforts in 2011 were calculated as follows: Percentage of 2011 salaries related to the time spent on direct lobbying and in preparation of the meetings + external consultants and associations where they have not disclosed this information in the register.'

spend less than 50,000 euro per year, despite employing five lobbyists, two of whom are accredited to the European Parliament.

Bertagni Consulting lists more than 30 clients, with three lobbyists working on influencing the EU, but declares that less than 50,000 euro of its turnover is related to representing interests to EU institutions.

There are also examples of companies that fail to include their outsourced lobby costs, such as consulting fees and subcontracted activities, in their lobbying expenses, although this is required by the guidelines.<sup>42</sup> For instance, BlackRock declares spending only 125,000 euro, which is impossible given that the entry of lobby consultancy Fleishman-Hillard lists BlackRock as paying them 225,000 euro for lobbying services.<sup>43</sup> Alongside the 225,000 it pays to Fleishman-Hillard, BlackRock should also include its costs for its office in Brussels and for employing the four lobbyists it declares.

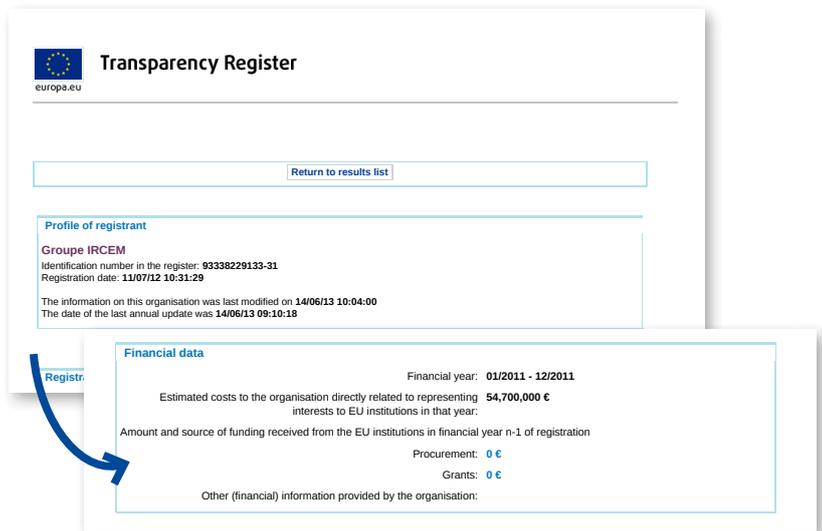
Examples of registrants declaring a zero euro lobby expenditure remain frequent in the register. The Association of Independent Tobacco Specialists is one such paradox, which provides no explanation for its

<sup>42</sup> See Transparency Register Compliance Guidelines, Edition N°2 - 04 October 2012, [http://europa.eu/transparency-register/pdf/guideline\\_en.pdf](http://europa.eu/transparency-register/pdf/guideline_en.pdf) (accessed 30 May 2013)

<sup>43</sup> Both declarations state that the financial information is about 2012. BlackRock's covers only up to October 2012, but it is difficult to imagine that the total difference was spent in the last two months of the year.

zero expenditure, despite declaring that it employs 80 lobbyists.

**SOLUTION:** With so many misleading or mistaken entries, it is hard to take the financial disclosure in the Transparency Register seriously. This brings the entire principle of lobbying transparency into disrepute. Those responsible for maintaining the register must address this matter as an urgent priority. ALTER-EU stresses the need for regular checks on entries and meaningful enforcement to prevent under-reporting.



## 2.2. Misleading picture of big lobby players in Brussels

According to the data in the register, some of the companies spending the most money on EU lobbying are in fact small or politically insignificant. This suggests that the register still does not give a reliable picture of who are the biggest spenders, and provides a misleading picture of who the big players in Brussels lobbying are. A look at the top-20 biggest spending companies in the register shows the top-three all to be minor players.

For example, the biggest lobby budget - of nearly 55 million euro in 2011 - is declared by a medium-sized French insurance and pensions company, IRCEM.<sup>44</sup>

<sup>44</sup> <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=93338229133-31> (accessed 30 May 2013)

This is more than the combined (declared) lobby expenditures of BNP Paribas, Google, GlaxoSmithKline, Ford, Unilever, Coca-Cola, ExxonMobil, Shell, GDF Suez, British Airways, Microsoft, Bayer, IBM, STATOIL, Syngenta, Ericsson and Nokia.

It is unlikely that IRCEM spends more on EU lobbying than all of these multi-billion euro multinational companies; it does not even appear to have a Brussels office. IRCEM's declaration of 55 million euro lobby expenses – along with 500 lobbyists - is almost certainly a mistake or a misunderstanding, given that its LinkedIn page says that it has between 200 and 500 employees in total.<sup>45</sup>

<sup>45</sup> <http://www.linkedin.com/company/groupe-ircem> (accessed 4 June 2013)

### Top 20 biggest spending companies\*

	Organisation	Minimum amount €
1	Groupe IRCEM	54 700 000
2	ECOBOARD EUROPE	40 000 000
3	Tuncluer Textile Industry Inc.Co.	20 000 000
4	Enel Ingegneria e Ricerca S.p.A.	10 000 000
5	Association for Financial Markets in Europe	10 000 000
6	Ericsson	9 000 000
7	European Seed Association	8 250 000
8	Nokia	6 750 000
9	European Chemical Industry Council	6 000 000
10	AMICE - Association of Mutual Insurers and Insurance Cooperatives in Europe	6 000 000
11	Multiponto	5 500 000
12	ExxonMobil Petroleum & Chemical	4 750 000
13	Siemens AG	4 729 533
14	Microsoft Corporation	4 500 000
15	European Banking Federation	4 250 000
16	European Aeronautic Defence and Space Company	4 250 000
17	CEMAFROID SNC	4 000 000
18	BUSINESSEUROPE	4 000 000
19	Shell Companies	3 750 000
20	GDF SUEZ	3 750 000

\* For full list of biggest spending companies, based on entries in the Transparency Register on 17 March 2013 (ranked and published by Dutch news website Sargasso), see Appendix 3.

The second and third biggest spenders, Ecoboard Europe (“promoting Biobased Strawboards”)<sup>46</sup> and Tuncluer Textile Industry Inc.<sup>47</sup> (an Istanbul-based producer of organic cotton fabric and baby clothes), report respectively 40 and 20 million euro lobby expenses, but do not have Brussels offices. They report ten and two lobbyists respectively, and have most likely simply made a mistake when registering, being small players who may not be involved in EU lobbying at all.

There are many other examples of over-reporting (often in contrast to what are likely to be under-reported expenditures). Number 11 in the list of biggest spenders is Multiponto, a small Portuguese printing company, which reports spending five and half million euro on Brussels lobbying;<sup>48</sup> five times as much as Google or BNP Paribas, and over 70 times more than Volvo or Danske Bank.<sup>49</sup> Number 17 is CEMAFROID<sup>50</sup>, a small French refrigeration company, which appears to spend as much on lobbying as Shell reports (just over four million euro) and nearly ten times more than Unicredit.

It is clearly not credible that small printing or fridge companies are spending more on EU lobbying than far larger and more politically active companies such as Shell, Google or BNP Paribas. But it is important to remember that the declarations of these larger and more active companies may also be under-estimates.

These comparisons cast doubt on the reliability of all financial data in the register, with no way to ascertain whose calculations are accurate. What is clear from these comparisons is that the financial declarations in the register do not reflect the reality of EU lobby expenditures.

Unreliable declarations and over-reporting can also be found when looking at lobby consultancies.

Consultores Sayma,<sup>51</sup> a Spanish consultancy that does not appear to have a Brussels office, declares an EU lobby expenditure of nearly 9 million euro, despite declaring only one client, generating between 50,000 and 100,00 euro. This supposed lobby expenditure of 9 million euro is more than twice as big as that declared by prominent Brussels lobby consultancy Kreab Gavin Anderson, which has a Brussels office with 45 lobbyists declared.

Similarly, Italian water management consultancy Med Ingegneria,<sup>52</sup> also apparently without a Brussels office, declares 6 million euro, over three times as much as EU affairs consultancy Interel, which reports 20 Brussels lobbyists. Med Ingegneria’s classification as a lobby consultancy also appears erroneous.

In November 2011, Commissioner Šefčovič said that “quality checks are now regularly operated with a view to identify, and limit, possible mistakes appearing in the Register”. Our examples clearly show that the current efforts of the register secretariat are not enough to ensure accurate financial information.

**SOLUTION:** Without improvement of the checking and monitoring of the register, the information it contains remains of limited use to MEPs, media or citizens who want to understand lobbying in Brussels and to hold their decision-makers to account. The system of monitoring entries and enforcing the register guidelines and the lobbyists’ code of conduct (which lobbies sign up to when they register) must be strengthened and broadened, in order to secure reliable information on lobbying in Brussels. Sufficient resources to enable the secretariat to fulfill this function must be provided.

For a full list of the biggest spending companies - over one million euro - on EU lobbying (as of 17 March 2013), see Appendix 3.

<sup>46</sup> <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do;TRPUBLICID=QLktRDwWWSg7yvhprqKQ6tGSVoZ1Q2qKCTpZjP2qQp9pcfqrQ581661893967?id=408521310280-84&isListLobbyistView=true> (accessed 11 June 2013)

<sup>47</sup> <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do;TRPUBLICID=cGHgR6oT1Srp5jnp99sLhbcQCjJtklpkn5nxFr8wZqGbvvcGD1dR!107067721?id=59577429864-31&isListLobbyistView=true> (accessed 11 June 2013)

<sup>48</sup> <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=22766929841-53> (accessed 30 May 2013)

<sup>49</sup> Based on figures in the Transparency Register, as accessed 20 May 2013. The calculations are based on figures provided for financial disclosure - either to the exact stated amount, or where declarations give a bandwidth, an average of the two figures is taken.

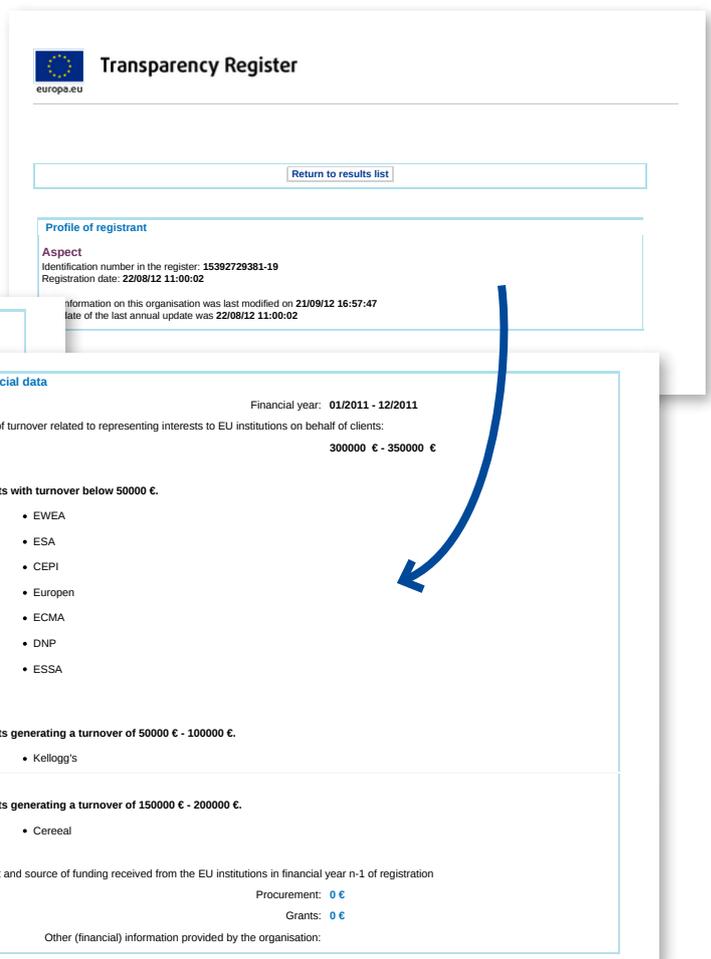
<sup>50</sup> <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=31731537432-31> (accessed 30 May 2013)

### 2.3. Incomplete client lists

Consultancies, self-employed consultants and law firms are required to specify on whose behalf they lobby the EU institutions. However, registrants do not always follow the rule to disclose their clients. We have already seen that law firms continue to evade – one way or another - the lobby client disclosure requirement (see section 1.6, ‘Law firms’ and 4.5 to 4.7 in section 4, ‘Overlooking oversight’). But the problem is more wide-spread.

<sup>51</sup> <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=98306619288-64> (accessed 30 May 2013)

<sup>52</sup> <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=06281315578-83> (accessed 30 May 2013)



Corporate Europe Observatory gathered clear evidence that Luther Pendragon, a British PR and lobbying firm with a Brussels office, is working for the European Retailers and Tobacconists Association (CEDT).<sup>53</sup> In an e-mail sent to dozens of Brussels-based EU affairs journalists, Luther Pendragon promoted a protest action of tobacco retailers in several EU countries, offering to arrange interviews and provide pictures to illustrate press articles. Nonetheless, the lobby firm does not mention CEDT as a client in the register.

In some cases lobbies openly avoid giving any client names by providing vague and elusive answers. Consultancy firm APS Consult Co Ltd. provides the following list: “Various NGOs, Government Entities, Local Councils, SMEs, Religious Institutions”.

Many other lobby firms list their clients only by their abbreviations or acronyms, which in many cases could stand for a wide range of organisations. In practice, this makes it impossible to identify who these companies are lobbying for. The updated guidelines specify that acronyms and abbreviations are not acceptable and that the full names of the clients should be entered. A large number of registrants do not comply with this rule.

**SOLUTION:** ALTER-EU suggests a more ambitious approach with regular checks on registrations and enforcement to prevent these problems. For the review of the register, ALTER-EU believes that all consultancies and law firms should declare clients' expenditure in bandwidths of 10,000 euro. Consultancies and law firms should be suspended from the register and their Parliamentary passes withdrawn if they fail to disclose clients.

<sup>53</sup> <http://corporateeurope.org/publications/mapping-tobacco-lobby-brussels-smoky-business> (accessed 4 June 2013)

## 2.4. Under-reporting the number of lobbyists

Research by ALTER-EU has shown that the number of lobbyists declared by registrants is not always reliable. In the most extreme examples, some registrants declare having zero lobbyists, such as the Association for Foreign Banks. According to its declaration, the Association for Foreign Banks has an advisor in charge of EU relations and “represents its members' interest in Europe when legislation has an impact on them”, but declares zero persons to be involved, and provides no further explanation.

There is also the issue of organisations that report having fewer lobbyists than they have European Parliament access passes. ALTER-EU noted last year the case of the Association of European Airlines, which still claims to have 1.5 lobbyists, despite having four lobbyists with access passes listed and despite an ALTER-EU complaint on this issue (see section 4.2, ‘Association of European Airlines’).

The same can be said about energy company BP, which still claims to have only five lobbyists, while enjoying eight passes for the European Parliament. As with the Association of European Airlines, BP gives an explanation for their creative calculation that ignores the register's guidelines.

To give some other examples, Afore Consulting has ten passes but declares only eight lobbyists and law firm Linklaters LLP declares three lobbyists, whilst having four persons with access passes to the European Parliament.

**SOLUTION:** The current transparency requirements are apparently not clear enough. To get a realistic picture of their lobbying activities, registered organisations should be asked to disclose the total number of persons involved in lobbying, including their names, as well as a calculation of total full-time equivalents for that organisation (given that some employees may be engaged in interest representation activities for only some of their time).

In whatever way the calculation guidelines are clarified however, it is vital that the register secretariat enforce them uniformly (i.e. that they do not allow different calculations to be used, in combination with an explanation from the registrant), or else the data will be neither consistent nor comparable.

## 2.5. Outdated information

As in our last report, we have found numerous cases where the financial information in the register was more than two years old. A large number of registrants report on the financial year 2010, but there are also many examples of older information. Prudential plc, for instance, reports on its lobby expenditures in 2009. The same goes for the Federazione Italiana Tabaccai, the Italian tobacco retailers.<sup>54</sup> One consultancy even reports on its clients from the financial year 2007.<sup>55</sup> Registrants are obliged to update their declarations whenever there has been a significant change or at least once a year, but this does not necessarily result in up-to-date information being disclosed.

There is also a lack of clarity about how up-to-date the client lists of lobby consultancies and law firms are, meaning that there may be a lot of outdated information in this section of the register.

**SOLUTION:** The register secretariat should actively check entry updates and ensure that the financial information is up-to-date. As a starting point, lobby expenses should refer to the most recent calendar year. This year's review of the register should instate a requirement for all registrations to be updated twice a year, on fixed and pre-determined dates, in order to improve transparency and compliance. A publicly accessible record of all changes made should also be available.

There should furthermore be a specific requirement for lobby consultancies and law firms to twice a year provide an up-to-date list of clients from the previous six month period. New clients should also be declared within a one month period after the start of the contract.

<sup>54</sup> <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do;TRPUBLICID=N7DGRPRdxtMslnhpJTMqD7tdPv44c1xHYvS1CvkCjxCbLy8NLpT!1924525949?id=78764438624-42> (accessed 4 June 2013)

<sup>55</sup> <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do;TRPUBLICID=q8LfRdTBNTQFQwgKQgZ2GJ2n3sX9tQQp1bjksfDBm9qLMDHkGrcm!-266232257?id=60059498195-16&isListLobbyistView=true> (accessed 4 June 2013)

# 3. Lobby register: important data still missing

The lobby register, in its current state, does not tell us who the lobbyists in the corridors of power in Brussels actually are, or if they are former public officials who have gone through the revolving door.<sup>56</sup>

It also does not enable citizens to get a reliable picture of what particular laws and policies different lobbies are trying to influence.

## 3.1. No details on who the lobbyists are

Under the provisions of the Transparency Register, organisations requesting access passes to the European Parliament must first join the register, after which the names of lobbyists holding badges are displayed in the register. But the names of lobbyists without an access badge remain unknown and undeclared.

For example, E.ON declares 12 lobbyists, but only four of them have a badge, so we do not know who the other eight are. Similarly, Bayer declares 18 lobbyists, but only six are listed as having Parliamentary access badges, with no details of the rest.

It is also not possible for citizens to gather any information about the revolving door i.e. if lobbyists used to work as public officials. When EU decision-makers leave office and go into lobby jobs, the risk of conflicts of interest can be high, potentially undermining democratic, public-interest decision-making. The revolving door is an integral part of the lobbying practice in Brussels, and citizens have a right to know about it.

A good example of the importance of the revolving door in the EU lobbying world is provided by major Brussels lobby consultancy Kreab Gavin Andersen. In its entry in the register, Kreab lists 45 lobbyists, with 20 lobbyists named as having access badges to the European Parliament. What it does not tell you however is that these 45 lobbyists include around a dozen former European Commission staff or trainees, over five people who formerly worked in the European Parliament and one former MEP, Karin Riis-Jørgensen.<sup>57</sup>

**SOLUTION:** ALTER-EU recommends that registered organisations should be asked to list the names of all their lobbyists, not only of those who have an access pass to the European Parliament. Registrants should also be required to list any former public office that these lobbyists have held (including at the national level), in order to enable public scrutiny of the revolving door phenomenon.

## 3.2. Not enough detail on issues being lobbied on

All registrants are required to give information on the legislative proposals they are lobbying on. In the declaration form, there is a section for “Main EU initiatives covered the year before by activities falling under the scope of the Transparency Register”. In practice, a large share of registrants provide very general, vague and largely meaningless declarations on their lobbying activities, or simply leave this section blank.

The declaration of chemicals and biotechnology firm Monsanto, for example, might be expected to include issues such as food labeling regulation or authorisation procedures for genetically modified crops and pesticides. Instead, its entry states: “*Representing Monsanto’s interests and focus on enabling both small-holder and large-scale farmers to produce more from their land while conserving more of our world’s natural resources such as water and energy*”. This evasive answer does not in any way clarify which specific EU initiatives Monsanto has lobbied on.

<sup>56</sup> The term ‘revolving door’ refers to the easy passage of staff from public sector positions to jobs in the private sector, and vice versa. The major concern about the revolving door phenomenon is the potential for conflicts of interest if ex-officials abuse the know-how, contacts or status acquired through their public sector jobs to provide their new employers or clients with invaluable insights, undue influence and privileged access. For more information, see [http://www.alter-eu.org/sites/default/files/altereu\\_revolving\\_doors\\_report.pdf](http://www.alter-eu.org/sites/default/files/altereu_revolving_doors_report.pdf) (accessed 4 June 2013)

<sup>57</sup> <http://www.kreabgavinanderson.com/brussels/people/> (accessed 4 June 2013)



[Return to results list](#)

Profile of registrant

**Monsanto**

Identification number in the register: 678841411135-35  
Registration date: 14/05/13 13:36:17

The information on this organisation was last modified on 14/05/13 13:37:07  
The date of the last annual update was 14/05/13 13:36:17

Reg

Activities

Main EU initiatives covered the year before by activities falling under the scope of the Transparency Register:

**Representing Monsanto's interests and focus on enabling both small-holder and large-scale farmers to produce more from their land while conserving more of our world's natural resources such as water and energy.**

Another example, also noted last year, is the entry of the European Atomic Forum (Foratom). Instead of providing a list of EU legislative dossiers, Foratom simply declares “Nuclear energy”. Similarly, the employers’ lobby group, BusinessEurope, continues to provide the equally uninformative answer “All topics that matter to European companies”, followed by a reference to its website for further information.

Many lobby consultancies are similarly vague. Eupportunity declares “Contacts with Members of the European Parliament, European Commission and Council”, without clarifying the dossiers lobbied on. Ilgner & Partner Consulting declares “Keine” (none in German), which if true would remove the reason for it to be in the register in the first place.

Some registrants, including BESTgroup Consulting & Software and mobile phone operators lobby group, GSMA Europe, have simply left this field blank.

The register guidelines state that registrants must provide clear information about issues lobbied on.<sup>58</sup> This is clearly not happening enough. Without proper disclosure the Transparency Register cannot make a meaningful contribution to lobbying transparency in Brussels.

**SOLUTION:** ALTER-EU recommends that the register secretariat carries out regular checks on registrations to check whether lobbies have provided all the information required (including a list of main legislative proposals on which they have lobbied). Leaving this field blank should not be allowed. Furthermore, consultancies and law firms should be obliged to provide a list of the main legislative proposals on which they have been lobbying, for each of their clients.

<sup>58</sup> TR GUID OE 1/2011 (rev October 2012): ‘Main legislative proposals covered by the activities of the registrant. Under this label, registrants should list the legislative files on which they have worked and carried out activities falling under the scope of the Register during the preceding year.... Failure to enter anything under this heading after the first year of registration may be considered as an anomaly and may lead the common secretariat to request a clarification from the registrant.’ Transparency Register Compliance Guidelines. Edition N°2 – 04 October 2012. [http://europa.eu/transparency-register/pdf/guideline\\_en.pdf](http://europa.eu/transparency-register/pdf/guideline_en.pdf) (accessed 30 May 2013)

## Who's lobbying on the new EU-US trade deal?

For citizens, journalists or watchdogs it is virtually impossible to identify, from the current register, who is lobbying on what. For instance, one may wish to know who is lobbying on the EU-US Transatlantic Trade and Investment Partnership (TTIP), a trade agreement that will have a strong impact on laws on both sides of the Atlantic and which covers a wide range of issues. This is because the TTIP aims to create the a free trade area by removing regulatory barriers which might include labour, social, environmental and consumer protection standards. It could also empower large companies to challenge regulations both at home and abroad if they affect their profits, through investor-state dispute settlement mechanisms.<sup>59</sup> The EU's Transparency register cannot however shed much light on who is lobbying on the TTIP.

A comparison with the lobby register in the United States highlights some of the flaws in the voluntary approach of the EU register. Some of the companies that have declared<sup>60</sup> the EU-US trade deal as one of the issues they are lobbying on in the US (where it is legally mandatory to declare this)<sup>61</sup> are also in the EU's Transparency Register. For example, IT firms IBM and Google, car manufactures like Toyota, pharmaceutical company GlaxoSmithKline (GSK), as well as the Chamber of Commerce of the USA and companies like Novo Nordisk, Merck & Co, Alcatel-Lucent, Biogen and Astrazeneca Pharmaceuticals.

These companies are very likely to be lobbying on the TTIP trade negotiations in the EU as well, but they all fail to mention the TTIP in their entries to the EU's register. For example, in the EU's register IBM mentions "trade issues", which is too general to be really helpful, whereas GlaxoSmithKline fails to list any specific policy areas or dossiers. In contrast, on the other side of the Atlantic, this failure to declare the dossier lobbied on could lead to a fine.<sup>62</sup>

<sup>59</sup> <http://corporateeurope.org/publications/transatlantic-corporate-bill-rights> (accessed 12 June 2013)

<sup>60</sup> Declarations from the first quarter of 2013 have been consulted.

<sup>61</sup> As stated in the Lobbying Disclosure Act, December 1995, <http://lobbyingdisclosure.house.gov/lda.html> (accessed 4 June 2013)

<sup>62</sup> The Lobbying Disclosure Act states that each registration shall contain: "the general issue areas in which the registrant expects to engage in lobbying activities on behalf of the client; and to the extent practicable, specific issues that have (as of the date of the registration) already been

**Transparency Register**

Return to results list

**Profile of registrant**

**IBM Corporation**  
 Identification number in the register: 7721359944-96  
 Registration date: 08/01/09 22:55:00

The information on this organisation was last modified on 07/01/13 14:53:32  
 The date of the last annual update was 07/01/13 14:53:32

**Activities**

Main EU initiatives covered the year before by activities falling under the scope of the Transparency Register: **IBM has a wide interest in public policy. For the year 2012, all relevant EU initiatives falling within the categories below have been followed more closely:**

- Technology policy
- R&D
- Workforce policy
- Trade issues
- Multiannual Financial Framework

**LOBBYING REPORT**

Lobbying Disclosure Act of 1995 (Section 5) - All Filers Are Required to Complete This Page

1. Registrant Name  Organization/Lobbying Firm  Self Employed Individual  
 INTERNATIONAL BUSINESS MACHINES CORPORATION (IBM)

2. Address  
 Address 600 14th STREET, NW Address 2Third Floor  
 City WASHINGTON

16. Specific lobbying issues

Trade Agreements: Trans Pacific Partnership Agreement (TPP); International Services Agreement (ISA); WTO Information Technology Agreement (ITA); Transatlantic Trade and Investment Partnership (TTIP); Trade and Investment Framework Agreement (TIFA) with Nigeria.  
 Bilateral Trade Issues and Policy: China, Brazil, Indonesia, India, Nigeria.  
 Export/Import Regulation: Radiation Hardened Integrated Circuits, Regulation of High Performance Computers.  
 Disability Policy: UN Treaty for People with Disabilities Act.  
 India's Preferential Market Access Policy.  
 U.S. Proposal for APEC Used Electronics Dialogue.

The EU register also suffers from the problem of outdated information. Even if registrants give specific and complete answers, they are only required to declare the dossiers they lobbied on in the previous year. This means that if a company started lobbying on the TTIP at the start of 2013, citizens would not know until 2014. And quite possibly not until the end of 2014, as registrants are only required to update their entries once a year, at no specified date.

addressed or are likely to be addressed in lobbying activities". And it warns whoever knowingly fails to comply with the provisions of the Act may be fined. (see SEC 7).

**Rescue the Register!**  
 How to make EU lobby transparency credible and reliable

## Lessons from the US mandatory lobby register

During the first half of 2013, Commissioner Šefčovič has made a series of critical remarks on the US mandatory lobbyist registration system. The Commissioner has, on three different occasions, criticised its lack of enforcement, claimed that stricter ethics rules have made thousands of US lobbyists de-register and argued that the EU's register covers a larger share of lobbyists.

Commissioner Šefčovič is right that there is a problem with the lack of enforcement by the US Department of Justice, but has failed to mention that the EU's voluntary register has no enforcement mechanism whatsoever, other than suspending an organisation from the register if it breaks the rules (and thereby decreasing transparency). Instead of drawing lessons in favour of robust, enforceable disclosure for the EU, the Commissioner seems to reason the other way around: if the US does not fully enforce its rules, there is no point in the EU trying to create binding measures in the first place.<sup>63</sup>

The claims moreover about the massive de-registration trend in response to stricter ethics rules are hugely exaggerated. In reality, there has only been a very modest decline in the number of registered lobbyists in the US, which some argue

is largely due to the economic crisis.<sup>64</sup> The number of lobbying entities in Washington DC that are not covered by the US register is negligible. In contrast, there are hundreds of companies, consultancies, law firms and others engaged in EU lobbying that remain unregistered.

The EU's Transparency Register only discloses the names of those who hold European Parliament access passes (3,574), whereas the US register provides the names of 12,300 lobbyists (and other very relevant information about the activities of these lobbyists, including former public offices held in the previous two years). This certainly does not mean that the US lobby disclosure system is perfect; organisations such as the American Bar Association and Public Citizen's Congress Watch are advocating further improvements. Indeed, both the US and EU lobby registers have been formed and shaped as a result of political debate between transparency advocates and others who are opposed to comprehensive lobby transparency. But there can be no doubt, at this point in time, that the mandatory US model provides far more transparency about lobbying than the EU register does. The review of the register provides an opportunity for the EU not only to catch up, but to over-take.

<sup>63</sup> See also 'EU losing again in lobbying game', Craig Holman and Koen Roovers, 21 March 2013, <http://euobserver.com/opinion/119528> (accessed 12 June 2013)

<sup>64</sup> 'Lobbyists predict big rebound in 2013', The Hill, 15 March 2013, <http://thehill.com/business-a-lobbying/286159-k-st-lobbyists-predict-a-big-rebound-in-2013> (accessed 12 June 2013)

# 4. Overlooking oversight: loose compliance and lessons for law firms

One of the most worrying aspects of the current EU lobbying disclosure system is the very weak oversight and lack of investigatory capacity within the institutions. We have repeatedly noted the erroneous and incomplete data that routinely appears in the register. There seems to be little or no sanction or penalty for improper or misleading disclosures. This means that the system is likely to fall into disrepute and could even lead to calls for the Commission and Parliament to abandon lobbying disclosure entirely. This would be a grave mistake. Instead, the institutions must get serious about ensuring proper compliance. Moreover, they must ensure that the register is put on a mandatory footing where compliance and honesty are not optional extras, but the very basis for a transparent and accountable political system.

Despite the high volume of inaccurate entries in the register - more than half, according to the 2012 annual report<sup>65</sup> - Commissioner Šefčovič noted that the register secretariat handled only five complaints between March 2012 and November 2012, with an additional three complaints received in September 2012 that were still under review. ALTER-EU groups initiated these three September complaints (alongside a fourth complaint, which was refused – see 4.1 EuropaBio below) and have subsequently submitted another two complaints in Spring 2013.<sup>66</sup>

Summaries of how these complaints were handled, and what lessons can be drawn, particularly with regard to how law firms are treated, are outlined below. We would note that we often encounter delays in responses to complaints, which suggests that there is likely to be some combination of lack of investigatory zeal, competence or capacity, within the register secretariat.

<sup>65</sup> [http://europa.eu/transparency-register/pdf/transparency\\_register\\_report\\_20121029\\_en.pdf](http://europa.eu/transparency-register/pdf/transparency_register_report_20121029_en.pdf) (accessed 24 May 2013).

<sup>66</sup> Along with the five complaints that Commissioner Šefčovič referred to handling between March-November 2012, Corporate Europe Observatory (CEO) submitted four complaints in September 2012. The annual report mentions that in addition to the five complaints, “three complaints have been received by the JTRS in September 2012”, referring to CEO’s four complaints (three of which were accepted). ALTER-EU groups furthermore submitted one complaint in April 2013 and one in May 2013.

## 4.1. EuropaBio

In September 2012 a complaint was submitted about the entry of biotechnology lobby platform EuropaBio, based on its unrealistically low financial declaration and number of lobbyists. EuropaBio listed two lobbyists, despite [then] having a 17-person office in Brussels<sup>67</sup> and a primary purpose of representing chemical and biotechnology firms in the EU. They declared a lobby expenditure of less than 50,000 euro in 2010, despite having an annual turnover of over 1.3 million euro, and despite the fact that administrative and staff costs should be included in their disclosure.<sup>68</sup>

The register secretariat however concluded that “*these elements were not in themselves material evidence*” and refused to open an investigation. They instead conceded to perform a “*routine quality check*” of EuropaBio’s registration.<sup>69</sup> In other words, our complaint was refused. It is not therefore included in the Commission’s estimate of the number of complaints handled in March to November last year, as noted above.

Nonetheless, despite refusing the complaint, the ‘routine quality check’ led EuropaBio to increase its lobbyists from two to eight, and its lobby expenditure from less than 50,000 euro in 2010, to 225,000 euro in the first ten months of 2012. This update accurately reflected the case and evidence described in ALTER-EU’s original complaint, raising the question of why it was not properly investigated. This indicates that the secretariat’s interpretation of what constitutes sufficient material evidence to accept a complaint and launch a formal investigation was much too restrictive.

## 4.2. Association of European Airlines

A complaint was submitted in September 2012 about the Association of European Airlines (AEA), whose entry declared only 1.5 lobbyists, while at the same time listing [then] six individuals with Parliamentary passes. The register’s guidelines clearly state that “*Any person benefiting from an accreditation for access to the*

<sup>67</sup> <http://www.europabio.org/staff> (accessed 28 May 2013)

<sup>68</sup> [http://europa.eu/transparency-register/pdf/guideline\\_en.pdf](http://europa.eu/transparency-register/pdf/guideline_en.pdf) (accessed 28 May 2013)

<sup>69</sup> <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=1298286943-59> (accessed 28 May 2013)

European Parliament's buildings should be counted as a full 1 person/year".<sup>70</sup>

The register secretariat contacted AEA, which "fully understood the need to correct its registration...[and] accepted to update its data and to provide some complementary information in its registration", which "now complies with the requirements of the Register".

However, AEA's update kept the figure at 1.5 lobbyists, adding that "the [now] 4 accredited persons each spend no more than 35% of their time working on matters under the scope of the register, and therefore we declare 1.5 persons to be active in interest representation". This calculation may not be unreasonable in itself, but the rules nonetheless state that one pass equals one lobbyist. Yet the register secretariat appears to accept AEA's own metrics despite it being clearly at odds with the requirements of the register. This approach - of allowing registrants to apply methods contrary to the guidelines - is not conducive to creating a register with comparable and consistent data. Moreover, if the secretariat does not take its own rules seriously, then it is little surprise that registrants do not either. ALTER-EU is concerned about the implications that such lax interpretation of unambiguous rules has for the wider reliability and credibility of the register.

### 4.3. PGNiG

In April 2013 ALTER-EU groups submitted a complaint about Polish oil and gas company PGNiG, for failing to ensure its entry is complete, up-to-date and not misleading. PGNiG had failed to list their relationship with the Coalition of Citizens towards Responsible Energy (CC-RE) under "Information on (i) organisation's membership of any associations/ federations/ confederations or (ii) relationships to other bodies in formal or informal networks". PGNiG funds CC-RE,<sup>71</sup> a group that lobbies on behalf of PGNiG's commercial interests, including at prominent events in the European Parliament.<sup>72</sup> The fact that PGNiG funds CC-RE for its lobby purposes is highly relevant information that should have been in the Transparency Register. ALTER-EU believes that failure to disclose this information broke the rules.

The register secretariat was due to respond with the results of their investigation on 27 May 2013 (within 15 working days of accepting the complaint). After being informed that there would be a delay until 30 May, there has, at the time of writing - mid-June 2013 - still not been a decision. This suggests that there is a need to have mechanisms whereby corrections can be made in a timely manner, rather than allowing incomplete or inaccurate information to remain in the register.

<sup>70</sup> [http://europa.eu/transparency-register/pdf/guideline\\_en.pdf](http://europa.eu/transparency-register/pdf/guideline_en.pdf) (accessed 28 May 2013)

<sup>71</sup> <http://cc-re.eu/en/about-us> (accessed 4 June 2013)

<sup>72</sup> [http://corporateeurope.org/sites/default/files/styles/large/public/shalegas\\_transforms\\_europe.jpg?itok=uFzOn5gs](http://corporateeurope.org/sites/default/files/styles/large/public/shalegas_transforms_europe.jpg?itok=uFzOn5gs) (accessed 24 May 2013)

### 4.4. European Privacy Association

ALTER-EU groups also complained in May 2013 about the entry of the European Privacy Association (EPA),<sup>73</sup> a group defending the interests of large IT corporations. The EPA however fails to disclose its business members, despite having advertised "business membership" of €10,000 per year on its website. This indicates that member businesses are undisclosed in the register. It also calls into question the EPA's categorisation as a 'Think tank, research and academic institutions' rather than under 'In-house lobbyists and trade/professional associations'. This is because the register's guidelines define think tanks as having research as a primary purpose and as bodies "which do not include any profit-making entities or associations of profit-making entities in its membership". There is also evidence that the EPA has close relationships with two unregistered lobby consultancy firms, Competere Geopolitical Management and DCI Group.<sup>74</sup> This should also have been disclosed.

The register secretariat responded, after some delay, informing us that the case has been closed following the EPA updating its entry, which they believe now meets the register's requirements.<sup>75</sup> ALTER-EU welcomed the EPA's change of category from think tank to 'Trade, business & professional associations'. This sets a positive precedent, and one which we hope to see repeated more readily in future.

However, whilst the EPA now includes reference to its system of "sustaining Supporters", which include "both industry players and natural persons", as well as giving a weblink to a "complete list of EPA Supporters", it still does not name its business members in its entry. The weblink provided shows these include Facebook, Google, Microsoft and Yahoo.<sup>76</sup> ALTER-EU believes that these companies should be explicitly named in the EPA's entry, so users of the register can see clearly and straightforwardly who is being represented. This is necessary to avoid ending up with a register that requires users to navigate to the webpages of 5000 or more registrants. Furthermore, no information is provided about any links to the lobby consultancies mentioned

<sup>73</sup> [http://corporateeurope.org/sites/default/files/attachments/complaint\\_epa.pdf](http://corporateeurope.org/sites/default/files/attachments/complaint_epa.pdf) (accessed 28 May 2013)

<sup>74</sup> The EPA's Managing Director is also the president of Competere Geopolitical Management ("a global communication firm" with a branch in Brussels, offering lobbying services on issues such as Intellectual Property and Privacy). See <http://www.competere.eu/>

In 2011, a consultant with a DCI Group email address was listed as the EPA's contact for "media inquiries." See [http://corporateeurope.org/sites/default/files/attachments/european\\_privacy\\_association\\_-\\_dcigroup.pdf](http://corporateeurope.org/sites/default/files/attachments/european_privacy_association_-_dcigroup.pdf) (accessed 13 June 2013)

<sup>75</sup> <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=97050032046-57> (accessed 13 June 2013)

<sup>76</sup> [http://www.europeanprivacyassociation.eu/supporter\\_our.php](http://www.europeanprivacyassociation.eu/supporter_our.php) (accessed 13 June 2013)

in our complaint, nor is any explanation given in the secretariat's response to ALTER-EU about if and how the secretariat investigated these apparent connections. Thus, whilst we see some positive elements in the handling of this complaint, ALTER-EU concludes that the secretariat's approach has not been holistic and in-depth enough to ensure full transparency.

#### 4.5. Reed Smith LLP

Law firm Reed Smith LLP was suspended from the register for failing to disclose their lobby clients, but was reinstated after including a single client (see section 1.6, 'Law firms' and section 2.3, 'Incomplete clients lists'). However, they declared a lobby expenditure of 10 million euro, but listed their client as paying less than 50,000 euro. Reed Smith also listed zero persons involved in their 10 million euro lobby practice, and failed to declare the main EU initiatives they lobbied on. In response to this incomplete and contradictory update, a complaint was lodged in September 2012.

The secretariat's investigation resulted in Reed Smith itself deciding to simply opt-out of the register. Reed Smith informed the secretariat that its main purpose for registering was to receive automatic alerts on consultations; when the secretariat replied that this "shouldn't be the main purpose of a registration, the firm reconsidered its registration and decided to withdraw from the Register".

This example illustrates why the voluntary approach cannot work: a system where those most reluctant to be transparent can simply stay outside the register, or withdraw when requested to provide the required information, is a system that is not capable of commanding respect or compliance. This will always be the case with a voluntary regime, no matter how much positive spin the institutions try to put on these arrangements. ALTER-EU feared that these kinds of scenarios would become a feature of the voluntary approach that was adopted on a trial basis by the Commission and Parliament. To extend the legal metaphors a little, the trial is now over, the jury is in, and laws firms cannot be allowed to stay out.

#### 4.6. Linklaters LLP

A complaint was also submitted in September 2012 about law firm Linklaters LLP's failure to disclose clients.<sup>77</sup> Its entry claimed "Linklaters LLP does not engage in lobbying related activities but exclusively provides legal advice to its clients." This declaration was at odds with Linklaters' own website, which boasted "a proven track record of advocacy before the

<sup>77</sup> <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=75449787878-94&isListLobbyistView=true> (accessed 28 May 2013)

European Commission" - recognisably a form of interest representation.<sup>78</sup>

The register secretariat responded that Linklaters had agreed to "update its data and correct the anomalies due to a misinterpretation of the rules", and closed the case. However, instead of listing lobby clients, Linklaters updated its entry to say "Own activity without client mandate" and that "The activities of Linklaters LLP are protected by confidentiality rules as may be the case in the different jurisdictions in which the firm is active." As a justification for not providing data on its lobbying activities, this statement violates the spirit of the transparency register, as confidentiality rules apply only in the context of legal proceedings.

Despite Linklaters claims, the public and administrative law section of Linklaters' website states that its "relationships with public bodies enable clients to benefit from direct access to public decision-makers".<sup>79</sup> This is clearly at odds with the firm's claim in the register that it does not engage in activities intended to directly or indirectly influence law and policy-making on behalf of clients. Linklaters also has four lobbyists accredited for access to the European Parliament.

Confidentiality privileges are designed to ensure fair trials before courts of law, not to shroud powerful lobbies before the court of public opinion, and they must not be extended to all aspects of a law firm's business, particularly not to those practices that aim to influence policy- and decision- making for profit. Law firms engaged in lobbying rather than litigation appear to want a special form of blanket secrecy that is at odds with democratic principles of openness and transparency.

ALTER-EU is concerned with the general exemption that law firms are trying to create (something that does not apply in the US for example), as this will likely create a huge loophole in the EU lobby disclosure

<sup>78</sup> <http://www.linklaters.com/Locations/Pages/Belgium.aspx> (accessed 28 May 2013)

<sup>79</sup> <http://www.linklaters.com/WhatWeDo/Practices/PublicLaw/Pages/Index.aspx?WT.sp=Primary> (accessed 28 May 2013)

system. It would all but guarantee that those clients wishing to avoid transparency will hire lawyers rather than public affairs consultants to do their lobbying. We are also concerned that the secretariat's handling of the complaint against Linklaters could set a bad precedent for law firms that do not want to disclose the clients on whose behalf they lobby.

#### 4.7. Warning signs for law firms

Considering the large number of entries in the register that are in breach of the rules, there have been only a very small number of complaints. It is therefore not possible to draw extensive conclusions about the complaints process. Despite this, the register's first annual report, November 2012,<sup>80</sup> presents a conclusion, on behalf of law firms, which suggests the opposite:

*“Due to the independence of their profession, law firms feel that their professional representative associations should handle complaints regarding an alleged violation of conduct codes and decide relative sanctions on their account.”*

This is one indication of the exceptionalism law firms currently enjoy, despite engaging in the same kinds of lobbying activities as other lobby actors. The results of the complaints against Reed Smith and Linklaters send worrying signals, suggesting that attempts to ensure implementation of the register's rules have led law firms either to abandon the register, or simply to refuse to comply with transparency rules on lobby clients. This confirms that only a mandatory register with consistently enforced rules can be effective in making law firms more transparent about their lobbying practices, and ensuring a level playing field for all lobbyists.

Unfortunately, this conclusion is not reflected in the register's annual report, which raised the possibility of creating:

*“an ad-hoc, derogative and exceptional formula for category I [law firms and lobby consultancies] entities claiming a need for client confidentiality.”*

The notion of excluding law firms – and by extension to the rest of category I, professional consultancies and self-employed consultants – from disclosing who they are lobbying for, would undermine the very purpose of the register: to provide transparency about who is trying to influence our laws. Such an “option” is antithetical to the goal of lobby transparency, and its inclusion in the annual report is alarming. This, combined with the option presented for an in-house complaint procedure for law firms, suggests that the narrow interests of law firms are having a dispropor-

tionate impact on the development of EU lobbying disclosure. Unregistered law firms must be required to sign-up and receive equal treatment for equal activities (i.e. lobbying).

ALTER-EU strongly warns against adopting ‘ad hoc, derogative or exceptional formulas’ for law firms and lobby consultancies. It should be remembered that whilst client confidentiality in purely legal cases, such as representing a client in court, is a necessary principle of law and investigative integrity, client confidentiality when providing interest representation – or lobbying - services, as defined by the European Commission and European Parliament<sup>81</sup> – should be subject to the same transparency requirements as any other kind of actor involved in lobbying. Citizens have a right to know who is trying to influence their lawmakers, on behalf of whom, on what topics, and with what budgets. When law firms seek to directly or indirectly influence policy- and decision- making processes on behalf of clients, they must be subject to the same transparency requirements as everyone else.

#### 4.8. Lessons from the handling of complaints

As noted above, there have not been a very large number of complaints – which is rather surprising given the number of inaccurate entries – upon which to base conclusions about the complaints process. That said, the complaints documented above enable us to flag up some issues to be addressed.

ALTER-EU cautions against lax implementation and weak interpretations of existing rules. In order for the register - designed to enable public scrutiny - to foster genuine respect for transparency, among lobbyists and within the EU institutions, those responsible for administering the register and dealing with complaints must avoid a laissez-faire and lax approach. ALTER-EU therefore makes the following recommendations:

- ▶ Registrants who do not comply with the rules should not be allowed to simply create their own justifications for non-compliance and ignore the standards that apply to others in the register;
- ▶ Registrants who fail to disclose who they are lobbying for should not be allowed to remain in the register merely by stating that they do not actually lobby;
- ▶ Registrants who do not want the rules to apply to them should not be able to simply withdraw from the register when challenged over non-compliance, and continue to lobby anyway. Compliance can only be accomplished with a mandatory, properly enforced lobby register.

<sup>80</sup> [http://europa.eu/transparency-register/pdf/transparency\\_register\\_report\\_20121029\\_en.pdf](http://europa.eu/transparency-register/pdf/transparency_register_report_20121029_en.pdf) (accessed 24 May 2013).

<sup>81</sup> See footnote 9 for definition of interest representation.

# 5. Conclusion

When the Joint Transparency Register was launched two years ago (June 2011), Commissioner Šefčovič promised that the register would be “*de facto mandatory*” and include new information from registrants such as the number of lobbyists and the legislative proposals they lobby on. The register secretariat would be “*very serious about verifying all financial disclosures*”. The analysis presented in this report shows that these promises have not been delivered after the register’s first two years in operation.

Contrary to what Commissioner Šefčovič predicted two years ago, the register does not even come close to covering “*everybody who wants to participate in the policy debate in the EU*”. ALTER-EU’s research shows that far too many major players in EU lobbying are missing from the Transparency Register. With 25-30 per cent (or more) of major corporations, consultancies and lobby groups involved in Brussels lobbying absent, the register is clearly not ‘*de facto mandatory*’. Due to the link with European Parliament access passes, introduced in June 2011, the number of registrants has increased, but far too many active lobby players remain unregistered.

Naming and shaming of unregistered companies in reports such as this one has resulted in an increase in registrations, but far from what is needed to reach acceptable levels of coverage. Believing that this will, over time, lead to full coverage is wishful thinking. Lobby actors are free to de-register at any time, which is happening regularly. The voluntary approach is therefore neither a realistic nor sustainable approach to securing lobby transparency.

Law firms involved in EU lobbying continue to evade disclosure. In fact, the number of major law firms in the register has decreased during the last year. The continued failure to get law firms to register shows, once again, that the voluntary approach is not working. This should not lead to the introduction of an exemption for law firms from disclosure of lobby clients, an option that the European Commission seems to be considering. A mandatory register is the only logical conclusion to be drawn from the continued boycott of the voluntary system by law firms involved in EU lobbying.

Numerous think tanks also remain unregistered, two years after the joint register’s launch. Those think tanks that are registered often disclose very limited information, due to the reduced disclosure require-

ments for the think tank category. Think tanks do not have to disclose their funding sources. This creates a problematic loophole in the register. A similar problem exists for NGOs, where disclosure requirements are also limited. This could be one of the reasons why so many industry groups have registered as NGOs. The disclosure requirements for think tanks and NGOs need to be upgraded, particularly on the disclosure of funding sources.

A second major problem area is the failure to provide *substantial* and *reliable* information on who is lobbying, on whose behalf, on which issues and with what budgets. Despite the European Commission announcing it would introduce random spot checks on entries in the register, the quality of the information provided remains very questionable. While there have been some improvements since 2012, many serious problems remain unresolved:

- ▶ Many of the biggest spenders on EU lobbying, according to the register, are in fact not major players or possibly not even lobbying at all.
- ▶ The top-three biggest spenders are all, in reality, minor players.
- ▶ Widespread underreporting by many large lobbying entities also remains a problem.
- ▶ The entries of many lobby consultancies contain incomplete client lists, which means that their work for some clients remains hidden from public scrutiny. The register secretariat’s failure to intervene against this practice creates yet another loophole in the register.
- ▶ Many other consultancies continue to list client names as abbreviations that are unrecognisable to the general public.
- ▶ The financial information is often seriously outdated, referring to the situation 3-4 years (or more) ago. The unreliable data undermines the credibility of the register, and raises questions about its contribution to increased transparency and accountability.

The promise that the register would provide significant new information, such as the number of lobbyists and the legislative proposals lobbied on, has had disappointing results. There is widespread under-reporting on the number of lobbyists, and the names of lobbyists in the register is limited to those that hold European Parliament access passes. Reporting on the issues lobbied on is often done in very general, vague and largely meaningless terms, usually failing to mention specific legislative dossiers. There is a clear need in these areas for the register to be more properly monitored and

for compliance to be more strictly enforced. In this context, it is worrying that the handling of complaints submitted to the register secretariat appears to be far too lax to secure high levels of transparency.

The Transparency Register's 2012 annual report states that the register "provides citizens with a 'one-stop shop' to help them exercise their right to know who may be seeking to influence the preparation of decisions on various levels."<sup>82</sup> ALTER-EU's verdict however, after two years of the joint voluntary register, shows that major changes are needed before it can fulfill citizens' right to know who is trying to influence their laws. With the official review process about to start, there is now a unique opportunity to implement long overdue changes. ALTER-EU presents a set of detailed recommendations that would make the EU's lobby register fit for its purpose and able to deliver on the numerous promises made.

The major and fundamental change that needs to be made is to replace the voluntary approach with mandatory registration. This is necessary because of the insufficient level of registrations by companies, lobby consultancies, law firms and lobby groups. It is also necessary because the voluntary approach is a fundamental obstacle to adequate disclosure.

In a voluntary system law firms and other lobby players can simply de-register if they are challenged over incomplete registrations. The voluntary model leaves the Commission and Parliament powerless to enforce lobby transparency. No less serious is the fact that the voluntary approach makes it very difficult to strengthen the lobby disclosure requirements over time. Ever since the first register was launched in 2008, different categories of lobbies have been able to negotiate exemptions in return for agreeing to register. Lobby consultancies got permission to disclose financial information in broad bandwidths, and think tanks to disclose virtually nothing. There is a risk that a similar deal is going to be made for law firms – and possibly, by extension, lobby consultancies – about disclosing lobby clients.

All of this severely undermines citizens' right to know about who is lobbying, on whose behalf, on which issues and with what budgets. A voluntary register gives those lobbies that prefer limited disclosure a very effective foot on the brake, as they can simply threaten de-registration. This is why a mandatory register is the only sustainable way to secure transparency around lobbying.

Commissioner Šefčovič stated, at the time of its launch, that the register would be reviewed after two years "with the possibility of making it mandatory

if necessary".<sup>83</sup> The overwhelming evidence after the two year trial period is that a mandatory and robust approach is absolutely necessary.

## Recommendations

The review of the Joint Transparency Register, beginning June 2013, should agree on the transition towards a fully mandatory registration system. A legal study published by ALTER-EU earlier this month concludes that there is a legal base for a mandatory register, stemming from Article 298 (2) of the EU treaties.<sup>84</sup> The decision-making process to create this legislation, in which member states decide by qualified majority, will take time. In the meantime therefore the Commission should make registration de facto mandatory through measures such as refusing to meet unregistered lobbyists.

A mandatory register<sup>85</sup> should include upgraded disclosure requirements and stronger enforcement:

- ▶ **Financial disclosure requirements:** all consultancies and law firms should have to declare clients' expenditure in the same way, in bandwidths of €10,000.
- ▶ **Transparency on funding sources:** registrants should be asked to name all government agencies, grant-making foundations, companies and other organisations or individuals that contribute to their budget, and specify the amount they receive from each of these. Small private donations from individuals (up to a certain threshold) should be exempt.
- ▶ **Spot checks and effective enforcement, with upgraded guidelines on disclosure requirements:** in order to prevent inaccurate and unreliable registrations, as well as widespread under-reporting, it is vital that more comprehensive and effective data checking is enabled, including systematic checking of all new entries.

<sup>83</sup> [http://ec.europa.eu/commission\\_2010-2014/sefcovic/documents/022-025\\_parliament\\_27\\_june.pdf](http://ec.europa.eu/commission_2010-2014/sefcovic/documents/022-025_parliament_27_june.pdf) (accessed 30 May 2013)

<sup>84</sup> See Box on p.5 and 'Legal framework for a mandatory EU lobby register and regulations', Markus Krajewski, June 2013, <http://www.alter-eu.org/documents/2013/06/legal-study> (accessed 18 June 2013)

<sup>85</sup> Registration should be mandatory for all lobbyists (individuals and companies) representing a certain amount of money and time for lobbying. It is ALTER-EU's position that all lobbyists who earn or spend above a certain threshold (for instance €5000 per quarter) on lobbying activities have to register. This threshold should enable small groups, companies or individuals that spend very little time or money on lobbying activities to continue to do so without having to comply with registration and reporting demands. The body overseeing the registration and reporting system should be able to adjust the threshold to ensure that it fulfills the above-stated purpose.

<sup>82</sup> 'Annual Report on the operations of the Transparency Register 2012'; [http://europa.eu/transparency-register/pdf/transparency\\_register\\_report\\_20121029\\_en.pdf](http://europa.eu/transparency-register/pdf/transparency_register_report_20121029_en.pdf) (accessed 12 June 2013)

- ▶ **Lobbyists' identity and revolving door listings:** registrants should be required to list the names of all their lobbyists (not simply those with parliamentary access badges) in the register, as well as **any former public offices that these lobbyists have held** (including at the national level). This is to enable public scrutiny of the revolving door, whereby public officials become private sector lobbyists, and vice versa, creating a high risk of conflicts of interest.
  - ▶ **Issues lobbied on:** organisations should provide information on the main legislative proposals they are lobbying on, including a list of official legislative references.
  - ▶ **Update of the information:** fixed and known dates twice a year for updating lobby entries should be introduced, so that transparency and compliance can be improved.
  - ▶ **Lobby firms' clients:** lobby consultancies and law firms should twice a year provide an up-to-date list of clients in the past six month period, and new clients should be declared within a one month period after the start of the contract.
  - ▶ **Better public scrutiny:** changes in registrations should be documented with a flagging system, enabling proper monitoring to happen and allowing for the public to make comparisons between organisations, and over time.
  - ▶ **Pressure from the Transparency Register secretariat on opt-outs:** lobbies that continue to opt out of the system should be named and shamed as reluctant players, alongside the continuation and extension of spot checks on registrations. Access passes to the European Parliament should be withdrawn in the case of dubious registrations.
- Other measures, such as **exclusion of unregistered lobby groups from EU subsidies, procurement and other benefits**, should also be considered by the European Commission to bring about compliance with transparency rules and really make the system “de facto” mandatory.
- ▶ **Pro-active transparency:** in addition, the European Commission should provide comprehensive information online about all meetings and contacts between Commission officials and lobbyists.

ALTER-EU also calls for a **review of the code of conduct for lobbyists**, which registrants agree to when they sign up to the register, **including:**

- ▶ requiring **lobbyists to respect a cooling-off period before hiring high-level officials**, and to **refrain from employing MEPs** or their assistants;
- ▶ **clarification of what constitutes “undue pressure” or “inappropriate behaviour”;**
- ▶ open **discussion about cash-for-access/influence**, in the wake of the Dalligate lobby scandal, which should input into changes in the code;
- ▶ **better monitoring and enforcement.**<sup>86</sup>

## Process

In order for the review to be meaningful and effective, it is absolutely essential that it is carried out in a fully open and democratic manner, allowing for the involvement of all the stakeholders concerned. This should include the following:

- ▶ Clarification to the public about the process and the timeline for the review, as soon as possible.
- ▶ In-depth consultation with the European Parliament, to ensure that its views are taken into account and reflected in the outcome of the review.
- ▶ Ensuring that the review process enables substantive issues to be addressed, not merely technical changes. This includes re-opening the inter-institutional agreement, where it is necessary for the transition to a mandatory register, and for revisions of the code of conduct.
- ▶ Building in concrete milestones for future reviews of the register.

In the transition phase before a mandatory register is in place, the Commission and Parliament can take a number of steps to make registration de facto mandatory, including:

- ▶ **Commission staff should commit to refuse meetings with, and invitations to events organised by, unregistered lobbyists.** Companies and organisations that refuse to sign up to the register, and shirk transparency around their lobbying activities, should not have access to decision-makers. These measures should cover all entities and individuals actively engaged in lobbying activities, but exclude individuals and grassroots groups that contact EU institutions on a one-off basis for information or invitations to grassroots level activities, or citizens engaging on a non-professional basis with their decision-makers.
- ▶ **Members of the European Parliament should commit to not organise joint events with, or host events organised by, unregistered lobbyists.**

<sup>86</sup> More detailed information and recommendations can be found in ‘ALTER-EU Briefing on the Code of Conduct for Lobbyists’, April 2013, [http://www.alter-eu.org/sites/default/files/documents/ALTER-EU\\_Briefing\\_Lobbyist-Code-of-Conduct%20\\_April2013.pdf](http://www.alter-eu.org/sites/default/files/documents/ALTER-EU_Briefing_Lobbyist-Code-of-Conduct%20_April2013.pdf) (accessed 12 June 2013)

## Lessons from the tobacco lobby and WHO rules

A significant number of tobacco lobbies are currently not in the Transparency Register, such as the International Tobacco Growers' Association (ITGA), German tobacco producer Reemtsma, law firms Pappas & Associates (lobbying for ESTOC, the European Smokeless Tobacco Council,) and Clifford Chance (representing Philip Morris). Oliver Twist, and Assens Tobaksfabrik are not registered, despite both being represented in the European Smokeless Tobacco Council (ESTOC). A lot of EU tobacco lobbying thus remains shrouded in smoke.<sup>87</sup>

Following decades of deceptive lobbying by the tobacco industry, the UN WHO Framework Convention of Tobacco Control (FCTC) includes strong principles designed to limit interactions between lawmakers and the tobacco industry.<sup>88</sup> The guidelines in the WHO convention state that “where interactions with the tobacco industry are necessary, parties should ensure that such interactions are conducted transparently”. The guidelines call for “rules for the disclosure or registration of the tobacco industry entities, affiliated organisations and individuals acting on their behalf, including lobbyists”.

The rules in the FCTC, which are binding on the EU institutions, therefore seem at odds with the European Commission's continued insistence that the lobby transparency register should remain voluntary.

<sup>87</sup> <http://corporateeurope.org/publications/mapping-tobacco-lobby-brussels-smoky-business> (accessed 4 June 2013)

<sup>88</sup> [http://www.who.int/fctc/guidelines/article\\_5\\_3.pdf](http://www.who.int/fctc/guidelines/article_5_3.pdf) and <http://www.smokefreepartnership.eu/documents/briefing-article-53-fctc-global-treaty-global-problem> (accessed 4 June 2013)

## Appendix 1

# Companies lobbying the EU institutions but missing from the EU Transparency Register

This list was compiled using directories of corporate EU affairs offices and looking at lists of participants in EU stakeholder consultations. The companies on this list were not on the EU Transparency Register on 7 June 2013. If you spot an error or omission on this list, please contact Erik Wesselius (erik@corporateeurope.org)

1	Abbott SA/NV	<a href="http://www.abbott.com">http://www.abbott.com</a>
2	ABN-Amro Bank	<a href="http://www.abnamro.com">http://www.abnamro.com</a>
3	Adidas AG	<a href="http://www.adidas-group.com">http://www.adidas-group.com</a>
4	Ageas	<a href="http://www.ageas.com">http://www.ageas.com</a>
5	Agilent Technologies	<a href="http://www.agilent.com">http://www.agilent.com</a>
6	Aisin Europe SA	<a href="http://www.be.aisin-europe.com">http://www.be.aisin-europe.com</a>
7	Alfa Laval Benelux SA/NV	<a href="http://www.alfalaval.be">http://www.alfalaval.be</a>
8	Alitalia	<a href="http://www.alitalia.com">http://www.alitalia.com</a>
9	Amazon.Com	<a href="http://www.amazon.com">http://www.amazon.com</a>
10	Andlinger & Company cvba	<a href="http://www.andlinger.be">http://www.andlinger.be</a>
11	Apple Inc.	<a href="http://www.apple.com">http://www.apple.com</a>
12	Atos Worldwide	<a href="http://www.atosworldline.com">http://www.atosworldline.com</a>
13	Austrian Airlines Brussels	<a href="http://www.austrian.com">http://www.austrian.com</a>
14	Banco Bilbao Vizcaya Argentaria SA/NV	<a href="http://www.bbva.be">http://www.bbva.be</a>
15	Bank of Tokyo-Mitsubishi Ltd.	<a href="http://www.bk.mufg.jp">http://www.bk.mufg.jp</a>
16	BBC - British Broadcasting Corporation	<a href="http://www.bbc.co.uk">http://www.bbc.co.uk</a>
17	Belgacom SA	<a href="http://www.belgacom.be">http://www.belgacom.be</a>
18	Besix Group	<a href="http://www.besix.com">http://www.besix.com</a>
19	Belfius (formerly Dexia)	<a href="https://www.belfius.be">https://www.belfius.be</a>
20	BioWanze S.A.	<a href="http://www.biowanze.be">http://www.biowanze.be</a>
21	Boehringer Ingelheim	<a href="http://www.boehringer-ingelheim.be">http://www.boehringer-ingelheim.be</a>
22	Bridgestone Europe N.V./S.A.	<a href="http://www.bridgestone.eu">http://www.bridgestone.eu</a>
23	British Energy	<a href="http://www.british-energy.com">http://www.british-energy.com</a>
24	Brussels Airlines	<a href="http://www.brusselsairlines.com">http://www.brusselsairlines.com</a>
25	Bull SAS	<a href="http://www.bull.com">http://www.bull.com</a>
26	Cabot Corporation	<a href="http://www.cabot-corp.com">http://www.cabot-corp.com</a>
27	Caixa Geral de Depósitos	<a href="http://www.cgd.pt">http://www.cgd.pt</a>
28	Canfor Pulp and Paper	<a href="http://www.canfor.com">http://www.canfor.com</a>
29	Canon	<a href="http://www.canon.be">http://www.canon.be</a>
30	Carlson Wagonlit Travel SA/NV	<a href="http://www.carlsonwagonlit.be">http://www.carlsonwagonlit.be</a>
31	Chemviron Carbon	<a href="http://www.chemvironcarbon.com">http://www.chemvironcarbon.com</a>
32	Cytec Industries Inc.	<a href="http://www.cytec.com">http://www.cytec.com</a>
33	Delhaize Group	<a href="http://www.delhaizegroup.com">http://www.delhaizegroup.com</a>
34	DHB Bank - Demir Halk Bank (Nederland) N.V.	<a href="http://www.dhbbank.com">http://www.dhbbank.com</a>
35	Dresser Europe	<a href="http://www.dresser.com">http://www.dresser.com</a>
36	DSV	<a href="http://www.dsv.com/be">http://www.dsv.com/be</a>
37	Dynamic Parcel Distribution	<a href="http://www.dpd.com/be">http://www.dpd.com/be</a>
38	Edeka EU-Liaison Office	<a href="http://www.edeka.de">http://www.edeka.de</a>
39	Electrabel	<a href="http://www.electrabel.be">http://www.electrabel.be</a>
40	Electrawinds Eastern Europe	<a href="http://www.electrawinds.be">http://www.electrawinds.be</a>
41	Eurojobsites Ltd.	<a href="http://www.eurojobsites.com">http://www.eurojobsites.com</a>
42	European Life Insurance	<a href="http://www.europeanlifeinsurance.be">http://www.europeanlifeinsurance.be</a>
43	Freudenberg Co. KG	<a href="http://www.freudenberg.de">http://www.freudenberg.de</a>
44	GE Betz, Inc.	<a href="http://www.gewater.com">http://www.gewater.com</a>
45	Generali Group - Assicurazioni Generali S.p.A.	<a href="http://www.generali.com">http://www.generali.com</a>
46	Globalfair.net	<a href="http://www.globalfair.net">http://www.globalfair.net</a>

47	Goldman Sachs	<a href="http://www.goldmansachs.com">http://www.goldmansachs.com</a>
48	Gorenje gospodinjski aparati, d.d.	<a href="http://www.gorenjegrup.com">http://www.gorenjegrup.com</a>
49	Groupon Sprl.	<a href="http://works.groupon.be">http://works.groupon.be</a>
50	Huntsman International LLC	<a href="http://www.huntsman.com">http://www.huntsman.com</a>
51	HVB-Group	<a href="http://www.hypovereinsbank.de">http://www.hypovereinsbank.de</a>
52	International Post Corporation	<a href="http://www.ipc.be">http://www.ipc.be</a>
53	Janssen Pharmaceutica N.V.	<a href="http://www.janssenpharmaceutica.be">http://www.janssenpharmaceutica.be</a>
54	Knauf Insulation Sprl	<a href="http://www.knaufinsulation.com">http://www.knaufinsulation.com</a>
55	Komatsu Europe International N.V.	<a href="http://www.komatsu.eu">http://www.komatsu.eu</a>
56	Lagardère Group	<a href="http://www.lagardere.com">http://www.lagardere.com</a>
57	Lot Polish Airlines	<a href="http://www.lot.com">http://www.lot.com</a>
58	Messe Frankfurt	<a href="http://www.messefrankfurt.com">http://www.messefrankfurt.com</a>
59	Mizuho Corporate Bank	<a href="http://www.mizuhocbk.com">http://www.mizuhocbk.com</a>
60	MWH Global, Inc.	<a href="http://www.mwhglobal.com">http://www.mwhglobal.com</a>
61	NCR Corp.	<a href="http://www.ncr.com">http://www.ncr.com</a>
62	NIIT Technologies Ltd.	<a href="http://www.niit-tech.com">http://www.niit-tech.com</a>
63	Nissan EU Representation Office	<a href="http://www.nissan-zeroemission.com">http://www.nissan-zeroemission.com</a>
64	Northrop Grumman International Corp.	<a href="http://www.northgrum.com">http://www.northgrum.com</a>
65	Novitech A.S.	<a href="http://www.novitech.sk">http://www.novitech.sk</a>
66	Novus Europe	<a href="http://www.novusint.com">http://www.novusint.com</a>
67	NV Bekaert SA	<a href="http://www.bekaert.com">http://www.bekaert.com</a>
68	Océ-Belgium	<a href="http://www.oce.be">http://www.oce.be</a>
69	Oxiteno Europe	<a href="http://www.oxiteno.com.br">http://www.oxiteno.com.br</a>
70	PDC Europe	<a href="http://www.pdc-europe.com">http://www.pdc-europe.com</a>
71	Pioneer Hi-Bred International, Du Pont	<a href="http://www.pioneer.com">http://www.pioneer.com</a>
72	Porsche AG	<a href="http://www.porsche.com">http://www.porsche.com</a>
73	Rag Beteiligungs-Ag	<a href="http://www.rag.de">http://www.rag.de</a>
74	Raytheon International Inc. Europe	<a href="http://www.raytheon.com">http://www.raytheon.com</a>
75	Rewe	<a href="http://www.rewe.de">http://www.rewe.de</a>
76	Rhodia S.A.	<a href="http://www.rhodia.com">http://www.rhodia.com</a>
77	Rio Tinto plc	<a href="http://www.riotinto.com">http://www.riotinto.com</a>
78	Satellitic Traffic Management GmbH (T-Systems)	<a href="http://www.satellitic.com">http://www.satellitic.com</a>
79	SAP AG	<a href="http://www.sap.com/">http://www.sap.com/</a>
80	Schlumberger Limited	<a href="http://www.slb.com">http://www.slb.com</a>
81	Shanks Group plc	<a href="http://www.shanks.be">http://www.shanks.be</a>
82	Sharp Corporation	<a href="http://www.sharp-world.com">http://www.sharp-world.com</a>
83	Society for Worldwide Interbank Financial Telecommunication - SWIFT SCRL	<a href="http://www.swift.com">http://www.swift.com</a>
84	SPE-Luminus N.V.	<a href="http://www.spe.be">http://www.spe.be</a>
85	St. Jude Medical Inc.	<a href="http://www.sjm.com">http://www.sjm.com</a>
86	Subaru	<a href="http://www.subaru.be">http://www.subaru.be</a>
87	Sumika Chemical Analysis Service	<a href="http://www.scas-eu.be">http://www.scas-eu.be</a>
88	Sumitomo Mitsui Banking Cooperation	<a href="http://www.smbc.co.jp">http://www.smbc.co.jp</a>
89	T-Systems Belgium SA	<a href="http://www.t-systems.be">http://www.t-systems.be</a>
90	Telekomunikacja Polska - c/o Orange Groupe France Telecom	<a href="http://www.tp.pl">http://www.tp.pl</a>
91	Tenneco Europe	<a href="http://www.tenneco.com">http://www.tenneco.com</a>
92	Teollisuuden Voima Oyj	<a href="http://www.tvo.fi">http://www.tvo.fi</a>
93	Time Warner	<a href="http://www.timewarner.com">http://www.timewarner.com</a>
94	TNS opinion	<a href="http://www.tns-opinion.com">http://www.tns-opinion.com</a>
95	TÜV Rheinland	<a href="http://www.eu.tuv.com">http://www.eu.tuv.com</a>
96	TÜV SÜD AG	<a href="http://www.tuev-sued.de">http://www.tuev-sued.de</a>
97	TYROLIT Schleifmittelwerke Swarovski K.G.	<a href="http://www.tyrolit.com">http://www.tyrolit.com</a>
98	UCB	<a href="http://www.ucb.com">http://www.ucb.com</a>
99	Unisys Corp.	<a href="http://www.unisys.be">http://www.unisys.be</a>
100	ViroPharma	<a href="http://www.viropharma.com">http://www.viropharma.com</a>
101	Walt Disney Company Inc.	<a href="http://www.disney.com">http://www.disney.com</a>
102	Wirtschafts- und Infrastrukturbank Hessen	<a href="http://www.wibank.de">http://www.wibank.de</a>
103	Würth Group	<a href="http://www.wuerth.com">http://www.wuerth.com</a>

## Appendix 2

# EU lobby firms missing from the EU Transparency Register

This list was compiled using directories of EU lobby firms (e.g. the European Public Affairs Directory and EU Stakeholder). For all firms on this list we could find evidence on their websites that they do indeed provide EU lobbying services. The lobby firms on this list were not on the EU Transparency Register on 7 June 2013. If you spot an error or omission on this list, please contact Erik Wesselius ([erik@corporateeurope.org](mailto:erik@corporateeurope.org))

1	Action-Europe - Cabinet de Conseil en Lobbying et Affaires Publiques	<a href="http://www.actioneurope.org">http://www.actioneurope.org</a>
2	Affaires Publiques Consultants	<a href="http://www.affairespubliquesconsultants.fr">http://www.affairespubliquesconsultants.fr</a>
3	Akkanto	<a href="http://www.akkanto.com">http://www.akkanto.com</a>
4	Ampersand European Union Affairs	<a href="http://www.ampersand.com.cy">http://www.ampersand.com.cy</a>
5	Barabino & Partners Europe (B&P EUROPE)	<a href="http://www.barabinoeurope.com">http://www.barabinoeurope.com</a>
6	Barbara J. Goldsmith and Company	<a href="http://www.bjgco.com">http://www.bjgco.com</a>
7	Business Environment Europe (BEE SA)	<a href="http://www.bee.be">http://www.bee.be</a>
8	KLIFOVET BVD	<a href="http://www.klifovet.com">http://www.klifovet.com</a>
9	CGP Europe	<a href="http://www.cgpeurope.com">http://www.cgpeurope.com</a>
10	Chelgate Europe	<a href="http://www.chelgate.com">http://www.chelgate.com</a>
11	Concilius	<a href="http://www.concilius.com">http://www.concilius.com</a>
12	Congrex	<a href="http://www.congrex.be">http://www.congrex.be</a>
13	DL International	<a href="http://www.dlinternational.be">http://www.dlinternational.be</a>
14	DLA Global Government Relations	<a href="http://www.dlapiper.com">http://www.dlapiper.com</a>
15	EACON	<a href="http://www.eacongroup.eu">http://www.eacongroup.eu</a>
16	Energis	<a href="http://www.energis.com">http://www.energis.com</a>
17	Equality Consulting Ltd.	<a href="http://www.equality.hu">http://www.equality.hu</a>
18	Euro2C	<a href="http://www.euro2c.fr">http://www.euro2c.fr</a>
19	Eurofacts OY	<a href="http://www.eurofacts.fi">http://www.eurofacts.fi</a>
20	EuroMédiations	<a href="http://www.euromediations.org">http://www.euromediations.org</a>
21	European Advisory Services (EAS)	<a href="http://www.eas.be">http://www.eas.be</a>
22	European Communications	<a href="http://www.european-communications.eu">http://www.european-communications.eu</a>
23	EUTOP	<a href="http://www.eutop.com">http://www.eutop.com</a>
24	Freshwater	<a href="http://www.freshwater-uk.com/public-affairs/europe">http://www.freshwater-uk.com/public-affairs/europe</a>
25	GBat Beckenham Management and Public Affairs Consultants	<a href="http://www.gbatbeckenham.co.uk">http://www.gbatbeckenham.co.uk</a>
26	Hinicio	<a href="http://www.hinicio.com">http://www.hinicio.com</a>
27	I ON EUROPE Public Affairs	<a href="http://www.ioneurope.eu">http://www.ioneurope.eu</a>
28	ICODA European Affairs	<a href="http://www.icoda.eu">http://www.icoda.eu</a>
29	Impact Brussels	<a href="http://www.impactbrussels.com">http://www.impactbrussels.com</a>
30	Intelligence in Science	<a href="http://www.iscintelligence.com">http://www.iscintelligence.com</a>
31	Karl Jurka Politik und Marketingberatung	<a href="http://www.karljurka.com">http://www.karljurka.com</a>
32	Ketchum Brussel	<a href="http://www.ketchum.com">http://www.ketchum.com</a>
33	Le Public Système	<a href="http://www.le-public-systeme.fr">http://www.le-public-systeme.fr</a>
34	Lobby&Com	<a href="http://www.lobbycom.fr">http://www.lobbycom.fr</a>
35	MacBrien Cuper Isnard	<a href="http://www.macbriencuperisnard.com">http://www.macbriencuperisnard.com</a>
36	Media Consulting Group (MCG)	<a href="http://www.mediacg.tv">http://www.mediacg.tv</a>
37	Origami PR Consultant	<a href="http://www.origami.be">http://www.origami.be</a>
38	PACT European Affairs	<a href="http://www.pacteurope.eu">http://www.pacteurope.eu</a>
39	Parodi & Partners SPRL	<a href="http://parodi.be">http://parodi.be</a>
40	PBA (Prague-Brussels Advisory Group) / Josef Zieleniec & Partners	<a href="http://www.jzp.cz">http://www.jzp.cz</a>
41	PDC EU Affairs	<a href="http://www.pdceuaffairs.eu">http://www.pdceuaffairs.eu</a>
42	Polit Bureau	<a href="http://www.politbureau.be">http://www.politbureau.be</a>

43	Portcullis Public Affairs	<a href="http://www.portcullispublicaffairs.com">http://www.portcullispublicaffairs.com</a>
44	prime	<a href="http://www.primegroup.com">http://www.primegroup.com</a>
45	Public Relations Partners (PRP)	<a href="http://www.prp.eu">http://www.prp.eu</a>
46	PvanL	<a href="http://www.pvanl.eu">http://www.pvanl.eu</a>
47	Quadrant Communications	<a href="http://www.quadrant.uk.com">http://www.quadrant.uk.com</a>
48	Sovereign Strategy	<a href="http://www.sovereignstrategy.com">http://www.sovereignstrategy.com</a>
49	SPEM Communication Group	<a href="http://www.spem-group.com">http://www.spem-group.com</a>
50	Spin Partners	<a href="http://www.spinpartners.fr">http://www.spinpartners.fr</a>
51	Stenström Consulting	<a href="http://www.stenstromconsulting.com">http://www.stenstromconsulting.com</a>
52	TGG and Partners	<a href="http://www.tgg.hu">http://www.tgg.hu</a>
53	Wider EU, Advocacy & Projects	<a href="http://www.widereu.eu">http://www.widereu.eu</a>
54	Zenab	<a href="http://www.zenab.be">http://www.zenab.be</a>

## Appendix 3

# Biggest spending companies in EU lobbying

This list shows the biggest spenders (above 1 million euro) in the category 'Companies & groups', sourced from the Transparency Register on the 17 March 2013 and ranked and published by Dutch news website Sargasso.<sup>89</sup>

In this list, the expenditures are based on either the exact stated amount in an entry, or where declarations give a bandwidth, the lower threshold has been taken. This is unlike elsewhere in this report, where bandwidths have been converted into an average of the two figures.

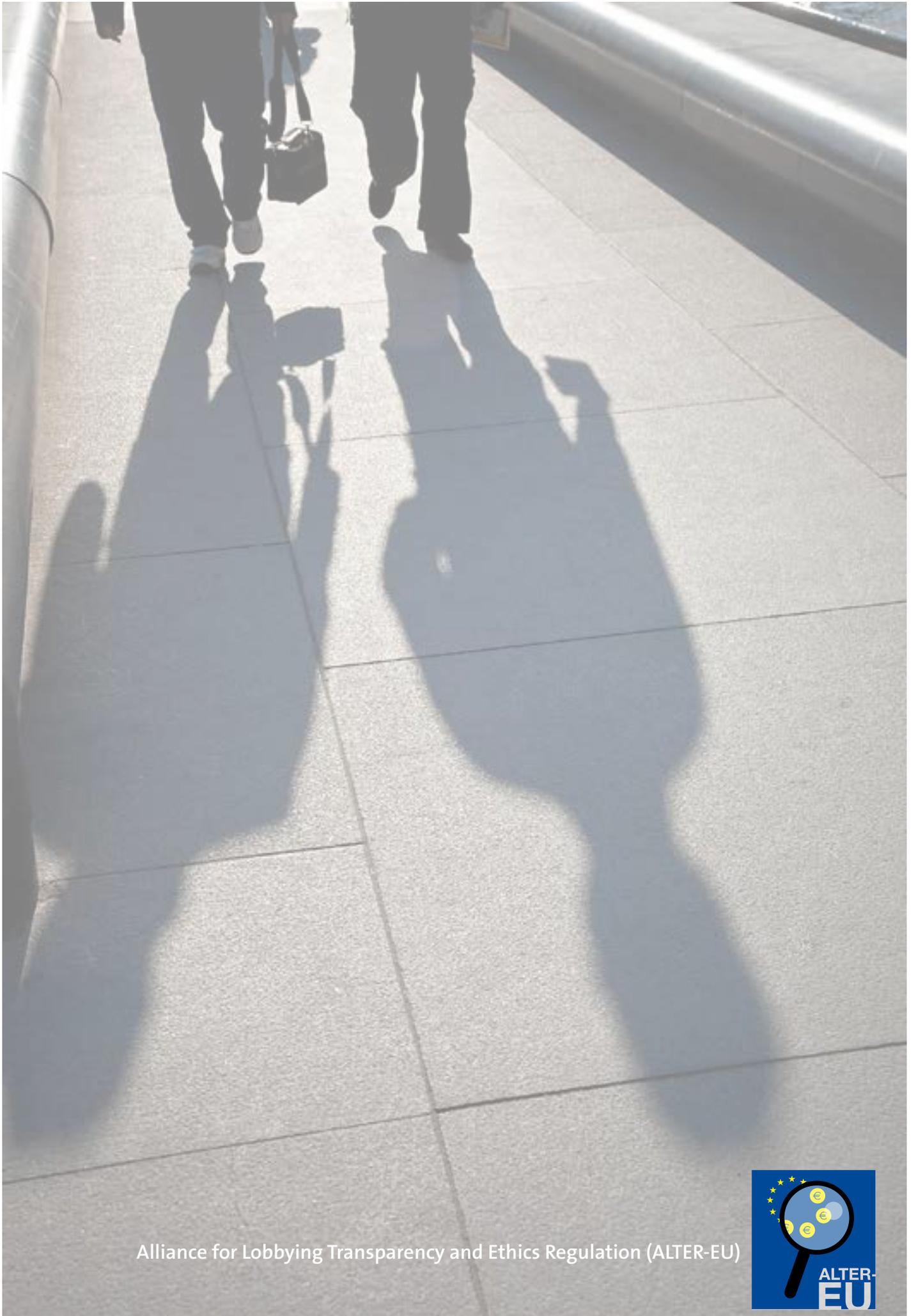
	Organisation	Minimum amount €
1	Groupe IRCEM	54 700 000
2	ECOBORD EUROPE	40 000 000
3	Tuncluer Textile Industry Inc.Co.	20 000 000
4	Enel Ingegneria e Ricerca S.p.A.	10 000 000
5	Association for Financial Markets in Europe	10 000 000
6	Ericsson	9 000 000
7	European Seed Association	8 250 000
8	Nokia	6 750 000
9	European Chemical Industry Council	6 000 000
10	AMICE - Association of Mutual Insurers and Insurance Cooperatives in Europe	6 000 000
11	Multiponto	5 500 000
12	ExxonMobil Petroleum & Chemical	4 750 000
13	Siemens AG	4 729 533
14	Microsoft Corporation	4 500 000
15	European Banking Federation	4 250 000
16	European Aeronautic Defence and Space Company	4 250 000
17	CEMAFROID SNC	4 000 000
18	BUSINESSEUROPE	4 000 000
19	Shell Companies	3 750 000
20	GDF SUEZ	3 750 000
21	Association de l'Aviculture, de l'Industrie et du Commerce de Volailles dans les Pays de l'Union Europeenne asbl	3 750 000
22	Verband der Chemischen Industrie e.V.	3 570 000
23	Korea Shipowners' Association	3 250 000
24	EUROGAS aisbl	3 112 350
25	Bundesverband der Deutschen Industrie e.V.	3 100 000
26	General Electric Company	3 000 000
27	Daimler Aktiengesellschaft	2 834 700
28	Bayer AG	2 794 000
29	Telekom Austria Group	2 750 000
30	European Justice Forum	2 750 000
31	AENEAS	2 750 000
32	Infrabel	2 500 000
33	BDEW Bundesverband der Energie- und Wasserwirtschaft e. V.	2 500 000
34	Deutscher Industrie- und Handelskammertag e.V.	2 300 000
35	BASF SE	2 300 000
36	TOTAL S.A.	2 250 000
37	Gesamtverband der Deutschen Versicherungswirtschaft e.V.	2 250 000
38	European Federation Of The Cotton And Allied Textiles Industries	2 250 000
39	Det Norske Veritas	2 250 000
40	Deutsche Post DHL	2 169 591

<sup>89</sup> Biggest spenders (above 1 million euro) in the category 'Companies & groups'. Source: "Hoe transparant is de Brusselse lobby?", 19 May 2013, <http://sargasso.nl/het-lobbyregister-hoe-transparant-is-brussel/> (accessed 12 June 2013)

41	Union Française des Semenciers	2 100 000
42	E.ON SE	2 032 000
43	Vitrociset SpA	2 000 000
44	EUROCHAMBRES – Association of European Chambers of Commerce and Industry	2 000 000
45	ELECTRICITE DE FRANCE	2 000 000
46	Bundesverband deutscher Banken e.V.	2 000 000
47	Association des Constructeurs Européens d'Automobiles	2 000 000
48	European Atomic Forum	1 971 611
49	Telefonica, S.A.	1 920 000
50	RWE AG	1 915 000
51	Union européenne de l'Artisanat et des petites et moyennes entreprises, aisbl	1 900 000
52	Intel Corporation	1 750 000
53	GRUPPO ALCUNI SRL	1 750 000
54	EVONIK INDUSTRIES AG	1 750 000
55	European Fund and Asset Management Association	1 750 000
56	ΠΑΝΕΛΛΗΝΙΟ ΣΥΝΔΙΚΑΤΟ ΧΕΡΣΑΙΩΝ ΕΜΠΟΡΕΥΜΑΤΙΚΩΝ ΜΕΤΑΦΟΡΩΝ (Greek National Syndicate of inland freight transport)	1 500 000
57	Verband Deutscher Maschinen- und Anlagenbau e.V.	1 500 000
58	EVOLO S.COOP.	1 500 000
59	APT ASSOCIAZIONE PRODUTTORI TELEVISIVI	1 500 000
60	AeroSpace and Defence Industries Association of Europe	1 500 000
61	Deutsche Telekom	1 350 000
62	Colegio Vasco de Economistas/Ekonomisten Euskal Elkargoa	1 281 107
63	Rolls-Royce plc	1 250 000
64	International Swaps and Derivatives Association	1 250 000
65	Federation of European Securities Exchanges	1 250 000
66	European Ferrous Recovery & Recycling Federation	1 250 000
67	Community of European Railway and Infrastructure Companies	1 250 000
68	British Airways	1 250 000
69	ASSOCIAZIONE NAZIONALE DEGLI INDUSTRIALI DEL VETRO	1 250 000
70	Anheuser-Busch InBev nv/sa	1 250 000
71	European Community Shipowner's Associations	1 088 000
72	Zentralverband des Deutschen Handwerks e.V.	1 000 000
73	Vodafone Belgium SA	1 000 000
74	Syndicat National de l'Industrie de la nutrition Animale	1 000 000
75	spiritsEUROPE	1 000 000
76	Philip Morris International Inc.	1 000 000
77	Liberty Global, Inc.	1 000 000
78	Insurance Europe	1 000 000
79	IFPI Representing recording industry worldwide	1 000 000
80	ICMP, the global voice of music publishing	1 000 000
81	IBM Corporation	1 000 000
82	Gas Infrastructure Europe	1 000 000
83	European Trade Union Committee for Education	1 000 000
84	European Farmers	1 000 000
85	European Association Automotive Suppliers	1 000 000
86	European agri-cooperatives	1 000 000
87	Europe Culture & Citoyenneté	1 000 000
88	EnBW Energie Baden-Württemberg AG	1 000 000
89	Cable Europe	1 000 000
90	Bundesvereinigung der Deutschen Arbeitgeberverbände e.V.	1 000 000
91	BNP Paribas Securities Services	1 000 000
92	ASTRIUM Space Transportation	1 000 000
93	Alcatel-Lucent	1 000 000







Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU)

