



Brussels, May 17th 2010

Subject: Revolving doors cases underline need for cooling-off period

Dear Commission President Barroso, Commissioners Šefcovič and Šemeta

We are writing to you to express our grave concern about the four ex-Commissioners that have gone through the revolving door into industry positions since February. All four cases - Ferrero-Waldner (Munich Re), Kuneva (BNP Paribas), Verheugen (RBS) and McCreevy (Ryanair) - involve very obvious potential conflicts of interest. The transfers of Ms. Ferrero-Waldner, Ms. Kuneva and Mr. McCreevy were seemingly approved without any serious conditions or restrictions being imposed. Mr. Verheugen did not even alert the Commission about his transfer to RBS before it was announced by RBS on April 28 2010, which in itself could be considered as a violation of the Code of Conduct for Commissioners. The integrity and credibility of the European Commission are at stake. We believe the introduction of a mandatory three-year cooling-off period for post-employment for European Commissioners is now an urgent necessity.

The Commission has argued in some instances that the Commissioner in question was not directly responsible for matters affecting the new employer. Considering that all decisions taken by the college of Commissioners are collective decisions, we are of the opinion that all the Commissioners concerned were involved in making decisions on issues that are highly relevant to their new employers.

There are many other reasons why a cooling off period is imperative:

- so many ex-Commissioners rushing into industry jobs raises questions about the ability of Commissioners (and the Commission as a whole) to regulate in the public interest and guard against the possibility that post-employment considerations may impact on their decision making while still in public office;
- the Commission must prevent (the appearance of) private interests buying favours from public officials through offering lucrative jobs once the officials leave public service;
- Commissioners could potentially exploit their previous status to unduly influence their former staff and colleagues on behalf of new employer(s);
- by hiring ex-Commissioners, companies might receive valuable inside information and connections to the decision-makers that are not available to those that cannot afford to hire an ex-Commissioner. This is for example clearly the case when Mr. Verheugen's new employer, RBS, publicly states that his experience in European politics and his national and international contacts are of great value for the bank.

Commission officials have also argued that since these job moves concern non-executive positions, there is no conflict of interest. This is unconvincing. By employing former Commissioners, large corporations can benefit from their insider knowledge and networks within the institutions, which are all of direct commercial interest. An executive position is not required at all to be able to use valuable contacts and information. Again here, RBS' statement clearly underlines how the company employed

Mr. Verheugen because of his contacts within the Commission.

In the Commission's response of 5 February 2010 to our open letter on "Preventing Conflicts of Interest of EU Commissioners" (November 24 2009)[1] it is argued that "after they have ceased to hold office, [Commissioners] are bound to act with integrity and discretion".[2] Such general statements are clearly insufficient to prevent conflicts of interest.

The European Commission's current approach is woefully inadequate and looks amateur in comparison with the ethics codes and rules on post-employment practices developed in other jurisdictions. We firmly believe that the Code of Conduct for Commissioners must be substantially strengthened in this respect. A broad but clear definition of conflicts of interest is needed, incorporating the concerns outlined above. Moreover, a substantial cooling-off period must be introduced before Commissioners can go into private sector jobs. This is the only effective solution to prevent conflicts of interest and restore public trust.

We are requesting that you provide ALTER-EU and the public at large with details of your plans to revise the Code of Conduct for Commissioners as announced by President Barroso.

Yours sincerely,

Paul de Clerck



On behalf of the ALTER-EU Steering Committee

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Notes:

1: "Preventing conflicts of Interest of EU Commissioners (Review of the Code of Conduct)", open letter to Commission President Barroso, November 24 2009, http://www.alter-eu.org/sites/default/files/documents/Preventing_Conflicts_of_Interest_of_EU_Commissioners.pdf

2: Response from the Commission's Secretariat-General, February 5 2010, http://www.alter-eu.org/sites/default/files/documents/Sybil_A0272.pdf