



27 July 2015

ALTER-EU complaints to the EU transparency register regarding misleading entries

COMPLAINT 1

Cisco Systems Inc.

494613715191-85

<http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=494613715191-85>

Regarding suspected breach of Code of Conduct point d: “ensure that, to the best of their knowledge, information, which they provide upon registration, and subsequently in the framework of their activities covered by the register, is complete, up-to-date and not misleading; accept that all information provided is subject to review and agree to co-operate with administrative requests for complementary information and updates;”

We would like to bring to the attention of the Joint Transparency Register Secretariat the following information:

We consider that the entry by Cisco Systems Inc does not reflect its full lobbying costs (currently reported as €<9999) for the year to July 2014 for the following reasons:

1. Unless Cisco's EU operations are run by volunteers, it does not seem possible to reconcile its declared lobby spend with the fact that it also declares four people involved in lobbying, four full-time equivalents and six pass-holders with the European Parliament. These individuals reported are highly likely to be paid Cisco staff, particularly since its entry states that it “Includes Cisco's employees who have a Government Affairs function; or a regulatory and compliance role; deal with research & technical matters; or those Cisco employees who are dealing with the EU as a customer account.” Cisco should clearly state how many of its employees are involved in interest representation/ lobbying activities and calculate its lobby budget accordingly. If the company chooses to also list its employees who only engage with the Commission as a customer, these employees must be listed separately, to avoid a blurring of the information.

2. According to its lobby register entry, Cisco says it is active on a wide range of issues, which it seems hard to reconcile with such a low lobby expenditure:

- Cyber Security initiative - proposal for a Network and Information Security Directive
- Connected Continent Legislative Package
- Data protection legislative initiative and strategy
- Policy initiatives around the Digital Agenda: broadband, spectrum, telecoms single market, cloud, net neutrality, Internet of Things, Internet Governance, etc.

- Policy initiatives around e-Skills
- TTIP negotiations - Transatlantic Trade and Investment Partnership
- ITA negotiations - Information Technology Agreement
- Investment package
- Initiatives around R & D in ICT
- IPR/ standards and competition

3. Cisco employs, or has employed, several lobby consultancies. These are:

- Schuman Associates who in 2013 reportedly received €25,000-€49,999 from Cisco
- Gplus who in 2014 reportedly received €10,000-€24,999 from Cisco
- Pollet Environmental Consulting who in either 2014 or 2015 reportedly received less than €9999 from Cisco

While these declarations are not directly comparable with Cisco's because of the different reporting periods, it is highly likely that in its own reporting period of 08/2013-07/2014, Cisco was paying at least one lobby consultancy, and in this case, this expenditure should be reflected in Cisco's own declaration.

4. We further note that since the new Commission rule to publish lists of its high-level lobby meetings came into force on 1 December 2014, Cisco has held at least six meetings. While these specific meetings have happened outside the financial year which relates to the entry, we consider that these meetings are a further indicator of the kind of intensive lobbying activity conducted by the registrant.

5. Finally we note that Cisco previously declared €150,000-€200,000 lobby expenditure (see: LobbyFacts archive <http://archive.lobbyfacts.eu/explore/data/f99e9cf9b4e44010a451ecf76f578c97>) It seems hard to believe that Cisco's actual lobby spend is now 15 times smaller at €<9999.

Was any harm caused to the complainant?

We consider the entry to be misleading and thus creating a false impression to EU officials, MEPs and the general public about the financial capacity and the level of activity of the registrant. We consider that such entries undermine the integrity of the whole register.

Was the non-compliance intentional?

According to our information, the registrant has been contacted by Transparency International in June 2015 alerting it to concerns that the entry contained inconsistencies and recommending a recalculation of the lobby expenditure. But no change has occurred. In the light of this, ALTER-EU considers that either very low priority is given to accurately report in the transparency register by this registrant, or that the information currently displayed is intentionally misleading.

COMPLAINT 2

AeroSpace and Defence Industries Association of Europe (ASD)

72699997886-57

<http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=72699997886-57>

Regarding suspected breach of Code of Conduct point d: “ensure that, to the best of their knowledge, information, which they provide upon registration, and subsequently in the framework of their activities covered by the register, is complete, up-to-date and not misleading; accept that all

information provided is subject to review and agree to co-operate with administrative requests for complementary information and updates;”

We would like to bring to the attention of the Joint Transparency Register Secretariat the following information:

We consider that the entry by the AeroSpace and Defence Industries Association of Europe (ASD) does not reflect its full lobbying costs (currently reported as €<9999) for the year 2014 for the following reasons:

1. Unless ASD's operations are run by volunteers, it does not seem possible to reconcile its declared lobby spend with the fact that it also declares 16 people involved in lobbying, 14.5 full-time equivalents and 12 pass-holders with the European Parliament. These individuals reported are likely to be paid ASD staff. Even if those lobbying on behalf of ASD are staff from other organisations, those staff expenditure costs should still be recorded as ASD lobby costs.

2. ASD records that it has an office in Brussels, at Rue Montoyer, 10; it is likely that a large share of costs for that office should be attributed towards EU interest representation/ lobbying, and therefore should be reflected in the declared lobby spending.

3. ASD appears to be very active at the EU level. It is a member of a number of high-level groups/ expert groups/ intergroups including the High-Level Group of Personalities on Defence Research; the Transport Advisory Group; and the Security Advisory Group; and it lists a range of topics it lobbies on: including Review of the EASA Basic Regulation; EASA Fines & Penalty Charges; ETS, Climate change and CO2 standards; RPAS and their insertion into the civil aerospace; Preparation of the June 2015 European Council, focusing on Clusters 2&3 of the Dec. 2013 Council Conclusions; and many others.

4. We further note that since the new Commission rule to publish lists of its high-level lobby meetings came into force on 1 December 2014, ASD has held at least five meetings. While these specific meetings have happened outside the financial year which relates to the entry, we consider that these meetings are a further indicator of the kind of intensive lobbying activity conducted by the registrant. Furthermore, we know that in 2014, ASD lobbied MEPs including Jacqueline Foster MEP <http://conservativeeurope.com/Right%20to%20know/Lobbying%20contacts%20July-Dec%202014%20complete.pdf> and Geoffrey Van Orden MEP <http://conservativeeurope.com/Right%20to%20know/LOBBYING%20CONTACTS%20JAN%20-%20JUNE%202014%20FINAL2%2024%2010%202014.pdf>.

5. Finally, we see that ASD previously declared €150,000-200,000 lobby expenditure (see: LobbyFacts archive <http://archive.lobbyfacts.eu/explore/data/feed727954974f56a9a611feecabe5db>) It seems hard to believe that ASD's actual lobby spend is now 15 times smaller at €<9999, considering that it now declares a higher level of lobby staffing than before.

Was any harm caused to the complainant?

We consider the entry to be misleading and thus creating a false impression to EU officials, MEPs and the general public about the financial capacity and the level of activity of the registrant. We consider that such entries undermine the integrity of the whole register.

Was the non-compliance intentional?

According to our information, the registrant has been contacted by Transparency International in June 2015 alerting it to concerns that the entry contained inconsistencies and recommending a

recalculation of the lobby expenditure. But no change has occurred. In the light of this, ALTER-EU considers that either very low priority is given to accurately report in the transparency register by this registrant, or that the information currently displayed is intentionally misleading.

COMPLAINT 3

Conseil de Coopération Economique
260656615546-60

<http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=260656615546-60>

Regarding suspected breach of Code of Conduct point d: “ensure that, to the best of their knowledge, information, which they provide upon registration, and subsequently in the framework of their activities covered by the register, is complete, up-to-date and not misleading; accept that all information provided is subject to review and agree to co-operate with administrative requests for complementary information and updates;”

We would like to bring to the attention of the Joint Transparency Register Secretariat the following information:

We consider that the entry by Conseil de Coopération Economique does not reflect its full lobbying costs (currently reported as €<9999) for the year 2013 for the following reasons:

1. Unless CCE’s operations are run by volunteers, it does not seem possible to reconcile its declared lobby spend with the fact that it declares 6 people involved in lobbying, 3 full-time equivalent. These individuals reported are likely to be paid CCE staff. Even if those lobbying on behalf of CCE are staff from other organisations, those staff expenditure costs should still be recorded as CCE lobby costs.
2. CCE's register entry describes its work as follows: “[CCE] has therefore realized a close and active cooperation with the European Commission and has provided several reports on major economic issues for the European Councils. Its role to advise European decision-makers is carried on through policy recommendations produced by its technical working groups (Task Forces). CCE Task Forces are set up on a regularly basis and consist of executive members of the companies that are part of the CCE network.” This clearly fits with the register's declaration of lobbying or 'interest representation'.
3. According to its lobby register entry, CCE says it is active on a wide range of dossiers: the Investment Plan for Europe, Circular Economy Package, Energy Union, Internal Market Strategy for Goods and Services, and the Road Transport Package. Maintaining expertise in all of them seems hard to reconcile with such a low lobby expenditure and would appear to indicate that the actual costs for activities related to the register is higher.
4. We further note that since the new Commission rule to publish lists of its high-level lobby meetings came into force on 1 December 2014, CCE has held at least nine meetings. While these specific meetings have happened outside the financial year which relates to the entry, we consider

that these meetings are a further indicator of the kind of intensive lobbying activity conducted by the registrant.

5. Finally, we see that CCE previously declared €250,000-€300,000 lobby expenditure with a smaller number of lobbyists than currently, ie. 2. (see: LobbyFacts archive <http://archive.lobbyfacts.eu/explore/data/ead4a49b24d940e2b7f493c13b3e825a.>)

It seems hard to believe that CCE's actual lobby spend has shrunk by 96 per cent in one year, considering that it now declares a higher level of lobby staffing than before.

Was any harm caused to the complainant?

We consider the entry to be misleading and thus creating a false impression to EU officials, MEPs and the general public about the financial capacity and the level of activity of the registrant. We consider that such entries undermine the integrity of the whole register.

Was the non-compliance intentional?

According to our information, the registrant has been contacted by Transparency International in June 2015 alerting it to concerns that the entry contained inconsistencies and recommending a recalculation of the lobby expenditure. But no change has occurred. In the light of this, ALTER-EU considers that either very low priority is given to accurately report in the transparency register by this registrant, or that the information currently displayed is intentionally misleading.

COMPLAINT 4

European Round Table of Industrialists

25487567824-45

<http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=25487567824-45>

Regarding suspected breach of Code of Conduct point d: “ensure that, to the best of their knowledge, information, which they provide upon registration, and subsequently in the framework of their activities covered by the register, is complete, up-to-date and not misleading; accept that all information provided is subject to review and agree to co-operate with administrative requests for complementary information and updates;”

We would like to bring to the attention of the Joint Transparency Register Secretariat the following information:

The complaint about the entry of the European Round Table of Industrialists (ERT) concerns the estimate of the annual costs related to activities covered by the register. In its entry, ERT states that in 2013 it spent less than €9999 on activities covered by the register. Because of the number of lobbyists employed, the breadth and degree of lobby activities, the overall capacity of the ERT, the number of relevant publications published and the previous lobby expenditure figures, ALTER-EU believes that this sum significantly understates the amount spent by the ERT:

1. The ERT states in its entry that it employs 3 lobbyists, each spending 75 per cent of their time working on activities covered by the register. This amounts to 2.25 full-time equivalents, whose salaries need to be included in the overall cost figure. At average salaries paid in Brussels, it is not

possible to employ 2.25 lobbyists for less than €9999 as the ERT claims.

2. According to its website, the ERT has an office in Brussels with a staff of 7. Since overhead costs need to be included pro rata in the lobby expenditure, about 30 per cent of the office expenses should be included in the overall figure. Given the location of the ERT office (Place des Carabiniers, 18A, Brussels 1030) and the number of staff employed it is highly unlikely that its lobbying expenditure would amount to less than €9999.

3. The ERT lists 6 publications on its website dated 2013 – the year for which the lobby budget has been published, including a long report on raw materials. The costs for the publications, clearly written to influence EU policy, should be included in the lobby expenditure figure and are likely to be above €9999

4. We further note that since the new Commission rule to publish lists of its high-level lobby meetings came into force on 1 December 2014, the ERT has held at least nine meetings. While these specific meetings have happened outside the financial year which relates to the entry, we consider that these meetings are a further indicator of the kind of intensive lobbying activity conducted by the registrant.

5. Further evidence that the ERT's lobby expenditure is not accurately portrayed by the figure provided is ERT's previous entry in the register. According to information on the archive version of the website Lobbyfacts, the ERT declaration, as of January 2015, declared lobby costs of €700,000 – €800,000, before the recent round of updates took place.

(<http://archive.lobbyfacts.eu/explore/data/6098eaa67d2147a59347e2c5cb4c878f>). A 99 per cent reduction in lobby spend seems highly unlikely, given that the number of lobbyists employed – three – has stayed the same after the update.

Was any harm caused to the complainant?

We consider the entry to be misleading and thus creating a false impression to EU officials, MEPs and the general public about the financial capacity and the level of activity of the registrant. We consider that such entries undermine the integrity of the whole register.

Was the non-compliance intentional?

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COMPLAINT 5

Union Européenne du Commerce du Bétail et des Métiers de la Viande

4422649896-52

<http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=4422649896-52>

Regarding suspected breach of Code of Conduct point d: “ensure that, to the best of their knowledge, information, which they provide upon registration, and subsequently in the framework of their activities covered by the register, is complete, up-to-date and not misleading; accept that all information provided is subject to review and agree to co-operate with administrative requests for complementary information and updates;”

We would like to bring to the attention of the Joint Transparency Register Secretariat the following information:

The complaint about the entry of the Union Européenne du Commerce du Bétail et des Métiers de la Viande (UECBV) concerns the estimate of the annual costs related to activities covered by the register. In its entry UECBV states that in 2014 it spent less than €9999 on activities covered by the register. Because of the number of lobbyists employed in its office, the participation in Commission groups, its publications and its previously declared lobby expenditure, ALTER-EU believes that this sum significantly understates the amount spent by the UECBV:

1) The UECBV states in its entry that it employs 8 lobbyists spending 100 per cent of their time working on activities covered by the register and 4 of them with access badges to the European Parliament. Their salaries need to be included in the overall lobby expenditure figure. At average salaries paid in Brussels, it is not possible to employ 8 lobbyists for less than €9999 as the UECBV entry states.

2) The UECBV has an office in Brussels (81A rue de la Loi, 1040 Brussels), whose costs need to be accounted for pro rata in the overall lobbying expenditure figure. It seems highly unlikely that the figure given would allow the operation of an office that provides the facilities for 8 full time lobbyists. We note that the UECBV has its headquarters in Strasbourg; if that office was used for lobbying ie. towards the European Parliament, then those costs should also be included pro rata.

3) According to its current entry in the transparency register, the UECBV is member of five official EU consultative committees: Civil Dialogue Groups on animal products (beef, pig meat, sheep- and goat meat, poultry meat); Civil Dialogue Group on CAP; Civil Dialogue Group on international aspects of agriculture; Civil Dialogue Group on Quality and Promotion; Civil Dialogue Group on Rural Development); and three expert groups (Animal Health Advisory Committee; Advisory Group working group on Food Information to Consumers (FIC); Environmental Footprint Steering Committee). Membership of these groups would require a significant amount of resources and time for preparation etc., which should be accounted for in the overall figure on lobby expenditure.

4) In 2014, the UECBV published 6 position papers on a variety of issues (<http://www.uecbv.eu/en/news.php>). Costs for the production of the papers should be accounted for in the overall lobby expenditure figure, which seems difficult to reconcile with the amount declared (less than €9999).

5) Further evidence that UECBV's lobby expenditure is not accurately portrayed by the figure provided is UECBV's previous entry in the register. According to information on the archived version of the website Lobbyfacts, the UECBV's declaration, as of January 2015, declared lobby costs of €500,000 – €600,000 before the recent round of updates took place (<http://archive.lobbyfacts.eu/explore/data/23b6d65f5fcd468daaec204bef7e129>). A 98 per cent reduction in lobby expenditure seems highly unlikely, given that the number of lobbyists employed – eight – has stayed the same after the update.

Was any harm caused to the complainant?

We consider the entry to be misleading and thus creating a false impression to EU officials, MEPs and the general public about the financial capacity and the level of activity of the registrant. We consider that such entries undermine the integrity of the whole register.

Was the non-compliance intentional?

According to our information, the registrant has been contacted by Transparency International in June 2015 alerting it to concerns that the entry contained inconsistencies and recommending a recalculation of the lobby expenditure. But no change has occurred. In the light of this, ALTER-EU considers that either very low priority is given to accurately report in the transparency register by this registrant, or that the information currently displayed is intentionally misleading.