



Siim KALLAS
Member of the
European Commission
Rue de la Loi, 200
1049 BRUSSELS

Ref. : CFP/ET/It

Contact person : Carola Fischbach-Pyttel

13 May 2005

Dear Commissioner,

EPSU welcomes your Transparency Initiative, which you launched with your speech at the Nottingham business school on the 3rd March 2005.

We agree with your analysis on lobbyists that:

Organizations, groups or persons in the ambit of European institutions, which offer advice, represent clients, provide data or defend public causes, should also be accountable. People are allowed to know who they are, what they do and what they stand for.

...

Self imposed codes of conduct have few signatories and have so far lacked serious sanctions. Lobbyists can have considerable influence on legislation, in particular on proposals of a technical nature. Their lobby is mainly directed to the Commission and the Parliament. But their transparency is too deficient in comparison to the impact of their activities.

We consider this measure particularly important as the majority of the 15000 lobbyists in Brussels represents corporate interests. It is crucial to curb this corporate influence, which has considerable resources at its disposal, in order to achieve a more balanced policy-making process. There is a considerable concern that your remarks are aimed at civil society groups such as trade unions, environmental organizations, anti-poverty campaigners etc. You do not sufficiently recognize this difference in resources. The real need for transparency should focus on think tanks thriving on corporate donations while refusing to disclose their funding sources. Think tanks like the Lisbon Council, the Centre for the New Europe and the European Enterprise Institute, among others, should be obliged to disclose their sources of income, in order for the public to be able to judge the credibility of their messages.

We do note that the trade unions and employers' organizations as social partners have a specific role to play, which is also recognized by the Commission and Council on several occasions, and is laid down in the Treaty, and in the proposed Constitution. Our function as social partners should therefore be distinguished from the interest representation you described in your Nottingham speech.

EUROPEAN
FEDERATION
OF PUBLIC
SERVICE
UNIONS

•
FEDERACIÓN
SINDICAL
EUROPEA DE
SERVICIOS
PUBLICOS

•
FEDERATION
SYNDICALE
EUROPEENNE
DES SERVICES
PUBLICS

•
EUROPEISKA
FEDERATIONEN
FÖR OFFENTLIG
ANSTÄLLDAS
FÖRBUND

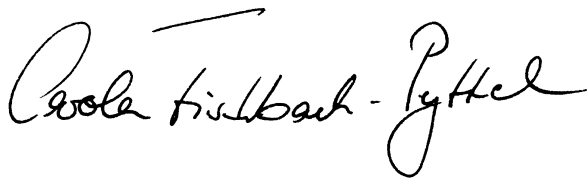
•
EUROPÄISCHER
GEWERKSCHAFTS-
VERBAND FÜR DEN
ÖFFENTLICHEN
DIENST

We are however concerned that your recent remarks in the European Voice¹ contradict your honorable initiative from Nottingham and the analysis on the present codes of conduct. You now seem to favour self-regulation. Since the present self-regulation and codes of conduct do not work as you have noted yourself, we request you to implement effective measures to curb corporate lobbying. Full disclosure of interests is one tool.

The EU often compares itself with the US. More transparency is practiced in the USA. There is also a demand for such transparency in European civil society and we refer to the letter sent to you by a group of NGOs (see attached).

We look forward to your initiative and what it will do to restore control on a sprawling industry of corporate lobbyists, many of whom do nothing but represent the interests of large corporate clients and provide themselves with an aura of public interest.

Yours sincerely,

A handwritten signature in black ink that reads "Carola Fischbach-Pyttel". The signature is written in a cursive style with a long horizontal line above the first few letters.

Carola Fischbach-Pyttel
EPSU General Secretary

Attachments:

- Open letters to European Commission's President, Mr. Barroso, by the NGO Corporate European Observatory dated 25.10.2004 and 16.4.2004
"European Commission Must Act to Curb Excessive Corporate Lobbying Power"

¹ Article 'Kallas calls for MEPs to declare links with lobbyists', Vol. 11 No. 14 : 14 April 2005 by Dana Spinant

European Commission Must Act to Curb Excessive Corporate Lobbying Power
<http://www.corporateeurope.org/lobbydebate.html>
Open Letter to José Manuel Barroso,
President of the European Commission

Amsterdam, October 25 2004

Dear Mr. Barroso,

The undersigned over 50 civil society groups from more than a dozen European Union countries call upon you to act immediately to curb the excessive influence of corporate lobby groups over EU policy-making. Over fifteen thousand full-time lobbyists now operate in Brussels, a large majority representing business interests. Lobby groups succeed all too frequently in postponing, weakening or blocking sorely needed progress in EU social, environmental and consumer protections. The European Commission must take action now to prevent Europe from drifting towards the levels of corporate control exercised over politics in the United States.

We welcome the decision to introduce a "Code of Conduct for Commissioners" (including a full declaration of financial interests) and designate Commissioner Neelie Kroes' pledge to refrain from accepting business positions after her term as Competition Commissioner. These are steps in the right direction, but they are not sufficient. All European Commissioners and other Commission officials should be obliged to accept substantial and well-defined cooling-off periods. Such measures are needed to prevent 'revolving door' cases like that of former Trade Commissioner Brittan, who less than a year after leaving the European Commission became not only consultant on WTO issues at the law firm Herbert Smith, but also Vice-Chairman of the investment bank UBS Warburg and Advisory Director at Unilever. Soon after, he also accepted the Chairmanship of the LOTIS Committee of International Financial Services London (IFSL), a lobby group representing the UK financial industry. Such cases do nothing to enhance the reputation of the European Commission.

Thousands of lobbyists, assisted by an army of public affairs consultants, today play a powerful and increasingly undemocratic role in the EU political process. As a first step in addressing these problems, Europe needs far stricter ethics and transparency requirements. So far, the Commission's response has been deeply inadequate; limited to referring to the extremely narrow and entirely voluntary code of conduct developed by the Society of European Public Affairs Practitioners (SEAP).

One of many examples illustrating the need for improved and enforceable ethics and transparency rules is the case of the Bromine Science and Environmental Forum (BSEF) which is lobbying against tighter health and environment regulations concerning toxic bromines. Considerable research efforts are needed to discover that the BSEF - a very active player in the EU decision-making process on bromine flame-retardants - is nothing but an industry front group run from the Brussels offices of a global PR firm, on behalf of chemical industry clients. Without a radical improvement of the registration and reporting obligations for lobbyists working to influence the European institutions, there can be no effective democratic scrutiny of corporate influence over EU policy-making. Europe should learn from the lobbying disclosure legislation in place in the United States and Canada and oblige firms and organisations targeting the EU institutions (with a lobbying budget over a certain threshold) to submit regular reports giving details on the issues they are lobbying on, for which clients and with what budget. These lobbying disclosure reports should be fully accessible to the public in an online searchable database.

We also call upon the new European Commission to make a clean break with the undemocratic practices developed by your predecessors, for instance the incestuous relationship with the Trans-Atlantic Business Dialogue (TABD), co-founded in 1995 by Commissioner Leon Brittan. The TABD is a prime example of the inappropriate influence over EU trade and regulatory policies which previous European Commissions have granted large corporations.

We draw to your attention that the Prodi Commission in 2003 took the deeply undemocratic step to accelerate implementation of the TABD's demands by introducing a "Framework for Delivery" and establishing a "Horizontal Liaison Group" of high-level Commission officials at the service of the TABD. Questions on this topic were raised during the European Parliament's hearing with Peter Mandelson on October 4th, but the Commissioner-designate failed to reply. The European Services Forum (ESF) is another example of a corporate grouping awarded far-reaching and inordinate privileges by the European Commission. As EU policies should serve the public interest, not the narrow commercial agendas of large corporations, we urge you to strip these and other business lobby groups of their inappropriate privileges.

We look forward to your response to these proposals, which we believe are of the highest importance for improving the democratic credibility of the European Commission.

Yours sincerely,

Erik Wesselius
Corporate Europe Observatory (CEO)

Signatories (last updated: 16 November 2004)

- Afrika Europa Netwerk, The Netherlands
- Agir ici, France
- Agrarbündnis, Austria
- Alliance for Sustainable Development, Latvia
- Alliance of People of African descent in Europe
- ÄrztInnen für eine gesunde Umwelt (ISDE Austria)
- A SEED Europe
- Association of Critical Shareholders in Germany
- Association of Farmers (ATB), Malta
- Associazione Consumatori Utenti ONLUS, Italy
- ATTAC España, Spain
- ATTAC Finland
- ATTAC Flanders, Belgium
- ATTAC France
- ATTAC Germany
- ATTAC Sweden
- Baby Milk Action, United Kingdom
- Berne Declaration, Switzerland
- Both ENDS, The Netherlands
- Bundeskoordination Internationalismus (BUKO), Germany
- Bureau Ver(?)antwoord, The Netherlands
- Caliu, Catalonia
- Campagna per la Riforma della Banca Mondiale, Italy
- Campagne tegen Wapenhandel, The Netherlands
- Centro Nuovo Modello di Sviluppo, Italy
- CLAT, The Netherlands
- Coalition Against Bayer Dangers, Germany
- CornerHouse, United Kingdom
- Corporate Europe Observatory (CEO)
- Crocevia, Italy
- Defend Council Housing, United Kingdom
- Diaspora Afrique, France
- digicarefoundation.org, The Netherlands

- Ecologistas en Acción, Spain
- E.KAT.O. - Hellenic Consumer Organisation, Greece
- ESK, Basque Country
- Estonian Green Movement
- EU-AG ATTAC Germany
- European Farmers Coordination (CPE)
- For Mother Earth, Belgium
- Friends of the Earth Europe (more than 30 national organisations with thousands of local groups)
- Greenpeace (European Unit)
- Hungarian Young Greens
- IBFAN-GIFA, Switzerland
- IBFAN Italia
- Initiativ Liewensufank asbl, member of IBFAN, Luxembourg
- Informationsgruppe Lateinamerika, Austria
- Institute for Economic Relocalisation, France
- Institute of Environmental Economics, Poland
- Kairos Europa
- KEPKA-Consumers Protection Centre, Greece
- Konsument-Forum, Sweden
- "Less beneficence, more rights", Italian coalition of NGOs
- Monitoring Network Health and Environment, The Netherlands
- Movement for Direct Democracy, Czech Republic
- National Platform EU Research and Information Centre, Ireland
- Nonviolent Peaceforce
- Nordbruk, Sweden
- Observatori del Deute en la Globalització, Catalonia
- Österreichische Bergbauern- und Bergbäuerinnenvereinigung, Austria
- Oxfam Solidarity, Belgium
- Pesticide Action Network, United Kingdom
- Privacy International, United Kingdom
- Protect the Future, Hungary
- Quaker Council for European Affairs
- Quercus - National Association for Nature Conservation, Portugal
- Referendum Platform, the Netherlands
- Rete di Lilliput, Italy
- Roba dell'Altro Mondo Fair Trade, Italy
- SANE (Swansea Airport No Expansion), Wales, United Kingdom
- Shareholders club Sisyfos, Sweden
- Småbrukare i Sjuhärad, Sweden
- Spinwatch
- Swedish Consumer Coalition (Sveriges Konsumenter i Samverkan)
- TIE-Netherlands
- Transnational Institute (TNI)
- Women in Development Europe (WIDE)
- World Development Movement, United Kingdom
- Umanotera, Foundation for Sustainable Development, Slovenia
- URFIG, France
- War on Want, United Kingdom
- Werkgroep Globalisering Delft-Den Haag, The Netherlands
- Women in Europe for a Common Future (WECF), The Netherlands
- Women's International League for Peace and Freedom, Sweden
- Women's International League for Peace and Freedom UK Section
- World Economy, Ecology & Development (WEED), Germany
- XminusY Solidarity Fund, Netherlands
- Signatories from outside of Europe:
 - Institute for Agriculture and Trade Policy, United States
 - Consumer Action, United States

**Letter to José Manuel Barroso,
President of the European Commission**

Amsterdam, November 16 2004

Dear Mr. Barroso,

Herewith we re-send you the open letter calling the European Commission to act to curb excessive corporate lobbying power. The letter was first transmitted to you on October 25 2004. Please find attached the updated list of signatories (including more than 110 civil society groups from over 20 EU countries).

Please allow us to briefly comment on a note sent to you by the Society of European Affairs Professionals ("SEAP rejects NGOs request for registration and reporting requirements", Brussels 26 October 2004). With all respect, SEAP fails to provide any convincing counter-arguments. We urge you to seriously consider the ethics and transparency proposals outlined in the open letter.

The SEAP letter claims that registration and reporting requirements would "introduce the American model in Europe". Such anti-American rhetoric obscures the reality that the EU is far behind the US (or Canada) when it comes to ethics and transparency regulations around lobbying. The problem with "the American model" is obviously not the lobbying disclosure legislation, but the distorting role of campaign finance donations in politics, an issue which is the subject of continuous and intense debate in the US. In Europe, fortunately, corporate campaign donations play virtually no role. This is one of many reasons to expect that lobbying disclosure rules would significantly improve the possibilities for democratic scrutiny and thus boost the quality of EU decision-making process.

We look forward to your response to the proposals made in the open letter.

Yours sincerely,

Erik Wesselius
Corporate Europe Observatory (CEO)