

Organisation being complained about:

British American Tobacco
2427500988-58

Name of person complaining:

Olivier Hoedeman, Research Coordinator, Corporate Europe Observatory (CEO)

Which information do you think is incorrect and why?

In the Commission's transparency register BAT estimates its costs directly related to representing interests to EU institutions as 150,000 € - 200,000 € for 2008. We believe this amount is grossly under-estimated. CEO has found that the company has spent at least another €527,000 on undisclosed contributions to associations lobbying the EU institutions on its behalf, including the Confederation of European Community Cigarette Manufacturers (CECCM), the European Smoking Tobacco Association (ESTA), the European Smokeless Tobacco Council (ESTOC), the European Business and Parliament Scheme (EBPS) and the Freedom Organisation for the Right to Enjoy Smoking Tobacco (FOREST). The actual amount provided to lobby groups or front groups active in Brussels might be even higher. We estimate BAT's real lobbying budget to be at least five times higher than what is disclosed in the voluntary register. This is a very conservative estimates that does not take into account the part of lobbying budgets spent in each member state that is used to influence EU decisions.

BAT is exploiting the ambiguity of the Commission's instructions about how to avoid double-counting of lobbying costs. Double-counting would for instance occur if a trade association lobbying on behalf of member companies disclose amounts that were also reported by the individual companies. To avoid this, registrants "are encouraged to agree with their partners and clients who reports what", the Commission states in its guidelines for registration. BAT clearly has failed to ensure that some of its contributions to the above-mentioned lobby groups would be disclosed by these lobby groups. As a matter of fact, some of these associations (ESTOC, FOREST, EBPS) have not registered, and therefore BAT should have disclosed these financial contributions itself.

Secondly, BAT has failed to report its expenditure on activities labelled as 'corporate social responsibility' (CSR) that were in fact lobbying activities. In 2006-2007, under the banner of a so-called 'EU stakeholder dialogue', the company got direct access to at least 42 EU policymakers and delivered them with political messages directly related to pieces of legislation then being discussed in Brussels. BAT argued that it was 'CSR' and not 'lobbying', but this is at odds with the Commission's definition: "all activities carried out with the objective of influencing the policy formulation and decision making process of the European institutions". BAT refused to disclose the budget of this important two-year campaign which involved in-house personnel, two external lobbying firms and one communication agency. According to CEO's conservative estimates, such a campaign may well have cost around €200,000.

Organisation being complained about:

Confederation of European Community Cigarette Manufacturers (CECCM)
1496873833-97

Name of person complaining:

Olivier Hoedeman, Research Coordinator, Corporate Europe Observatory (CEO)

Which information do you think is incorrect and why?

In the Commission's transparency register CECCM estimates its costs directly related to representing interests to EU institutions as €300,000 - 350,000 for 2008. We believe this amount is grossly under-estimated. CEO has found that CECCM received €292,000 from British American Tobacco (BAT) in 2008.

According to its website, CECCM “represents the common views of three major European-based cigarette manufacturers: British American Tobacco, Imperial Tobacco Group, JT International. CECCM also serves as the coordinating body for its fifteen associate members which are each European tobacco or cigarette national manufacturers’ associations (NMAs).”¹

It seems therefore highly suspicious and improbable that BAT alone provided 83.4% to 97.3% of CECCM's budget.

¹ <http://www.ceccm.eu/members.html>

Organisation being complained about:

BXL Consulting
8972319724-16

Name of person complaining:

Olivier Hoedeman, Research Coordinator, Corporate Europe Observatory (CEO)

Which information do you think is incorrect and why?

BXL Consulting was involved in lobbying for British American Tobacco in 2006-2007 but did not declare that money in 2007.

Between September 2006 and January 2007, BXL Consulting's Pavel Telička conducted three "group dialogue sessions" and a number of individual in-depth interviews with EU "stakeholders" on behalf of BAT. The dialogue sessions brought together 11 to 24 individuals, including BAT representatives to focus on specific issues — public place smoking, "harm reduction", anti-illicit trade and counterfeit products — in order to "encourage in-depth discussion of each topic and the central dilemmas facing society and tobacco companies like British American Tobacco"². The "stakeholders" identified by BAT included the Commission³, the Parliament⁴, the Council (through permanent representations to the EU).

The job Mr. Telička accomplished undoubtedly facilitated BAT's lobbying. His involvement was clearly part of "activities carried out with the objective of influencing the policy formulation and decision-making processes of the European institutions", as the Commission defines what must be declared in the Register of interest representatives. These activities include: "contacting members or officials of the EU institutions (...) organising events, meetings or promotional activities (in the offices or in other venues) in support of an objective of interest representation".

² http://www.batresponsibility.eu/stk_dialogue06.html

³ DG Health and Consumer Protection, DG Taxation and Customs Union, DG Personnel and Administration/OLAF, DG Enterprise, DG Environment, DG Employment and Social Affairs, DG Agriculture, DG Internal Market and Services, DG Research, Joint Research Centre, SCHER, SCENIHR, DG Information Society and Media, DG Justice, Freedom and Security.

⁴ Committee on Environment, Public Health and Food Safety, Committee on Internal Market and Consumer Protection, Committee on Industry, Research and Energy, Committee on Budgetary Control, Committee on Transport and Tourism, Committee on Civil Liberties, Justice and Home Affairs, Committee on Economic and Monetary Affairs, Committee on Employment and Social Affairs, Committee on Culture and Education, Committee on Legal Affairs.