REGISTRE DES REPRÉSENTANTS D'INTÉRÊTS
DOSSIER DE SUIVI D'UNE PLAINTE

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Examination of the complaint

BP estimated its costs directly related to interest representation to EU institutions in the financial years 2008 and 2009 to lie between 400,000 - 450,000€.

In the informational meeting on the 28th of October 2010 BP provided the European Commission with its methodology of calculating its estimated costs which are directly related to representing interests to EU institutions. BP thereby showed the logic behind their declaration.

Some of this information given in the meeting was additionally sent per e-mail by Mr. Gunnar Jungk on the 5th of November 2010.

BP took the full year 2008 actual expenses and scanned the activities of the permanent Brussels based BP staff as well as visiting staff working at their office on the basis of electronic diaries. BP developed a percentage for the time and costs related to "direct lobbying of the EU institutions" (e.g. meeting with EU officials) by tagging all the relevant activities. This percentage of the working time of the entire team) was then applied to
the total salary costs, office lease costs, travel and entertainment, as well as the overall administrative budget. BP excluded payments to third parties such as trade associations, think tanks or consultancies which, in their understanding, will be accounted for by the organisations concerned.

BP pointed out that since it wanted to report the actual costs, they based their estimations in 2008 on the 2008 budget and analyses of the first half 2008 actual expenditures. This information was then updated in November 2009 by estimations based on the actual expenditures of the full year 2008.

However, BP stressed itself that since it wishes to communicate estimations based on actual expenditures and because their annual update takes place in November, BP is not able to declare a figure for the current year until nearly a year later. Therefore, BP is considering an update in early 2011 on the basis of actual 2010 expenditures and will then report thereafter on this reporting anniversary rather than in November.
Concerning relations with third parties and BP’s memberships, BP emphasised that it aimed to act in a transparent manner on this point by listing ten different bodies they have relationships with and by saying explicitly in their declaration that their estimates do not include payments to third parties such as trade associations, think tanks or consultancies in order to avoid double-counting.

Furthermore, BP’s logic behind declaring some memberships and not other (e.g. ) was based on whether this was considered a core membership in terms of time and resource commitment. This is a matter of judgement and may be revised from time to time in the light of circumstances.

Conclusions

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BP's estimation of costs directly related to representing interests to EU institutions started from the full year 2008 actual expenses of its EU Liaison office and a scanning of the activities of its permanent Brussels based staff as well as visiting staff working at their office on the basis of electronic diaries. BP calculated a percentage for the time and costs related to "direct lobbying of the EU institutions" which was then applied to the total salary costs, office lease costs, travel and entertainment, as well as the overall administrative budget. BP deducted payments made to third parties such as trade associations, think tanks or consultancies whose names figure in BP's register entry.
Minutes of the informational meeting with BP on the 28th of October 2010 at 4pm, Archimedes Building, 11 Rond-point Schuman, Brussels on the complaint submitted by Friends of the Earth Europe questioning BP's compliance with Clause 4 of the Code of Conduct for interest representatives.

REMARKS ON BP'S CALCULATIONS OF THE ESTIMATED COSTS

- BP took the full year 2008 actual expenses and scanned the activities of the permanent Brussels based BP staff as well as visiting staff working at their office on the basis of electronic diaries. BP developed a percentage for the time and costs related to "direct lobbying of the EU institutions" (e.g. meeting with EU officials) by tagging all the relevant activities. This percentage was then applied to the overall budget. BP excluded payments to third parties such as trade associations, think tanks or consultancies which, in their understanding, will be accounted for by the organisations concerned.

- Mr. ... pointed out that since BP wanted to report the actual costs, they based their estimations in 2008 on the 2008 budget and analyses of the first half 2008 actual
expenditures. This information was then updated in November 2009 by estimations based on the actual expenditures of the full year 2008.

- Mr. stressed the fact that because of BP's wish to communicate estimations based on actual expenditures and because their annual update takes place in November, BP is not able to declare a figure for the current year until nearly a year later. However, BP is considering an update in early 2011 on the basis of actual 2010 expenditures and will then report thereafter on this reporting anniversary rather than in November.

REMARKS ON THE COMPLAINT SUBMITTED BY FRIENDS OF THE EARTH EUROPE

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- Concerning relations with third parties and BP's memberships, Mr. emphasised that BP aimed to act in a transparent manner on this point by listing ten different bodies they have relationships with and by saying explicitly in their declaration that their estimates do not include payments to third parties such as trade associations, think tanks or consultancies in order to avoid double-counting.

- With regard to Friends of the Earth Europe's comparison between the US and the EU reporting scheme Mr. highlighted that these registers are completely different in nature and that it is in this sense inappropriate to directly compare them and say that one number is higher than the other. Mr. also explained that he had contacted the BP office in Washington which informed him inter alia that the US register is supposed to contain expenditures for both direct and indirect lobby expenditures and that the US reporting includes memberships.

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SUPPLEMENTARY REMARKS

- BP calculations for direct lobbying were estimated to be about 6% of the working time of their entire team. This percentage was then applied to the total salary costs, office lease costs, travel and entertainment, as well as the overall administrative budget.

- According to Mr., BP's logic behind declaring some memberships and not other (e.g. ) was based on whether this was considered a core membership in terms of time and resource commitment. This is a matter of judgement and may be revised from time to time in the light of circumstances.
• Our methodology is explained in the BP submission. We have analysed the use of time on the basis of electronic diaries and attributed our total direct costs in the proportion of time used ‘for the direct lobbying of all the EU institutions’.
• The assessment includes the identification of relevant activities of the permanent Brussels based BP staff as well as visiting staff. For this purpose individual electronic diaries were scanned to identify relevant activities for the reporting year.
• The calculated average time was used to separate the share of the total costs related to these direct lobbying activities.
• According to the ETI principles, these costs did not include payments to 3rd parties or activities by an independent industry body or activities initiated by EU institutions (e.g. invitation to stakeholder meeting).
• The BP entry is in full accordance with the ETI framework and its principle.