REGISTER OF INTEREST REPRESENTATIVES
COMPLAINT EXAMINATION

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Examination of the complaint:

Shell 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€.

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In the informational meeting on the 21st of October 2010 Shell provided the European Commission with its methodology of calculating its estimated costs which are directly related to representing interests to EU institutions. Shell thereby showed the logic behind their declaration.

This information given in the meeting was additionally sent per e-mail by on the 25th of October 2010 and included the following:

Shell used the overall budget of Shell EU Liaison office (EUL) as a starting point which was € in 2009. This included operating costs, salaries of full time professional and one part time administrative
support, travel expenses and fees paid to some of the European industry associations and think tanks Shell is member of.

According to Shell's understanding of the Commission guidance in the "Frequently Asked Questions" and in order to avoid double-counting Shell deducted from total EUL budget the fees paid to industry associations and think tanks (full list of organisations detailed in Shell’s entry in the Interest Representation Register), and consultancy fees paid to consultancies for policy monitoring services:

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Shell has estimated that approximately 15% of EUL activity can be attributable to interest representation to the EU Institutions. This includes activities such as drafting and presenting position papers and letters, meetings with policy-makers, participation in workshops, etc. The declared estimation of costs associated with interest representation activity (€400,000-€450,000) results from applying 15% to the overall EUL budget, having previously deducted the total fees paid to industry associations, think tanks and consultancies i.e. DELETED

Shell has also discounted parts of the activities conducted by the EUL office that they consider of a “non-lobbying” nature, such as:

- monitoring and analysis of EU policy issues for the purposes of understanding policy change and ensuring compliance
- dissemination of information to Shell’s business and functions
- support activities to Shell’s global corporate communications strategy
- response to EU institutions’ requests for expert briefings
- administrative and financial matters

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In addition, Shell pointed out that their Washington Liaison office is much bigger than the Brussels Liaison office, employing approximately 14 people (comprising separate state, federal and international units) while the Brussels office has only three full-time professionals and one part-time administrative employee.

With regard to sponsoring and co-organising of events Shell stated that is no longer member of EurActiv and therefore did not mention it in its memberships. Concerning the 'Comment:Visions' project Shell declared that its main motivation for cooperation with media such as European Voice and Euronews in the 'Comment:Visions' project is to facilitate and
encourage a broader stakeholder debate and promote a better understanding of energy issues. Thus, for Shell, it does not constitute direct interest representation as such.

**Conclusions**

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Shell's estimation of costs directly related to representing interests to EU institutions started from the overall budget of its EU Liaison office from which it deducted fees paid to industry associations, think tanks and consultancies whose names figure in Shell's register entry. Shell then calculated a certain percentage of the EU Liaison office's activity that can be attributable to direct interest representation to the EU institutions which it then applied to the remaining overall budget. **OUT OF SCOPE**

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