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**A Look Behind the Curtains of Transatlantic Trade Disputes:
US Lobbying in Brussels versus
European Lobbying in Washington DC**

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CHAPTER ONE

Introduction

BaBB and the Forces Behind

1999 will be the year of the three *B*'s: Bananas, beef and biotechnology. This is what Charlene Barshefsky, chief US trade representative, has promised. ("Le bœuf", 1999) She may be right. At least the first two *B*'s have made for catchy titles in the press and kept negotiators in Brussels, Washington, DC, and Geneva busy. "Going Bananas"(The Economist, 5.3.1999), "Britain and US slip on banana skin"(The Guardian, 5.3.1999), "Clinton nous banane sévère"(Le Canard Enchaîné, 9.3.1999), and "Auf die krumme Tour"(Die Zeit, 11.3.1999) -- the declaration of the "banana war"between the US and Europe sparked linguistic creativity of all kinds.

Simultaneously, a small *a* for aviation was emerging at the secondary theater of war. However, the two parties managed to hush the little *a* the negotiating table for at least one year to come. Soon thereafter, another big *B* exploded on the battlefield: "Le bœuf ranime les braises de la banane"(Libération, 13.5.1999). The outcome of that confrontation is yet unclear. In contrast to bananas, a deep cultural divide regarding the food we eat and in the Old and the New World as well as different attitudes towards science play a big part in it. This is also true for the third *B* and the row about genetically modified food that is, according to most editorials, just waiting to become the biggest *B* of all. (see Appendix A, p.x, for detailed background information on the trade conflicts)

Civil servants and high level politicians are trying to solve politically what has been fueled for the most part by commercial interests. For many Europeans, the name "Chiquita"has almost become a symbol of the power that financial heavyweights hold in US politics. Some even seem to resign to the fact that "Europeans can't do much"against well-

organized US lobbies, taking it for granted that they are not fit to hold a candle to them. These allegations made me curious: Are US interest groups really as almighty as some observers claim? How does their lobbying style translate into the Brussels environment? And what was/is their part in recent and on-going trade disputes between the two economic giants? Claeys and Winand argued that American interest groups have taken advantage of the fact that "the European Union, unlike the United States, makes little distinction between domestic and foreign interests when experts are being consulted." (1998, p.422) Many Europeans also blame US interests for pursuing a "divide and conquer" strategy in order to get it their way, thus compromising important common policies (Wathelet, 1998). What is behind that criticism?

While the influence of US interests in Brussels has been debated and studied at great lengths (e.g. Cowles, 1996; Gray, 1998; Winand, 1998), no one has paid much attention to the role that European interests play in Washington, DC. Jaqueline Grapin of the European Institute claims that European companies underestimate the importance of the US capital, an opinion that many involved in transatlantic relations share (personal communication, March 30, 1999). But what are the facts behind that? How are European interests organized in Washington, DC? How did they and do they fare on the trade battlefield of BaBB ?

Although the transatlantic relationship has been overshadowed by disputes recently, no one doubts that they only represent a fraction of it. Europe and the United States continue to be each others' most important trading partners. In 1997, two-way trade and investment amounted to \$3 trillion. US investment in Europe accounted for 45% of its total foreign direct investment and 60% of European investment was in the United States. Over seven million jobs are dependent on that ("TABD backgrounder"; "Charlotte", 1998) The New Transatlantic Agenda (NTA), launched at the 1995 EU-US Madrid summit, has created a forum for several efforts to improve cooperation between the two. The question is: How do

the two sides actually work together and lobby for transatlantic rather than "US versus EU" goals?

Searching for answers to those questions I interviewed 50 individuals in Washington, DC, Brussels, and Geneva, from March until May 1999. They include lobbyists (trade lawyers, PR consultants, representatives of corporate Public Affairs offices and umbrella organizations) and public officials. In addition, I looked at registers for lobbyists, compared regulation, lobbying expenditure, directories, and training models. The information rather enables to add a few more pieces to the puzzle than to draw a complete picture of the big world of lobbying on both sides of the Atlantic.

From the very start it was clear that a comparison of the two systems would be problematic, because the factors determining interest groups on both sides, such as history, governmental structure, purpose and regulation, are all different to begin with. In fact, Graziano noted that the scientific community has shown little interest in the comparative approach "on the partially correct ground that the EU is a unique animal."(1998, p.3) However, the purpose of this investigation is not to make empirical statements, but to look at the forces behind EU and US policy-making, particularly in relation to the questions that divide them. A portrait of these forces may facilitate the understanding of the conflicts, reveal the strengths and shortcomings of interest representation on both sides, and give some indication on how to improve communication in the future.

CHAPTER TWO

Lobbying in Washington, DC, and Brussels

A World Apart

Washington, DC

Jim Hewes is proud of his job as the chief bartender at the Willard Hotel in Washington, DC. In close proximity to the White House, it's one of the oldest and most distinguished hotels in town. Its history books are full of personalities and amusing little anecdotes that Hewes enjoys telling his guests. "Do you know that this is where the term "lobbying" originated?", he asks a group of gentlemen who are sipping their "Mint Julip", a Southern drink made of Bourbon and fresh mint leaves. No one does. "It was General Grant, the eighteenth President of the United States, who staid in the Willard for an extended period of time after the White House had burned down. Grant was more used to the world of military and soon started to complain about the "lobbyists", the crowds of people waiting for him in the hotel lobby, trying to influence and harass him."

Others trace the word's origin from the main rooms off the Senate and House floors in the US Capitol building. Those are called lobbies and have always been favorite hangouts for people interested in influencing legislation. Finally, some argue that the term didn't even originate in the United States but in the UK House of Commons (Christian de Fouloy, personal communication, May 5, 1999 & Dr. Kenneth Baker, personal communication, May 11, 1999).

In any case, most historians agree that the phenomenon in the US long preceded its naming, being in fact older than the nation itself. Numerous anecdotes recount the early days: In 1757, for example, local merchants tried to bribe voters with liquor in George Washington's run for the Virginia House of Burgesses (Rozell & Wilcox, 1999). Some credit even the birth of the nation itself to the action of "famous lobbyists" like James Madison, George Hamilton, and George Washington who were pressing the cause of independence in their "Federalists Papers". (Nonon & Clamen, 1993, p.25)

The First Amendment laid the constitutional ground for individuals' involvement in the policy process, protecting the right of any person or group to "petition the government for a redress of grievances" (Archer, 1997, p.18). James Madison, the "chief constitutional architect" of the United States, thought that a large number of diverse interest groups would prevent one or a few of them from becoming too large and too powerful (Rozell & Wilcox, 1999, p.11). According to the "Madisonian ideal" of a pluralistic society, compromises among competing interests automatically reflect the "public good".

This ideal, however, soon appeared to be jeopardized. The election of 1896 is generally cited as a "watershed" for interest group involvement in US politics: Mark Hanna, a Cleveland industrialist, not only contributed record amounts of money to Republican William McKinley's presidential campaign, but also orchestrated it. Several years before modern mass revolutionized political campaigning, he sent out an army of 1400 pro-McKinley speakers and raised between an estimated 100 million in current dollars from banks and big corporations.

The precarious relationship between money and politics has been debated ever since. The US government took several regulatory measures, including the establishment of an independent agency, the Federal Election Commission (FEC) in 1974. It supervises and publicizes the flow of money from special interests to political candidates, focusing on public

disclosure of campaign financing data rather than significantly limiting the possibility to contribute money. This, after all, is considered a fundamental right protected by the constitution.

But in the past ten years, fundraising for political campaigning has literally exploded. According to the Center for Responsive Politics (CRP), a non-profit research group in Washington that tracks the relationship between money and lawmaking, the 1996 federal election campaign cost "somewhere in the neighborhood of \$2,2 billion. Exactly *where* in the neighborhood will never be known, since tens of millions of dollars more were spent 'off the books' on issue ads and similar campaigns that were never reported to the FEC or any other agency"(Makinson, 1997, p.5).

Non-profit citizen groups like the Washington based Common Cause have been lobbying Congress for years to pass a campaign finance reform that would put a cap both on spending and raising funds for electoral campaigns. Their main focus is a ban on soft money contributions – a system that allows special interests to contribute unlimited amounts of money to parties who, in turn, distribute it to individual candidates running for election. A bill leading into that direction was killed in the Senate just last year. It has proved extremely difficult to convince lawmakers of killing the Golden Goose that feeds their insatiable campaigning machines, especially since it benefits primarily those who would have to pass the bill. "In 1996, the reelection rate for incumbents to the House of Representatives was 94,4% and for Senators 90,5%“, says Matt Keller, lobbyist for Common Cause (personal communication, March 26, 1999). "No wonder that they are interested in maintaining the status quo that keeps them in office.“

"Many members of Congress start building up a huge campaign funds chest on the first day in office,"says Paul Hendrie, Communications Director at the CRP (personal

communication, April 7, 1999). "They do this in order to scare off potential challengers in their home districts as early as possible. Everyone knows that you can't compete in fundraising with those who hold office."

But William Beddow, who has worked in Washington and Brussels as a lobbyist for the US company Caterpillar, is skeptical about the proposed reform. He argues the opposite: "If you limit spending on campaigns, you put primarily the challengers at a disadvantage. How could they get their name and message out if not through advertising? The incumbents are already covered by the media, anyway." (personal communication, April 26, 1999)

Campaign contributions are only part of the efforts to influence legislation. Many organizations spend much more on lobbying – in 1997 a 1,26 billion dollar industry for approximately 20,000 registered lobbyists in Washington ("Influence Inc.", 1998). Both figures may be grossly understated, as some lobbyists fail to file the biannual lobbying reports, file improperly, or do not register, at all ("Influence Inc.", 1998). So-called astroturf lobbying, which are huge issue-advertising campaigns, do not need to be disclosed, at all. Finally, some authors estimate the number of actual lobbyists between 80,000 and 100,000. They claim that the most successful are the unregistered who don't walk up the Hill in person but pull the strings from behind the curtains (Archer, 1997; Pfeifer, 1995; Tiedemann, 1997). Bob Dole, former US senator and presidential candidate for the Republicans in 1996, is one of them.

The CRP gives a number of examples on direct relations between lobbying expenditures and US policy-making. For instance, the American Automobile Manufacturers Association spent \$2,7 million during the first half of 1997, but \$7,3 million during the last six months when the global warming treaty negotiations in Kyoto approached. So far, the Senate hasn't ratified the treaty ("Influence Inc.", 1998).

How much money really matters in US politics is a controversial question. Lobbying in Washington doesn't necessarily require huge funds. Grassroots campaigns that appeal to the constituency to inundate politicians with mail, e-mails, faxes, and phone-calls have become increasingly popular and proved efficient. "Lobbying in America is most effective if it's beached up with political clout", says Paul Hendrie, "either through large campaign contributions or grassroots efforts. The best, of course, is a combination of the two."

Money alone usually doesn't do the job. Browne (1998) gives the example of two impoverished Native American tribes who tried to get federal officials to return Fort Reno, Oklahoma, to them to develop it as a tourist site. They donated \$107,000 from their tribal emergency relief fund to the Democratic National Committee and talked about their plans with policymakers – without success. Tribal leaders then wanted their contributions back. "Sure, money gets anything anyone wants!", concludes the author ironically. "It didn't in this case. It didn't even get some dry Oklahoma dirt. But, it did get some nice talk, or access without reinforcement."(Browne, 1998, pp. 237, 238)

Aside from the controversial issue of campaign contributions, most Americans welcome the fact that special interest exercise pressure on politicians. They tend to distrust government more than Europeans do and regard interest groups as the linking element between the governed and the government (Thomas, 1993). "In the United States, individual involvement in the public policy process is encouraged and welcomed", says William Beddow (personal communication, April 26, 1999). "Members of Congress rely on the input from lobbyists – without them, the system could not function."

The US political system gives many incentives for this input. The separation of power -- membership of executive and legislative exclude one another -- creates permanent conflict, a situation that lobbyists often take advantage of. Members of Congress can vote however they

choose, considering first and foremost the interests of their home districts rather than their party affiliation. Moreover, the US Senate holds the authority to delay voting on a measure indefinitely (Thomas, 1993; Rozell & Wilcox, 1999). All of these characteristics allow special interests to target particular players in the process and to directly measure lobbying efficiency by consulting the legislators' public voting records.

Because of the candidate centered system, parties have been comparatively weak. According to Thomas (1993), "American interest groups have filled the void in the political system that political parties could or would not fill", including the financing of elections and the recruitment of candidates (p.42). The low voter turnout of generally no more than 50 percent also increases the chances for special interests to influence the outcome of elections.

Maybe the most prominent feature of US lobbying is the system of "revolving doors". All lobbyists that I have talked to in Washington have worked in the US administration or as staffers for Congressmen prior to their lobbying careers. They claim that this experience is crucial for their careers. Out of 121 members of Congress who left their offices after the 1992 election, 48 became lobbyists (Archer, 1997). In addition, 36% of all senior Senate aides and 40% of House aides who were members of the important commerce committees became registered lobbyists between 1991 and 1996 (Lewis, 1998).

Brussels

Those who represent special interests generally don't like to call themselves lobbyists in Brussels. "If you say that you are a lobbyist, people either think that you are joking or that you are a child molester", says William Beddow, Public Affairs Director for Caterpillar Europe (personal communication, April 26, 1999). It still has the dirty connotation of sneaky guys who bribe their way through politics. Many consider lobbying to be an American vice that has little to do with the public policy process in the European Union. Even though the

past 10 years have altered the negative perception to some degree, the Commission still does not officially talk of lobbies, but of "special interest groups" ("An open and structured dialogue", 1993). Pfeifer argues that this attitude in continental Europe has its cultural roots in Jean Jacques Rousseau's philosophy and his distrust that a special interest (*volonté particulière*) could dominate the common interest (*volonté générale*) (1995, p.13).

In contrast to the US, early European lobbying was not encouraged by the idea of individual involvement in policy-making. It started with a system of advisory committees in which mainly large associations took part. Immediately after the Rome Treaties in 1957, many of these associations, mainly trade unions and industrial umbrella organizations, established permanent representations in Brussels (Pfeifer, 1995). After the first direct election of the European Parliament in 1979, the pattern changed: More and more private and branch associations opened public affairs offices and accepted third country groups as members.

Most authors mention the European Single Act of 1986 as the primer detonation for lobbying in Brussels (Mazey & Richardson, 1993; Pfeifer, 1995). More and more national and regional associations as well as private businesses established themselves in the city. In addition, the non-profit sector started to recognize the importance of the European Community (EC), both as a source of legislation and of significant funding for their projects. The gradual extension of qualified majority voting within the Council of Ministers spurred interest groups' activities and encouraged them to find allies in other member states, in order to create or break potential blocking minorities (Mazey & Richardson, 1993).

Nonon and Clamen (1993) argued that the arrival of American lobbying firms and of lobbyists for US corporations marked this period throughout the eighties: "Leur approche du Parlement de Strasbourg s'est directement inspirée des mœurs du Congrès. Elle a marqué l'abandon de ce qui pouvait rester de fausse pudeur chez les concurrents

communautaires."(p.223) And Farnel noted in 1994: "Bruxelles c'est Washington, sans son Congrès. ... Strasbourg et Bruxelles représentent aujourd'hui la même attraction que Washington."(p.47)

Practitioners like the American Darren Trigonoplos, who has worked for US lobbying firms on both sides of the Atlantic, puts this into relation. "It's true, in the early days of the Common Market, between approximately 1982 and 1989, there were many Americans who tried to introduce American style lobbying to the EU. But that only offended many Europeans. So they soon adapted their approach."(personal communication, April 19, 1999)

Neither are there indications that lobbying activities have reached Washington dimensions in Brussels. In absence of an official register for all European institutions, the actual numbers are difficult to estimate. In 1998, a study commissioned by the city of Brussels counted 372 interest groups employing 2,380 people, as well as 114 regional offices with 632 employees and 154 third country diplomatic missions accredited to the EU with a staff of 1,684 ("The social-economic impact", 1998). In addition, there were 167 law firms employing 1,311 and 80 consultant firms with 628 people. This makes a total of 6635 people working in sectors that are *potential* suppliers of EU-level lobbyists. Still, the figures can only provide for rough estimates. According to Tiedemann (1997), there are 10,000 of them, while Chilton (1998) gives the unsatisfying indication of "numbers varying from 3000 to 10,000."

Lobbyists in Brussels don't have to file extensive income and activity reports like their Washington counterparts, either. But since 1996, the European Parliament requires registration for anyone who wishes to obtain a pass for regular entry "with a view to supplying information to Members within the framework of their parliamentary mandate in their own interests or those of third parties."("Reglement du PE", 1998) The passes are issued for one year. In Mai 1999, 2289 persons were registered, of which 352 obtained their pass at the

request of a Member of the European Parliament (MEP) or a political group (MEP's can have two official assistants and need to register every additional person that works for them).

Moreover, MEP's have to make a personal detailed declaration of their professional activities and of their financial or staff support they receive anywhere except from Parliament (Chilton, 1998). For the other EU institutions, lobbying remains largely unregulated.

Despite the increased authority of the European Parliament, special interests still focus primarily on the Commission. For lack of a real separation of power, the supranational body is both the initiator of most legislation and the Union Executive. It is crucial for lobbyists to have access to the relevant Directory Generals at the drafting stage of legislation, since this offers the best chances of putting their marks on it. According to Graziano (1998), the main channels of influence in the Commission are either through advisory committees and expert groups -- 67 are officially listed -- or through informal contacts on an "unstructured, *ad hoc* basis"(p.16). Interests are eager to participate in these groups, as it raises their status and multiplies their influence.

Like US lawmakers, the Commission heavily relies on outside sources, which is partly due to its relatively low staff (Kohler-Koch, 1997; Mazey & Richardson, 1993). But the consultation process takes place in a more formalized way and does not value the input of private corporations. For William Beddow this is a crucial difference that forced him to completely alter strategies: "There is no accepted right of a company to be active. I can't just be from Caterpillar. It's much more important to have influence in business groups, because that's who they listen to. You want to know as many people as possible who then might influence the public policy process."(personal communication, April 26, 1999)

In the EP, so-called Intergroups have evolved as an important informal channel of influence (Porter, 1998). There are at least 60 such groups covering mainly commercial, social,

environmental, public health, and cultural issues. Meetings are held as public hearings, just like in the US Congress. However, Intergroups that are perceived as "puppets of particular interests" are scoffed at. Porter (1998) concludes that their usefulness will be limited if they are considered to be "too much influenced by outside, and especially commercial, interests." (p.3)

In recent years, particularly social, environmental and consumer groups -- often called "weak" interests in the political game -- have discovered the EP as an ally (Kohler-Koch, 1997). Nevertheless, it is miles away from a position like that of the US Congress as *the* primary target of lobbyists rather than the federal bureaucracy. This is why the two major US lobbying tactics, campaign contributions and grassroots lobbying, make little or no sense in Europe (see Graziano, 1998, p.8). In fact, Darren Trigonoplos says that a failure to acknowledge these idiosyncrasies was the reason why so many American lobbying efforts flopped in the eighties. "These people didn't realize: In Europe there is not the same connection between policy making and campaigning." (personal communication, April 19, 1999)

Fundraising for political campaigns is virtually absent in Brussels, with the exception of the British Labour Party holding a small-scale event in the European capital each year.

The two systems are opposite to one another in their governing principles: While conflict is a prominent feature in US politics, EU officials usually have to achieve consensus. Mack (1997) put it this way: "Congress does not need permission from the states to enact federal law. This is not true in Europe. The operating legislative principles of the EU are consultation and consensus, not majority rule." (p.154) Lobbying in an environment where "wider solidarities are at work" (Graziano, 1998, p.1) clearly requires a multilateral approach and a coordination between national and EU level strategies. "Sectorial interest groups are often competing not only with their traditional adversaries, but also with their counterparts from other Member States." (Mazey & Richardson, 1993, p.16)

US interests have often been accused of taking unfair advantage of this, dividing Europeans on important issues and thus preventing the necessary consensus. But for most of them it's the most natural behavior: In his EU-lobbying guide for Americans, Mack (1997) advises his readers to be subtle rather than direct, because tactics like flying in CEO's and putting pressure on lawmakers simply don't work. "What does work, however, is support from one or more national governments."(p.155) David Burnett of the Economic Policy Unit at the US mission to the EU does not see a reason for being bashful about it. "Sure we employ divide and conquer strategies. I wouldn't be worth my monthly salary, if I didn't do that, would I ?"(personal communication, April 22, 1999) Darren Trigonoplos, however, does not see this tactic as a particularly American strength. "Actually, European companies are much better at it: they are better at lobbying the Council of Ministers than Americans are. They have a deeper understanding of the rules of the game and better connections to their national governments."(personal communication, April 19, 1999)

Almost mirroring the process of European integration, lobbying activity in the European Union equally undergoes cyclical changes. It peaked in the beginning of the nineties when the Maastricht treaty was negotiated and efforts of European integration were running high. The perceived threat of a "Fortress Europe" made many US interests increase their presence in Brussels. Since then "some US multinational companies have reduced their public affairs presence, and many American lobbying firms have cut back their operation or gone out of business."(Mack, 1997, p.157) Nevertheless, one forth of all corporate Public Affairs offices in Brussels are American, and the US holds the second largest share in representations of national associations (16%), following directly the French (25%). The largest numbers of consultants are those from the UK and the US (Gray, 1998, p.285/286).

CHAPTER THREE

EU and US Diplomatic Missions, Lobbying Groups, and Transatlantic Organizations:

What Bananas, Beef, and Hush Kits Mean to Them

Delegation of the European Commission, Washington, DC

"Les Américains ont effacé les biscuits belges de la liste. Quoi ? Ah si, anche il Peccorino. ... Yes, Cashmere is off, you made it on that one." It's Friday afternoon, April 9 1999, in Willy Hélin's office at Press and Public Affairs at the Delegation. The final list of products facing sanctions in connection with the WTO banana ruling has just been published. Every minute the telephone is ringing with a European reporter on line, inquiring about the fate of her or his country's products. Three days before, the WTO has ruled that the EU banana regime did not conform to international standards, provoking several crisis meetings between members of the Delegation and US officials. (see Appendix A, p.x)

It seems that Hélin knows the following already by heart, having repeated the same phrases for three days: "Our banana regime has been invented to help the poorest of the poor. It was a measure to seek a balance between trade and development policy." The Director of Public Affairs is obviously frustrated with the decision of the WTO panel, even though he stresses that the \$191,4 million targeted by sanctions are actually much lower than the \$520 million of trade damages which the US had initially claimed. We conduct a large part of the interview in English, but whenever Hélin criticizes the United States he switches to French, as if this was "off the record", representing his private point of view as opposed to the official Delegation position.

Willy Hélin thinks that the driving force behind US action on bananas was Carl Lindner, owner of Chiquita Brands International¹. He cites last year's Cincinnati Inquirer report on questionable practices of the multinational in Central American banana growing countries, an article that could easily compete with Charles Dickens' descriptions of the plight of the working class in the early days of industrialization in England. It later turned out that the journalist had acquired the information by illegal means, but Hélin insists that the gist of it was true. Do Americans listen to those arguments ? "I don't think so," he says, "most of our messages simply don't go through."

Upon his arrival in Washington last year, Hélin introduced casual "entre-nous" meetings with US and European correspondents every Thursday afternoon, in order to reinforce the Delegation's presence in the capital. But he is not only disappointed with their meager attendance -- approximately ten show up normally -- but also with the European correspondents' views on transatlantic issues: "To my great astonishment I had to realize: Most of them have gone native. They simply convey the American view. They don't even listen to us. It shows how well the information machine in this country works."

The Delegation has a representational function in official Washington and provides information on the European Union to the entire United States. Jean Monnet urged to open the Washington office in 1954 after the failure of the European Defense Community, in order to reassure US politicians that Europe was not losing its ardor for integration. It started out with two Americans in two rooms, now occupying a large building and employing a mostly European staff of 81 (Mossetig, 1995). Ella Krukoff in Public Affairs, one of the 19 Americans who work at the Delegation, believes that it is crucial to educate the US public.

¹ According to Common Cause, Lindner contributed more than \$3 million to US parties and politicians over the last ten years.

"The EU is complicated. Most Americans don't understand it. The complexity of issues normally comes as a surprise to them."(personal communication, March 30, 1999)

A study by the Program on International Policy Attitudes found that awareness of the process of European unification is low among Americans ("Seeking a new balance", 1998). Thirty-five percent of the respondents said they knew a great deal or some about it, while 65% claimed they had not heard very much or nothing at all. The in-house library at the Delegation, according to Krukoff "the best English language library on the EU in the world", provides information on various aspects of the Union. Its staff answers thousands of requests per year, sending out material and documents for free. An office in Los Angeles used to assist them in representing the EU to the US public, but it was closed down for budgetary reasons a few years ago.

Despite all the efforts, Willy Hélin believes that the Europeans' role in the latest trade disputes resembles fighting windmills. "Americans are so strong in communication. But here you are more respected for how than what you communicate – you have to be tough." Last November, he recounts, US interests ran "nasty" full page advertisements in the Washington Post, attacking European trade policy regarding bananas and beef. "I inquired how much it would cost to have an ad like that in the paper. When I found out, I just gave up: I cannot justify that in Brussels. In a way we should be doing the same thing and fight with the same weapons. But it's too expensive."

The Delegation also tries to coordinate its efforts with the member states' embassies in Washington. Attachés of the different sections (agriculture, transportation, etc.) meet with their 15 counterparts at least once every month. But according to Hélin, the Europeans' disagreement on most trade disputes is their major shortcoming. "The Americans always work in unity. In the banana conflict, Albright, Clinton, Gore, and Barschefskey all had one and the

same line and a real strategy. We don't, we are divided. And the Americans like to divide us, working with individual national governments and mixing themselves into European politics."

In the banana case, the drafting of the sanctions list and its premature publication at the beginning of March had the exact same effect. Individual interests like Cashmere producers in Scotland and exporters of Italian Prosciutto contacted mainly their national governments and embassies in Washington and asked them to act on their behalf, if necessary by complying with US demands – an example where the strategy of "divide and conquer" really worked. In cases like this, private interests do not count on the Delegation's assistance. "We generally do not deal with individual business interests", says Ella Krukoff. "We rather tackle the problem as a whole."

Special trade assistant Jonathan Miller, who is involved in the hush kits controversy, has felt the Delegation's limitations first hand. "US lawmakers often just don't care. It's almost impossible to compete with large, powerful American interests that contribute huge amounts of money through PAC's. Those simply have the better access." (personal communication, April 1, 1999) Miller, a US citizen, has worked as a staffer in Congress before he started his job at the Delegation - walking through the revolving doors to work for a foreign employer. "My experience in Congress is probably why they hired me", he says. But in a system that clearly distinguishes between national and foreign interests, this creates a loyalty problem. "Sometimes the people on the Hill give me strange looks. They even ask me: "Why do you as an American represent them?" When I say "We" and "They" it's often not clear whom I'm talking about - not even to me. I guess that one can't work at the Delegation as a die-hard patriotic American. I personally can work there because I believe in the European idea."

Miller says that cultural differences are often at the heart of the conflicts. "Some things they (in this case the US) just don't want to understand. For example when it comes to hush kits: Noise on airports is a big issue in Europe because of the population density, and because most airports are situated in more heavily populated areas. Hush kits don't solve the problem. But the US does not accept that argument." Miller also complains that the Delegation had tried to communicate early with US officials about the issue. "They simply ignored it – until the very end when it was already too late. All in all, most of what we do over here is damage control – we can only react, which is a little bit frustrating."

John Richardson, Deputy Head of the Delegation, describes its representational functions as follows: "We are here as a channel of communication to the US government, the USTR, and the Department of State. We pass on messages from Brussels and report back." (personal communication, March 30, 1999). The greatest difficulty, he says, is to have timely access to the right people. "Business interests here are much more active than in Brussels. And money drives the political process – there is a clear link between the amount of money that companies give, and their access to lawmakers. The banana case is a good example." Richardson thinks that this situation puts Europeans in Washington at a disadvantage. He also finds it difficult to deal with an increasingly isolationist Congress. "With continuous economic growth in the US and economic problems in Europe", he says, "US self-confidence is growing and with it their ignorance on the factual interdependence of our industries. The biggest psychological problem to deal with in the future may be American over-confidence combined with a perception of European weakness."

US Mission to the EU, Brussels

To David Burnett, Head of the General Economic Policy Unit at the US Mission, yesterday's news that inspectors had found traces of growth hormones in imported American

beef did not come as a surprise (see Appendix A, p.xx). Nor did the announcements that the EU might ban all imports on the 15th of June. "We've been expecting it for a long time. But even if those residues have been found – there is still no scientific proof that hormones in beef are actually harmful."(personal communication, April 22, 1999)

In contrast to its diplomatic counterpart in Washington, the Mission is contacted frequently by individual businesses asking them to intervene in contentious EU-US trade issues. According to Burnett, this does not always contribute to a gracious solution of conflicts: "Some companies rely too much on the US government to fix their problem", he says. "They don't have a public affairs office here, nor any other kind of representation, and then they try to solve issues in Brussels by appealing to the US government. This immediately makes for a government to government conflict. And when we have come to that point, it's basically already too late."

The Mission's history goes back to the early days of European integration, when the US maintained diplomatic relations with the European Coal and Steel Community (ECSC). Again it was Jean Monnet who promoted it, considering a strong American commitment to the supranational High Authority of the ECSC as crucial to the success of European integration. In 1961, the US Mission to the European Communities was established in Brussels and changed its name to USEU after the entry into force of the Maastricht treaty in 1993. (Winand, 1998) It now employs a staff of approximately 70, of which 20 are non-American. Eight US agencies, from agriculture to trade, are represented.

The Mission lobbies EU institutions directly -- its foreign service agents generally don't have any qualms about calling it by that name -- and coordinates the efforts of corporate US lobbies in Brussels. Stuart Eizenstat, Ambassador to the Mission from 1993 to 1996 who saw himself as an advocate of US policy and a "cheerleader" for the EU (Winand, 1998, p.380),

described their role as follows: "We use company representatives and lobbies as we do in Washington: to alert us to issues and to provide us with information for our decision-making. Their information is of course not exclusive."(as quoted in Winand, 1998, p.391)

The Mission's main interaction with the private sector is through the EU Committee of the American Chamber of Commerce (AmCham). Almost all staff members attend and participate regularly in the organization's subcommittees, according to their area of expertise. Gray (1998) points out that this "ex-officio" membership is a unique advantage for the American business community in Brussels: US Mission representatives "carry back to Washington the viewpoint of US companies in Europe, which can then be conveyed to the EU institutions as part of governmental submissions"(p.291/292) – thus giving it some kind of official endorsement.

The Mission's main lobbying focus is the Commission. But starting with Ambassador Eizenstat, who had extensive experience in lobbying Congress, it has focused increasingly on the EP. For lobbying the Council, it usually relies on the support of US embassies in the 15 member states. Comparing the Mission's work with that of the Delegation in Washington, David Burnett believes that the costs for achieving the same goals are actually much higher over there than they are for the US in Brussels: "They have to pay much more attention to Congress than we have to the Parliament. They also have a much harder time coordinating with the 15 member state embassies, since there are more resentments on their side. Last but not least they have much more education to do. Over here, most people know what the US government is -- but they have to explain the EU to people who don't have a clue."

Those who worked at the Mission between 1993 and 1996 generally rated Commission officials as very professional and accessible and did not find lobbying the EU significantly more challenging than dealing with the US government (Winand, 1998). But with the growing

number of trade conflicts the level of frustration increased accordingly. Ben Duffy, Director of Public Affairs, criticizes especially what he perceives as secrecy: "Directives are mostly prepared without transparency. Something is happening behind the curtains, and sometimes you can't even identify the responsible office."(personal communication, March 24, 1999) In the banana case, Duffy says, the Commission showed no willingness to cooperate. "It is the only time, among 17 or 18 trade disputes before the WTO, where they refused to sit down altogether."

David Burnett, whose area of expertise is aviation, had a similar experience with the hush-kits controversy: "I have been warning Commission officials on this over and over again. It was duly noted, they would nod, and then I was simply ignored. It was not until Congress threatened retaliation that they moved and expressed their willingness to negotiate. I think that it has become a bad habit in our relationship that we are not taken seriously until Congress threatens retaliations."(see Appendix A, p. xx) His experience with the US government was not fundamentally different, though. Burnett took action soon after he had seen the first versions of the anti-noise initiative in May 1997, sitting as an observer in the European Aviation Association. "I raised concerns, I expressed my opinion, I informed the relevant industries in Washington over and over again -- but they just didn't pay attention. And then they reacted as if they had heard of it for the first time in their lives."He thinks that this is partly due to a tendency in the US to discount the European Commission. "They don't realize how much power it has in regulatory matters and how much sovereignty the 15 member states have given up."However, Burnett adds, this attitude changed slightly when Boeing and McDonnell Douglas merged and people realized that the Commission had a right to interfere in the business of two US companies. He also thinks that the introduction of the Euro contributed to a slow attitude shift.

In his two years with the Mission, Ben Duffy has grown increasingly frustrated with EU government structures: "Directives are just a declaration of intent. They still need to be enacted into national law, while a bill in the United States has the full weight of legal authority. It's also hard to see how the EU can ever implement a WTO-ruling seeing their decision-making procedure. Our concern is that the WTO is not going to work because of that."¹ But Duffy acknowledges that his country shares some responsibilities for current difficulties. "The United States have to learn a lot on listening", he says, "we are usually much better in telling people what to do." This may be due to what former Ambassador Stuart Eizenstat identified as the major difference between the EU and other international fora: The United States are not a member, a status they are not used to (Winand, 1998).

Even if the two diplomatic representations face quite different challenges on both sides of the Atlantic, on one point they seem to agree: "It's very hard to get correspondents in

Brussel to listen to us", says Gery Jacobs in Public Affairs at the US Mission, "they normally

just portray the Commission's point of view." (personal communication, April 22, 1999)

EU Committee of AmCham, Brussels

The praise could hardly become any better than this: "The EU Committee is the most effective lobbying organization in town", wrote "The Economist" last year. "On n'a jamais fait mieux"!, alleged Nonon and Clamen in their book on European lobbying in 1993

¹ In principle, EU trade policy is decided by a qualified majority vote in the Council of Ministers. But according to Patrick Messerlin of the Institut d'Etudes Politiques in Paris, consensus is the rule in practice, as countries tend to threaten to block decisions that require unanimity if they fear to be outvoted on a trade issue. (as quoted in "At daggers dawn", 1999, p.20)

(p.225). David Burnett at the US Mission to the EU adds to this: "Absolutely no piece of legislation that effects US companies in any way would go by without the EU Committee giving its position on it."(personal communication, April 22, 1999)

Created at the beginning of the seventies and officially established in 1978 as part of the American Chamber of Commerce (AmCham) in Belgium, the EU Committee has increasingly "outgrown its mother". (Alene Jürges, personal communication, March 11, 1999) Since the advent of the Single Market it is separately funded, with a budget that reached 1,57 million in 1998, representing 80 percent of that of AmCham ("Interview with John Russels", 1999). The secretariat is 20 strong and of 10 different nationalities. It monitors and influences EU legislative developments for and in coordination with its 150 members, including corporations like Boeing, Chiquita, Coca Cola, Monsanto, and Walt Disney. They are for the most part large US multinational companies that like to call themselves "European companies of American parentage"and, to a lesser extent, law firms and consulting groups. Japanese and European businesses have often stated their desire to join the organization, but it was decided to restrict membership to Americans. One Committee member explained it as follows: "If we included them, we would become a global UNICE. We would have to change our nature and we haven't been ready to do that."(as quoted in Cowles, 1996, p.353)

What is the secret of its success? "I think it is the fact that we represent the global voice of business", says Susan Danger, Communications Manager, "not a sectorial or national interest alone. We often don't even have to contact the Commission -- she comes to us and asks us for advice."(personal communication, April 23, 1999) Based on direct firm membership, the EU Committee constituted at the time of its creation a novel form of organization in Brussels. Until then, the "confederation of federations model", like UNICE, the peak organization for European industry, had long prevailed. Unlike traditional

Eurogroups it does not have to deal with different national interests and is therefore able to portray a more international and even more European outlook on issues. A number of European groups have since adopted the model of direct firm membership, taking the US forerunner as an example (Cowles, 1996).

It is organized in 12 subcommittees as well as 30 specialized working groups and task forces that monitor every aspect of EU legislative activity and put out position papers on important issues. Representatives of each member company and the US mission to the EU get together in a monthly plenary session to discuss current trends and to decide on concerted action. However, the Committee seems to refrain from getting into politically sensitive issues. On bananas and beef, it did not get active, at all. "There is no one here who wants to take a stance on this", says Alene Jürges, Press and Marketing Officer.

Although a member of the organization, Chiquita never tried to act through the EU Committee to communicate with EU institutions. "In order for us to adopt a position it has to go through the subcommittee and be accepted there", says Susan Danger. "That's usually not the case for marginal issues. We put forward every position in the name of the EU Committee. You shouldn't be able to see where it comes from." In doing so the organization has adapted to the fact that European officials tend to be much more suspicious on individual private corporate interests than their US counterparts.

Adaptation to the European environment is crucial, according to the Committee's manager John Russels. "Whereas in the US and London, for that matter, the political culture is essentially managed conflict, here in Brussels it is conflict-avoidance. We try and position ourselves as part of the solution, not part of the problem. No one in Brussels is looking for votes and financial contributions." ("Interview with John Russels", 1999, p.3) This is also why the EU Committee is essentially more European than a look at the member list might

suggest: "Most of the high executives of the companies they represent are European themselves", says Susan Danger. "For one thing this eliminates language problems. Americans coming to Brussels thinking that they could do all their negotiating in English mostly get hurt."

Her colleague Martin Spät cites the event of the Vredeling directive in the 1980s and US corporate reaction to it as the textbook example of how *not* to do it in Europe (personal communication, March 15, 1999). At the time, several US multinationals orchestrated an aggressive campaign against the directive that was supposed to improve the rights of employees. They made Congress draft bills directed against it and then "descended upon Brussels armed with an airplane of Washington lawyers to confront Eurocrats and threaten US retaliatory action." (Cowles, 1996, p.345) The Committee perceived the whole affair as vicious and a public relations disaster at the time. "American lobbying does not work here", insists Martin Spät. "Most companies have learned that lesson. If it still happens, the EU Committee has to distance itself from it."

On the other side of the Atlantic, some people don't share this view. A staff member of the Committee on International Relations at the House of Representatives is of the rare opinion that Americans are poorly represented in Brussels. "Hush kits, GMO's, the Privacy Directive -- all of these are serious failures", he maintains. "Since the EU Committee is predominantly European, it is not sufficiently confrontational. Europeans tend to be too deferential towards the Commission." (personal communication, April 7, 1999)

European American Business Council (EABC), Washington, DC

Willard Berry, Director of the EABC, did see a need to take action on the banana dispute. He drafted a letter to the attention of Bill Clinton and Jacques Santer in which he urged both sides to stop fighting and return to reason. Then he sent it to the organization's members for approval. One European company called back, criticizing the draft as too direct.

Berry then contacted 20 of its European members to discuss the tone and finally modified the letter. "In Europe, the way business is conducted is much less direct -- more polite and genteel, and not as public", says Berry (personal communication, March 29, 1999).

In contrast to the EU Committee that portrays itself as "the eyes, ears and voice of American business" in Brussels (Mazey & Richardson, 1993, p.34), the EABC cannot claim the same for its European clients who make up slightly more than half of its 85 members. The rest are US multinationals with extensive operations in Europe. The group was established in 1991, employing six Americans to monitor and influence US legislation. Although it doesn't have an office in Brussels, the EABC keeps an eye on it from Washington. "We thought that the organization would be more powerful with participation of American companies", explains Willard Berry. "There are many areas of global interest where American business has the same problems in Brussels as European business has in Washington."

While the EU Committee argues that membership of non-American companies would decrease its credibility to EU-officials, the EABC argues exactly the opposite way: US participation greatly increases their credibility to American lawmakers. However, Berry admits, it bears the potential of difficulties when the two sides cannot agree on how to proceed on particular issues – like most recently in the banana case.

An organization that counts both Boeing and Airbus among its members -- doesn't that cry out for trouble? "Not necessarily", says the EABC Director, "Airbus, for example, was against the hush kits regulation and immediately wrote a letter to the US government that it didn't agree with the Commission's approach." In his opinion, the regulation was entirely driven by environmentalists who took advantage of the competition between various commissioners, while industry wasn't even consulted -- something that would be unimaginable in the United States.

Opposing points of views like this are one of the reasons why the lobbying group does not cooperate with the Delegation of the Commission in Washington in the same way that the EU Committee does with the US Mission in Brussels. Initially the group was created because European companies felt that they weren't well represented in D.C. According to Berry, the bilateral chambers of commerce don't have sufficient staff to track US legislation on a full time basis. A survey found that the largest European investors in the US are less likely to maintain public affairs offices in Washington than it is the case for their US counterparts in Europe.

Jeffrey Werner, who used to work as a lobbyist for the EABC, was surprised about the attitude many European businesses had: "Most of them lobby mainly through their national embassies. They don't have the same sense of representation as US businesses"(personal communication, March 29, 1999). EABC lobbyists frequently bring company representatives along for meetings with lawmakers, corresponding to a common practice in Washington. This is most effective when the company can play the job card, says Jeffrey Werner. "If a European company supports many jobs in a particular district, it's very easy to get the attention of the district's representative."

The EABC also tries to educate members of Congress on Europe's importance to their constituency, distributing brochures that list the benefits of European investment and trade for each of the 50 states (The United States & Europe, 1998). According to Werner, this is not always an easy task, especially with a particular brand of Congressmen: "One third don't even have passports and some proudly declare this to the American public. I even once listened to the speech of a Congressman who demanded that Europe pays the Marshall fund money back."

According to a survey on member satisfaction, "European members, many of whom have no Washington office, especially value the Council for protecting their company's

interests“, while US companies estimated it more highly for "helping them establish relationships with European officials“. ("Survey“, 1998) The EABC is far from occupying a similarly privileged position in Washington as does the EU Committee in Brussels. A linear comparison is not possible, partly because the EABC has a much larger scope, focussing on transatlantic rather than on European interests. But it is the only umbrella organization in which professional lobbyists represent European business interests in Washington, and therefore of significant importance to many of them. (see "Policy Accomplishments“, 1998)

Transatlantic Business Dialogue (TABD)

Brussels. Chris Duffy is concerned. "Where am I going to get my daily hormone dose if the EU doesn't lift its ban on US beef? I'm already suffering from withdrawal syndromes."(personal communication, March 23, 1999). He has just switched TABD offices between Washington and Brussels three weeks before and is still amazed at the passions that the issue of hormone-treated beef stirs in Europe. (A day before the interview, the US had published the preliminary sanctions list in connection with the beef dispute). The bickering about bananas and beefs clearly contrasts with the TABD's objectives in transatlantic relations: To bring European businesses together, funnel initiatives, recommendations and policy priorities, primarily in order to harmonize standards and regulations. "When it comes to fighting policy, we are all sitting in the same boat“, says Reinhard Quick, TABD group manager for Global Issues, representing the German Association of Chemical Industry (personal communication, March 22, 1999).

The US Department of Commerce and the European Commissioners for Trade and Industry launched the project in 1995 with major US and European companies and business associations. The TABD brochure insists that it is not an organization but a "process" in which CEO's get personally involved, working with governments on both sides ("TABD

backgrounder“, p. 2). While there is not a large staff involved -- two employees each coordinate the TABD in Brussels and Washington -- company representatives pay with the time they invest. For Reinhard Quick it means that he dedicates about half of his work week to the TABD, including the time he spends lobbying European institutions. The improvement of the WTO system is one of the projects his group is involved in, a TABD priority for the Ministerial in Seattle this November. But apart from that, no one gets directly involved in current trade feuds. "These disputes are very cultural“, says Chris Duffy, "and we usually don't touch those questions. We work on issues where there is consensus and try to prevent similar rows in the future."

Last year, the TABD was complemented by Transatlantic Consumer, Environment, and Labor Dialogues, since it was felt that the "powerful"voice of business needed some counterbalance. At the end of April this year, US and EU consumer groups met in Brussels for the second time, demanding, among others, mandatory labeling of genetically modified foods, a ban on antibiotics for non-medical use on animals, and a ban on BST (bovine somatotropin, the hormone that boosts milk production in cows and that is widely used in the US) (Results, 1999, p.10). Within the TACD framework, important consumer lobbies from both sides of the Atlantic intend to shape the agenda for the upcoming new round of WTO trade talks. Whether or not the "alternative"transatlantic dialogues will succeed in pushing their interests still remains to be seen. But there is a potential that they will play an increasingly important role in transatlantic trade negotiations and the WTO dispute settlement process in the future.

Washington, DC. Lisa Schroeter, TABD Director in the US, feels that bananas and beefs have poisoned the business environment. She thinks that this is a shame, given the "extraordinary consensus between US and EU companies."(personal communication, March 29, 1999) Schroeter would like to see more consideration of one another's differences. "With

the current high unemployment in Europe, for example, you have to understand that they don't always think that trade liberalization is a good thing."

The monthly "Le Monde Diplomatique" claimed that the TABD is a "powerful lobby" that unites the cream of multinationals on both sides of the Atlantic to slowly undermine with its ultraliberal agenda what is left of consumer and labor protection (De Brie, 1999). Schroeter, however, refutes the label as such. "We do not lobby -- we contribute technical expertise to both governments and help prepare the WTO Ministerial." Fifty percent of TABD's recommendations have been implemented, she recounts, including a multitude of Mutual Recognition Agreements (MRA's) that are based on the principle "approved once, accepted everywhere".

How, if not through lobbying? In contrast to the EABC, the TABD is not registered at the Senate and House as a lobbying organization. But its numerous company representatives that are regrouped in more than 30 different issue groups lobby both EU and US officials on a regular basis. Their goal, after all, is to influence politics (Reinhard Quick, personal communication, March 22, 1999). Even if the TABD does not officially lobby, it subtly orchestrates the efforts.

The European Institute, Washington DC

Ten years ago, the French journalist Jaqueline Grapin had a conversation on transatlantic relations with her friend Jacques Delors, then President of the European Commission. They both came to agree: There needs to be a place where Americans can better understand the European Union. The conversation marked the beginning of the European Institute in Washington DC, according to its Vice-President Peter Rashish an independent, non-lobbying, non-profit organization that provides a policy forum for transatlantic relations (personal communication, April 8, 1999). As opposed to the Delegation of the Commission,

which according to Rashish appears more like "Europe coming at America", the Institute focuses on bringing the two sides together.

With a mainly American staff of 15, it organizes about 50 meetings a year with EU and US policy makers, CEO's, members of NGO's, foreign policy experts, and the representatives of the media. "We do this the European way, have people seated, provide three course meals and good wine", says Rashish. "That puts some limitations on who we can involve -- it has to be the principal actors in the fields." The European Institute is funded through grants and contributions of its 80 members, mainly large European and US corporations. "We have influence, precisely because we don't lobby. People have the feeling that they can trust the Institute and relax a little bit", affirms the Vice President.

How do they deal with the increasing number of disputes? Jaqueline Grapin, the Institute's founder and President, seems to be annoyed at this question. "We have to keep this in perspective. Bananas and beef only represent such a tiny part of trade between us. We don't get directly involved in these quarrels, but our goal is to avoid the banana syndrome." (personal communication, March 30, 1999) And how? "For example by holding a big conference on trade and potential conflicts already last November, before things escalated", explains Peter Rashish. At another occasion the Institute organized a meeting with the Commissioner for Competition, Karel van Miert, and high executives from the Institute's members Boeing and Airbus to discuss aviation issues. "But we are not there to fix day to day problems", he says. "We are no firemen."

Jaqueline Grapin believes that European companies should lobby more actively in the US capital. "They are underestimating the importance of Washington. American interest groups are much better organized in Brussels than the European over here. They lag behind and don't realize what Americans are actually doing in Brussels. US interests take much better

advantage of the power of information, of providing it to the right people at the right time. It has to do with the American system: They are just used to doing it this way.“

CHAPTER FOUR

European Lobbying in Washington, DC, and US Lobbying in Brussels

On Challenges, Oklahoman Cowboys, and fatty Ice Cream

The notion that European interests are lagging behind in Washington compared to US involvement in Brussels is much easier to pronounce than to justify with facts. It is virtually impossible to come up with comparable figures of lobbying presence and expenditures in both cities, because the regulatory systems are substantially different (see chapter two, p.x). However, I will attempt to draw a rough picture of the extent of lobbying on both sides of the Atlantic based on figures that are available.

Washington, DC

European Interest Groups and US Lobbying Regulation

The Foreign Agents Registration Act (FARA) of 1938 requires all "Foreign Agents", US or foreign citizens who are acting on behalf of a non-American interest, to register at the Justice Department. It was the first legal Act to regulate lobbying in the United States, reflecting the strong concern that foreign interests, at the time mainly German propaganda agents, would infiltrate US politics. Eight years later, the Federal Regulation of Lobbying Act of 1946 established that lobbyists for American interests register at the Clerk of the House of Representatives and the Secretary of the Senate.

Registration and filing requirements for both entities are not the same, which makes it more difficult to put European lobbying in relation to domestic lobbying. Those who have to register under the FARA include national and regional tourist offices, chambers of commerce, embassies, and state-owned companies that either have their own "in-house" representatives or hire US lawyers and PR consultants to represent their interests in the US (see Appendix C, p.x). They not only have to file lobbying but also PR and advertising expenditures – a

requirement that does not apply to US interests filing at Congress. The two registers are therefore not directly comparable. Since the Lobbying Disclosure Act of 1995 (LDA), lobbyists for private foreign companies may simply file under the LDA at Congress, while the companies are still supposed to file their PR and advertising expenditures under the FARA at the Justice Department.

Both registers are open to the public. Anybody can walk in (without a special batch!) and look at the databases stored on microfiche and internal computer systems. There are ongoing projects to make the information available on the Internet, too. But after spending several days in the two offices gathering data, I realized that the system is much less straightforward than it is made believe. Some Foreign Agents register but don't file expenses, many private companies that are supposed to file at the Justice Department don't do it, and a great number of Foreign Agents apparently don't register, at all. The Department's librarian admitted that they lack the necessary resources to enforce the law very strictly. (personal communication, April 1, 1999)

Max Berry, a Washington lawyer who appears in the database with striking frequency, is slightly annoyed at this: "The reason why my name comes up so much is because I'm on the right side of Moses on this. Most law firms that ought to be on that list don't file because they represent conflicting interests: To their American clients they don't want to admit that they work for foreign interests, too."(personal communication, April 5, 1999)

Filings for lobbying expenditure at the House and Senate disclosure offices do not seem to be much more reliable, either. The Center for Responsive Politics, in its study on lobbyist spending in Washington, identified underreporting as the most serious problem: "In more than 100 cases, lobbying firms reported receiving more money from their clients than the clients themselves reported spending."("Influence Inc.",1998, p.9) Moreover, the Senate office has

just started to computerize its data and to add the feature of searching registrants by nationality. According to Mark Ward, computer specialist at the office, the data on European registrants is far from being comprehensive at this point in time. (personal communication, March 31, 1999). For all these reasons the following figures must be considered approximate.

European Expenditure

In 1997 and 1998, roughly 700 Foreign Agents were registered under the FARA, 150 of them representing organizations and businesses of the 15 EU member states (see Annex B, p.x). The UK tops this list with 46 registrations.¹ Germany follows with 25 and France with 22 listings. A comparison with non-members of the EU shows that Japan counts 72 and Switzerland, a country with a population of seven million, 18 registrants. At the Senate disclosure office, 22 lobbyists for companies of the 15 EU member states came up in the database.

All figures combined, organizations and businesses of EU member states spent a total of \$152 million in the two year period. Again, the UK pays the lion share with \$43 million, followed by Germany with \$29 million and Ireland (!) with \$28 million. Portugal, Spain, Greece, and Luxembourg are the only ones to stay below one million dollars in expenditure.

This shows that the member states and their businesses are extremely variable in their inclination to spend money on lobbying and promotion in the United States. Apart from the economic factor, political and cultural ties to the respective US immigrant constituencies seem to determine the amount. It also demonstrates that European interest representation follows predominantly national lines. The only European organizations registered under the LDA were the European Energy Co. Coalition, the European Confederation of Iron and Steel Industry,

¹ The office keeps separate registers for Scotland and Northern Ireland, the only examples of filings by regions as opposed to nation states. Under the FARA, they therefore constitute distinct political entities.

and the European American Business Council (EABC), which pursues transatlantic rather than European goals.

Relation to overall expenditure. As pointed out before, US laws submit Foreign Agents to increased scrutiny requiring them to file advertising and PR expenditure. In fact, the costs to run an entire chamber of commerce or tourist office would be included in the figures mentioned previously. It would therefore be grossly misleading to compare them with the \$1,26 billion that the CRP quoted as total lobbying expenditure in the US in 1997 ("Influence Inc.", 1998). What *is* possible is to see where in the CRP study European companies were situated: Among the top 100 organizations and companies with the largest lobbying budgets, four are subsidiaries of European owned companies: British American Tobacco which ranks 54th with \$4,06 million, the British pharmaceutical companies Glaxo Wellcome Inc. (63rd with \$3,77 million) and SmithKline Beecham (90th with \$2,6 million), as well as the Dutch Shell Oil (81st with \$2,94 million). The sum of their expenditure still represents \$4 million less than what the American Medical Association, the 1997 top spender, paid for lobbying alone: \$17 million (Philip Morris ranks 2nd with \$16 million).

Looking at sectors and companies that have possibly been involved in the most recent trade disputes (or will be in future ones), the figures are impressive: \$113 million were spent by transportation lobbies (\$34 million by the aviation industry alone). The agricultural sector accounts for \$82 million (\$1,18million by the livestock industry). Boeing invested \$6,6 million, American Airlines \$5,6 million and Monsanto \$4 million into influencing US legislation. In almost all sectors, subsidiaries of European owned companies never made it into the Top 10 or Top 20 lists of spenders.

Finally, US business associations, including the US Chamber of Commerce, filed \$28 million in lobbying expenditure. The figure for the European American Business Council (EABC) was \$480,000.

Campaign contributions. As a general rule, foreign nationals have been banned from making political contributions to US lawmakers since 1942. "Part of the idea is that, if you don't have the right to vote, you shouldn't have the right to influence politics through contributions, either", says George Smaragdis from the Federal Election Commission (FEC). "It's the most serious prohibition of our campaign financing law, one of the few cases that can actually lead to criminal prosecution." (personal communication, April 1, 1999) In 1997, a German businessman who is based in Florida had to pay \$323,000 to the FEC for violating the law -- the largest single amount of money ever paid by an individual. Among others, the man had reimbursed his secretary, a US citizen, for making contributions to candidates and national political committees ("German national", 1997). Nevertheless, there are two legal types of contributions with foreign ties:

1. Donations by US subsidiaries of foreign owned companies, as long as the US affiliate directs the giving and funding of the contributions. American citizens decide which who receive the money that must be generated by business conducted in the US.
2. Contributions made by individuals who are registered as Foreign Agents (US lawyers and consultants representing foreign clients).

One way to contribute is to form a Political Action Committee (PAC), which raises voluntary contributions and then distributes money to candidates or parties. These contributions, called "hard money" in the Washington jargon, are limited to \$5,000 per election to a candidate for Congress. Another way is to give unlimited amounts of "soft money" to national parties.

The CRP stresses that contributions by Foreign Agents "must be made with their own funds, as agents are not allowed to act as a conduit for a foreign entity looking to contribute." But their inclusion into the investigation "Global Connections" implies that these contributions are potentially related to the foreign clients they represent. It is important to note, though, that most of these lawyers work both for US and foreign clients, so that the "foreign ties" are often less than obvious. The amount of money they contributed is comparatively low: \$1,4 million in hard money contributions during the 1995-1996 election cycle.

The group of 128 US subsidiaries of 93 foreign-owned companies from 16 different countries that the CRP identified, contributed \$12,5 million, over \$8 million of which in the form of soft money (Daley, 1997, pp.1,15). The two sources of money combined amount to 0,58% of the 2,4 billion dollars raised for the 1996 election -- a figure that puts into perspective the widespread fear that "alien forces" are about to take over the federal government in the United States.¹

The top donor in this election was Philip Morris with \$4,2 million. Two subsidiaries of European owned companies fell among the Top 100: Brown & Williamson Tobacco of the British American Tobacco (BAT) Industries ranked 80th with \$1,02 million, and the British Glaxo Wellcome 99th with \$900,000 (Daly, 1997). These two are also part of the Top 10 foreign contributors along with two more British companies (British Petroleum and Zeneca Group) the French Rhone-Poulenc, and Canadian, Australian, Swiss and Japanese companies. Like in the lobbying field, British companies far outspent their foreign competitors: They contributed a total of \$4,3 million, one third of the total given by subsidiaries of foreign owned

¹ After the 1996 election, headlines on illegal foreign contributions, mainly from Asia, raised much deeper concerns than the fact that millions of dollars changed hands between Americans.

companies (French, German, Dutch and Belgian gave \$1,67 million combined – the same amount that Swiss companies contributed alone). Compared with what particular sectors of US industries gave to candidates and parties, these numbers seem to shrink to negligible dimensions: US agricultural groups gave \$29 million (livestock: \$3,2 million) and the transportation industry \$23 million (aviation: \$6 million). These figures show that, measured in crude dollars, European involvement in lobbying and political contributions is rather insignificant (the UK being somewhat an exception from the rule).

Hedrick Smith wrote that "the big gun of lobbying, the political weapon of choice, is money. It looms over the political landscape like the Matterhorn". (as quoted in Hrebemar, 1997, p.191) And Makinson claimed in 1997 that top political donors can "count on closed-door meetings with powerful politicians, social events in Washington, and red carpet treatment from party officials and public office-holders. Of course, they cannot count on laws being passed, killed, or rewritten on their behalf – but they can at least count on a sympathetic hearing from the officials who can make such things happen."(p.2)

One structural disadvantage European interests face is the lack of financial clout. The other is the fact that Americans tend to be suspicious on foreign interests mixing themselves into US affairs (see FARA lobbying regulation). Still, one shouldn't jump to the conclusion that they are completely out of luck.

The Players

Beef. The day when I walk into Max Berry's law office, located in an old-fashioned, European-style house with a red wooden door in the heart of Georgetown, he is still busy giving an interview to a Danish TV crew. One of Berry's clients is the Danish Bacon and Meat Council. Since the US announced the preliminary sanctions list in connection with the WTO beef hormone case, he has been giving more than ten interviews on that matter. "That's a

killer“, he says, pointing to the list in this hands. "The biggest Danish export to the US is pork, and that will virtually become extinct if the sanctions take effect."(personal communication, April 5, 1999) The Danish government should take action to promote a compromise between the two squabblers and encourage EU compliance with WTO rules, he tells the journalists. "They don't like me for saying this“, he says after their departure. "But in this case, the European Union is wrong, it has no merit. It has put much money into researching the issue, but hasn't come up with anything."

For over 30 years Max Berry has been working for European interests, mainly agricultural associations that export their products to the United States -- possibly the most difficult clientele to represent in Washington, DC. While agriculture has always been a sensitive point in transatlantic relations, there is generally no job card to play, either. But Berry does not seem particularly frustrated, claiming that he has not lost a single case since 1968. "I don't think it's difficult to get meetings with sympathetic members of Congress -- Americans love Europe, they are very romantic about it. I even found this with members from a dairy state like Wisconsin...“.

In circles of European expatriates, the Washington lawyer who was born and raised in Oklahoma, has built himself a reputation. "Max Berry has a clean record of winning cases for Europeans“, says Willy Hélin at the Delegation of the European Commission (personal communication, April 9, 1999). He tells the anecdote about a hearing in which the lawyer represented the Belgian National Dairy Board, requesting an import quota for its ice-cream. The US had refused it, claiming that the product did not meet its definition of ice-cream, because it contained too much butterfat. (This, of course, prompts a French interjection: "Voilà qui parle, ces gros ...“) "Berry just brought boxes of that ice-cream with him and had members of the International Trade Commission taste it – convincing them that it was so

much better than US ice-cream. This is the way to do it“, concludes Hélin, "you have to be a Cowboy in this country.“¹

The Cowboy himself thinks that the Delegation is doing "as good as it can" in promoting European positions, but that it essentially lacks independence. "It's in no way a decision-making body -- they always have to check back with Brussels. For example, in 50 congressional hearings on EU-US matters the Delegation has never testified -- they always just observed."

Max Berry pursues a multilevel strategy. He often passes on information to his clients' embassies in Washington. "They normally don't know what's going on, having no money to monitor the process“, he says. Occasionally he also gets on the plane. "I usually do little lobbying over in Europe. I find European politicians tedious to deal with. But sometimes I have to work with national governments, like now in the case of Denmark."

At the public hearing on the beef sanctions list on April 19th, he argued that the Danish industry had long opposed the EU beef hormone ban, and should therefore be crossed off the list. But after the European study on the harmful effects of hormone-treated beef came out at the end of April, the US announced that it would impose sanctions, and the EU declared that it would appeal the amount targeted, even Max Berry has lost hope for Danish pork. "It sure looks bad. But a top Danish and Italian scientist have both told me confidentially that the study was all bogus. There was nothing new in it. The timing was too suspicious, anyway."(personal communication, May 17, 1999)

¹ I called Max Berry in Washington to verify Hélin's story. The lawyer not only confirmed it, but delightfully told some more: He used to play the same game with all kinds of products: For example canned ham from Danmark, which he presented along with the American equivalent that looked ugly and fatty in comparison. Last year he brought 150 boxes of butter cookies to a hearing, making people compare the "good" Danish cookies with the less tasty American cookies. Since then the International Trade Commission has prohibited this practice. Berry: "They said to me: 'We are afraid that you are going to take up automobiles'!" (personal communication, May 17, 1999)

A few days after my first conversation with Berry in Washington, I meet Mark Sandstrom at the famous Palm's restaurant in the K-street district where most of the city's major law firms are located. There is a rusty atmosphere about this cave-style place, hundreds of sketches on the walls depict former and current members of Congress. The food is hearty and unhealthy. The Palm's is *the* eatery where politicians and lobbyists meet -- a sort of power center in DC, casual and easy-going, the American way.¹

Mark Sandstrom represents an Austrian motorcycle company that was hit hard by the beef hormone sanctions list. In this case he deems himself comparatively lucky: The company has a subsidiary in Ohio, providing jobs to approximately 36 people. At the public hearing 10 days from our meeting he plans on bringing the director of the Ohio-based subsidiary along and let him testify. "We have a good case", he says. "For each dollar that Austrians will lose, American businesspeople will lose four." (personal communication, April 9, 1999) Sandstrom also talked to the Ohio Congressman in whose district the subsidiary is located. "But I had to make clear that there won't be any negative impact for him if he votes in favor of taking the product off the list." "The lawyer thinks that it would be very difficult to represent a case in which *no* US interests are at stake: "Members of Congress don't listen to you, if you don't point out how American jobs and money are affected. They got elected to do something good to the people in their districts -- that's their job."

In order to win the case for his client, Sandstrom doesn't shy away from forming "odd" alliances, like one with the major American biker association. "They are those guys on huge Harley Davidsons who wouldn't even wear helmets", he says. "I'm usually not too crazy about them. But in this case they are on our side, so we team up." Asked about the role

¹ According to Nicolas Anderson, a lawyer himself, "Washington lawyers are more known for being conservative workaholics than for being extravagant". (personal communication, April 9, 1999)

of political contributions in his work, he answers with a boldness that most of the US lobbyists I meet have in common: "Money talks, that's for sure. I don't know if my current client has made a contribution to his Congressman, but if he hasn't, I will suggest to do so. It certainly doesn't hurt."

Bananas. Hazel Ross-Robinson, lobbyists for the Caribbean Banana Exporters Association (CBEA), gets more agitated on this issue: "This is America -- a completely pressure-based policy making environment. Those who have the most money prevail."(personal communication, April 5, 1999). The Caribbean born lawyer has been working for the CBEA for three years. Her lobbying report shows a \$85,000 income from the organization for 1996, \$160,000 for 1997, and \$80,000 for the first half of 1998. Each year, she reported her goals as follows: "Avoidance of Caribbean destabilization through destruction of Caribbean banana industry by Chiquita Corporation."

The day of the interview, two days before the final WTO ruling, the banana story is still up in the air. But Ross-Robinson doesn't seem to hope for a ruling in favor of the EU banana regime. To her, the fact that it became a WTO case was clearly linked to Carl Lindner's contributions. "Especially the sequence of action, the fact that the Clinton administration acted directly after a major cash flow, makes this case very suspicious."

The lawyer quotes the names of several members of Congress -- exclusively women -- who she managed to get on her side. "And even John Sweeney, the Director of AFL-CIO (the largest US labor union), has written an angry letter to the President saying that it's scandalous that one person can influence US policy when there are no jobs at stake."

A Republican House Aid dealing with trade policy dismisses this argument angrily: "I find it ironic when people make those comments. After all, \$200 million in trade damages were awarded to the US -- that's not a small effect. You shouldn't have to pass a test about when

it's politically correct to bring a case to the WTO. The issue was not Carl Lindner. The issue was the frustration we've had with the EU maintaining a banana regime that violates the rules."(personal communication, April 12, 1999)

Hush kits. To George Hamilton, lobbyist and trade advisor for Airbus, the banana dispute is of minor significance. "If aircraft got out of control, bananas would pale against it."(personal communication, April 10, 1999) Hamilton has just come back from France, where he met with Airbus executives to discuss what he calls the "hush kits disaster". "Someone in the White House told me: This is a train wreck -- and it is."The lobbyist says that he advised the president of Airbus to write a letter stating disagreement with the regulation and then got it into the hands of key officials. "I also told my friends in the White House: This issue was purely environmentally driven, a pet project of the radical Greens. Business had no say in it. But they don't understand it. One of them even said: We can't believe everything we hear."At this stage, Hamilton is clearly worried about plans in Congress to retaliate against Airbus. "But I say: There are companies in 40 US states supplying Airbus industry for five billion dollars a year. A retaliation would hurt American business more than the European."

George Hamilton has specialized in representing European aircraft and defense industries. At the very beginning of the interview he explains which "revolving doors"he went through: Before becoming a trade lawyer he has worked 10 years for General Electric, 10 years in the International Trade Commission and 8 years in the Pentagon. "When I lobby for an issue, I know the people and they know me."Compared to this asset, he says, it is negligible that the companies he represents cannot contribute significant amounts of money to politicians. This at least is true for Airbus, which is too important a name to be ignored. "I once went in for a small company", he recounts, "and I was asked to pay \$1000 in order to talk to a Congressman."

Jessica Berk, who works for a number of European clients at the PR firm Hill & Knowlton in DC, acknowledges that they may be disadvantaged towards US companies that can give large political contributions. "I usually advise them to get their US employees to contribute and to raise awareness through sponsoring -- like books, art exhibits, and so on. That boosts their profile."(personal communication, April 12, 1999)

These interviews conducted in Washington can only provide anecdotal evidence. They do show, though, that those who represent European interests in the US often succeed in finding the fitting strategy for their clients. A lobbyist is just as interested in winning her or his case for a European client as for an American. Still, the pressure to find domestic arguments is strong, unless one can bribe decision-makers with high and tasty levels of butterfat.

Brussels

The Lobbying Capital in the Making

After returning from Washington, I got confused. In contrast to what I had read before, some staffers at the European Commission and Parliament claimed that the Commission *does* keep an official register for lobbyists. I promptly asked that question to the "Europe Direct" e-mail information service. If anything, the answer I received four weeks later was "direct": "The European Commission unfortunately does not dispose of registers listing pressure groups who intend to influence European policy-making that is independent and supported by the free public will. Those groups are not linked to the Commission in any official way."(e-mail, May 10, 1999, translated from German) The person was obviously appalled by the mere idea that the Commission could have *anything* to do with private interests.

Béatrice de Fürstenberg at the Secretariat General of the European Commission makes one exception: "Since 1997, we do have a reference book listing 800 European federations and

non-profit organizations. They can ask to be included to make themselves known to the Commission -- on a voluntary basis."(personal communication, May 10, 1999) The directory includes only groups that are based in Europe, including non-member states of the Union. It is a "tool, not a means of accreditation", reflecting the concern "to ensure equal treatment for all interest groups". ("European Commission", 1997)

The idea of creating the directory dates back to 1992, when the Commission published a Communication defining its relationship with private and non-profit interest groups, focusing on self-regulation as opposed to legislation. It encouraged special interest groups to draw up voluntary codes of conduct, suggesting minimum requirements in an Annex. However, those having signed such codes only represent a small minority of all professional lobbyists in Brussels. (Preston, 1998) For US interests, the Commission's statement that it "tends to favor European (con)federations over representatives of individual or national organizations" might be of importance ("An open and structured dialogue", 1993, p.3).

The EP has started a system of registration, but does not require filing lobbying reports (see chapter two). For all these reasons it is impossible to make authorized statements on lobbying expenditure. Still, by looking at the two milieus it becomes obvious that the one in Brussels is comparatively moderate. A comparison of the two major reference books in the field gives an indication: The "Washington Representatives"(called REP's in the jargon), published by Columbia Books, and "The European Public Affairs Directory" published by Landmarks.

The 1999 REP's lists approximately 11,000 clients (including associations, labor unions, state, local, and foreign governments, corporations, special interest groups), that are located all over the world. Roughly 4,500 of them have offices in Washington, DC. About 1460 law, lobbying, or government relations firms represent these organizations in the DC

area. The number of individuals in the book is almost 17,000 (employees of the firms, the DC-area clients, and the government entities). (e-mail, Valerie Steel, Senior Editor Columbia Books, May 18, 1999)

The number of listings in the European Public Affairs Directory has increased by 35% in the past five years. Its 1999 edition counts 405 corporate Public Affairs offices, 1745 professional associations (including trade associations, labor unions, interest groups, think tanks, international organizations, etc.), and 442 law and consultant firms (total: 2592). The categories chosen in the two reference books do not match entirely. However, based on these figures one can say that the "industry" of influencing policy in Brussels roughly represents 30 to 40% of the one in Washington.

According to Christian LeClerk, Director of the European Institute of Public Affairs (EIPAL), it is the fastest growing industry in Brussels. "The real estate sector estimates that it will double in the next four years." (personal communication, May 11, 1999)

The Players

Bananas. Constance Kann does not think that Chiquita will cancel the contract with her consultant firm, now that the WTO has ruled in favor of the United States on bananas. "The sanctions are not a solution for us -- we want to have fair access" ct Thee Europea (banaot rket

The Dutch consultant started representing the US company in 1993, right after the, in her words, "discriminatory" banana regime was instituted EU-wide and Chiquita lost half of its market share in Europe. Since then, her main strategy has been to build coalitions, both with Latin and Central American countries and with Northern EU member states. "There are actually many European traders that are very unhappy with the current regime", she says. "They lost their business to French, Spanish and UK traders. There is a split within Europe on this issue." On the whole, she thinks that EU officials were open to listen to her arguments. "What you see in the press and what happens in negotiations is often not the same -- at the end of the day, everybody is interested in finding a solution."

At this point, she says, it is crucial to communicate to the public and to promote Chiquita's social and environmental initiatives. "Europeans want to know about those things." The company has associated itself with the environmental group Rainforest and developed an ecological certification program called "Better Bananas". The program promotes a "responsible" use of what she calls "the products that protect bananas" (also known as pesticides).

This ardor for political correctness is partly a reaction to the 18-page report in a special section of the May 3, 1998, Cincinnati Inquirer, written by Mike Gallagher and Cameron McWhirter. The journalists reported, among others, that the company sprayed pesticides up to 40 times a year without protecting the workers, causing serious illnesses and even deaths. The coverage did considerable damage to Chiquita's reputation and helped the EU argue for its regime at the time. "We took it very seriously", says Constance Kann. "But the

fact is that the whole article was fabricated and plain wrong. The investigation is still going on, and there are indications that the reports were initiated from Europe."¹

Constance Kann thinks that US companies work very efficiently in Brussels. She gives the EU Committee as an example: "It can put out a position paper within six weeks -- something that would be impossible for UNICE, given its negotiation procedure between member states." But Kann also mentions the change in power structures she has observed in Brussels: "NGO's are becoming increasingly influential -- they are perceived as objective, independent, and as aiming for higher goals. Especially in the European Parliament, US multinationals are often seen as the big fat cats and a threat to Europe. So there is an incoming disadvantage."

GMO's. At the headquarters of Monsanto Europe, special security measures are in place. A secretary has to come down to the reception and guide me through the gates with a magnetic card. When the President of Monsanto came from the US to Brussels a few weeks ago, an entire police force had to protect him from angry environmentalists. "Monsanto has an important public relations problem in Europe", says Julie Wolf from the Wall Street Journal (personal communication, March 3, 1999).

But the British Kenneth Baker, head of a group of five who work at the company's Government Affairs office in Brussels, doesn't agree with that notion. "We don't have a problem, at all. Sure, we have discussions with environmental groups -- and that is good, you need to have a system of checks and balances." (personal communication, May 11, 1999) Baker dismisses the predictions that biotechnology, something the name of his company

¹In June 1998, the Cincinnati Inquirer fired the lead journalist Mike Gallagher and paid a \$10 million settlement to Chiquita. Its publishers admitted that Gallagher had obtained the information by illegal means, but did not recount the information itself. In July the fruit company filed a defamation lawsuit against the journalist, accusing him of tapping into its voice mail system. ("Chiquita", 1998)

stands for like no other in Europe, will cause major trade disputes between the US and the EU in the future. "They will be on the market sooner or later -- they already are in many areas, and no one can stop that process", he says, "though it would certainly be useful to have a more informed debate."

In his opinion, the problem is the way Europe is constructed. "With all of these trade conflicts it is one and the same: The Commission, a non-elected body, is not accountable to anybody. Its regulation policy is guided by philosophical, not by practical considerations, because the Commissioners never have to implement their decisions."

Part of Baker's strategy to prevent this "philosophical" regulation from happening is to act as a "go-between" between Commission and member states, who would more often than not agree with his point of view. But he refutes the notion that this is a way to divide. "We are trying to be helpful in providing information", he says, refusing to call this activity "lobbying". "I don't like the word, it implies pushing at someone something he doesn't want." This is also why he thinks that US lobbying groups, like the EU Committee, are actually less effective in Brussels than European. "The EU Committee tends not to be helpful but critical, providing a hard view on issues instead of helpful information."

Joseph Zak who represents the American Soybean Association, is a little bit more concerned about the future of GMO's. "It has the potential of creating a huge problem if nothing happens." (personal communication, April 28, 1999) In his office he keeps a sample of GM soybeans next to ordinary ones: "Look", he says, "they both look the same." Zak, a US

citizen, thinks that the hostile mood in Europe is due to hysteria and pure emotions. "There is nothing unsafe with GM foods. Soybean was the first GM food on the market that people were aware of. But it's been used in thousands of things before, like insulin and other drugs, bacteria to make cheese, and so on."

After 12 years in Brussels he is getting more and more frustrated with the way the EU works. He gives the example of Luxembourg and Austria banning the import of genetically modified soybeans after it had been approved by the Commission. "That would be unthinkable, that a state, say Nebraska, says: We don't let this or that product in. The EU just hasn't understood that you can't have it both ways: You can't be independent and united at the same time." Echoing what many of my US interlocutors said, he alludes to the authority of the FDA (Food and Drugs Administration). "It's an independent agency, and if it says: 'This pill is good for you, that's the end of it. No more political games!'"

Hush kits. European Affairs Director for American Airlines, Joseph Le Pochat, is not particularly concerned about the plan to ban airplanes fitted with hush kit engine mufflers from operating in Europe. "American Airlines doesn't own any airplanes with hush kits -- it would have primarily hurt our major competitor Northwest Airlines", he says. (personal communication, May 12, 1999). The delay of that ban gives him a much bigger headache, since the US and the EU have agreed to negotiate new international noise and exhaust level standards within that year. Le Pochat points to a chart depicting the different standards (Stage 1, 2, 3 and a new Stage 4), and the time frames foreseen to phase out airplanes that don't meet certain standards. According to that diagram, the Boeing MD 80, a two-engine machines with 145 seats, would be banned from flying over Europe in the long run -- representing 30% of American Airline's fleet. "That would be disastrous for AA", he says.

In contrast to the hush kit problem, European airlines such as the Spanish Iberia, Swiss Air, Austrian Airlines, and Scandinavian Airlines would be hurt as well. "We will certainly team up with them to prevent this from happening", says Le Pochat. Apart from that, he primarily plans on working through the US government -- a strategy he has employed most of the time: "US companies have a tendency to talk to their government immediately, it is very open to listen to them." He also thinks that US airlines are particularly disadvantaged at the Commission, considering it to be very protective towards European companies, many of which are still state-owned. "This is my major frustration here: All these European airlines have their own Commissioners to talk to."

Joseph Le Pochat is a US citizen but was born in France and lived there for the first 10 years of his life. "Having the language and the cultural understanding is the reason why AA sent me here", he says. It is the only US airline maintaining a Public Affairs office in Brussels -- most others hire lawyers and consultants to represent their interests. None of them is a member of the EU committee. Le Pochat doesn't have an interest in joining, either. "If I was chairman of a subcommittee, I would be doing all the work -- I wouldn't be able to get my work done, any more. And whatever position paper the EU Committee puts out, it wouldn't be my view, anyway."

Le Pochat thinks that Americans are often too pushy when dealing with the EU. "Most of them just don't understand the process here and they just don't make the effort to understand. When they keep complaining about the EU, I tell them that they should look at the Federalist Papers: This is a government in the making, and it's the same struggle we had 200 years ago: the question what should be under federal and what under state authority."

Especially the threat of Congress to retaliate with banning the Concord from landing in the US, was a bad move in his eyes. France retaliated back by putting a hold on negotiations

about intermodel codesharing -- a "TGV + plane project", with which US airlines would be allowed to sell complete tickets for a combined airplane and railway trip to France. Now that the threat of an immediate greater aviation conflict has disappeared, the negotiations will be taken up again. But Le Pochat is not too optimistic: "It's a game -- about who's gonna last the longest. There are still many trade wars coming up -- it's even going to increase".

The Targets

To the Commission official at the US desk at DG I, the subject of US lobbying in Brussels seems very familiar. "We've just had an example again of how US interests got involved very early in the process, before the draft proposal has even become an official document", she says (personal communication, May 17, 1999). She relates to a proposed directive that aims at reducing electronic waste in Europe. "It has been subjected to an immense lobbying pressure from the United States. The American Electronics Association (AEA) led a very organized campaign. They contacted us here, but clearly asked the US government to raise the point in formal meetings, too." "The AEA includes members like Microsoft, Intel, and IBM. "They obviously have the resources to orchestrate such a campaign", she says.

As far as bananas and beef are concerned, no US company or interest group contacted her office directly. "They got the US government to do their work." "On the other hand, a great number of European companies that were hit by the sanctions asked her how to get off the list. "Many of them, like candle makers, have never had anything to do with international trade problems, so they had absolutely no idea what to do." "They mainly requested information, but did not argue with the Commission about complying with US demands. "I think that most European companies are less narrow-minded in their lobbying."

Like other European interview partners she mentions the US power in communication: "Two or three weeks before the latest WTO decision on bananas, every single billboard around the Commission was taken up by Chiquita. And throughout the beef and banana disputes, they had their media machine behind them."

According to Elmar Brok (PPE), member of the European Parliament, American interests often lobby MEP's -- also in the cases of the latest disputes. "They are clearly tougher and more direct than their European counterparts", he says. (personal communication, May 14, 1999) Brok thinks that US interests strongly try to influence European legislation. "But their effectiveness in the Parliament is only limited", he says.

A senior staff member of the Committee on International Relations at the US House of Representatives occasionally talks to US lobbyists who represent European clients. He refuses the notion that their lack of financial clout makes it more difficult for them. "If you want to be heard, you can be heard, no matter if American or European." (personal communication, April 7, 1999) He left government service a few years ago to lobby for European firms himself, and then walked back through the revolving door. At the time he used to cooperate a lot with his clients' national embassies and pressed them to work closer with Congress. "I felt they had a stronger impact that way", he says.

In connection with the disputes, a Republican House Aid in the Committee of Ways and Means (responsible for international trade law) has been contacted by US interests only, such as Chiquita, the National Cattlemen's Association and others. "The beef industry has made clear that it isn't too crazy about retaliation measures -- it doesn't help them much. So we are trying really hard to find a compromise to avoid that." (personal communication, April 12, 1999) At that point, before the interim studies on the effects of hormones have come out in Europe, labeling is still high on the agenda. But like all my US interview partners, she

plainly rejects a label that would "put crossbones" on the product. "Let's pick something neutral, like 'Made in USA'. If European consumers are really as concerned and alert as their politicians claim they are, one should think that they are educated about the way US beef is produced."¹

Lobbying the WTO in Geneva

Many proponents of the EU banana regime blamed private interests, in particular the US multinational Chiquita, for losing their case at the WTO. Confronted with that argument, the reaction of my American interview partners in Washington was uniform: O.k., they said, even if Carl Lindner bought the US government -- he cannot possibly have bought the WTO, can he?

The World Trade Organizations (WTO) in Geneva as an independent governmental body is supposed to be immune to outside interests. Its current statute does not provide for a system involving the input of non-governmental interests. But according to the legal advisor at the Delegation of the European Commission to the WTO, lobbying takes place nevertheless -- just in a more subtle way. (personal communication, May 5, 1999). He claims that Chiquita has been hiring former judges and ambassadors to the WTO and sending them to Geneva for years to lobby against the EU banana regime. Their focus, he says, are the countries' ambassadors, who then in turn talk to the judges.

Joachim Wilbers, Administrative Director at the German Delegation to the WTO, disagrees with the notion that this kind of indirect lobbying is common in Geneva. "You have to look in Washington and Brussels or in the nations' capitals for that. Governments have certain positions and we only enact them here -- we don't make decisions ourselves." (personal

¹ Jagdish Bhagwati, professor of economics at Columbia University, refutes this argument in the Wall Street Journal of March 12. "That's like saying 'Made in India' is the equivalent of 'Made with Child labor', because

communication, May 7, 1999) He recalls that some German business associations contacted him when the bananas sanctions list came out, asking him to do something. "But I just told them: Go to our Chancellor!" In the Kodak-Fuji case at the WTO, Japanese lawyers talked to Wilbers attempting to build a coalition, since the German company Agfa also had something at stake in the case. "Some certainly try, but I wouldn't say that it is very strong here in Geneva."

In the WTO dispute settlement process, the parties concerned can have recourse to "technical assistance". In the banana case, companies like Chiquita and Dole provided this to the Delegations of the US as well as Latin and Central American countries. ACP representatives assisted the Delegation of the EU. According to its legal advisor, the assistance which US interests provide is in reality a supervision: "The US government is not autonomous. American lobbies are much more powerful here, because their ambassador and their government in general are more receptive to them."

But Joachim Wilbers thinks that blaming the United States for this is absurd: "Even if there were mainly two companies involved -- I don't think that's a problem. After all, the country's interest was at stake. What is important is the question if a party complies with WTO rules -- and the EU clearly did not. It's not because of Carl Lindner that this happened." Several attempts to obtain a comment from a USTR official in Geneva failed (no response to a number of voice-messages, faxes, and e-mails).

The operating procedure of the WTO may change in the not too distant future. Especially the United States are pressing for reforms that would open up the process and allow participation of NGO's. "Transparency" is the key word for these proposals that would

everyone knows that India has child labor." (1999, p.2)

institute public hearings at WTO deliberations. However, the issue is still very controversial. Some fear that the envisioned reforms would compromise the intergovernmental side and open the door to commercial interests, as well. "Where does an NGO end and a private interest begin?" asks the legal advisor to the EU Delegation. "Chiquita could simply form the NGO 'friends of bananas' or something like that...". According to Joachim Wilbers, many Third World countries are absolutely against the plans, fearing that powerful Western interests would completely take over the organization.

First decisions on this are expected at the next WTO Ministerial in Seattle. In the event of significant reforms, more lobbyists may eventually discover Geneva.

The Clash of Cultures

A Look on Both Sides

William Beddow had worked in Washington for 13 years before he came to Brussels six years ago. It took him some time to adjust to the new environment. The lobbyist especially remembers the privileged position he enjoyed on Capitol Hill as a representative of Caterpillar: "As a lobbyist you don't have to stand in line with the tourists, you are allowed to be in the Capitol building after security hours and can be present on the floor of the House and the Senate during debates." (personal communication, April 26, 1999) Beddow also remembers his active participation in the policy-making process. "When there was a vote, I was often on the house floor during the debate. The staffer of a member of Congress I was working with would run out to me, asking my opinion. For example 'Senator X just raised this point – is that correct?' I in essence became a member of the staff."

The Caterpillar lobbyist remembers another incident that he considers unimaginable in Europe: "At the end of the Uruguay round, the administration needed authorization for fast track negotiation. So it asked us to influence Congress -- we basically became a tool for the

White House. It got fast track, and after that I received a letter from President George Bush who thanked me for helping him achieve his goal."In Europe, he says, this would be considered immoral and sneaky. One of his first experiences in Brussels made a lasting impression on him. "At an official meeting with some members of the European Parliament I politely asked an Irish deputy, an animals rights advocate, whether she worked closely with business from her district. She just got up from her chair, gave me a disgusted look, said 'I consider this question sinister', and walked away."

Work in Brussels, according to Beddow, is much broader and thoughtful – "you can't pound on the table and just storm the Commission like we used to storm Capitol Hill". What took him longest to adjust to was the different attitude towards time on both sides. "In Washington, legislation may change hour by hour, whereas here, the process takes *forever*."For him, this and the lack of flexibility in the legislative process are the major frustrations in dealing with the EU.

After five years in Brussels, Darren Trigonoplos has come to prefer the European lobbying environment to working in Washington, DC. Representing US clients for a major consultant firm he has never felt that being American was a disadvantage in Brussels. "That's the nice thing about the process here, it's much more idea and philosophically driven."(personal communication, April 19, 1999). Trigonoplos doesn't like the role that fundraising and campaign contributions play in US politics, but he also claims that many exaggerate its influence. "It provides access, but does not determine legislation. No US lawmaker would take a bad decision for his district and make himself look stupid, just because some guy gave a lot of money."

He generally rates EU officials as accessible -- depending on the interest he represents. Like his colleagues in Washington who lobby for European interests, he says jobs provided in

Europe is the most effective argument for US companies in Brussels. If that is not at hand, he would have to put forward European companies who want to buy the product the US company tries to export. "But that's a tough argument to sell. Often you encounter closed doors and ears. In such a case, you usually try to get the US government geared up to act on your behalf." The toughest experience he can remember was lobbying for a company that exports Corn Gluten Feed to Europe. "Especially French officials at DG6 just thought on a fundamental level that European cattle should be fed with European produced food -- period."

Trigonoplos is the only American and the only lawyer in his firm. He has noticed that European lobbyists usually have a different background than their US counterparts. "Most of them hold degrees in political science and economics, often from a European studies program. The system of lifelong government service also makes the practice of revolving doors much less common."

George Deeley from Canada is the single non-European in a team of five lobbyists for IBM in Brussels. He speaks some French, but still considers it a major disadvantage that he doesn't master several languages like his colleagues. "It's also helpful in some cases to be from a member state", he says, "because you bring relationships to your home government with you. But being Canadian is an advantage over being American. I think that many Europeans load a lot of baggage on Americans and blame them for their problems." (personal communication, May 7, 1999)

When he came to Brussels one year ago, he was especially confused by the complicated decision-making procedure between Commission, Council and EP. "And now, we have to be increasingly aware of the parliament. I am told that among 626 MEP's there are maybe 100 to 150 significant players in public policy decisions -- I don't know what the other 400 are doing, but... The key is to identify these players."

For Christian de Fouloy, who for years represented foreign interests in DC and then started a consulting business in Brussels, looking at the two sides is like comparing a blond girl with a brunette. In the US, he argues, economics dictates politics: "The real three powers are Wall Street, the media and defense, and if they don't like a political decision, they will correct it." (personal communication, May 5, 1999) In his opinion, political decisions within the EU are motivated by political considerations, due to its multinational government structure. "This often leads to impractical solutions", he says. "In Europe, you stir the pot and make cream with it." De Fouloy, a US citizen who inherited the name from his French father, therefore maintains that 90% of all lobbyists in Brussels actually do research and monitoring only -- not comparable to some of the Washington lobbyists he calls "guns for hire".

How to Become a Lobbyist

Washington, DC, April 6, 1999, at noon. The Lobbying Institute at the American University has organized a panel on the subject: "Lobbyists, Instrument of or Impediments to Democracy?" Law students are invited to take part, with the promise of free food -- the preferred way of attracting students for events that are not required for university credit.

While the students are munching on their chips and sandwiches, three of the four panelists praise first themselves, then the US system of transparency and the profession as such. Terrence Straub, lobbyist for the big USX (=steel) corporation, says that he chose it because of his passion for politics. "Lobbying *is* politics, our job is to make a difference in public policy. And in this game, one has to be more equal than others." April Burke, who has started her own lobbying firm, compares the challenge to find the right information and the right people to talk to with investigative reporting. And she adds: "It's very lucrative, you can make a nice living with it." Only Matt Keller of the group Common Cause who lobbies Congress to pass a campaign finance reform, raises doubts on the unequal distribution of

power in the game: "There is too much money involved, and those who don't have it have no say".

This in turn sparks a discussion among the panelists. Terence Straub claims that some new rules, for example the 1996 ban on giving public officials gifts worth more than \$50, has created a mindset of "political prosecution: It scares people away from serving for public office." A campaign finance reform that would limit political contributions is in his eyes "anti-democratic in nature."

The students remain largely unimpressed. After finishing their lunch, some leave in the middle of the discussion to go to their classes. At this point, the questions raised don't seem to concern them too much.

The Lobbying Institute is part of the university's School of Public Affairs, where you can study the art of lobbying at university level. Apart from organizing panels like this, the Lobbying Institute offers two-week workshops that give participants hands-on knowledge in the field. Simulating a real-life lobbying firm, the participants are divided into teams and create strategic plans for prospective clients. Some students take part in it for university credit, but many come from the outside. "We also have several participants from foreign countries who want to learn how to do good lobbying", says William Murphy, academic director of the Institute. (personal communication, April 6, 1999)

Brussels, May 17, 1999 at 6 o'clock p.m. The European Institute for Public Affairs (EIPAL) holds its Monday class. About 10 participants are sitting in the library of a public school, free drinks are provided. Tonight's first session deals with differences of sensitivity, culture, and social relations in Europe. "A recent study has shown once again that there are immense cultural differences in humor", says lecturer Richard Hill. "The British laugh 16 minutes per day, the French 17, the Italians 18 -- and the Germans 6 minutes a day. That

doesn't mean they don't like to laugh, but Germans think that it needs to be at the right place and at the right time."

The EIPAL offers a three month evening course that covers topics ranging from the organization of the EU, over international relations to business ethics. Professors and practitioners of various sectors give lectures two nights a week to a mixed group of students, mainly professionals who seek to enlarge their horizon. Despite the input of many practitioners, the approach is rather theoretical, without the kind of practical "hands-on" training featured by the Washington Lobbying Institute. Christian de Fouloy, who gave a class on the differences of US and EU lobbying at the Institute, thinks that the EIPAL teaches much less about lobbying than about the way the European Union functions in general.

(personal communication, May 5, 1999)

Up to this point, there is no university program that teaches lobbying in the European Union. But Christian Le Clercq, President of EIPAL, says that talks are underway with the ULB (Université Libre de Bruxelles) to start a degree program in European Public Affairs in the near future, reflecting the growing need to educate professionals for a growing market.

CHAPTER FIVE

Conclusion

The Secret of Being More Equal and the Future of Transatlantic Relations

A Case for Cooperation

"Aux Etats-Unis, c'est une activité légale, et en Europe, une activité marginale."(Farnel, 1994, p.63) This statement about lobbying summarizes quite well what I found in Washington and Brussels. In the US, lobbying is regulated and supervised, but also encouraged and welcomed. US citizens seem to take the power of special interest groups for granted. In a 1996 poll, 72% of the respondents believed that "government is run by a few interests"(Rozell & Wilcox, 1999, p.6), but issues like campaign finance reform have traditionally been low on the agenda of what Americans consider important public policy problems.

Thomas wrote in 1993: "No country touts the credo of capitalism, free enterprise, and economic individualism more than the US. And no society has these principles more ingrained in its culture. ...It pervades almost every aspect of American life and culture."(p.35) This corresponds to the attitude of most of my US interview partners. They consider the prominent positions of private interests as the major asset in their system, regarding them as a safeguard against policies that are "bad"or "impractical"-- mainly for business. The notion that "what is bad for US business is equally bad for our people" is widely accepted. In Europe, it is often the opposite: The common good and private business interests are seen as competing elements in society.

Consequently, the European argument that Chiquita and the National Cattlemen's Beef Association were the driving forces behind the banana and beef disputes, does not meet a receptive audience. "So what?"; American government officials retort, "their interest *is* our interest, and that's the end of it."Lobbyists for US businesses know that, and they rely on it

in their strategies, openly using their government as a tool to achieve their goals. Europeans may gripe about it, but why should the US change a winning team? The same is true with the "divide and conquer" allegation. Some of the representatives of US interests like to phrase it differently, but the bottom line is that they pursue this strategy whenever possible. After all, it is effective and serves their goals.

By and large, US interests have built an efficient network in Brussels, between individual companies and consultants, the EU Committee of AmCham, and the US mission to the EU. It allows them to closely monitor EU legislation at the earliest stage and to step in with a concerted business-government effort if necessary. The majority of those representing US interests are European, which eliminates the danger of cultural blunders in negotiations with EU officials. (Susan Danger, personal communication, April 23, 1999)

A Commission official at DGI complained that the US is often trying to act as the 16th member state, unwilling to accept that community policy is community policy (personal communication, May 17, 1999). But Americans who are "used to being in the center of things" (staff member of the US Mission, as quoted in Winand, 1998, p.387) find it only natural to play a major part in the process. Gompert and Larrabee claimed in 1997 that Europeans should "incorporate US views in EU decision making. The United States cannot be held at arm's length while the EU is trying to forge common policies." (p.243)

It would be illusionary to think that the EU could ask the US for the same privilege. According to Stewart Eizenstat, the European Union is still a "UPO" (unidentified political object) to most Americans (as quoted in Winand, 1998, p.387). The only organization that represents its position in Washington is the Delegation of the European Commission -- all other groups that feature the word "European" in their names have a transatlantic scope. This reflects two conditions:

1. Although the model of European federations (e.g. UNICE) has had a long tradition in Brussels, it was not transferred to Washington. Lobbying of the 15 EU member states takes place mainly along national lines. The Delegation's efforts to coordinate its work with national embassies have proven rather difficult. (Willy Hélin, personal communication, April 9, 1999)
2. Contrary to the EU, the United States make a clear distinction between foreign and domestic interests – beefed up lobbying regulation and strict limitations on campaign contributions with foreign ties are one indication. This is probably why hybrids like the European American Business Council and the European Institute make the most sense -- after all, they are not considered as "foreign" organizations. Europeans in Washington almost exclusively hire Americans who have been through the "revolving door" to do the lobbying for them. In fact, it is far more common to see Americans lobby in Brussels than the other way round.

Individual European business interests in Washington are competing in a lobbying environment that exceeds the one in Brussels by far -- both in numbers and in sophistication. In the US, "money is the mother's milk of politics"-- a fact that no one can deny (Hrebear, 1997, p.191). The \$2,4 billion raised for the 1996 election were no charities for needy politicians, but investments into favorable legislation and government action: "As lobbyists are so fond of saying, giving campaign contributions is like paying for protection from the mob." (Browne, 1998, p.237)

All of these are structural disadvantages for European interests in the US capital. But anecdotal evidence, such as the ice-cream and butter cookie stories by "Cowboy" Max Berry, prove that it is after all an open system, in which all kinds of special interests may succeed -- provided that one is "more equal" than the others in the game (Terrence Straub at the Panel of

the Lobbying Institute, April 6, 1999). The US example in Brussels shows that one way of being more equal is to coordinate one's efforts across sectors and with the government, in order to speak with this "famous" one voice. European interests are far away from pursuing that in Washington. Of course, the situation is hardly comparable -- the US being one strong federal state as opposed to the Union of 15 sovereign member states. But the fact is that, as far as economic policy is concerned, the 15 are not that sovereign, any more. The organization of their interests doesn't reflect this -- in my opinion a major shortcoming.

US-EU Relations – A Case for the WTO

In the US, the danger of an increasingly isolationist Congress has been cited repeatedly. The "ballooning" trade deficit, a record \$262 billion in the year to February ("At daggers drawn", 1999, p.20), makes many members of Congress wary of what they perceive as a protectionist Europe. To them, bananas was the test case for the WTO.

According to a House Aid at the Committee of Ways and Means (responsible for international trade law), the main reason for the administration's hard stance on bananas was "the fear of a dramatic erosion of congressional support for the WTO." (personal communication, April 12, 1999) According to a provision of the Uruguay accord, the President will have to write a report about the preceding five years of WTO membership at the beginning of next year. Subsequently, Congress will vote on whether or not to stay in the organization. "If we hadn't staid firm on bananas, we would definitely have lost that vote", she says. "We still might, but..." One Congressman, she recounts, recently sent a set of plastic handcuffs to each member in Congress, along with an appeal to support his efforts to cut all trade with China. He also wrote in the note: "And by the way, I tried to find handcuffs 'Made in the USA'. I could not find them. And I think that's terrible." Her commentary on this: "It's not an easy time up here."

Everett Eissenstat, Legislative Director for the Republican Congressman Jim Kolbe, confirms that Congress is getting increasingly protectionist. "It is somewhat ironic in a time when the economy is doing so well. But I guess it's like when you really enjoy your job, you don't look around for another one. So Americans feel comfortable and don't realize their reliance on the rest of the world."(personal communication, April 9, 1999) Eissenstat also stresses that the administration needs fast track for kicking off the next round of trade talks. "They cannot even enforce some agreements we already have, how could they negotiate new ones?"But he considers it highly unlikely that President Clinton will have it until the end of his term, and he even doubts that Congress will grant fast track to his successor.

For European politicians, the stakes in the beef hormone dispute and a potential future dispute on GM foods are equally high. In this case, powerful consumer lobbies and a wary public are watching, representing a constituency that EU legislators cannot simply ignore. Here the cultural divide becomes most obvious: The majority of my US interview partners cannot imagine *why* Europeans do not accept what they perceive as clear scientific evidence. In particular, they do not like the fact that the EU dares to question the overriding authority of their FDA (Food and Drugs Administration).¹

Deep down, there may also be a fear that European consumer distrust and suspicion of everything that is not "natural" will contaminate Americans. Having assisted the first meeting of the Transatlantic Consumer Dialogue (TACD) last year, Willy Hélin argues that "Americans have the same kind of fears as we do -- only in Europe consumer organizations have a stronger voice."(personal communication, April 9, 1999) Increased demand for

¹Its reputation has suffered some damages in recent years, due to several scandals involving the approval of medication that later turned out harmful. However, as always in such cases, it is one thing to criticize the FDA as an American and another to do this as a foreigner.

hormone-free meat or BST-free dairy products reveal a growing awareness among US consumers. Like in Europe, they are also willing to pay a much higher price for "natural" products: A particular brand of BST-free ice-cream from Vermont is one of the most popular all along the East Coast, although it is twice to three times more expensive than ordinary ice-cream.

The food we eat is the gist of our culture. In this highly sensitive realm, discussions based entirely on "scientific evidence" do not get very far. When the EU Scientific Committee published its interim findings on beef hormones, the US rejected them outright. Likewise, the EU discarded studies which did *not* find any harm in treated meat: A classic one-way-street situation. It is futile to argue about who is right and who is wrong. The interviews conducted show clearly that both parties involved think that they are perfectly right. And they both find good reasons for it.

The conditions that triggered the disputes won't change in the near future. American special interests will continue to use the US government for achieving their goals -- something that is ingrained in their political system and nothing the EU could change. European consumers will continue to be wary about "unnatural" food production, and those dealing with common agricultural policy will always welcome this wariness as a good justification for protecting the European market. What needs to change is the way of dealing with these conditions. A continued blame game surely won't solve the problem.

Several of those interviewed voiced their concerns regarding the WTO Ministerial coming up in Seattle this November. Some said that continued trade disputes might jeopardize a new round of trade liberalization that is supposed to start next year. However, even if the first five months of 1999 were not the most glorious in US-EU relations -- the developments

overshadow the fact that transatlantic ties, both between businesses and NGO's, have grown stronger in some areas.

In any case, developments in Geneva will be crucial: The EU intends to reinforce the SPS Agreement (Sanitary and Phytosanitary Agreement), which recognizes that WTO members have the right to establish a higher level of sanitary protection than that of international standards, if it is based on science. The US, in turn, clearly puts pressure on the EU to open its market to GM food and technology. At the same time, interest groups are seeking access to the trade organization in Geneva, something the United States welcome with much greater enthusiasm than its European WTO partners. The two sides won't run out of conflicts too soon. Lobbyists certainly don't mind that.

Appendix A

On the Battlefields of Trade

Bananas

In the banana dispute, the US and the EU maintained firm positions until the very end: EU officials argue that the current banana regime is an indispensable economic development aid to ACP- countries (African-Caribbean-Pacific) and that the, in their eyes, "aggressive" US government action was only due to pressure from an isolationist Congress and large political contributions by Chiquita Brands International. Carl Lindner, the company's owner, is said to have given \$3million to politicians of both parties since 1988 (Tenbrock, 1999). The US refutes this argument. It argues that the regime doesn't benefit ACP banana growers at all, referring to a 1997 World Bank study, according to which only 7,5 cents for every dollar of the cost of the regime (\$2 billion to European consumers each year) reaches the ACP growers. Patrick Messerlin from the Institut d'Etudes Politiques in Paris claims that the rest "ends up in rents granted to all kinds of intermediaries who can participate in the licensing game -- from the protected EU fruit multinationals to the few large EU banana growers." (1999, p.12)

March 1957 The signature of the Rome Treaty is delayed by several days, because Germany and France cannot agree on a common trade regime on bananas. For 35 years it remains the only treaty-based exemption to the common market

May 1993 GATT panel rules against banana policies in EU member states. EU blocks report from being adopted.

July 1993 Implementation of a common banana policy, the "EU banana regime" (Regulation 404), based on three quotas:

1. EU bananas (from French, Greek, Spanish and Portuguese territories)
2. ACP
3. Latin and Central America (called "dollar"bananas)

The quotas are divided into 22 sub-quotas in total. A licensing scheme establishes that roughly 30% of the dollar bananas have to be imported by EU or ACP fruit companies.

January/February 1994 GATT panel finds against the regime, EU blocks report from being adopted by the GATT Council.

May 1996 At the request of Ecuador, Honduras, Guatemala, Mexico, and the US, a dispute settlement panel at the WTO is established to review the regime.

May 1997 The Geneva based organization decides that the EU banana regime is inconsistent with WTO rules about nondiscrimination.

July 1997 The EU appeals the findings.

<u>September 1997</u>	The WTO Appellate Body confirms the previous ruling. The Dispute Settlement Body (DSB) gives the EU 15 months (until January 1999) to comply.
<u>July and October 1998</u>	EU adopts two regulations to amend the regime. The Netherlands and Denmark vote against them, claiming that they don't make the scheme WTO compatible. Some countries only accept the changes as part of a negotiation package. The meanwhile six complainants (Panama joined the five), notably the United States, argue that the modifications are nothing but cosmetic.
<u>October 10, 1998</u>	The US announces the imposition of trade sanctions under Section 301 of the Trade Act of 1974, which provides for taking unilateral actions in the case of trade disputes. The sanctions would be imposed on March 3 rd the latest.
<u>January 1, 1999</u>	The revised EU banana regime takes effect.
<u>February, 17, 1999</u>	The EU requests a WTO penal against the US Section 301 legislation.
<u>March 3, 1999</u>	The final WTO decision on the revised banana regime has been delayed a few days before the March 3 rd deadline. Nevertheless, the US goes ahead and imposes 100% tariffs on about \$520 million worth of European imports. The sanctions don't take effect at once, but are withholding financial clearance on those imports until the WTO decides how much the US is allowed to impose. The EU contests that this unilateral action violates WTO rules.
<u>April 6, 1999</u>	The WTO decides that the EU banana regime violates global trade rules. It allows the US to impose \$191,4 million of sanctions -- \$326,6 million less than the US had applied for.
<u>April 9, 1999</u>	The final (reduced) list of products that will be hit by sanctions is published.
<u>April 19, 1999</u>	The WTO formally authorizes the US to impose sanctions on \$191,4 million worth of exports. The EU declares its willingness to comply with the WTO ruling. A majority of member states are opposed to appealing it. However, the EU does not accept that the sanctions take effect retroactively, requesting a WTO panel against it. The US insists on imposing them starting March 3 rd , claiming that a delayed decision by arbitrators doesn't set a new timetable to apply the retaliatory duties.
<u>April 26, 1999</u>	EU governments ask the Commission to draw up proposals for a new regime by the end of May.

Sources: Fact sheets published by the USTR, the US mission to the EU, as well as the Delegation of the European Commission in Washington, DC, and DG1. Articles from the Wall Street Journal, the International Herald Tribune, The Financial Times, Le Monde, La Libération, Les Echos, die Frankfurter Allgemeine Zeitung, Süddeutsche Zeitung, die Welt, and Die Zeit, covering the time period from 1.3.1999 until 22.5.1999.

Beef Hormones

This conflict reaches another dimension, for it involves real concerns about public health, facing a European public that has grown increasingly concerned about food safety after the BSE crisis. European consumers do not trust scientific findings as much as American, and they put a greater emphasis on the natural quality of food rather than safety alone. The US does not consider this reason enough for what they regard as protectionist behavior from the part of the EU.

- 1981 EC Council adopts Directive 81/602 to prohibit the use of hormones for raising cattle, but later postpones action on five hormones pending study.
- December 1985 The EC bans the use of all hormones and prohibits the import of hormone-treated meat.
- December 1987 The US announces retaliatory tariffs of \$100 million worth of EC imports.
- January 1989 The ban and the retaliatory sanctions take effect.
- May 1989 Agreement on interim measures that allow the import of meat from cattle not treated with hormones.
- July 1996 At the request of the US, a WTO panel is formed to examine the hormone ban.
- June 1997 The panel finds that the ban is inconsistent with the 1995 SPS Agreement (Sanitary and Phytosanitary Agreement), in that it is not based on scientific evidence. The SPS justifies import restrictions on products that constitute a hazard for public health.
- September 1997 The EU appeals the panel's decision.
- January 1998 The Appellate Body upholds the panel's decision, but weakens some of its findings on specific SPS articles to the benefit of the EU, who regards it as a partial victory.
- May 1998 Since both sides cannot agree on a "reasonable period of time" for implementation, a WTO Arbitrator gives the EU 15 months to comply with the ruling, starting in February with the adoption of the reports by the DSB. (The EU had asked for four years: Two years to conduct a risk assessment, and two to complete legislative procedures). The deadline for compliance is therefore May 13, 1999.
- June 1998 The EU launches 17 risk assessment studies (some of them were already started at the end of 1997) on the potential health risks of hormones in beef.

- March 22, 1999 The US announces a preliminary list of \$900 million worth of European products that could be subjected to 100% tariffs if the EU fails to lift the ban. The EU alludes that the studies won't be terminated by May 13.
The two sides start to negotiate a labeling solution, but disagree on what the label should say: "Hormone-Fed Beef"(EU) or simply "Made in USA"(US).
- April 19, 1999 Public Hearing in Washington, DC, on the beef sanctions list: US importers and EU exporters of targeted products are encouraged to lobby for taking their products off the list.
- April 21, 1999 Reports are published that supposedly "hormone free beef" imported from the US contained residues of hormones in 12% of the cases examined. It concerns imports of about 7000 tons a year valued at \$20 million. The European Commission threatens to ban these imports as early as June 15, if the US does not improve its control system.
- May 3, 1999 The EU's scientific committee on veterinary measures releases an interim report of some of the 17 studies. Its findings suggest that the five hormones approved in the United States are potentially dangerous, while one of them, the 17beta-oestradiol, "must be considered as a complete carcinogen". In turn the Commission agrees to keep the ban in place at least until the risk assessment studies are completed. The expected date for this is February 2000.

The US dismisses the report outright, claiming that it only "repeats the same unsubstantiated arguments" the EU has made before.
- May 13, 1999 The deadline for compliance with the ruling expires, while the majority of EU officials have left Brussels for a long weekend.
- May 14, 1999 The US announces that it will ask the WTO for authority to impose sanctions on \$202 million of EU exports in retaliation for its refusal to lift the ban. At this point, negotiations on trade compensations instead of sanctions, a model the EU prefers, have gotten nowhere.
- May 17, 1999 The EU declares that it will appeal the amount of \$202 million at the WTO. This delays the potential taking effect of sanctions until mid-July.

Sources: Fact sheets published by the USTR, the US mission to the EU, as well as the Delegation of the European Commission in Washington, DC, and DG1. Articles from the Wall Street Journal, the International Herald Tribune, The Financial Times, Le Monde, Libération, Les Echos, die Frankfurter Allgemeine Zeitung, Süddeutsche Zeitung, die Welt, and Die Zeit, covering the time period from 1.3.1999 until 22.5.1999.

Hush Kits

Contrary to bananas and beef, this controversy did not become a WTO case. But the stakes are high in an industry that exceeds by far the importance of agricultural products. Engine and aircraft carrier producers, airlines, and delivery services were concerned with the proposed law. The decision to delay it is after all only a pleasure deferred.

February 1999

The European Parliament approves the Commission proposal for a regulation that aims at reducing noise on European airports by

1. prohibiting to register aircraft carriers equipped with engine mufflers called "hush kits" after April 1, 1999
2. banning all aircraft carriers equipped with hush kits that were not registered before that date as of April 1, 2002

The EU argues that hush kit engine mufflers do not reduce noise efficiently, and that old engines equipped with them consume 50% more kerosene while polluting the air 30% more than modern airplanes.

March 3, 1999

The US House of Representatives votes to bar the Concorde supersonic airliner from US skies if the EU proceeds with those plans.

The US also threatens to take the case to the WTO, arguing that the rule is discriminatory and would cost US businesses \$1 billion, particularly by devaluing US fleets. Most companies that make and use hush kits are US American. Especially for airlines that plan on selling their old airplanes equipped with hush kits to Third World countries, the ban would be disastrous.

March 29, 1999

EU transport ministers agree to wait until April 29 to pass the law, in order to leave negotiators four more weeks to "resolve their differences", but also to give US airlines the possibility to have their older machines registered in time.

April 15, 1999

After Northwest Airlines, UPS, and United Technologies Co.'s Pratt & Whitney have filed a complaint against the measure with the US Transportation Department, Senator John McCain threatens wider retaliatory action: "It pains me to say that the potential for a harmful trade war in the aviation sector is a real possibility."

April 28, 1999

The EU Council of Ministers (Industry and Transportation) adopts the two regulations but postpones the deadline to register old airplanes in Europe for one year (from May 1, 1999, until May 1, 2000). In the meantime, the US intends to negotiate new norms on airplane noise "both multilaterally with the European nations and bilaterally with the European Union." Both sides state their intention to agree on noise standards within the International Civil Aviation Organization (ICAO).

May 5, 1999 The European Parliament condemns the Council's decision to delay the deadline without consulting the EP, pointing out that it should "in no way form a precedent for future legislative procedure." It also claims that ICAO noise certification standards have not been updated since 1977 and urgently need to be revised.

Sources: Articles from the Wall Street Journal, International Herald Tribune, The Financial Times, Le Monde, Libération, Les Echos, Frankfurter Allgemeine Zeitung, Süddeutsche Zeitung, Die Welt, and Die Zeit, covering the time period from 1.3.1999 until 22.5.1999.
EP resolution B4-0430/99

Genetically Modified Organisms (GMO's)

Unlike the three other disputes, GMO's were not permanently on the agenda during the time period examined. They have mainly been cited as the ingredient of a potential "huge" trade war coming up at the horizon.

Currently, no GM crop is being grown on a commercial scale in the EU. But some permits have been issued and many applications are in progress. GM varieties of US Soya, corn for animal feed, and tomatoes used for paste have been approved.

In the US, 27,8 million hectares of genetically modified crops were under cultivation in 1998. There are estimates that in only two years from now, up to 80% of US grain production will involve GMO's. Regulators in the US tend to ask the optimistic "Why not?" rather than the more pessimistic European "Why?". ("Select Committee", 1999)

April 1990 EC adopts two directives to establish an authorization procedure of "live" GMO's at Community level.

May 1997 The Novel Foods Regulation comes into effect, introducing a pre-market approval system and mandatory labeling for GMO's.

July 1998 Adoption of a directive on the legal protection of biotechnological inventions

February 10-24, 1999 In Cartagena, Columbia, negotiations on a biosafety protocol to the Convention on Biodiversity are terminated without agreement. The protocol is supposed to create a framework for cross-boundary movements of "living modified organisms" derived from modern biotechnology. The EU blames "the US and its allies" for the failure.

April 16, 1999

Stuart Eizenstat, former Ambassador of the US mission to the EU, publishes an article in the Financial Times: "Why we should welcome biotechnology." He claims that European procedures for testing and approving biotechnology products are neither transparent nor based on scientific principles, but too susceptible to political interference. Moreover, "The European press often portrays genetically modified organisms as a sinister new force rather than the latest technique in plant hybridization." (p.12)

April 24, 1999

The Transatlantic Consumer Dialogue (TABC) holds its second meeting in Brussels and demands that GMO's provide clear consumer benefits to be approved. It also calls for mandatory labeling of all GMO's and their traceability throughout the production, processing and distribution chain, both in the US and the EU.

May 18, 1999

In the UK, a panel of the Royal Society decides that last year's controversial study by Dr Arpad Pusztai on the harmfulness of GM potatoes was flawed. The decision revives a heated debate on GM foods in the UK.

May 20, 1999

US scientists have found that the pollen of *Bt* corn, a certain variety of genetically modified corn, can kill butterflies. The GM corn produces a toxin that protects it from corn pest. The finding fuels concerns about the environmental impact of GMO's. The EU announces that it will halt the approval process for US-produced *Bt* corn in Europe. Similar products being used in Europe, such as those produced by Monsanto and Novartis, could also be in jeopardy.

Sources: DG XI press releases and fact sheets, speech by Emma Bonino, October 12, 1999, Conclusions of the TABC meeting in Brussels, April 24, 1999, Select Committee on the European Communities report on

genetic modification in agriculture, BBC News (websites), articles from the Financial Times, The Independent, the International Herald Tribune, Le Figaro, and The Guardian, covering the time period from 16.4. until 22.5.1999

Appendix B

Definitions of Terms

Interest Groups/Special interests/Lobbies¹

Associations of individuals or organizations, usually but not always formally organized, that attempt to influence public policy. This definition includes so-called hidden groups, such as government agencies. (Thomas, 1993, p.2)

Lobbyist

A person who represents an interest group to government, in order to influence governmental actions -- public policies -- in that group's favor. (Thomas, 1993, p.3)

Lobbying

The action of influencing public policy. This includes direct or indirect pressure on the process of drafting, interpreting, enforcing, or voting on legislation. It targets administrative, legislative, and representational bodies of government. Often times, the media and public opinion are mobilized for support.

US/ American

For the purpose of simplicity, I use the terms interchangeably. "American" stands for "US American". If Central and South America are concerned, this is mentioned explicitly.

¹ For the purpose of this investigation, I use these terms interchangeably. Some scholars insist on differences between the terms. The Commission in its 1992 Communication indicates that the term "special interest groups" covers organizations not usually considered to be "lobbies", such as offices representing regional and local authorities and firms of lawyers as well as consultants and private companies. ("An open", 1993)

Appendix C

Organizations of EU member states registered under FARA (Foreign Agents Registration Act) at the U.S. Justice Department:

Governmental organizations or government owned companies for lobbying, PR and advertising expenditures

Private Business for PR and Advertising expenditures.

Registration under the LDA (Lobbying Disclosure Act) at the Secretary of the Senate and the Clerk of the House of Representatives:

Private business of EU member states for lobbying expenditures.

(indicated by the gray color)

The "*" stands for organizations that maintain their own office in the United States. Those without an "*" are represented by lawyers and consultants.

"n/a" means not available. (see chapter four)

Sources: FARA reports 1997/1998, United States Department of Justice

LDA reports 1998, Secretary of the Senate, Office of Public Records

Country/ Organization or Company registered	1997 1st semester 2nd semester	1st semester 2nd semester
Austria		
Austrian National Tourist Office*	\$1,4 million \$1 million	\$1,75 million \$1,15 million
Federal Economic Chamber of Austria*	\$252,700 \$214,200	\$178,700 \$214,000
Austrian Freedom Party	\$24,800 \$12,400	n/a
Austrian National Tourist Office	\$ 31,200 \$204,200	\$ 62,000 \$316,500
Austrian Airlines	\$17,500 \$17,500	\$ 17,500 \$ 17,500
ICD Gesellschaft für Industrieansiedlung & Kooperation G.M.B.H	\$144,300	n/a
Austrian Press & Information Office	n/a	n/a
WWFF – Vienna Business Promotion Fund	n/a	n/a
Total registrations: 8		
Total expenditure:	\$3,319 million	\$3,706 million
1997-1998: : 7,025 million		
Belgium		
Belgian National Tourist Office*	\$383,000 \$456,000	\$495,200 \$580,600
Fabrique Nationale Herstal	n/a	n/a
Flanders' Foreign Investment	\$4,900	\$ 59,600

Country/ Organization or Company registered	1997 1st semester 2nd semester	1st semester 2nd semester
Office, Government of Flandern		\$578,400
Embassy of Belgium	\$9,000	n/a
Association des Ami-donneries de Cereals de L'UE	\$76,300	\$248,100
The Region of Brussels - Capital	n/a	\$ 45,000
European Electronic Component Manufacturers' Association	\$7,600	n/a
Bromine Science and Environmental Forum	n/a	\$20,000 \$20,000
Total registrations: 8 (1 at the Senate and House)		
Total expenditure:	\$2,362 million	\$1,616 million
1997-1998: : \$3,978 million		
Denmark		
Danish Bacon and Meat Council	\$22,500	\$46,100 \$32,600
Danish Ministry of Business & Industry	\$102,400	n/a
Danish Tourist Board*	\$655,000	\$658,600 \$470,000
A.P. Moller-Maersk	\$75,400 \$15,700	n/a
Total registrations: 4		
Total expenditure:	\$871,000	\$1,207 million
1997-1998: : 2,078 million		
Finland		
Finnish Tourist Board*	\$1,21 million \$973,500	\$926,400 \$460,200
Consulate General of Finland	n/a	n/a
Invest in Finland Bureau	\$119,900	\$133,000 \$ 96,100
City of Helsinki	\$14,700 \$44,100	n/a
Total registrations: 4		
Total expenditure:	\$2,362 million	1,616 million
1997-1998: : 3,978 million		

Country/ Organization or Company registered	1997 1 st semester 2 nd semester	1 st semester 2 nd semester
France		
L' Association de Developpement du Bas-Rhin (ADIRA)*	\$382,800 \$332,500	n/a
Arianespace, Inc.*	\$663,300 \$1,5 million	\$2,48 million \$1,97 million
Rhone-Poulenc, S.A.	\$77,300 \$12,300	\$854,400
Port Autonome du Havre	\$141,700 \$140,200	\$261,000 \$130,700
Centre National Interprofessionnel d'Economie Laitière	\$52,500 \$22,500	\$52,700 \$22,500
COGEMA (Compagnie Generale des Matieres Nucleaires), Inc.*	\$590,000 \$898,500	\$1,34 million \$1,37 million
Electricité de France	\$37,300	n/a
GIAT Industries, S.A.	n/a	n/a
French Book Office*	\$80,000	n/a
Unifrance Film International*	\$207,900 \$265,400	\$242,800 \$169,900
Airbus Industrie	\$ 68,300 \$125,600	\$90,000 \$73,000
Nice Convention and Visitors Bureau	\$46,500	\$25,300 \$48,500
Carte d'Arde au developpement des Entreprises de Bourgoque	\$2,500	
Aéroport de Paris	n/a	n/a
Messier-Dowty International	n/a	n/a (registered in February 1999)
Société Nationale d'Etude et de Construction de Moteurs d'Aviation	\$131,000	\$ 88,500 \$104,160
Avions de Transport Regional Groupement d'Interêt Economique	\$ 11,300 \$181,300	n/a
Aderly	\$ 27,700 \$ 4,400	n/a

Country/ Organization or Company registered	1997 1st semester 2nd semester	1st semester 2nd semester
Thomson-CSF, S.A.*	\$722,000 \$679,000	\$752,000 \$810,000
Suez Lyonnaise des Eaux	\$251,400	\$ 69,900 \$212,300
Crédit Lyonnais	n/a	\$694,100 \$848,600
SEMA	\$275,400	n/a
ETSI	n/a	\$20,000
Framatome S.A.	n/a	\$500,000
Cegetel, S.A.	n/a	\$10,000
Thomson-CSF, S.A	n/a	n/a
France Telecom Inc.*	n/a	\$40,000
<i>Total registrations: 27 (5 at the Senate and House)</i>		
<i>Total expenditure:</i>	<i>\$7,931 million</i>	<i>\$13,280 million</i>
<i>1997-1998: : \$21,211 million</i>		
Germany		
Bayer Inc., Subsidiary of Bayer A.G.	\$15,400 \$ 9,500	\$17,100
Friendship in Freedom Association	\$31,600	n/a
Department of Business Development, City of Leipzig	n/a	n/a
Hoechst Marion Roussel Deutschland GmbH	n/a	n/a
Siemens, A.G.	n/a	n/a
AEG Electromcom GmbH (Siemens)	\$30,000 \$90,000	n/a
Daimler Benz Aerospace A.G.*	\$740,500	n/a
German Information Center	\$141,300 \$131,800	n/a
Deutsche Telekom, A.G.*	\$9,89 million \$2,91 million	\$2,5 million \$2,55 million
Business Location Germany	n/a	n/a
Thyssen Rheinstahl	\$41,000 \$27,400	n/a
German National Tourist Board*	\$1,05 million	n/a
German National Chamber of Commerce	\$728,200 \$411,000	\$450,500 \$399,100

Country/ Organization or Company registered	1997 1st semester 2nd semester	1st semester 2nd semester
Berlin Tourismus Marketing GmbH	n/a	n/a
Baden-Württemberg Agency for International Economic Cooperation, GWZ	\$89,000 \$89,000	\$91,500 \$89,000
Daimler-Benz Aerospace, A.G. (hired outside lobbyist)	\$20,500	\$ 3,700 \$13,200
Expo 2000 – General Kommissariat	\$20,000	n/a
Bundesverband der Deutschen Industrie/ Deutscher Industrie-und Handelstag	\$286,100 \$295,100	\$281,900 \$300,200
German Convention Bureau	\$9,450 \$8,000	\$255,200 \$177,100
Federal Republic of Germany	\$136,900 \$ 77,700	\$232,800
German Information Center	\$118,800 \$ 90,200	\$132,200 \$132,200
Boehringer Ingelheim GmbH	n/a	\$521,300 \$830,000
Brita GmbH	n/a	\$776,800 \$838,100
MAN Roland Druckmaschinen	\$1,16 million	
Volkswagen, AG	n/a	\$40,000
Daimler-Benz AG, changed to Daimler-Chrysler AG in 1998	n/a	\$20,000 \$100,000
Representative of German Industry and Trade	n/a	\$10,000 \$10,000
<i>Total registrations: 28 (3 at the Senate and House)</i>		
<i>Total expenditure:</i>	<i>18,648 million</i>	<i>10,772 million</i>
<i>1997-1998: : 29,420 million</i>		
Great Britain		
British Tourist Authority*	\$5,69 million \$3,93 million	\$5,12 million \$4,73 million
British American Tobacco Company, Ltd., (BAT), South America Branch	\$1,09 million	n/a
Cable&Wireless, Inc.*	n/a	n/a

Country/ Organization or Company registered	1997 1st semester 2nd semester	1st semester 2nd semester
London Insurance & Reinsurance Market Association	n/a	
British Broadcasting Corporation	n/a	n/a
Tower Management, Ltd.	\$225,000	n/a
Brunswick, Ltd.	\$80,000 \$66,100	n/a
Gibraltar Information Bureau*	\$77,500 \$77,500	\$155,000 \$155,000
Grand Metropolitan, PLC*	\$118,900	n/a
West of England Development Agency	n/a	n/a
Welsh Development Agency*	\$377,900 \$368,400	\$180,000 \$130,000
Inward Ltd.*	\$295,000 \$305,000	\$385,000 \$335,000
Furness Enterprise, Ltd.	\$18,400 \$18,900	n/a
AEA Technology	\$ 90,000 \$105,000	n/a
British Ministry of Defense	\$27,500 \$27,500	\$104,500 \$ 91,900
Vickers Shipbuilding & Engineering, Ltd.	\$24,000 \$28,000	n/a
International Underwriting Association of London	n/a	n/a
Underwriters at Lloyd's, London	n/a	n/a
Lloyd's of London*	n/a	n/a
Plaid Cymru	n/a	n/a
Government of the United Kingdom of Great Britain & Northern Ireland	\$91,900 \$68,400	\$111,800 \$ 34,600
Northern Development Company*	\$182,300 \$119,000	\$112,700 \$147,600
Tilda Rice	\$82,400 \$76,300	\$248,100
Trafford Park Development Corporation	\$52,100 \$54,300	\$59,600 \$78,400
International Group of P&I Clubs* (hired outside lobbyist)	\$131,300 \$166,200	\$ 97,000 \$130,000

Country/ Organization or Company registered	1997 1st semester 2nd semester	1st semester 2nd semester
British Aerospace, Inc.	\$84,400 \$57,600	n/a
Thomas De La Rue, PLC	n/a	n/a
British Trade Development Office	n/a	n/a
Devon & Cornwall Development Bureau	n/a	n/a
West Midlands Development Agency	\$75,600	n/a
Urenco, Ltd.*	\$785,800 \$679,800	\$1,16 million
Sandline International	\$18,300 \$ 9,100	\$62,700 \$51,200
Yorkshire & Humberside Development Association*	\$144,200 \$216,400	n/a
International Wool Secretariat	\$107,900	n/a
British Steel pLc	n/a	\$22,600
Tyne & Wear Development Co.	n/a	\$32,400
Loyd's	n/a	\$10,000
SmithKline Beecham	n/a	\$20,000
GEC-Marconi Defense Systems Limited	n/a	\$60,000 \$80,000
Virgin Atlantic Airways	n/a	\$160,000
Association of British Insurers	n/a	\$10,000 \$10,000
The London International Financial Futures & Options Exchange (LIFFE)	n/a	\$10,000 \$20,000
Martin-Baker Aircraft Company Limited	n/a	\$80,000
Total registrations: 43 (7 at the Senate and House)		
Total expenditure:	\$16,244 million	\$14,195 million
1997-1998: : 30,439 million		
Greece		
Greek National Tourist Organization	n/a	n/a
Union of Greek Shipowners	\$7,500	
Hellenic Marine Environment	n/a	n/a

Country/ Organization or Company registered	1997 1st semester 2nd semester	1st semester 2nd semester
Protection Association		
Hellenic-American Lines S.A.	n/a	\$30,000
<i>Total registrations: 3 (1 at the Senate and House)</i>		
<i>Total expenditure:</i>	<i>\$7,500</i>	<i>30,000</i>
<i>1997-1998: \$37,000</i>		
Ireland		
Irish Trade Board	\$1,07 million \$1,33 million	\$1,66 million \$1,59 million
Fianna Fail*	\$42,000	\$69,200 \$ 8,600
Fine Gael*	\$1,13 million \$502	n/a
Labour Party, Republic of Ireland*	n/a	n/a
Sinn Fein*	\$215,700 \$460,400	\$280,700 \$551,700
Irish Development Authority*	\$1,83 million \$1,93 million	\$1,66 million \$1,59 million
Irish Tourist Board*	\$4,57 million \$3,84 million	\$1,45 million \$1,34 million
Industrial Development Authority	\$320	
Shannon Free Airport Development Company, Ltd.	\$430,000 \$180,100	\$340,000 \$370,000
Aer Rianta	n/a	n/a
University College Dublin	n/a	\$20,000
<i>Total registrations: 11 (1 at the Senate and House)</i>		
<i>Total expenditure:</i>	<i>\$17,029 million</i>	<i>\$10,930 million</i>
<i>1997-1998: : 27,959 million</i>		
Italy		
Oto Melara	n/a	n/a
Trentino Tourist Board	\$18,300	n/a
Italian Government Tourist Board: Los Angeles	\$209,500 \$247,500	\$289,900
Italian Government Tourist Board: New York	\$568,800 \$549,500	\$495,200
Italian Government Tourist	\$148,400	\$156,100

Country/ Organization or Company registered	1997 1st semester 2nd semester	1st semester 2nd semester
Board: Chicago	\$315,700	\$342,600
Assicurazioni Generali, S.p.A	\$56,700	\$302,800 \$355,200
Telespazio S.P.A.	n/a	\$20,000
Funivia Alpe Cermis, S.P.A.	n/a	\$10,000
Total registrations: 8 (2 at the Senate and House)		
Total expenditure:	\$2,263 million	1,972 million
1997-1998: \$4,235 million		
Luxembourg		
Luxembourg Board of Economic Development	\$45,000 \$36,100	\$45,000 \$18,700
Total registrations: 1		
Total expenditure:	\$81,100	\$63,700
1997-1998: \$144,800		
The Netherlands		
Netherlands Board of Tourism		\$1,48 million \$1,28 million
Netherlands Foreign Investment Agency		\$763,200 \$457,300
Royal Netherlands Embassy		\$25,000 \$31,900
Rotterdam Port Management Company		n/a
General Ore International Corporation Limited	n/a	\$10,000
Total registrations: 5 (1 at the Senate and House)		
Total expenditure:	n/a	\$4,047 million
1997-1998: ~\$8,047 million		
Northern Ireland		
Ulster Unionist Council	\$10,000 \$8000	\$7,700 \$8,120
Industrial Development Board for Northern Ireland*	\$1,04 million \$1,35 million	\$1,18 million \$1,19 million
John Hume, MP & Social	n/a	n/a

Country/ Organization or Company registered	1997 1st semester 2nd semester	1st semester 2nd semester
Democratic Labour Party		
Social Democratic & Labour Party of Northern Ireland	n/a	n/a
Northern Ireland Women's Coalition	n/a	n/a
North of Ireland Free Trade Initiative (NIFTI)	n/a	\$10,000 \$10,000
Total registrations: 6 (1 at the Senate and House)		
Total expenditure:	\$2,408 million	\$2,406 million
1997-1998: \$4,814 million		
Portugal		
Government of Portugal, Embassy	\$79,100 \$25,000	\$37,500 \$25,000
Government of Portugal, Trade Commission	\$320,400 \$170,600	\$240,000 \$159,500
Portuguese National Tourist Office	\$14,500 \$15,200	n/a
Total registrations: 3		
Total expenditure:	\$624,800	\$462,000
1997-1998: \$1,087 million		
Scotland		
Scottish National Party	n/a	\$250 \$555
Locate in Scotland	\$1,14 million \$947,800	\$877,900 \$675,400
Scottish Trade International	\$298 \$52,300	n/a
Scottish Tourist Board	\$69,500 \$49,800	\$45,000 \$54,000
Scottish Enterprise*	\$912,000 \$775,000	\$1,23 million \$1,09 million
Total registrations: 5		
Total expenditure:	\$3,947 million	\$3,973 million
1997-1998: \$7,92 million		
Spain		
Center for Information and	\$30,200	\$27,400

Country/ Organization or Company registered	1997 1st semester 2nd semester	1st semester 2nd semester
Business Development, Generalitat of Catalonia	\$7,200	\$25,700
Spanish Ministry of Commerce in Puerto Rico*	\$120,700 \$66,100	\$192,800
Xunta de Galicia*	n/a	\$103,000 \$51,800
Empresa Nacional del Uranio, S.A.	n/a	n/a
Total registrations: 4		
Total expenditure:	\$224,200	\$400,700
1997-1998: \$624,900		
Sweden		
Argonaut, A.B.	\$1,800 \$5,600	
Swedish Travel & Tourist Council*	\$328,000 \$299,900	\$584,900 \$499,900
Swedish Broadcasting Corporation*	\$122,700 \$92,400	\$104,700 \$128,800
Most in Sweden Agency	\$33,100	\$20,000 \$20,000
Barseback Kraft AB	n/a	
Bofors Dynasafe AB	n/a	\$10,000
Total registrations: 6 (1 at the Senate and House)		
Total expenditure:	\$883,500	\$1,368 million
1997-1998: \$2,252 million		

Total registrations at the Justice Department: 150

Total registrations at the Senate Secretary and House Clerk: 22

Total expenditure 1997/1998: \$1,517 billion

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Interviews

Washington, DC

- March 26, 1999 Matt Keller, lobbyist for the non-profit citizen group Common Cause
- March 29, 1999 Willard Berry, Director of the European American Business Council (EABC)
- Lisa Schröter, US Director of the Transatlantic Business Dialogue (TABD)
- Jeffrey Werner, former lobbyist for the EABC, now Deputy US Director TABD
- March 30, 1999 Jaqueline Grapin, President of the European Institute
- Ella Krukoff, Communications Officer, Delegation of the European Commission
- John Richardson, Deputy Head, Delegation of the European Commission
- Tom Casey, Multilateral Affairs Officer, US State Department
- March 31, 1999 Mark Ward, Secretary of the Senate, Office of Public Disclosure
- April 1, 1999 Jonathan Miller, Special Trade Assistant, Delegation of the European Commission
- George Smaragdis, Public Affairs Specialist, FEC
- April 5, 1999 Hazel Ross-Robinson, lawyer representing the Caribbean Banana Exporters Association (CBEA)
- April 5 and May 17, 1999 Max Berry, trade lawyer specialized in representing European agricultural associations
- April 6, 1999 Terrence Straub, Vice President Governmental Affairs, USX Corporation
- April Burke, Principal, Lewis-Burke and Associates
- William Murphy, academic director for the Lobbying Institute at the American University
- April 7, 1999 Paul Hendrie, Communications Director, Center for Responsive Politics (CRP)

April 7, 1999 Senior Professional Staff Member & Counsel, Committee on International Relations, US House of Representatives

April 8, 1999 Peter Rashish, Executive Vice President of the European Institute

April 9, 1999 Mark Sandstrom, trade lawyer at Thompson Hine & Flory, representing European and US clients

Willy Hélin, Director of Press and Public Affairs, Delegation of the European Commission

Everett Eissenstat, Legislative Director for Arizona representative Jim Kolbe (Republican), involved in international trade questions

April 10, 1999 George Hamilton, lobbyist and trade advisor for Airbus

April 12, 1999 Staff Director and Counsel in the subcommittee on trade of the Committee on Ways and Means, US House of Representatives

Jessica Berk, PR consultant for European companies at Hill & Knowlton

Brussels

March 5, 1999 Julie Wolf, correspondent at the Wall Street Journal

March 11, 1999 Alene Jürges, Press & Marketing Officer, EU Committee of AmCham

March 15, 1999 Martin Spät, Communications Officer, EU Committee of AmCham

March 22, 1999 Reinhard Quick, TABD group manager for Global Issues, representing the German Association of Chemical Industry

March 23, 1999 Stephen Johnston, EU Director of the TABD

Chris Duffy, EU Deputy Director of the TABD

March 24, 1999 Ben Duffy, Director of Public Affairs, US mission to the EU

April 19, 1999 Darren Trigonoplos, Senior Consultant Hill & Knowlton, representing US clients in Brussels

April 22, 1999 David Burnett, Chief General Economic Policy Unit, US mission to the EU

Gary Jacobs, Information Assistant, Public Affairs Office, US mission to the EU

April 23, 1999 AmCham	Susan Danger, Communications Manager, EU Committee of
April 26, 1999 April 28, 1999	William Beddow, Caterpillar, Director Public Affairs, Europe Joseph Zak, Regional Director West Europe for the American Soybean Association
May 5, 1999	Christian De Fouloy, Director of Business Advisors Intelligence, just started cultural training center "The American Language Institute"
May 7, 1999	George Deeley, European Public Affairs Executive for IBM
May 10, 1999	Béatrice de Fürstenberg, Secretariat General of the European Commission
	Constance Kann, Managing Director of Edelman Consulting, represents Chiquita in Europe
May 11, 1999	Christian LeClerk, Director of the European Institute of Public Affairs (EIPAL)
	Kenneth Baker, Director Government Affairs, Monsanto Europe
May 12, 1999	Joseph Le Pochat, European Affairs Director for American Airlines
May 17, 1999	Commission official at the US desk at DG I, responsible for agriculture, the environment, and biotechnology.
	Richard Hill, lecturer at the European Institute for Public Affairs (EIPAL)
May 18, 1999	Elmar Brok (PPE), Member of the European Parliament, active in transatlantic relations
Geneva May 5, 1999	Legal advisor at the Delegation of the European Commission to the WTO
May 7, 1999	Joachim Wilbers, administrative director at the German Delegation to the WTO

Glossary

ACP	African-Caribbean-Pacific
AEA	American Electronics Association
AmCham	American Chamber of Commerce
BST	Bovine Somatotropin
CBEA	Caribbean Banana Exporters Association
CRP	Center for Responsive Politics
EABC	European American Business Council
EC	European Community
ECSC	European Coal and Steel Community
EP	European Parliament
EU	European Union
EIPAL	European Institute of Public Affairs and Lobbying
FARA	Foreign Agents Registration Act
FEC	Federal Election Commission
GATT	General Agreement on Tariffs and Trade
GM foods	Genetically modified foods
GMO's	Genetically modified organisms
MEP	Member of the European Parliament
MRA	Mutual Recognition Agreement
PAC	Political Action Committee
REP's	Directory on Washington Representatives
TABD	Transatlantic Business Dialogue
TACD	Transatlantic Consumer Dialogue
UK	United Kingdom
UNICE	Union of Industrial and Employers' Confederations of Europe
US	United States
USTR	United States Trade Representative
WTO	World Trade Organization

US energy giant Chevron, too, is lobbying for an investment chapter which goes beyond the current US model treaty. Having been sued several times by Canadian companies under NAFTA, the US has twice revised its template for international investment treaties to better protect its policy-space. Chevron wants a revival of some of these excessive.