

D.Boerse, NYSE ramp up lobbying amid EU concerns over merger

Thu Dec 15, 2011 1:21pm EST

* Exchanges target national regulators, press, EU lawmakers

* Four lobbying firms advising exchanges

* Antitrust experts: targeted lobbying can be effective

By [Foo Yun Chee](#) and [Ilona Wissenbach](#)

BRUSSELS, Dec 15 (Reuters) - Deutsche Boerse and NYSE Euronext have stepped up their lobbying with an advertising campaign to pressure EU regulators and secure approval for their \$9 billion merger.

In what some antitrust lawyers said was an unprecedented move for a competition case, the exchanges took out full-page adverts in seven newspapers in Britain, Germany, [France](#), the Netherlands, Belgium and Portugal on Tuesday, touting the merits of the deal for Europe's financial sector.

The advert, signed by 30 academics and top executives from companies such as French oil major Total and French reinsurer SCOR, appeared amid continuing EU regulatory concerns and criticism from rivals and some users over the deal.

The European Commission is concerned about the combined entity's more than 90 percent share of the exchange-based derivatives trading in Europe and whether new players would be able to enter the market after the merger.

The exchanges will need to be careful not to be too heavy-handed in their lobbying, said experts.

"When appropriately done, lobbying can be effective but too heavy lobbying can be counter-productive. To be effective, it has to be extremely focused, touch the right button and has the right message," said Bernard Amory, a partner at law firm Jones Day.

Microsoft, for example, which marshalled an army of lobbyists in its decade-long battle with the European Commission, was hit with total fines of 899 million euros (\$1.17 billion) -- a record at that time -- for breaching EU antitrust rules.

Nicolas Petit, a professor at the University of Liege Law School, said that lobbying had to be carefully targeted to be effective.

"In general, lobbying has little influence but in exceptionally important cases and where the lobbying is directly targeted at distinct teams within the competition directorate, it may have some influence and may create internal conflicts," Petit said.

"In one antitrust case for instance, rumour has it that the chief economist team did not support the theories advanced by the case team. The case was eventually dropped."

Playing to national interests could result in a favourable outcome, said Christopher Kummer, head of think tank the Institute of Mergers, Acquisitions and Alliances.

"I do believe that talking to the right political influencer's might make a difference which means taking it to a very high level," he said. "If I would want to get this deal done - very, very national senior support is needed."

The exchanges have chosen four top-notch lobbyists to make their case. Fipra, whose advisers are usually former government officials and industrial specialists, is tasked with winning support from national competition regulators for the deal.

G+ Europe, which has a blue-chip client list, and FTI Consulting deals with the press. A fourth firm, cabinet DN, lobbies EU lawmakers on securities regulation issues.