



Janusz Lewandowski

Member of the European Commission

Rue de la Loi 200

BE-1049 Brussels

Belgium

7 December 2010

Dear Commissioner,

The Research Directorate-General has prepared four simplification measures for the implementation of the EU research programmes, including a *broader acceptance of beneficiaries' methodologies for average personnel cost calculations*.

There is a broad consensus among the various stakeholders that the current regulations and guidelines governing the *Seventh Framework Programme for Research and Technological Development (FP7)* cause severe problems for many beneficiaries, not the least for companies. BUSINESSEUROPE therefore welcomed the Commission's Communication on simplification of the research framework programmes adopted this spring, and we appreciate that the Commission now is preparing to take concrete action following the European Parliament's and the Council's endorsement of the Communication.

As regards *average personnel cost calculations*, the standard methodology for calculating the personnel costs among companies is often based on average hourly rates *per cost centre*, and not per personnel category. This results in the Commission refusing the vast majority of methodologies for calculating average personnel costs. As the internal accounting systems and management practices of many beneficiaries are based on cost averaging methodologies that are otherwise widely accepted and often audited, they cannot be changed without disrupting the overall accounting logic of the beneficiaries. A broader acceptance of beneficiaries' methodologies for average personnel cost calculations is therefore a priority for European business.

In this context, failing to allow average personnel cost calculations based on cost centres would put the success of FP7 at risk, as it would obstruct the much needed participation of European business. BUSINESSEUROPE therefore encourages you to support such a simplification measure.

Yours sincerely,

Best regards,

Philippe de Buck