State of transatlantic relations in the aftermath of the US elections

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The Committee on Foreign Affairs adopted the own-initiative report drawn up by Francisco José MILLÁN MON (EPP-ED, ES) on the state of transatlantic relations in the aftermath of the US elections. The committee states that the inauguration of President Obama opens up a new era in the history of the United States.

Moreover, MEPs recall that many Europeans expect a cooperative attitude in the international field from the new US administration, in particular in the framework of a transatlantic partnership which must remain a cornerstone of the external action of the Union.

Bilateral institutional issues: congratulating Barack Obama on his election, MEPs recall his emphatic commitment to the transatlantic partnership made in his Berlin speech in July 2008. They reiterate their invitation to the new President to address the European Parliament in plenary during his first official visit to Europe. They also call on the Council, the EU Member States and the Commission to enhance the coordination and coherence of the EU´s policy vis-à-vis the new US administration. The Czech Presidency of the Council and the Commission is urged to establish with the new US administration a **common agenda** of short and long-term goals with regard to both bilateral matters and global and regional issues and conflicts.

Institutional level: MEPs consider that the transatlantic partnership agreement should be replaced by a new transatlantic partnership agreement based on a new institutional architecture. However, MEPs deem it appropriate for the negotiation of the new agreement to commence once the Lisbon Treaty comes into force. In this context, they recommend that the EU-US summits should take place **twice a year**, in order to provide the partnership with strategic direction and impetus. The new agreement should establish a body for systematic high-level consultation and coordination in respect of foreign and security policy (this body should be chaired by the High Representative/Vice-President of the Commission on the EU side and by the Secretary of State on the US side). It should also upgrade the current Transatlantic Legislators' Dialogue (TLD) into a parliamentary transatlantic assembly which should meet in plenary twice a year and be comprised on an equal basis of both MEPs and Members of both Houses of the US Congress. MEPs reiterate that a reciprocal legislative early-warning system should be created within this assembly with the aim of improving bilateral cooperation. MEPs invite the European Parliament and the US Congress to reflect on the possibility of setting up a **US Congress liaison office in Brussels** .

Support from civil society: the transatlantic partnership must be backed up by a deep understanding and closer ties between the parties' civil societies. MEPs insist on the need to increase exchanges among students, academics and other civil society. Back-up support for this initiative should be provided from the 2010 EU budget and from the relevant US institutions' budgets so as to ensure its effective development. Other initiatives include promoting the mutual benefits resulting from cultural exchanges and creating a closer cooperation in space programmes.

Global challenges: MEPs urge both partners to engage in **effective multilateralism**, within the United Nations and promote respect for human rights in the world as a key element of their policy. They call on the new US administration to ratify and accede to the Rome Statute of the International Criminal Court and to abolition the death penalty.

As regards the current **financial and economic crisis**, MEPs call on the new President to reform the international financial system, with the help of the World Bank and the IMF, involving the emerging powers. They welcome the strong commitment of the new US President to tackling climate change and urge the EU and the US to take the lead and to reach an ambitious post-2012 agreement at the Copenhagen Conference to be held in 2009. MEPs call for closer cooperation between the EU and the US in the field of energy and urge that efficient coordination of their approaches towards the producing countries and strengthening diversity in supply, resources and transportation be regarded as a priority.

MEPs have expressed the approach to be adopted as regards specific **regions in world**:

- **Middle East**: MEPs underline that a peaceful and just settlement of the Middle East conflict is vital. They ask the US administration to coordinate closely with the EU and engage in the Quartet. They also call on the transatlantic partners to support efforts for inter-Palestinian reconciliation and urge both partners to work closely together in order to help make the current fragile ceasefire in Gaza solid and durable.
- **Afghanistan, Pakistan, Iran, Iraq**: MEPs call on the EU and the US to develop a joint strategy towards **Pakistan**, aimed at strengthening its democratic institutions, the rule of law and its ability to fight terrorism. They welcome the nomination of Richard Holbrooke as a single special envoy for the Pakistan-Afghan region. Underlining that the Iranian nuclear programme endangers the non-proliferation system and stability in the region and the world, MEPs support the objective, pursued jointly by both partners, of finding a negotiated solution with **Iran**. They call on the transatlantic partners to define as soon as possible a common approach towards Iran, without waiting until the issue needs to be confronted as a matter of urgency. As regards **Iraq**, MEPs call on the partners to continue, by means of coordinated efforts, to work with the Iraqi government and the UN in order to improve stability and national reconciliation and to contribute to the unity and independence of Iraq.
- **Russia**: MEPs urge both parties to closely coordinate their policies towards Russia. They emphasise the importance of building up with Russia constructive cooperation on challenges, threats and opportunities of mutual concern, including security matters, disarmament and non-proliferation, while respecting democratic principles, human rights standards and international law. MEPs underline the need to enhance mutual trust between the transatlantic partners and Russia and to intensify the cooperation within the NATO-Russia Council. In addition, they call on the EU and US to develop a common strategy concerning the six eastern European countries (Moldova, Ukraine, Georgia, Armenia, Azerbaijan and Belarus).
- **Other regions in the world**: MEPs urge both partners to pay special attention to Latin America and to promote a common approach to other major geopolitical players such as China, India or Japan , as well as to the various crises and problems in sub-Saharan Africa.

Defence, arms control and security matters: MEPs call on both partners to adopt a **common strategy in all international fora**, in particular the UN, on disarmament of weapons of mass destruction and conventional weaponry. They urge the new US administration to re-engage with Russia in the area of arms control and disarmament, extending the two countries' current bilateral agreements. They also welcome the new US President’s commitment to ratify the Comprehensive Nuclear-Test-Ban Treaty as well as his decision to close the detention facility at Guantánamo Bay.

As regards the combat against terrorism: the importance of strengthening transatlantic cooperation in the fight against terrorism on the basis of full respect for international law and human rights is underlined. MEPs underline that the sharing of data and information is a valuable tool in the international fight against terrorism and transnational crime, but stresses that this must take place within a proper legal framework. They also consider that close EU-US cooperation in the area of justice and home affairs is also necessary in order to gradually build a transatlantic area of freedom, security and justice.

Economic and commercial issues: recalling that the gross domestic product (GDP) of the EU and the US represents more than half of the global GDP, MEPs urge the partners to use the full potential of the TEC in order to overcome the existing obstacles to economic integration and to achieve a **unified transatlantic market by 2015**. The request the European Commission, on the basis of the study authorised and financed by the European Parliament, to draw up a detailed road map of existing obstacles which need to be removed with the aim of meeting that target date.

Concerned about the new trade-inhibiting US stimulus Bill, MEPs insist on the absolute need for a mutual response to the current crisis rather than the adoption of measures to seal ourselves off from one another. They advocate gradually integrating the financial markets through mutual recognition combined with a degree of convergence of the current regulatory frameworks and through the establishment of occasional exemptions whenever possible. MEPs call on the EU and the US authorities to avoid setting up barriers to inward investment and enacting legislation having an extraterritorial impact without prior consultation and agreement.

MEPs favour improving the integration of EU and US markets (in particular the **financial services market**) and advocate the adoption of regulations that guarantee competition, ensure increased transparency and effective supervision of products, financial institutions and markets, and create common risk management models, in line with agreements reached at the G20 Summit in November 2008. They call for greater cooperation between the supervisory bodies in supervising the activities of cross-border financial institutions and preventing action by financial institutions domiciled in jurisdictions that are uncooperative and less than transparent. They also call for the abolition of **tax havens**.

Monitoring of cargo: MEPs call on the new Congress to modify the US regulation so as to provide for the scanning of 100% of inbound cargo. They note that secure trade is particularly important in an ever more integrated global economy, but consider that this blunt measure represents a potential new trade barrier, imposing significant costs on economic operators, which will not bring any benefit in terms of supply chain security.

On the other hand, MEPs believe that the Transatlantic Economic Council (TEC) could usefully organise seminars on the 100% scanning issue in order to foster a deeper understanding between EU and US legislators.

Cap and trade emissions system: lastly, MEPs recommend that the next TEC meeting should discuss whether it would be helpful to integrate more technical topics into the scope of the TEC and whether greater cooperation between the EU and the US is essential in order to achieve a workable cap-and-trade emission system. They recommend that existing common international benchmarks for energy-intensive industries should be developed or integrated into the TEC process.