

euinsight

The EU & New Jersey

Common Interests, Strong Transatlantic Relationship

New Jersey and the European Union share important common roots. The state's name comes from the Isle of Jersey in the English Channel. New Jersey's early settlers—as is the case in much of the United States—hail largely from the countries constituting today's 27 member EU. The Dutch, Swedes, Finns, and British were among the first wave of Europeans to settle in New Jersey, followed by immigrants at the turn of the century including Germans, Irish, Italians, Eastern Europeans, and Portuguese.

An estimated 72,000 Portuguese-Americans live in New Jersey, concentrated largely in Newark where they have created organizations that preserve and celebrate their culture, language, and homeland. New Jersey's 8.7 million population today includes more than 19 percent who are foreign-born.

New Jersey is at the heart of America's emerging East Coast megalopolis that stretches from Boston past Washington, DC. The state boasts the second highest median household income among the 50 U.S. states and ranks 11th in population. New Jersey depends on world markets and benefits substantially from having sizeable merchandise exports—\$27 billion in 2006—the 9th largest in the country—along with the 7th highest number of foreign-controlled companies employing its citizens.

The European Union is not only New Jersey's largest export market, but also the main source for foreign investment dollars flowing into the state. The EU accounts for over \$28 billion annually in export and investment dollars earned by New Jersey, supporting more than 300,000 jobs overall within the state.

EU-U.S. Accords Aid Trade Security and Travel

Container Security. In 2004, the EU and the United States agreed to extend the EU-U.S. Customs Agreement to include

EU FACTS

- **New Jersey Exports to the EU.** Increased by 22 percent in 2006 to over \$8.3 billion—equal to almost five times New Jersey's sales to Japan, more than ten times the state's exports to China, and 40 times greater than all of the goods and services New Jersey sold to India.
- **Employment.** 138,000 people are employed by European-owned companies.
- **European Investment in New Jersey.** \$25 billion in FDI from Europe in 2004, representing 74 percent of total FDI in the state.

trade security cooperation. The aim is to improve cargo security on a reciprocal basis for both the EU and the U.S., while ensuring that legitimate transatlantic trade is not hindered by the increased security arrangements and that control standards are equal for EU and U.S. operators. EU and U.S. working groups continue working to upgrade and enhance the technical details of these transatlantic trade security measures, which are clearly a boon for New Jersey, given its focus on international trade.

New Jersey is doing its part. The state is situated on one of the largest shipping ports in the country—New York Harbor, which falls under the jurisdiction of the the Port Authority of New York/New Jersey. The Port Authority has implemented a universal identification system—SEALINK—for all container truck drivers that will enhance port security while also expediting cargo processing and transportation.

Aviation—Open Skies. The 2007 first ever EU—U.S. aviation agreement will allow any European or U.S. airline to fly any route between any city in the EU and any city in the United States, an accomplishment that will increase competition and benefit consumers on both sides of the Atlantic. The Agreement is predicted to bring billions of euros in economic benefits, millions of additional passengers, and as many as

80,000 new jobs over a five year period. As a major airline hub, particularly for trans-Atlantic flights, Newark stands to benefit greatly from the EU-U.S. agreement on “Open Skies.”

The EU ultimately seeks a transnational Open Aviation Area—a single air transportation market where investment flows freely and European and U.S. airlines provide air services without restriction, including access for each other to the domestic markets of the other. Second-stage negotiations are set to begin by summer 2008.

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“The agreement brings the two leading aviation markets in the world closer together....Transatlantic air traffic is thus based on a modern and reliable set of regulations....in this pro-growth, pro-competitive, pro-consumer agreement.”

U.S. Secretary of State
Condoleezza Rice

“...the EU-U.S. aviation agreement lays solid foundations for a revolution in the international aviation industry....and is the most ambitious air services deal ever negotiated encompassing 60 percent of world traffic.”

EU Transport Commissioner
Jacques Barrot

The EU & New Jersey: Common Interests

Leading on Climate Change

Like California on the West Coast, New Jersey is a leader on the issue of climate change. The state has taken on a leadership role in the Regional Greenhouse Gas Initiative, a multi-state cooperative effort to implement a regional mandatory cap-and-trade emissions program for power plants in the Northeast and Mid-Atlantic.

A new law in 2007 set ambitious goals for reducing emissions of greenhouse gases from power plants, refineries, motor vehicles, and other sources that contribute to global warming. The bill also establishes a statewide greenhouse gas monitoring program that will include pollution emitted by out-of-state power plants that export electricity to New Jersey. Under the leadership of Governor Jon Corzine, New Jersey is engaged in a long-range planning exercise to map out the state's energy needs through the year 2020.

The EU is moving forward aggressively in its own programs to fight climate change, setting a goal to reduce

greenhouse gas emissions by 20 percent below 1990 levels by 2020, and offering to reduce by 30 percent in the context of an international agreement including all industrialized nations. EU emissions for all 27 Member States in 2005 were 11 percent lower than the 1990 level; for the 15 countries in the EU when the Kyoto Protocol was signed, emissions were down 1.9 percent, despite rising GDP over the same period.

At the UN High-Level Meeting on Climate Change in September 2007, European Commission President José Manuel Barroso reiterated the EU's commitment: "The challenge of climate change can be met. But only if we act urgently, based on one shared vision for mankind. A vision of transformation from a high carbon present to a low carbon future. This in turn means—and my friends, there are no easy choices here—to set binding reduction commitments to reduce our greenhouse gas emissions.

"The EU remains firmly committed to, and will meet, its Kyoto targets. But we now need to look beyond 2012.... [To] strengthen our emissions trading scheme. To increase energy efficiency in all sectors of the European economy. To make wider use of renewable energy. To attain a low carbon economy that is at the same time efficient and

innovative....a stimulus to our mutual prosperity, not a brake on growth.

"Our ultimate success will depend on developing the carbon market. And that relies on one more X factor. Leadership. Ambitious leadership."

Working to Abolish the Death Penalty

The European Union is encouraged by recent moves to abolish capital punishment in New Jersey. The EU welcomed the state's 2006 moratorium on the death penalty and the subsequent recommendation of the New Jersey Death Penalty Study Commission to abolish capital punishment in favor of a life prison term without parole.

Underscoring the high monetary cost of capital punishment, the Study Commission also recommended that any cost savings realized from death penalty abolition be used for benefits and services for survivors of homicide victims. If the state legislature enacts the Study Commission's findings into law, New Jersey will become the 13th U.S. state to reject capital punishment.

The EU opposes the death penalty in all cases, without exception, and works for its universal abolition in all countries still practicing capital punishment, including the United States.



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Saluting New Jersey's Portuguese-American Community

New Jersey has a special EU connection through its Portuguese-American population, which began to grow with immigration around the beginning of the 20th century.

Many settled in the Newark area, where they created organizations to preserve the culture and language of their homeland. Over 70,000 Portuguese-Americans live in New Jersey, and other population concentrations are found throughout the northeastern U.S.

The U.S. Congress recognizes this vital community through the Portuguese-American Caucus on the House side and the Friends of Portugal in the Senate.

The Presidency of the European Union (which rotates among the Member States) is occupied in the second half of 2007 by Portugal, and the current President of the European Commission, José Manuel Barroso, is a former Prime Minister of Portugal.

For more information: www.eurunion.org/euinsight