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2008 Year In Review: EU-U.S. Relations

Dear Mr. President: A Letter from European Commission President José Manuel Barroso to the Next President of the United States

On September 24, 2008, European Commission President José Manuel Barroso called for an “Atlantic Agenda for Globalization,” and urged the incoming U.S. Administration to develop a more outward-looking and engaged transatlantic partnership. Key excerpts follow.

On Globalization. Globalization has lifted hundreds of millions of people out of poverty and encouraged business to invest and expand abroad.

But the risks are real and significant. Globalization increases competition and ruthlessly exposes weaknesses and poor commercial decisions.

On both sides of the Atlantic, we must maintain open and dynamic financial markets to ensure the reliability of the overall economic system and to drive growth and jobs. We need clear and effective rules to ensure transparency and confidence in the market.

Turmoil in closely linked financial markets can undermine our economic progress; global pandemics can spread faster; terrorists can more easily co-ordinate and carry out attacks on our homelands; a lack of secure and sustainable energy could push us into a worldwide recession; and climate change, beyond its environmental consequences, could have serious geopolitical and social repercussions.

These challenges have no respect for national frontiers. America and Europe have no choice but to face them together.

On the Emergence of New Powers. We must welcome the emergence of other nations who are now ready to take on global responsibilities, and we must work with them to ensure that stability, freedom, democracy, and justice prevail as cornerstones of international relations.

On Transatlantic Engagement with the World. First, we need to strengthen the transatlantic economy.

We can thrive in a global economy provided we maintain our productivity and our ability to innovate. This means promoting trade and investment between our economies even further, which is why [we] created the Transatlantic Economic Council last year, in a bid to eliminate remaining non-tariff barriers.

We must also make the transatlantic relationship more outward looking. We need a renewed politics of global engagement, particularly with international institutions. Indeed, we will need to reform these institutions and maybe even create new ones to address effectively the great challenges of our times.

On A New Multilateralism. We have to make room at the top table for others, because that is the only way we can consolidate and strengthen a stable, multilateral world, governed by internationally-agreed rules.

The strategic effect of our partnership, so positive in the past, will start to evaporate unless we succeed in complementing it with a new politics of global engagement that reaches out to the world in search of new partnerships and effective multilateral strategies.

On Peace and Security. Many of the challenges of globalization have security implications. Seven years after 9/11, we must recognize that the world has not become a much safer place. Terrorism is down, not out. Added to the threat of radical Islamism is that of authoritarian state capitalism, which is increasingly assertive.

Against this backdrop, it is essential that we—on both sides of the Atlantic—continue to work together closely, that we stay the course.

On the Atlantic Agenda for Globalization. While many files will be waiting for you in your in-tray when you arrive in the Oval Office, the one marked ‘Relations with the European Union’ deserves to be kept close at hand.

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“There is the possibility ... of developing the sort of constructive linkages that were beloved of Henry Kissinger, and of turning a series of separate and insoluble problems, into a chain of interlinked opportunities. Problems that could not be solved separately can be solved together. Now is the time for the European Union and the United States to join together to make that case to the rest of the world.”

—Ambassador John Bruton,
Head of Delegation,
European Commission Delegation
to the United States

It is a relationship that has achieved great things in the past. But set on the road of modernization and engagement with the wider world, it has the potential to achieve even greater things in the future.

The time has come to start thinking of an Atlantic Agenda for Globalization. We have the transatlantic marketplace, NATO, the Transatlantic Economic Council, and other instruments that we should continue to leverage for maximum mutual benefit. But we should move beyond this and set an agenda of common action for a new multilateralism that can benefit the whole world. From climate change to trade, from development to terrorism, these are the challenges that require Europeans and Americans to agree on a new multilateral agenda.

The full text of President Barroso’s speech can be found online at www.eurunion.org.

EU-U.S. Year in Review—2008 Highlights

In 2008, the EU and the U.S. further liberalized transatlantic civil aviation, cooperated on clean energy and the environment, and continued regular and fruitful dialogues on reducing regulatory burdens, containing the financial crisis, and promoting secure and equitable trade.

Aviation

- **March:** The EU-U.S. Air Transport Agreement (“Open Skies”) ushers in unprecedented liberalization in the EU-U.S. airline market, which accounts for 60 percent of global civil aviation traffic, by removing restrictions on routes, prices, and the number of flights.
- **March:** The European Commission and the U.S. Department of Transportation launch joint research to explore the robust growth of airline alliances, their effect on airline competition, and possible changes in the role of alliances following the EU-U.S. Air Transport Agreement.
- **May:** Talks begin on the second phase of the “Open Skies” agreement, to further liberalize traffic rights, lessen restriction on foreign ownership of airlines, give reciprocal access to domestic markets, and promote further convergence in the regulation of the industry.
- **June:** The EU and the U.S. agree to harmonize safety systems and streamline technical and administrative procedures for the

mutual recognition of aviation safety certificates, resulting in improved safety levels and reduced costs.

Crisis Management

- **March:** Building on an existing dialogue in crisis management, the EU and the U.S. develop a plan to increase cooperation in crisis management and conflict prevention.
- **October:** The U.S. agrees to participate in the EU Rule of Law Mission in Kosovo (EULEX Kosovo), supporting local authorities in their efforts to build up a sustainable and functional rule of law system.

Economic And Financial

- **May:** The EU and the U.S. issue the first-ever joint statement supporting an open global investment climate, and commit to open investment policies at home and abroad.
- **October:** European Commission President José Manuel Barroso, French President Nicolas Sarkozy, and U.S. President George W. Bush meet at Camp David and agree to launch a series of summits to address the global financial crisis.
- **November:** During the G20 summit on the international financial crisis, the U.S. and EU agree to take whatever further actions are necessary to stabilize the financial system, including fiscal measures to stimulate domestic demand and reforms to strengthen financial markets and regulatory regimes.

Environment

- **March:** The EU and U.S. affirmed their commitment to developing a post-2012 agreement by 2009 on climate change under the UN Framework Convention on Climate Change.

EU-U.S. Summit

- **June:** Discussions revolve around Kosovo, the Middle East peace initiative, development of a comprehensive, binding post-2012 global agreement on tackling climate change, and the promotion of energy efficiency and security through diversifying supply and developing new sustainable forms of energy.

Regulatory

- **April:** The High-Level Regulatory Cooperation Forum, launched in 2005 to allow senior regulators to prevent unnecessary divergences in EU and U.S. regulatory practices, meets to compare experience and identify best practices.

- **May:** The second meeting of the Transatlantic Economic Council, designed to facilitate trade and advance economic integration between the U.S. and the EU, shows steady progress in building a more convergent transatlantic regulatory environment. Priority areas include accounting standards, securities regulation, and product safety.

Science and Technology

- **September:** The EU-U.S. Match network launches, encouraging the transfer of innovative ideas and technologies and fostering links between American companies and research institutes and their EU counterparts.
- **October:** The EU and the U.S. agree to increase cooperation in renewable energy research through better information-sharing, joint workshops, and collaboration on existing and future research projects.
- **October:** The EU and the U.S. National Institutes of Health (NIH) launch a new collaboration on health research. NIH clarifies its policies for global collaboration, and the European Commission (EC) publishes a new request for proposals on health within its 7th Framework Program. Researchers in U.S. institutions are now eligible to participate in EC-supported research projects and to receive EC funding if they are part of a consortium that includes EU researchers.

Trade and Security

- **February:** Operation Infrastructure, the first EU-U.S. intellectual property rights enforcement operation, results in the seizure of over 360,000 counterfeit integrated circuits bearing more than 40 different trademarks.
- **March:** The EC and U.S. Customs and Border Protection adopt a Roadmap toward Mutual Recognition, which should lead to the mutual recognition of standards set by the U.S. Customs-Trade Partnership against Terrorism and the EU’s Authorized Economic Operator programs.

Visa Waiver Program

- **October:** The EU welcomes the U.S. announcement that citizens of Estonia, Latvia, Lithuania, the Czech Republic, Slovakia, and Hungary no longer require a visa to visit the U.S. Twenty-one of 27 EU Member States now participate in the VWP, but the EU continues to press for the VWP to be extended to all EU countries.



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Anthony Smallwood
Spokesperson & Head of
Press and Public Diplomacy
Editor-in-Chief

Stacy Hope
Editor

Melinda Stevenson
Writer & Assistant Editor

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2300 M Street, NW
Washington, DC 20037
202.862.9500

www.eurunion.org
email: delegation-usa-info@ec.europa.eu

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For more information: www.eurunion.org/euinsight