

Shoulder to Shoulder: Forging a Strategic U.S.-EU Partnership

Executive Summary

- The world that created the transatlantic partnership is fading fast. The United States and Europe must urgently reposition and recast their relationship as a more effective and strategic partnership. It is a moment of opportunity -- to use or to lose.
- With the Cold War over and new powers rising, some say the transatlantic partnership has had its day. We disagree. Our achievements may not always match our aspirations, but the common body of accumulated principles, norms, rules and procedures we have built and accumulated together -- in essence, an *acquis Atlantique* -- affirms basic expectations we have for ourselves and for each other.
- In this new world of global connections, the transatlantic relationship is the thickest weave in the web. The deep integration of our democratic societies and economies is unparalleled and transcends neat “foreign” and “domestic” distinctions. We are literally in each other’s business.
- North America’s relationship with Europe enables each of us to achieve goals together that neither can alone -- for ourselves and for the world. When we agree, we are usually the core of any effective global coalition. When we disagree, no global coalition is likely to be very effective.
- The transatlantic partnership, while indispensable, is also insufficient. Only by banding together with others are we likely to advance our values, protect our interests, and extend our influence.
- Our partnership remains as vital as in the past. But now we must focus on a new agenda. Together, Europe and America must
 - surmount immediate economic challenges while positioning their economies for the future;
 - build transatlantic resilience -- protect our societies, not just our territory;
 - continue work toward a Europe whole, free, and at peace;
 - address conflicts more effectively;
 - redouble efforts to halt proliferation of agents of mass destruction;
 - reinvigorate efforts to preserve a habitable planet.
- Unfortunately, there is a growing mismatch between the nature of our challenges, the capacity of our institutions, and the tools at our disposal.
- Strong bilateral relations between the U.S. and European countries are still essential. NATO remains vital to our security. We offer views on NATO’s future in a companion volume, *Alliance Reborn*. But we must also recast and reposition the U.S.-EU relationship. That is the subject of this report.
- The U.S.-EU relationship is important but not strategic. Such a partnership is possible, but it is not the partnership we have today. Given the challenges we face, such a partnership is urgent. It will require a new type of politics, not simply new kinds of process. Our central challenge is to mobilize political leadership behind a set of ambitious goals, tied to pragmatic steps forward.

Ten Initiatives

- **Adopt a Transatlantic Solidarity Pledge, anchoring transatlantic resilience strategies in a common space of justice, freedom, and security.** Together, Europeans and Americans must supplement their traditional focus on territorial security against armed attack with an additional focus on the security of critical functions of society -- from whatever source. At the 2010 U.S.-EU Summit the transatlantic partners should issue a joint political declaration that they shall act in a spirit of solidarity -- refusing to remain passive -- if either is the object of a terrorist attack or the victim of a natural or man-made disaster, and that they shall mobilize all instruments at their disposal to:
 - prevent terrorist threats to either partner;
 - protect democratic institutions and civilian populations from terrorist attack;
 - assist the other, in its territory, at the request of its political authorities, in the event of a terrorist attack, natural or man-made disaster.

- Advance a transatlantic Safer Societies initiative to this end -- a multidimensional strategy of societal resilience that goes beyond traditional tools to advance new forms of diplomatic, intelligence, counterterrorism, financial, economic, and law enforcement cooperation. Balance “pursue and protect” strategies with greater attention to prevention and response.
- Establish solid coordination between U.S. and EU operation centers.
- Negotiate an internationally binding agreement on data protection.
- Establish U.S.-EU guidelines on the detention and treatment of terrorists whose acts cross international borders, with a view to drafting a model legal convention on combating terrorism.
- Work cooperatively to ensure the earliest possible closure of the Guantánamo detention facility and Bagram prison.
- Improve U.S.-EU cooperation in justice and law enforcement:
 - Establish a transatlantic arrest warrant.
 - Establish joint investigation teams, including Europol and Eurojust.
 - Cooperate in new areas of criminal investigation, including cybercrime, trafficking in humans and drugs, and arms smuggling.
 - Reach out together to third states to enhance greater cooperation in law enforcement.
 - Include transatlantic cooperation in EU discussions of the external dimension of internal security.
 - Provide a legal and organizational basis for U.S. cooperation with Europol.
- Improve U.S. cooperation with FRONTEX, the new EU border protection agency.
- Establish a system of enhanced mobility for our citizens, while also providing a secure environment for those who travel:
 - Expand the Visa Waiver Program.
 - Encourage a European version of the U.S. ESTA
 - Adopt a Transatlantic Registered Travelers System
- Develop a U.S.-EU Critical Vulnerabilities Security Action Plan.
- Collaborate on security-related research.
- Launch a public-private Global Movement Management Initiative (GMMI) as an innovative governance framework to align security and resilience with commercial imperatives in global movement systems, including shipping, air transport, and even the internet.
 - Develop a common standard for port security to replace individual national efforts geared to 100% scanning and based on differing concepts and approaches.
- Focus on prevention. The EU’s new Stockholm Program places strong emphasis on prevention, opening doors for transatlantic cooperation on upstream security issues related to risk analysis, research, threat assessments, and disaster mitigation work.
- Develop a common approach to “forward resilience” -- share societal resilience strategies with allies and partners. Identify – very publicly -- our own resiliency with that of others.

2. Build a barrier-free Transatlantic Marketplace. Coordinate strategies to reduce remaining tariff barriers, overcome regulatory obstacles, remove investment restrictions, and align future standards in ways that create jobs and promote mutual and sustainable prosperity while protecting health and safety.

- Announce a joint commitment to work towards a “tariff only” Free Trade Agreement, eliminating all duties on traded industrial and agricultural products, as an important intermediate goal.
- Once such a deal is negotiated, invite others to join in certain sectors or in the overall arrangement.
- Negotiate to reduce barriers in services -- the sleeping giant of the transatlantic economy.
- Open our skies. The impact of this one single sectoral agreement could give an economic boost to the U.S. and EU economies equivalent to the entire Doha Round.
- Boost bilateral regulatory cooperation. Adopt a goal to eliminate unnecessary regulatory differences by 2020. Identify “essentially equivalent” regulations for mutual recognition. Promote “upstream” regulatory cooperation for new technologies.

- Address barriers to more sustainable consumption patterns.
- Create a more efficient transatlantic financial market. Develop financial sector rules with similar “essentially equivalent” approaches to risk assessment and regulation. Prepare a detailed work program on transatlantic financial market integration. Use transatlantic cooperation to drive international cooperation.

3. Reform global economic governance.

- Strengthen global financial regulation.
- Create an informal “G2” to compare and coordinate approaches to global economic governance.
- Consider a more focused and effective G20.
- Establish task forces to lead reform of the World Bank and the IMF.
- Work for fundamental governance changes in multilateral institutions.
- Consolidate European representation at the IMF. Abolish the U.S. veto.
- End the U.S./European leadership duopoly of the World Bank and IMF.
- Head off the looming collision between climate policy and trade. Work with G20 partners to develop a “Green Code” of multilateral trade disciplines. Consider new trade negotiations to address potential commercial and climate trade-offs.
- Better coordinate approaches to the major emerging economies, especially India and China. Explore a joint trade agreement with India, rather than negotiate rival accords.

4. Forge a partnership for energy sustainability.

- Work together to develop the standards needed to support an international climate agreement, including a common metric for counting emissions reductions.
- Integrate the EU emissions trading scheme (ETS) with U.S. regional carbon trading schemes.
- Advance “minilateral” initiatives to engage China and Russia in efforts to combat climate change.
- Boost innovation with a U.S.-EU Clean Energy Bank and Transatlantic Energy Innovation Fund.
- Encourage energy efficiency; develop smart grid and carbon capture and storage technologies.
- Facilitate IEA membership for major energy consumers such as China and India.
- Enhance transparency and competition in energy markets and cross-border investments.
- The European Commission should enforce its own competition and antitrust rules. Companies such as Transneft and Gazprom should be held to the same anti-monopoly standards as Microsoft and Intel.
- The EU must develop a common energy policy and market.
- Work with Azerbaijan and Kazakhstan to secure a reliable supply of gas for the Nabucco pipeline. Encourage Turkey and Azerbaijan to reach appropriate agreements regarding gas transit.
- Be more active in preventing politically motivated disruptions in energy flows.
- Promote government, research, and business interaction through integrated approaches such as the “One Big Thing” and the Transatlantic Climate Bridge.

5. Complete a Europe, whole, free and at peace.

- Deliver a clear message to transition countries: closer association with the West begins at home.
- Remain strongly engaged with the Balkan countries, using good governance and economic development to facilitate integration not into EU and Euro-Atlantic institutions.
- Develop transatlantic complements to the EU’s Eastern Partnership and Black Sea Synergy, while also giving those initiatives greater content.
- Consider U.S.-EU “Atlantic Accords” for countries in wider Europe to provide political reassurance and substance to a joint commitment to create conditions drawing them closer.
- Consider a U.S. Black Sea Charter, similar to the U.S.-Baltic Charter or Adriatic Charter; and a Stability Pact for the Wider Black Sea Region.
- Encourage smaller groups of Western countries to ‘mentor’ regional partners.

- Actively address wider Europe's festering conflicts.
- Boost democracy support via institutions/processes, not individual leaders.
- Advance a dual track approach to Moscow based on engagement and resolve. The first track should set forth the potential benefits of more productive relations. The second track should make it clear that these relations cannot be based on intimidation or outdated notions of spheres of influence but rather on respect for international law, the UN Charter and the Helsinki principles.

6. Address conflicts more effectively.

- NATO is and should remain the primary transatlantic mechanism when North Americans and Europeans decide to use military force to address security challenges together. Should North Americans or Europeans choose to act on their own, each should have the capacity to do so.
- The U.S. and EU should also be able to act jointly, or in complementary ways in situations that require rapid civilian deployments, either to prevent a crisis escalating into a conflict or to respond in a post-conflict situation. And where Europeans and American act together in situations that require both civilian and military capabilities, a trilateral arrangement in which EU and U.S. civilian assets complement NATO's military efforts may make sense. But these two situations are not yet reality.
- Continued U.S. scepticism of the utility of U.S.-EU security collaboration can only be overcome by improving EU capacity and effectiveness. Unless the EU can offer support in the areas that the U.S. cares about or can spend money and send experts in greater numbers to the world's hotspots, working with the EU is unlikely to be a priority for the Obama administration in its own right. The situation in Pakistan and Afghanistan is likely to remain a U.S. national security priority for the next decade. Greater European commitment there will be crucial to advance broader U.S.-EU cooperation.
- Improving coordination between civilian forces is an area of great promise and great need. The priority focus should be on successful conduct of operations and development of capacity.
 - The U.S. and EU should establish a standing common task force on civilian crisis management and eventually a joint planning center.
 - Once joint civilian planning is well established, the U.S., EU, and NATO should create a "Transatlantic Fusion Center" to bring together planning for civil-military missions.
- Develop a joint focus on conflict prevention.
 - Share intelligence-based "watch lists" of countries-at-risk.
 - Work to develop civilian capacities in third states and in relevant multilateral organizations.
 - Focus on a few key countries, including Somalia and Yemen.
- Develop a common framework, including doctrine and training, for civilian/military state-building missions. To date, U.S.-EU cooperation has relied on ad hoc coordination. It is past time to develop shared doctrine to provide a framework for cooperation, establish agreed objectives, and provide more standardized structures and procedures.
 - Reinforce this shared doctrine by establishing a U.S.-EU school for conflict prevention, management, and post-conflict stabilization.
- The U.S. and NATO should facilitate having European constabulary forces participate in the post-combat phase of multinational military operations. The U.S. should develop a similar capacity.
- Support a truly strategic partnership between NATO and the EU, including capabilities to enable rapid coordinated response to crisis; joint planning of operations; and a joint operations command.

7. Redouble efforts to halt the proliferation of weapons of mass destruction.

- Biosecurity is a unique challenge that requires its own set of responses, not approaches grafted from the nuclear world.
 - Advance a bold initiative in bio-resilience through improved global biosurveillance capabilities; better early warning and detection systems; robust information-sharing, investigative and preparedness mechanisms; harmonized standards; and medical countermeasures and stockpiles.

- Our ultimate goal should be to remove bioagents from the commonly accepted definition of “weapons of mass destruction.”
- Continue efforts to stop Iranian nuclear proliferation.
- Strengthen the International Atomic Energy Agency (IAEA).
 - Provide enhanced resources and other support.
 - Establish an international nuclear fuel cycle bank supervised by the IAEA.
 - Assist third countries in complying with IAEA requirements.
- Develop a joint approach to the 2010 NPT review conference that will address major concerns of non-nuclear countries.
- Work to secure the adoption of multilateral arms control agreements.

8. Improve the effectiveness of development policies and humanitarian assistance.

Development policies

- Focus on food security and agricultural development. Advance country-led action, broadening from an initial Africa focus to Latin America, developing Asia, and other regions. The U.S. and EU should significantly reduce their own domestic agricultural and biofuel subsidies.
- Support regional integration in Africa.
- Complement in-country efforts with stronger policy dialogue, coordination and consistency.
- Promote partnerships with key private and public-private institutions that are frequently more efficient, better funded and more focused than governments.
- Increase multilateral aid.
- Work on aid effectiveness.
- Focus. Diversification has brought a lack of a clear strategy in tackling poverty and an inability to determine the core competencies of the different multilateral institutions and donors. Reduce the areas of work in which the U.S. and the EU, as well as the multilateral institutions, are active.
- Choose target countries more selectively. Development assistance should largely focus on low-income countries. For middle-income countries other means of support -- such as the direct promotion of trade and investment, or funds for social and territorial cohesion -- can prove more effective.

Humanitarian assistance

- Strengthen enabling conditions for cooperation between U.S.- EU and with other humanitarian actors.
- Address the challenge of linking relief, rehabilitation, and development.
- Maximize business contributions to humanitarian assistance, while minimizing their risks.
- Address normative problems of civil-military interaction and improve operational approaches.
- Continue to strengthen humanitarian mechanisms, while engaging non-Western donors.
- Energize growing donor interest in extending the definition of humanitarian action.
- Strengthen operational security for humanitarian response.

9. Forge an open and competitive transatlantic defense market. Complex and interrelated market access barriers serve as a drag on transatlantic defense markets. Yet transatlantic defense markets are in transition to more competitive markets and “better value” buying habits. Given economic realities and common challenges, the U.S. and EU share an interest in more open and competitive defense markets.

- Focus U.S.-EU cooperation on low-intensity capabilities.
- Boost armaments cooperation to support coalition operations and transatlantic market development.
- The U.S. should review ITAR; adopt needed defense export control reforms; consider merging export control and national disclosure regimes; and accept the EU’s emerging role as regulator and buyer.
- The EU should avoid the development of a European Procurement Preference in the implementation of its new Defense Procurement Directive.
- Create a Transatlantic Defense Industrial Dialogue to catalyze change.

10. Explore an Atlantic Basin Initiative. Globalization is not confined to one region of the world. For all the talk of the Pacific, the Atlantic Basin is a central arena of globalization. More trade and investment flow across the Atlantic than any other part of the world. The well-being of people across this vast region is increasingly influenced by interrelated flows of people, money and weapons, goods and services, energy and technology, toxins and terror, drugs and disease. Issues that are particular to the nations of the Atlantic Basin deserve concerted attention. This new dynamic should prompt leaders to erase the line between the North and South Atlantic, considering ways to work more effectively together.

- Explore this initiative initially in a modest way through creation of an Eminent Persons Group. Encourage foundations and policy-oriented research institutes to examine the notion and its possibilities.

Conclusion: Harness Process to Purpose. A strategic U.S.-EU partnership is urgent and calls for a new politics, not just a new process. But there are implications for process.

- No relationship is as complete as that among the U.S., the EU and its member states. The ties that bind are a web of networks across the full range of our endeavor. The more united, integrated, interconnected and dynamic these bonds, the greater the likelihood that rising powers will rise within the international rules-based order. The looser or weaker those bonds, the greater the likelihood that rising powers will challenge that order.
- The key to greater U.S.-EU effectiveness lies in encouraging and orchestrating our networks, rather than seeking new formalistic structures to direct and control. Yet networks alone are insufficient. They also must have access to senior political leadership.
- U.S.-EU mechanisms urgently need updating and upgrading. Cannibalize the current framework, the New Transatlantic Agenda of 1995, taking what works and leaving the rest.
- Abolish the Senior Level Group and appoint two Sherpas to prepare summits and lead a Standing Joint Task Force, co-located in Washington and Brussels, comprised of officers seconded from across the U.S. interagency and EU institutions.
- Refocus Political Directors on foreign policy challenges rather than summit preparations.
- Upgrade the ministerial councils and U.S. dialogues that work. Create a Transatlantic Resilience Council. Revamp the Transatlantic Economic Council.
- Establish a regular system of joint long term assessment.
- Convert Troika working groups into new functional networks of U.S. and EU officials with easy access to one another, focused on common or complementary approaches to common challenges, elimination of duplication, and addressing differences. These networks should be actively encouraged by senior political leadership, and be fluid, informal, continuous and action-oriented.
- Establish a NATO-EU “Troika” network. NATO and the EU need a breakthrough process to enable them to be able to conduct business at multiple levels nearly simultaneously across a wide spectrum of issues. An EU-NATO Troika process could cover a range of issues; the agreed framework allows staffs to exchange and to discuss classified information to do their collective work, and each side, respecting autonomy of decision making in both, could separately submit their negotiated EU-NATO ideas to their respective memberships for separate approvals.
- Consider a Euro-Atlantic forum of 34 countries that would include the 21 EU/NATO members, plus the 13 states that belong to one but not both of these institutions, as a convenient forum for the discussion, and implementation, of common efforts.
- On a case-by-case basis, create plurilateral initiatives of countries and institutions with the most relevant capacity, resources and interest to address foreign and security policy crises.
- Upgrade Congressional and parliamentary participation. Congress should open an office in Brussels.
 - U.S. Members of a reinvigorated Transatlantic Legislators Dialogue (TLD) should be drawn from both House and Senate. U.S. House members should be appointed by the Speaker of the House;

the lead U.S. Senator should be the Chair of the European Subcommittee of the Senate Foreign Relations Committee.

- European Members of a reinvigorated TLD should be comprised of Members of both the European Parliament and leaders of COSAC, an EU body composed of European affairs committees from national parliaments of EU member states.
- The TLD should convene a joint consultative committee on the extraterritorial implications of domestic legislation, and focus regular exchanges on upstream regulatory legislation.
- TLD members should join the Transatlantic Economic, Energy and Resilience Councils.
- The United States Congress and the European Parliament should spearhead a new generation of exchanges and internships across the Atlantic space.