

# The Road to a Transatlantic Community

David G. Wagner

*David G. Wagner is a former Foreign Service Officer who is currently a freelance writer. He has lived and worked in the Soviet Union, Finland, Iceland, Belgium, and Germany. He also served as the desk officer for Belgium, Luxembourg, and the Netherlands.*

Over the last few years, there has been some interest in renewing and strengthening the framework of US-European institutions. It builds on similar previous accomplishments including the Transatlantic Declaration in 1990, the New Transatlantic Agenda (NTA) in 1995, the Joint Action Plan in 1995, the Transatlantic Policy Network in 2007, and the Transatlantic Economic Council in 2007. The most recent example of this is the Transatlantic Energy Council, which was created on November 4, 2009. Of all the joint ventures, the NTA was the most ambitious, spawning the Transatlantic Business, Consumer, Environmental, and Legislators' Dialogues. This list of agreements has been called out of date and in need of renewal. Many new proposals, which would further strengthen Euro-Atlantic cooperation, are currently being considered.

In 2009, former French Premier Edouard Balladur called for a "Union of the West." He advocated the creation of an Executive Council consisting of the Presidents of the United States and the European Union, which would meet every three months. There would also be a permanent joint secretariat to coordinate policies in international fora, in particular the World Trade Organization (WTO). On March 26, 2009, the European Parliament proposed that the NTA be replaced and upgraded by a Transatlantic Political Council (TPC). Chaired by the EU High Representative/Vice-President of the Commission (the EU's new foreign minister) and the US Secretary of State and meeting every three months, the new body would conduct "systematic high-

level consultation and coordination in respect of foreign and security policy."<sup>1</sup>

## Unresolved Questions

Before these proposals can receive serious consideration, a number of questions need to be worked out. First, exactly what would the "Union" or the TPC coordinate? A rigid regular schedule of high-level meetings is a thin agenda. The Transatlantic Declaration of 1990 already committed the US and the EU to semi-annual US-EU Summits with preparatory ministerial and senior-level meetings. The vacuousness of this process contributed to President Obama's cancellation of his participation in the planned US-EU Summit in Madrid, Spain, and led the two parties to agree to meet at the summit only "when we both feel the need for one," in the words of EU High Representative Catherine Ashton.<sup>2</sup>

Certainly the US-EU agenda contains important issues. Daniel S. Hamilton and Frances G. Burwell compiled a comprehensive list under ten headings in their report "Standing Shoulder to Shoulder: Forging a Strategic US-EU Partnership."<sup>3</sup> One of them, "Build a Barrier-Free Transatlantic Marketplace," would aim, essentially, at creating a Transatlantic Free Trade Area (TAFTA), although Hamilton might not choose that label. Such an initiative would require the engagement of the highest levels of political leadership in both the United States and the EU. A TAFTA enjoys some support on the other side of the ocean, but in the past France has vetoed the

project before it got started.<sup>4</sup>

Reform of financial regulation in the wake of the economic recession is currently prominent, as the United States, the EU, and the United Kingdom seek to identify and enact reforms to prevent a recurrence of the financial crash. A US-EU arrangement would set a model for the rest of the world. These reforms should be coordinated in order to keep financial institutions from playing the two sides of the Atlantic against each other. The coordination should also retain the openness that fueled a tremendous expansion of the world's economy. Unfortunately, the result to date appears to be scant, with each side pursuing its own plans and exhorting the other side to adopt the same rules. As a further complication, France and Germany seem to be determined to force reforms on the United Kingdom and the City of London which would certainly make Paris and Frankfurt more competitive financial centers in Europe, and only possibly help reform the world financial system.

Competition rules are a second large area for productive cooperation between the United States and the European Union. Competition policy in the EU has been evolving more rapidly than has anti-trust policy in the United States with its longer pedigree. While both sides have exercised understanding and forbearance regarding the other's actions, divergent policies and enforcement have upset transatlantic relations on a number of occasions. Complete coordination is probably too much to ask for given the differing philosophies regarding the free market, national champions, and the economic role of governments. However, the channels for consultation and synchronization of policies should be wide, deep, and open.

Issues of mutual recognition of standards, especially of health, food safety, and the environment, are perennial items on the US-EU agenda. Here again, transatlantic differences in philosophy and scientific evaluation complicate matters. The suspicion lingers that standards on both sides of the ocean are set to restrict rather than

expand trade. Genetically modified foods, carbon taxes, and tanker aircraft are examples. Cooperation in homeland security/justice and home affairs has grown significantly since 9/11. The tragedy spurred a tighter integration among EU countries that is still evolving. Disputes over sharing passenger information and SWIFT code information demonstrate the importance of this area and the need for improved procedures. Historically, cooperation in international politics has been easier than in economic and commercial issues. The United States and the European Union coordinate on a wide range of international topics, and the results have been reasonably satisfactory.

The second question to be worked out concerns the EU's internal functioning. The EU is in the middle of a significant transformation in which the positions of "President" and "High Representative" are being established and staffed. No one knows yet how these offices will operate, how they will interrelate, how they will lead the EU, and how they will relate to the world. One commentator, Jean-Pierre Stroobants, has called for the formulation of a "European national interest."<sup>5</sup> The High Representative is supposed to have political clout and resource heft, although the Lisbon Treaty suggests the

Member States will be able to circumscribe tightly the High Representative's freedom of action. In addition, the EU's External Action Service is only in the first steps of being created, staffed, and organized. Until this new institutional arrangement is set, moving forward on new forms of US-EU cooperation will be difficult. The State Department cited uncertainty about who would speak for the EU with Obama as another reason for demurring on the Madrid Summit.

Third, the United States has its own problems. The return to the halcyon days of Europe's primacy in American foreign policy before George W. Bush has not materialized under the Obama Administration. In particular, Europeans are concerned that this



Source: EU Delegation to the USA

**The High Representative is supposed to have political clout and resource heft, although the Lisbon Treaty suggests the Member States will be able to circumscribe tightly the High Representative's freedom of action.**

President is giving more attention and higher priority to China and Asia than he is giving them. Even though the administration may be more aware of the centrality of the EU in European affairs than any of its predecessors were, it has not signaled any interest in binding itself to Europe in global policy.

### **A Bottom-Up Approach to Deepening Transatlantic Ties**

While the United States and the European Union sort out their own problems, some thought needs to be given to what mechanisms might best handle the common ones. A top-down approach centered on presidential summits forces action, but makes demands on leaders' time and attention, which they resist. The present system of policy meetings can produce results, but the final decisions are often made internally within the US government and the EU; summit meetings rarely close the deal except formally. There needs to be a broader horizontal engagement between the American and European bureaucracies beyond foreign ministries, activities

which the political leadership sometimes needs to authorize and activate. Both bureaucracies will need to become more flexible to permit transatlantic compromises and ratification. As the EU implements the Lisbon Treaty and US-EU relations evolve, there will be many opportunities to develop new modes of closer collaboration. □

---

#### NOTES

1. European Parliament, "Resolution of 26 March 2009 on the state of transatlantic relations in the aftermath of the US elections," Document 2008/2199 (INI)
2. Valentina Pop, "EU-US summits to take place 'only when necessary,'" *EU Observer*, March 27, 2010
3. Daniel S. Hamilton and Frances G. Burwell, "Standing Shoulder to Shoulder: Forging a Strategic US-EU Relationship," Atlantic Council, December 2009
4. One recent example: Matti Aaltola, "EU:lle ja USA:lle sopisi yhteinen talousalue," *Helsingin Sanomat*, March 27, 2010
5. Jean-Pierre Stroobants, "Europe et Etats-Unis en quête d'un nouveau partenariat," *Le Monde*, March 27, 2010