

# Reinvigorating the Transatlantic Partnership



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## Introduction

For 75 years the transatlantic partnership has stood for freedom and democracy and rule of law, for trade and economic cooperation and security. The transatlantic alliance helped to defeat totalitarianisms of both the extreme right and extreme left, consolidating the liberation of Europe. The world is safer and more prosperous as a result. Over the decades new countries worldwide have joined the ranks of free nations. Trade and wealth and overall well-being have gone up. Child mortality, global inequality and violence have gone down.

And yet the world heading into 2021 in many ways seems far from prosperous and secure. In recent years we have felt the shock of economic and humanitarian crises. We have seen once again attempts to challenge the status of borders and even redraw them by force. Terrorism remains a recurrent fear. Authoritarianism is resurgent, with malign actors seeking to weaken and divide democratic societies. The social fabric frays under new strain, highlighting the limits of globalisation. New technologies empower fear and rage as well as freedom and responsibility, contributing to an atomised infoscape in which not only values but even facts themselves are disputed. Traditional institutions face new challenges in a post-industrial era. Pandemic has infected both populations and economies and revealed new vulnerabilities.

In this context, the transatlantic partnership is as essential as ever. Indeed, it is clear it cannot be taken for granted and must be reinvigorated if the West is to prevail as a viable and attractive model based on core democratic values. Victory in the Second World War, victory in the Cold War, the creation of new ways for states and peoples to work together to solve problems and improve their lives: these have been transformative achievements worthy of memory and praise and so of inspiration.

Yet this is no time for mere nostalgia. The story must be refreshed as the world around us changes: to account for new conditions and take into account new voices. We must reinvigorate and strengthen dialogue at all levels and, in particular, among citizens and future leaders on both sides of the Atlantic. The EPP stands firmly, as ever, by our bedrock commitment to the transatlantic partnership between the European Union and the United States: as the guardians of our security, cornerstone of global order and engine of global prosperity, and the defenders of universal values of democracy, human rights and rule of law. We hereby recommit to that partnership — and to doing our part to ensure its enduring strength for a bright next chapter ahead, though uncertainties on all sides abound.

## Shoulder to shoulder

Decades of post-War order have shown that in a competitive world, cooperation is better than isolation, each actor struggling against all the rest. The stronger and more equal the partnership, the more effectively it will garner support, deter opposition and successfully achieve its aims.

Mutual trust and cooperation are at the heart of the European project and of the transatlantic partnership. They are also the founding principles of the multilateral, rules-based order which Americans and Europeans have led the way in forging. It is a framework that fundamentally protects the way of life we want to enjoy and promote: a way of life based in democratic values and delivering ever better outcomes for citizens. As this order is now being challenged by threats both internal and external, Europe and the United States must continue to raise efforts to defend it. We see the incoming administration as an ally in this venture.

More than having been simply put in place, that framework of cooperation has had a track record of proven success for all participating partners. It has not only offered protection but delivered the highest living standards in human history; it has enabled not only greater growth but more fairness in how that growth is shared. It has brought more and more countries and power centres around the world into a shared system of common rules. We should never underestimate or take for granted the achievements of the post-War decades; nor can we become complacent in thinking that other, competing systems or ways of life cannot outperform us as the 20th century recedes further into the past and as a new, 21st-century global economic and geopolitical order continues to emerge.

The United States and the European Union have been close allies for decades. While of course businesses and institutions on either side of the ocean compete for market share or for the edge in best practices, within the framework of democratic governance and rule of law, the transatlantic relationship is fundamentally — systemically — one of partnership and strategic alliance. We will always remember that the Marshall Plan stimulated not only the recovery of post-war Western Europe but its unification into the European Coal and Steel Community.

We must act like the essential partners and allies that we are in solving global problems. This requires each partner to build and maintain its capacity to shoulder its share of the load; it means each must pull in the same direction; and it means, ultimately, having a common road map.

### I. Getting on side, Repairing the pitch

The first priority of the transatlantic partnership — with renewed commitment from both partners — is making sure the multilateral system is once again fit for purpose. The international bodies undergirding global cooperation on health or trade, climate action or peacekeeping or nuclear non-proliferation need constant oversight and in some cases serious reform — so let's reform them, improving the systems which have served us well and on which so much of our peace and prosperity depend: to meet the challenges of a changing world and the fierce competition of rival systems and ideologies. And let's work together in doing so.

We welcome the incoming US administration's stated commitment to this common endeavour. This begins with President Biden's decision that under his leadership the United States will remain a member of the World Health Organization. Around the world, more than a million lives have been lost and billions affected by the worst global pandemic since 1918. We need the energy and pragmatism of our American

friends in such a crisis. Europeans must do our part as well, as must China and other actors, in discerning the causes and learning the lessons of the COVID-19 crisis. The burden of finding and funding public health and economic solutions should not fall to any one country — nor is it helpful for any country to try to go it alone. We welcome the coordination by the European Central Bank, the Federal Reserve and other central banks to ensure global liquidity during the first frantic months of the crisis. We strongly support the mutual sharing of life-saving research and innovation. The European Union's commitment, reiterated by the Council in October 2020, is clear and critical to this effort. The EU has already played a leading role in combating the global pandemic, in fora such as the G7 and G20 and in the context of the WHO's Access to COVID-19 Tools (ACT) Accelerator programme — bringing together industry, science, government and civil society — including the ACT-Accelerator's COVAX Facility, enabling joint procurement and ensuring fair distribution of an eventual vaccine. The US and EU should work together, taking a leadership role in global health and driving reform of the WHO, making it stronger and better prepared to prevent and respond to health emergencies. We should strengthen cooperation between the European Centre for Disease Prevention and Control (ECDC), the Food and Drug Administration (FDA) and the WHO. We reject — in Europe and elsewhere — the temptation of unilateralism, of privateering or of selfish protectionism when it comes to developing or distributing a vaccine. Moving forward, we call for increased coordination of strategic stockpiling efforts on both sides of the Atlantic and the sharing of best practices to increase joint preparedness and resilience against future health emergencies. Scientists and experts at various levels across the Atlantic have been cooperating constructively throughout this crisis. The European Union and the United States are partners in this fight.

We also welcome President Biden's decision that under his leadership the United States will immediately re-join the Paris Climate Agreement. We welcome this signal to the vital importance of addressing the man-made causes of climate change together, at a global level; and we call on the new US administration as well as our friends in Congress — as we call on the EU and on EU Member States, on China and on all signatories — to follow through on commitments made by meeting ever-rising targets to greenhouse emissions cuts while strengthening the global level playing field to improve the EU's external competitiveness for the benefit of our industries and businesses. We share President Biden's view that green transformation is not only our duty to future generations but an opportunity to revive our economies and our partnership. Together with the EU's pledge to become climate-neutral by 2050, recent pledges by other major economies — including foremost the United States, China, Japan and South Korea — puts within reach the crucial goal of limiting global warming to 1.5 degrees Celsius. The EU and US must together play a leading role within the United Nations Framework on Climate Change and in other fora such as the International Civil Aviation Organization and the International Maritime Organization. We must lead the way in exemplifying and ensuring that steps are taken to implement emissions reductions goals. Cooperation in clean energy and research, development and innovation, as well as trade partnership in low-carbon technologies and products would put both of our continents ahead of the global curve.

On trade, the US and EU have maintained decades-long disputes within the basic framework of the World Trade Organization (WTO), an institution whose *raison d'être* is facilitating the wealth-creation brought about by freer trade: by setting high standards and then enforcing those standards via a clear legal process of arbitration. The current paralysis of the WTO's Appellate Body, over disagreements over its dispute settlement process, threatens to undermine the viability of the WTO project as a whole. Once a new WTO director-general is in place, overcoming this disagreement must be our first job in reforming the organisation — the US and EU together with other WTO members — so it can effectively, credibly arbitrate disputes and serve as a trusted global referee on trade. Otherwise, a dog-eat-dog mentality ensues as countries feel they have no recourse but reversion to a kaleidoscope of ad hoc bilateral deals. A strengthened, reformed WTO would also address digital trade as well as correct the fundamental imbalances arising from China's growing role in the world economy: notably the role of state-owned enterprises, industrial subsidies and

the protection of intellectual property, including in particular critical technologies and the issue of forced technology transfers. The EU and US separately each has a smaller total economy than that of China — but combined the transatlantic economy makes up more than half the world's income; this underscores both the need and potential for closer cooperation within the WTO. The EU and US must cooperate within the WTO to reform it and re-establish its complete function and insist that all members, especially China, fully apply their rules.

Crucially, the EU and US are security partners in a dangerous world. NATO forms the essential cornerstone of European security, and we as the EPP reaffirm our unshakeable, longstanding commitment to a strong NATO undergirded by a mutual defence guarantee. We reaffirm our stance that we in Europe — NATO allies and partners as well as the EU collectively — must do more to meet fair expectations as a credible and equal transatlantic partner able and willing to defend ourselves and to manage crises in our own neighbourhood or take the lead when necessary, and in coordination with the United States, or when there is no need for collective security, including indispensable US nuclear deterrence. This European leadership should be seen particularly in contesting the geopolitical revisionism pursued by some regional players in the southeast of Europe. We greatly appreciate America's firm commitment to Article 5 and to NATO's essential and enduring role. There is no alternative to NATO and US military power when it comes to nuclear deterrence, and that is why there is no competition between NATO strength and ideas of EU 'strategic autonomy'. EU defence efforts — via the European Defence Fund, Permanent Structured Cooperation (PESCO) among participating Member States or in analysing the possible creation of a truly European brigade — ensuring military mobility are important tools for boosting Europe's synergy and defence capacity, also as a complement to NATO and with the will to share the burdens of the alliance more fairly.

Security cooperation goes further. It also involves cooperation in law enforcement — via Interpol, the OSCE, the United Nations and other organisations — in sharing intelligence, thwarting terrorist threats and rooting out transnational crime, including human trafficking and money laundering, which corrodes the fabric of lawful societies. We also reiterate our strong support for EU efforts as part of the Global Coalition to Defeat Daesh (ISIS). Needless to say, our compliance with UN resolutions regarding EU Member States' national sovereignty is indisputable.

We also recommit to EU-US partnership in preventing nuclear proliferation. We welcome the recent extension of the New Start treaty; and we commit to working with all relevant parties to reduce the threat posed by both intermediate and strategic nuclear arms, and to re-engaging with the new US government on the question of the Joint Comprehensive Plan of Action (JCPOA), to ensure Iran does not become a nuclear power, ends its ballistic programme, recognises Israel's right to exist and ends its expansive and aggressive policy of destabilisation both in its region and beyond. We call on all signatories to re-engage in this effort. We are also committed to continuing to work effectively within the UN framework, alongside the US and US allies, to achieve a treaty dismantling North Korea's nuclear armaments in exchange for trade and cooperation.

As technologies become more sophisticated, the EU and US must set the rules of the game for data protection and data flows, including vis-à-vis cutting-edge technologies like Artificial Intelligence (AI). This too is ultimately a matter of our mutual security. The Chinese model of digital authoritarianism, promising one-stop-shop efficiency in exchange for near-total control by the Chinese Communist Party, will not be competitive in free and fair markets if the rules of the game are transparent and the playing field level. The US and EU must work together to ensure these conditions, starting with the urgent need for a new system governing transatlantic data flows. These rules must ultimately be human-centred: concerned foremost with protecting the basic personal freedoms at the heart of our way of life.

We welcome, therefore, President Biden's stated intention to convene a Global Summit of Democracies early in his administration. With populism and authoritarianism on the rise in many places, such an effort could help chart a clear course forward. We can no longer ignore countries that under the veil of democracy cultivate authoritarianism and suppress fundamental democratic and human rights values. Such a Global Summit could strengthen efforts already underway to build a strong coalition of countries and regions — including emerging powers such as India, Brazil and South Africa — around shared democratic values and in pursuit of the Sustainability Development Goals and other global aims. We welcome ongoing efforts within the European Union to utilise the tools available for holding accountable regimes and individuals — including via Global Magnitsky-type sanctions — responsible for war crimes and other human rights violations: whether in Syria, Russia, Belarus, Iran, China, Venezuela, Nicaragua or elsewhere. The US and EU must work together closely in this effort.

We also reiterate our common desire to strengthen freedom and democracy in our neighbourhood and around the world through democracy support programmes. To this end, it is important to increase our support for grassroots civil society, religious communities (especially those facing persecution) and independent media, while building resilient democratic institutions and fostering a new generation of political leaders through our political foundations. We as members of the EPP family are committed to continuing our constructive work together with our American counterparts in governmental as well as non-governmental capacities, including in the framework of our umbrella international organisations the International Democrat Union (IDU) and the Centrist Democrat International (IDC-CDI): to build mutual trust and find common solutions together with other like-minded partners.

Finally, we welcome renewed cooperation at multilateral level in achieving a Europe whole, free and at peace. The recent success of US diplomacy in achieving the Abraham Accords between Israel and several Arab countries and in facilitating other agreements has clear strategic added value for the European continent. We hope in the near future we can engage jointly in achieving similar agreements allowing for long-awaited peace and stability in the Eastern part of Europe — in the South Caucasus and in other places of so-called 'frozen conflict'.

First, the Western Balkans. President Biden made clear in his platform a clear commitment to greater European integration. Based on longstanding US policy and his own particular experience in the region, we look forward to working closely together, based on the Copenhagen Criteria, to keep the peace and support ongoing reform and cooperation — including the normalisation of relations between Serbia and Kosovo — and ultimately EU enlargement. We must work together to address together the growing presence of malign authoritarian actors in the region.

Regarding Europe's eastern neighbourhood, we welcome the commitment by the United States, reiterated by President Biden, to support these countries' striving for democracy, human rights and Euro-Atlantic integration. Transatlantic cooperation is the most important factor enabling these countries to become stable, democratic and prosperous European countries. Democratic values are essential not only for the Ukrainian, Moldovan and Belarusian people but also for the people of Russia. It is our moral obligation to support them in this effort. A future democratic Russia, therefore, and not a new 'reset policy' with the Kremlin, should be the priority of a new, common transatlantic strategy towards Russia. We remain vigilant in countering persistent efforts by the Kremlin to undermine the Western alliance, our societies and democracies: whether through hybrid war in Ukraine, support for dictatorship in Belarus or disinformation campaigns to sow distrust in liberal democracy.

We reaffirm our commitment, as President Biden has also done, to protect the Good Friday Agreement ensuring peace on the island of Ireland.

## II. Common plan vis-à-vis China

An increasingly challenging relationship needing the coordinated approach of the US and EU is the relationship with the People's Republic of China as led by the Chinese Communist Party (CCP). Under the CCP, China's economic influence, geopolitical power and various forms of Chinese power projection and military strength have brought its system of authoritarian governance into conflict with Western systems of governance based in liberal democratic values. China has become a systemic rival but is also an important partner in tackling many global problems, such as climate change. The EPP endorses shaping EU-China relations by maintaining and strengthening partnership on key geopolitical issues in our mutual interests.

China's use of sharp power in the Indo-Pacific theatre is significantly of great strategic concern to Europe's most important security partner, the United States, which has security commitments not only with NATO allies but also with Japan, South Korea, Australia and others. And of course the interests of the EU and its Member States are also affected, especially when it comes to the freedom of the seas, which China has severely endangered, e.g. by building illegal artificial islands as military bases in the South China Sea. So there is no equidistance between China and the US for us. The EU should pursue strategies for regions, and in areas, of common EU-US interest. The EU and the US must work together to address the common challenge posed by the CCP. The May 2020 US Strategic Approach to China provides a relevant and important list of common transatlantic interests and areas of cooperation with regard to our relations with China.

The recently announced new Asian-Pacific trade deal, the Regional Comprehensive Economic Partnership (RCEP), must be a wake-up call for both the EU and the United States. Not only will trade tariffs between the 15 participating countries be largely abolished; signatories have also agreed on close cooperation in setting common future standards. China is thus achieving in its region of the world what Europeans and Americans wanted to achieve with the Transatlantic Trade and Investment Partnership (TTIP).

US support for the security of Taiwan should be accompanied by a bilateral EU-Taiwan Investment Agreement in order to further strengthen this functioning democratic Chinese society.

To address the growing challenge of the Chinese Communist Party, we must continue to develop a broad range of policy instruments and, where possible, search for transatlantic synergies. The US and more recently the EU have raised specific concerns regarding the security of 5G networks provided by Chinese companies. We welcome the synergy between the European Commission's 5G Clean Toolbox and the Transatlantic Clean Network initiative, and we call on all EU Member States to consider seriously the long-term risks — including, significantly, in the context of NATO commitments — of alignment with CCP-controlled entities. This issue also touches on Chinese investment in Europe more broadly: we therefore welcome the European Commission's 2019 regulations and 2020 guidance on investment screening and reiterate our call that those Member States which have not yet adopted their own, complementary national screening mechanisms should do so.

The EU and China continue to work through the advanced stages of the many-years-long negotiations towards a Comprehensive Agreement on Investment (CAI). The CAI will not represent a new opening towards China so much as a levelling of the playing field, currently tilted considerably in China's favour. We strongly support work to complete the CAI, completed by an improved EU toolbox and full use of the EU's Trade Defence Instruments to tackle unfair trading practices. Substance is more important than speed. Reciprocity and a more level playing field for EU-China investment will also mean a broader, stronger framework for common transatlantic efforts to hold China accountable for unfair, unsustainable or otherwise harmful geo-economic practices.

Finally, the EU and US share very serious concerns over systematic human rights violations in China: in Hong Kong, Xinjiang, Tibet and Inner Mongolia; against Christians, Muslims and other religious minorities; and over the lack of basic freedoms affecting all those — both within China and beyond — subject to CCP surveillance and recrimination. We are concerned about continuous violations by current Chinese leadership of its own promise of the ‘one country, two systems’ principle, threatening the democratic development of Hong Kong. We are concerned that China under CCP leadership is moving further away from a trend toward democratic development worldwide. This makes Chinese ambitions to play a more important and longer-term leading geopolitical role less acceptable, since for the past several hundred years global leadership was and continues to be played by democracies. We reiterate our commitment to holding the CCP accountable for human rights violations: in the form of tough enforcement mechanisms in any trade or investment deal the EU agrees with China, and potentially via targeted, Magnitsky-style sanctions against senior human rights violators. Here, too, a common transatlantic approach will be key.

Commitment to countering the challenge posed by the CCP is a bipartisan US priority. To meet these many challenges together, we call on the EU-US Dialogue on China to move forward with urgency. We strongly support such dialogue between European and US leaders and believe this should also have an inter-parliamentary dimension, even as we remain ready to engage in robust though less formal dialogue among political parties, political foundations, think-tanks and other relevant platforms. We also believe a common EU-US Dialogue should be a foundation for a broader dialogue and alliance of democratic countries around the world to defend our freedom against the malign influence of authoritarianism. We also reiterate the importance of fora such as the G7 and the EU-US-Japan trilateral formation in determining and implementing a joint strategy vis-à-vis China.

### **III. Eye to eye**

We must also reinvigorate the EU-US bilateral relationship. We have to, the EU and US, organise again the strategic unity and true partnership of the West. In the wake of the COVID-19 pandemic, the EPP has endorsed efforts to achieve greater EU strategic capacity — in the context of a free and open, rules-based multilateral system and rooted always in core European values. It is on this basis that we will work with renewed energy to resolve outstanding disputes with the United States: including foremost the Airbus-Boeing dispute. The clear aim is a negotiated solution eliminating tariffs and subsidies. Given the important role of the US Congress and the European Parliament for trade policy, legislators across the Atlantic must work together for common solutions. The European Commission and US administration must start again bilateral trade talks in order to have joint influence on global standards and to balance the efforts of others by using trade as an economic and strategic instrument.

The EU and US should go further, renewing efforts to reduce all tariffs in transatlantic trade, starting with medical and environmental goods and industrial products. The EU and US should also eliminate as many non-tariff trade barriers as possible, based on common standards.

Beyond the net gains to the transatlantic bottom line, including in jobs created, this would also send a powerful signal, domestically and beyond, of the concrete gains to be had by working within a democratic, rule-of-law-based framework. Rethinking global supply chains, with due regard to the lessons learned during the pandemic, should encourage closer cooperation with like-minded partners. We support the European Commission’s commitment to seizing on positive momentum in this regard and to forging a positive narrative.

The EU and US are each other’s most important foreign investor. Within the framework of clearly defined rules, such investment must be made easier, not harder: by allowing European as well as American firms better access to public procurement contracts, including in the defence industry.



Strategic EU-US cooperation on energy and energy security should be a political priority of the renewed transatlantic partnership. This cooperation will contribute to increased global stability, greater security of supply and new business opportunities to our mutual advantage.

Finally, people all across the world have benefited from the innovative products of America's big tech companies. We applaud such innovation and recognise the many good things it has brought — along with some negative consequences as well, direct and indirect. But no company should be able to unfairly dominate its market, and no company should by virtue of its size escape an obligation to pay its fair share in taxes. We therefore support the European Commission's relevant anti-trust investigations; and we support ongoing negotiations to achieve a multilateral agreement regarding taxation in an increasingly digital global economy. As concerns over big tech's power and influence grow also in the United States, these initiatives should offer another important area of EU-US cooperation, in line with common objectives: free and fair market competition — alongside a safe and healthy social media infrastructure where neither political censorship nor disinformation gain currency.

#### **IV. Democracies that deliver**

Like President Biden, we believe an effective foreign policy starts at home. If the US and EU are to remain global beacons of liberal democracy and human rights, we must not turn a blind eye to our internal challenges. Both the EU and US must also strengthen their democracies at home. Polarisation — amidst fragmenting traditional attachments and fuelled by hidden algorithms engineered for manipulation and profit — all too often leads to disengagement or populism, to apathy or authoritarianism. These we reject, and so we must find new ways to engage with our citizens and address their concerns, joining forces to protect our democracies against hybrid warfare, disinformation and external interference in electoral processes. We must work jointly to improve resilience and strengthen democratic values: to become a better and more responsive transatlantic partner — more politically and economically stable and more capable of decisive action on the world stage.

This must include better communication with citizens on the enduring importance of the transatlantic bond and its relevance today. One fundamental way this can be done is by investing in strong partnerships between legislators and legislatures on both sides of the Atlantic.

As we welcome the EU-US Dialogue on China and a potential Global Summit of Democracies convened by the new US administration, so we also welcome the opportunity afforded by the Conference on the Future of Europe to connect with EU citizens. Europe must become more responsive and more responsible, better able to answer the legitimate concerns of European citizens and act with decisiveness both domestically and beyond. At the same time, the EU can only remain strong through the resilience and sovereignty of its Member States. Focusing on topics that truly matter to our citizens, with long-lasting impacts and wide outreach, the Conference on the Future of Europe is providing the framework for developing a joint vision of the direction the EU should take, including at the international level (addressing geopolitical challenges in the post-COVID-19 global environment; interests and values; strategic autonomy; multilateralism and cooperation; security and defence; trade and value chains, border protection; and the EU's external action).

**Conclusion**

We can afford neither drift nor rift in transatlantic relations. America First or Europe First result ultimately in neither the one nor the other; this approach may lead, rather, to America — or Europe — alone. In a world where so many actors are driven by other values in pursuit of a different vision for global order, we as transatlantic partners must come together. Over the last four years, we have spent too much time highlighting our differences and not enough on overcoming them. Together, based on mutual respect and the many strengths of our citizens — and as so often in the past — we can lead the world towards a more secure and more prosperous future. We welcome the opportunity to work with our US friends and allies: to reinvigorate our essential transatlantic partnership, forward for a bold new chapter.

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