



A warm welcome to the May 2022 edition of TPN's new online newsletter.

Our varied contents are led by an interview with David O'Sullivan, the former EU Ambassador to the US, whose 43-year career at the European Commission covered an unprecedented range of roles and responsibilities.

O'Sullivan praises the intensity of the Biden Administration's consultation with its allies since Russia first planned and executed its attack on Ukraine.

Tyson Barker of the German Council on Foreign Relations previews the top-level meeting this month of the Trade and Technology Council while Max Bergmann of CSIS explains why China should be having doubts about its recently stepped-up partnership with Russia.

We also carry our usual accounts of past events and coming activities, together with some recommendations of materials that we have enjoyed that provoke thought and ideas.

Vivien Haig & The TPN Team



David O'Sullivan

Former EU Ambassador to the United States of America

"Let's create some irreversible facts."

"What is David O'Sullivan doing now?" could easily be the most frequently asked question about the former EU Ambassador to the US in the last 43 years. He is now Director General of the Institute for International and European Affairs.

In a 43-year career at the European Commission, David O'Sullivan has led four different services as Director General, orchestrated the Commission's work as its Secretary General and crowned his achievements as EU Ambassador to the United States. He has been the Commission's top trade negotiator and Chief Operating Officer at the Union's diplomatic service, the European External Action Service.

After retiring in 2019, he worked for several years as a consultant before taking over in April of this year as Director General of the Institute for International and European Affairs.

One of his first Zoom discussions from his new office in Dublin was with John Wyles, editor of the TPN Newsletter.

The Trump years

JW. You had the good fortune, or perhaps misfortune, to be EU Ambassador to Washington when Donald Trump entered the White House, What was his impact on transatlantic relations?

DO'S. Pretty disastrous. I think Trump did a huge amount of damage to the fabric of

transatlantic relations in so many different ways. I cannot think of a single area of policy where we did not actually have a pretty fundamental disagreement with the Trump administration, from climate change through to the JCPOA (Joint Comprehensive Plan of Action for curbing Iran's uranium enrichment) and to trade.

So it was a massive relief for the European side that Biden won the election in 2020. There was a change of tone and style and serious action on policy - rejoining the Paris climate deal, for example, and attempting to refloat the JCPOA. There was a genuine reaching out to Europe by a group of Europe-sensitive people.

JW. This happy circumstance could be reversed by the US mid-term elections in November and the 2024 presidential election. Do we need to be bracing ourselves for rougher political weather in the alliance?

DO'S. I think further collaboration in shaping the post-pandemic world is perfectly imaginable with the Biden administration or a successor Democratic administration. This could not be assumed if we were to have a return of the Republican Party in some form - whether that is President Trump himself or somebody else, with a similar worldview, Trump 2.0, so to speak. I think we have to profit from the presence of this administration and hope to embed a mutually beneficial transatlantic relationship that would be difficult for a future administration to unravel.

But we also have to be thinking as Europeans: how will we manage if there is a change of administration, and if we go back to something closer to the Trump vision of transatlantic relations, less collaborative and much more transactional, not to mention confrontational. We will still want that relationship to work but we will need to demonstrate much greater self-sufficiency across a range of policies.

We're going to have to wait to figure out how to deal with it. Hence the only prophylactic I can think of is to go as far as possible in the next two and a half years to create some irreversible facts. If doubts are again cast over America's commitment to Article Five of the NATO treaty - which would be highly destructive of NATO integrity without the US actually withdrawing from the Alliance - then we Europeans really need to invest in our own autonomous capabilities so that we are not entirely dependent on the prevailing philosophy in the White House.

Positively Biden

JW. But it has not been all plain sailing with the Biden administration has it?

DO'S. There have been bumps in the road. Some Trump policies were retained - trade policy was not revisited as much as we would have wished, tariffs on steel and aluminium were not immediately lifted, and the US continued to be unhelpful about relaunching the WTO. But we did find a means to avoid escalating the Airbus and Boeing dispute. We did find a work around on the steel tariffs. Unfortunately, the withdrawal from Afghanistan was badly handled. There should have been more consultation with Europe. We did not adequately coordinate our positions on vaccines.

JW. And then there was the AUKAS trilateral security pact signed by the US, the UK and Australia? That really soured the atmosphere when Australia cancelled a €56billion submarine deal with France and signed a new one with the US and UK.

DO'S. Although this mainly affected France, there were knock-on consequences for the broader relationship. Competitive skullduggery over defence contracts is not at all uncommon but this was handled so badly that it was almost insulting to France. You would have thought that more effort would have been made to try to soften the blow

for the French and not create the kind of diplomatic debacle that there was.

Outstanding alliance management

JW. Washington did make an attempt to soothe French feelings but it has really needed Russia's invasion of Ukraine to transform and bring cohesion to the Transatlantic relationship.

DO'S. The minute the Ukraine business started and the Americans began going public with their intelligence, their consultations with allies were superb. I have never seen so many American officials visiting Brussels so often at all levels, consulting with individual countries but also with the EU institutions.

This was genuine consultation with a genuine willingness to adjust the US position to take account of the European perspective. Very often consultation with the Americans consists of saying "here is our position, wouldn't you like to agree with it?"

I think the Biden administration deserves huge praise for the unprecedented degree of transatlantic consultation and coordination, and for the very skilful way they have managed to build a coalition of support for Ukraine, through sanctions and other measures, and to maintain that coalition using a technique of American diplomacy that we have not seen for a very long time.

I genuinely think that the fundamental difference between Trump and Biden, is that Trump thinks alliances are things that drag you down while Biden believes that they build you up. And hence he understood that, in dealing with this crisis, you needed a broad-based coalition, primarily with the Europeans, but not only. He has also worked with the Europeans to bring on board the Japanese and the South Koreans and other

like-minded countries.

It has to be acknowledged that these efforts have not been a total success because India and South Africa chose not to align themselves. This is a disappointment to us.

Europe's defence and security

JW. How do we build on this experience to achieve a sustainable partnership in the future?

DO'S. One thing we need to understand very clearly is that Ukraine is an unwelcome diversion from the US' primary agenda, which is the Indo Pacific and China. For the moment, they are fully engaged in Russia's confrontation with European democracies. But at some point, they're going to want to get back to what they see as their most important problem.

And that's going to mean that we Europeans are going to have to be able to shoulder a greater part of the responsibility for dealing with our neighborhood and our relationship with Russia in a confrontation that could last 5-10 years.

I think one major conclusion of this is that territorial defense, defense of your sovereign national territory, has to have a higher priority for Europeans than in the past when we thought we lived in a less dangerous world. Now we realize that it's a very dangerous world. And we need to decide what is the balance between what is done purely nationally and what we do collectively, either through NATO or through the EU, or through some combination of the two.

The Western Europeans need to build up a deterrent capacity for the defense of their

own national territories that completely excludes the risk of any further Russian adventures. The Americans will be there with us and they will continue to provide support, but they're going to want to see clear evidence that we Europeans are finally willing to equip ourselves to play the major role in our own neighborhood. If they feel that that is the case, the Americans will be able to devote a lot of attention to the Indo-Pacific and the case for their providing a security guarantee via NATO will be more convincing to the American public, even if there were to be a change of administration. More complex will be the issue of how far the US wants to go in extending the global alliance against Russia's war in Ukraine to cover also China.

What we are seeing is the emergence of a sort of Russia-China axis. It is a very unequal relationship. I would say it is more the vassalisation of Russia by China rather than an equal partnership. But it is a scenario that diplomatically we've been working to try to avoid. Now we're faced with it and we're going to have to figure out how to deal with it.

Ensuring a strong European pillar in NATO

JW. European members of NATO are repeating pledges to raise their defence spending to the long neglected target of 2% of gdp - more in some cases . Do they mean it this time?

DO'S. Yes, I think they do. Because I think Ukraine has been a massive wake up call. You look at what's happening with Finland and Sweden. Countries that are not shy about spending money on defense but they still feel they want the shelter of NATO.

For NATO to be successful you need a strong European pillar and I think the Americans are now convinced of that. A strong European pillar needs the EU to be engaged. The real issue is value for money and not only total spending. The problem in Europe is we

have 27 separate armies and a lot of duplication. There is a lot of value for military money to be had in eliminating duplications and the multiplication of systems. That is where I think we have to work closely together. Some tasks and systems will be done at EU level and others will be more the responsibility of NATO. Ultimately, getting the EU-NATO relationship right will be the key to success.

JW. Some member states have been worried for a very long time that building an EU military capability risks undermining the US commitment to NATO. Could they be right?

DO'S. If you listen to Stoltenberg and others in NATO, they only see positives in the EU getting its act together. Because you know at the end of the day, there isn't a NATO army. There isn't an EU army. There are national armies which combine capabilities under NATO auspices or under the EU. There will be times when it will be necessary to do something only as EU and times when it is necessary to do something as only NATO.

We actually already have a series of cooperation projects between NATO and the EU. A very important one that may seem terribly boring is about military mobility that is, the ability to move military kit across Europe.

Very often, this is difficult in terms of infrastructure because often the roads are not built to take heavy military equipment. But it is also difficult because you need permission. If you want to move a heavy bit of kit from France to Poland you have to go through Germany, You have to get permission and so on. Only the EU can fix this problem. It is working on creating a single market for military mobility. NATO can't fix it on its own.

The great tragedy, of course, is that the UK is not at the table in all of this. Of course we

are cooperating over Ukraine. But surely, we can all agree that it would be so much better if the UK were in the EU and we were all pulling together. I know that Brexit has happened and that it is not going to be reversed anytime but let us at least be honest about the costs. The overriding reluctance of this UK Government to engage constructively with the EU on security and defence issues is a serious hindrance to wider European cooperation.

Strategic autonomy

JW. Emmanuel Macron's re-election confirms him now as the senior partner in the Franco-German partnership. He was an early advocate of strategic autonomy for the EU which has since been much debated, analysed and resisted as a idea by some member states. What does it mean and should we take it seriously?

DO'S. It simply means that Europe needs the capacity to do some things on its own. This is not saying that we won't continue to need the Americans. And I think the Americans are also saying "actually, wouldn't it be great if these Europeans could do more on their own?" And I think that this is the view in this administration because they have global concerns.

JW. Is the pandemic, with its enormous disruption of supply chains, and now the war in the Ukraine spelling an end to globalization and the possible arrival of regionalization?

DO'S. There will be a degree of tri-polar regionalization between the US, the EU and China. This means we need a stronger Transatlantic Economic pillar, which is maybe not the revival of TTIP, but can be seen as nascent in the creation of the Trade and Technology Council.

How do we work more closely on some of the reshoring or “friend shoring” challenges thrown up by the pandemic? Nobody wants to become autarkic and think that every country can produce everything it needs, but maybe there are certain vital components of our production model which we cannot completely outsource or can only outsource to trusted suppliers.

The US is not always happy with EU regulation in the area of the digital market or tax. But there's a lot of language in the build back better legislation in the US, which is deeply worrying to America's trading partners. For example, subsidization of electric vehicles. How do we avoid trying to outbid each other with subsidies? How do we keep a dynamic, competitive transatlantic marketplace while at the same time acknowledging that things have changed?

Perhaps we do need more public intervention to ensure that we have guaranteed access to key components of the production model and we're not completely at the mercy of China for supplies of personal protective equipment or for Taiwan for microchips or Russia for energy. These are questions raised by taking a second look at globalization. But we need to keep trade flowing globally as far as possible and certainly to engage with like minded partners in Asia, Africa and Latin America to avoid a self-defeating slide into protectionism.

No capitulation to Moscow

JW. Part of this exercise surely has to be scenario building about the evolution of the West's relations with Russia. Are you drawing any conclusions?

DO'S. I must say, I've become increasingly pessimistic, I'm not a Russia expert. But I am

aware that many people are taking the view that many Russians are “Putinists” in their view of the world.

Putinism is perhaps a deeper phenomenon than those of us with a superficial knowledge of Russia have realized. His notion that somehow Russia has to regain the destiny that has been stolen from it is more widely shared than we might have thought. We were all working on the assumption that this was mainly down to the Messianic vision of one man and that maybe the people around him would eventually realize that this was very foolish.

If he has tapped into something more deep seated in the popular culture, it may be that the Russian people are willing to endure much more pain than perhaps we realize because they think this is about the sacred future of their own country.

And if that's the case, then for me, one of the top priorities has to be the rapid increase in the effectiveness and visibility of the conventional deterrent capacity of European countries through NATO and through the EU. At the same time, casual threats to use nuclear weapons are creeping into Putin's playbook. Can we get back to the mutually assured destruction of the Cold War where both sides have agreed that first use of nuclear weapons would be disastrous?

It seems to me that Putin is not necessarily convinced that first use would be disastrous as most of us believe. And that is very scary. On the other hand, he must be disabused of the view that the mere mention of that risk will cause us to capitulate. Therein lies the challenge of modern security and defence policy.

JW. David, thank you very much for your time and your ideas and reflections. You have given us much to think about.



The EU US Trade and Technology Council; championing values and good governance for global tech

Tyson Barker
Louisa Biffar

Barker, head of the Technology and Global Affairs Program at the German Council on Foreign Relations and Biffar, Technology and Global Affairs intern look ahead to this month's meeting in Paris of the EU US Trade and Technology Council

Meeting under the long shadow of Russia's war on Ukraine, the upcoming May 15-16 encounter in Paris of the EU US Trade and Technology Council (TTC) is looking for further substantial progress towards a stronger transatlantic alliance that will promote "democratic and sustainable models of digital and economic governance."

The Council's first meeting in Pittsburgh, Pennsylvania, on September 29 2021, launched an ambitious effort to collaborate and align EU and US policies on digital and trade issues as a key component of a strengthened partnership.

Then a roadmap was adopted to guide future work, establishing goals for no fewer than ten working groups. An agreed approach includes tackling critical issues like technical standards, secure supply chains, data governance, foreign direct investment (FDI) screening, green technology, misuse of technology in human rights abuses and open economies.

Additionally, it was agreed to share best practices in risk analysis and assessment of sensitive technologies and data. Despite the progress made across a broad set of objectives, there are still a number of open questions and challenges facing this group as it prepares its next meeting.

The Ukraine war has been a catalyst for progress and priority-setting

Recent shuttle diplomacy opens a window on the expected priorities of the TTC Paris agenda. Officials including Commerce Secretary Gina Raimondo, US Trade Representative Katherine Tai and European Commission Executive Vice President Valdis Dombrovskis, as well as U.S. Deputy Secretary of Commerce Don Graves and German G7 Sherpa Jörg Kukies have been crisscrossing the Atlantic in the past month preparing a wide ranging agenda for the Paris meeting.

Russia's war has catalyzed major transatlantic breakthroughs - notably the March 26 EU-US agreement in principle on a Transatlantic Data Protection Framework and also the April 28 Declaration for the Future of the Internet. Together, they have set the stage for the Paris TTC where the focus is expected to be priorities resulting from the ongoing war on Ukraine.

Already, the two sides have been able to ramp up dual use export control architecture, particularly as it relates to cutting edge technology and IP in areas like semiconductors. The TTC's existence cut the time needed for the EU and U.S. to coordinate sweeping technology sanctions on Russia in an exercise which could otherwise have taken months. A draft of the communiqué to be issued in Paris described this cooperation as "excellent."

The TTC is also expected to yield important progress on secure, resilient and democratic supply chains. These include a comprehensive mapping of semiconductor inputs, greater cooperation on supply chains of rare earth magnets and use of forced labor in the production of solar panels, particularly in China's Xinjiang.

Brussels and Washington also seem ready to deepen their cooperation on disinformation and platform governance. Although the U.S. does not fully endorse the EU's recently adopted Digital Services Act, it could, nonetheless, be the basis for some cooperation on risk assessments for platforms, new data access and transparency requirements and even means of establishing codes of conduct for state-backed disinformation and harmful speech. Cooperation on disinformation is particularly urgent in light of a growing sense that the western allies are losing the disinformation war to Russia and China in many parts of the global south.

Towards a G2 for technology and trade

In that context, there is a sense that the EU US TTC is repositioning its engagement outside the OECD area. The two sides are working on principles on financing technology similar to the Blue Dot network mechanism to certify infrastructure projects that meet robust international quality standards.

This could help guide investment worth multibillion euros in ICT and Connectivity Infrastructure development through the EU's Global Gateway and Build Back Better World. Here both sides seem to be bracketing out areas of tension– like emphasis on Open RAN (Radio Access Networks) – and looking for technology neutral principles.

Stakeholder outreach in TTC continues to grow but is not yet fully formed. The European Parliament and Congress are currently looking to hold their twice-a-year meeting, the Transatlantic Legislators' Dialogue (TLD), in Paris a week after the TTC meeting. It is expected that the tech and geopolitical agenda will play an important role in these talks, especially in light of Russia's war on Ukraine. While the TTC has done better than previous efforts, more non-state, private sector and civil society involvement in shaping its agenda is needed, particularly to the extent it can forge transatlantic consensus.

Shaken by Russia's war machine, the TTC is moving beyond its proof-of-concept phase towards becoming a functioning, even if undeclared, G2 for technology and trade. The TTC has already pulled the western alliance closer together on critical technology and trade issues, while strengthening the shared democratic values that bind these partners. As it looks beyond Paris to its next meeting in the US in December, a major objective will be to codify the work forged under pressure of acute crisis into a durable, long-term, strategic effort to strength the rule-based trade and tech order.

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The Sino-Russian Alliance May Weigh Less After Ukraine

Max Bergmann

The Director of the Europe Program at the Center for Strategic and International Studies in DC asks whether a Russia weakened by its war in Ukraine will carry real weight with China.

Max Bergmann is former State Department official who is now Director of the Europe Program at the Center for Strategic and International Studies in Washington DC.

It is now commonplace to suggest that Russia's invasion of Ukraine is transforming the future of global politics. Outside of the United States it is less well understood that Russia's war is solidifying support for Europe and for Nato, after a some decades of softening attachment to the transatlantic alliance.

This softening was largely explained by the fact that in American eyes the security of Europe did not seem to be in doubt after the end of the Cold War. Given a diminished threat from the east, many Americans were frustrated that Europe was not doing more to lighten the security burden on the US at a time when we were embroiled in two long and costly wars in Afghanistan and Iraq. Consequently, Donald Trump's dismissive approach to the alliance was in tune with important sections of domestic opinion.

War in the Ukraine has shocked the US just as much as the Europeans. Trumpian skepticism has been pushed to one side. Instead, Republicans in congress are criticising Biden for not doing more to help Ukraine. At the same time those trying to assess the war's impacts on US interests are closely watching for collateral damage to the Sino-Russian relationship.

If the war had gone according to Putin's initial plan, in one month Russia would have taken over Ukraine and cemented the ambitious and broadly-based Sino-Russian partnership, loudly and lengthily proclaimed by Putin and Xi Ping in Beijing on February 4 as "highly aligned on major international issues".

China should ask itself: is the west really in decline?

Instead, Russia has suffered military embarrassment and huge reputational damage. Both Moscow and Beijing have been taken aback to discover that their assumptions about Western weakness and decadence are being proved wrong. Confounding their expectations, the West is showing itself ready to take some serious economic hits in defending democratic principles and Ukrainian sovereignty.

This ought to prompt China to reassess its assumption that the democratic West is in decline, and whether a broadly-based global alliance with Russia will be a good geopolitical bet.

There should now be real doubts about what Russia can bring to an alliance with China. The potential weakening of its defense and security capabilities and its global pariah status could well limit the appeal in Beijing of too close a collaboration.

Crucially, Beijing must be asking itself : can Russia emerge from this war and still be regarded as a great power? Rebuilding its military strength and repairing its economy will take some years and serious readjustments of investment priorities and supply chains.

Will China want a dependent Russia as a strategic partner?

Moscow is going to be highly dependent on China, both to avoid sanctions and gain access to advanced technology and materials for rebuilding its defence sector.

This will not necessarily be welcome to Beijing, not least because China might also be exposed to US and European sanctions. There may, however, be at least one attractive compensation: access to energy supplies that Russia will be eager to expand and deliver as Europe weans itself off Russian oil and gas.

Stronger economic and energy links between the two countries are likely. But if Russia will struggle to maintain its great power status, will the US need to take the evolving Sino-Russian partnership as seriously as it might have done? If at least one half of the alliance is diminished in military strength, economic power and diplomatic heft, then the geopolitical significance of the relationship will not be the same as it was before February.