



## **“FIREPROOFING THE EU-US RELATIONSHIP: IN SEARCH OF A NEW COMPASS”**

### **EXECUTIVE SUMMARY:**

There is a growing belief that urgent action has to be taken to strengthen the EU-US relationship given the broad and deepening challenges lying ahead. We are living through a geopolitical whirlwind where there is a real sense of fragility, with deep concern as to whether our institutions are resilient enough to meet the challenges ahead.

Action is now needed by the Transatlantic Partners to agree on a considerably strengthened EU-US partnership framework. Formulating an action plan of this nature will ensure that the EU-US relationship will be fireproofed by 2024. The key ideas underlying this TPN initiative are set out in the short memorandum attached.

TPN is suggesting that a New Compass be created for the transatlantic partnership which will enable all the key actors to meet and take joint decisions together, achieving tangible outcomes across a range of issues that will promote transatlantic values, security and prosperity.

**26 APRIL 2023**

## **MOUNTING CHALLENGES FOR THE EU-US PARTNERSHIP:**

Since 1992, TPN has aspired to strengthen the Transatlantic Partnership between the EU and the US, highlighting priority issues where progress should be made for the well-being and security of their citizens. In doing so, TPN has always kept an eye on the longer-term strategic horizon, now encapsulated in its ongoing Vision Project 2030 exercise “Towards Transatlantic Partnership 2030”. Looking beyond current day-to-day events, the intention is to arrive at a vision for the transatlantic relationship in 2030, developing a roadmap for getting there.

Strategic challenges, as noted in the latest US 2022 National Security Strategy document, are now twofold, very different from even a decade ago. First, those relating to geopolitical competition. ‘The post-cold war era is over and a competition is underway between the major powers to shape what comes next’. The Russian invasion of Ukraine is a profound challenge to the rules-based international order in place since the Second World War. And the rise of China is advancing an alternative vision for the international order by 2030.

Second is the speed with which transnational tests are multiplying across borders. These include not only the well-known challenges of climate change, food insecurity and energy transition but also the effects of the Covid pandemic on supply chains and digital transformation.

At Transatlantic Week 2022 in Washington in July, there were broad exchanges on these challenges ahead and firm support for steps to be taken to enhance the effectiveness of the transatlantic relationship to resolve them together (see attached Annex). But there were doubts expressed that the EU-US partnership is capable of acting effectively together given its current structures which dates back to the mid-1990s’.

## **WEAKNESSES IN THE EU-US FRAMEWORK:**

The EU-US relationship reached a milestone with the signing of the Transatlantic Declaration in November 1990 which set out the key issues to be discussed together, ‘endowing their relationship with long-term perspectives’. This laid the basis for the New Transatlantic Agenda (NTA) in December 1995, with a detailed joint action plan, divided into 4 key sections for action. This Agenda was complemented by the Joint Transatlantic Agenda (JTA) in June 2021, also setting out 4 key areas for action, entitled “Towards a renewed Transatlantic Partnership”. This included the setting up of a Trade and Technology Council (TTC).

Regrettably, these two documents are not linked in any way and make no reference to the Transatlantic Declaration of 1990. Furthermore, they are both providing the means for the executive to cooperate together but have no efficient way for the political or business communities to be involved in the process.

Although the TTC is viewed as a promising way for the EU and the US to cooperate on trade and technological matters, there are huge geopolitical challenges which require a stronger framework for there to be joint actions. Current discussions relating to the US Inflation Reduction Act would be helped were there to be a more robust platform to manage EU-US differences as they arise.

## **FIREPROOFING THE EU-US RELATIONSHIP: THE TPN COMPASS PROJECT ACTION PLAN**

It is proposed that the following elements should form part of the Action Plan:

**Bringing the two Agendas together within a Partnership framework would provide a vital step for greater coherence.** With the wide variety of dialogues underway, there needs to be better focus of what the EU-US framework is intended to achieve, not least in the light of the additional tasks now being handled resulting from the Russian invasion of Ukraine.

**Reactivate the idea of building bridges as contained in the NTA.** The aims of the Agendas will be more easily achieved if they are inclusive beyond the EU and US administrations alone. It is essential that the idea of building bridges contained in the NTA be reinvigorated, not least enabling business and labour to interact regularly.

Strengthening the political dimension between the European Parliament and the US Congress is critical to ensure success of the overall process, bringing all those together who wish to be a part of creating the renewed transatlantic partnership.

**Develop means of cooperating on strategic foresight together.** It would also be of considerable significance if the tentative efforts underway to cooperate on foresight within the EU-US framework progressed, e.g., doing joint work on issues of common concern.

**Ensure that this evolving EU-US dynamic is properly linked to the NATO dimension.**

### **HOW TO IMPLEMENT THE ACTION PLAN:**

The Compass project aims to develop ideas how this EU-US framework can be strengthened in a straightforward manner without involving huge efforts to do so. It formally started in early 2023 running into TA Week 2023 and through 2024.

To help implement this project, TPN is involving all its participants drawn from the worlds of politics, business, academia as well as other transatlantic stakeholders who are interested in being involved. This includes in particular younger generation participants who wish to shape their future by helping to fireproof the transatlantic partnership for the decade ahead.

The ensuing debates will stimulate ideas being able to:

- Highlight those issues which have the greatest chance on which to make progress (see Annex). Discussions are taking place online on these issues in the run up to Transatlantic Week 2023.
- Draft a renewed Transatlantic Declaration, setting out the outline of a strengthened EU-US partnership framework.
- Propose how to bring the two transatlantic agendas into one partnership framework; and
- Recommend how best to bring leading businesses and politicians into this new framework.

After wide consultation within TPN, draft proposals will be made available in Madrid by July 2023 and at Transatlantic Week 2023 being held in Washington DC the week starting Monday, July 24.

## **ANNEX THE RAPID RISE OF KEY CHALLENGES TO BE MET TOGETHER:**

Key policy Issues raised at **TA Week 2022** can be divided under four main headings (although there are many which are cross cutting in nature). TPN is focussing its programming on those areas where there is the greatest chance of making progress together in the months ahead.

The 3 top areas under each heading are set out below:

### **Geopolitical:**

- >\*Russia
- >China
- >EU-US NATO Cooperation

### **Digital Transformation:**

- >\*Data
- >\*5G
- >\*AI

### **Economy and Trade:**

- >\*Innovation R&D and Chips
- >\*Supply chains
- >\*WTO reform

### **Sustainability:**

- >Climate Change
- >Food
- >\*Energy

\*It is understood that those asterisked above are current priorities in the TTC agenda