ELECTIONS AHEAD:
FIREPROOFING THE EU-US RELATIONSHIP FOR THE LONG TERM

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The United States and the European Union are in for a long election year. In June, the EU will hold elections for the European Parliament, which will then lead to Parliament’s approval of a new, or renewed, Commission President and a new set of EU Commissioners. In November, the U.S. will hold Presidential and Congressional elections, with the President taking office in January, along with a new Congress. Politics will likely distract both politicians and policymakers for much of 2024.

At the same time, both the EU and the U.S. face a range of shared challenges: climate and the energy transition, the digital transformation of the economy, China, the war in Ukraine, and the need for sustained, equitable economic growth. The window of opportunity for the alliance to address its shared challenges is closing.

With so much at stake, there is still time in 2024 to fireproof this relationship against an uncertain future. We cannot afford to let political distractions in fraught election campaigns spiral into an us versus them rhetoric. It must be we, acting together, with a clear, shared agenda and a strengthened framework of institutional relationships, that spare no effort to reconcile our international agenda with our domestic policies.

In the coming months, officials in Washington and Brussels should begin to fashion the outline of a new Transatlantic Partnership Framework Agreement building on the 1990 Transatlantic Declaration, the 1995 New Transatlantic Agenda, and the 2021 Joint Transatlantic Agenda.

Such a new accord has widespread support and was endorsed last July during Transatlantic Week in Washington hosted by the Transatlantic Policy Network, a group of European and American business leaders and legislators.

Russia’s war in Ukraine has brought Europe and the United States closer together. Close coordination between Washington and Brussels is pivotal to the rebuilding of post-war Ukraine and its integration into the transatlantic economy. A majority of Europeans worry that the alliance could get weaker after the next U.S. presidential election. And, given Asia’s economic dynamism and China’s growing security threat, the U.S. pivot to Asia is likely to pick up again once the war in Ukraine is over.

Europeans and Americans are increasingly wary of China. Beijing’s threatened actions against Taiwan would disrupt the global economy. And our mutual dependence on Chinese supply chains is a growing
concern. Both Washington and Brussels are de-risking ties with Beijing through reshoring production
and possible limits on Chinese investment in their economies as well as curbs on our businesses
investing in China. A permanent dialogue on China needs to become a pillar of the strengthened
transatlantic framework, with close engagement by policymakers and businesspeople. To be
effective, joint initiatives will need close coordination beyond the current administrations on both
sides of the Atlantic.

The US-EU Trade and Technology Council (TTC) was established to advance the resilience of
transatlantic supply chains in key sectors for green and digital transitions, to cooperate on standards
for emerging clean technologies, and to address common economic and national security challenges.
Progress has been made. However, such ad hoc discussions have existed in the past and rarely survived
more than one or two administrations. Strong institutional grounding, Congressional engagement, and
a revival of the Transatlantic Business Dialogue are needed to enhance the TTC’s effectiveness and
longevity.

The transatlantic squabble over the Inflation Reduction Act underscores the potential for ongoing
frictions over how to deal with climate change and manufacturing renewal. The size and volume of
trade across the Atlantic are so vast that we need a permanent dialogue involving all stakeholders
before well-meaning policies trigger a trade war. The TTC should continue to be the platform to address
such issues early enough to find common solutions.

Despite election distractions on both sides of the Atlantic, now is the time for the EU and the U.S. to
recommit to a strengthened framework of institutional relationships with greater involvement of
Congress, the European Parliament, and the business community.

With adequate preparation by administrations in both Brussels and Washington, a post-U.S. election
agreement to launch discussions in 2025 for a new Transatlantic Partnership Framework Agreement is
achievable. The accord could be based on ideas recently proposed by the Transatlantic Policy Network
(TPN) which we co-chair. As Ben Franklin once observed: “We must all hang together, or, most
assuredly, we shall all hang separately.”