



**TPN: TRANSATLANTIC WEEK  
REMARKS BY AMBASSADOR STUART EIZENSTAT  
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I applaud TPN for its annual Transatlantic Week and, more broadly, for working for decades on strengthening the relationship between the United States and the European Union, since I first came in contact with James Elles and Vivien Haig as U.S. Ambassador to the European in the Clinton Administration (1993-1996).

At one level, all seems positive in the early months of 2024. We have demonstrated during the Biden and Von der Leyen administrations, that we remain each other's essential allies, sharing democratic, free market, rule of law, human rights values, and foreign policy approaches on a variety of challenges abroad. Inflation is receding in both the U.S. and EU; recession has been avoided; growth has resumed, with particular strength in the U.S.; China's demographic and economic challenges seem greater today than they did a year ago during TPN Transatlantic Week; U.S.-EU policy toward China has become closer; and Western cohesion has been maintained, although with greater obstacles, in supporting Ukraine against Russian aggression. Russia's Vladimir Putin has been unable to crack NATO's solid support for Ukraine: indeed, Finland and Sweden overcome a long history of neutrality to join NATO and substantially strengthen and lengthen its expansion to Russia's borders.

On October 20, 2023, there was a successful US-EU Summit with President Biden (the second of his term), Von der Leyen, and European Council President Charles Michel, which underscored that we are each other's most important allies on virtually every challenge we face. A detailed and specific Joint Statement found common ground in addressing:

- > Israel's war in Gaza after the brutal October 7 Hamas terrorist attack.

- > Russia's war against Ukraine.
- > Promoting a peaceful, democratic, and resilient Africa, welcoming the African Union accession as a permanent member of the G20.
- > Indo-Pacific partnerships.
- > Meeting the challenge of a rising China, pushing for a level playing field for our firms and workers, and expressing serious concern about their aggressive activities in the East and South China Seas.
- > Strengthening Security and Defense cooperation, including a new agreement between the US Defense Department and the European Defense Agency.
- > Partnering with Emerging Economies and Developing Countries.
- > Strengthening US-EU Economic Cooperation through the Trade and Technology Council (TTC) and by building sustainable and resilient economies of the future, implementing the Paris Climate Agreement.
- > Expanding Technology Cooperation and Exchanges.
- > Promoting Rules-Based Trade and Countering Unfair Competition.
- > Strengthening Economic Resilience and Economic Security, for example in critical supply chains.
- > And Expanding People-to-People Contacts.

Another positive sign was the Fifth Ministerial meeting on January 30, 2024, U.S.-EU Trade and Technology Council (TTC), with Secretary of State Tony Blinken, Secretary of Commerce Gina Raimondo, US Trade Representative Katherine Tai, and EU TTC co-chairs European Commission Executive Vice Presidents Margrethe Vestager and Valdis Dombrovskis, and Thierry Breton, European Commissioner for Internal Market. A sixth TTC Ministerial Meeting is scheduled for this Spring.

The TTC is an ambitious bilateral framework for cooperation with ten working groups on a variety of economic challenges. It deserves to be institutionalized. While its actual results have been fairly thin, two of the working groups, one of export controls and the other on investment screening has produced close cooperation. The January 2024 TTC made progress on overcapacity of computer chips from China. The U.S. Select Committee on Competition with the Chinese Communist Party positively called out the TTC for promoting joint U.S. and EU competitiveness and prosperity. And one expert, noted that TTC "has shown tremendous resilience in light of major crises", like Ukraine, Gaza, Houthi attacks in the Gulf of Aden, and mounting pressures in the Indo-Pacific. ([See an excellent](#)

[analysis by Emily Benson](#), a senior fellow at the Center for Strategic and International Studies in Washington, February 7, 2024). The TCC called for re-risking our economies, building resilient supply chains, employing outbound investment mechanism to safeguard national security-related technologies, better coordinating our export control regimes to prevent exploitation of dual-use technologies, jointly countering the use of economic coercion and non-market policies by authoritarian actors, countering foreign information manipulation and interference, and attacks against human rights defends online while safeguarding freedom of expression.

But with several elections in Europe in 2023 since the last TPN Transatlantic Week, and multiple elections on both sides of the Atlantic in 2024, June for the European Parliament; the fall in Austria, and in the United States, and the growth of right wing parties in recent European elections—the foundation which has been constructed over the past three years by the Biden administration and the European Commission led by Ursula von der Leyen for closer and deeper US-EU relations, more economic integration, and continued cooperation on key challenged like Ukraine, China, and a host of other issues, may be shaken.

Far right parties have grown in the EU: Hungary (Viktor Orbán); Italy (Giorgis Meloni), Slovakia (Robert Fico); the Netherlands (Geert Wilders); Austria (where the Freedom Party is the favorite to form its first government on fall elections). And they have shown growing strength in France (National Rally, with Marine Le Pen), and in Germany (AfD, Alternative for Germany).

Experts project that following the June 2024 elections, the next European Parliament may have as much as 25% far right parties, and may be more pro-Russian, less green, and more skeptical of deepening relations with the US.

In the U.S. elections in November, the race between Donald Trump and Joe Biden will be close, decided in six or seven battleground states.

If former President Trump has been reelected, he has made clear that in a second term, the European Union would be “an enemy”. It is revealing that the one EU member state leader he has entertained at Mar-a-Lago is Viktor Orbán, the autocratic leader of Hungary. Along with China, the EU would be subject to significant tariff hikes. He has said “I am a big believer in tariffs” and is like to

reinstate duties on foreign goods is he elected to a second term. He stated on tariffs that “Beyond the economics, it gives you power in dealing with other countries.” (Trump, CNBC interview, March 11, 2024, by Jeff Cox). He has floated the idea of 10% tariffs on a wide range of imports. This has led the EU to create its own Anti-Coercion Instrument to serve as the EU equivalent of the US Section 301 tariffs. (Emily Benson, Center for Strategic and International Studies, February 7, 2024).

The EU is acting more aggressively on the foreign policy front than on any time since its formation, and beyond anything I could have imagined during my tenure as U.S. Ambassador to the EU during the Clinton administration. It reinforces the old adage that “necessity is the mother of invention”. The EU overcame Hungarian opposition and approved a four year \$54 billion budget aid package for Ukraine, while President Biden’s proposed \$60 billion military package to Ukraine, more than half of which goes to U.S. military contractors for arms and munitions), which passed the Senate with bipartisan support, is stalled in the Republican-controlled House because of public opposition by former President Trump.

Moreover, the European Commission has taken the lead in finding a creative way to use the interest on frozen Russian assets for Ukraine’s benefit, some 3 billion Euros a year, or as much as 15 billion Euros to 2027. with most going to military support for Ukraine. The first payments could be as early as July. (Matina Stevis-Gridneff and Monika Pronczuk, “E.U. Says It Has New Source of Aid for Ukraine: Frozen Russian Assets”, New York times, March 21, 2024) At the same time, the U.S. has yet to act.

The EU is also seeking to build an integrated military industry to build up EU member states arsenals depleted after two years of arms transfers to Ukraine: “new territory for the European Union, which from its inception has been primarily an economic and trade alliance.” The EU is even considering having its development and climate bank, the European Investment bank, venture into defense purchases, “highlighting the urgency felt across the European Union to bolster military capabilities.” (Matina Stevis-Gridneff, *supra*)

On foreign policy, he has said he would end the Russian-Ukraine war “in a day”, presumably by cutting off U.S. aid to Ukraine required to give Ukraine the capability to fend off further Russian advances and to recover additional Ukrainian land occupied by Russia. And Mr. Trump recently (February 2024) called NATO

“obsolete” at a time it is more vibrant than ever and encouraged Putin and Russia to “do whatever they hell they want” to any NATO country that did not pay enough dues to NATO.

While there are many reasons for the growth of populist, nationalist, isolationist parties and public sentiment in Europe and the U.S.—from rising income inequality, stagnant middle and working class income, inflation, foreign crises)—I believe the most important common thread is rising immigration, in the US from Central and Latin America, in Europe from the Middle East and Africa. At a time of massive migration movements due to climate change, military conflicts, and economic hardship, this poses of direct threat to liberal democracies and their values on both sides of the Atlantic.

I hope that whoever wins the presidential election in the US and the parliamentary elections in the EU, we can build up the strengthening of transatlantic relations under the leadership of President Biden and President von der Leyen. I am particularly pleased that the foreign policy cooperation we initiated in the 1990s is now flourishing. This reinvigoration has been catalyzed by the transatlantic response to the twin challenges of supporting Ukraine against Russia’s brutal invasion and by the rise of China, which offers a long-term challenge to western global order based upon democracy, free markets, and the rule of law. It has made us realize anew how we must depend upon each other as enduring, essential allies. Transatlantic solidarity has been essential to the preservation of peace, freedom, and prosperity. We should recognize that military security and economic security and prosperity are intimately intertwined and must be coordinated, not kept in separate silos.

Russian President Putin has been doubly shocked: not only by Ukraine’s courageous, remarkable resilience in defending itself against a far larger military force, but also by transatlantic cohesion through NATO, in providing military assistance to Ukraine through its member states, its expansion to Finland and Sweden, and among the toughest economic sanctions ever imposed on a third country coordinated through the US and the EU.

Likewise, Chinese President Xi would like nothing better than the exploit U.S.-EU divisions on how to deal with the challenge of a resurgent, aggressive China.

The U.S. and EU recognize as never before the need for greater transatlantic cooperation and economic integration to also face the existential challenge of global climate change, energy security, protecting our supply chains, and transformative technological breakthroughs from 6G, online platforms, quantum technologies, and most revolutionary, Artificial Intelligence (AI). In addition, the nuclear weapons threat already posed by North Korea and looming with Iran, require the closest transatlantic cooperation. The United States cannot possibly meet these challenges alone. While we have other valued democratic allies in Asia, none are as deeply embedded as those in Europe.

But we cannot be satisfied with more of the same. We need a New Compass for the 21st century to deal with our common challenges. NATO is extraordinarily important, as it was during the Cold War, in the Balkan Wars in Bosnia and Kosovo, and never more so than now with Russia's invasion of Ukraine.

We have much to build upon. The US and EU have the largest bilateral trade and investment relationship in the world. Our \$7.1 trillion economy employs 16 million workers in balanced, mutually "fl" jobs on sides of the Atlantic. Some one-third of the trade between the US and EU consists of intra-company transfers. The percent of global investment into our respective markets is huge and almost identical: 64% of global investment into the U.S. comes from Europe, and 61% of U.S. global investment goes into Europe. Indeed, U.S. companies invest more than twice as much in tiny Ireland (\$28 billion) as in China (\$11 billion). Together we are one third of global GDP (in terms of purchasing power).

There is a foundation for a new transatlantic institutional framework: the 1990 Transatlantic Agenda under President George H.W. Bush; the 1995 New Transatlantic Agenda under President Clinton (which I helped negotiate as U.S. Ambassador to the EU); and the 2021 Joint Declaration under President Biden, European Commission President von der Leyen, and European Council President Charles Michel, which included creation of the joint U.S.-EU Trade and Technology Council (TTC).

As underscored by the fifth Ministerial Joint Statement in January, 2024 the TTC's 10 Working Groups are doing important work to effectively coordinate the U.S. and EU response to Russia's invasion of Ukraine through cooperation on sanctions-related export restrictions, and combatting foreign information manipulation and

interference (FIMI); diversify and strengthen our semiconductor supply chains, with a joint early warning mechanism for semiconductor supply chain disruptions; address non-market policies, economic coercion and unfair practices by countries like China; deepen cooperation on emerging technologies strengthen engagement towards a transatlantic green marketplace; develop a shared vision for charging electric heavy-duty vehicles; begin negotiations of a critical minerals agreement; launch a Clean Energy Incentives Dialogue; implement an exciting e-vehicle charging infrastructure; and update a few existing Mutual Recognition agreements.

But we need a more ambitious effort to imbed our cooperation into a more comprehensive, integrated, permanent framework. This is dramatized by the number of major steps have taken without advance consultation with our transatlantic partners. As far back as 2018, the EU established binding rules for protection of privacy and data with little consultation with American companies and the U.S. government. In the past few weeks, the European Parliament passed a sweeping package of laws (EU AI Act) to protect consumers from potentially dangerous applications of AI (such as surveillance, algorithmically driven discrimination, and misinformation that could upend democracy) with little U.S. input, while President Biden focused on a more voluntary approach with leading AI companies and Congress has taken no steps to deal with the challenge, while it educates Members on the opportunities and risks. The Congress passed and the President signed the 2022 Inflation Reduction Act (IRA) to provide over \$360 billion in subsidies and tax incentives to U.S.-based companies to encourage clean technologies, like electric vehicles and charging stations, new generation batteries, and renewable energy, with no consideration to its negative impact on our European allies, causing a furor, and causing them to consider competing subsidies. The EU recently approved a Carbon Border Adjustment Mechanism a tax based on the carbon content of carbon intensive imports, like cement, with no consultation. The U.S. and EU have taken widely divergent paths to deal with climate change, which I witnessed first-hand as far back as COP-3 in Kyoto, when I led the U.S. delegation, with the EU adopting a cap-and-trade system (which they vigorously opposed in Kyoto), which the U.S. has rejected. And we have left the World Trade Organization (WTO) to wither on the vine.

First, we should recognize the increasingly important role the EU plays in the security area. Often NATO takes up all the oxygen in the transatlantic security space. It is critically important that the geo-economic relationship between the U.S.

and EU be given more attention and bandwidth. It should not be an either-or proposition. An EU military mission helps maintain the fragile peace in Bosnia. The Ukraine war has underscored the importance of U.S.-EU cooperation in supporting Ukraine through closely coordinated sanctions against Russia and facilitating humanitarian aid, our transatlantic cooperation will be critically important in the massive job of rebuilding Ukraine after the war. The NATO-EU Strategic Partnership, which involves EU Member states but also the US, is an important, little recognized partnership making “unprecedented progress...in countering hybrid and cyber threats...maritime issues, military mobility, defense capabilities, defense industry and research, exercises, counter terrorism, and capacity building of partners.”

Second, with the USMCA working effectively and garnishing bipartisan support, after the 2024 presidential elections, we should determine to increasingly integrate our economies by negotiating a renamed, reformulated transatlantic free trade and investment initiative, making clear this will not overrule national or local environmental protections. This would not be a race to the bottom on labor and environmental standards. If anything, the EU has higher standards than the EU. **The ambitious goal should be a barrier-free transatlantic marketplace within 10 years,** removing all tariffs on industrial goods. All barriers to investment, for example in airlines, communications, banking, should be lifted; an integrated capital market should be created with mutually recognized accounting and audit standards and stock market listing requirements. All products would be mutually accepted with only one set of tests in one market satisfying both markets, like existing wide-bodied aircraft, Marine Equipment and the US-EU Mutual Recognition Agreement annex for Pharmaceutical Good Manufacturing Practices. We would also recognize the equivalence of each other’s health, safety and environmental regulations. We should recognize each other’s professional credential and allow a free flow of professional workers.

Third, we should adopt a common principle on both sides of the Atlantic that on major legislation affecting our respective economies, like the IRA or the EU’s AI Act, we will develop mechanism for advance notice and consultation. Unwanted surprises undermine our essential cooperation as allies in a hostile world. This could be buttressed with more formal Transatlantic Impact Statements, applied to a range of areas, including security-related impacts of technology transfers. And we



should not use Section 232 national security tariffs against products from EU companies, as if Europe was our enemy.

Fourth, in conjunction with the 1995 New Transatlantic Agenda in the Clinton administration, we created transatlantic private sector organizations, like the Transatlantic Business Dialogue (TABD) with CEO-level participants; and then the transatlantic labor, consumer, and environmental dialogues, bringing NGO leaders together. These dialogues atrophied, and were not carefully nurtured, particularly on the U.S. side, and should be reconstituted. A start was made when the U.S. and EU held their second principal-level session of the Trade and Labor Dialogue (TALD) bringing together senior representatives from labor, business, and government on both sides of the Atlantic. It was focused on eradicating forced labor from global trade and global supply chains and examining the impact of the green transition on workers. This should be institutionalized, but having a separate business dialogue to focus on other issues would be useful.

I am pleased that on the margins of the TTC, the U.S. and EU hosted two stakeholder events: a “Roundtable on the Legacy Semiconductor Supply Chain”, where industry leaders on both sides of the Atlantic discussed the current state of the industry; and a Transatlantic Initiative for Sustainable Trade (TIST) Stakeholder Event on “Crafting the Transatlantic Green Marketplace”.

Fifth, there is a Transatlantic Legislators Dialogue. During the Clinton administration, we had difficulty getting Members of Congress and Members of the European Parliament together. Senators never attended and only a handful of Representatives. As Bruce Stokes has recommended, a first step to elevate its importance would be to give it official status in the U.S. Congress. But the goal should be to create a Transatlantic Assembly, modeled after NATO’s North Atlantic Assembly “to provide a shared platform for congressional and parliamentary involvement” in a deepening U.S.-EU relationship. I suggest bi-annual meetings of senior representatives from the U.S. Congress and European Parliament.

Last, during the Clinton administration, we struggled to get EU-US Summits on the President’s schedule. Two have now been held during President Biden’s three years in office. They should be as regularized as NATO Summits, meeting annually alternatively in the U.S. and Europe, at the presidential level. And the private sector dialogues should meet at the same time. There should be bi-annual meetings of the TTC.

With so many challenges facing us at such a rapid pace, it is time to accelerate and institutionalize a new era in transatlantic relations. But none of the needed improvements in U.S.-EU relations should obscure that they are stronger, deeper, more sustained, and more important than ever to deal with our challenges at home and abroad.