

**June 2023**

The US administration of President Joe Biden has adopted a more cooperative approach to the EU than that of his predecessor, and strongly signalled the return of US support for multilateralism, including commitment to NATO, the [World Health Organisation](#) and the [Paris Agreement](#). US Secretary of State Antony Blinken has stressed the importance of 'alliances and partnerships', and new forums for EU-US cooperation have been set up, including the [EU-US Trade and Technology Council \(TTC\)](#), which met for the [third time](#) in Maryland on 5 December 2022, the [fourth](#) will take place in Luleå, Sweden on 30-31 May 2023.

Other dialogues include the [EU-US Dialogue on China](#), the [EU-US High-Level Dialogue on Russia](#) and the [EU-US Dialogue on Security and Defence](#). Concerning deepened defence cooperation, on 26 April 2023 the European Defence Agency (EDA) and the US Department of Defense [signed](#) an [administrative agreement](#) that will enable dialogue and consultation in areas of EDA remit.

While the two sides have also worked to [resolve or mitigate](#) long-running [trade disputes](#), there are perennial disagreements, for example with regard to [WTO reform](#). Ongoing negotiations on an [EU-US global arrangement on sustainable steel and aluminum](#) (GASSA) have yet to be concluded. The European Union has been [concerned](#) about US legislation making [tax credits for clean vehicles](#) conditional on their assembly in North America. In October 2022, the US-EU Task Force on the Inflation Reduction Act (IRA) was set up to [address EU concerns](#). In March 2023, the EU and the US began [negotiating](#) a targeted critical minerals agreement to make critical minerals extracted or processed in the EU eligible for the IRA's clean vehicle tax credits and to reduce unwanted strategic dependencies in these supply chains.

On 25 March 2022, an [agreement in principle](#) was announced. On 7 October 2022 President Biden signed [Executive Order 14086](#), which – together with [regulations](#) issued by the Attorney General – introduces new rules seeking to address the points raised in 2020 in [Schrems II](#) by the Court of Justice of the European Union. In its [resolution](#) of 11 May 2023, the European Parliament, however, expressed a number of concerns relating to the new rules.

Russia's invasion of Ukraine has strengthened transatlantic ties. There has been [close coordination](#) on sanctions and the US has made a [significant contribution](#) to Ukrainian and European security. The European Commission and the US [have also agreed](#) to set up a joint task force on energy security, which will work to increase the supply of liquefied natural gas (LNG) from the US. On 10 March 2023, Commission President von der Leyen met with US President Biden to [discuss issues](#) related to clean-tech subsidies and energy-related supply chains, as well as US-EU security policy coordination. On 4 April 2023, Secretary Blinken and High Representative Borrell, in the framework of the [10th EU-US Energy Council](#), [discussed transatlantic cooperation](#).

*This topical digest, produced for Members of the European Parliament, presents EPRS publications discussing various aspects of transatlantic relations and US governance.*

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# EU-US RELATIONS

## US: Economic indicators and trade with the EU

*Infographic by Györgyi Macsai, September 2022*

## EU and US action to support media freedom: EU-US explainer

*'At a glance' note by Naja Bentzen and Tarja Laaninen, May 2023*

Recognising media freedom and freedom of expression as cornerstones of democracy, the European Union and the United States remain dedicated to protecting these freedoms at home and internationally. Their efforts to overcome threats to media freedom are particularly vital in the context of the 30th anniversary of World Press Freedom Day, celebrated on 3 May 2023, at a time when media is facing mounting pressure globally.

## Strengthening transatlantic ties in a challenging multilateral world

*'At a glance' note by Gisela Grieger and Marcin Szczepański, March 2023*

Challenges in the transatlantic relationship have remained, as the EU and the US have chosen different ways to achieve their climate change targets, address supply chain vulnerabilities and ensure their global competitive edge, with both legislating in line with the constraints of their political economies.

## Russia's war on Ukraine: US support

*Briefing by Gisela Grieger, February 2023*

The US has been at the forefront of multilateral actions to tackle the multiple adverse implications of Russia's war of aggression both for Ukraine and the whole world. The US has also provided significant military, financial and humanitarian assistance to Ukraine and its EU neighbours.

## Russia's war on Ukraine: US sanctions

*Briefing by Marcin Szczepański, February 2023*

The US imposed a battery of sanctions and multilateral measures on Russia following its invasion of Ukraine, while also providing Ukraine and its EU neighbours with military, economic and humanitarian aid.

## EU US Trade and Technology Council – Modest progress in a challenging context

*Briefing by Marcin Szczepański, February 2023*

The TTC's work has focused mostly on information sharing, joint mapping, defining best practice, identifying risks and exploring options for closer cooperation. The third meeting made progress on artificial intelligence standards, global connectivity, transparency of semiconductor supply chains, meaningful dialogue on forced labour and due diligence, sustainable trade, post-quantum encryption and China's non-market practices.

## EU-US climate and energy relations in light of the Inflation Reduction Act

*Briefing by Lasse Boehm, January 2023*

The US Inflation Reduction Act is a huge investment bill pouring billions of dollars into the American economy by favouring US-made clean energy and technology. The EU will have to consider how to integrate its climate, energy and industrial policies, so as to contribute towards climate goals and energy security while at the same time retaining the global competitiveness of its economy.

## Setting the table: More than half a century of US-EU relations

*In-depth analysis by Bruce Stokes, December 2022*

The paper does not attempt a comprehensive chronology of U.S.-EU relations, but discusses several longstanding challenges that have preoccupied the relationship: differences in values between Europeans and

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Americans and the contrasting perceptions they have of each other and of the European Union, their respective roles in the world, and their positions on certain issues at hand.

### **Reaching the EU-US Data Privacy Framework: First reactions to Executive Order 14086**

*Briefing by Hendrik Mildebrath, December 2022*

The new US framework aims to enhance the level of privacy and data protection for EU data subjects in order to match, in essence, that of the EU and thereby meet EU data transfer requirements.

### **The third joint EU-NATO declaration**

*'At a glance' note by Sebastian Clapp, December 2022*

Following joint declarations by the EU and NATO in 2016 and 2018, a third joint declaration was signed on 10 January 2023. While some laud the declaration as a manifesto for increased cooperation, others perceive its 14 clauses to be mere symbolism. Russia's illegal war against Ukraine, and Finland and Sweden's push to join NATO, have recently highlighted the importance of strong cooperation between the EU and NATO.

### **The EU chips act – Securing Europe's supply of semiconductors**

*Briefing by Guillaume Ragonnaud, November 2022*

Semiconductors (or chips) are the engines of the digital transition. Their production relies on complex and vulnerable global supply chains, against a backdrop of global chip shortages and a 'subsidy race' in the world's main producing regions.

### **United States climate change policies – State of play ahead of COP27**

*Briefing by Liselotte Jensen and Gisela Grieger, October 2022*

The US was responsible for over 12 % of global emissions in 2019. US per capita emissions of 18 tonnes CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) in 2019 were triple the world average and over double the EU level.

### **The 2022 US mid-term elections – Legislation meets politics**

*Briefing by Gisela Grieger, October 2022*

In a historical phenomenon often referred to as the 'mid-term curse', in the vast majority of mid-term elections held since 1946, the president's party has lost seats – 28 House seats and 4 Senate seats on average – and only on two occasions has it gained seats.

### **EU gas storage and LNG capacity as responses to the war in Ukraine**

*Briefing by Lasse Boehm and Alex Wilson, April 2022*

The European Commission and the United States recently agreed to set up a joint task force on energy security, to work towards importing an additional 50bcm of US LNG to the EU annually, until at least 2030.

### **Taxing the digital economy – New developments and the way forward**

*Briefing by Marcin Szczepanski, October 2021*

A two-pillar solution agreed under the auspices of the OECD will put an end to the current fragmented approach to taxing the digital economy. Pillar One would reallocate taxation rights concerning the largest and most profitable multinationals, and Pillar Two would introduce a global minimal corporate tax rate.

### **EU-US Trade and Technology Council – New forum for transatlantic cooperation**

*Briefing by Marcin Szczepanski, September 2021*

The establishment of the TTC has been widely welcomed as an important step towards bridging existing gaps and moving on with a forward-looking agenda, focused on strategic areas and new ways of cooperation. While

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there is a genuine will to work together on common challenges, some difficult issues such as unresolved issues from the past and different approaches to regulating digital markets persist, and it remains to be seen whether the TTC will lead to the creation of an ambitious joint policy that influences trade and technology worldwide.

### **Parliamentary Democracy in Action – Comparing the EP and five national parliaments**

*Study, EPRS, September 2021*

This study concentrates on some of the aspects discussed in the European Parliament President's Focus Group exercise, notably the organisation of plenary sessions, the exercise and protection of parliaments' prerogatives, parliamentary diplomacy and/or the communication capacity of parliaments. This present study seeks to address these areas, with the aim of identifying where best practice exists and where there might still be room for improvement.

### **Bilateral trade**

*EU-US explainer by Matthew Parry, July 2021*

The EU and the US are each other's biggest economic partners, but have not yet been able to conclude a free trade agreement. Politically sensitive bilateral trade issues include US access to EU agricultural markets, EU access to US public procurement markets, data privacy regulations, climate policies, and taxation and regulation of major – chiefly American – digital service providers in the EU market.

### **Resilient supply chains in the green transition**

*EU-US explainer by Gregor Erbach with Ann-Kathrin Merz, July 2021*

The green transition will increase demand for critical minerals, high capacity batteries, and semiconductors. Dependence on a few countries (e.g. China) for these critical inputs and technologies has sparked interest in policies to increase supply chain resilience, for instance through greater domestic production.

## **FURTHER READING**

### **The EU's international challenges**

*What Think Tanks are Thinking, Marcin Grajewski, April 2023*

### **NATO and European defence**

*What Think Tanks are Thinking, Marcin Grajewski, July 2022*

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